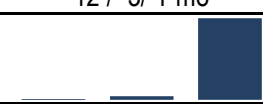
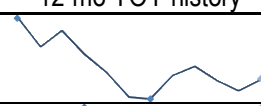

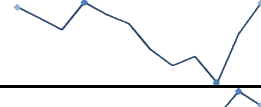

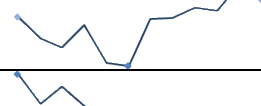

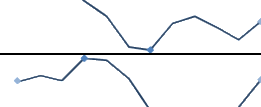

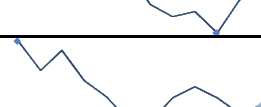

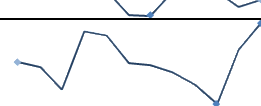

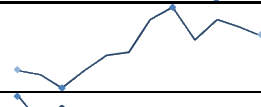

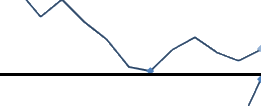








Data Insights: Consumer Price Index, Producer Price Index

Tuesday, August 13, 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	+1.81%	+1.9%	+4.1%		
Core	+2.21%	+2.8%	+3.6%		
OER	+3.4%	+3.3%	+3.0%		
All less OER	+1.6%	+1.8%	+4.6%		
Core less OER	+1.6%	+2.6%	+3.9%		
Energy	-2.0%	-6.3%	+17.3%		
All less energy	+2.1%	+2.6%	+3.1%		
Food	+1.8%	+1.5%	+0.6%		
All less food	+1.8%	+2.0%	+4.7%		
Health care	+2.6%	+4.3%	+5.9%		
All less health care	+1.7%	+1.7%	+3.9%		

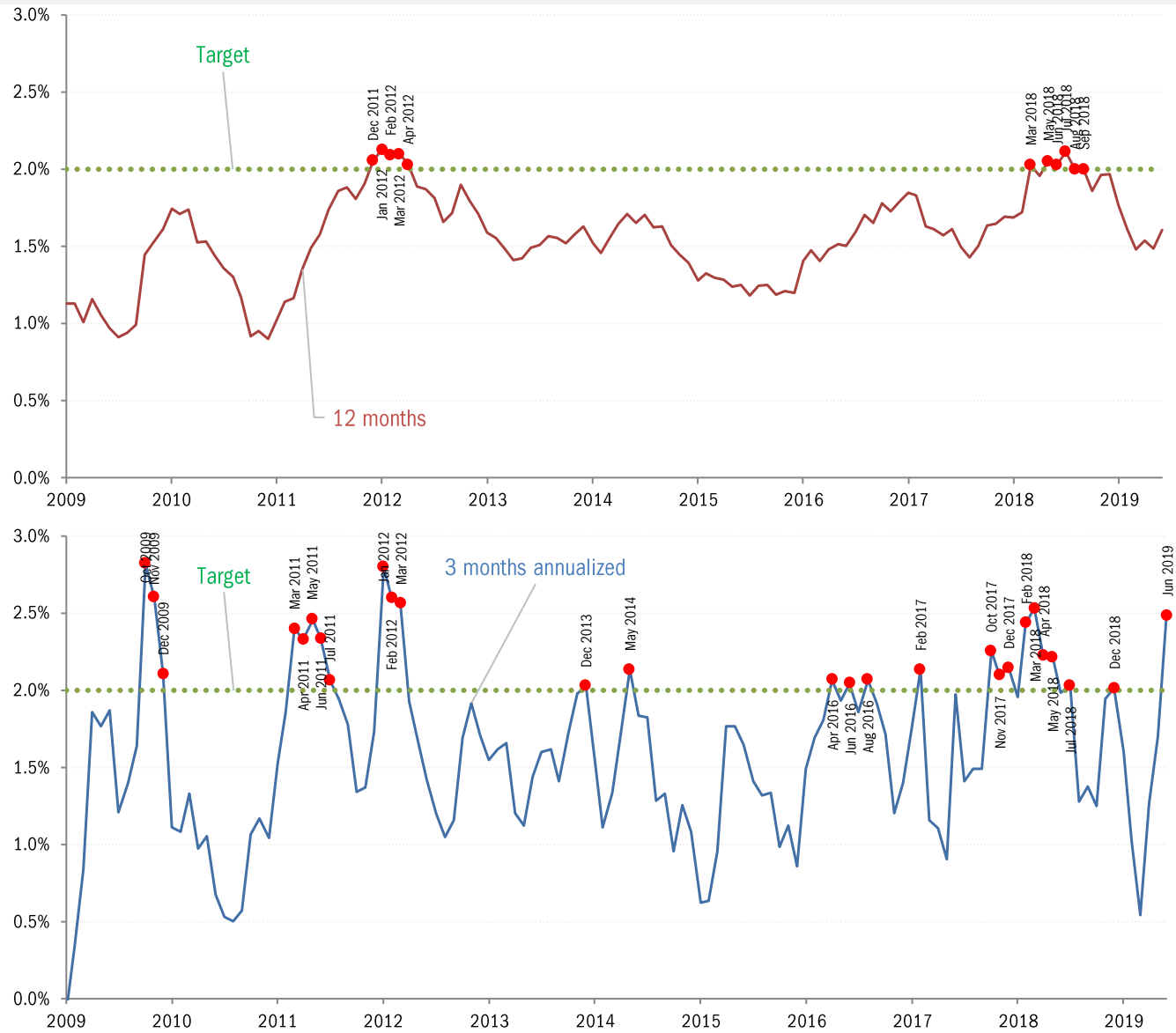
Source: BLS Consumer Price Index, TrendMacro calculations

