

CFA Webinar – Inflation Outlook

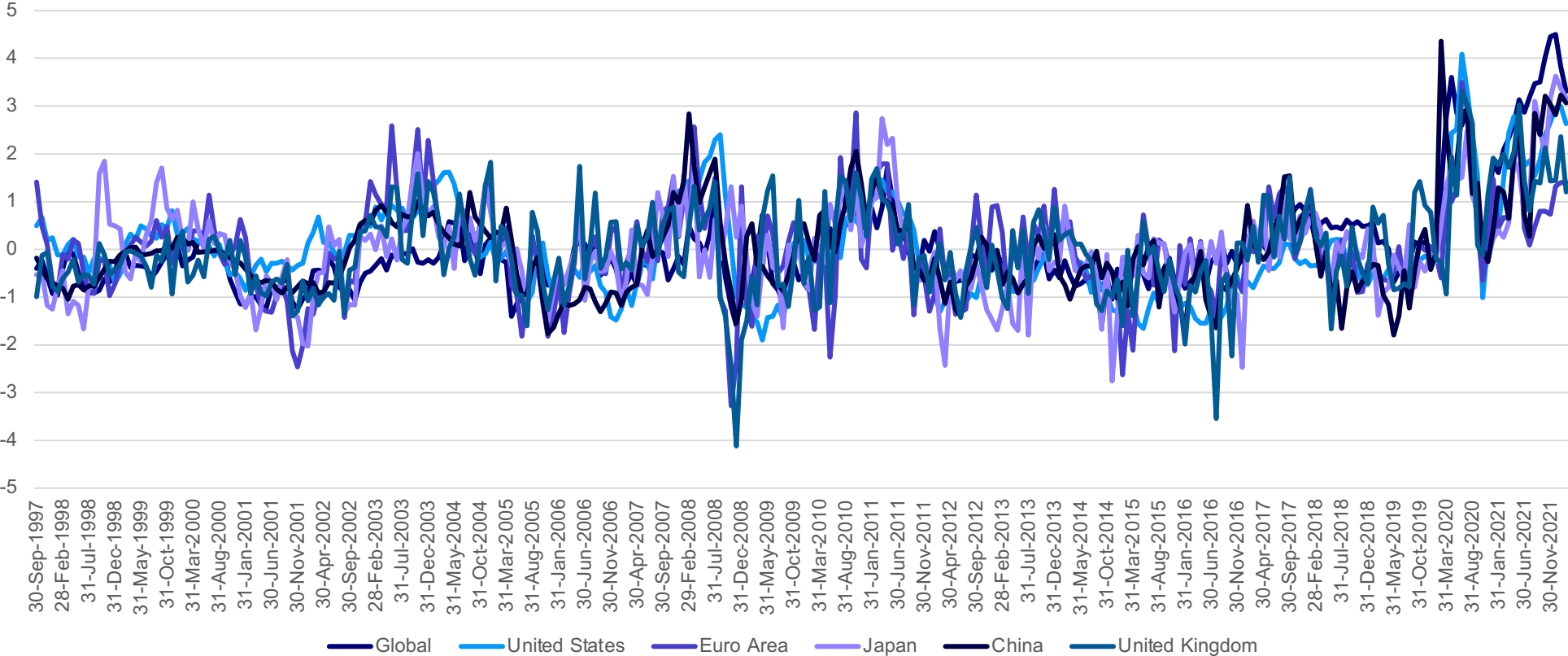
Kristina Hooper – Chief Global Market Strategist

April 2022

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Global supply chain pressures moderated in January and February

