

10.May.2023

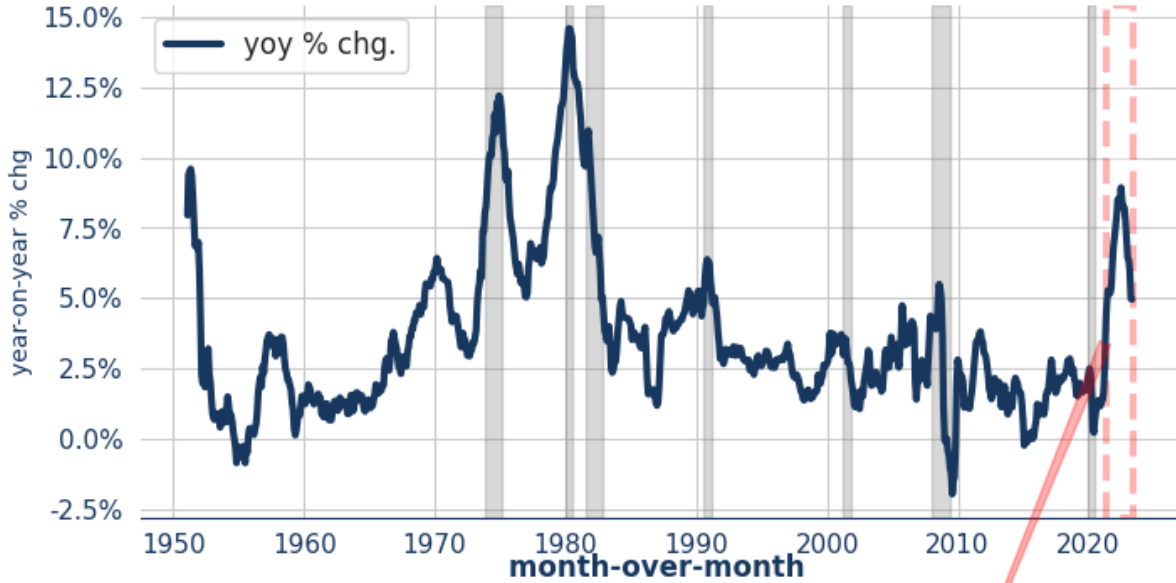
CPI: Details Show Continued Signs of Cooling

Bottom Line: Consumer prices rose as expected in April with higher gasoline prices but lower utility prices. Core CPI rose 0.41% on the month, just slightly faster than in March. Core commodity prices were mostly higher, while services prices, which have been the source of most of the trend price gains, slowed modestly. Used car prices rebounded sharply, consistent with a lag of two to three months between this report and the major used car price indices (which were higher earlier this year but fell in April). New car prices were lower, though, as were airfares after two months of sharp gains. Owner's Equivalent Rent (OER), the largest component of core, was up 0.54%, in line with March but notably lower than the 0.7% reading in February. Finally, prices for medical care services remained modest.

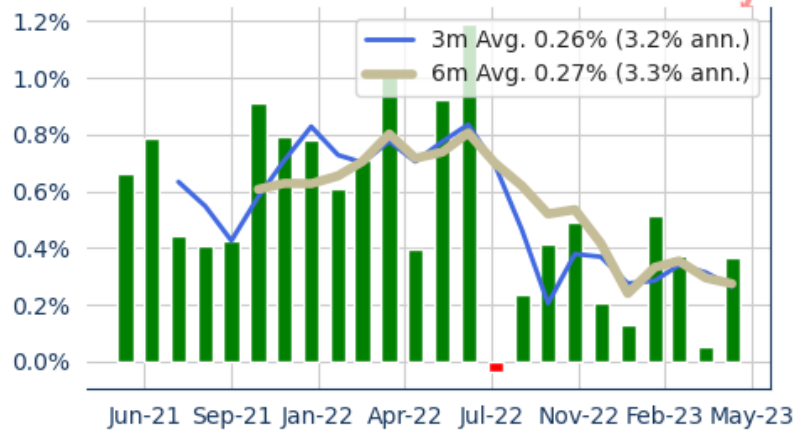
Overall, this was slightly more encouraging than the headline suggested for Fed policymakers looking for a continued deceleration in inflation. While pockets of core price pressures remain, the "services less shelter" category, often cited by Fed Chair Powell, rebounded only slightly and remained firmly in a downtrend. And shelter prices are still on track to slowly deflate later this year, consistent with the long lag between actual rents and the imputed rent in CPI.

