

## Macro Roundup Article

**Headline:** [Jason Furman On CPI Print](#)

**Article Link:** <https://twitter.com/jasonfurman/status/1668600964822228992>

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**Tweet:** [. @jasonfurman argues that, with core inflation running at a 5% annualized rate, the Fed shouldn't pause. Even though today's report does offer evidence inflation is falling, he has "no confidence it is falling to 3% let alone 2%."](#)

**Summary:** Core inflation (which excludes food and energy) rose at about a 5% annual rate for a sixth straight month. But other measures of underlying inflation were much lower reflecting the outsized importance of shelter and used cars (again) this month. Some relief should be coming. Look at the BLS's most narrow measure, sometimes called "supercore," which also excludes shelter (which is lagging) and used cars (which are volatile and posted a big increase in May). At an annual rate: 1 month: 1.1% 3 months: 2.3% 6 months: 3.3% 12 months: 4.2%. What does all of this mean? The most standard measure of core inflation is running at a 5% rate. That almost certainly overstates current underlying inflation. But by how much? How much will it fall? I expect some but have no confidence it is falling to 3% let alone 2%. The Fed has strongly telegraphed a pause/skip & nothing about this will change that. But is mildly unfortunate. Over the last 3 months core CPI is 5.0% annual rate. The employment mandate is fine with 283K jobs per month. Both much hotter than expected. Ought to raise now.

**Primary Topic:** Inflation

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

**Permalink:** <https://www.edwardconard.com/macro-roundup/jasonfurman-argues-that-with-core-inflation-running-at-a-5-annualized-rate-the-fed-shouldnt-pause-even-though-todays-report-does-offer-evidence-inflation-is-falling-he-has-no-confidence-it?view=detail>

### Featured Image

**Link:** <https://www.edwardconard.com/wp-content/uploads/2023/06/Furman-CPI-Table-.jpg>