


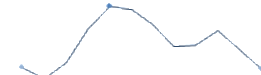

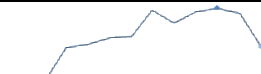



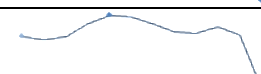

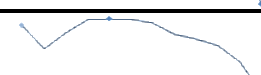

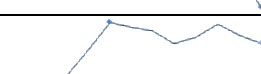

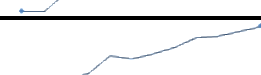

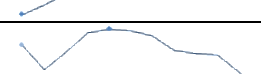



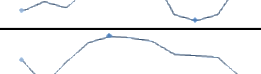


## Data Insights: Consumer Price Index, Producer Price Index

Friday, January 16, 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	+0.7%	-2.5%	-4.4%		
Core	+1.6%	+1.1%	+0.0%		
OER	+2.6%	+2.6%	+1.9%		
All less OER	+0.3%	-3.5%	-5.6%		
Core less OER	+1.0%	+0.3%	-1.1%		
Energy	-10.8%	-34.5%	-44.0%		
All less energy	+1.9%	+1.3%	+0.5%		
Food	+3.2%	+2.6%	+2.7%		
All less food	+0.2%	-3.3%	-5.6%		
Health care	+3.0%	+4.4%	+5.8%		
All less health care	+0.5%	-3.0%	-5.2%		

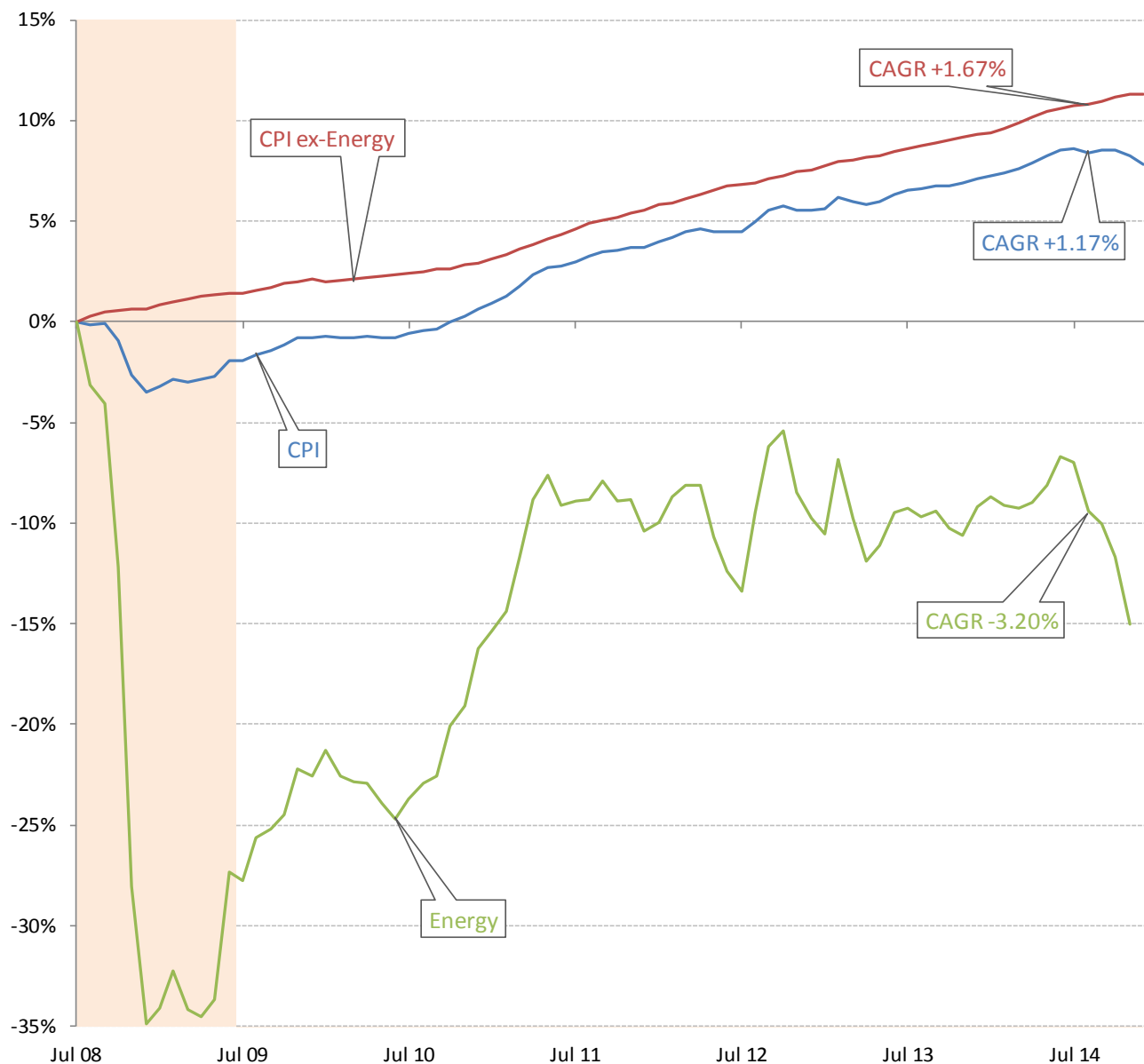
Source: BLS Consumer Price Index, TrendMacro calculations

