

Data Insights: Consumer Price Index, Producer Price Index

Friday, August 11, 2017

Today's CPI data: what you need to know

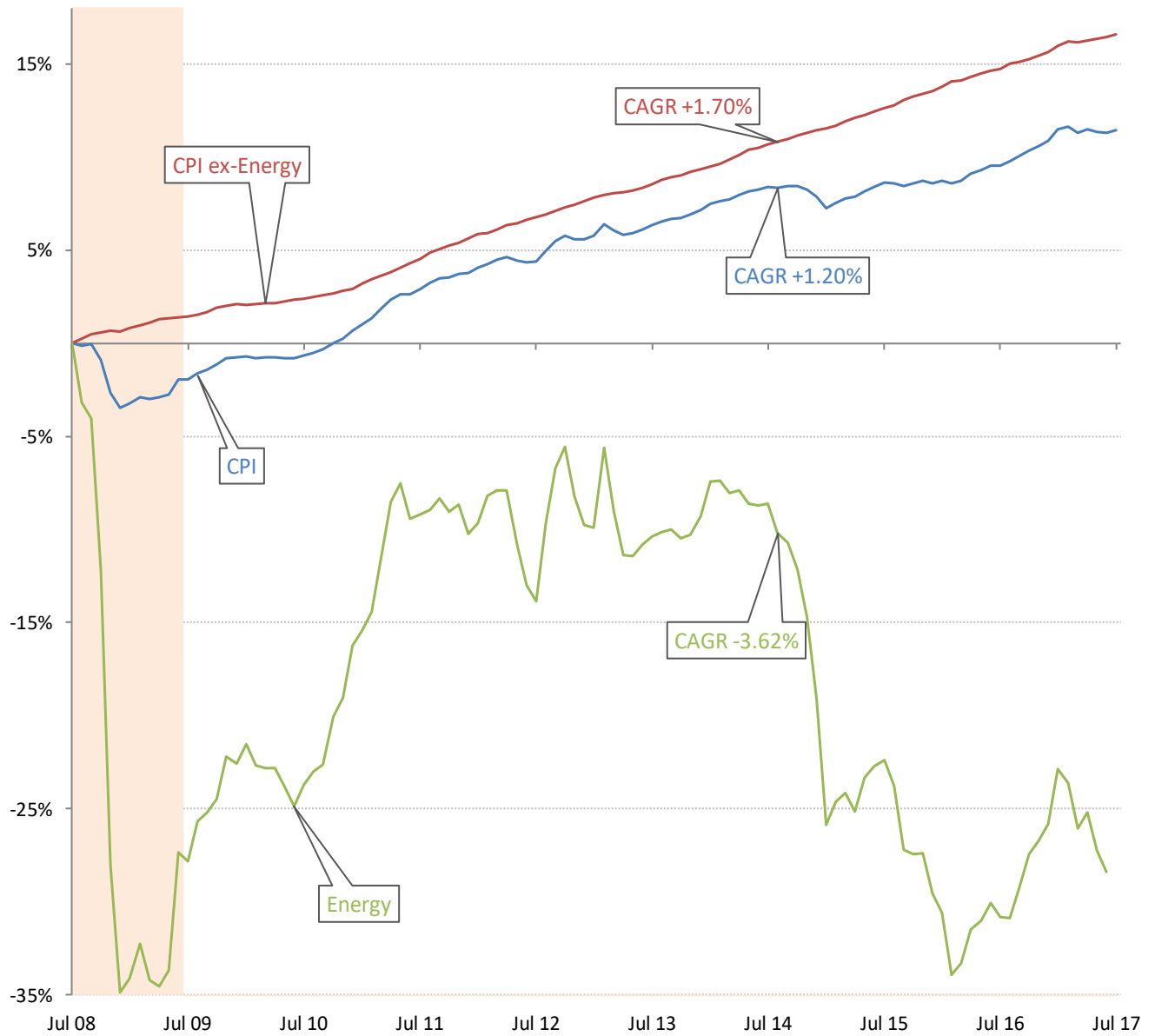
| | 12-mo YOY | 3-mo ann | 1-mo ann | 12 / 3 / 1-mo | 12-mo YOY history |
|----------------------|-----------|----------|----------|---------------|-------------------|
| All items | +1.73% | -0.2% | +1.3% | | |
| Core | +1.69% | +1.2% | +1.4% | | |
| OER | +3.2% | +3.0% | +3.2% | | |
| All less OER | +1.5% | -0.7% | +0.9% | | |
| Core less OER | +0.9% | +0.2% | +0.4% | | |
| Energy | +3.4% | -16.3% | -1.4% | | |
| All less energy | +1.6% | +1.2% | +1.5% | | |
| Food | +1.1% | +1.0% | +2.0% | | |
| All less food | +1.8% | -0.4% | +1.2% | | |
| Health care | +2.6% | +3.2% | +5.2% | | |
| All less health care | +1.7% | -0.5% | +0.9% | | |

