

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

Friday, April 10, 2020

### 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	+1.54%	-0.8%	-5.0%		
Core	+2.09%	+1.5%	-1.2%		
OER	+3.2%	+3.5%	+3.2%		
All less OER	+1.5%	-1.1%	-5.5%		
Core less OER	+1.5%	+0.3%	-3.7%		
Energy	-5.8%	-29.4%	-51.1%		
All less energy	+2.1%	+1.8%	-0.4%		
Food	+1.9%	+3.8%	+4.3%		
All less food	+1.5%	-1.4%	-6.3%		
Health care	+4.7%	+2.8%	+5.2%		
All less health care	+1.2%	-1.1%	-5.9%		

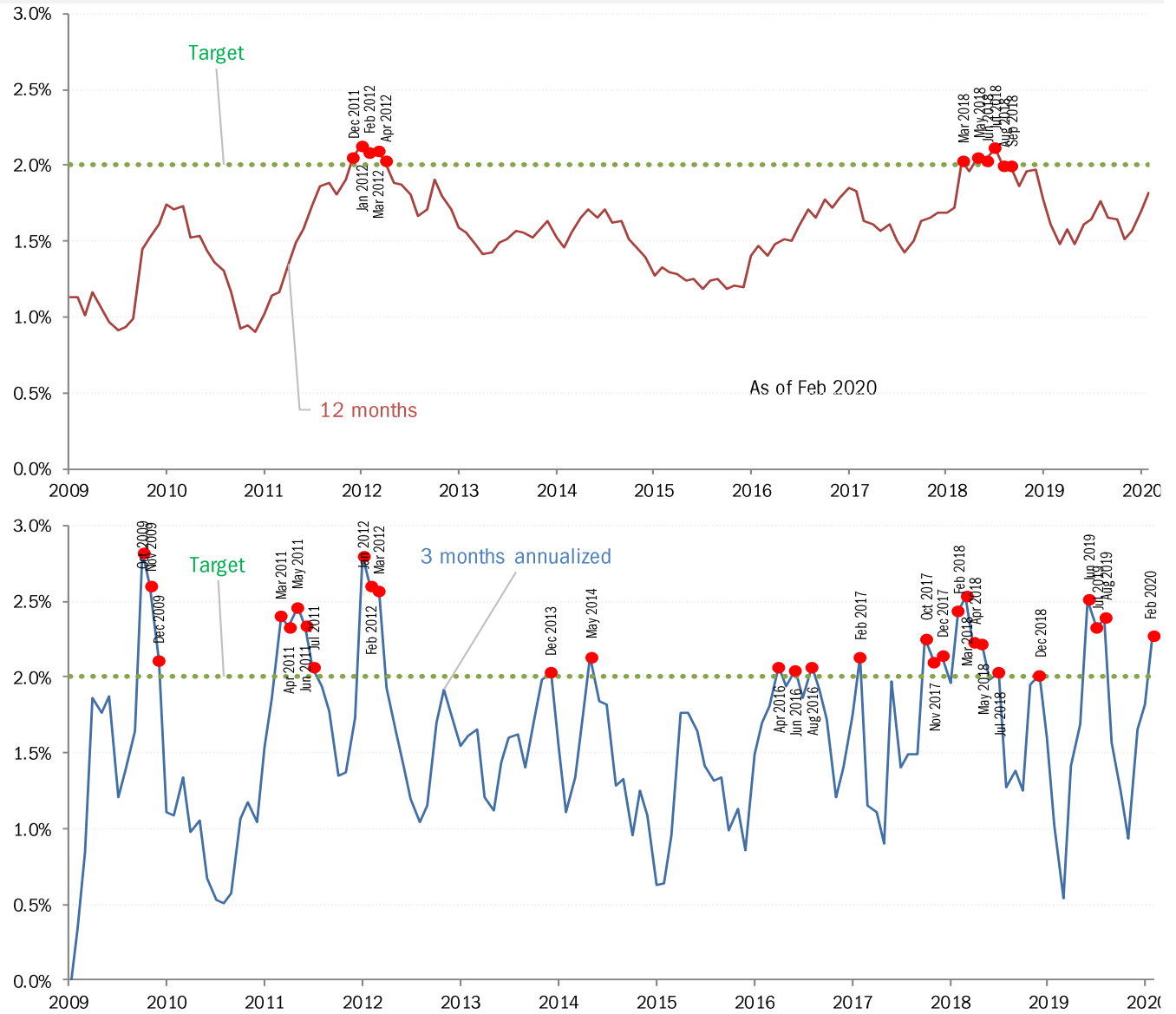
Source: BLS Consumer Price Index, TrendMacro calculations