CPI All Items

Year-on-year in April: +4.96%, consensus: +5.0%

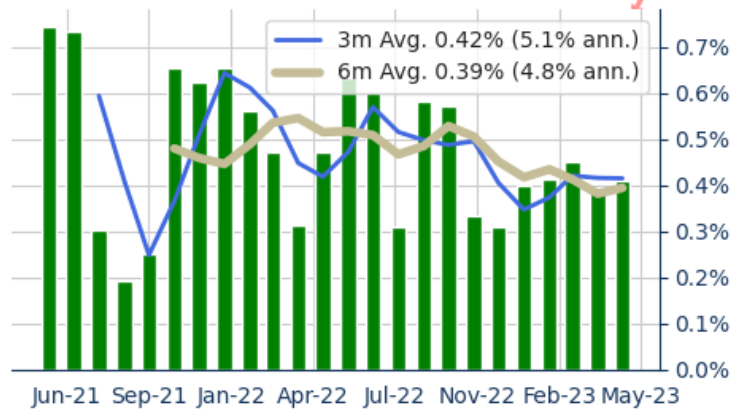
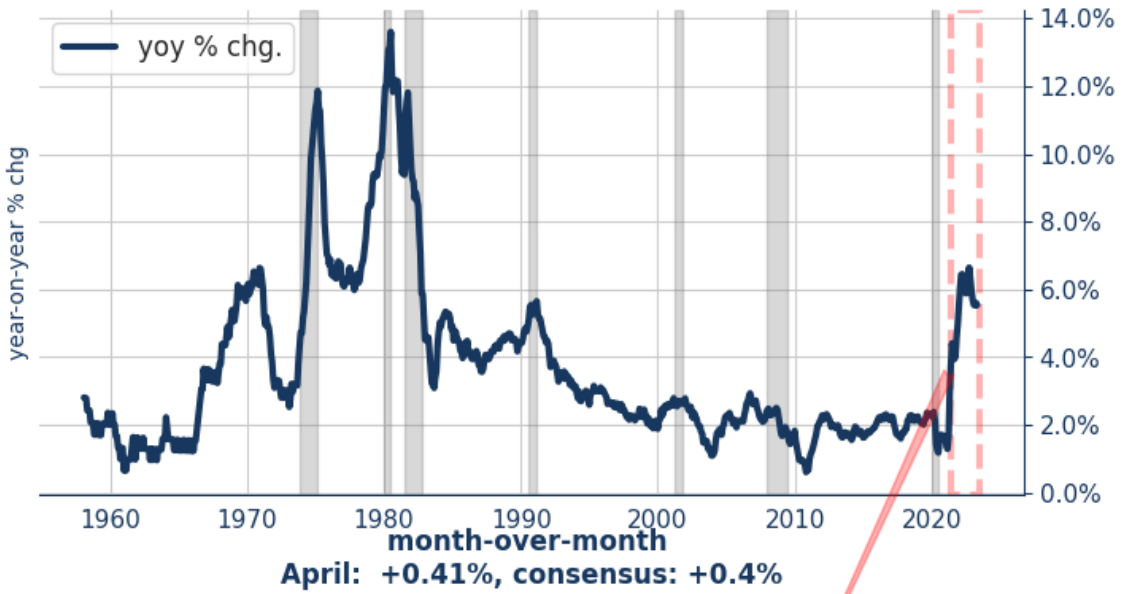


