

Slides for Chicago Fed Academic Advisory Panel

From Tapering to Rate Hikes

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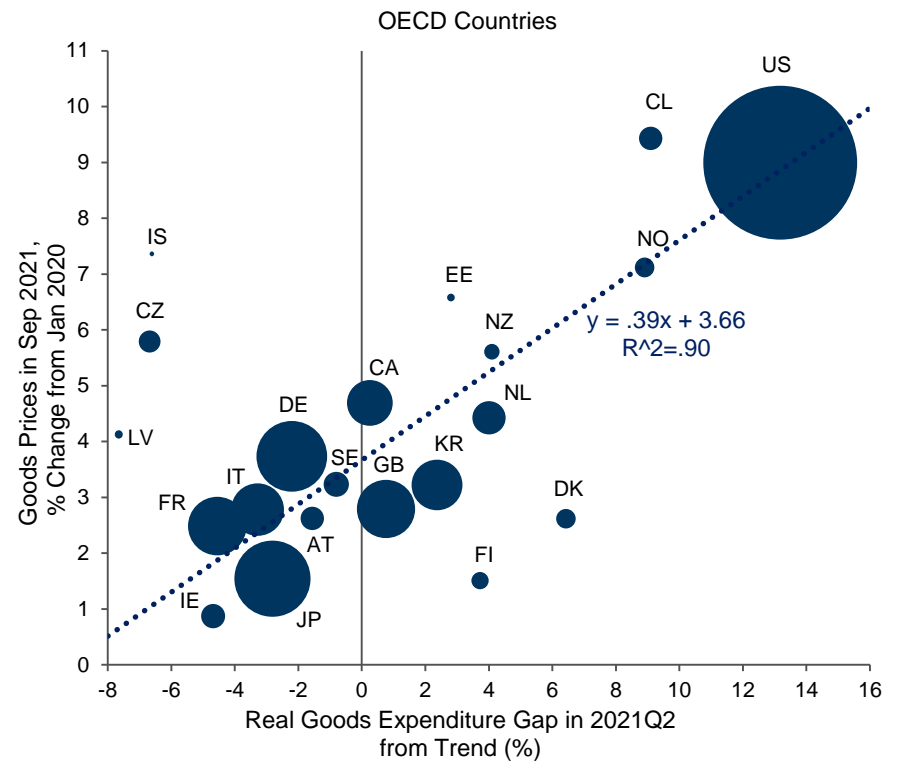
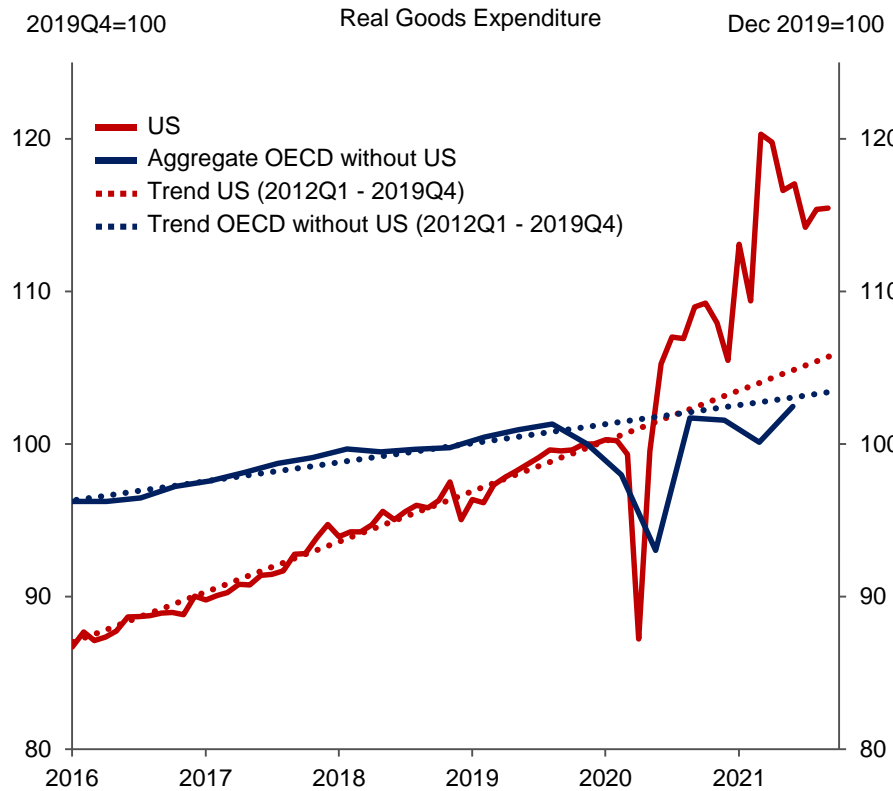
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Broad Data Set Will Look Strong When Tapering Ends