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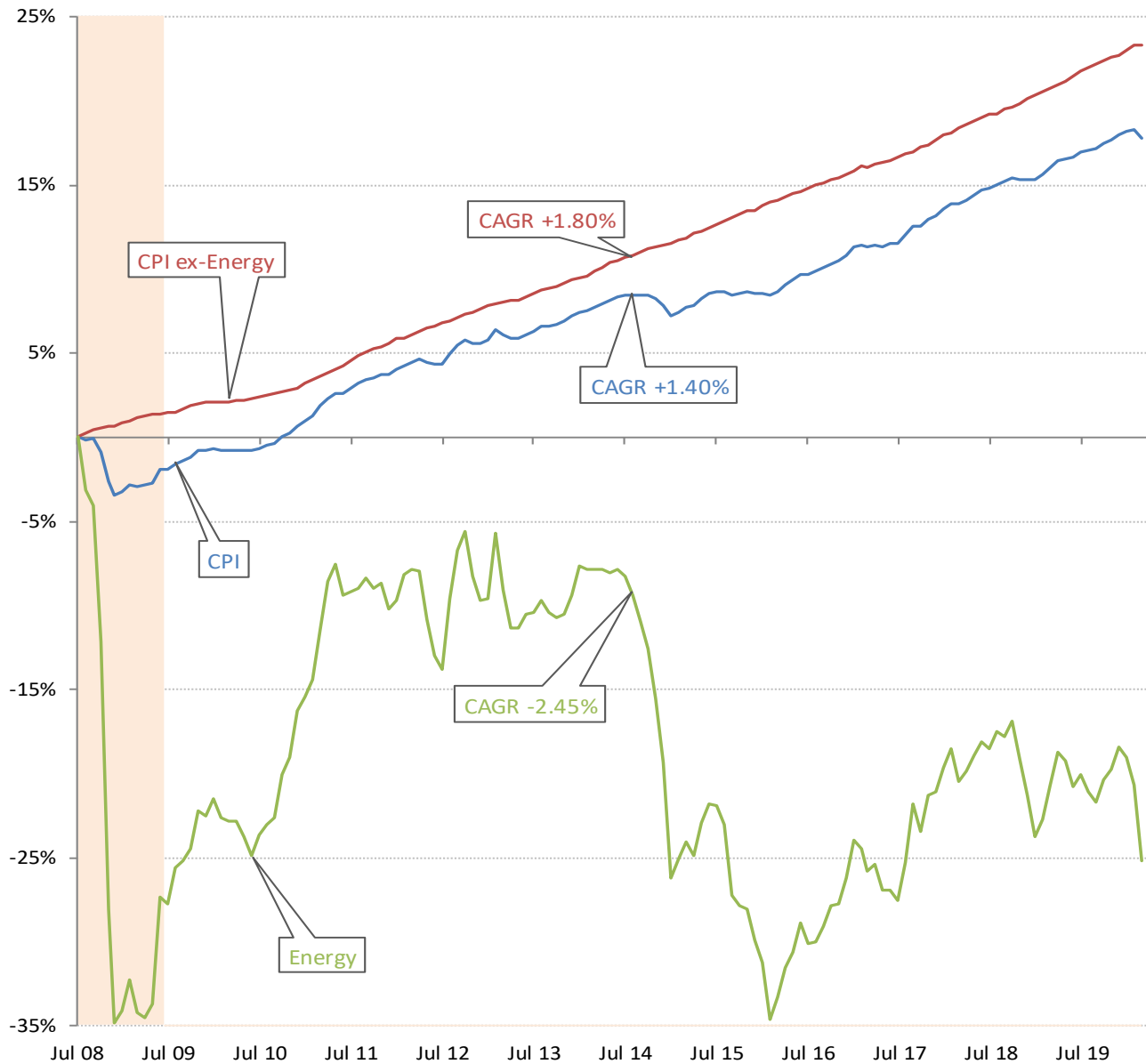
# Target malpractice: the Fed's permanent "transitory" problem

