

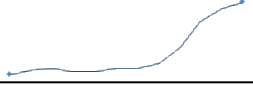


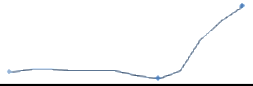


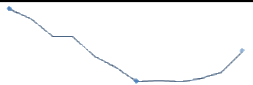


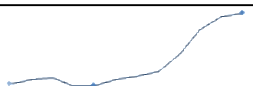





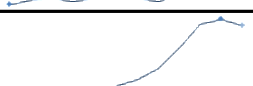





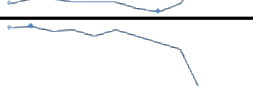





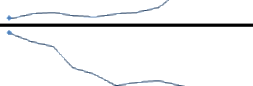





## Data Insights: Consumer Price Index, Producer Price Index

Tuesday, July 13, 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	+5.39%	+9.7%	+11.4%			
Core	+4.47%	+10.6%	+11.1%			
OER	+2.3%	+3.4%	+4.0%			
All less OER	+5.5%	+10.0%	+11.8%			
Core less OER	+5.6%	+14.8%	+15.2%			
Energy	+24.2%	+5.5%	+19.1%			
All less energy	+4.1%	+10.0%	+10.9%			
Food	+2.4%	+6.4%	+9.4%			
All less food	+5.8%	+10.2%	+11.7%			
Health care	+0.4%	-0%	-0%			
All less health care	+5.8%	+10.7%	+12.7%			

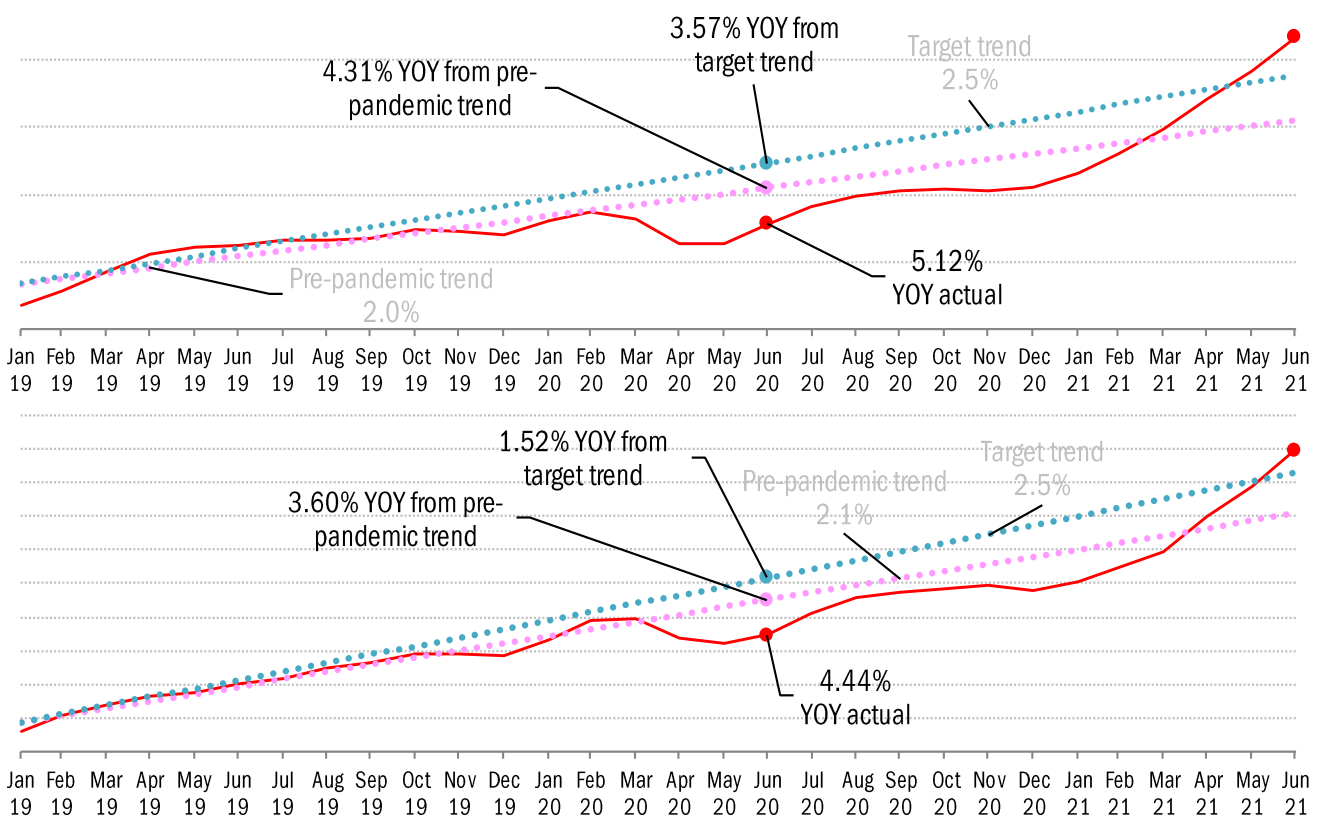
Source: BLS Consumer Price Index, TrendMacro calculations

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 Thomas Demas: 704 552 3625 [tdemas@trendmacro.com](mailto:tdemas@trendmacro.com)

