
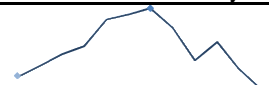





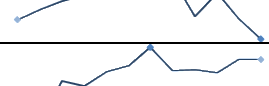

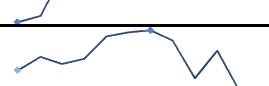

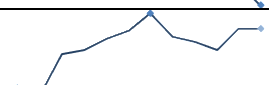

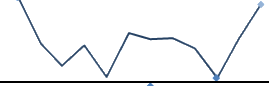



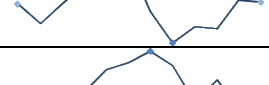
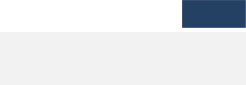
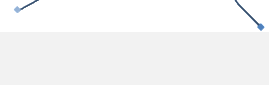




## Data Insights: Consumer Price Index, Producer Price Index

Friday, January 11, 2019

### 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	+1.91%	+1.2%	-0.7%		
Core	+2.18%	+2.5%	+2.6%		
OER	+3.2%	+3.3%	+2.8%		
All less OER	+1.6%	+1.2%	-0.6%		
Core less OER	+1.7%	+2.0%	+2.4%		
Energy	-0.2%	-12.5%	-34.4%		
All less energy	+2.1%	+2.4%	+2.8%		
Food	+1.6%	+2.0%	+4.3%		
All less food	+2.0%	+1.0%	-1.5%		
Health care	+2.0%	+3.3%	+3.6%		
All less health care	+1.9%	+1.0%	-1.1%		

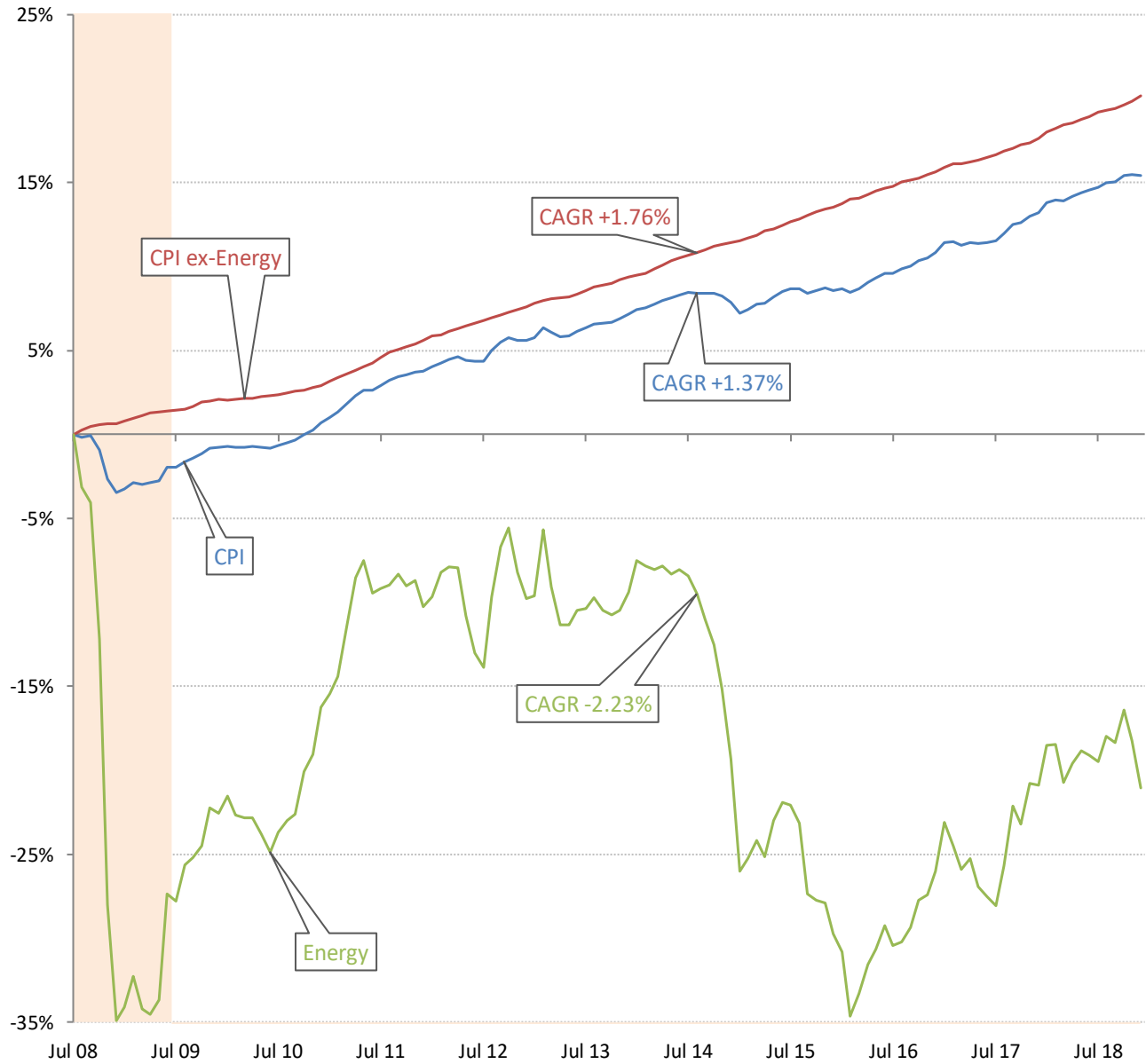
Source: BLS Consumer Price Index, TrendMacro calculations

