

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

Wednesday, September 16, 2015

### 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	+0.2%	+3.6%	+1.6%		
Core	+1.8%	+1.8%	+1.6%		
OER	+3.0%	+3.7%	+3.5%		
All less OER	-0.5%	+3.5%	+0.9%		
Core less OER	+1.1%	+0.8%	+0.5%		
Energy	-14.8%	+27.2%	+0.7%		
All less energy	+1.8%	+1.8%	+1.7%		
Food	+1.6%	+1.8%	+1.9%		
All less food	-0.0%	+3.9%	+1.5%		
Health care	+2.5%	+0.8%	+1.6%		
All less health care	+0.0%	+3.9%	+1.6%		

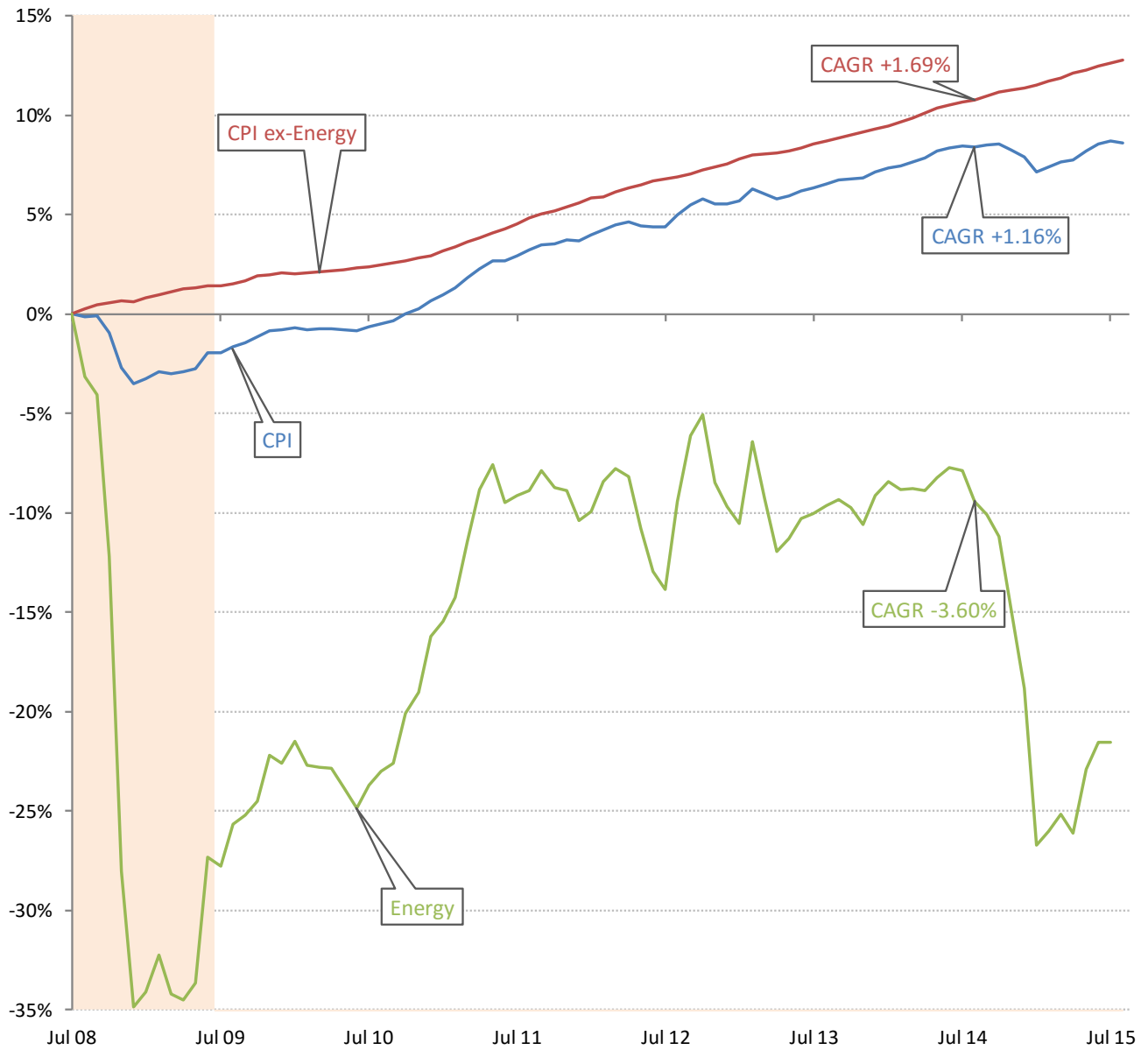
Source: BLS Consumer Price Index, TrendMacro calculations

