

APOLLO

Is inflation rising again?

Upside risks: Strong economic momentum, tariffs, restrictions on immigration, lower taxes, and residual seasonality

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Unless otherwise noted, information as of December 2024.

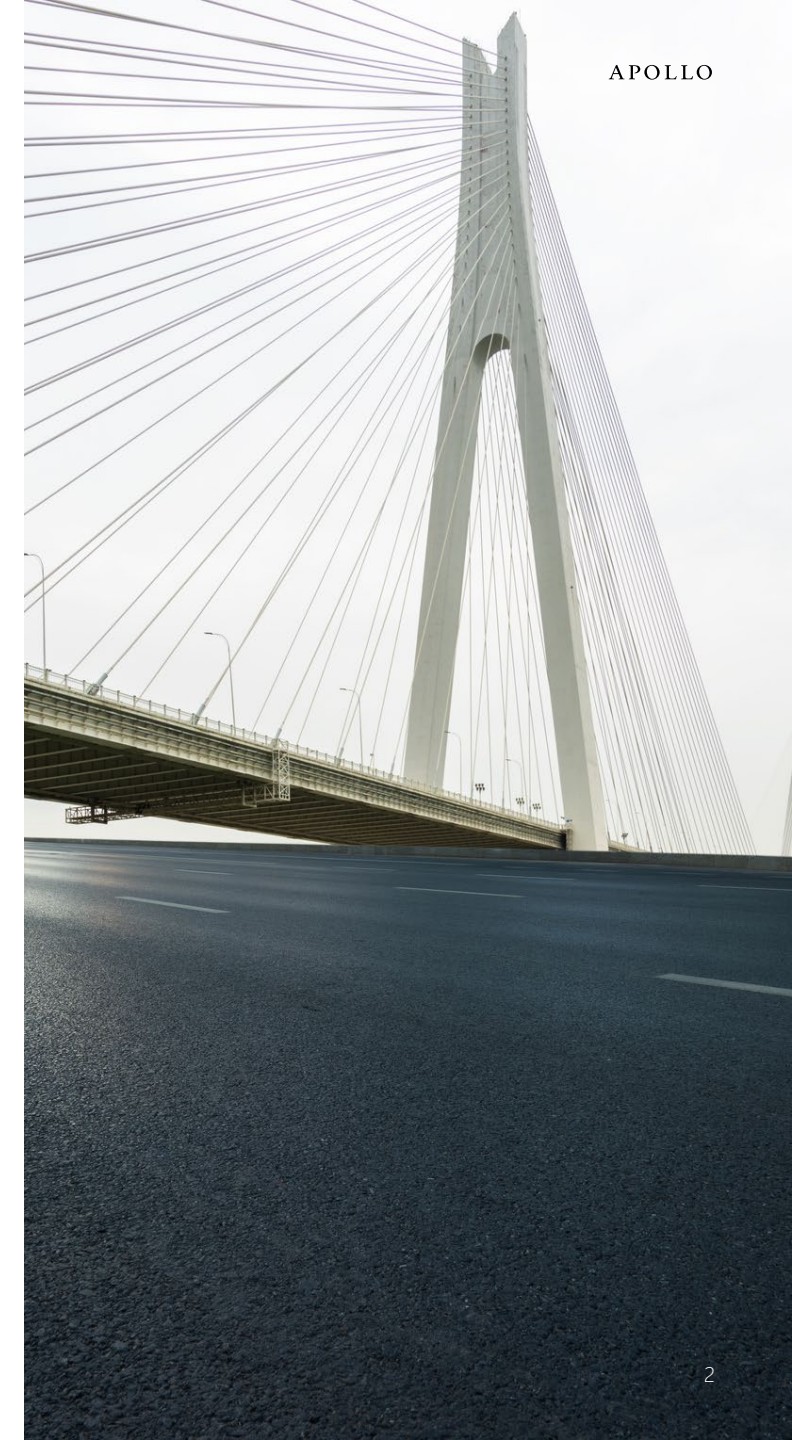
