

Data Insights: Consumer Price Index, Producer Price Index

Friday, December 10, 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	+6.81%	+8.9%	+9.8%		
Core	+4.93%	+5.6%	+6.6%		
OER	+3.5%	+5.4%	+5.4%		
All less OER	+7.3%	+9.6%	+10.2%		
Core less OER	+5.8%	+5.8%	+7.3%		
Energy	+33.5%	+45.3%	+50.6%		
All less energy	+5.1%	+6.4%	+6.9%		
Food	+5.8%	+9.9%	+8.3%		
All less food	+7.0%	+8.6%	+9.9%		
Health care	+1.7%	+2.9%	+2.8%		
All less health care	+7.4%	+9.5%	+10.4%		

Source: BLS Consumer Price Index, TrendMacro calculations

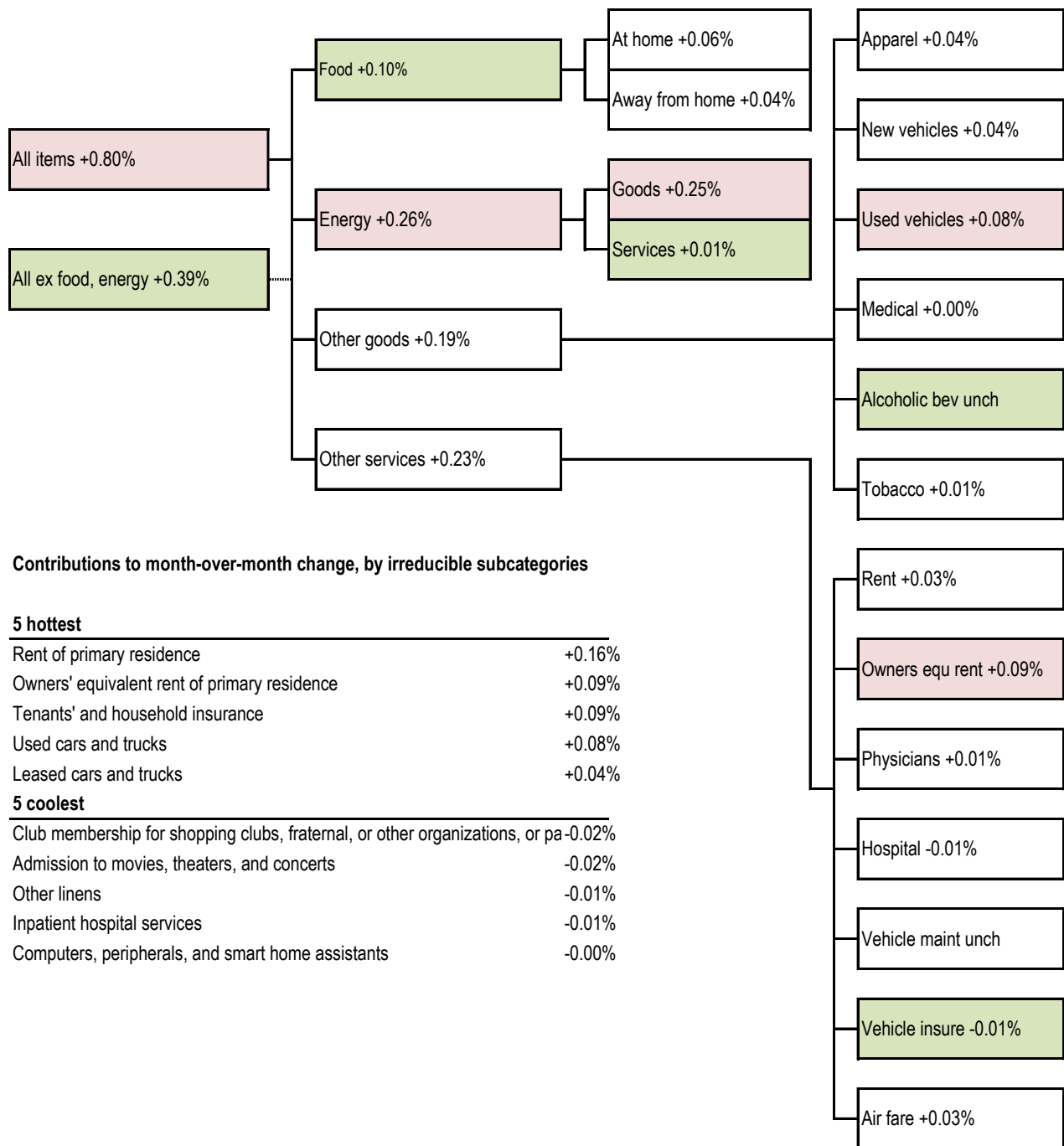
For more information contact us:

Donald Luskin: 312 273 6766 don@trendmacro.com
 Thomas Demas: 704 552 3625 tdemas@trendmacro.com

Deconstructing today's CPI data: what explains this month's inflation?

