The monthly US consumer price index (CPI) combines the price of a basket of products, such as eggs and bread and gasoline. (A) Annualized monthly percent inflation, i.e., the difference of log-CPI multiplied by 12×100 (black line); a smooth estimate via local linear regression (red line). (B) The periodogram of inflation and its smooth estimate. Which best characterizes the behavior of the smoother?

A: Cycles longer than 2 months are removed
B: Cycles shorter than 2 months are removed
C: Cycles longer than 2 year are removed
D: Cycles shorter than 2 year are removed
E: Cycles longer than $(1/2)$ year are removed
F: Cycles shorter than $(1/2)$ year are removed