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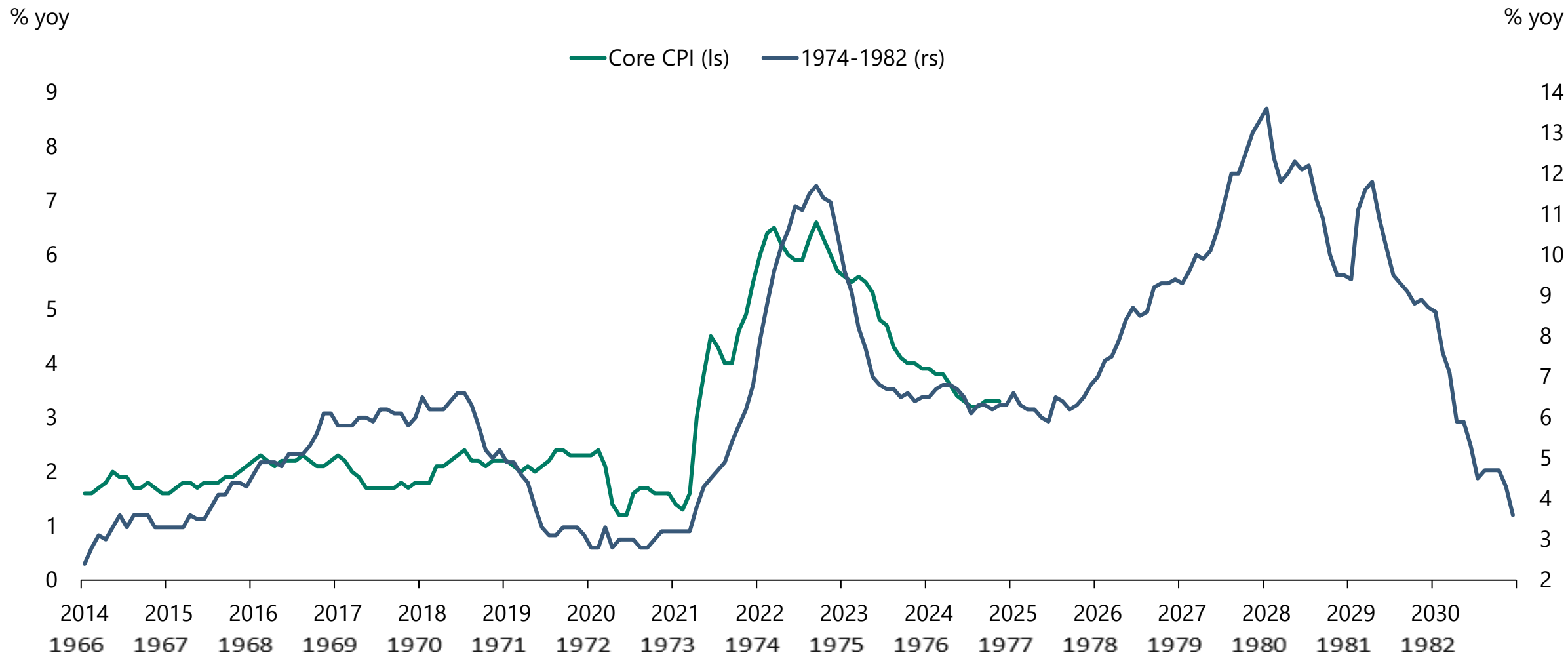
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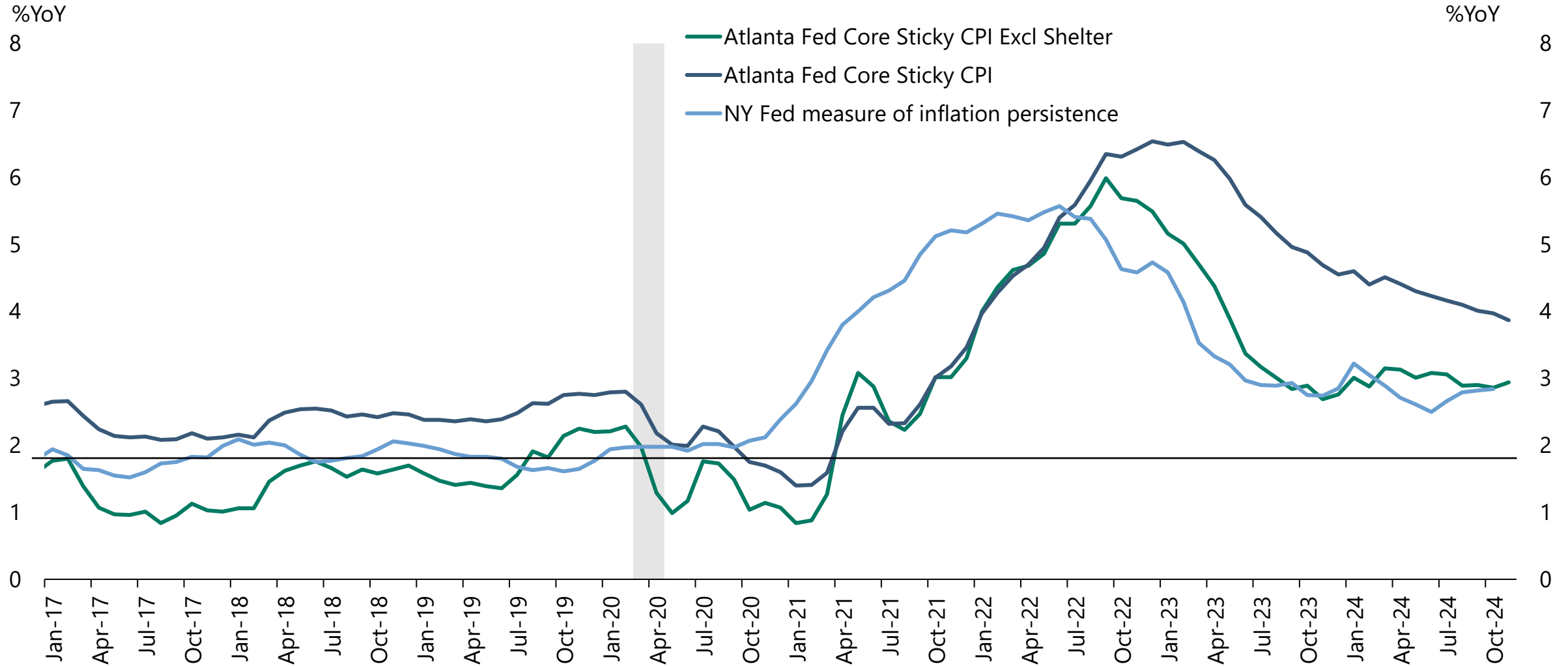
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Will we see a repeat of the 1970s?

