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DATA SCIENCE

Inflation Roundup

July 9, 2026

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

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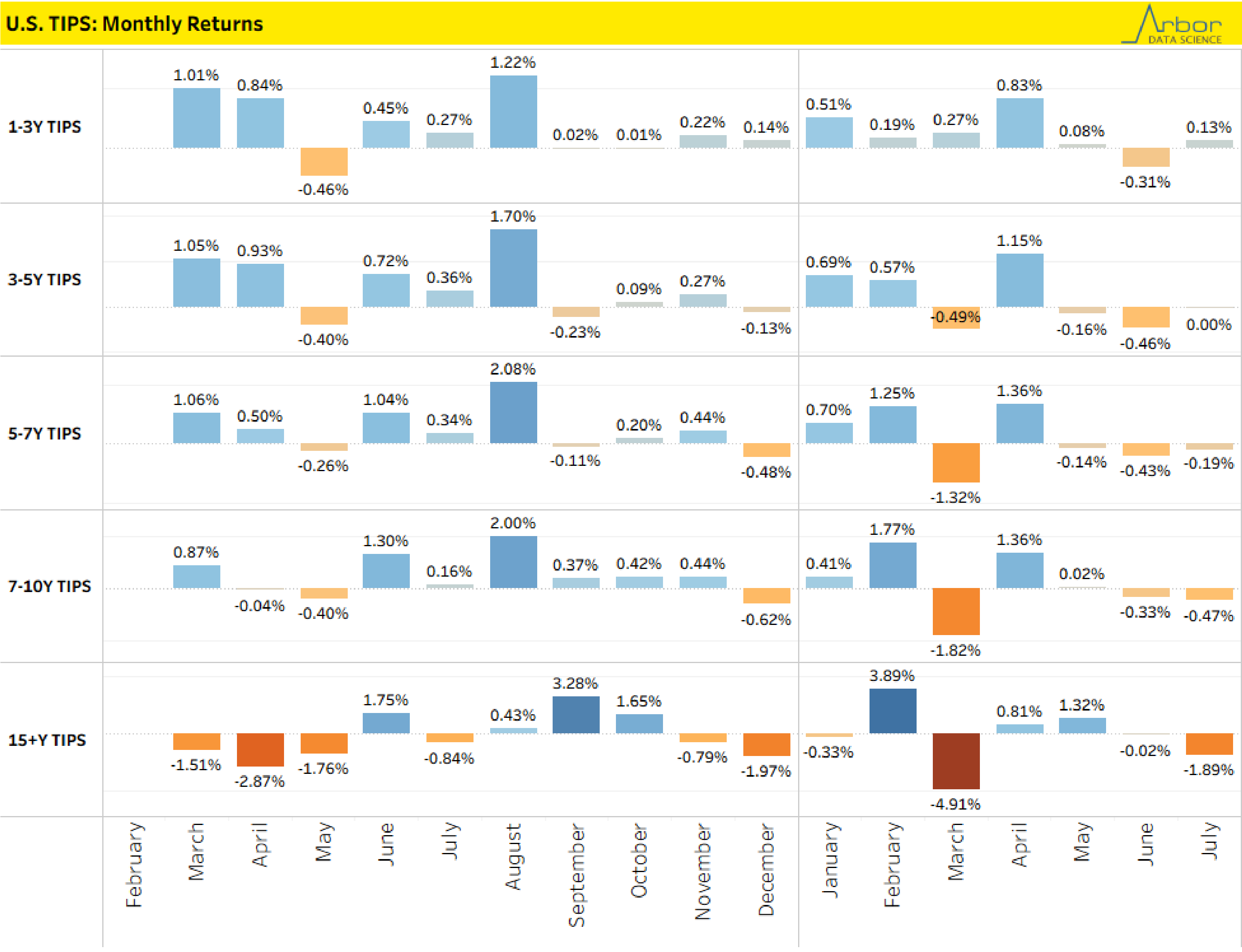
TIPS TOTAL RETURNS:



Data Source: Bloomberg

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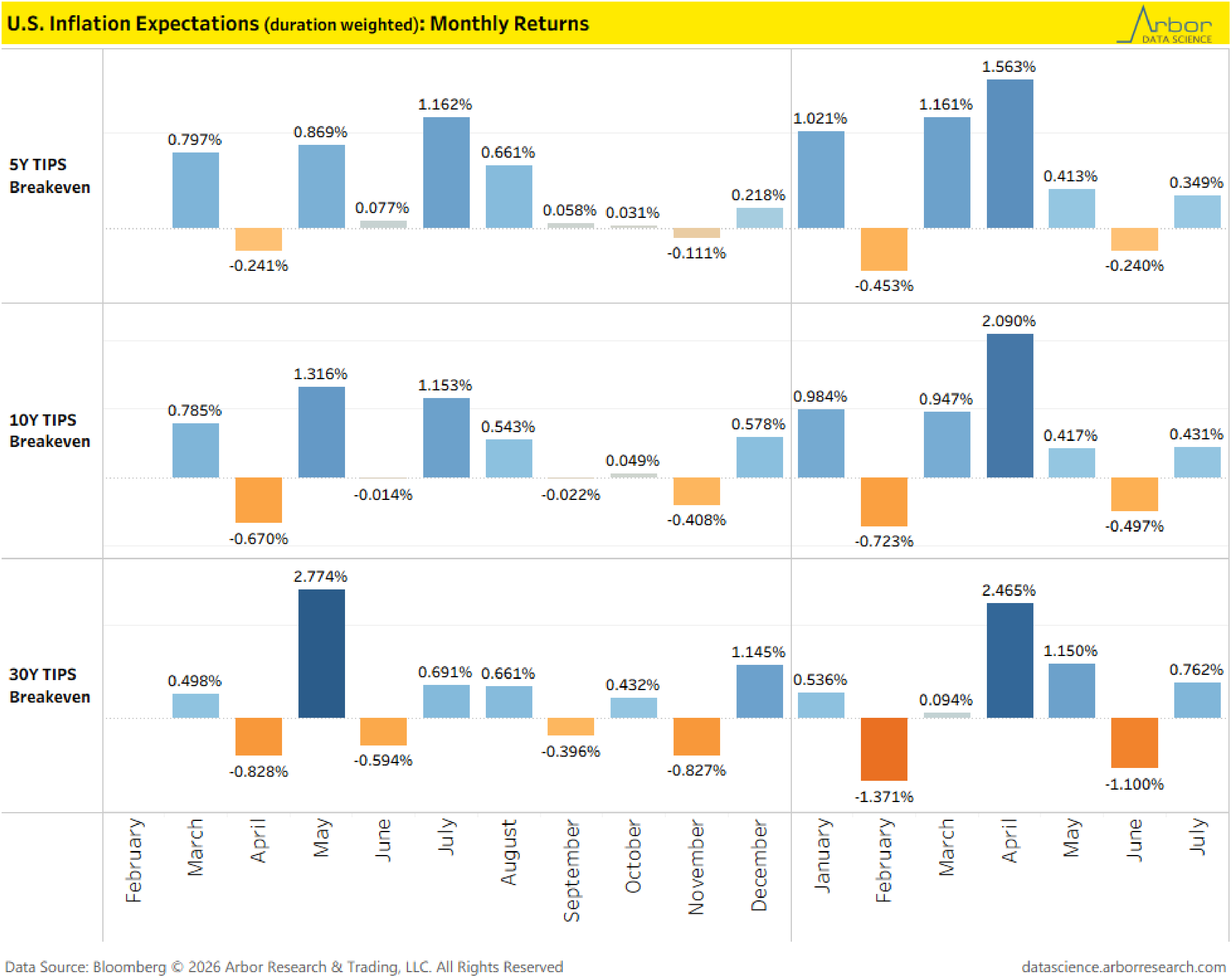
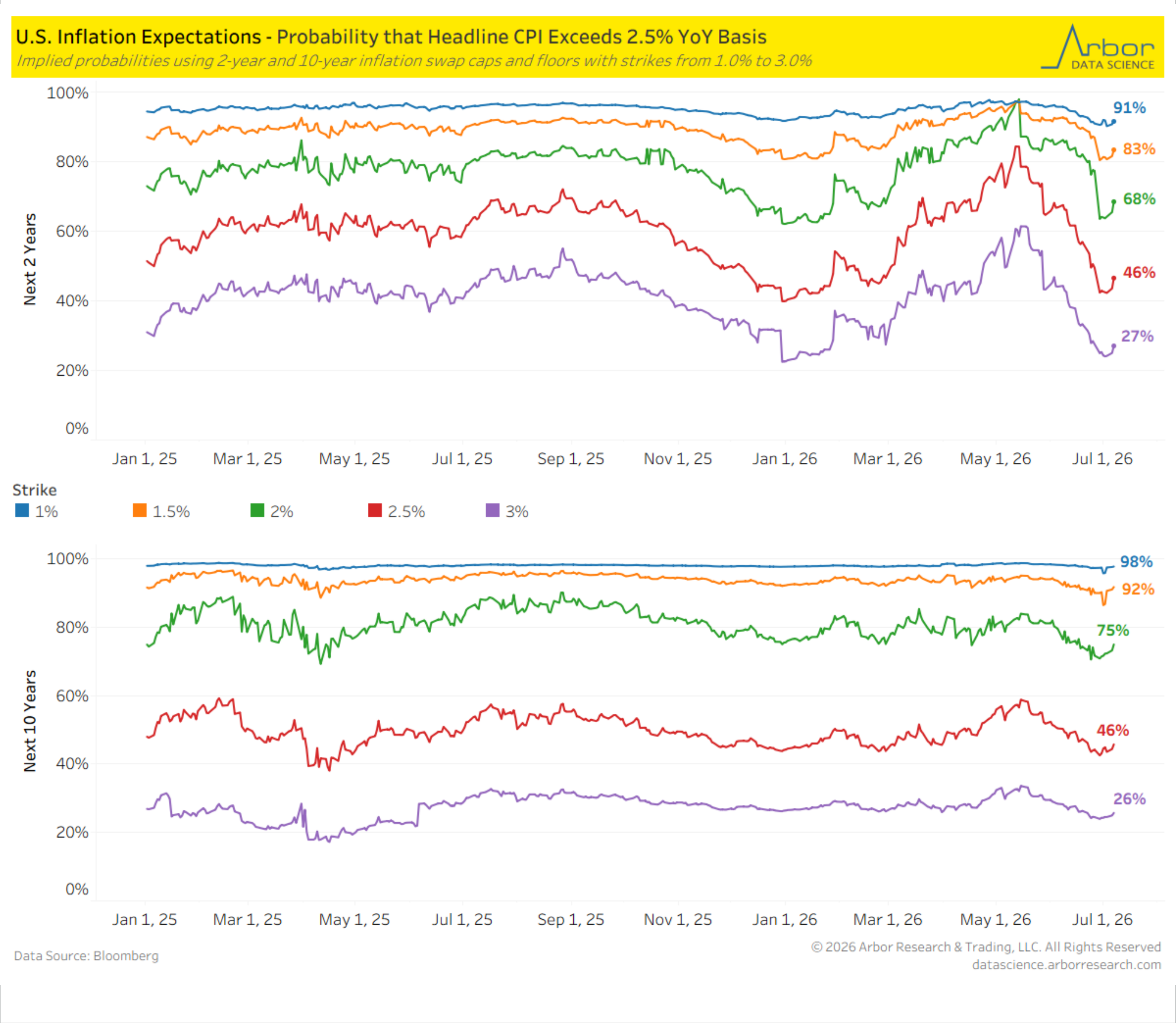
TIPS BREAKEVENS TOTAL RETURNS:



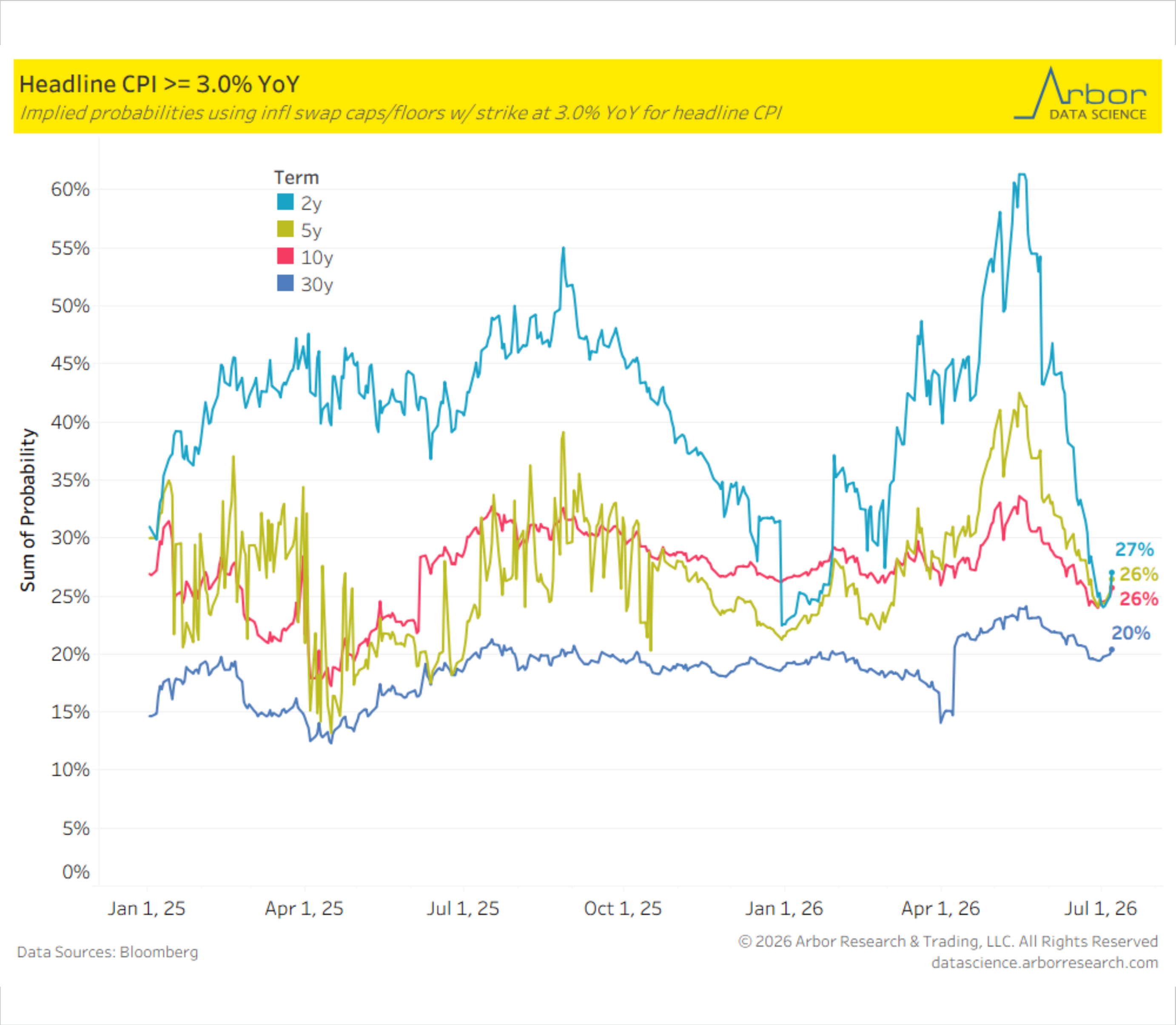
U.S. Inflation Swap Caps and Floors

- Over the past week, inflation expectations for the next 2 years rose except for 1%, which remained unchanged.
- The probability of 2.5% headline inflation for the next 2 years increased from the previous week to 46%.
- 10-year expectations increased across the board.
- The 10-year probability of 2.5% headline inflation increased from the previous week to 46%.