Weighted contribution by subcategory

Biggest change per detail-level: ■ positive ■ negative



Contributions to month-over-month change, by irreducible subcategories

5 hottest

Rent of primary residence	+0.16%
Owners' equivalent rent of primary residence	+0.09%
Tenants' and household insurance	+0.09%
Used cars and trucks	+0.08%
Leased cars and trucks	+0.04%

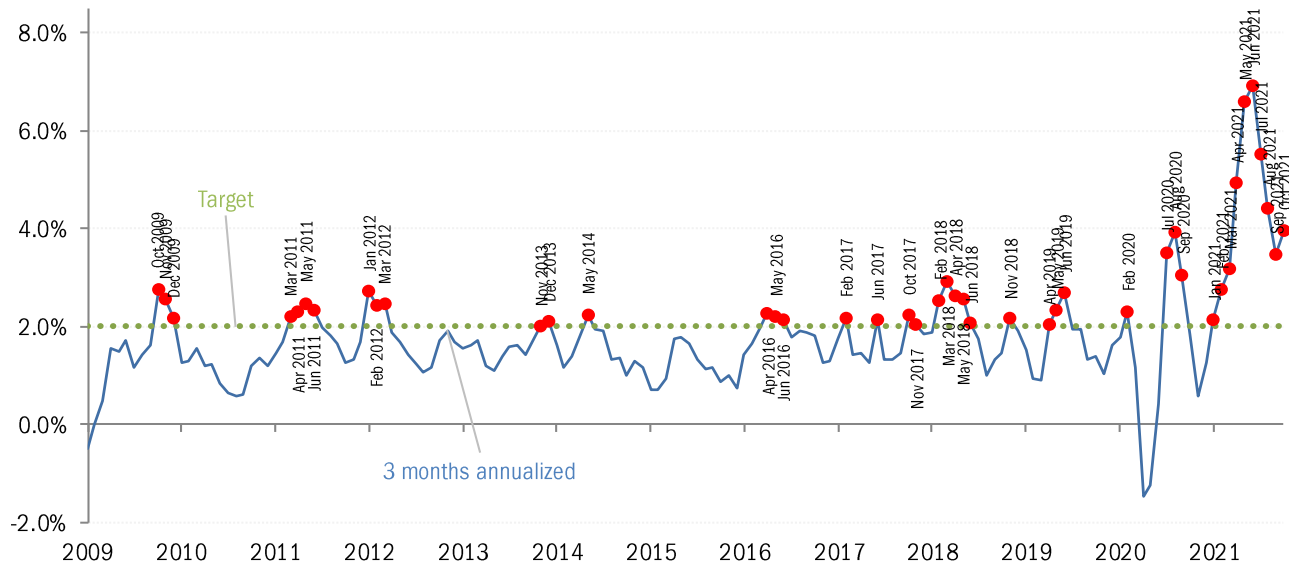
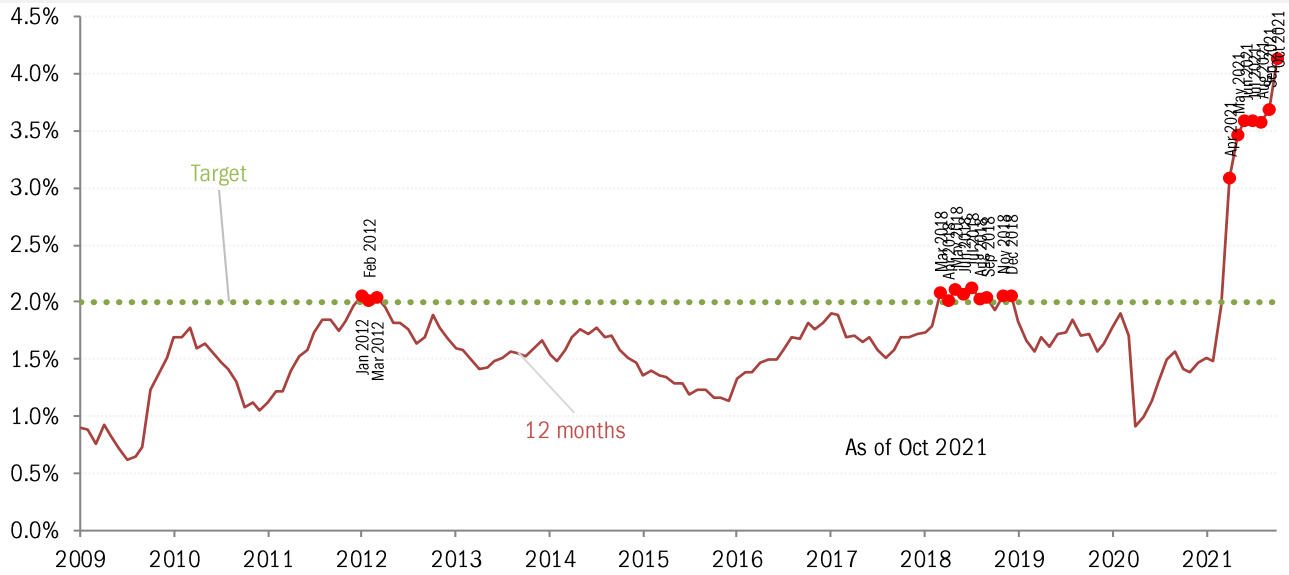
5 coolest

Club membership for shopping clubs, fraternal, or other organizations, or pa	-0.02%
Admission to movies, theaters, and concerts	-0.02%
Other linens	-0.01%
Inpatient hospital services	-0.01%
Computers, peripherals, and smart home assistants	-0.00%

