

Market Correlations: Expected Inflation in TIPS

Yardeni Research, Inc.

December 30, 2023

Dr. Edward Yardeni

516-972-7683
eyardeni@yardeni.com

Joe Abbott

732-497-5306
jabbott@yardeni.com

Mali Quintana

480-664-1333
aquintana@yardeni.com

Please visit our sites at
www.yardeni.com
blog.yardeni.com



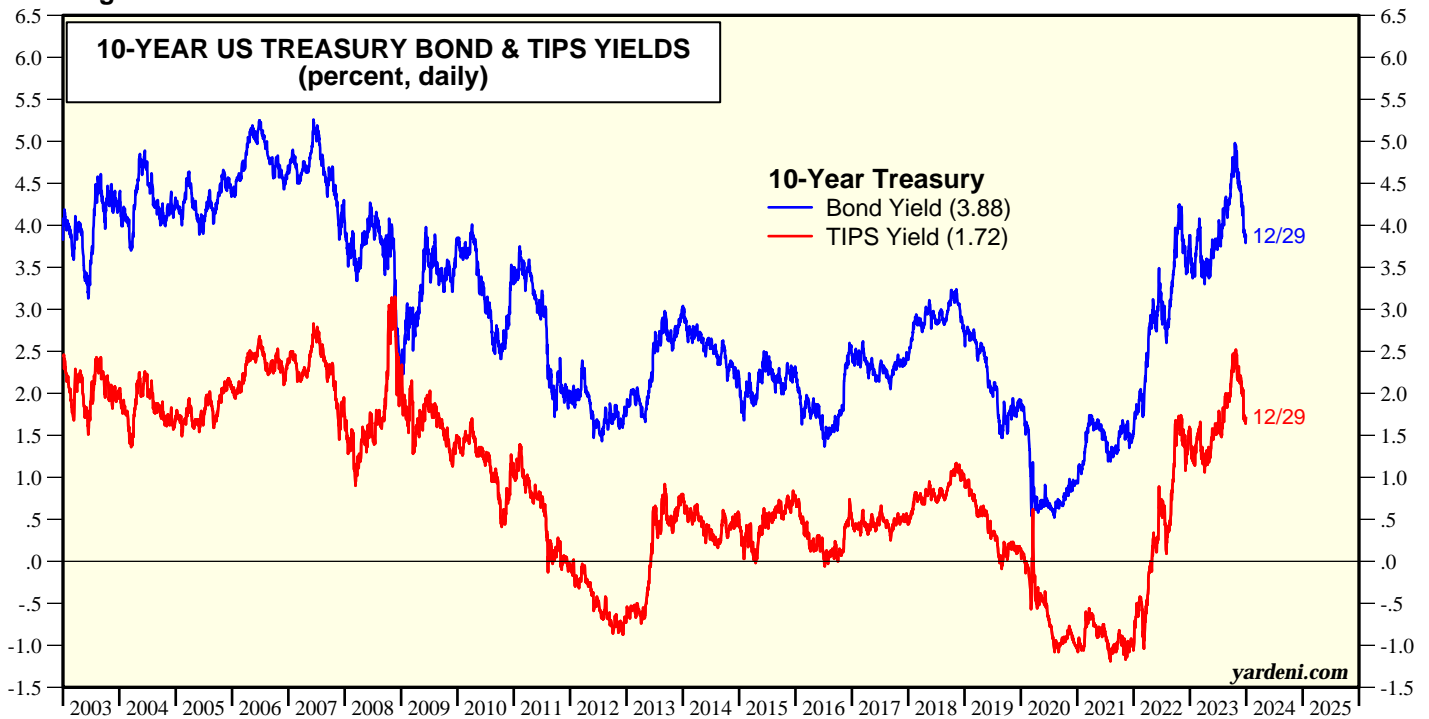
thinking outside the box

Table Of Contents

Expected Inflation in Bond Yield	1
Expected & Actual Inflation	2-3
Expected Inflation & the Dollar	4
Expected Inflation & Commodity Prices	5-8