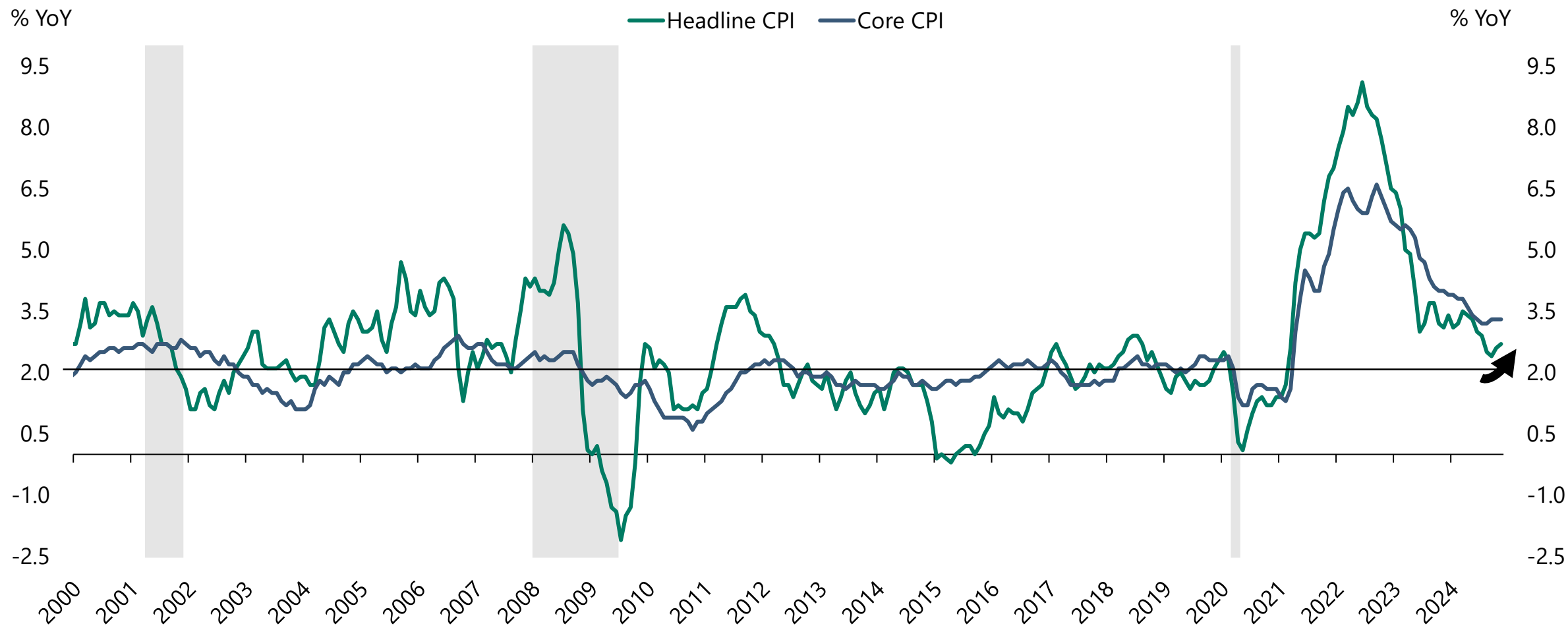


Fed measures of inflation stickiness are well above the Fed's 2% inflation target