Source: BLS Consumer Price Index, TrendMacro calculations

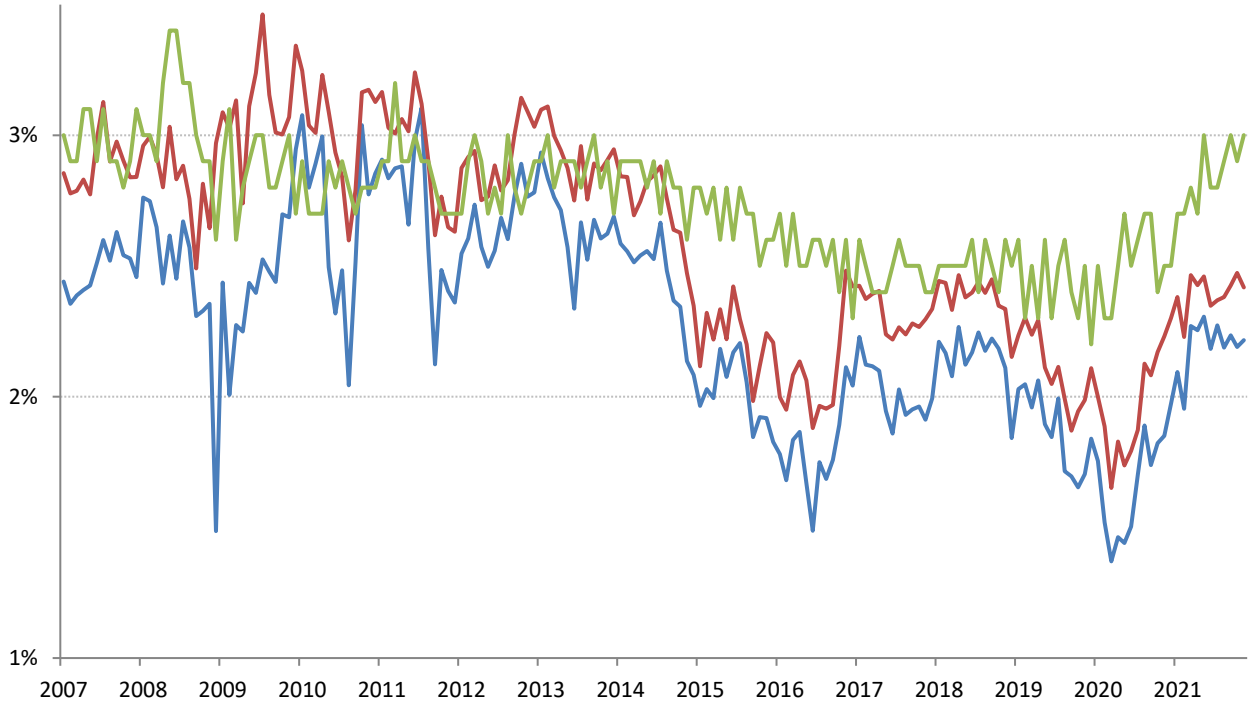
The Fed-eye view of inflation (or lack thereof)

Core PCE Price Index



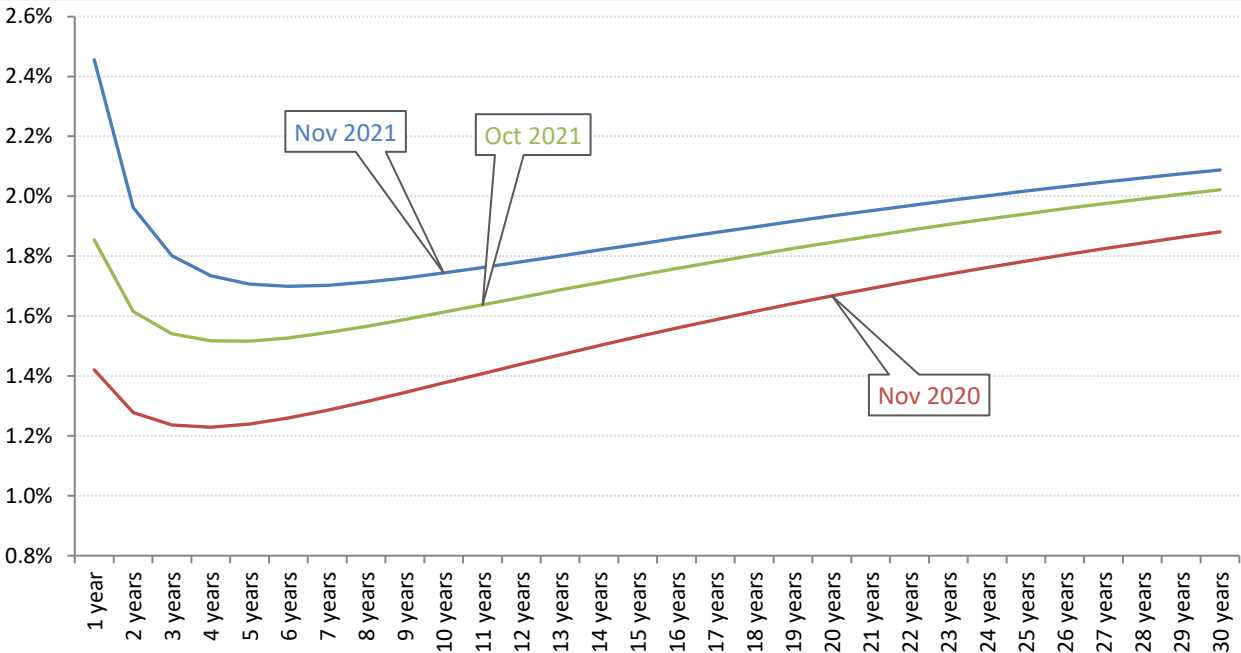
Source: Bureau of Economic Analysis, TrendMacro calculations

