


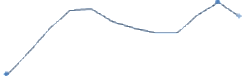

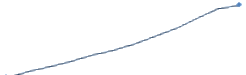

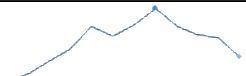

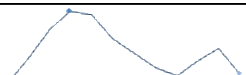

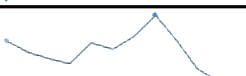

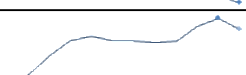

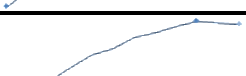

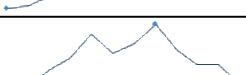

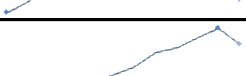
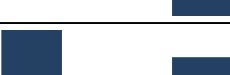
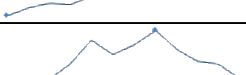


Data Insights: Consumer Price Index, Producer Price Index

Thursday, November 10, 2022 *REVISED Tuesday November 15, 2022*

Today's CPI data: what you need to know

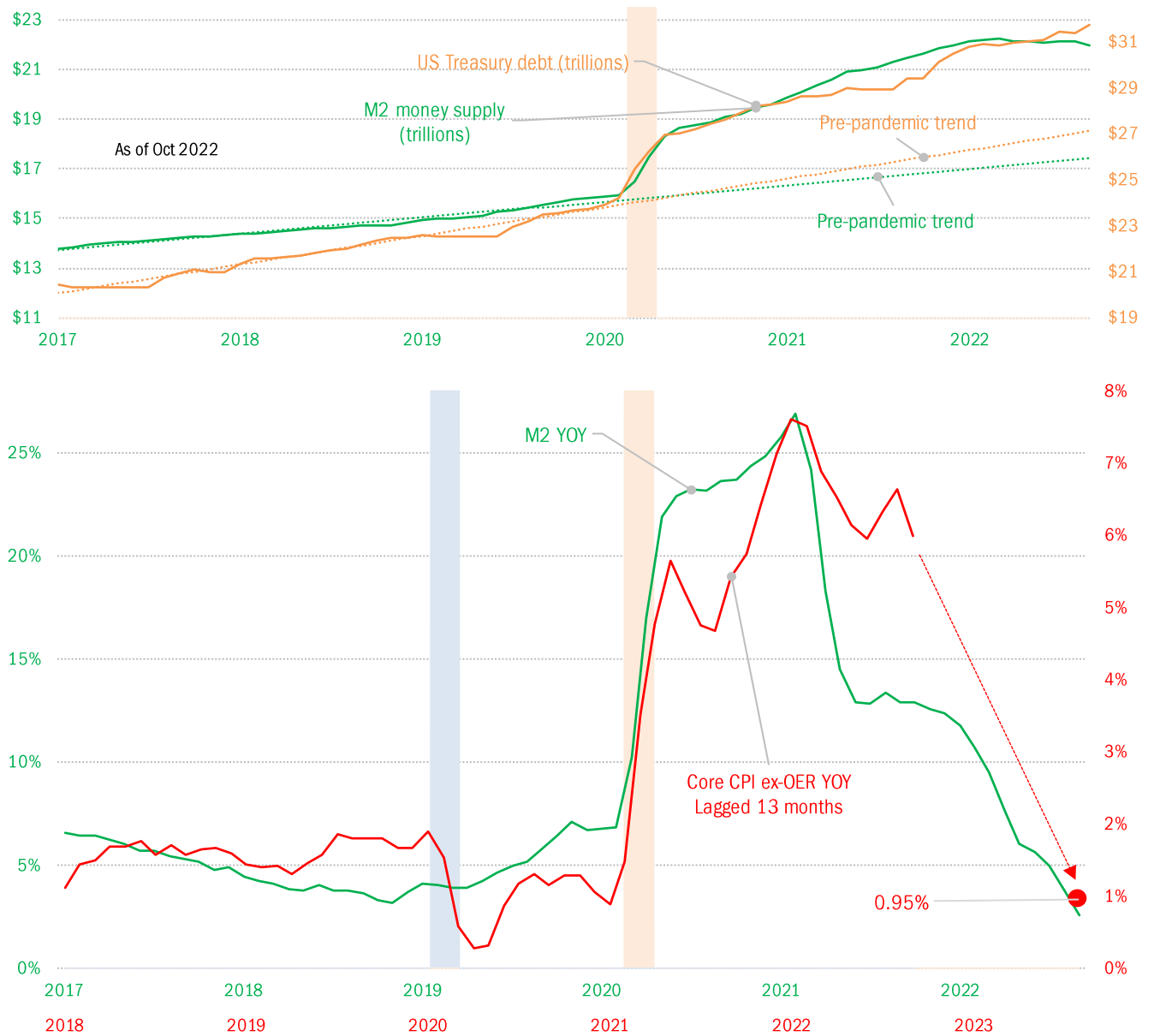
	12-mo YOY	3-mo ann	1-mo ann	12 / 3/ 1-mo	12-mo YOY history
All items	+7.75%	+3.8%	+5.4%		
Core	+6.28%	+5.8%	+3.3%		
OER	+6.9%	+8.9%	+7.7%		
All less OER	+8.2%	+2.7%	+3.6%		
Core less OER	+6.0%	+4.1%	+0.9%		
Energy	+17.6%	-19.7%	+23.9%		
All less energy	+7.0%	+6.3%	+3.9%		
Food	+10.6%	+8.8%	+7.6%		
All less food	+7.3%	+3.0%	+5.1%		
Health care	+5.0%	+4.0%	-0%		
All less health care	+8.0%	+3.8%	+6.5%		

Source: BLS Consumer Price Index, TrendMacro calculations

For more information contact us:

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 Thomas Demas: 704 552 3625 tdemas@trendmacro.com

Relation of Treasury debt, M2 money supply and core CPI inflation rate (ex OER) and [TrendMacro's monetarist inflation prediction model](#)

