

Data Insights: Consumer Price Index, Producer Price Index

Wednesday, June 12, 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	+1.79%	+3.3%	+0.9%		
Core	+1.99%	+1.6%	+1.4%		
OER	+3.3%	+3.7%	+3.2%		
All less OER	+1.5%	+3.2%	+0.9%		
Core less OER	+1.2%	+0.4%	+0.4%		
Energy	-0.5%	+25.6%	-7.1%		
All less energy	+2.0%	+1.6%	+1.6%		
Food	+2.0%	+1.7%	+3.4%		
All less food	+1.8%	+3.5%	+0.6%		
Health care	+2.1%	+3.8%	+3.6%		
All less health care	+1.8%	+3.2%	+0.7%		

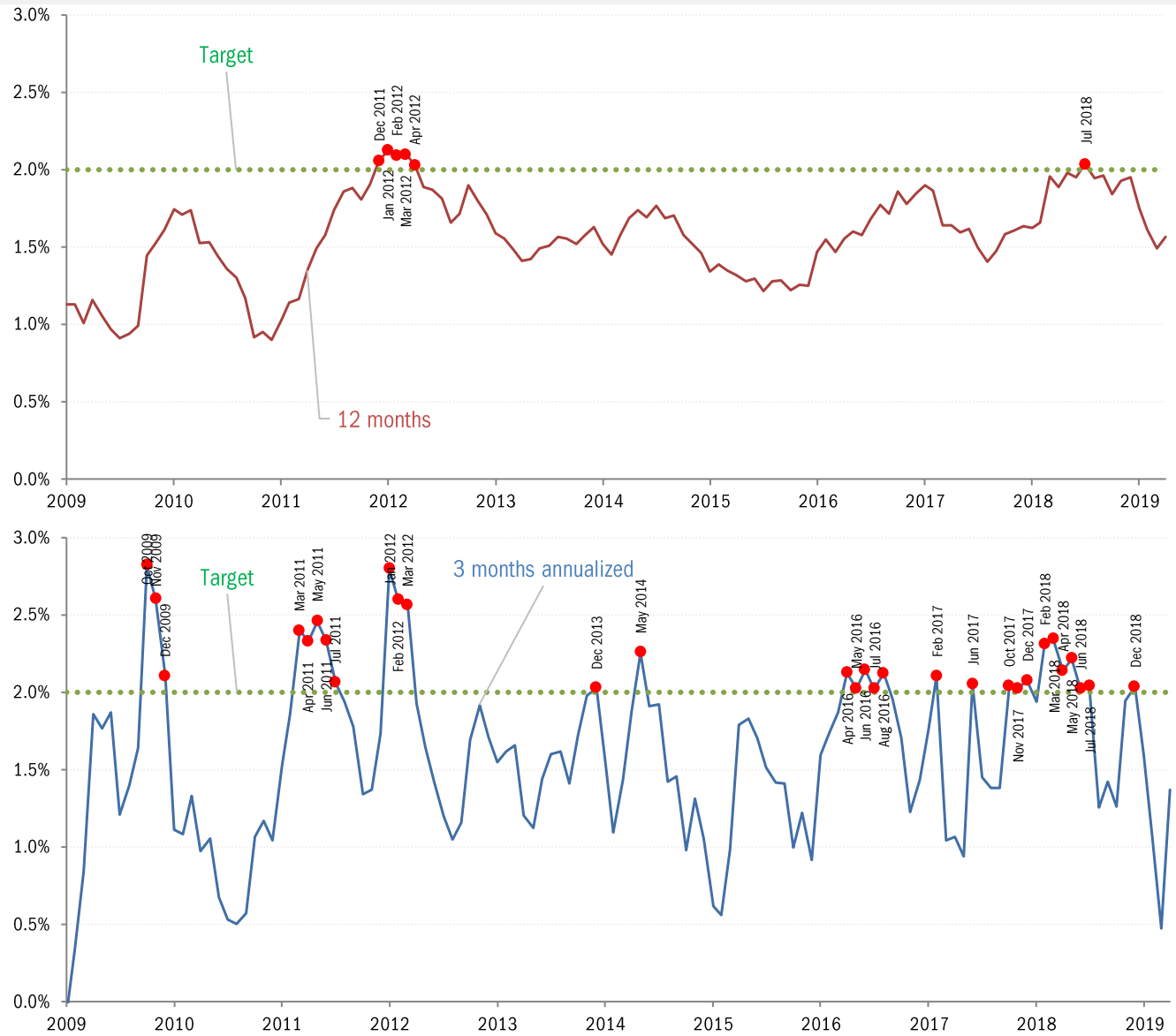
Source: BLS Consumer Price Index, TrendMacro calculations

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Target malpractice: the Fed's permanent "transitory" problem