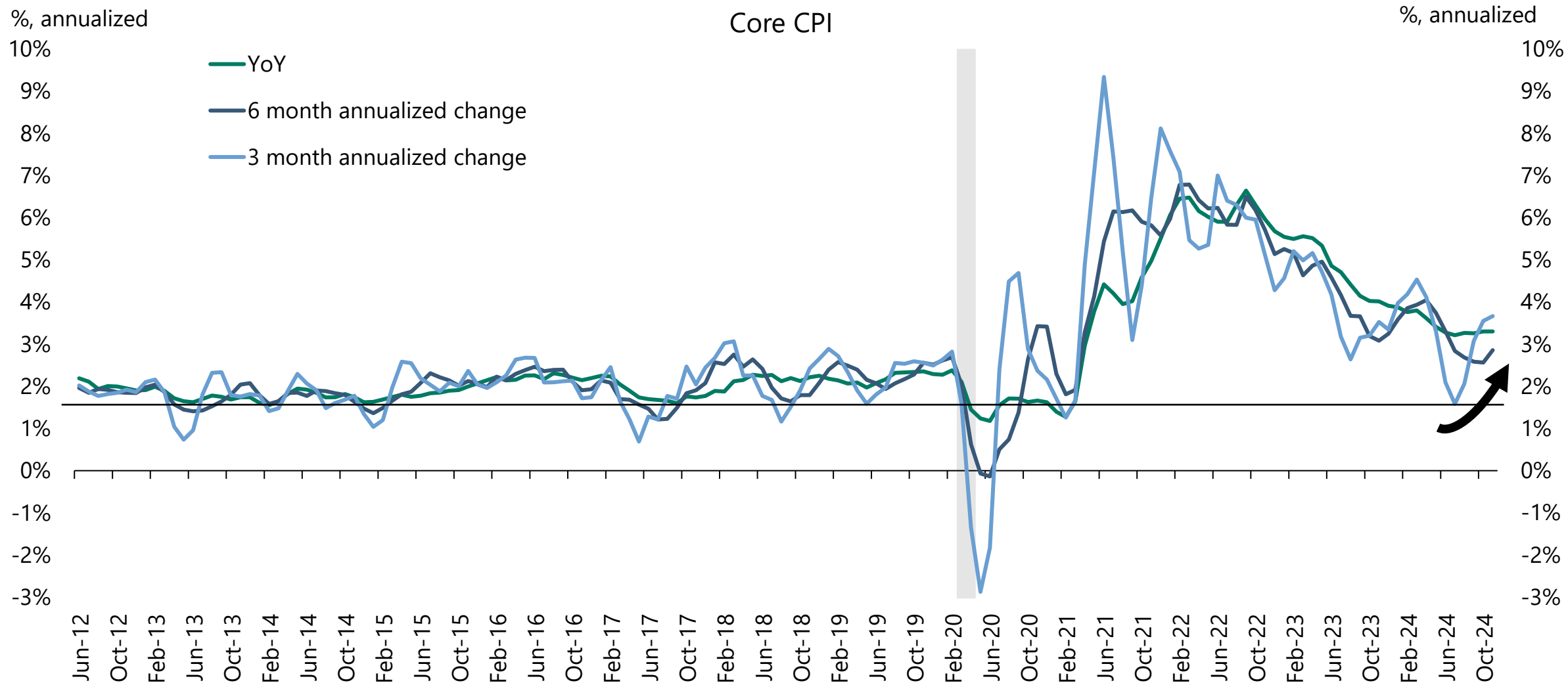


Source: Federal Reserve Bank of Atlanta, Federal Reserve Bank of New York, Haver Analytics, Apollo Chief Economist

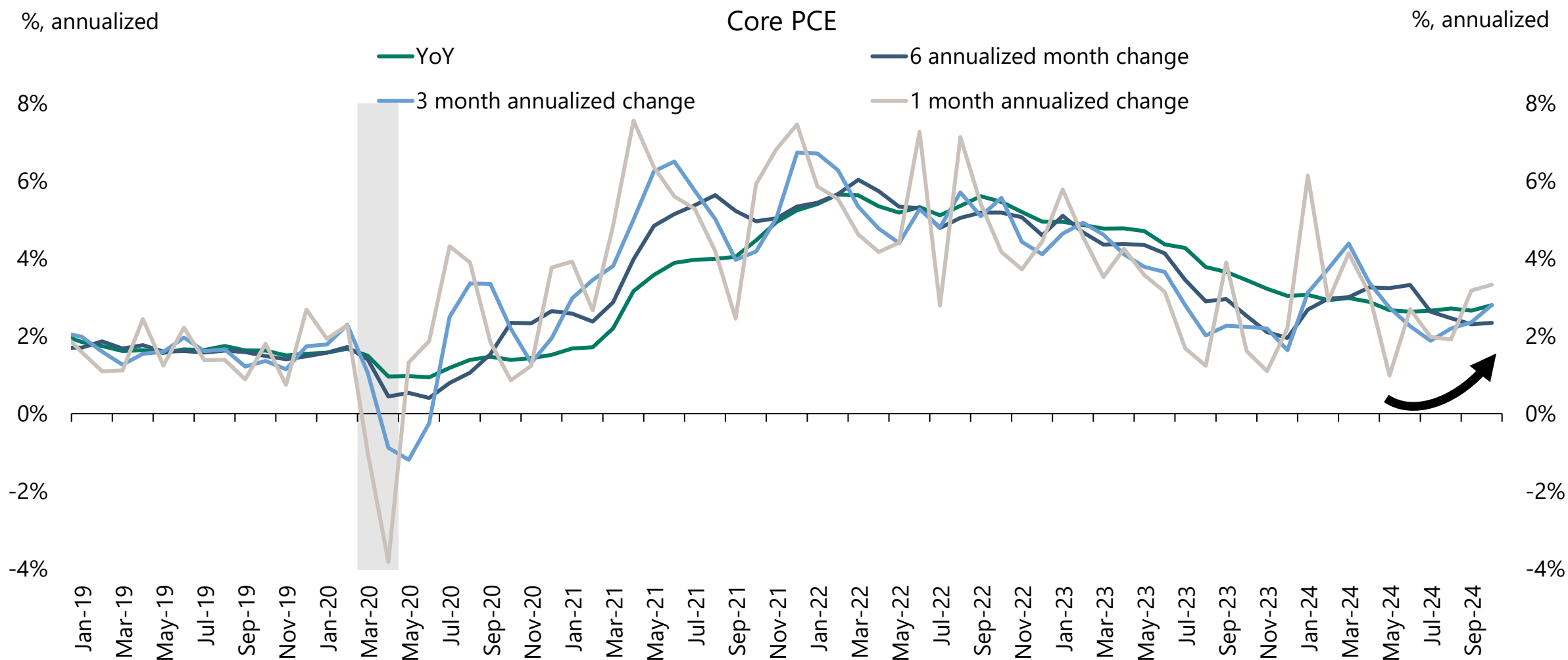
Core CPI is 3.3%.
Headline CPI is 2.7% and rising.



