

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

Thursday, October 10, 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	+1.71%	+1.7%	+0.3%				
Core	+2.36%	+2.8%	+1.6%				
OER	+3.4%	+3.0%	+3.3%				
All less OER	+1.6%	+1.9%	+0.0%				
Core less OER	+1.8%	+2.6%	+0.7%				
Energy	-4.7%	-7.7%	-15.1%				
All less energy	+2.3%	+2.5%	+1.6%				
Food	+1.8%	+0.7%	+1.4%				
All less food	+1.7%	+1.8%	+0.1%				
Health care	+3.5%	+5.8%	+2.2%				
All less health care	+1.6%	+1.3%	+0.1%				

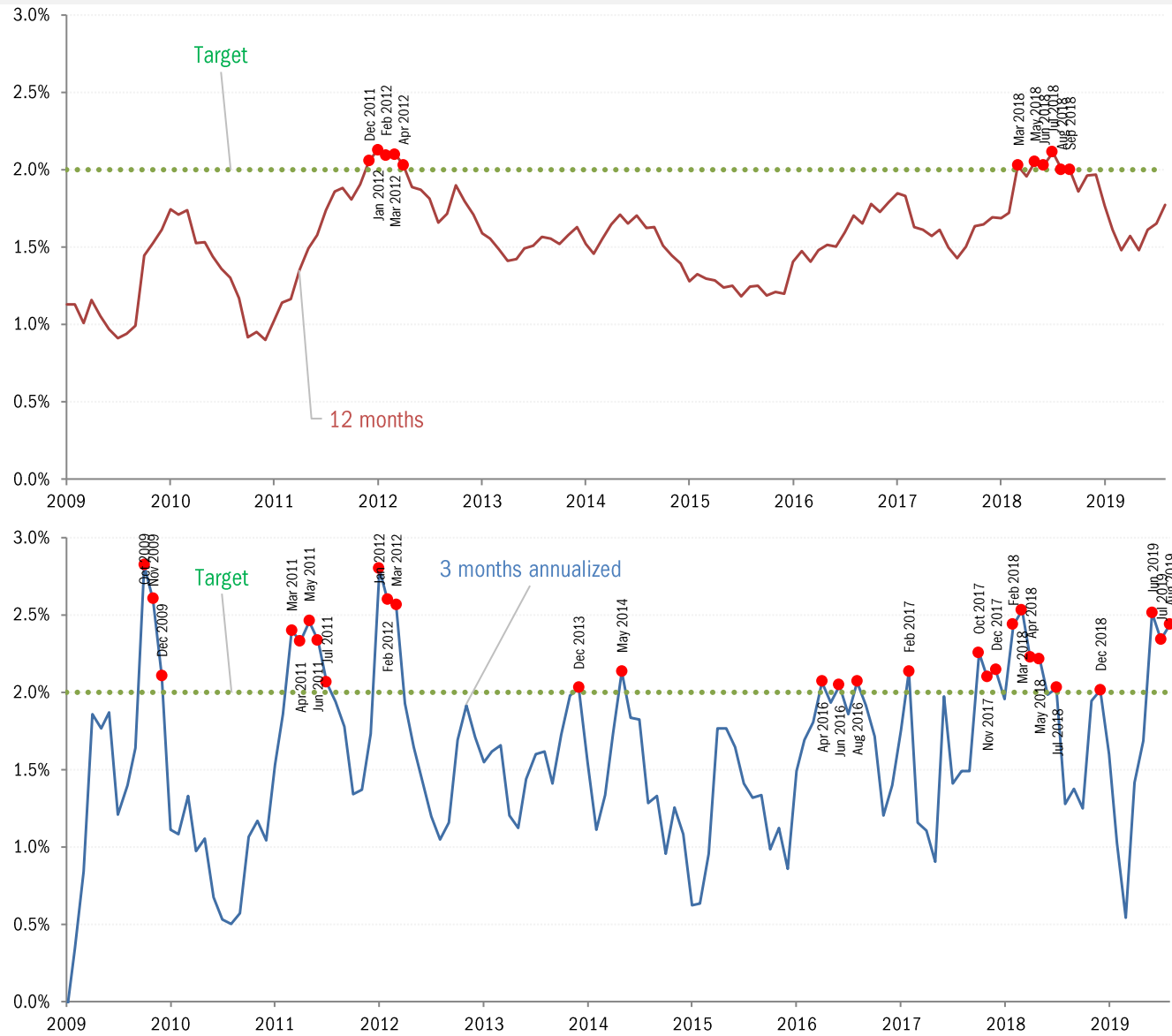
Source: BLS Consumer Price Index, TrendMacro calculations

