11 September 2026

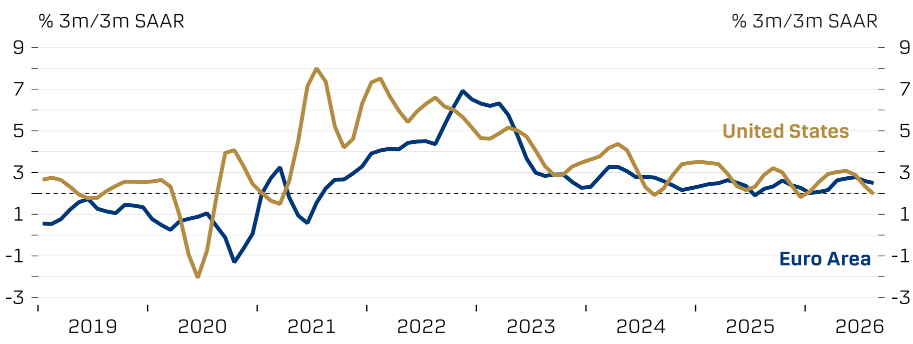
Global Inflation Watch

Muted momentum outside of energy

- **Overview:** Inflation in August came in broadly as expected in both the US and euro area. Momentum in underlying inflation remained muted on both sides of the Atlantic (see chart). Rising energy prices, particularly European gas futures, have moved up near-term inflation expectations.
- **Inflation expectations:** Short-term inflation expectations have moved higher the past month, while longer-term expectations remain anchored. Survey-based inflation expectations have declined slightly.
- **US:** Headline CPI rose 0.4% m/m SA, as expected, up from 0.1% in July, mainly driven by higher energy prices. Core CPI came in slightly above expectations at 0.29% m/m SA (consensus at 0.2%, Danske Bank at 0.24%, July 0.22%). The upside surprise in core services was driven by a one-off rise in telephone services prices. Excluding this component, core inflation would have been in line with our forecast. Underlying inflation did not look particularly hot.
- **Euro area:** HICP inflation rose as expected in August to 3.3% y/y, from 2.9% y/y in July, while core inflation declined to 2.4% y/y, below expectations of 2.5%. The rise in headline inflation was entirely driven by energy prices, with food inflation unchanged and core inflation lower. Momentum in core inflation remains low at 0.17% m/m s.a., with few signs of energy prices spilling over to underlying inflation. The loss of momentum in core was due to services momentum fading to just 0.1% m/m s.a.,
- **Chinese** In China PPI rose in August from 3.5% y/y to 3.8% y/y as commodity prices and rising chip prices drove up producer prices. Core CPI increased from 0.9% y/y to 1.0% y/y reflecting still low consumer demand.

Momentum in core inflation remains muted on both sides of the Atlantic

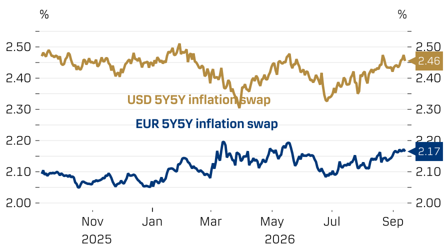
Core inflation momentum



Source: BLS, ECB, Macrobond

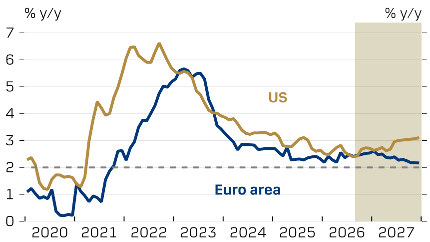
Today's key points

Markets' long-term inflation expectations have risen, but only marginally



Note: Past or current performance is no guarantee of future performance
Source: Bloomberg, Macrobond

Core inflation outlook



Source: BLS, Eurostat, Danske Bank, Macrobond

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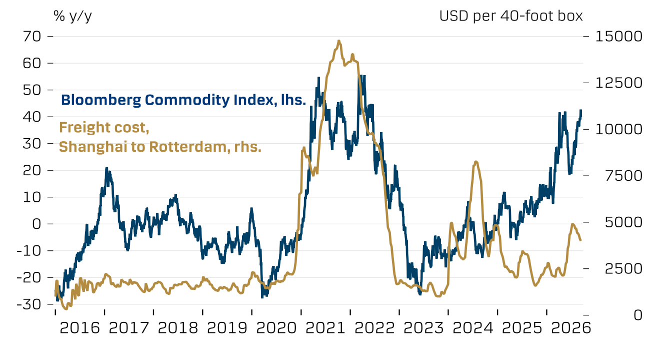
Top down overview

Overview of inflation drivers

Inflation Dashboard (3-6M trend)		
Commodity prices	Oil	↑
	Metals	↑
	Food stuff	↑
Supply Chains	Freight rates	→
Wage pressure		↓
Productivity growth		→
Inflation expectations		↑
Pricing power		→

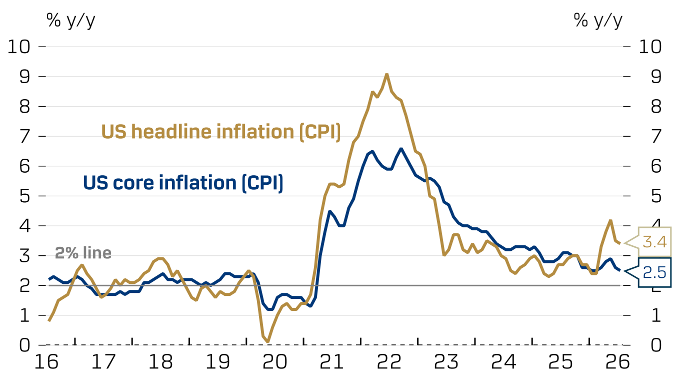
Source: Danske Bank

Commodity price and freight inflation



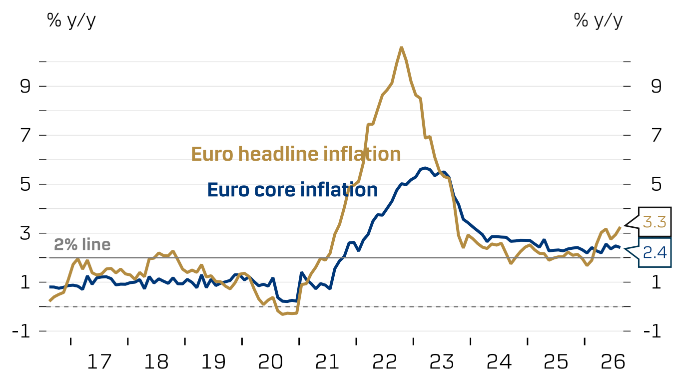
Source: Macrobond Financial, Eurostat, Bloomberg US headline and core inflation (CPI)

US headline and core inflation (CPI)