#### For more information contact us:

Donald Luskin: 312 273 6766 [don@trendmacro.com](mailto:don@trendmacro.com)  
 Thomas Demas: 704 552 3625 [tdemas@trendmacro.com](mailto:tdemas@trendmacro.com)

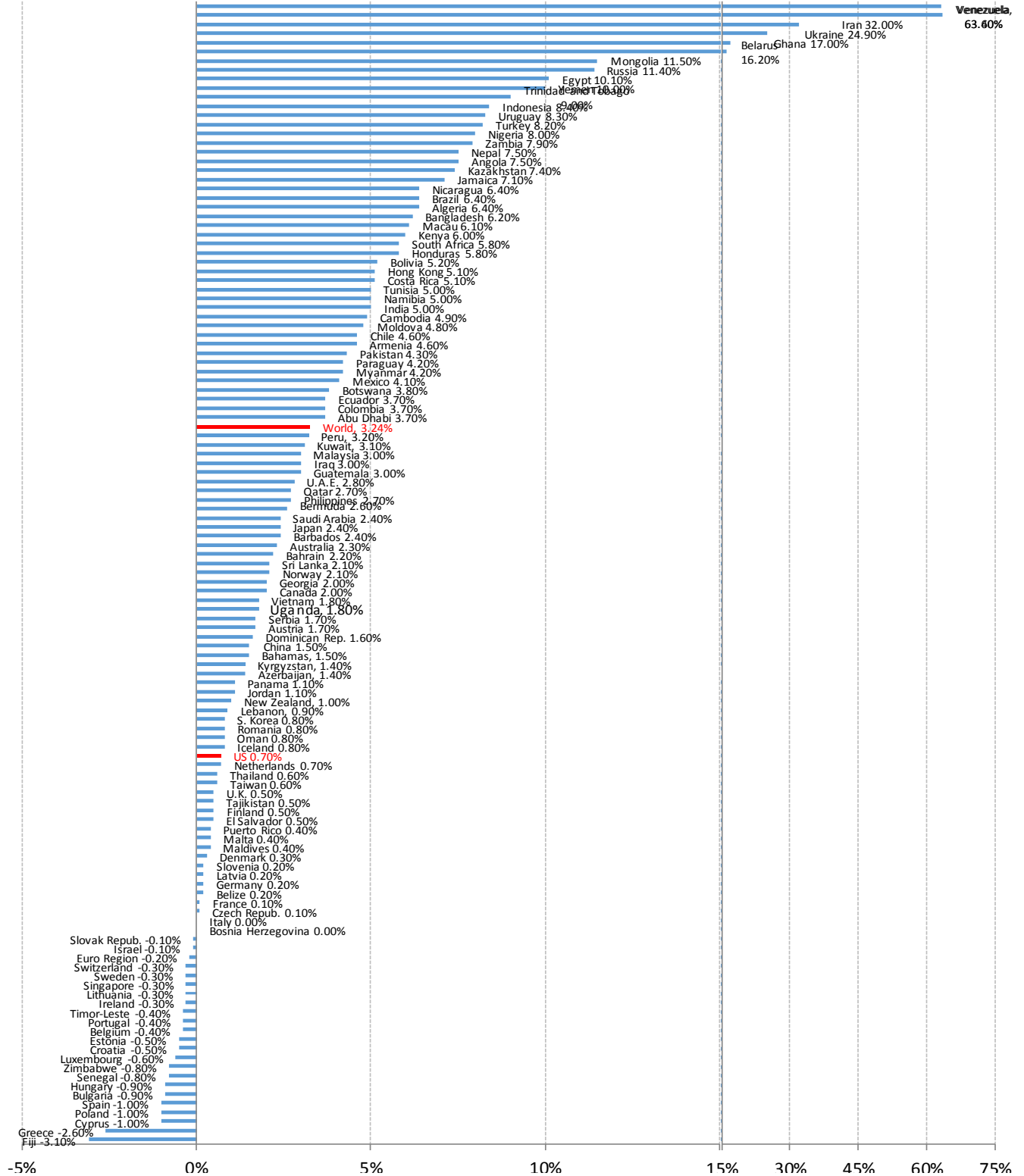
# The deflation delusion: it's all about oil, and always has been