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

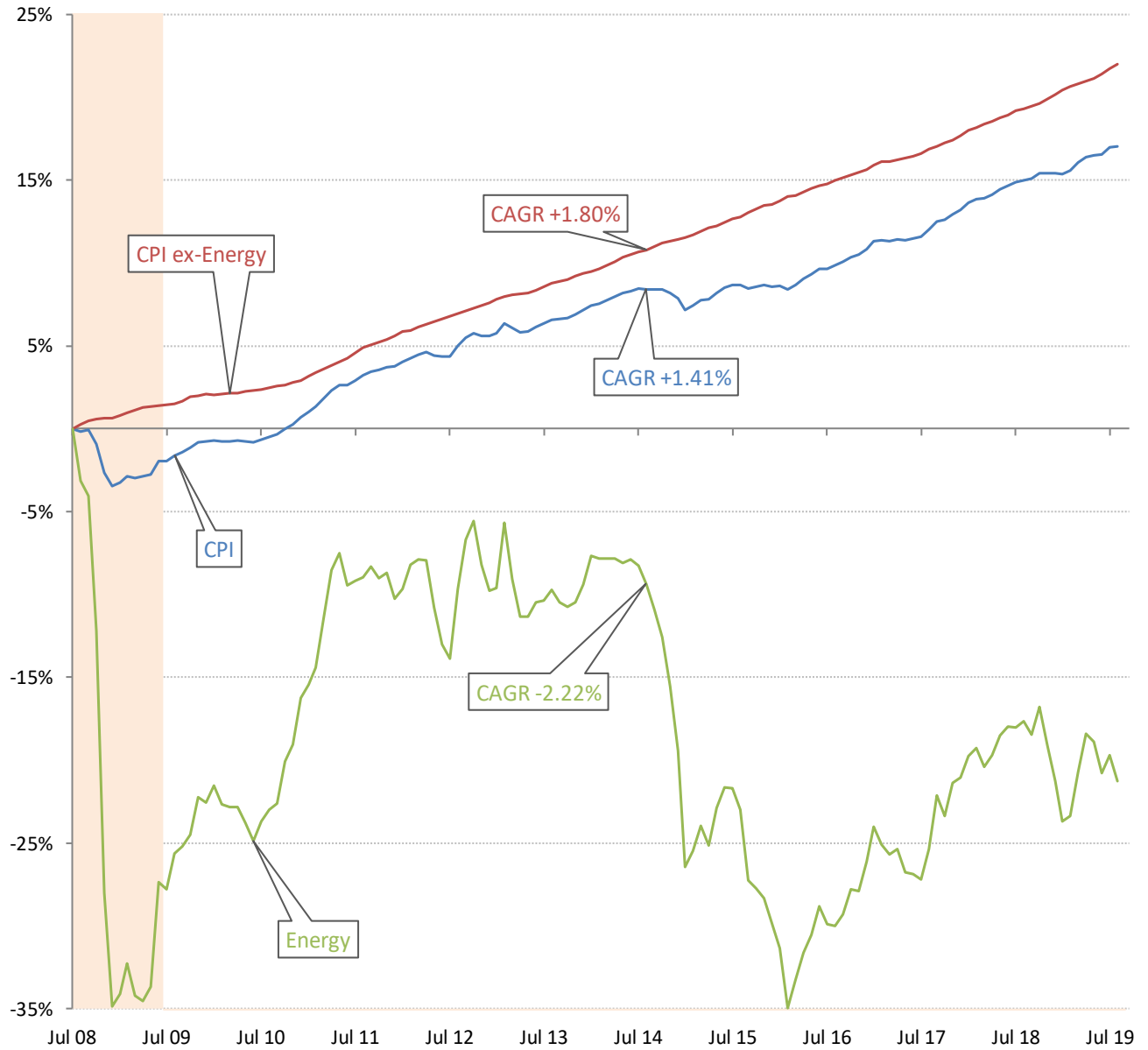
## Core PCE Price Index



Source: Bloomberg, TrendMacro calculations

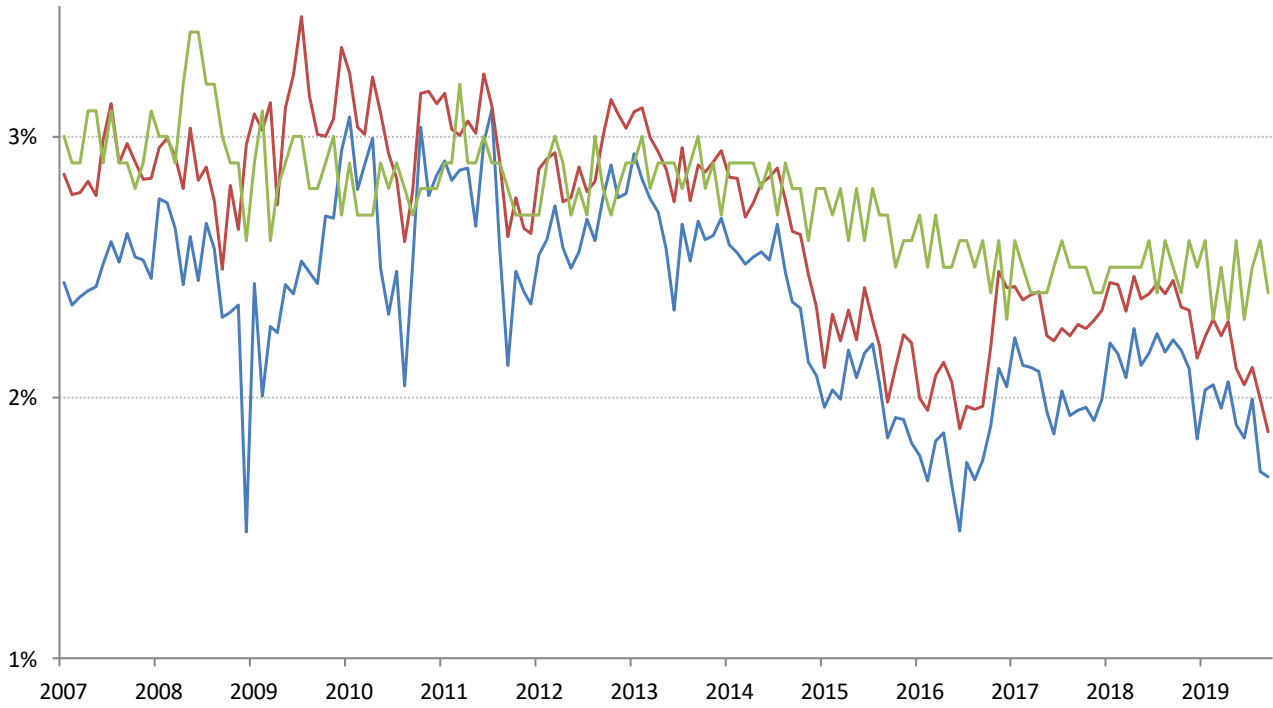