For more information contact us:

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

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

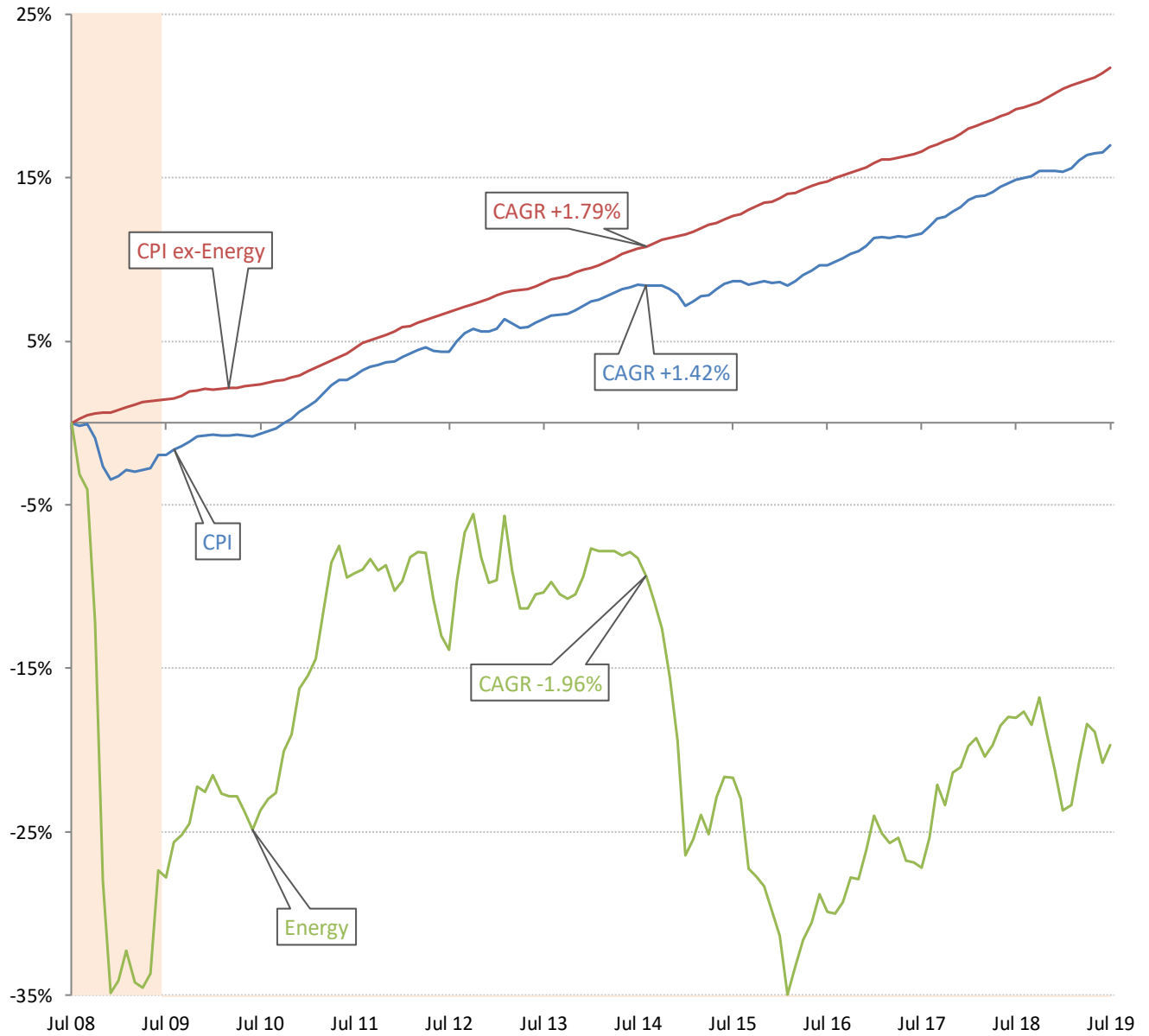
Core PCE Price Index



Source: Bloomberg, TrendMacro calculations

