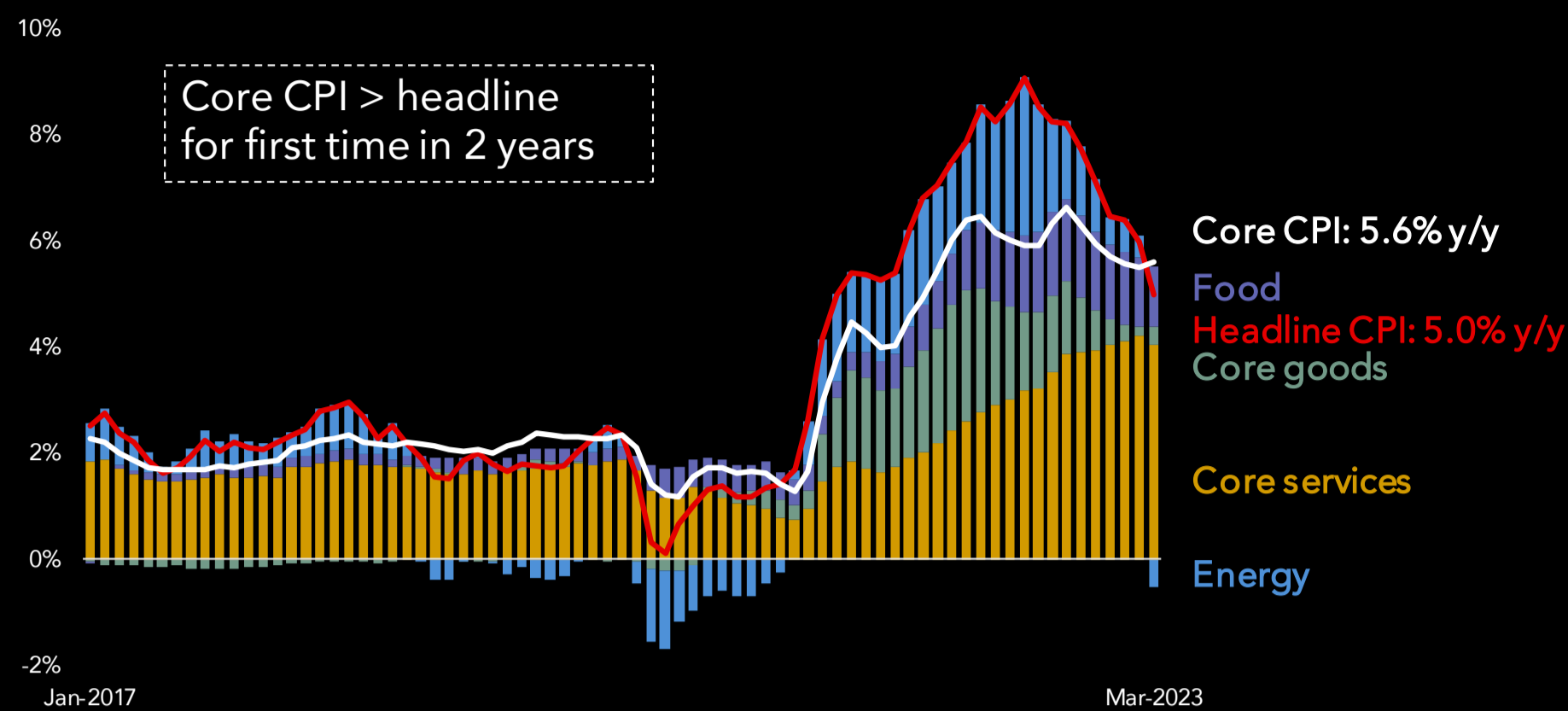


# Chart of the Day

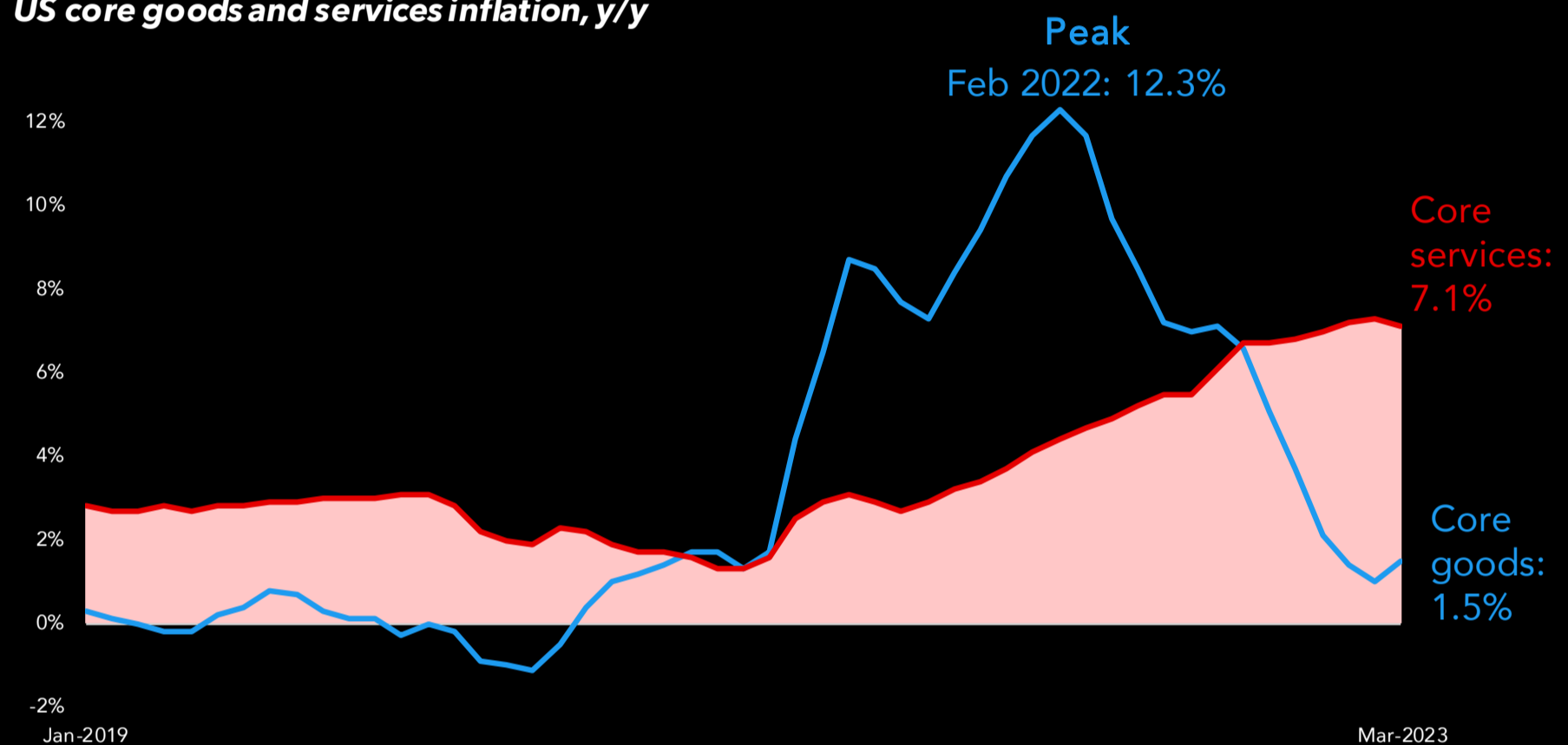
US headline inflation rose 0.1% m/m in March and 5.0% y/y, as energy prices fell by (-3.5%) and food at home priced declined by (-0.3%) on the month. Core prices increased 0.4% m/m and 5.6% y/y, the first time in over two years that core came in above the headline level.

## Breakdown of CPI by components



After steadily rising since August 2021, core services inflation declined in March to 7.1% y/y vs. 7.3% in February. Inflation in both rent and owners' equivalent rent moderated in the month, the first real sign that alternative measures of housing inflation are feeding through to CPI calculations. Core goods inflation, on the other hand, broke its trend of the past six months and increased to 1.5% y/y vs. 1% in February. The increase shows that while disinflation trends are firmly in-place, the journey to the Fed's 2% target will be non-linear.

## US core goods and services inflation, y/y



While m/m inflation data provides very useful information on the recent momentum in (dis)inflation, a look at today's CPI data on a y/y basis provides a useful lens on the categories in which the consumer is feeling the most cost pressure relative to one year ago.

## March US inflation by sector (y/y)

Energy Food Core goods Core services

Eggs	36%	Garbage & trash collection	7%	Fruits and vegetables	3%
Airline fares	18%	Personal care products	7%	Technical & bus. school tuition	3%
Motor vehicle insurance	15%	Motor vehicle parts and equipment	6%	College tuition and fees	2%
Transportation services	14%	Laundry & cleaning services	6%	Professional services	2%
Cereals & bakery products	14%	Photo equipment & supplies	6%	Furniture & bedding	2%