## Core PCE Price Index



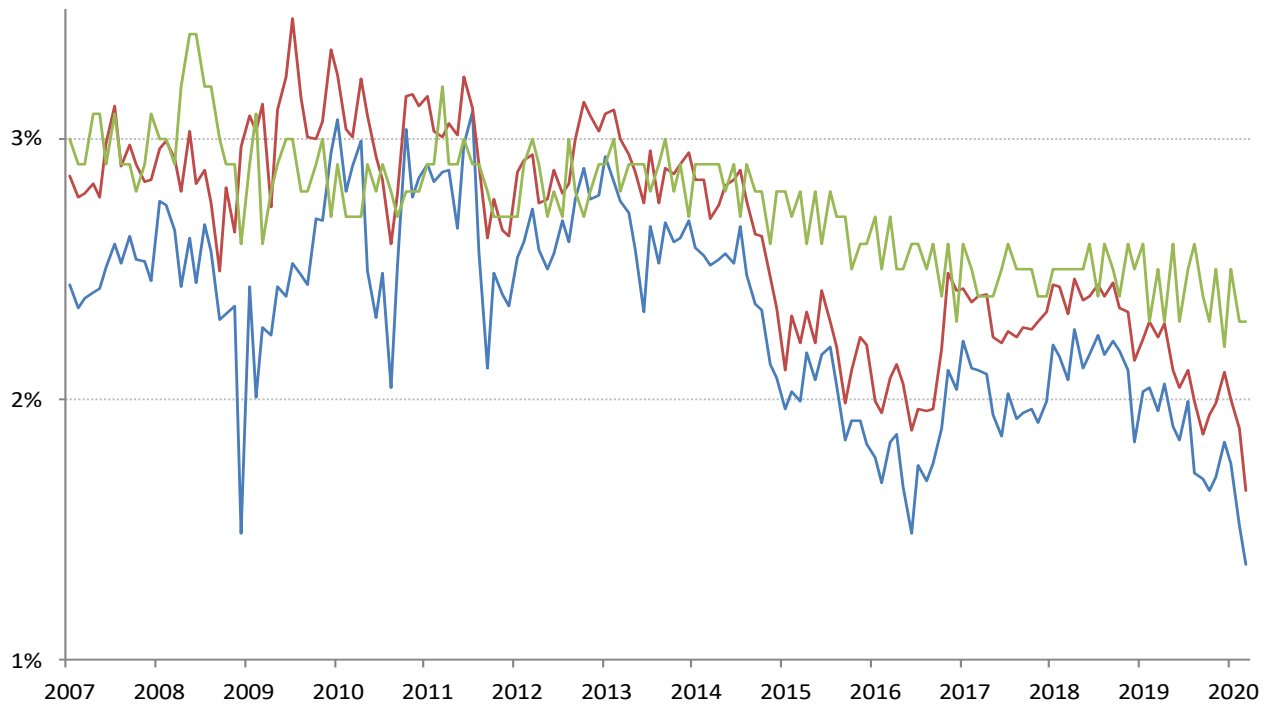
Source: Bureau of Economic Analysis, TrendMacro calculations

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



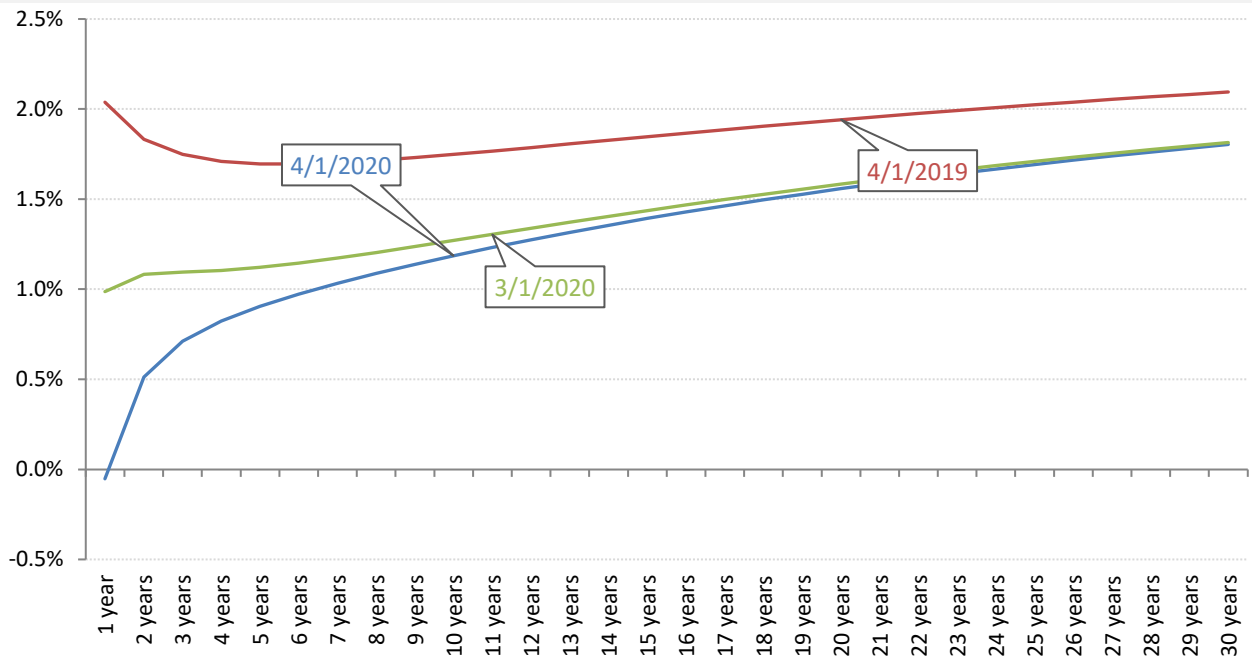
Source: Bloomberg, TrendMacro calculations