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



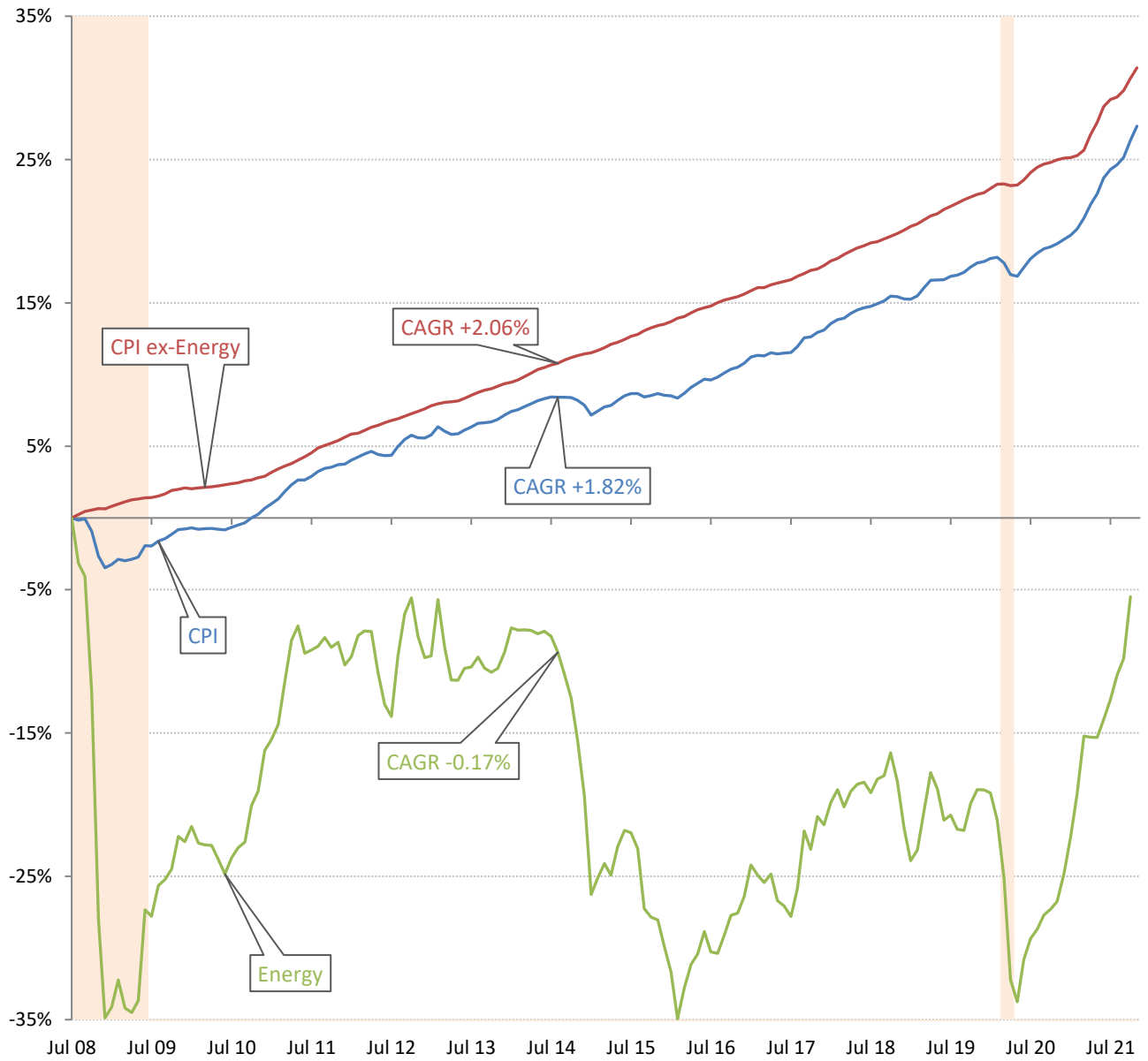
Source: Bloomberg, TrendMacro calculations

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



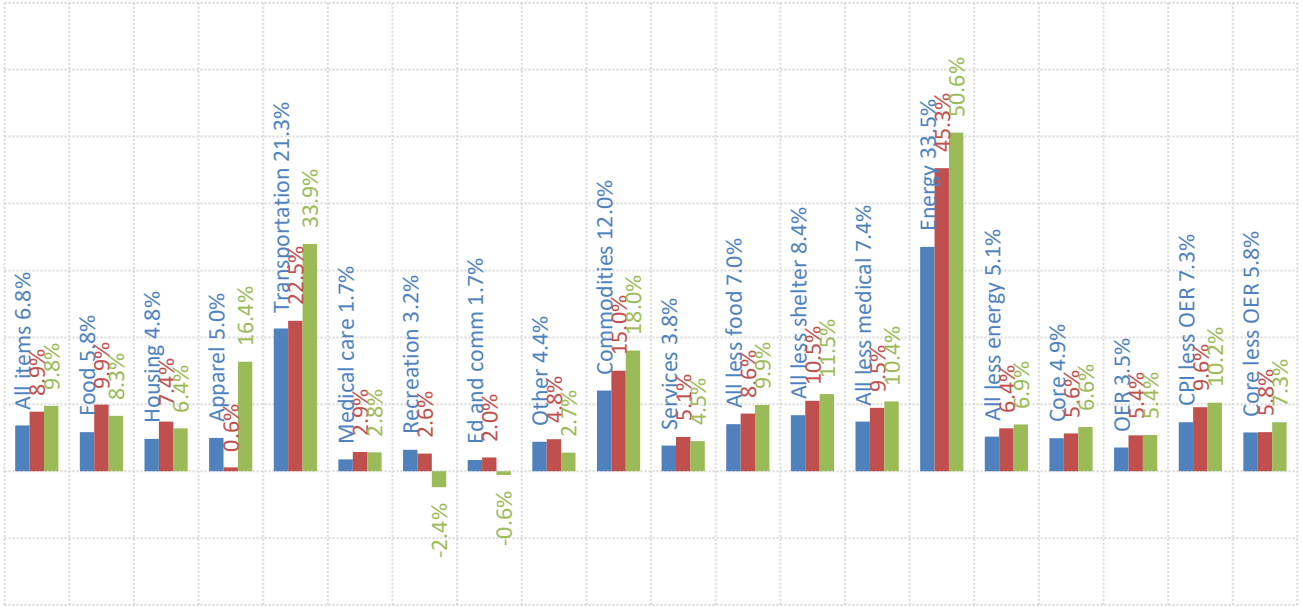
Source: [Cleveland Fed](#), TrendMacro calculations