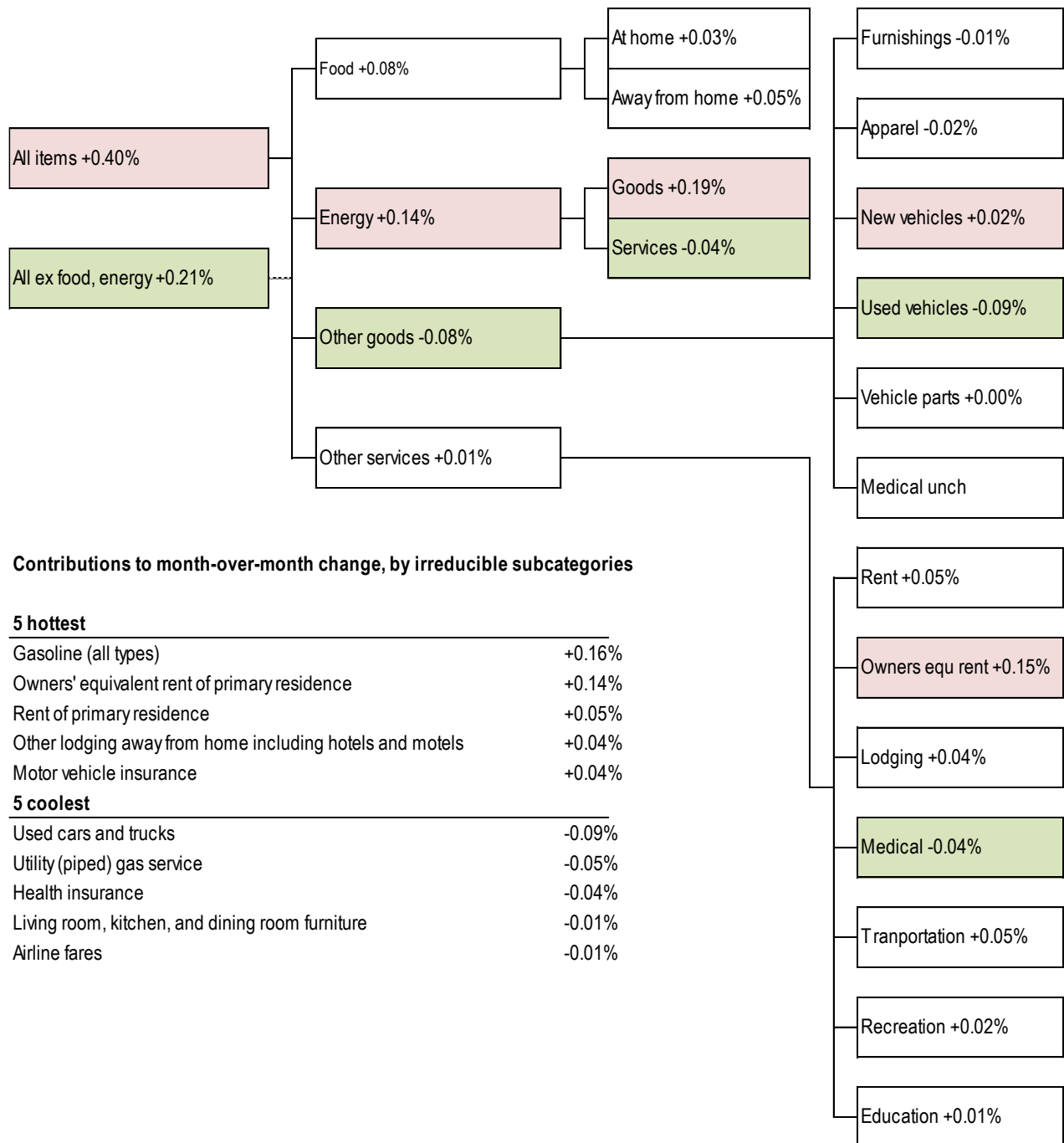


Source: FRB, BLS, US Treasury, TrendMacro calculations

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

Weighted contribution by subcategory

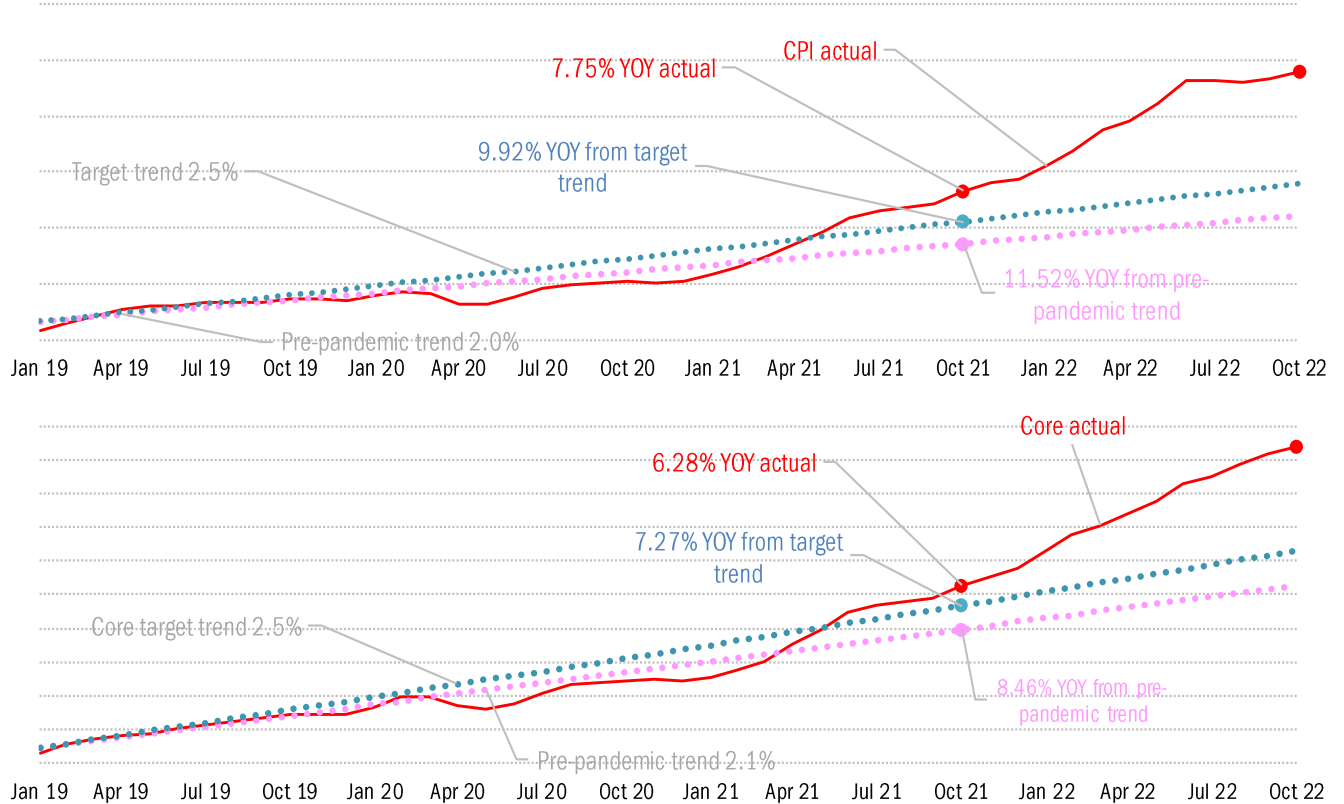
Biggest change per detail-level: ■ positive ■ negative