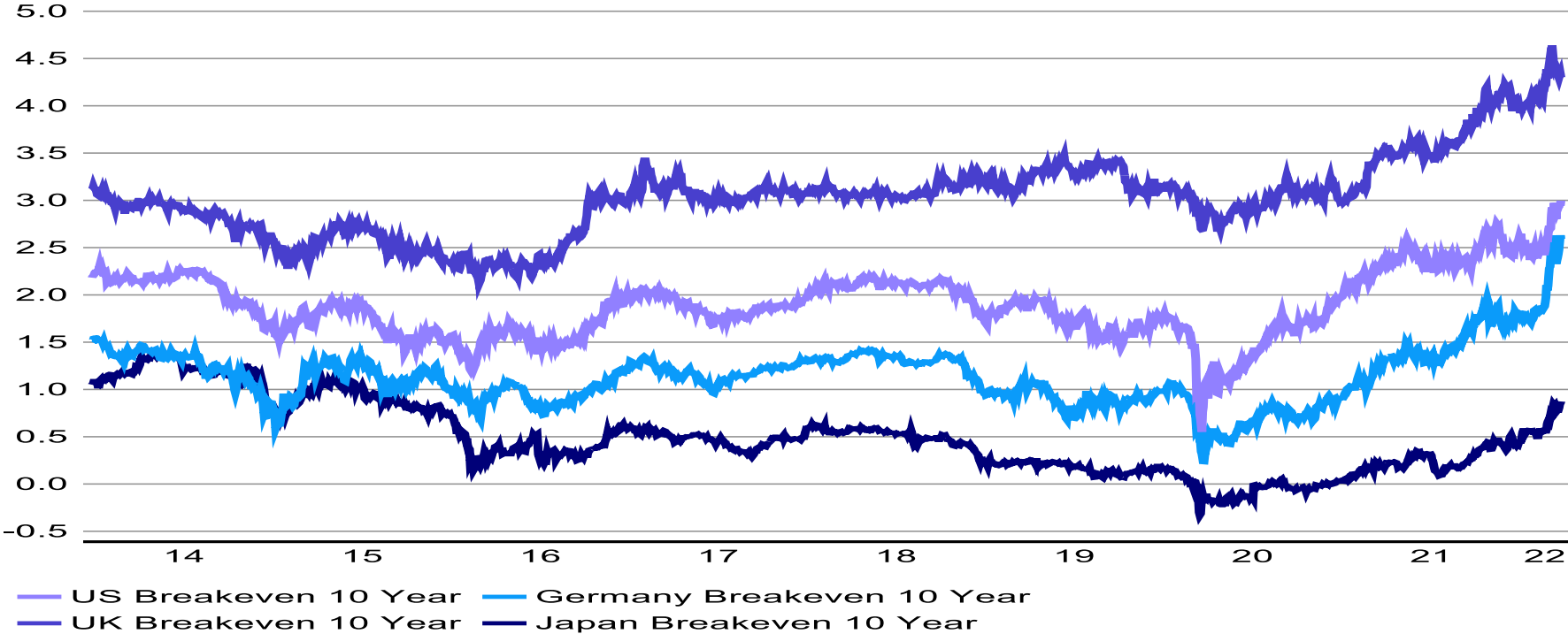
NY Fed supply chain pressure index shows EZ and UK stress eased in early 2022



Source: NY Federal Reserve Bank, March 3, 2022. Data through February 2022. Unit is standard deviations from average value.

