

Flash Template with Inflation Dashboard



Tom Lee

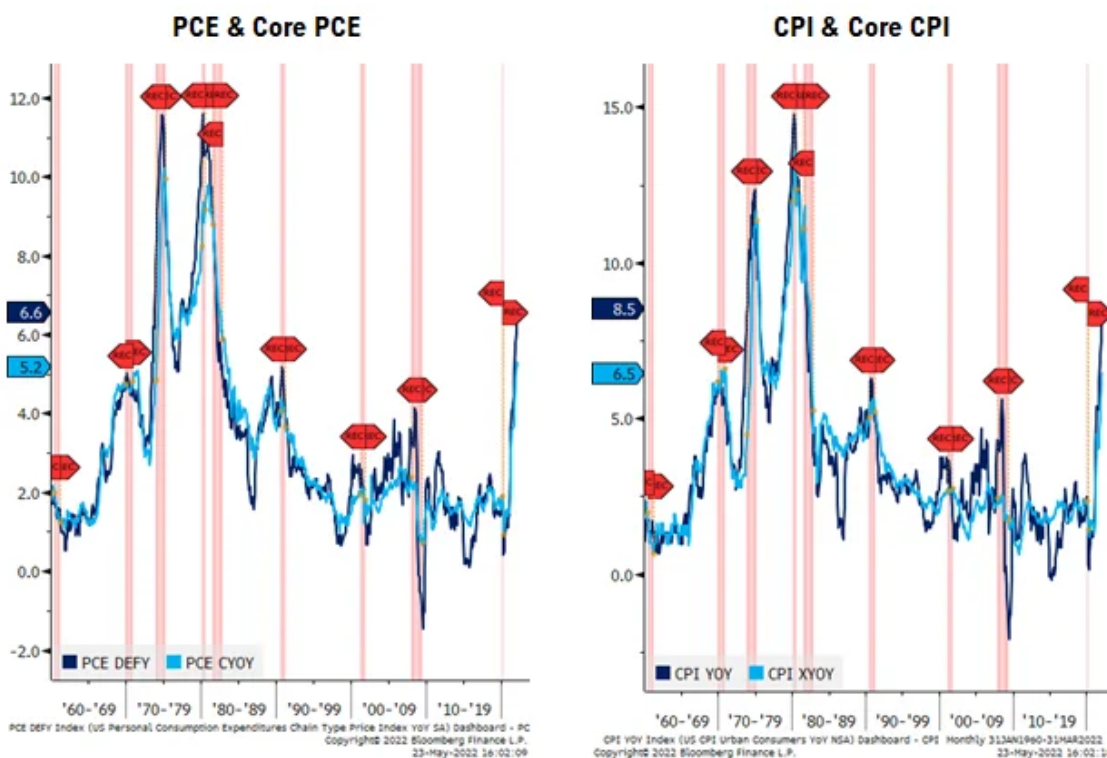
HEAD OF RESEARCH

Inflation Dashboard

Below we have compiled a set of charts showcasing key inflation drivers, as well as PCE, Core PCE, CPI, and Core CPI.

- PCE and Core PCE for March came in at 6.6% and 5.2% YoY
- CPI and Core CPI were 8.5% and 6.5% YoY in April

Figure: US Inflation
As of 5/23/2022

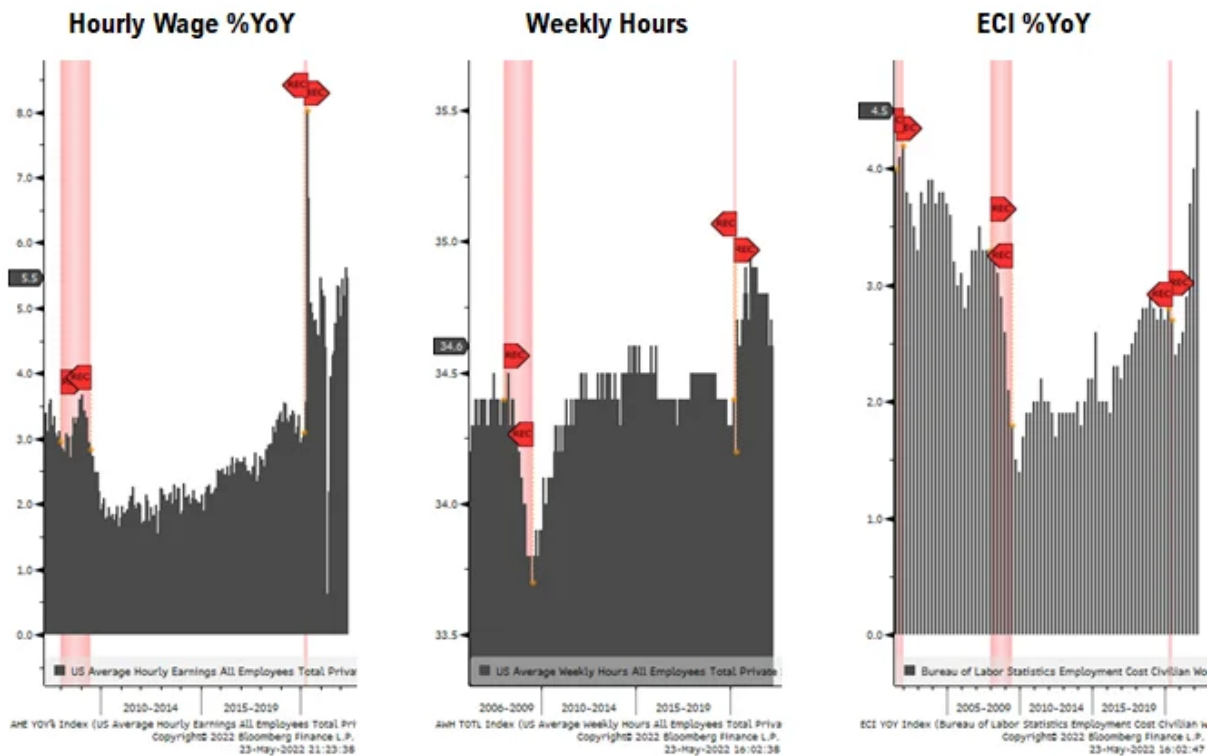


Source: Fundstrat, Bloomberg

Below are three metrics to show US Wage inflation:

- While average US private hourly wages are up +5.5% YoY and on the rise, weekly hours worked are on the decline and came in at 34.6 hours for April.
- On the right, the BLS employment cost index is steeply increasing YoY, and is currently up +4.5% YoY as of 3/31.

Figure: US Wage Inflation
As of 5/23/2022



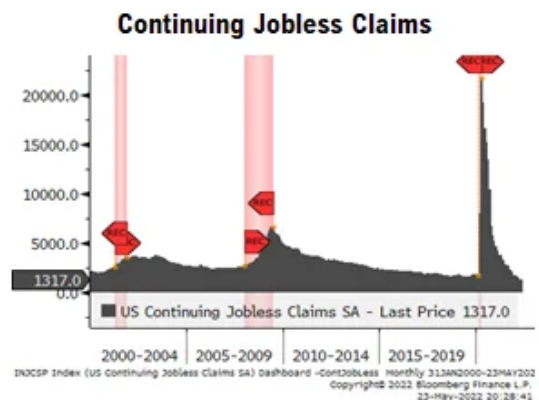
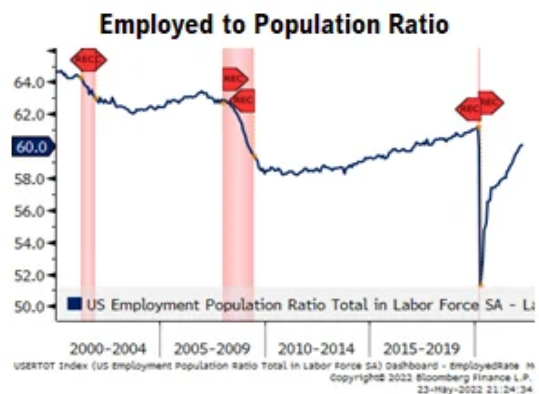
Source: Fundstrat, Bloomberg

Next, we have several employment/unemployment statistics:

- U3 and U6 unemployment rates in April came in at 3.6% and 7.0% in April, with U6 showing signs of flattening.
- Labor force participation rate and the employed to population ratio sit at 62.2% and 60.0%. Both statistics are still significantly below their pre-pandemic levels.
- Also, initial claims have begun to turn up since March and came in at 218,000 on May 14th.