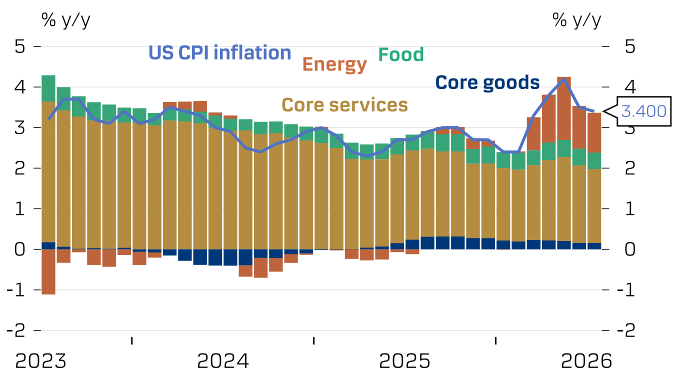
Source: Macrobond Financial, BLS

Euro headline and core inflation



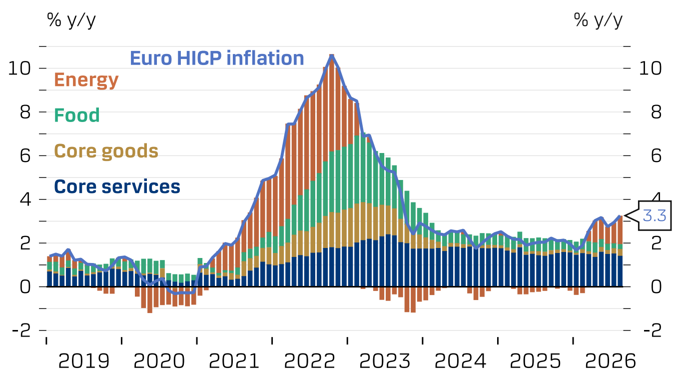
Source: Macrobond Financial, Eurostat

Contributions to US inflation



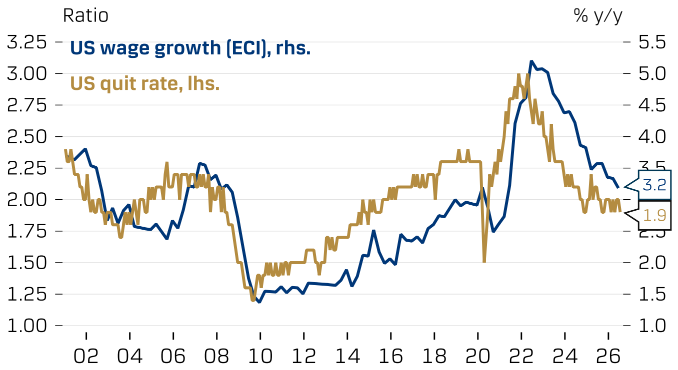
Source: Macrobond Financial, BLS Source: Macrobond Financial, Eurostat

Contributions to euro inflation



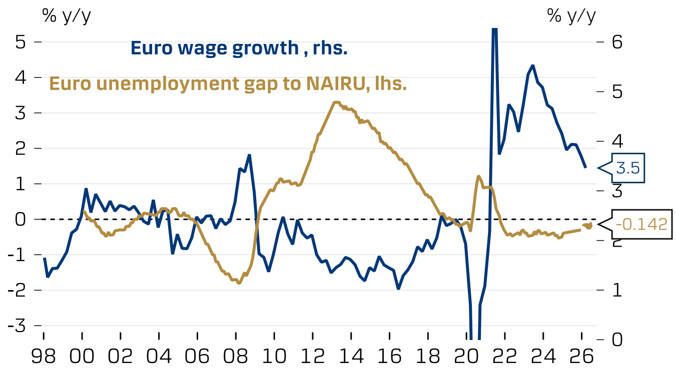
Source: Macrobond Financial, Eurostat

US wage growth and labour market tightness



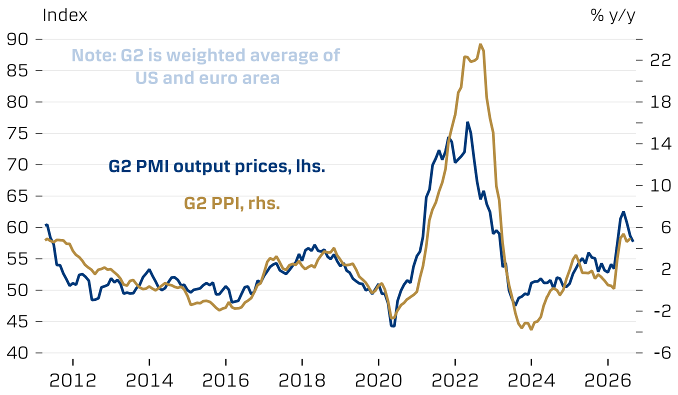
Source: Macrobond Financial, BLS

Euro wage growth and labour market tightness



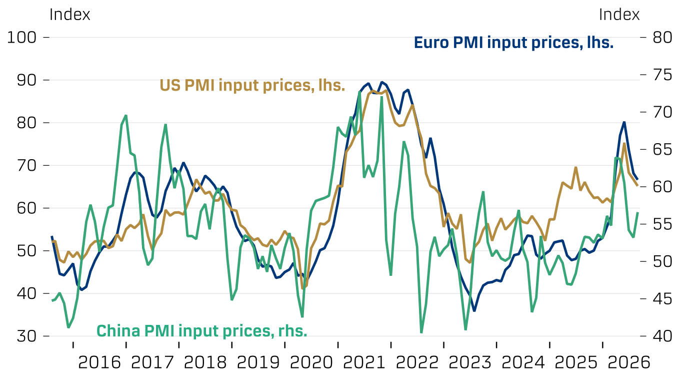
Source: Macrobond Financial, Eurostat, ECB

G2 PPI inflation vs oil price inflation



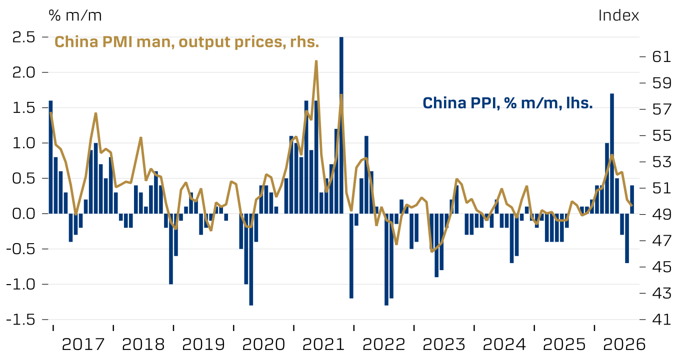
Source: Macrobond Financial, BLS, Eurostat

