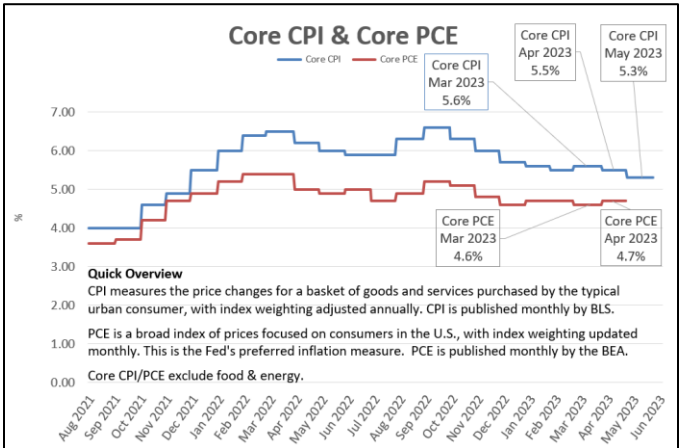


Website, Homepage
Left-Hand Column
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Our Opinion

The May CPI report posted this morning and core came in at 5.3%, not significantly different than the last two months.



The FOMC meets today and tomorrow, culminating with a decision about Fed Funds.

Will the FOMC hike or pause?

Both options are on the table.

As persistent as inflation has been, so has the Fed's commentary about addressing inflation with potentially more rate hikes, an action dependent upon what was then upcoming data, including May's jobs report and May's CPI report.

Both have come in strong.

On 6/2/23, the May jobs report posted 339,000 in job growth (median consensus was 180,000).

Today, the core CPI numbers remained stubbornly high.

	Dec	Jan	Feb	Mar	Apr	May
Inflation						
Core CPI	5.7%	5.6%	5.5%	5.6%	5.5%	5.3%

Tomorrow, the FOMC must decide.

Although a pause is just as likely as a rate hike, we are expecting the Fed to continue to address demand with a 25bp rate hike.

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