


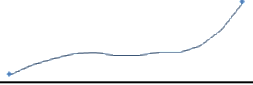



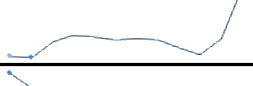



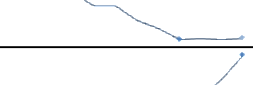







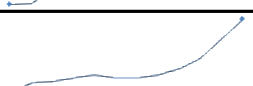



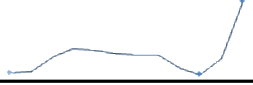







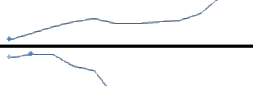














## Data Insights: Consumer Price Index, Producer Price Index

Wednesday, May 12, 2021

### 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	+4.16%	+7.2%	+9.6%				
Core	+2.96%	+5.6%	+11.6%				
OER	+2.0%	+2.8%	+2.5%				
All less OER	+4.4%	+7.8%	+10.5%				
Core less OER	+3.5%	+7.1%	+17.0%				
Energy	+25.0%	+40.8%	-1.2%				
All less energy	+2.9%	+5.1%	+10.5%				
Food	+2.3%	+2.6%	+4.5%				
All less food	+4.4%	+8.0%	+10.5%				
Health care	+1.5%	+1.8%	+0.8%				
All less health care	+4.4%	+7.7%	+10.5%				

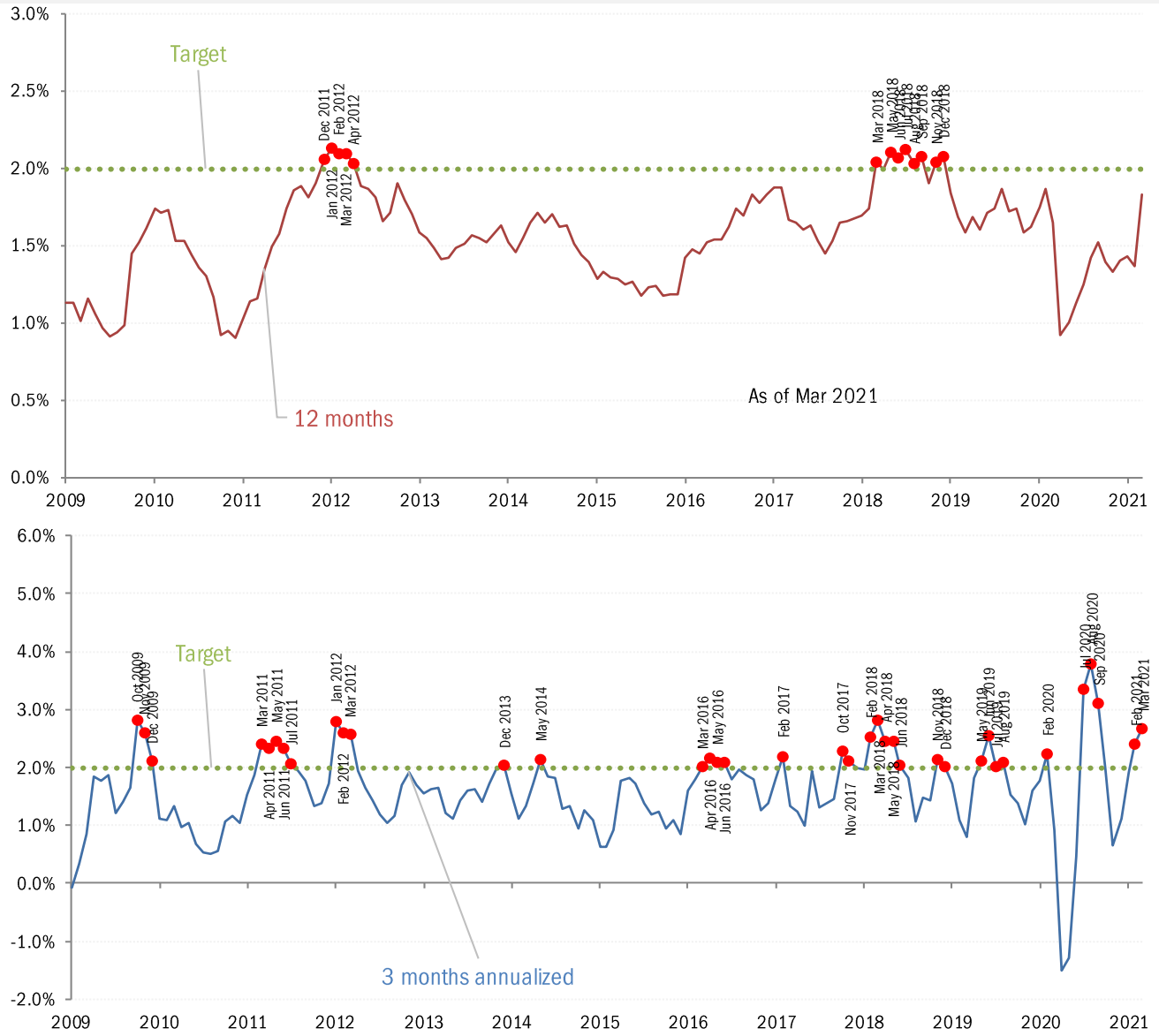
Source: BLS Consumer Price Index, TrendMacro calculations