PMI input price indices US, Euro and China



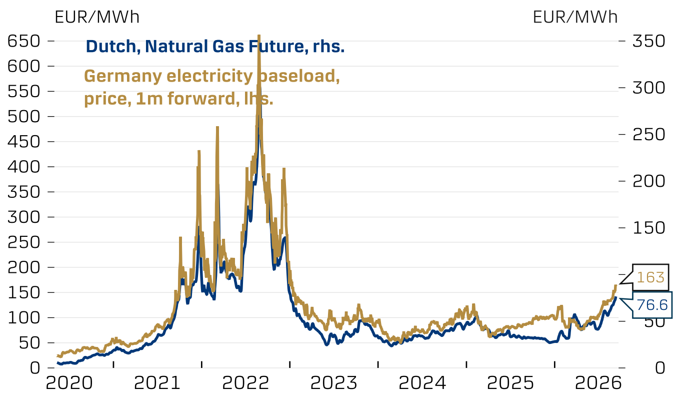
Source: Macrobond Financial, Markit

China PPI inflation momentum



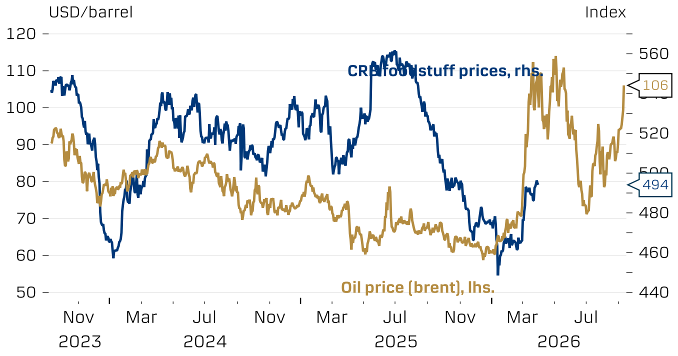
Source: Macrobond Financial, Markit

European natural gas and electricity prices



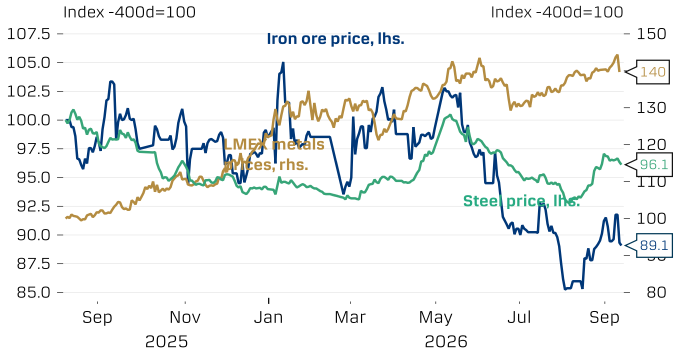
Note: Past or current performance is no guarantee of future performance
Source: Macrobond Financial, PBoC, Danske Bank

Commodity price levels – oil and food



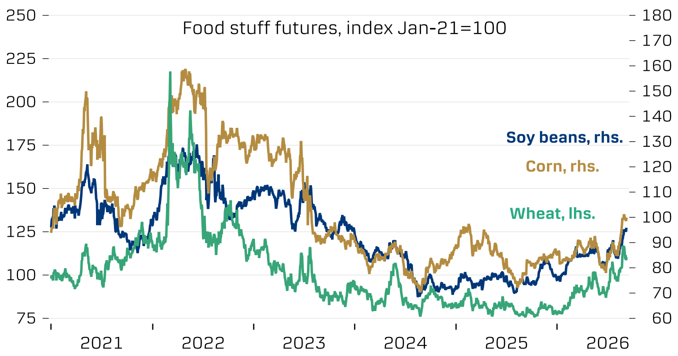
Source: Macrobond Financial, Bloomberg
Note: Past performance is not a reliable indicator of future performance.

Commodity price levels – metals and iron ore



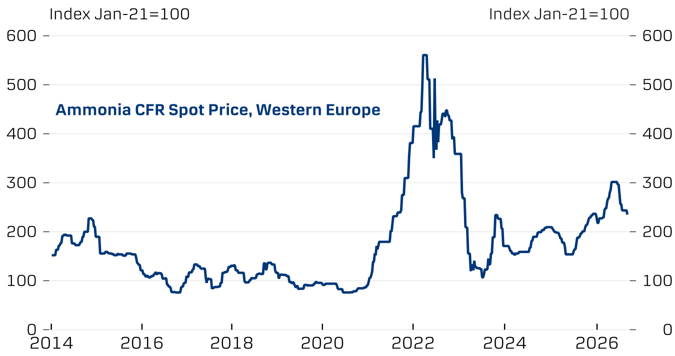
Source: Macrobond Financial, Bloomberg
Note: Past performance is not a reliable indicator of future performance.

Grain prices



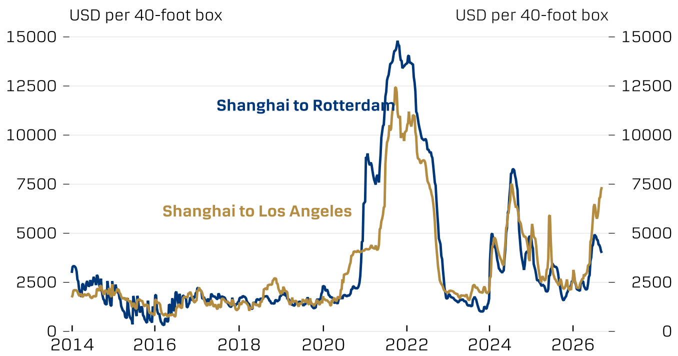
Source: Macrobond Financial, Bloomberg
Note: Past performance is not a reliable indicator of future performance.

Fertilizer input prices



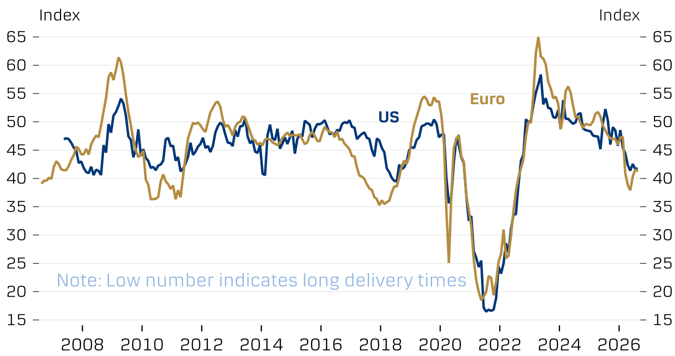
Source: Macrobond Financial, Bloomberg
Note: Past performance is not a reliable indicator of future performance.

Freight rates



Source: Macrobond Financial, Bloomberg, WCI

Bottle necks – PMI supplier delivery indices

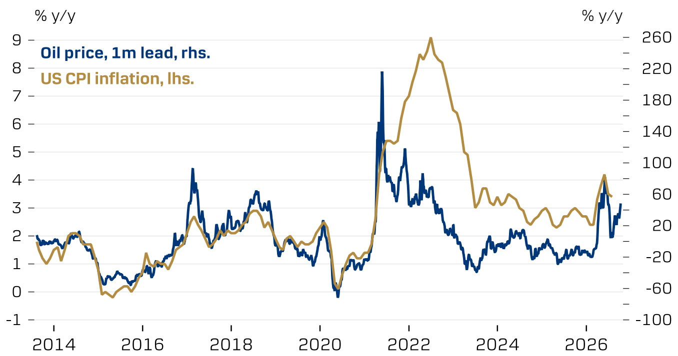


Source: S&P Global, Macrobond Financial

Country details - US

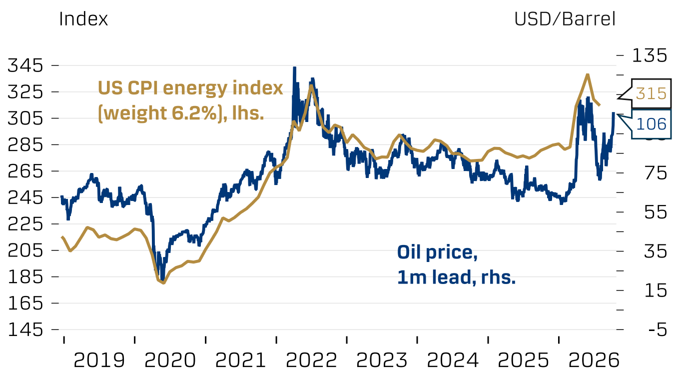
Top down

Headline CPI inflation vs. oil prices



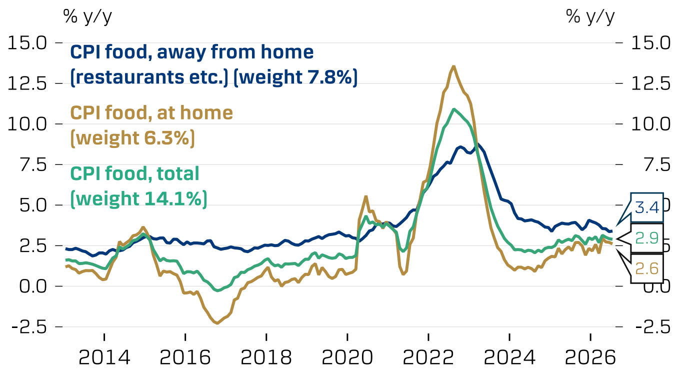
Source: Macrobond Financial, BLS.
Note: Past performance is not a reliable indicator of future performance.