Source: BLS Consumer Price Index, TrendMacro calculations

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

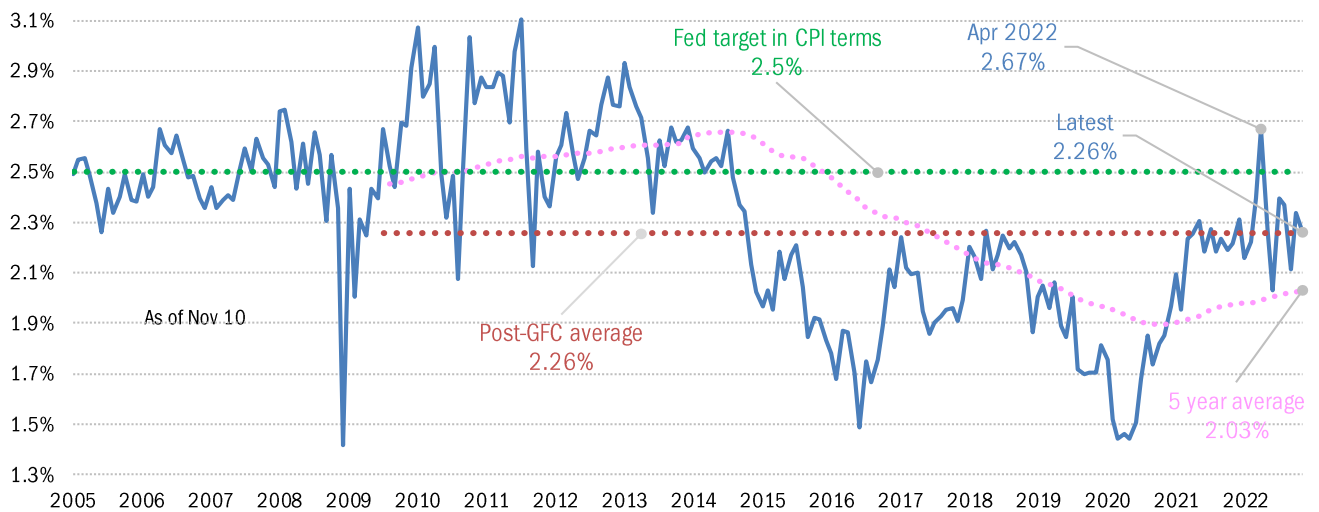
This month’s data in context with the pre-pandemic and ideal 12-month trends



Source: Bureau of Labor Statistics, TrendMacro calculations

Unhinged? Or too hinged?

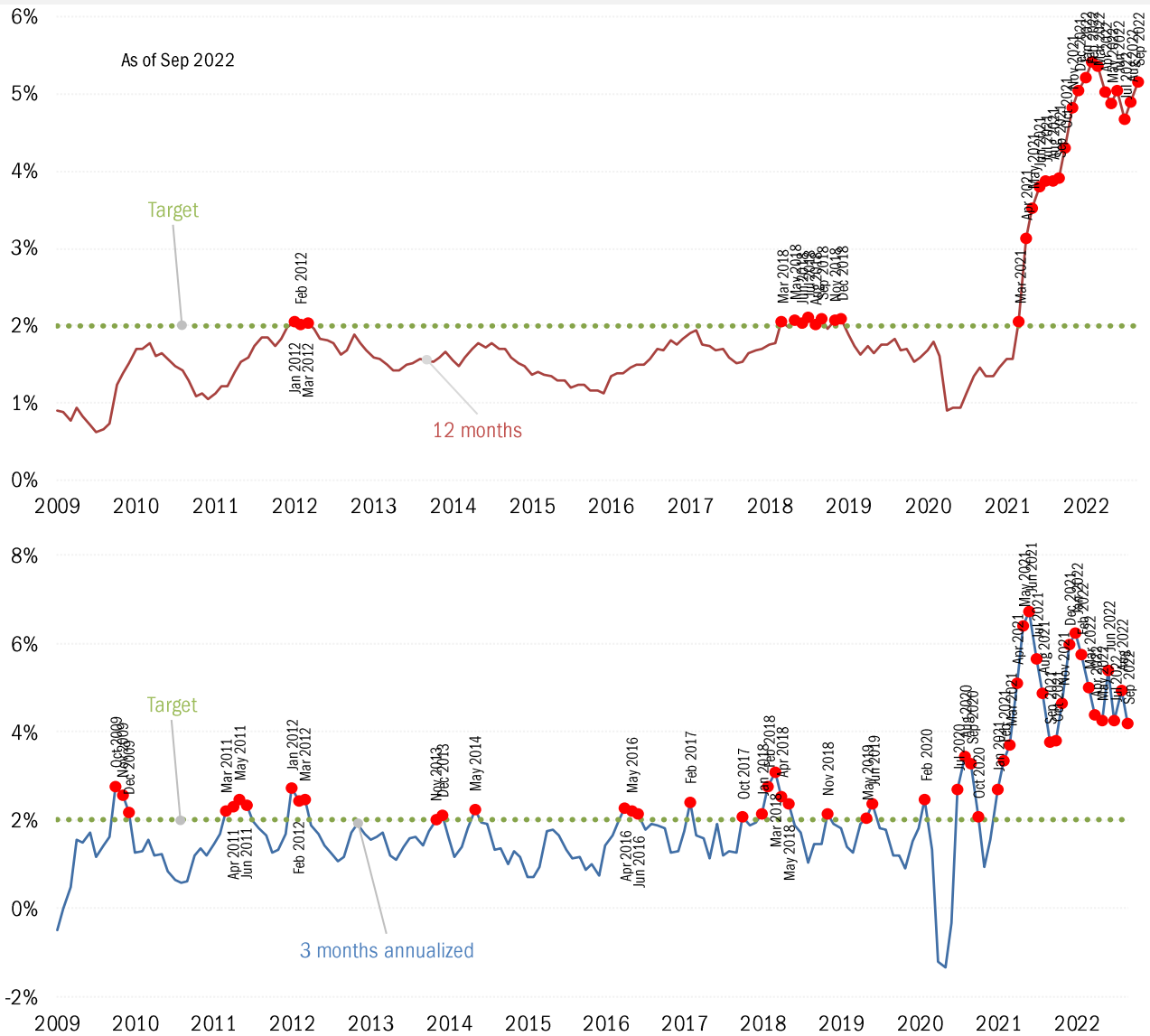
5-year 5-year-forward TIPS breakeven, adjusted 50 bp down to PCE equivalent



Source: Bloomberg, TrendMacro calculations

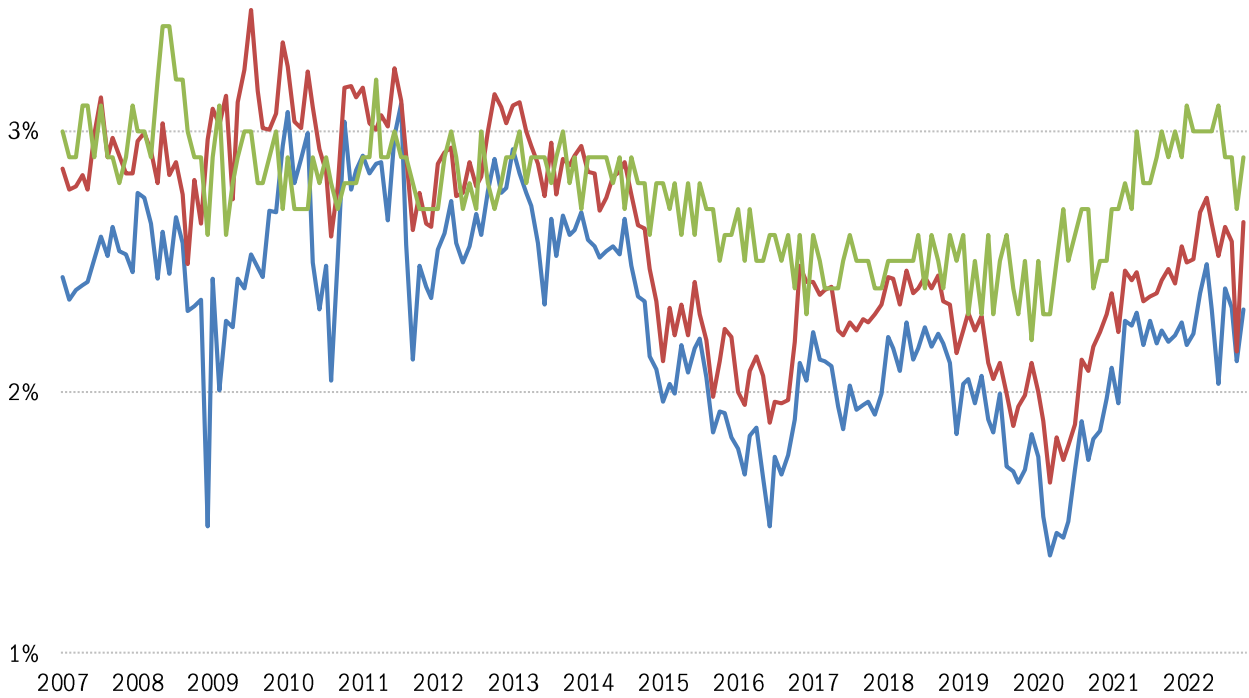
The Fed-eye view of inflation (or lack thereof)