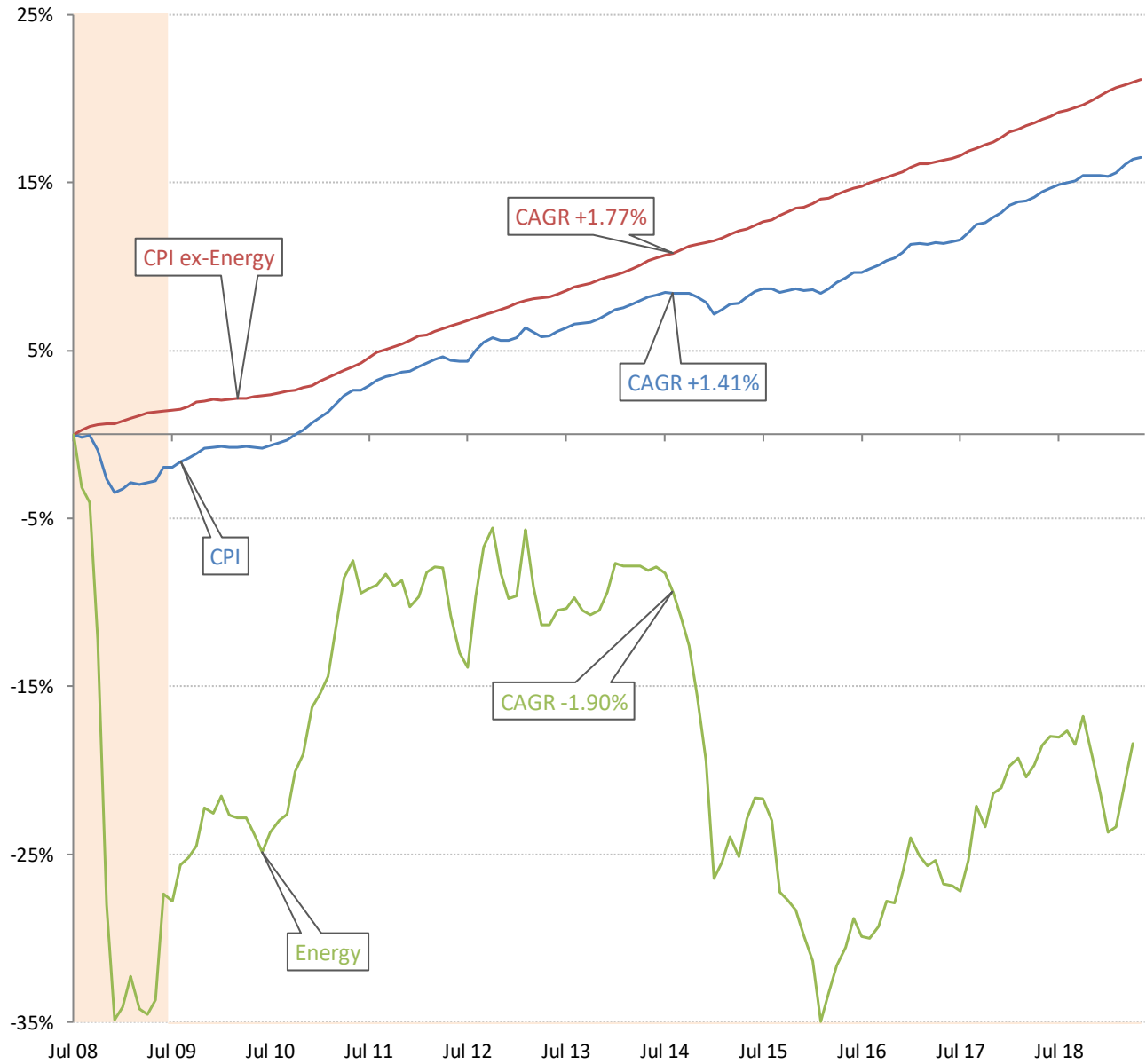
Core PCE Price Index



Source: Bloomberg, TrendMacro calculations

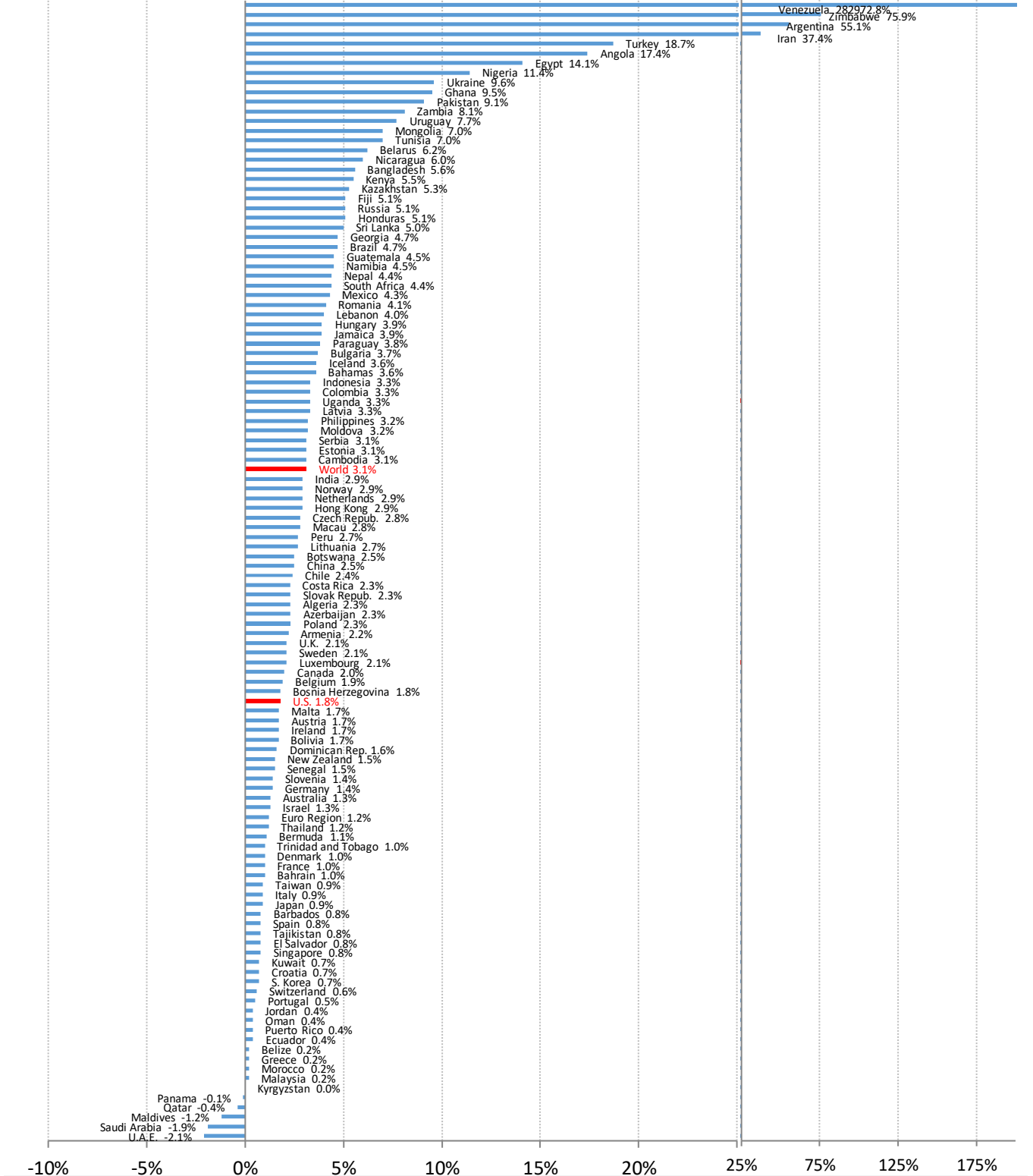
The deflation delusion: it's