CPI energy prices vs oil



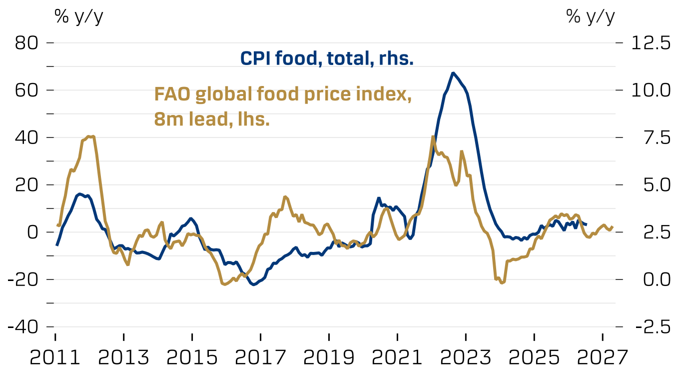
Source: Macrobond Financial, BLS.
Note: Past performance is not a reliable indicator of future performance.

Food prices



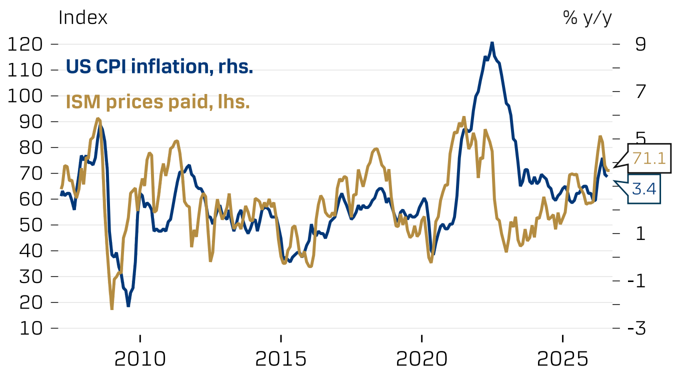
Source: Macrobond Financial, BLS

Food prices vs FAO food price index



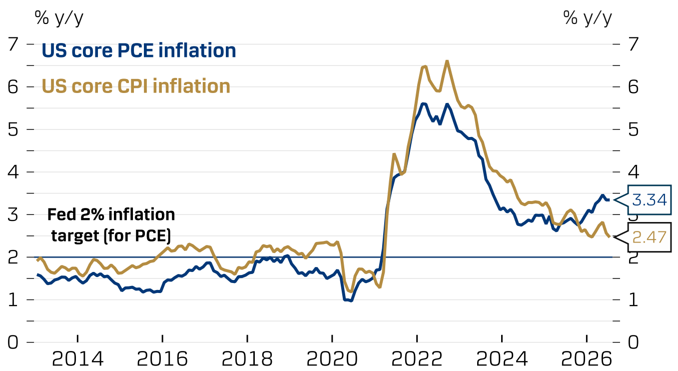
Source: Macrobond Financial, FAO, BLS
Note: Past performance is not a reliable indicator of future performance.

US PMI output prices vs CPI inflation



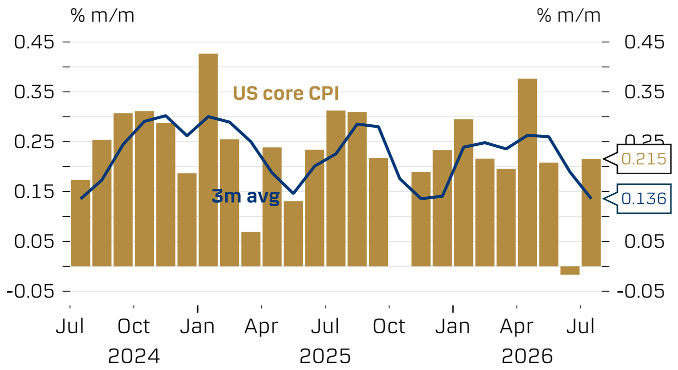
Source: Macrobond Financial, BLS, Markit

Core PCE inflation vs core CPI inflation



Source: Macrobond Financial, BLS, BEA

Core CPI momentum

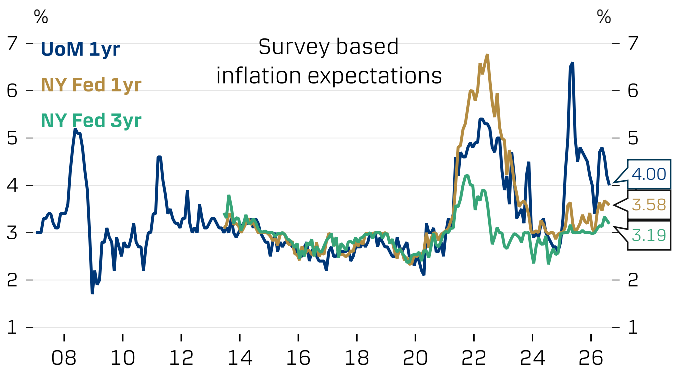


Source: Macrobond Financial, BLS

Headline CPI since 1980

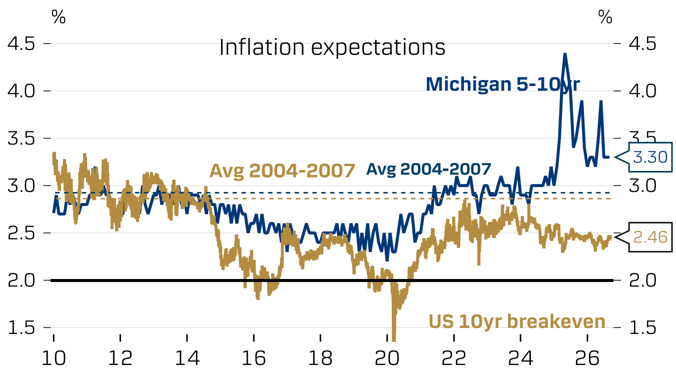
Sources: BEA, BLS, Macrobond Financial

Survey-based inflation expectations



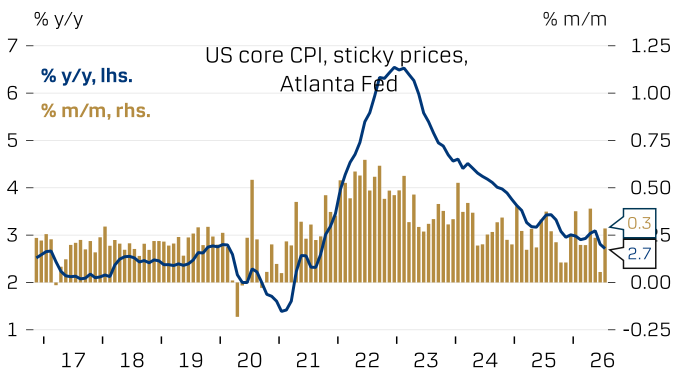
Source: NY Fed, University of Michigan, Macrobond Financial

Long-term inflation expectations



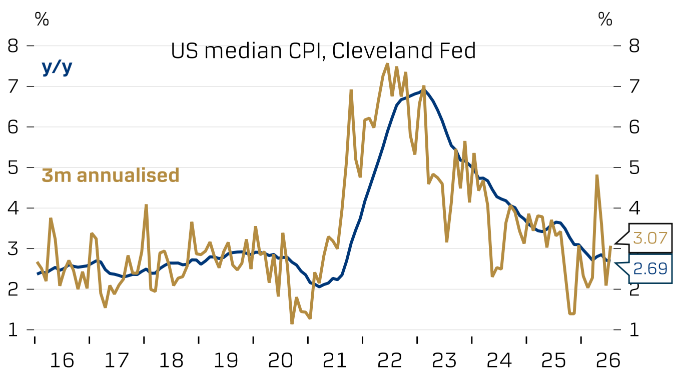
Source: Macrobond Financial. University of Michigan
Note: Past performance is not a reliable indicator of future performance.