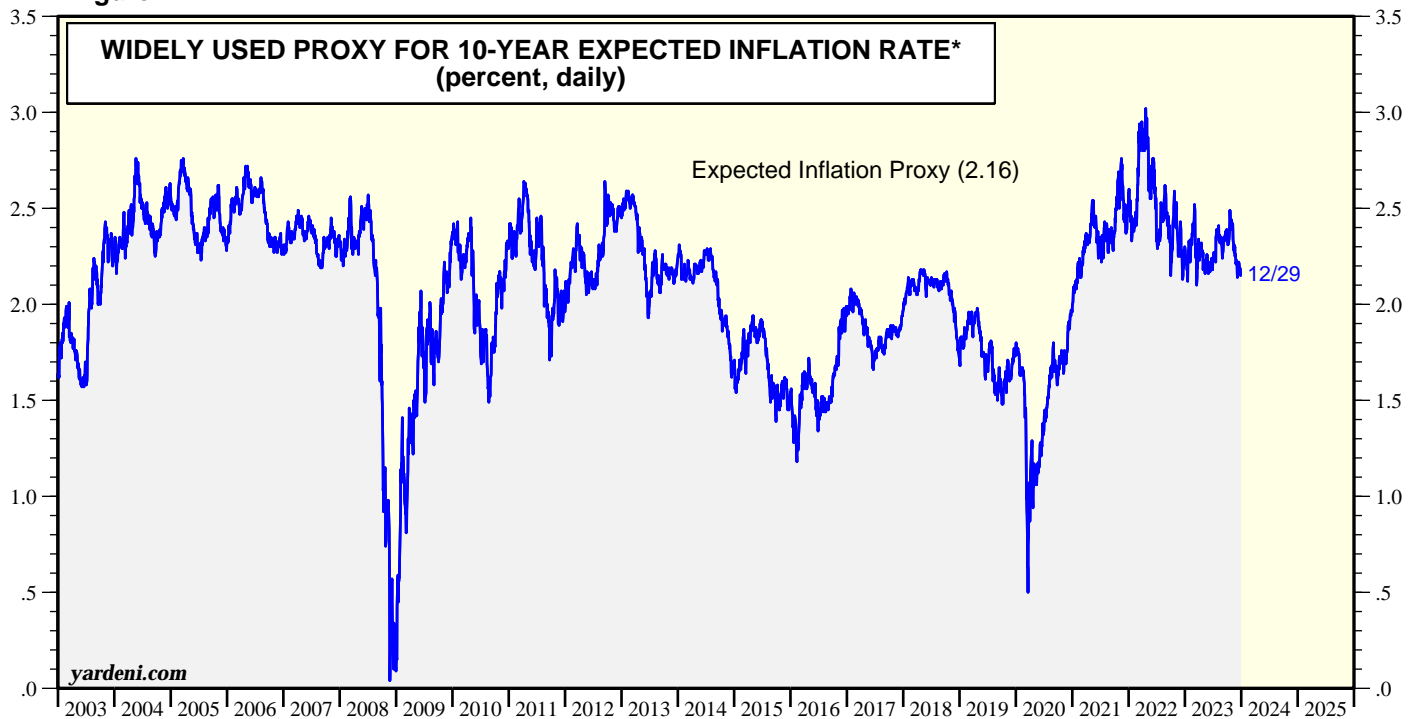
Expected Inflation in Bond Yield

Figure 1.



Source: Federal Reserve Board.

