

Macro Roundup Article

Headline: [The Layers of Inflation Persistence](#)

Article

Link: <https://libertystreeteconomics.newyorkfed.org/2023/01/the-layers-of-inflation-persistence/>

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Tweet: [@NewYorkFed](#) notes evidence of an ongoing decline in core PCE inflation starting in September 2022, with the exception of housing costs.

Summary: We find evidence of a decline in the size of the persistent component of core PCE inflation starting in September 2022. The decline follows a long period of high and essentially constant inflation persistence. Dissecting the layers of aggregate inflation provides further insights: core goods and core services ex-housing have been moderating since early 2022, reflecting the evolution of the common component, while housing has continued to move up, driven by its own sector-specific trend. The chart below shows a sectoral decomposition of the increase in inflation from its pre-pandemic average. The chart shows that the persistent component of housing represents a fair amount of the overall increase in trend, comparable to the contribution of core goods and core services ex-housing.

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Primary Topic: Inflation

Topics: Factoid, GDP, Government/NGO, Inflation, Sell-by Date

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