

## Data Insights: Consumer Price Index, Producer Price Index

Wednesday, December 17, 2014

### Today's CPI data: what you need to know

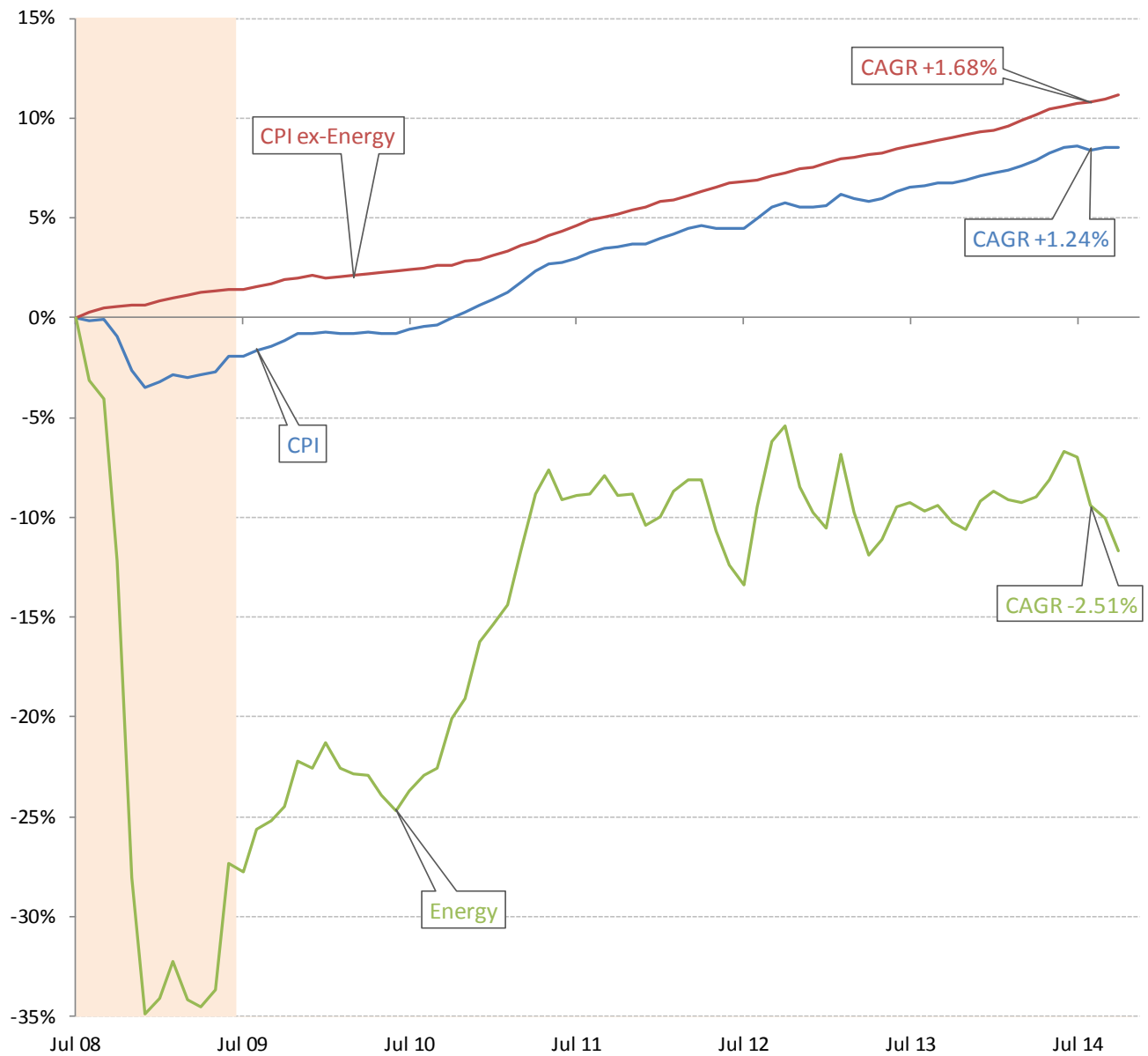
	12-mo YOY	3-mo ann	1-mo ann	12 / 3/ 1-mo	12-mo YOY history
All items	+1.3%	-0.7%	-3.0%		
Core	+1.7%	+1.7%	+0.9%		
OER	+2.7%	+2.9%	+3.0%		
All less OER	+1.1%	-1.3%	-4.1%		
Core less OER	+1.2%	+1.0%	-0.2%		
Energy	-4.9%	-22.7%	-37.1%		
All less energy	+1.9%	+1.8%	+1.1%		
Food	+3.1%	+2.9%	+3.2%		
All less food	+1.0%	-1.2%	-3.9%		
Health care	+2.5%	+3.1%	+5.5%		
All less health care	+1.2%	-1.0%	-3.7%		

