

Chart of the Day



After higher than expected headline and core inflation in September, October's print surprised the market, coming in below expectations at 7.7% and 6.3% respectively. As we progress into 2023, we expect the market to shift its focus from "peak inflation" to "sticky inflation" (i.e., services inflation may take longer to moderate).

October US inflation by sector (y/y)

■ Energy ■ Food ■ Core goods ■ Core services

Eggs	43%	New vehicles	8%	Apparel	4%
Airline fares	43%	Furniture & bedding	8%	Recreation services	4%
Public transportation	28%	Outdoor equip. & supplies	8%	Hospital services	3%
Health insurance	21%	New trucks	8%	Land-line phone services	3%
Utility gas service	20%	Laundry & cleaning services	7%	Audio equipment	3%
Energy commodities	19%	Rent of shelter	7%	Professional services	3%
Motor fuel	18%	Owners' equivalent rent	7%	Toys	3%
Energy	18%	Shelter	7%	Sporting goods	3%
Cereals & bakery products	16%	Services less energy services	7%	School tuition	3%
Energy services	16%	Tobacco & smoking products	7%	Meats	3%
Transportation services	15%	Lodging away from home	6%	Medicinal drugs	3%
Milk	15%	Garbage & trash collection	6%	Footwear	3%
Electricity	14%	Personal care products	6%	Jewelry and watches	3%
Delivery services	14%	Legal services	5%	Used cars and trucks	2%
Tools, hardware & supplies	14%	Medical care services	5%	College tuition and fees	2%
Vehicle accessories	13%	Financial services	5%	Physicians' services	2%
Motor vehicle insurance	13%	Alcoholic beverages	5%	Intracity mass transit	1%
Nonalcoholic beverages	13%	Day care and preschool	5%	Technical & bus. school tuition	1%
Pets & pet products	13%	Cosmetics	5%	Appliances	1%
Food at home	12%	Educational books	5%	Internet services	1%
Motor vehicle parts and equipment	12%	Music instruments & acces.	5%	Computer software and accessories	(-1%)
Housekeeping supplies	12%	Moving, storage, freight expense	5%	Wireless phone services	(-1%)
Tires	12%	Recreational reading	5%	Computers and smart home assistants	(-3%)
Veterinarian services	11%	Funeral expenses	5%	Car & truck rental	(-4%)
Motor vehicle maint. & Repair	10%	Water & sewerage maint.	4%	TVs	(-17%)
Fruits and vegetables	9%	Nursing homes	4%	Smartphones	(-23%)
Household furnishings & supplies	9%	Photo equipment & supplies	4%		
Food away from home	9%				

Source: (1) Bureau of Labor Statistics. CPI Report October 2022.

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"Macro stability isn't everything, but without it, you have nothing."