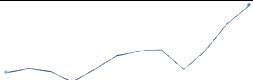
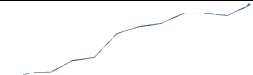
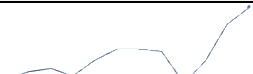
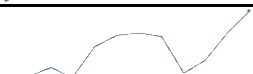
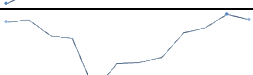
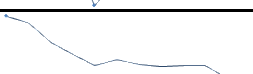
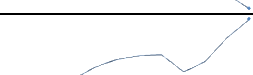


Data Insights: Consumer Price Index, Producer Price Index

Wednesday, January 20, 2016

Today's CPI data: what you need to know

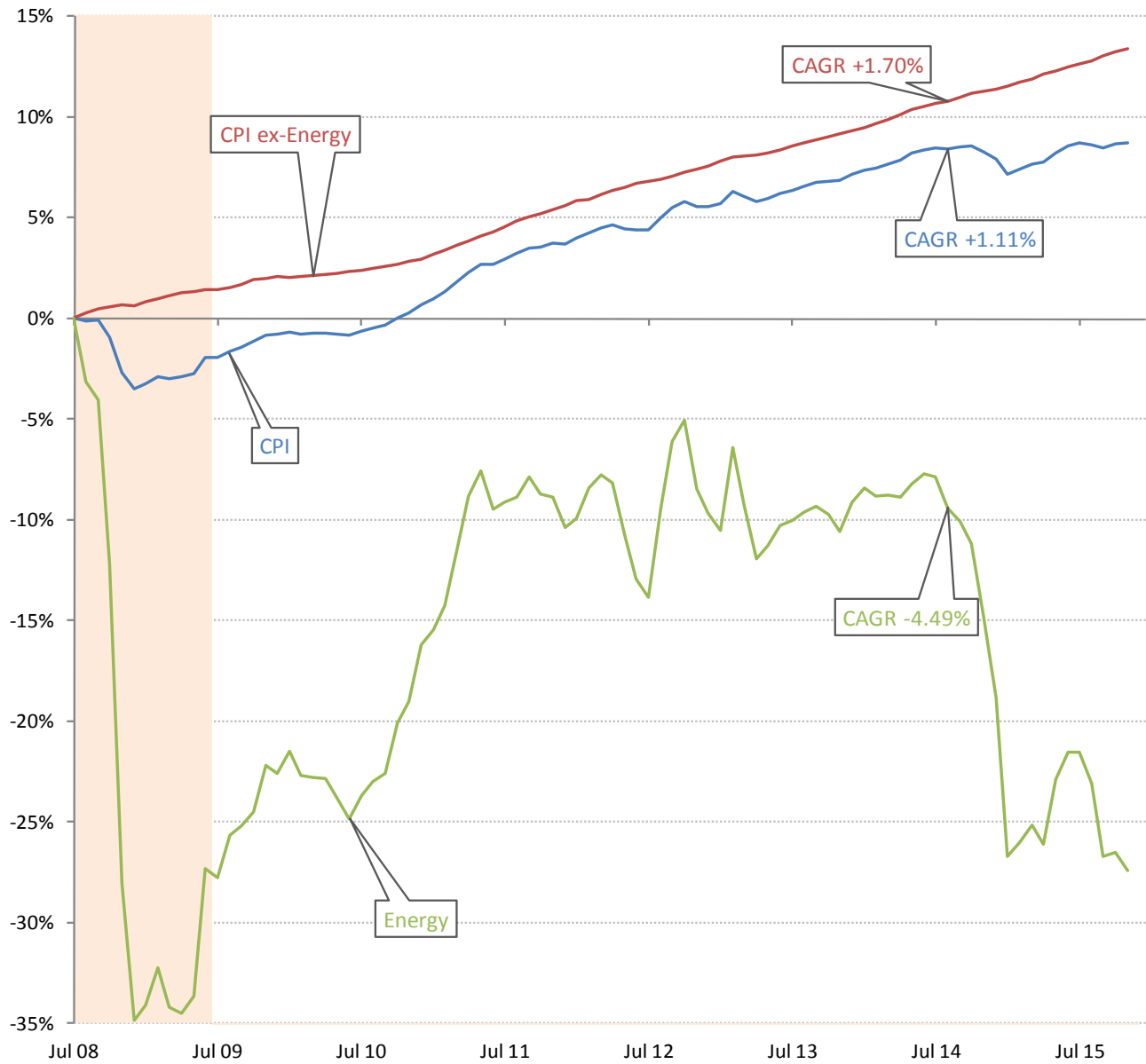
	12-mo YOY	3-mo ann	1-mo ann	12 / 3 / 1-mo	12-mo YOY history
All items	+0.73%	+0.5%	-1.3%		
Core	+2.1%	+2.1%	+1.5%		
OER	+3.1%	+2.7%	+2.8%		
All less OER	-0.0%	+0.1%	-2.7%		
Core less OER	+1.5%	+1.7%	+0.8%		
Energy	-12.7%	-12.7%	-25.0%		
All less energy	+1.9%	+1.6%	+0.9%		
Food	+0.8%	-0.7%	-2.8%		
All less food	+0.6%	+0.7%	-1.1%		
Health care	+2.6%	+4.7%	+1.1%		
All less health care	+0.5%	+0.1%	-1.5%		