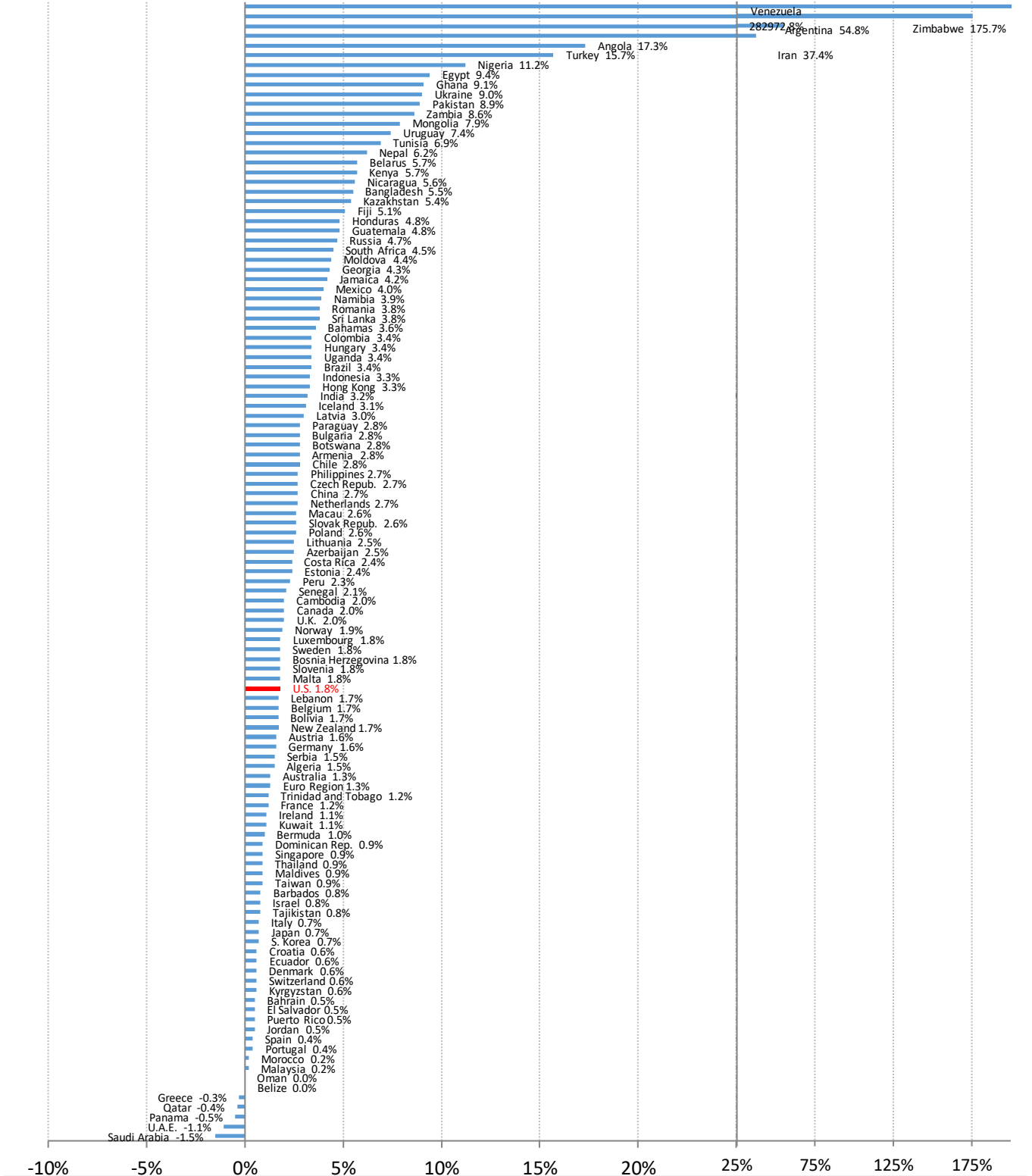
The deflation delusion: it's all about oil, and always has been

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



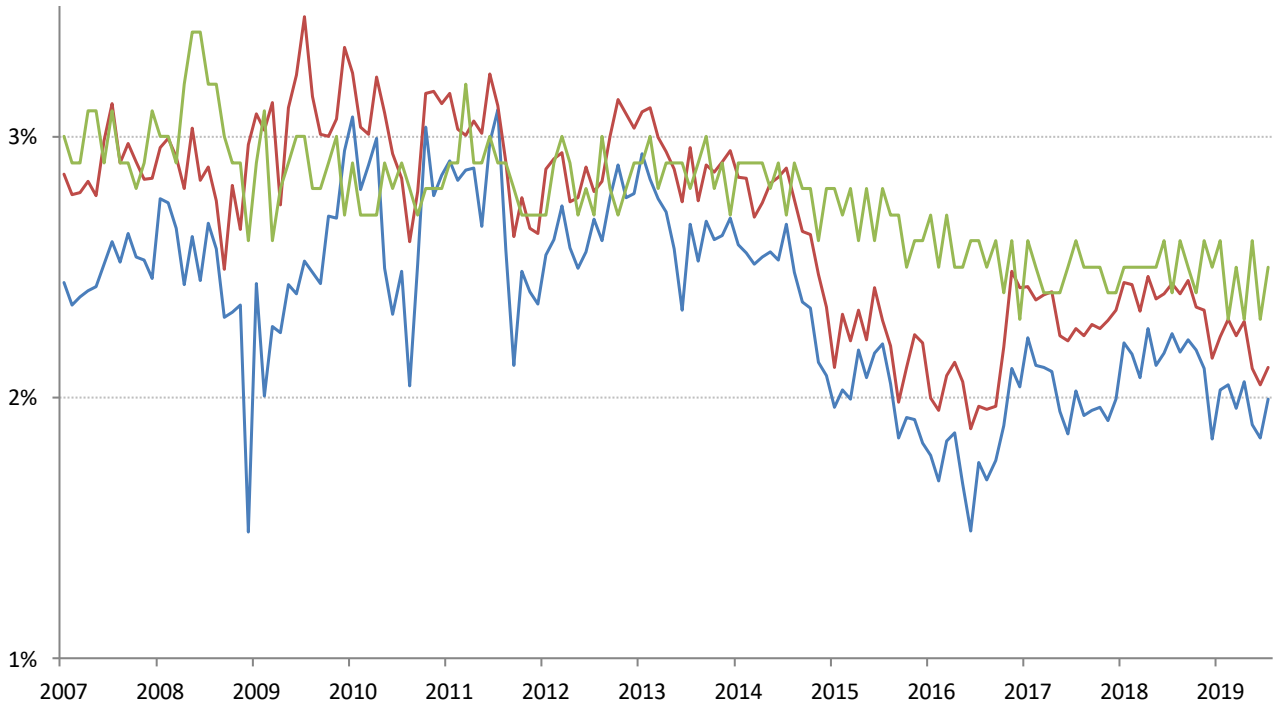
Source: Bloomberg, TrendMacro calculations

