

Data Insights: Consumer Price Index, Producer Price Index

Thursday, September 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	+1.75%	+1.8%	+0.7%		
Core	+2.39%	+3.4%	+3.1%		
OER	+3.3%	+3.2%	+2.7%		
All less OER	+1.6%	+1.9%	+1.0%		
Core less OER	+1.9%	+3.6%	+3.4%		
Energy	-4.4%	-11.2%	-21.0%		
All less energy	+2.3%	+3.0%	+2.7%		
Food	+1.7%	+0.5%	+0.1%		
All less food	+1.8%	+2.0%	+0.8%		
Health care	+3.5%	+6.2%	+9.3%		
All less health care	+1.6%	+1.4%	-0.1%		

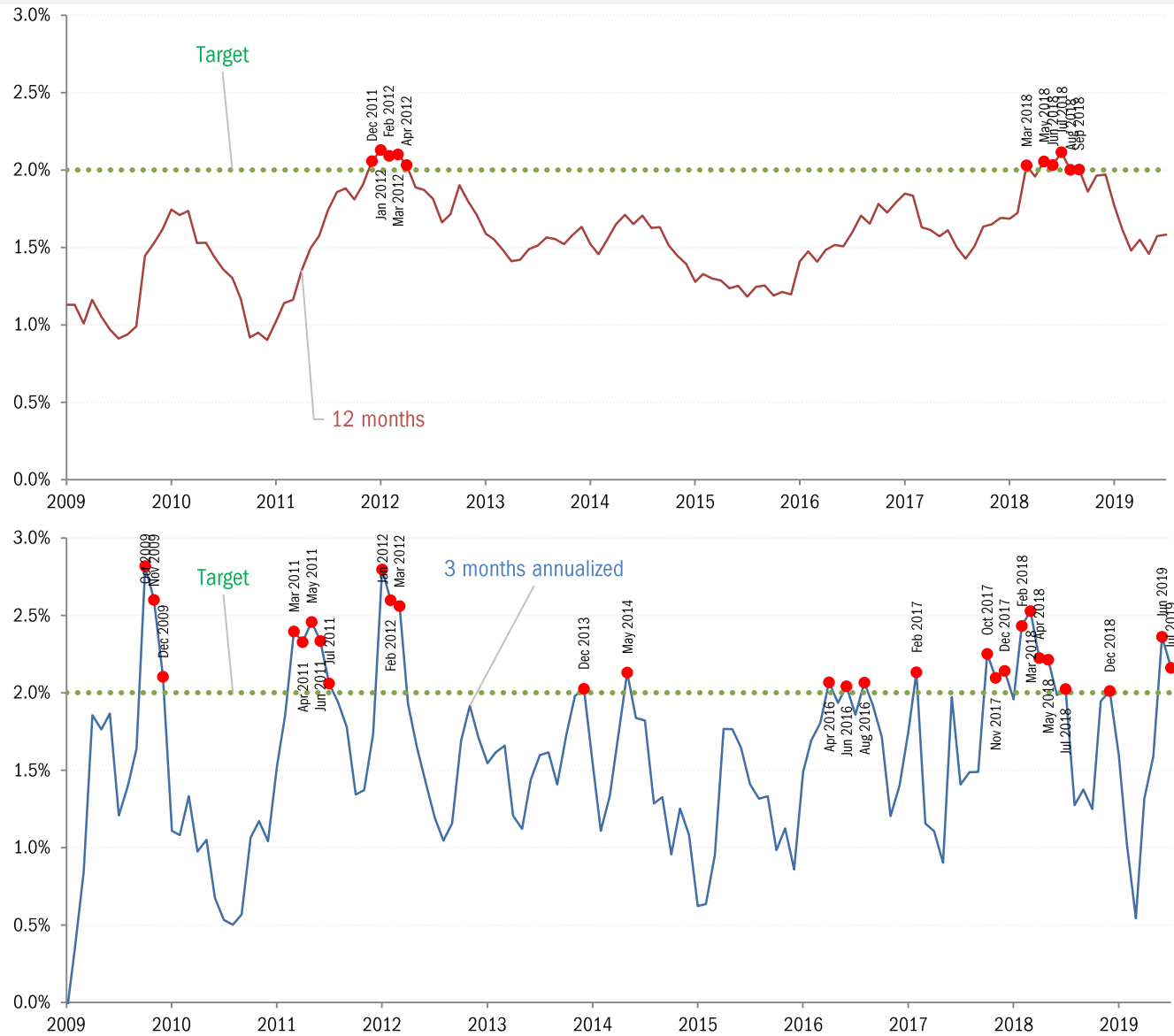
Source: BLS Consumer Price Index, TrendMacro calculations