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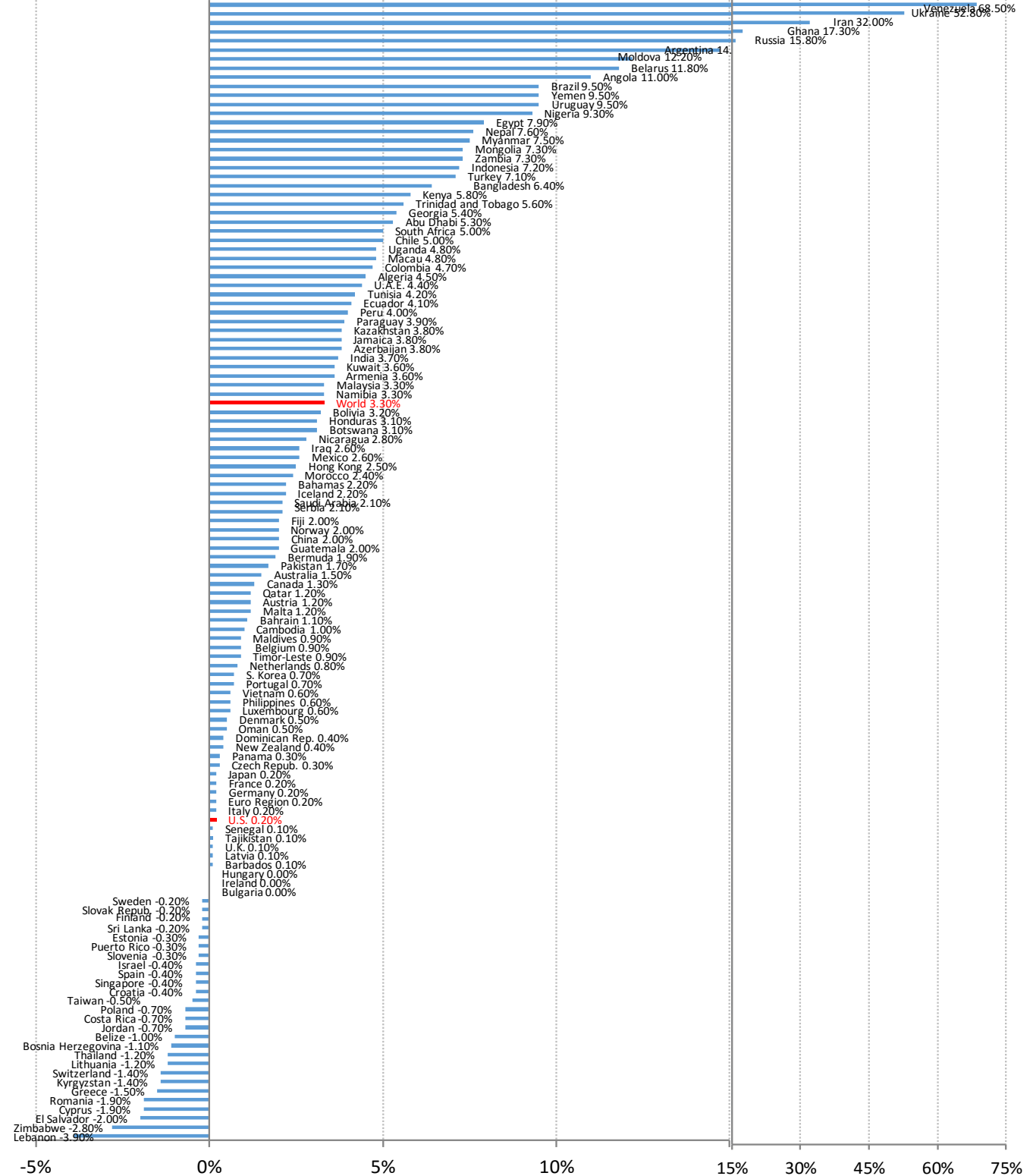
# The deflation delusion: it's all about oil, and always has been