World round-up: CPI year-on-year



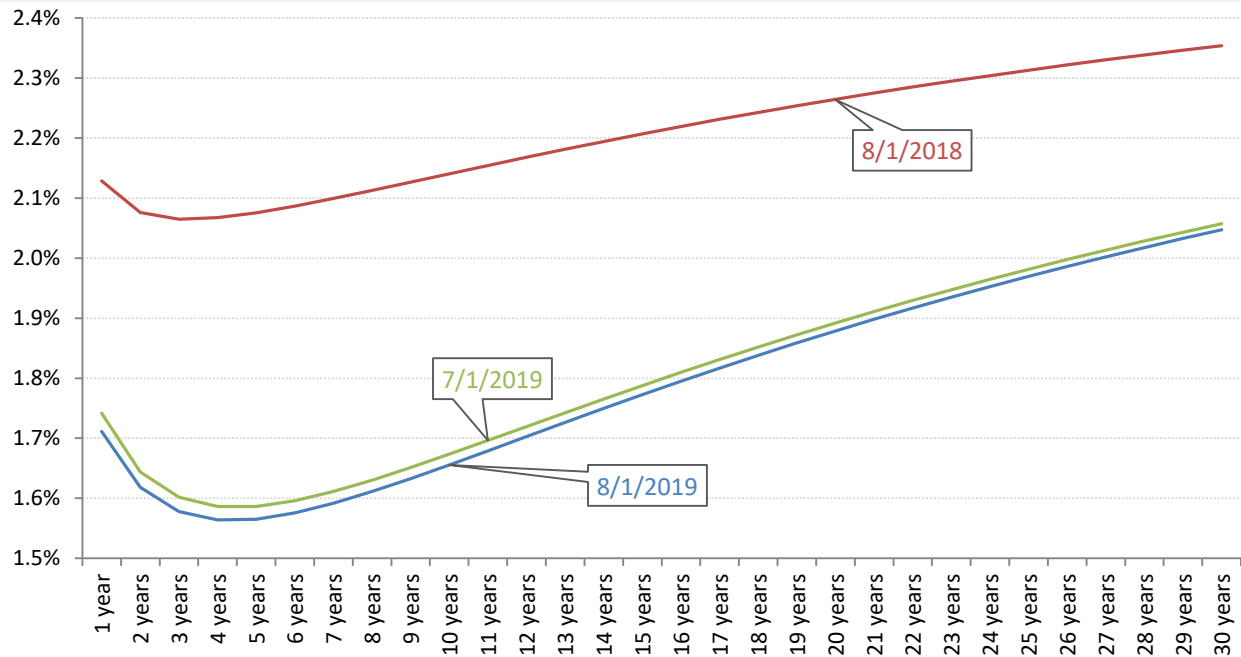
Source: Bloomberg, TrendMacro calculations

