



Inflation Roundup

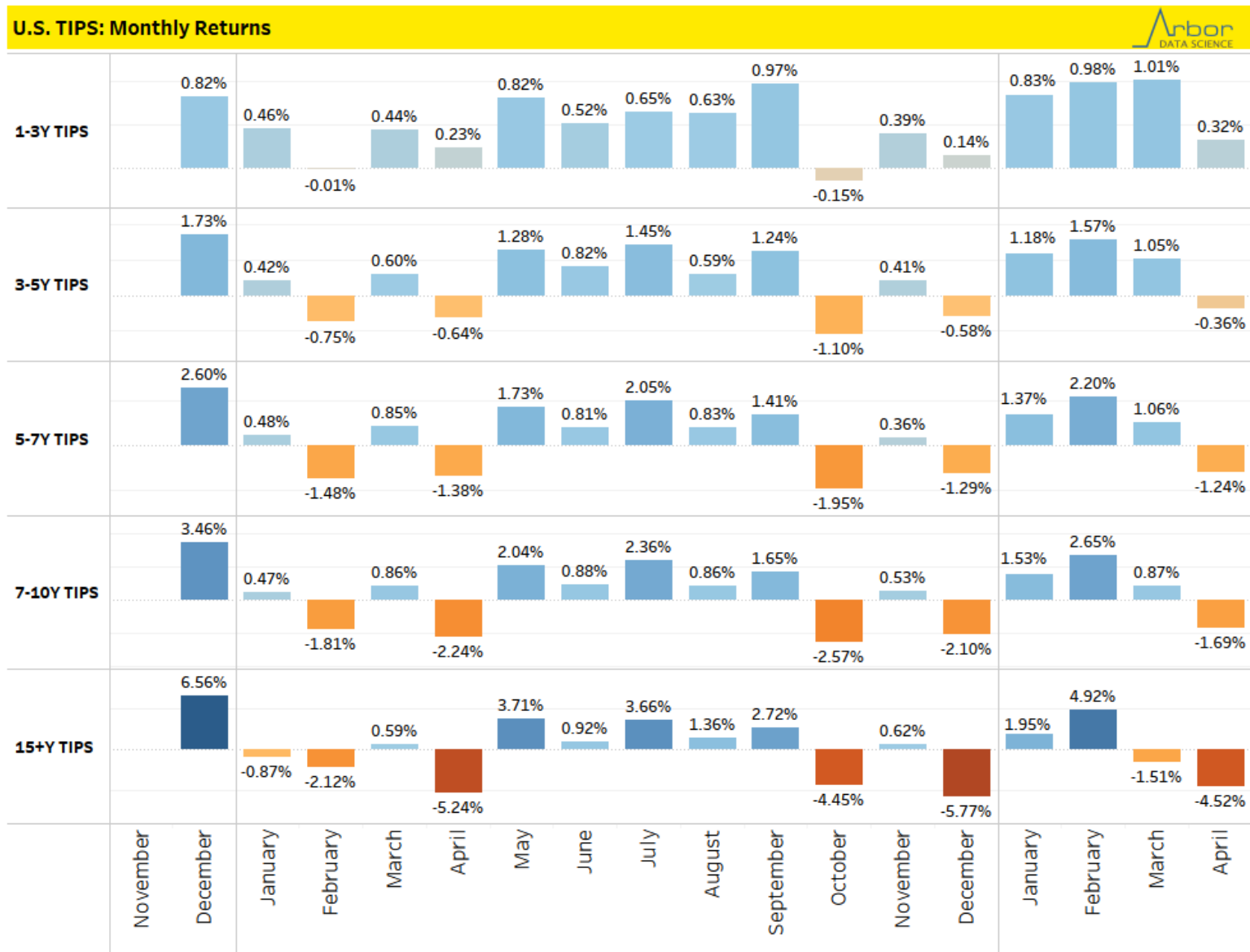
April 10, 2025

- Total Returns and Seasonality
- The State of Inflation
- Market-Based Expectations
- SPY Fund Flows
- Energy and Commodities

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TIPS TOTAL RETURNS:

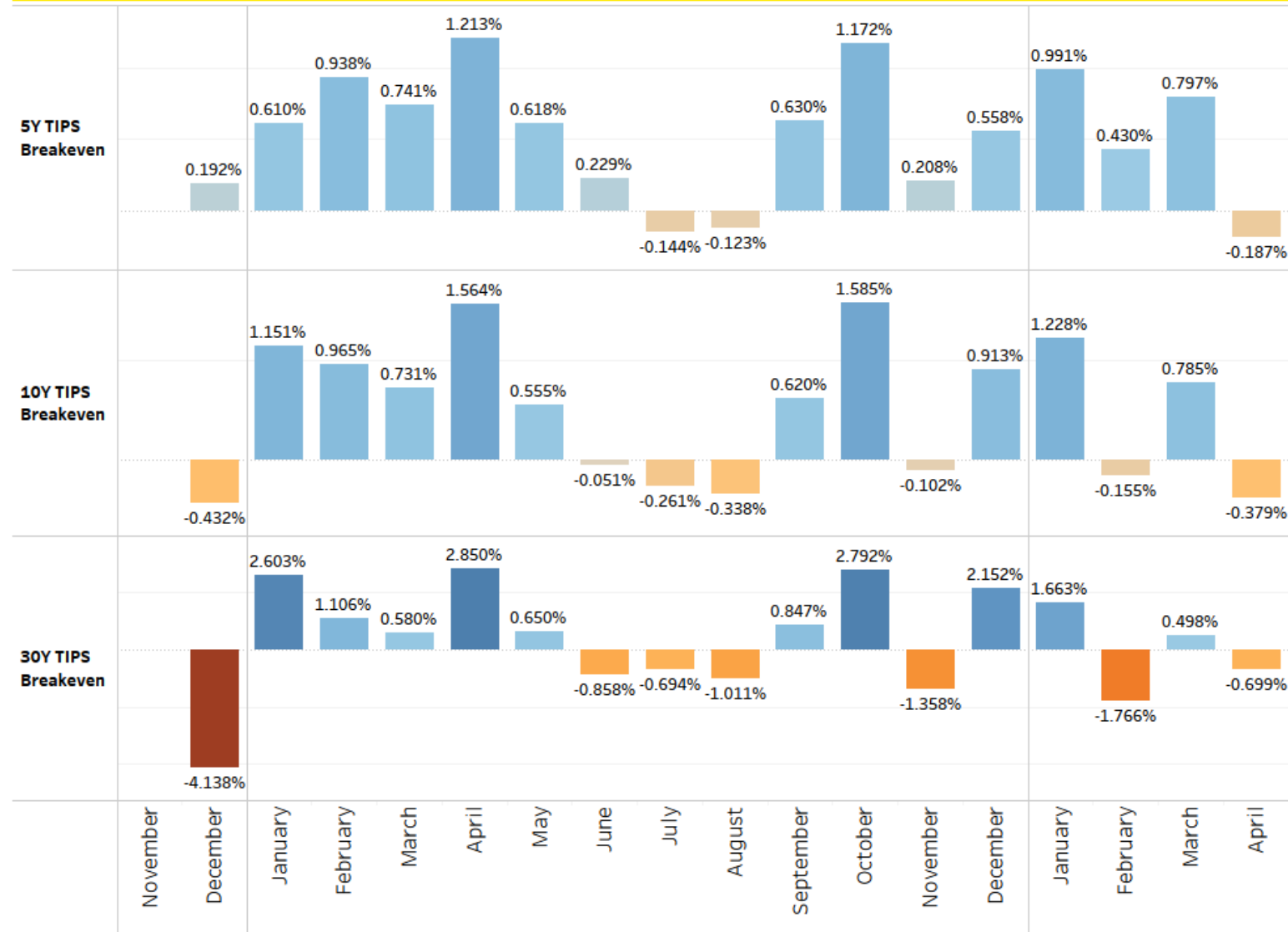


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TIPS BREAKEVENS TOTAL RETURNS:

U.S. Inflation Expectations (duration weighted): Monthly Returns

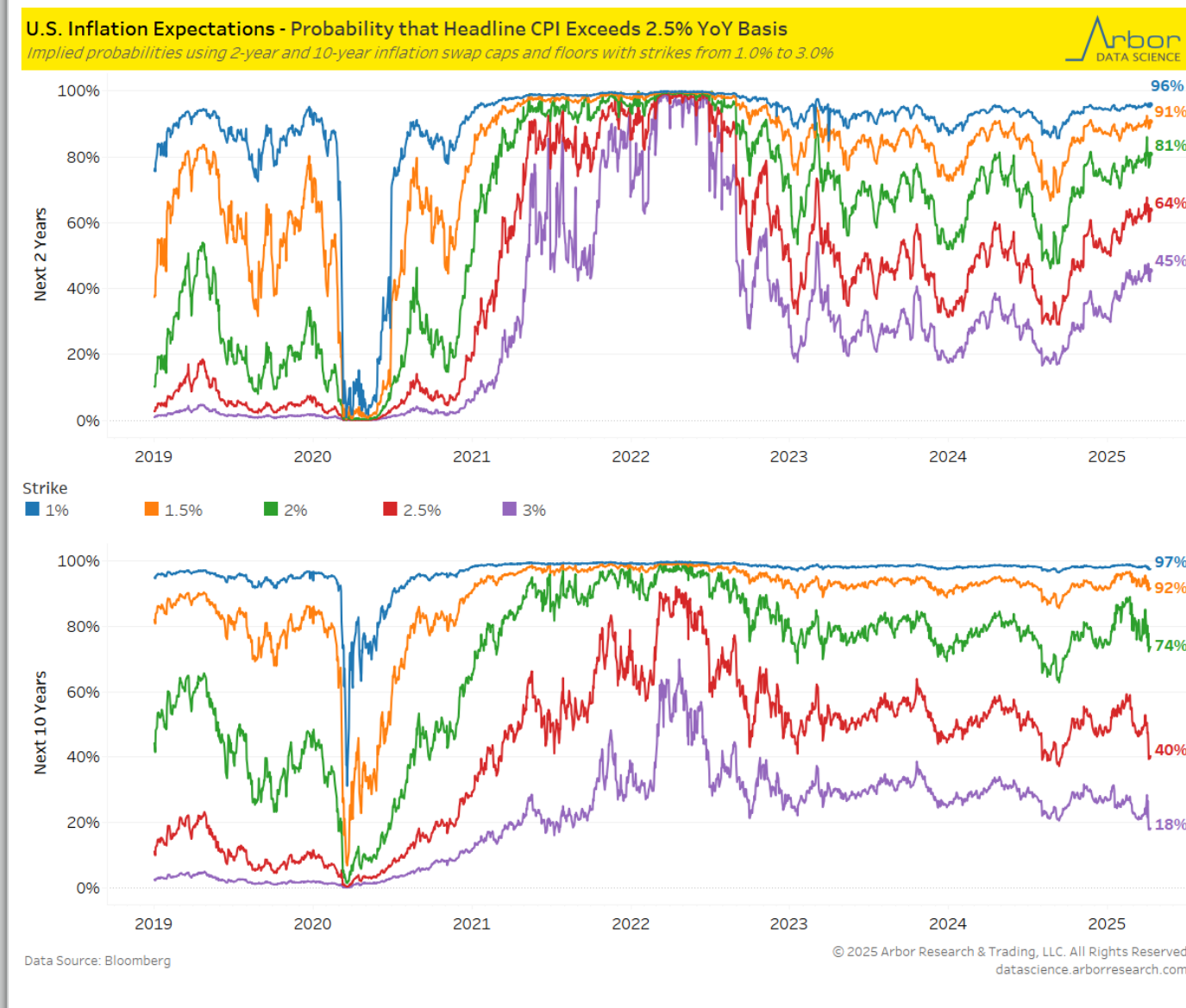


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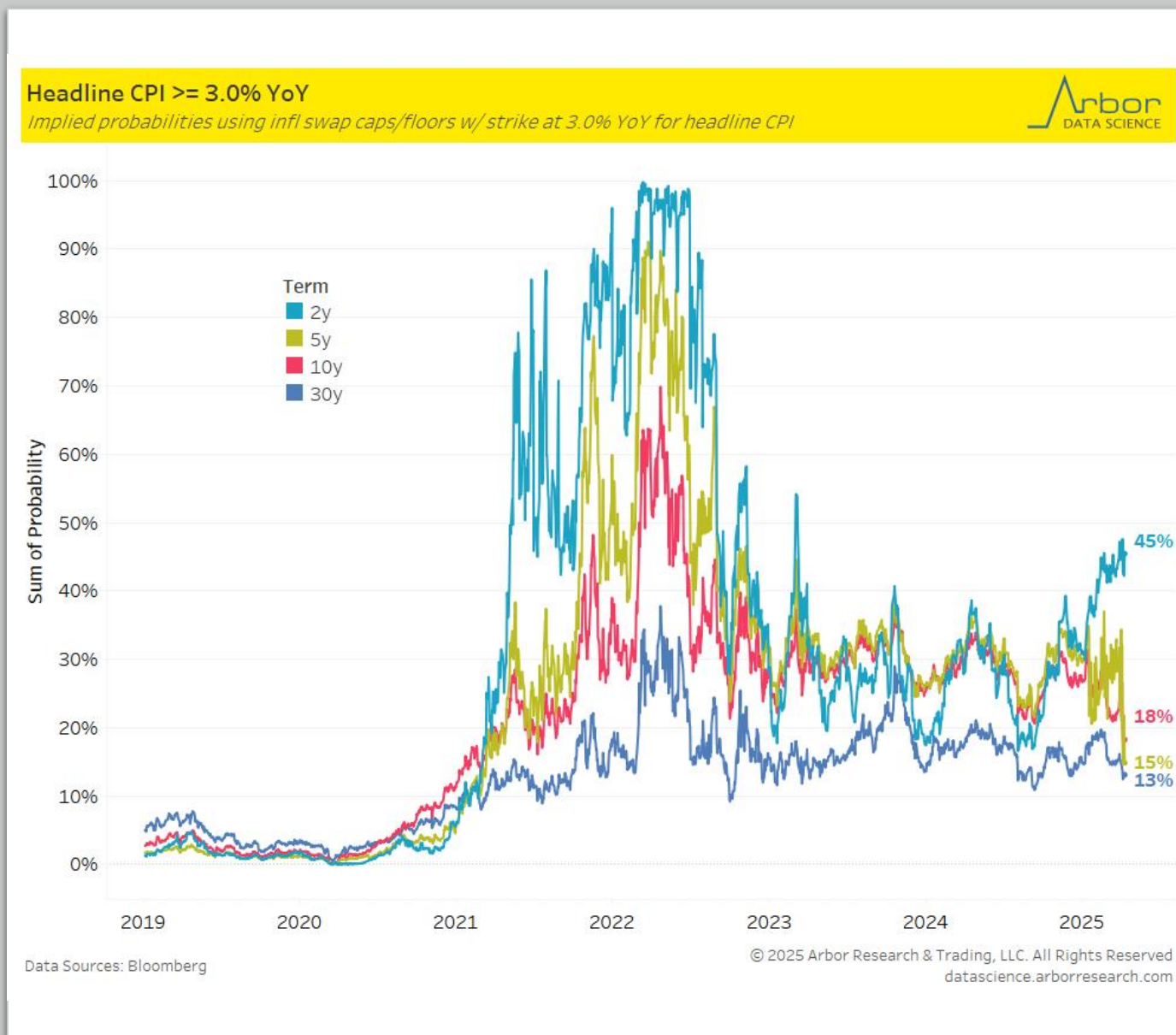
U.S. Inflation Swap Caps and Floors

- Over the past week, inflation expectations for the next 2 years all increased, except 1% and 2.5% and 3%, which stayed the same.
- 10-year expectations all decreased.
- The probability of 2.5% headline inflation for the next 2 years stayed the same at 64% from the previous week.
- The 10-year probability of 2.5% headline decreased to 40% over the past week.