Source: BLS Consumer Price Index, TrendMacro calculations

For more information contact us:

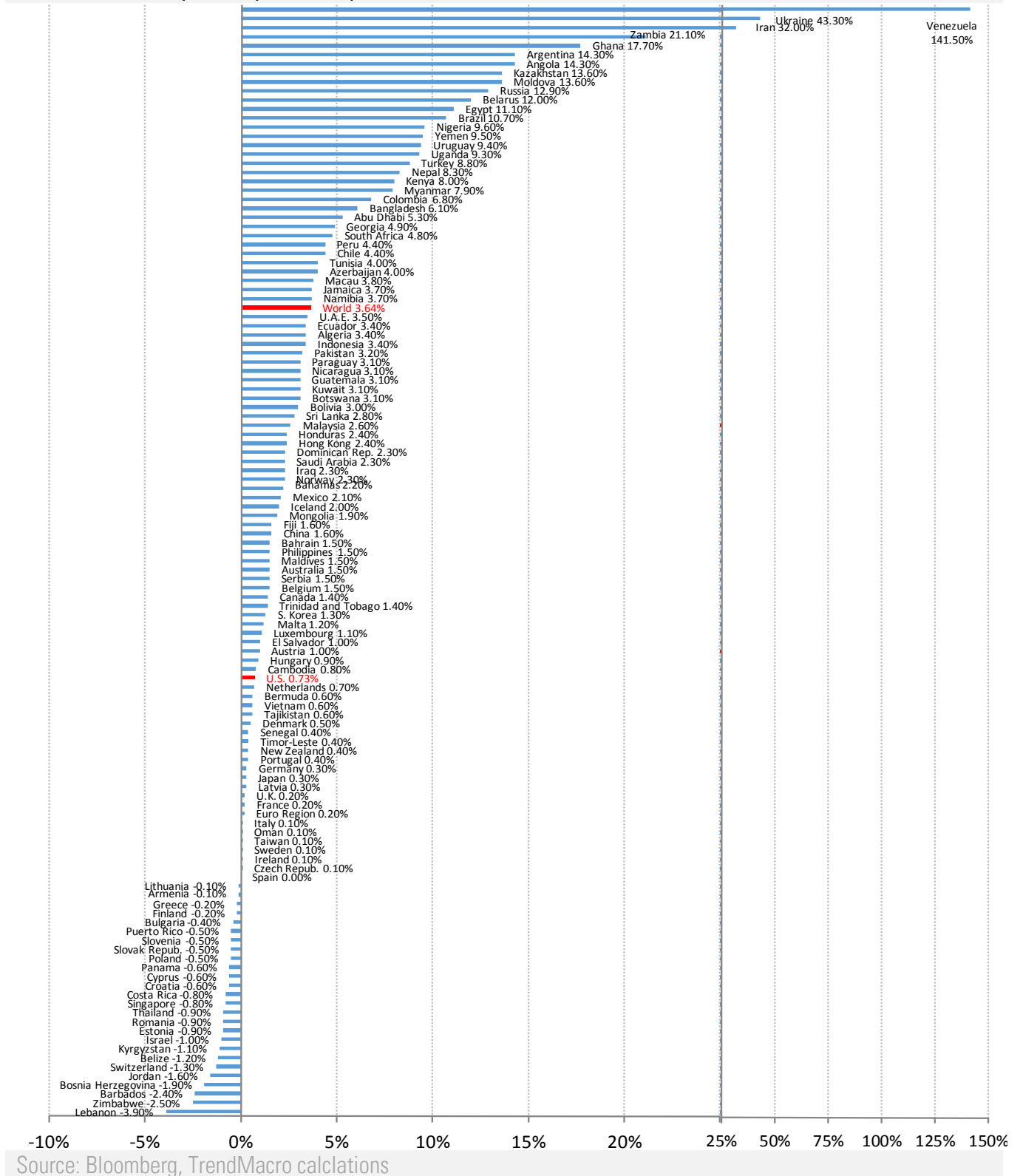
Donald Luskin: 312 273 6766 don@trendmacro.com
Thomas Demas: 704 552 3625 tdemas@trendmacro.com

