

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

Friday, July 15, 2016

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

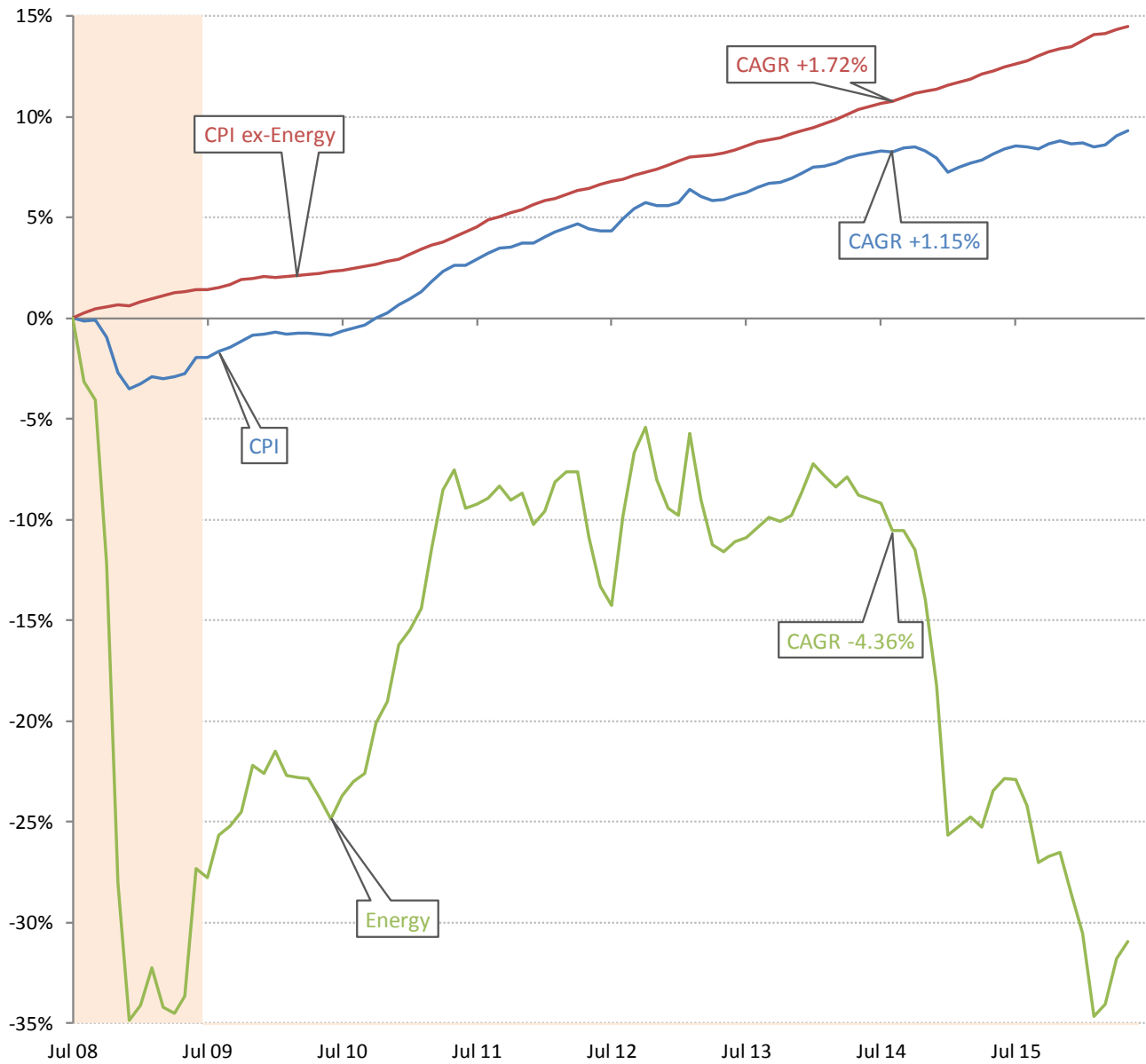
	12-mo YOY	3-mo ann	1-mo ann	12 / 3/ 1-mo	12-mo YOY history
All items	+1.01%	+3.4%	+2.6%		
Core	+2.2%	+2.3%	+2.1%		
OER	+3.2%	+4.0%	+4.0%		
All less OER	+0.5%	+3.2%	+2.3%		
Core less OER	+1.6%	+1.3%	+1.0%		
Energy	-9.2%	+26.8%	+17.1%		
All less energy	+1.9%	+1.9%	+1.6%		
Food	+0.4%	-0.3%	-0.8%		
All less food	+1.2%	+4.0%	+3.2%		
Health care	+3.6%	+4.2%	+4.6%		
All less health care	+0.8%	+3.3%	+2.4%		