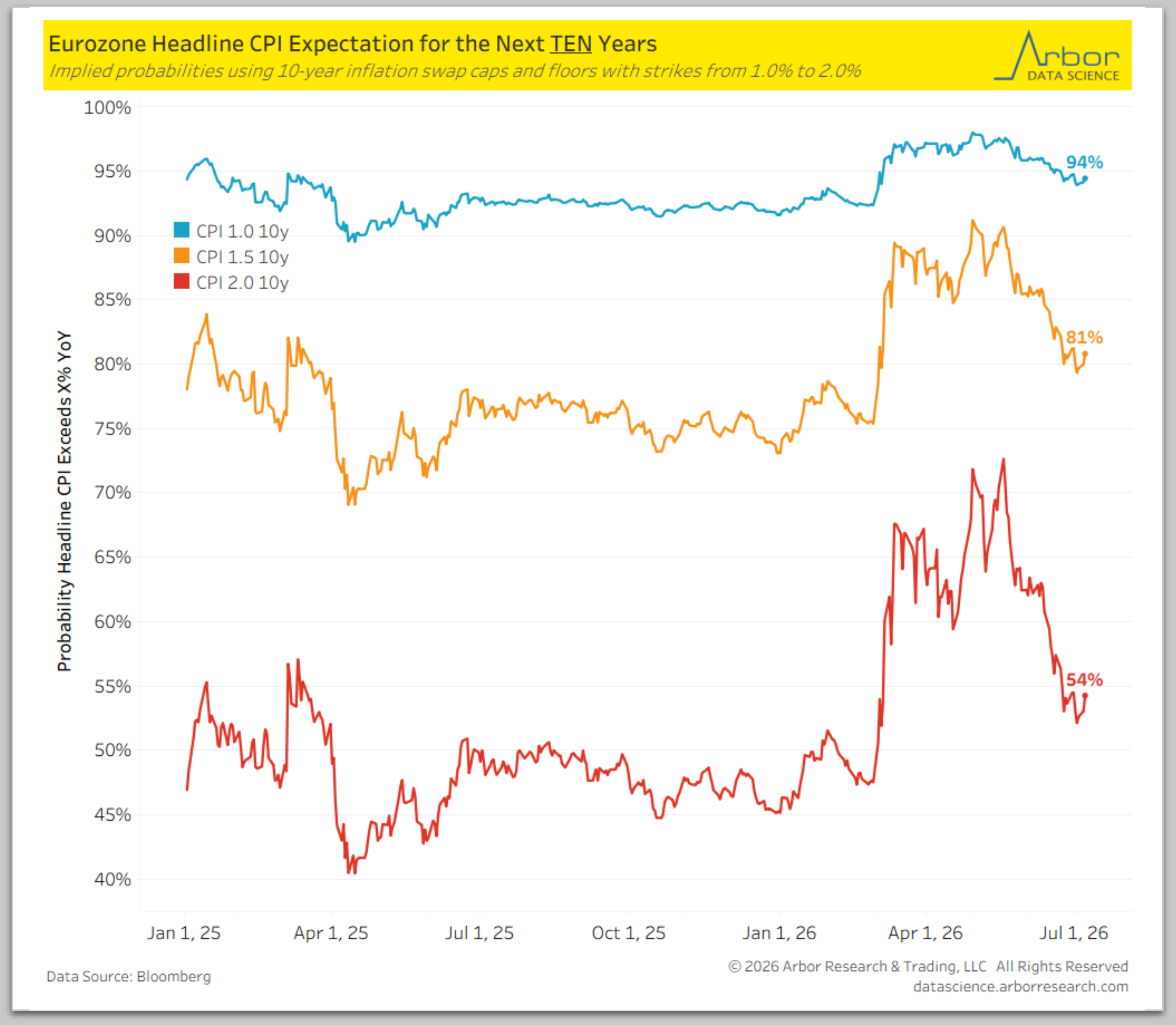
U.S.
3% Headline Expectations

- 3% inflation expectations rose from the previous week.
- Based on swap cap/floor probabilities for the next 2 years, the market gives this outcome a 27% probability.



