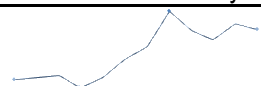
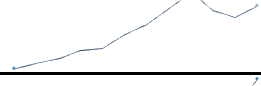
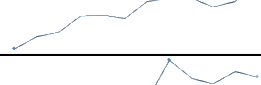
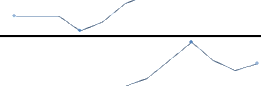
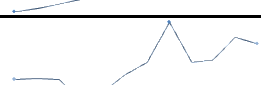
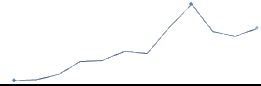
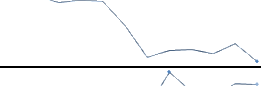
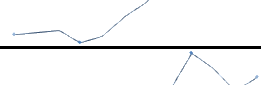
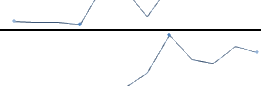
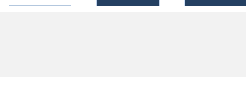
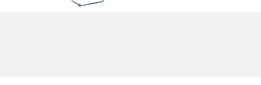


Data Insights: Consumer Price Index, Producer Price Index

Thursday, June 16, 2016

Today's CPI data: what you need to know

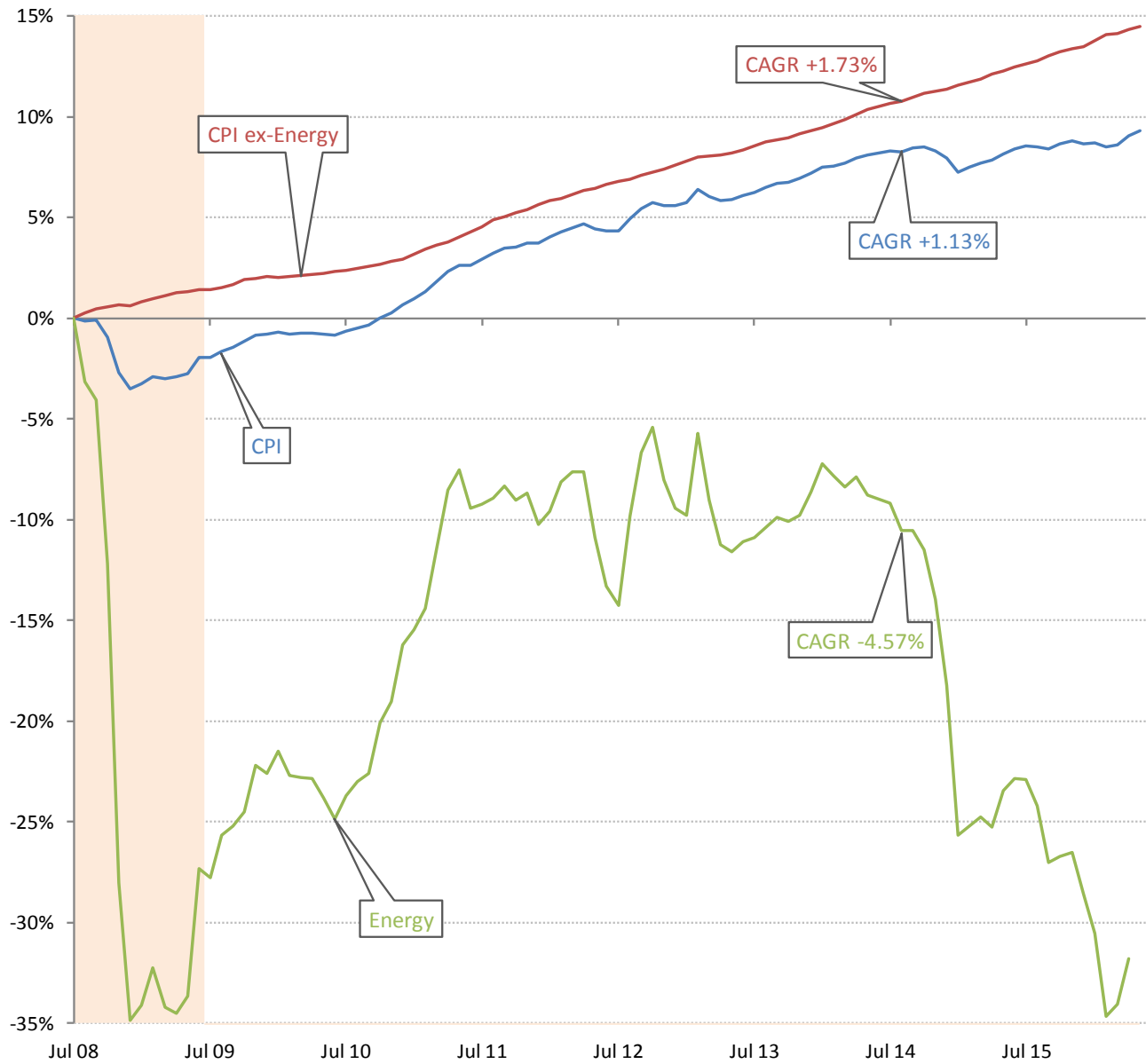
	12-mo YOY	3-mo ann	1-mo ann	12 / 3/ 1-mo	12-mo YOY history
All items	+1.02%	+2.9%	+2.6%		
Core	+2.2%	+1.9%	+2.5%		
OER	+3.3%	+3.5%	+4.3%		
All less OER	+0.5%	+2.7%	+2.2%		
Core less OER	+1.6%	+1.0%	+1.4%		
Energy	-9.8%	+25.0%	+16.0%		
All less energy	+2.0%	+1.5%	+1.7%		
Food	+0.7%	-0.8%	-2.2%		
All less food	+1.1%	+3.5%	+3.5%		
Health care	+3.2%	+3.1%	+4.2%		
All less health care	+0.9%	+2.9%	+2.5%		

