US Economic Briefing: Consumer Price Inflation

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thinking outside the box
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Figure 1.

**CONSUMER PRICE INDEX**
(3-month percent change, saar)

Latest (1.9)

**CONSUMER PRICE INDEX EXCLUDING FOOD & ENERGY**

Latest (2.4)

**PERSONAL CONSUMPTION EXPENDITURES DEFLATOR**

Latest (1.8)

**PERSONAL CONSUMPTION EXPENDITURES DEFLATOR EXCLUDING FOOD & ENERGY**

Latest (1.6)

Source: Bureau of Economic Analysis.
Figure 2.

CONSUMER PRICE INDEX
(yearly percent change)

CPI
- Total (2.3)
- Ex Food & Energy (2.4)

Note: Dotted line is the Fed’s official 2% inflation target for the personal consumption expenditures deflator measure of inflation.

Figure 3.

PERSONAL CONSUMPTION EXPENDITURES DEFLATOR
(yearly percent change)

PCED
- Headline (1.7)
- Core* (1.6)

* Excluding food and energy prices.
Note: Dotted line is the Fed’s official target set during January 2012.
Source: Bureau of Economic Analysis.
Figure 4.

CONSUMER PRICES
(yearly percent change)

- Total
  - CPI (2.3)
  - PCED* (1.7)

* Personal consumption expenditures deflator.

Figure 5.

CONSUMER PRICES
(yearly percent change)

- Excluding Food & Energy
  - CPI (2.4)
  - PCED* (1.6)

* Personal consumption expenditures deflator.
Figure 8.

CONSUMER PRICES
(yearly percent change)

Consumer Services
- CPI (3.0)
- PCED* (2.4)

Feb

* Personal consumption expenditures deflator.

Figure 9.

CONSUMER PRICES
(yearly percent change)

Consumer Goods
- CPI (1.2)
- PCED* (0.1)

Feb

* Personal consumption expenditures deflator.
Figure 10.

CONSUMER PRICES
(yearly percent change)

Consumer Durable Goods

- CPI (-0.6)
- PCED* (-2.3)

* Personal consumption expenditures deflator.

Figure 11.

CONSUMER PRICES
(yearly percent change)

Consumer Nondurable Goods

- CPI (2.0)
- PCED* (1.6)

* Personal consumption expenditures deflator.
**Vehicles**

**Figure 12.**

CONSUMER PRICES  
(yearly percent change)

New Vehicles  
- CPI (0.4)  
- PCED* (0.3)

*Personal consumption expenditures deflator.  

**Figure 13.**

CONSUMER PRICES  
(yearly percent change)

Used Cars  
- CPI (including used trucks) (-1.3)  
- PCED* (-3.6)

*Personal consumption expenditures deflator.  
**Figure 14.**

<table>
<thead>
<tr>
<th>CONSUMER PRICES (yearly percent change)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Furniture &amp; Bedding</strong></td>
</tr>
<tr>
<td>- CPI (1.1)</td>
</tr>
<tr>
<td>- PCED* (0.9)</td>
</tr>
</tbody>
</table>

* Personal consumption expenditures deflator.

**Figure 15.**

<table>
<thead>
<tr>
<th>CONSUMER PRICES (yearly percent change)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Airfares</strong></td>
</tr>
<tr>
<td>- CPI (2.4)</td>
</tr>
<tr>
<td>- PCED* (-0.8)</td>
</tr>
</tbody>
</table>

* Personal consumption expenditures deflator.
**Medical Care**

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*Personal consumption expenditures deflator.


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*yardeni.com*
Figure 17.
CONSUMER PRICES
(yearly percent change)

Medical Care Services
CPI (5.3)
PCED* (2.0)

* Personal consumption expenditures deflator.

Figure 18.
CONSUMER PRICES
(yearly percent change)

Medical Care Commodities
CPI (1.8)
PCED* (1.3)

* Personal consumption expenditures deflator.
Rent

Figure 19.

CONSUMER PRICES
(yearly percent change)

Rent Of Primary Residence

- CPI (3.8)
- PCED* (3.7)

* Personal consumption expenditures deflator.

Figure 20.

