


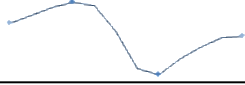



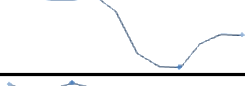







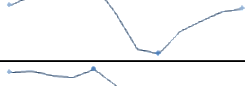



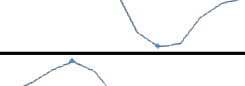



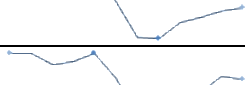











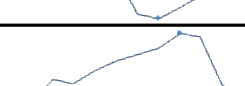



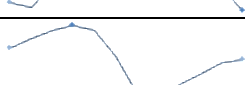






## Data Insights: Consumer Price Index, Producer Price Index

Tuesday, October 13, 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	+1.37%	+4.7%	+2.5%				
Core	+1.71%	+4.9%	+2.3%				
OER	+2.5%	+1.6%	+0.7%				
All less OER	+1.7%	+5.0%	+2.8%				
Core less OER	+1.3%	+6.9%	+3.3%				
Energy	-7.6%	+18.2%	+10.1%				
All less energy	+2.1%	+3.9%	+2.0%				
Food	+3.8%	-1.3%	-0.0%				
All less food	+1.0%	+5.8%	+2.9%				
Health care	+4.2%	+1.9%	-0%				
All less health care	+1.1%	+5.0%	+2.7%				

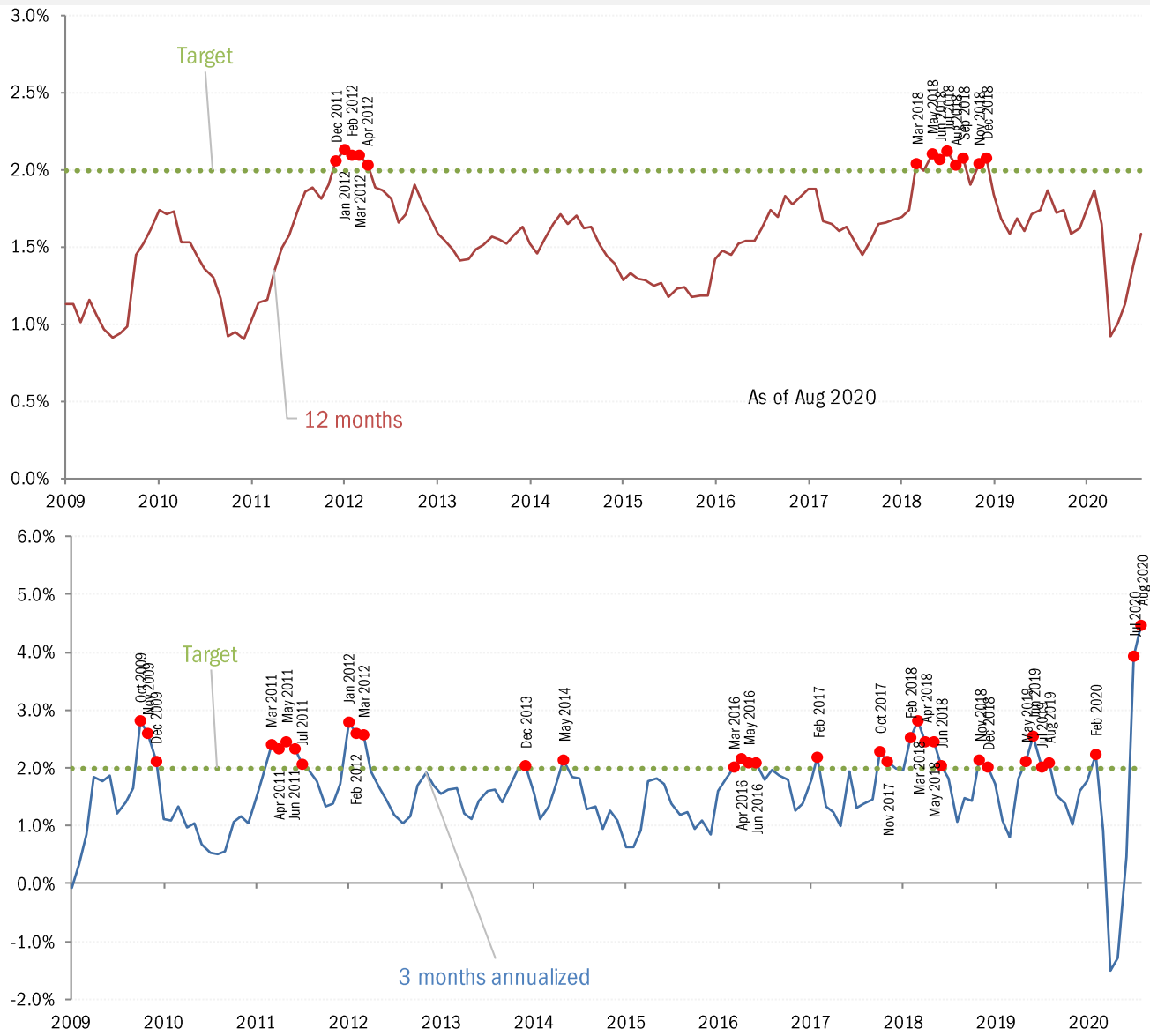
Source: BLS Consumer Price Index, TrendMacro calculations

