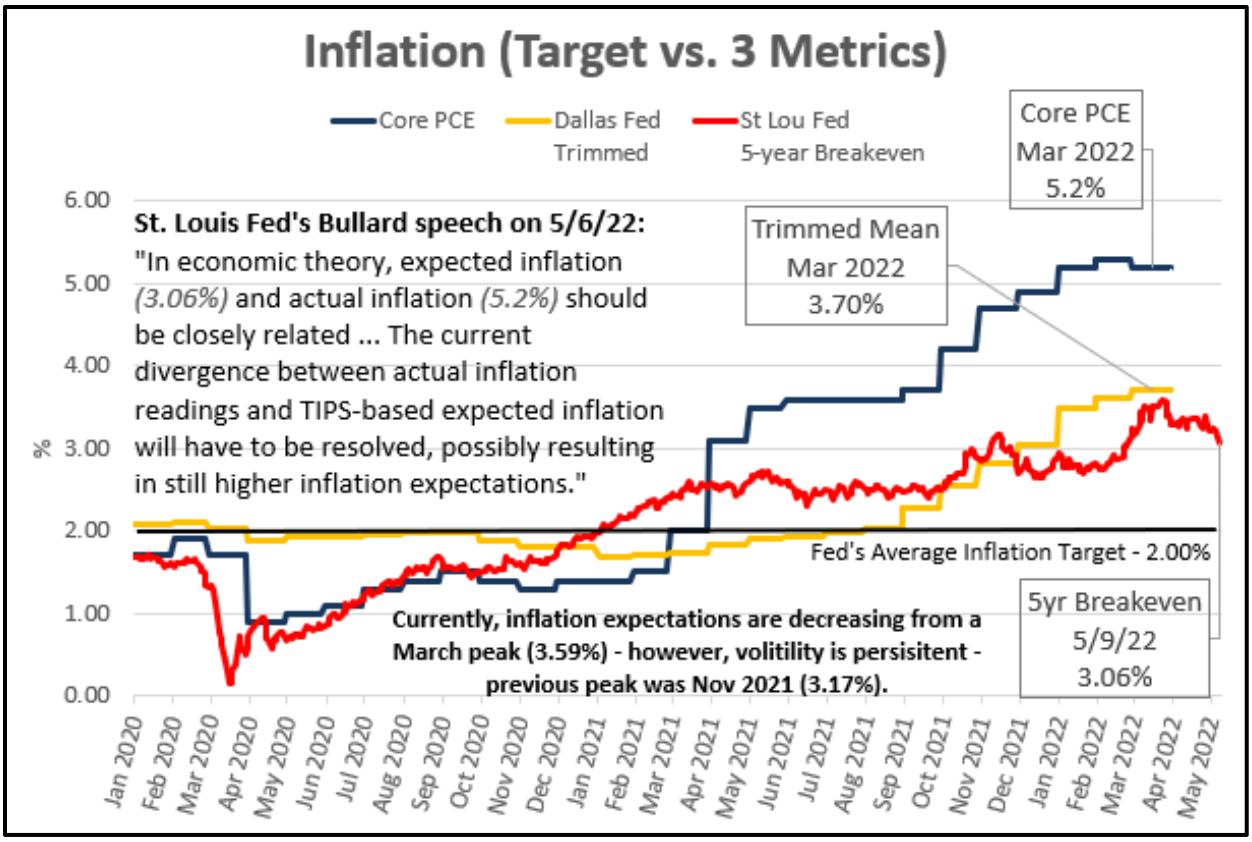
Inflation (Target vs. 3 Metrics)
Core PCE
Dallas Fed Trimmed
St Lou Fed 5-year Breakeven
Core PCE Mar 2022 5.2%
Trimmed Mean Mar 2022 3.70%
St. Louis Fed's Bullard speech on 5/6/22: "In economic theory, expected inflation (3.06%) and actual inflation (5.2%) should be closely related ... The current divergence between actual inflation readings and TIPS-based expected inflation will have to be resolved, possibly resulting in still higher inflation expectations."
Fed's Average Inflation Target - 2.00%
Currently, inflation expectations are decreasing from a March peak (3.59%) - however, volitility is persisitent - previous peak was Nov 2021 (3.17%).
5yr Breakeven 5/9/22 3.06%
%
6.00
5.00
4.00
3.00
2.00
1.00
0.00
Jan 2020
Feb 2020
Mar 2020
Apr 2020
May 2020
Jun 2020
Jul 2020
Aug 2020
Sep 2020
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May 2022