Two Measures for the Fed and Investors
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With inflation in excess of 5% in each of the last 5 months, two measures would have been helpful for the Fed and investors in prior months. To be sure, they should influence Fed and investor decisions going forward.

They include Center for Financial Stability (CFS) Divisia M4- and global inflation diffusion indexes that analyze price and expectation signals in 49 countries.

Figure 1. Monthly monetary growth hit records and remains high, (CFS) Divisia M4-, seasonally adjusted

Source: Bloomberg LP and Center for Financial Stability.
Figure 2. Diffusion Index of Every Inflation Release relative to Previous (through 10/31/21)

Source: Bloomberg LP and Globalecon LLC.

Figure 2. Diffusion Index of Every Inflation Release relative to Expectations (through 10/31/21)

Source: Bloomberg LP and Globalecon LLC.
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