Table Of Contents

Expected Inflation in Bond Yield 1
Expected & Actual Inflation 2
Expected Inflation & the Dollar 3
Expected Inflation & Commodity Prices 4-5
**Figure 1.**

**US TREASURY 10-YEAR BOND & TIPS YIELDS**
(percent, daily)

10-Year Treasury
- Bond Yield (1.74)
- TIPS Yield (0.13)

Source: Federal Reserve Board.

**Figure 2.**

**WIDELY-USED PROXY FOR 10-YEAR EXPECTED INFLATION RATE**
(percent, daily)

Expected Inflation Proxy (1.61)

Source: Federal Reserve Board.
**Figure 3.**

**ACTUAL INFLATION RATE & WIDELY-USED PROXY FOR 10-YEAR EXPECTED INFLATION RATE**

- **Consumer Price Index (yearly percent change)**
- **Expected Inflation in 10-Year TIPS Yield**

Source: Federal Reserve Board and Bureau of Labor Statistics.

**Figure 4.**

**US: ACTUAL & EXPECTED INFLATION**

- **Consumer Price Index Ex Food & Energy (yearly percent change)**
- **Expected Inflation in 10-Year TIPS Yield**

*Nominal minus TIPS yield.
Source: Federal Reserve Board and Bureau of Labor Statistics.
Expected Inflation & the Dollar

**Figure 5.**

TRADE-WEIGHTED DOLLAR & EXPECTED INFLATION

JP Morgan Nominal
Broad Effective Exchange Rate**
(inverted scale)

Expected Inflation
in 10-Year TIPS*

* Yield spread between 10-year US Treasury bond and comparable TIPS.
** Argentina, Australia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Ecuador, Egypt, France, Germany, Hong Kong, Hungary, Japan, India, Indonesia, Israel, Italy, Korea, Kuwait, Malaysia, Mexico, Morocco, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russia Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Ukraine, Uruguay, Venezuela, Vietnam, and United States. Source: Commodity Research Bureau and JP Morgan.

**Figure 6.**

INDUSTRIALS COMMODITY PRICE INDEX & EXPECTED INFLATION IN 10-YEAR TIPS

Expected Inflation
in 10-Year TIPS*

CRB Raw Industrials
Spot Price Index

Source: Federal Reserve Board, US Treasury, and Bureau of Economic Analysis.
**Figure 7.**

**EXPECTED INFLATION IN 10-YEAR TIPS & BRENT CRUDE OIL PRICE**

- **Expected Inflation in 10-Year Tips**
  - (percent) (1.8)

- **Brent Crude Oil Futures Price**
  - (dollars per barrel) (64.4)

* Nominal minus TIPS yield.
** Nearby futures price.
Source: Federal Reserve Board.

---

**Figure 8.**

**COPPER FUTURES PRICE & EXPECTED INFLATION IN 10-YEAR TIPS**

- **Copper Futures Price**
  - (cents per pound)

- **Expected Inflation in 10-Year TIPS**

* Nearby futures contract.
Source: Haver Analytics.
Figure 9.

YIELD CURVE & TIPS YIELD

10-Year Less 2-Year Treasury Yield (basis points) (5.0)

10-Year Tips Yield* (percent) (0.1)

* Nominal minus TIPS yield.
Source: Federal Reserve Board.

Figure 10.

YIELD CURVE & EXPECTED INFLATION IN TIPS

10-Year Less 2-Year Treasury Yield (basis points) (5.0)

Expected Inflation 10-Year Tips* (percent) (1.6)

* Nominal minus TIPS yield.
Source: Federal Reserve Board.
Copyright (c) Yardeni Research, Inc. 2019. All rights reserved. The information contained herein has been obtained from sources believed to be reliable, but is not necessarily complete and its accuracy cannot be guaranteed. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, or correctness of the information and opinions contained herein. The views and the other information provided are subject to change without notice. All reports and podcasts posted on www.yardeni.com, blog.yardeni.com, and YRI’s Apps are issued without regard to the specific investment objectives, financial situation, or particular needs of any specific recipient and are not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Past performance is not necessarily a guide to future results. Company fundamentals and earnings may be mentioned occasionally, but should not be construed as a recommendation to buy, sell, or hold the company’s stock. Predictions, forecasts, and estimates for any and all markets should not be construed as recommendations to buy, sell, or hold any security—including mutual funds, futures contracts, and exchange traded funds, or any similar instruments.

The text, images, and other materials contained or displayed on any Yardeni Research, Inc. product, service, report, email or website are proprietary to Yardeni Research, Inc. and constitute valuable intellectual property. No material from any part of www.yardeni.com, blog.yardeni.com, and YRI’s Apps may be downloaded, transmitted, broadcast, transferred, assigned, reproduced or in any other way used or otherwise disseminated in any form to any person or entity, without the explicit written consent of Yardeni Research, Inc. All unauthorized reproduction or other use of material from Yardeni Research, Inc. shall be deemed willful infringement(s) of this copyright and other proprietary and intellectual property rights, including but not limited to, rights of privacy. Yardeni Research, Inc. expressly reserves all rights in connection with its intellectual property, including without limitation the right to block the transfer of its products and services and/or to track usage thereof, through electronic tracking technology, and all other lawful means, now known or hereafter devised. Yardeni Research, Inc. reserves the right, without further notice, to pursue to the fullest extent allowed by the law any and all criminal and civil remedies for the violation of its rights.

The recipient should check any email and any attachments for the presence of viruses. Yardeni Research, Inc. accepts no liability for any damage caused by any virus transmitted by this company’s emails, website, blog and Apps. Additional information available on request.