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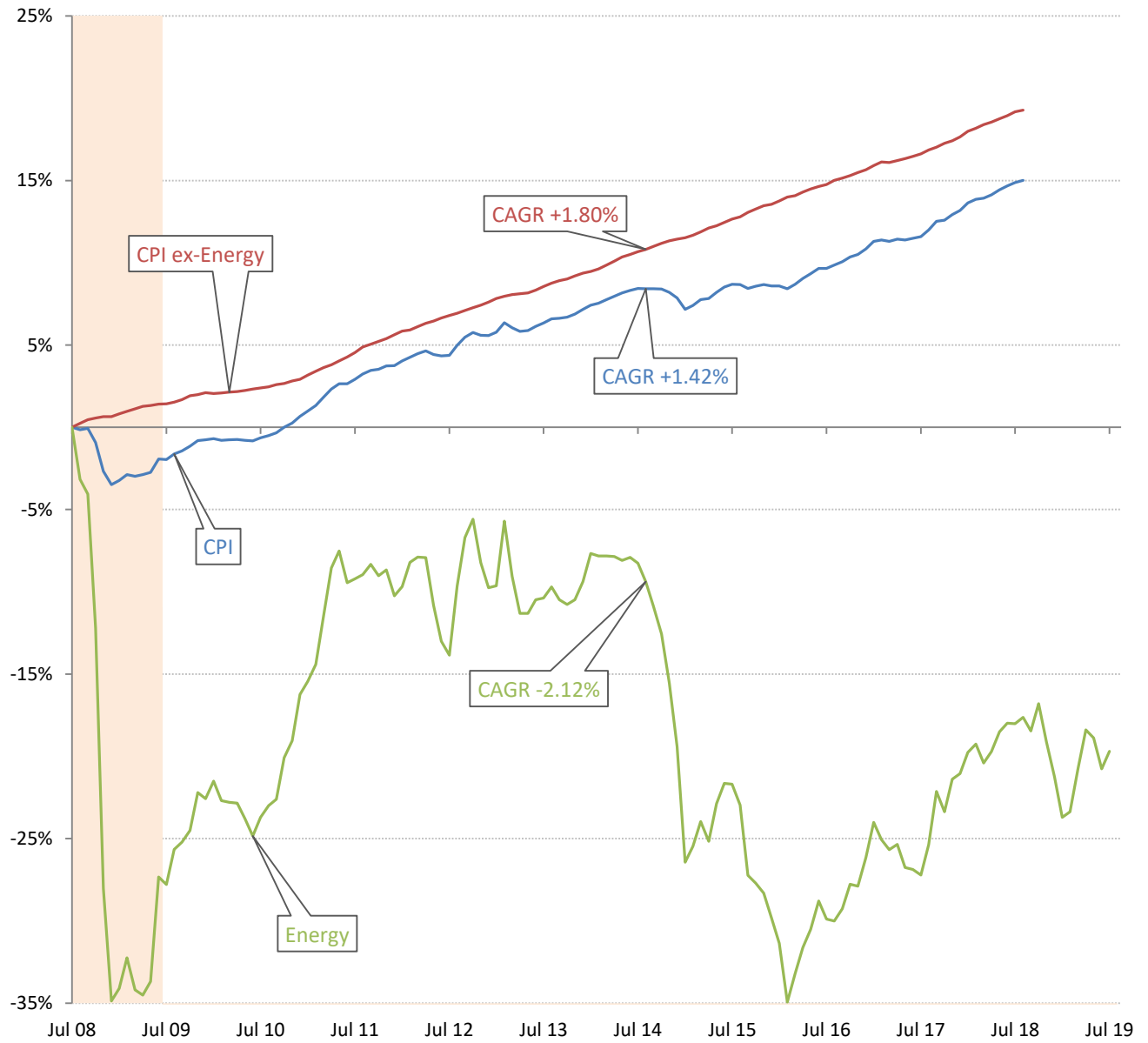
Target malpractice: the Fed's permanent "transitory" problem