Core PCE Price Index



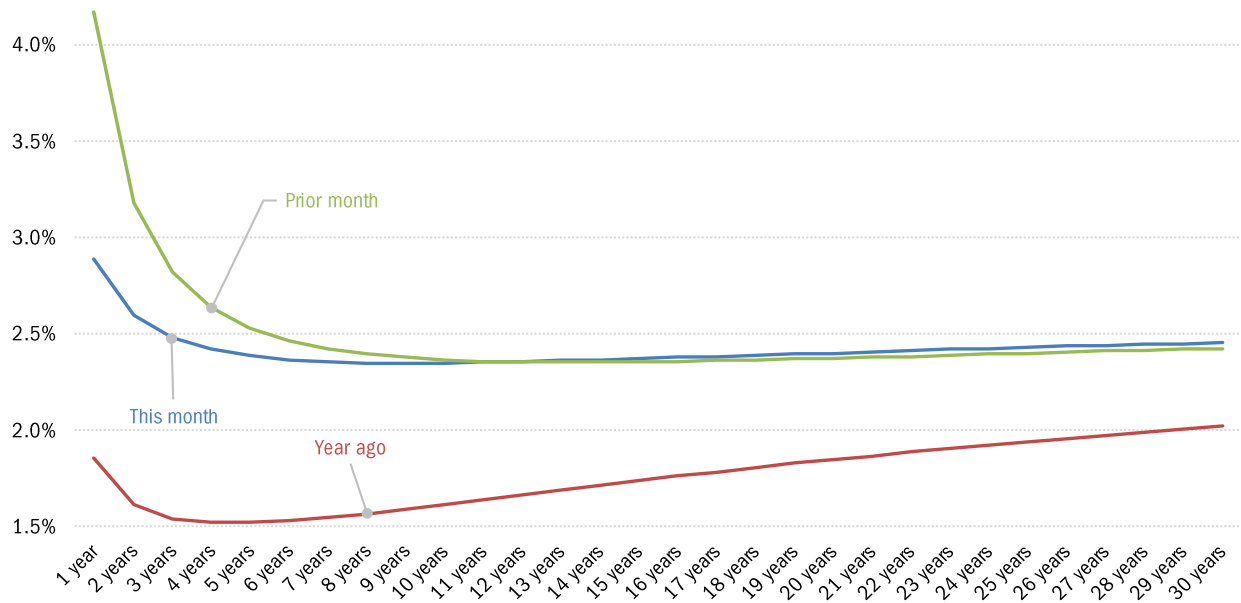
Source: Bureau of Economic Analysis, TrendMacro calculations

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



Source: Bloomberg, TrendMacro calculations

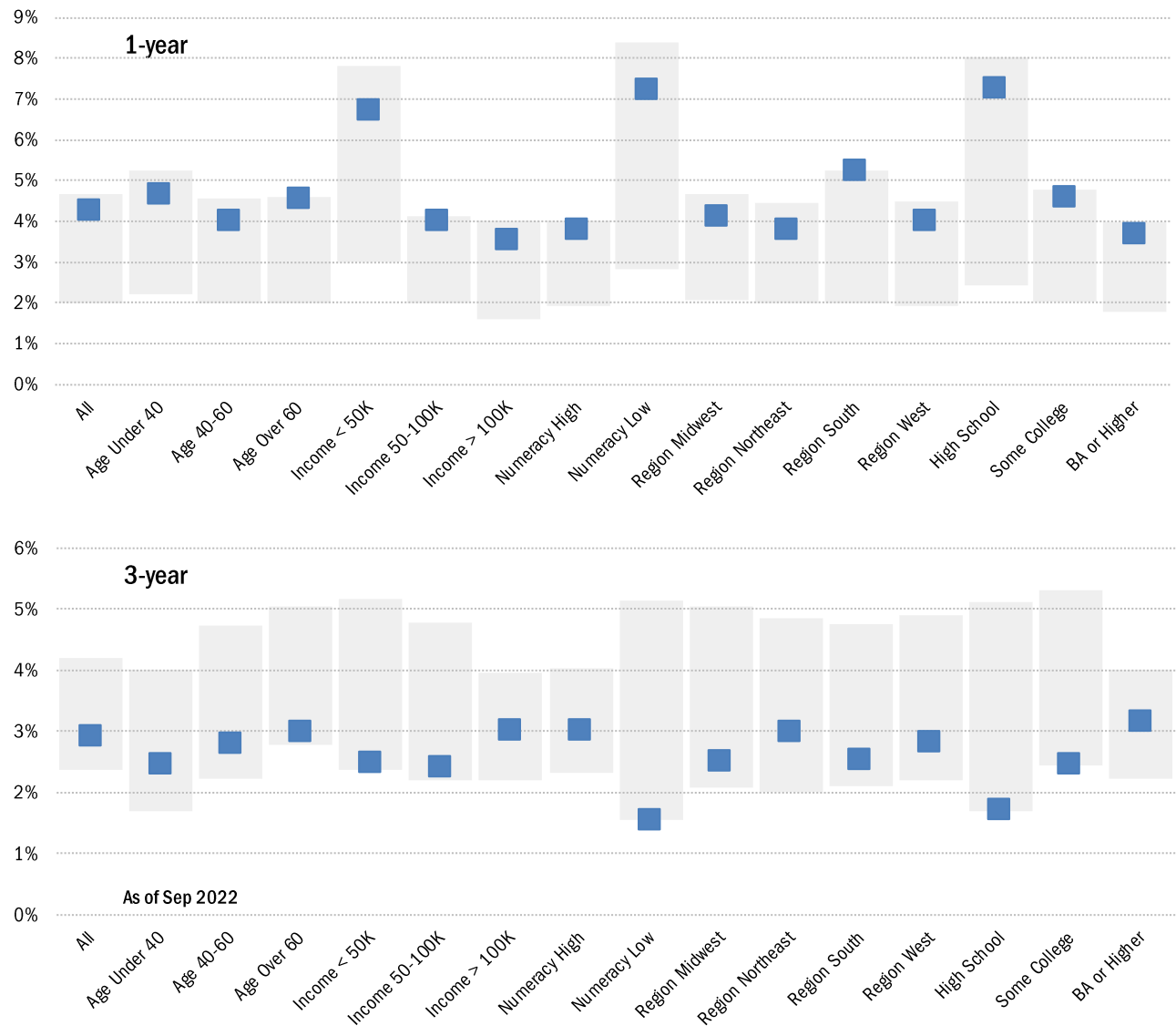
Modeled inflation yield curve, per annum — Based on swaps, forecasts and yields