April: +0.37%, consensus: +0.4%



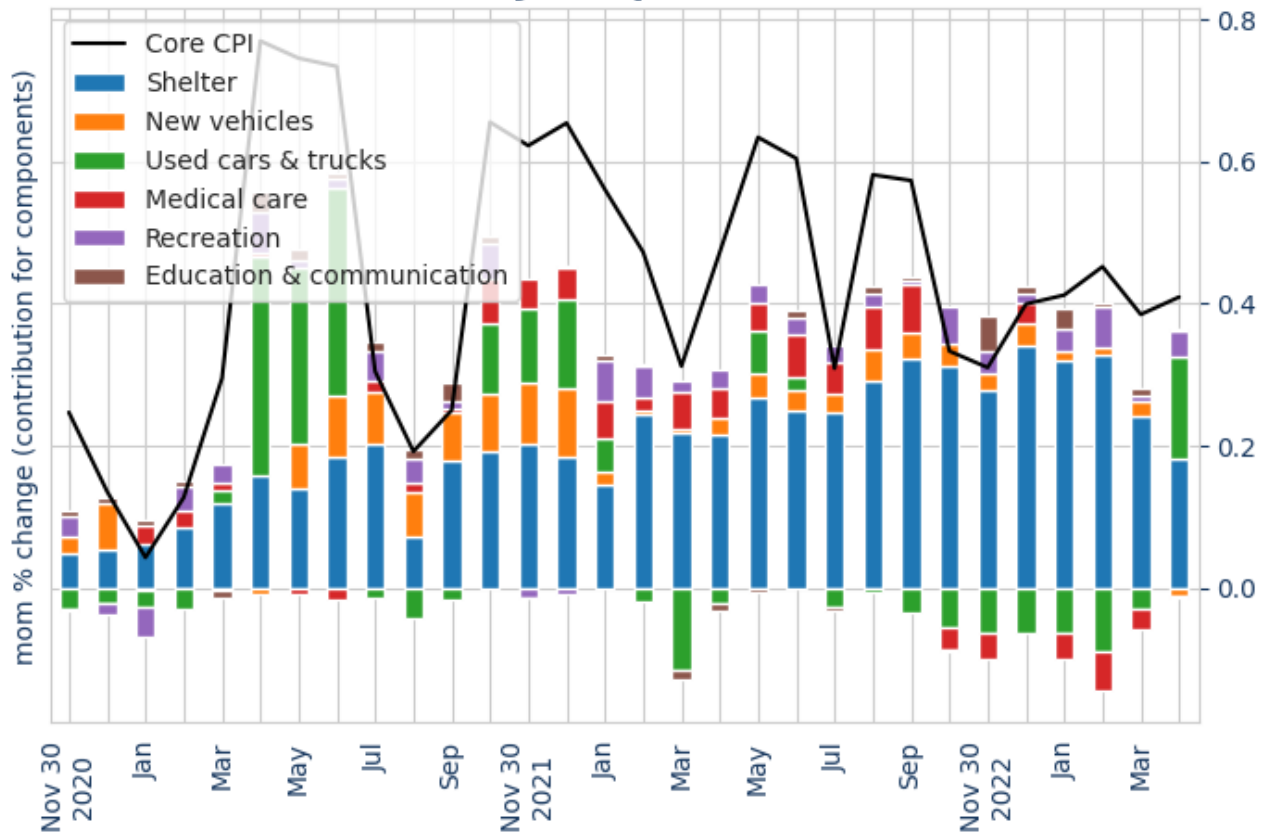
Core CPI

Year-on-year in April: +5.54%, consensus: +5.5%

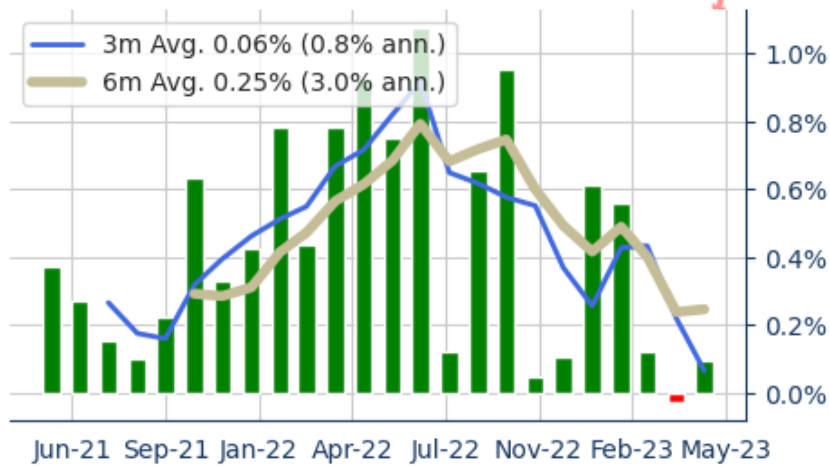
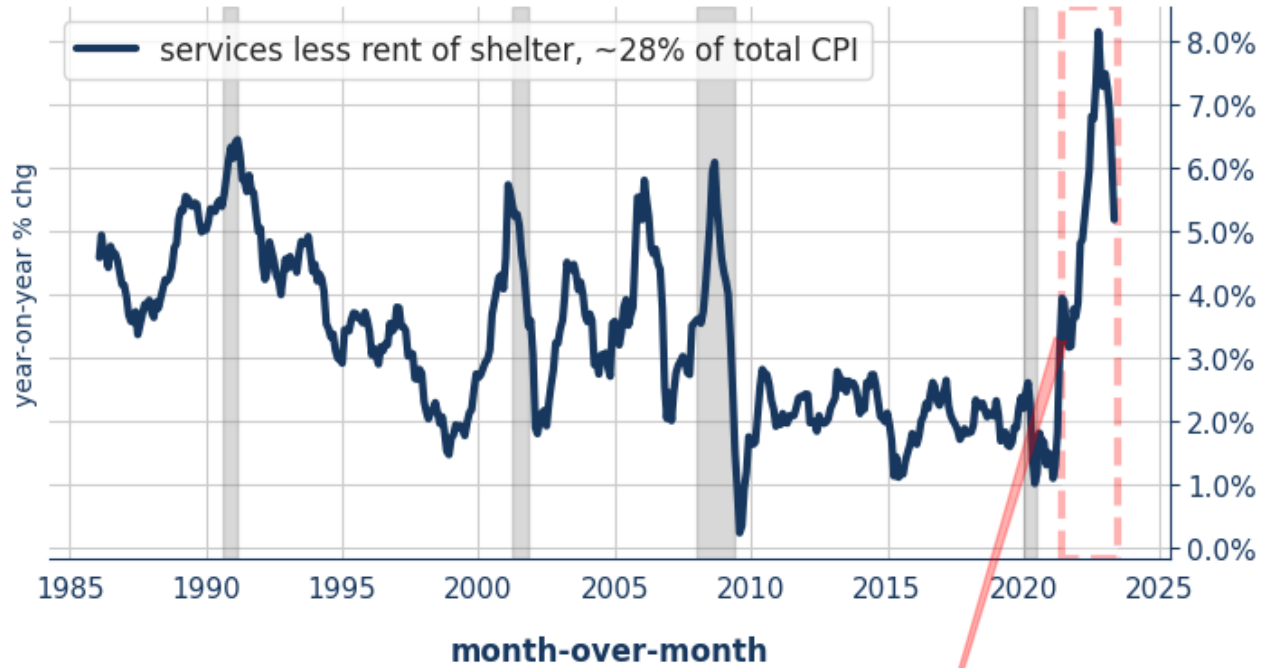