Source: BLS Consumer Price Index, TrendMacro calculations

#### For more information contact us:

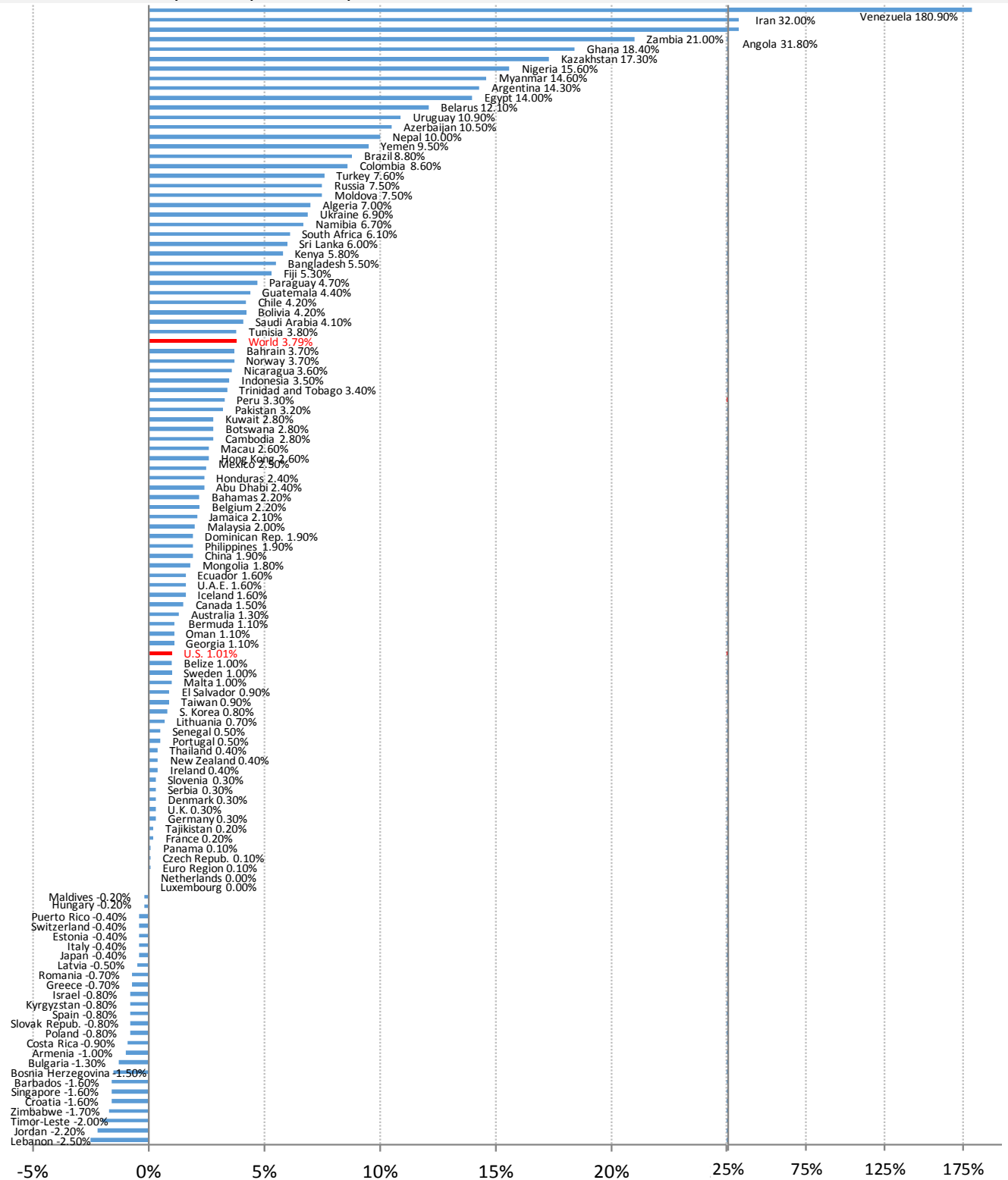
Donald Luskin: 312 273 6766 [don@trendmacro.com](mailto:don@trendmacro.com)  
 Thomas Demas: 704 552 3625 [tdemas@trendmacro.com](mailto:tdemas@trendmacro.com)