Core PCE Price Index



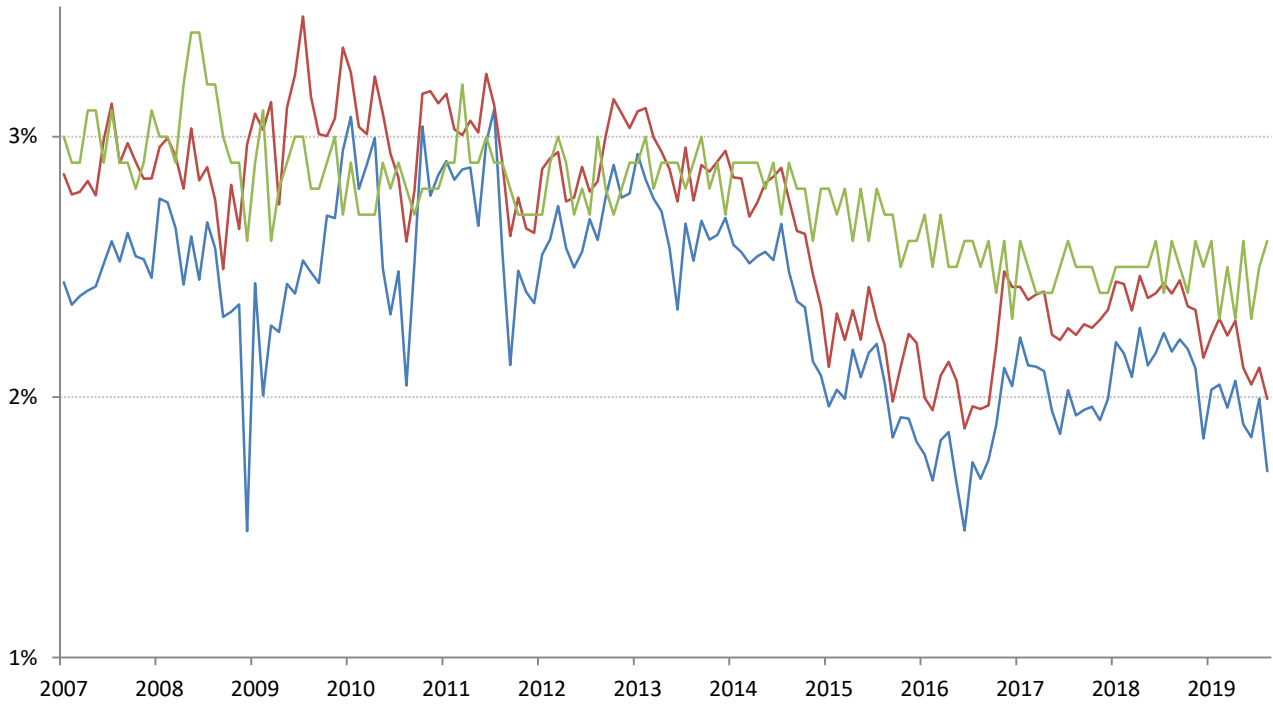
Source: Bloomberg, TrendMacro calculations

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



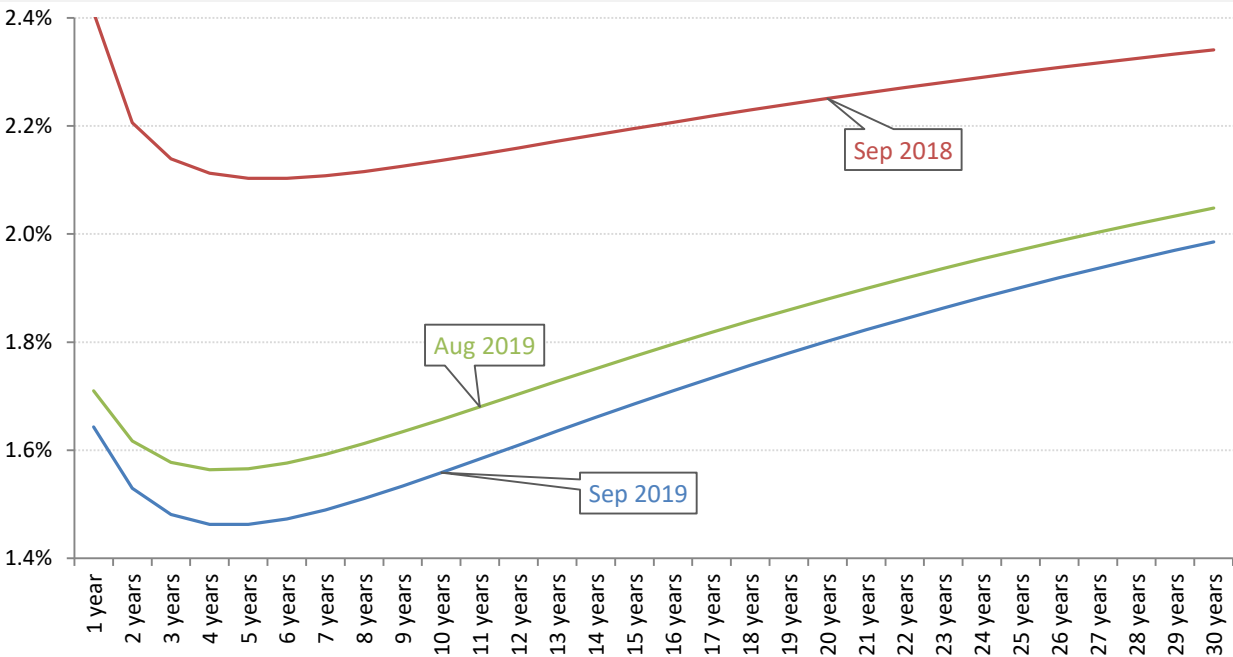
Source: Bloomberg, TrendMacro calculations

