



Inflation Roundup

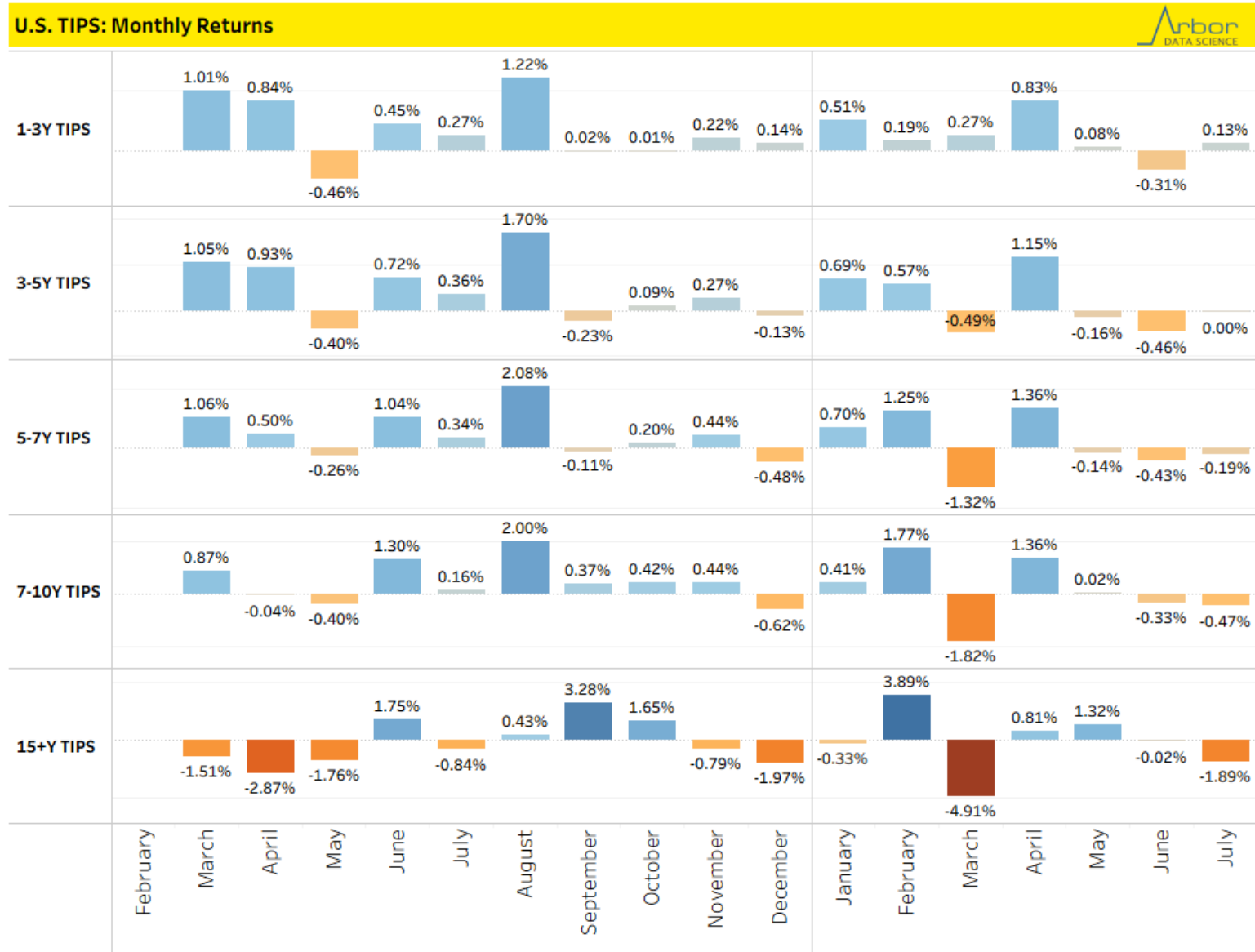
July 9, 2026

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

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TIPS TOTAL RETURNS:

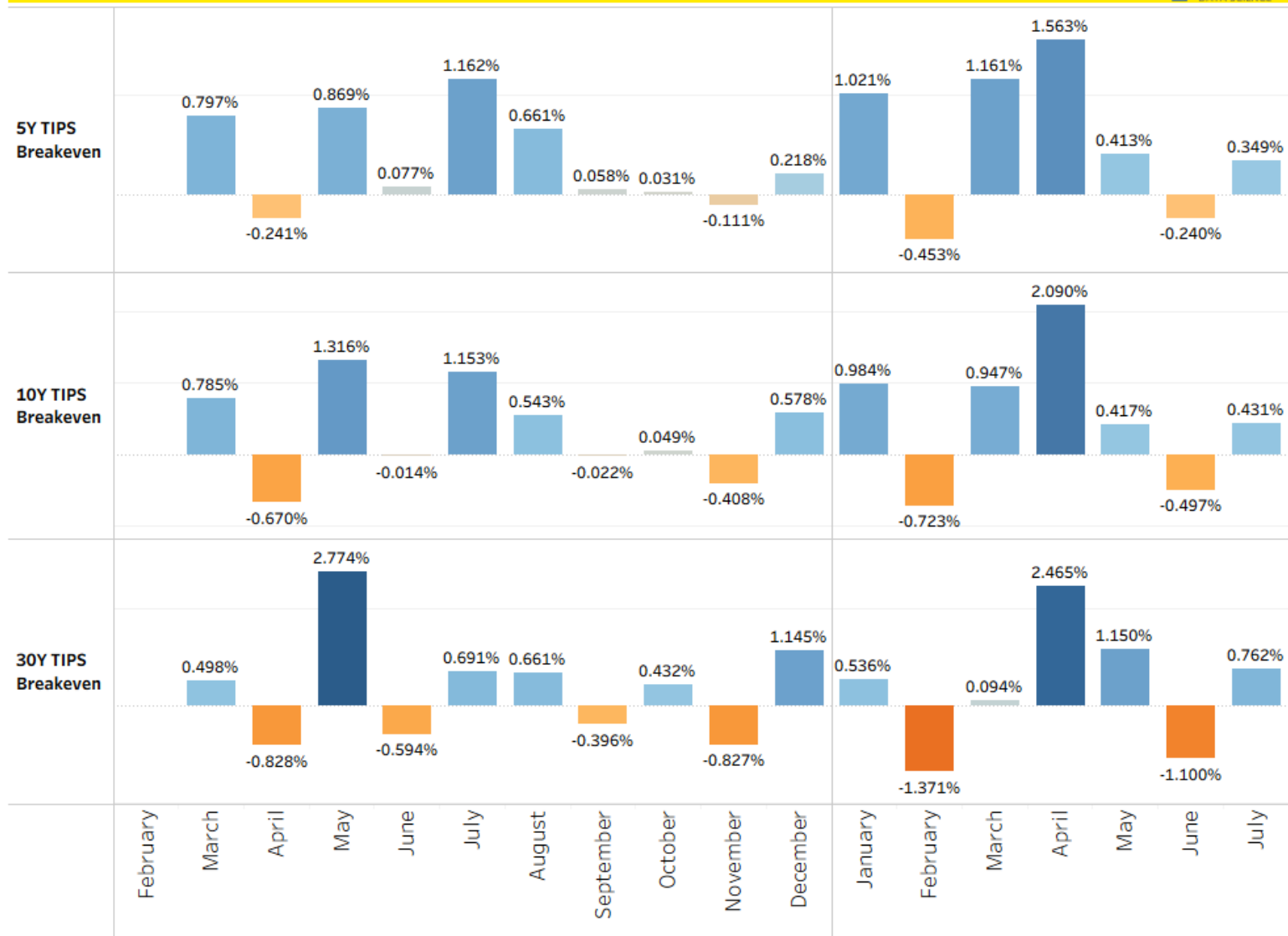


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TIPS BREAKEVENS TOTAL RETURNS:

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

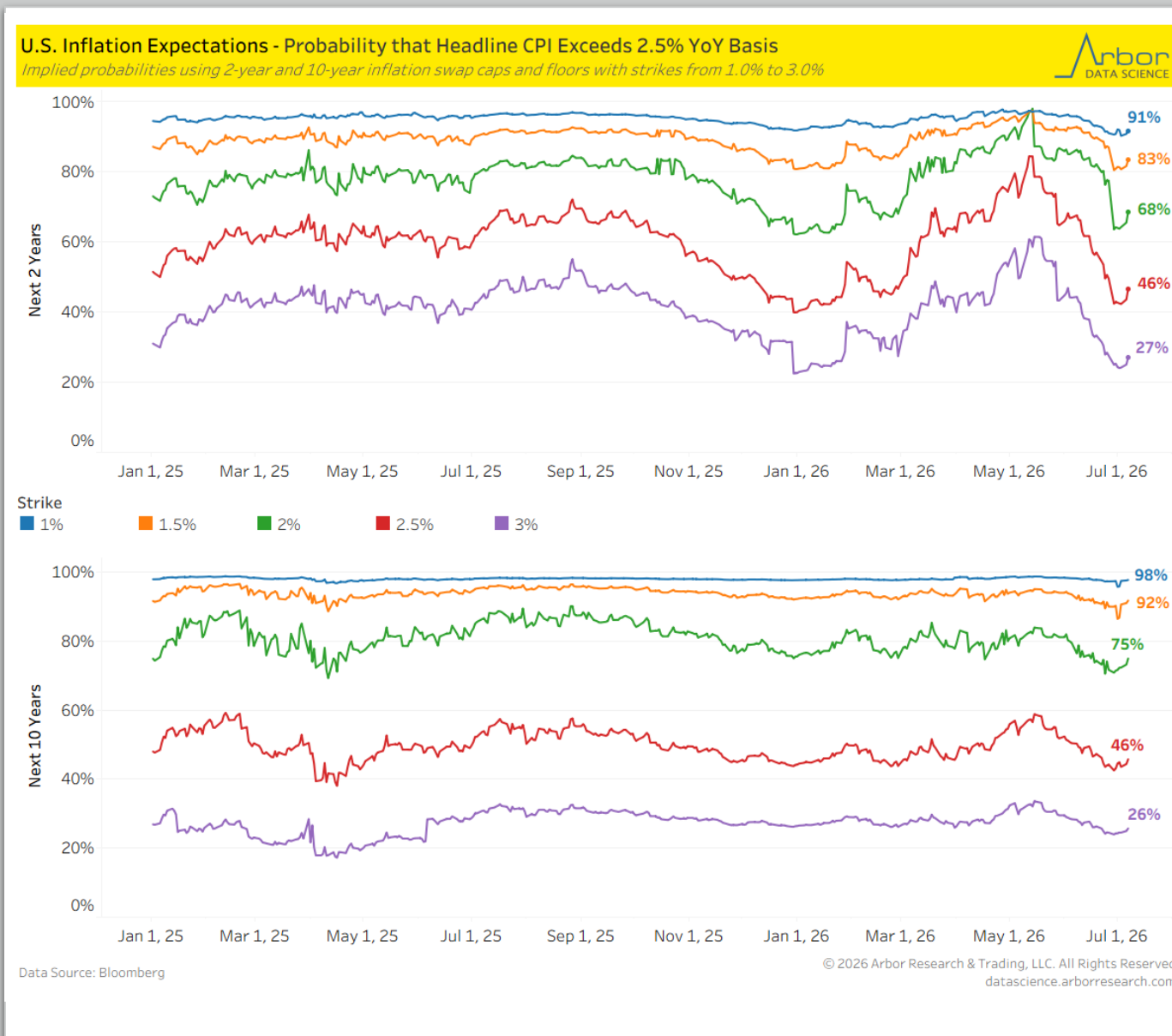


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U.S. Inflation Swap Caps and Floors

- Over the past week, inflation expectations for the next 2 years 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%.