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



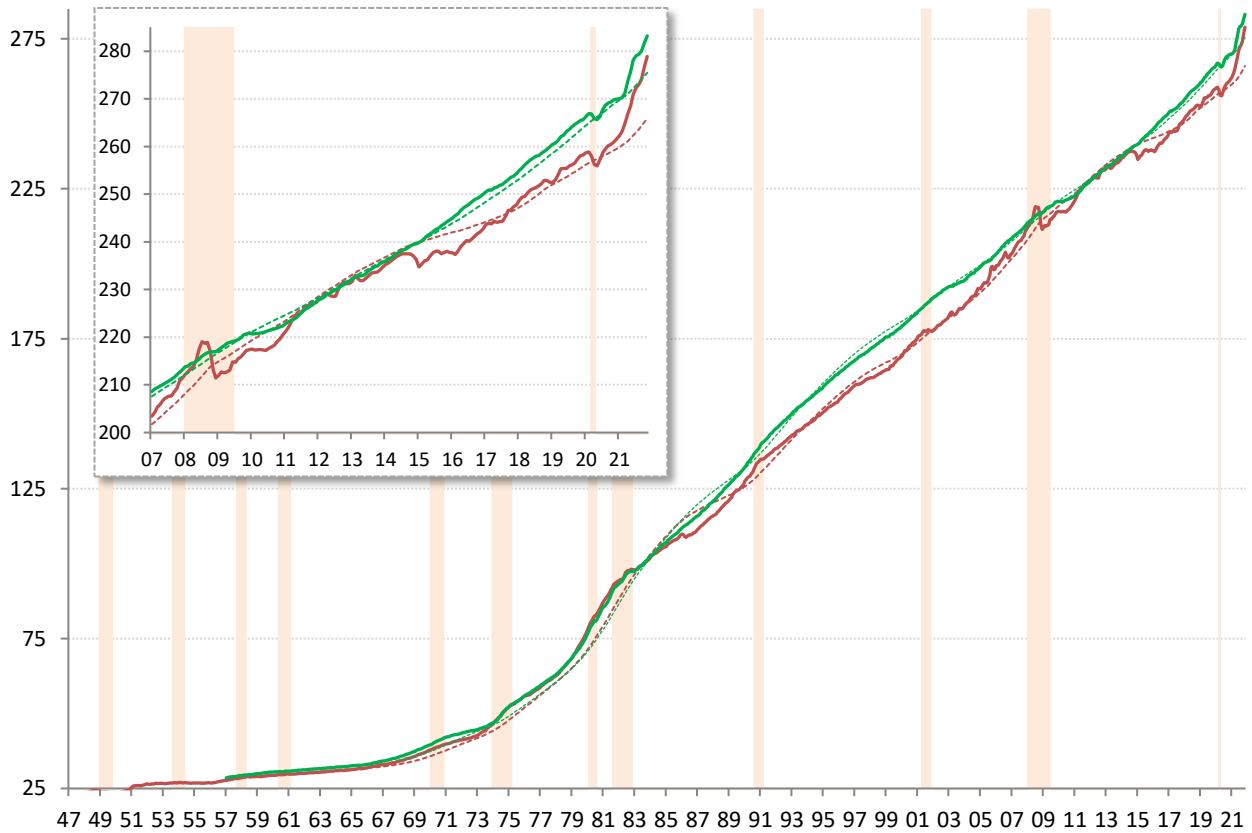
Source: Bloomberg, TrendMacro calculations