Source: BLS Consumer Price Index, TrendMacro calculations

For more information contact us:

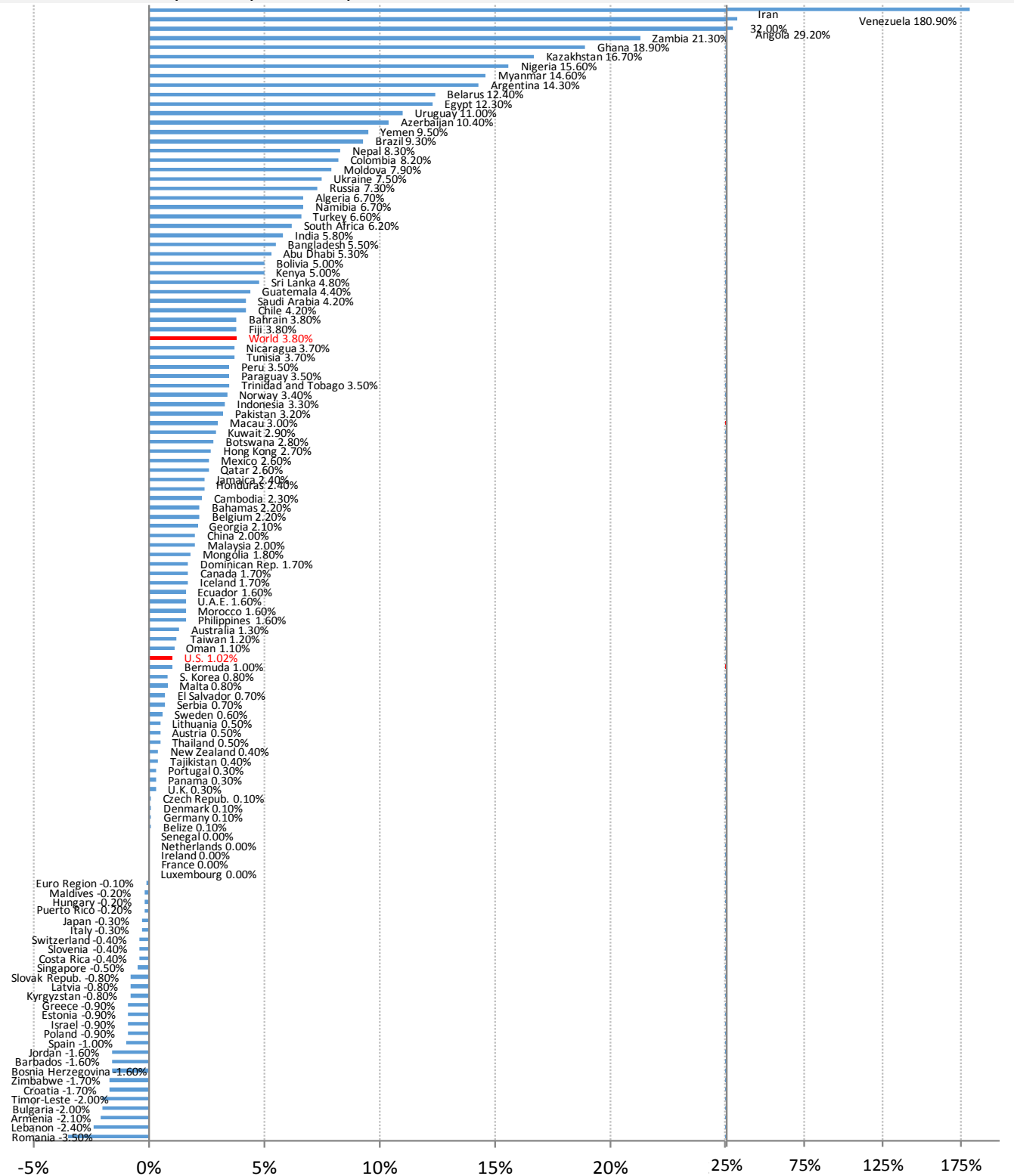
Donald Luskin: 312 273 6766 don@trendmacro.com
Thomas Demas: 704 552 3625 tdemas@trendmacro.com