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 Thomas Demas: 704 552 3625 [tdemas@trendmacro.com](mailto:tdemas@trendmacro.com)

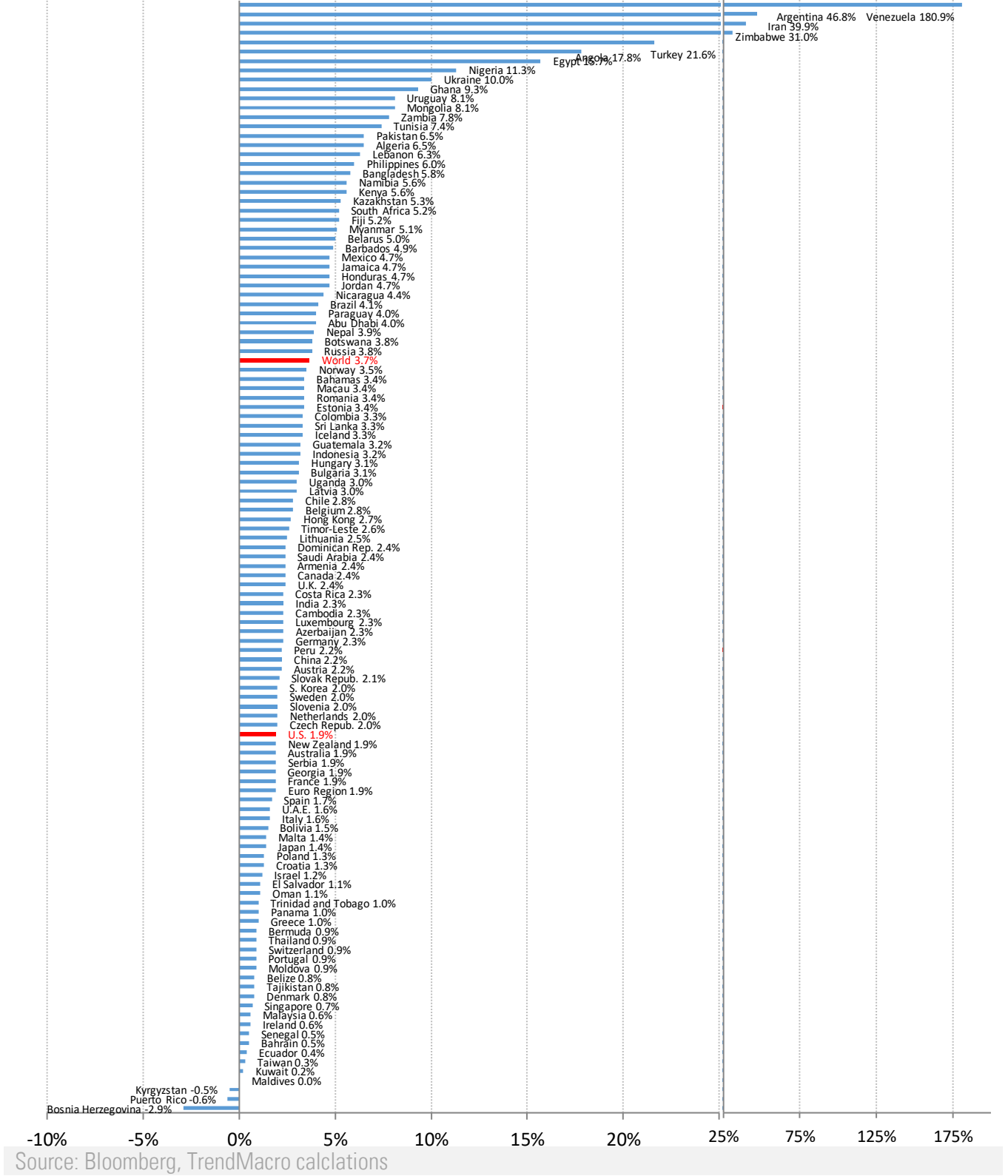
# The deflation delusion: it's all about oil, and always has been