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



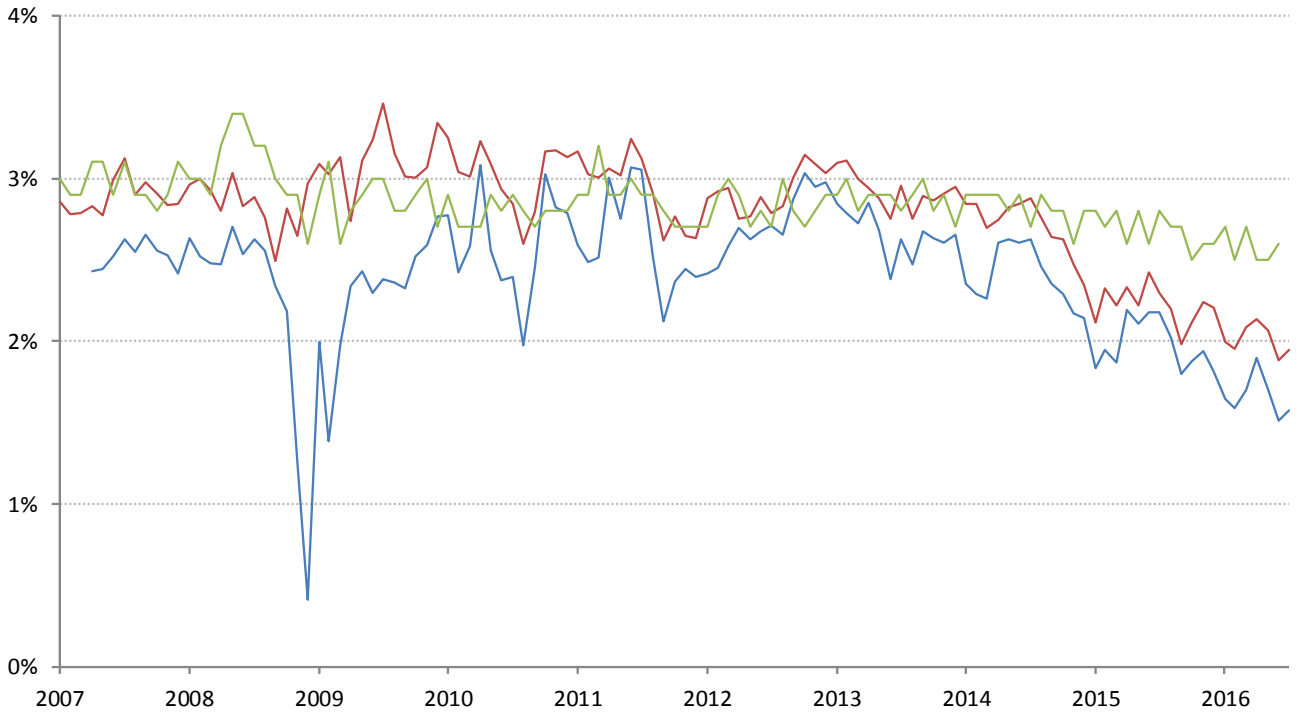
Source: Bloomberg, TrendMacro calculations

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



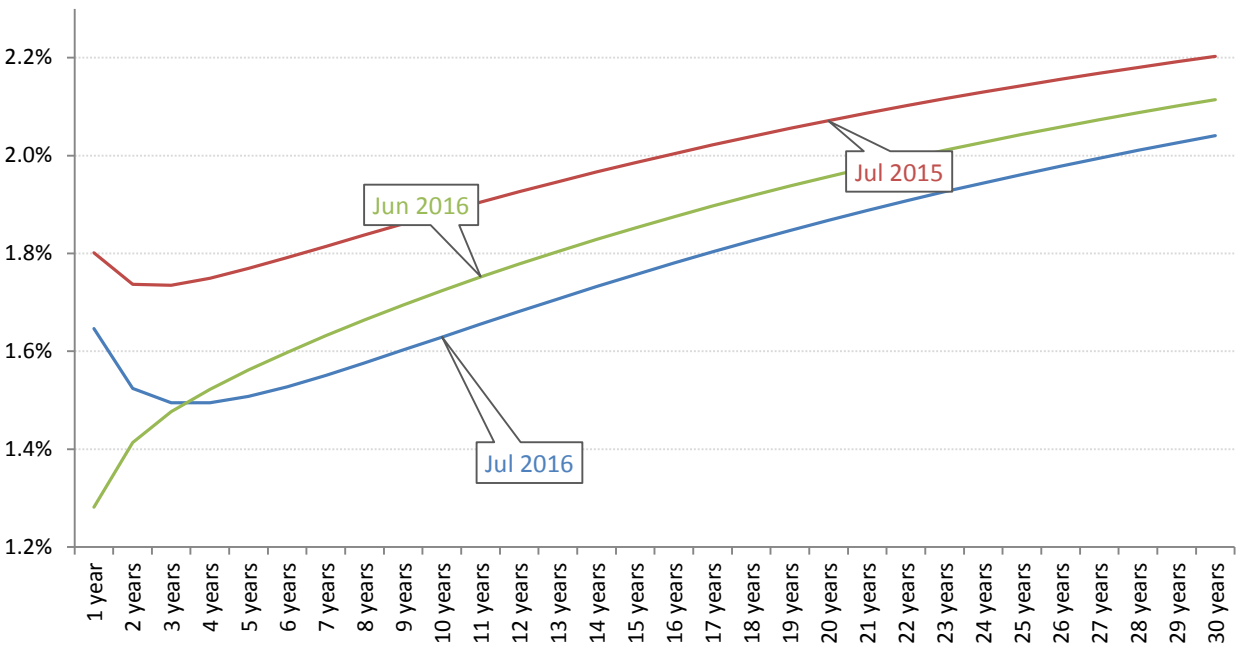
Source: Bloomberg, TrendMacro calculations

