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UNITED STATES

Listen: Inflation Blues

It gave B.B. King [the blues](#). And Larry Summers is getting worried about it, too. Inflation in the US is set to rise in the coming months, fuelled by an economic reawakening and massive fiscal stimulus. Will the Federal Reserve be forced to respond? [In this podcast](#), ING's James Knightley takes a look



The White House has defended its \$1.9 trillion Covid relief plan following criticism that the package is too big and risks fuelling inflation.

In a [Washington Post op-ed](#), Larry Summers, Treasury Secretary under Bill Clinton and a former economic adviser to President Obama, argued that the Biden Administration's fiscal stimulus risks setting off "inflationary pressures of a kind we have not seen in a generation, with consequences for the value of the dollar and financial stability."

Treasury Secretary Janet Yellen says while accelerating inflation is a risk, it's one worth taking given the scale of the economic damage. And Federal Reserve Chairman Jerome Powell seems to agree, arguing that upward price pressures [will be "neither large nor sustained."](#)

[In this podcast](#), ING's Chief International Economist James Knightley tells Senior Editor Rebecca Byrne where he thinks inflation is heading in 2021 and beyond.

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