

14<sup>th</sup> February 2023

## US inflation at 6.4%yy for Jan-23

- This is above the survey estimate of 6.2%...
- ... and a decrease from 6.5%yy last month
- Lessening inflation pressures means US is past the peak

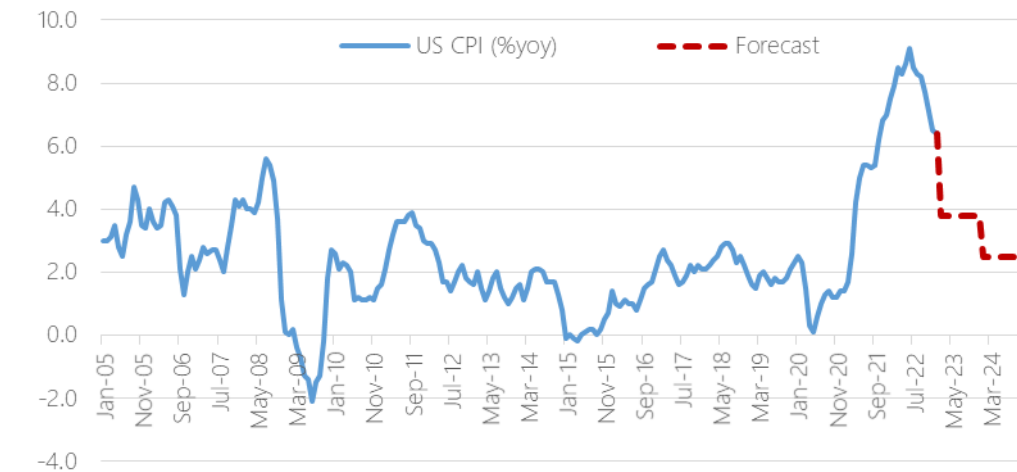
### Latest US inflation figures

The latest US inflation came in at 6.4%yy for January 2023. This is down from 6.5%yy last month and is more than expected.

Shelter costs increased by 0.7%. Food prices continued rising and rose 0.5% from last month. Core services without housing rose 0.3% last month.

### Long-term picture

Inflation rates cools down for the seventh time in seven months, however this time above the median economist estimates. We prefer to focus on market-implied breakeven inflation rates.

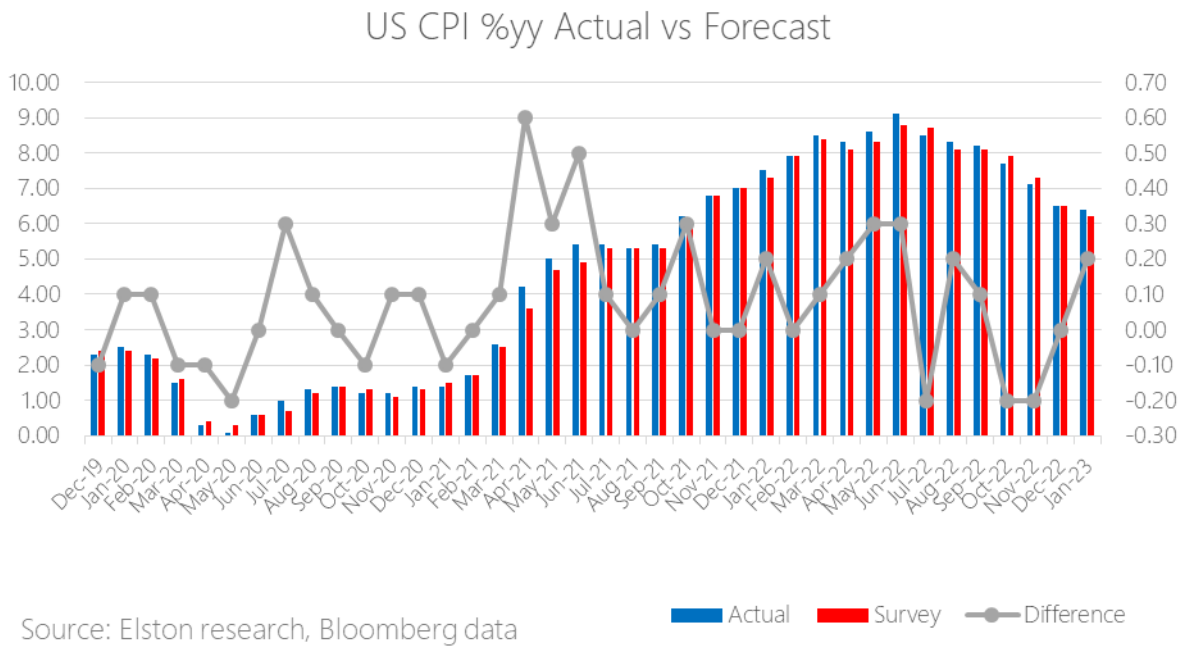


Source: Elston Research, Bloomberg data

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

## Inflation rate vs estimates

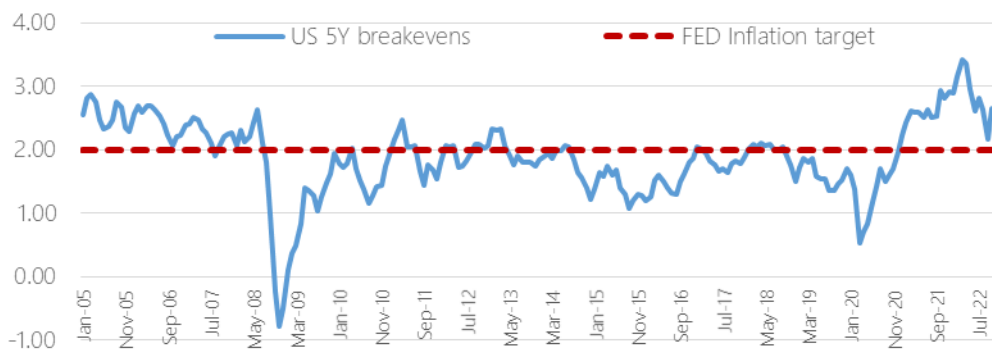
In the chart below we show how US inflation has typically been ahead of estimates.



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

## Where are breakeven rates

US 5-year breakeven rate are at 2.33, vs 2.38% 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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