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



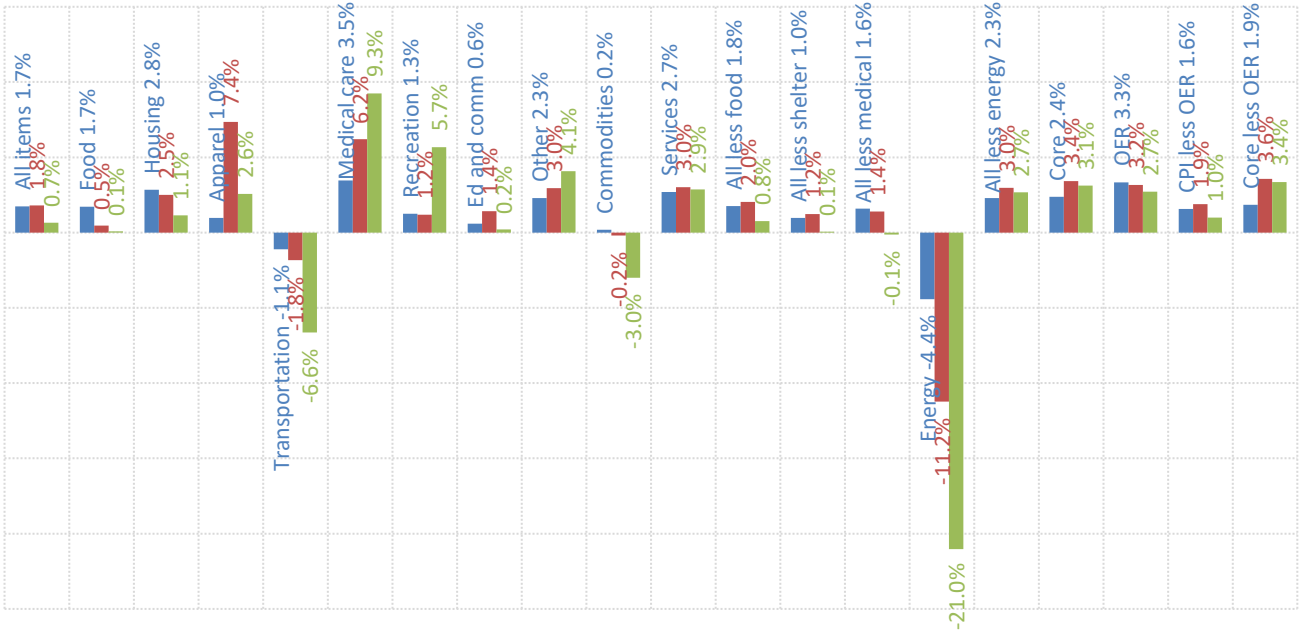
Source: Bloomberg, TrendMacro calculations

Swap-implied inflation yield curve, per annum



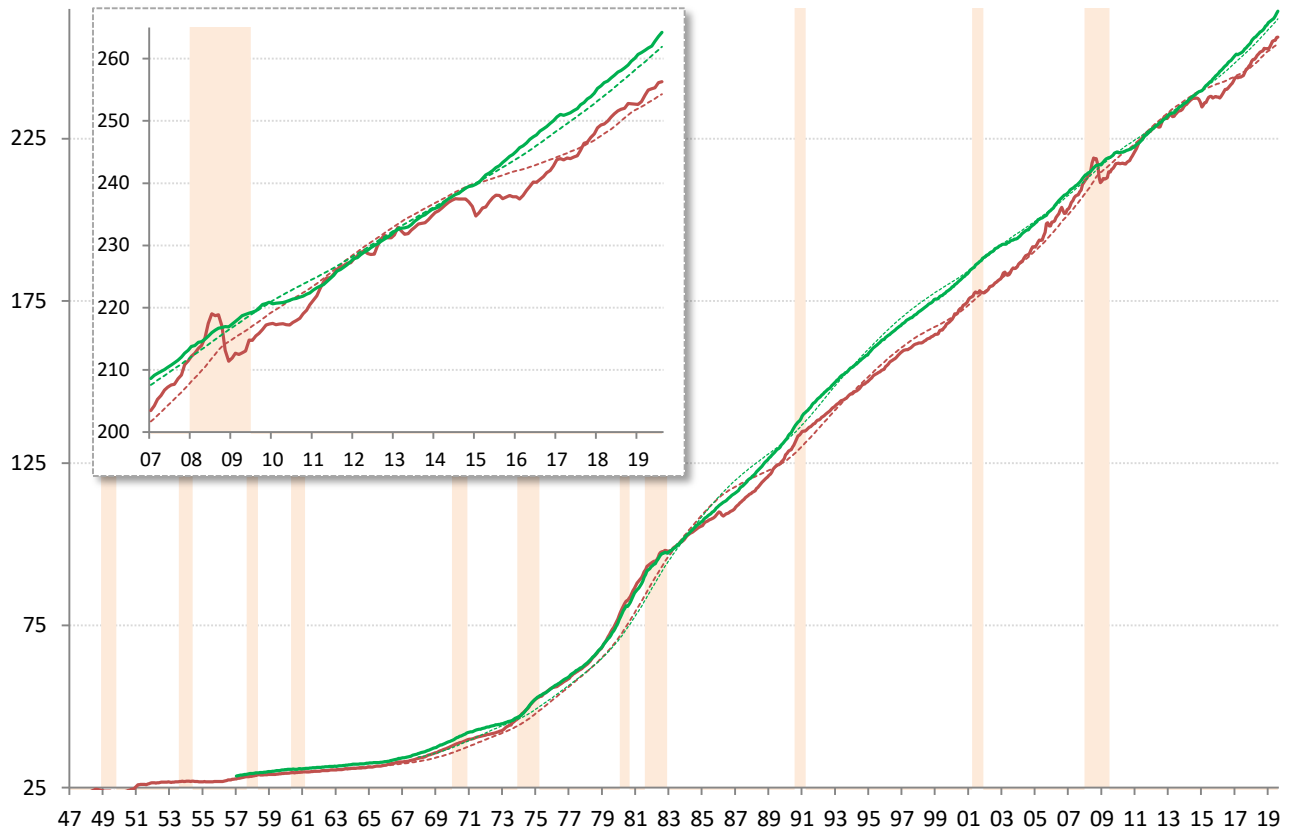
Source: Cleveland Fed, TrendMacro calculations