## “Transitory,” “base-effect” or “optimal control?”

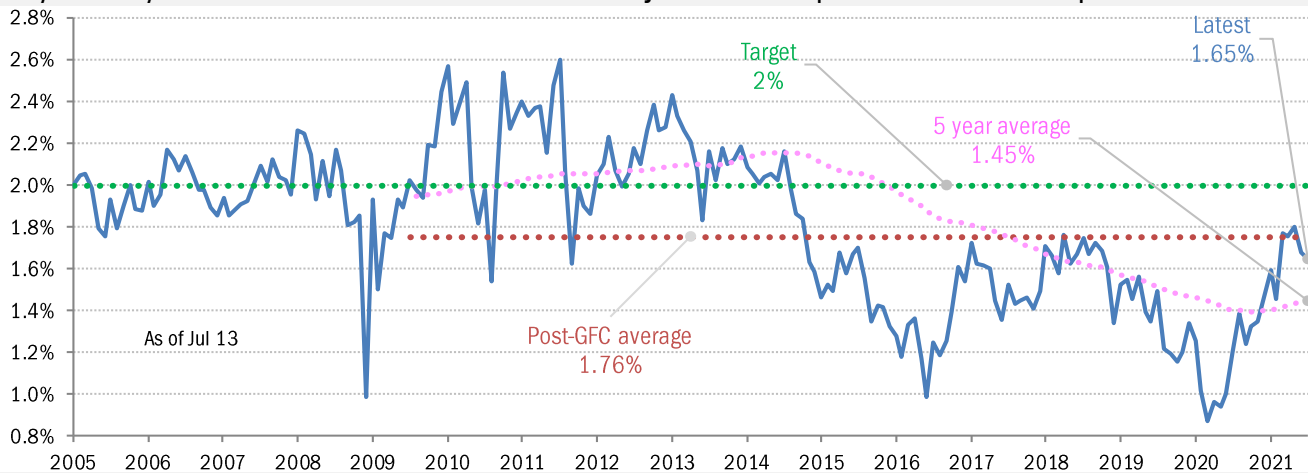
This month’s data in context with the pre-pandemic and ideal 12-month trends



Source: Bureau of Labor Statistics, TrendMacro calculations

## Unhinged? Or too hinged?

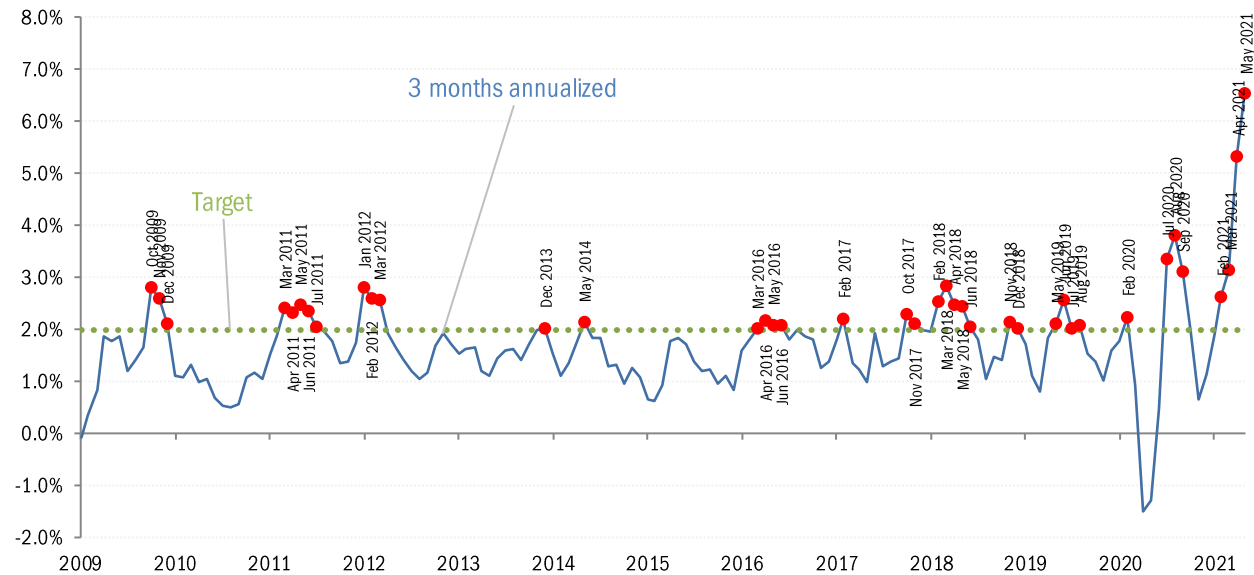
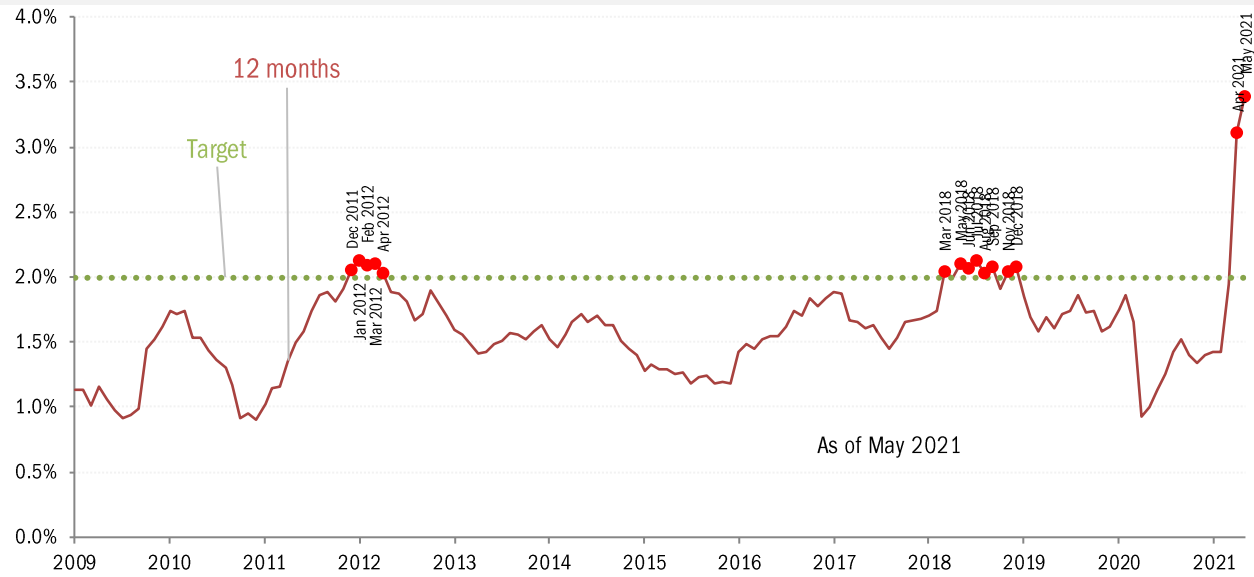
5-year 5-year-forward TIPS breakeven, adjusted 50 bp down to PCE equivalent