#### For more information contact us:

Donald Luskin: 312 273 6766 [don@trendmacro.com](mailto:don@trendmacro.com)  
 Thomas Demas: 704 552 3625 [tdemas@trendmacro.com](mailto:tdemas@trendmacro.com)

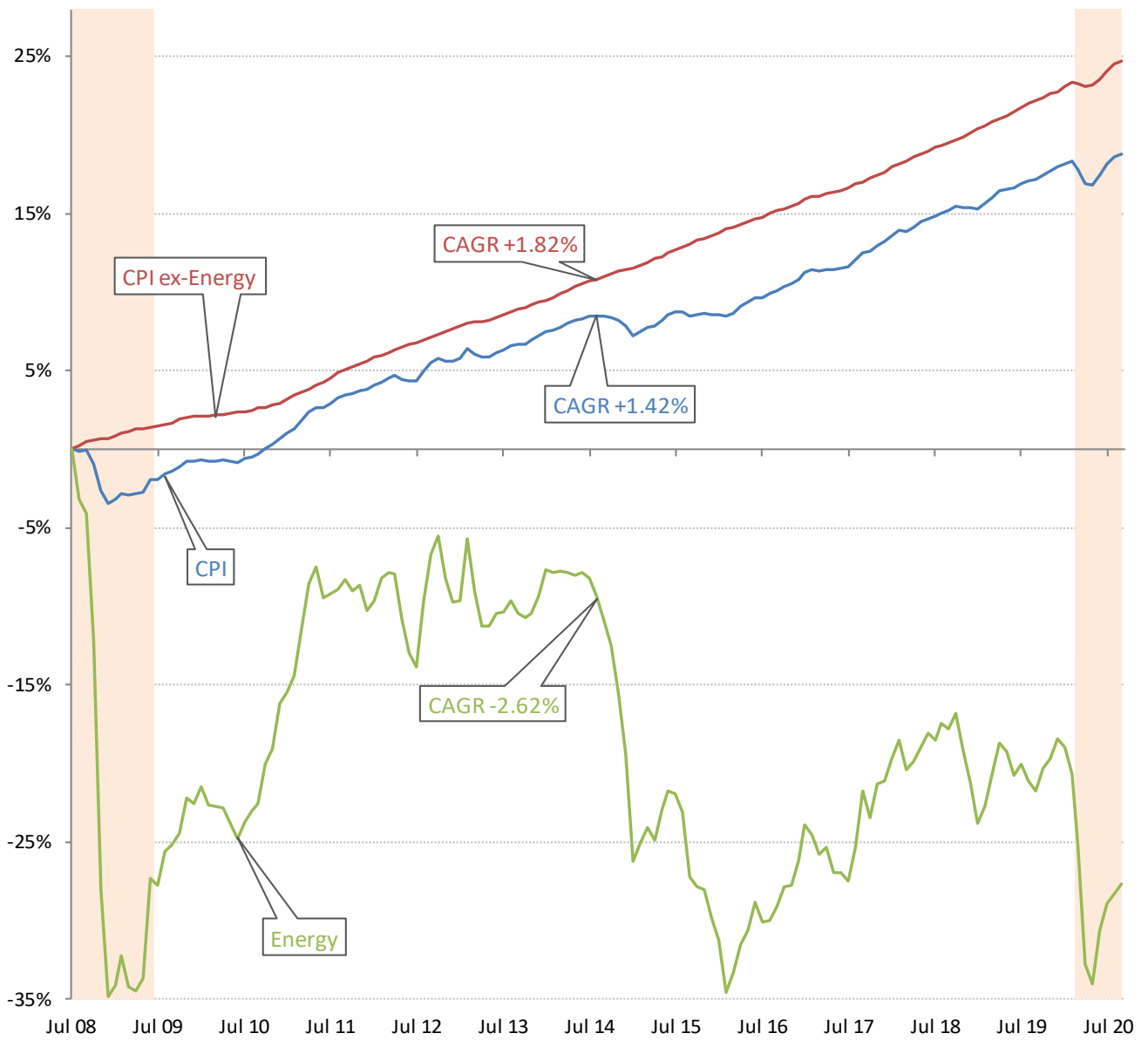
# The Fed-eye view of inflation (or lack thereof)