# The deflation delusion: it's all about oil, and always has been

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



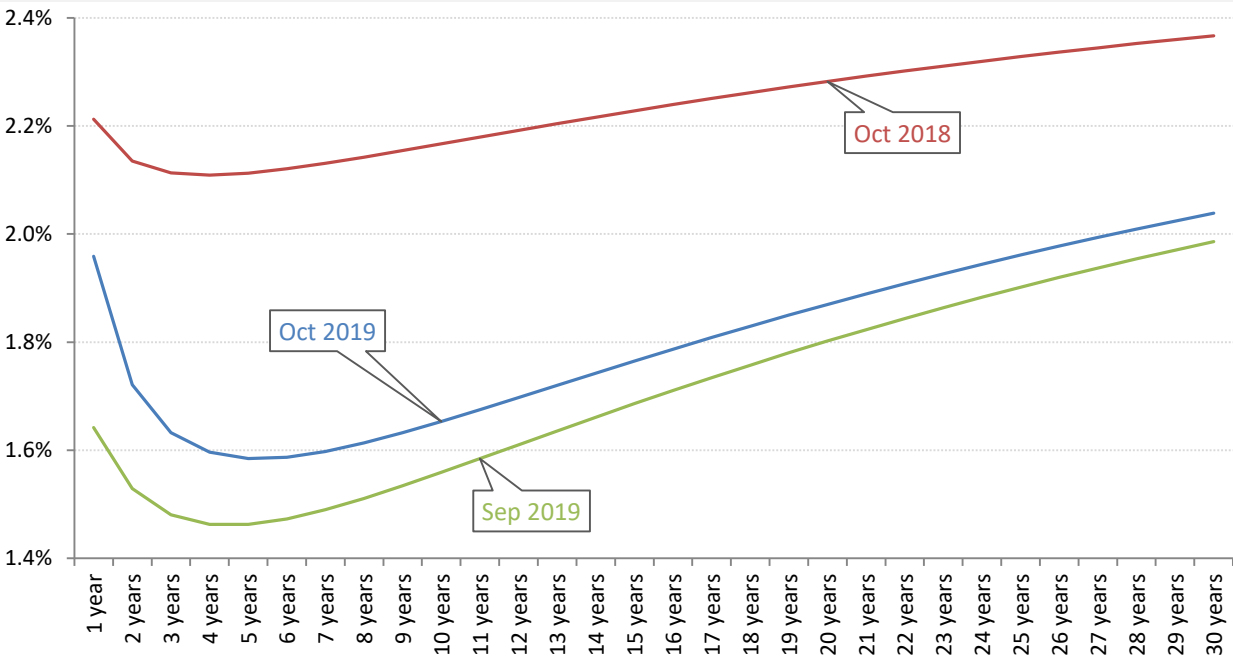
Source: Bloomberg, TrendMacro calculations