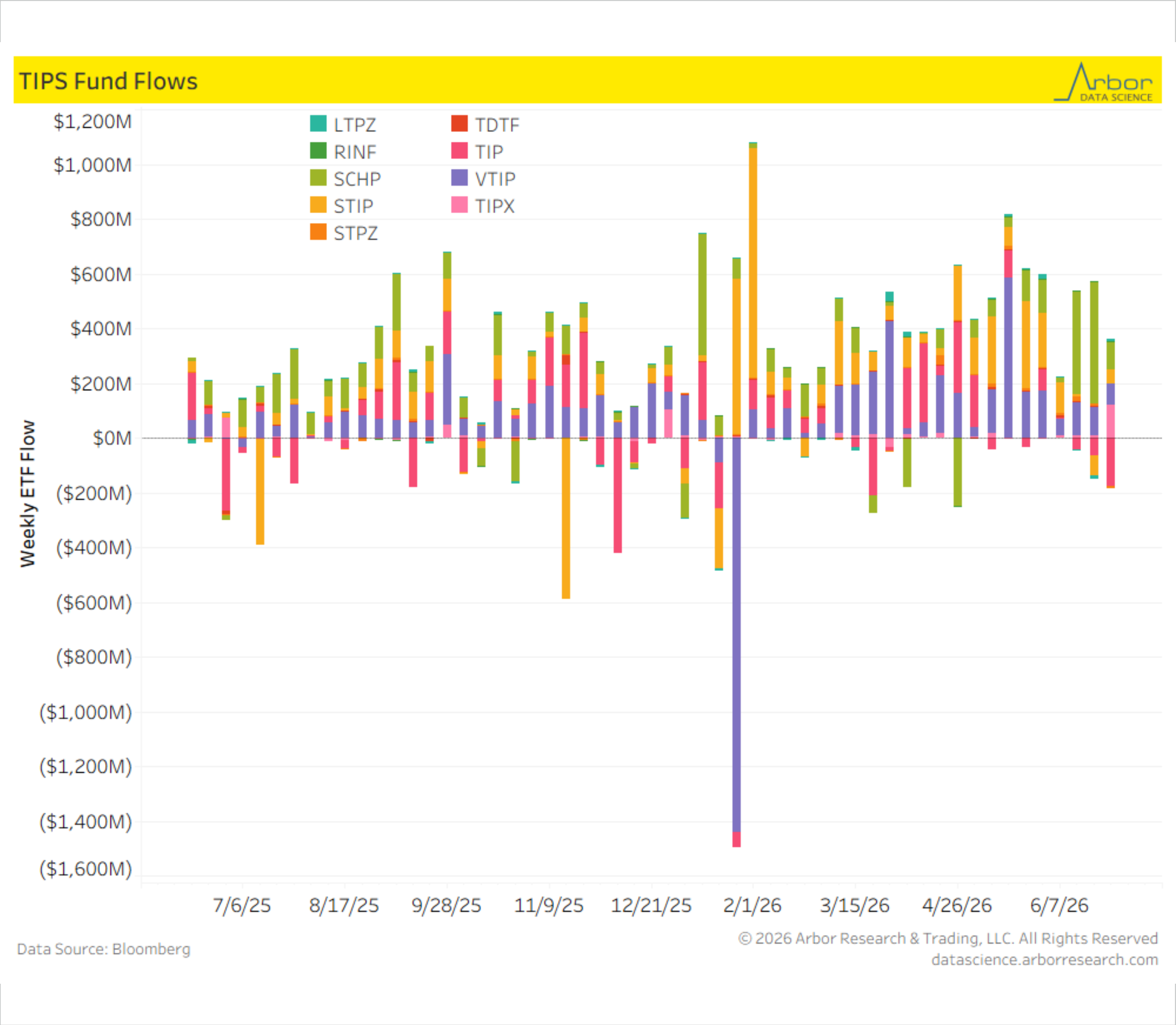
Eurozone Inflation Expectations

- 10-year Eurozone inflation expectations were flat from the previous week, except for 1% which declined.
- The probability of 2% headline inflation remained at 54%.