Core sticky prices inflation (prices changed less frequently)



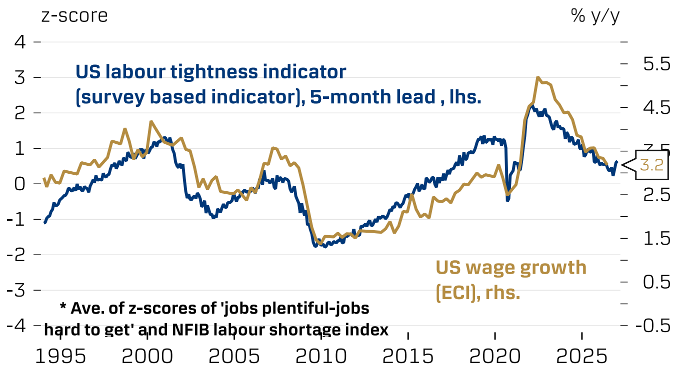
Source: Macrobond Financial, Atlanta Fed

Median CPI inflation



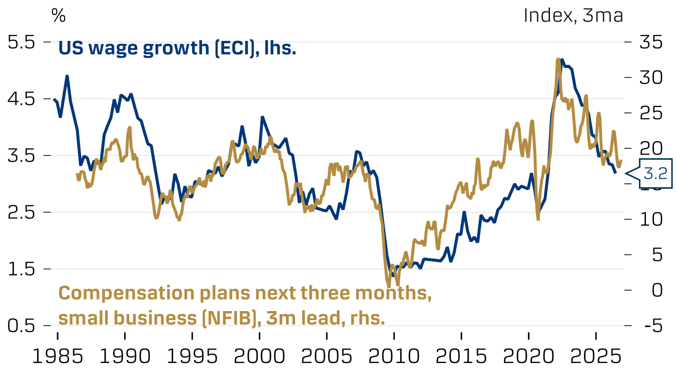
Source: Macrobond Financial, Cleveland Fed

Labour market tightness: wage growth vs tightness



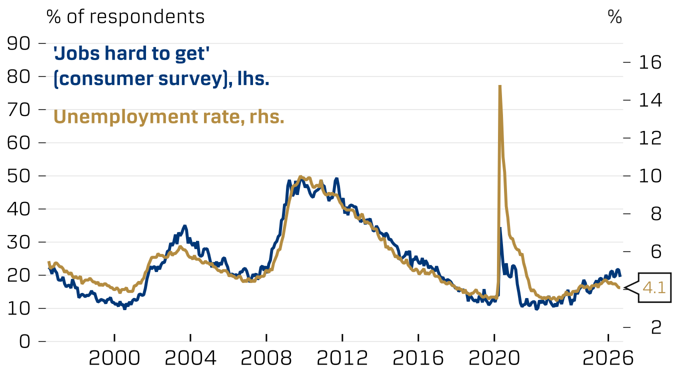
Source: Macrobond Financial, Conference Board, NFIB, BLS, Danske Bank

