

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.

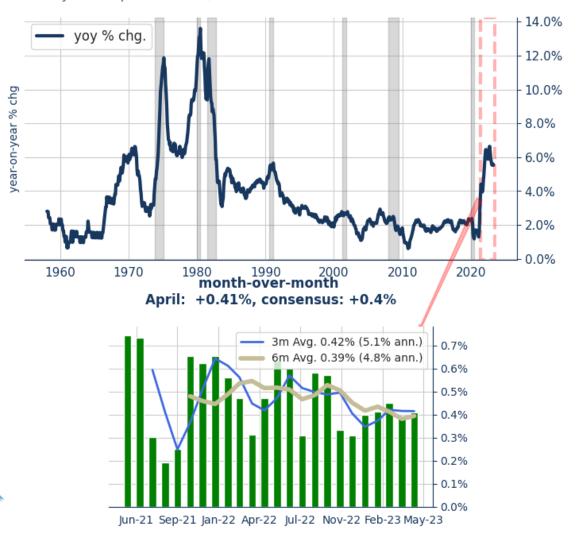
CPI All Items

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

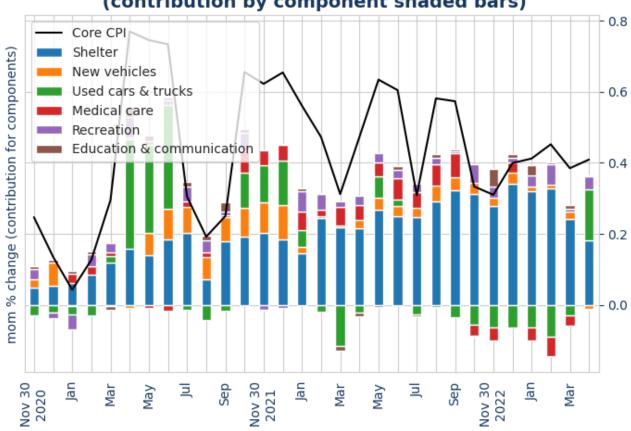


Core CPI

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



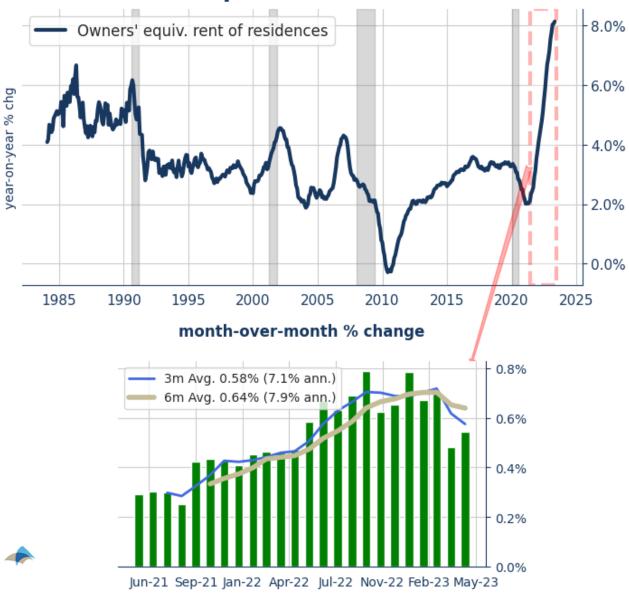
Monthly Core CPI (contribution by component shaded bars)



Services less rent a focus of Fed Chair Powell



Owners' equiv. rent of residences



New & used motor vehicles



Jun-21 Sep-21 Jan-22 Apr-22 Jul-22 Nov-22 Feb-23 May-23

-1.0%

Fuels & utilities 20.0% 15.0% year-on-year % chg 10.0% 5.0% 0.0% -5.0% Fuels & utilities -10.0% 1960 1970 1980 1990 2000 2010 2020 month-over-month % change 2.0% 1.0% 0.0% -1.0% 3m Avg. -1.42% (-15.7% ann.) 6m Avg. -0.36% (-4.2% ann.)

Jun-21 Sep-21 Jan-22 Apr-22 Jul-22 Nov-22 Feb-23 May-23

Food & bev. Food & bev. 17.5% 15.0% year-on-year % chg 12.5% - 10.0% - 7.5% - 5.0% 2.5% 0.0% 2020 1970 2010 1980 1990 2000 month-over-month % change 1.0% 0.8% 0.6% 0.4% 0.2% 6m Avg. 0.32% (3.9% ann.)

Jun-21 Sep-21 Jan-22 Apr-22 Jul-22 Nov-22 Feb-23 May-23

0.0%

Medical care commodities



Jul-20 Dec-20 May-21 Sep-21 Feb-22 Jul-22 Dec-22 May-23

Hospital & related serv.



Jul-20 Dec-20 May-21 Sep-21 Feb-22 Jul-22 Dec-22 May-23

-0.2% -0.5%

US Consumer Price Inflation	Apr-23	Mar-23	3m ann % chg	6m ann % chg	YoY % chg	2022	2021	5у
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.