Core CPI showing signs of reaccelerating

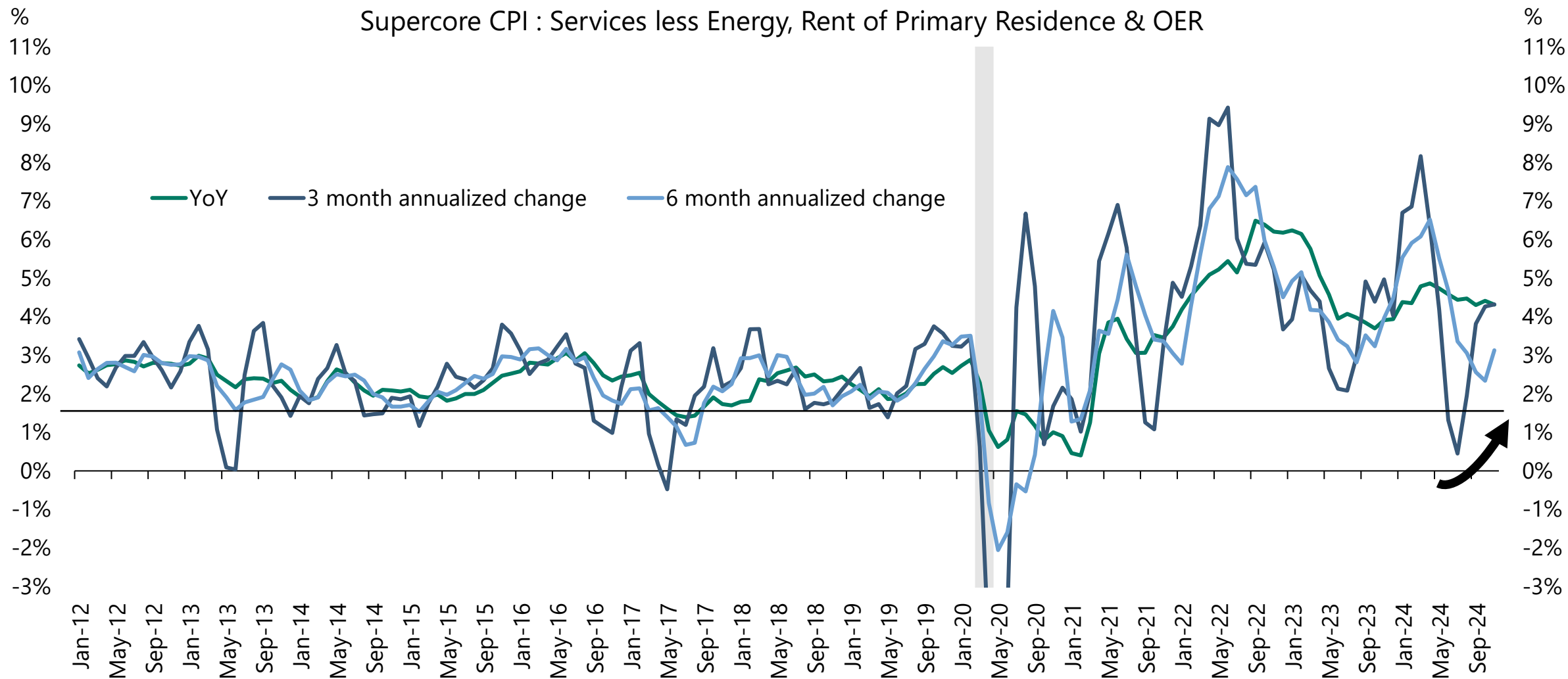


Core PCE showing signs of reaccelerating

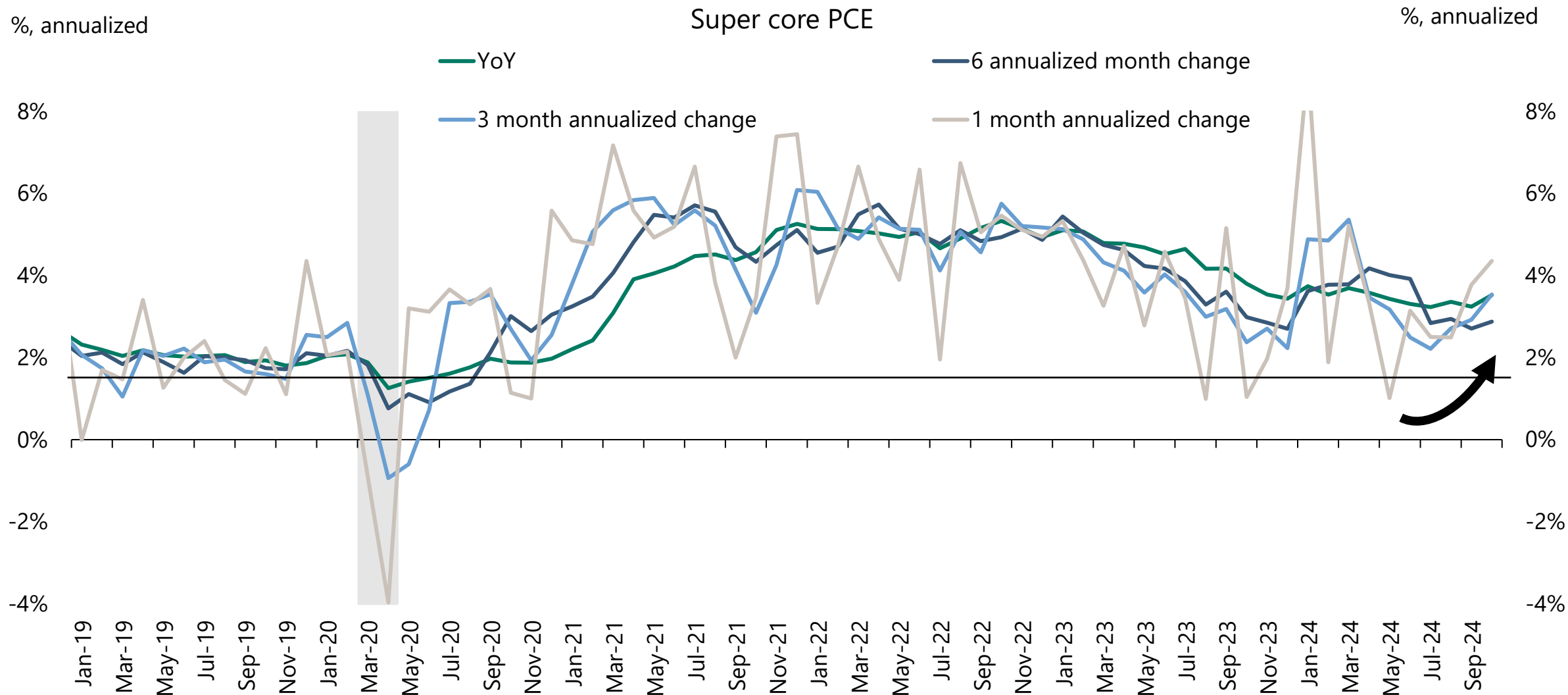


Source: BEA, Haver Analytics, Apollo Chief Economist

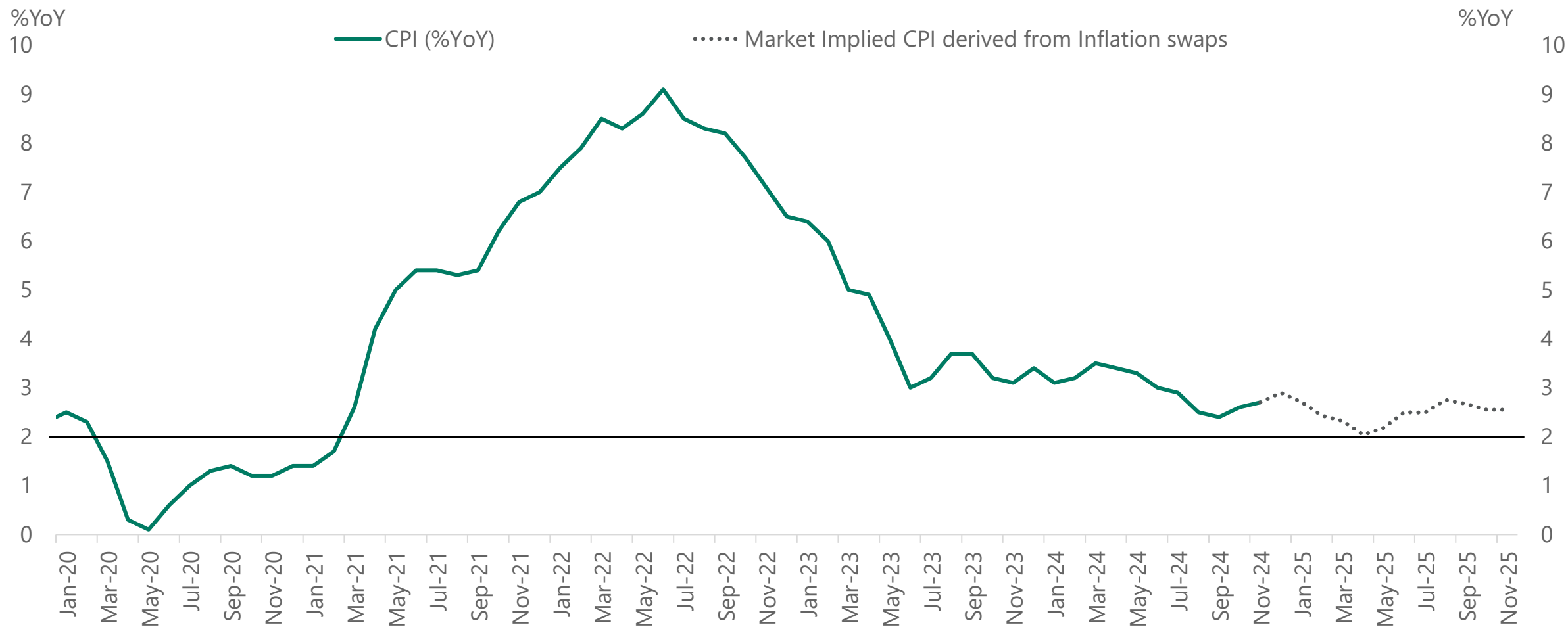
Supercore CPI showing signs of reaccelerating



