

13th December 2022

US inflation at 7.1%yy for Nov-22

- This is lower than the survey estimate...
- ... and a decrease from 7.7%yy last month
- Represents lessening inflation pressures

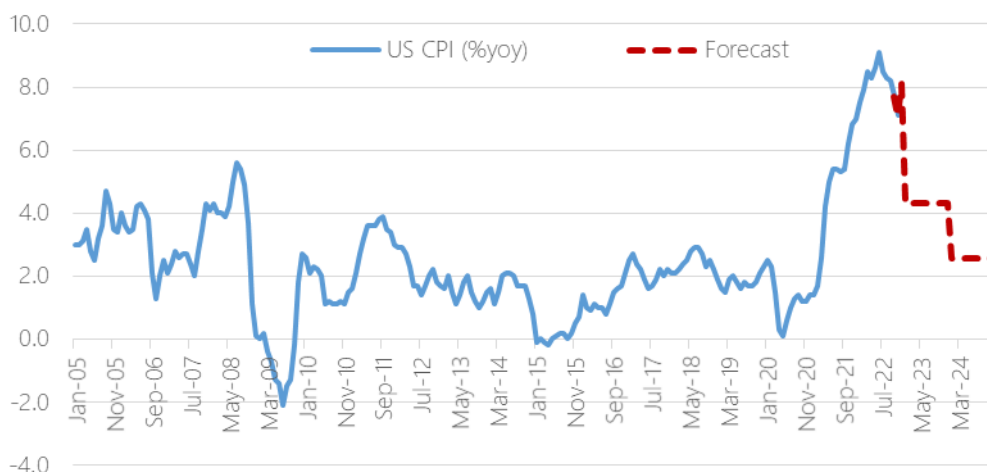
Latest US inflation figures

The latest US inflation came in at 7.1%yy for November 2022, lower than survey estimate. This is down from 7.7%yy last month and is lower than expectations of 7.3%.

Energy prices decreased 1.6% and rents increased 0.8%. Food prices continued rising and rose 0.5% from last month. Core goods prices fell 0.5% and shelter cost moved higher by 0.6% from last month.

Long-term picture

Inflation rates cools down for the fifth time in six months, below the median economist estimates. We prefer to focus on market-implied breakeven inflation rates.

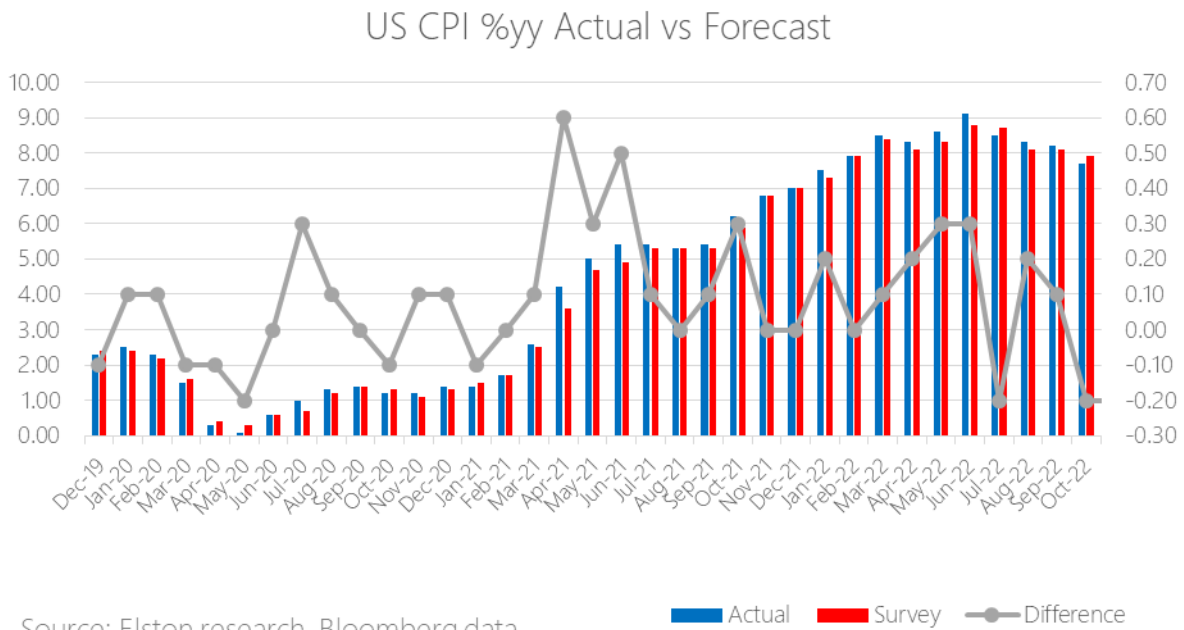


Source: Elston Research, Bloomberg data

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

Inflation rate vs estimates

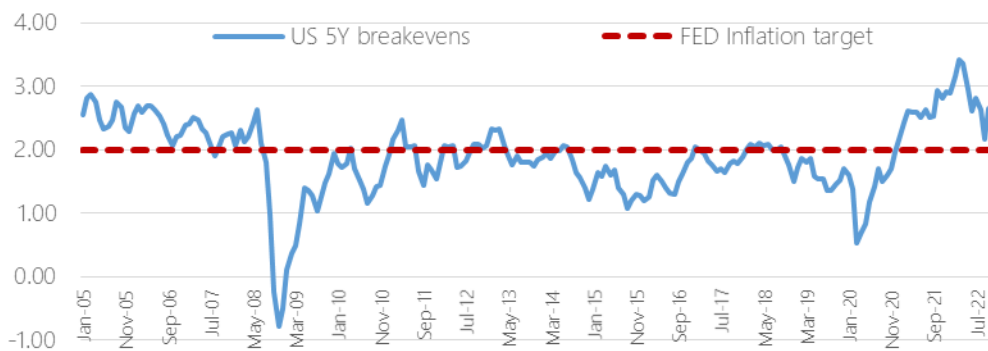
In the chart below we show how US inflation has typically been ahead of estimates.



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

Where are breakeven rates

US 5-year breakeven rate are at 2.48%, vs 2.66% 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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