- However, continuing jobless claims have just started to flatten out, but are still on the decline at 1.3 million

Figure: Employment
As of 5/23/2022

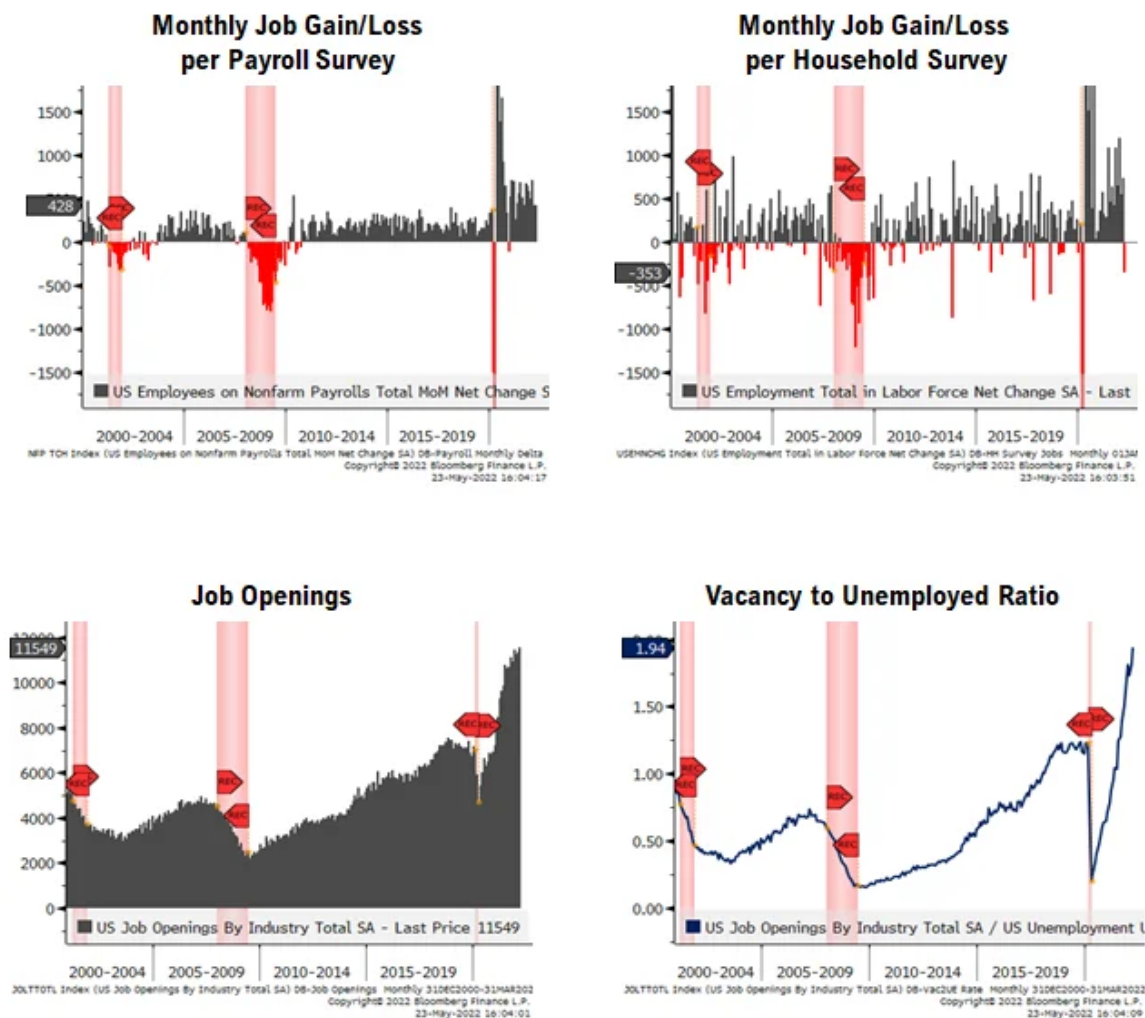


Continuing with the job market, we also show both payroll and household surveys for net job gain MoM, as well as the stats for job openings and vacancies.

- While payroll surveys had monthly net job gain as up +428,000, household survey shows a loss of -353,000 jobs.

- JOLTS job openings for March were at an all-time high in March at 11.5 million
- The ratio of JOLTS job openings to unemployment has also reached an all-time high in March, as there were 1.94 job openings for each unemployed worker in the US

Figure: Labor Market
As of 5/23/2022

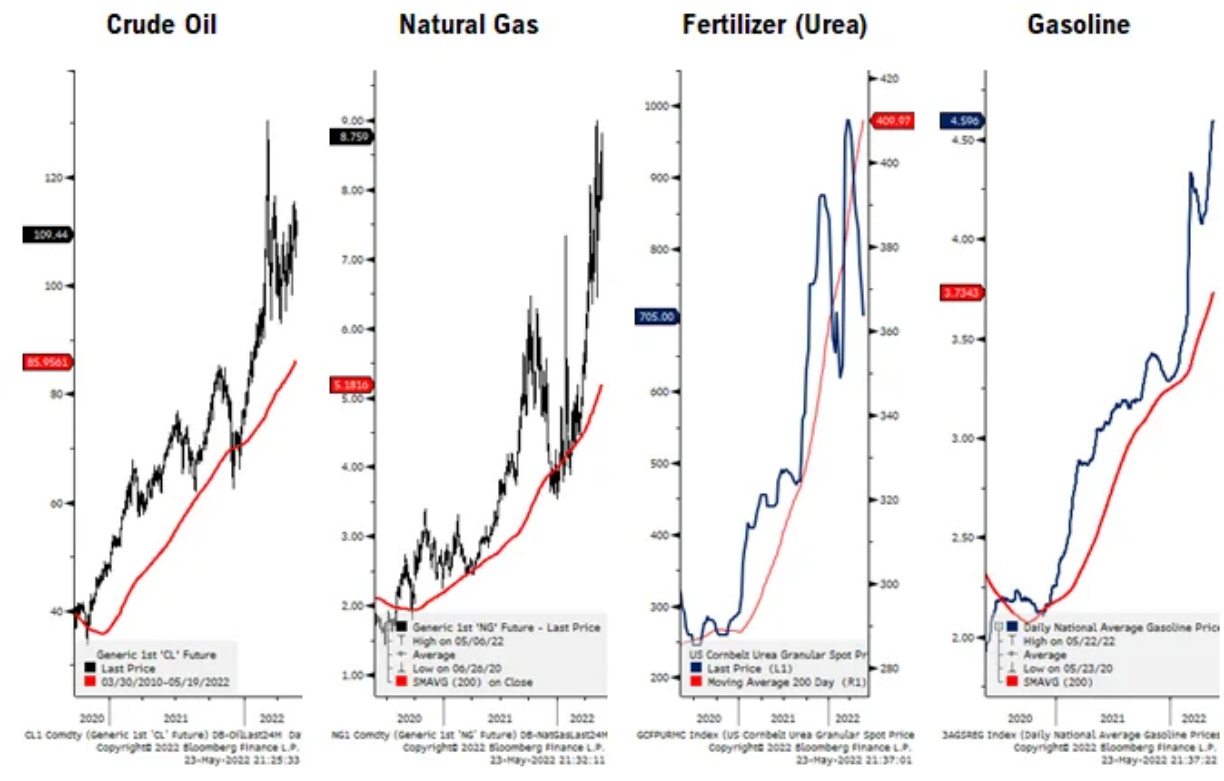


Below are the prices of commodities that have been trending upwards since late 2020. We include the 200D moving averages of each price as well.