Source: BLS Consumer Price Index, TrendMacro calculations

For more information contact us:

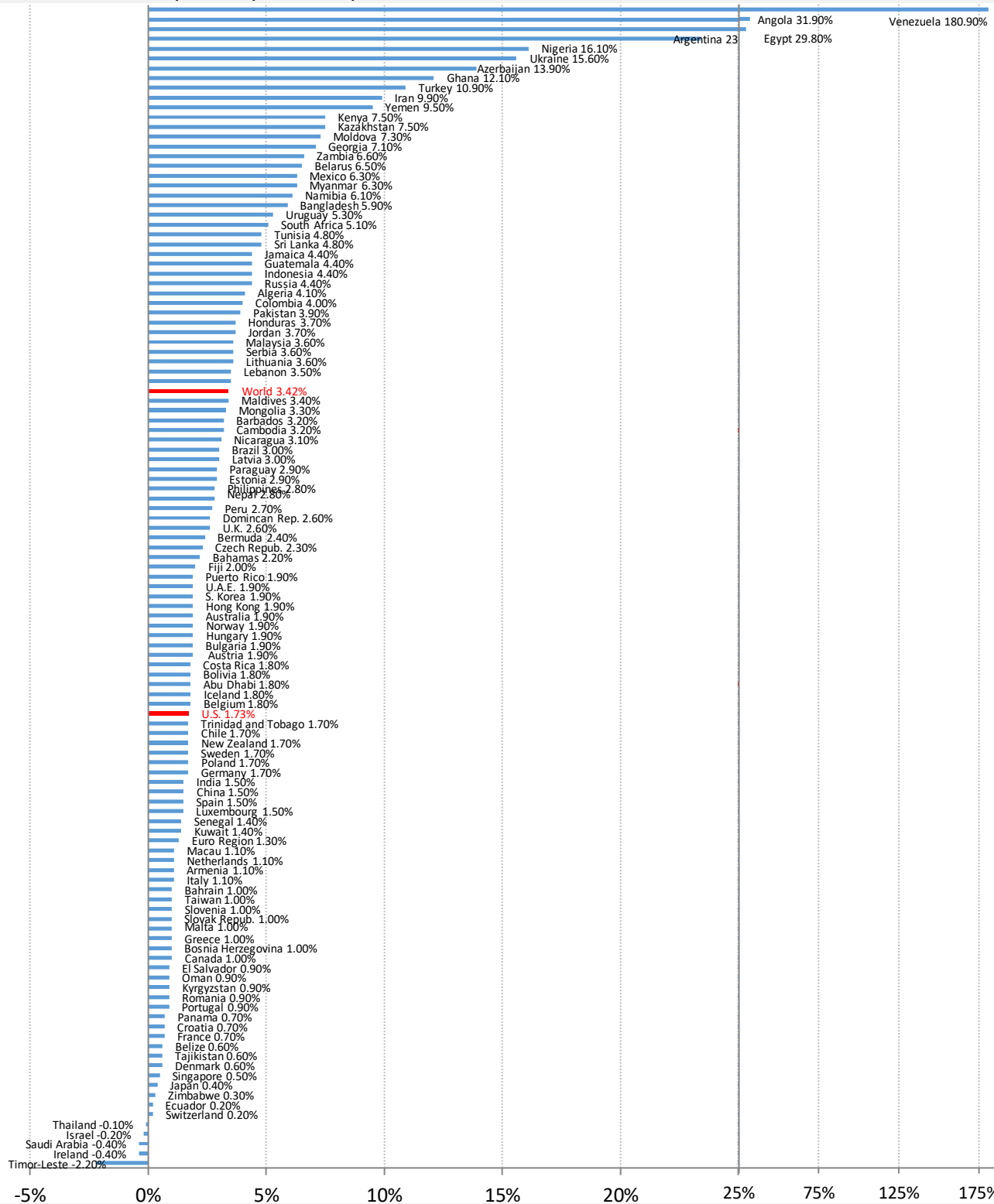
Donald Luskin: 312 273 6766 don@trendmacro.com
 Thomas Demas: 704 552 3625 tdemas@trendmacro.com

