

Macro Roundup Article

Headline: [From Stagflation to 'Immaculate Disinflation'](#)

Article Link: <https://www.nytimes.com/2023/02/10/opinion/inflation-unemployment.html>

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Publication	Krugman Wonks Out
Publication Date	February 13, 2023

Tweet: .@paulkrugman argues that while he's "cautious... about fully embracing the doctrine of immaculate disinflation, inflation does seem to be coming down as quickly and easily as it went up, and without too much economic pain."

Summary: A lot of effort has been going into estimating how many angels can dance on the head of a pin — I mean, "true" underlying inflation. Everyone working with the data these days knows that traditional core has become problematic in the plague years. The numbers have been buffeted by new sources of volatility, such as used car prices; the official measure of shelter prices, which mostly reflect rents but with a long lag, has been distorted by a huge rent surge in 2021-22 that ended months ago but is still filtering into the published numbers. The bigger picture is the speed with which inflation, however one imperfectly defines it, first soared, then plunged. My point is that we obviously aren't rerunning the '70s. While I'm cautious, on the other hand, about fully embracing the doctrine of immaculate disinflation, inflation does seem to be coming down as quickly and easily as it went up, and without too much economic pain.

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