- Crude is currently at \$109.44/barrel, and its 200D moving average is at \$85.96/barrel
- Natural gas is currently at \$8.76 per MMBtu. Its 200D moving average is at \$5.18
- Fertilizer has fallen dramatically recently and is at \$705.00 per short ton, and its 200D moving average is still trending upwards and is at \$409.97

- The average national gasoline price is currently at \$4.60/gal, and the average for this metric over the last 200 days is \$3.73/gal

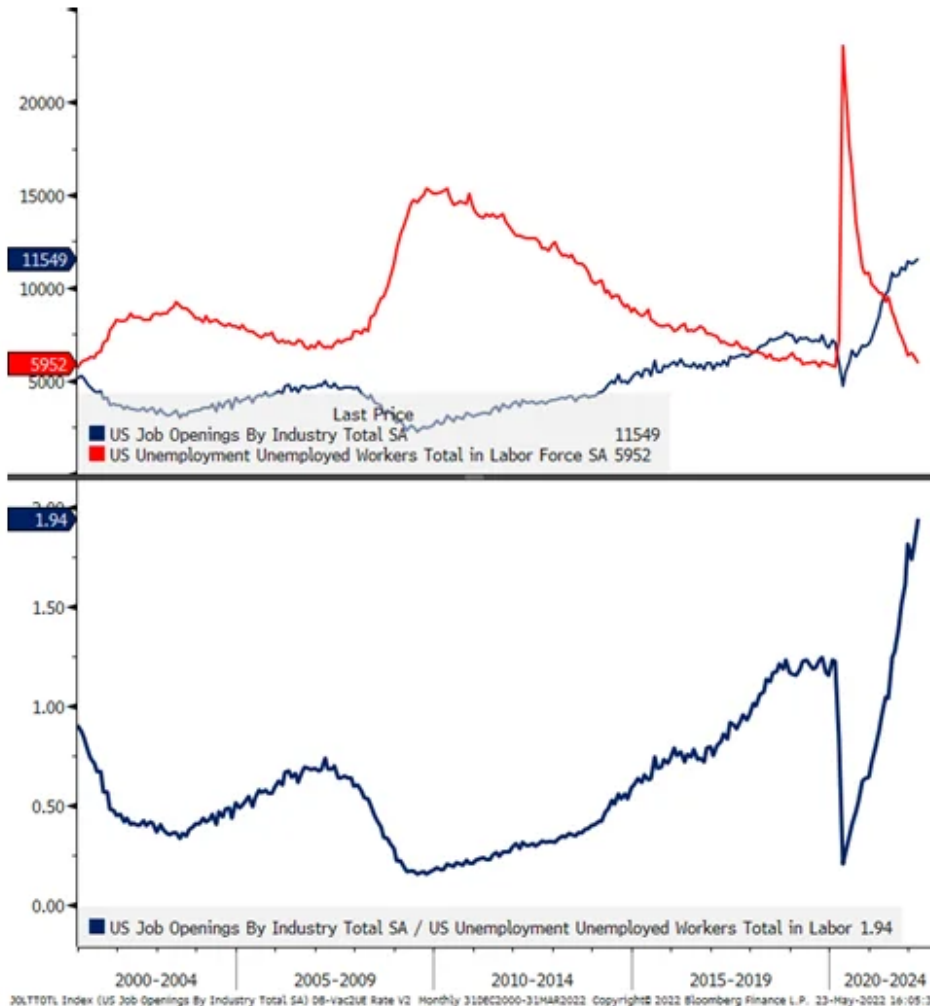
Figure: Commodity Prices
As of 5/23/2022



Below we compare job openings and unemployed workers even further.

- The number of unemployed workers has declined to almost the pre-pandemic low and has begun to flatten out at that level.
- JOLTS job openings for March were at an all-time high in March at 11.5 million.
- The ratio of JOLTS job openings to unemployment has also reached an all-time high in March, as there were 1.94 job openings for each unemployed worker in the US.

JOLTS Job Openings vs Unemployed Workers Since 2000



Source: Fundstrat, Bloomberg, BLS

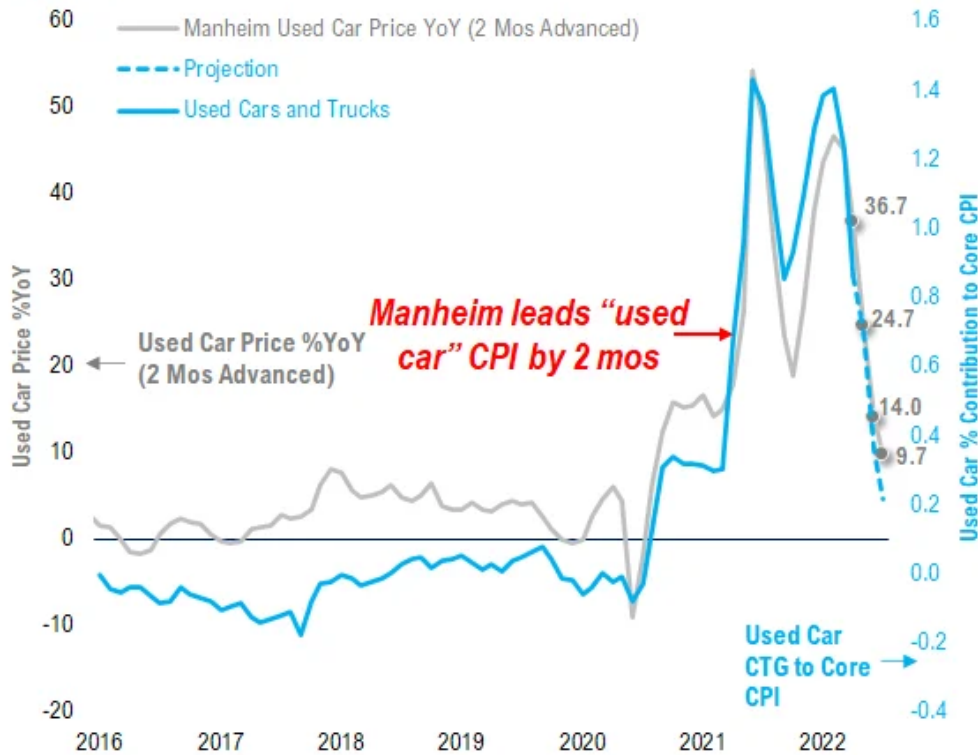
As we've shown before, Manheim Used Car Index leads used car CPI by +2 mos.

