



Gauging (Dis)inflation Pressures

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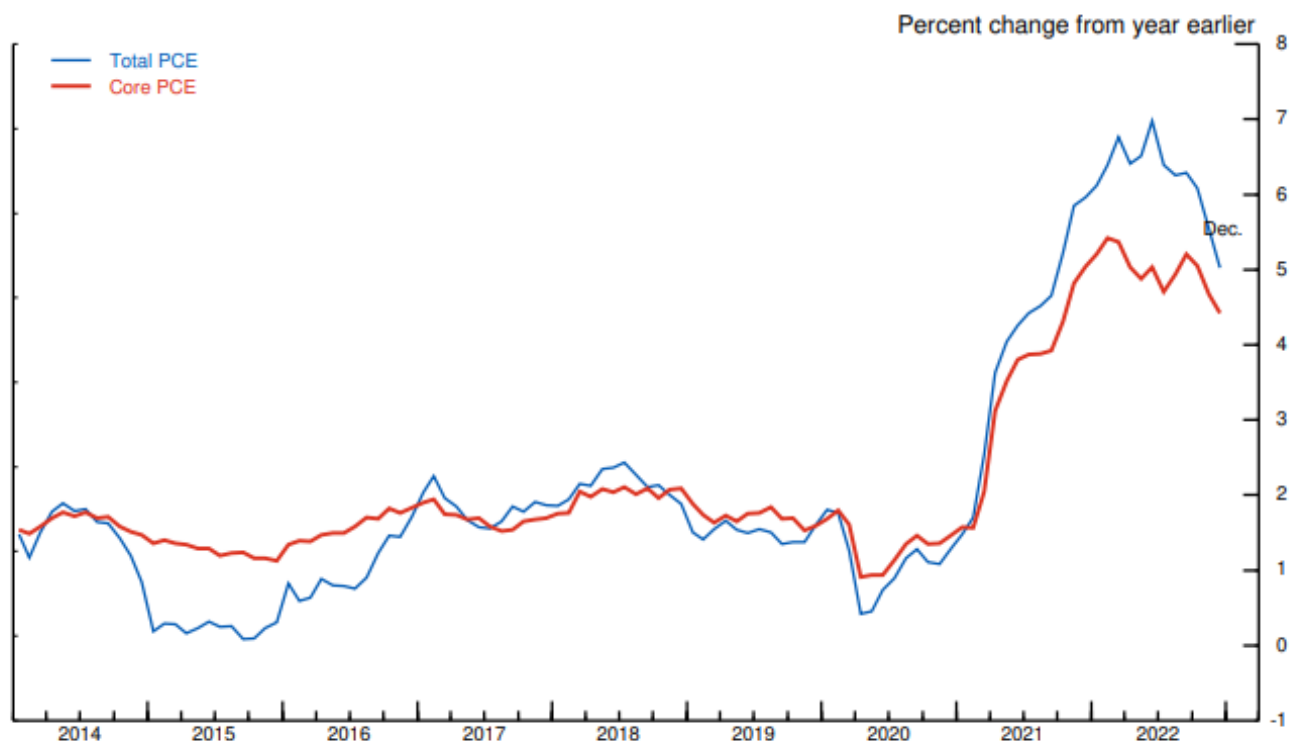
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The views expressed here are my own and do not reflect those of the Board of Governors or the Federal Open Market Committee.