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



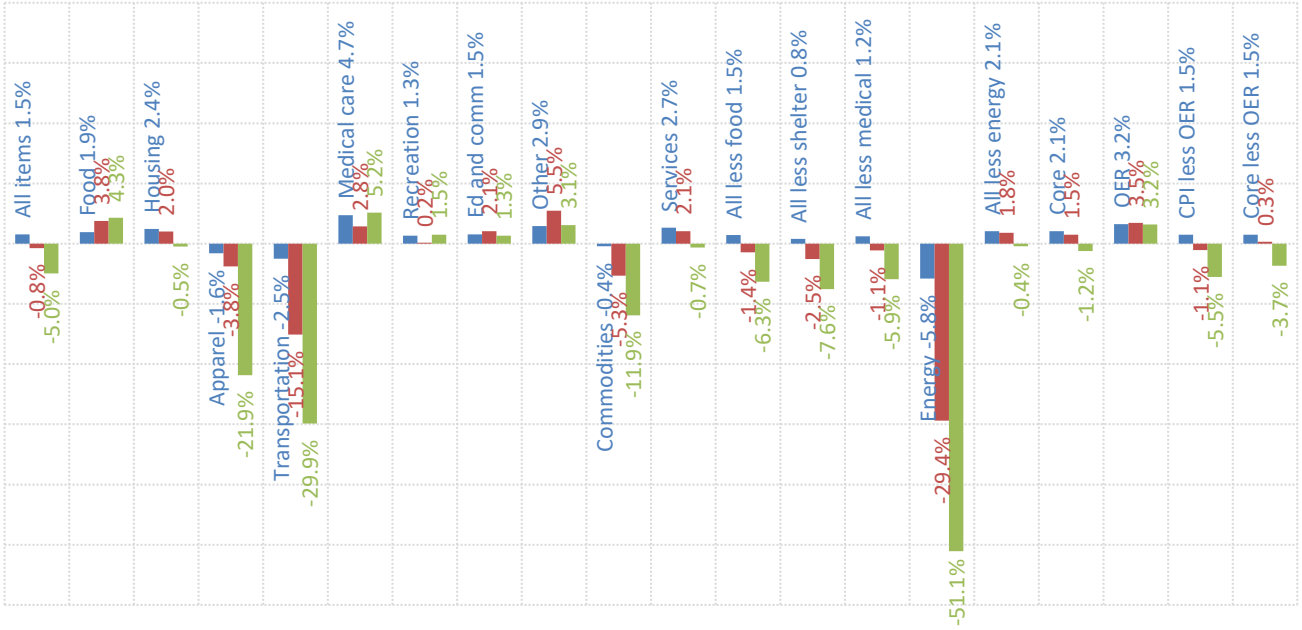
Source: Bloomberg, TrendMacro calculations