- Used car price %YoY has dropped from 36.7% over the last four months down to 9.7%
- This could bring the used car % contribution to Core CPI down by -1.0% by June

**Manheim implies “used car CPI”
impact declines by -1.0% by June**

LEADING: Manheim leads “used car CPI” by +2 mos

Since 2016



Source: Fundstrat, BLS, Bloomberg

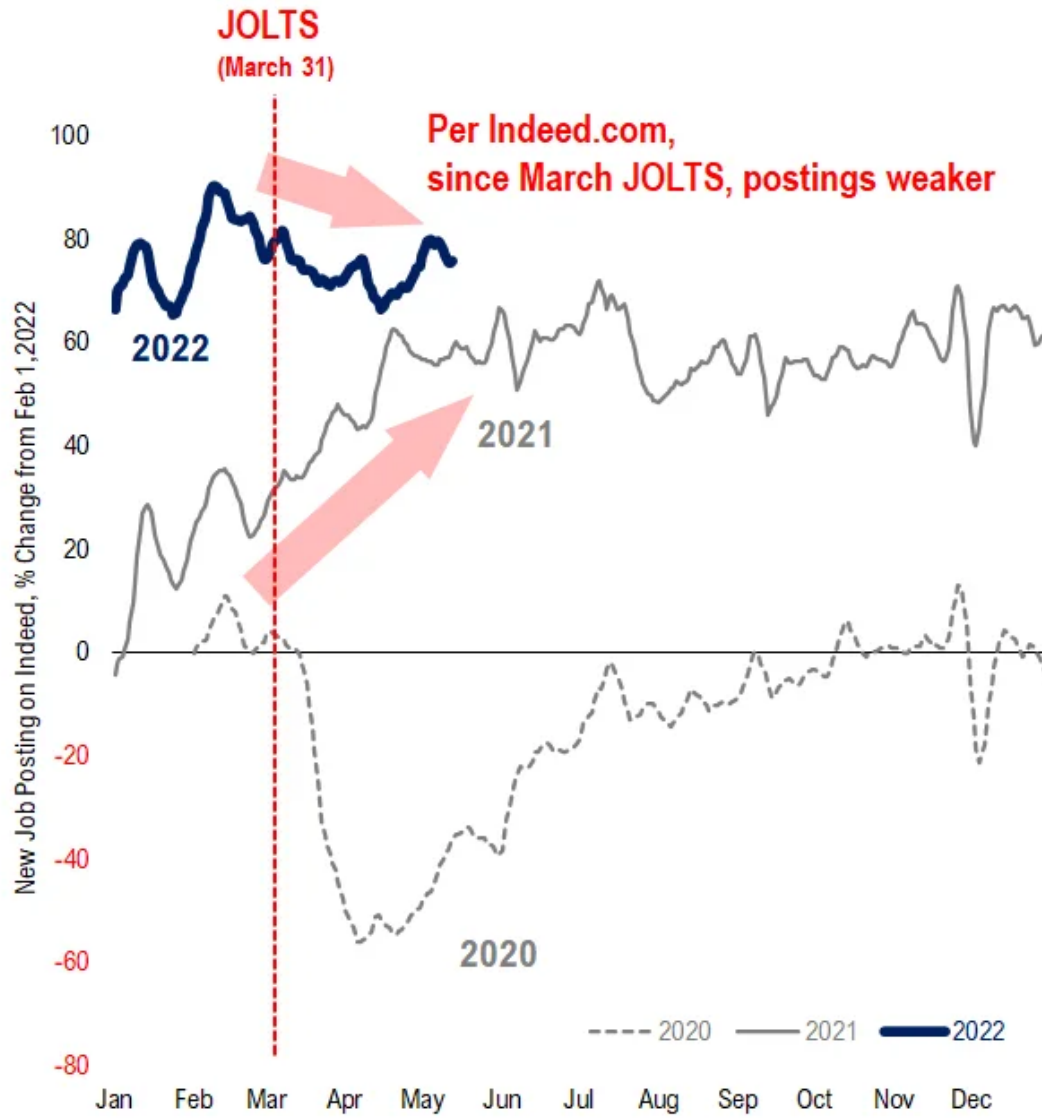
* Manheim Used Car Price %YoY is advanced by 2 months.

** Projection based on regression since 2016: $\text{Used Car CTG to Core CPI} = 0.0322 \times \text{Used Car Price YoY (2M Adv.)} - 0.0985$

We were also able to compile data from the Indeed Hiring Lab. First, we show the new job postings on indeed as a percent of the number on Feb 1st, 2020. In 2021, new job postings were trending upwards, and now, against that seasonality, new postings are trending downwards.

