Arbor DATA SCIENCE

Inflation Roundup

October 08, 2026

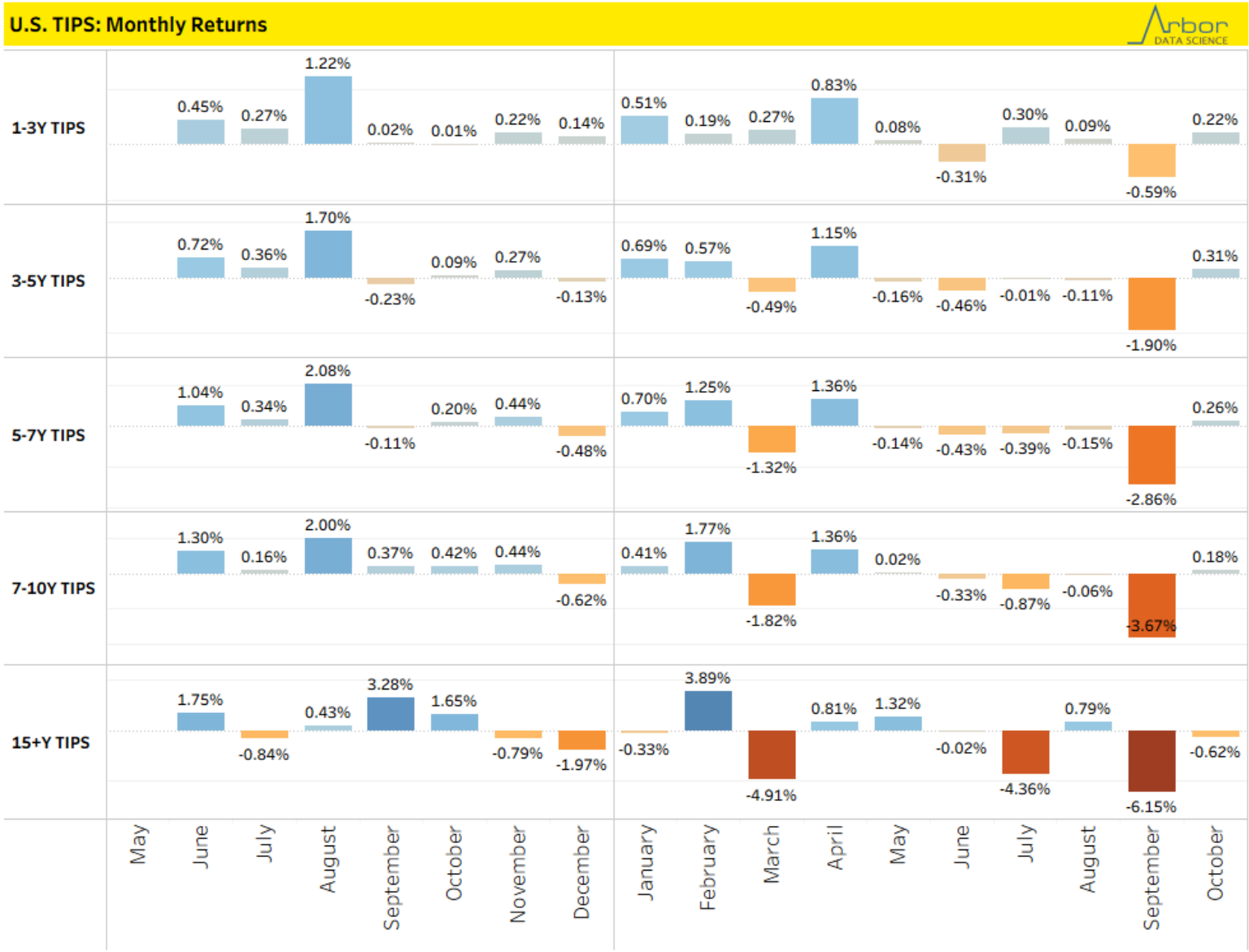
- Total Returns and Seasonality
- The State of Inflation
- Market-Based Expectations
- Energy and Commodities



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TIPS TOTAL RETURNS:

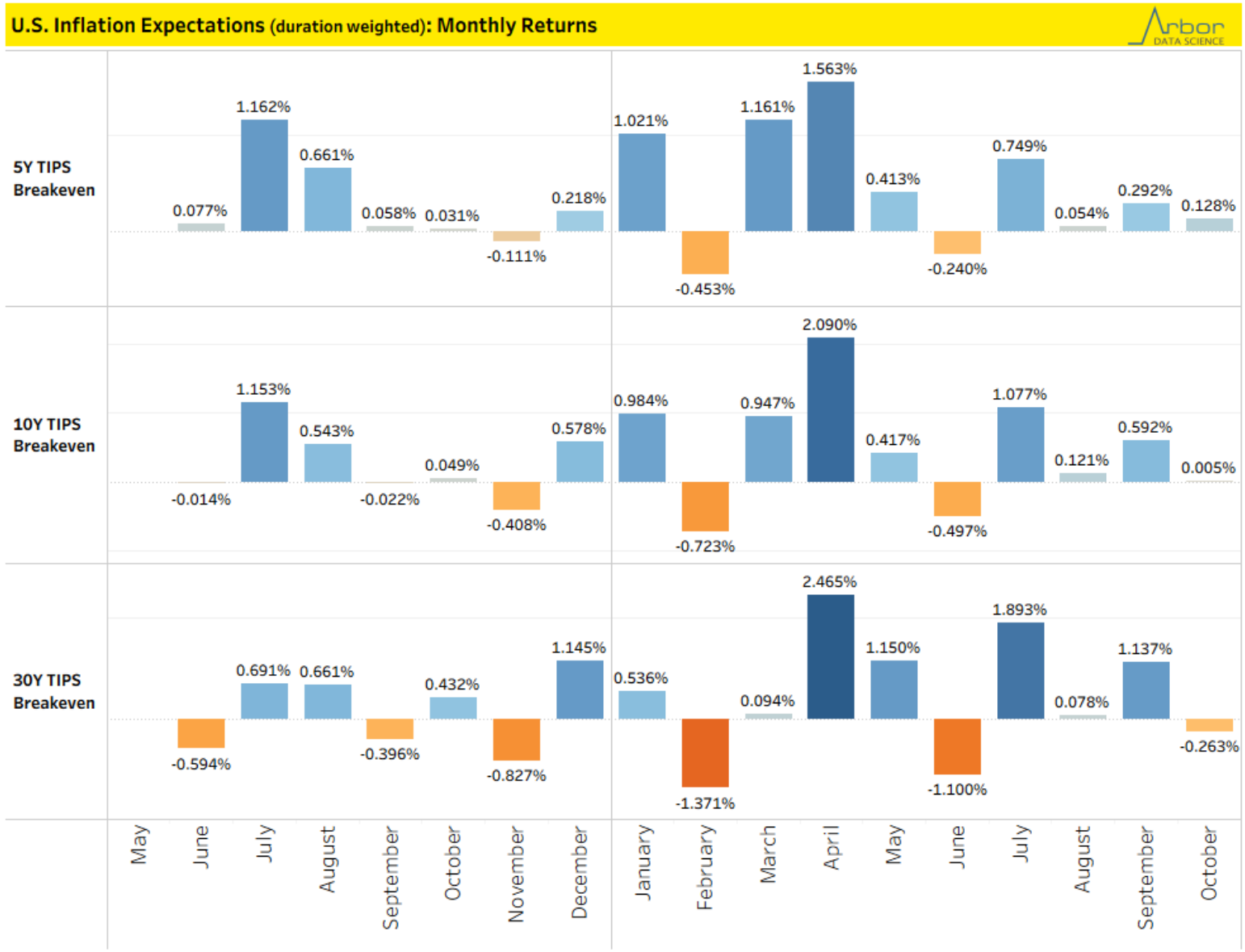


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TIPS BREAKEVENS TOTAL RETURNS:



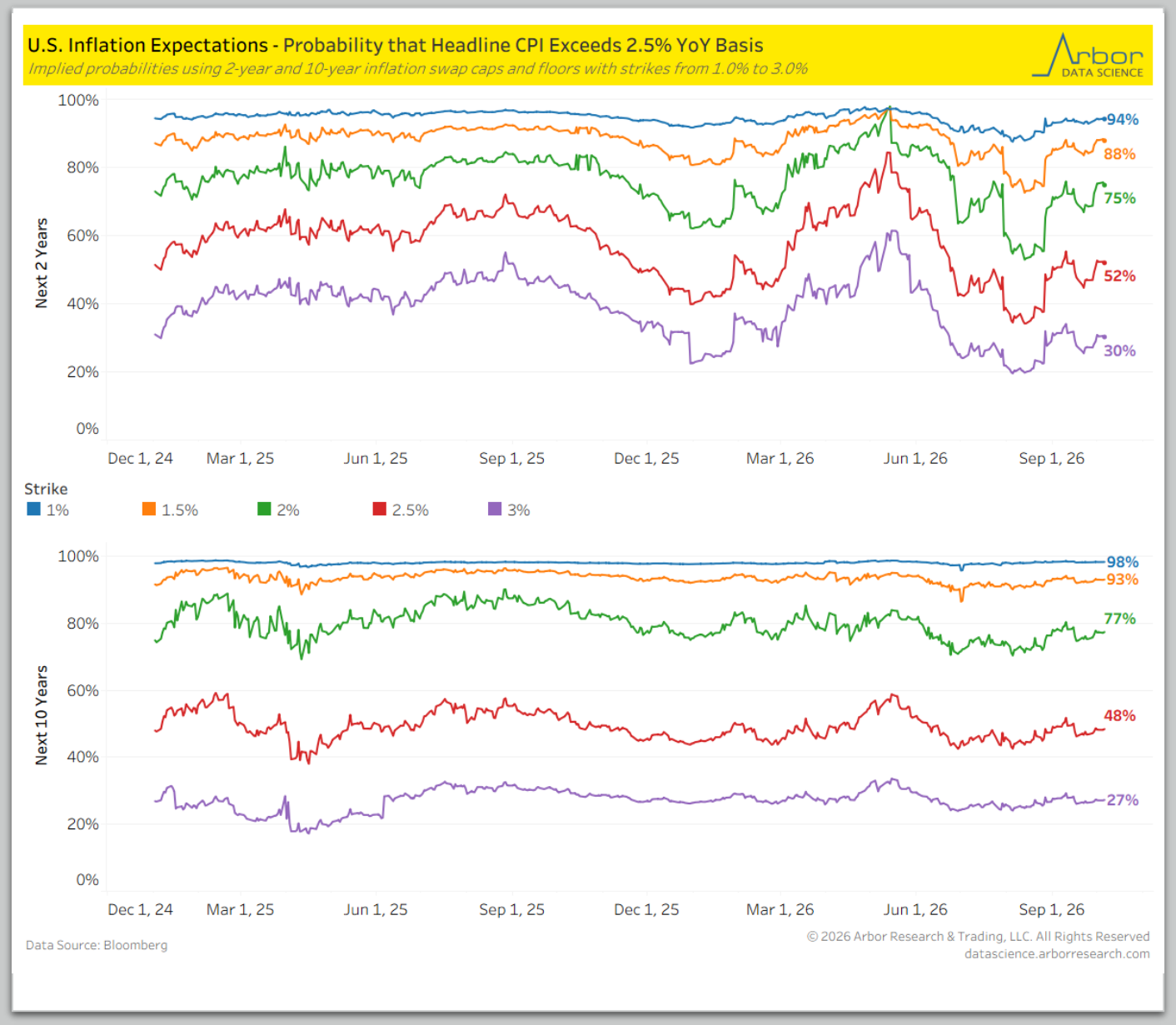
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U.S. Inflation Swap Caps and Floors