Motor vehicle maint. & Repair	13%	Nursing homes	6%	Toys	2%
Public transportation	12%	New trucks	6%	Wireless phone services	1%
Outdoor equip. & supplies	12%	New vehicles	6%	Appliances	1%
Nonalcoholic beverages	12%	Recreation services	6%	Sporting goods	1%
Tools, hardware & supplies	11%	Household furnishings & supplies	6%	Medical care services	1%
Delivery services	11%	Utility gas service	6%	Moving, storage, freight expense	1%
Pets & pet products	10%	Milk	6%	Educational books	1%
Housekeeping supplies	10%	Music instruments & acces.	6%	Meats	1%
Vehicle accessories	10%	Funeral expenses	5%	Physicians' services	1%
Electricity	10%	Legal services	5%	Footwear	0%
Energy services	9%	Water & sewerage maint.	5%	Intracity mass transit	0%
Food away from home	9%	Audio equipment	5%	Computer software and accessories	(-1%)
Food at home	8%	Financial services	5%	Computers and smart home assistants	(-6%)
Rent of shelter	8%	Alcoholic beverages	5%	Energy	(-6%)
Shelter	8%	Tires	4%	Car & truck rental	(-9%)
Owners' equivalent rent	8%	Cosmetics	4%	Health insurance	(-11%)
Veterinarian services	8%	Internet services	4%	Used cars and trucks	(-11%)
Jewelry and watches	7%	Recreational reading	4%	TVs	(-14%)
Lodging away from home	7%	School tuition	4%	Energy commodities	(-17%)
Services less energy services	7%	Apparel	3%	Motor fuel	(-17%)
Tobacco & smoking products	7%	Medicinal drugs	3%	Smartphones	(-24%)
Land-line phone services	7%	Hospital services	3%		
Day care and preschool	7%				

Source: (1-3) Bureau of Labor Statistics, CPI Report March 2023, Bloomberg. Data as of April 12, 2023. Goods is commodities less food and energy commodities. Services is less energy.

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