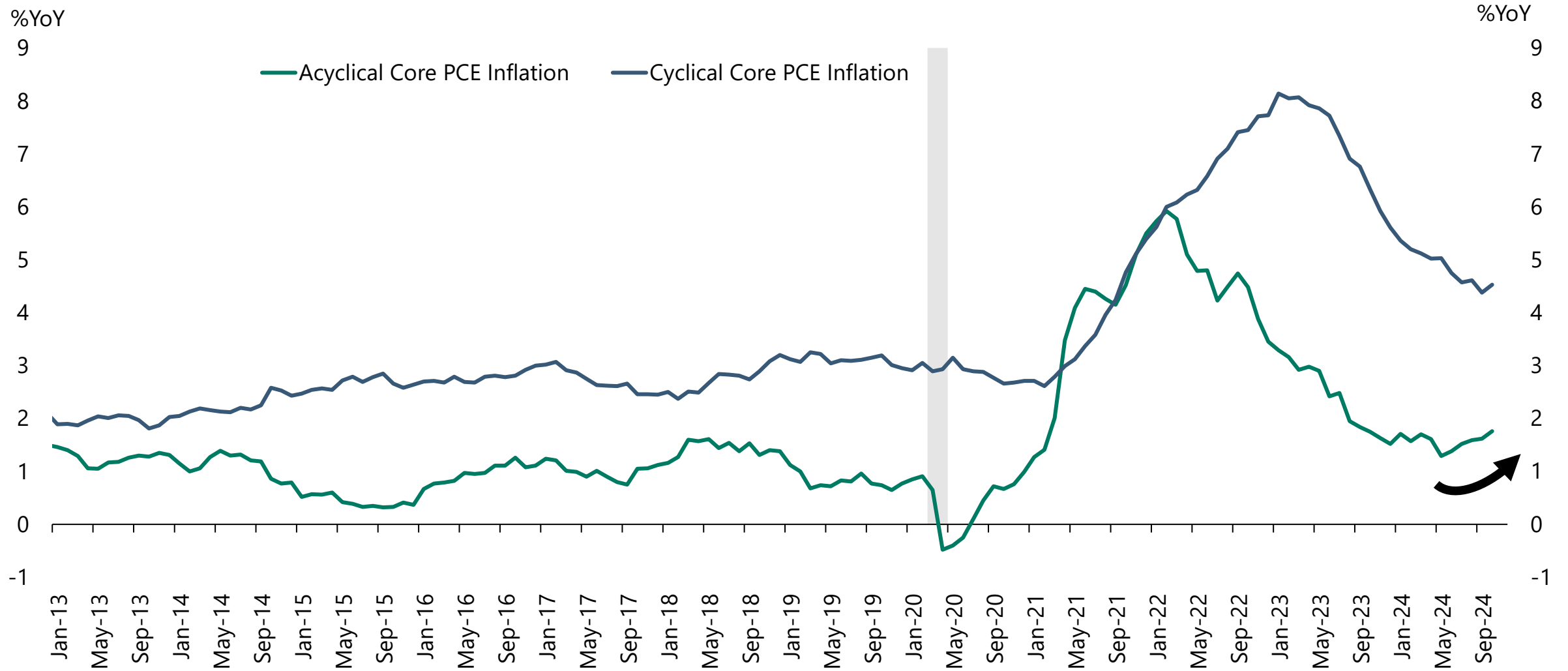
Supercore PCE showing signs of reaccelerating



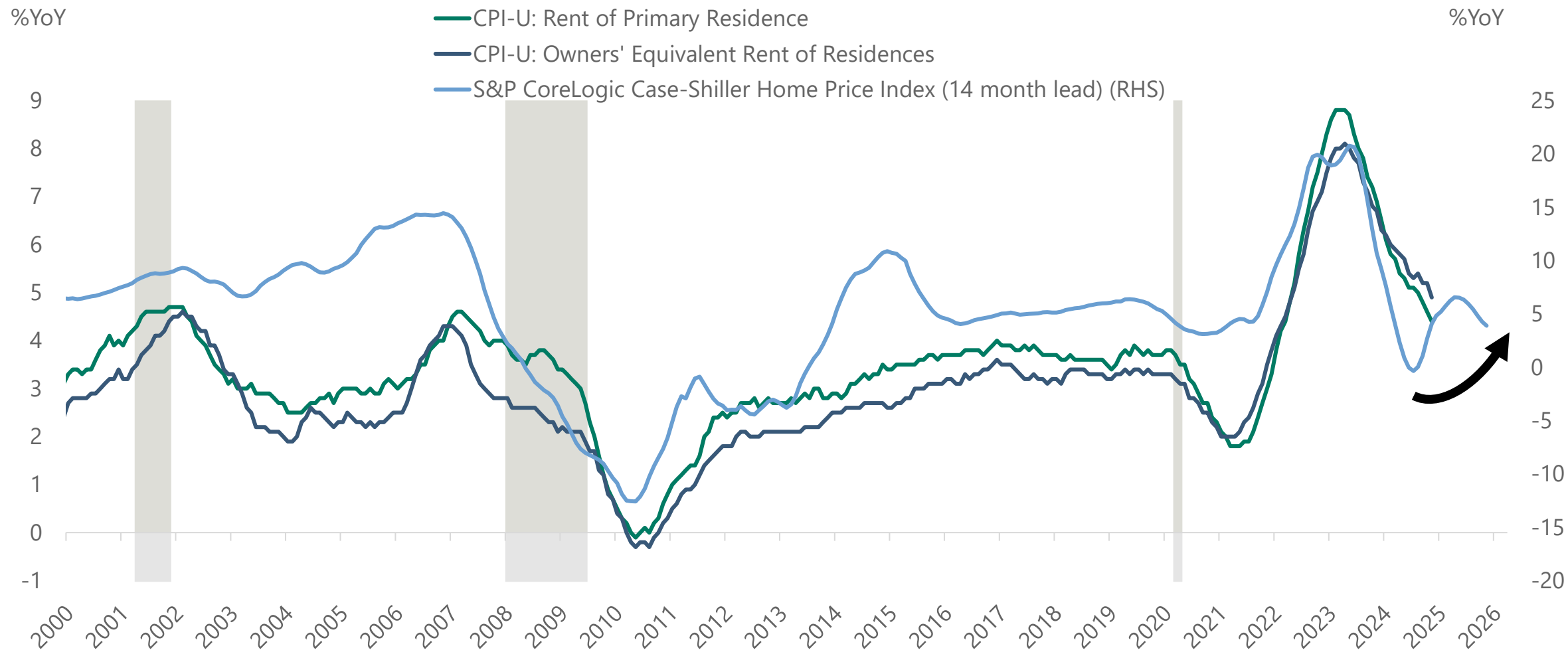
Market implied CPI indicates inflation will be sticky at 2%