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

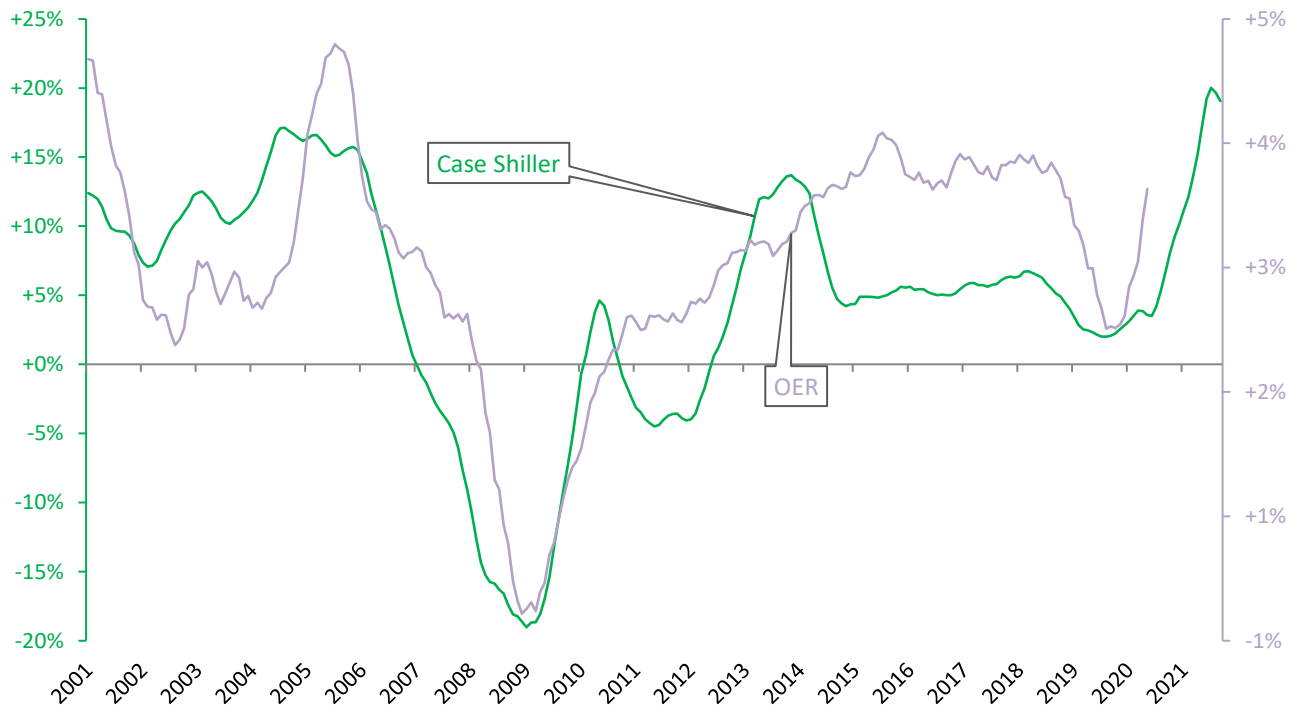


Source: BLS Consumer Price Index, TrendMacro calculations

Housing leads US CPI

Year-over-year change

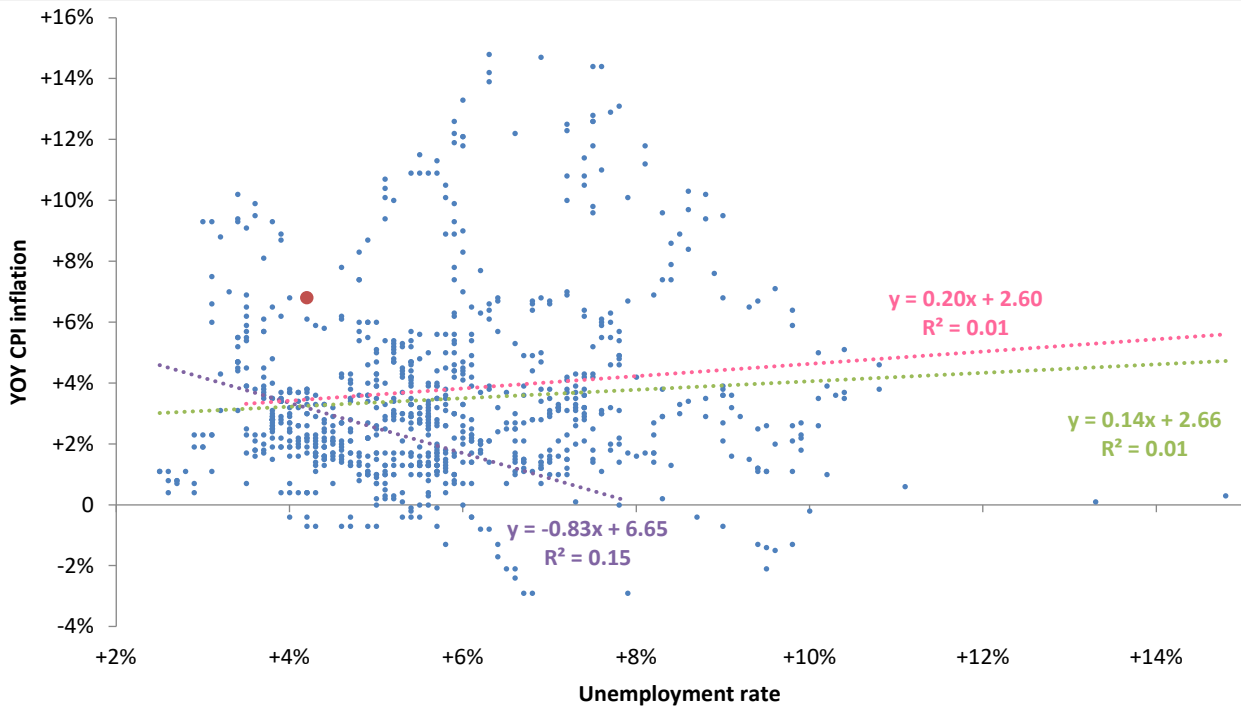
— Case Shiller 20-city avg — Owner's equivalent rent CPI component, 18-mo lag