all about oil, and always has been

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



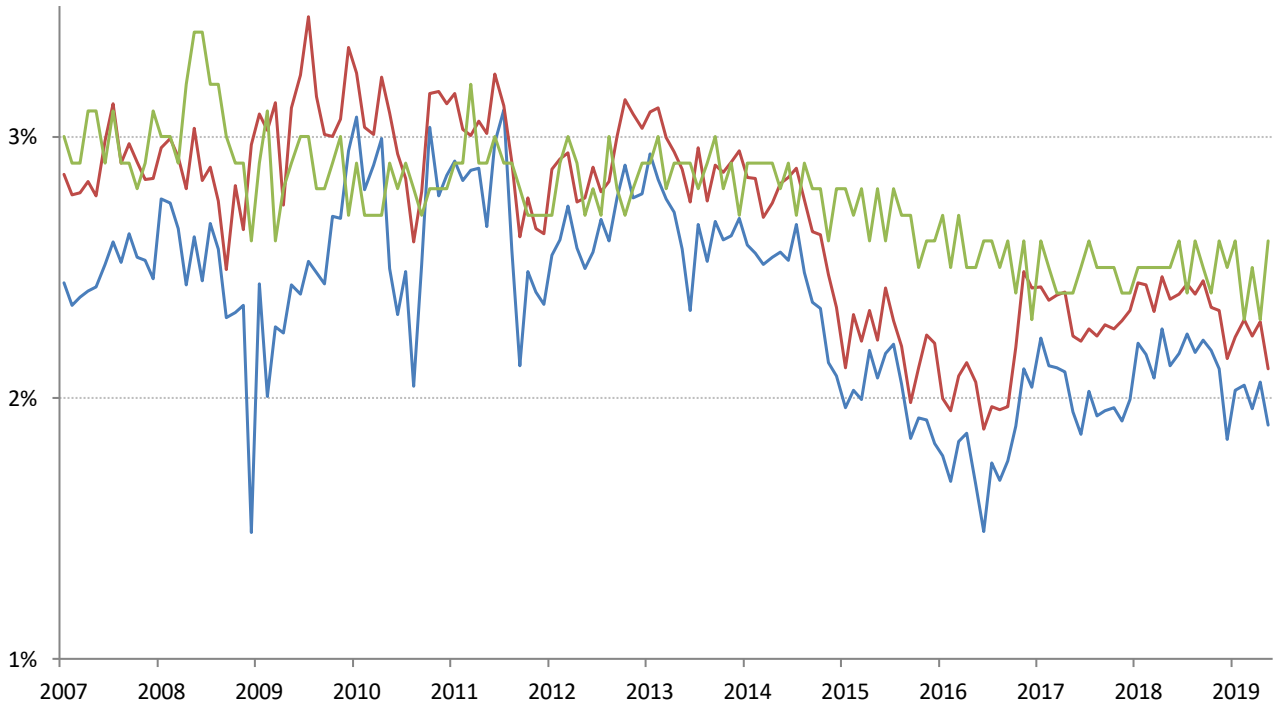
Source: Bloomberg, TrendMacro calculations