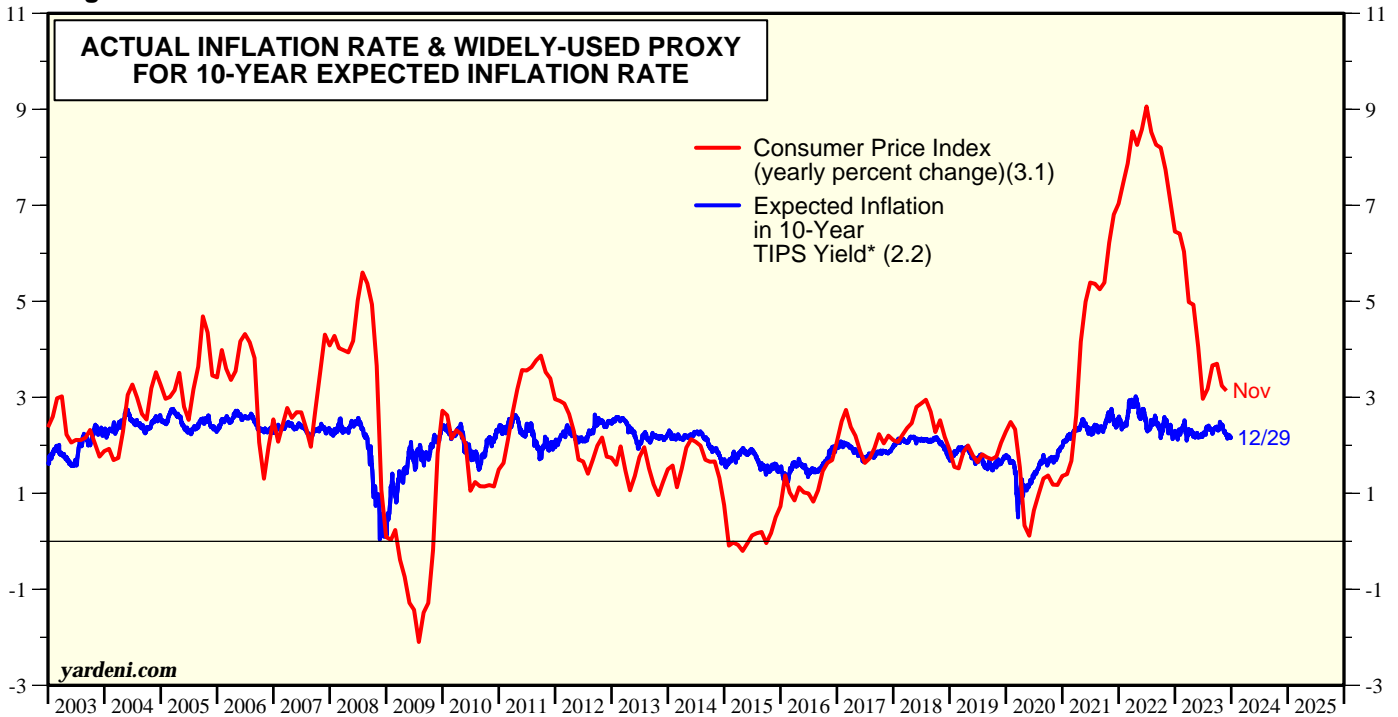
Figure 2.



* Nominal 10-year US Treasury bond yield minus 10-year TIPS yield.
 Source: Federal Reserve Board.