## Core PCE Price Index



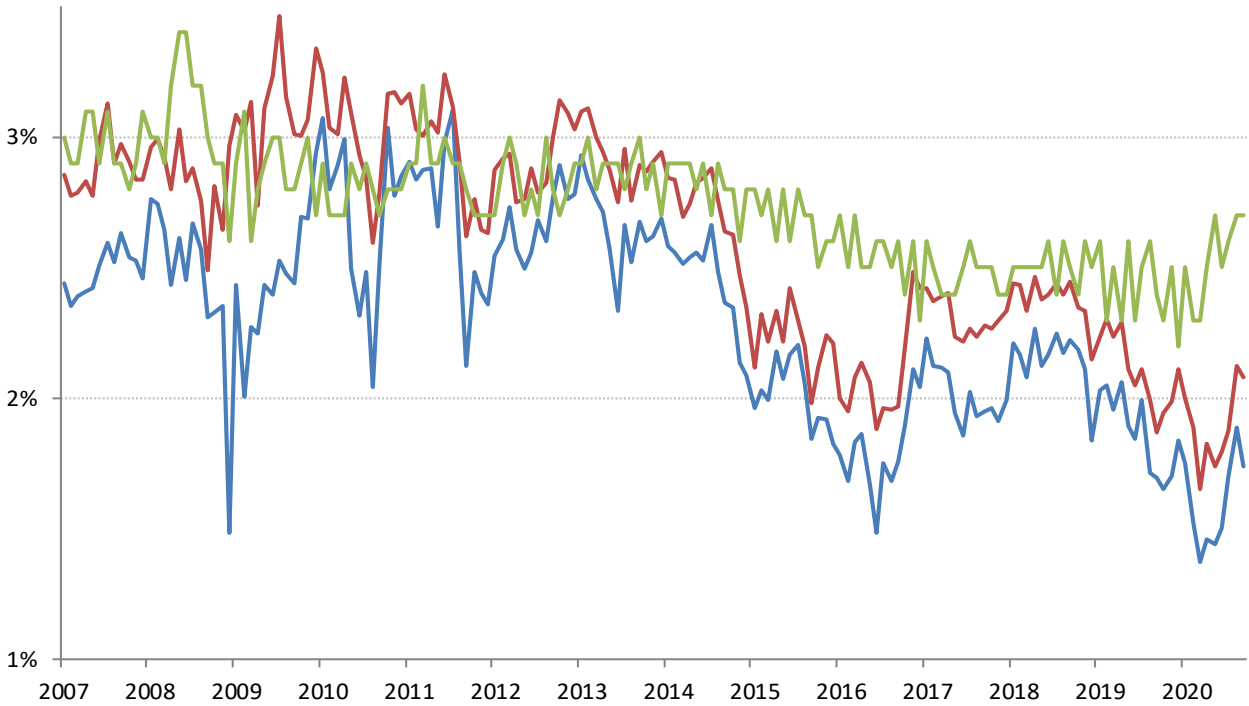
Source: Bureau of Economic Analysis, TrendMacro calculations

