

## Macro Roundup Article

**Headline:** [Global Views: A Global Perspective on Monetary Easing](#)

**Article Link:** <https://www.gspublishing.com/content/research/en/reports/2024/05/20/df8b9f3e-96e1-42fd-97d9-6b1c9064e9b6.html>

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**Tweet:** Jan Hatzius @GoldmanSachs argues US Q1 growth of 2.2% is “close to potential given the boost to labor force growth from the recent immigration wave,” and continues to forecast rate cuts in July and November.

**Summary:** We estimate that US GDP growth will slow from 4.1% in 2023H2 to 2.2% in 2024H1. This would have looked quite strong prior to the pandemic but is now close to potential given the boost to labor force growth from the recent immigration wave. By contrast, we estimate that growth in other G10 economies will pick up from an average of -0.4% in 2023H2 to an average of +1.2% in 2024H1. Using CPI, PPI, and import prices, we estimate that core PCE increased 0.26% month-on-month, a pace well below the 0.36% average of the prior three months but probably not sufficient for a July cut if maintained in May and June. However, we also estimate that the market-based core PCE index—which was noted by Fed Chair Powell in a talk last week and which excludes imputed items such as portfolio management services and gambling—rose just 0.18%, a pace that would be quite consistent with a July cut if maintained. We continue to forecast cuts in July and November, but the timing remains sensitive to upcoming data.

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**Primary Topic:** Business Cycle

**Topics:** Business Cycle, Financial Markets, GDP, Op-Ed/Blog Post, Weekly

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