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## **Inflation will remain elevated above the Fed's 2% target, MRB Partners says**

Wall Street could be mistaken in its hope that a recent uptick in inflation is an irregularity as opposed to a longer and more worrying trend, according to MRB Partners.

"The prevailing consensus is that inflation's recent pickup is an anomaly, and that inflation will return to its low pre-pandemic run-rate ahead," the firm wrote on Wednesday. "The last three CPI reports support MRB's view that the consensus is mistaken."

Instead, inflation will likely run at a 3% to 4% clip, according to MRB. The Federal Reserve's preferred inflation gauge, the personal consumption expenditures index, will also "reaccelerate later in the year," the firm notes.

"Unlike the Fed and the consensus, we believe that ultimately economic growth matters greatly for inflation," the independent research firm said.

— Brian Evans