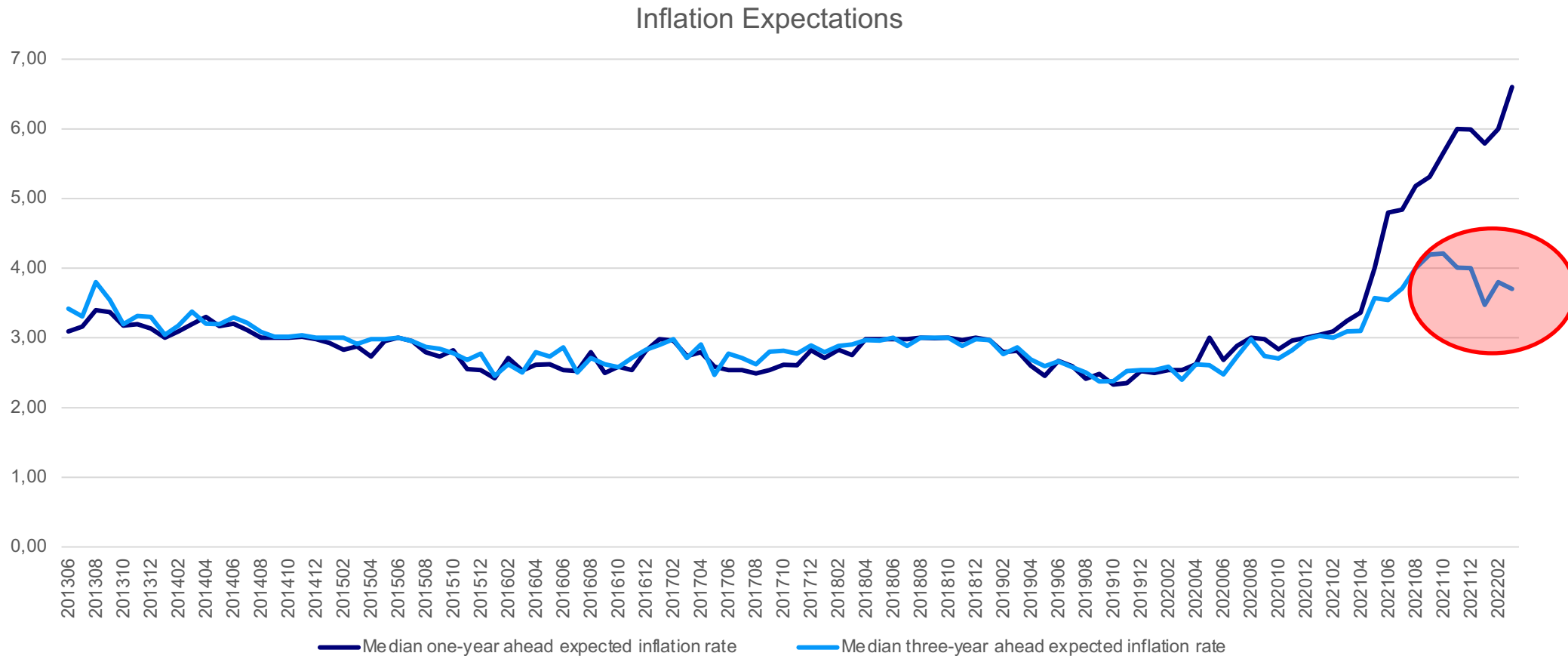
Market-based inflation expectation gyrations

Inflation Break-evens rise on Invasion, Fall on China lockdowns, talks and Central Bank Action



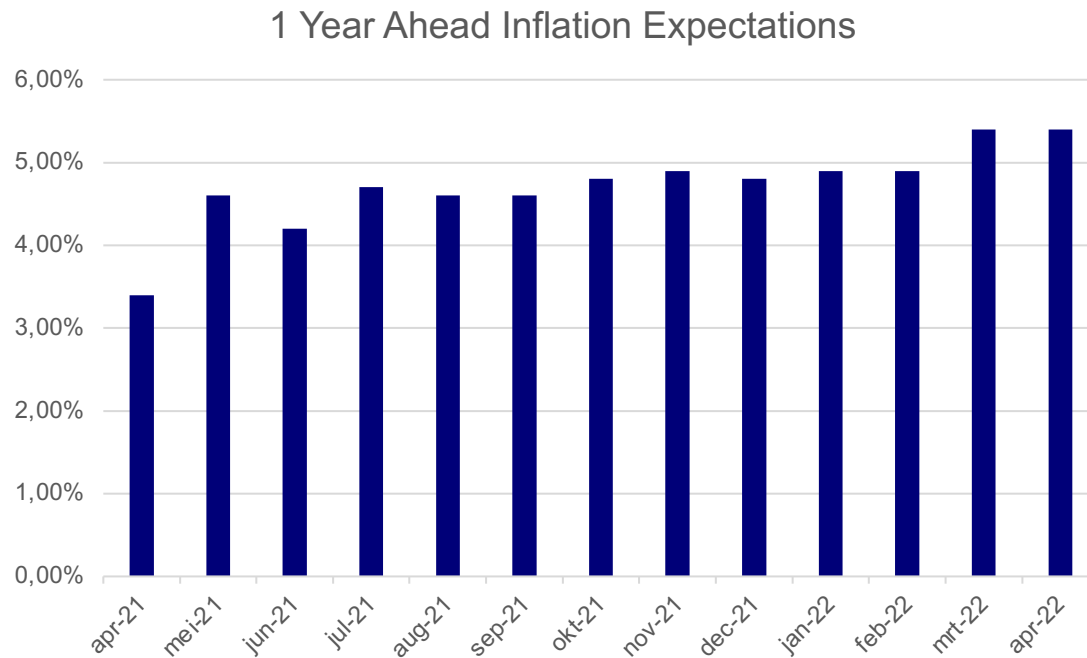
Note: Inflation break-evens reflect the difference in the pricing of nominal bonds and inflation-protected bonds, shown here for Germany, Japan, the US and UK. Source: Bloomberg, Macrobond, Invesco. Data as of March 18, 2022.