Source: Bloomberg, TrendMacro calculations

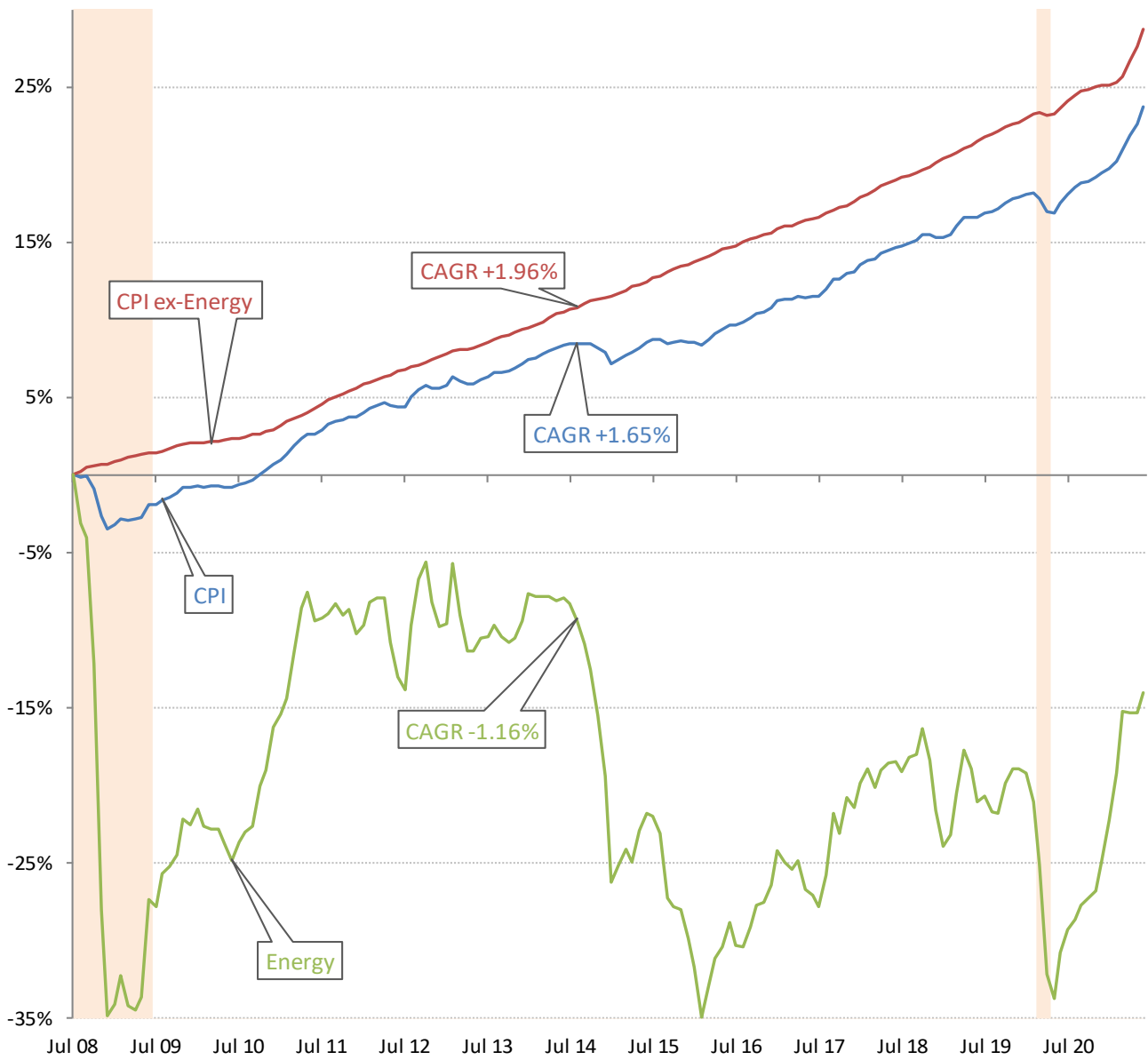
# The Fed-eye view of inflation (or lack thereof)