## Cumulative growth of CPI from July 2008, the all-time high oil price



Source: Bloomberg, TrendMacro calculations

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



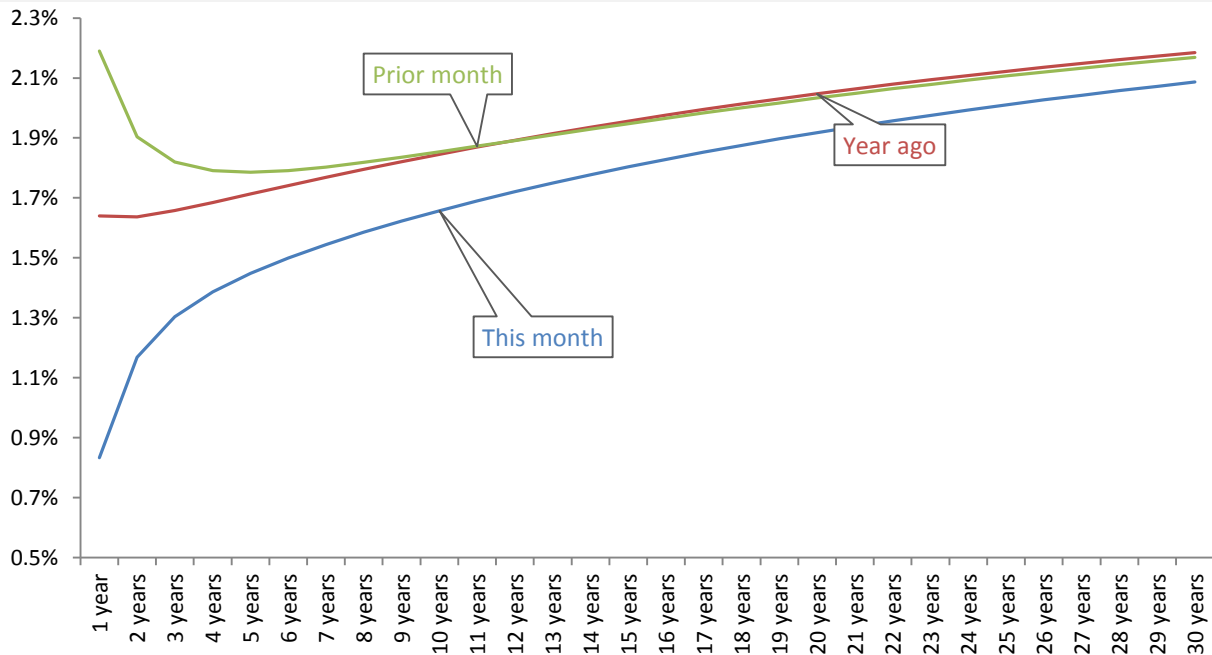
Source: Bloomberg, TrendMacro calculations

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



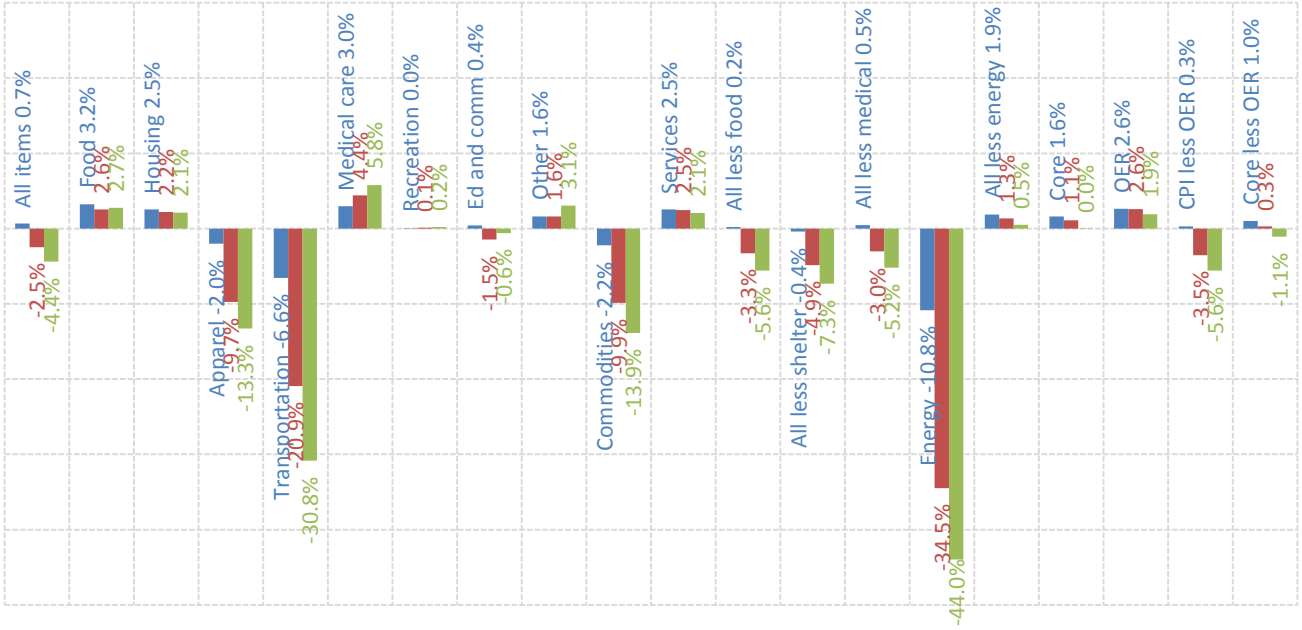
Source: Bloomberg, TrendMacro calculations

