

U.S. INFLATION WATCH

FUTURE INFLATION GAUGE DIPS AGAIN

Underlying inflationary pressures eased in March, according to the U.S. Future Inflation Gauge (USFIG). The value of ECRI's USFIG lies in its ability to measure underlying inflationary pressures and thereby predict turning points in the U.S. inflation cycle.

The USFIG fell to 121.3 (1992=100) in March from 122.6 in February, while its smoothed annualized growth rate dropped to 0.3% from 2.8%. The gauge was pulled down in March mainly by

The USFIG has now declined in four of the last five months, and is now at an eight-month low. Thus, there are tentative signs of some moderation in underlying inflation pressures.

Note: redacted areas are reserved for subscribers

FUTURE INFLATION GAUGE

DATE	USFIG		DATE	USFIG		DATE	USFIG
Apr. '03	118.2		Apr. '04	116.9		Apr. '05	119.4r-
May '03	117.5		May '04	117.2r-		May '05	116.4r-
Jun. '03	117.1		Jun. '04	116.8		Jun. '05	117.3r-
Jul. '03	116.9		Jul. '04	116.8		Jul. '05	120.0r+
Aug. '03	117.8		Aug. '04	117.8		Aug. '05	121.4
Sep. '03	118.4		Sep. '04	117.2		Sep. '05	124.3r+
Oct. '03	115.5r+		Oct. '04	117.9		Oct. '05	125.6r+
Nov. '03	113.2r+		Nov. '04	119.0		Nov. '05	122.6r+
Dec. '03	112.0		Dec. '04	118.6		Dec. '05	121.5r-
Jan. '04	114.4		Jan. '05	120.0r+		Jan. '06	123.5
Feb. '04	115.9		Feb. '05	119.0		Feb. '06	122.6r-
Mar. '04	119.0		Mar. '05	119.2		Mar. '06	121.3

r+ = revised upward, r- = revised downward