## Core PCE Price Index



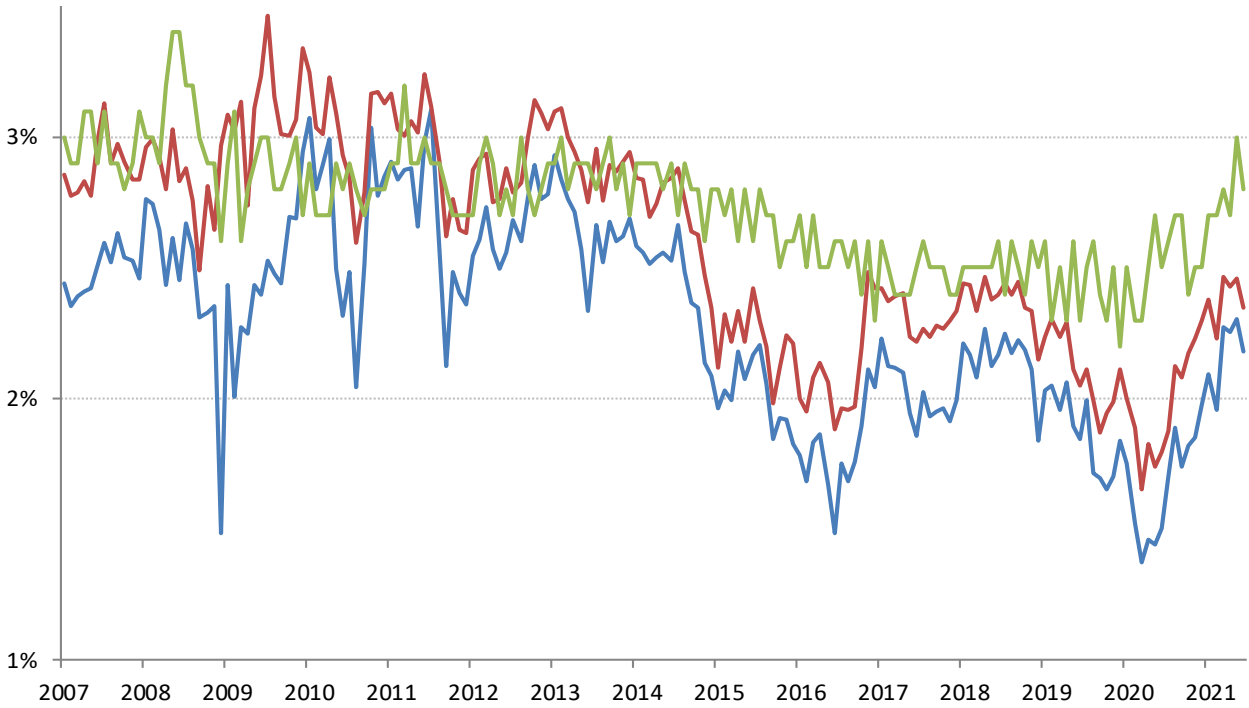
Source: Bureau of Economic Analysis, TrendMacro calculations

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



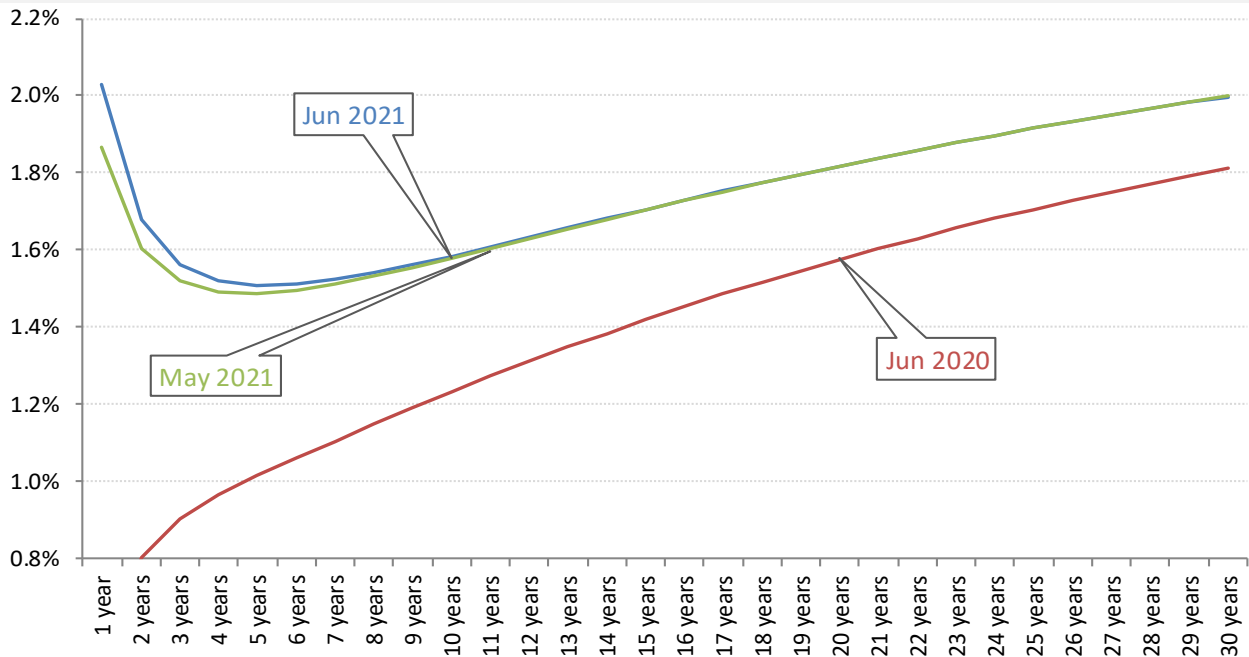
Source: Bloomberg, TrendMacro calculations