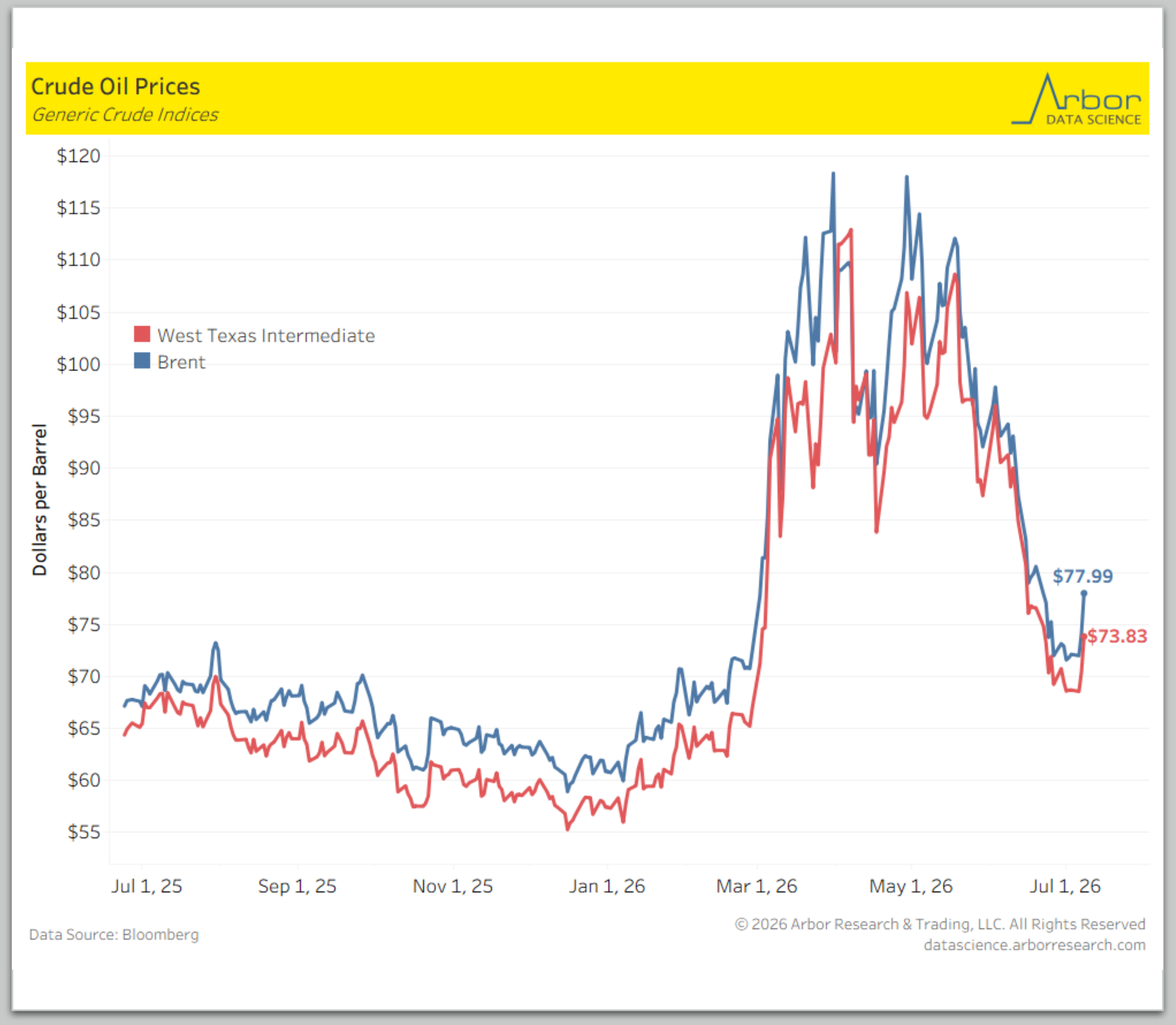


TIPS Fund Flows

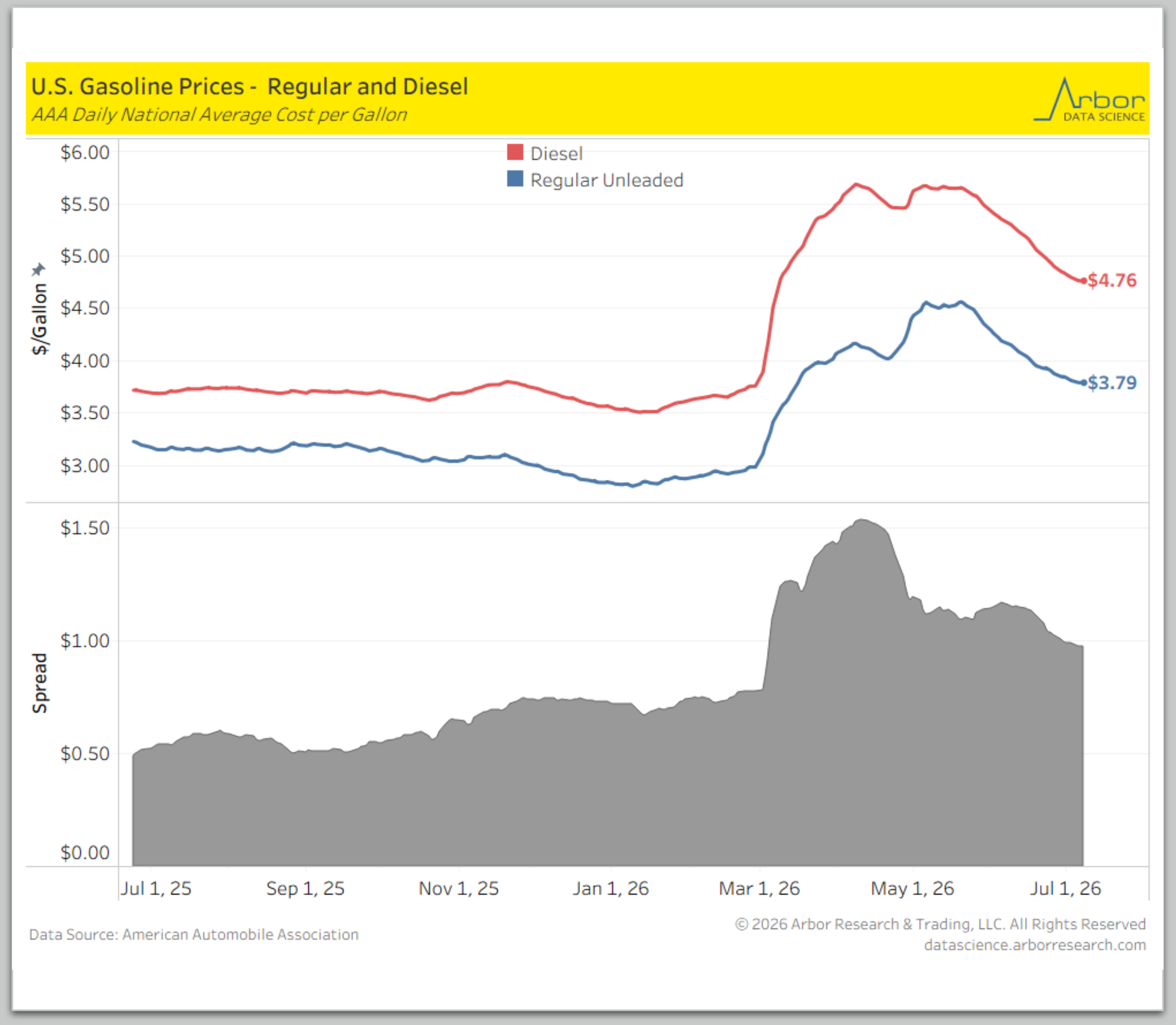
- Flows of funds were mostly positive last week, with inflows concentrated in two funds and outflows concentrated in one. (rounded value)
  - State Street SPDR Bloomberg 1-10 Year TIPS ETF: $121 Million Inflows
  - Schwab US TIPS ETF: $105 Million Inflows
  - iShares TIPS Bond ETF: $175 Million Outflows