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



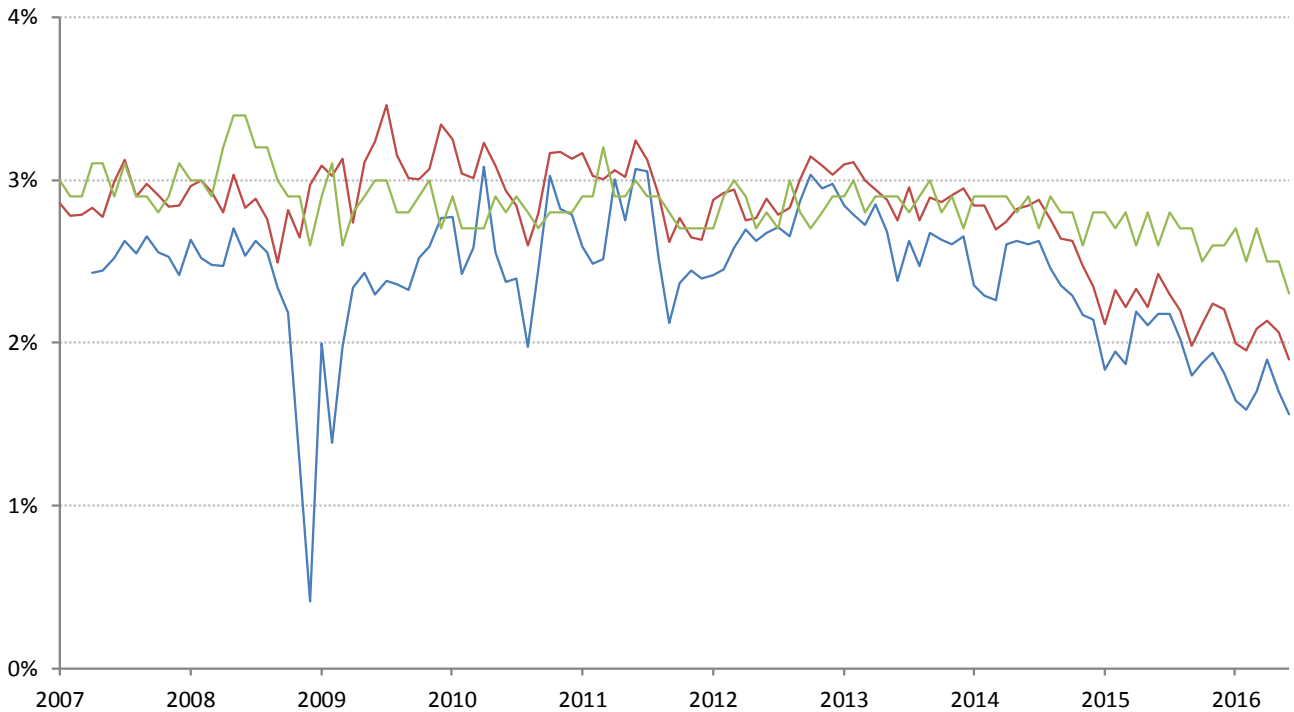
Source: Bloomberg, TrendMacro calculations

