

Macro Roundup Article

Headline: [Furman On CPI](#)

Article Link: <https://twitter.com/jasonfurman/status/1701944814592290998>

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Tweet: Core CPI grew at an annual rate 3.4% in August relative to <2% in the prior two months. @jasonfurman argues if September and October are in line with August the Fed should hike in December.

Summary: We had 2 consecutive unqualifiedly good CPI reports. I was hoping for a 3rd but this one is only qualifiedly good. Not a huge concern but some. I'm focused on core CPI which grew at a 3.4% annual rate after 2 months <2%. Here is swapping new rents instead of all rents for core. The most reassuring of the bunch because new rents are actually falling. Is a useful gut check but I would not actually assume that we're going to see substantial falls in all rents anytime soon. Overall I still feel better than I did a few months ago about the possibility of a soft landing. But I feel a bit worse than I did yesterday. And if you over-updated based on the noisy June and July data you should probably be over-updating back again based on the August data. One month of data will not and should not change what the Fed does next week. But if we get two more months like this then I would hope they hike again at the December meeting.

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Primary Topic: Inflation

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

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