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



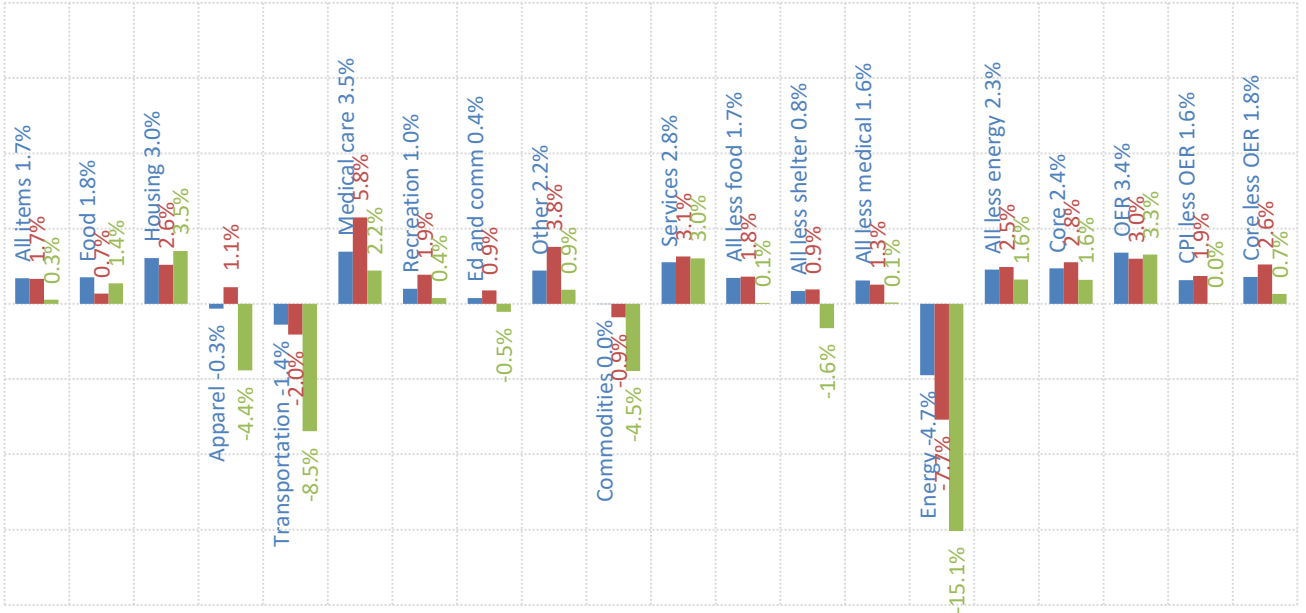
Source: Bloomberg, TrendMacro calculations

Swap-implied inflation yield curve, per annum



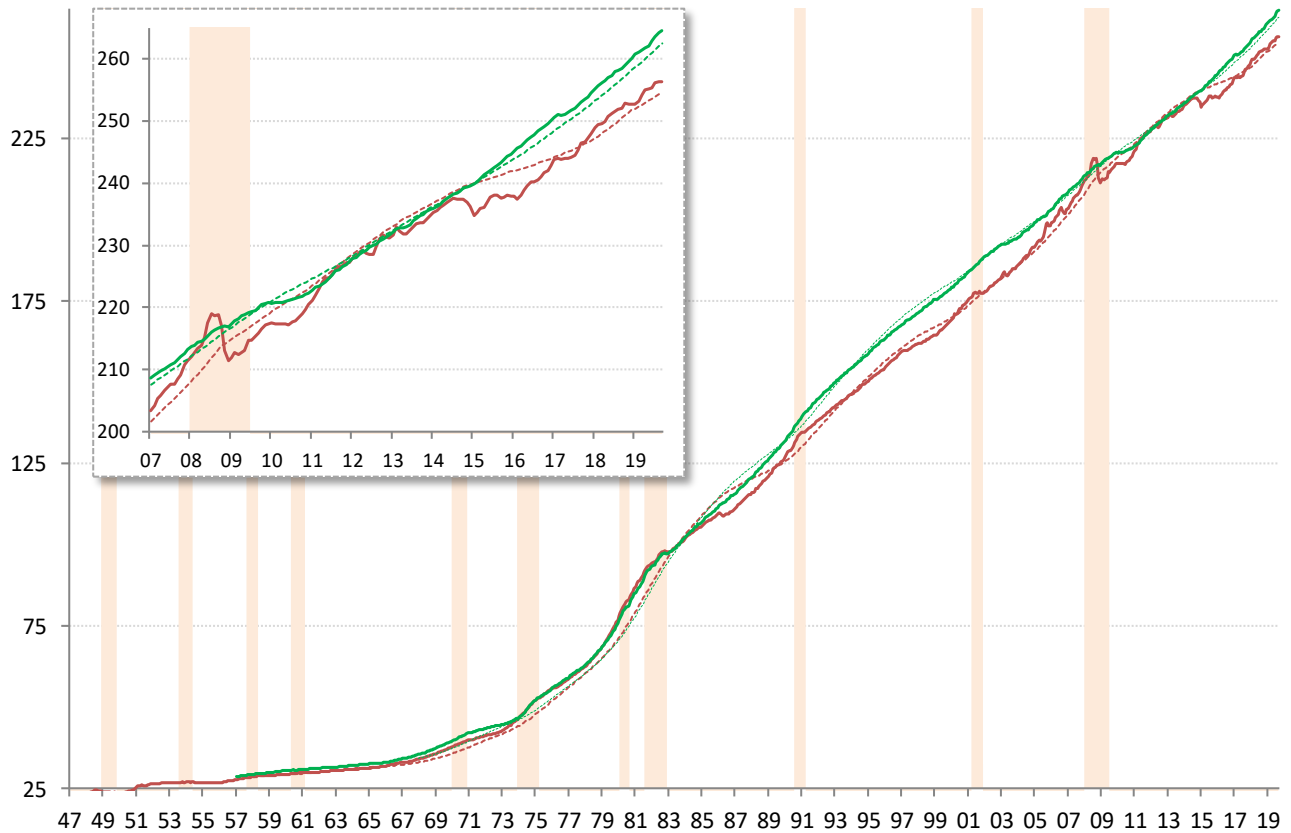
Source: Cleveland Fed, TrendMacro calculations