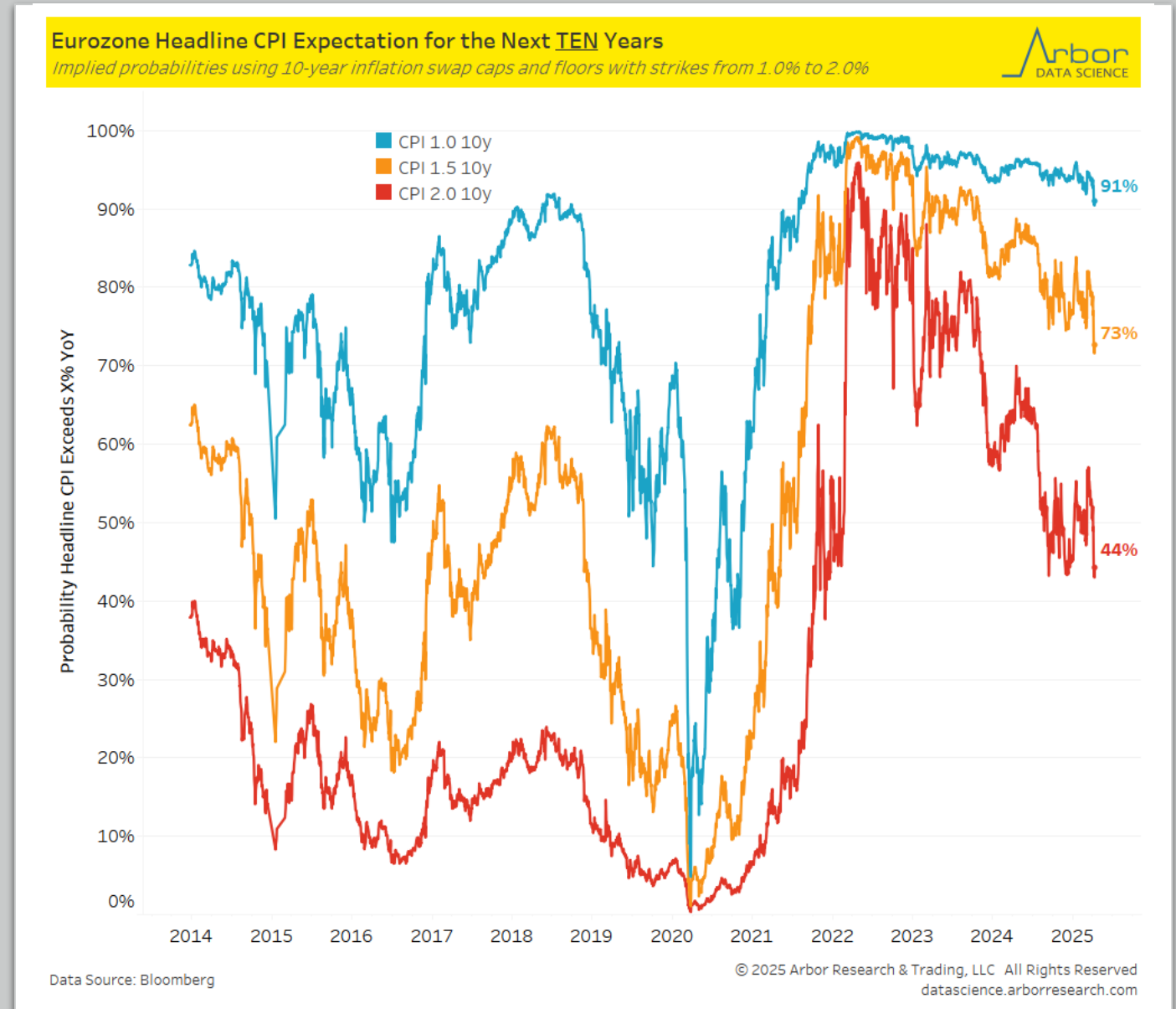
U.S. 3% Headline Expectations

- 3% inflation expectations decreased, except 2 years, which stayed the same.
- Based on swap cap/floor probabilities for the next 2 years, the market gives this outcome a 45% probability.