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



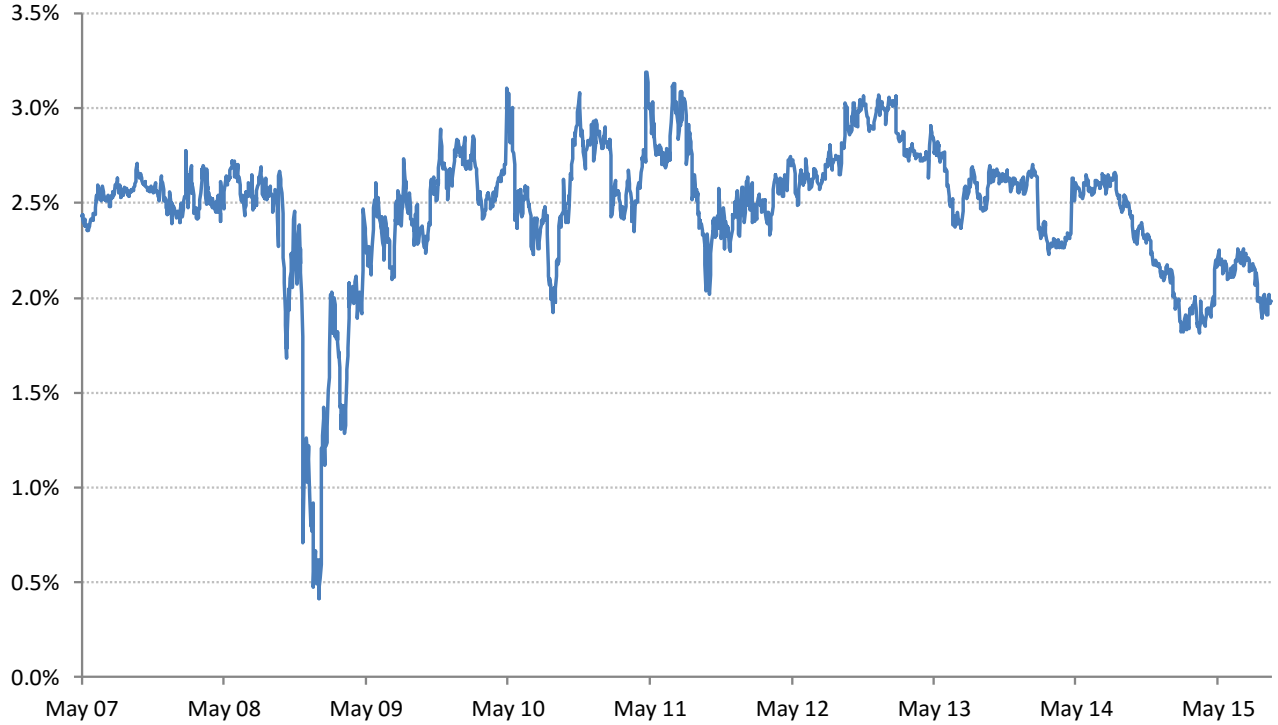
Source: Bloomberg, TrendMacro calculations

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



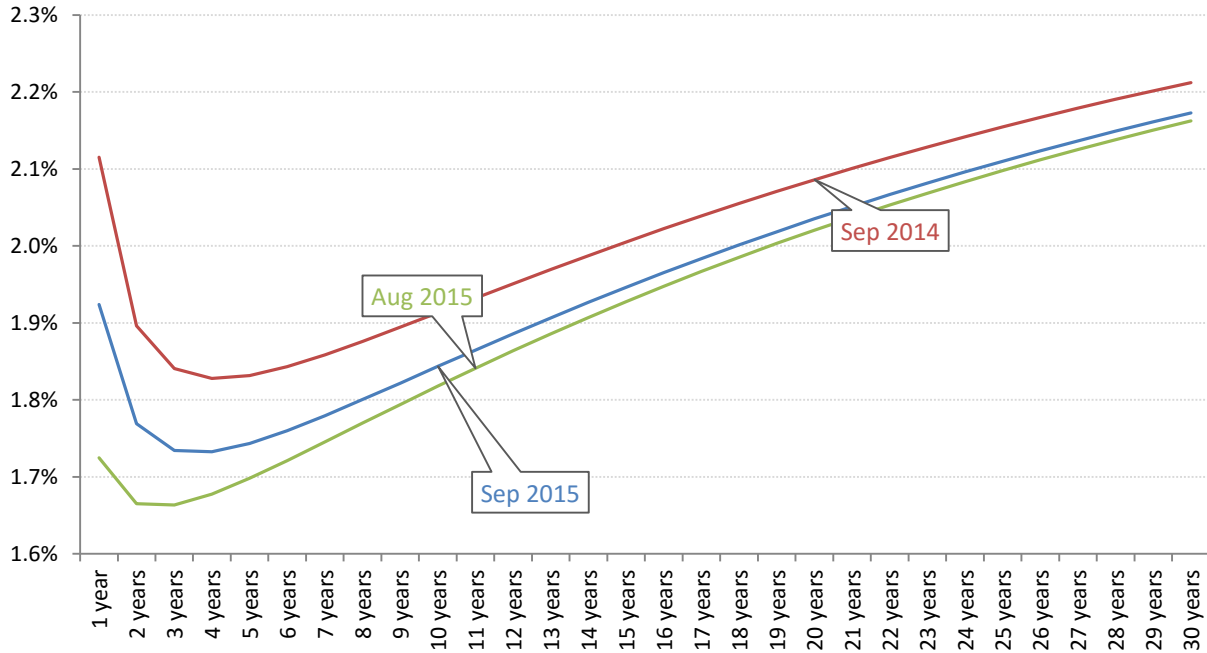
Source: Bloomberg, TrendMacro calculations