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

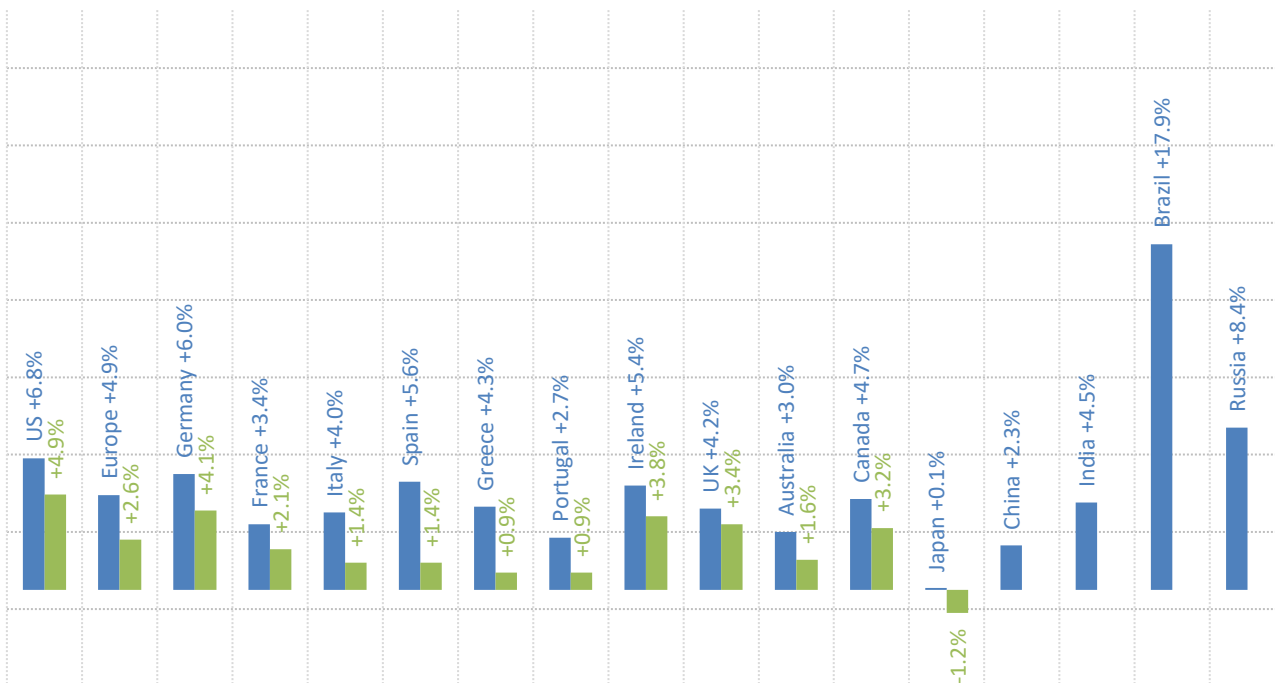
The world is flat: the vanishing Phillips Curve

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



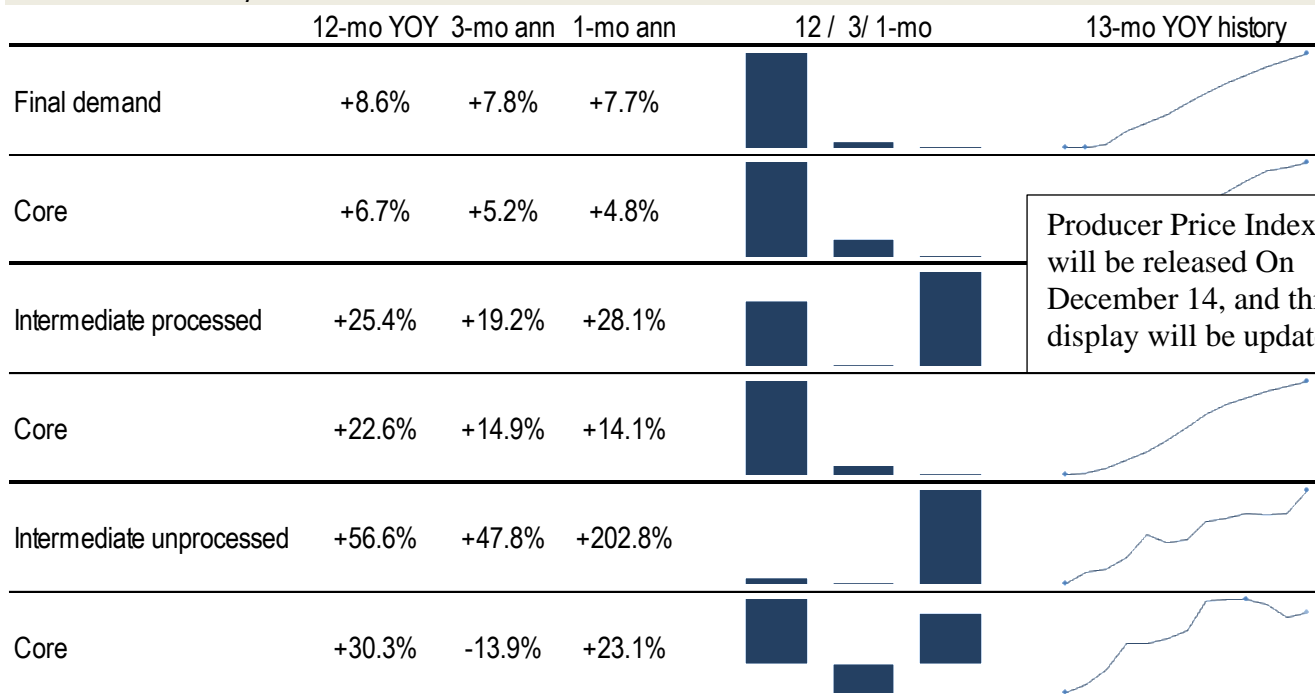
Source: BLS Consumer Price Index, Current Population Survey