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

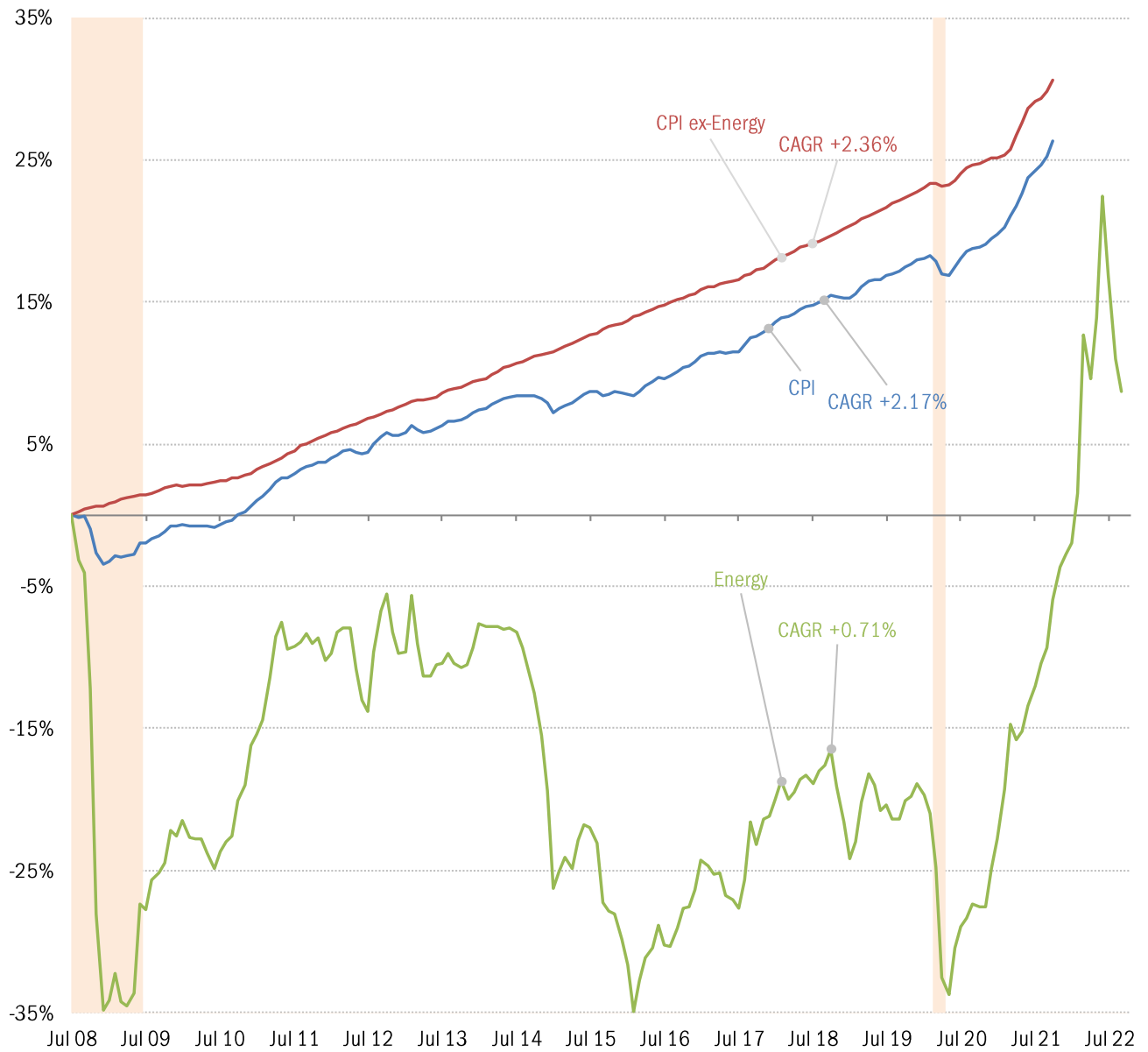
The demography of inflation expectations

■ Current median ■ 3-year range



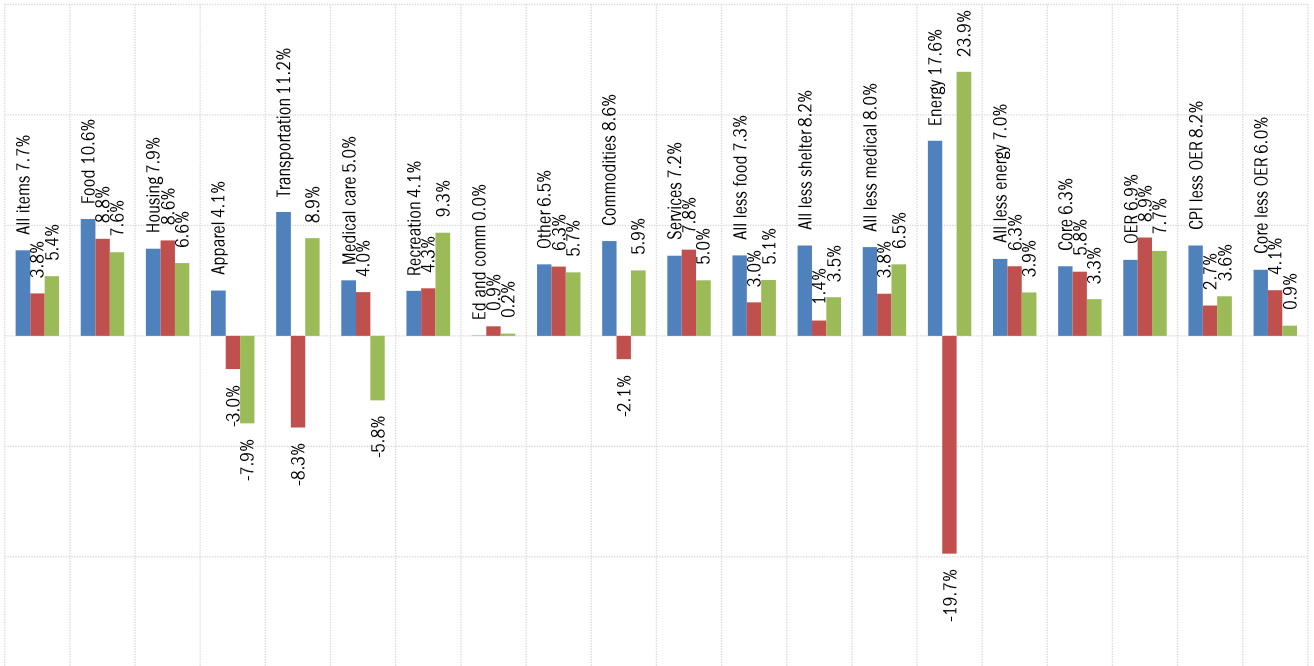
Source: [New York Fed Survey of Consumer Expectations](#), TrendMacro calculations