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

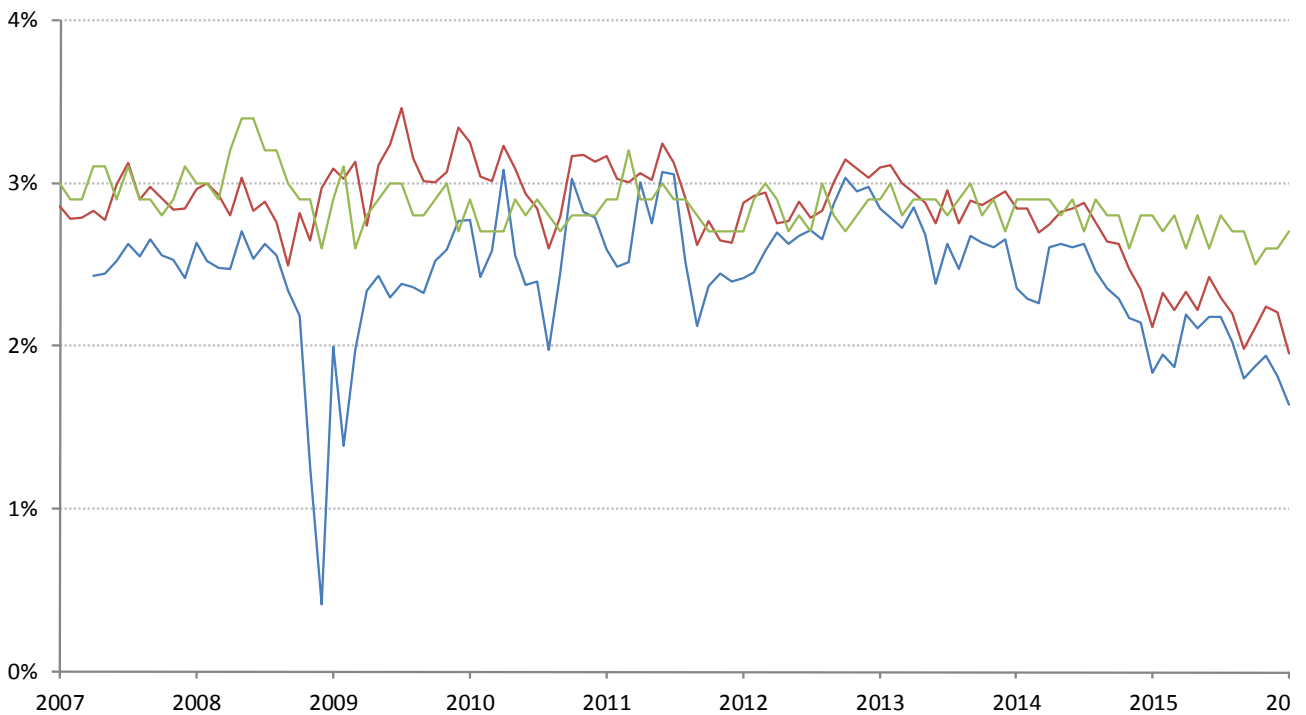


Source: Bloomberg, TrendMacro calculations

World round-up: CPI year-on-year

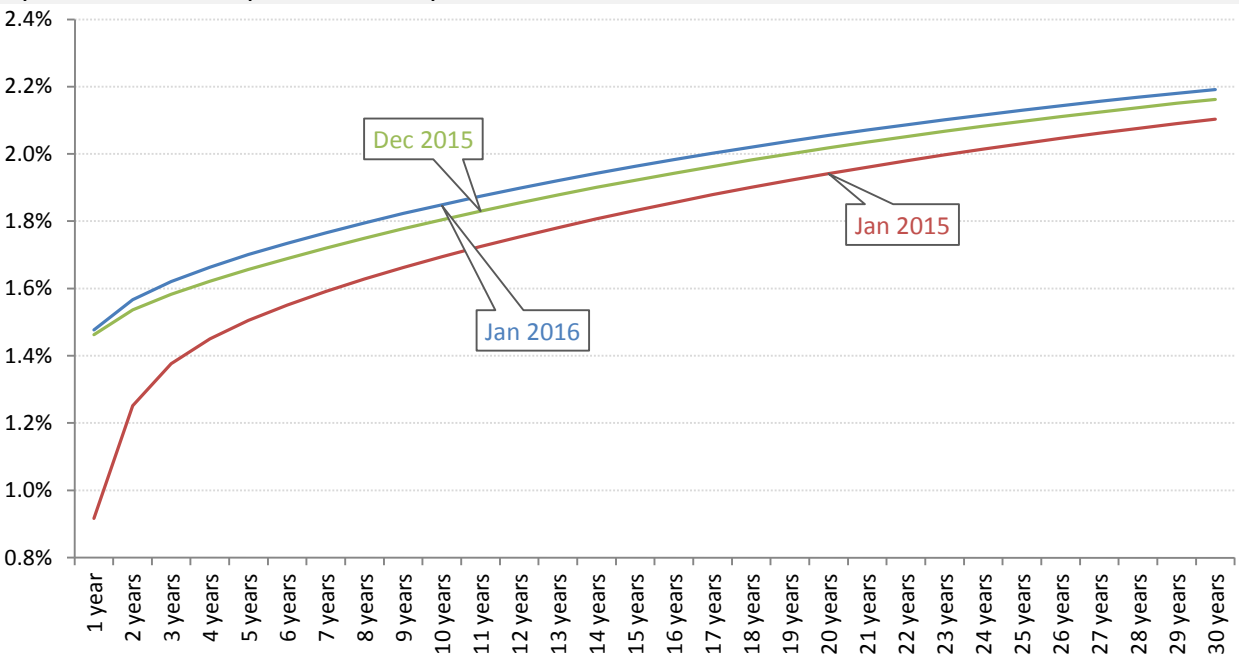


Implied 5-year inflation, 5 years forward — TIPS — Swaps — U. Michigan Survey



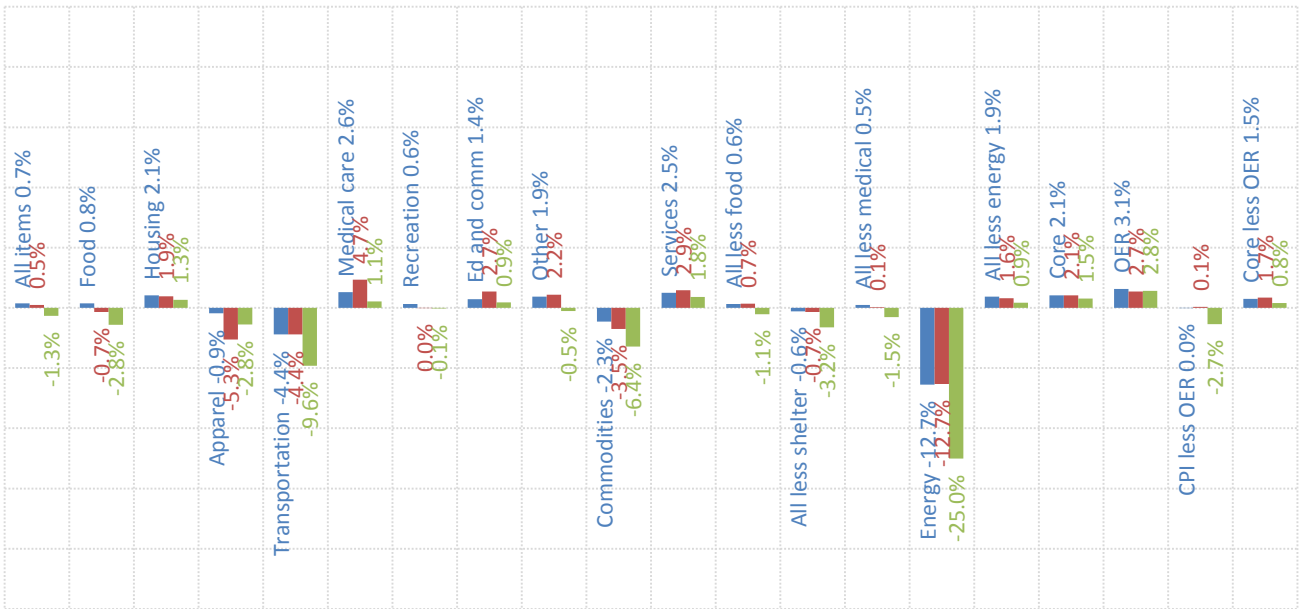
Source: Bloomberg, TrendMacro calculations

Implied inflation yield curve, per annum



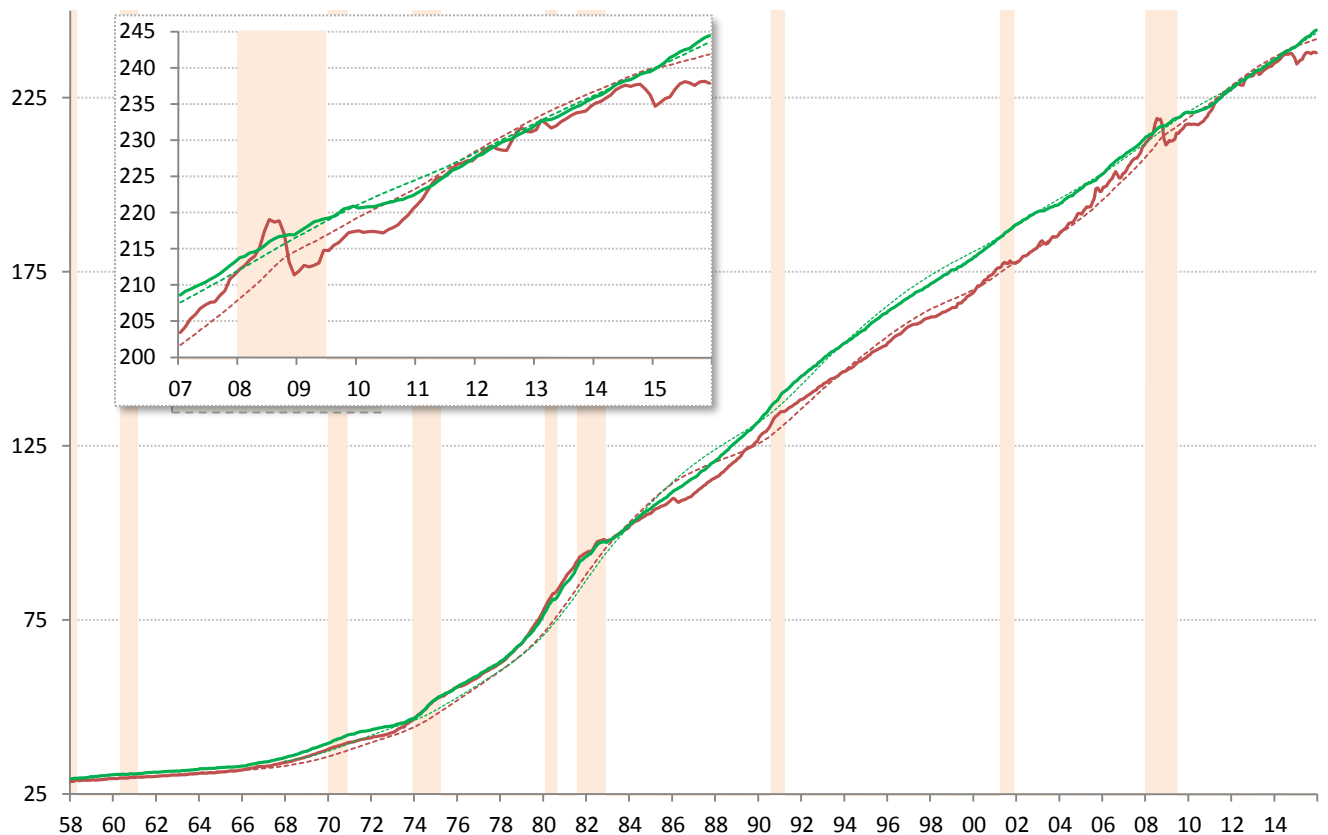
Source: Cleveland Fed, TrendMacro calculations