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



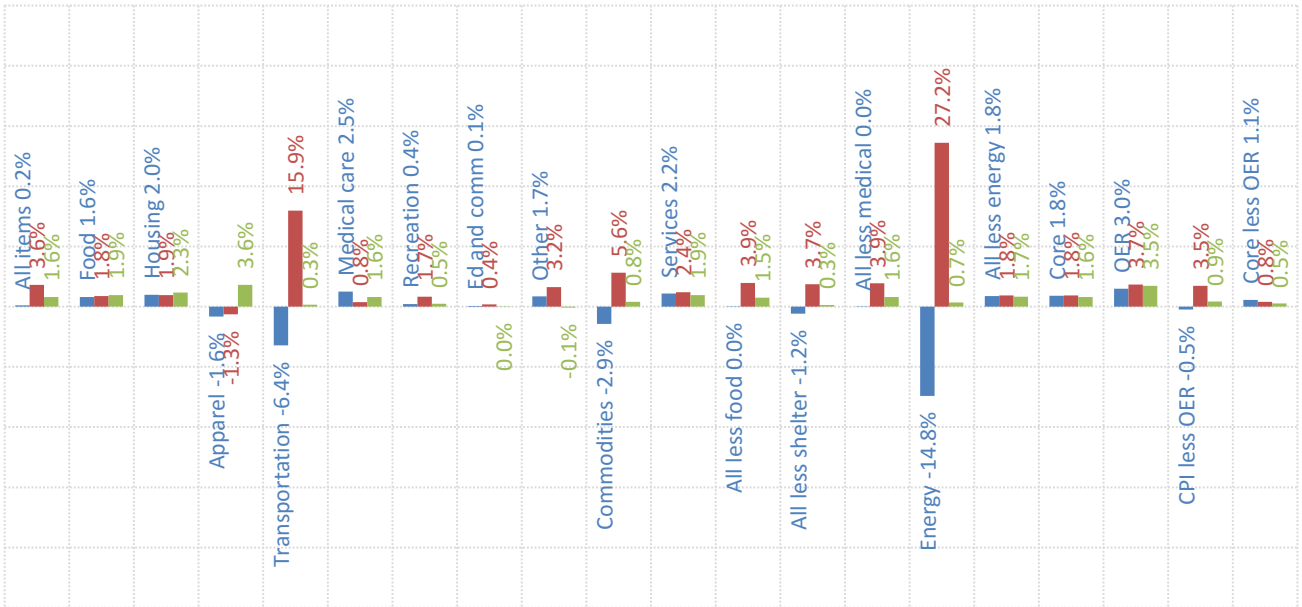
Source: Bloomberg, TrendMacro calculations

## Implied inflation yield curve, per annum



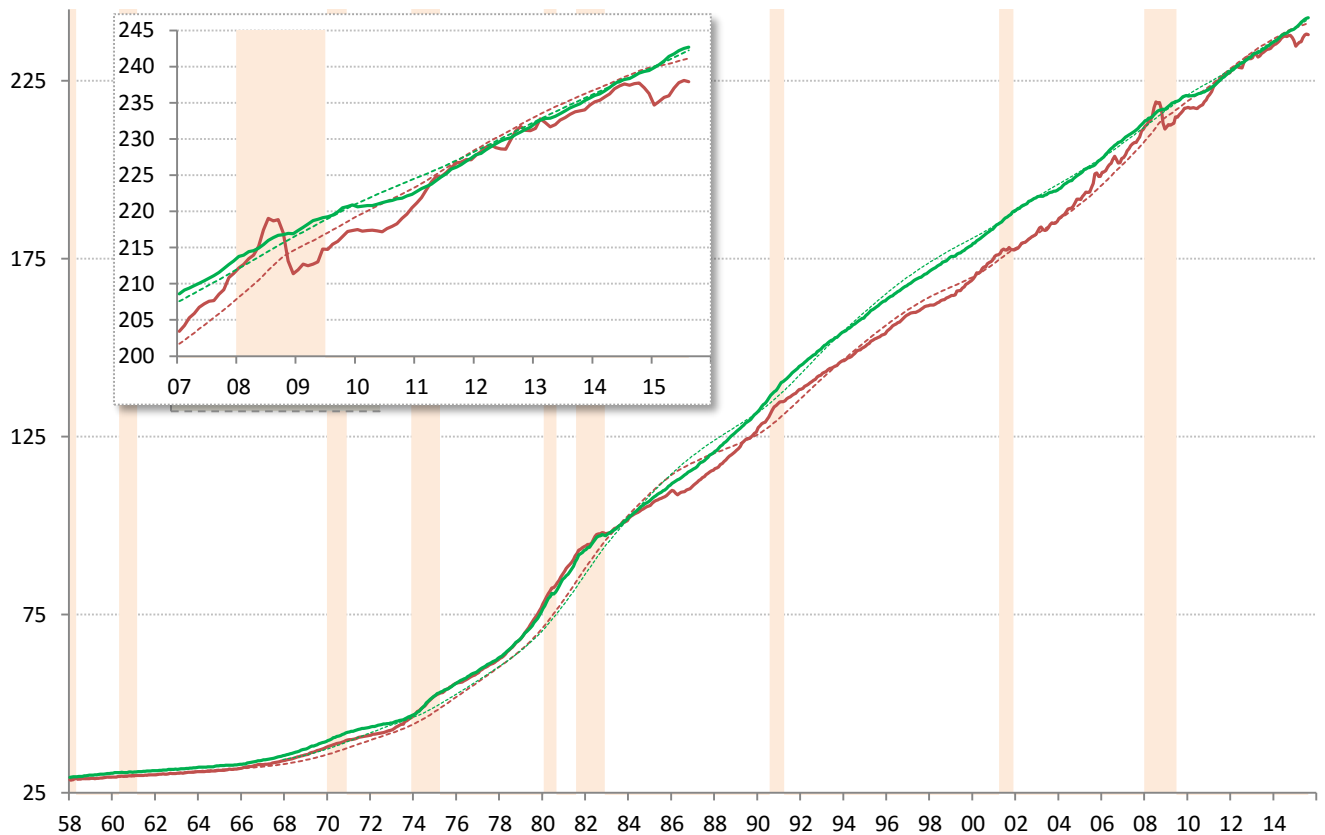
Source: Cleveland Fed, TrendMacro calculations

