Inflation has eased, but will it last?

Sources: BLS, Haver Analytics
*Inflation measured using PCE
Oil prices are rising again and that will lift inflation.

Note: Oil price is that of West Texas Intermediate Oil

Sources: CME, EIA, Haver Analytics
Inflation has rotated from goods to services.

Sources: BLS, Haver Analytics
Rent inflation looks to ease.

Sources: FRB Atlanta, BLS, Haver Analytics
Services inflation supported by tight labor market.

Sources: BEA, BLS, Haver Analytics
Businesses scarred by years of labor shortages are reluctant to let go.

Sources: NFIB, Haver Analytics
On some margins labor market is loosening and wages are cooling.

Sources: FRB Atlanta, BLS, Haver Analytics
The economy has shown surprising resilience.

Sources: BEA, Wolter Kluwer, Haver Analytics

Percent Change

US Economic Growth: Forecasts vs. Data

Q1-2023 Q2-2023 Q3-2023 Q4-2023 Q4/Q4 2023

-1 0 1 2 3 4

December 2022 Forecast Data September 2023 Forecast
Resilient economy supports higher rates.

Federal Funds Rate

- Policy Interest Rate
- June 2023 FOMC Forecast
- September 2023 FOMC Forecast

Sources: FRB, Haver Analytics
Policy communication contributes to higher long-term rates.

Sources: FRB, Haver Analytics
Liquidity remains abundant.

Sources: FRB New York, Haver Analytics
Balance sheet run-off continues uninterrupted.

Sources: FRBNY