

Inflation Worries: Real or Imagined?

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The Federal Reserve is standing firmly behind its view that, despite April's CPI increase of 4.2%, the highest since 2008, any inflation will be transitory. But some observers worry that pent-up consumerism will create inflation akin to the 1970's.

In a thought piece published last month entitled "Why Our Managers Disagree on Inflation, Interest Rates and Growth," Franklin Templeton's strategists agreed prices were on the rise but questioned whether this was "cyclical" (moving with markets) or "secular" (a long-term event).

The Fed sees a wide variety of data, including very depressed sectors. Unemployment remains almost double of pre-Covid levels...

?? Read May 17 2021 newsletter: [here](#)

?? Chart of the Week: [here](#) (by World Bank, FRED, Federal Reserve Bank of St. Louis)

(Past performance is no guarantee of future results.)