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



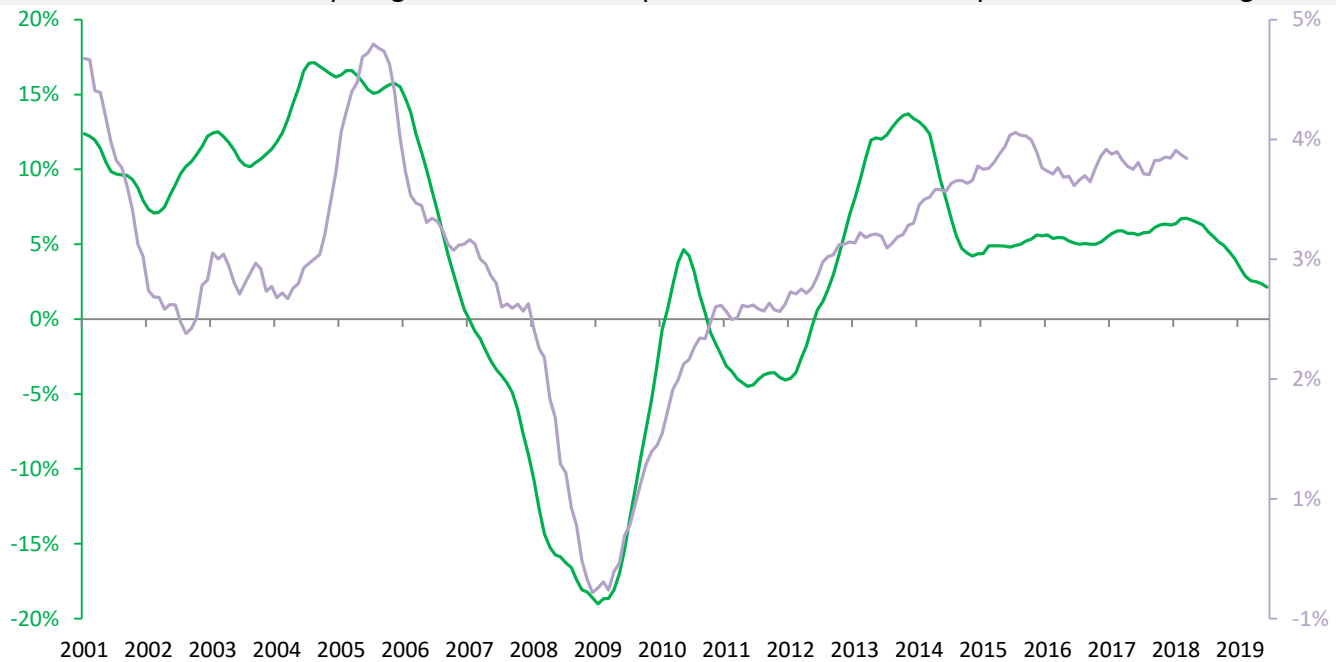
Source: BLS Consumer Price Index, TrendMacro calculations