#### 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)

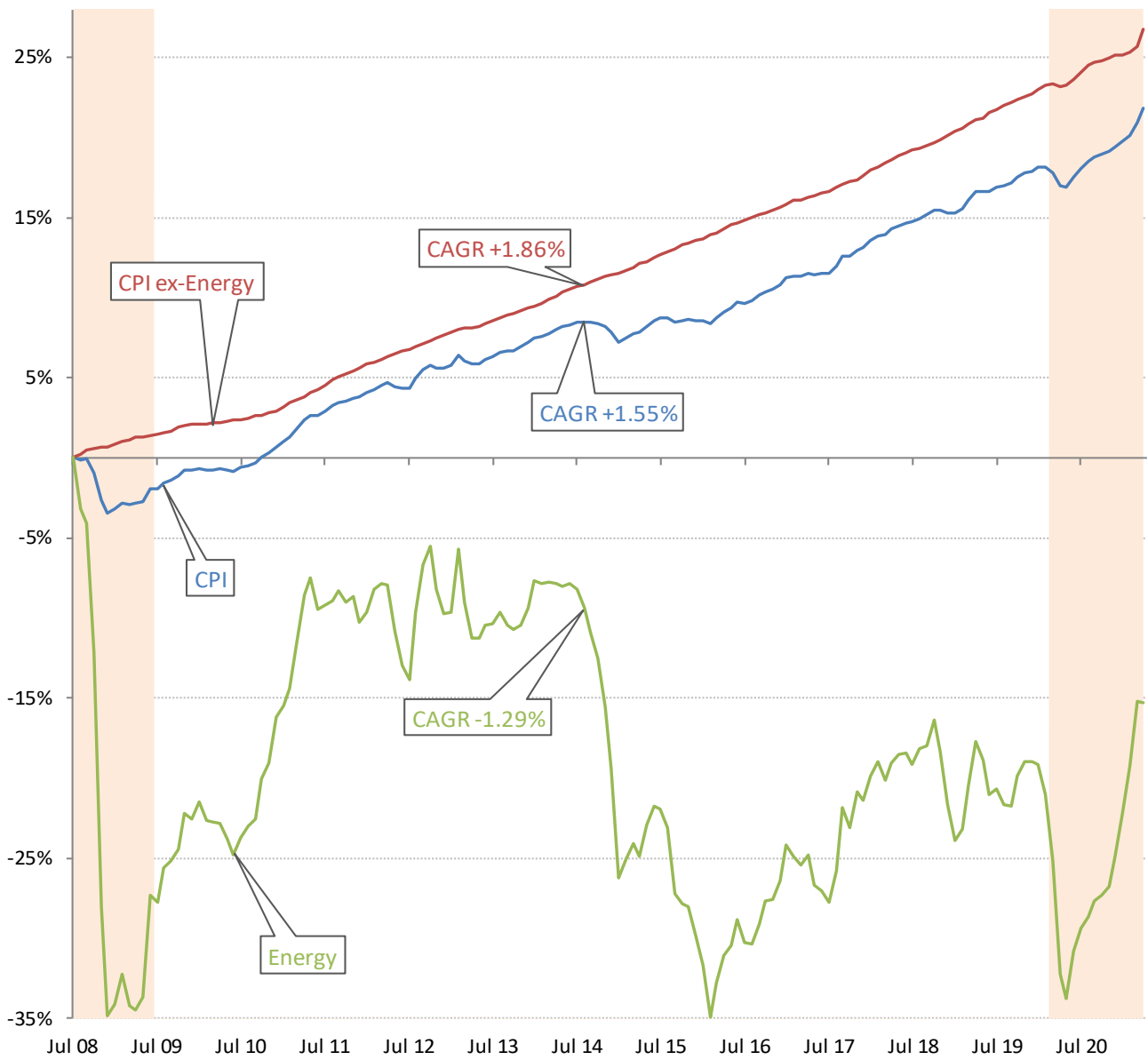
# The Fed-eye view of inflation (or lack thereof)