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



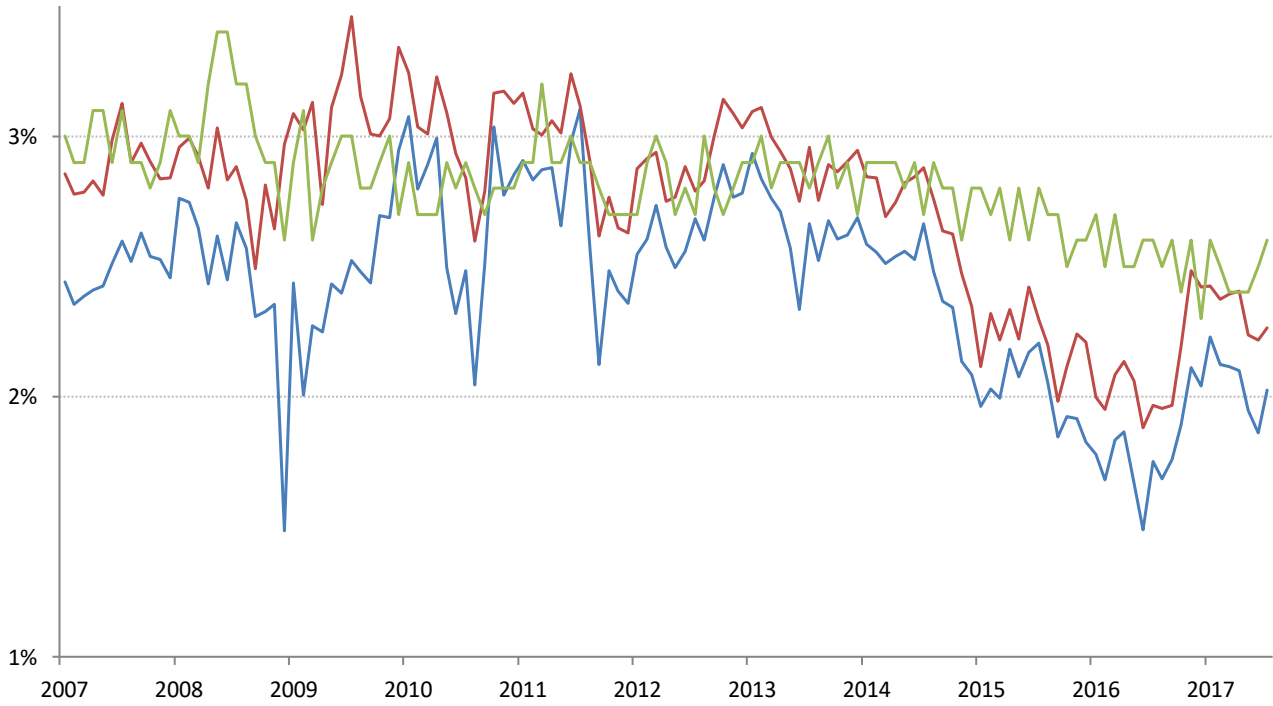
Source: Bloomberg, TrendMacro calculations

World round-up: CPI year-on-year



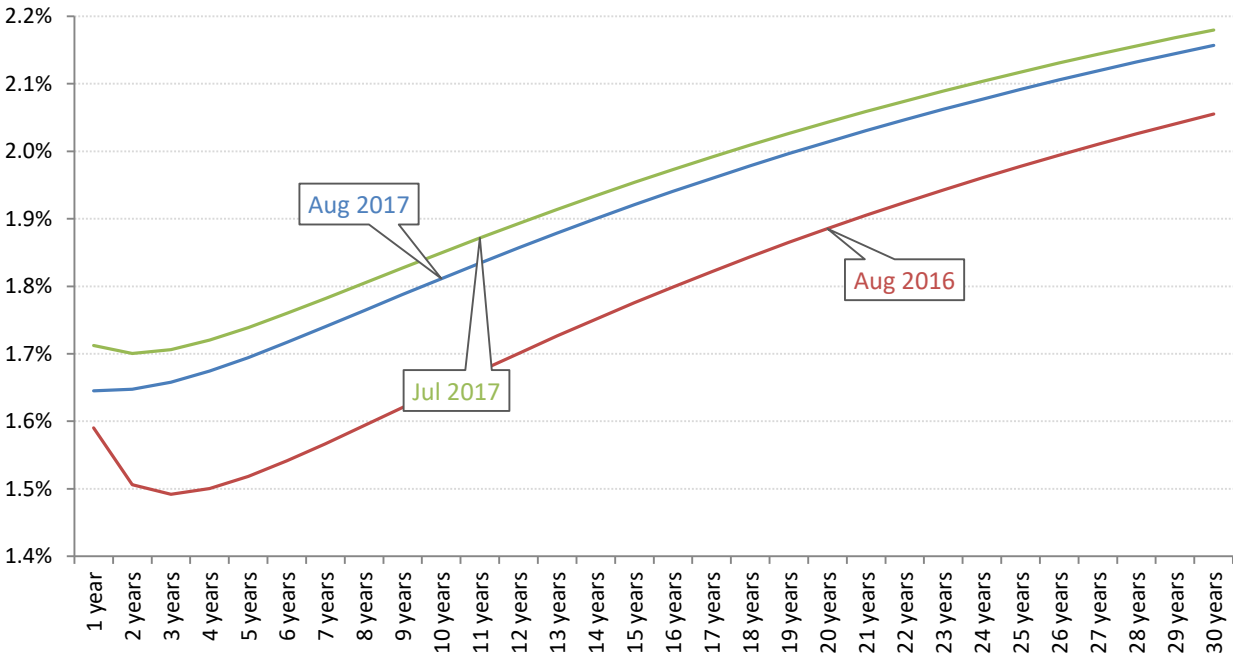
Source: Bloomberg, TrendMacro calculations