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



Source: BLS Consumer Price Index, TrendMacro calculations

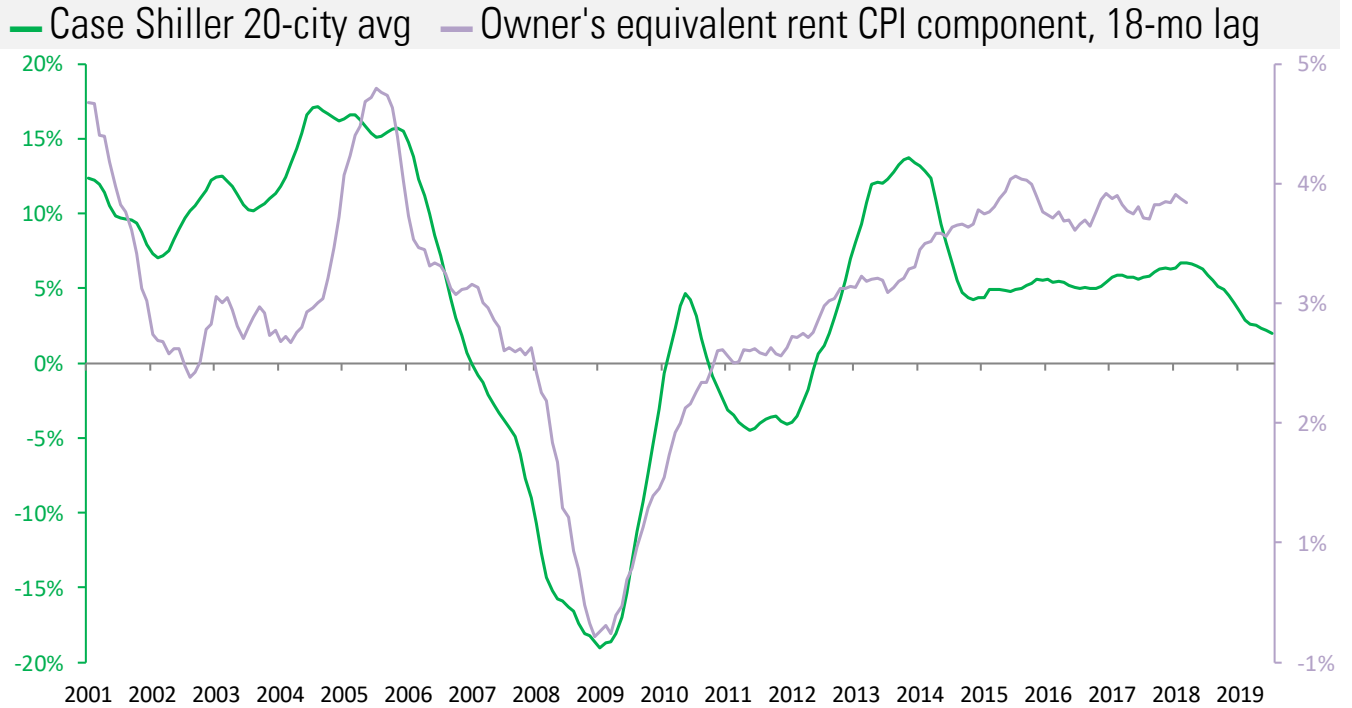
US CPI Core — Level ... 20-year trend ■ Recession