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



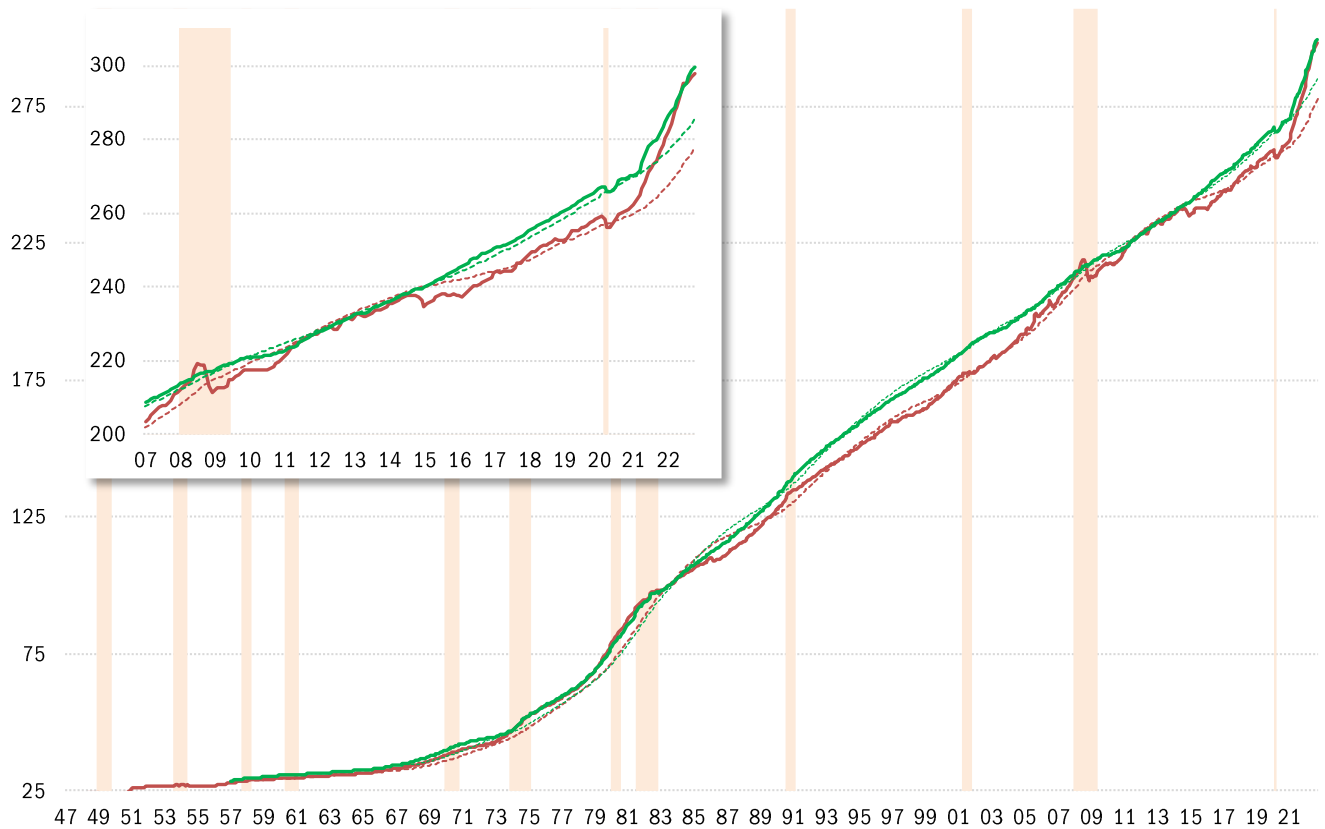
Source: Bloomberg, TrendMacro calculations

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



Source: BLS Consumer Price Index, TrendMacro calculations

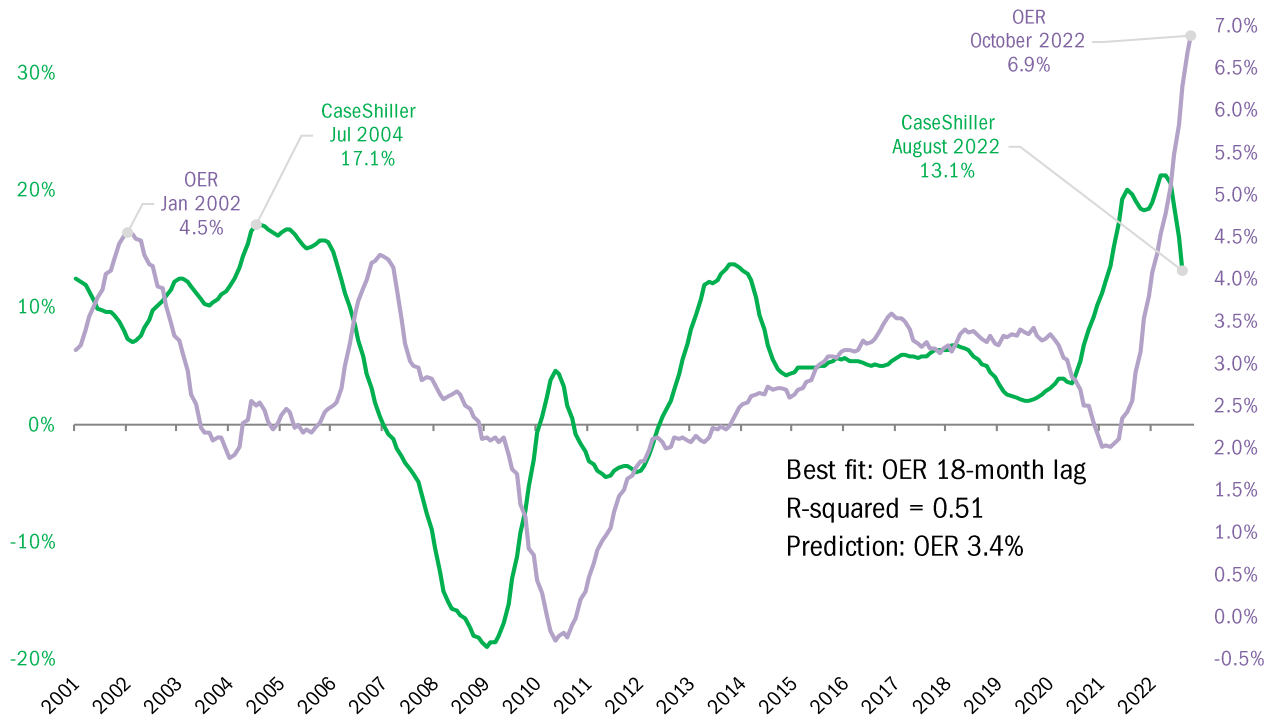
US CPI Core — Level ... 20-year trend ■ Recession