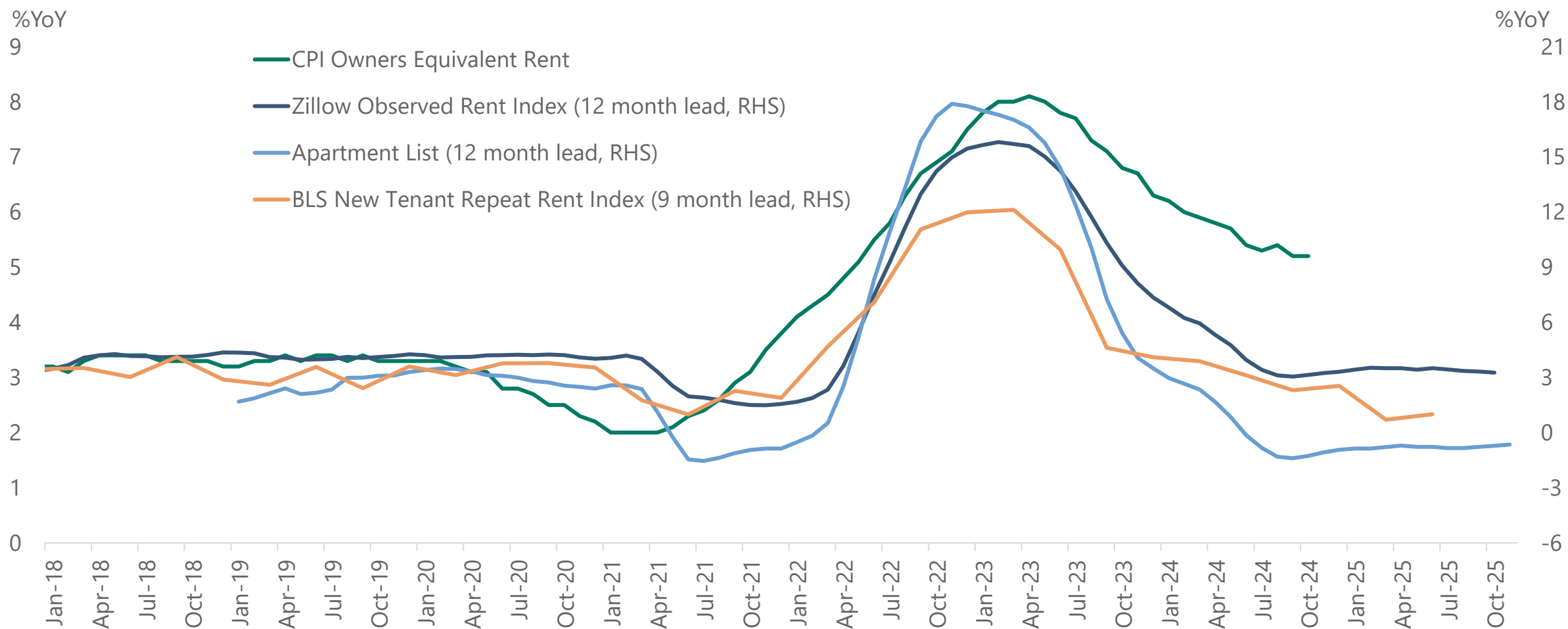
Acyclical inflation starting to rise



Risk of a rebound in housing inflation

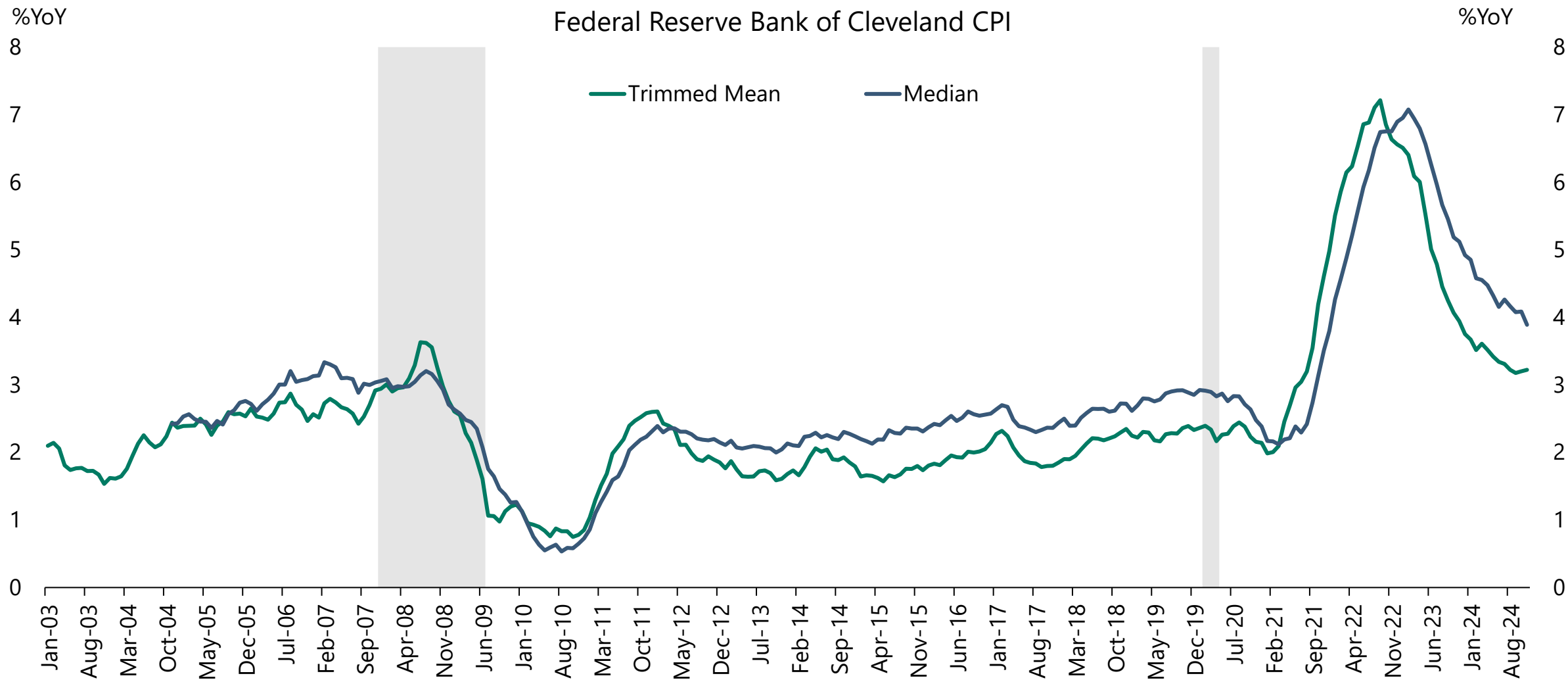


Indicators of housing inflation



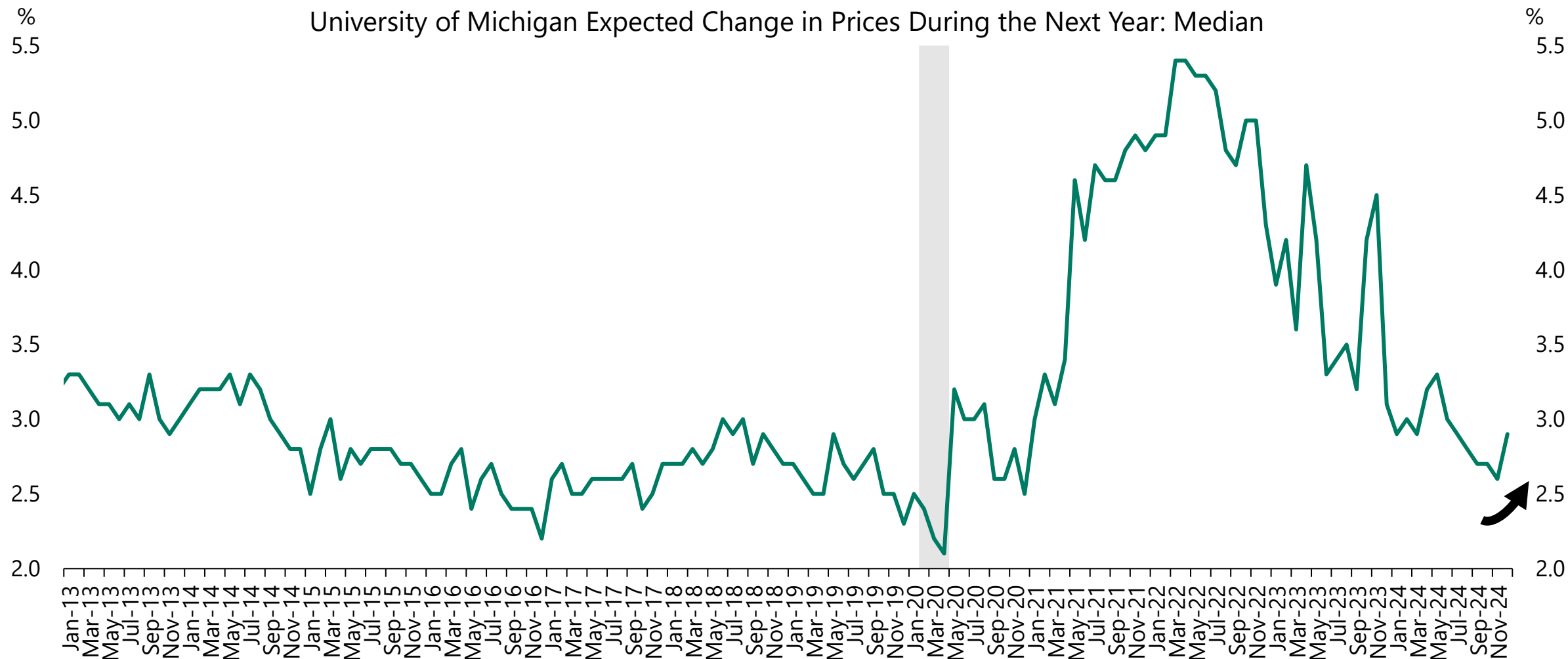
Source: BLS, Zillow, Apartmentlist.com, Haver Analytics, Apollo Chief Economist

Trimmed mean CPI at levels well above 2%



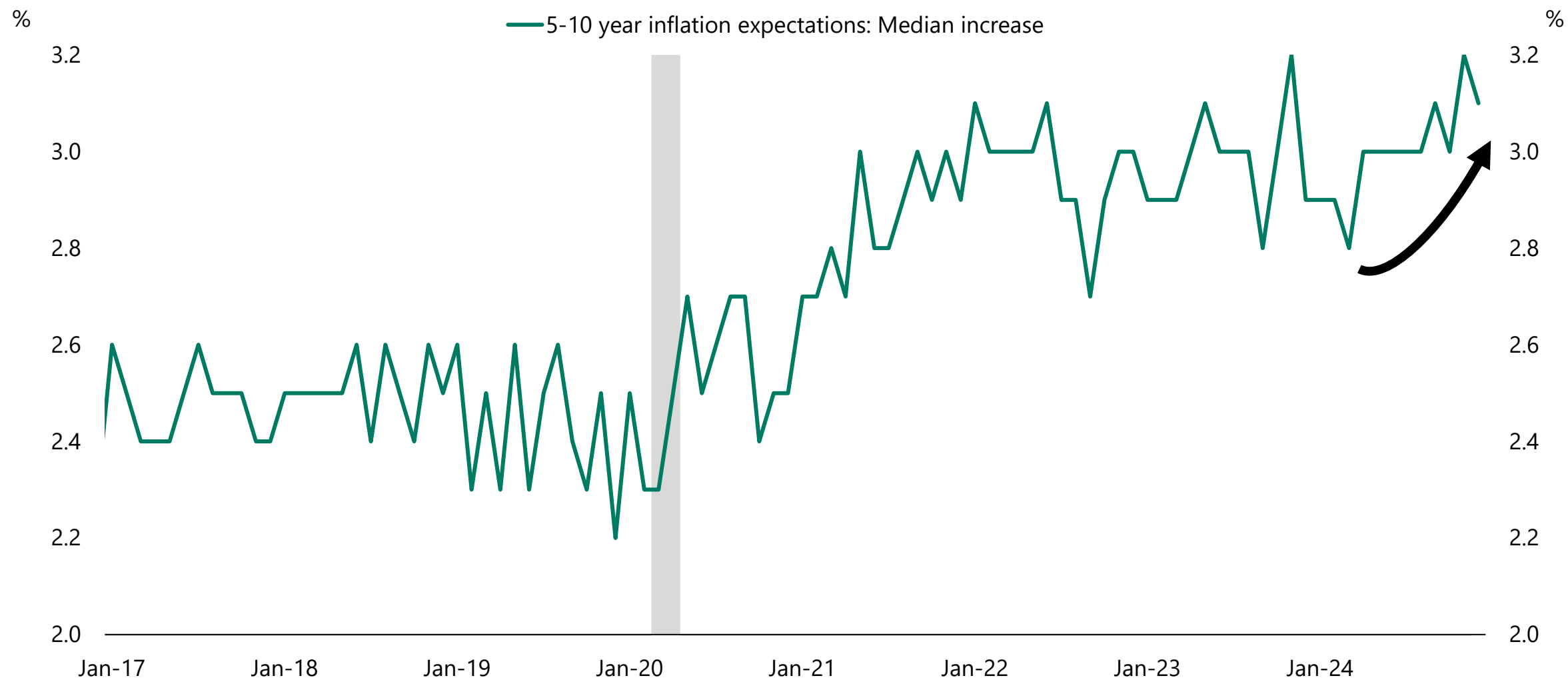
Source: Federal Reserve Bank of Cleveland, Haver Analytics, Apollo Chief Economist

Short-run inflation expectations rebounding



Source: University of Michigan, Haver Analytics, Apollo Chief Economist

Long-run inflation expectations also rising





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Torsten Slok joined Apollo in August 2020 as Chief Economist and he leads Apollo's macroeconomic and market analysis across the platform.

Prior to joining, Mr. Slok worked for 15 years as Chief Economist on the sell-side where his team was top ranked in the annual Institutional Investor survey for a decade. Mr. Slok has also worked at the IMF in Washington, DC and at the OECD in Paris.

Mr. Slok has a Ph.D in Economics and studied at the University of Copenhagen and Princeton University.