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



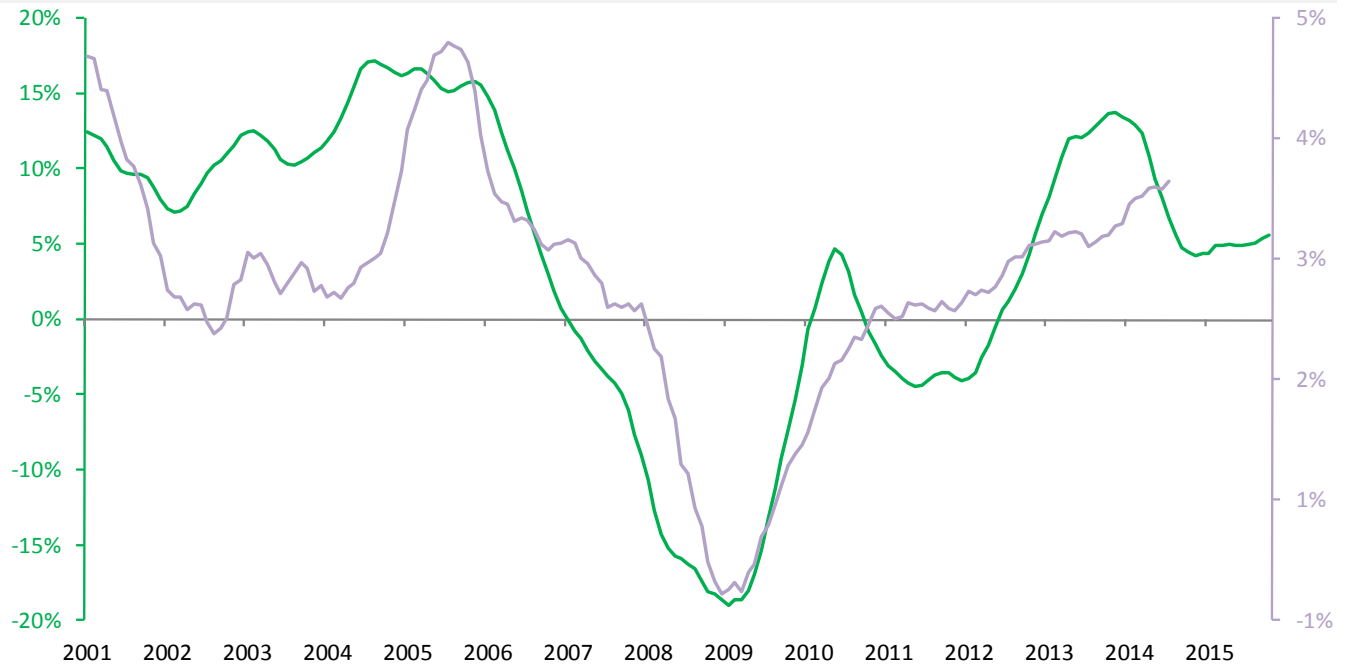
Source: BLS Consumer Price Index, TrendMacro calculations