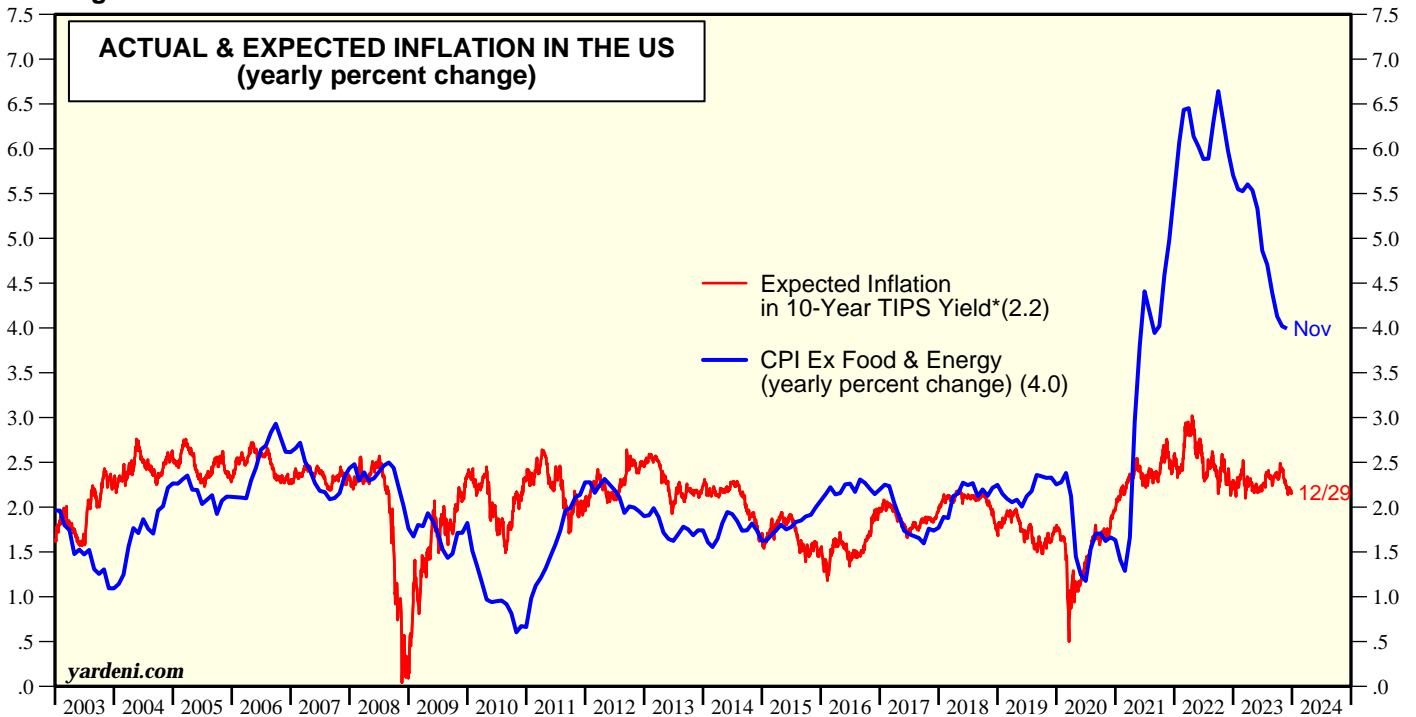
Expected & Actual Inflation

Figure 3.



* Nominal 10-year US Treasury bond yield minus 10-year TIPS yield.
Source: Federal Reserve Board and Bureau of Labor Statistics.

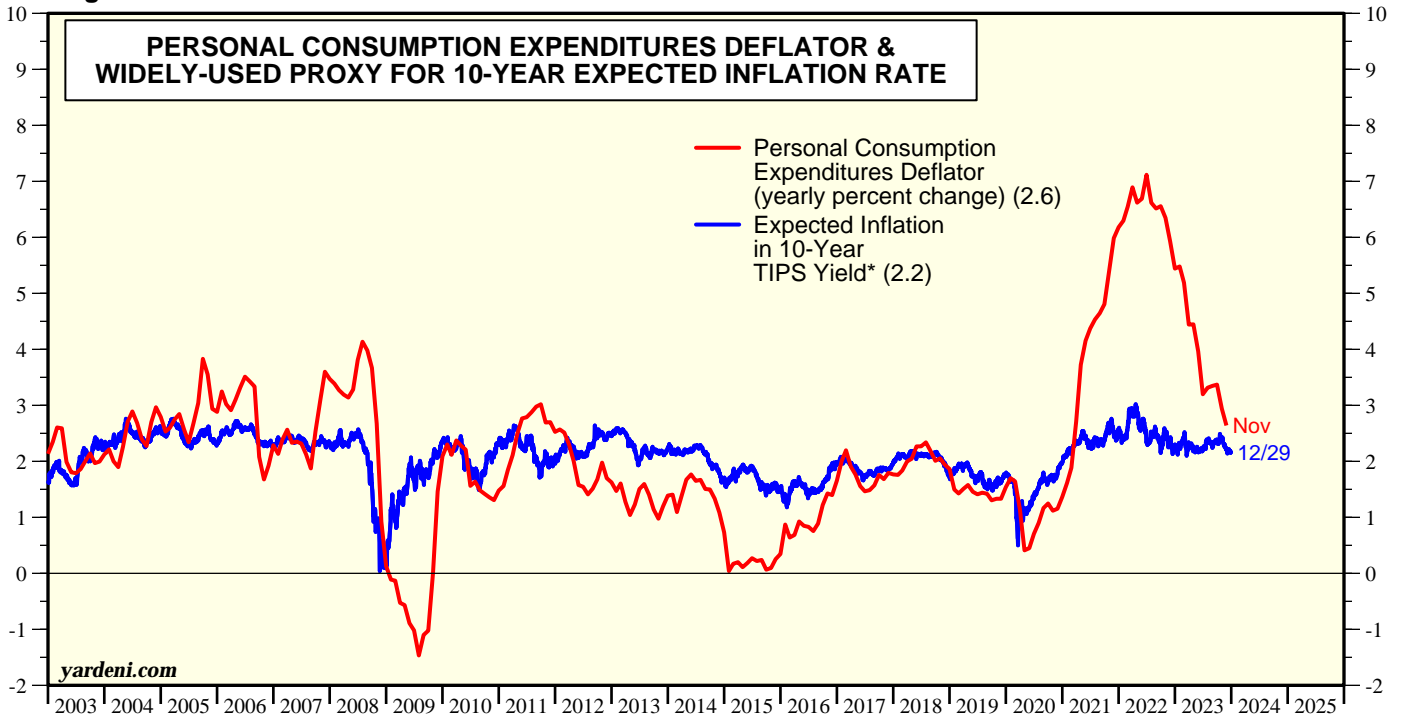
Figure 4.