Source: BLS Consumer Price Index, TrendMacro calculations

#### For more information contact us:

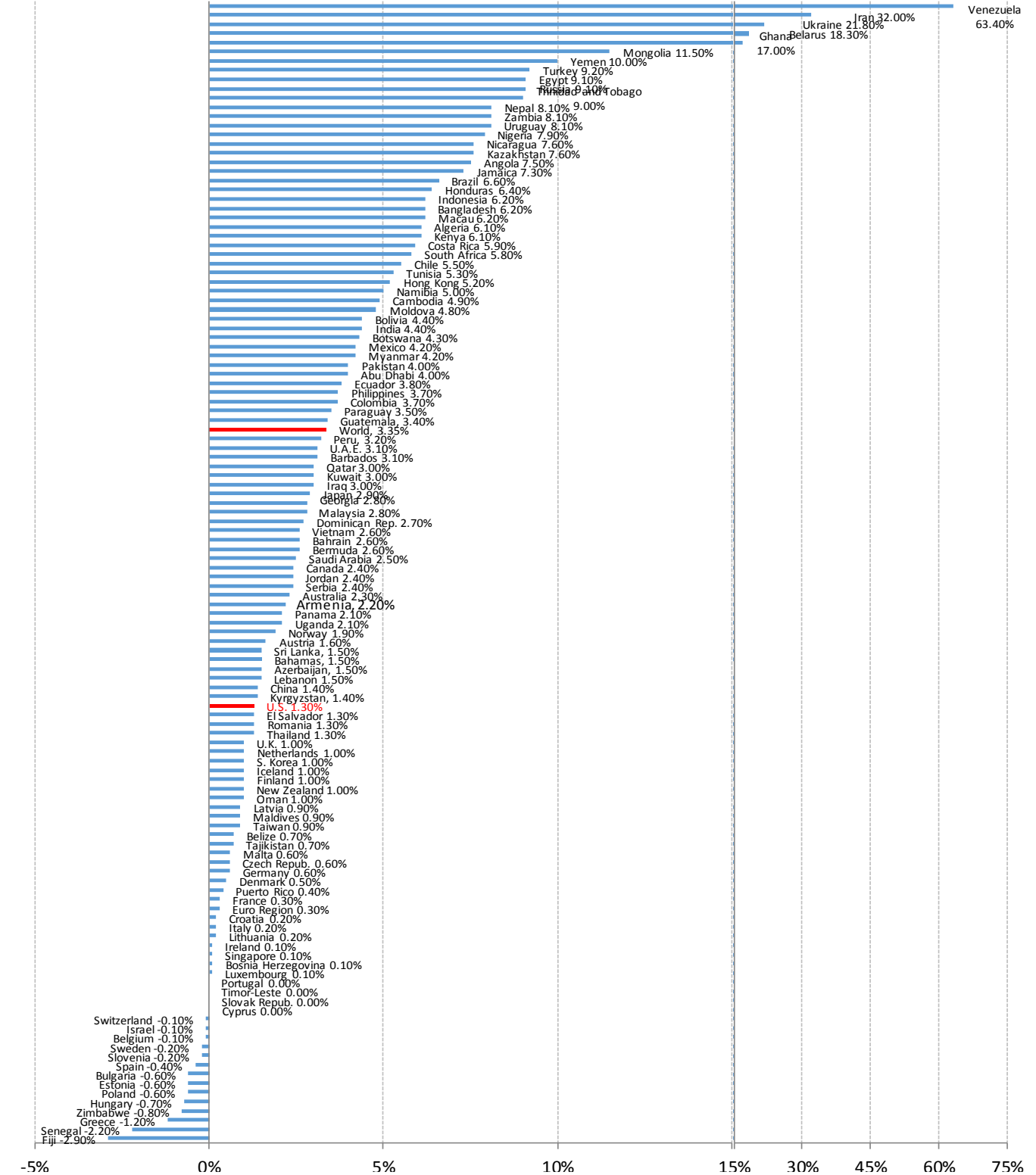
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The deflation delusion: it's all about oil, and always has been  
Cumulative growth of CPI from July 2008, the all-time high oil price