JOB OPENINGS: 2022 Seasonality suggest weakening labor

Thru May 13th. Feb 1st, 2020 is the pre-pandemic baseline and rebased to 0

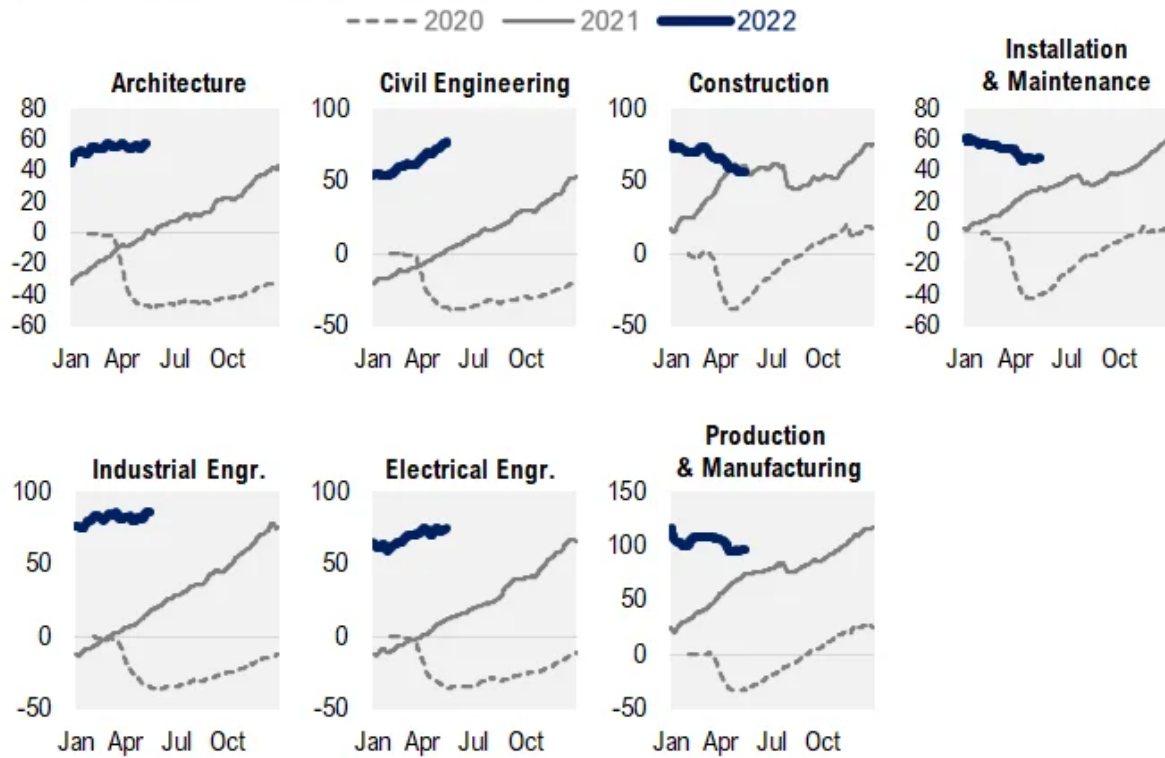


Source: Fundstrat, Indeed Hiring Lab

Also from Indeed,

TOTAL JOB POSTINGS ON INDEED: Construction, Engineering, and Manufacturing

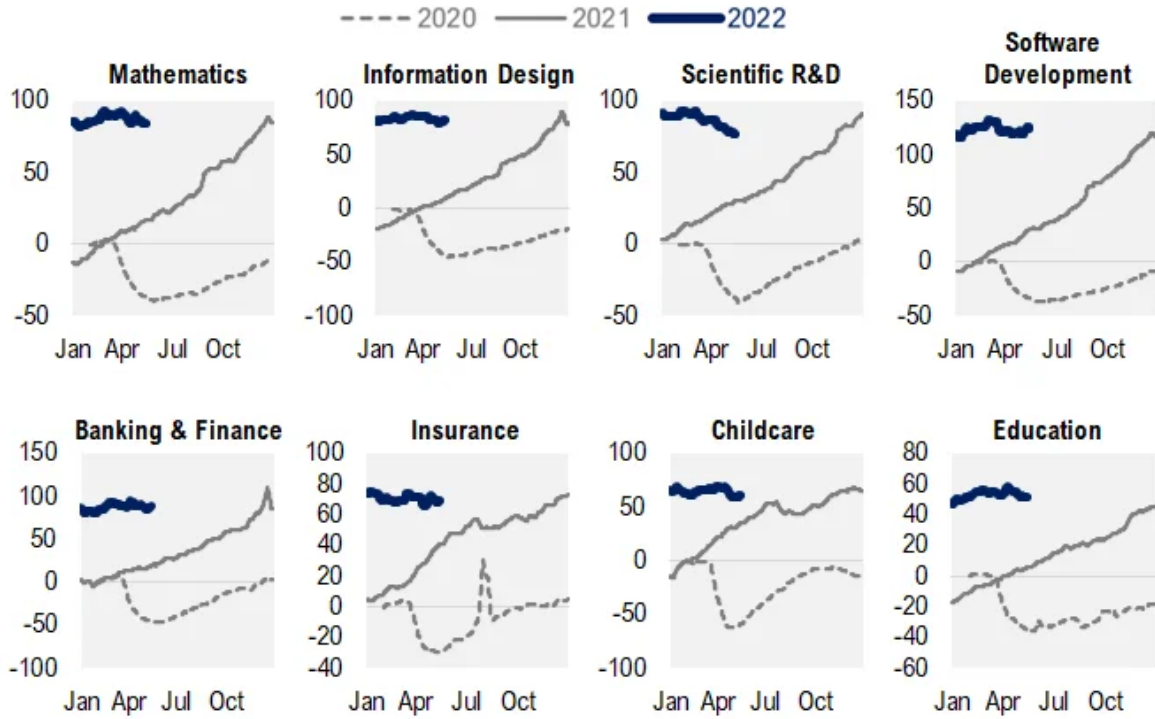
By calendar year. Feb 1, 2020, as baseline rebased to 0.



Source: Fundstrat, Indeed Hiring Lab

TOTAL JOB POSTINGS ON INDEED: Technology, Finance & Education

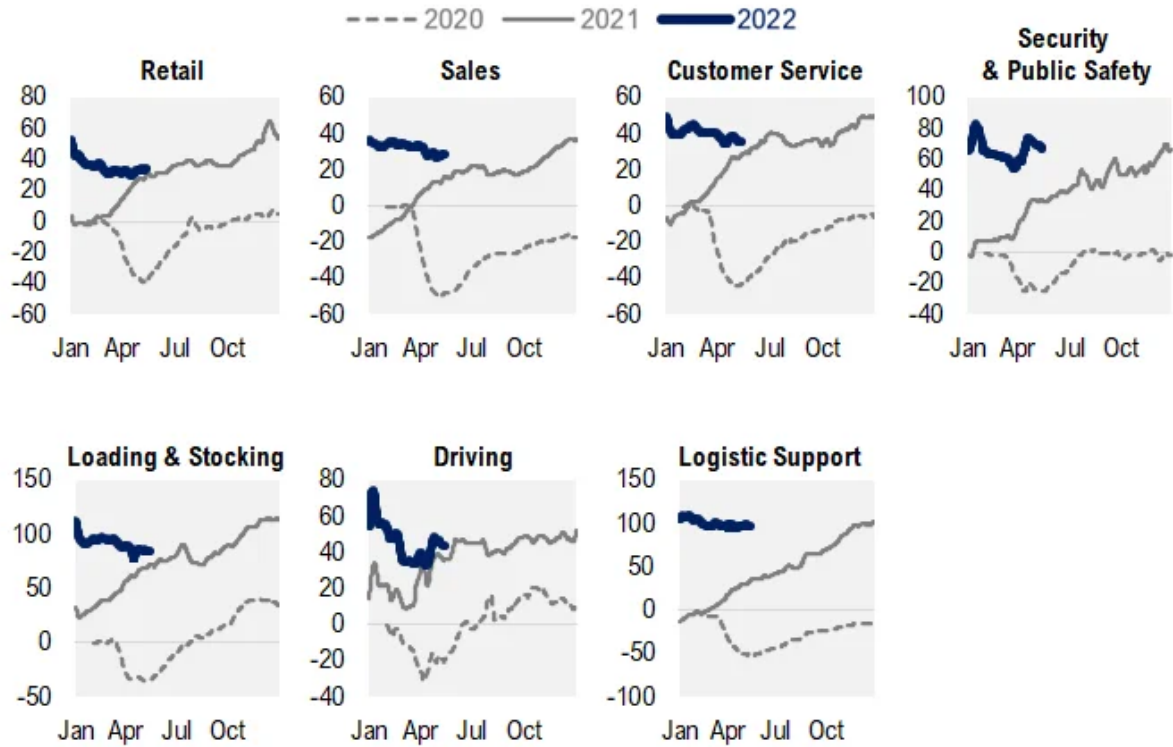
By calendar year. Feb 1, 2020, as baseline rebased to 0.



Source: Fundstrat, Indeed Hiring Lab

TOTAL JOB POSTINGS ON INDEED: Retail and Retail Related

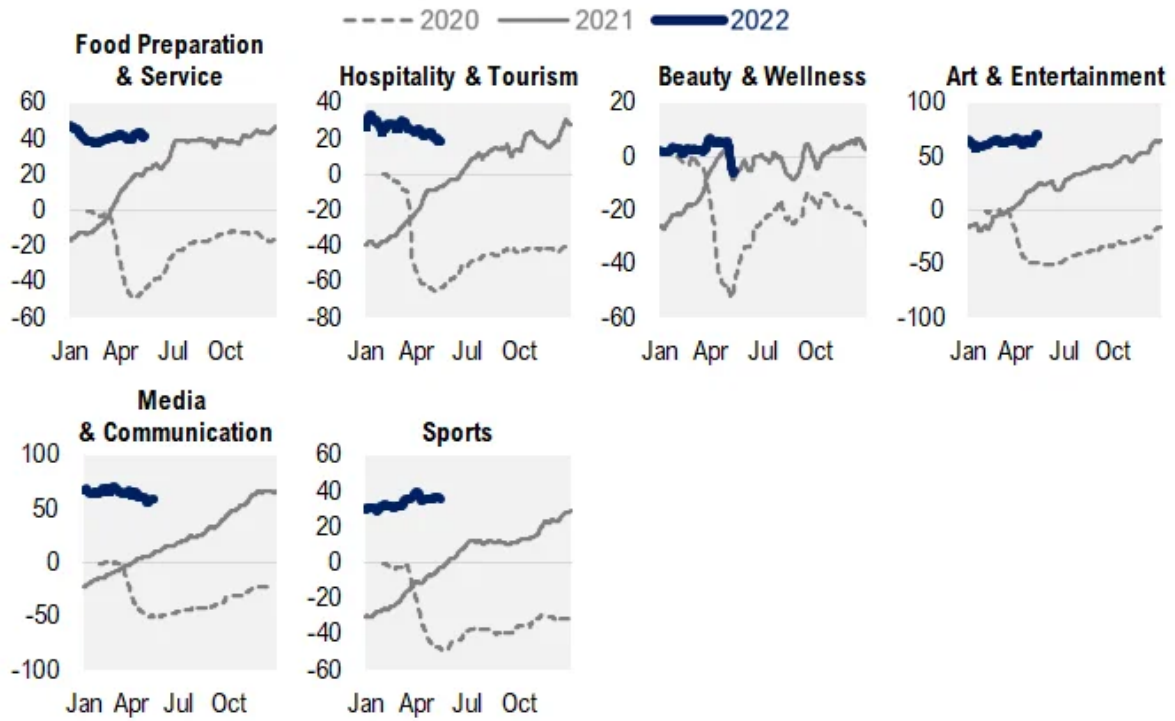
By calendar year. Feb 1, 2020, as baseline rebased to 0.