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



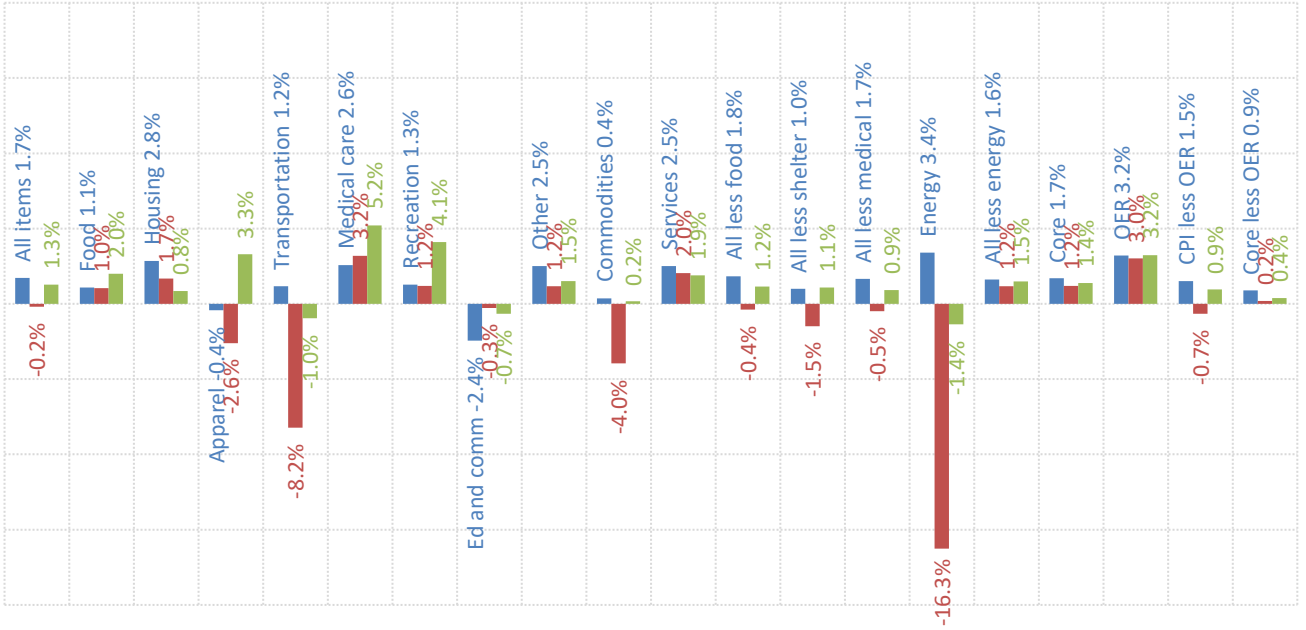
Source: Bloomberg, TrendMacro calculations