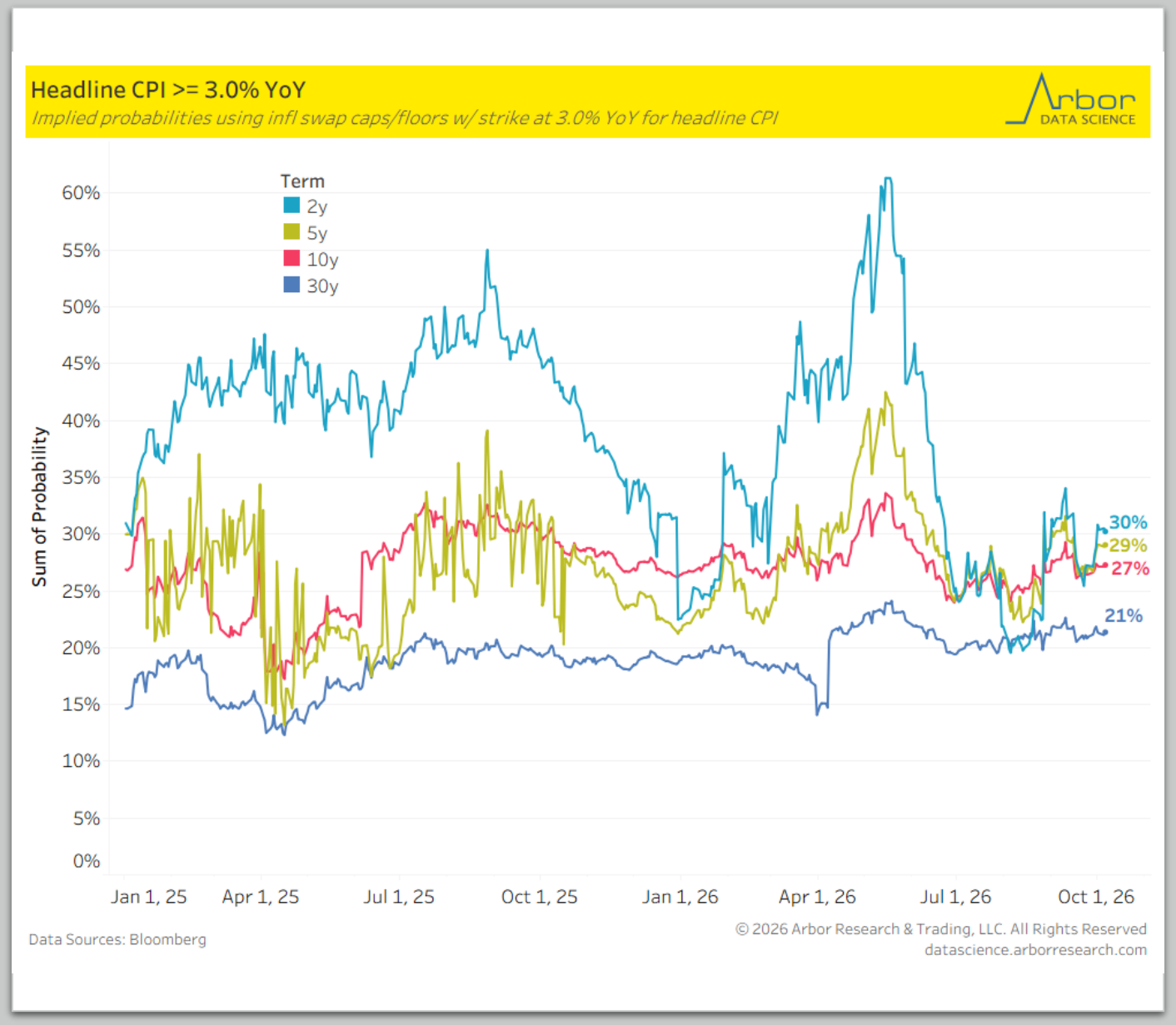
- Over the past week, inflation expectations increased for the next 2 years, except for 1%, which was constant.
- The probability of 2.5% headline inflation for the next 2 years increased from the previous week to 52%.
- 10-year expectations held constant over the past week.
- The 10-year probability of 2.5% headline inflation held at 48%.