Source: Bloomberg, TrendMacro calculations

# World round-up: CPI year-on-year



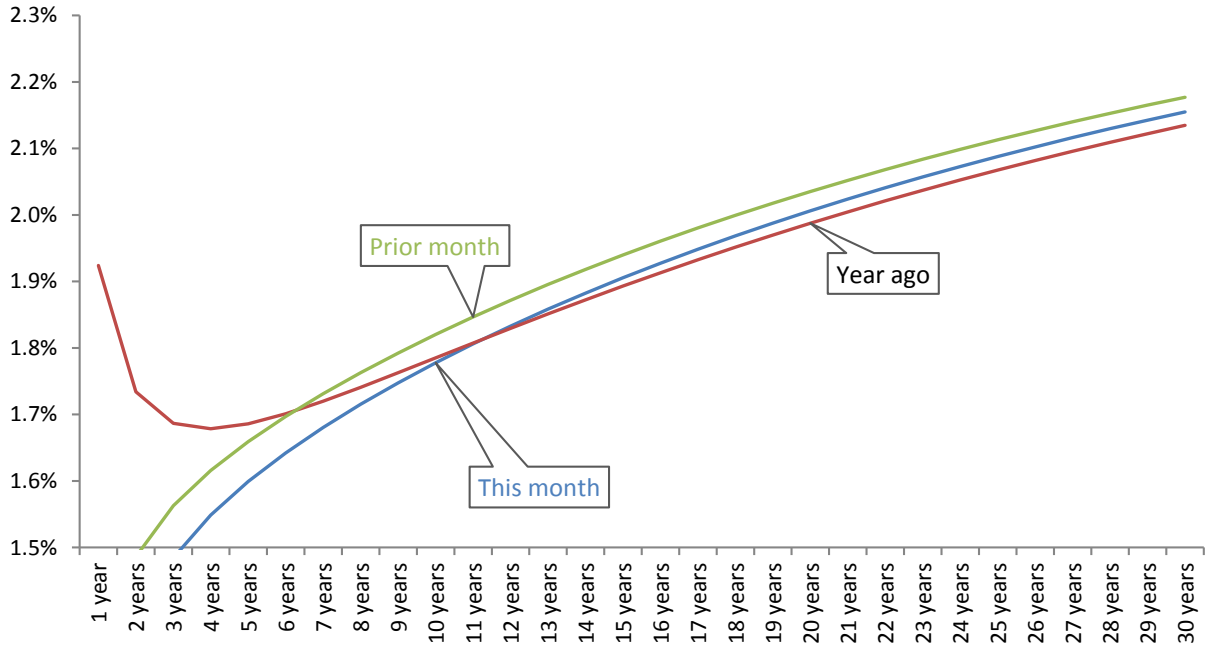
Source: Bloomberg, TrendMacro calculations

## TIPS-implied 5-year inflation, 5 years forward



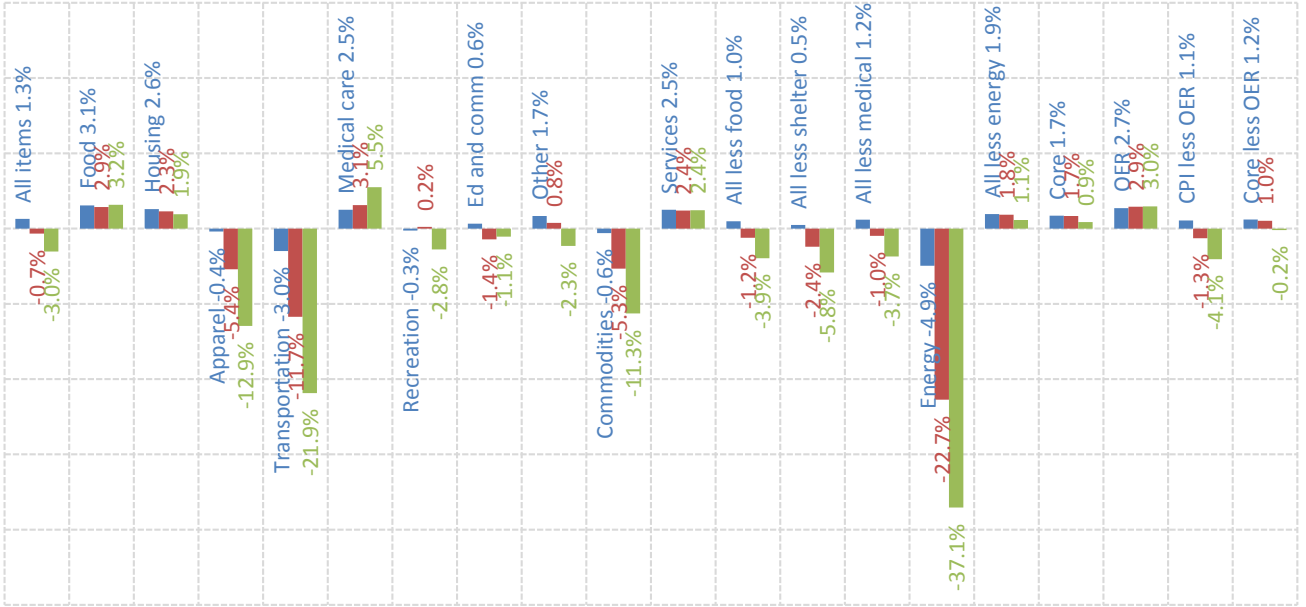
Source: Bloomberg, TrendMacro calculations