Contingent Macro Advisors 2023 source: US BEA

Monthly Core CPI (contribution by component shaded bars)

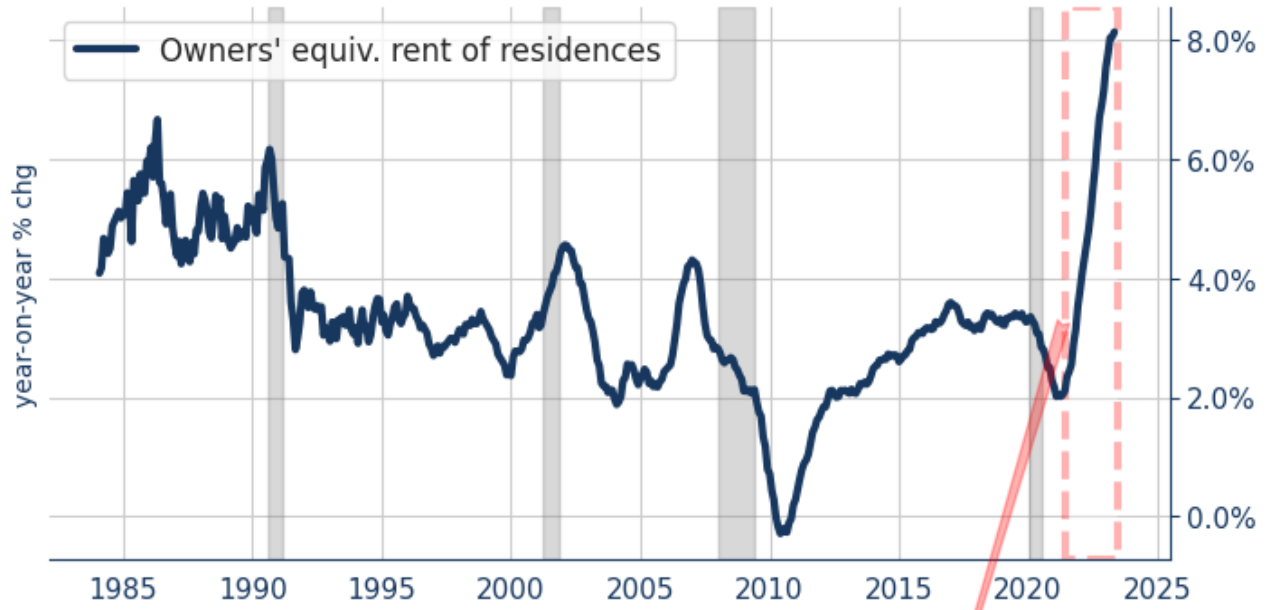


Services less rent a focus of Fed Chair Powell

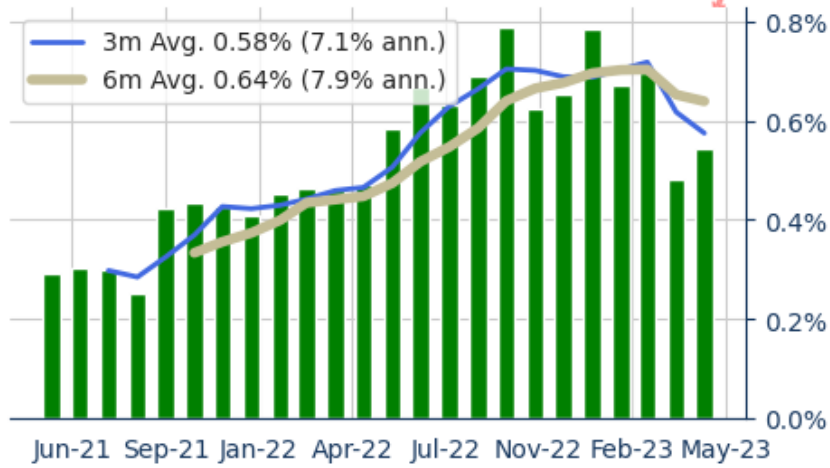