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



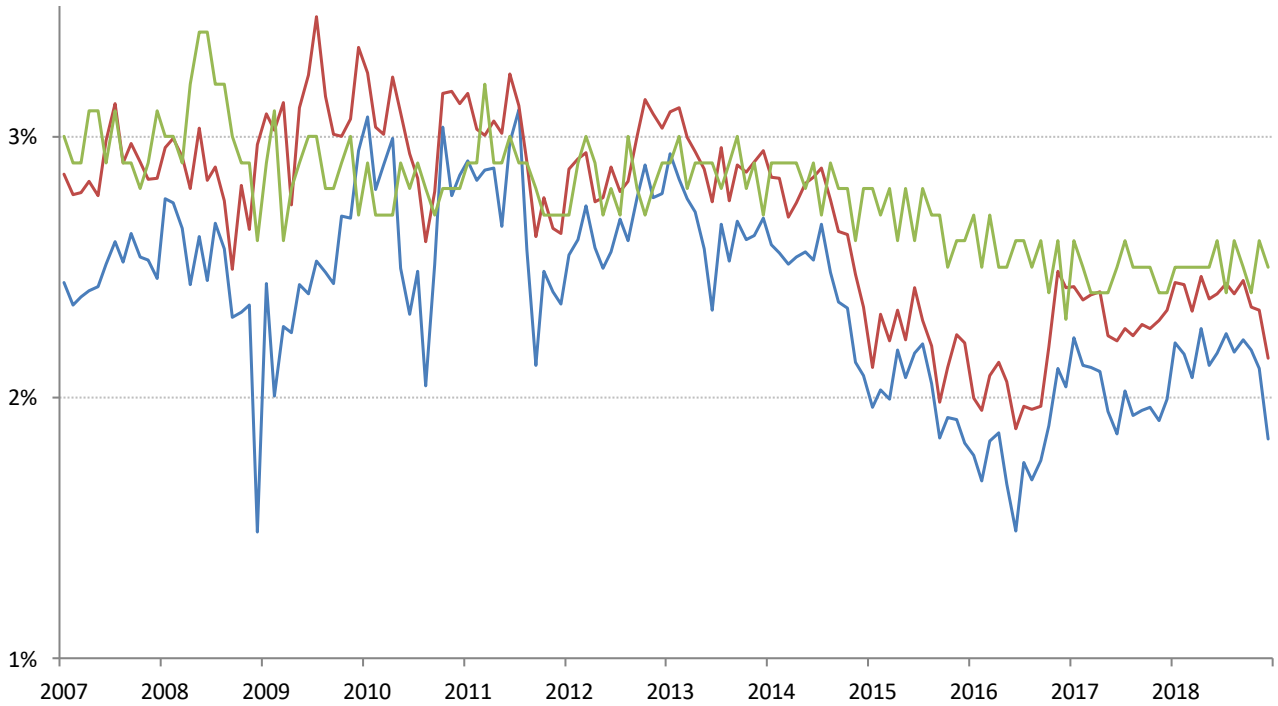
Source: Bloomberg, TrendMacro calculations

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



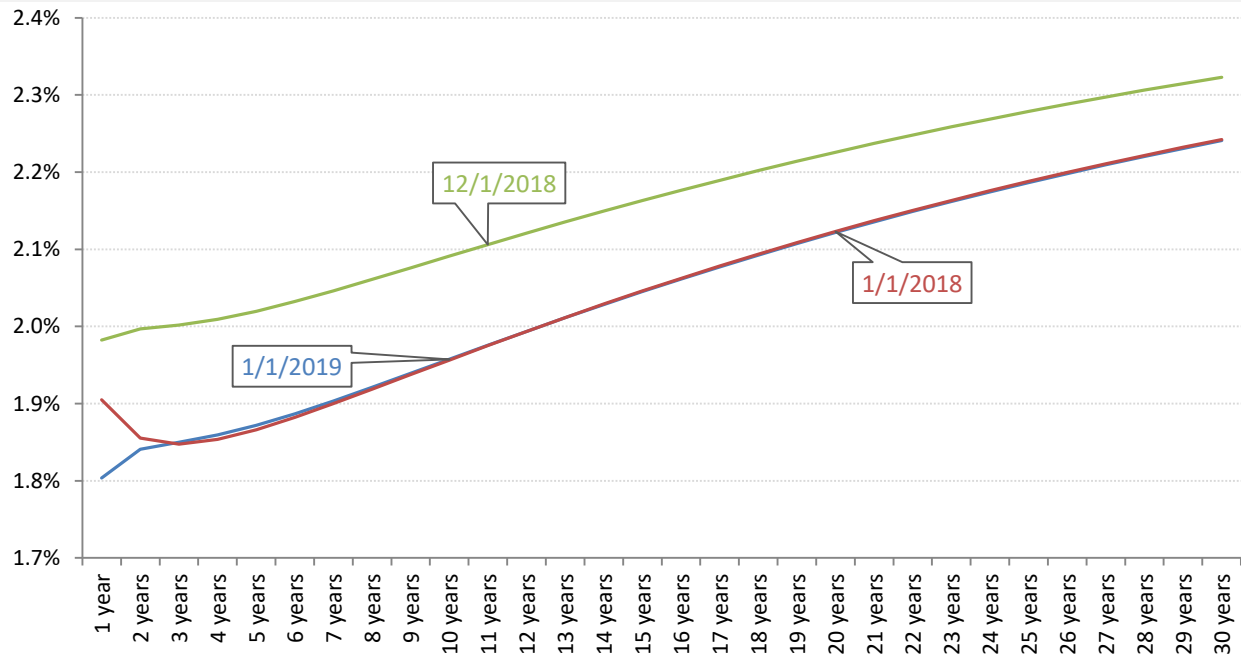
Source: Bloomberg, TrendMacro calculations