World round-up: CPI year-on-year



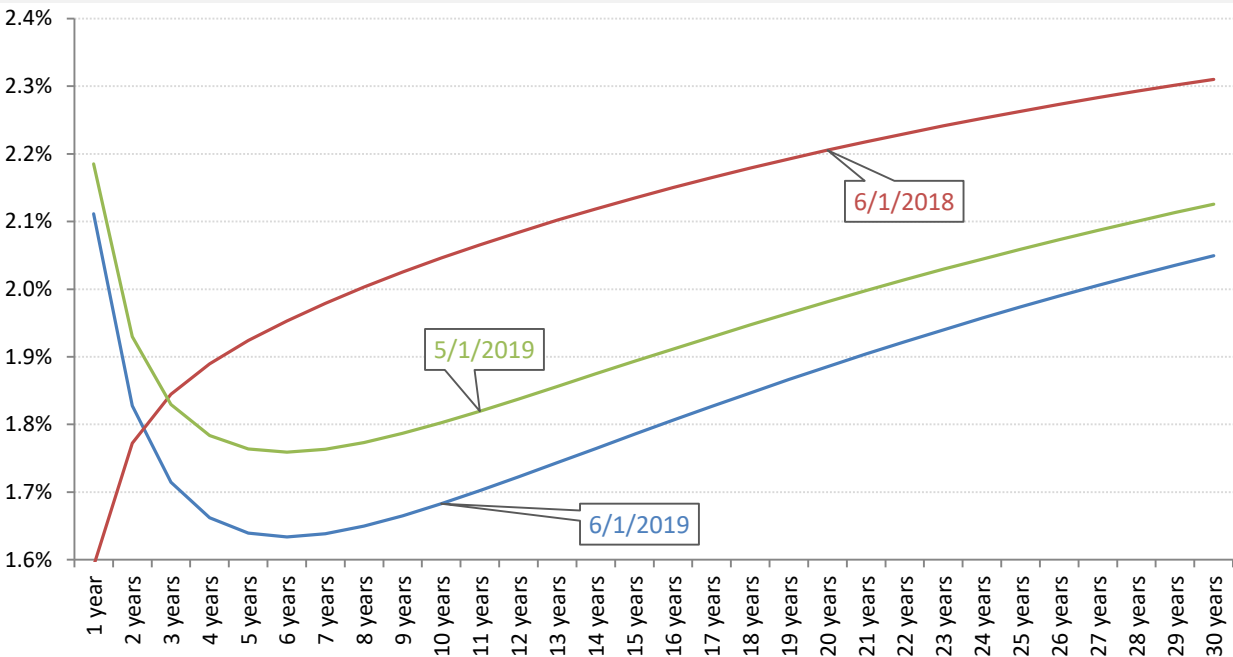
Source: Bloomberg, TrendMacro calculations

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



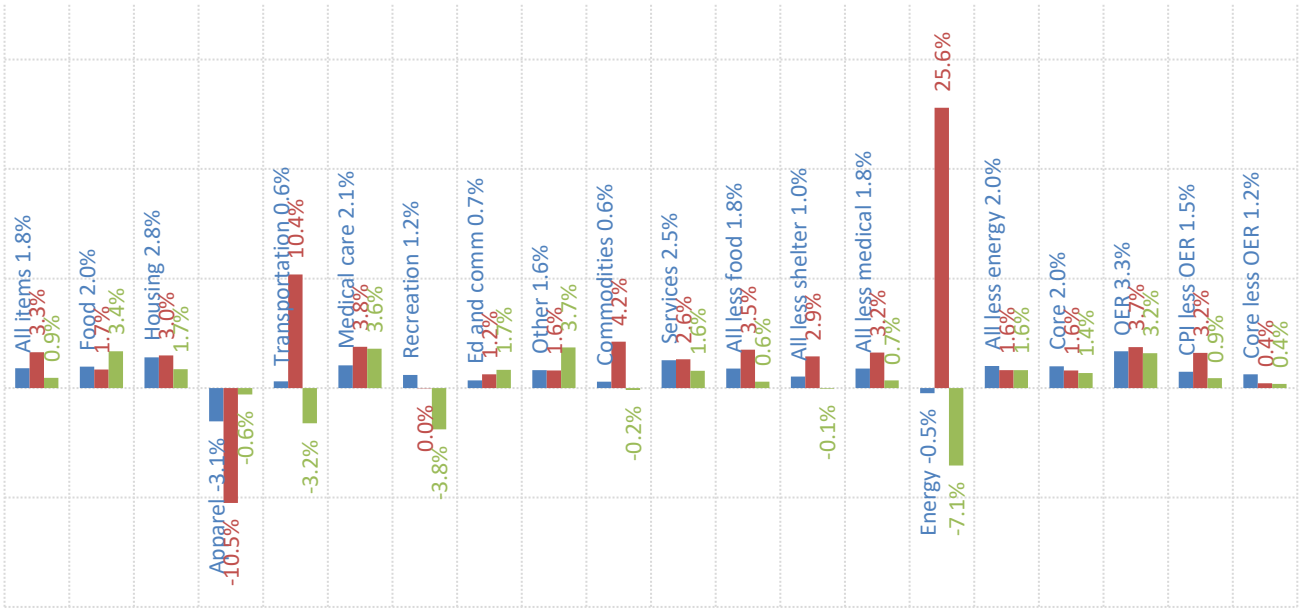
Source: Bloomberg, TrendMacro calculations