Housing leads US CPI

Year-over-year change

— Case Shiller 20-city avg

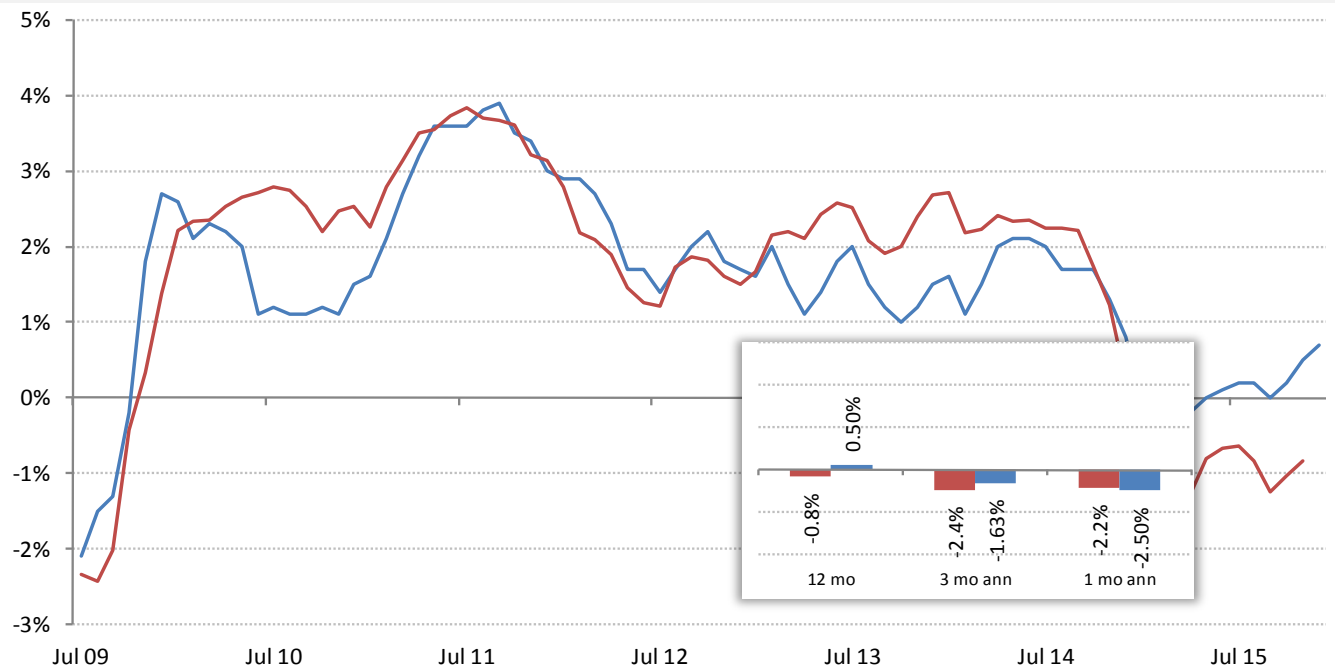
— Owner's equivalent rent CPI component, 18-mo lag



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

Does the Internet know more than the US Labor Department?

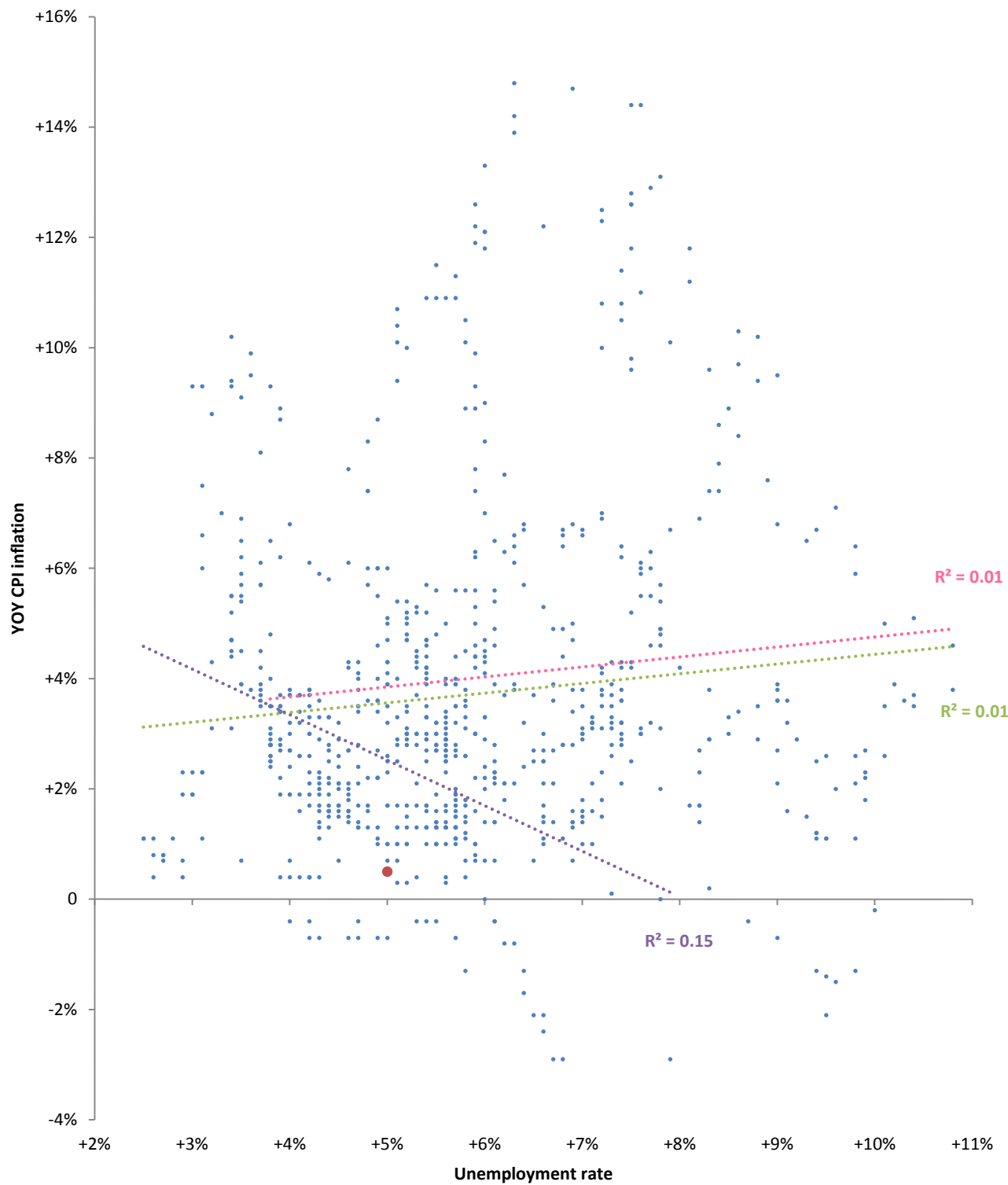
YOY inflation as of 11/21/15: — MIT Billion Prices Project — CPI