Source: BLS Consumer Price Index, TrendMacro calculations

## Housing leads US CPI

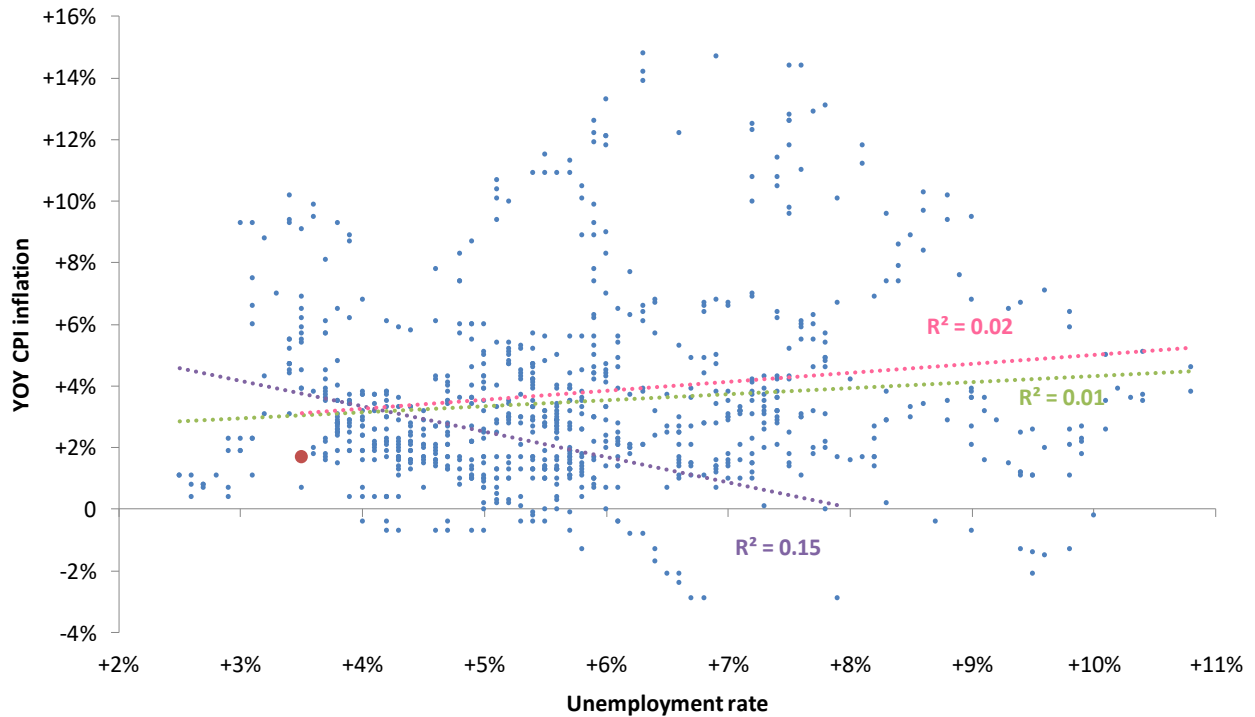
Year-over-year change



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

## The world is flat: the vanishing Phillips Curve

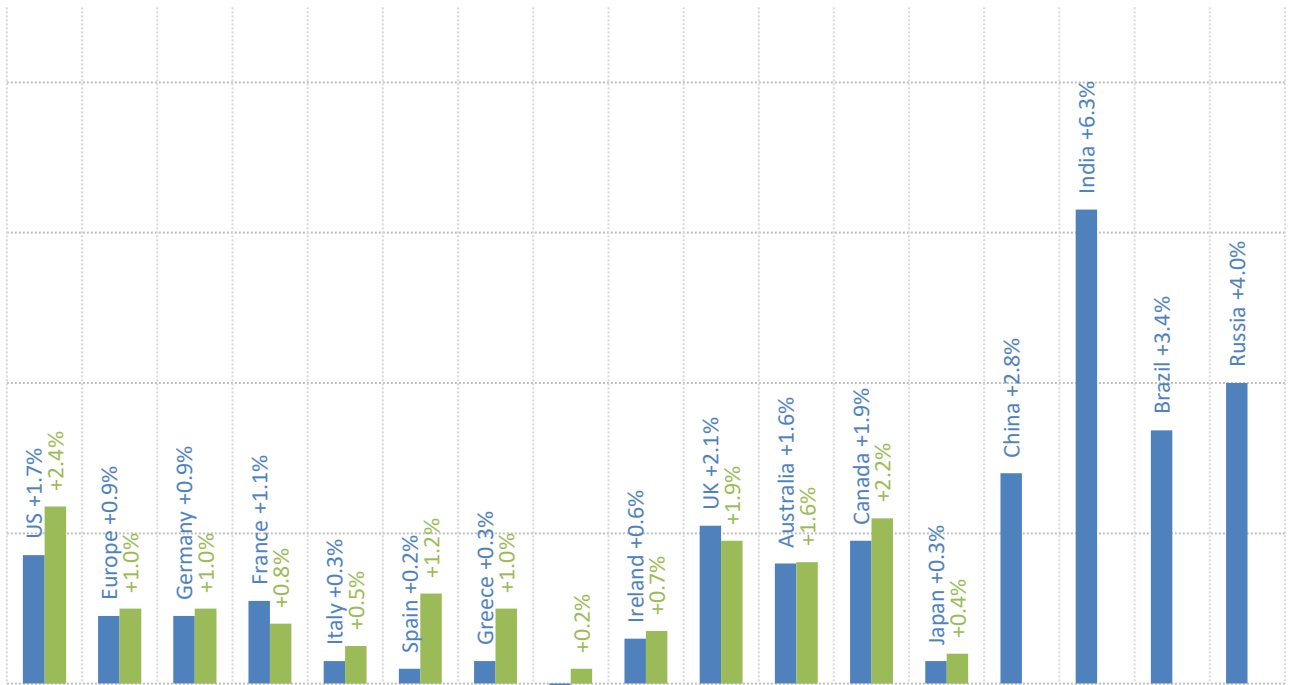
● Latest Linear trend: ● Pre-74 ● Post-74 ● All