## Implied inflation yield curve, per annum



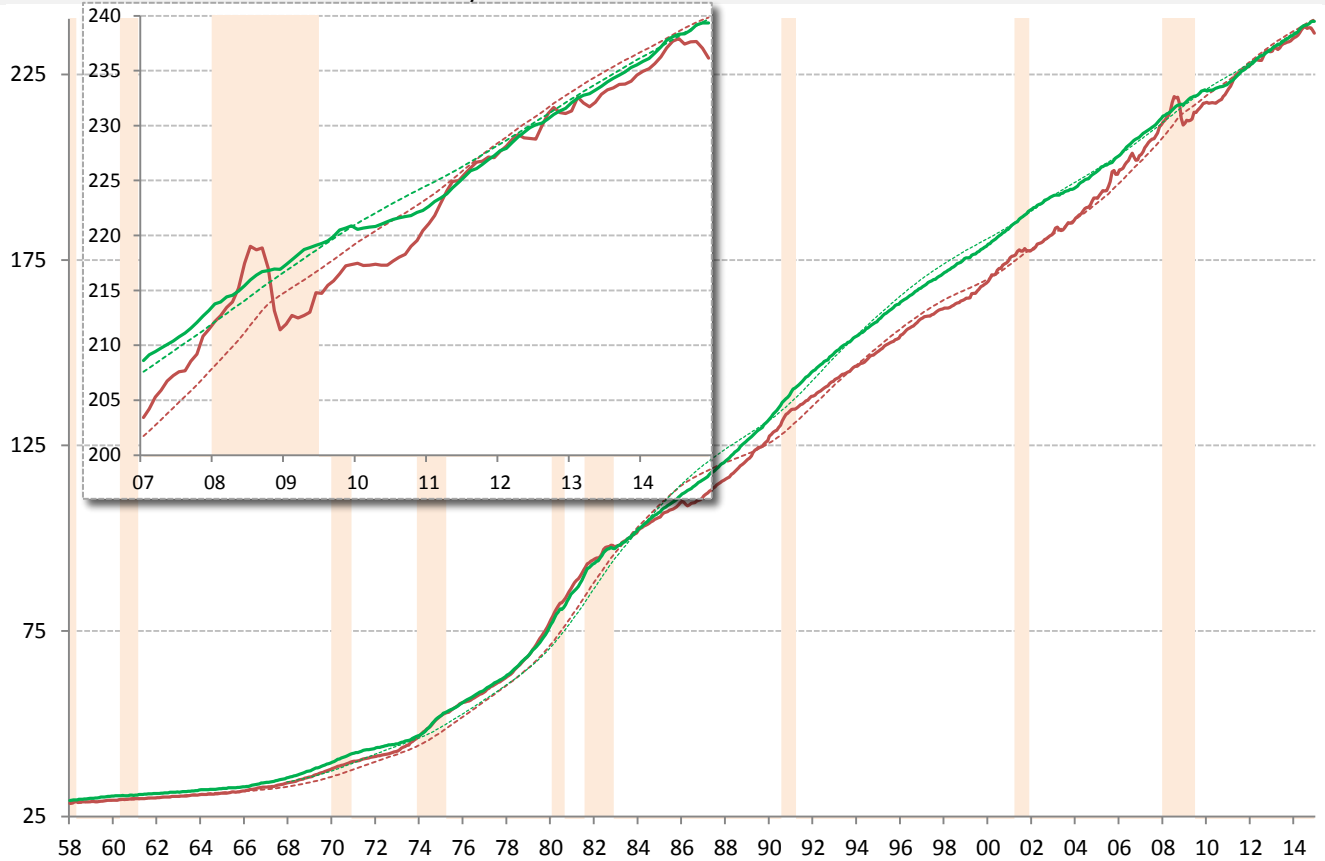
Source: Cleveland Fed, TrendMacro calculations