Headline and core PCE inflation down a bit from their recent peaks

Total and core PCE inflation

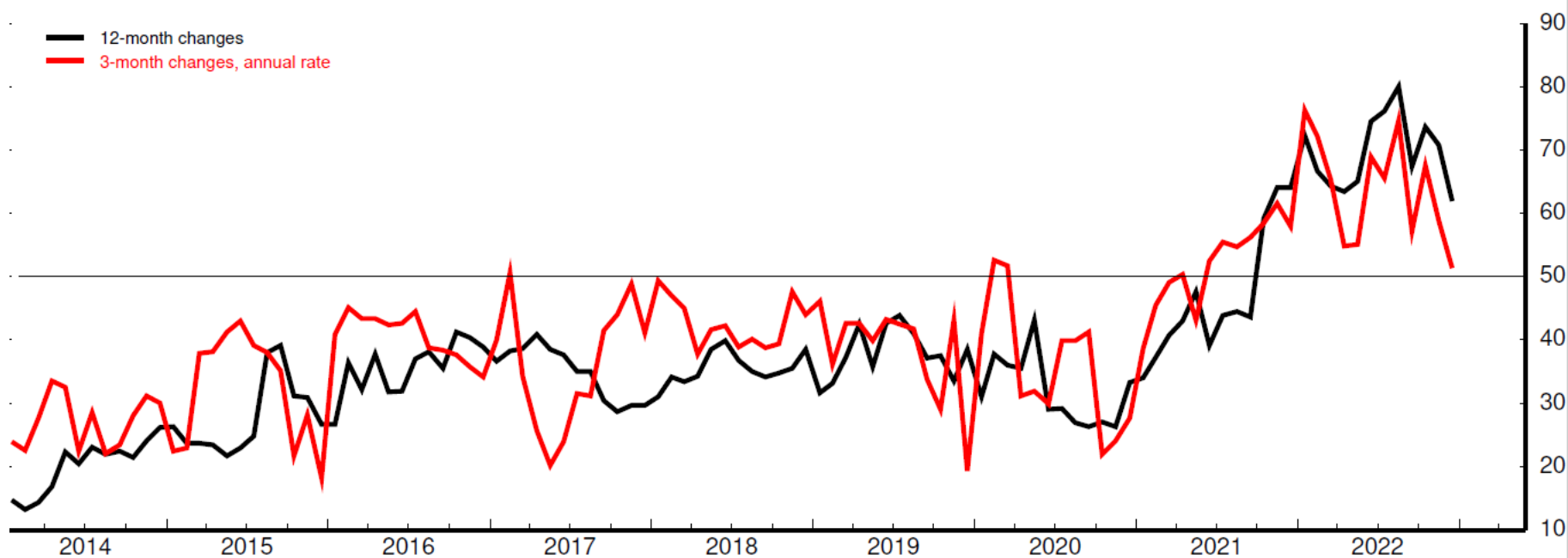


Note: PCE is personal consumption expenditures.

Source: Bureau of Economic Analysis.

High core inflation readings less broad-based but still an elevated share

Share of personal consumption expenditures excluding food and energy with inflation over 3 percent