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  Recession



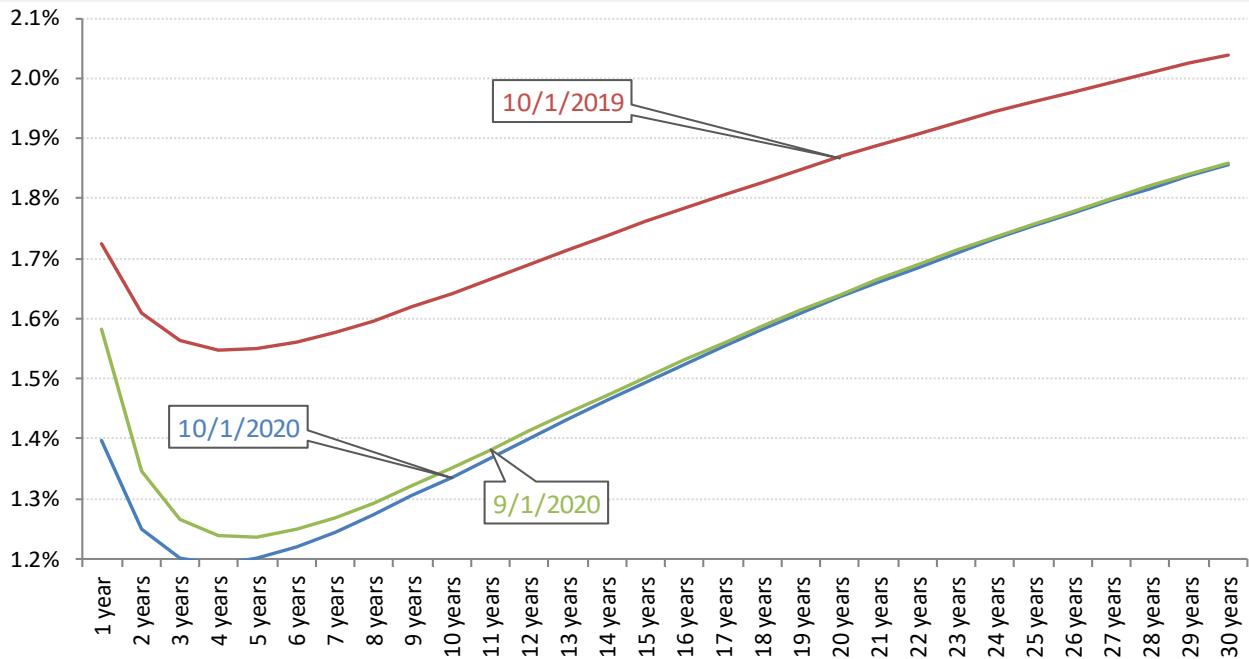
Source: Bloomberg, TrendMacro calculations

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



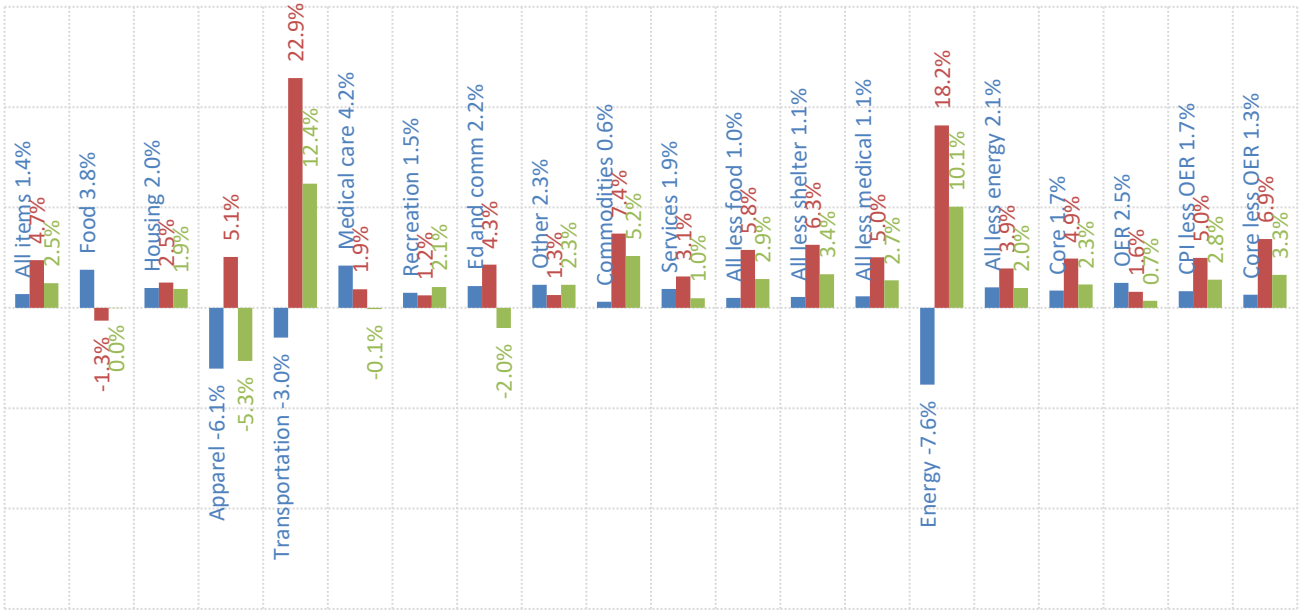
Source: Bloomberg, TrendMacro calculations