Longer-term inflation expectations are elevated but not un-anchored



Source: New York Fed Survey of Consumers, as of March 2022. There is no guarantee that these events will come to pass.

Longer-term inflation expectations are elevated but not un-anchored



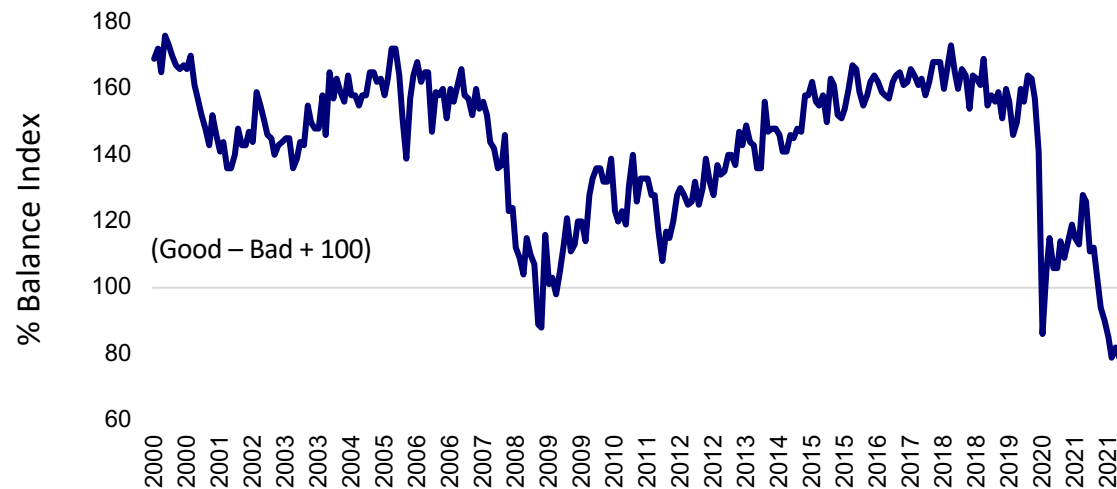
Source: University of Michigan Survey of Consumers, April 13, 2022. There is no guarantee that these events will come to pass.

Traditionally, consumers in inflationary environments, by now expecting prices to rise in the future. Currently, consumers appear poised to wait.

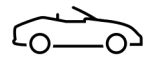
University of Michigan Buying Conditions for Large Household Durables