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

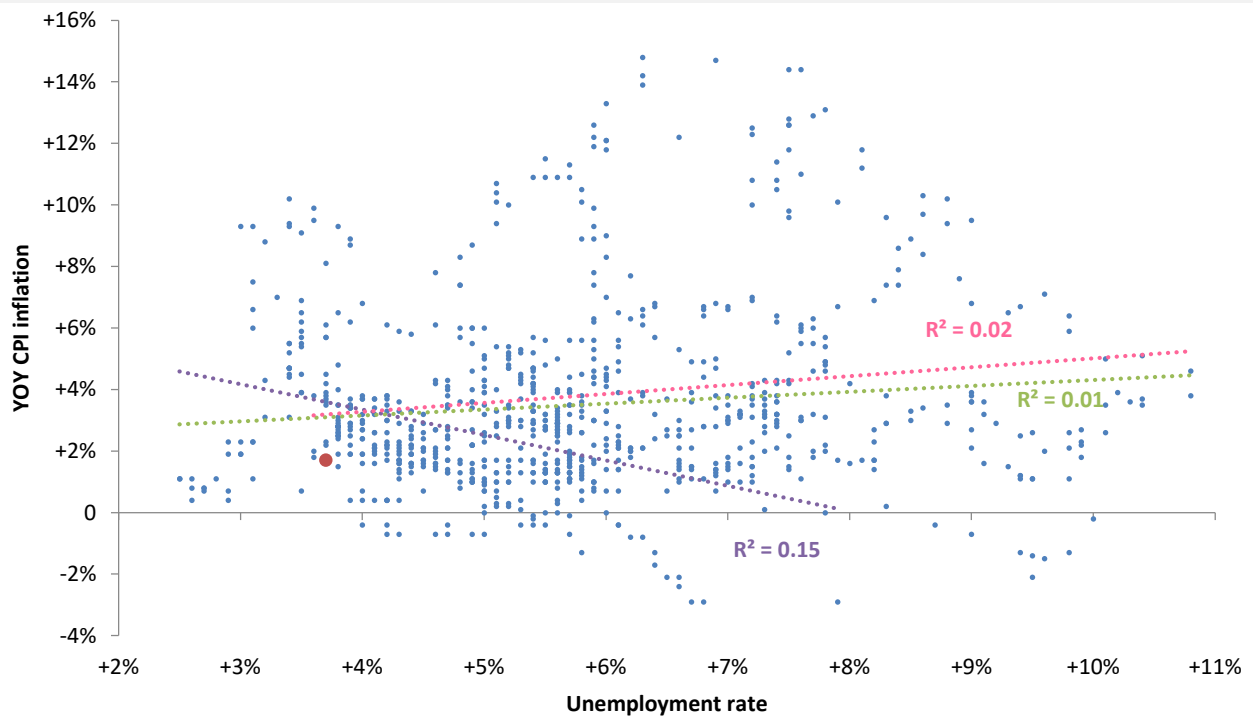
● Latest

Linear trend: ...