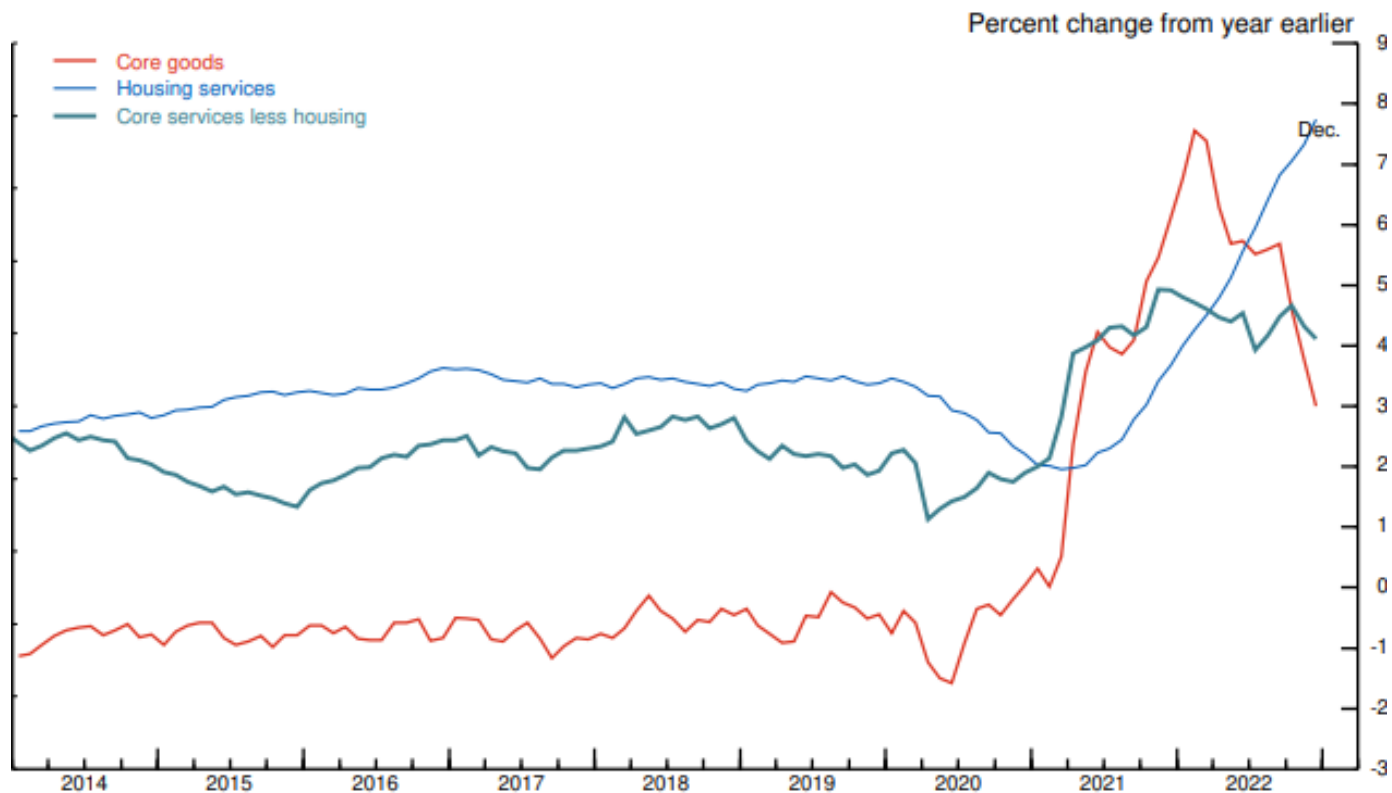


Note: Each product category is weighted by its expenditure share in personal consumption expenditures (PCE). The data extend through December 2022. The flat line marks where 50 percent of product categories experience inflation over 3 percent.

Source: Bureau of Economic Analysis; Federal Reserve Board staff calculations.

Core goods inflation has moved down, housing services inflation has been rising, services less housing moving sideways sideways.