Source: BLS Consumer Price Index, Current Population Survey

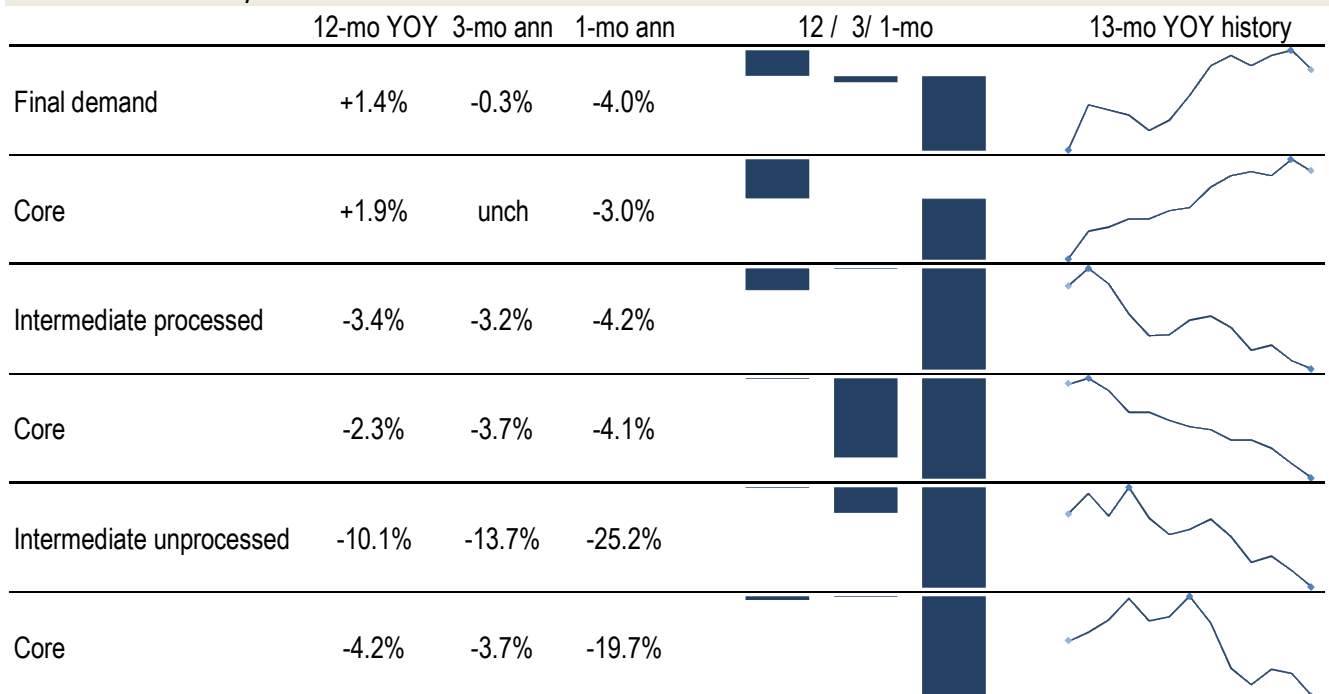
## Major economies CPI, year on year

■ Headline ■ Ex-food and energy



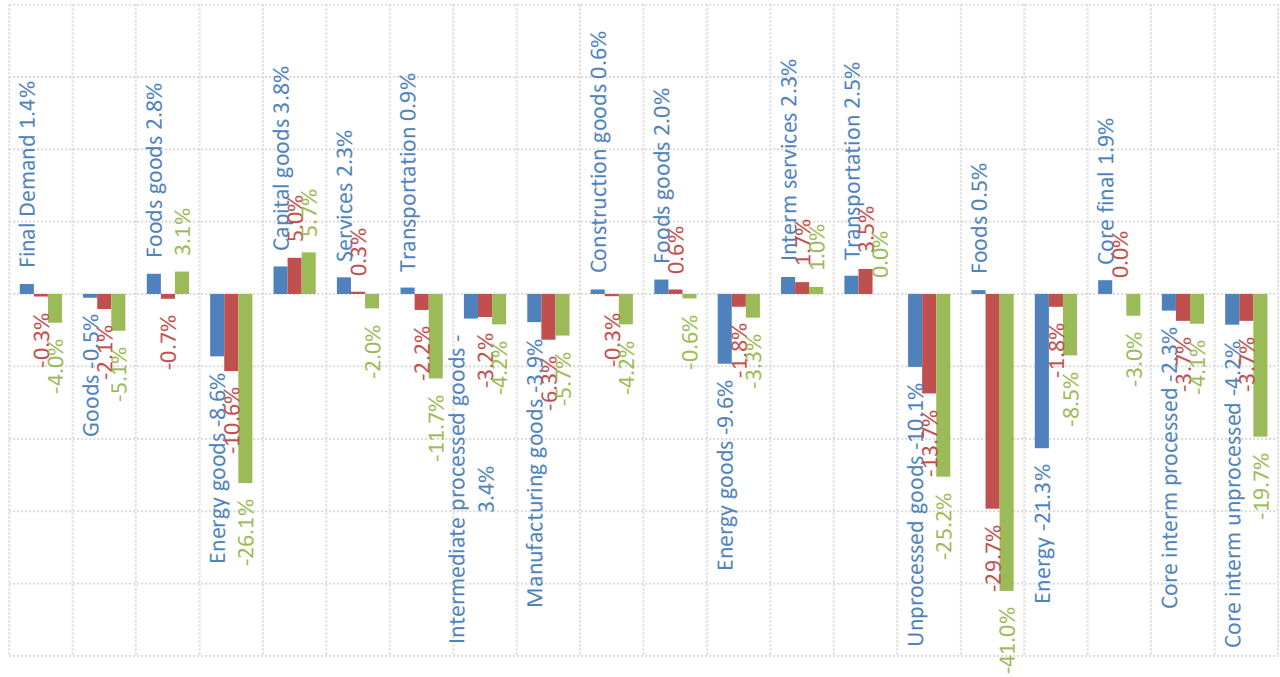