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



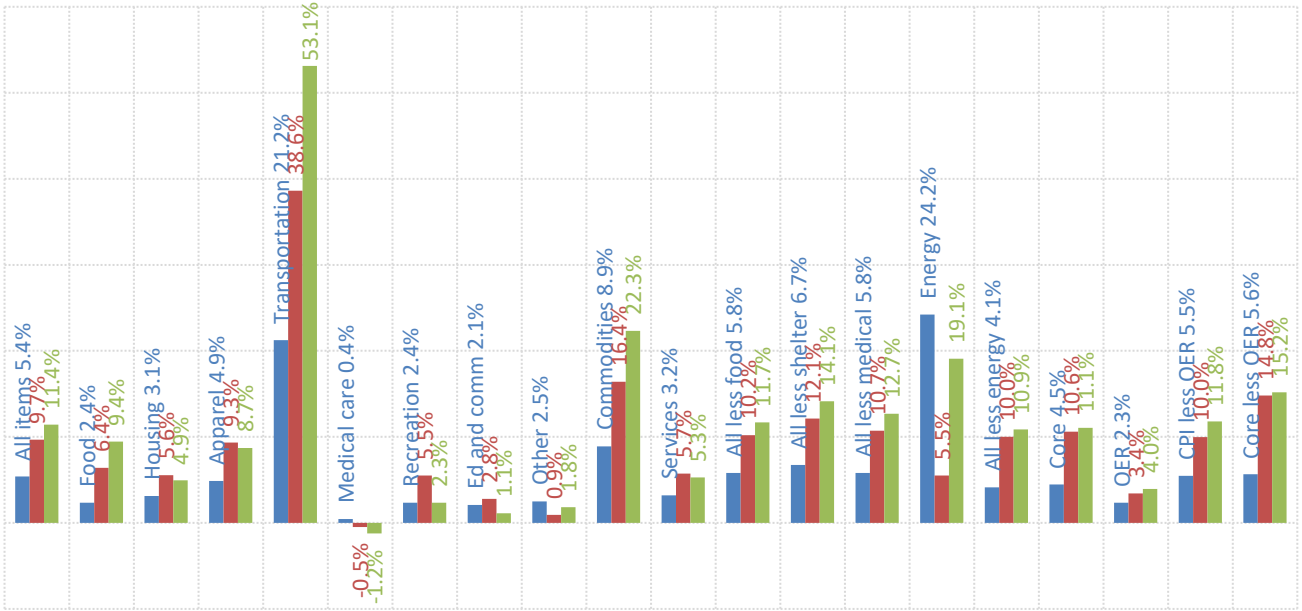
Source: Bloomberg, TrendMacro calculations

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



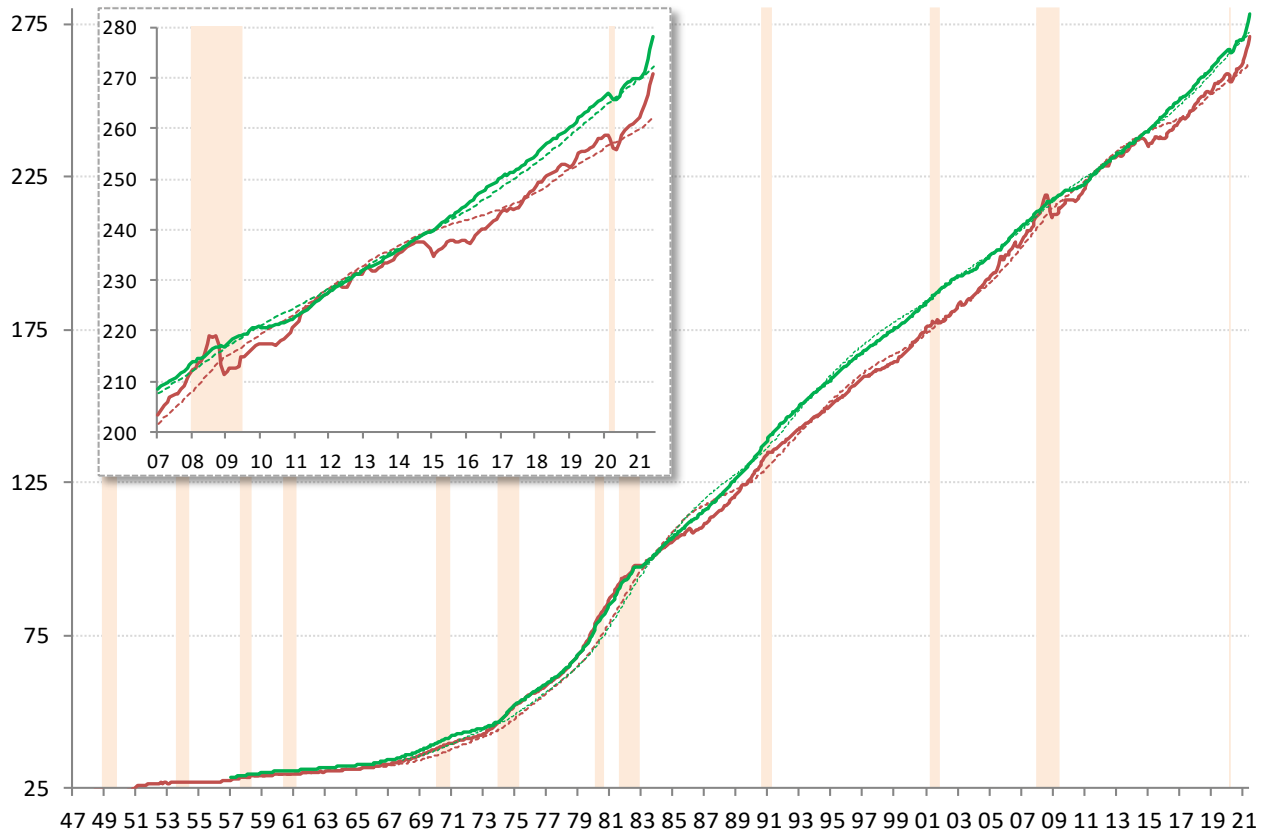
Source: [Cleveland Fed](#), TrendMacro calculations

