EDWARD CONARD

TOP TEN The New York Times BESTSELLER

Macro Roundup Article

Headline: The Road to Disinflation

Article Link: https://www.apricitas.io/p/the-road-to-disinflation

Author(s)	Joseph Politano
Publication	Apricitas Economics
Publication Date	February 17, 2023

Tweet: .@JosephPolitano notes that short term inflationary expectations are still largely consistent with the Fed's target despite the Intercontinental Exchange’s inflation expectations index rising to almost 3% relative to 2.5% at the start of the year.

Summary: Market-based measures of 5-year inflation expectations are nearly square in the midrange of what would be consistent with the Fed’s target, and longer-run expectations actually remain below target. But the path to disinflation now looks longer and a bit bumpier than before. Revisions to seasonal adjustments have made recent inflation data look stronger than we thought, nominal income and spending growth remain elevated, and nearly all of the rate cuts previously expected for 2023 have been priced out by financial markets. Intercontinental Exchange’s inflation expectations index, derived from a variety of market data, now expects CPI inflation to end the year at nearly 3% instead of the 2.5% it expected in early January. Inflation may still not look permanent and structural, but it looks a bit more common and persistent.

Related Articles: nan

Primary Topic: Inflation

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

Permalink: https://www.edwardconard.com/macro-roundup/josephpolitano-notes-that-short-term-inflationary-expectations-are-still-largely-consistent-with-the-feds-target-despite-the-intercontinental-exchanges-inflation-expectations-index-rising?view=detail

Featured Image Link: https://www.edwardconard.com/wp-content/uploads/2023/02/Heres-A-Tip-.png