* Nominal 10-year US Treasury bond yield minus 10-year TIPS yield.
Source: Federal Reserve Board and Bureau of Labor Statistics.

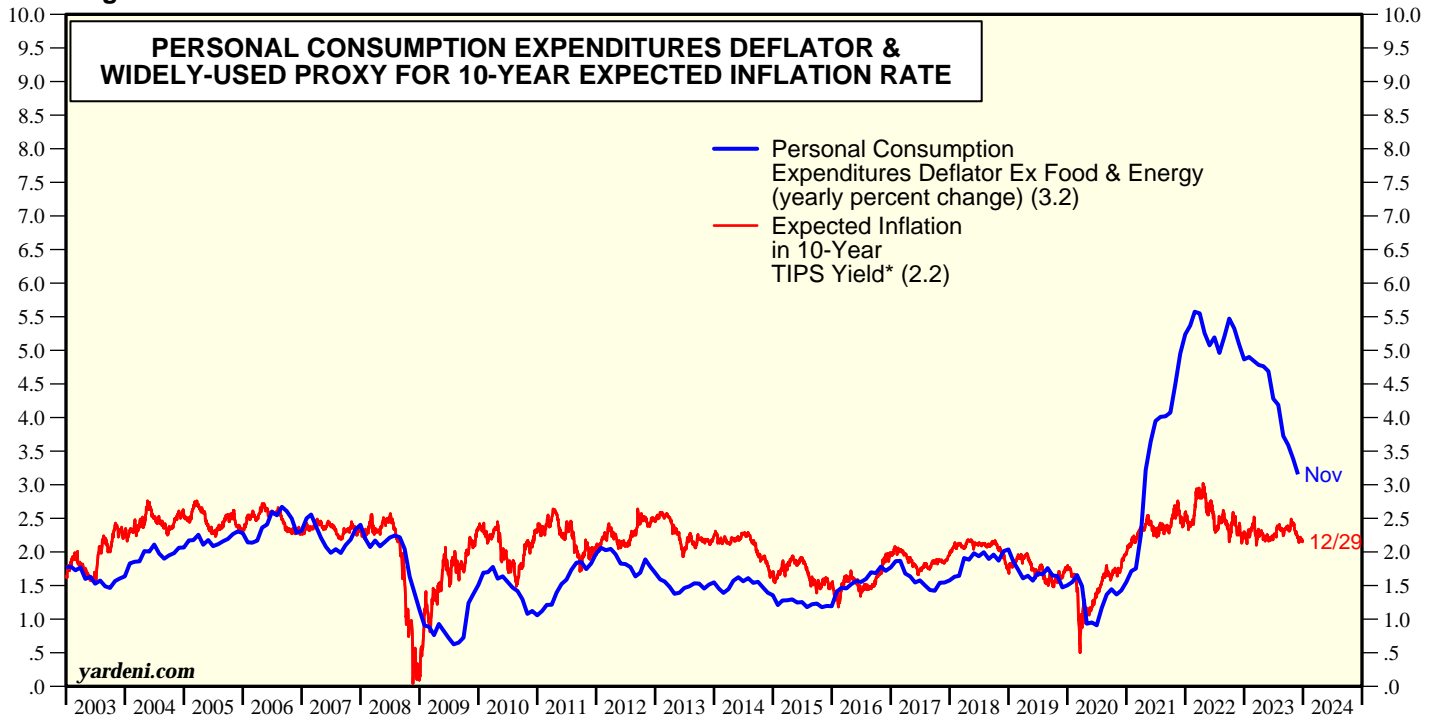
Expected & Actual Inflation

Figure 5.