Swap-implied inflation yield curve, per annum



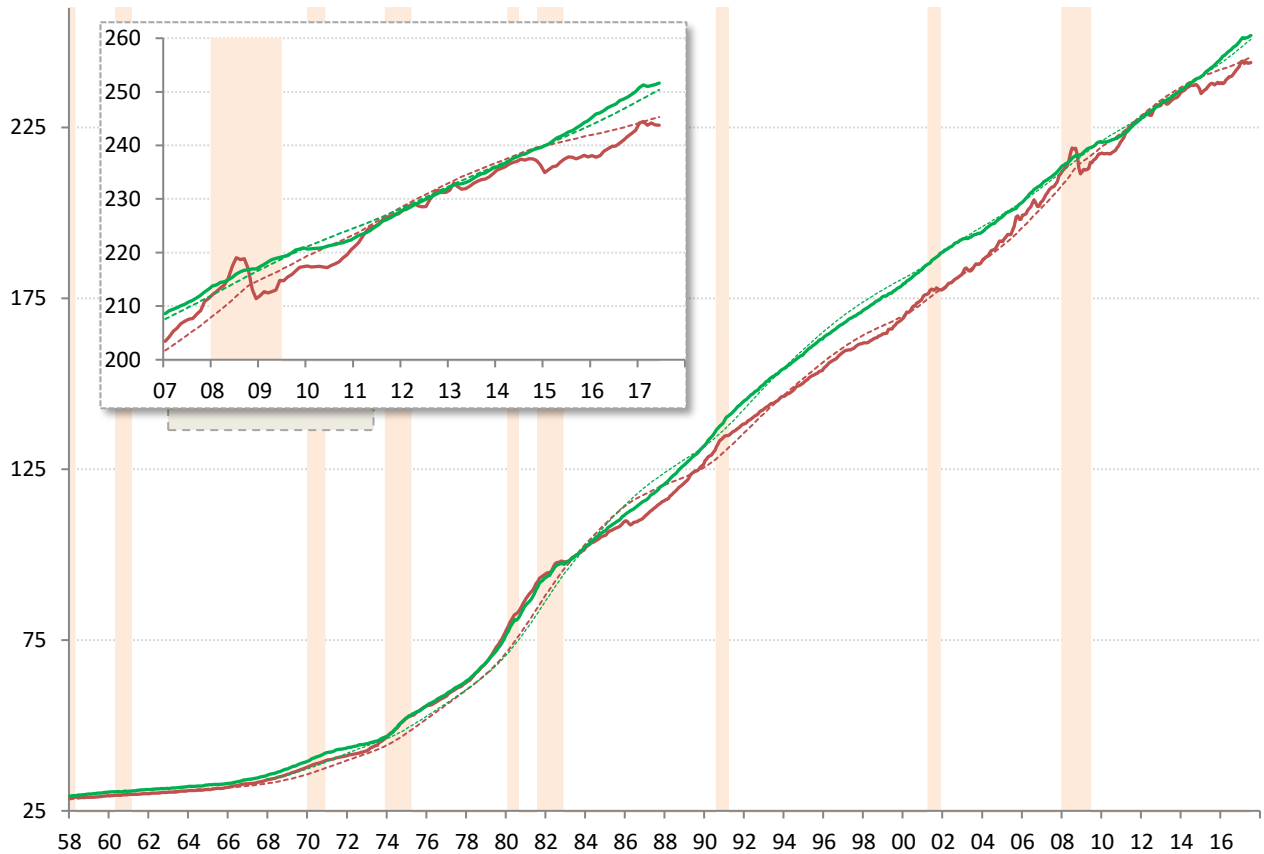
Source: Cleveland Fed, TrendMacro calculations

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



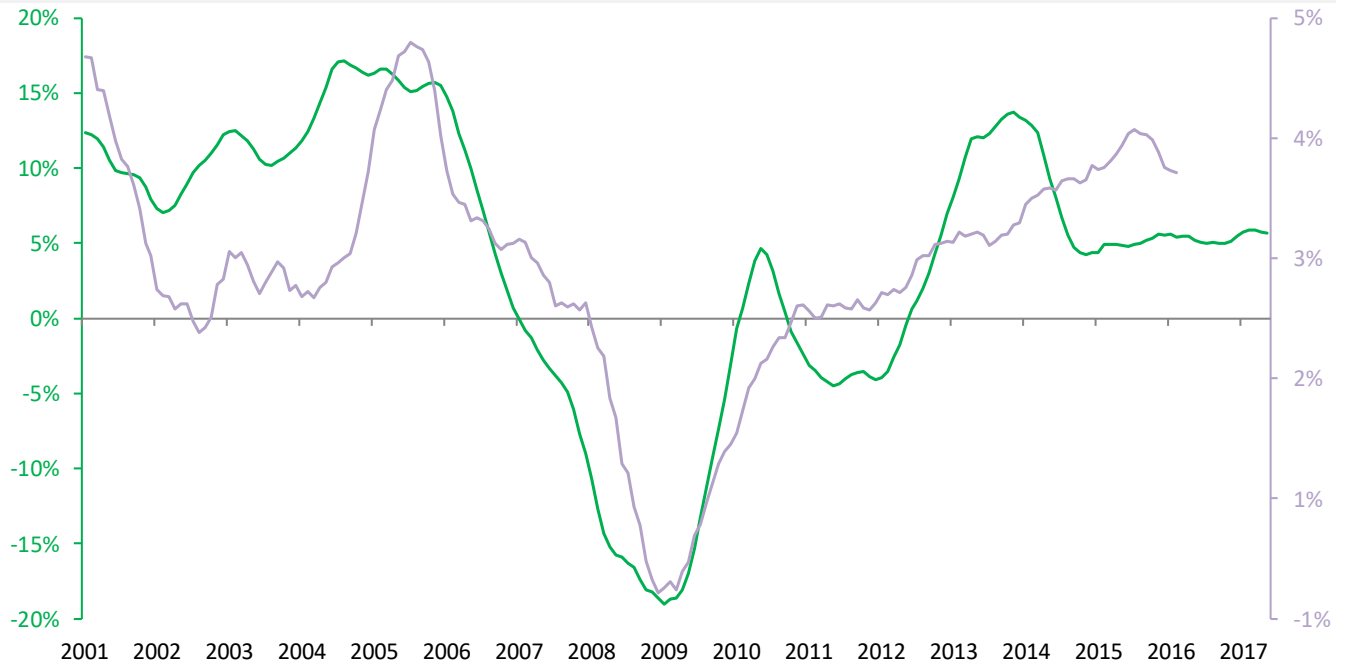
Source: BLS Consumer Price Index, TrendMacro calculations