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



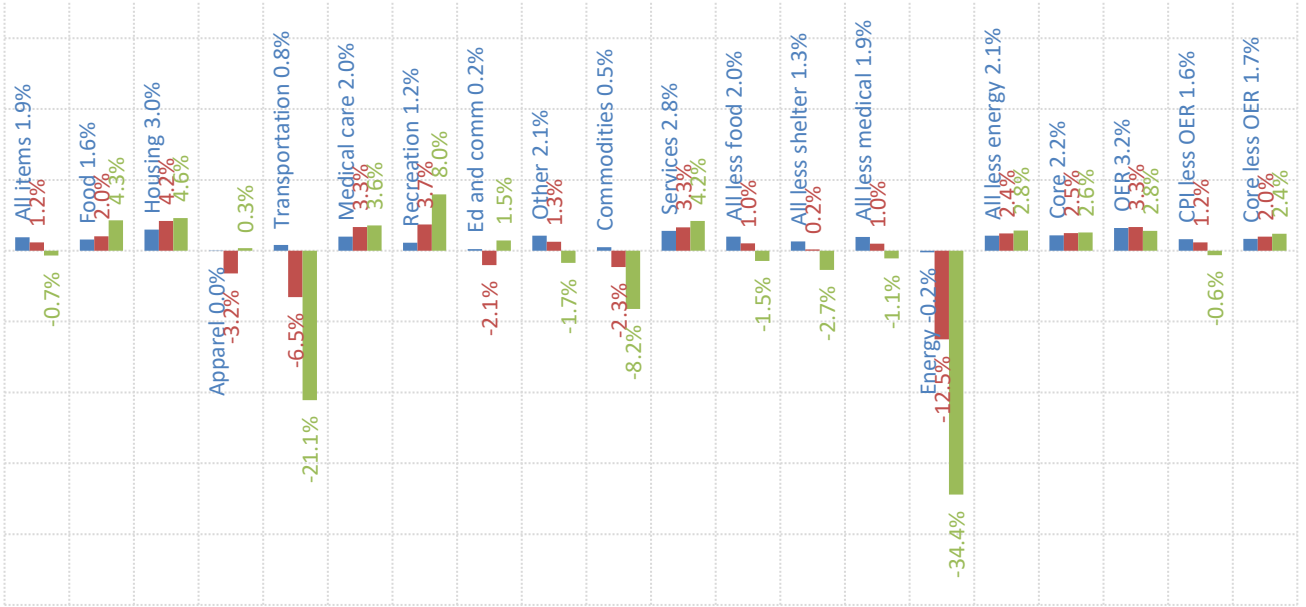
Source: Bloomberg, TrendMacro calculations