World round-up: CPI year-on-year



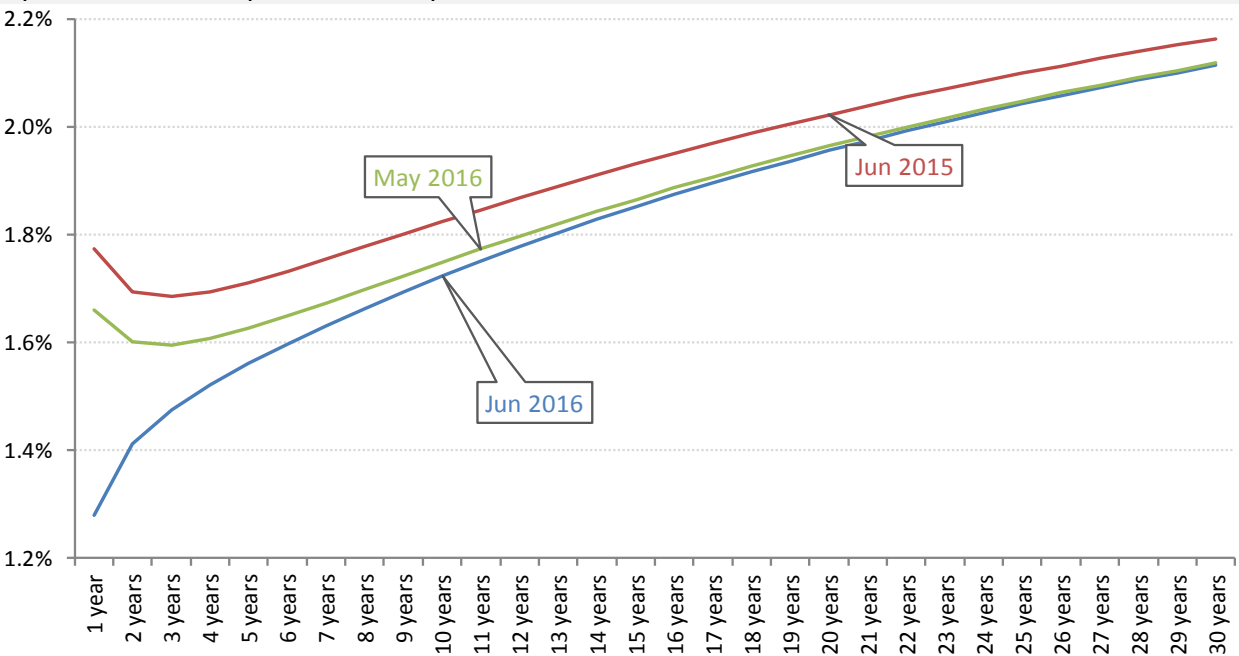
Source: Bloomberg, TrendMacro calculations

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



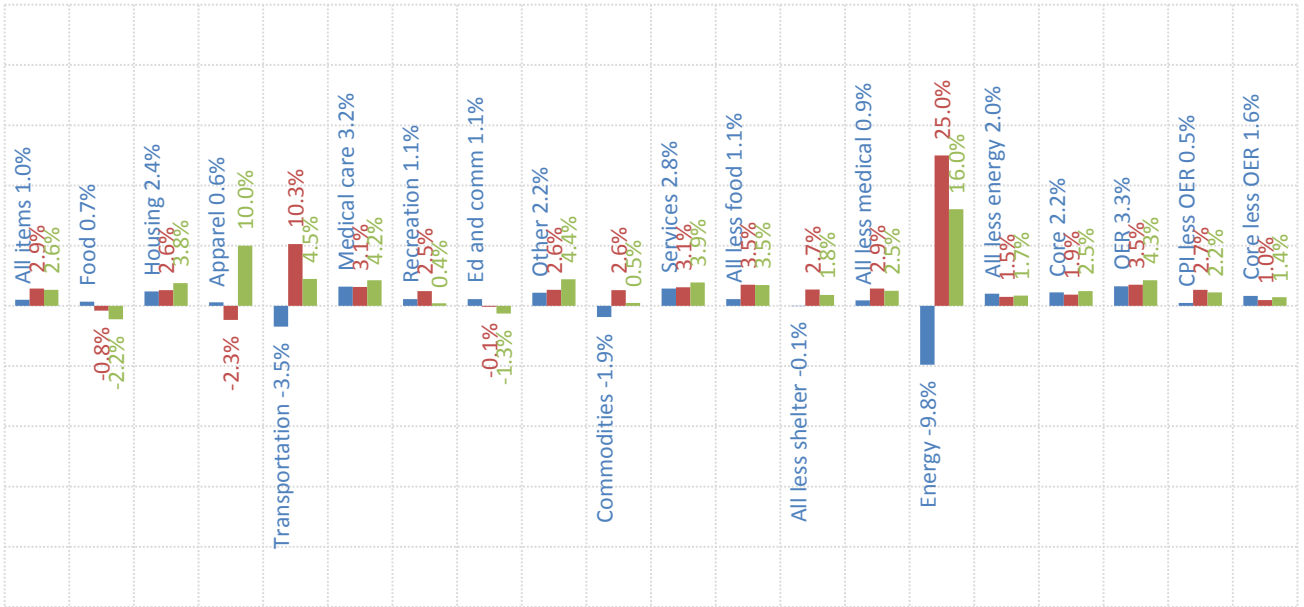
Source: Bloomberg, TrendMacro calculations

