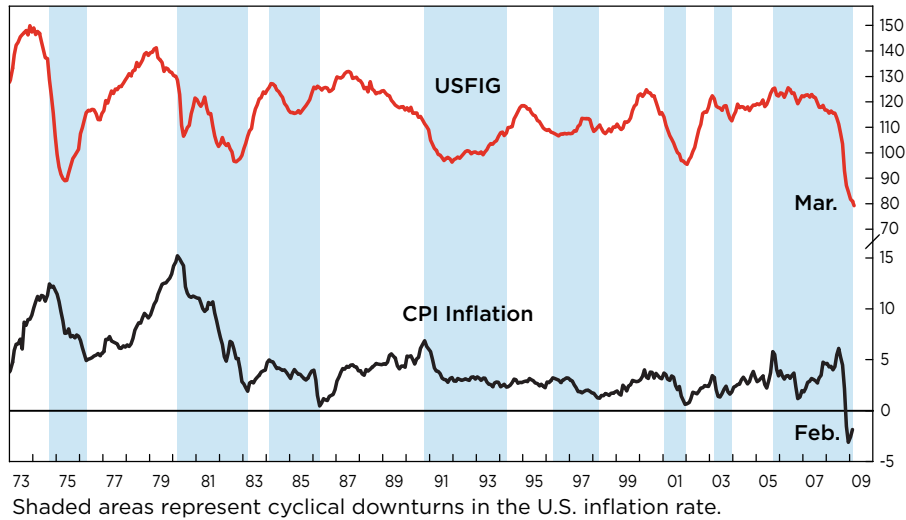


U.S.: Future Inflation Gauge Keeps Falling

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

The USFIG is now at a new 50-year low and remains in a clear cyclical downswing, asserting that inflation is still a non-issue.

Chart 1: USFIG (1992=100) and CPI Inflation (%)



Date	USFIG	Date	USFIG	Date	USFIG	Date	USFIG
Apr. '06		Jan. '07		Oct. '07		Jul. '08	
May '06		Feb. '07		Nov. '07		Aug. '08	
Jun. '06		Mar. '07		Dec. '07		Sep. '08	
Jul. '06		Apr. '07		Jan. '08		Oct. '08	
Aug. '06		May '07		Feb. '08		Nov. '08	
Sep. '06		Jun. '07		Mar. '08		Dec. '08	
Oct. '06		Jul. '07		Apr. '08		Jan. '09	
Nov. '06		Aug. '07		May '08		Feb. '09	
Dec. '06		Sep. '07		Jun. '08		Mar. '09	

r+ = revised upward, r- = revised downward