

## Macro Roundup Article

Headline: **Doves Ascendant**

Article Link: <https://fedguy.com/doves-ascendent/>

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**Tweet:** .@FedGuy12 argues that the Biden Administration has tilted the Fed's leadership in favor of labor, and expects rate cuts as a dovish FOMC has a bias towards maximizing employment at the expense of their inflation target.

**Summary:** Monetary policy that more heavily weighs its employment mandate is one that creates right tail risks for inflation. While the 9% inflation of 2022 was obviously unacceptable to even the most dovish dove, the recent 3% prints present a much more ambiguous situation. The Fed's guidance of 3 rate cuts this year is easily justified amidst declining inflation, and the market's pricing of 5-6 cuts can be justified if job growth actually slows. This is a dovish Fed that has seen the benefits of a hot labor market and they likely are going to try to maintain it. A rise in asset prices and modest inflation may be a price they are willing to pay.

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**Primary Topic:** Inflation

**Topics:** GDP, Inflation, Monetary Policy, Op-Ed/Blog Post, Politics

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