Implied inflation yield curve, per annum



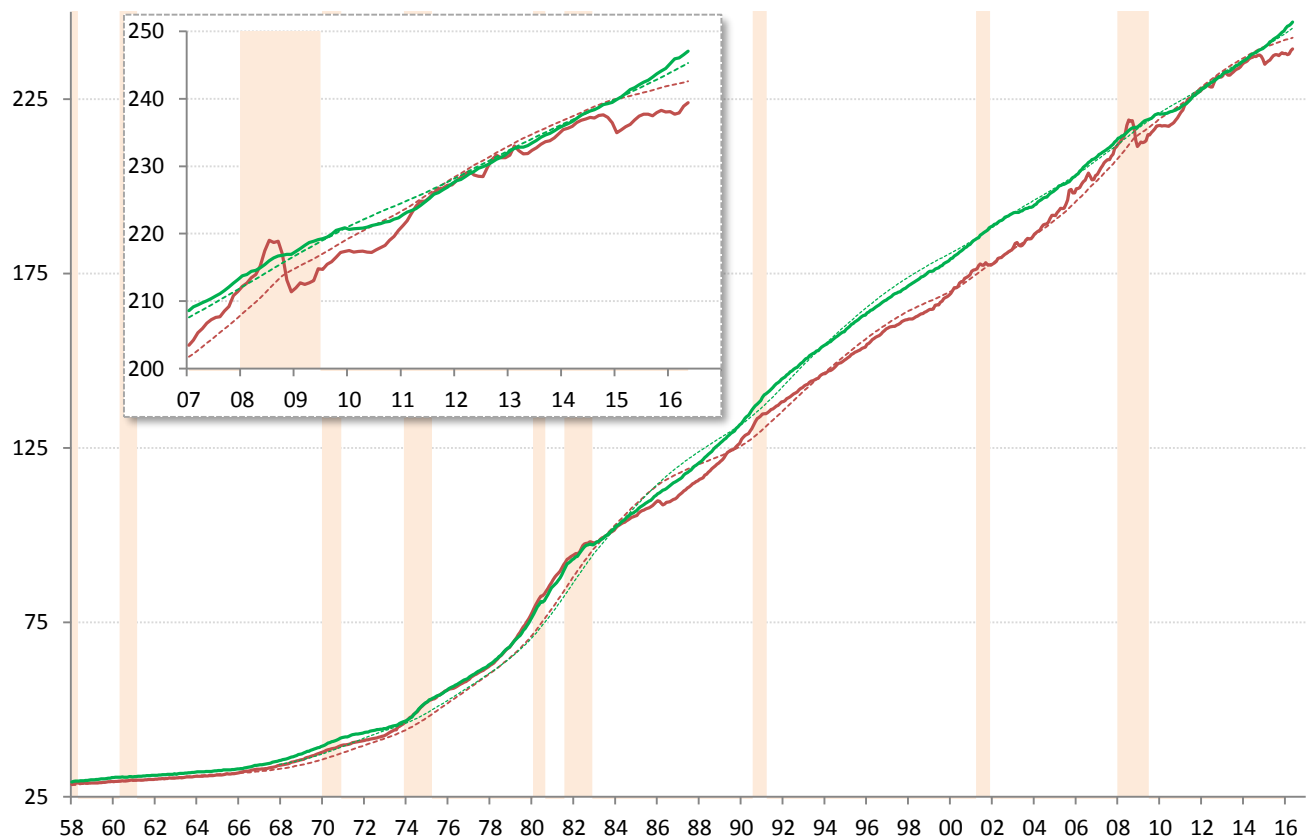
Source: Cleveland Fed, TrendMacro calculations