## Core PCE Price Index



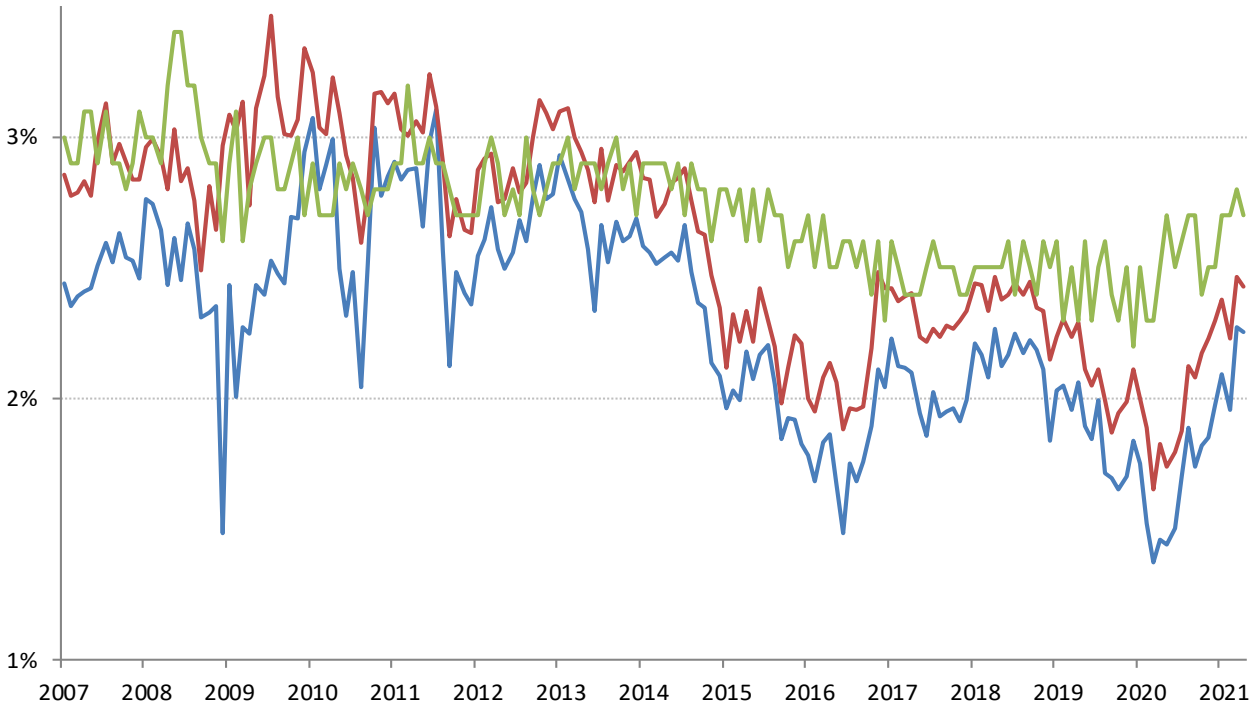
Source: Bureau of Economic Analysis, TrendMacro calculations