Source: Fundstrat, Indeed Hiring Lab

TOTAL JOB POSTINGS ON INDEED: Food, Hospitality & Entertainment

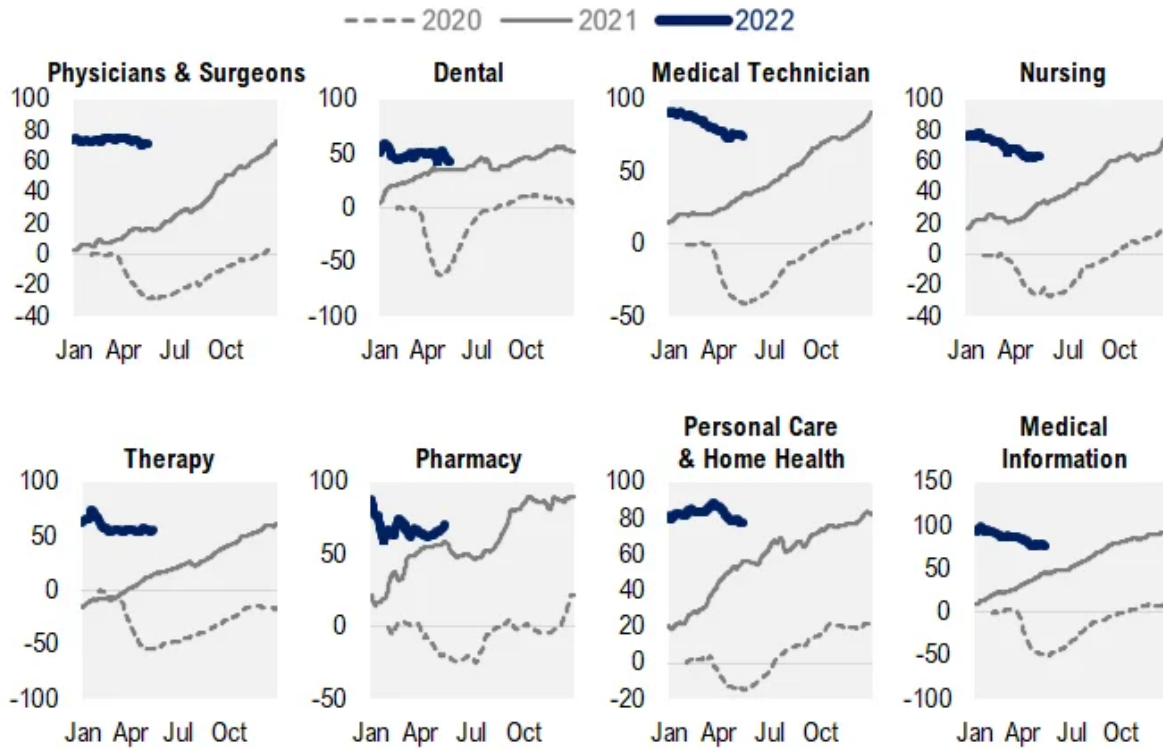
By calendar year. Feb 1, 2020, as baseline rebased to 0.



Source: Fundstrat, Indeed Hiring Lab

TOTAL JOB POSTINGS ON INDEED: Medical and Healthcare Related

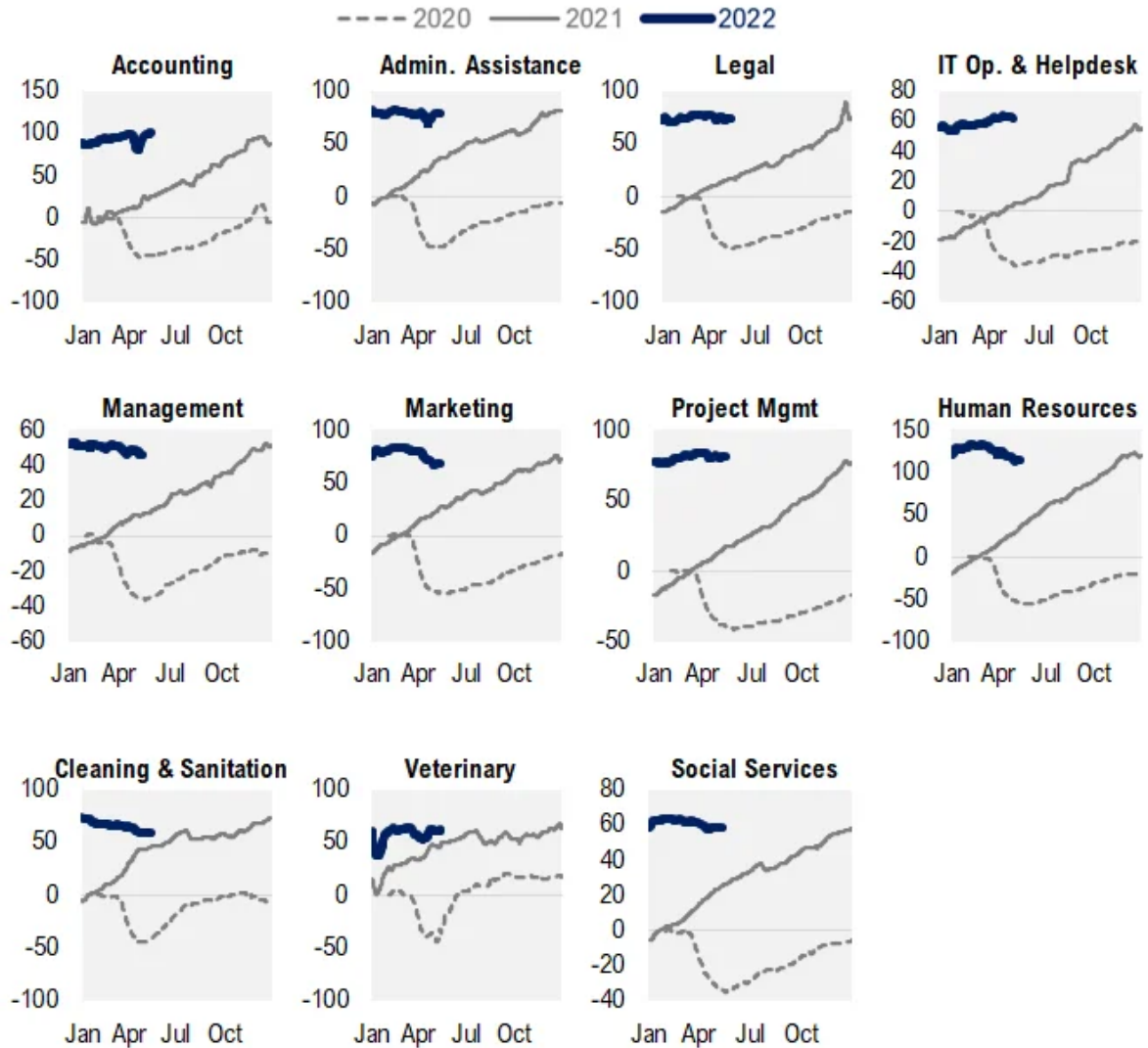
By calendar year. Feb 1, 2020, as baseline rebased to 0.