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

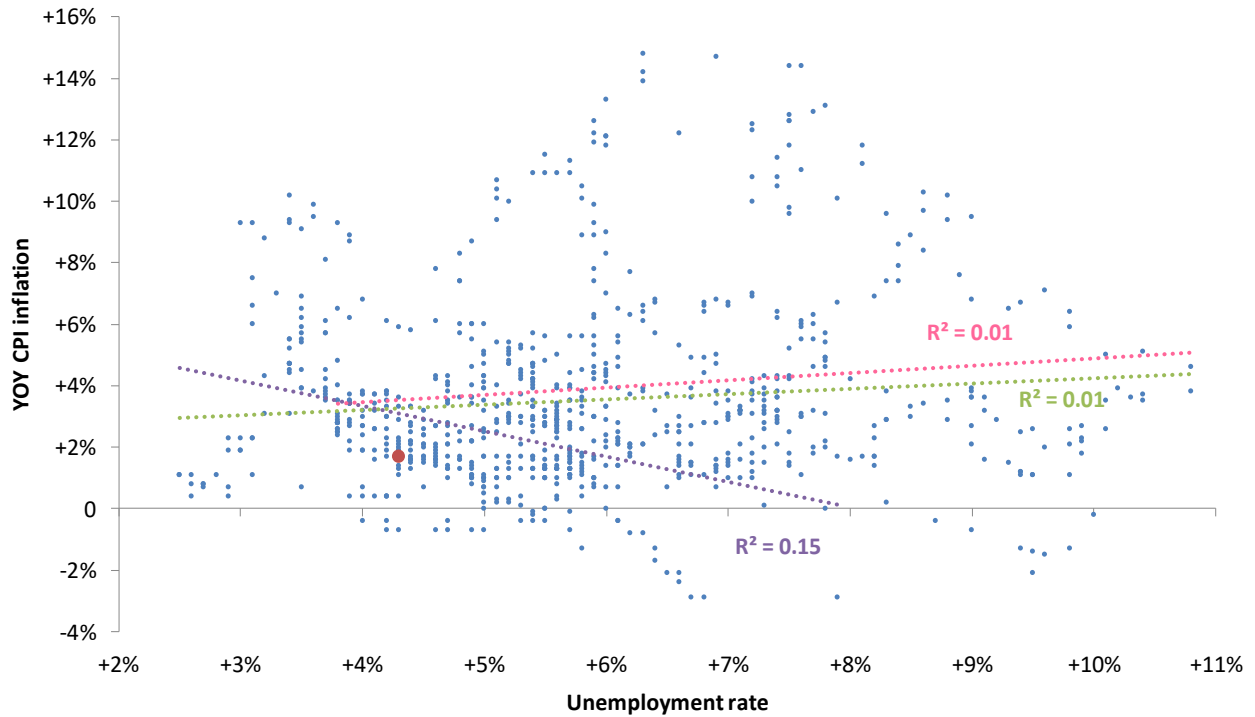
● Latest

Linear trend:

● Pre-74

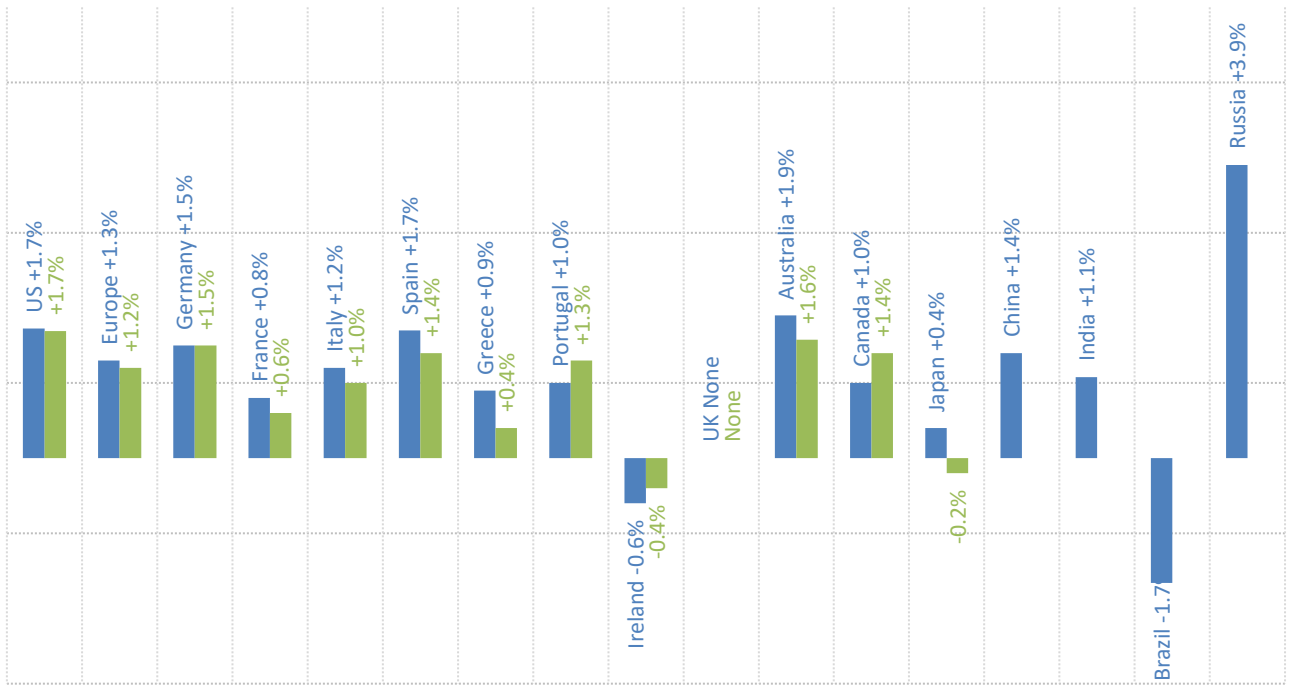
● Post-74

● All



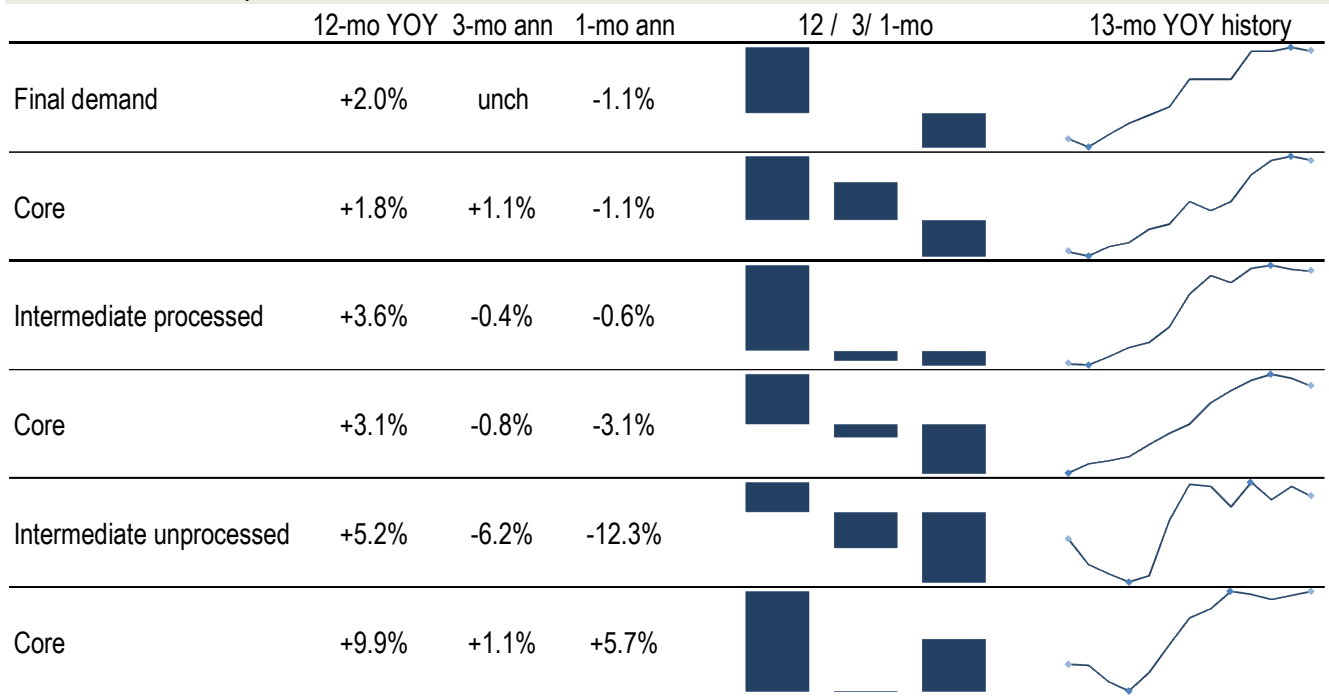
Source: BLS Consumer Price Index, Current Population Survey