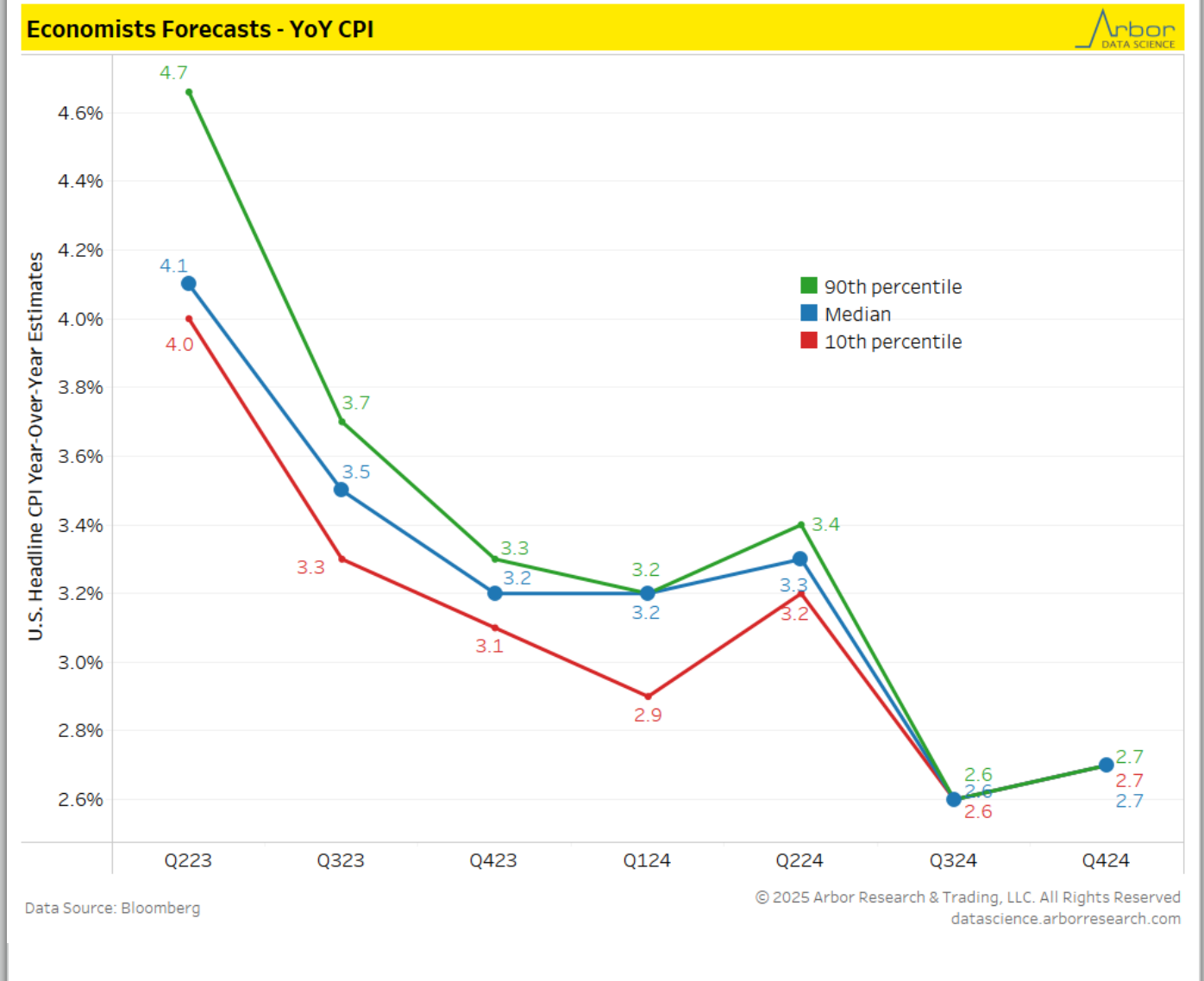
Eurozone Inflation Expectations

- 10-year Eurozone inflation expectations all decreased from the prior week.
- The probability of 2% headline inflation over the next decade decreased to 44%.



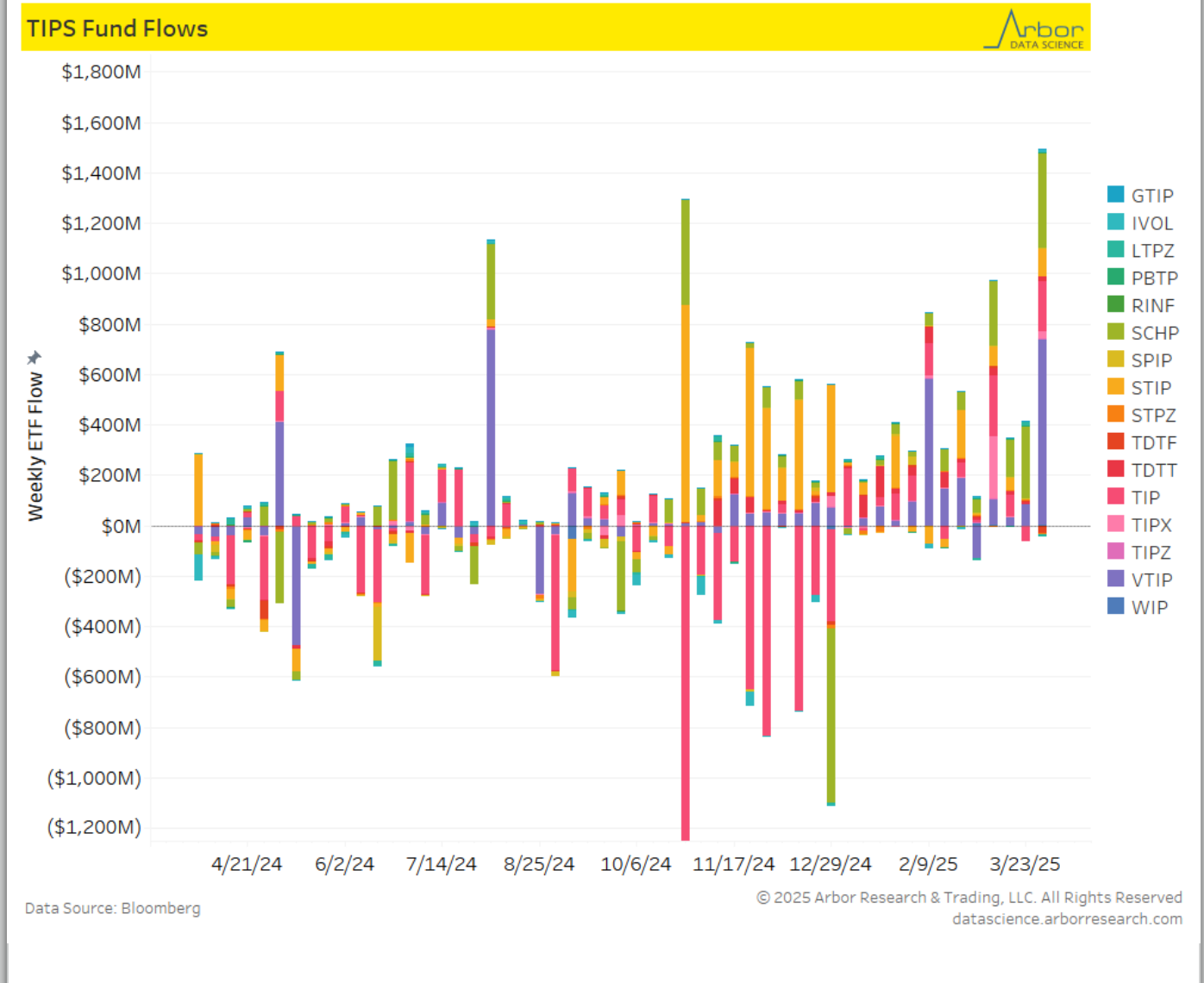
Economist Inflation Forecasts

- The median economist's forecast from big banks (BOA, PNC, JPM, UBS, etc.) suggests US Inflation will average 2.7% YoY in Q4 2024. More pessimistic and optimistic estimates are also 2.7% YoY in Q4 2024.
- Final University of Michigan inflation expectations data showed Americans expect a 5.0% inflation rate over the next year.