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



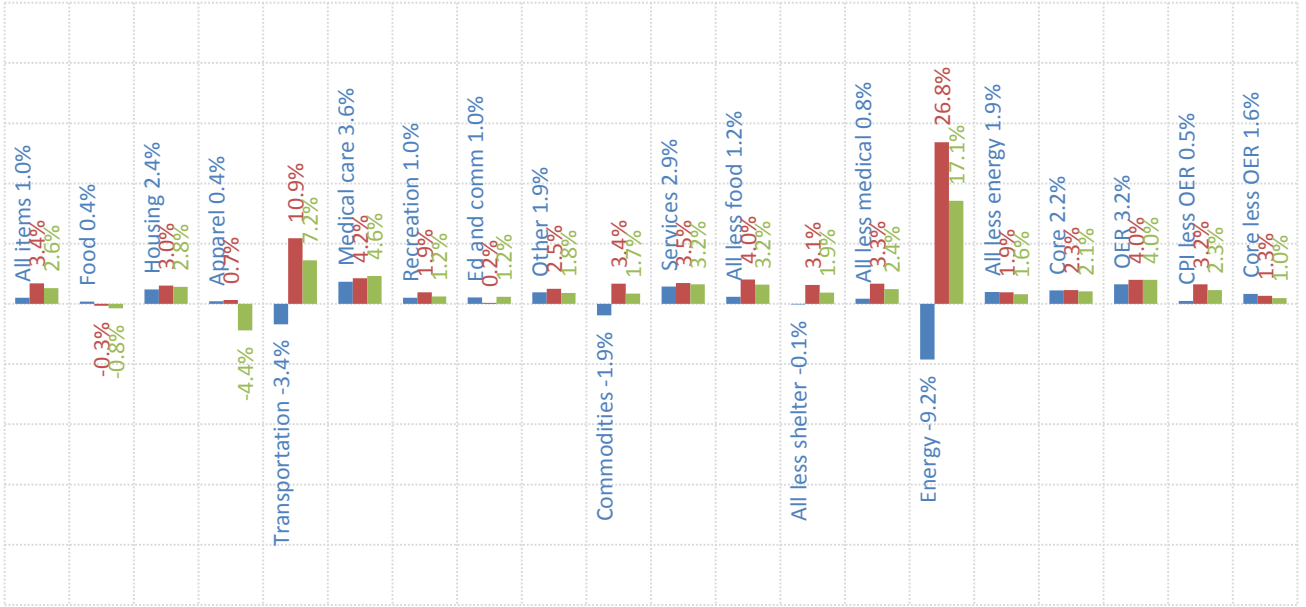
Source: Bloomberg, TrendMacro calculations