Apr-23	Mar-23	3m ann % chg	6m ann % chg	YoY % chg	2022	2021	5у
0.05%	0.02%	1.69%	3.94%	7.46%	10.19%	6.04%	4.92%
0.15%	0.61%	4.26%	7.82%	12.38%	16.10%	4.81%	5.70%
-0.34%	-1.41%	-7.17%	-0.68%	2.76%	7.64%	12.55%	5.61%
-0.73%	-0.09%	-2.77%	1.17%	8.00%	15.43%	1.81%	5.03%
-0.54%	-1.33%	-6.51%	-2.31%	2.05%	8.54%	5.12%	2.76%
-0.07%	0.24%	4.65%	5.73%	9.48%	12.65%	5.20%	5.39%
0.18%	0.44%	3.67%	4.87%	10.39%	13.97%	5.64%	5.50%
0.37%	0.60%	6.59%	6.39%	8.55%	8.25%	6.01%	5.14%
	0.15% -0.34% -0.73% -0.54% 0.18%	0.15%	0.05% 0.02% 1.69% 0.15% 0.61% 4.26% -0.34% -1.41% -7.17% -0.73% -0.09% -2.77% -0.54% -1.33% -6.51% -0.07% 0.24% 4.65% 0.18% 0.44% 3.67%	0.05% 0.02% 1.69% 3.94% 0.15% 0.61% 4.26% 7.82% -0.34% -1.41% -7.17% -0.68% -0.73% -0.09% -2.77% 1.17% -0.54% -1.33% -6.51% -2.31% -0.07% 0.24% 4.65% 5.73% 0.18% 0.44% 3.67% 4.87%	0.05% 0.02% 1.69% 3.94% 7.46% 0.15% 0.61% 4.26% 7.82% 12.38% -0.34% -1.41% -7.17% -0.68% 2.76% -0.73% -0.09% -2.77% 1.17% 8.00% -0.54% -1.33% -6.51% -2.31% 2.05% -0.07% 0.24% 4.65% 5.73% 9.48% 0.18% 0.44% 3.67% 4.87% 10.39%	0.05% 0.02% 1.69% 3.94% 7.46% 10.19% 0.15% 0.61% 4.26% 7.82% 12.38% 16.10% -0.34% -1.41% -7.17% -0.68% 2.76% 7.64% -0.73% -0.09% -2.77% 1.17% 8.00% 15.43% -0.54% -1.33% -6.51% -2.31% 2.05% 8.54% -0.07% 0.24% 4.65% 5.73% 9.48% 12.65% 0.18% 0.44% 3.67% 4.87% 10.39% 13.97%	0.05% 0.02% 1.69% 3.94% 7.46% 10.19% 6.04% 0.15% 0.61% 4.26% 7.82% 12.38% 16.10% 4.81% -0.34% -1.41% -7.17% -0.68% 2.76% 7.64% 12.55% -0.73% -0.09% -2.77% 1.17% 8.00% 15.43% 1.81% -0.54% -1.33% -6.51% -2.31% 2.05% 8.54% 5.12% -0.07% 0.24% 4.65% 5.73% 9.48% 12.65% 5.20% 0.18% 0.44% 3.67% 4.87% 10.39% 13.97% 5.64%

Alc. bevs. away from home (0.3%)	% 0.26%	4.47%	5.64%	6.47%	6.85%	3.73%	3.42%	
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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.

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US CPI - Transportation	Apr-23	Mar-23	3m ann % chg	6m ann % chg	YoY % chg	2022	2021	5y
Transportation serv. (5.8% total CPI)	1.15%	-0.55%	3.15%	-2.27%	0.30%	3.71%	21.69%	5.45%
Private trans.	1.48%	-0.73%	3.07%	-2.29%	0.31%	3.02%	23.20%	5.86%
Public trans. (0.8%)	-4.96%	3.18%	4.84%	-1.99%	0.28%	19.62%	2.85%	1.77%
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%
Motor vehicle maintenance & repair (1.1%)	0.54%	0.35%	4.50%	9.88%	13.31%	13.02%	4.78%	5.95%
Airline fares	-2.55%	3.96%	34.87%	3.24%	-0.87%	29.14%	1.56%	2.69%

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. NOTE - Transportation and Private Trans. includes fuel as well as services like vehicle insurance and licensing fees.

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US CPI - Energy	Apr-23	Mar-23	3m ann % chg	6m ann % chg	YoY % chg	2022	2021	5 y			
Fuels & utilities	-1.15%	-1.74%	-15.73%	-4.31%	4.76%	13.50%	9.54%	4.69%			
Household energy (3.6%)	-1.59%	-2.32%	-21.16%	-7.08%	4.54%	16.16%	11.56%	5.07%			
Motor fuel (3.4%)	2.80%	-4.74%	-4.61%	-15.36%	-12.45%	-0.53%	50.05%	7.77%			
Fuel oil & other fuels (0.2%)	0.01%	-2.49%	-30.66%	-39.10%	-15.23%	26.04%	38.42%	7.15%			
Electricity (2.6%)	-0.69%	-0.73%	-3.50%	2.86%	8.42%	14.38%	6.46%	4.70%			
Utility (piped) gas service (0.8%)	-4.90%	-7.13%	-56.41%	-24.77%	-2.10%	19.28%	24.04%	5.74%			

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 - Housing Related	Apr-23	Mar-23	3m ann % chg	6m ann % chg	YoY % chg	2022	2021	5y

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.

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US CPI - Recreation	Apr-23	Mar-23	3m ann % chg	6m ann % chg	YoY % chg	2022	2021	5 y			
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	5у
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.