Source: BLS Consumer Price Index, TrendMacro calculations

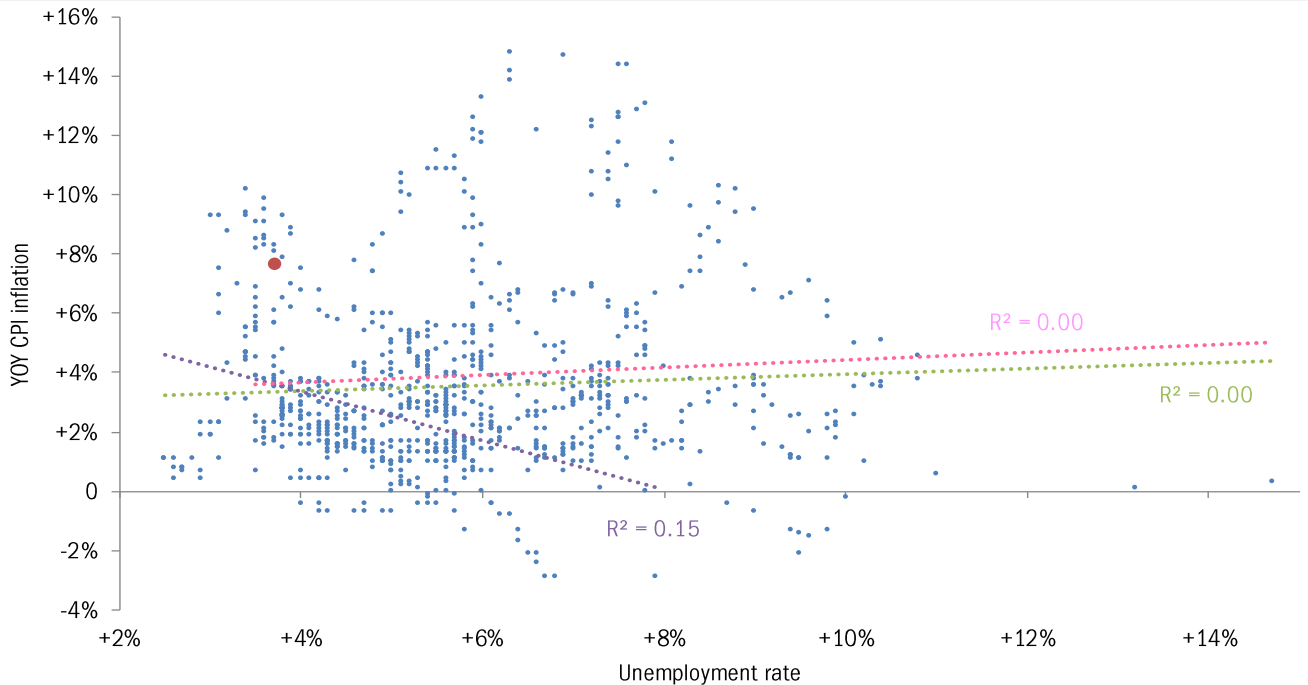
Housing leads US CPI

YOY change — Case Shiller 20-city avg — Owner's equivalent rent CPI component



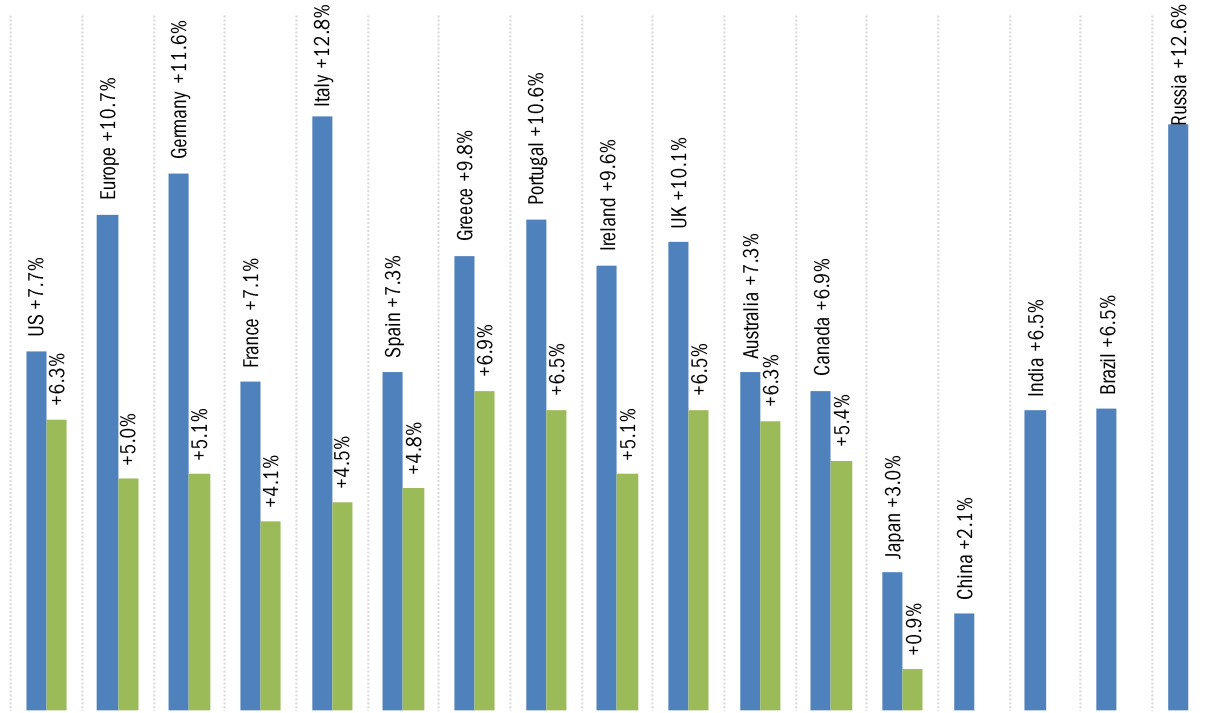
Going, going, gone: the vanishing Phillips Curve