Major economies CPI, year on year



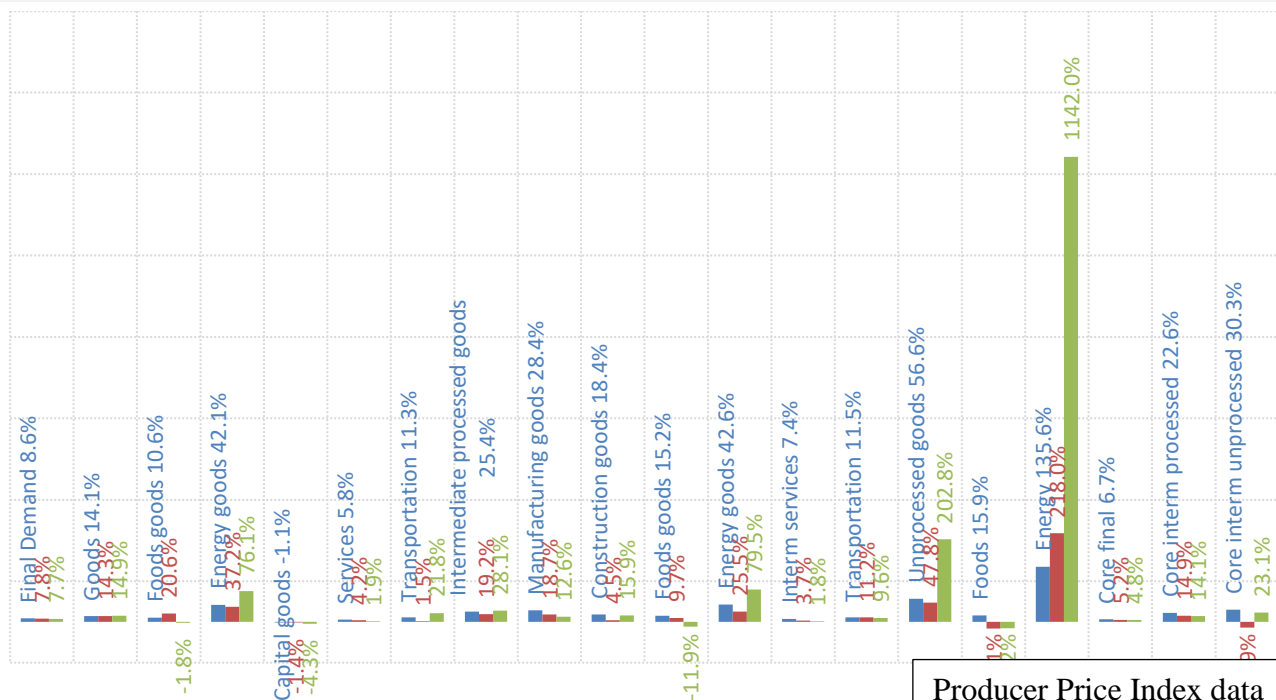
Source: Respective Statistical agencies, TrendMacro calculations

PPI data: what you need to know



Source: BLS Producer Price Index, TrendMacro calculations

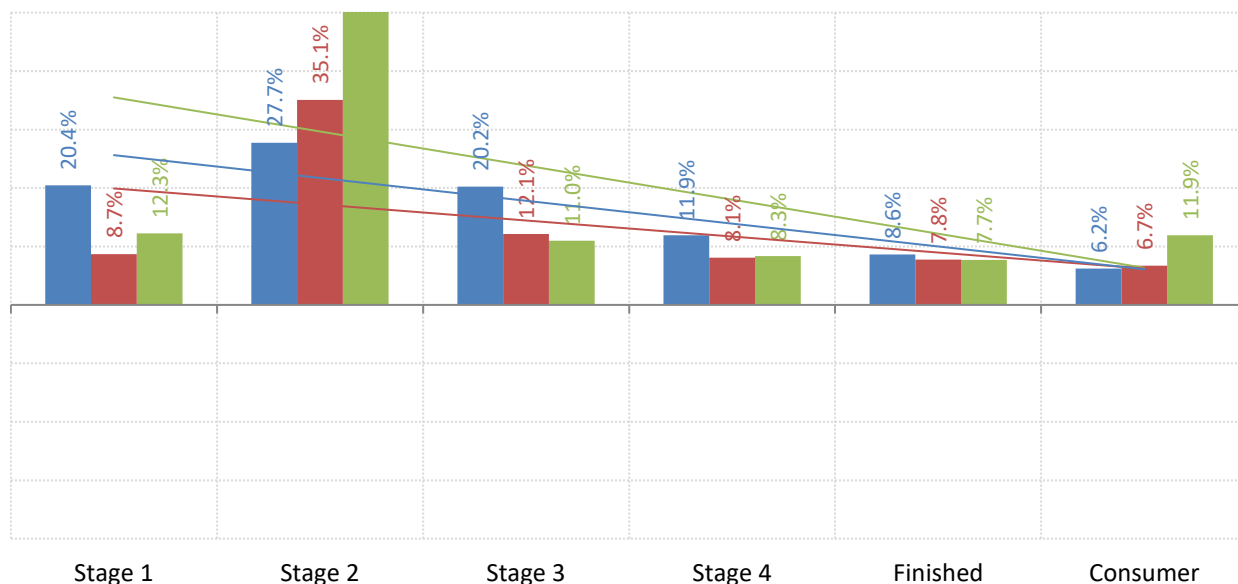
PPI inflation by sector (SAAR) ■ 12-mo ■ 3-mo ■ 1-mo



Source: BLS Producer Price Index, TrendMacro calculations

Producer Price Index data will be released On December 14, and these displays will be updated.

The inflation pipeline (SAAR) ■ 12-mo ■ 3-mo ■ 1-mo



Source: BLS Producer Price Index and Consumer Price Index, TrendMacro calculations