Implied inflation yield curve, per annum



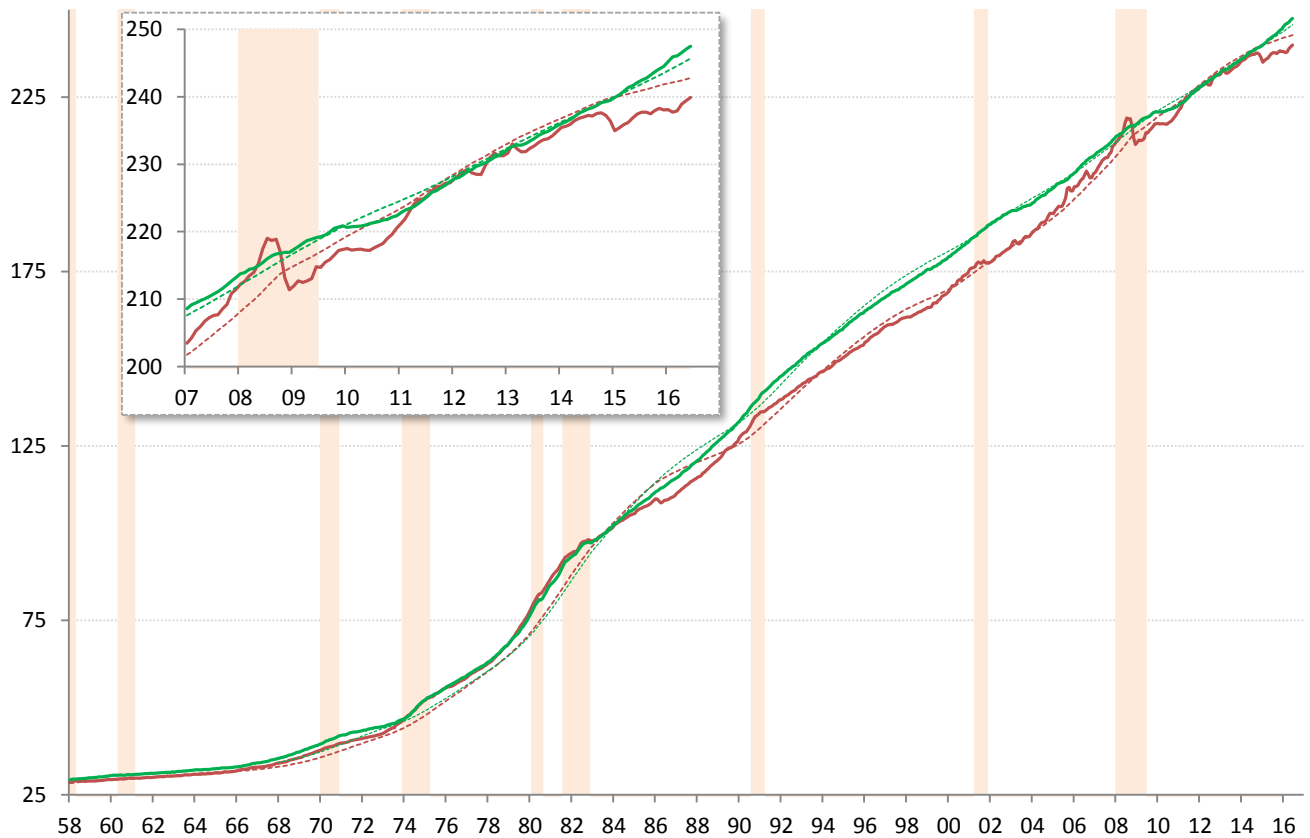
Source: Cleveland Fed, TrendMacro calculations