Pre-74

Post-74

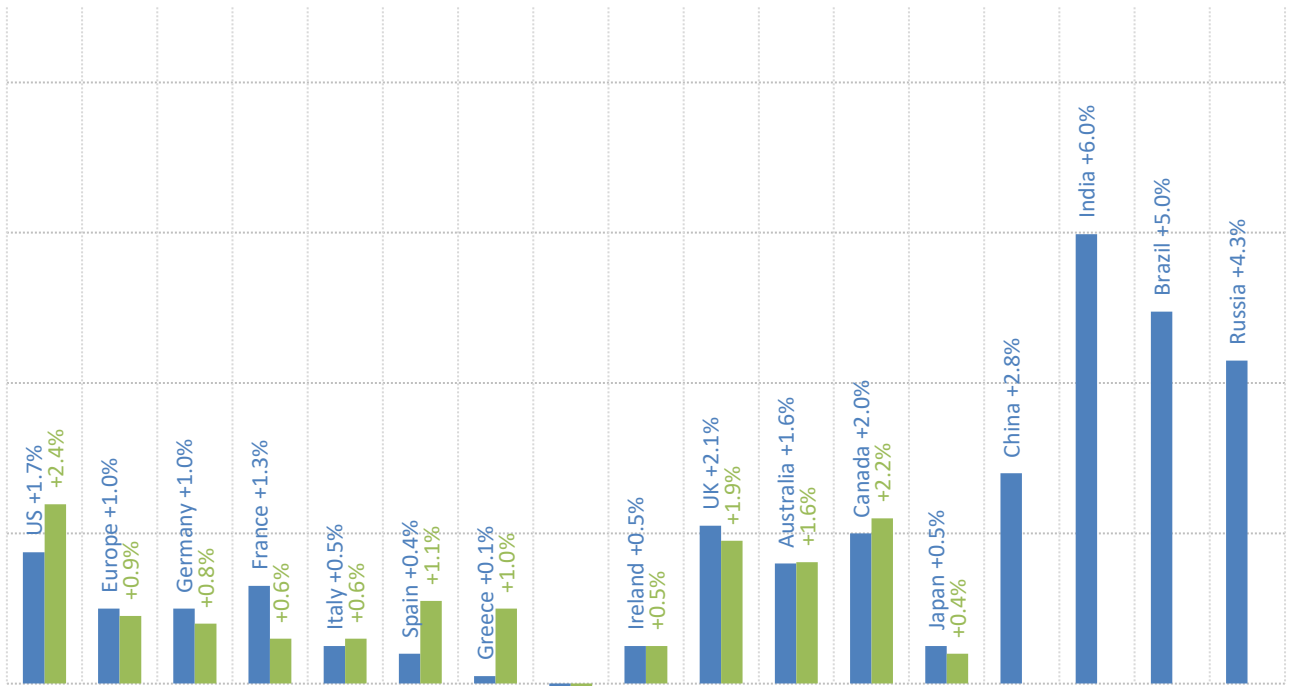
All



Source: BLS Consumer Price Index, Current Population Survey

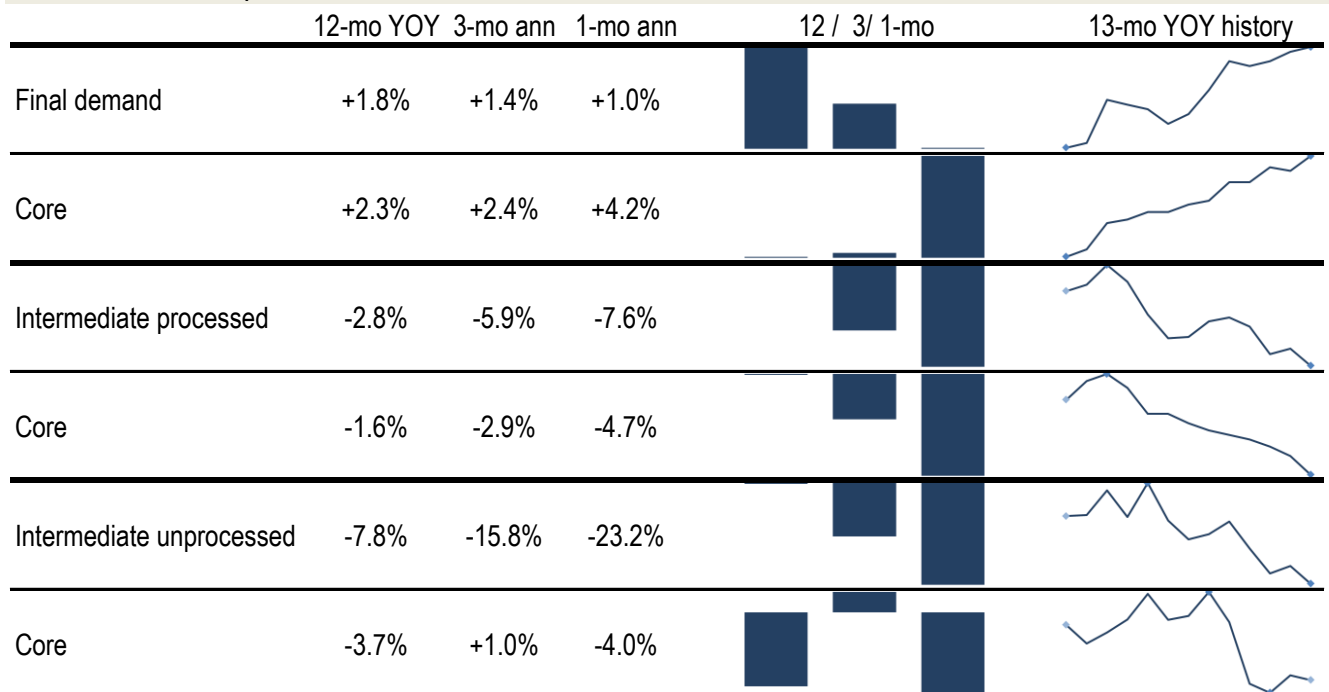
Major economies CPI, year on year

■ Headline ■ Ex-food and energy



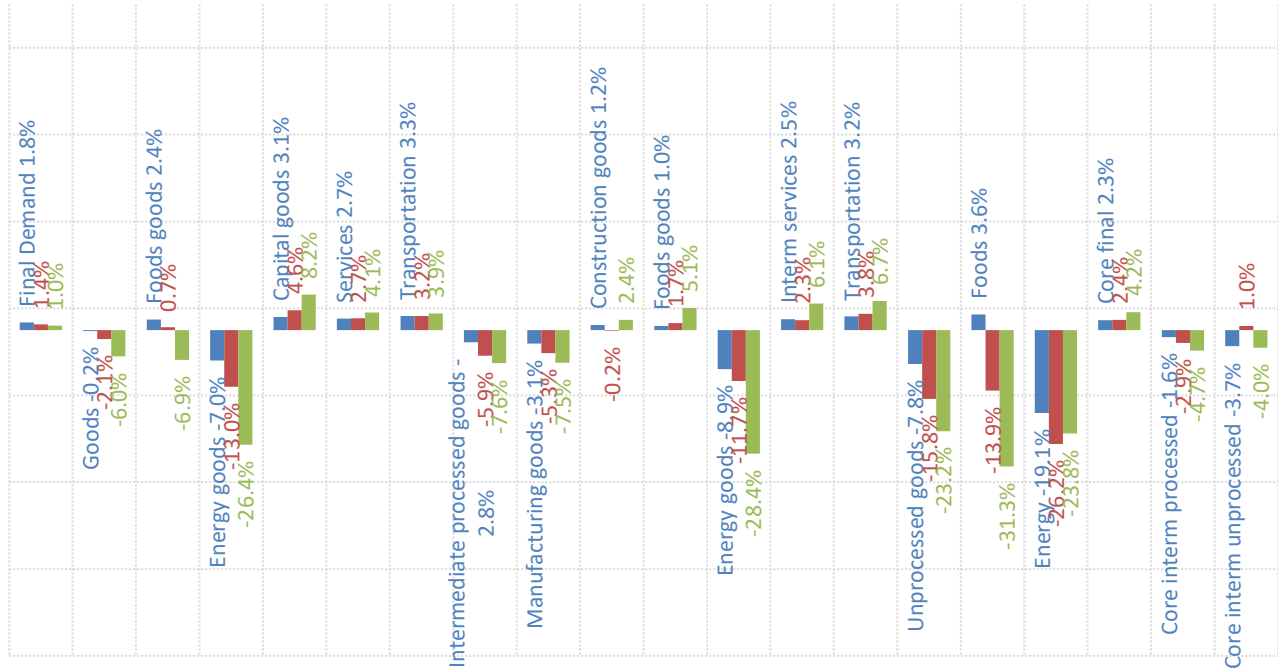
