

## Macro Roundup Article

**Headline:** [Powerful CPI](#)

**Article Link:** <https://moneyinsideout.exantedata.com/p/powerful-cpi>

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**Tweet:** The October CPI print supports an "immaculate disinflation" and likely means the policy rate has reached a local maximum. @GeneralTheorist

**Summary:** The October CPI in the United States might be the most important in confirming the unlikely immaculate disinflation that central bankers will have dreamt of since the pandemic—certainly, the “market” took the number as a strong signal that the hiking cycle may have come to an end. The October inflation print was consequential for three reasons: First, core was once more supported by negative prints in re-opening related items (used cars and trucks, -0.8% MoM; airfares, -0.9% MoM and hotels, -2.9% MoM) though somewhat offset by a positive print in medical services (+0.3% MoM for the second month running). Second, commodities ex. used cars and trucks was essentially flat—and has averaged -0.04% MoM over the past 5 months. Third, super core services (ex. housing, medical care, hotels, and airfares) slowed meaningfully to +0.39% MoM from +0.52% MoM in Sept, +0.57% MoM in Aug. and 0.71% MoM in July. This is the lowest monthly print since May and only the fourth time this is printed below 0.4% MoM since Dec. 2021. This is the most important signal from the October reading.

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**Primary Topic:** Business Cycle

**Topics:** Business Cycle, GDP, Inflation, Monetary Policy, Op-Ed/Blog Post, Weekly

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