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



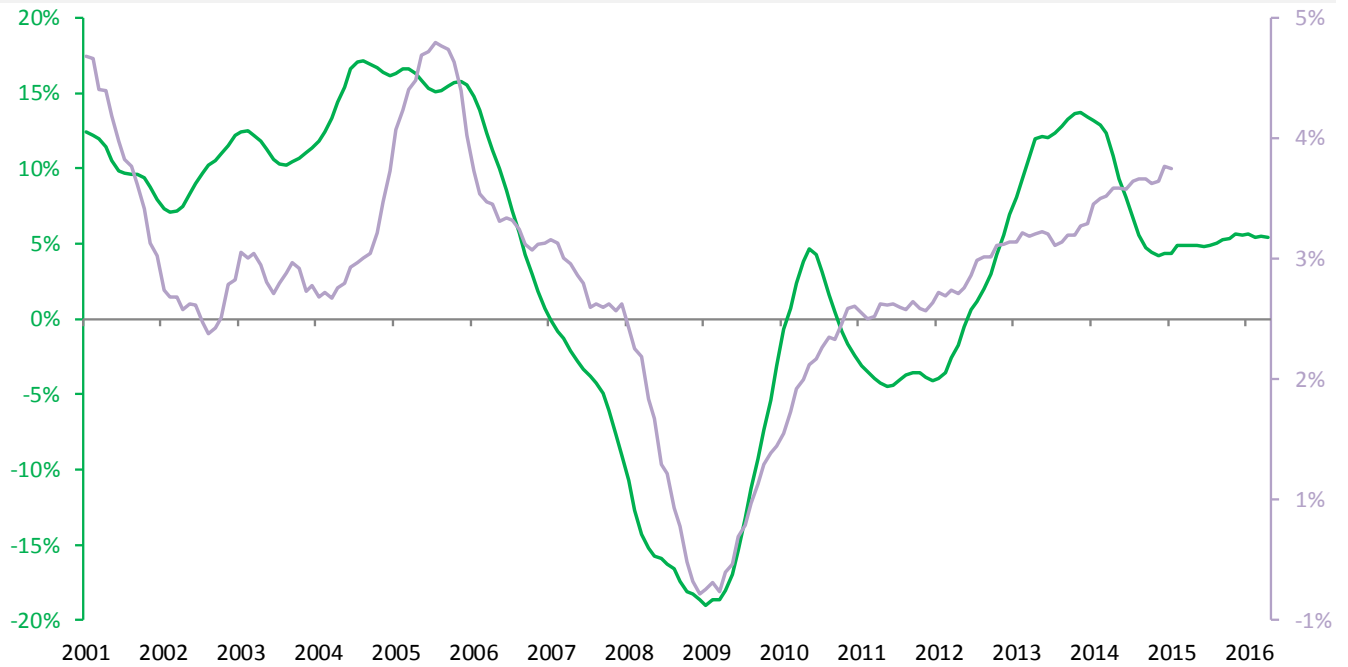
Source: BLS Consumer Price Index, TrendMacro calculations