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



Source: BLS Consumer Price Index, TrendMacro calculations

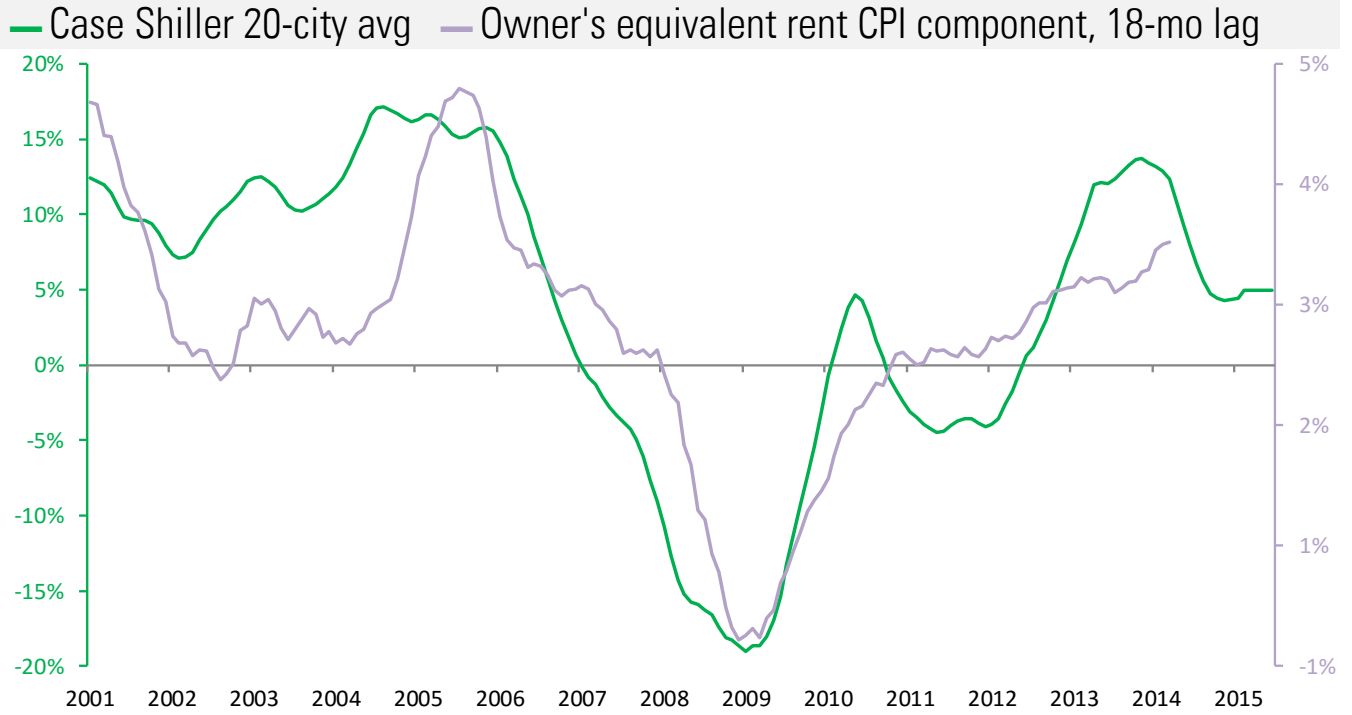
## US CPI Core — Level ... 20-year trend ■ Recession