## Implied inflation yield curve, per annum



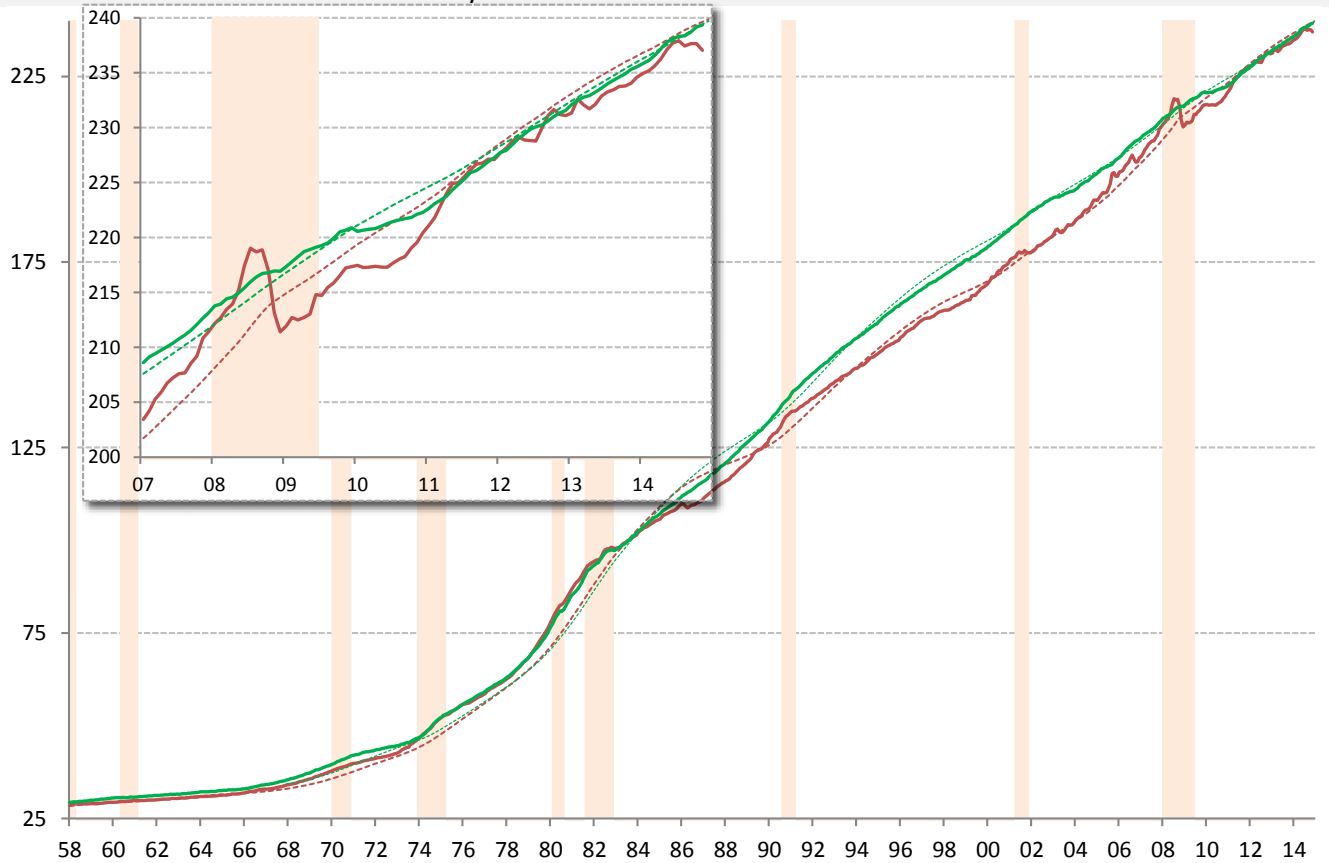
Source: Cleveland Fed, TrendMacro calculations

US CPI inflation by sector (SAAR) ■ 12-month ■ 3-month ■ 1-month



Source: BLS Consumer Price Index, TrendMacro calculations

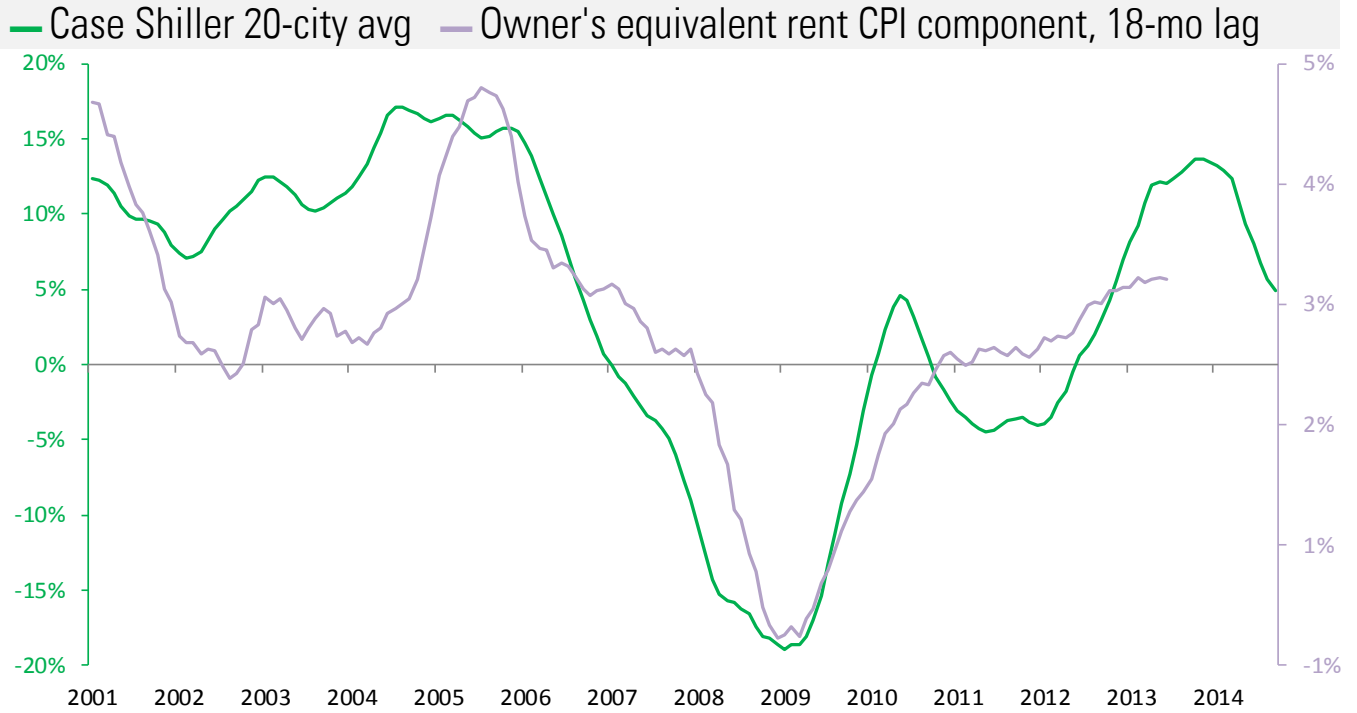
US CPI Core — Level ... 20-year trend ■ Recession