Source: Respective Statistical agencies, TrendMacro calculations

PPI data: what you need to know



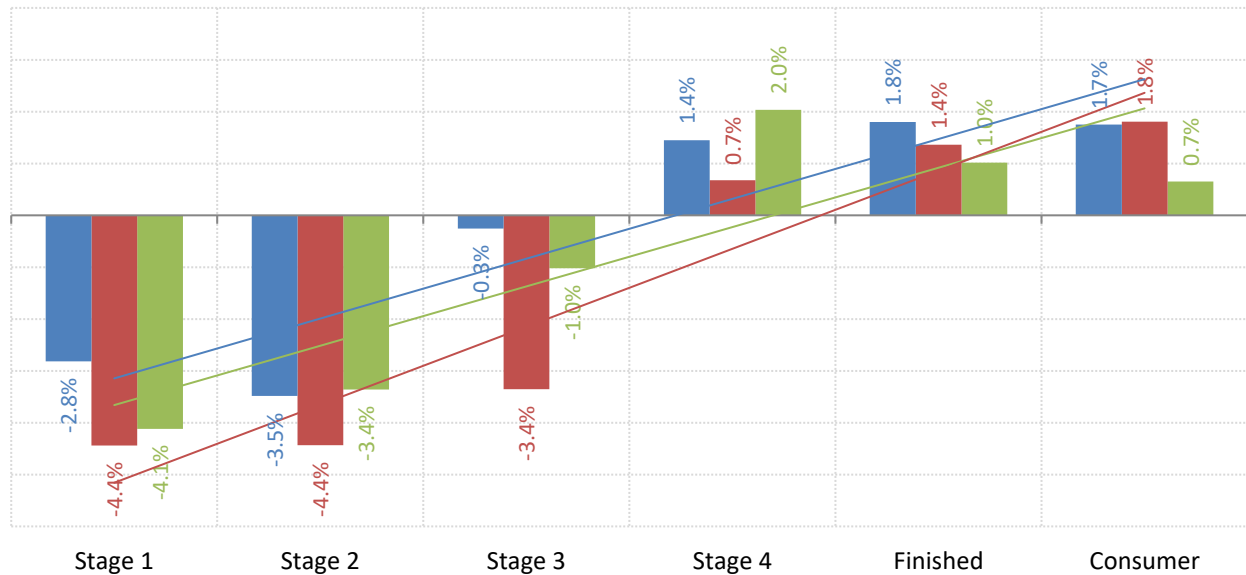
Source: BLS Producer Price Index, TrendMacro calculations

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