Source: BLS Consumer Price Index, TrendMacro calculations

## Housing leads US CPI

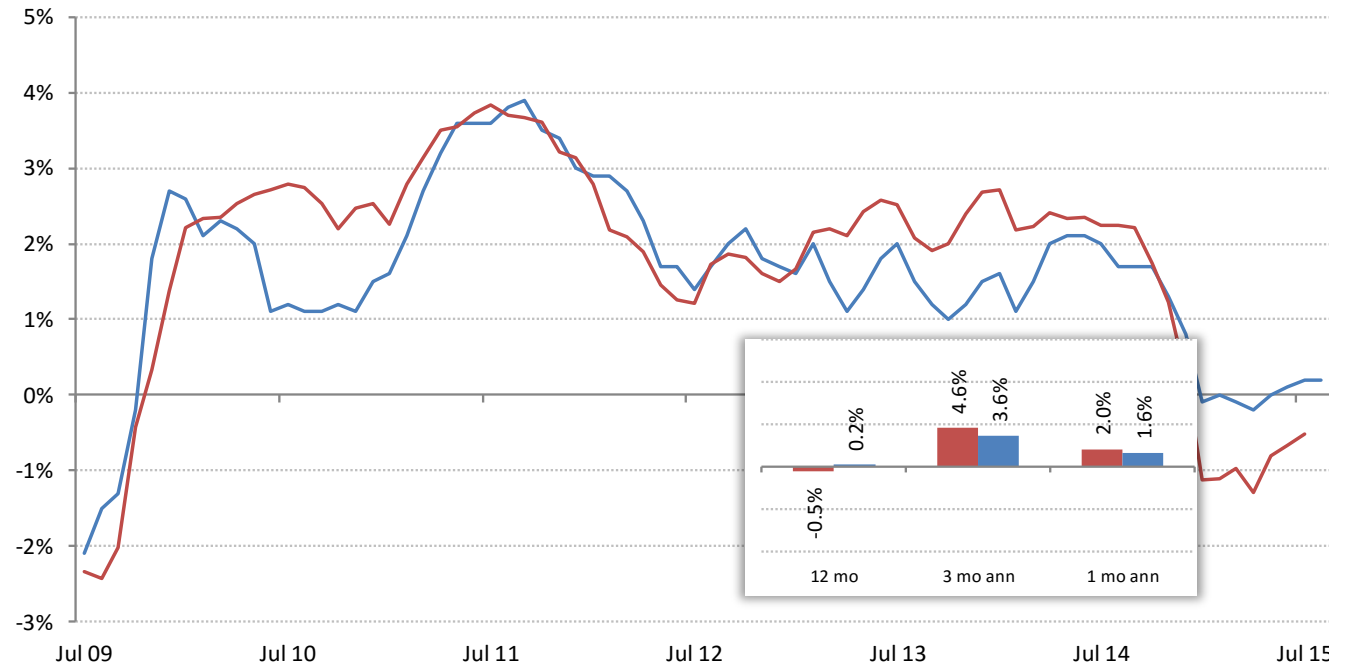
Year-over-year change



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

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

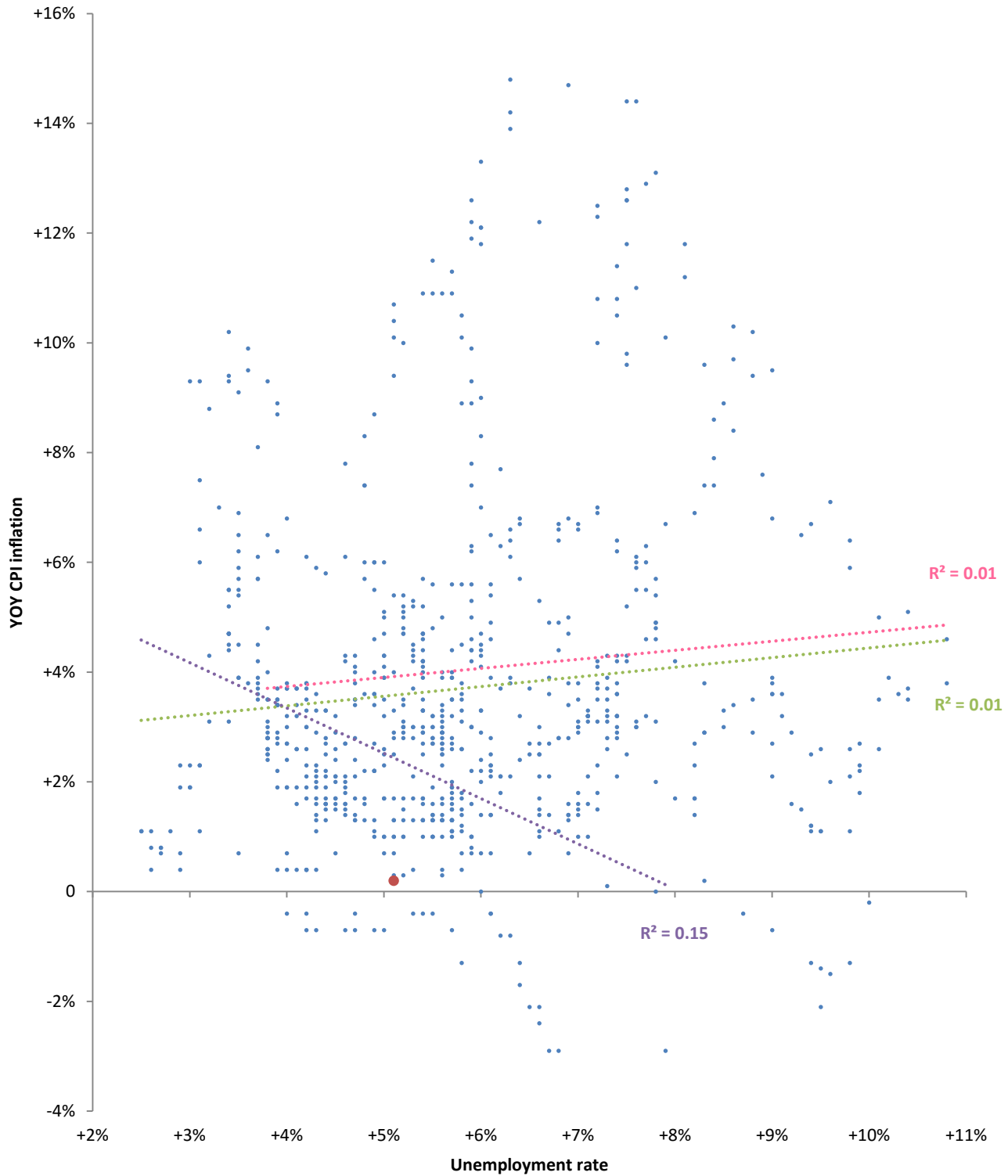
YOY inflation as of 7/17/15: — MIT Billion Prices Project — CPI



