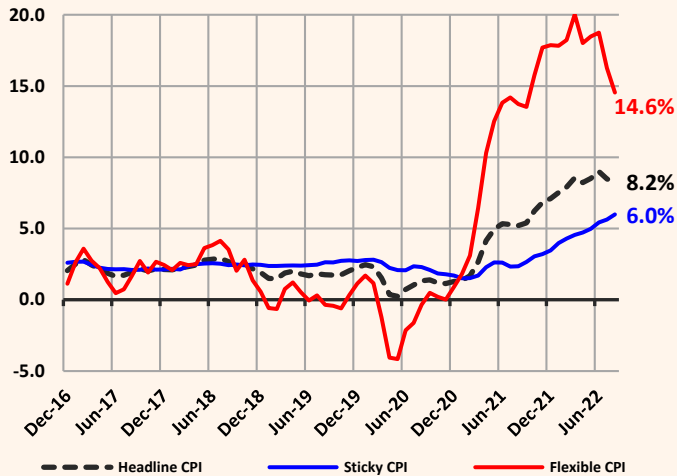


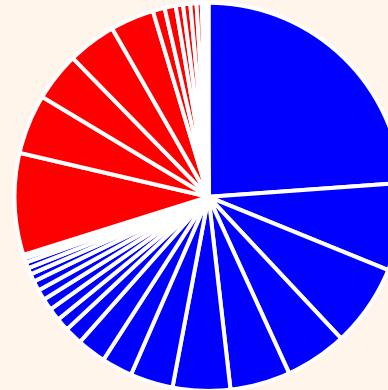
MARKET MICROSCOPE – “Flexible” vs. “Sticky” CPI

CPI % Change Over Past 12-Month Period



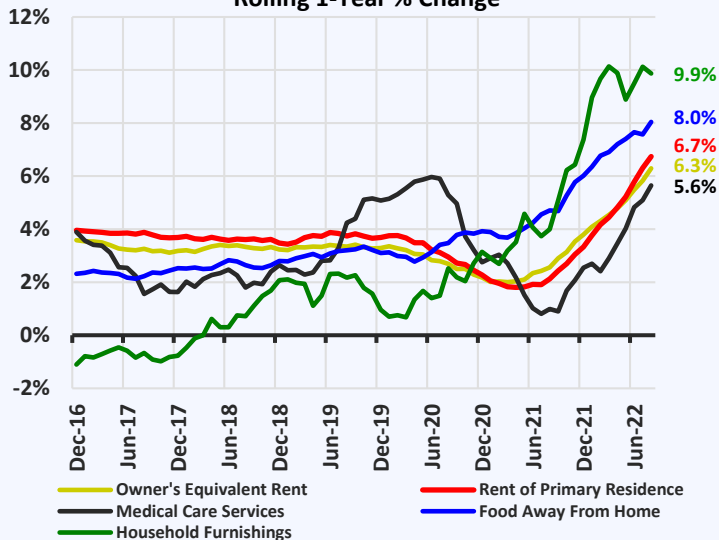
While there are signs that overall inflation may be moderating, Sticky CPI (goods & services whose price changes less frequently) has thus far continued to climb.

Components of Headline CPI



Sticky components of CPI (in blue) account for roughly 70% of total CPI, while Flexible components (red) are about 30%.

Larger Components of Sticky Inflation Rolling 1-Year % Change



The rate of inflation on Sticky components like rent, medical care and food away from home has continued to climb steadily.

Meanwhile, the rate of inflation on some major Flexible components like motor fuel and the price of new and used vehicles has now declined after first rising in rapid fashion.

Larger Components of Flexible Inflation Rolling 1-Year % Change