Source: Fundstrat, Indeed Hiring Lab

TOTAL JOB POSTINGS ON INDEED: Professional Services and Others

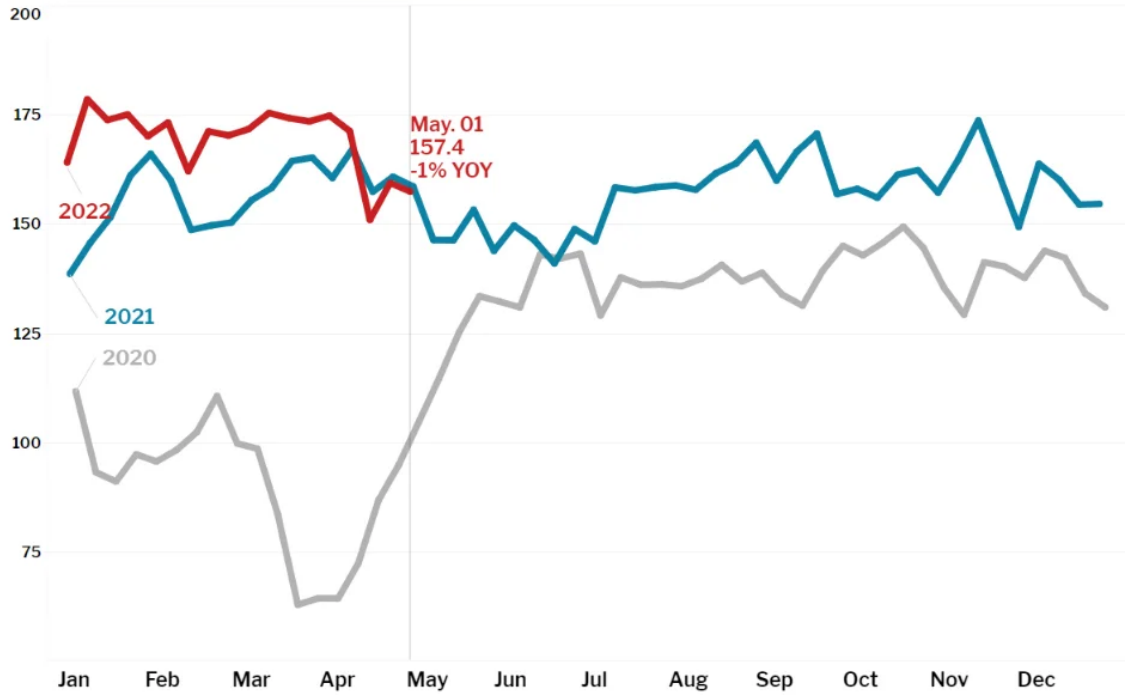
By calendar year. Feb 1, 2020, as baseline rebased to 0.



Source: Fundstrat, Indeed Hiring Lab

Redfin Homebuyer Demand Index -1% Year Over Year

Weekly value of Redfin's seasonally adjusted homebuyer demand index based on requests for home tours & other homebuying services. 100 = Jan-Feb 2020