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



Source: BLS Consumer Price Index, TrendMacro calculations

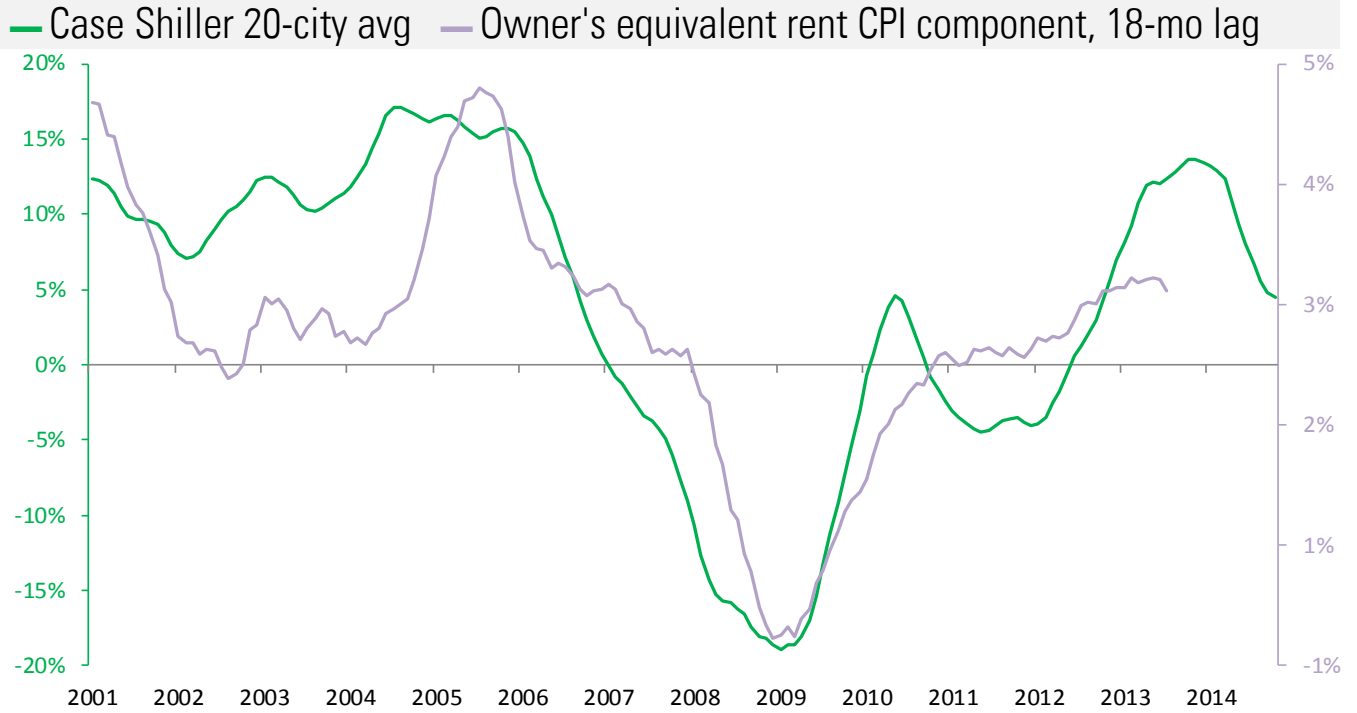
## US CPI Core — Level ... 20-year trend ■ Recession