Contingent Macro Advisors 2023 source: US BEA

Owners' equiv. rent of residences

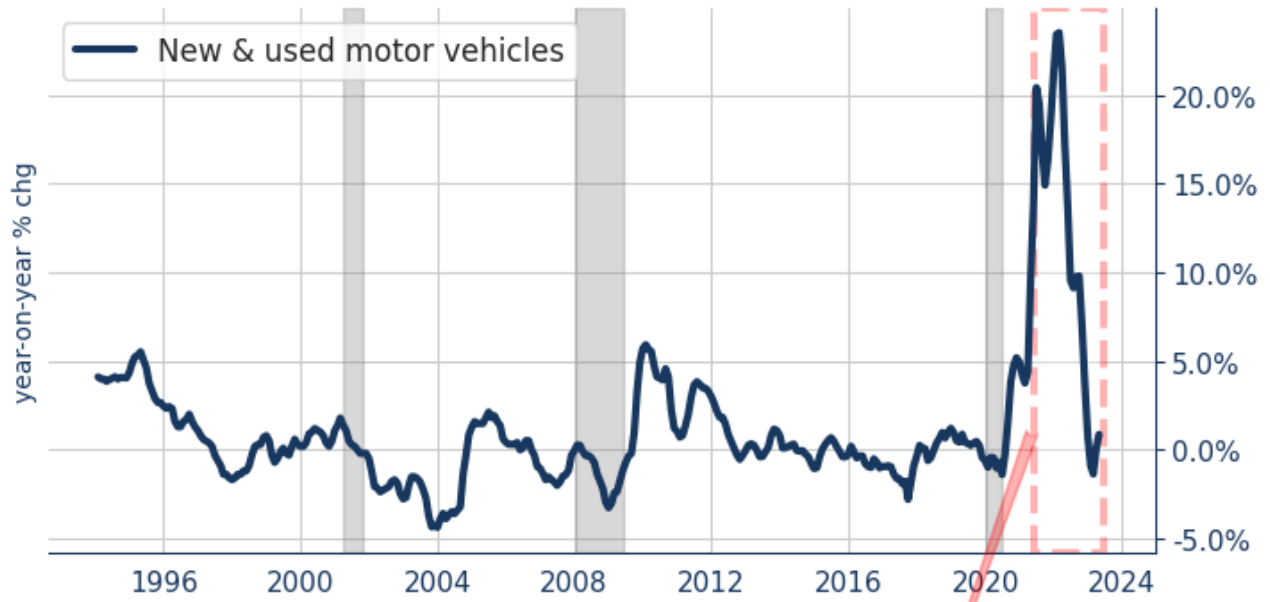


month-over-month % change

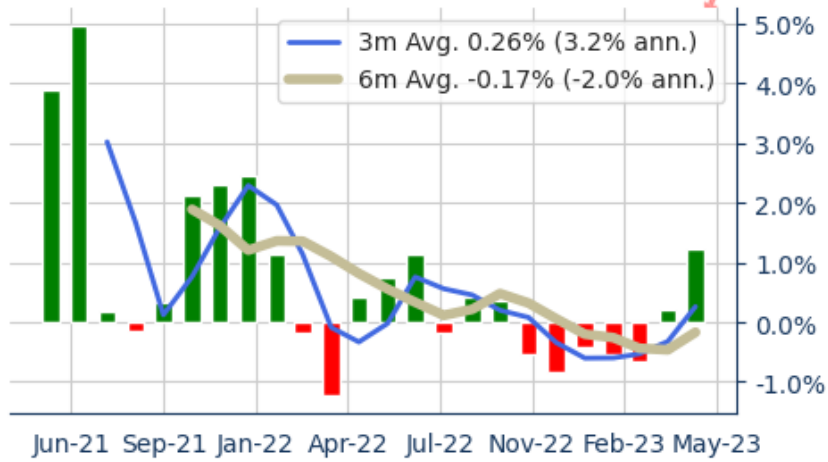


Contingent Macro Advisors 2023 source: US BEA