Components of core PCE inflation

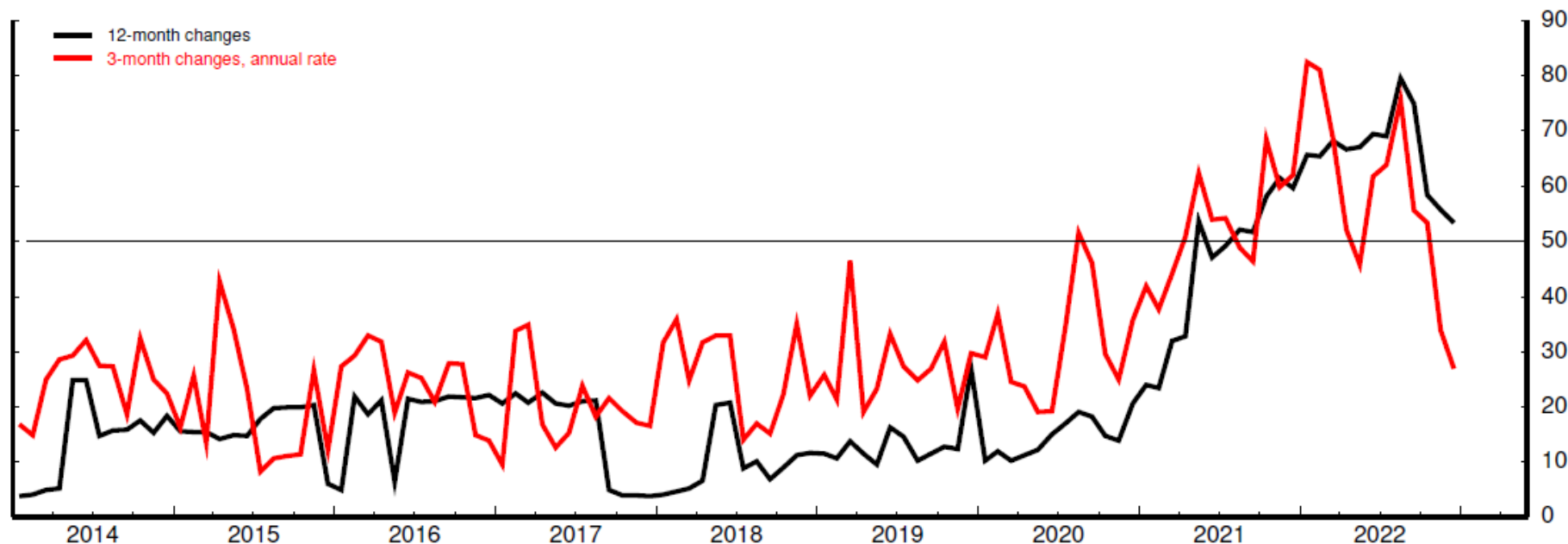


Note: PCE is personal consumption expenditures.

Source: Bureau of Economic Analysis; staff estimates.

Share of high inflation readings for goods excluding food and energy declined markedly late last year

Share of personal consumption expenditures on goods excluding food and energy with inflation over 3 percent

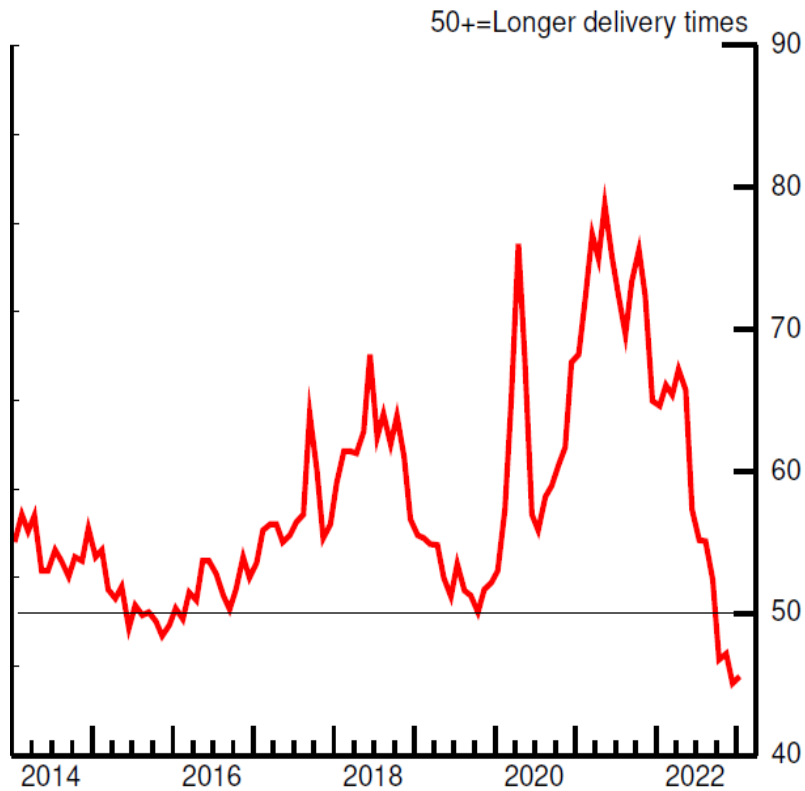


Note: Each product category is weighted by its expenditure share in personal consumption expenditures (PCE) goods excluding food and energy. The data extend through December 2022. The flat line marks where 50 percent of product categories experience inflation over 3 percent.

Source: Bureau of Economic Analysis; Federal Reserve Board staff calculations.

