

## Macro Roundup Article

**Headline:** [Global Views: Cutting Through the Noise](#)

**Article Link:** <https://www.gspublishing.com/content/research/en/reports/2024/03/18/8a09fcde-5ec1-4d00-b84b-47de4aed72e0.html>

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**Tweet:** Jan Hatzius @GoldmanSachs raised his 2024 core PCE forecast to 2.4% and expects 75bps of cuts this year. GS's wage growth tracker has slowed down to 3.5%, consistent with the 2% inflation target and 1.5% productivity growth.

**Summary:** The US economy is still on track for a soft landing, defined as a return of inflation to 2% without a recession. The ongoing slowdown in wage growth fits well into this picture. It is visible across all three of the major wage measures. The employment cost index continued to slow meaningfully in Q4 (although Q1 won't be available until April 30). Average hourly earnings grew just 0.1% in February while January was revised down to 0.5%, keeping the downward trend in the year-on-year rate intact. And over the past two months, the Atlanta Fed wage growth tracker—which measures year-on-year changes in individual wages in the household survey—ran at the lowest rate since 2021. Moreover, forward-looking measures suggest that the slowdown has further to run. Both our wage survey tracker and the Indeed wage tracker—which is based on posted wages in job ads—are already consistent with a slowdown to 3½%, our estimate of sustainable wage growth at 2% inflation and 1½% productivity growth. Related: How Fast Can the Fed Ease? The Private Sector Response to Easier Conditions Will Be a Key Factor and U.S. Inflation Surged in January. Is It a Fluke? and Macro Outlook 2024: The Hard Part Is Over

**Primary Topic:** Business Cycle

**Topics:** Business Cycle, GDP, Inflation, Monetary Policy, Other Source, Wages/Income, Workforce

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