New & used motor vehicles



month-over-month % change

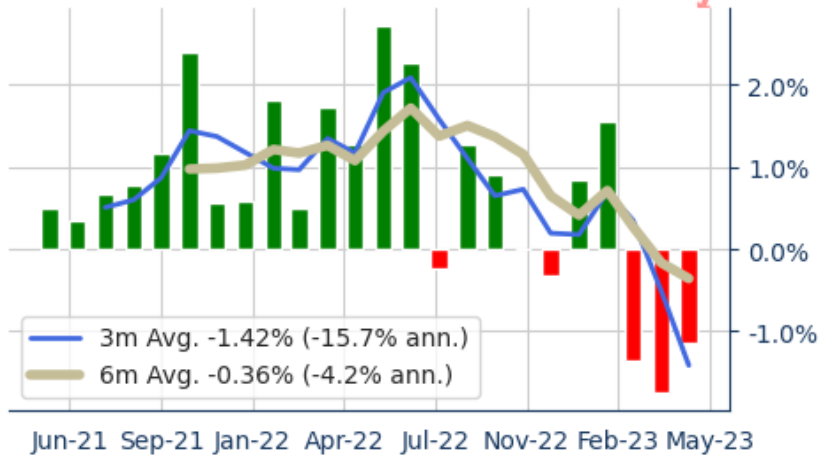


Contingent Macro Advisors 2023 source: US BEA

Fuels & utilities

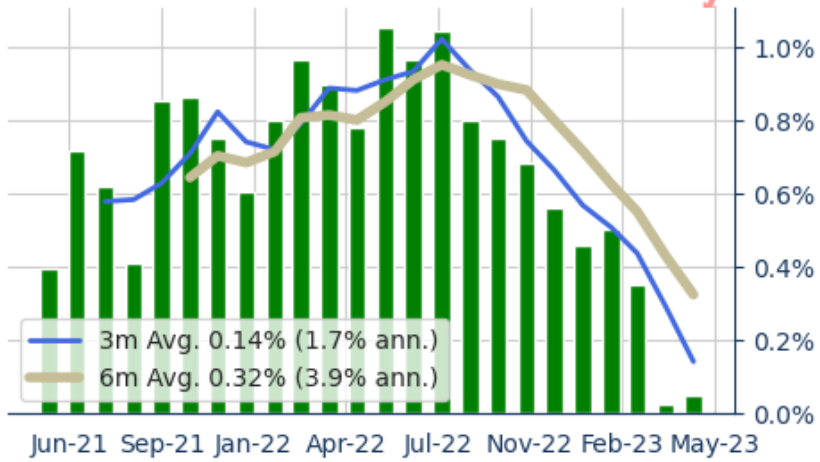
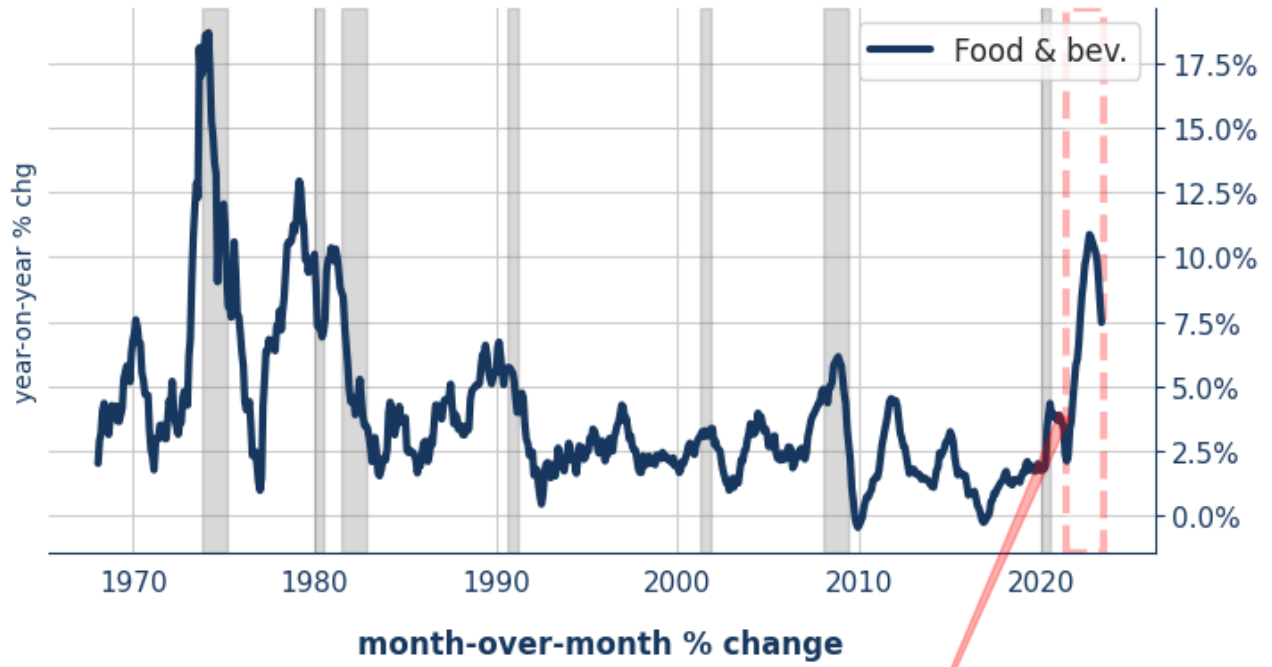