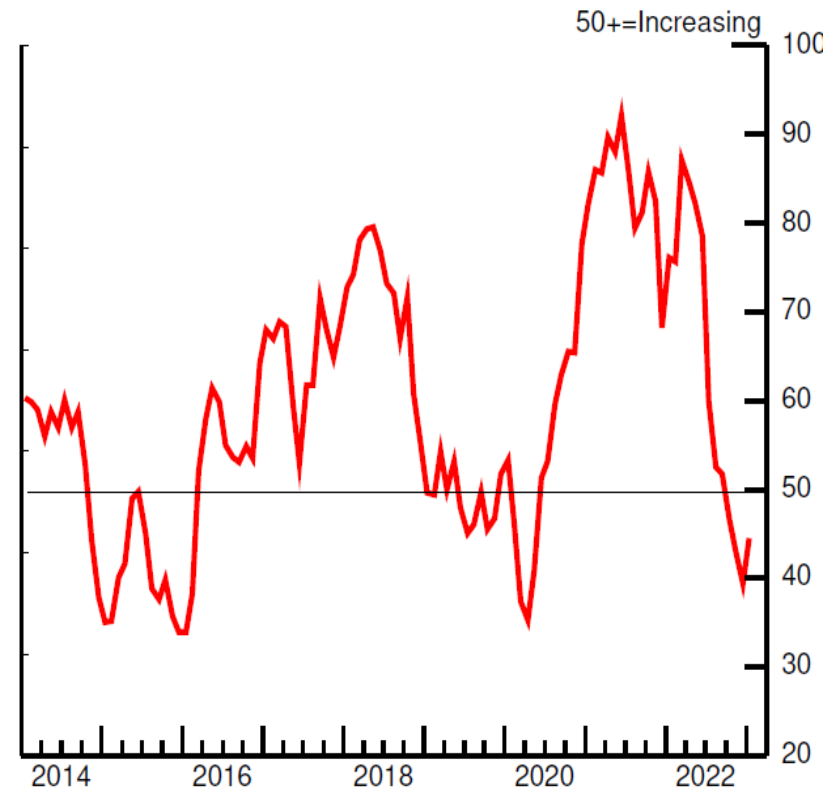
Manufacturing: Bottlenecks resolving

ISM Supplier Delivery Times



Source: Institute for Supply Management via Haver Analytics.

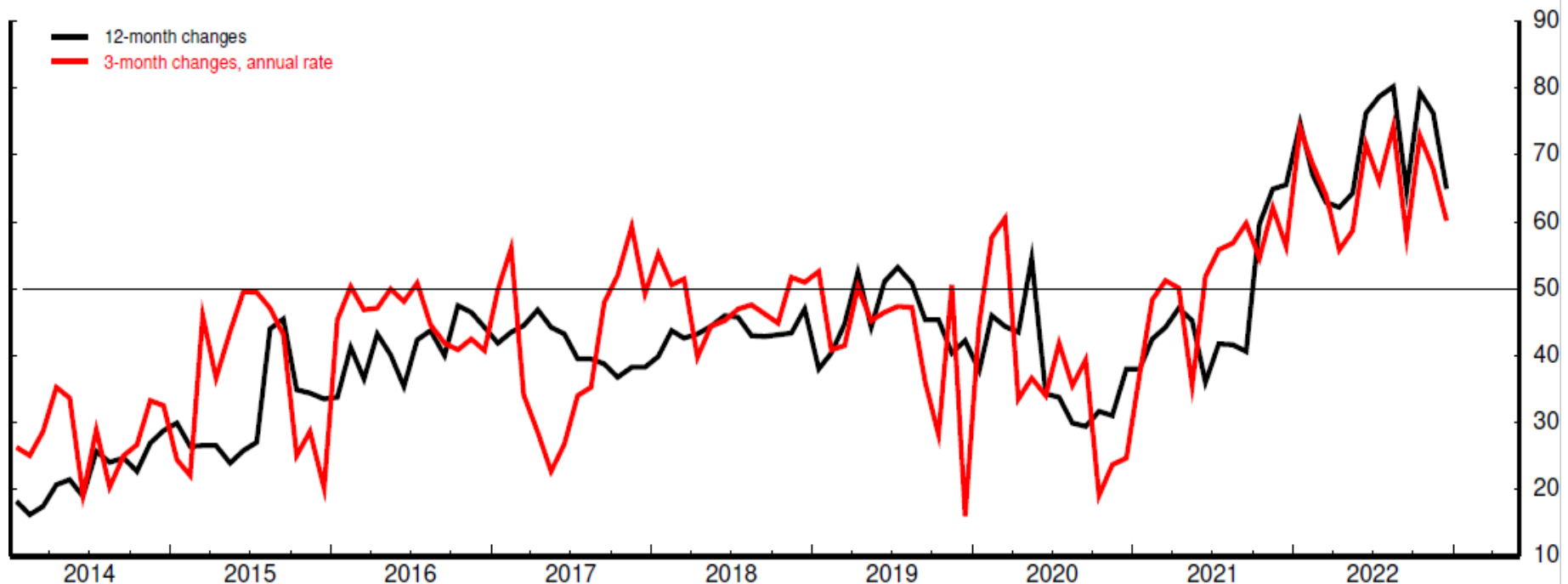
ISM Manufacturing: Prices Index



Source: Institute for Supply Management via Haver Analytics.