Swap-implied inflation yield curve, per annum



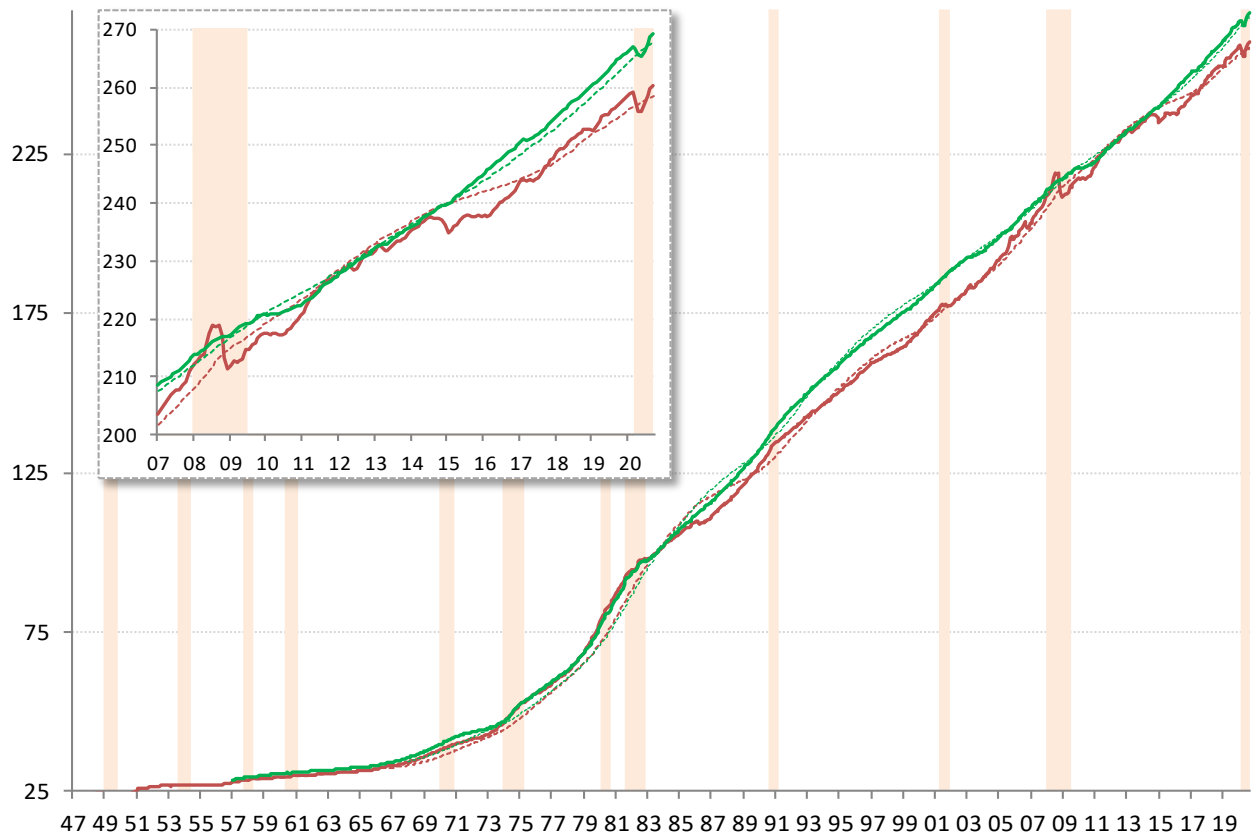
Source: Cleveland Fed, TrendMacro calculations