Swap-implied inflation yield curve, per annum



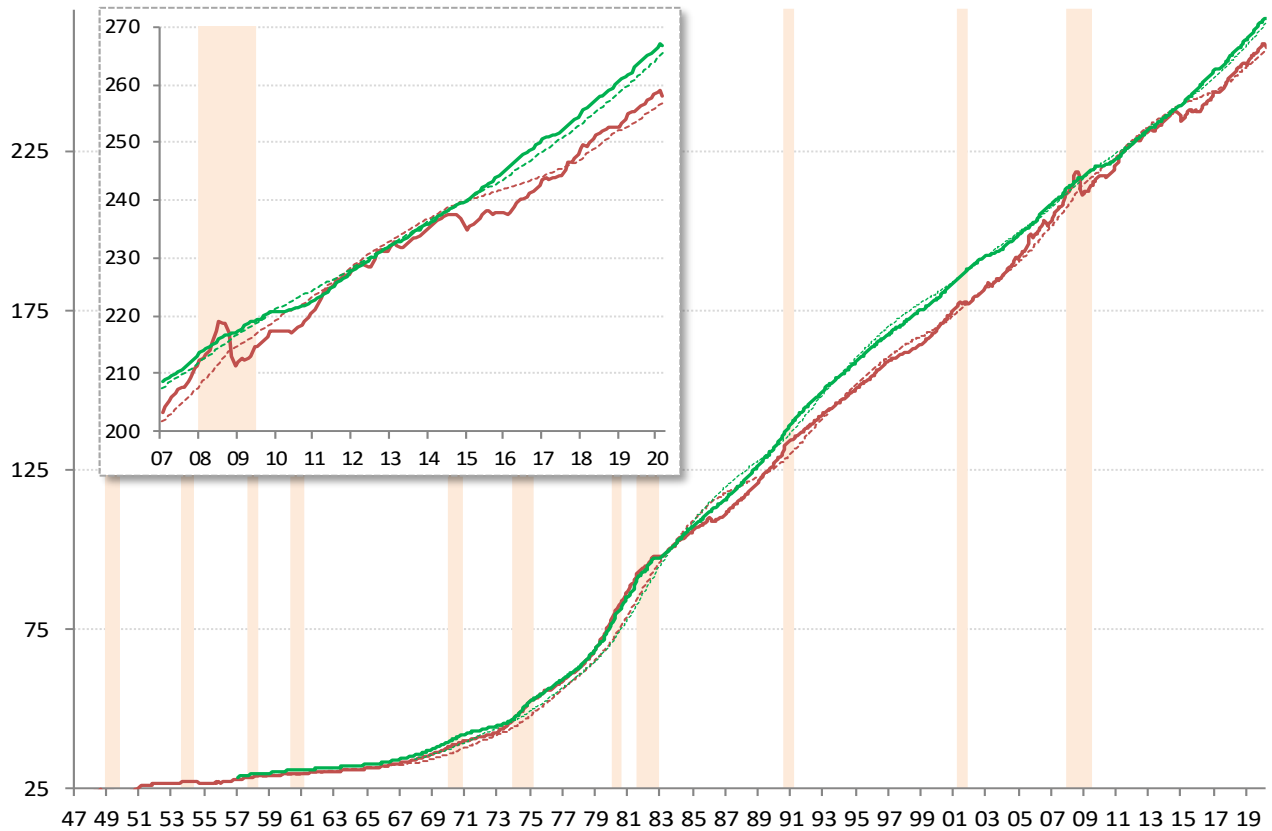
Source: Cleveland Fed, TrendMacro calculations

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