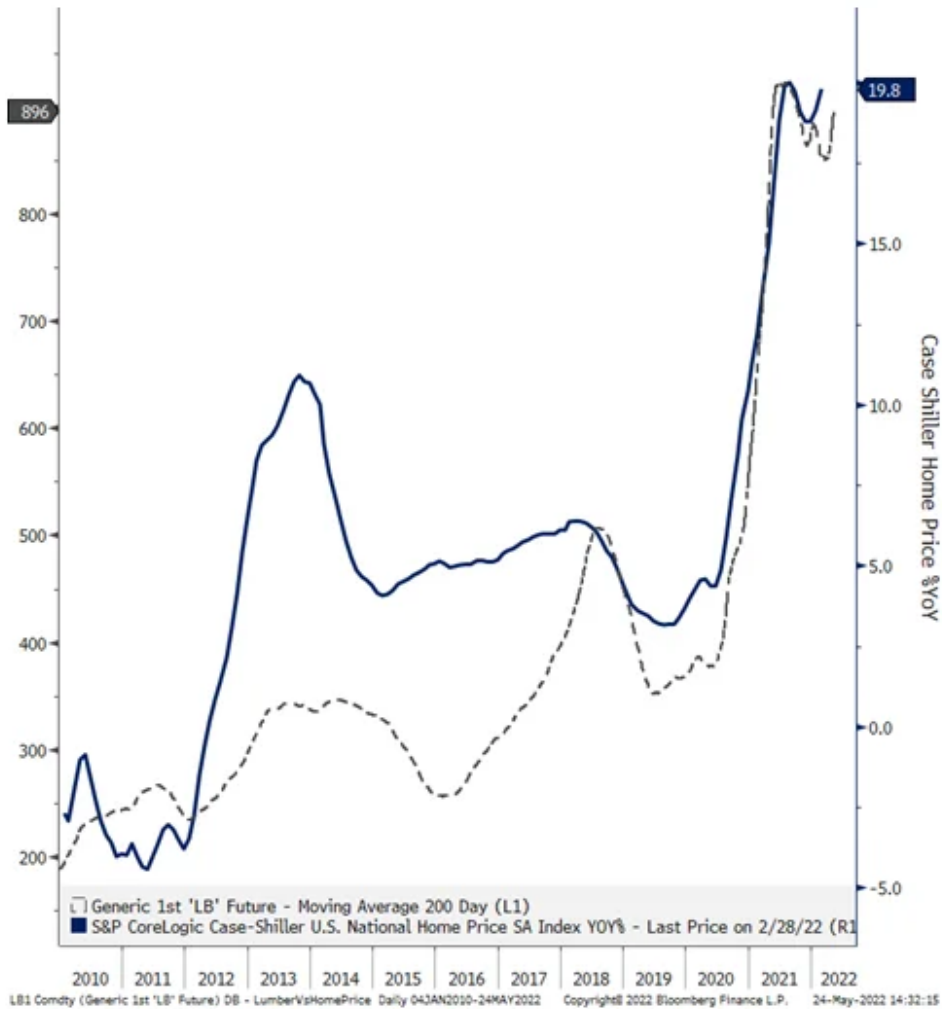


Source: Requests for home tours and other services from Redfin agents



Lumber vs Home Prices

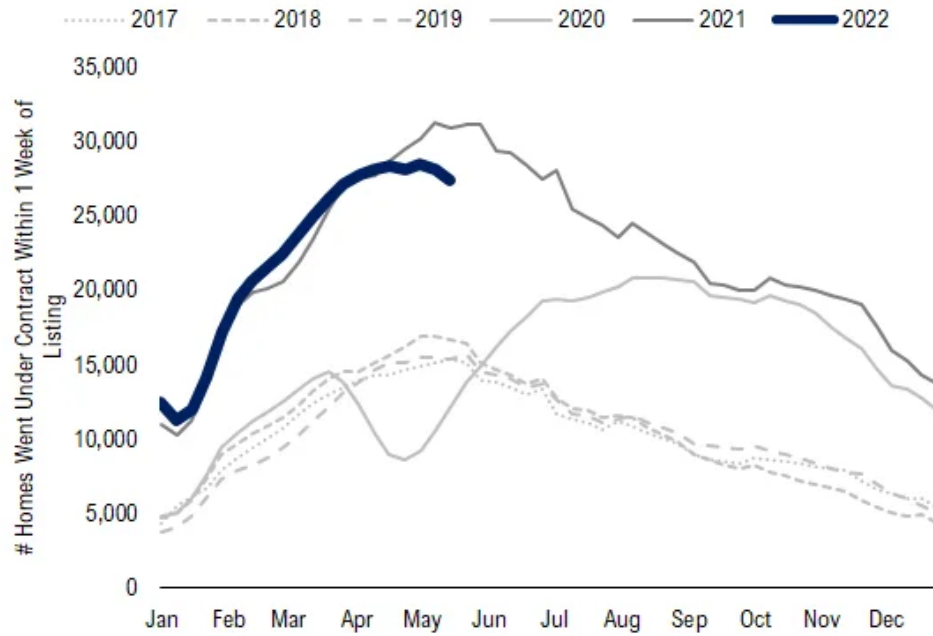
Since 2010



Source: Fundstrat, Bloomberg

Homes Under Contract Within 1 Week of Listing

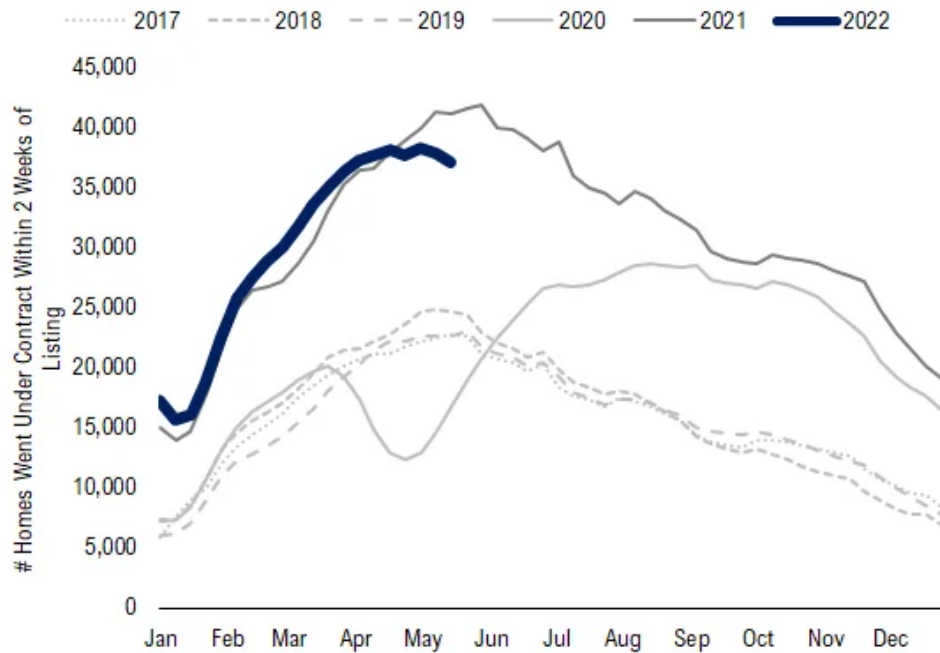
Each year since 2017



Source: Fundstrat, Redfin

Homes Under Contract Within 2 Weeks of Listing

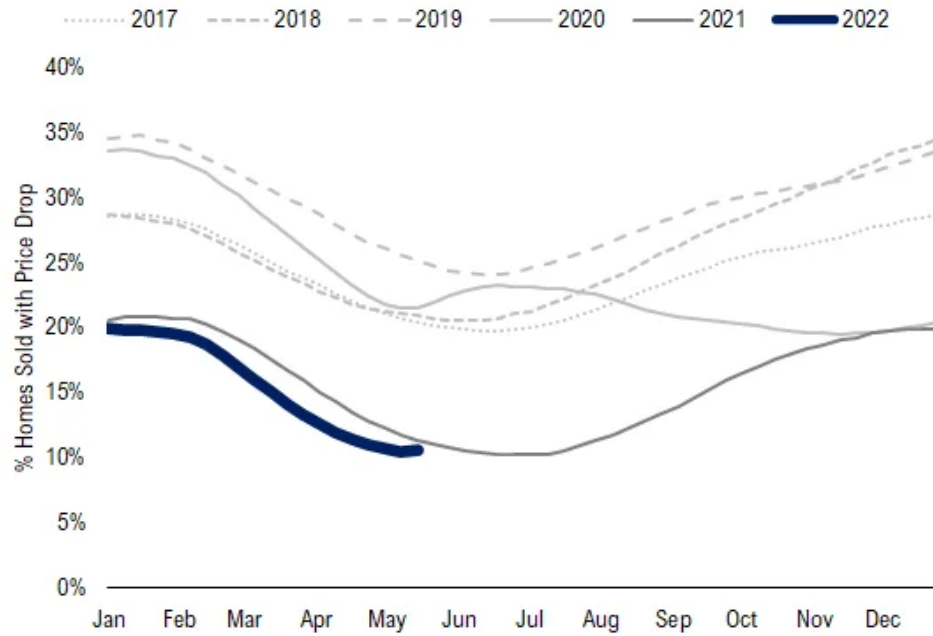
Each year since 2017



Source: Fundstrat, Redfin

% of Homes Sold with Price Drop

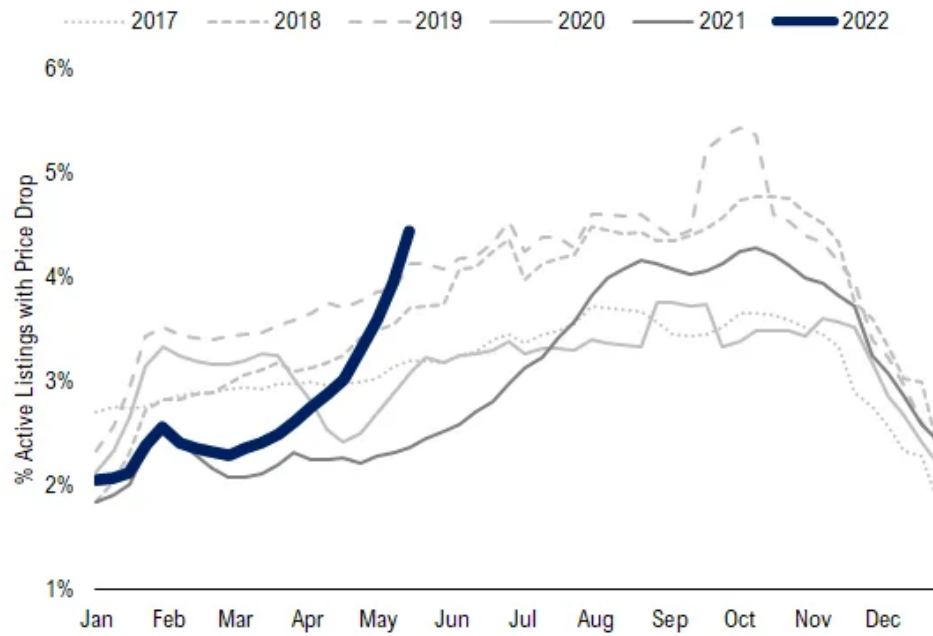
Each year since 2017



Source: Fundstrat, Redfin

% of Active Listings with Price Drops

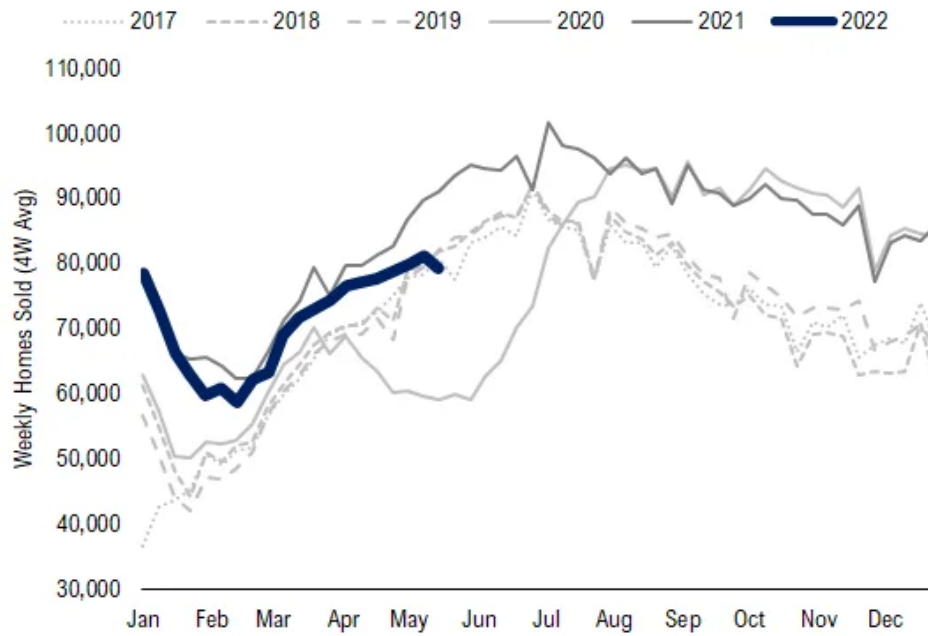
Each year since 2017



Source: Fundstrat, Redfin

Weekly Number of Homes Sold

Each year since 2017



Source: Fundstrat, Redfin

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