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



Source: BLS Consumer Price Index, TrendMacro calculations

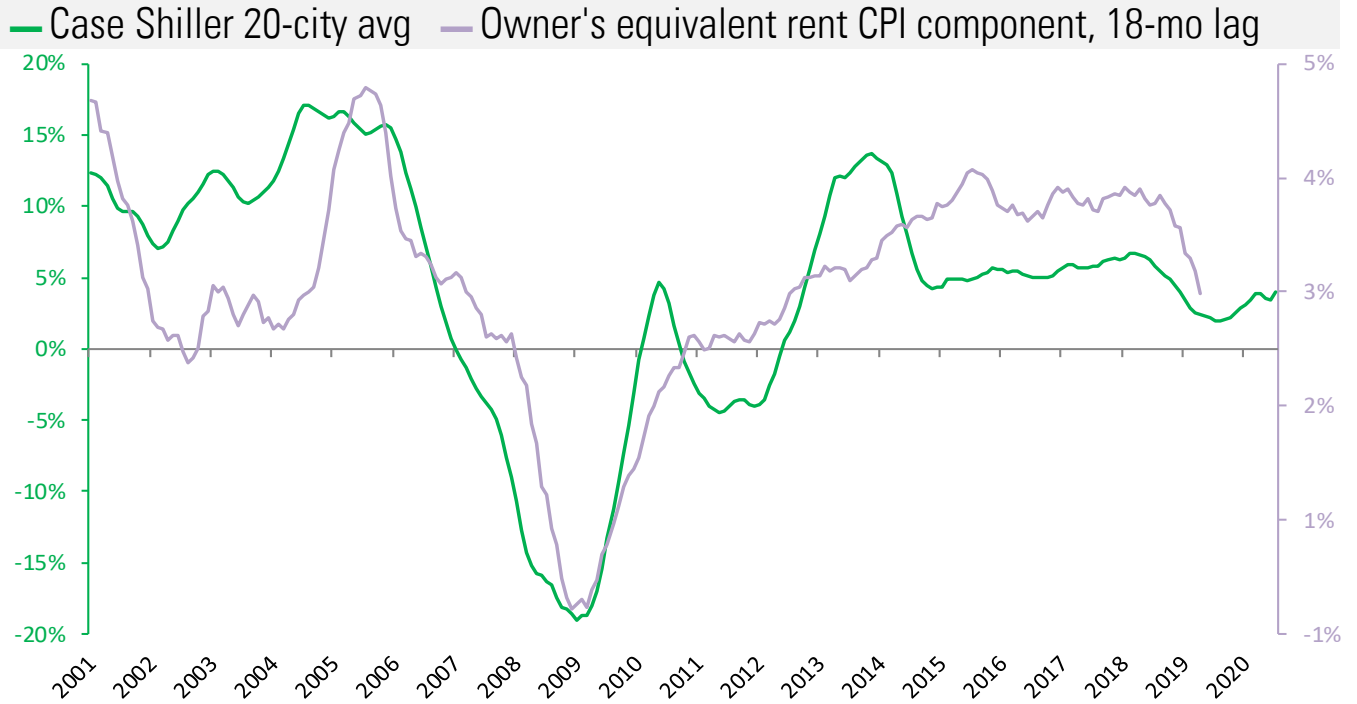
## US CPI Core — Level ... 20-year trend ■ Recession