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



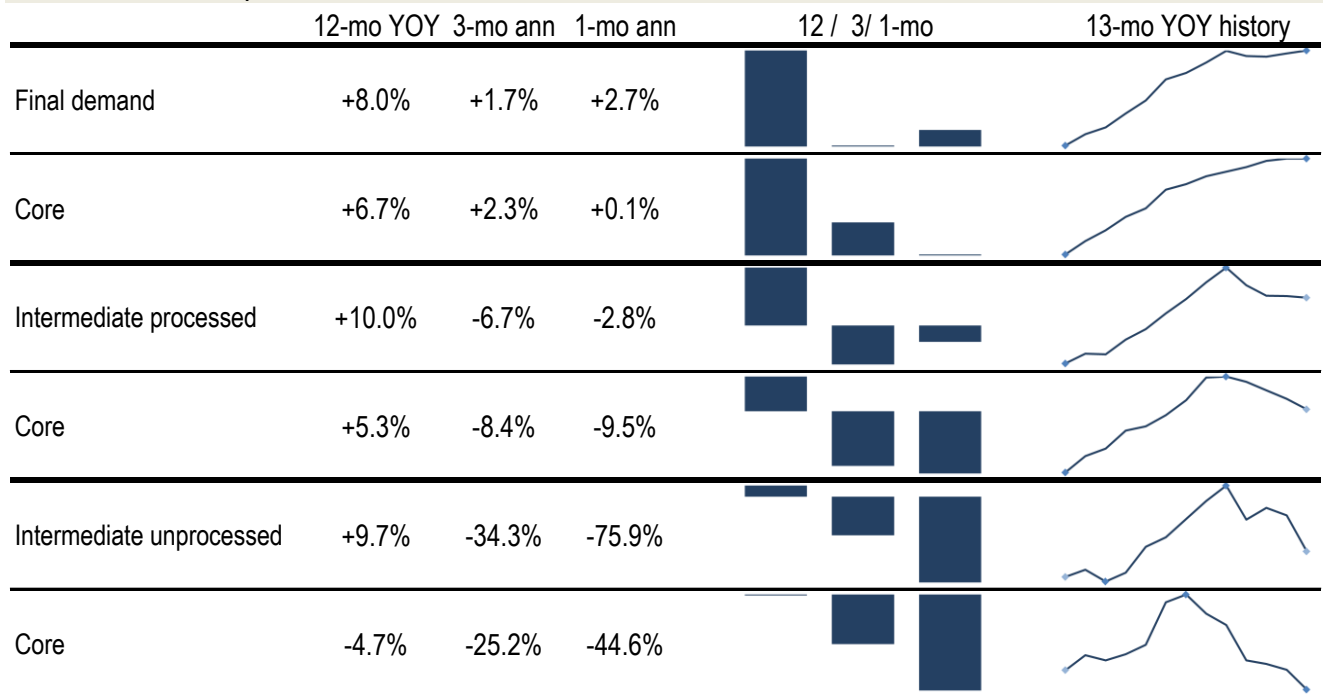
Source: BLS Consumer Price Index, Current Population Survey

Major economies CPI, year on year



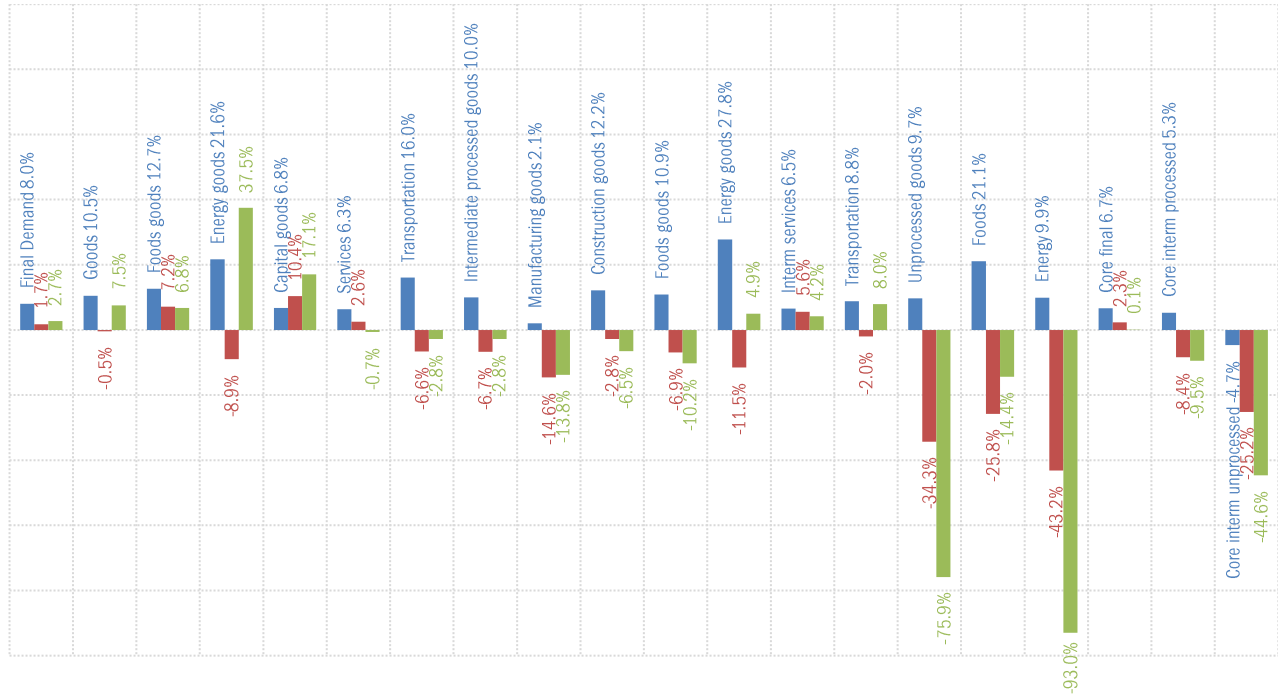
Source: Respective Statistical agencies, TrendMacro calculations

PPI data: what you need to know



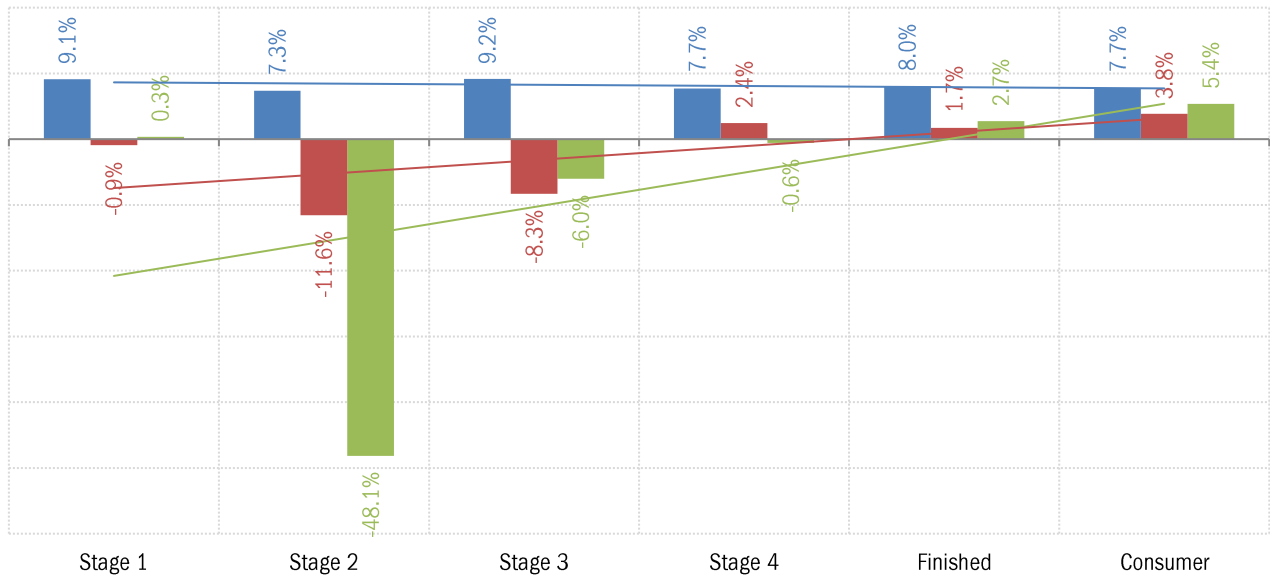
Source: BLS Producer Price Index, TrendMacro calculations

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