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



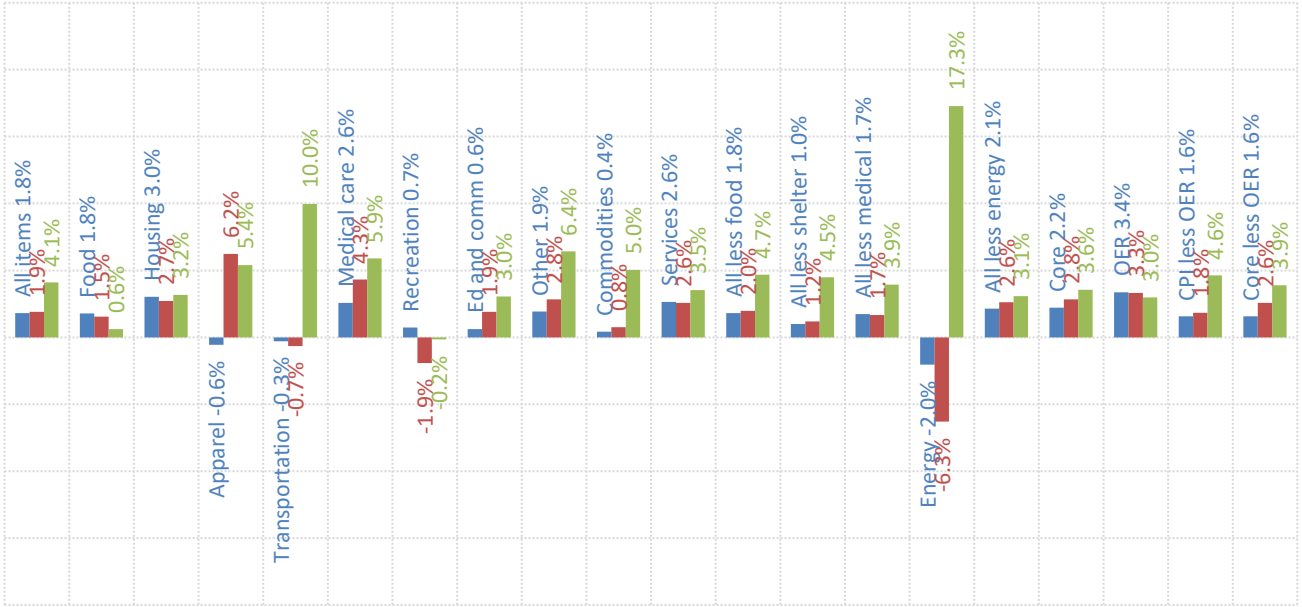
Source: Bloomberg, TrendMacro calculations

Swap-implied inflation yield curve, per annum



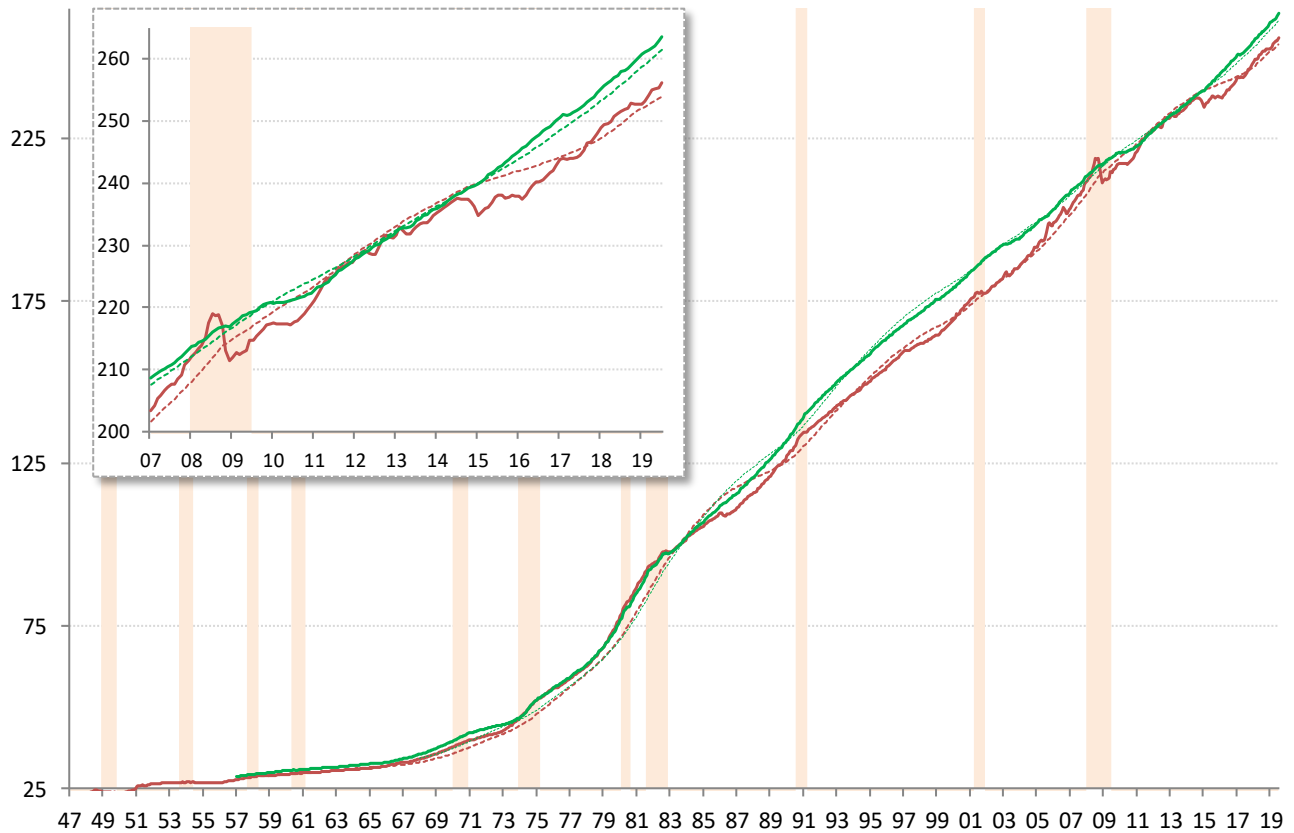
Source: Cleveland Fed, TrendMacro calculations