TIPS Fund Flows

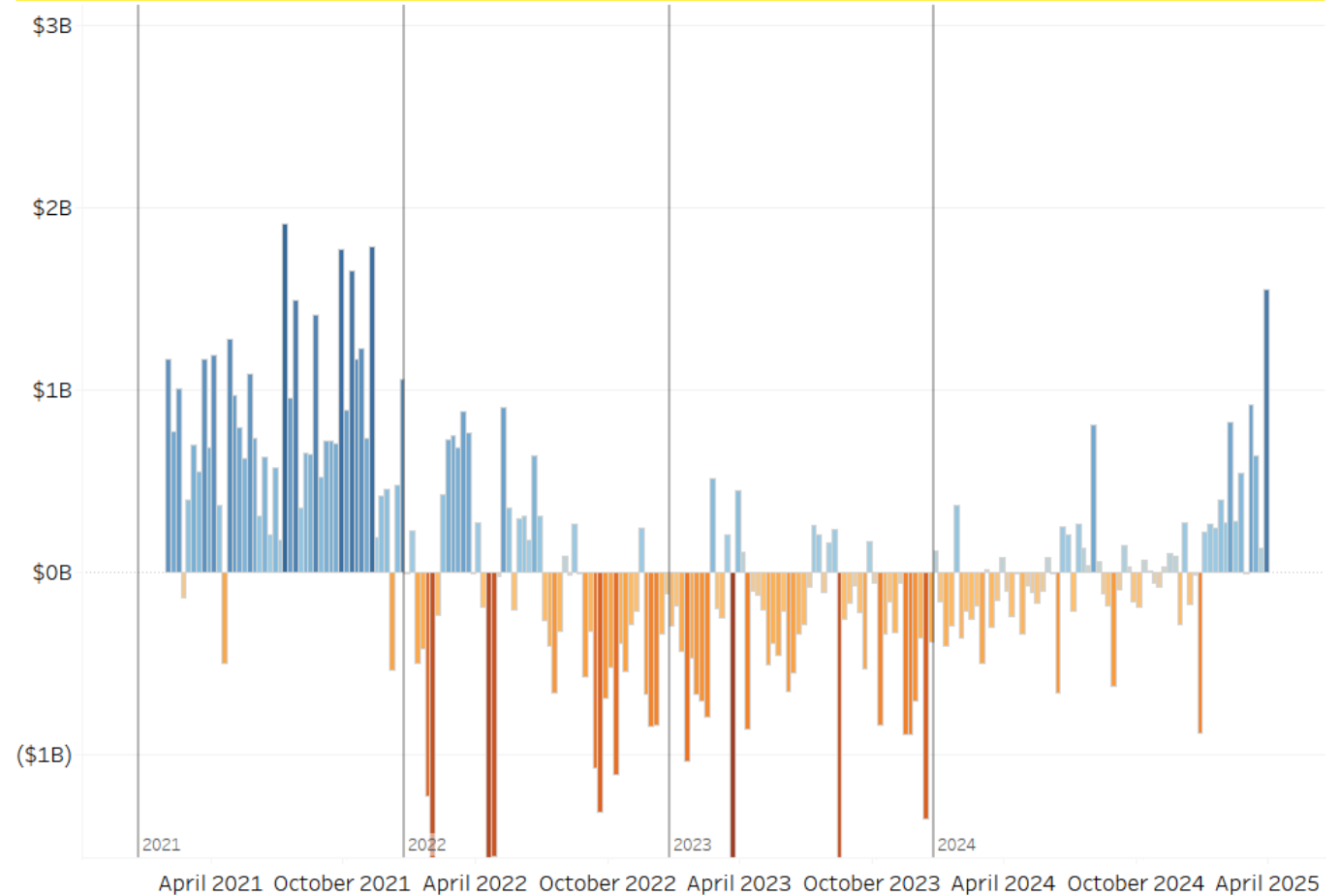
- The majority of flows were positive last week, with inflows concentrated in 3 funds (rounded value)
 - Vanguard Sht-Term Inflation Protected Securities: \$737 million
 - Schwab US TIPS ETF: \$376 million
 - iShares TIPS Bond ETF: \$376 million



Last week's total flows for all US-listed TIPS ETFs had inflows of \$1.55 billion.

TIPS ETF Net Flows

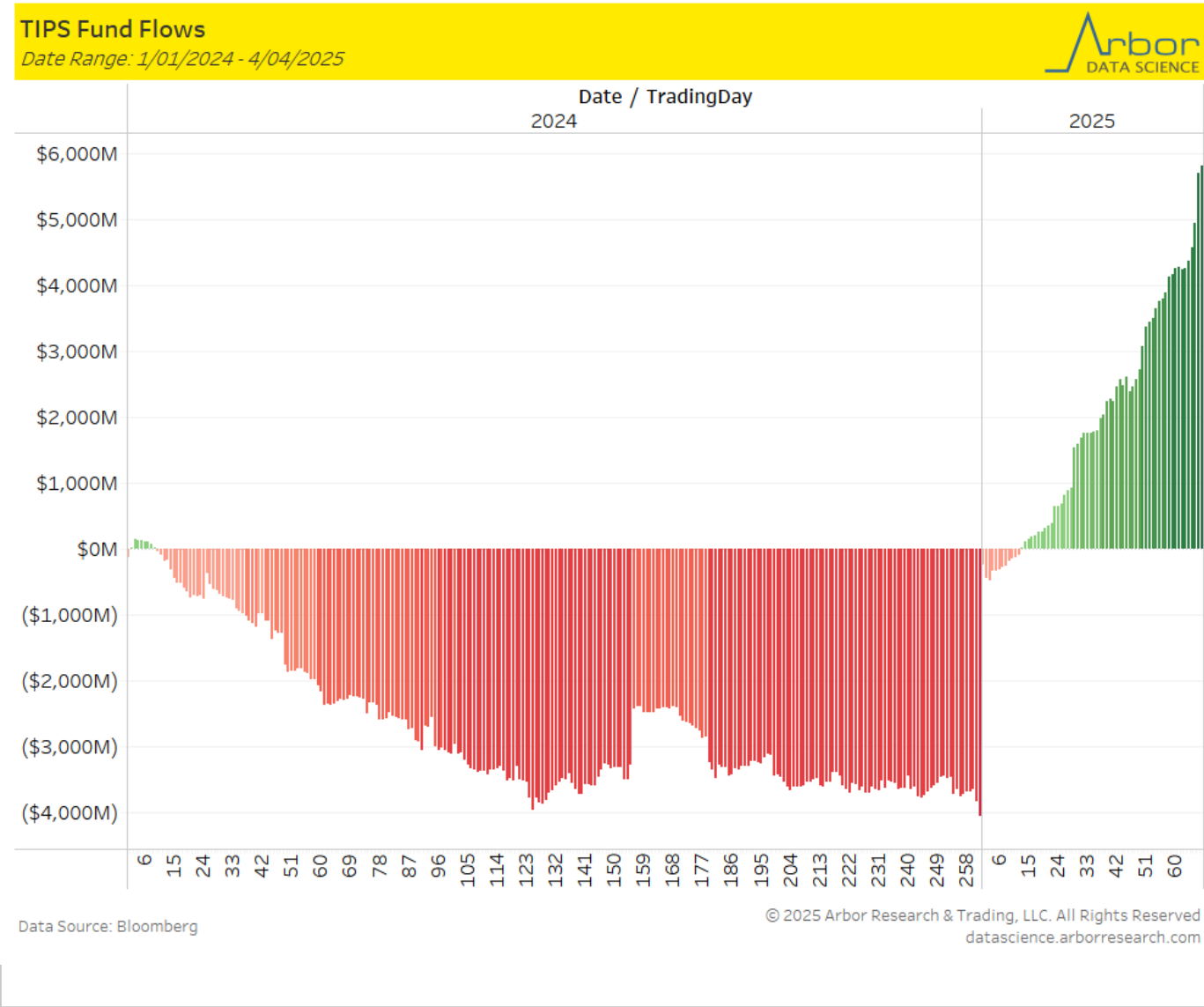
Weekly Total Flow into All US-Listed TIPS Exchange Traded Funds