CONSUMER PRICES
(yearly percent change)

Owners' Equivalent Rent Of Primary Residence

- CPI (3.3)
- PCED* (3.4)

* Personal consumption expenditures deflator.
Rent

**CONSUMER PRICE INDEX: RENTS**
(yearly percent change)

**CPI Rent Indexes**
- Rent of Shelter (3.3)
- Owners Equivalent Rent (3.3)
- Tenant Rent (3.8)


**CONSUMER PRICES**
(yearly percent change)

**Consumer Price Index**
- Total (2.3)
- Excluding Homeowners’ Rent (2.0)

Figure 23.

CONSUMER PRICE INDEX
(yearly percent change)

CPI
- Ex Food & Energy (2.4)
- Ex Food, Energy & Shelter (1.7)


Figure 24.

CONSUMER PRICE INDEX
(yearly percent change)

CPI
- Ex Food & Energy (2.4)
- Ex Food, Energy & Homeowners’ Equivalent Rent (2.0)

Health Insurance

**Figure 25.**
CONSUMER PRICE INDEX
(yearly percent change)

Health Insurance (20.7)


**Figure 26.**
CPI & PPI: ELECTRICITY
(yearly percent change)

- Consumer Price Index (0.6)
- Producer Price Index (1.0)

Alternative CPI Measures

**Figure 27.**

**ALTERNATIVE CPI MEASURES**
(yearly percent change)

- Atlanta Fed’s Sticky CPI (2.8)
- Cleveland Fed’s Trimmed-Mean CPI (2.4)
- Cleveland Fed’s Median CPI (2.9)

Source: Federal Reserve Banks of Cleveland and Atlanta.

**Figure 28.**

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

- Consumer Price Index (yearly percent change)(2.3)
- Expected Inflation in 10-Year TIPS Yield* (1.0)

Source: Federal Reserve Board and Bureau of Labor Statistics.
**Figure 29.**

### PERSONAL CONSUMPTION EXPENDITURES DEFLATOR
(yearly percent change)

**Market-Based PCED***
- **Total (1.5)**
- **Core (1.4)**

* Market-based PCE is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most implicit prices (for example, financial services furnished without payment) and the final consumption expenses of nonprofit institutions serving households.

Source: Bureau of Economic Analysis.

**Figure 30.**

### CONSUMER PRICE MEASURES
(yearly percent change)

**Consumer Price Index**
- **Cleveland Fed Median CPI**

Figure 31.

CONSUMER PRICE INDEX
(3-month percent change, saar)

- Total (1.9)
- Excluding food & energy (2.4)


Figure 32.

INFLATION MEASURES
(yearly percent change)

- Wireless Telephone Services
  - CPI (-0.2)
  - PCED* (-5.1)

* Personal consumption expenditures deflator
Figure 35.
CONSUMER PRICES
(yearly percent change)


Figure 36.
CONSUMER PRICES
(yearly percent change)

CONSUMER PRICES
(yearly percent change)

Rent Of Primary Residence
- CPI (3.8)
- PCED* (3.7)

* Personal consumption expenditures deflator.

CONSUMER PRICES
(yearly percent change)

Owners' Equivalent Rent Of Primary Residence
- CPI (3.3)
- PCED* (3.4)

* Personal consumption expenditures deflator.
Figure 39. CONSUMER vs PRODUCER PRICE INDEXES

Goods
- PPI: Final Demand (1.8)
- CPI (1.3)


Figure 40. CONSUMER PRICE INDEX EX FOOD & ENERGY

(yearly percent change)

**Figure 41.**

CONSUMER PRICE INDEX EX FOOD ENERGY (yearly percent change)

- Volcker Rate Shock
- Reagan Fires PATCO
- End Of Cold War
- Amazon Goes Public
- China Joins WTO
- Oldest Baby Boomers Turn 65
- Walmart Goes Public
- Amazon Web Services
- Widespread Fracking


**Figure 42.**

CONSUMER PRICES (yearly percent change)

- CPI (2.3)
- CPI Rent of Shelter (3.3)

CONSUMER PRICES
(yearly percent change)

Figure 43.


CONSUMER PRICES
(yearly percent change)

Figure 44.

Figure 45.

PERSONAL CONSUMPTION EXPENDITURES DEFLATOR EX FOOD & ENERGY
(yearly percent change)

Source: Bureau of Economic Analysis.