Swap-implied inflation yield curve, per annum



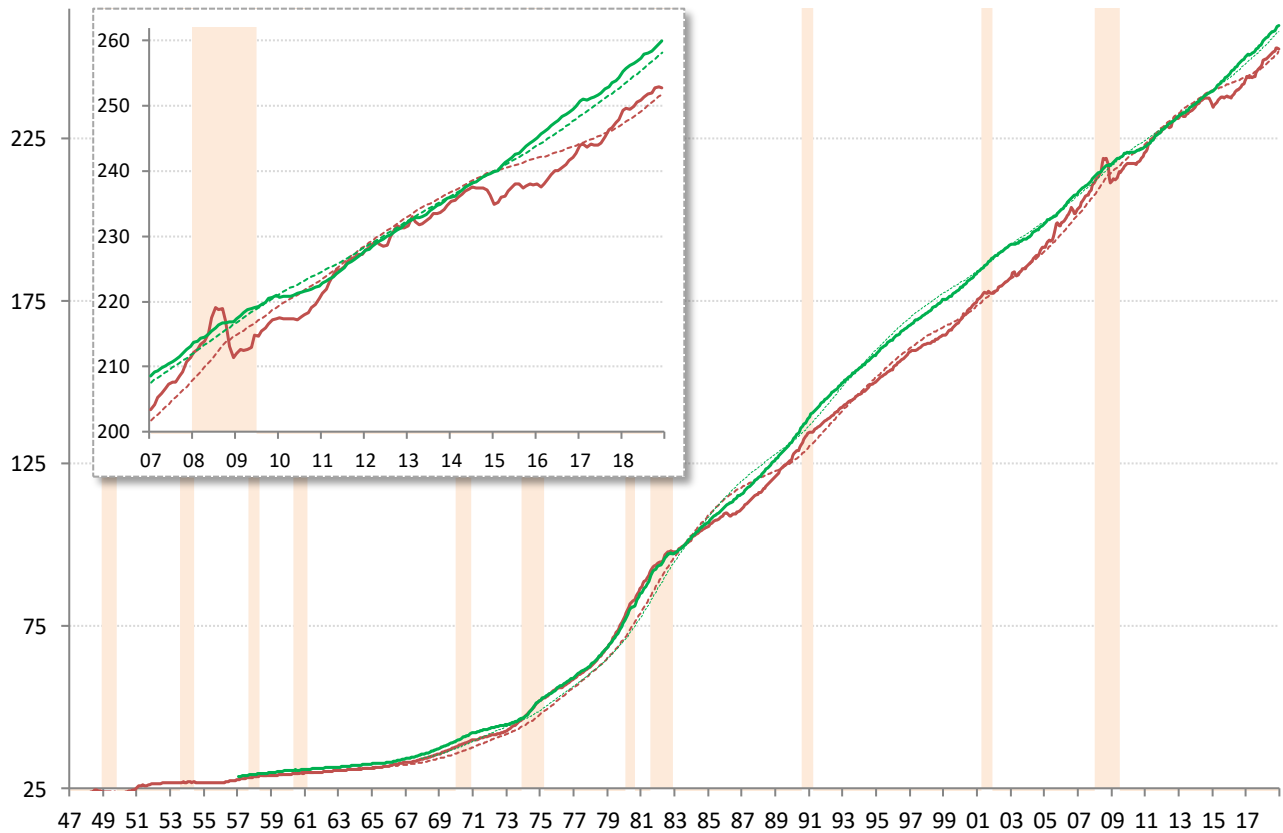
Source: Cleveland Fed, TrendMacro calculations

## 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



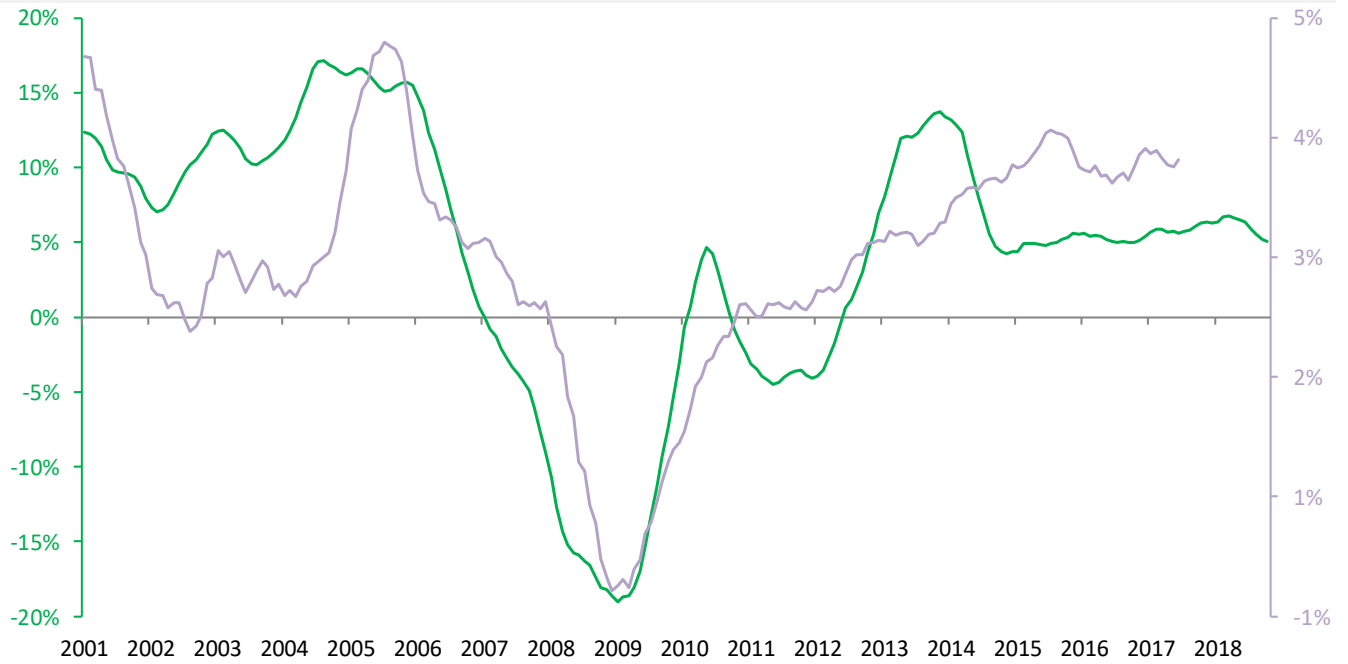
Source: BLS Consumer Price Index, TrendMacro calculations