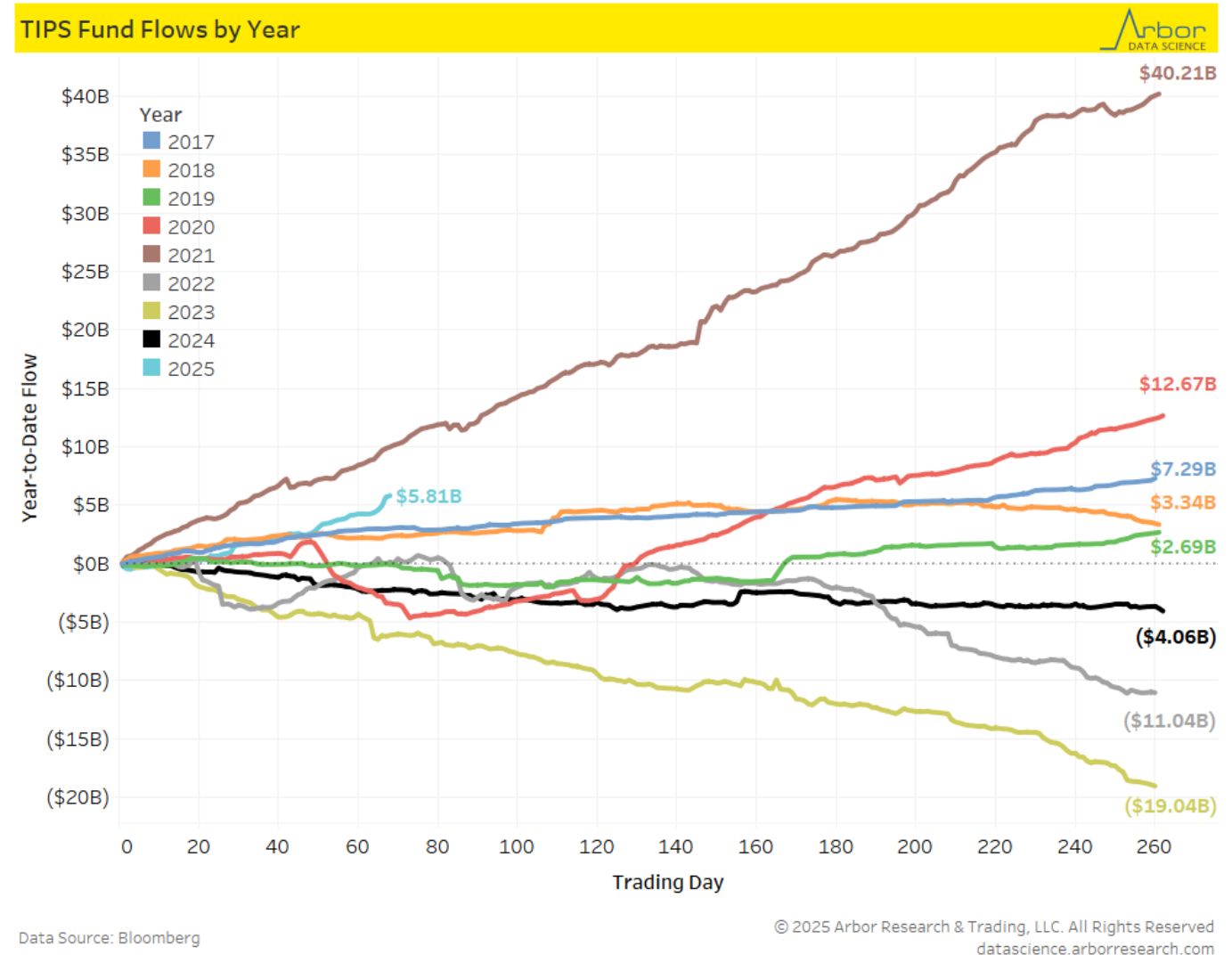
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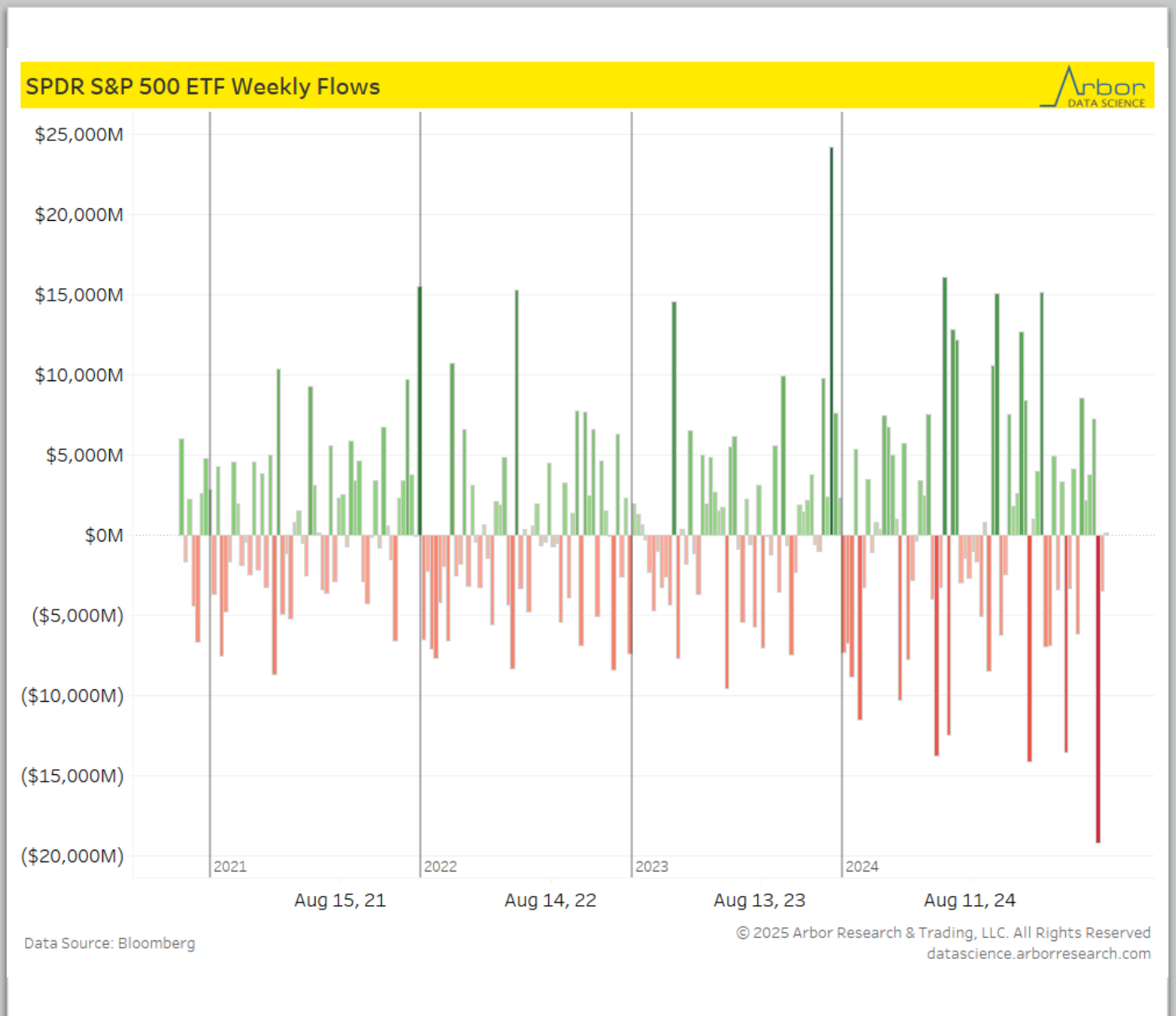
2025 Year-to-date for all US-listed TIPS ETFs had inflows of \$5.81 billion.