US CPI inflation by sector (SAAR) ■ 12-month ■ 3-month ■ 1-month



Source: BLS Consumer Price Index, TrendMacro calculations

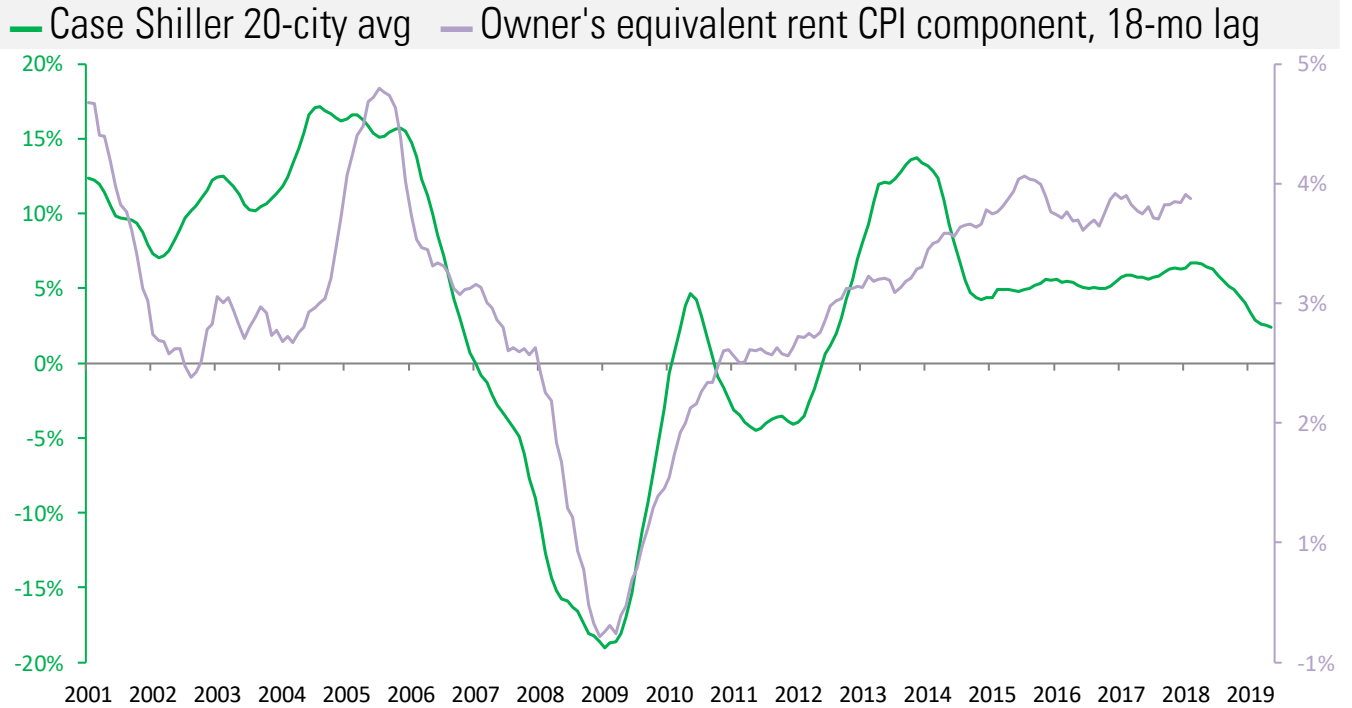
US CPI Core — Level ... 20-year trend ■ Recession