Source: Respective Statistical agencies, TrendMacro calculations

## PPI data: what you need to know



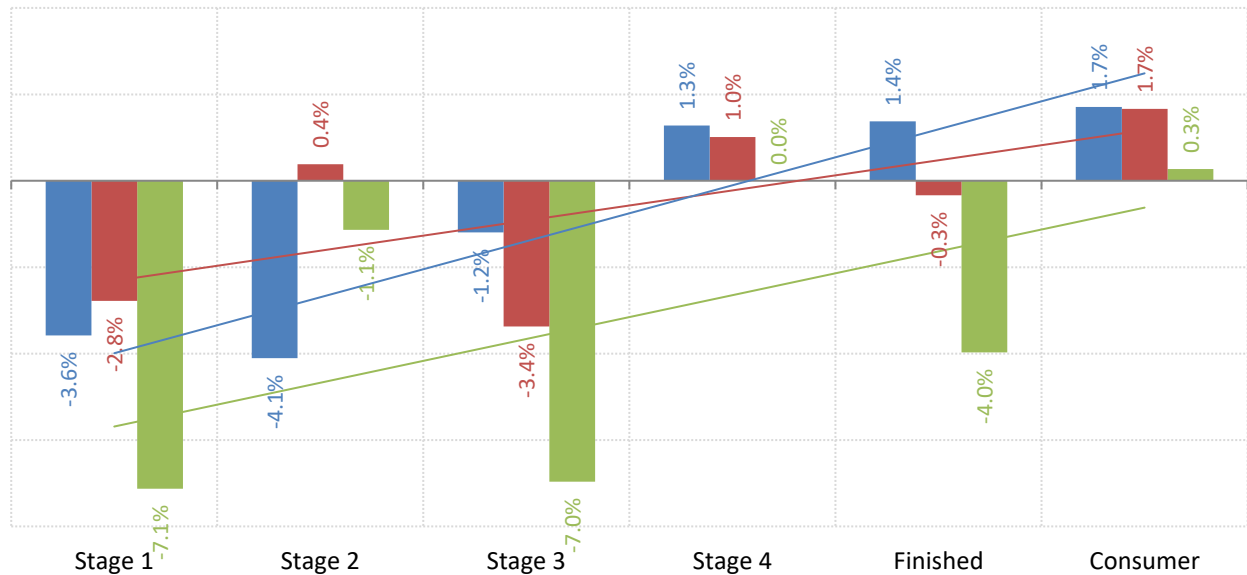
Source: BLS Producer Price Index, TrendMacro calculations

## 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