Swap-implied inflation yield curve, per annum



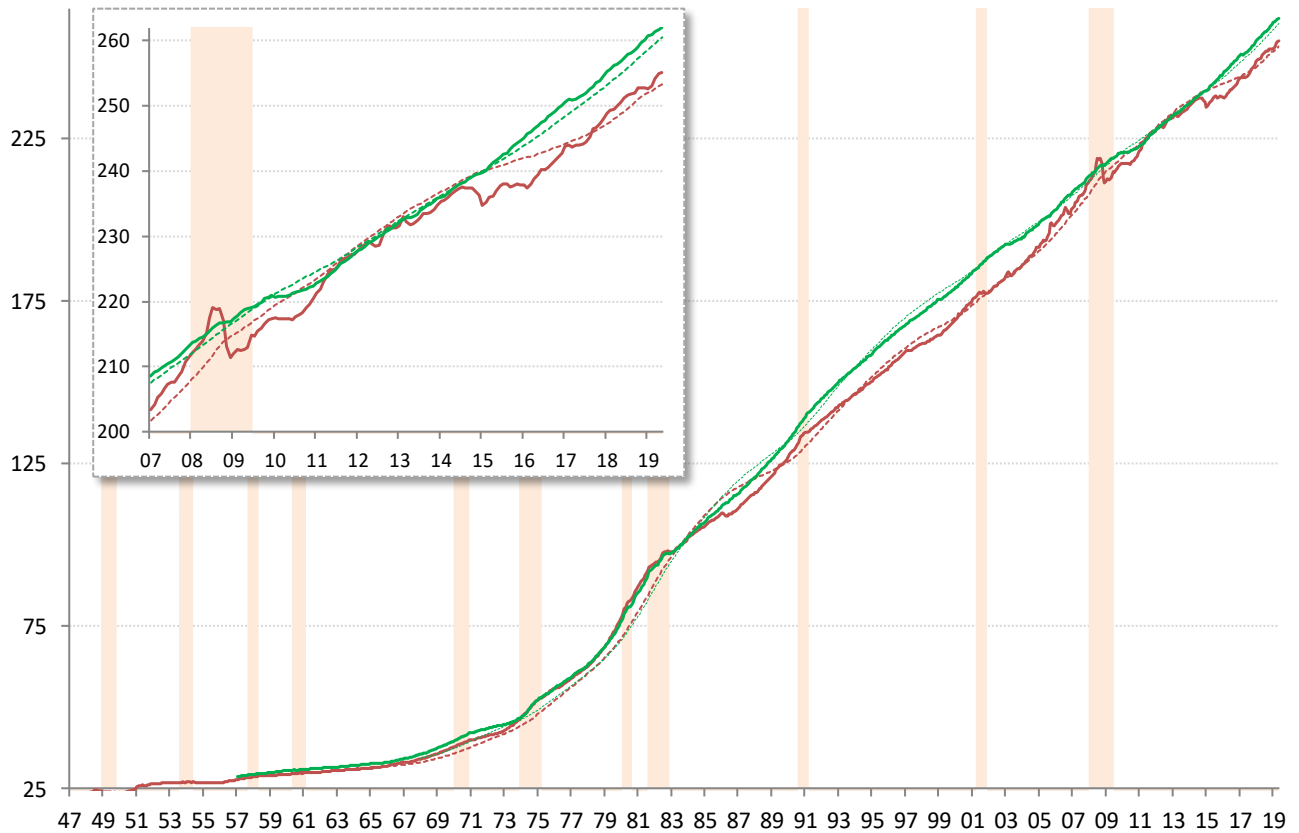
Source: Cleveland Fed, TrendMacro calculations