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



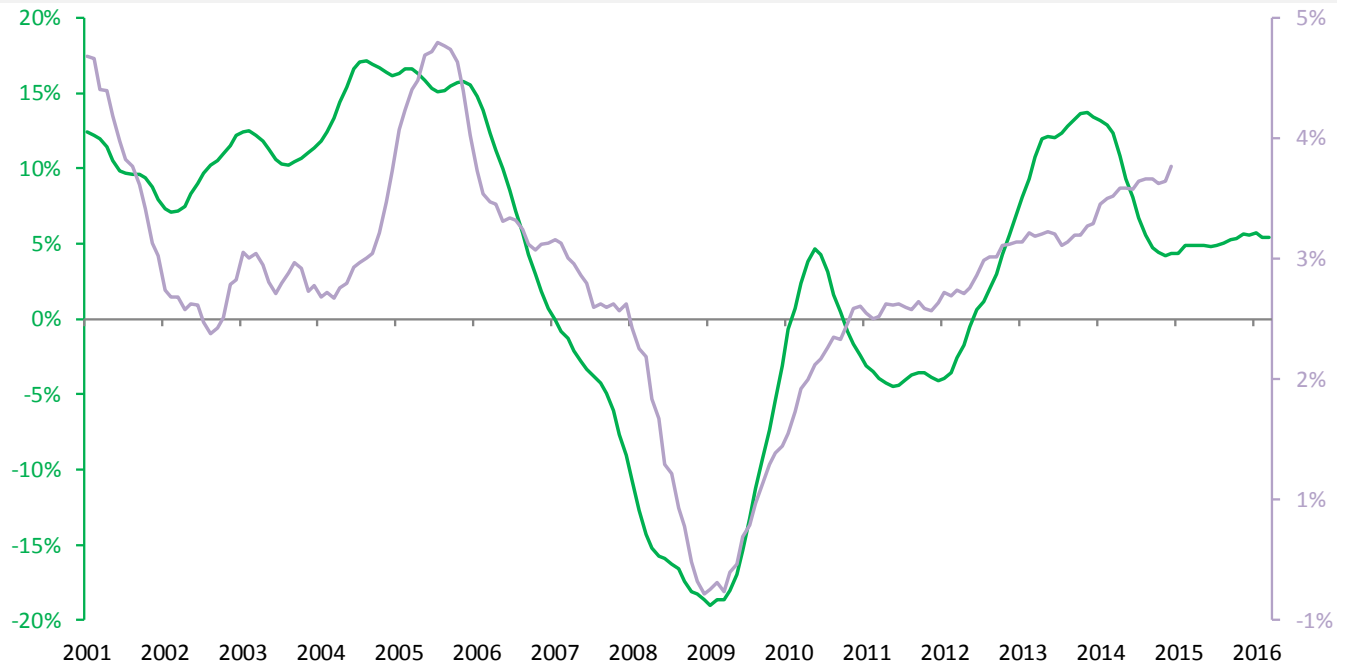
Source: BLS Consumer Price Index, TrendMacro calculations