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U.S.
3% Headline Expectations

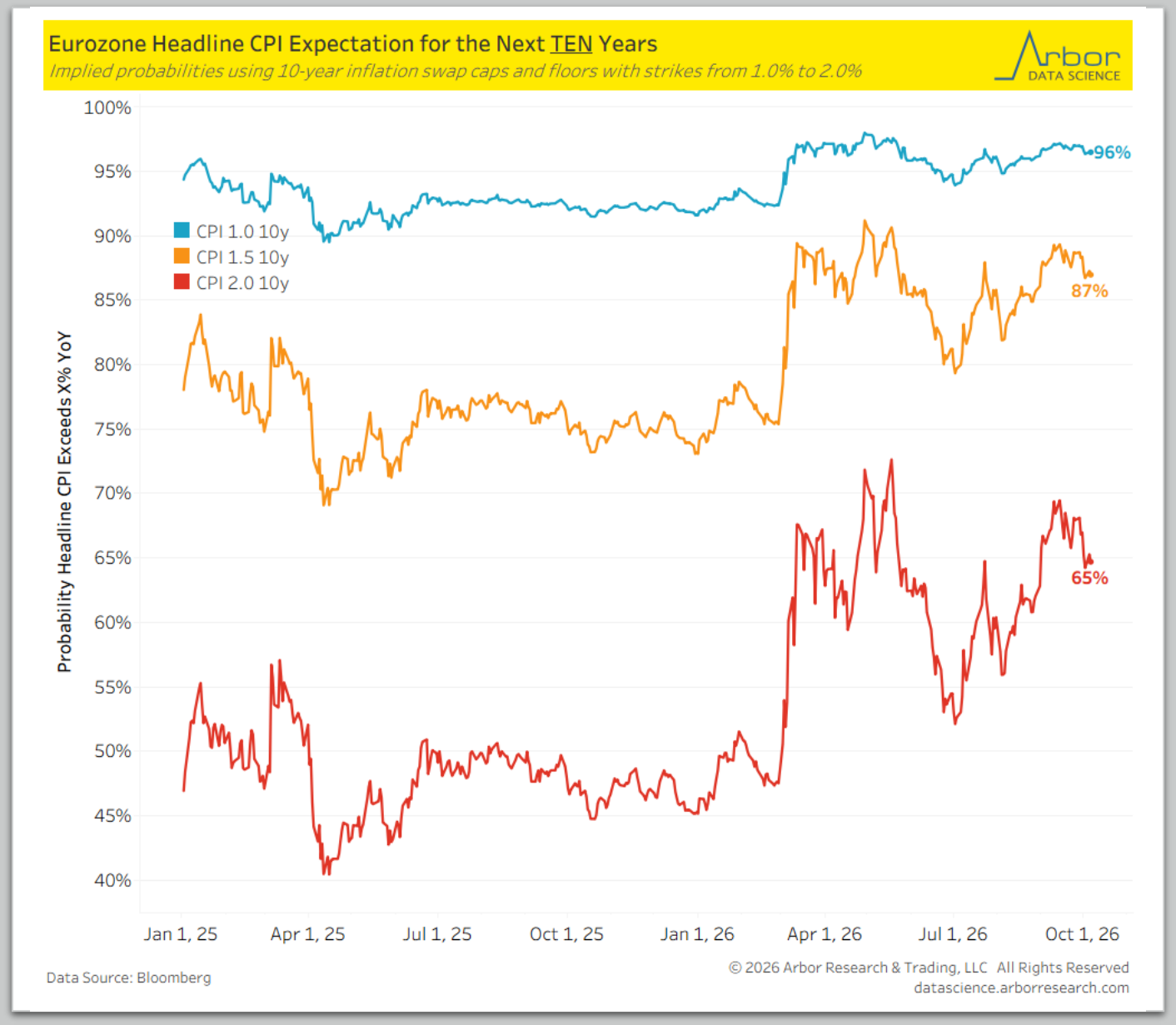
- 3% inflation expectations were mixed over the past week.
- Based on swap cap/floor probabilities for the next 2 years, the market gives this outcome a 30% probability.



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Eurozone Inflation Expectations

- 10-year Eurozone inflation expectations fell over the past week.
- The probability of 2% headline inflation decreased to 65%.



