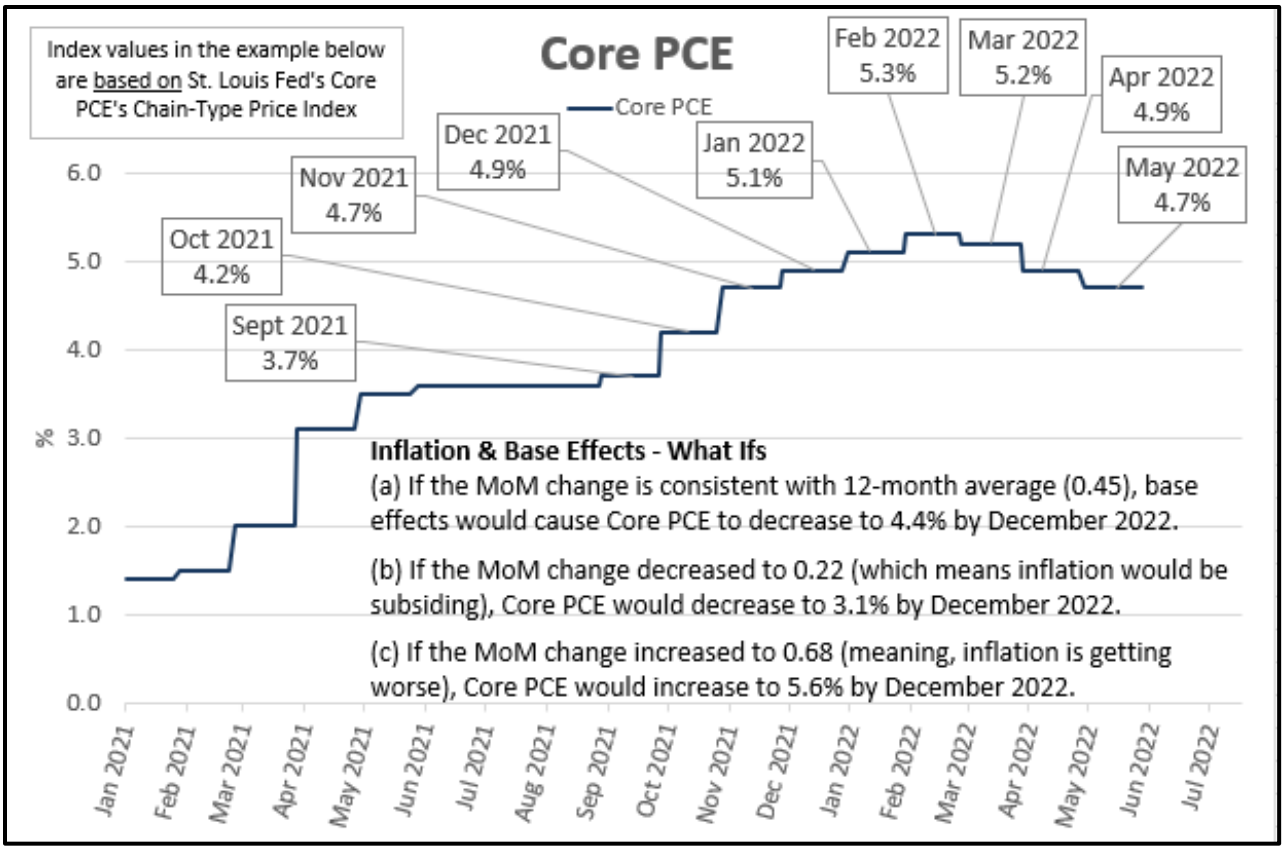
Index values in the example below are based on St. Louis Fed's Core PCE's Chain-Type Price Index
Core PCE
Core PCE
Oct 2021 4.2%
Nov 2021 4.7%
Dec 2021 4.9%
Jan 2022 5.1%
Feb 2022 5.3%
Mar 2022 5.2%
Apr 2022 4.9%
May 2022 4.7%
Sept 2021 3.7%
%
6.0
5.0
4.0
3.0
2.0
1.0
0.0
Jan 2021
Feb 2021
Mar 2021
Apr 2021
May 2021
Jun 2021
Jul 2021
Aug 2021
Sep 2021
Oct 2021
Nov 2021
Dec 2021
Jan 2022
Feb 2022
Mar 2022
Apr 2022
May 2022
Jun 2022
Jul 2022
Inflation & Base Effects - What Ifs
(a) If the MoM change is consistent with 12-month average (0.45), base effects would cause Core PCE to decrease to 4.4% by December 2022.
(b) If the MoM change decreased to 0.22 (which means inflation would be subsiding), Core PCE would decrease to 3.1% by December 2022.
(c) If the MoM change increased to 0.68 (meaning, inflation is getting worse), Core PCE would increase to 5.6% by December 2022.