Labour market tightness: job openings and shortage



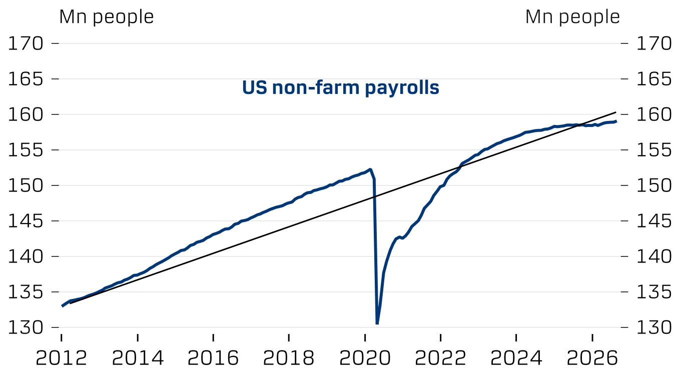
Source: Macrobond Financial, NFIB, BLS

Labour market tightness: Jobs hard to get and unemployment



Source: Macrobond Financial, Conference Board, BLS

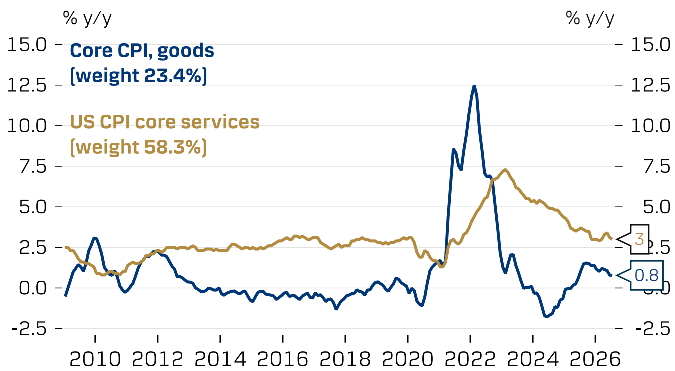
Employment gap



Source: Macrobond Financial, BLS

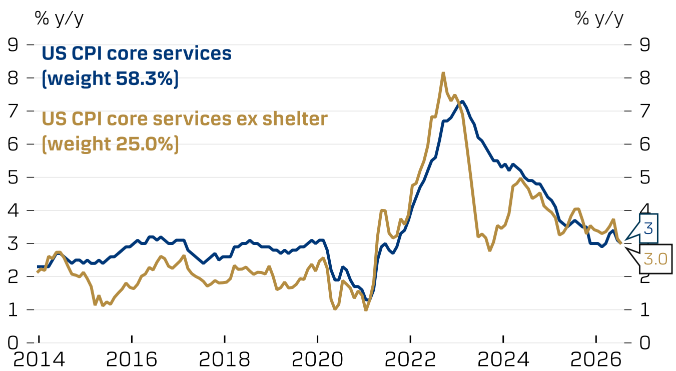
Bottom up

Core goods vs. services



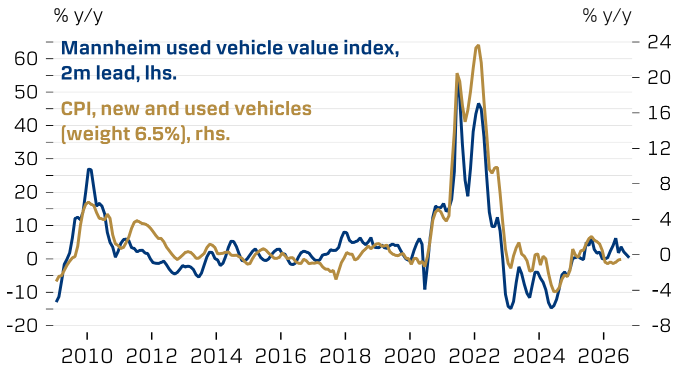
Source: Macrobond Financial, BLS

Core services ex shelter



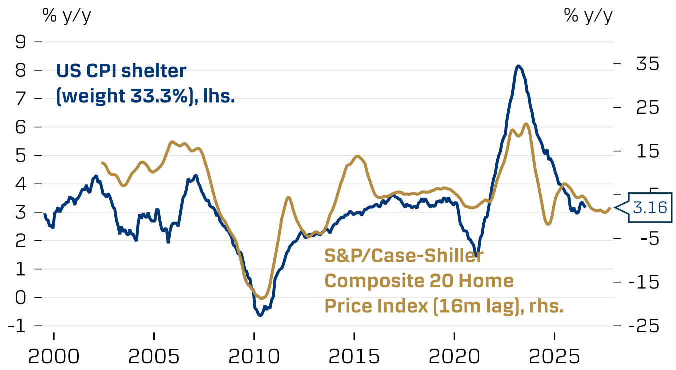
Source: Macrobond Financial, BLS

Used car prices



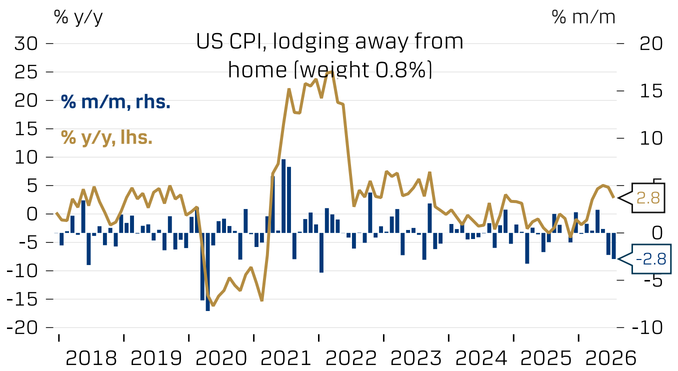
Source: Macrobond Financial, BLS, Manheim Consulting

Rent of shelter



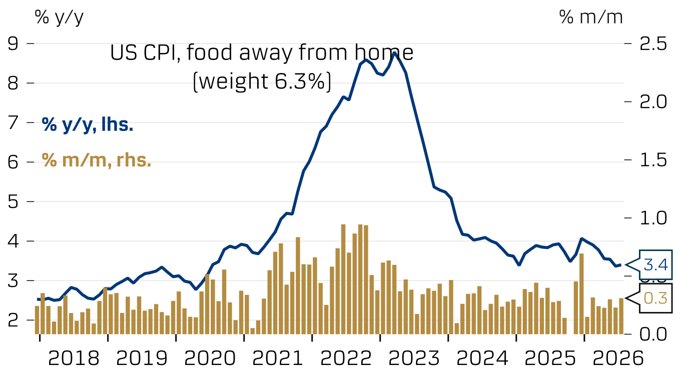
Source: Macrobond Financial, BLS, S&P Dow Jones

Lodging away from home (hotels etc.)



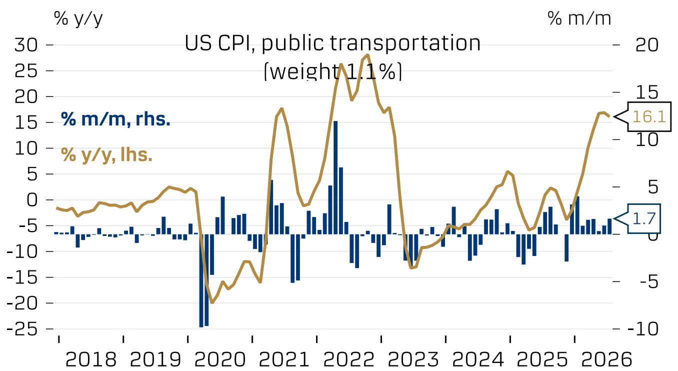
Source: Macrobond Financial, BLS

Food away from home (restaurants etc.)



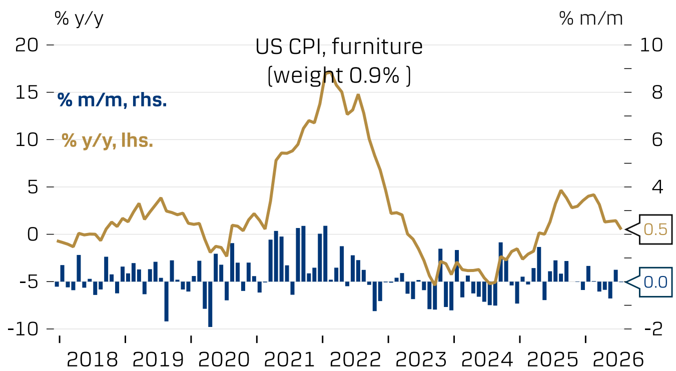
Source: Macrobond Financial, BLS

Public transportation (airfares etc.)



Source: Macrobond Financial, BLS

Furniture

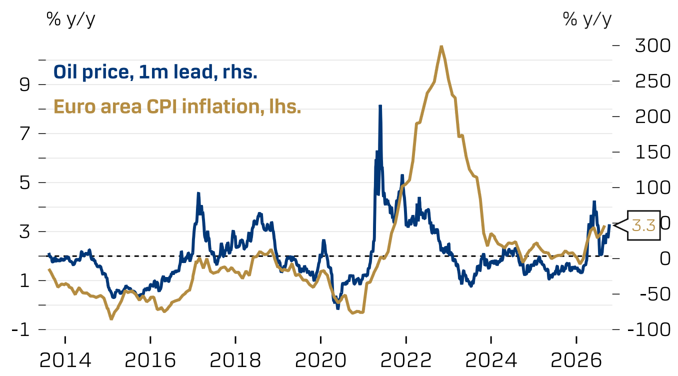


Source: Macrobond Financial, BLS

Country details – Euro area

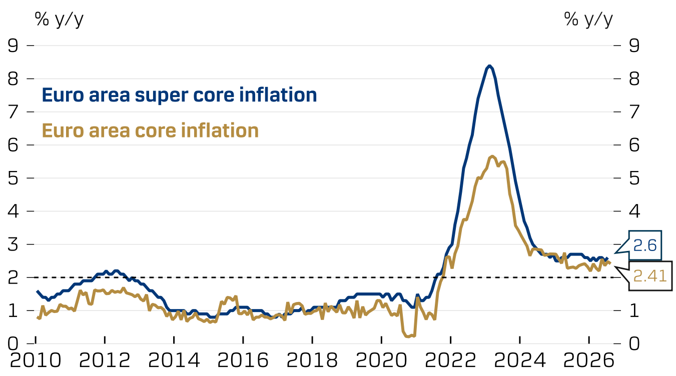
Top Down

Headline vs. oil prices



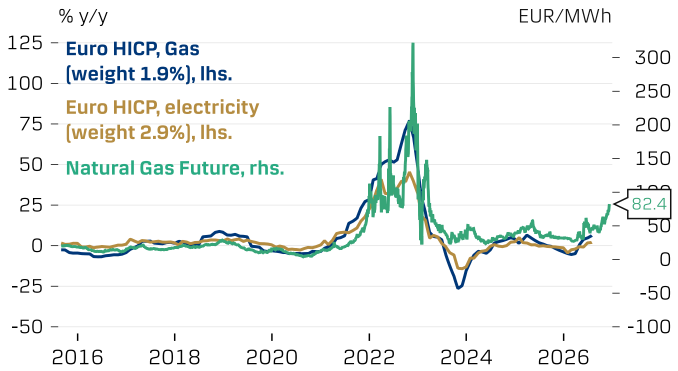
Source: Macrobond Financial, Eurostat
Note: Past performance is not a reliable indicator of future performance.