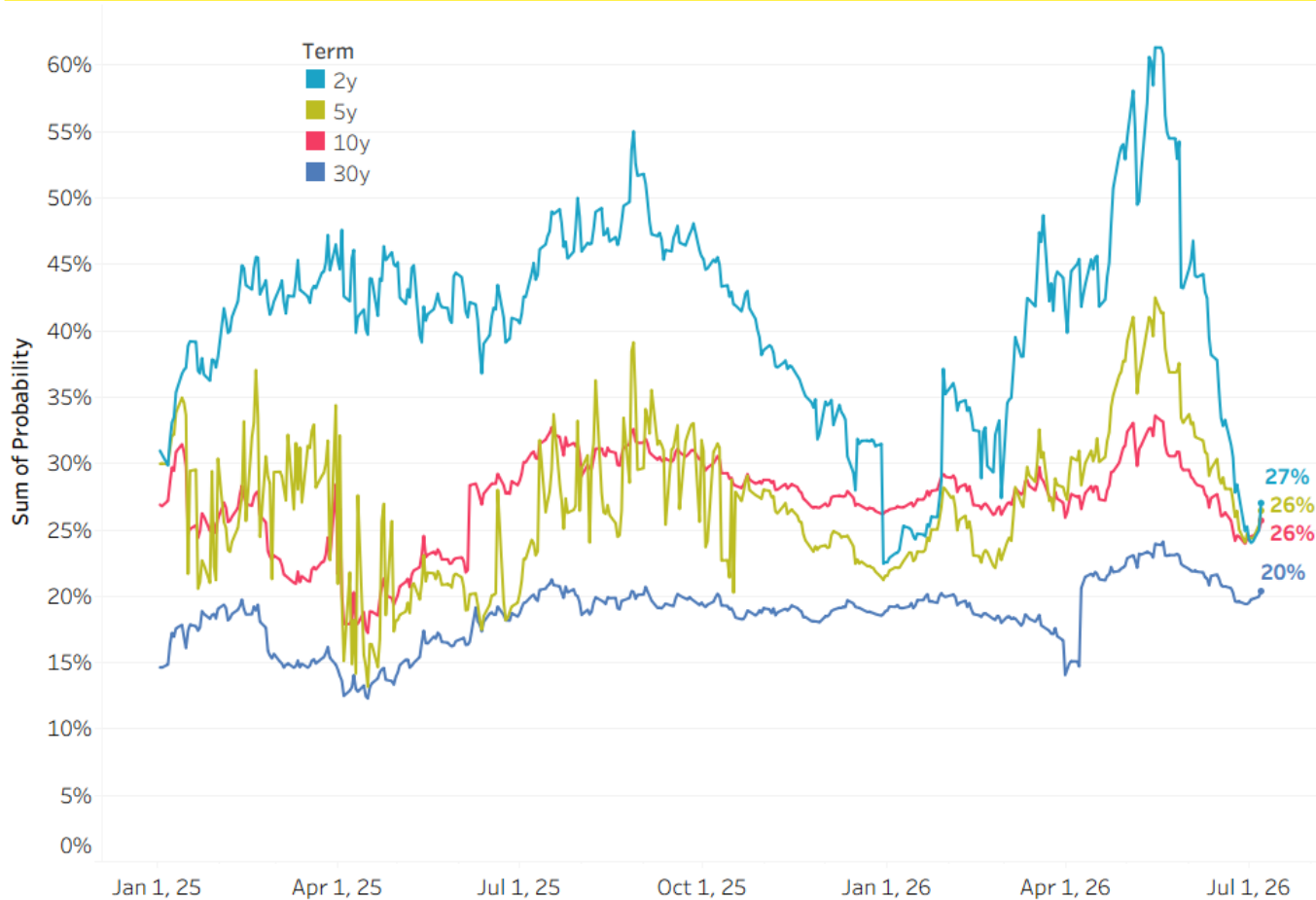


U.S. 3% Headline Expectations

- 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.

Headline CPI $\geq 3.0\%$ YoY

Implied probabilities using infl swap caps/floors w/ strike at 3.0% YoY for headline CPI