Source: BLS Consumer Price Index, TrendMacro calculations

Housing leads US CPI

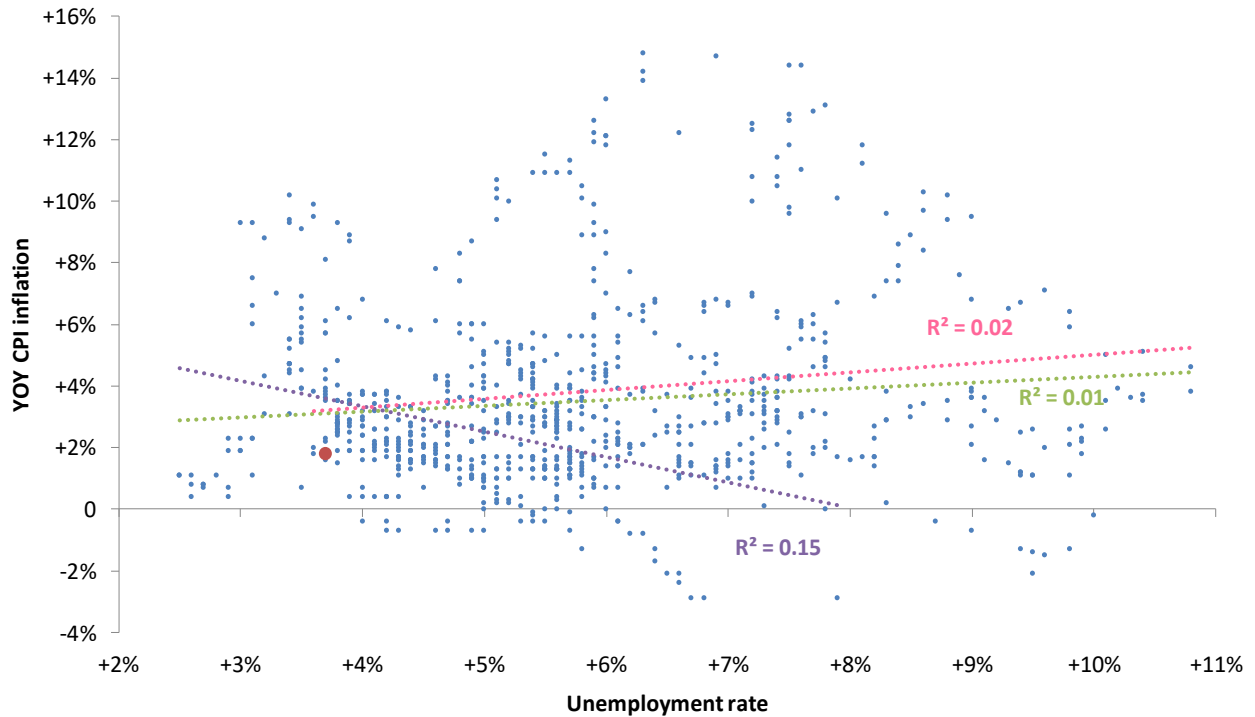
Year-over-year change



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

The world is flat: the vanishing Phillips Curve

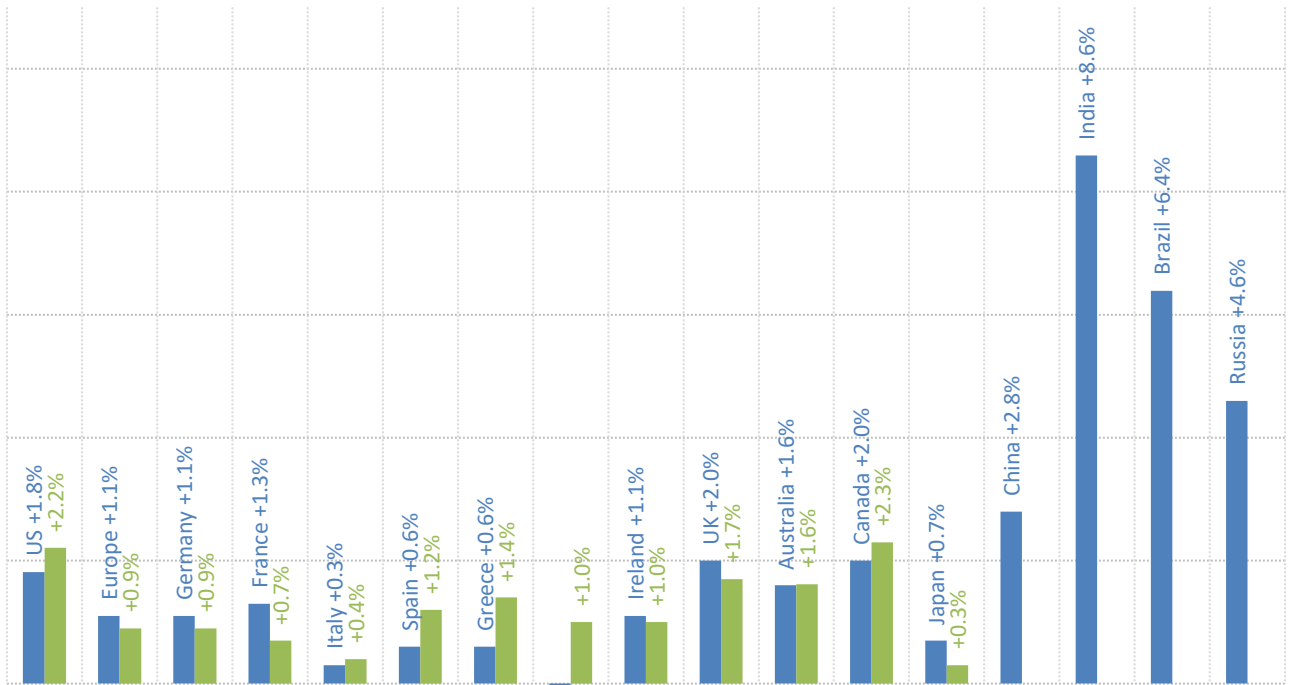
● Latest Linear trend: ● Pre-74 ● Post-74 ● All