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TIPS Fund Flows

- Flows of funds were mixed last week, with flows concentrated in three funds. (rounded value)
  - Schwab US TIP ETF: $153 Million Inflows
  - Vanguard Short-Term Inflation-Protected Securities ETF: $169 Million Inflows
  - iShares TIPS Bond ETF: $156 Million Outflows



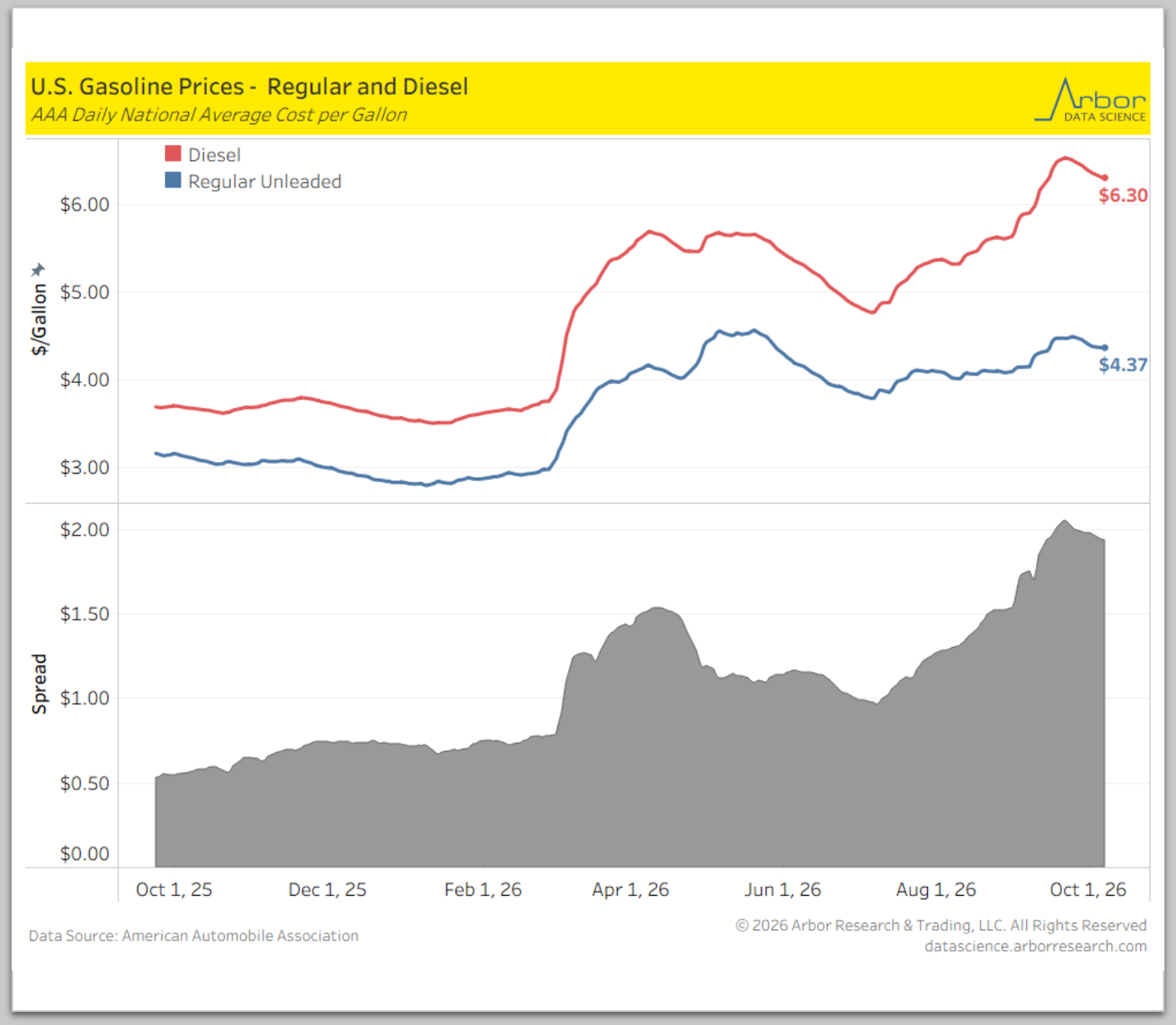
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Brent Crude was down $2.11 from last week to $101.73