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



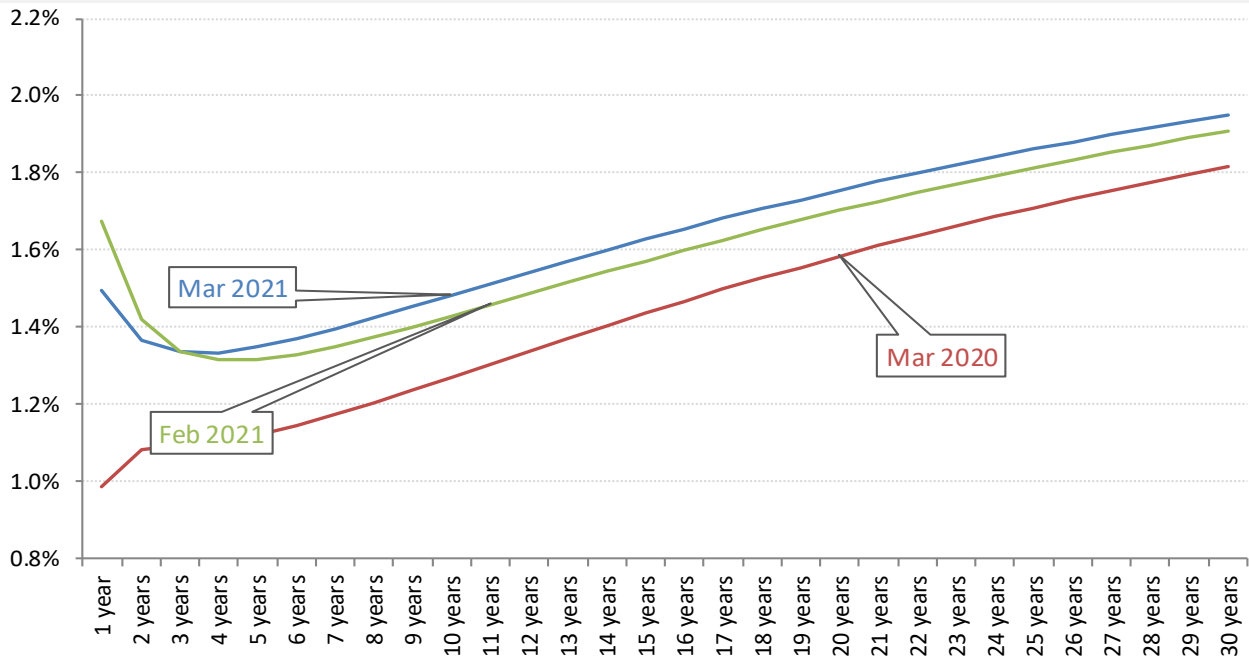
Source: Bloomberg, TrendMacro calculations

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



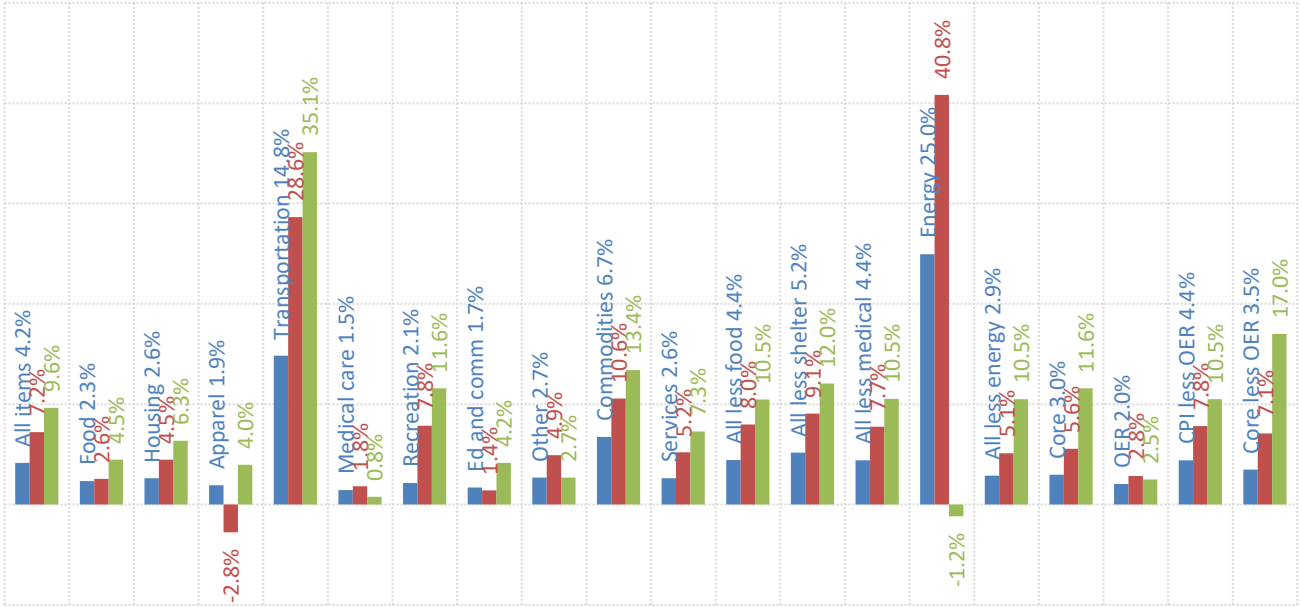
Source: Bloomberg, TrendMacro calculations