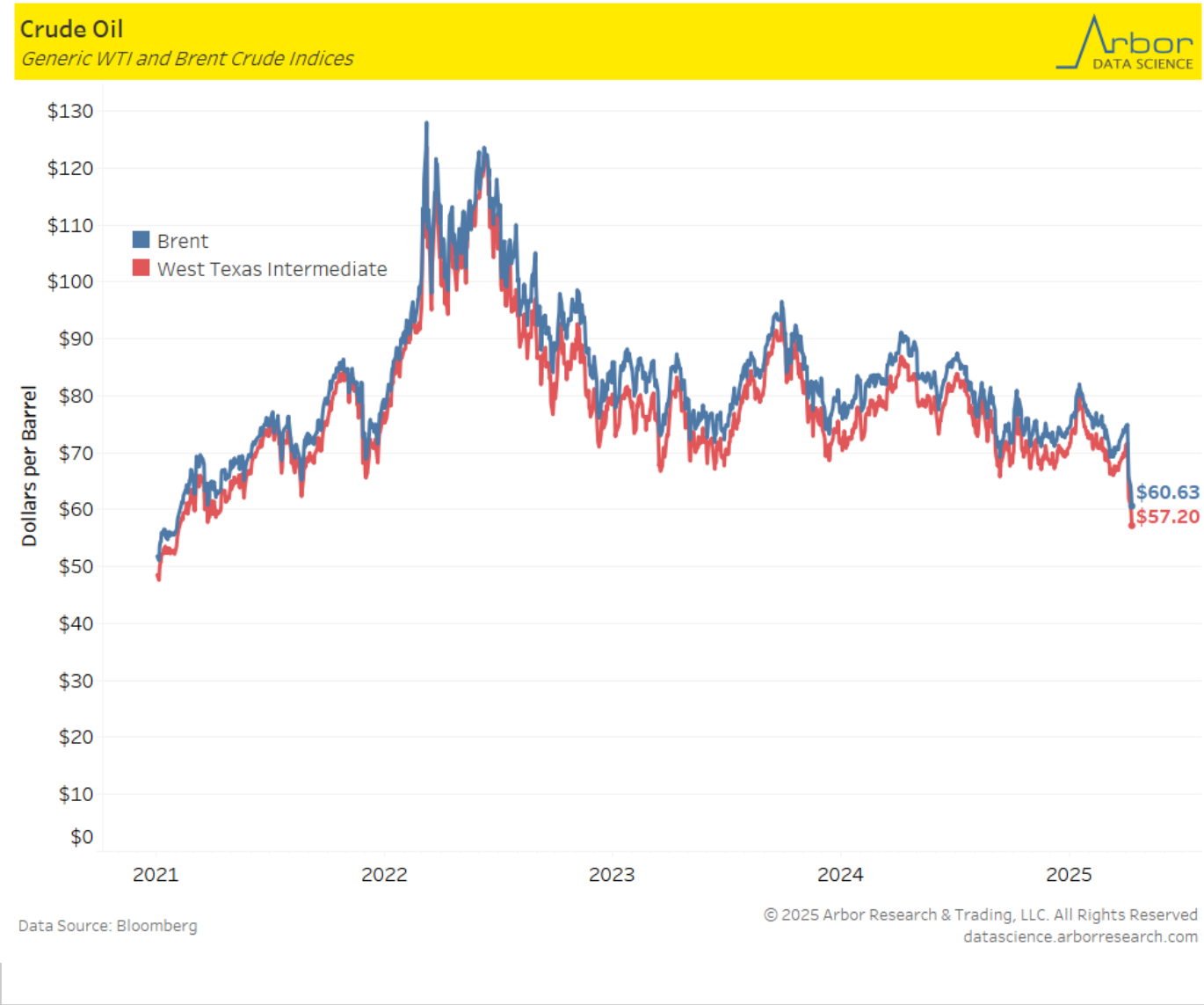
Year-to-date total flows for all US-listed TIPS ETFs.



The SPY ETF had inflows of approximately \$85 million last week.