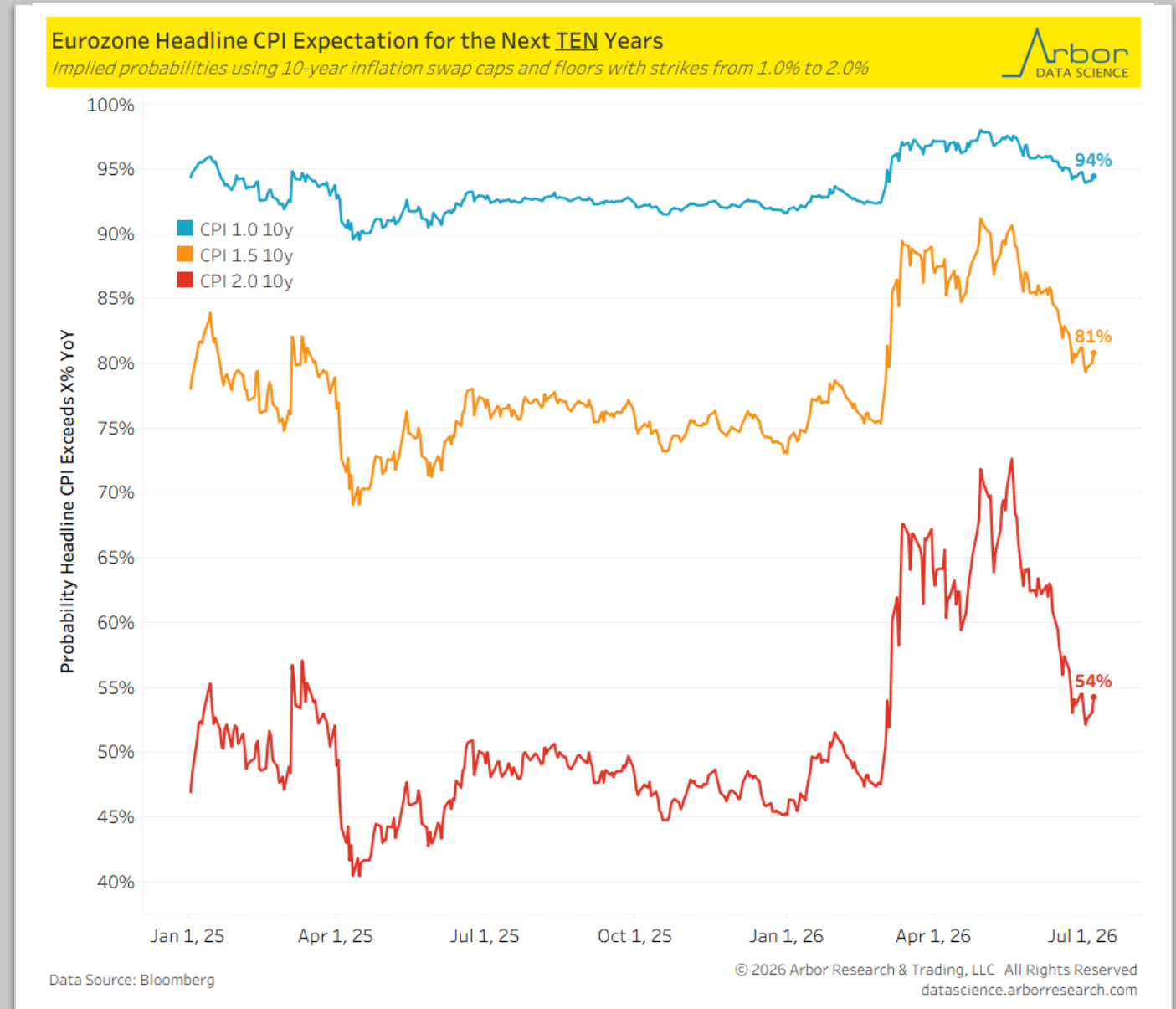


Data Sources: Bloomberg

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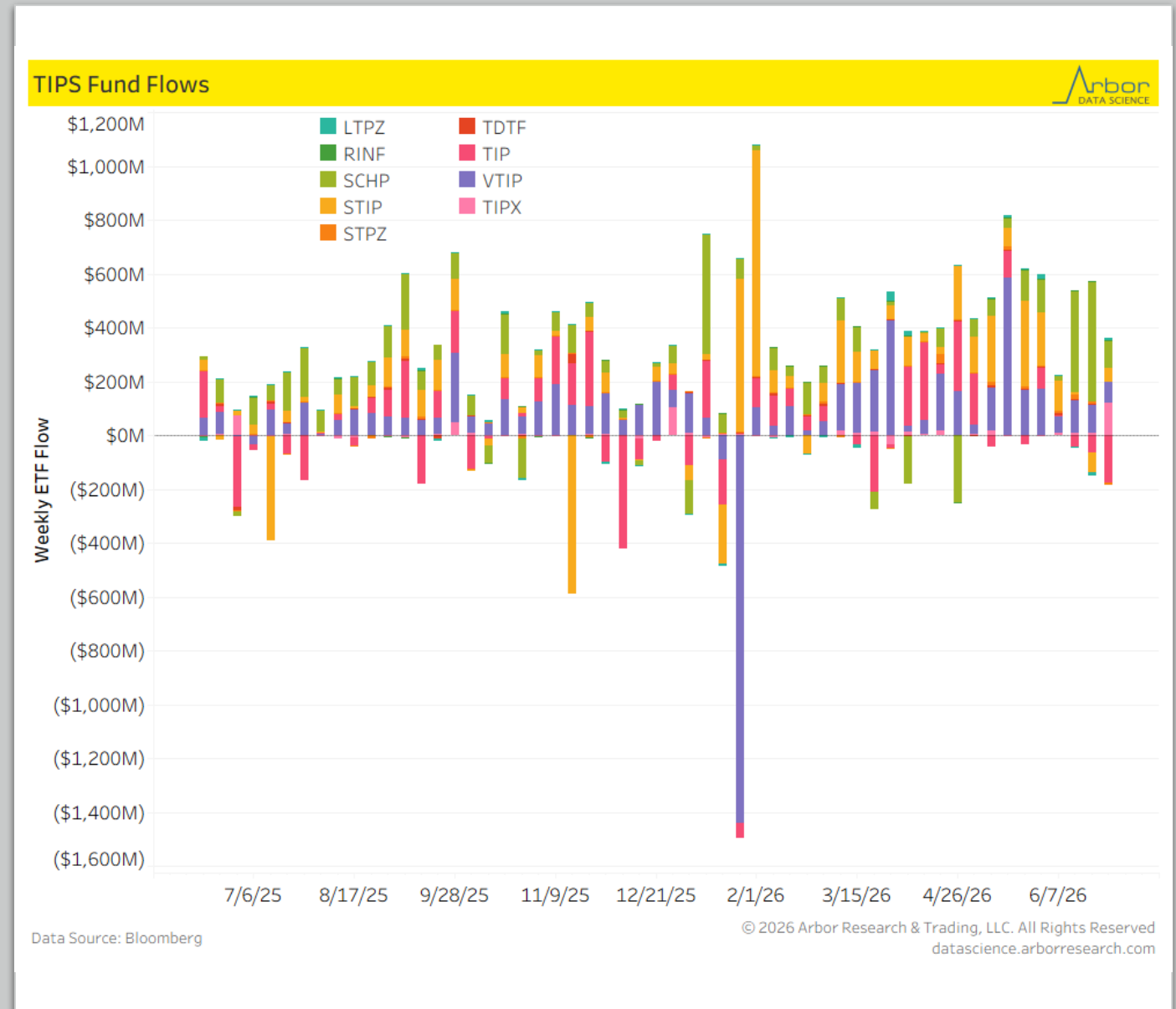
Eurozone Inflation Expectations