Modelled inflation yield curve, per annum — Based on swaps, forecasts and yields



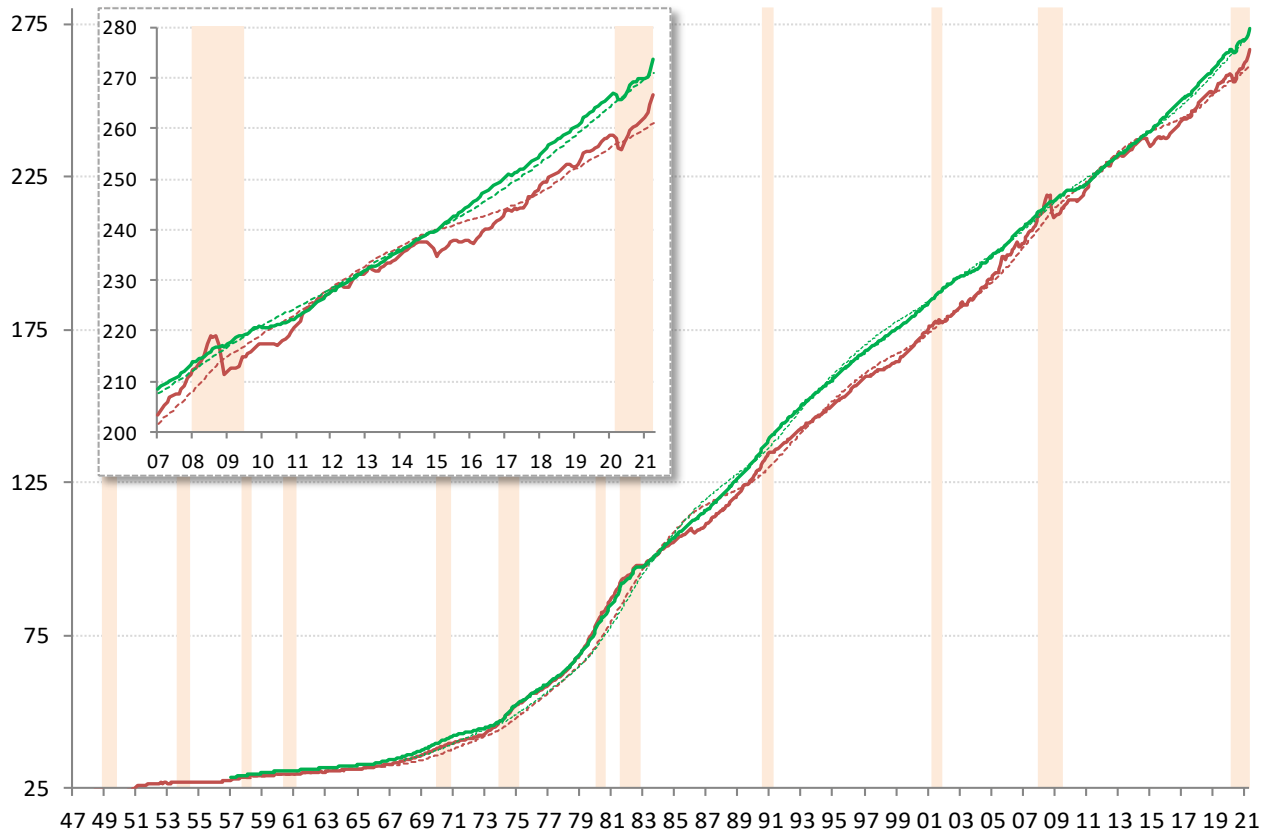
Source: [Cleveland Fed](#), TrendMacro calculations