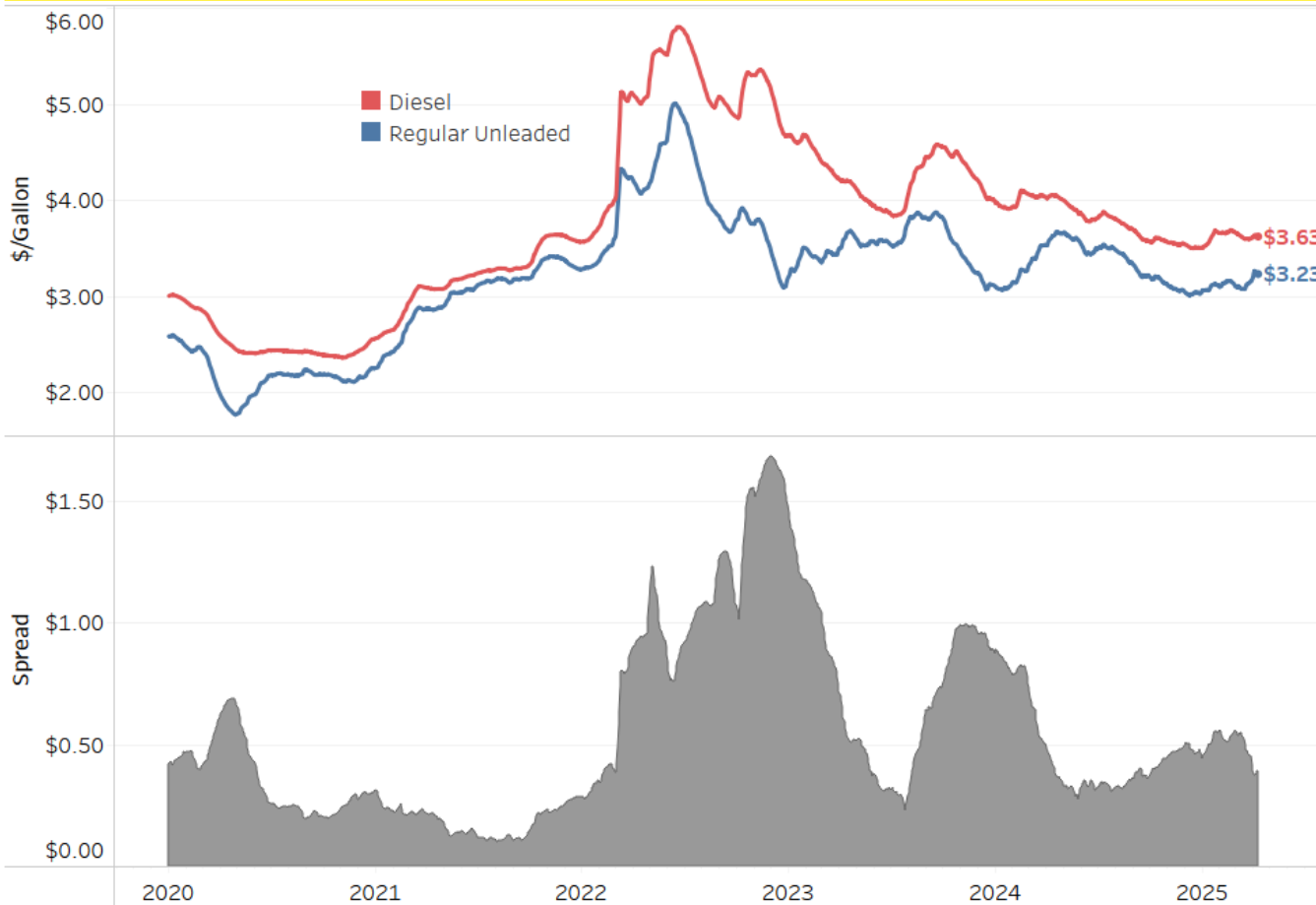
Brent Crude is Below \$65
a Barrel



Average Diesel/Gas
Spread increased to
\$0.40

U.S. Gasoline Prices - Regular and Diesel

AAA Daily National Average Cost per Gallon

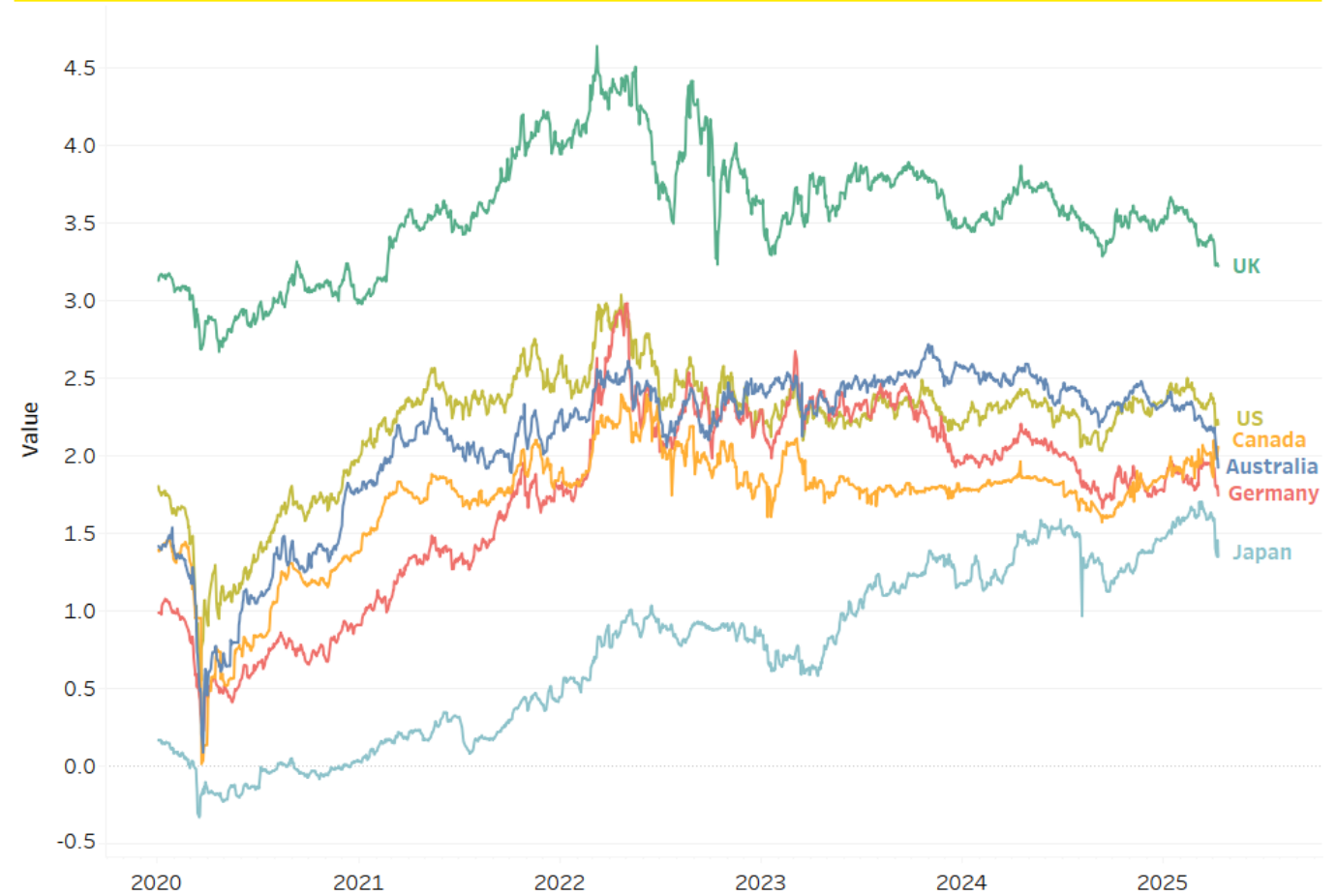


Data Source: American Automobile Association

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10-Year Global Breakevens

10-Year Inflation Expectations Global Breakevens



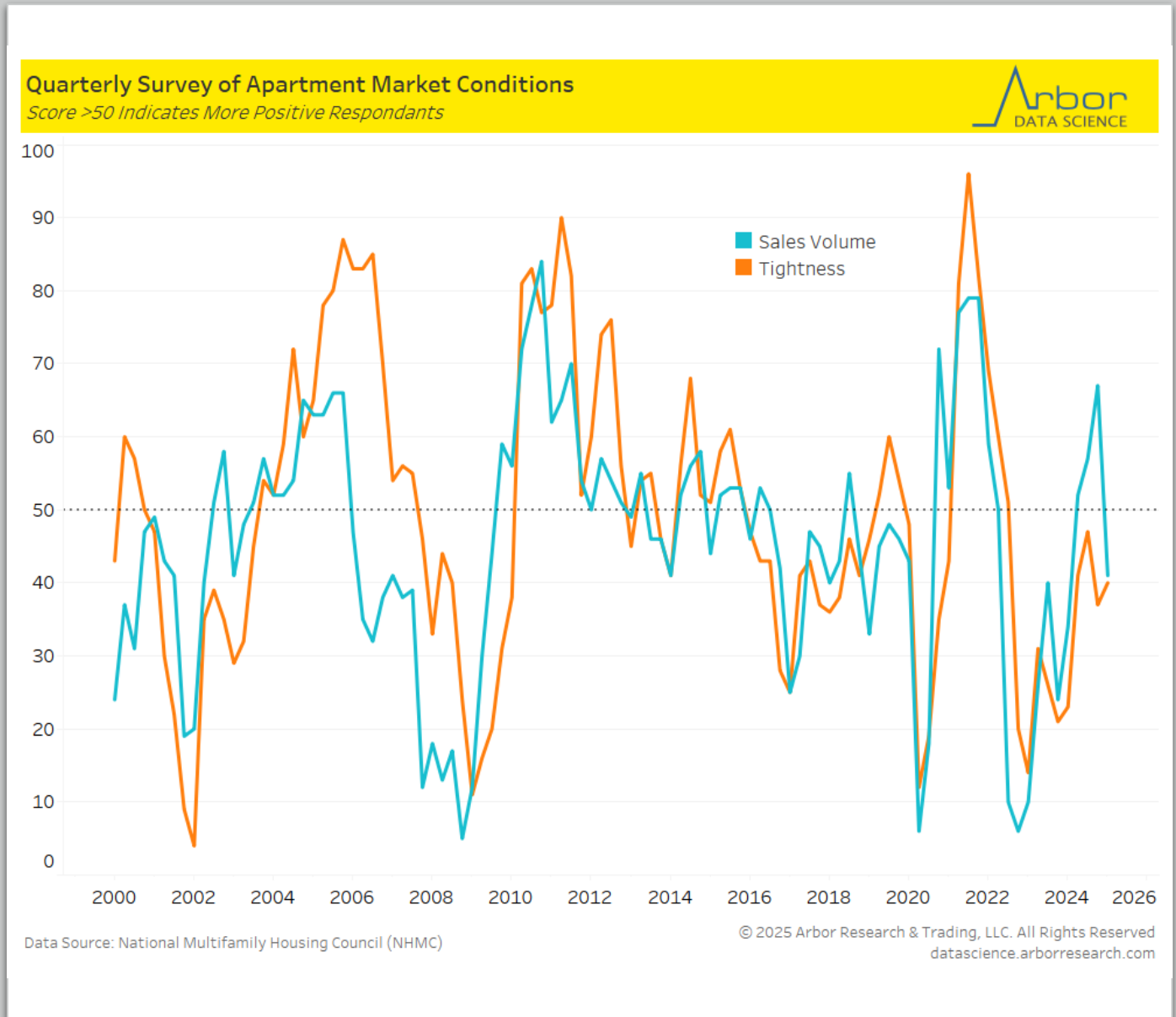
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Renters' Market Conditions

- [Q1 2025's Survey of Apartment Market Conditions](#) conducted by the National Multifamily Housing Council (NMHC) showed more respondents describing conditions as tight in comparison to Q4 2024. The same survey reported a decrease in apartment sales volume.



Contact Us

Give us a call for more information about our services and products.

Kristen Radosh

kristen.radosh@arborresearch.com

Max Konzelman

max.konzelman@arborresearch.com

Gus Handler

gus.handler@arborresearch.com

Sam Handler

sam.handler@arborresearch.com

Arbor Research & Trading, LLC

22333 Classic Court

Lake Barrington, IL 60010

1-800-606-1872

datascience.arborresearch.com



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