## 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

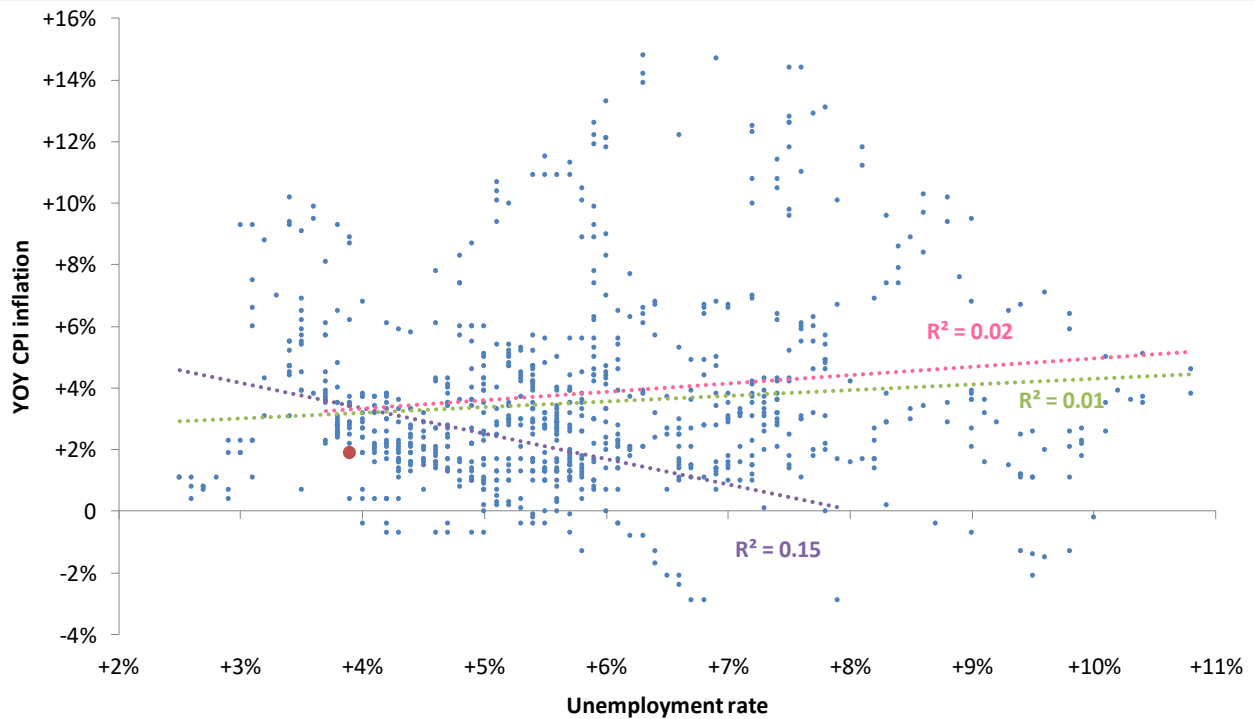
● Latest

Linear trend: ●

Pre-74

Post-74

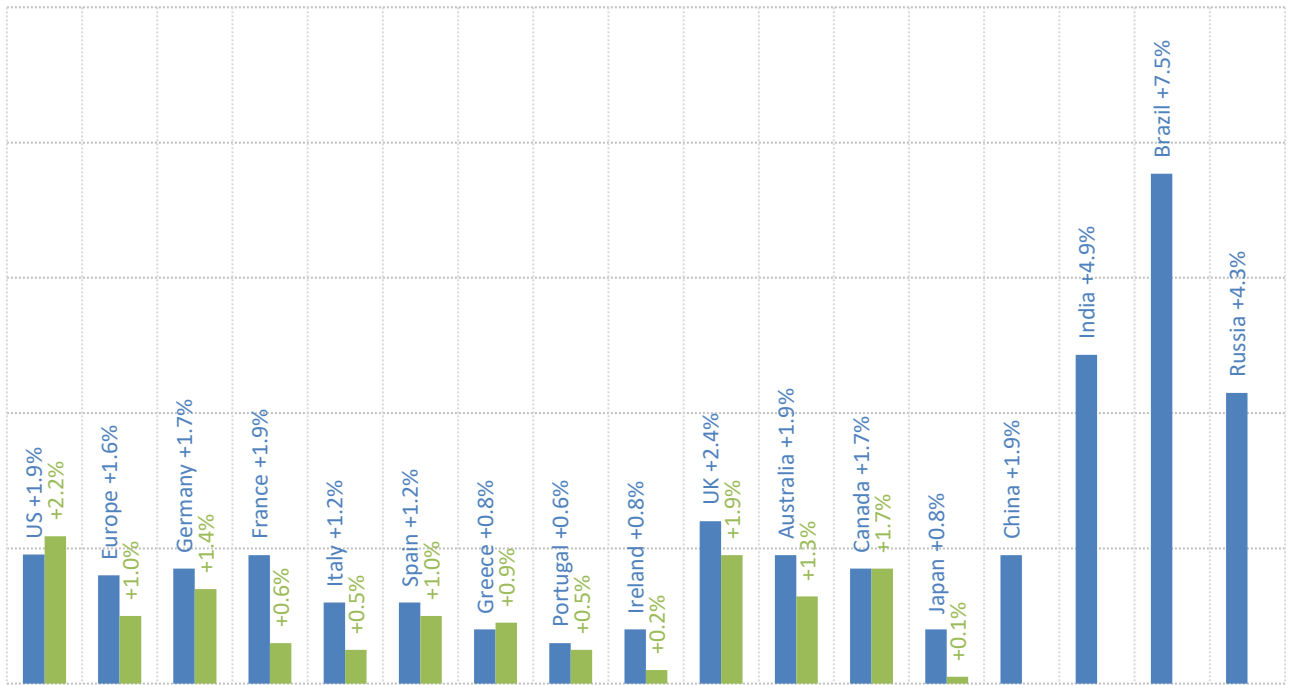
All



Source: BLS Consumer Price Index, Current Population Survey

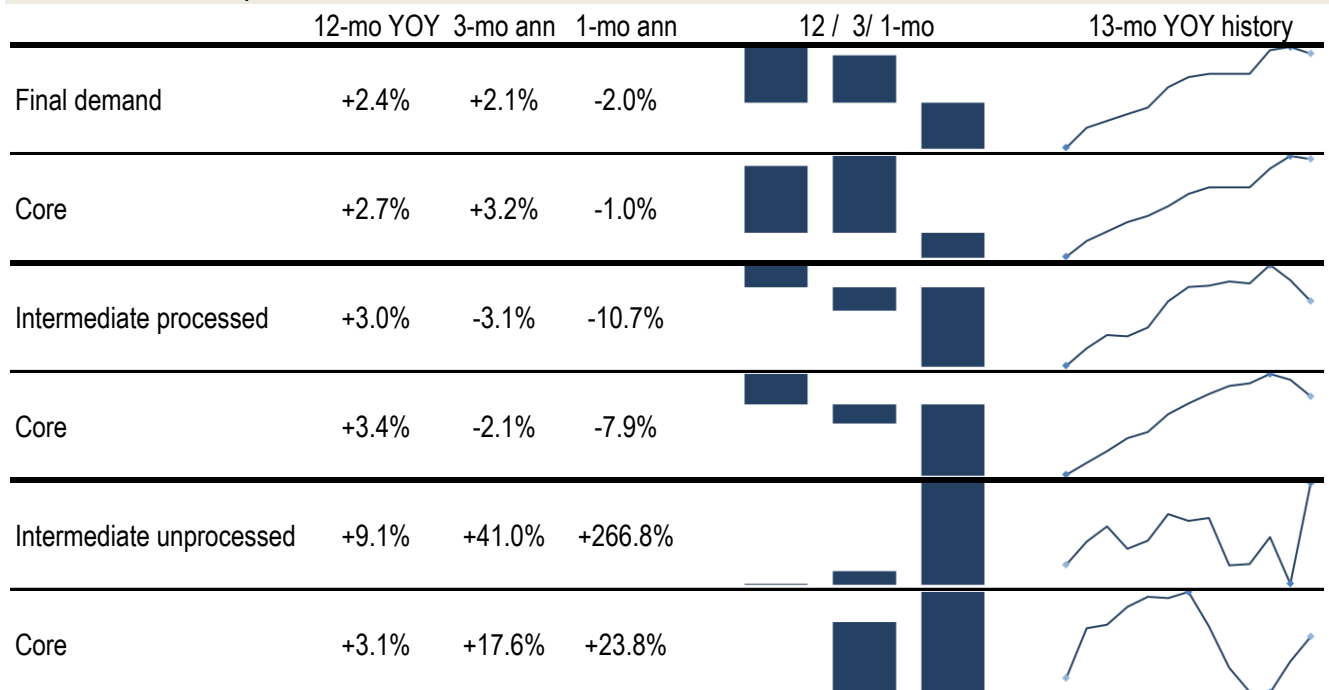
