

13th October 2022

US inflation at 8.2%yy for Sep-22

- This is higher than the survey estimate...
- ... and a decrease from 8.3%yy last month
- Represents lessening inflation pressures

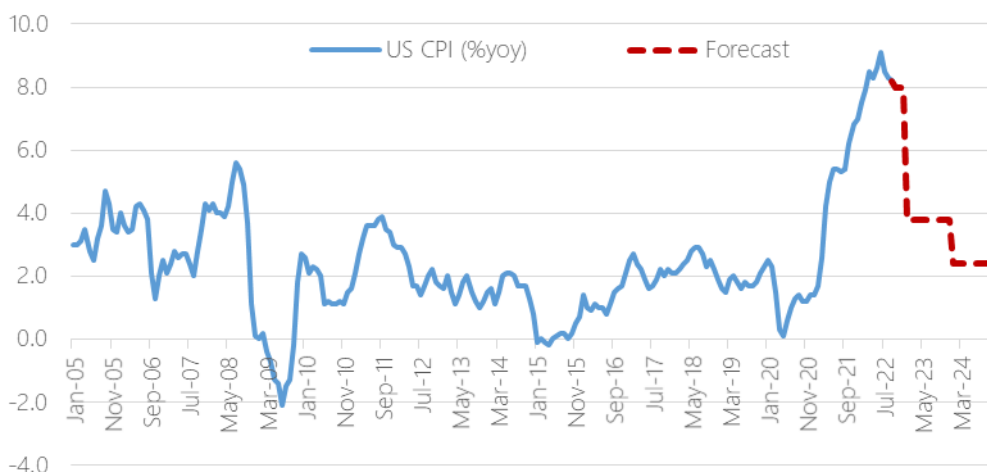
Latest US inflation figures

The latest US inflation came in at 8.2%yy for September 2022, higher than survey estimate. This is down from high of 8.3%yy last month and is higher than expectations of 8.1%.

Gasoline and used car prices fell in September, following the decreasing trend from July 2022. Food prices continued rising at a fast rate of 11.2%yy. Shelter cost moved higher by 0.7% from last month and went up by 6.7% from the same time last year.

Long-term picture

Inflation rates cools down for the third time in six months and economists see rates declining to the trend levels by early 2024. We prefer to focus on market-implied breakeven inflation rates.

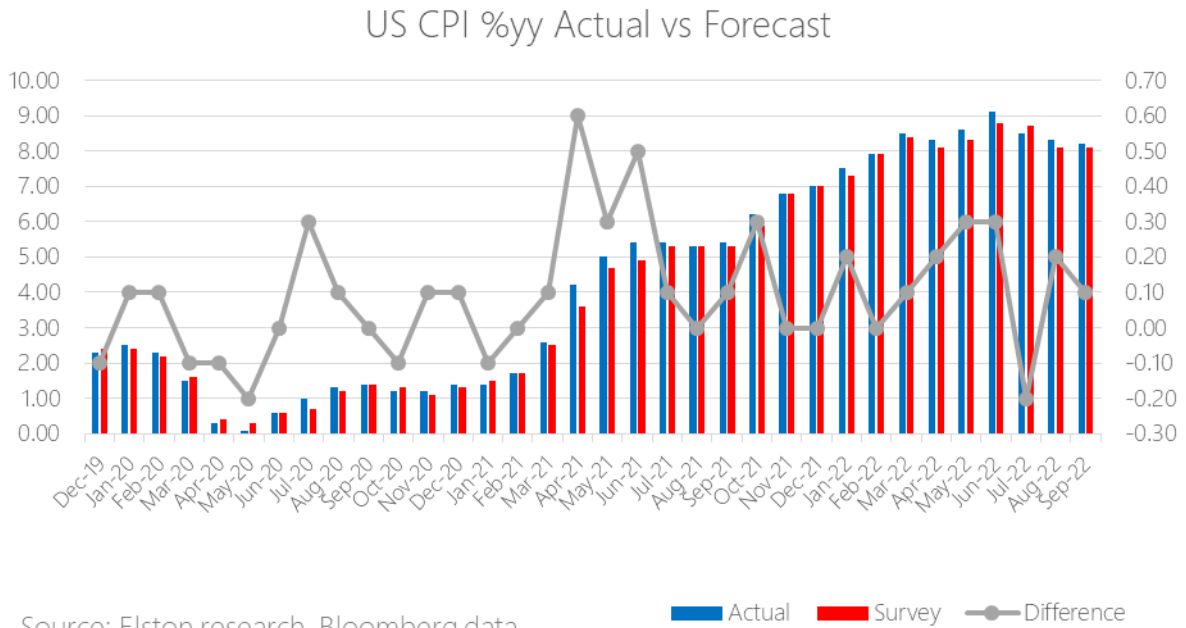


Source: Elston Research, Bloomberg data

Source: Elston research, Bloomberg data, as at report date

Inflation rate vs estimates

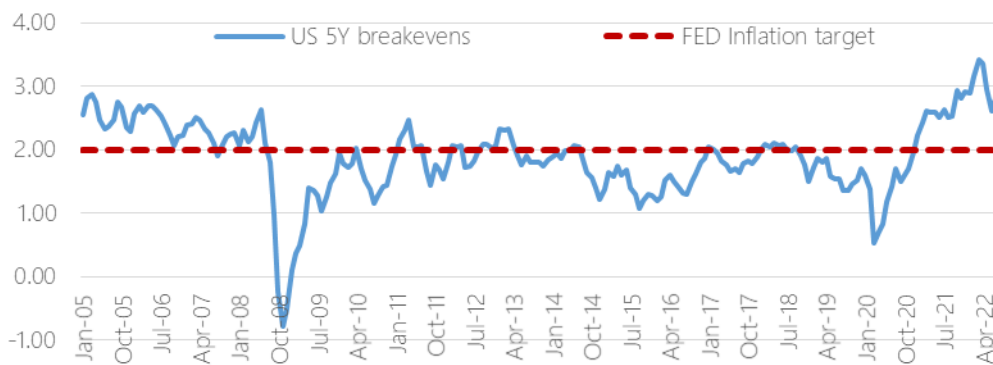
In the chart below we show how US inflation has typically been ahead of estimates.



Source: Elston research, Bloomberg data, as at report date

Where are breakeven rates

US 5-year breakeven rate are at 2.16%, vs 2.64% last month, representing a decrease in inflation expectations.



Source: Elston Research, Bloomberg data

Source: Elston research, Bloomberg data, as at report date



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