Source: BLS, MIT, TrendMacro calculations

The world is flat: the vanishing Phillips Curve

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

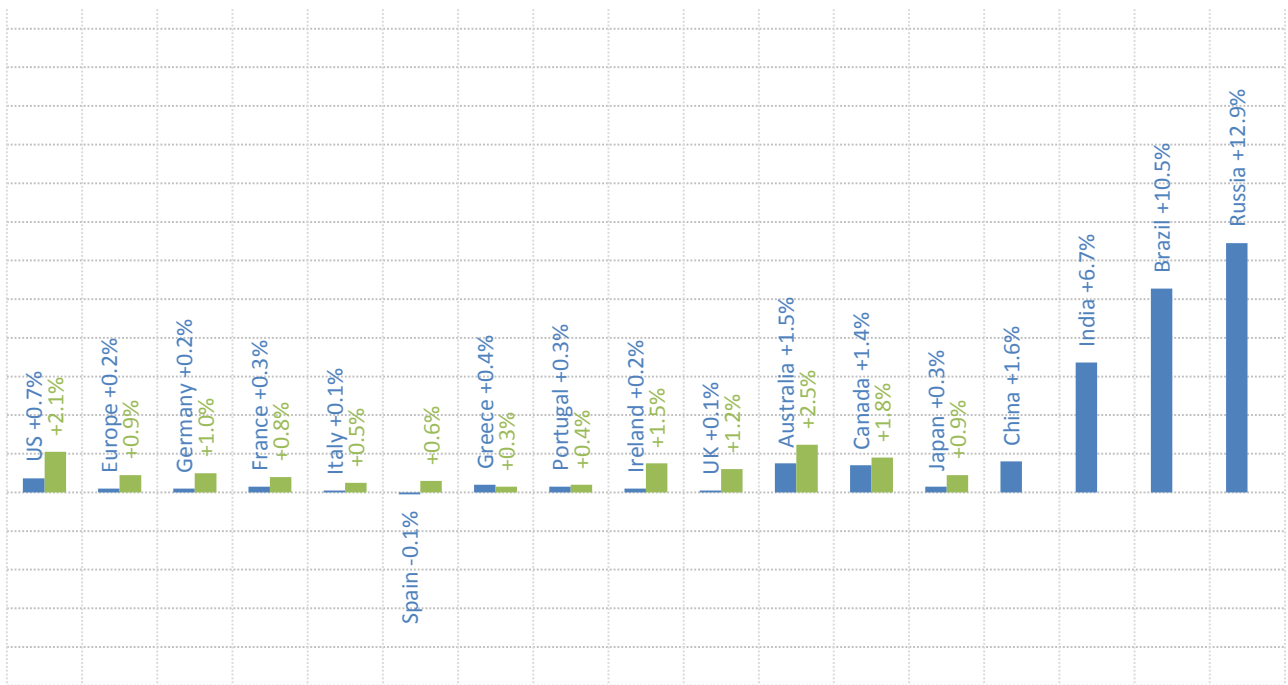


Source: BLS Consumer Price Index, Current Population Survey

Major economies CPI, year on year

■ Headline

■ Ex-food and energy



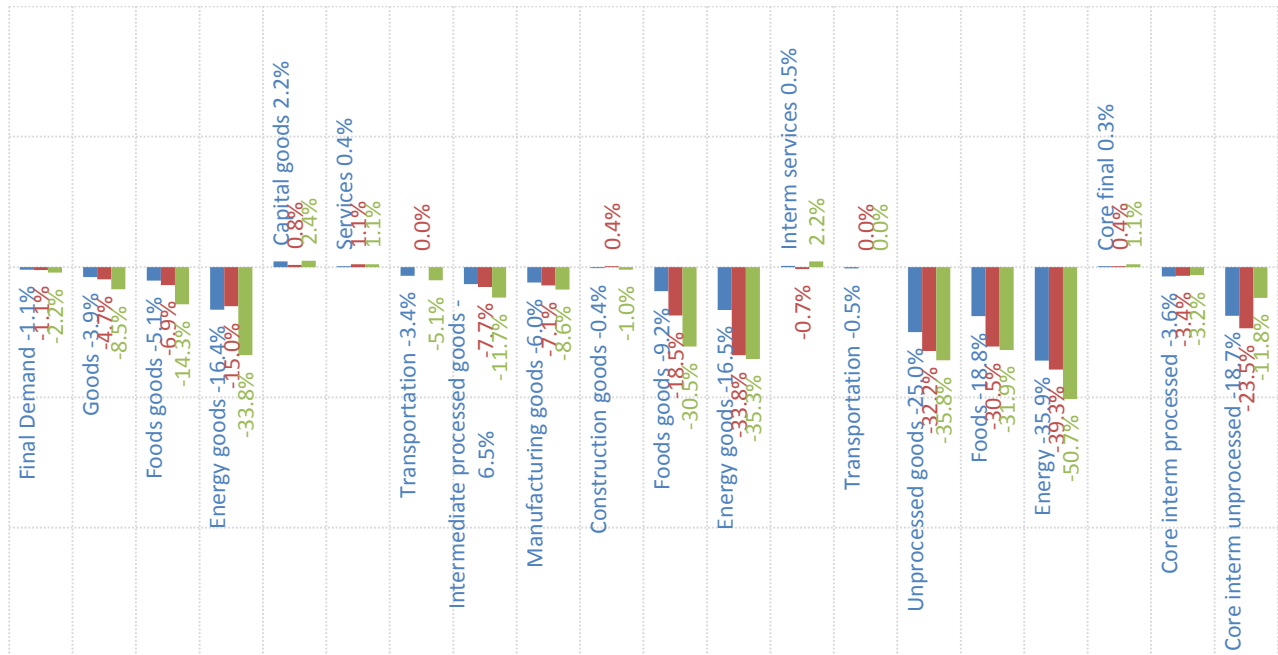
Source: Respective Statistical agencies, TrendMacro calculations