month-over-month % change



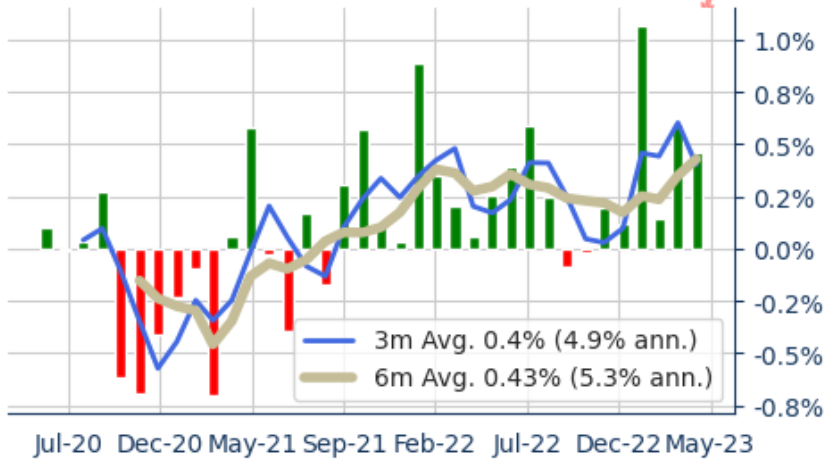
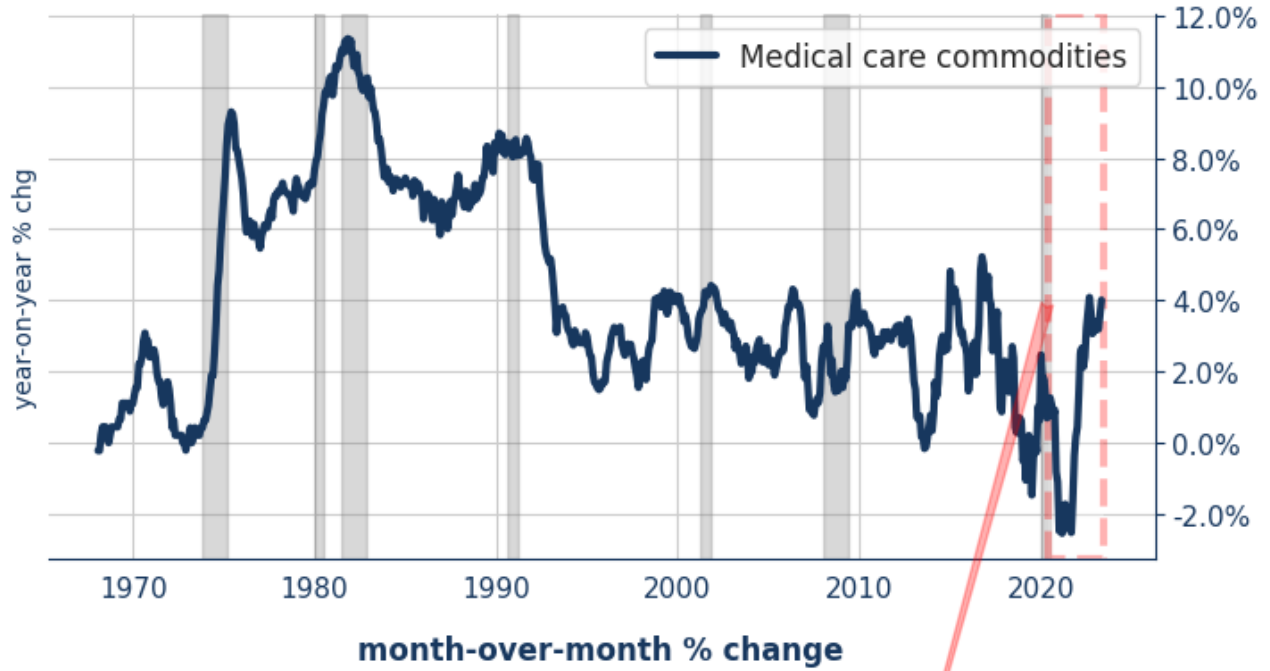
Contingent Macro Advisors 2023 source: US BEA

Food & bev.



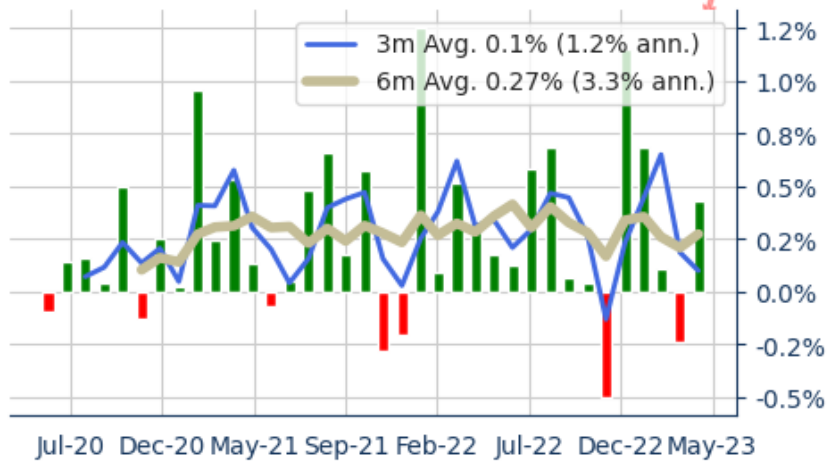
Contingent Macro Advisors 2023 source: US BEA

Medical care commodities



Contingent Macro Advisors 2023 source: US BEA

Hospital & related serv.



Contingent Macro Advisors 2023 source: US BEA

US Consumer Price Inflation	Apr-23	Mar-23	3m ann % chg	6m ann % chg	YoY % chg	2022	2021	5y
CPI All Items	0.37%	0.05%	3.21%	3.34%	4.96%	6.44%	7.19%	3.97%
Core CPI (79.5%)	0.41%	0.38%	5.10%	4.84%	5.54%	5.70%	5.52%	3.57%
Motor fuel (3.4%)	2.80%	-4.74%	-4.61%	-15.36%	-12.45%	-0.53%	50.05%	7.77%
Energy serv. (3.4%)	-1.68%	-2.31%	-20.59%	-4.57%	5.93%	15.60%	10.34%	4.96%
Food & bev. (13.5%)	0.05%	0.02%	1.69%	3.94%	7.46%	10.19%	6.04%	4.92%
Shelter (34.5%)	0.42%	0.56%	7.17%	8.09%	8.10%	7.48%	4.18%	4.13%
Medical care	-0.03%	-0.30%	-3.42%	-2.64%	1.05%	4.00%	2.23%	2.37%

(8.0%)								
New vehicles (4.3%)	-0.22%	0.38%	1.37%	3.27%	5.42%	5.89%	11.78%	4.28%
Used cars & trucks (2.6%)	4.45%	-0.88%	2.68%	-10.09%	-6.56%	-8.59%	37.73%	7.28%
Transportation serv. (5.8%)	0.73%	1.35%	15.79%	9.72%	11.03%	14.58%	4.19%	4.25%
Education & communication (5.8%)	0.03%	0.16%	0.98%	2.81%	1.55%	0.75%	1.62%	1.30%
Recreation (5.4%)	0.55%	0.11%	6.28%	5.50%	5.01%	5.14%	3.26%	2.70%
Apparel (2.6%)	0.27%	0.26%	5.50%	5.06%	3.63%	2.91%	5.71%	1.04%
Other goods & serv. (2.7%)	0.93%	0.50%	9.75%	7.41%	6.60%	6.35%	4.46%	3.98%

Month-over-month % change for most recent months, followed by annualized % changes for periods noted. 5- and 10-year are simple averages of annual % changes.