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



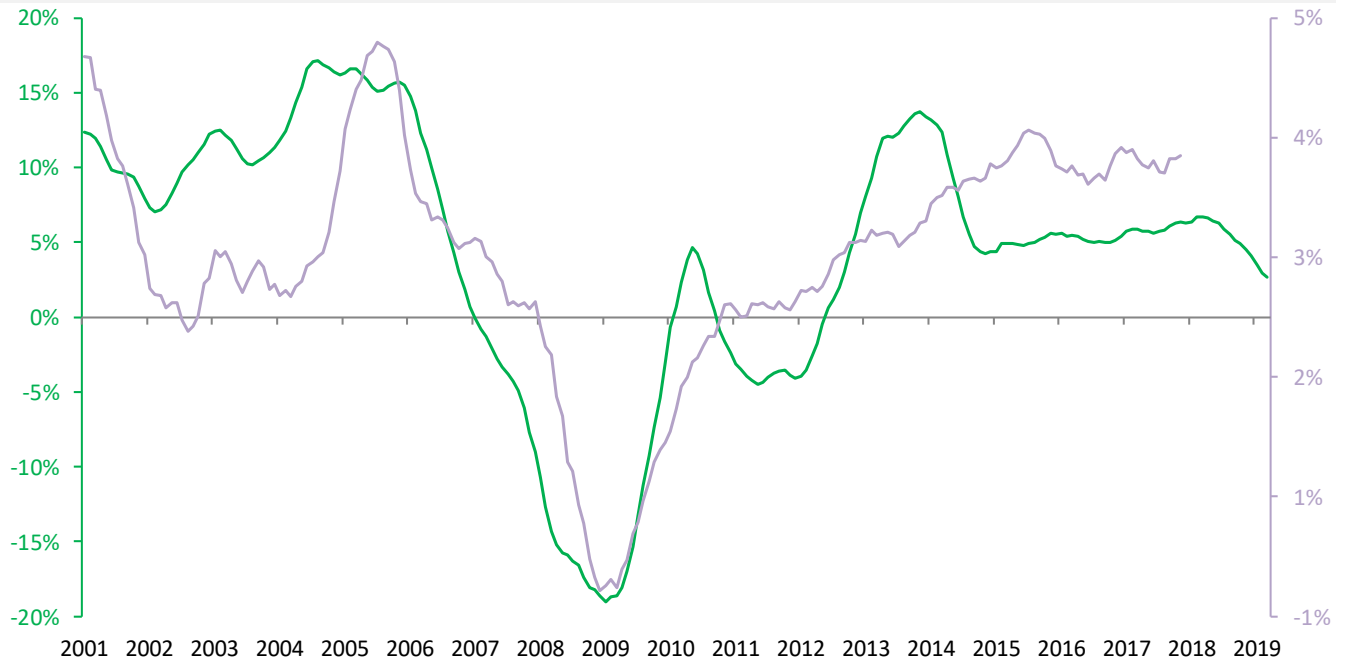
Source: BLS Consumer Price Index, TrendMacro calculations