Major economies CPI, year on year



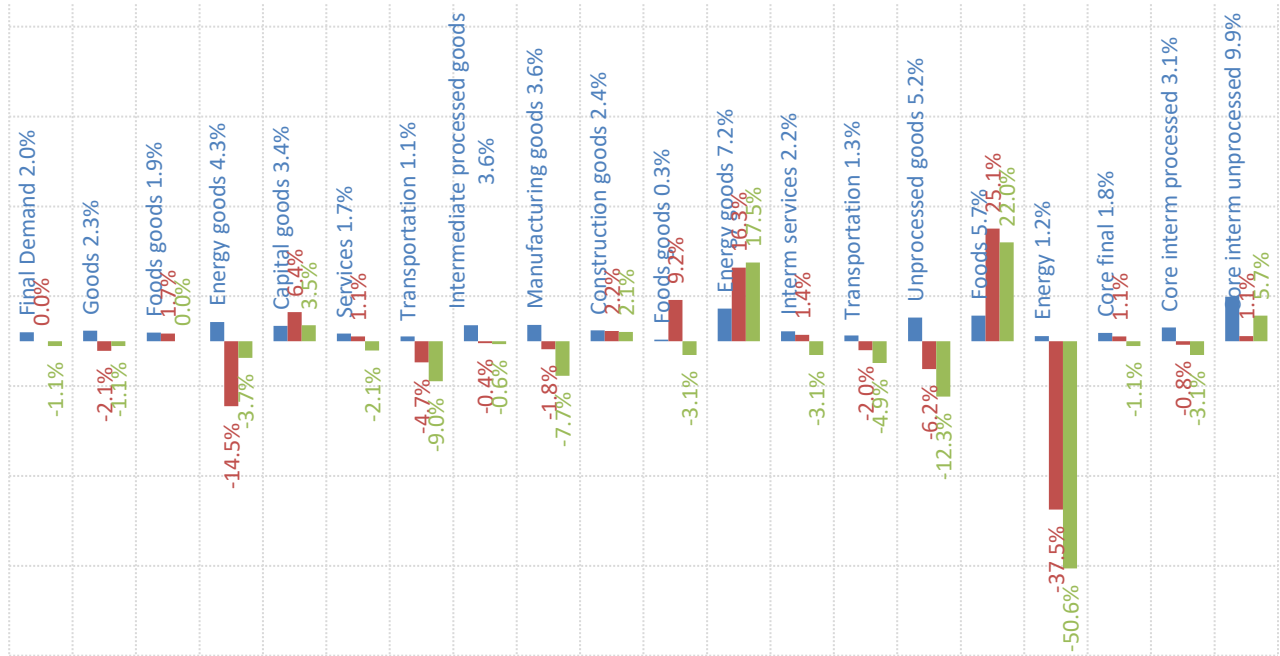
Source: Respective Statistical agencies, TrendMacro calculations

PPI data: what you need to know



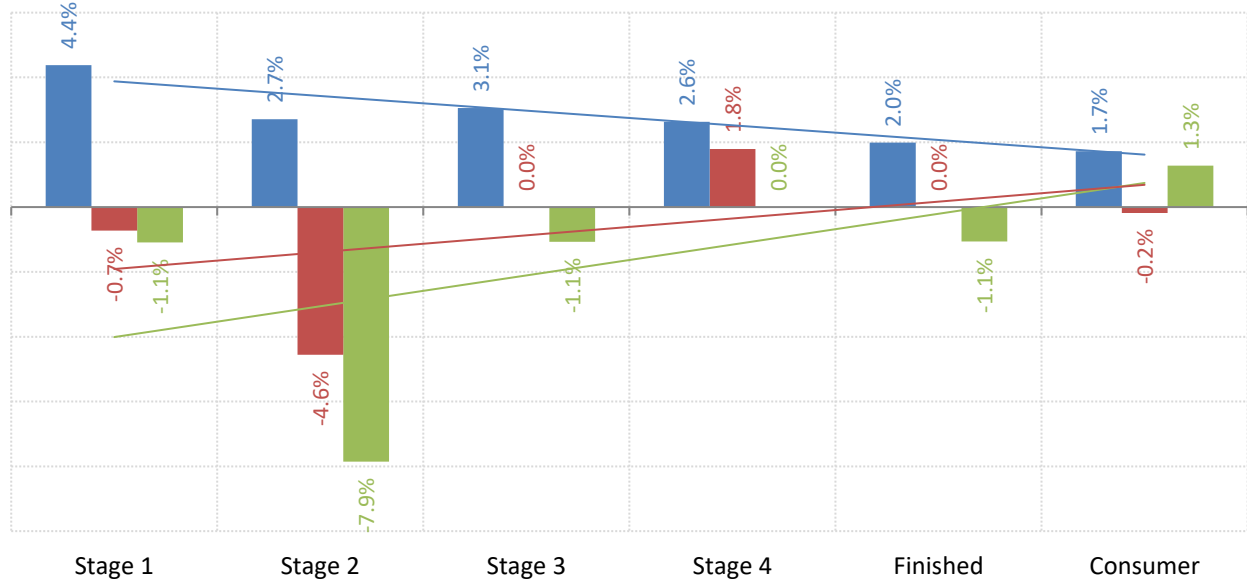
Source: BLS Producer Price Index, TrendMacro calculations

PPI inflation by sector (SAAR) ■ 12-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