Source: BLS Consumer Price Index, TrendMacro calculations

## Housing leads US CPI

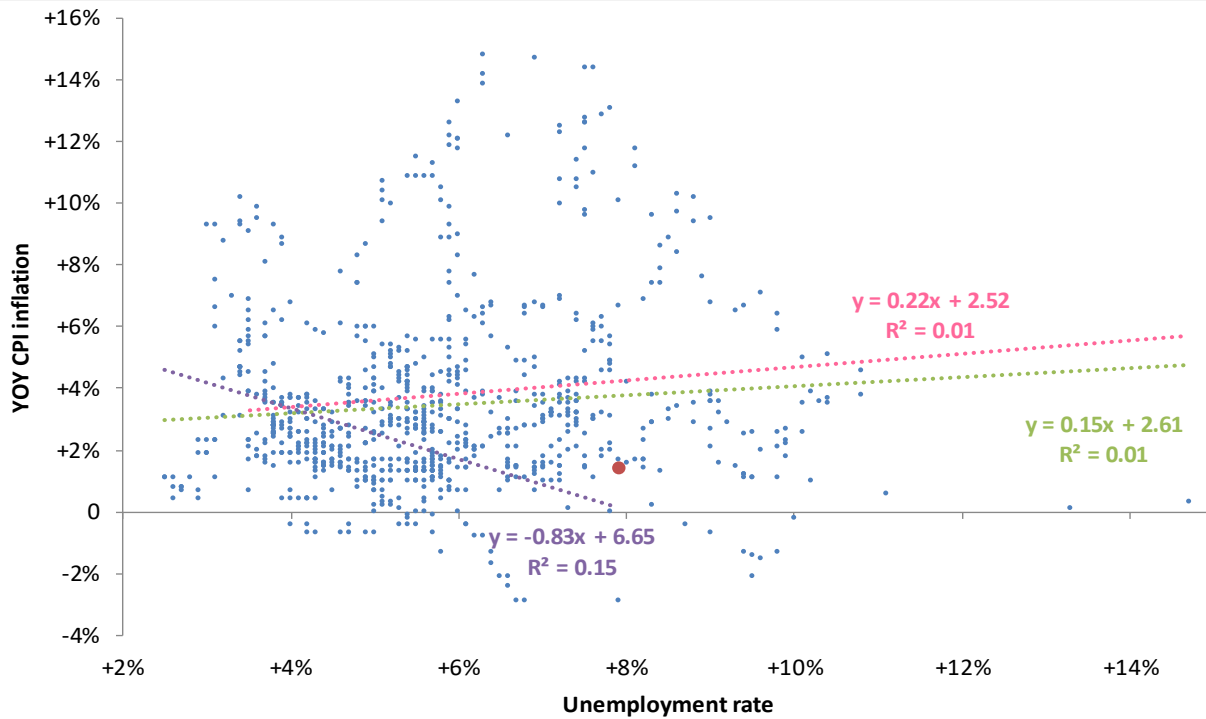
Year-over-year change



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

## The world is flat: the vanishing Phillips Curve

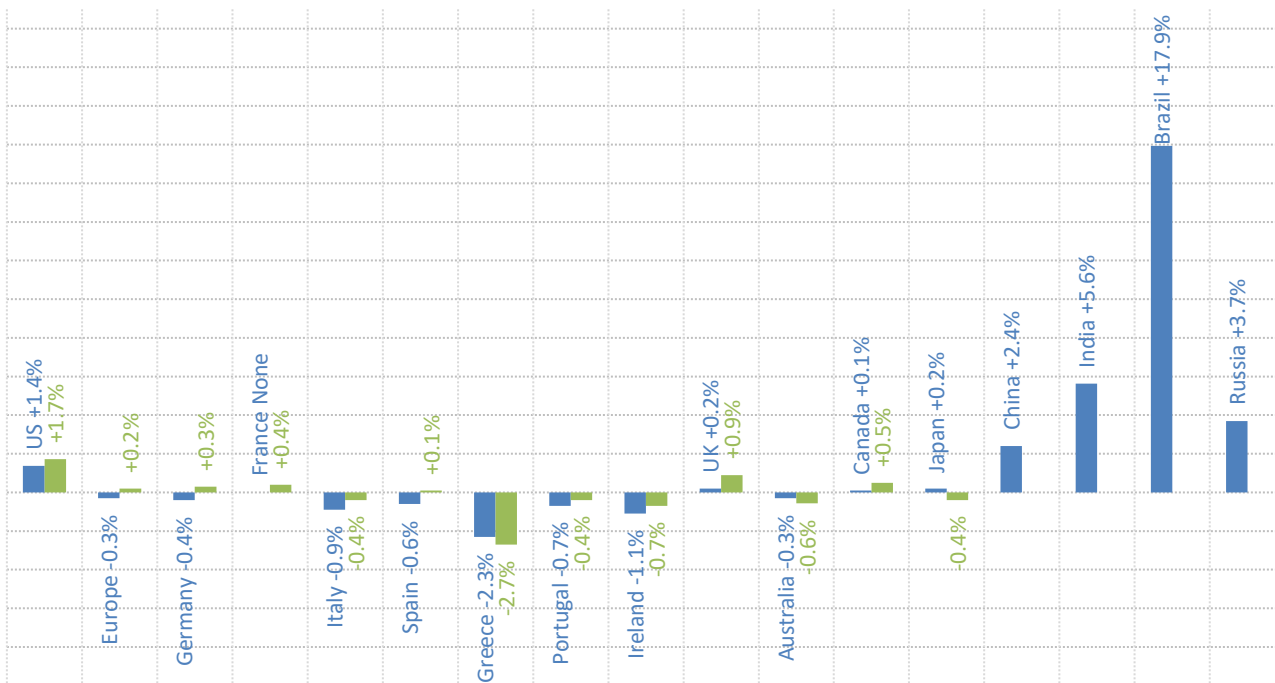
● Latest Linear trend: ● Pre-74 ● Post-74 ● All