Source: BLS Consumer Price Index, Current Population Survey

Major economies CPI, year on year

■ Headline ■ Ex-food and energy



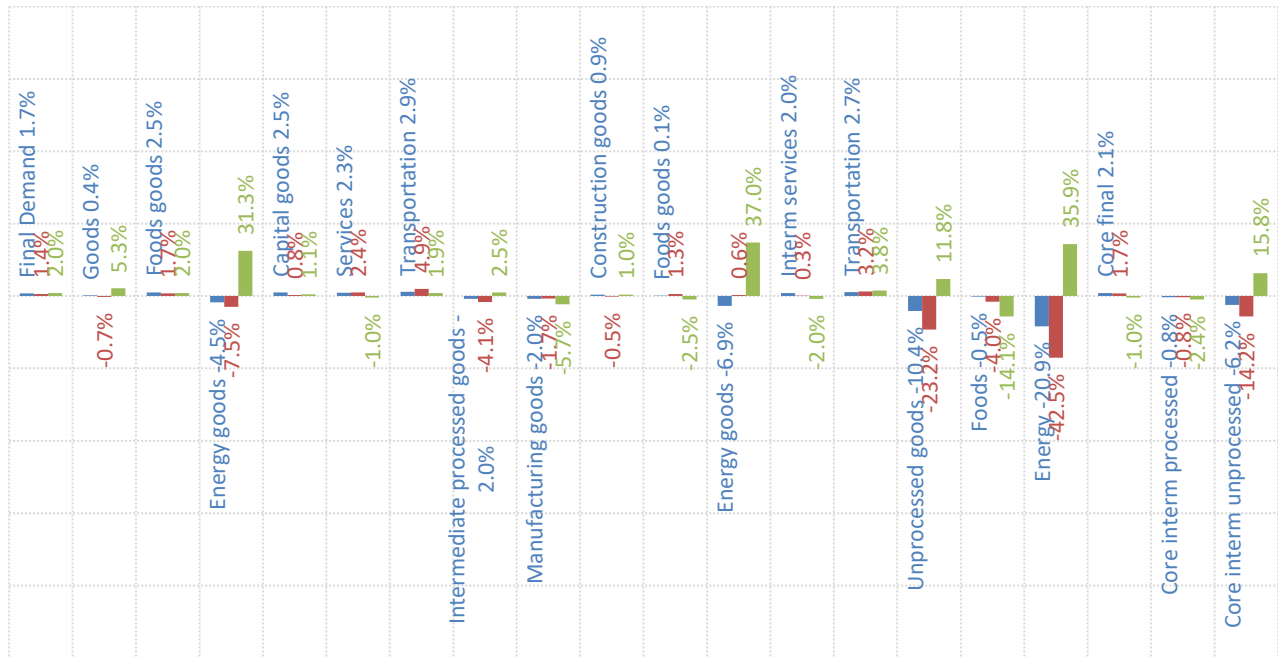
Source: Respective Statistical agencies, TrendMacro calculations

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	+1.7%	+1.4%	+2.0%	■ ■ ■	
Core	+2.1%	+1.7%	-1.0%	■ ■ ■	
Intermediate processed	-2.0%	-4.1%	+2.5%	■ ■ ■	
Core	-0.8%	-0.8%	-2.4%	■ ■ ■	
Intermediate unprocessed	-10.4%	-23.2%	+11.8%	■ ■ ■	
Core	-6.2%	-14.2%	+15.8%	■ ■ ■	

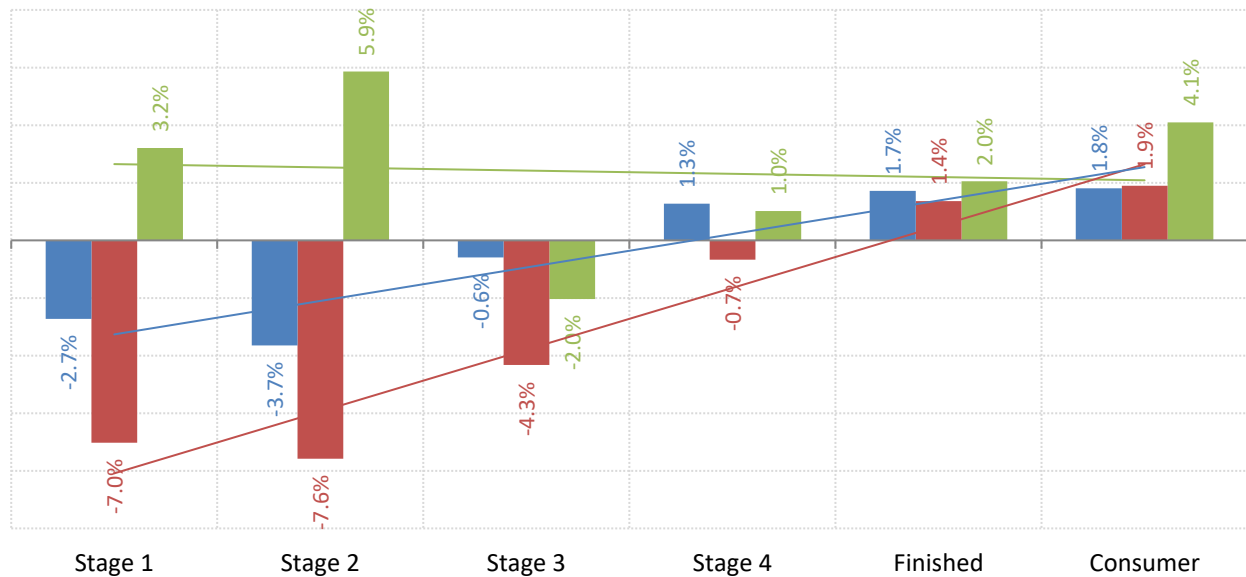
Source: BLS Producer Price Index, TrendMacro calculations

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