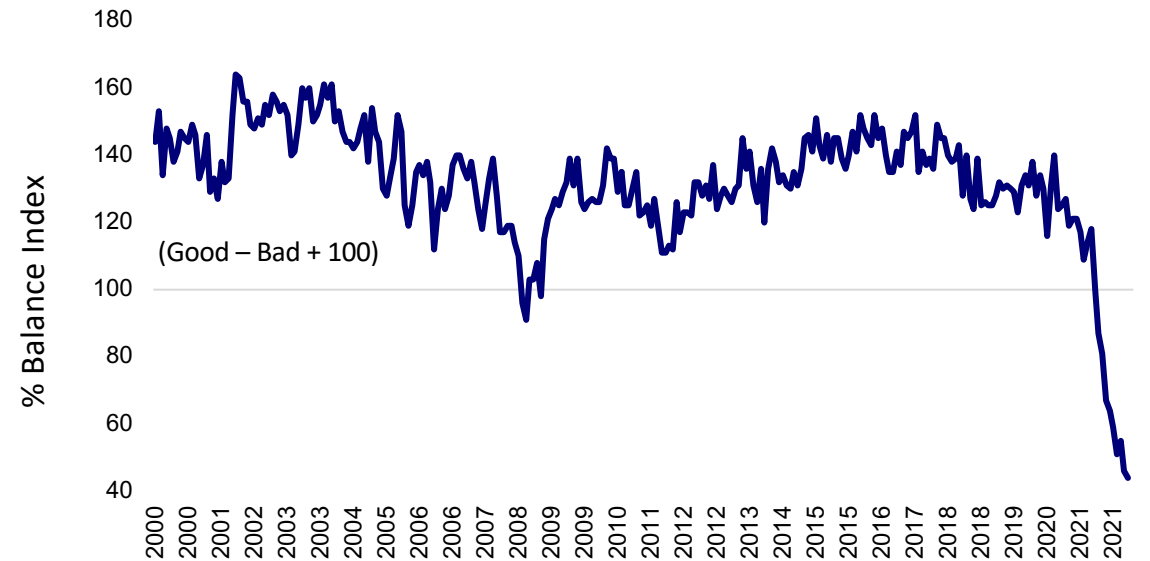
Do you think now is a good or bad time for people to buy major household items such as furniture, refrigerators, stoves, televisions, and other household items like that?



University of Michigan Buying Conditions for Vehicles



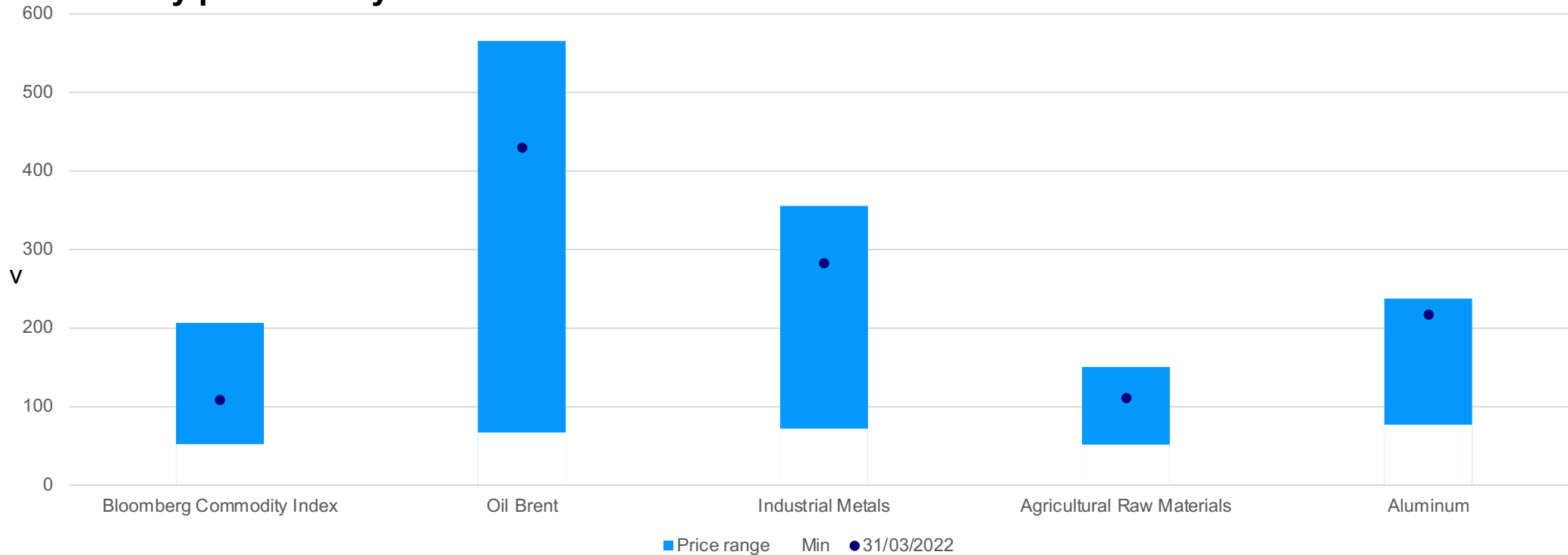
Do you think the next 12 months or so will be a good time or a bad time to buy a vehicle?