## 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

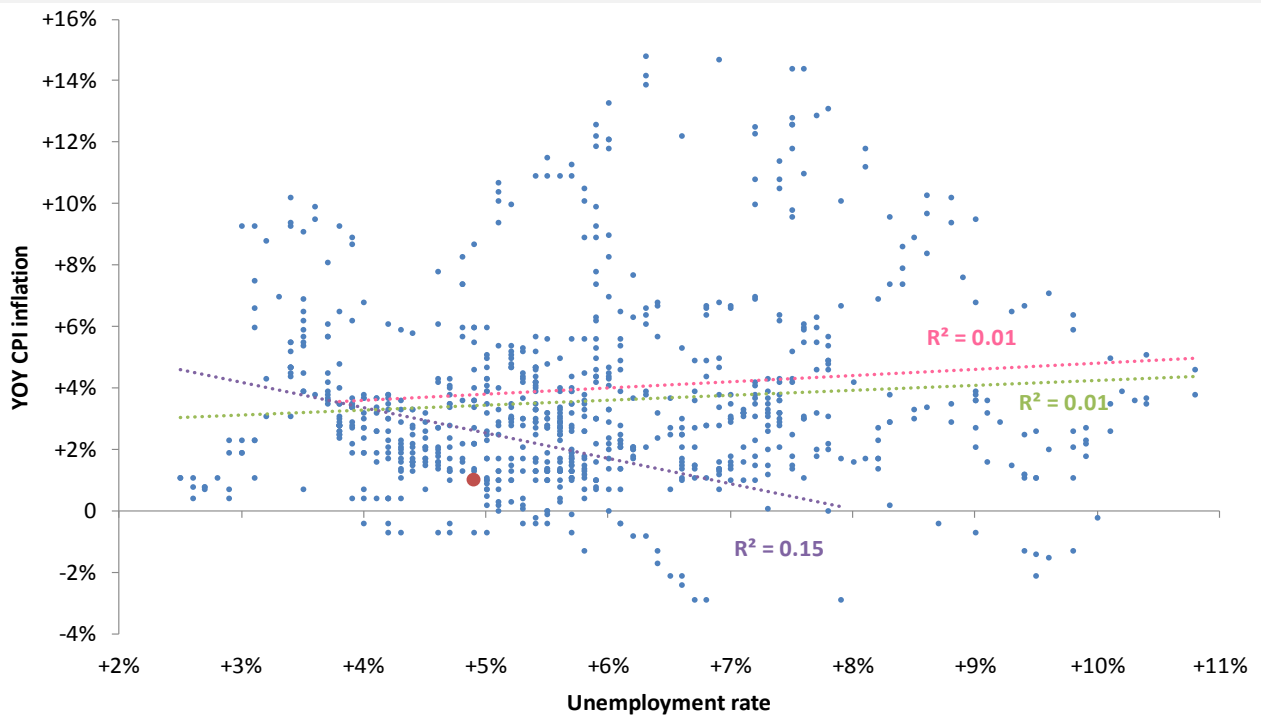
● Latest

Linear trend: ●

Pre-74

Post-74

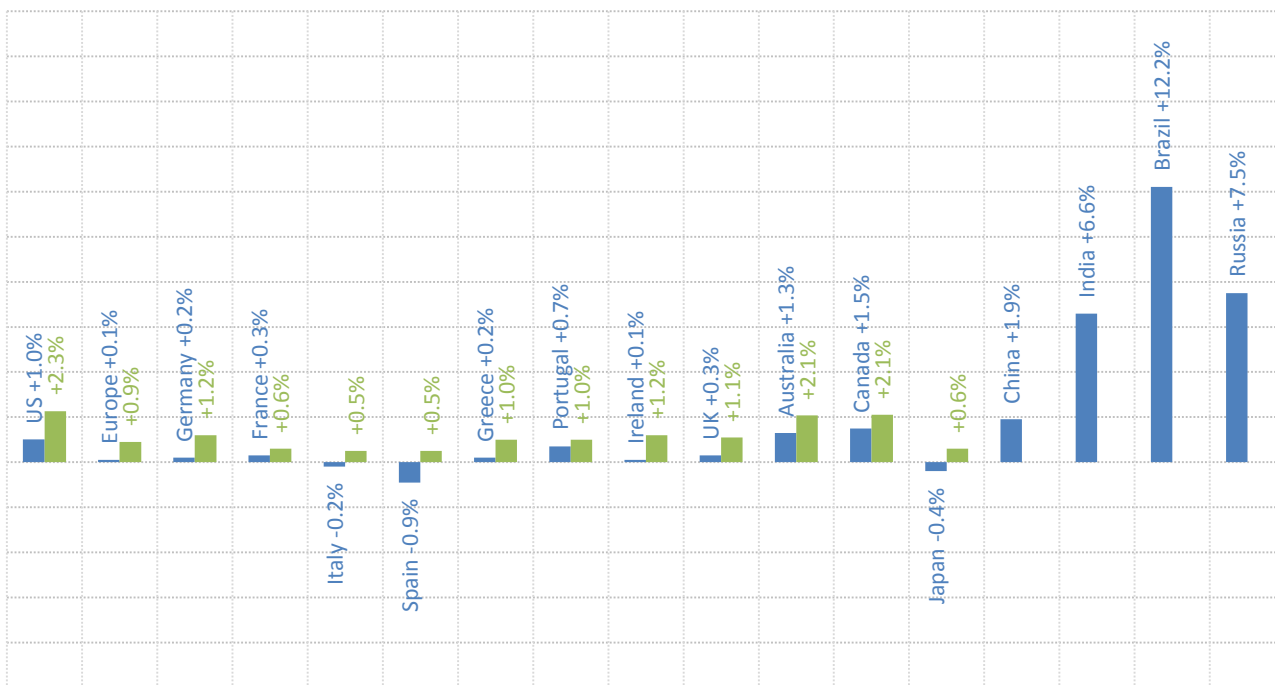
All



Source: BLS Consumer Price Index, Current Population Survey

## Major economies CPI, year on year

■ Headline ■ Ex-food and energy



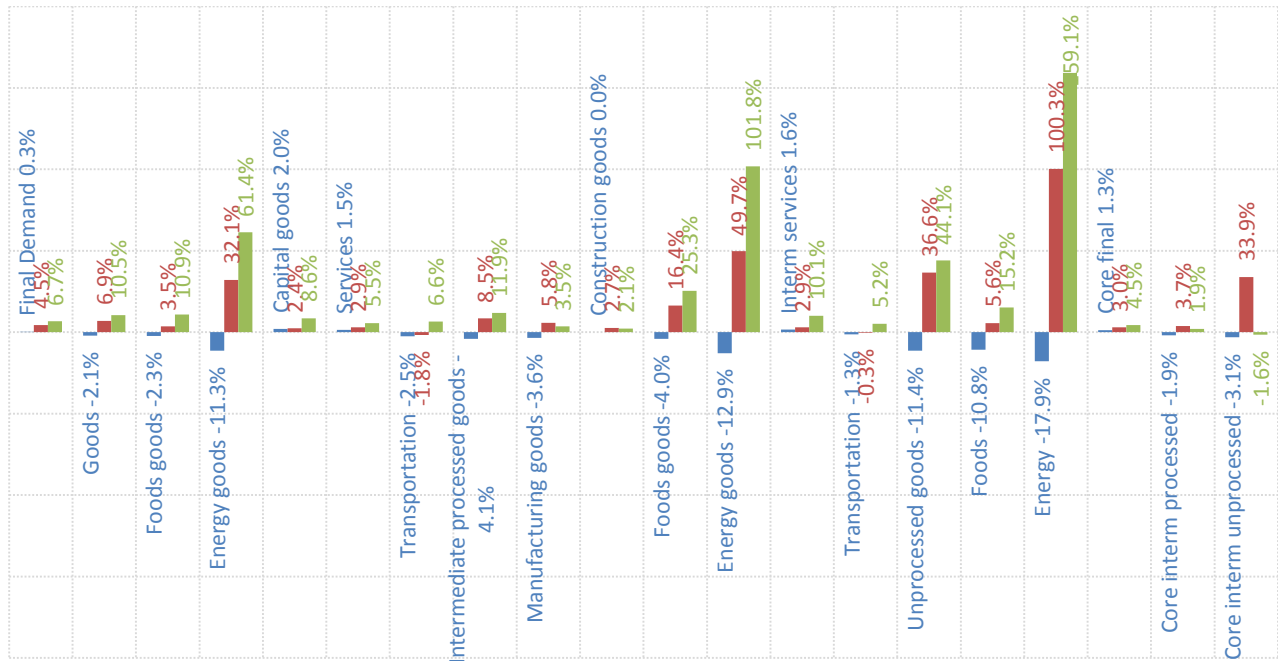
Source: Respective Statistical agencies, TrendMacro calculations