Source: BLS Consumer Price Index, TrendMacro calculations

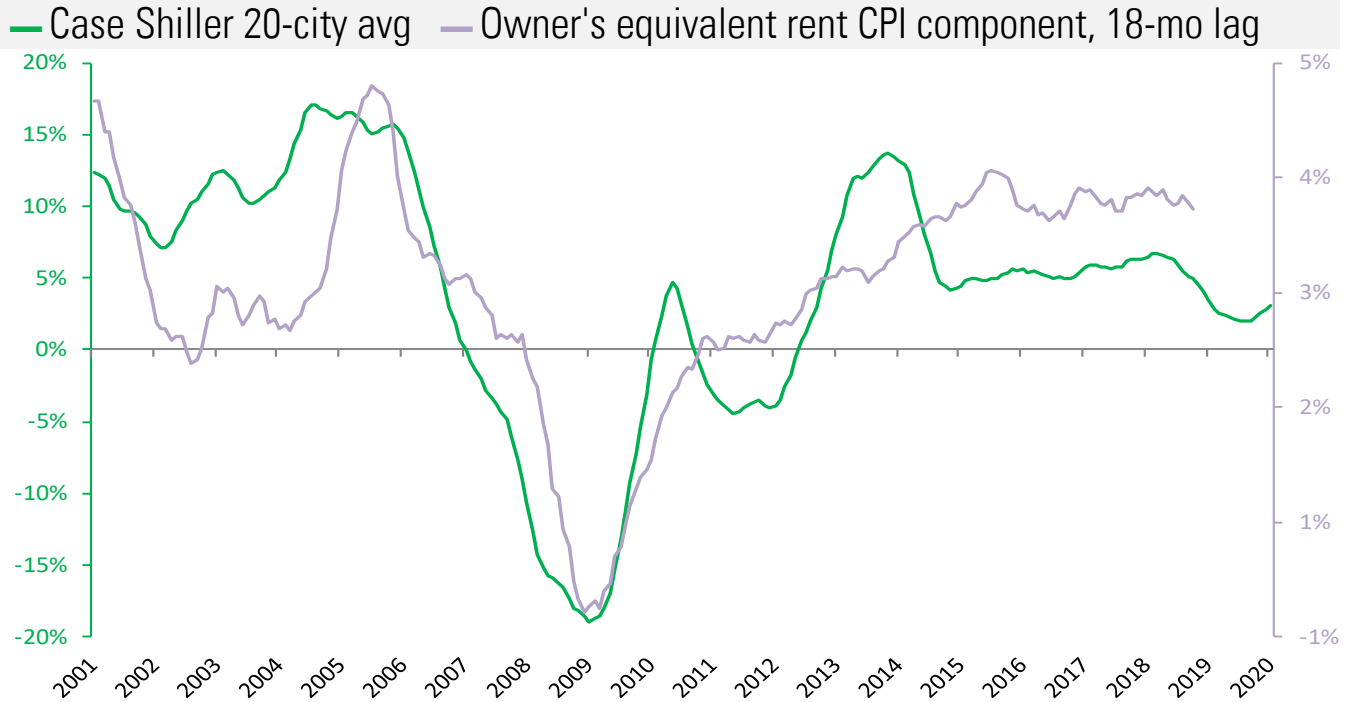
## US CPI Core — Level ... 20-year trend ■ Recession