## 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

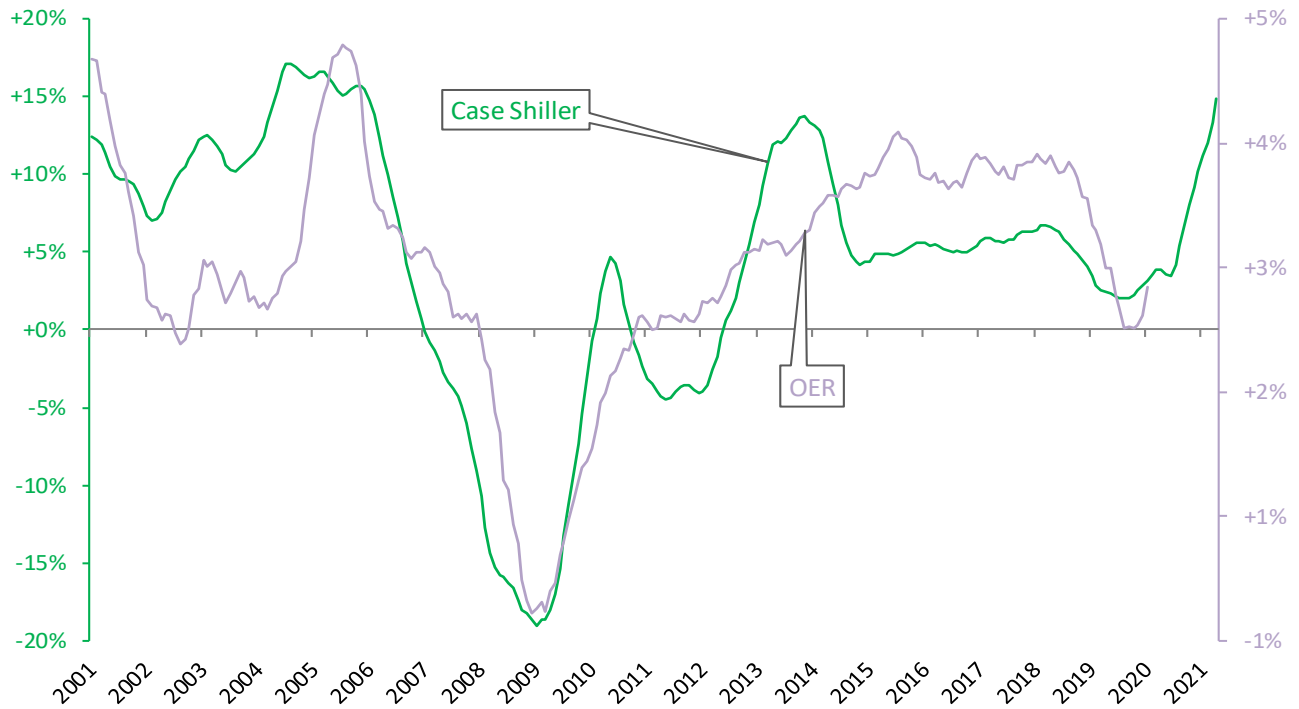


Source: BLS Consumer Price Index, TrendMacro calculations

## Housing leads US CPI

Year-over-year change

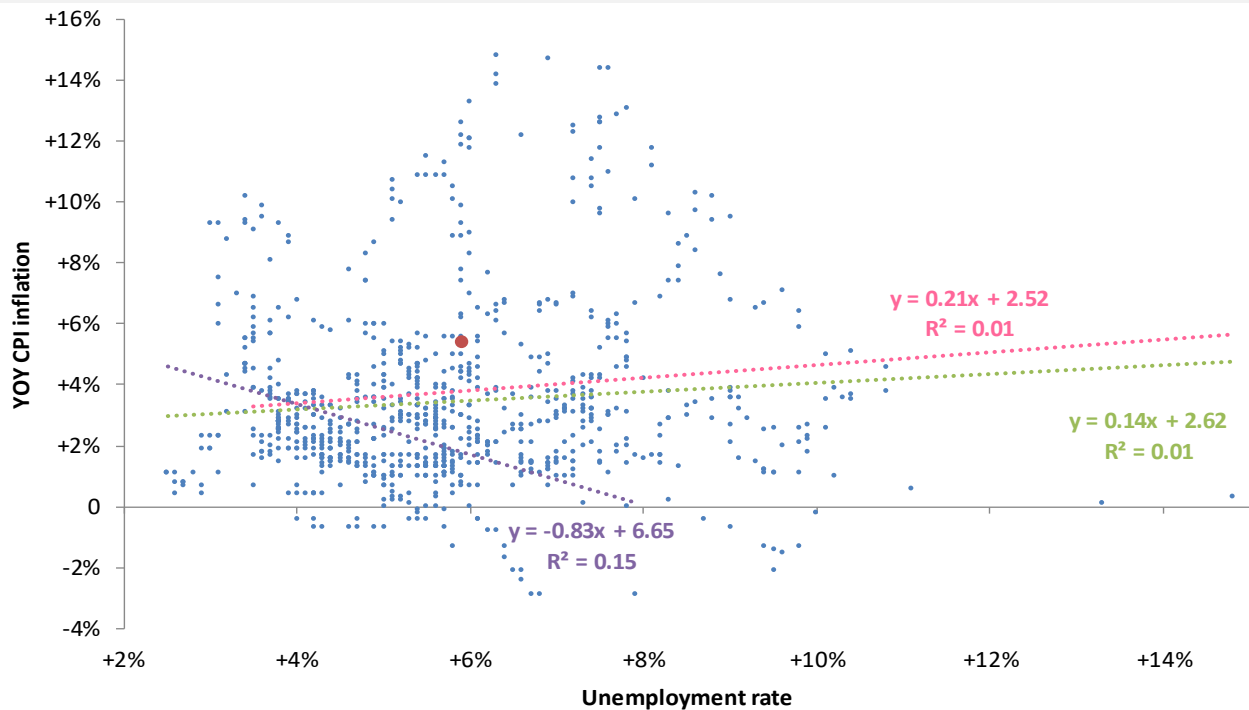
— Case Shiller 20-city avg — Owner's equivalent rent CPI component, 18-mo lag