Source: BLS Consumer Price Index, TrendMacro calculations

## Housing leads US CPI

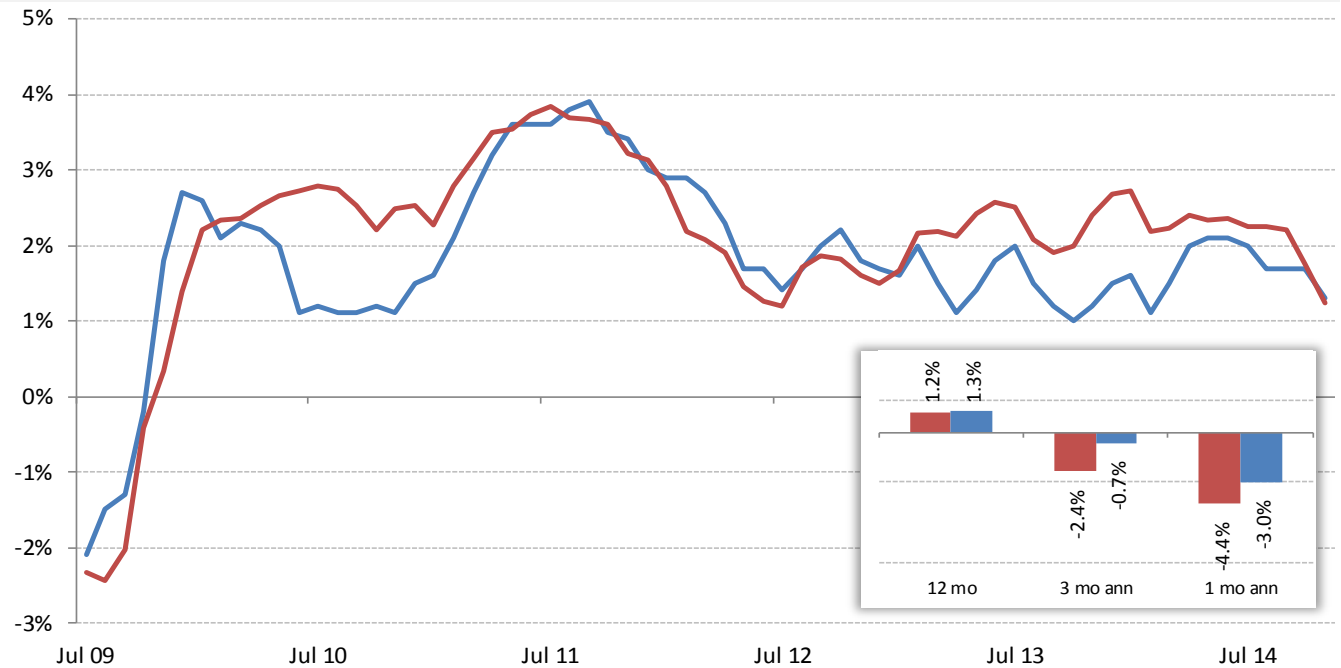
Year-over-year change



Source: BLS, Standard & Poor's Case Shiller, TrendMacro calculations

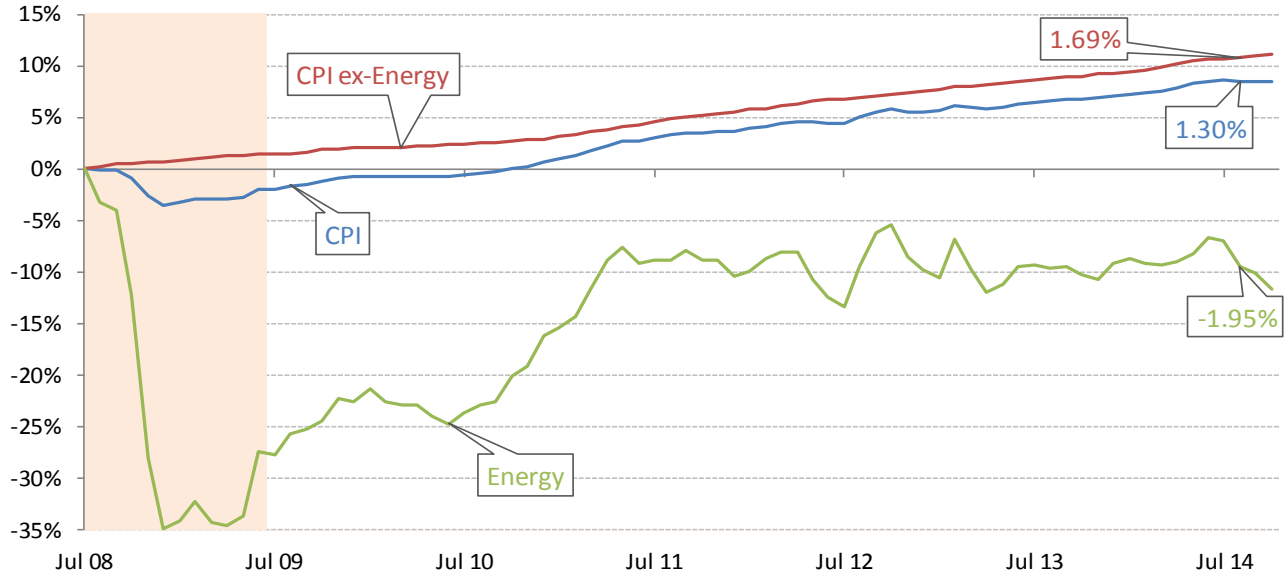