Source: BLS Consumer Price Index, TrendMacro calculations

## Housing leads US CPI

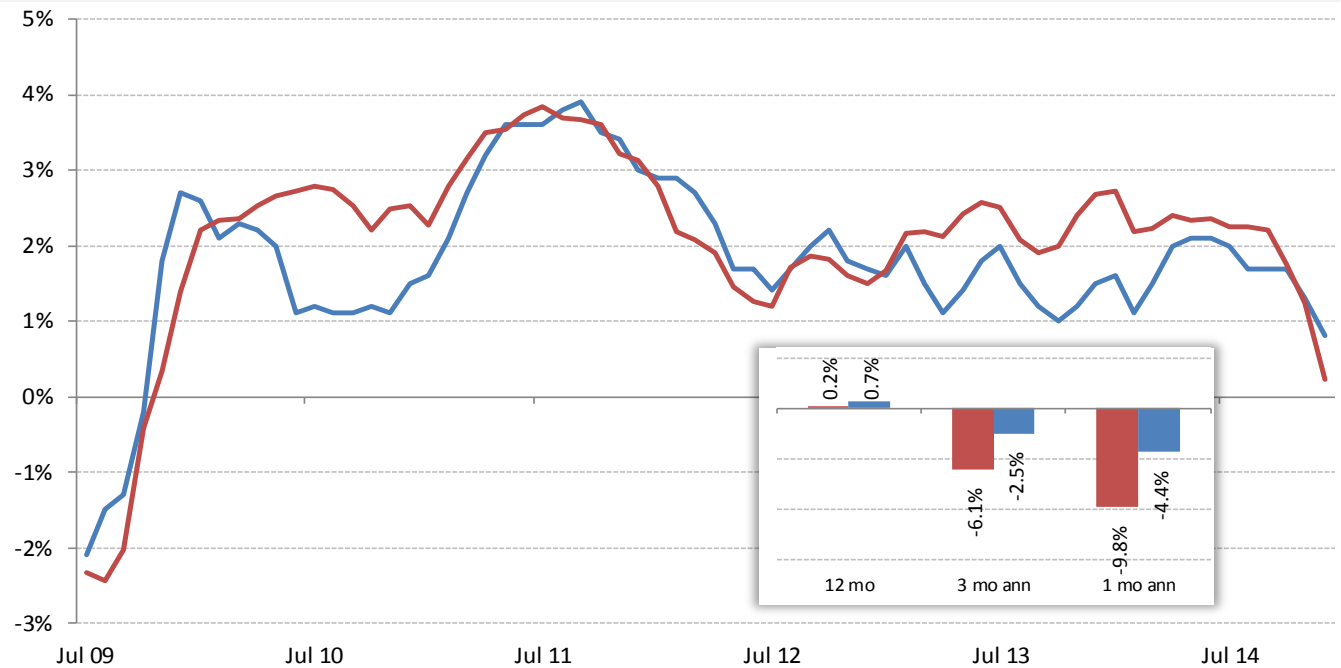
Year-over-year change



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

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

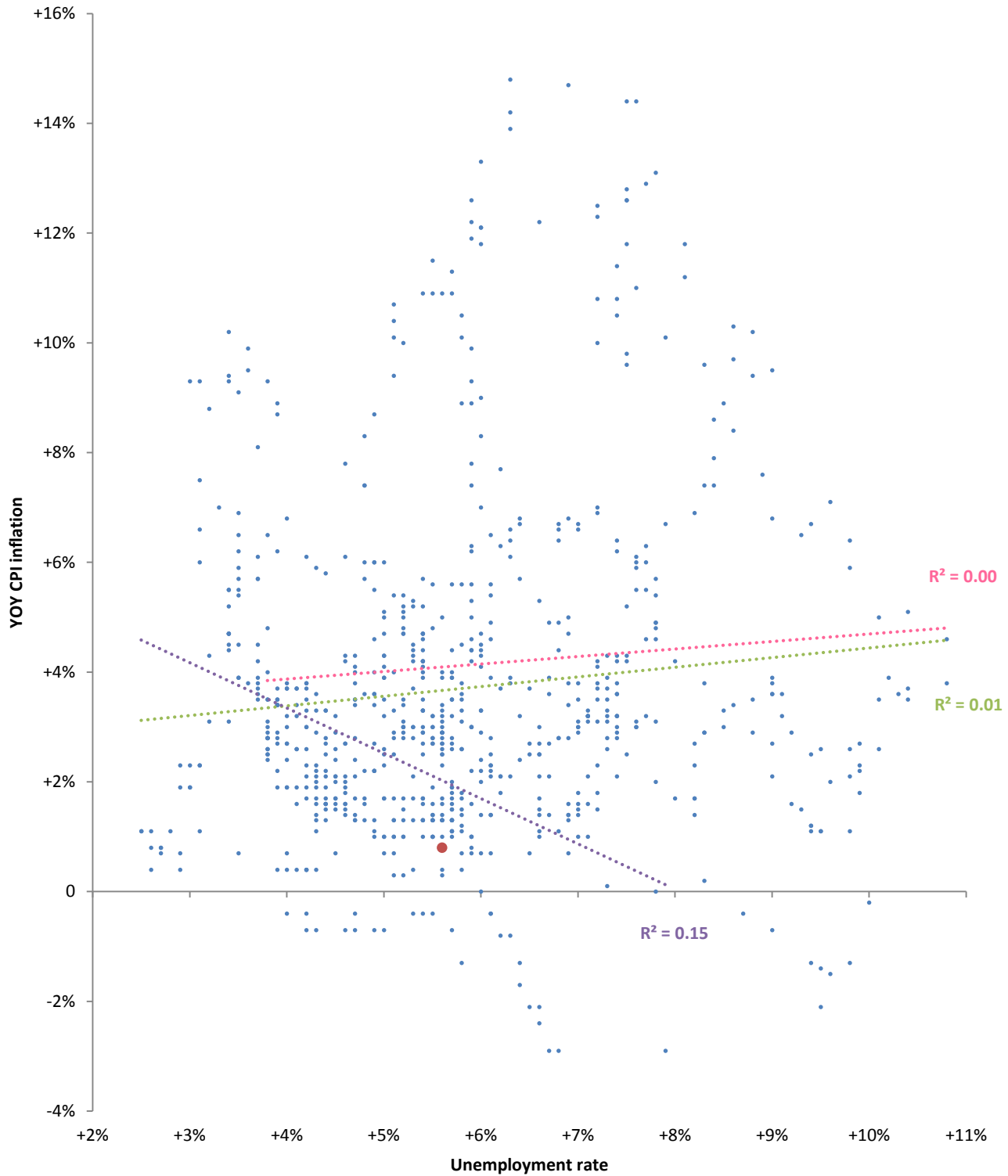
YOY inflation: — MIT Billion Prices Project — CPI