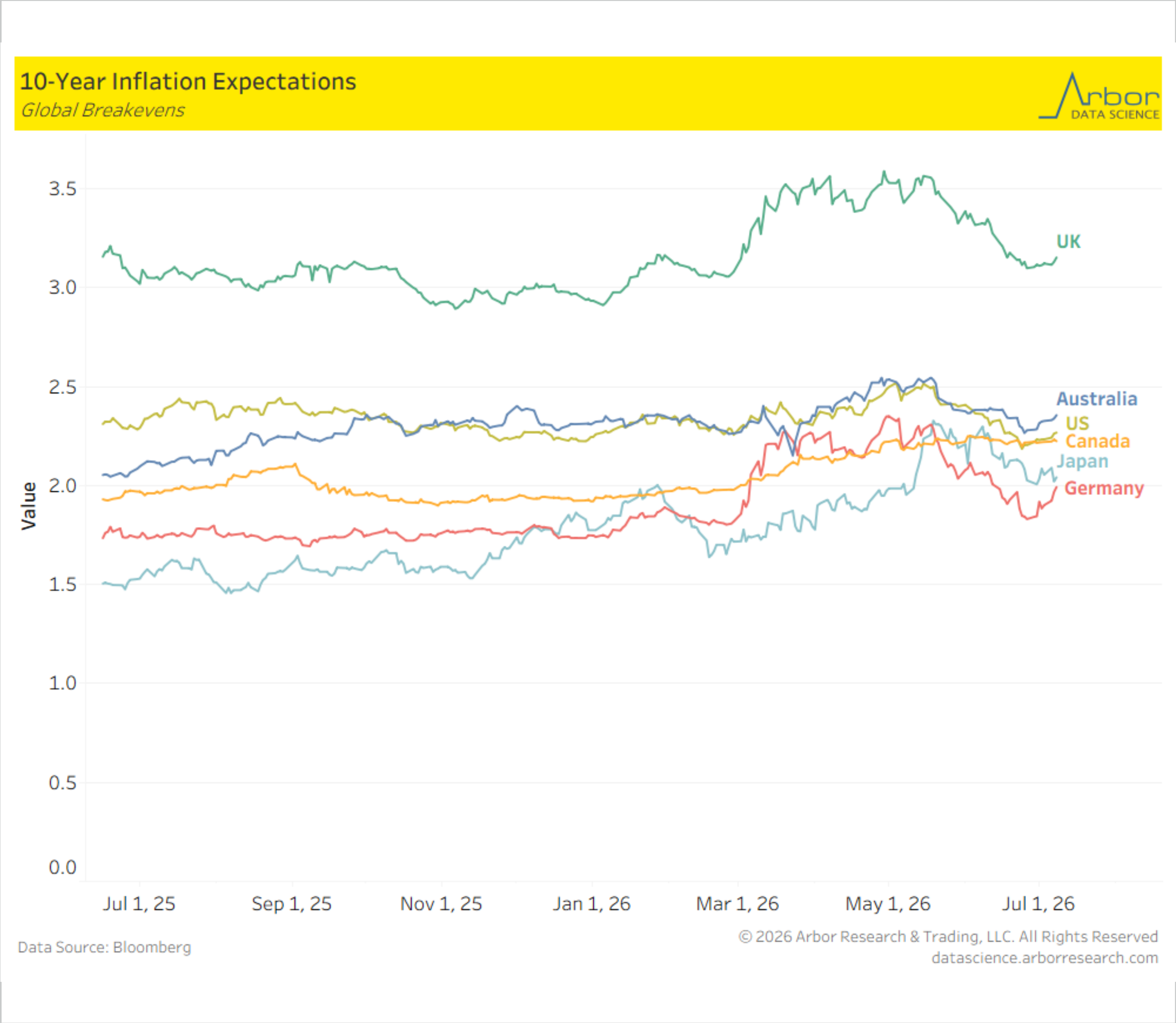
Brent Crude was up $6.14 from last week to $77.99



Average Diesel/Gas Spread fell from the previous week to $0.97



10-Year Global Breakevens



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