## Does the Internet know more than the US Labor Department?

YOY inflation: — MIT Billion Prices Project — CPI



Source: BLS, BEA, TrendMacro calculations

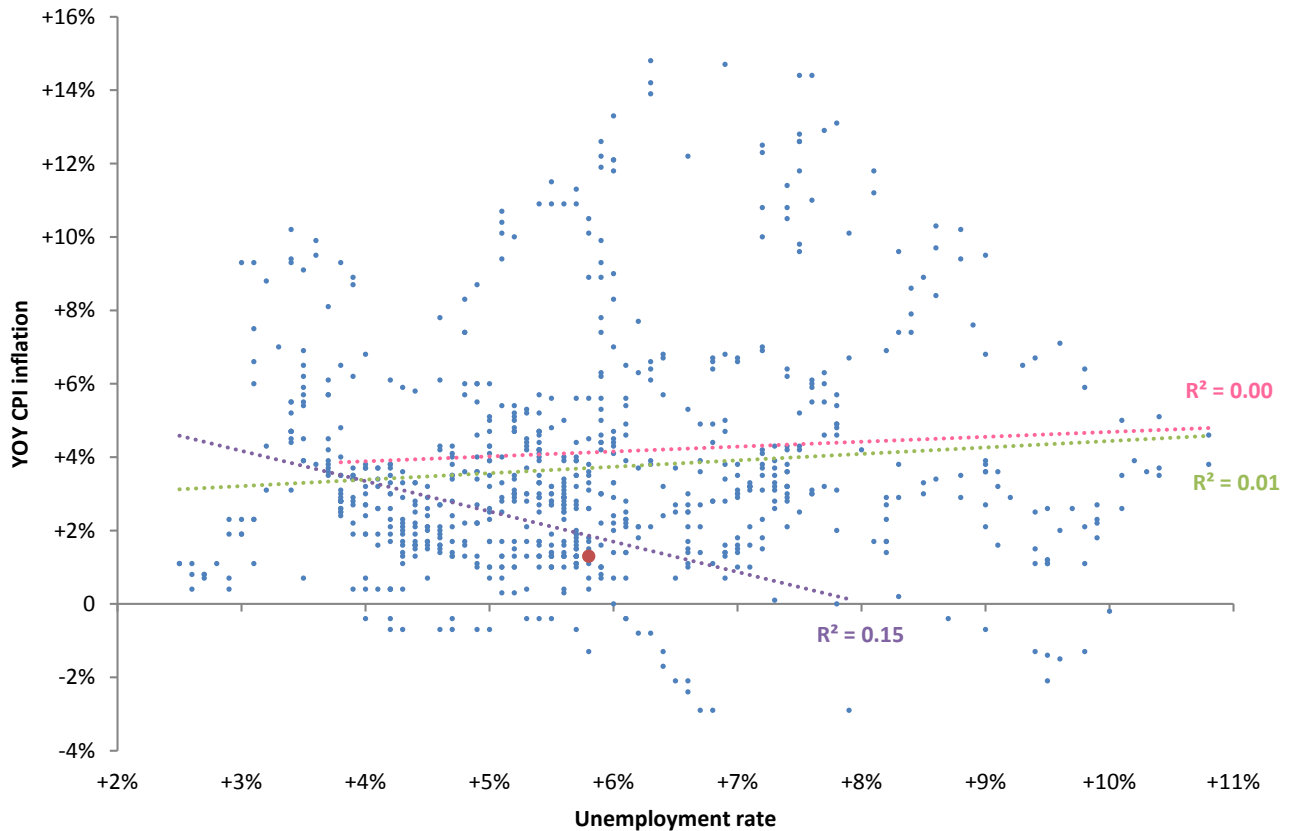
## The deflation hoax: CPI inflation from July 2008 (peak oil price), cumulative and CAGR