Share of high inflation readings for services excluding energy is volatile but remains elevated

Share of personal consumption expenditures on services excluding energy with inflation over 3 percent

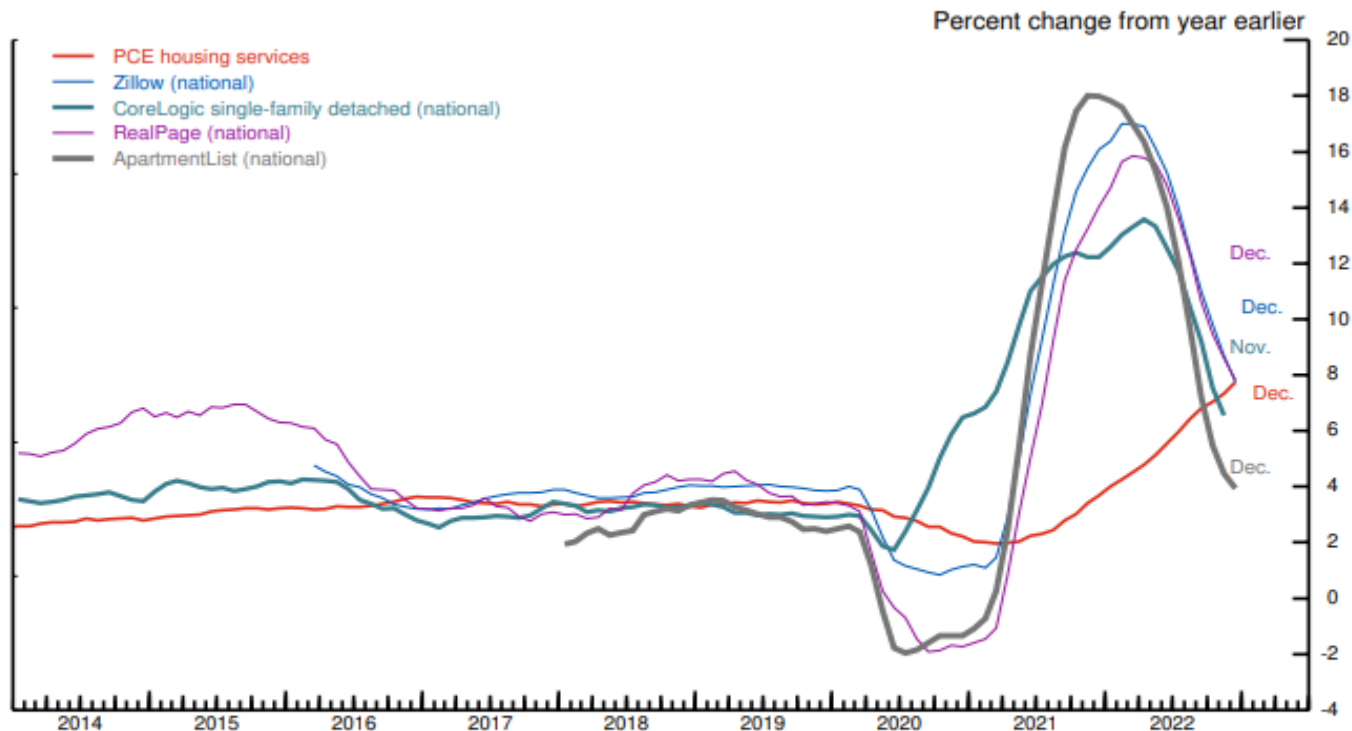


Note: Each product category is weighted by its expenditure share in personal consumption expenditures (PCE) services excluding energy. The data extend through December 2022. The flat line marks where 50 percent of product categories experience inflation over 3 percent.