Source: University of Michigan, 2/28/22.

A historical perspective on commodity prices

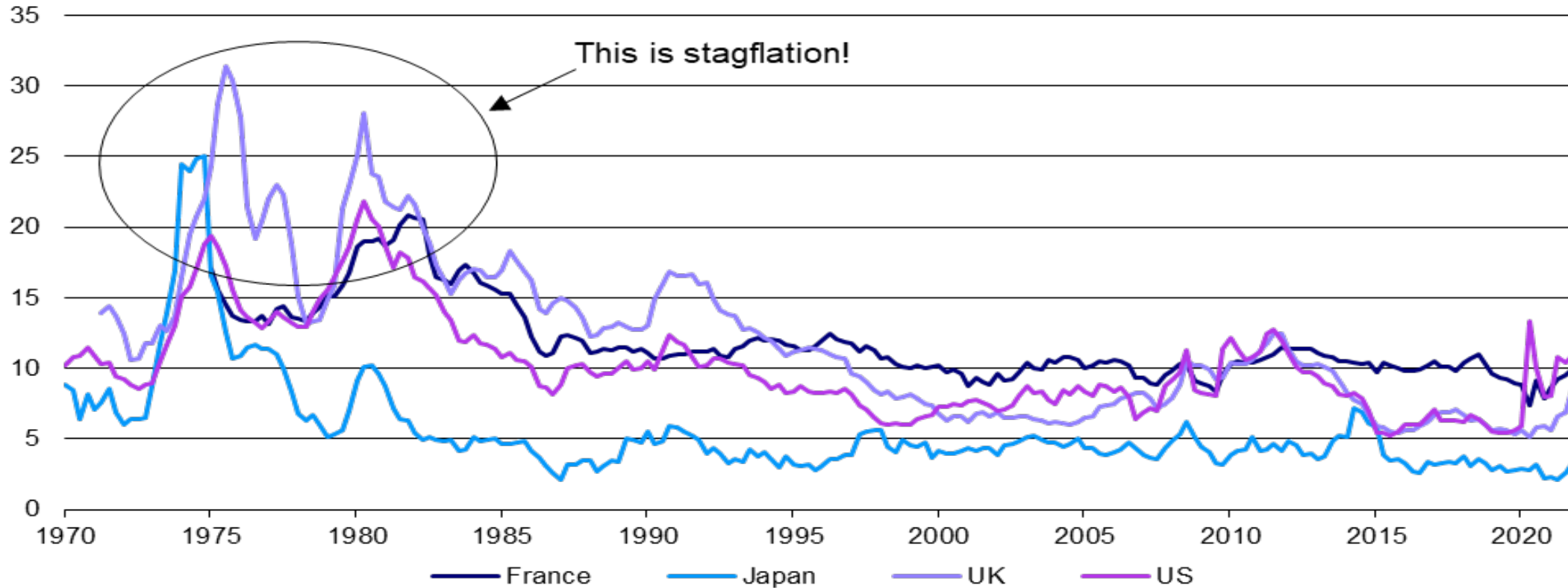
Commodity prices today and since 2000



Source: Bloomberg, Invesco. Data as of March 31st, 2022. For further information about the indices, please contact Invesco.