Source: BLS, BEA, TrendMacro calculations

# The world is flat: the vanishing Phillips Curve

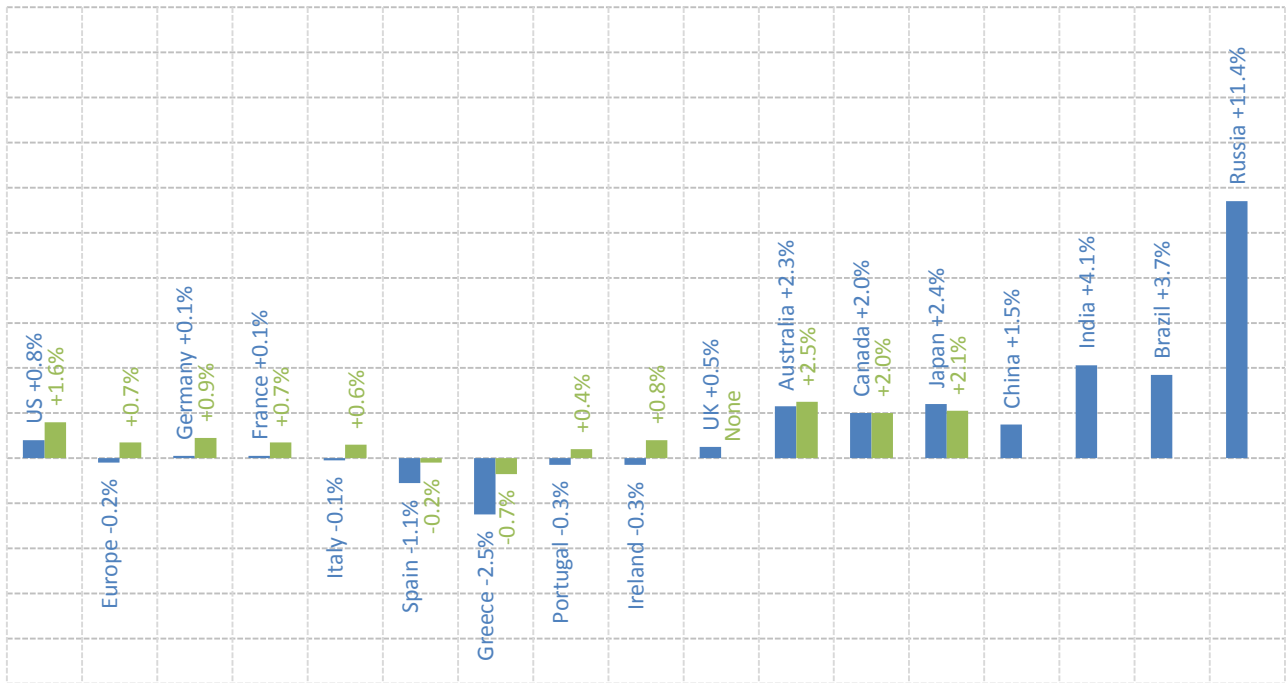
● Latest    Linear trend: ● Pre-74    ● Post-74    ● All