Source: BLS, BEA, TrendMacro calculations

# The world is flat: the vanishing Phillips Curve

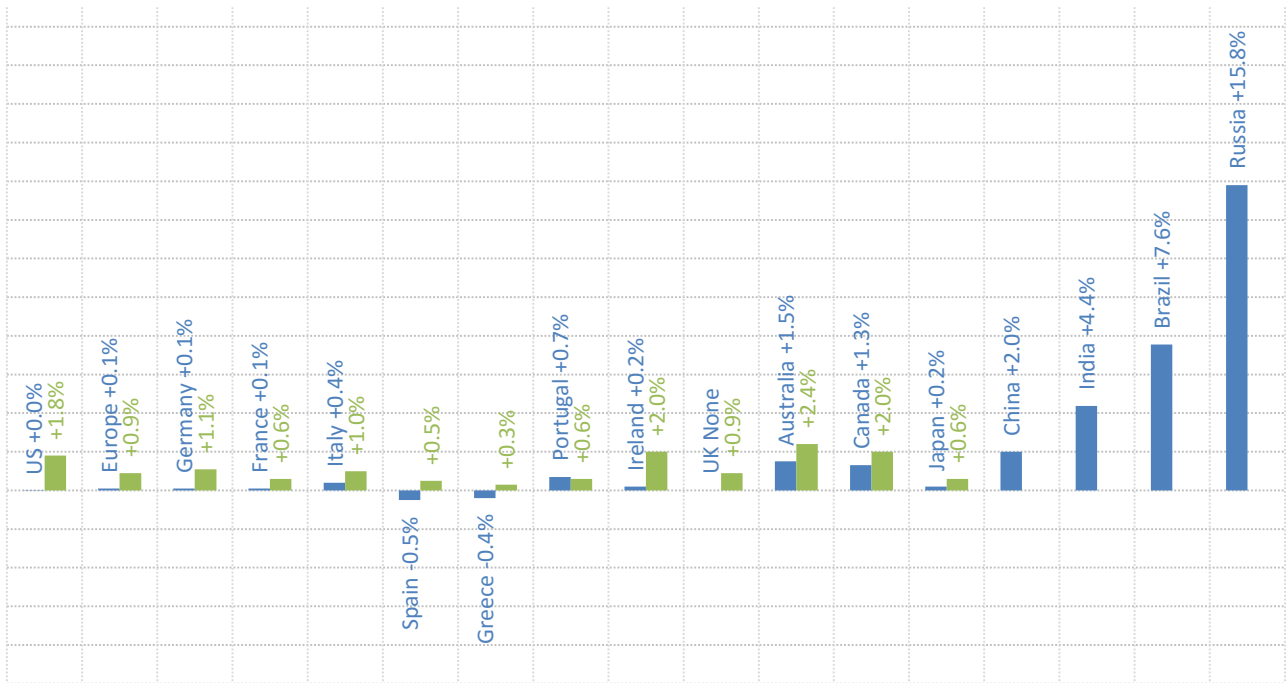
● Latest    Linear trend: ● Pre-74    ● Post-74    ● All