Source: BLS Consumer Price Index, TrendMacro calculations

## The world is flat: the vanishing Phillips Curve

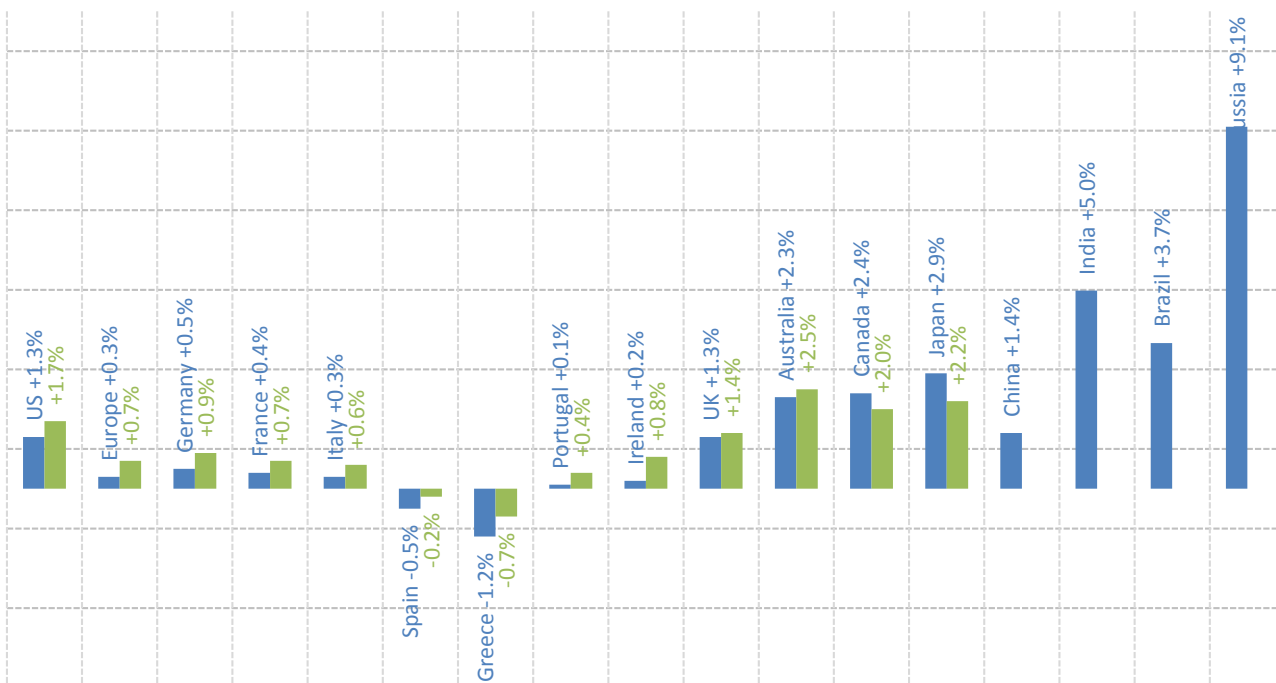
● Latest Linear trend: ● Pre-74 ● Post-74 ● All