- 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%.

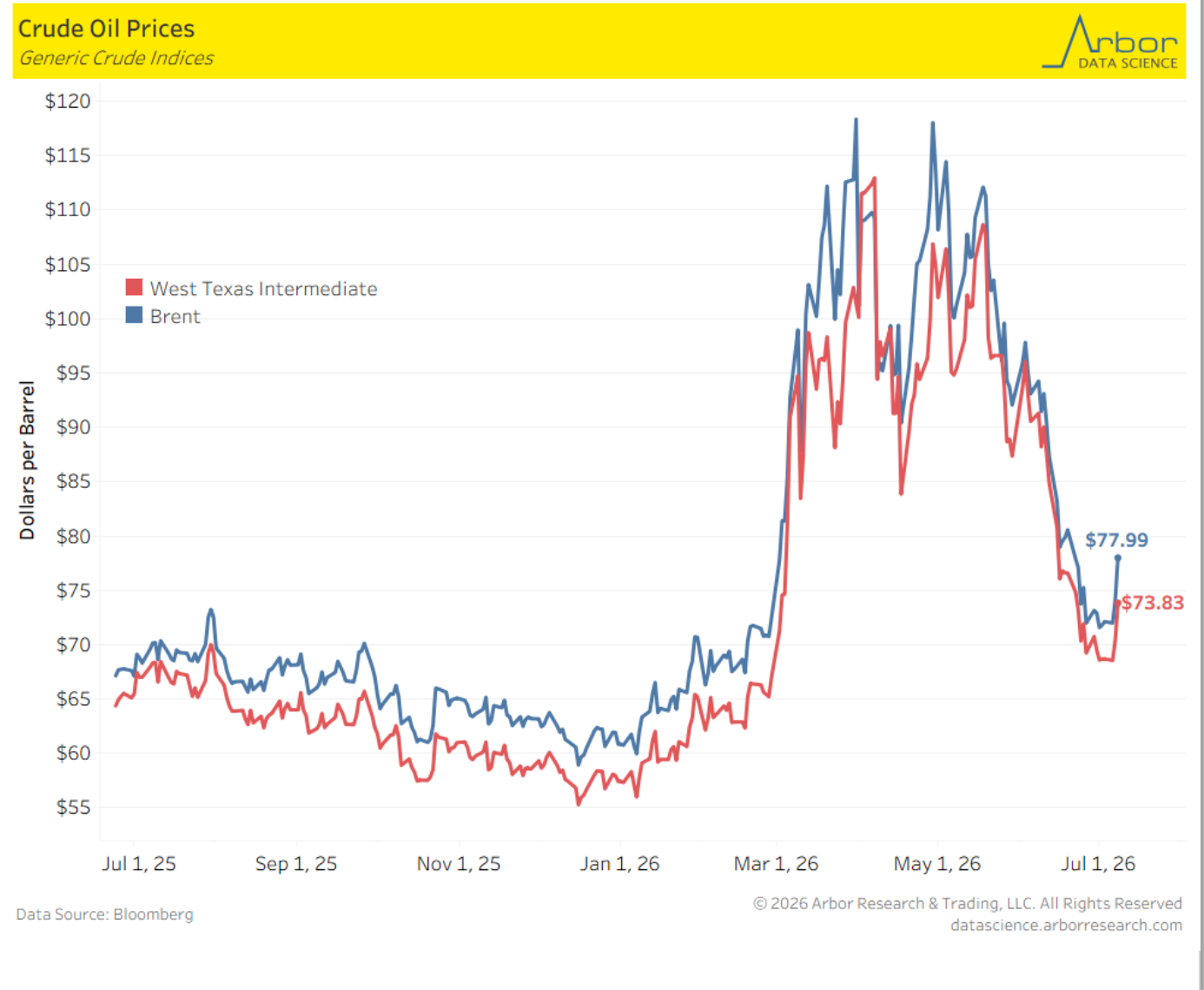


TIPS Fund Flows

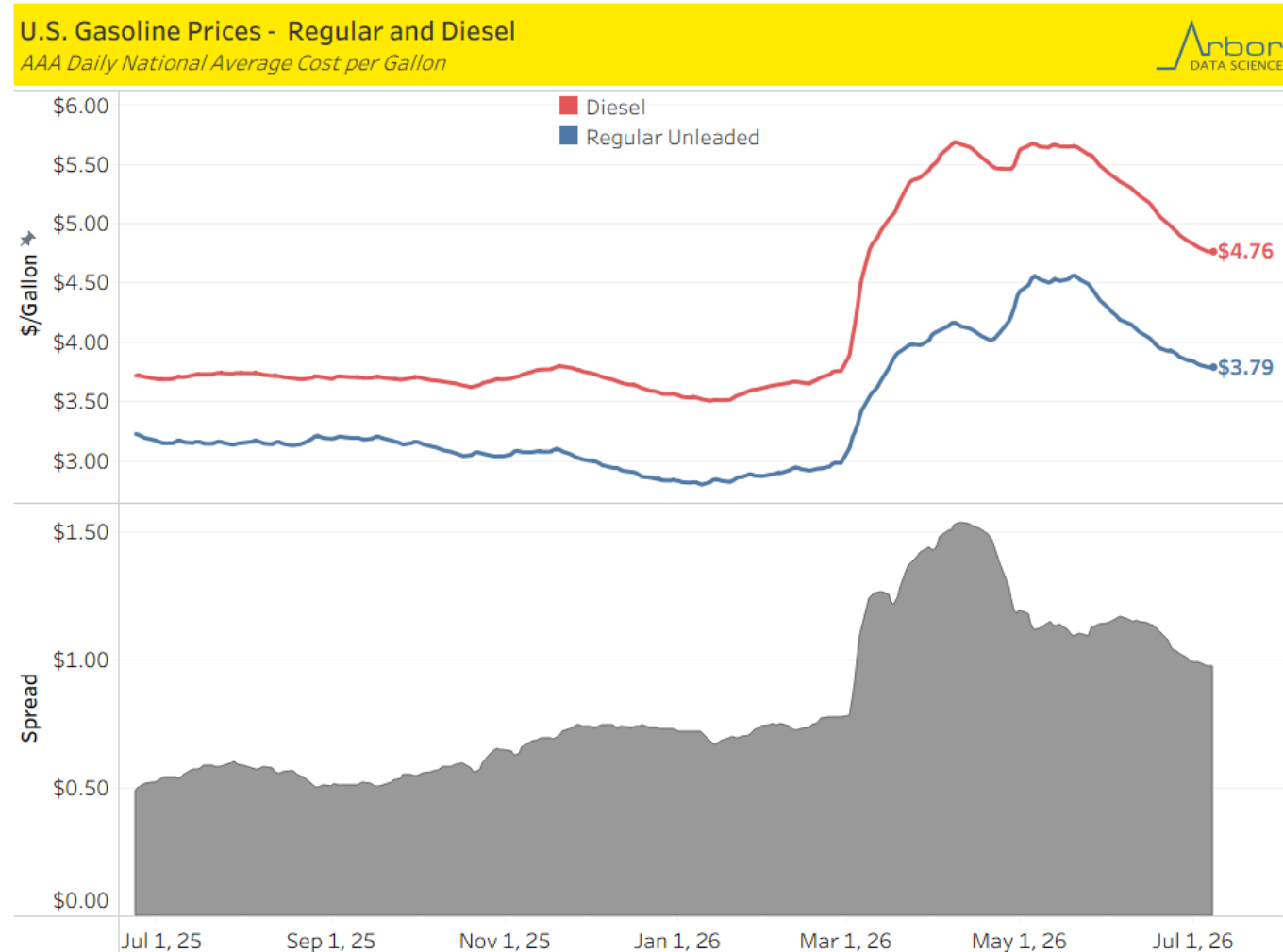
- Flows of funds were mostly positive last week, with inflows concentrated in two funds and outflows concentrated in one. (rounded value)
 - State Street SPDR Bloomberg 1-10 Year TIPS ETF: \$121 Million Inflows
 - Schwab US TIPS ETF: \$105 Million Inflows
 - iShares TIPS Bond ETF: \$175 Million Outflows



