

Macro Roundup Article

Headline: [Jason Furman On CPI Report](#)

Article Link: <https://twitter.com/jasonfurman/status/1635628309391507457>

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Tweet: [@jasonfurman](#) notes that by every measure CPI inflation has peaked but CPI is "still way too high and no sign of falling...But for the banking turmoil this would have been a lock for a 50bp increase at the next mtg."

Summary: The broad story remains the same: goods prices are flat, but core services are rising strongly. (Overall CPI) has come down a lot from the scary times. Economists focus less on it because it is a poor indicator of the "signal" of what future inflation will look like. Every measure of CPI inflation is down from its peak over the summer, partly because some of that inflation was truly transitory and partly because the Fed's rate hikes has kept the economy from getting much hotter and kept long-run inflation expectations anchored. That is good. But, still way too high and no sign of falling. But for the banking turmoil this would have been a lock for a 50bp increase at the next mtg. I don't recommend or expect that to happen. But I would be surprised & disappointed if the Fed pauses after 2 hot CPI reports in a row.

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