US CPI - Food & Bev Categories	Apr-23	Mar-23	3m ann % chg	6m ann % chg	YoY % chg	2022	2021	5y
Food & bev. (13.5% total CPI)	0.05%	0.02%	1.69%	3.94%	7.46%	10.19%	6.04%	4.92%
Cereals & bakery prods (1.2%)	0.15%	0.61%	4.26%	7.82%	12.38%	16.10%	4.81%	5.70%
Meats, poultry, fish, & eggs	-0.34%	-1.41%	-7.17%	-0.68%	2.76%	7.64%	12.55%	5.61%
Dairy & related prods (0.8%)	-0.73%	-0.09%	-2.77%	1.17%	8.00%	15.43%	1.81%	5.03%
Fruits & vegetables (1.5%)	-0.54%	-1.33%	-6.51%	-2.31%	2.05%	8.54%	5.12%	2.76%
Nonalcoholic bev. & beverage materials (1.1%)	-0.07%	0.24%	4.65%	5.73%	9.48%	12.65%	5.20%	5.39%
Other food at home (2.3%)	0.18%	0.44%	3.67%	4.87%	10.39%	13.97%	5.64%	5.50%
Food away from home (4.8%)	0.37%	0.60%	6.59%	6.39%	8.55%	8.25%	6.01%	5.14%

Shelter (34.5% total CPI)	0.42%	0.56%	7.17%	8.09%	8.10%	7.48%	4.18%	4.13%
Rent of primary residence (7.5%)	0.56%	0.49%	7.47%	8.54%	8.80%	8.36%	3.34%	4.36%
Lodging away from home (1.2%)	-2.96%	2.70%	7.85%	7.60%	3.34%	2.85%	24.04%	3.61%
Owners' equiv. rent of residences (25.4%)	0.54%	0.48%	7.12%	7.95%	8.12%	7.53%	3.79%	4.12%
Household energy (3.6%)	-1.59%	-2.32%	-21.16%	-7.08%	4.54%	16.16%	11.56%	5.07%
Household furnishings & operations (4.4%)	0.22%	0.40%	6.05%	4.60%	5.31%	6.72%	7.41%	4.32%

Month-over-month % change for most recent months, followed by annualized % changes for periods noted. 5- and 10-year are simple averages of annual % changes.

US CPI - Recreation	Apr-23	Mar-23	3m ann % chg	6m ann % chg	YoY % chg	2022	2021	5y
Recreation (5.4% total CPI)	0.55%	0.11%	6.28%	5.50%	5.01%	5.14%	3.26%	2.70%
TV, radio subs. (1.0%)	0.56%	1.19%	15.18%	9.36%	5.77%	3.93%	2.82%	3.96%
Pet food (1.2%)	1.42%	1.65%	18.36%	11.93%	14.60%	15.18%	2.38%	5.30%
Toys (0.4%)	-0.47%	0.68%	7.30%	0.57%	1.55%	1.27%	1.83%	-1.49%
Music instruments & accessories (0.1%)	-0.06%	1.78%	15.25%	9.82%	5.91%	5.51%	5.87%	3.82%
Club, gyms etc. (0.1%)	0.07%	-0.40%	1.69%	3.62%	4.49%	5.23%	1.76%	2.18%
Entertainment tickets (0.4%)	1.42%	1.10%	9.82%	9.46%	6.88%	6.47%	4.87%	3.89%
Fees for lessons or instructions (0.2%)	4.97%	-0.21%	18.26%	15.09%	12.07%	7.84%	2.95%	4.60%

Month-over-month % change for most recent months, followed by annualized % changes for periods noted. 5- and 10-year are simple averages of annual % changes. Pet food includes all related to pets.

US CPI - Medical	Apr-23	Mar-23	3m ann % chg	6m ann % chg	YoY % chg	2022	2021	5y
Medical care (8.0% total CPI)	-0.03%	-0.30%	-3.42%	-2.64%	1.05%	4.00%	2.23%	2.37%
Medical care commodities (1.5%)	0.46%	0.59%	4.91%	5.26%	4.01%	3.21%	0.45%	1.19%
Prof. serv. (3.6%)	0.11%	0.04%	-0.65%	-0.13%	2.15%	2.96%	3.30%	1.97%
Hospital & related serv. (2.3%)	0.43%	-0.24%	1.16%	3.28%	3.33%	4.57%	3.27%	3.14%

Month-over-month % change for most recent months, followed by annualized % changes for periods noted. 5- and 10-year are simple averages of annual % changes. Prof. serv. includes physician, dental, eye and other professional medical services.