## Major economies CPI, year on year

■ Headline ■ Ex-food and energy



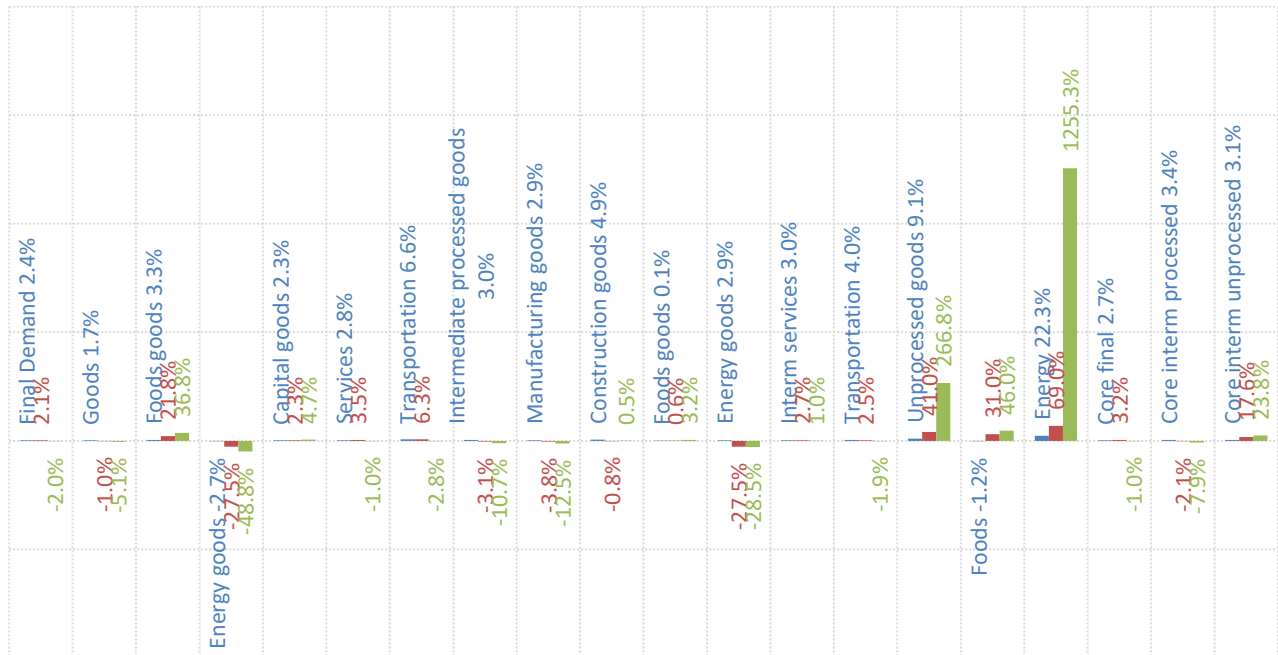
Source: Respective Statistical agencies, TrendMacro calculations

## PPI data: what you need to know



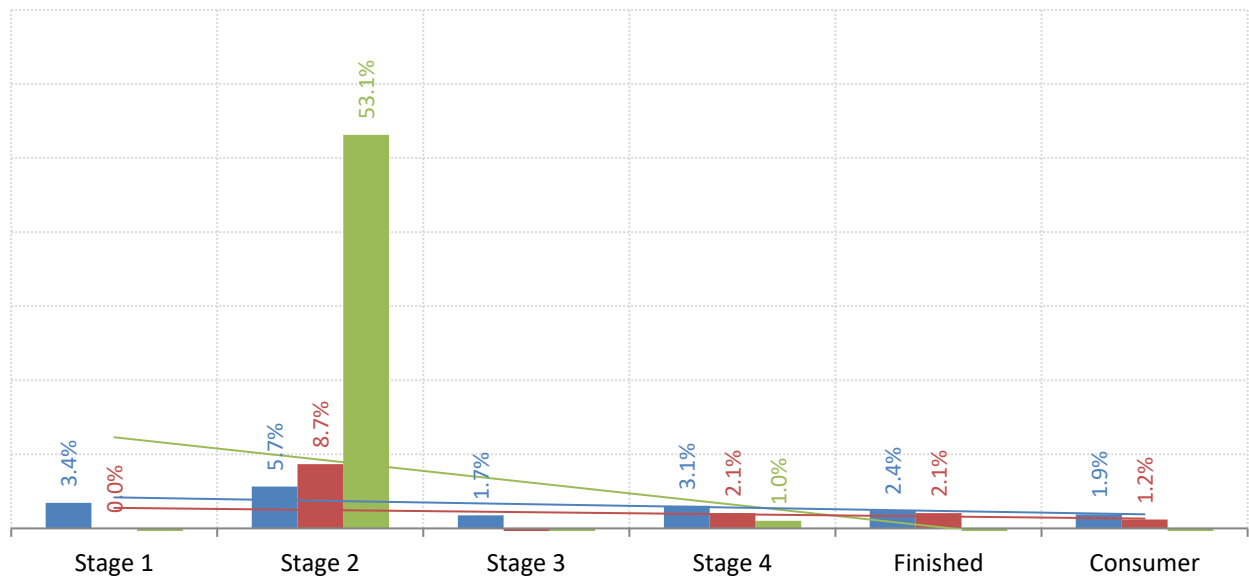
Source: BLS Producer Price Index, TrendMacro calculations

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



Source: BLS Producer Price Index, TrendMacro calculations

## The inflation pipeline (SAAR) ■ 12-mo ■ 3-mo ■ 1-mo



Source: BLS Producer Price Index and Consumer Price Index, TrendMacro calculations