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

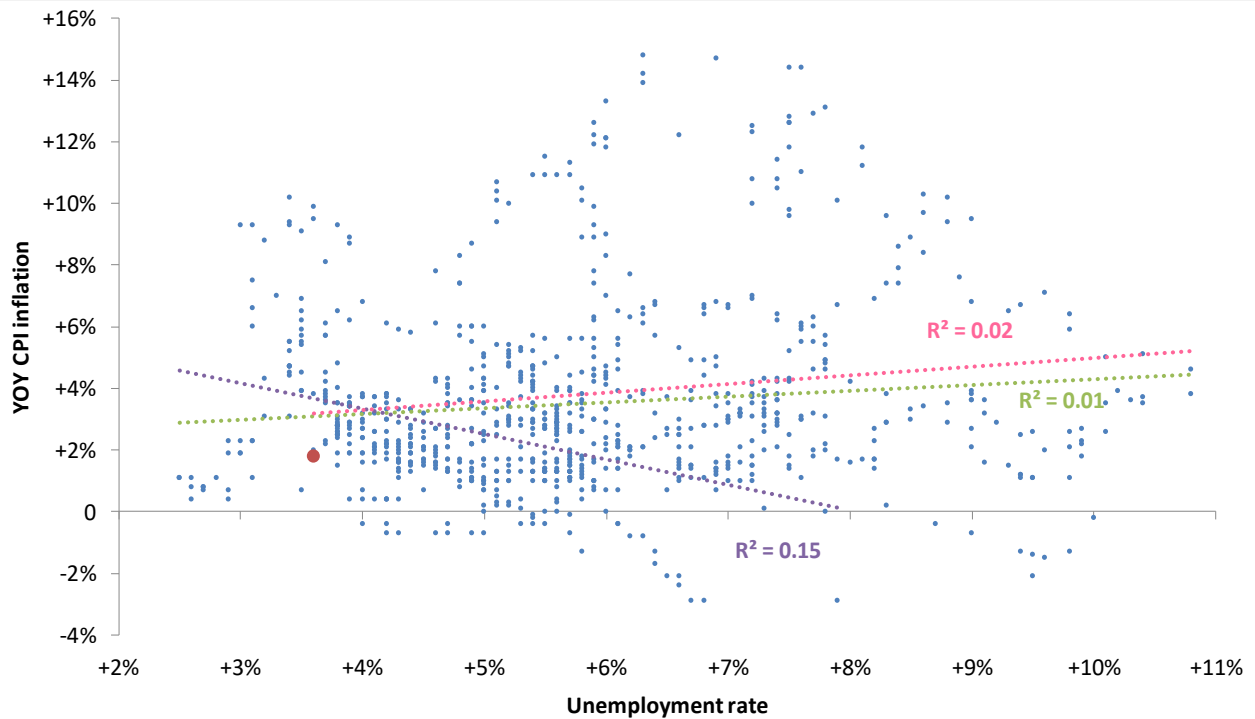
● Latest

Linear trend:

● Pre-74

● Post-74

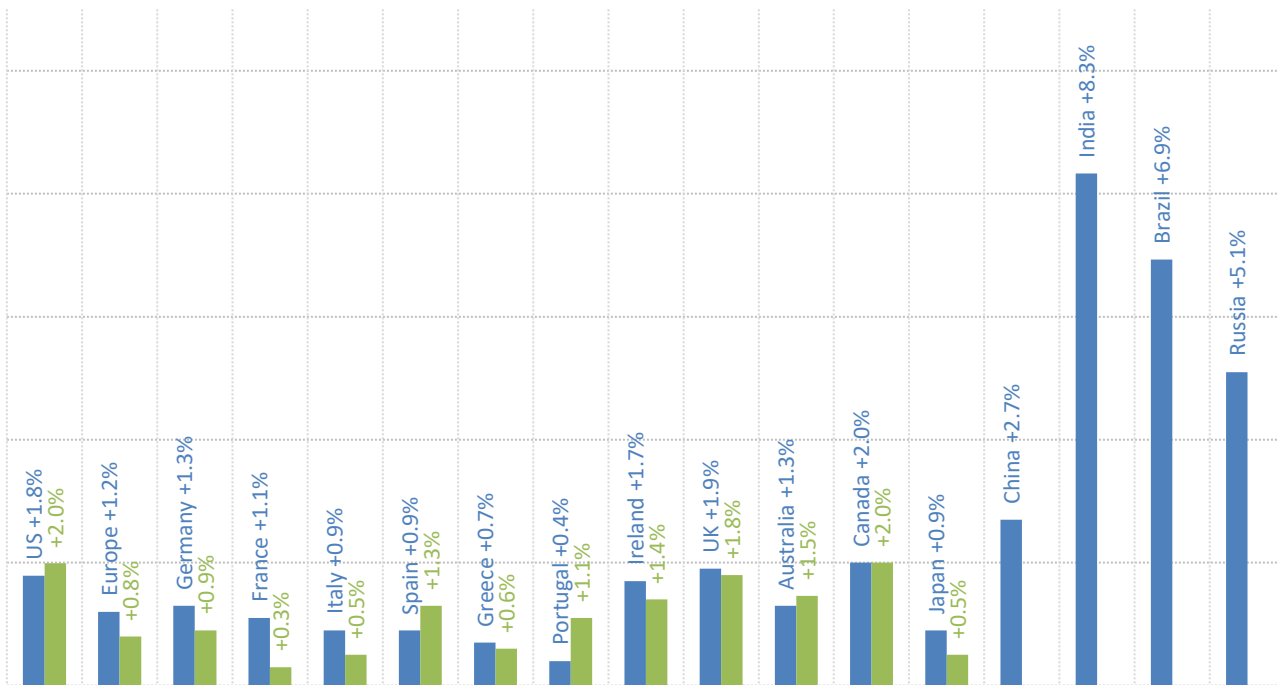
● All



Source: BLS Consumer Price Index, Current Population Survey

Major economies CPI, year on year

■ Headline ■ Ex-food and energy



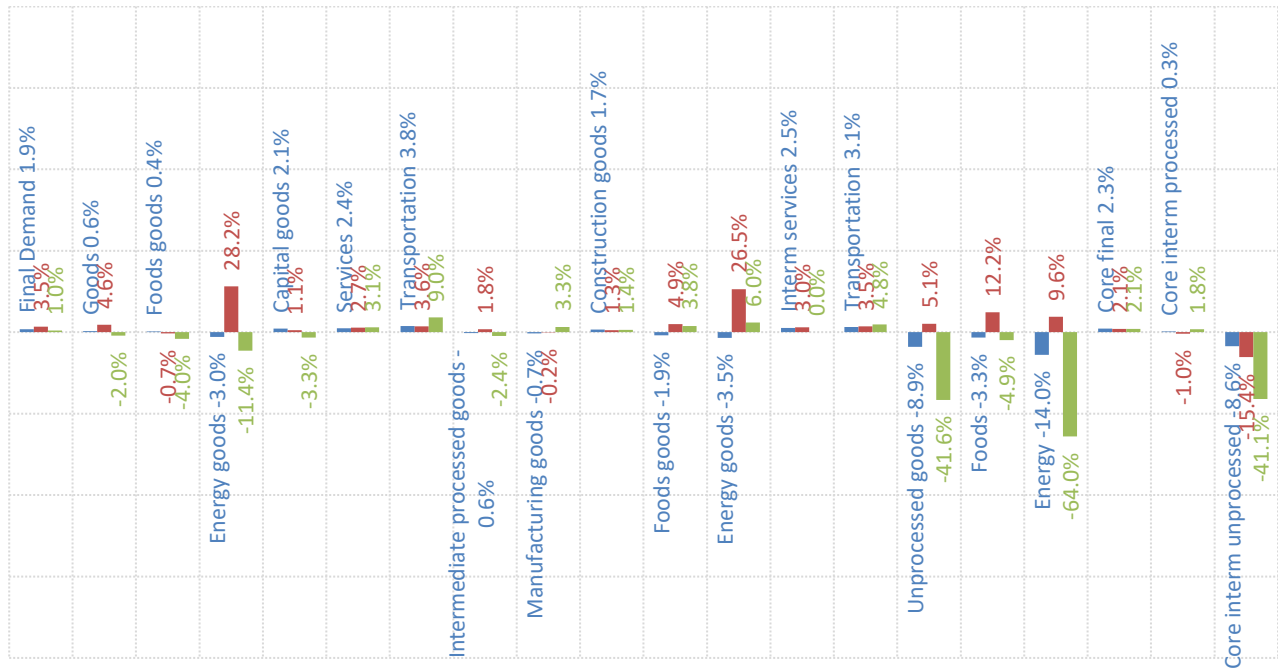
Source: Respective Statistical agencies, TrendMacro calculations

PPI data: what you need to know

	12-mo YOY	3-mo ann	1-mo ann	12 / 3 / 1-mo	13-mo YOY history
Final demand	+1.9%	+3.5%	+1.0%	■ ■ ■	
Core	+2.3%	+2.1%	+2.1%	■ ■ ■	
Intermediate processed	-0.6%	+1.8%	-2.4%	■ ■ ■	
Core	+0.3%	-1.0%	+1.8%	■ ■ ■	
Intermediate unprocessed	-8.9%	+5.1%	-41.6%	■ ■ ■	
Core	-8.6%	-15.4%	-41.1%	■ ■ ■	

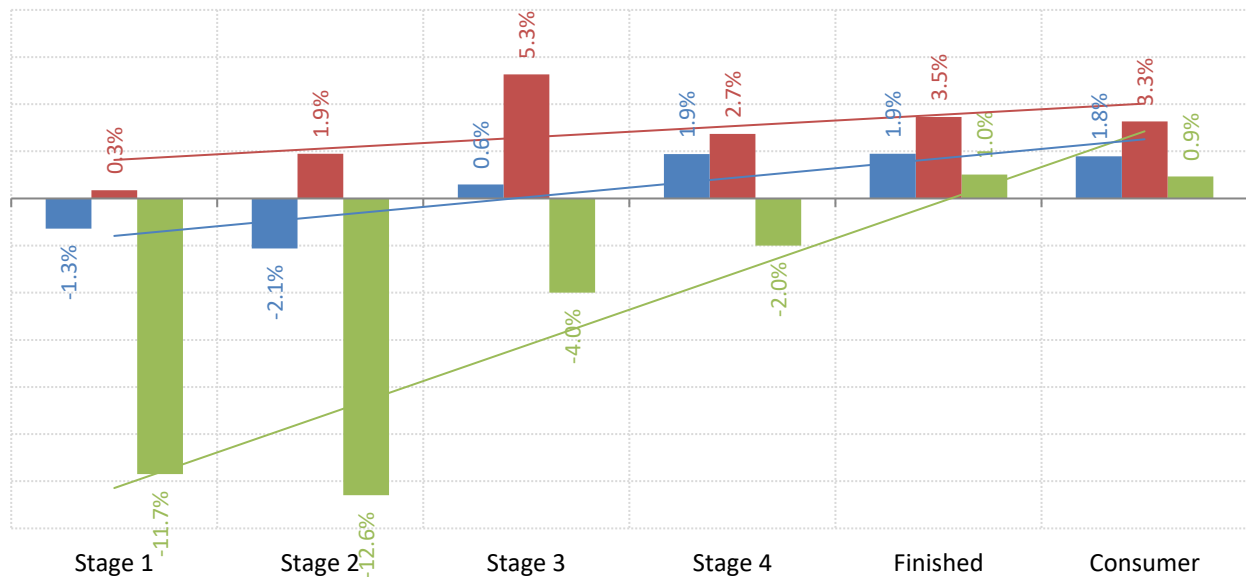
Source: BLS Producer Price Index, TrendMacro calculations

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