Source: BLS Consumer Price Index, Current Population Survey

## Major economies CPI, year on year

■ Headline ■ Ex-food and energy



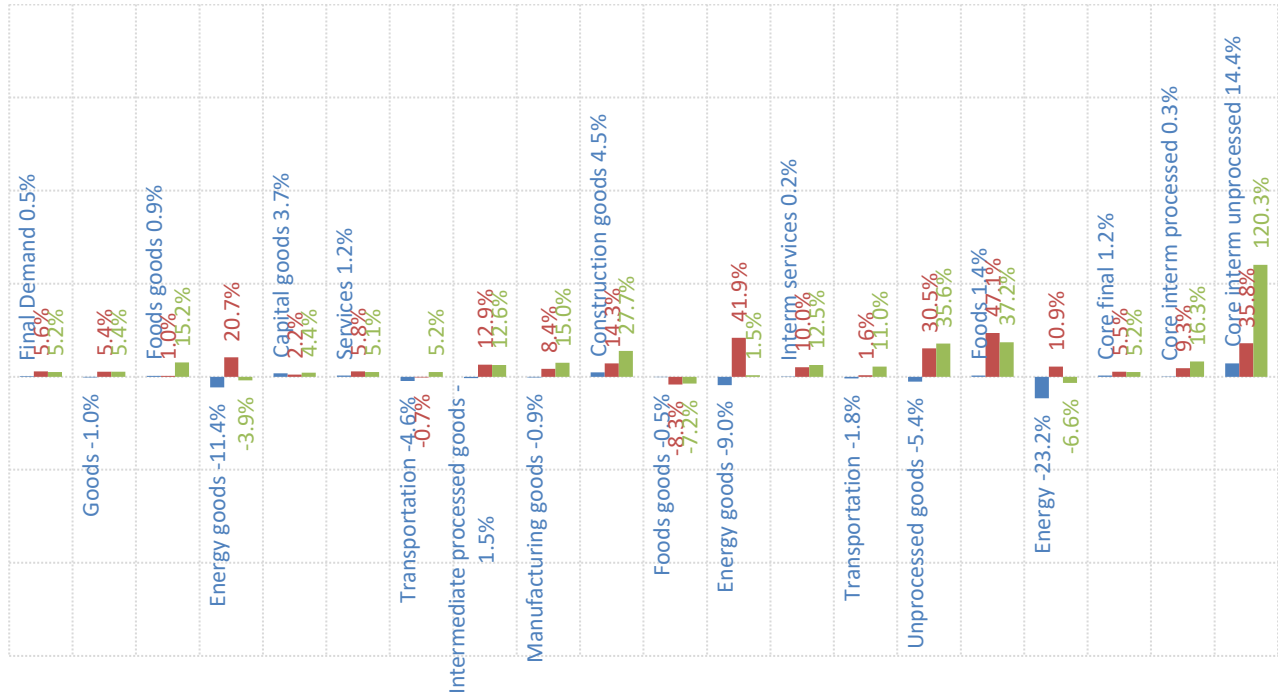
Source: Respective Statistical agencies, TrendMacro calculations

## 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	+0.5%	+5.6%	+5.2%		
Core	+1.2%	+5.5%	+5.2%		
Intermediate processed	-1.5%	+12.9%	+12.6%		
Core	+0.3%	+9.3%	+16.3%		
Intermediate unprocessed	-5.4%	+30.5%	+35.6%		
Core	+14.4%	+35.8%	+120.3%		

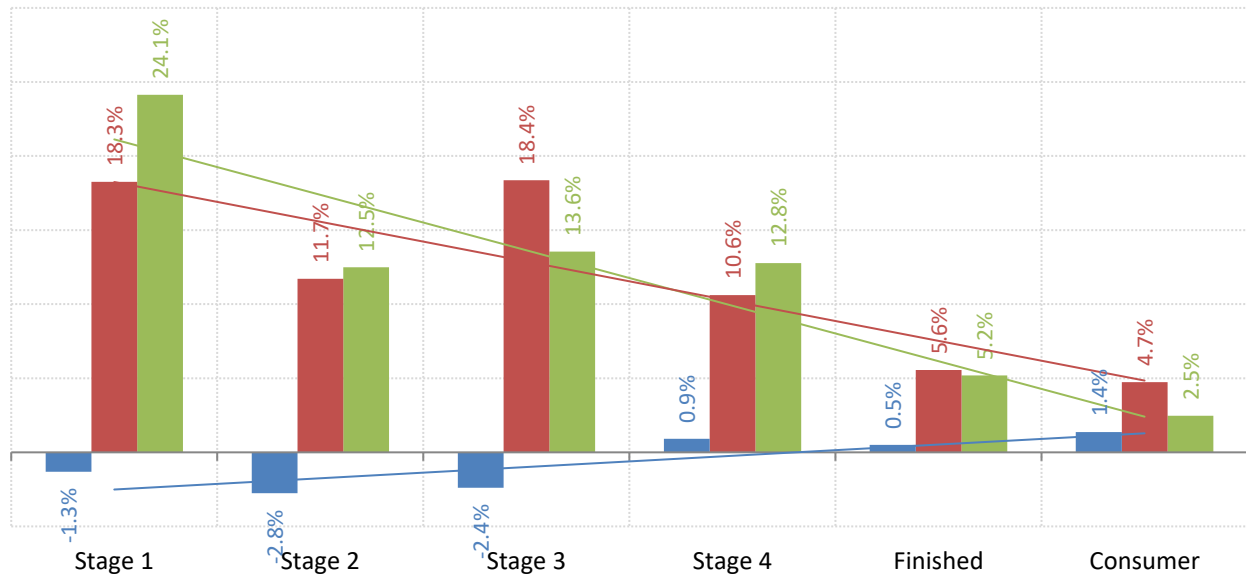
Source: BLS Producer Price Index, TrendMacro calculations

## 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