Core inflation



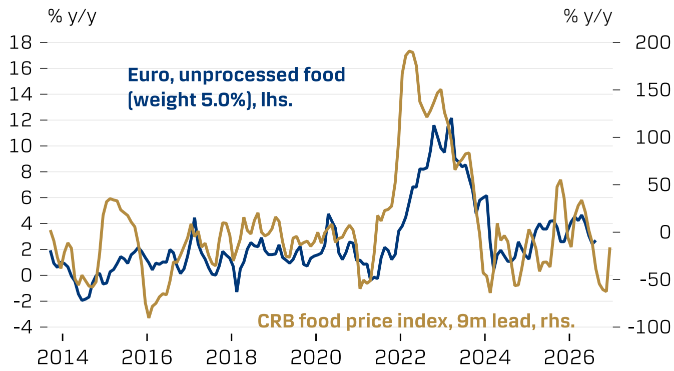
Source: Macrobond Financial, Eurostat, Danske Bank

Natural gas & electricity



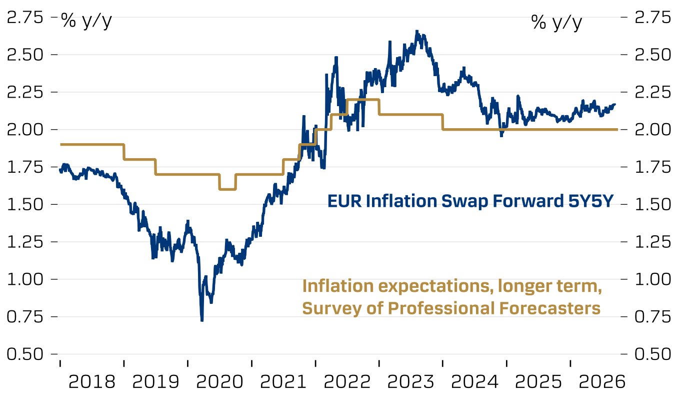
Source: Macrobond Financial, Eurostat
Note: Past performance is not a reliable indicator of future performance.

Food



Source: Macrobond Financial
Note: Past performance is not a reliable indicator of future performance.

Inflation expectations



Source: ECB, Bloomberg, Macrobond Financial

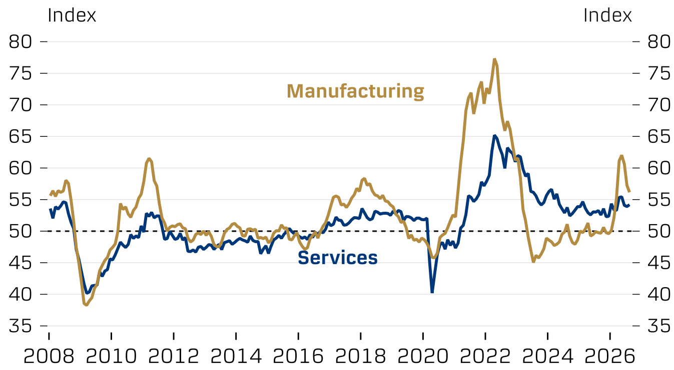
Consumer confidence - price expectations

Source: Macrobond Financial, EU Commission, Eurostat

Selling price expectations from companies

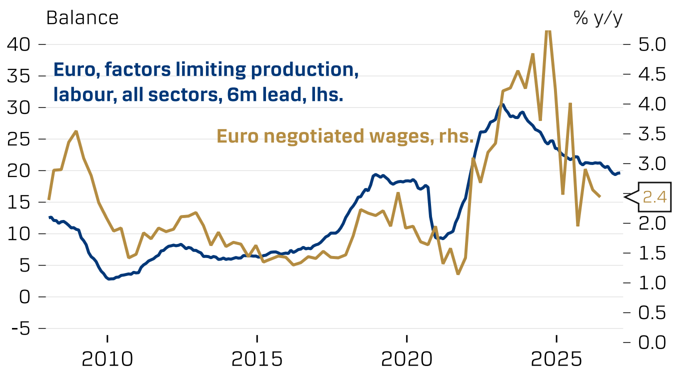
Source: Macrobond Financial, EU Commission
Note: Past performance is not a reliable indicator of future performance.

PMI output prices



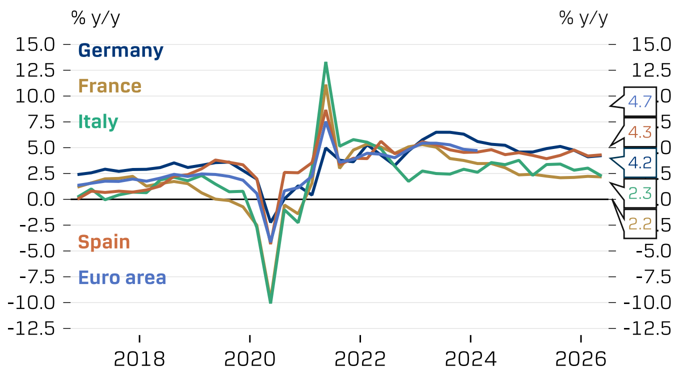
Source: Macrobond Financial, Markit

Labour shortage and wage growth



Source: Macrobond Financial, EU Commission

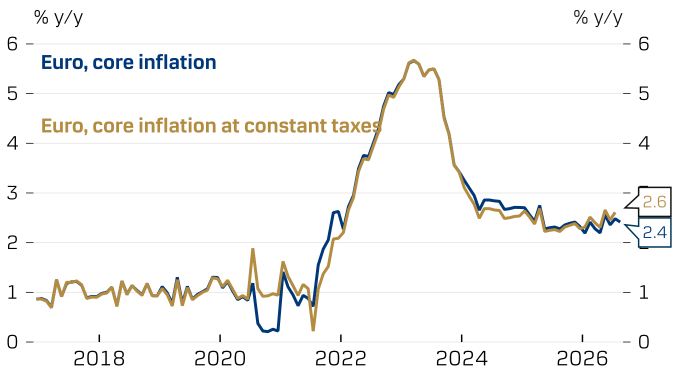
Wage growth (compensation per employee)



Source: Macrobond Financial, ECB.
Note: Compensation is affected by changes in working hours in contrast to negotiated wages, which is per hour worked.