## 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	+0.3%	+4.5%	+6.7%		
Core	+1.3%	+3.0%	+4.5%		
Intermediate processed	-4.1%	+8.5%	+11.9%		
Core	-1.9%	+3.7%	+1.9%		
Intermediate unprocessed	-11.4%	+36.6%	+44.1%		
Core	-3.1%	+33.9%	-1.6%		

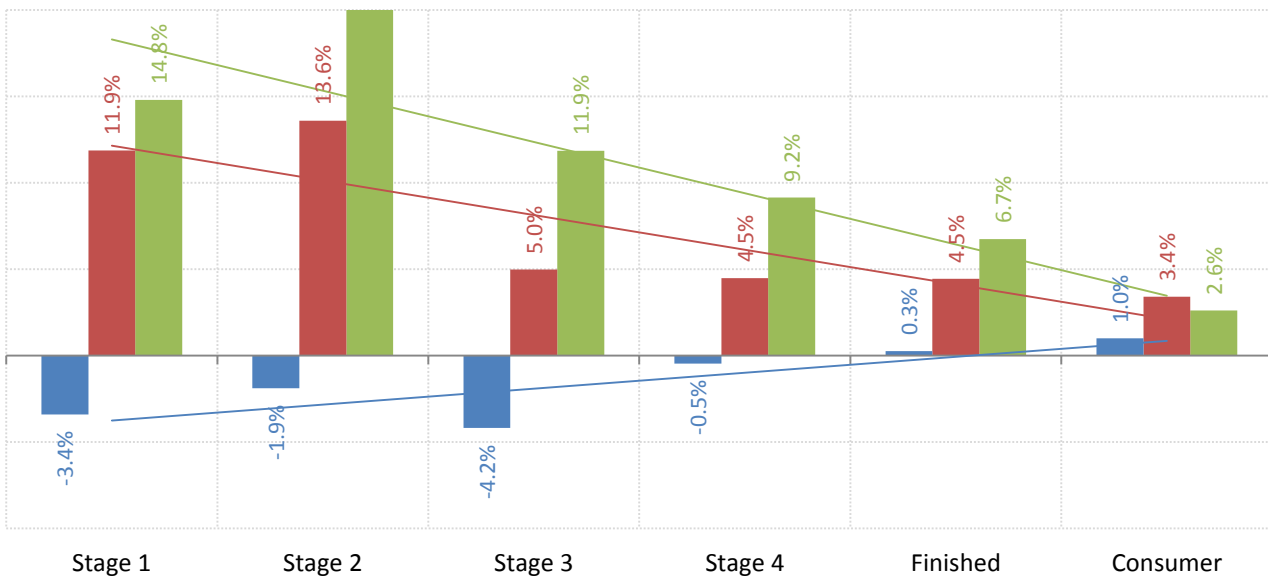
Source: BLS Producer Price Index, TrendMacro calculations

## 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