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



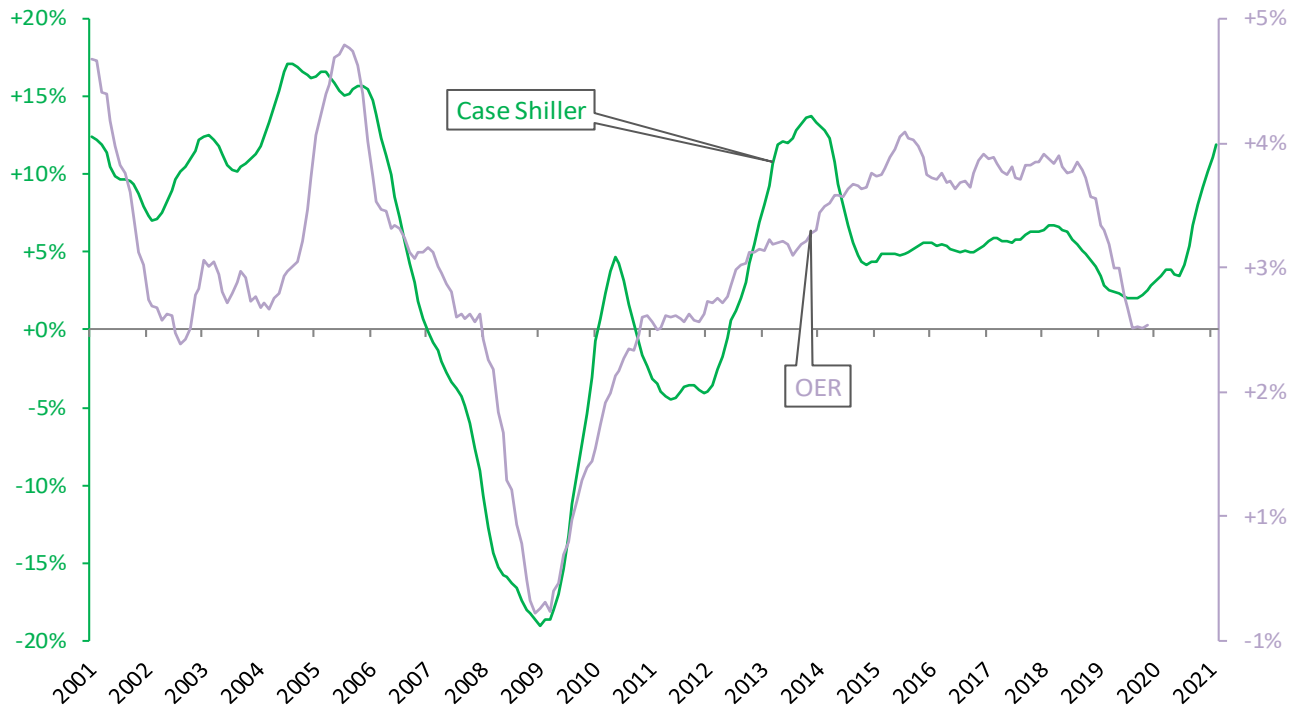
Source: BLS Consumer Price Index, TrendMacro calculations

## 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

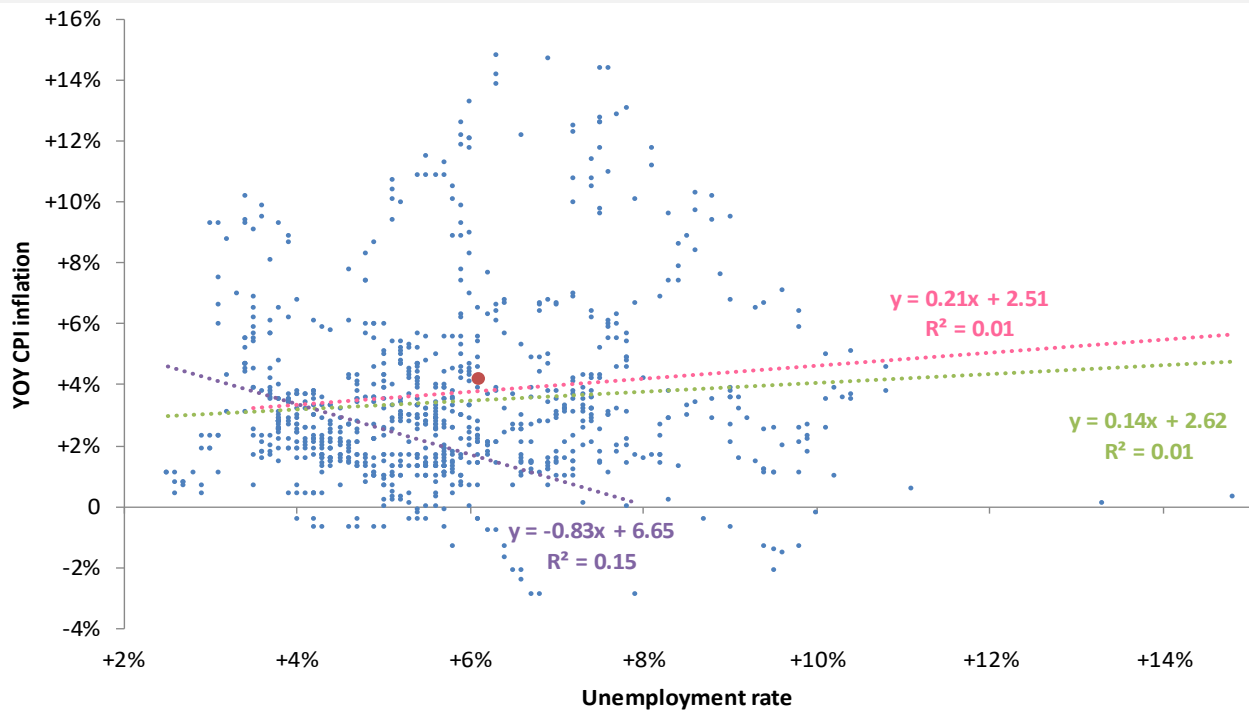
● Latest

Linear trend:

● Pre-74

● Post-74

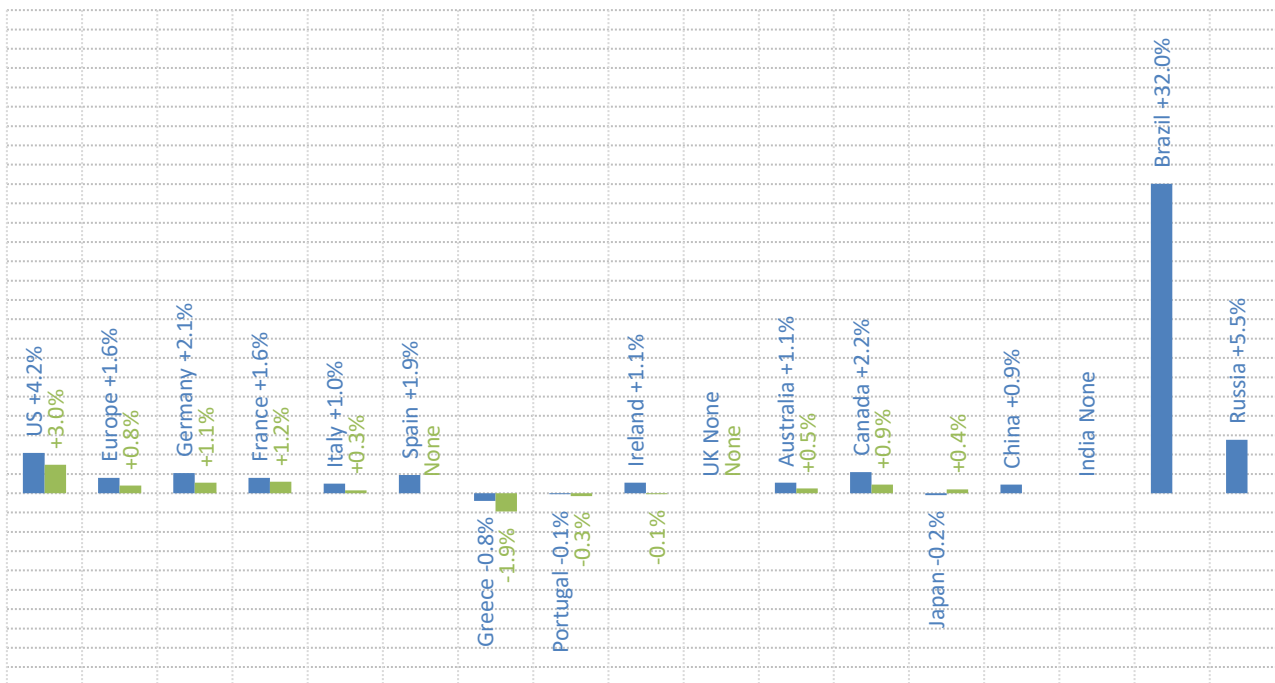
● All



Source: BLS Consumer Price Index, Current Population Survey

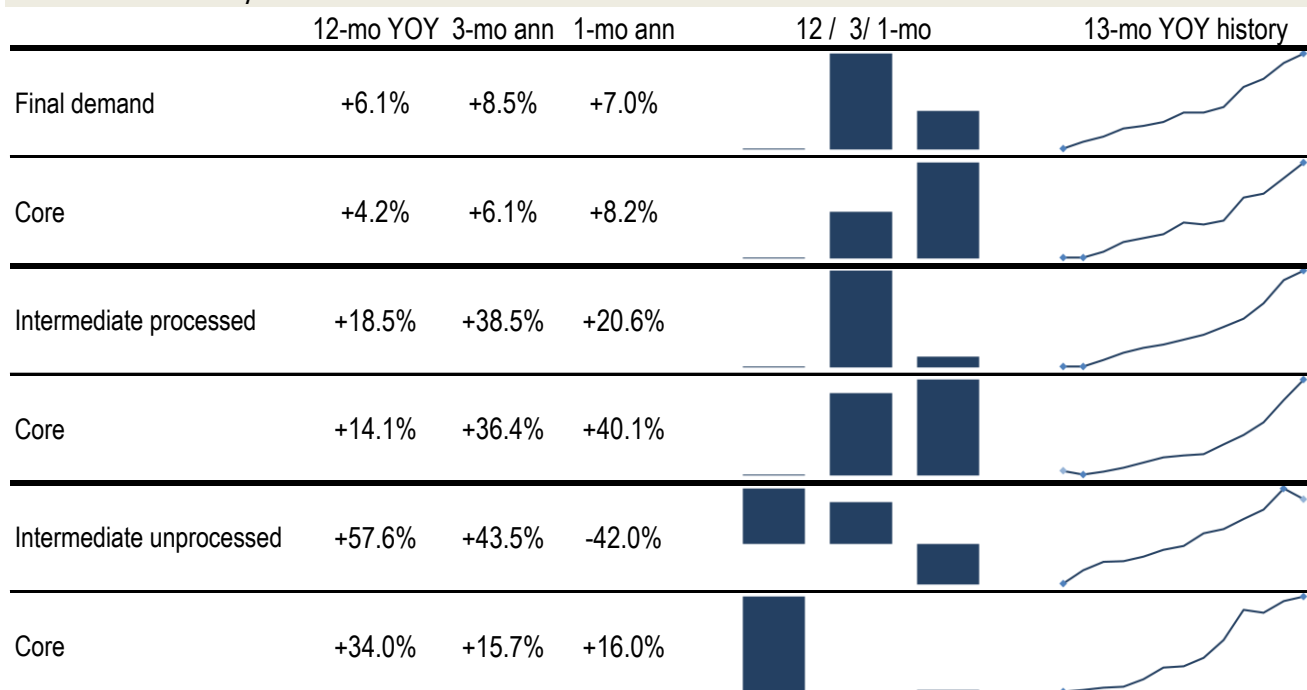
## Major economies CPI, year on year

■ Headline ■ Ex-food and energy