Housing leads US CPI

Year-over-year change

— Case Shiller 20-city avg

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

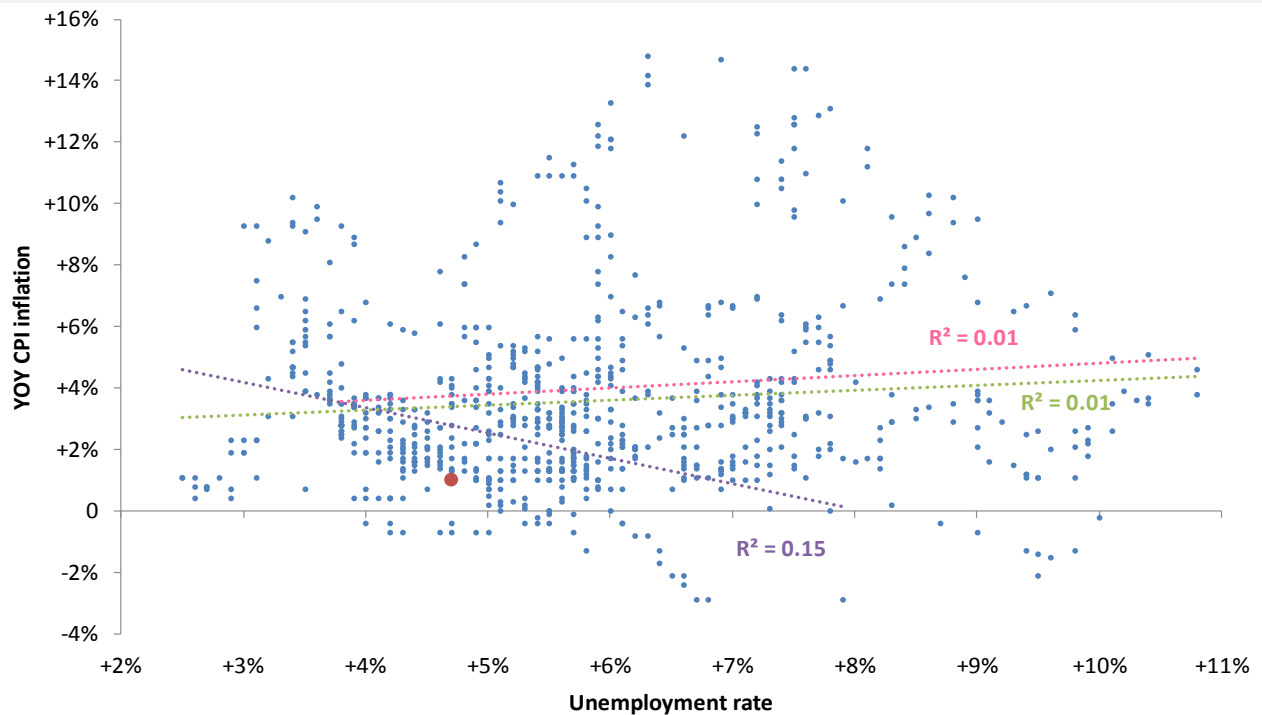


Source: BLS, Standard & Poor's Case Shiller, TrendMacro calculations

The world is flat: the vanishing Phillips Curve

● Latest

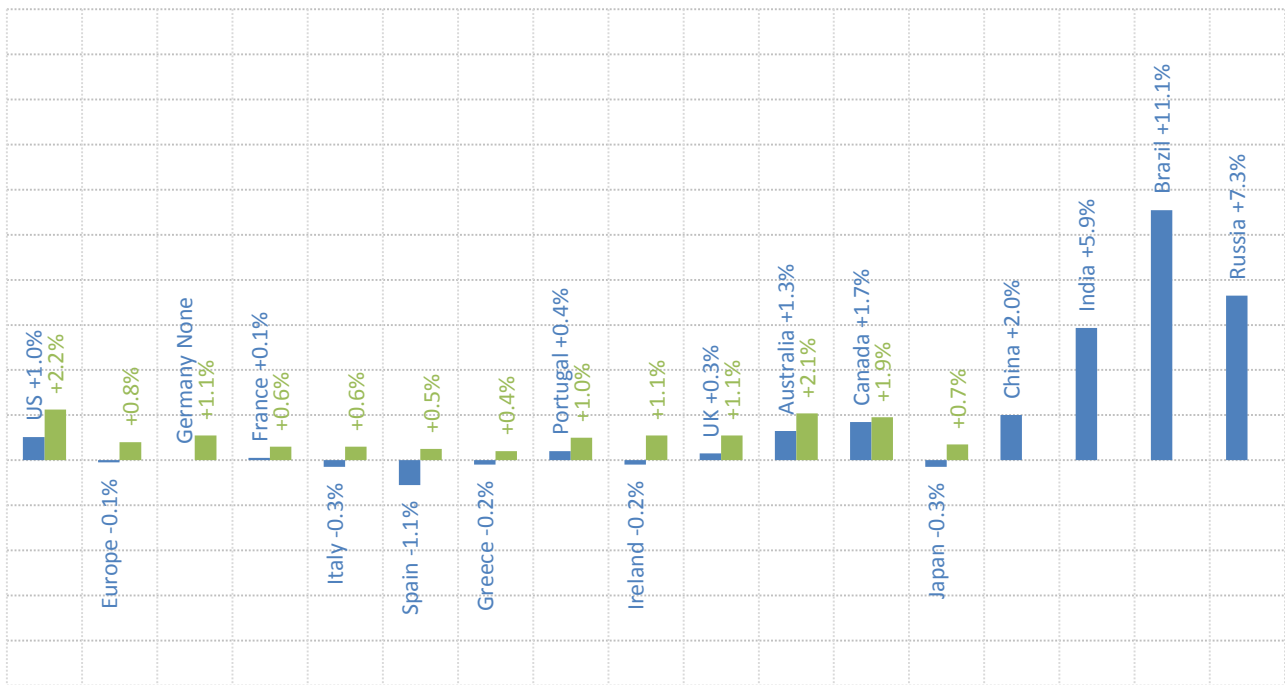
Linear trend: ... Pre-74 ... Post-74 ... All