Source: BLS Consumer Price Index, TrendMacro calculations

### Housing leads US CPI

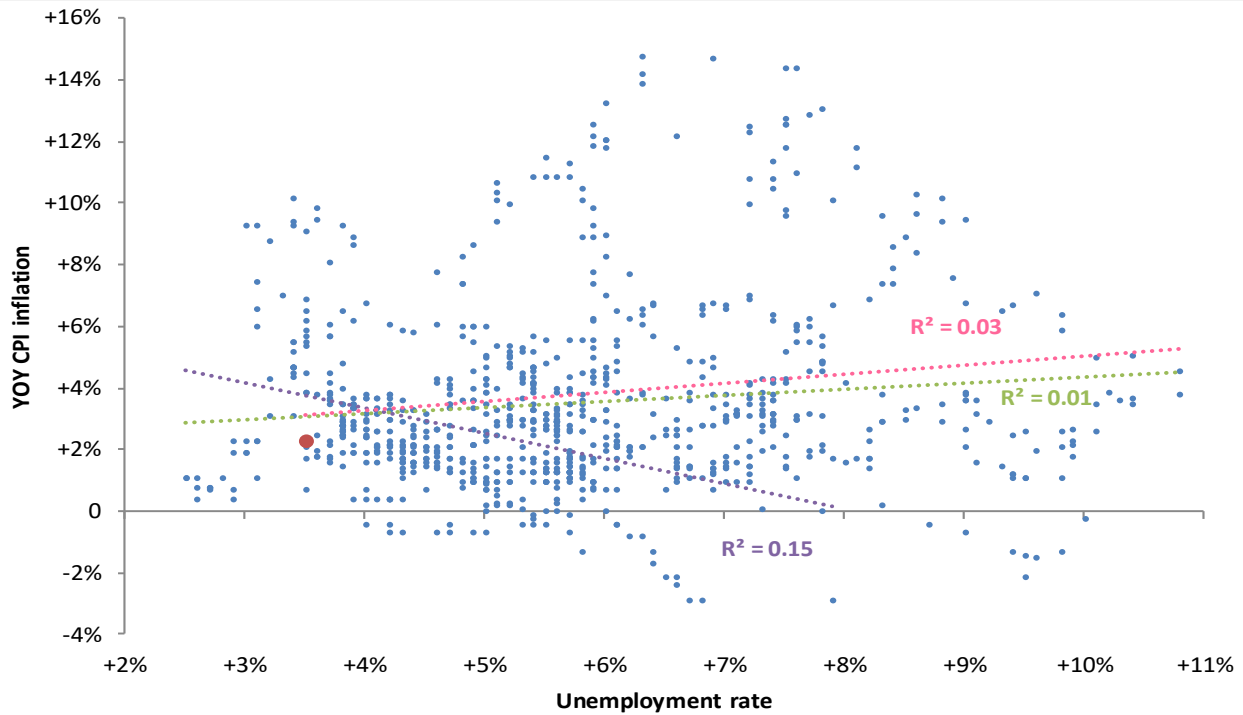
Year-over-year change



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

### The world is flat: the vanishing Phillips Curve

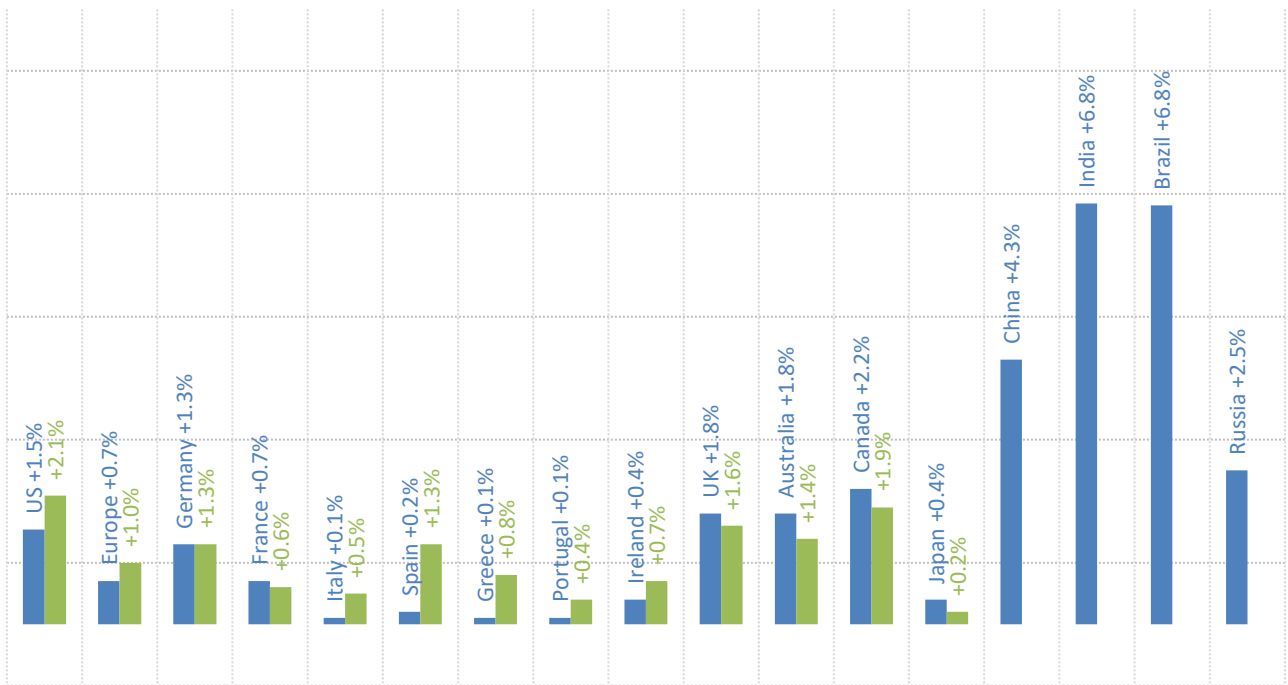
● Latest Linear trend: ● Pre-74 ● Post-74 ● All