A historical perspective on stagflation

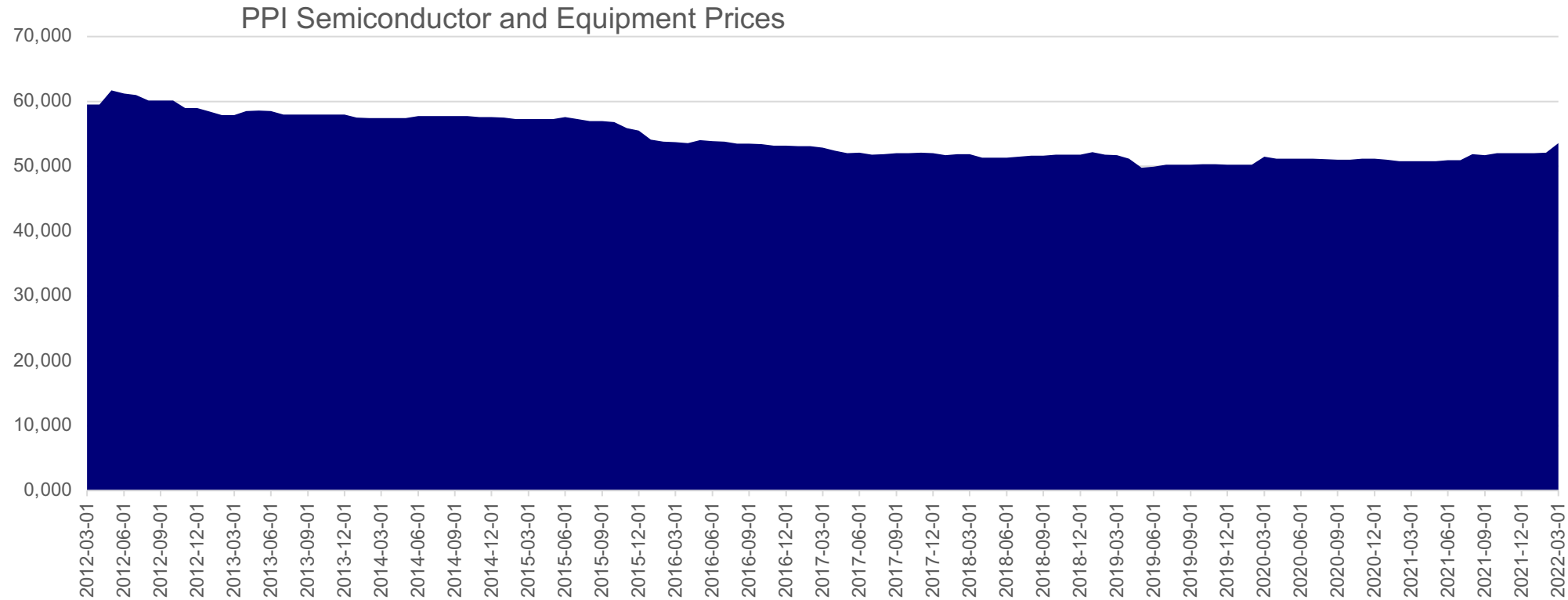
The misery index (unemployment rate plus inflation rate, %)



Quarterly data from 1970 Q1 to 2021 Q4.

Source: International Labour Organisation, OECD, National Sources, Refinitiv Datastream and Invesco