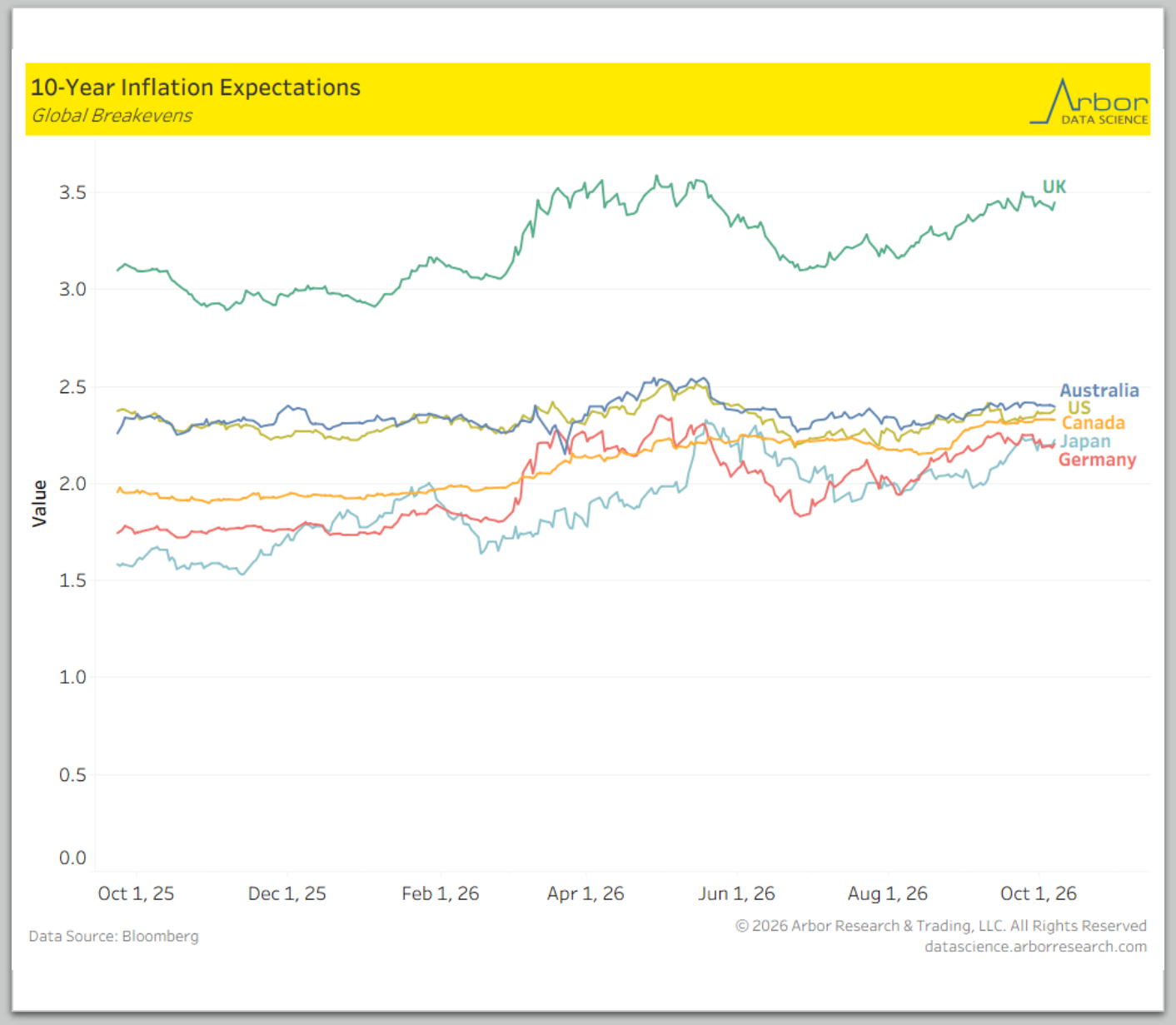
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Average Diesel/Gas Spread fell from the previous week to $1.93



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10-Year Global Breakevens



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