Source: BLS Consumer Price Index, Current Population Survey

## Major economies CPI, year on year

■ Headline ■ Ex-food and energy



Source: Respective Statistical agencies, TrendMacro calculations

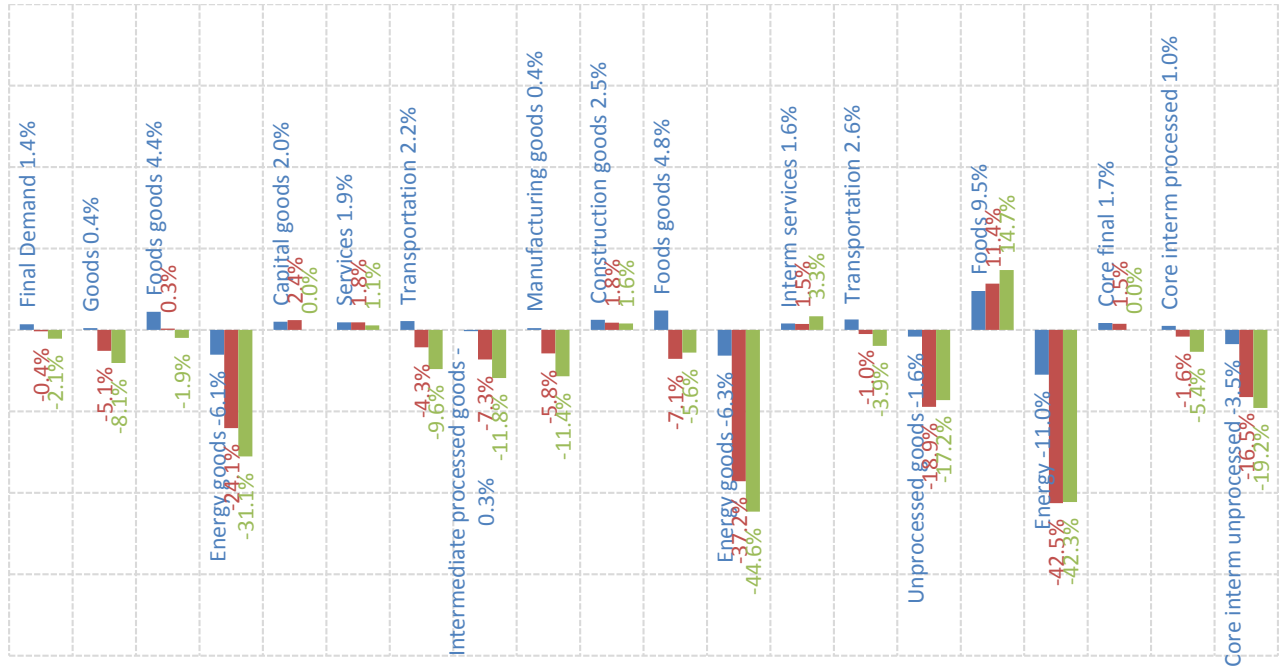
## PPI data: what you need to know

	12-mo YOY	3-mo ann	1-mo ann	12 / 3/ 1-mo	13-mo YOY history
Final demand	+1.4%	-0.4%	-2.1%		
Core	+1.7%	+1.5%	unch		
Intermediate processed	-0.3%	-7.3%	-11.8%		
Core	+1.0%	-1.6%	-5.4%		
Intermediate unprocessed	-1.6%	-18.9%	-17.2%		
Core	-3.5%	-16.5%	-19.2%		

Source: BLS Producer Price Index, TrendMacro calculations

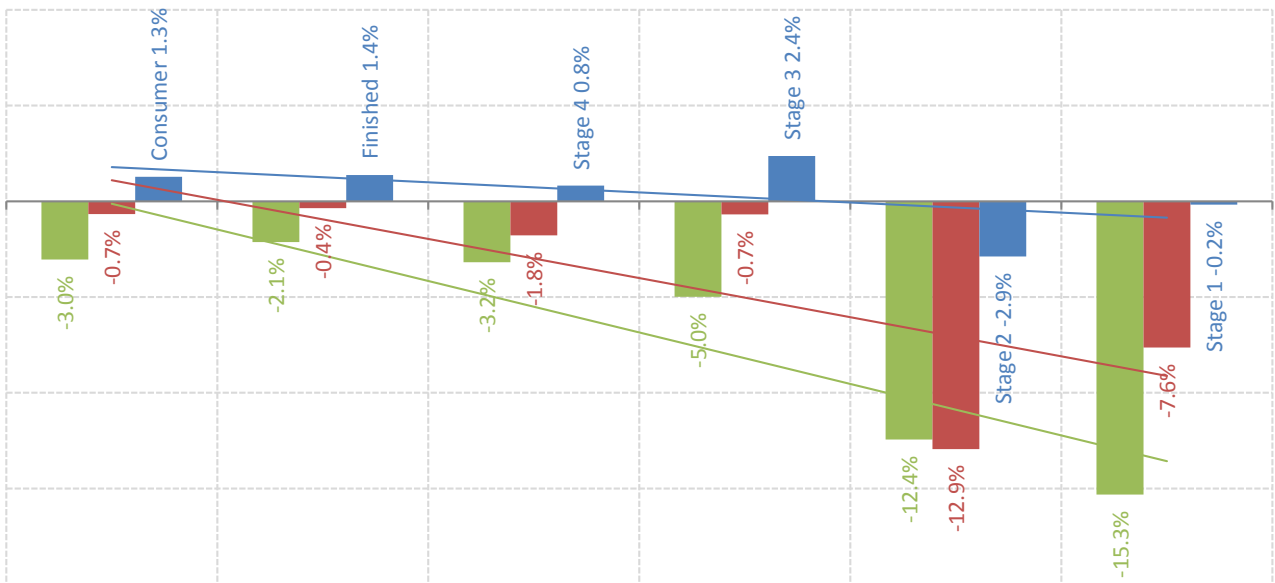


## PPI inflation by sector (SAAR) ■ 12-month ■ 3-month ■ 1-month



Source: BLS Producer Price Index, TrendMacro calculations

## The inflation pipeline (SAAR) ■ 12-month ■ 3-month ■ 1-month



Source: BLS Producer Price Index and Consumer Price Index, TrendMacro calculations