

The 5 Year Inflation-Indexed Treasury Note Has An Interest Rate of -1%

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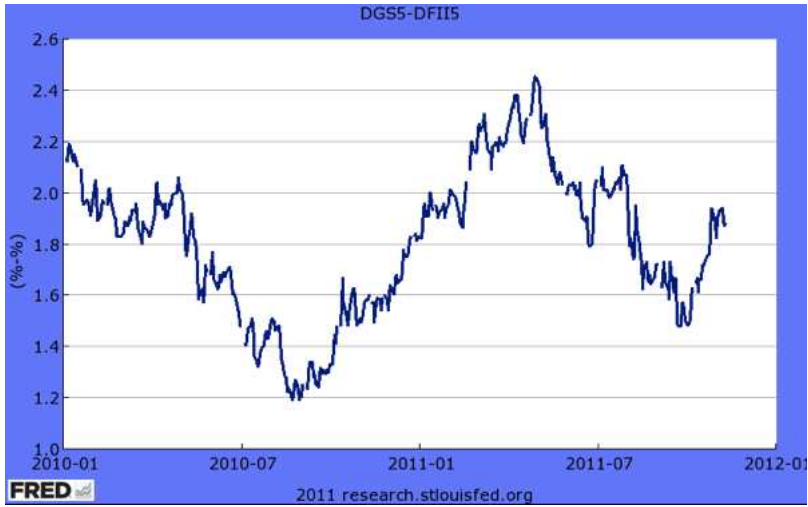
Could somebody please stop the stupidity from the Federal Reserve Bank of Richmond?
It burns!

Eric Morath and Luca di Leo:

[Fed's Lacker: U.S. Inflation Still Too High at 3.5%](#): Federal Reserve Bank of Richmond President Jeffrey Lacker said Wednesday that inflation is still rising too quickly, signaling continued opposition to any Fed move to provide more monetary stimulus. Consumer prices growing by 3.5% in the past year "is too high," Lacker said following a panel discussion at a Cato Institute event. "I remain apprehensive about inflation risk."

Data earlier Wednesday showed consumer prices fell by 0.1% in October from September ... He will get to vote on the Fed's policy-setting body in 2012 ...

When nominal GDP is running 10% below its trend, and when market expectations of inflation over the next five years are below 2%/year, there is no reason for anyone in contact with reality to be apprehensive about inflation risk:



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