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

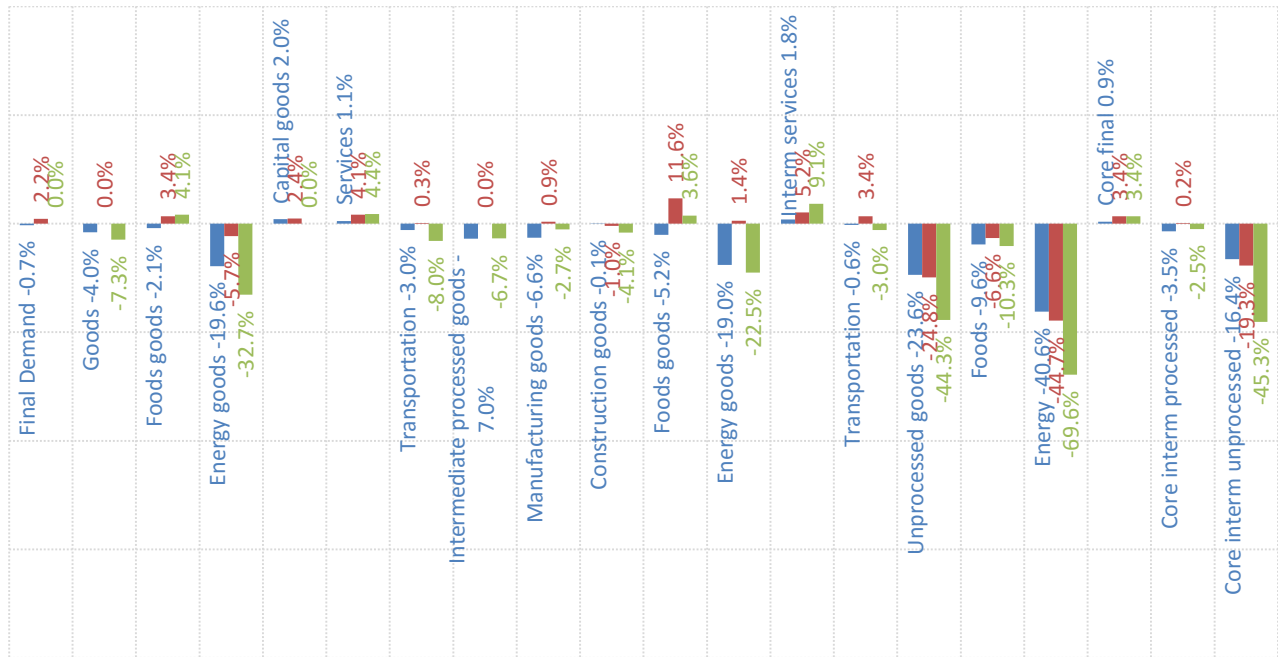
## PPI data: what you need to know

	12-mo YOY	3-mo ann	1-mo ann	12 / 3/ 1-mo	13-mo YOY history
Final demand	-0.7%	+2.2%	unch		
Core	+0.9%	+3.4%	+3.4%		
Intermediate processed	-7.0%	unch	-6.7%		
Core	-3.5%	+0.2%	-2.5%		
Intermediate unprocessed	-23.6%	-24.8%	-44.3%		
Core	-16.4%	-19.3%	-45.3%		

Source: BLS Producer Price Index, TrendMacro calculations

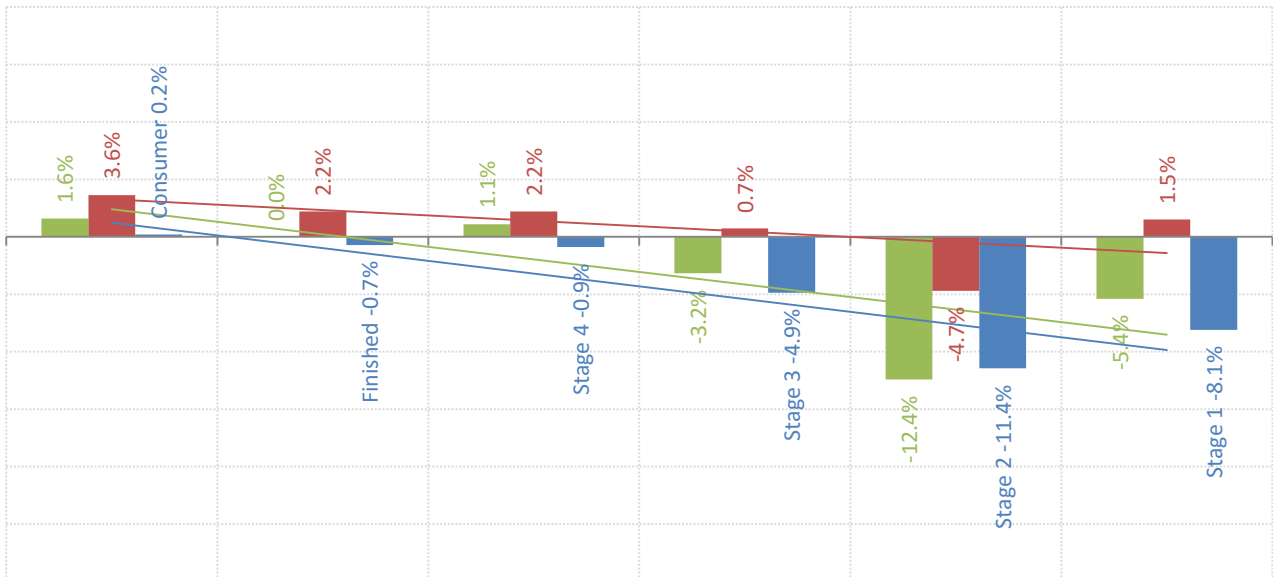


## PPI inflation by sector (SAAR) ■ 12-month ■ 3-month ■ 1-month



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