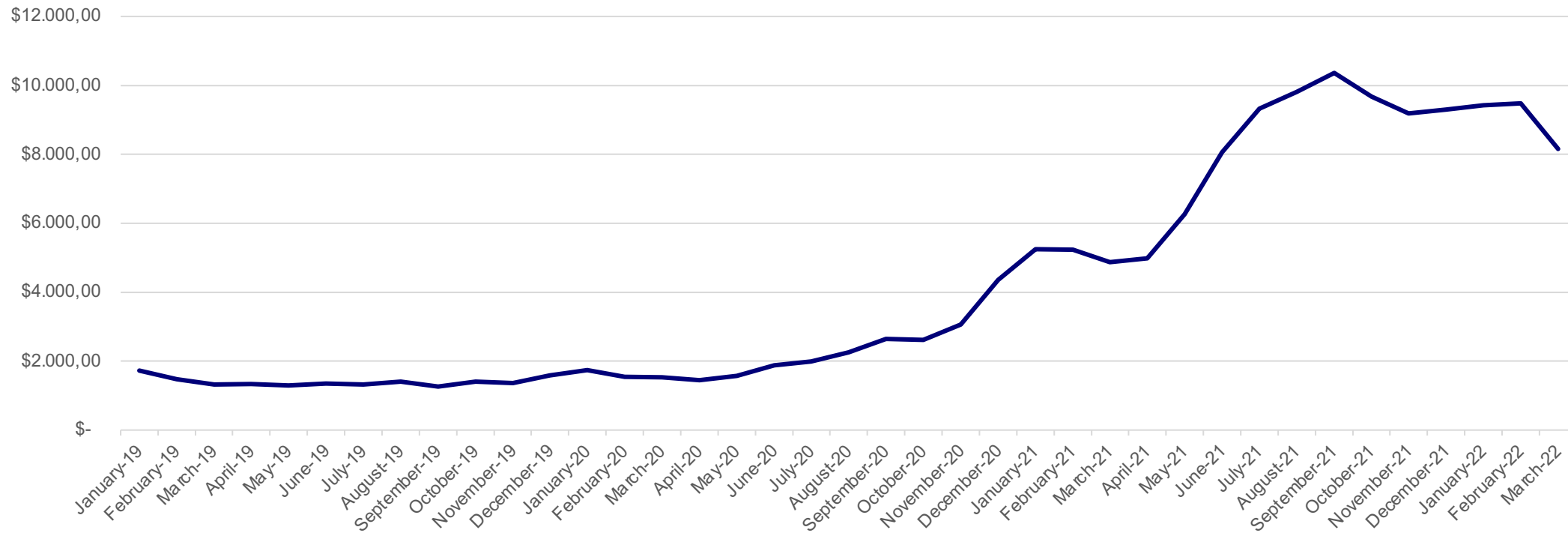
No Moore's Law -- for now



Source: US Bureau of Labor Statistics, as of April 13, 2022. Data through March 2022.

Container prices easing slightly

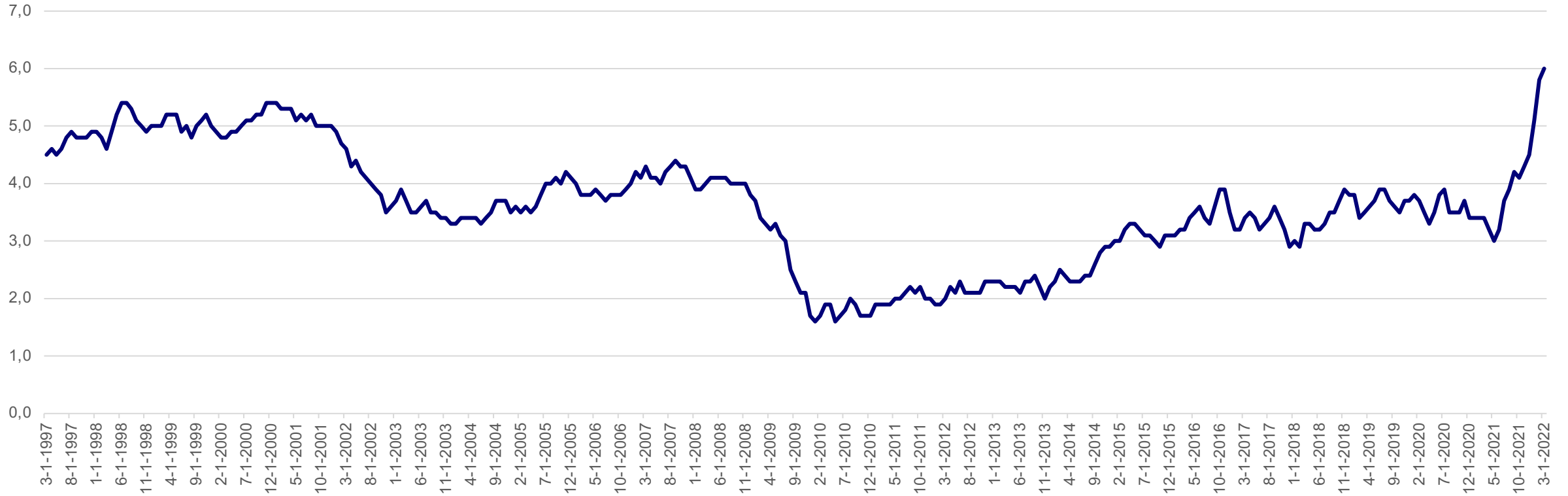
Global Container Freight Rate Index



Source: Statista, April 2022

Wage growth

US Wage Growth
3-month moving average of median wage growth, hourly data



Source: Atlanta Fed Wage Growth Tracker, as of March 2022

Important information

Risk warnings

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Important information

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