

U.S. INFLATION WATCH

Note: all text revealed to subscribers

FUTURE INFLATION GAUGE HITS NINE-MONTH LOW

ECRI's monthly U.S. Future Inflation Gauge (USFIG), designed to anticipate cyclical swings in the rate of inflation, fell to 121.1 (1992=100) in August from 121.7 in July, while its smoothed annualized growth rate dropped to 1.5% from 3.7%.

The gauge was pulled down in August by [REDACTED]

The USFIG has now declined for four straight months from April's 11-year high, suggesting a clear decline in underlying inflationary pressures. While a moderation in U.S. growth is a contributing factor, the key to the more benign inflation outlook is an imminent global industrial slowdown.

FUTURE INFLATION GAUGE

DATE	USFIG	DATE	USFIG	DATE	USFIG
Sep. '97	113.0	Sep. '98	109.1	Sep. '99	114.7
Oct. '97	112.6	Oct. '98	107.7	Oct. '99	116.0
Nov. '97	112.7	Nov. '98	109.8	Nov. '99	117.3
Dec. '97	110.7	Dec. '98	110.6	Dec. '99	121.5
Jan. '98	108.9	Jan. '99	111.6	Jan. '00	122.3r+
Feb. '98	109.9	Feb. '99	111.2	Feb. '00	122.5
Mar. '98	110.8	Mar. '99	110.0	Mar. '00	123.3
Apr. '98	111.4	Apr. '99	109.8	Apr. '00	125.0r-
May '98	109.8	May '99	111.6	May '00	122.9
Jun. '98	108.4	Jun. '99	111.7	Jun. '00	122.6r-
Jul. '98	107.7	Jul. '99	111.8	Jul. '00	121.7r+
Aug. '98	108.1	Aug. '99	111.8	Aug. '00	121.1

r+ = revised upward, r- = revised downward