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



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

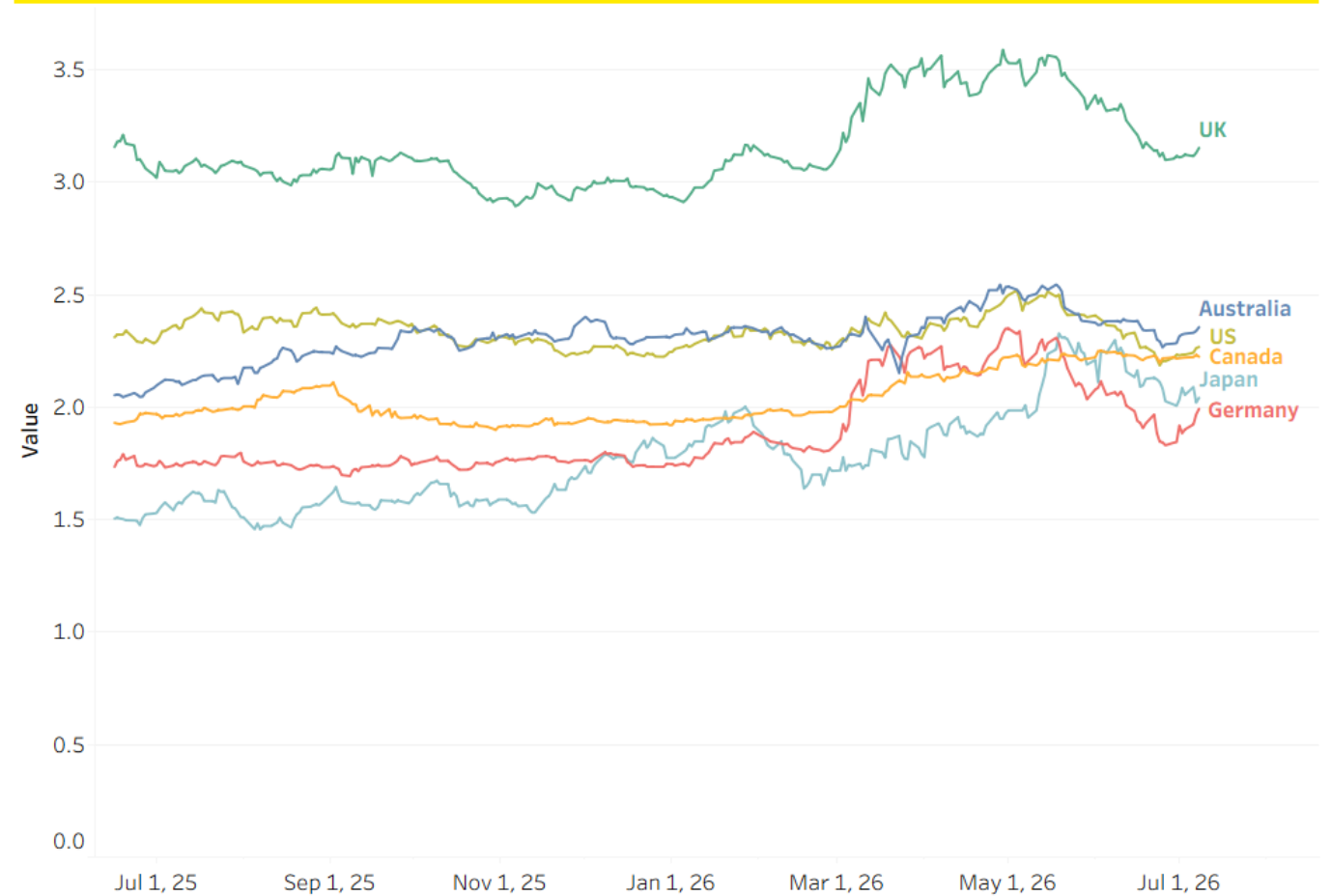


Data Source: American Automobile Association

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10-Year Global Breakevens

10-Year Inflation Expectations
Global Breakevens



Data Source: Bloomberg

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