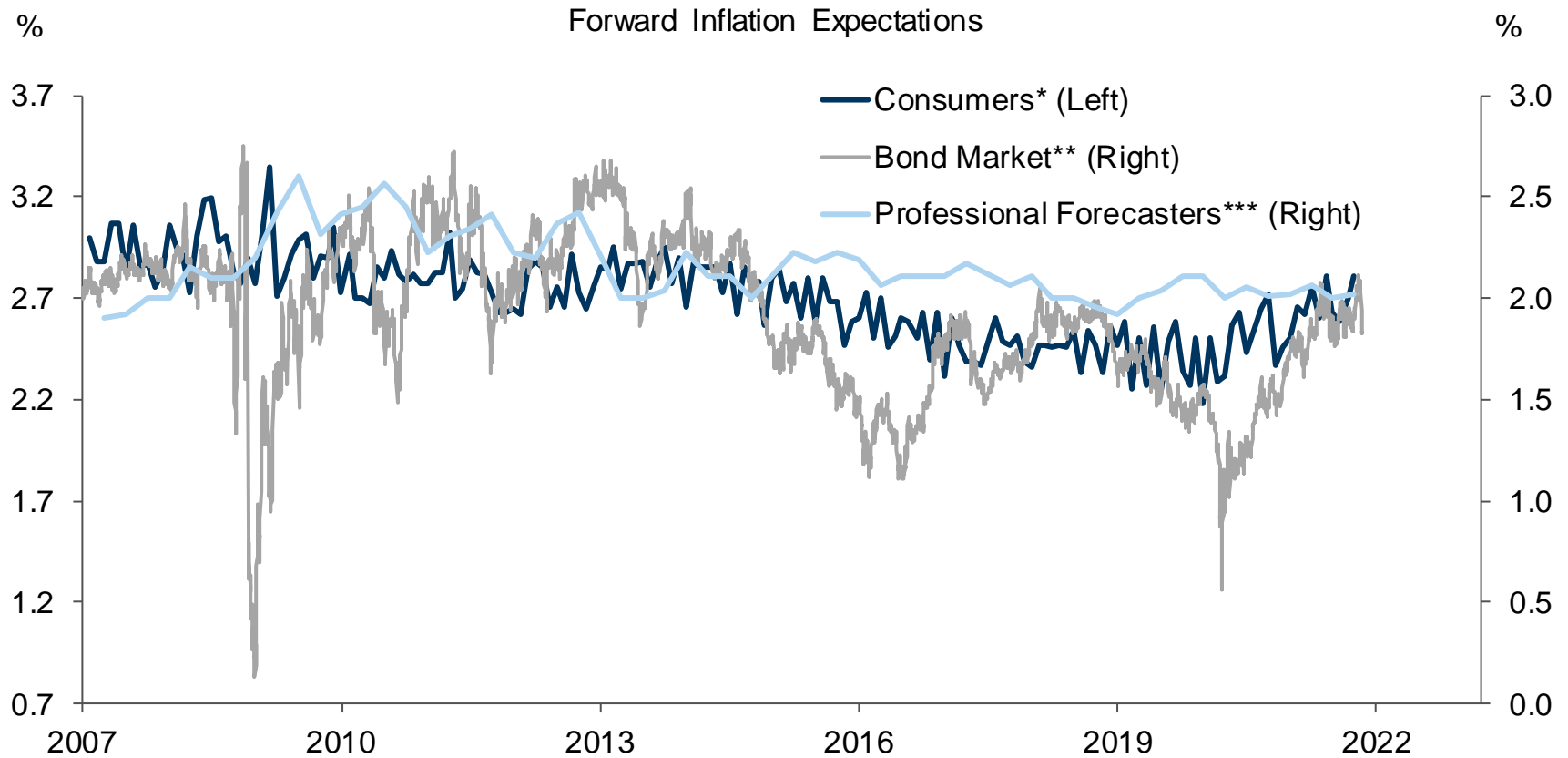
Latest Data Available at the July 2022 FOMC Meeting, GS Forecast

Indicator	Release	Units	July 2022 Forecast	2019 Average
Real activity				
GDP growth (GS Tracking Estimate)	2022Q2	%, QoQ AR	4.0	2.6
Unemployment rate (U3)	Jun-22	%	3.7	3.7
Unemployment rate (U6)	Jun-22	%	7.0	7.2
Employment-population ratio	Jun-22	%	59.7	60.8
Labor force participation rate	Jun-22	%	62.0	63.1
Prices				
Core PCE	May-22	%, YoY	3.4	1.7
Core CPI	Jun-22	%, YoY	4.1	2.2
Average hourly earnings	Jun-22	%, YoY	4.3	3.1

The US Is an Outlier on Both Goods Consumption and Goods Inflation



Forward Inflation Expectations Remain Consistent with 2% Target



*UMich 6.5y1y inflation expectations. Computed from the UMich 1-year and 5-10-year inflation expectations measures

**5y5y breakeven inflation. Subtracts 0.3pp (historical average CPI-PCE gap) for comparability with PCE inflation

***SPF 5y5y inflation expectations.

Disclosure Appendix

November 1, 2021

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