Source: Respective Statistical agencies, TrendMacro calculations

## PPI data: what you need to know



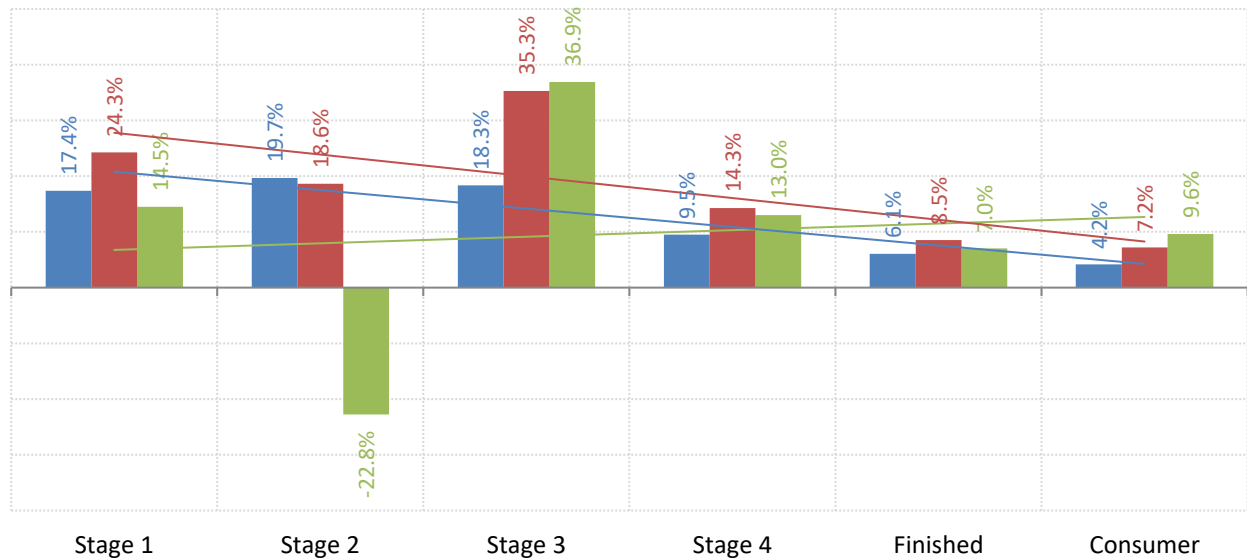
Source: BLS Producer Price Index, TrendMacro calculations

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