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	-1.1%	-1.1%	-2.2%		
Core	+0.3%	+0.4%	+1.1%		
Intermediate processed	-6.5%	-7.7%	-11.7%		
Core	-3.6%	-3.4%	-3.2%		
Intermediate unprocessed	-25.0%	-32.2%	-35.8%		
Core	-18.7%	-23.5%	-11.8%		

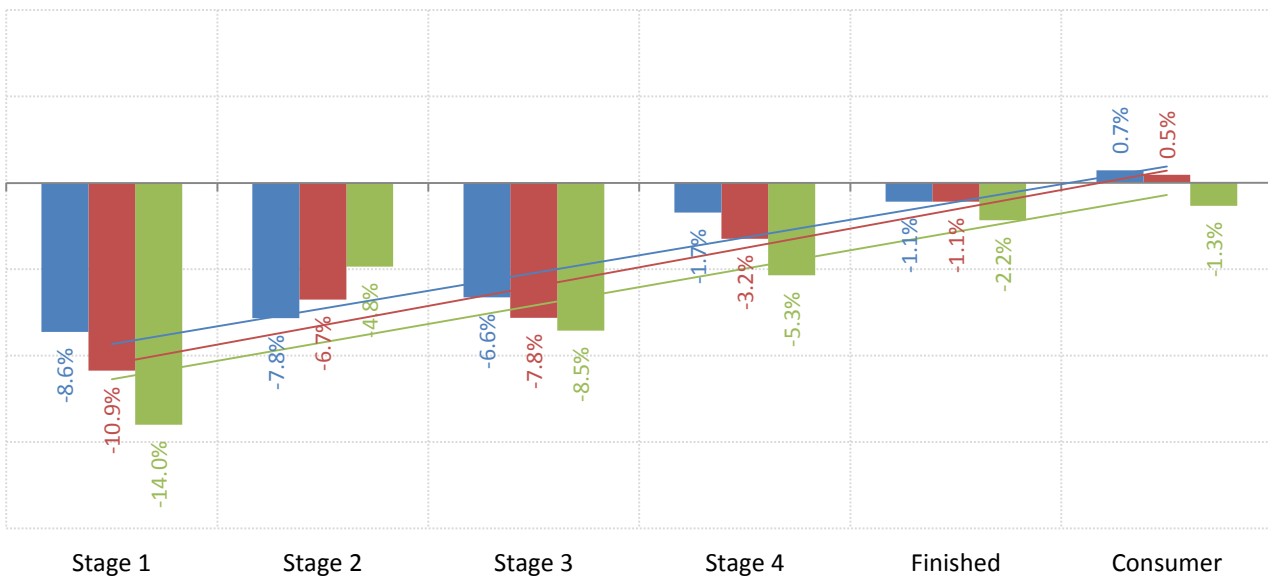
Source: BLS Producer Price Index, TrendMacro calculations

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