Source: BLS Consumer Price Index, Current Population Survey

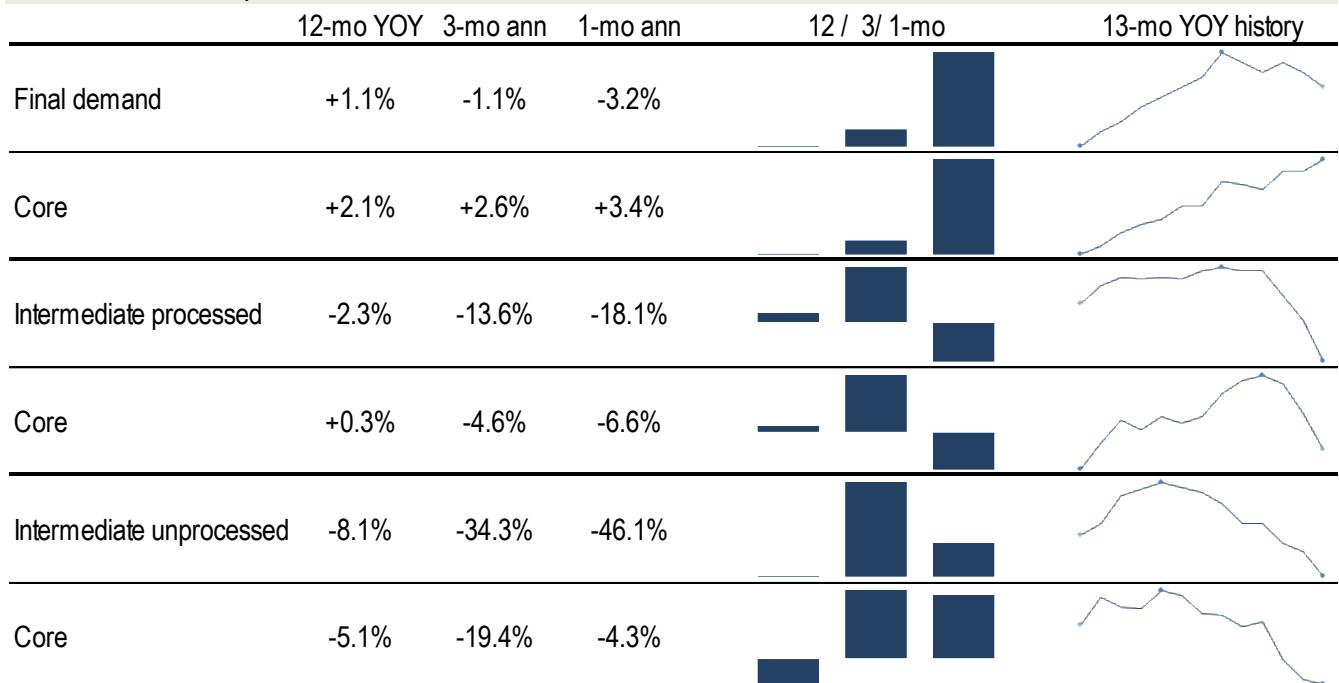
## Major economies CPI, year on year

■ Headline ■ Ex-food and energy



Source: Respective Statistical agencies, TrendMacro calculations

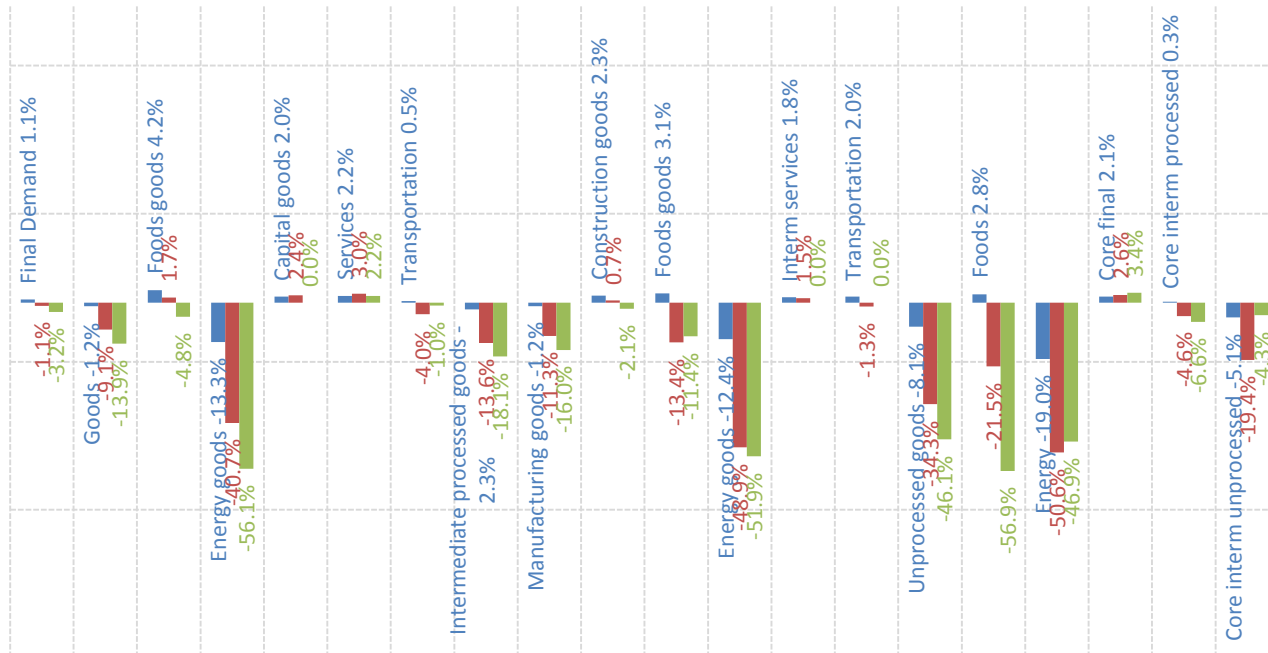
## PPI data: what you need to know



Source: BLS Producer Price Index, TrendMacro calculations

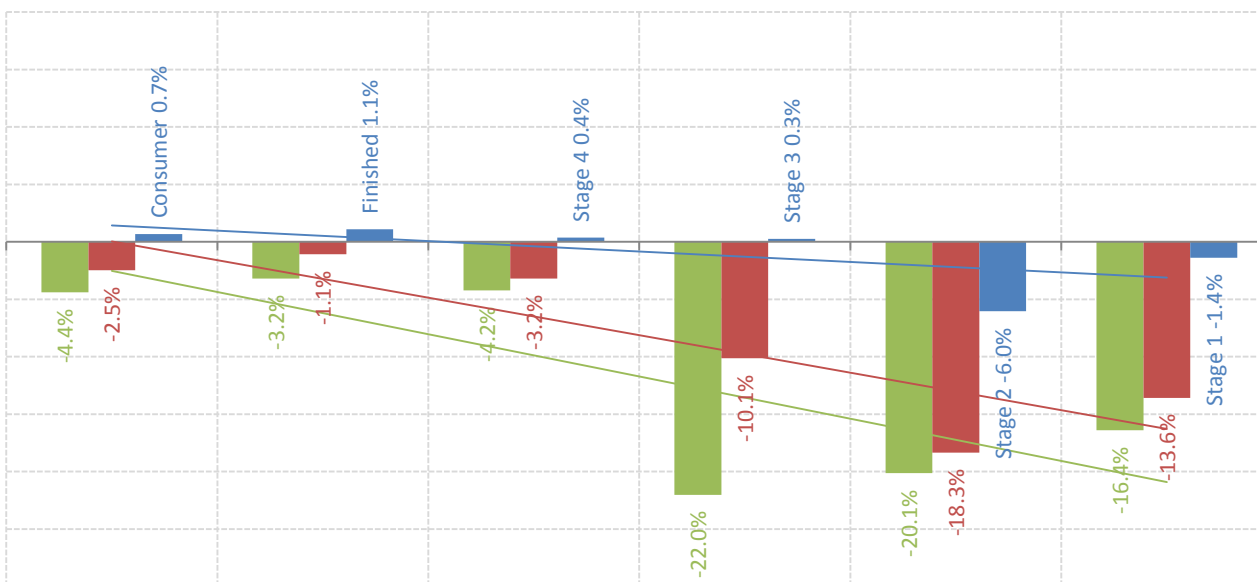


## PPI inflation by sector (SAAR) ■ 12-month ■ 3-month ■ 1-month



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