Source: Bureau of Economic Analysis; Federal Reserve Board staff calculations.

Housing services inflation is elevated but market rents suggest this measure will start falling this year

Market rents and PCE housing services inflation

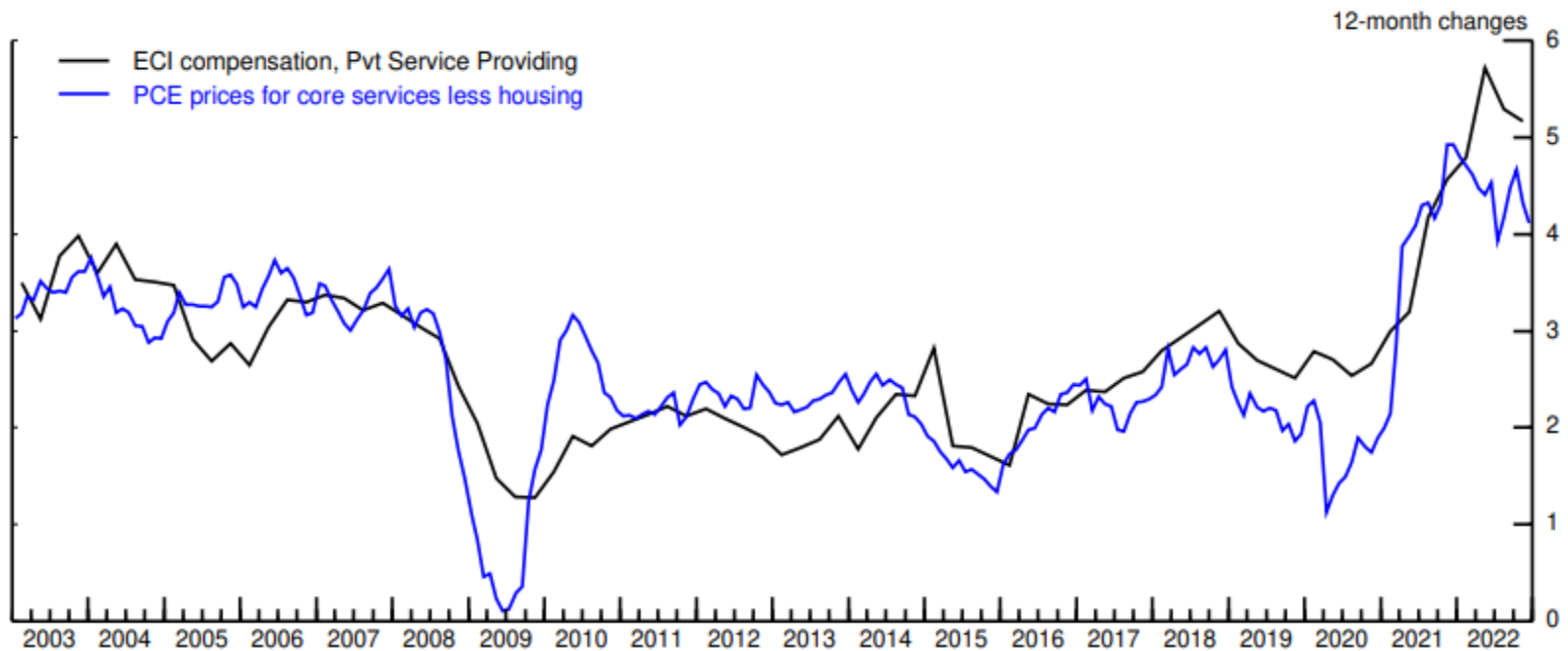


Note: ApartmentList, CoreLogic, RealPage, and Zillow measure market rate rents -- that is, rents for a new lease by a new tenant. PCE is personal consumption expenditures.

The Zillow data start in March 2016, and the ApartmentList data start in January 2018. Source: ApartmentList; Bureau of Economic Analysis; CoreLogic; RealPage; Zillow.

Core services less housing and labor costs

ECI for services and PCE PI for core services ex less housing



Source: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Board staff calculations.