DECISION ECONOMICS, INC.
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New York: 212 884 9440
London: 011 44 20 7814 6706
Boston: 617 994 0500
Email: decisioneconomics@pdeeco.com

Pierre Ellis

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CPI

The headline March CPI meets expectations, rising 0.5% (Consensus and Decision Economics: +0.5%), but with the ex-food-and-energy, "core," index milder than expectations, with a 0.1% increase (Consensus and Decision Economics: +0.2%).

The core figure reflected a 0.1% rise in core goods prices and 0.2% rise in core services prices. No individual product prices, on either side, showed any clear break from recent behavior.

This status-quo picture--sustaining, and extending, the slow-growth pattern seen even for some tough-nut services categories--tuition (+0.3%), medical-care services (+0.1%)--will reassure Fed doves in their confidence that slack, particularly labor-market slack, is restraining inflation, now, and for some time to come.

Hawks, while relieved for the moment, will still believe that the window for an orderly normalization of monetary policy--without taking serious risk of inflation two years out--is closing fast.

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