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

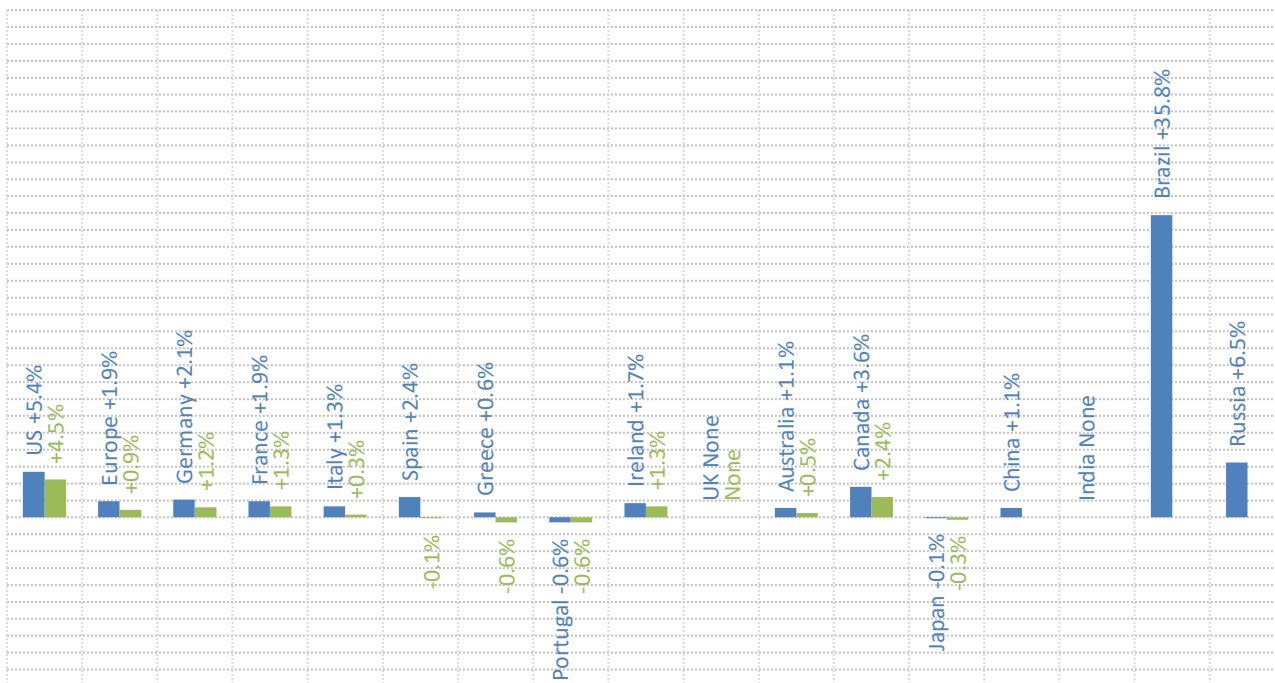
## The world is flat: the vanishing Phillips Curve

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



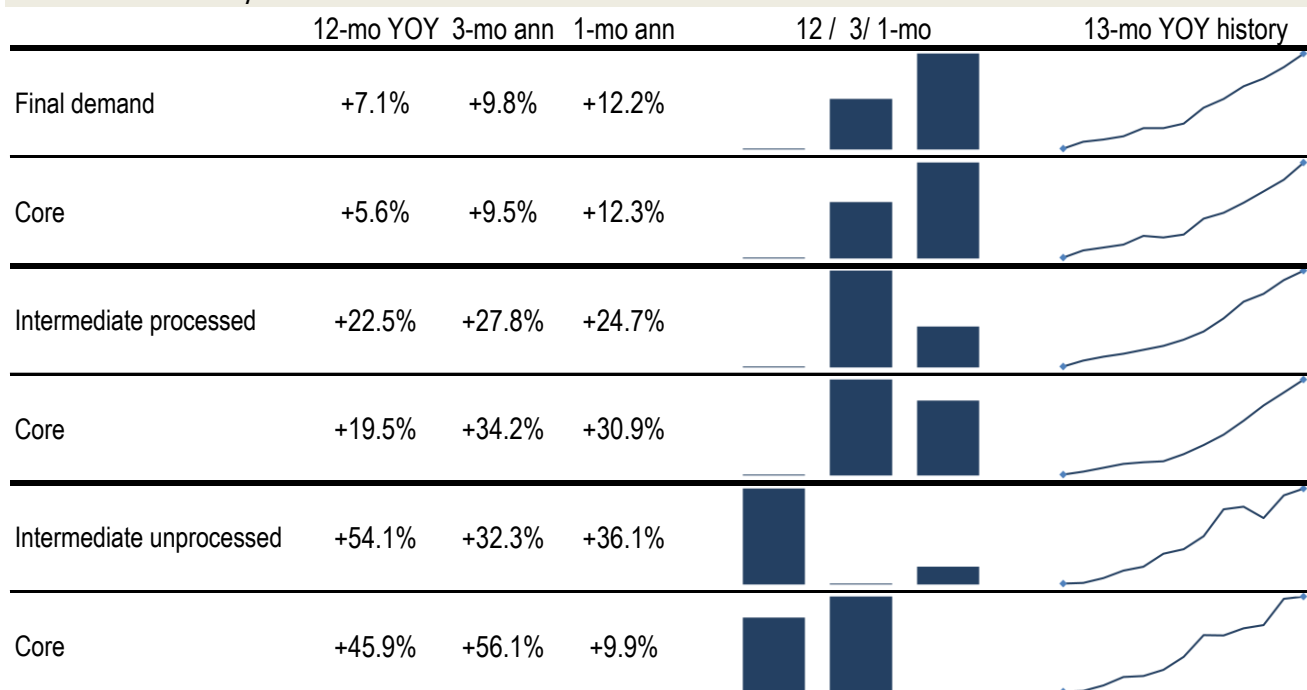
Source: BLS Consumer Price Index, Current Population Survey

