

A Slide in Oil Prices Could Bode Good News For Inflation, Mark Newton Says

As the U.S. continues building up its energy infrastructure and China's recovery remains fragile, oil prices could decline much further, which could translate to lower inflation, Fundstrat Head of Technical Strategy Mark Newton said.

"That's gonna have a very much positive impact on inflation to the downside," Newton said on Fox's *Mornings with Maria* with Maria Bartiromo. He estimates that oil prices could go down to \$50 a barrel, representing a decline of almost 30% from Wednesday morning levels.

Economic data on Wednesday showed that inflation in February rose less than expected, edging up 0.2% from the month before and 2.8% from a year ago.

Investors have become increasingly worried this year about tariffs and its fall out on consumer spending and corporate pricing power. Some are worried that companies would only be able to absorb so many price increases before passing down costs to consumers. That could threaten to fan inflation, which has already been sticky since late 2024.

Newton, however, encouraged investors to focus on other positive factors that could offer a reprieve to consumers, pointing to declining interest rates helping more homeowners refinance and prospective homeowners to afford a home.

"The consumer is clearly unsettled, however, many are paying attention to the wrong things," Newton said. "They are considering the growth scare but they haven't considered that interest rates have actually fallen 70 basis points in the last few months."

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