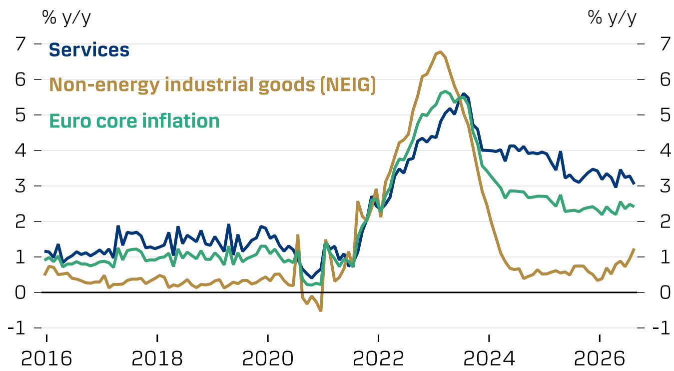
Bottom up

Core inflation, effect from taxes



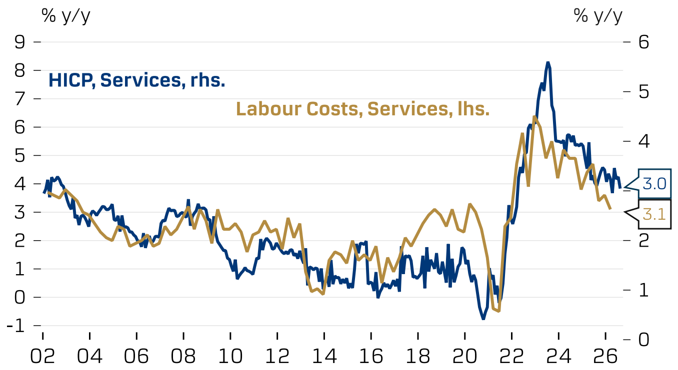
Source: Macrobond Financial, Eurostat

Core inflation components



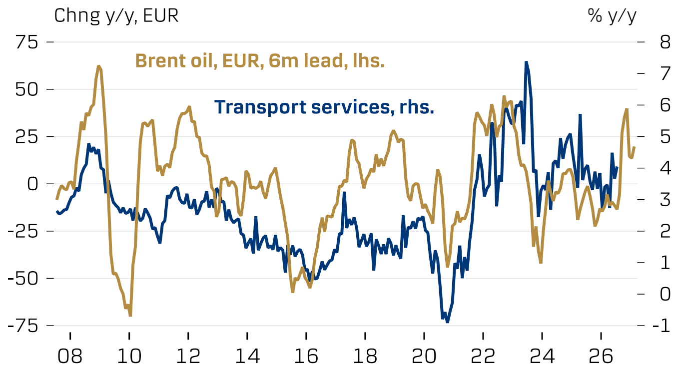
Source: Macrobond Financial, Eurostat, ECB

Service inflation vs. labour costs



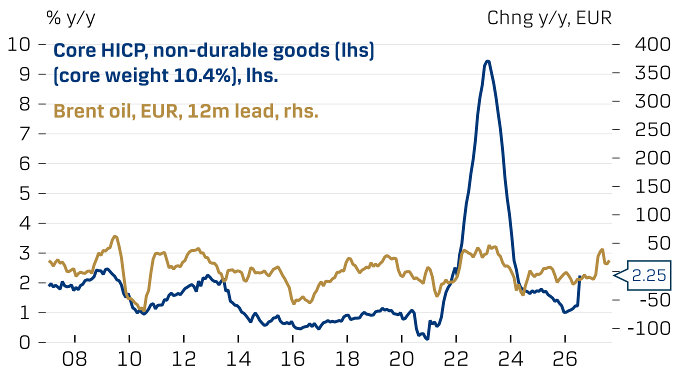
Source: Macrobond Financial, Eurostat, Danske Bank

Transport services vs. oil



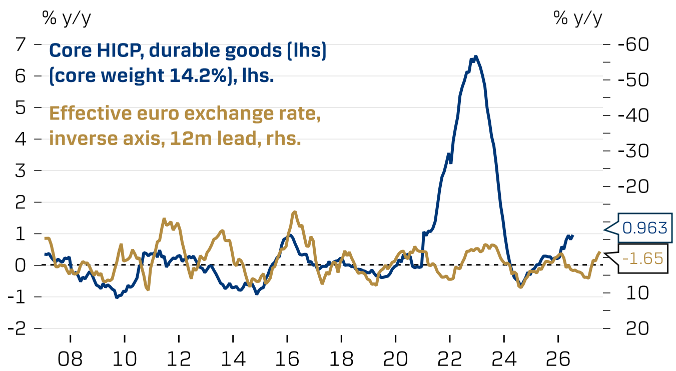
Source: Macrobond Financial, Eurostat, Danske Bank
Note: Past performance is not a reliable indicator of future performance.

Core non-durable goods



Source: Macrobond Financial, Eurostat

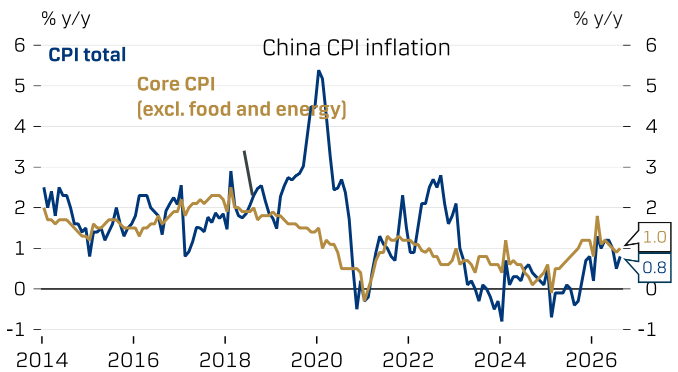
Core durable goods



Source: Macrobond Financial, BIS, Eurostat

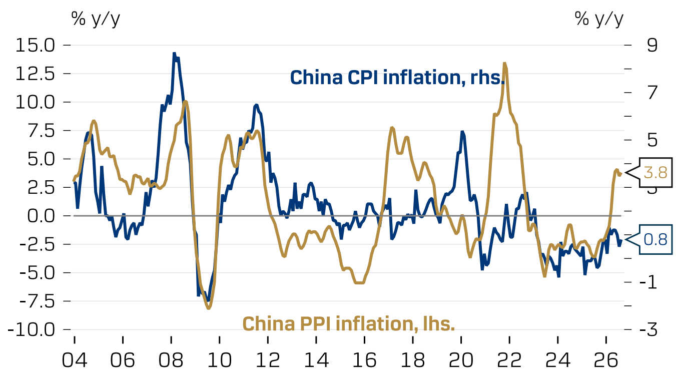
Country details – China

CPI and core CPI



Source: Macrobond Financial, NBS

PPI vs. CPI



Source: Macrobond Financial, NBS

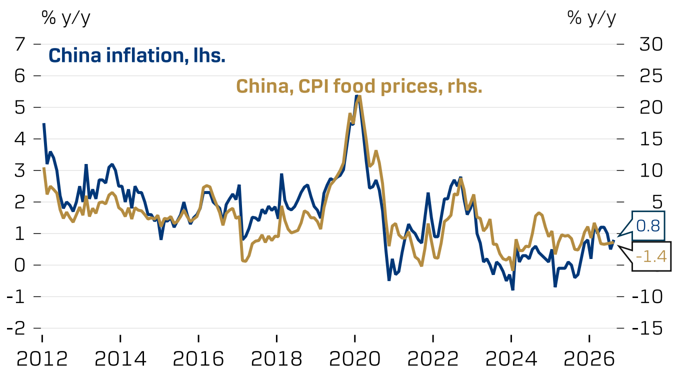
PPI vs. commodity prices

Source: Macrobond Financial, NBS

PPI vs. export prices

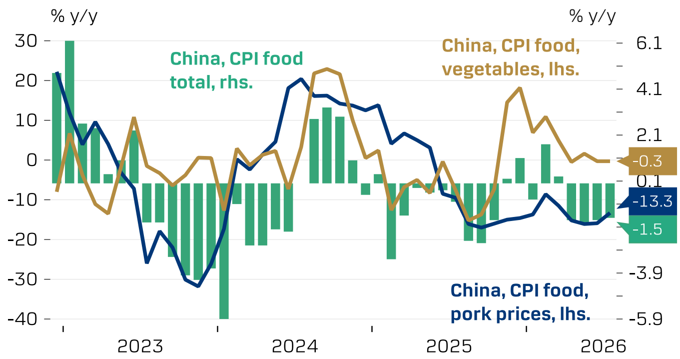
Source: Macrobond Financial, NBS, Danske Bank

CPI vs. food prices



Source: Macrobond Financial, NBS

CPI food prices



Source: Macrobond Financial, NBS

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