## Major economies CPI, year on year



Source: Respective Statistical agencies, TrendMacro calculations

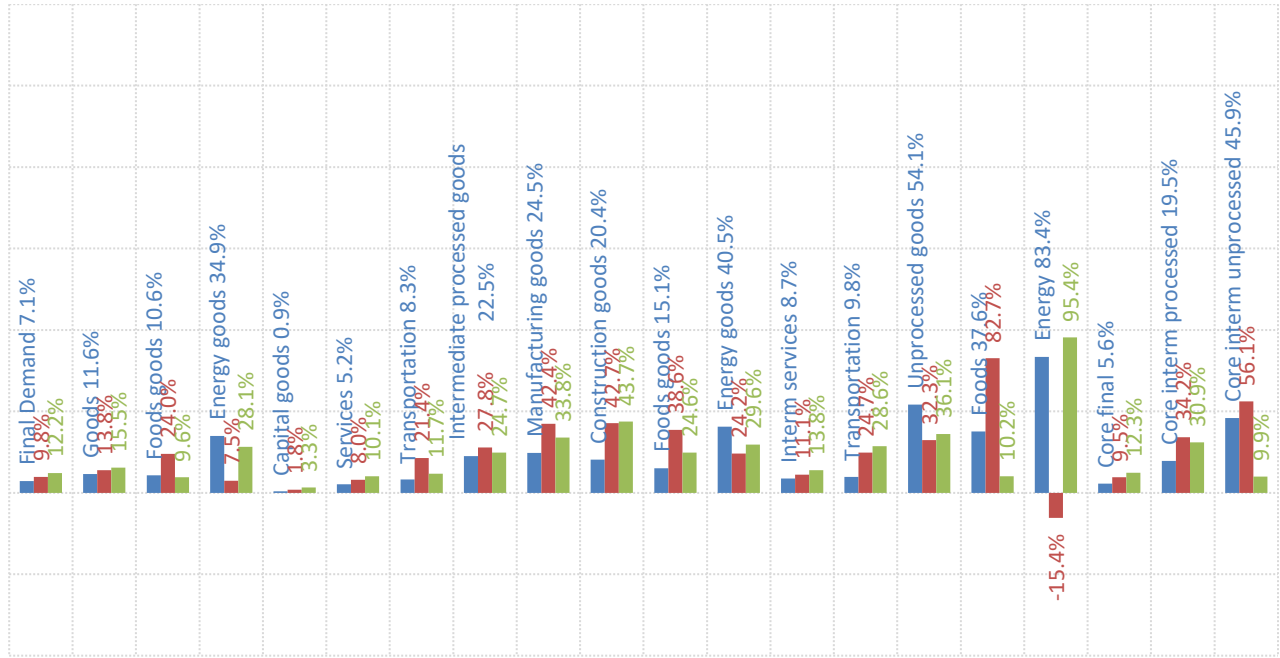
## PPI data: what you need to know



Source: BLS Producer Price Index, TrendMacro calculations

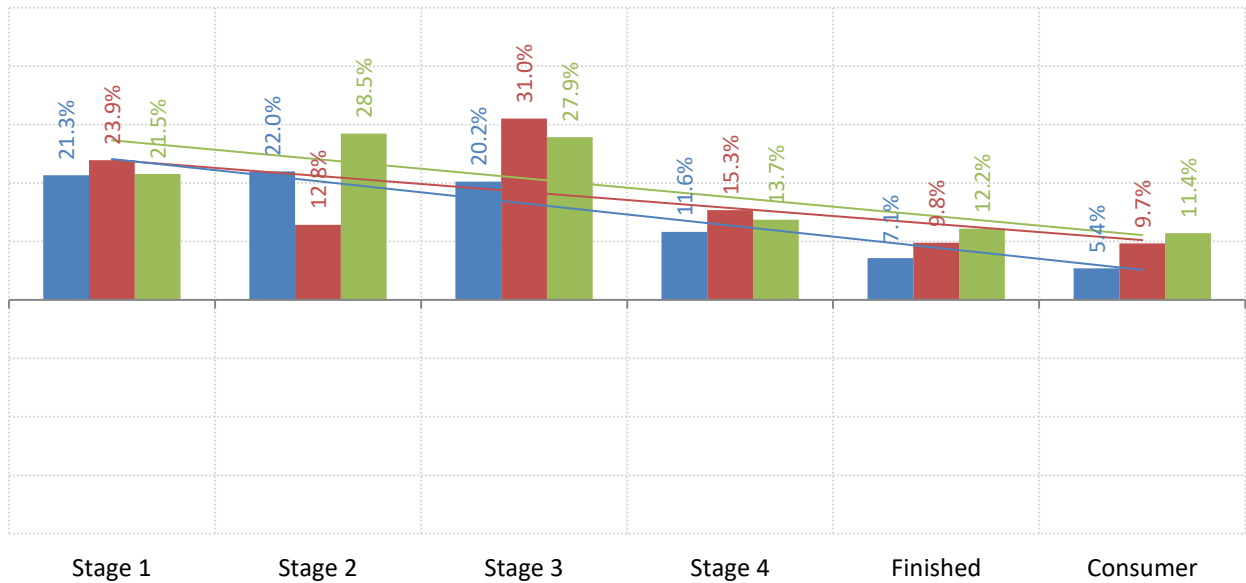


PPI inflation by sector (SAAR) ■ 12-mo ■ 3-mo ■ 1-mo



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