Source: BLS Consumer Price Index, Current Population Survey

## Major economies CPI, year on year

■ Headline ■ Ex-food and energy



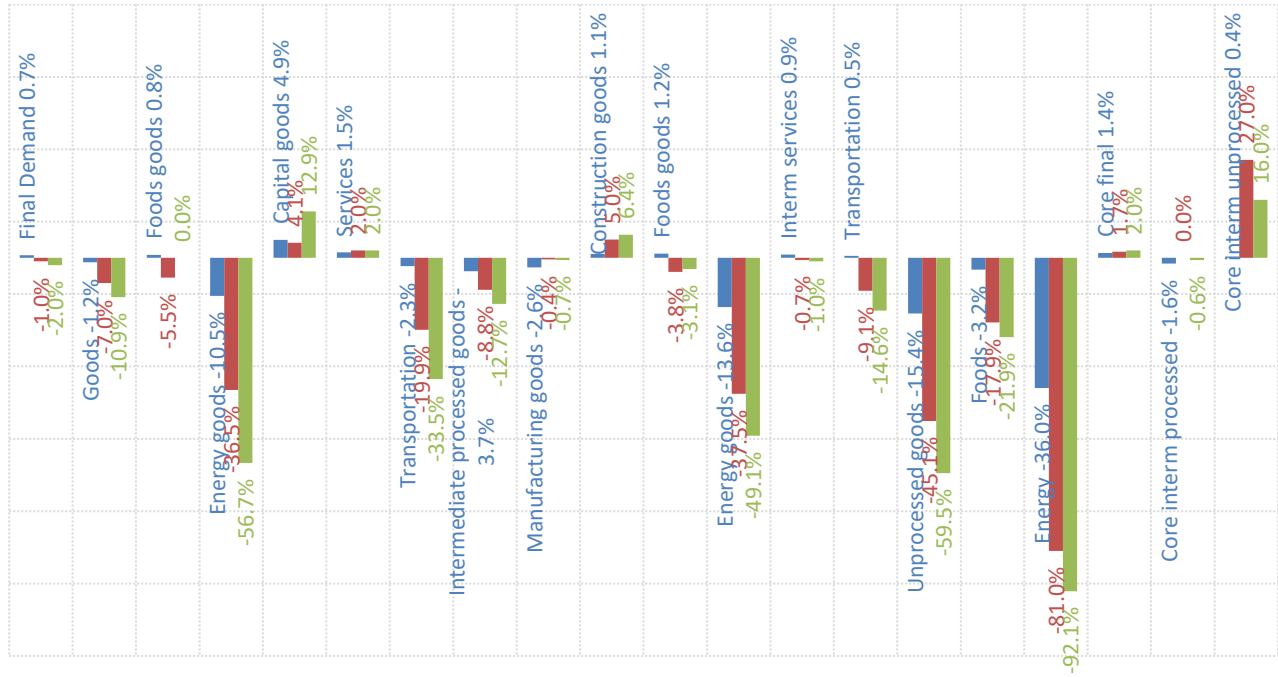
Source: Respective Statistical agencies, TrendMacro calculations

## PPI data: what you need to know

	12-mo YOY	3-mo ann	1-mo ann	12 / 3 / 1-mo	13-mo YOY history
Final demand	+0.7%	-1.0%	-2.0%	■ ■ ■	
Core	+1.4%	+1.7%	+2.0%	■ ■ ■	
Intermediate processed	-3.7%	-8.8%	-12.7%	■ ■ ■	
Core	-1.6%	unch	-0.6%	■ ■ ■	
Intermediate unprocessed	-15.4%	-45.1%	-59.5%	■ ■ ■	
Core	+0.4%	+27.0%	+16.0%	■ ■ ■	

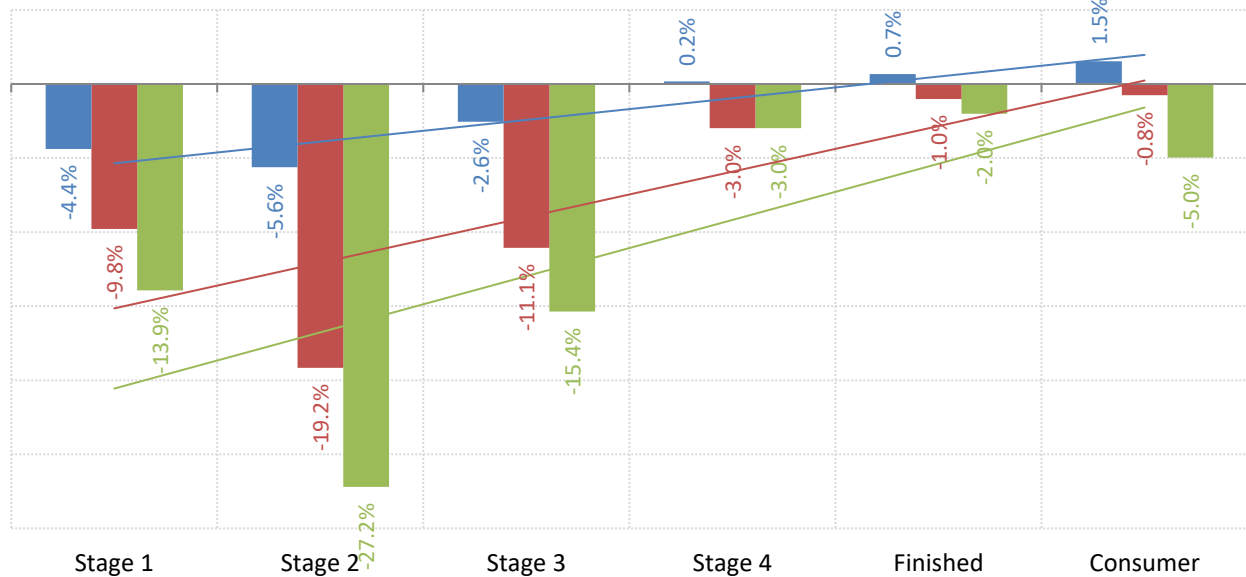
Source: BLS Producer Price Index, TrendMacro calculations

## 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