Source: BLS Consumer Price Index, Current Population Survey

Major economies CPI, year on year

■ Headline ■ Ex-food and energy



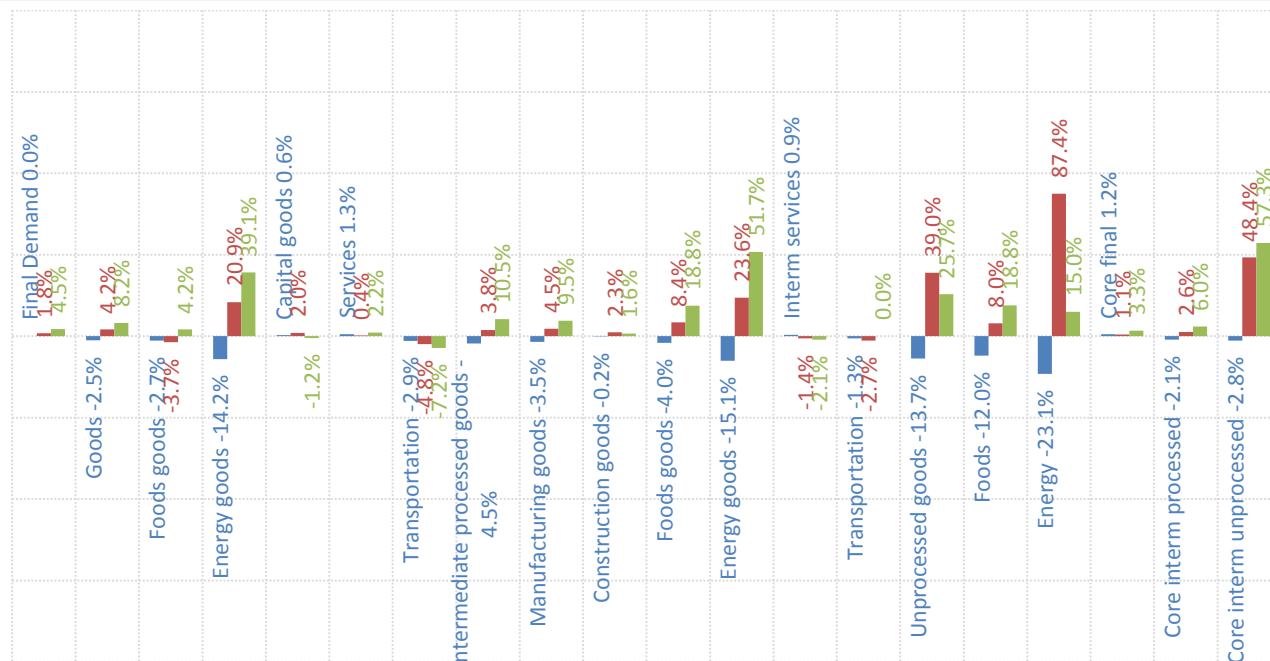
Source: Respective Statistical agencies, TrendMacro calculations

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	unch	+1.8%	+4.5%		
Core	+1.2%	+1.1%	+3.3%		
Intermediate processed	-4.5%	+3.8%	+10.5%		
Core	-2.1%	+2.6%	+6.0%		
Intermediate unprocessed	-13.7%	+39.0%	+25.7%		
Core	-2.8%	+48.4%	+57.3%		

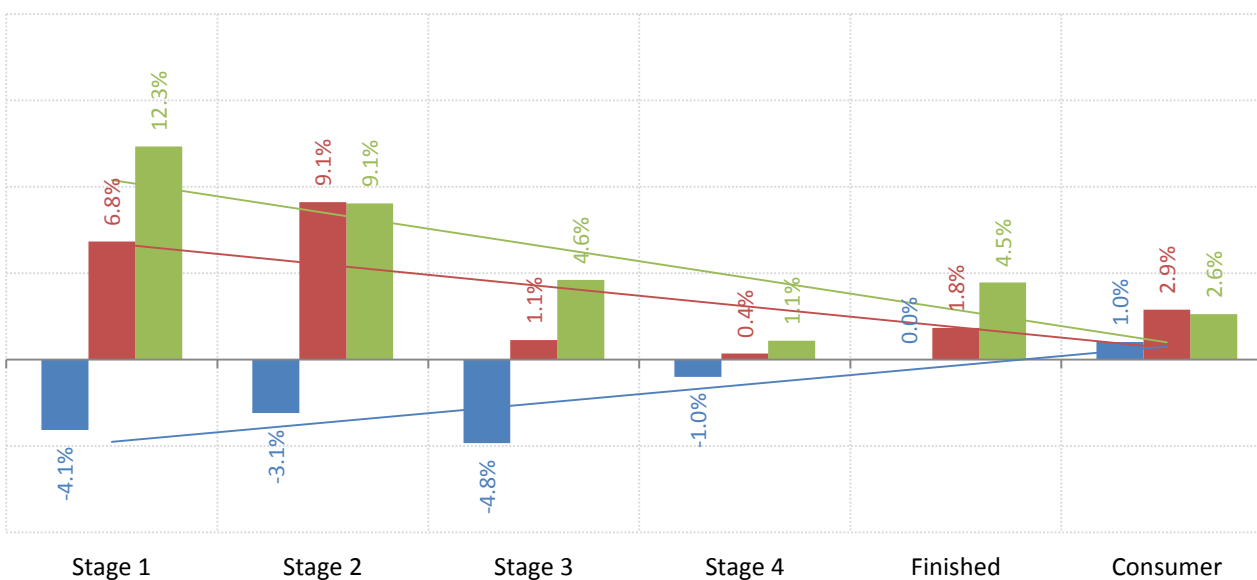
Source: BLS Producer Price Index, TrendMacro calculations

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