* Nominal 10-year US Treasury bond yield minus 10-year TIPS yield.
 Source: Federal Reserve Board and Bureau of Economic Analysis.

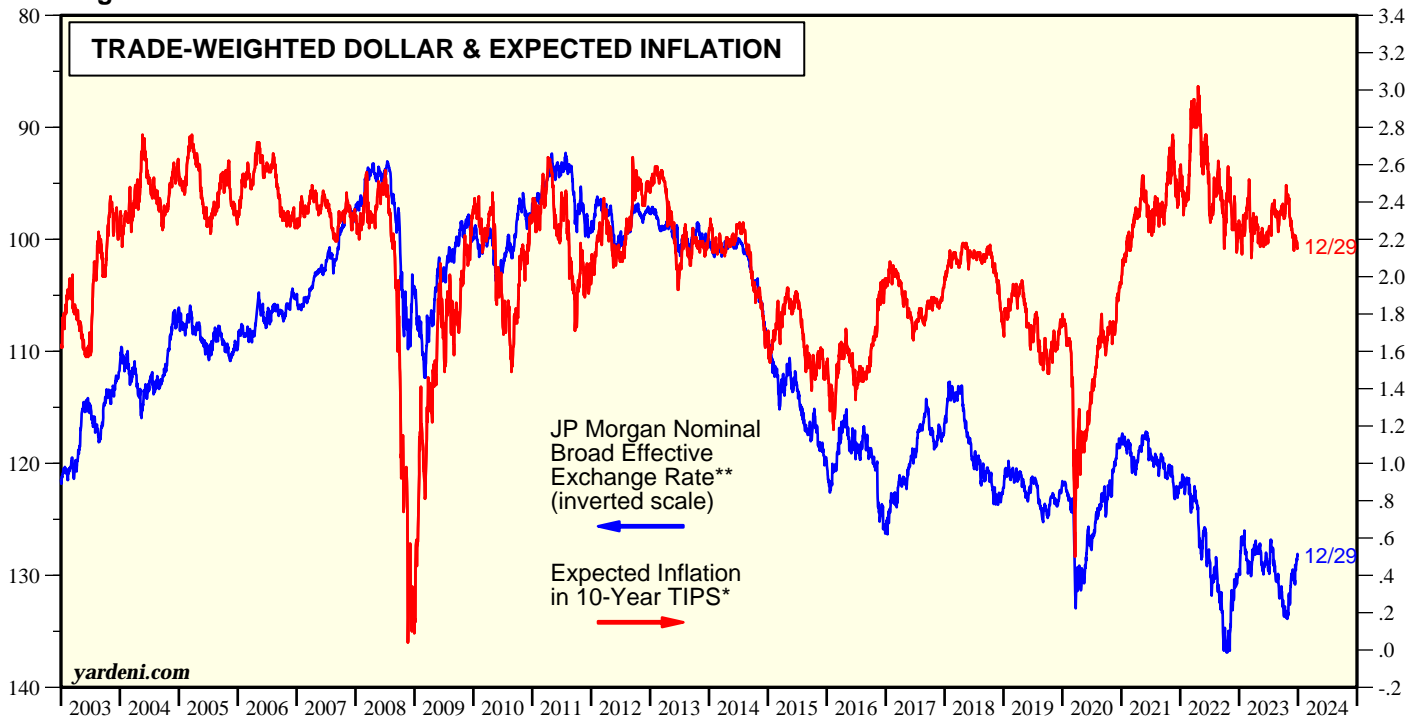
Figure 6.



* Nominal 10-year US Treasury bond yield minus 10-year TIPS yield.
 Source: Federal Reserve Board and Bureau of Economic Analysis.

Expected Inflation & the Dollar

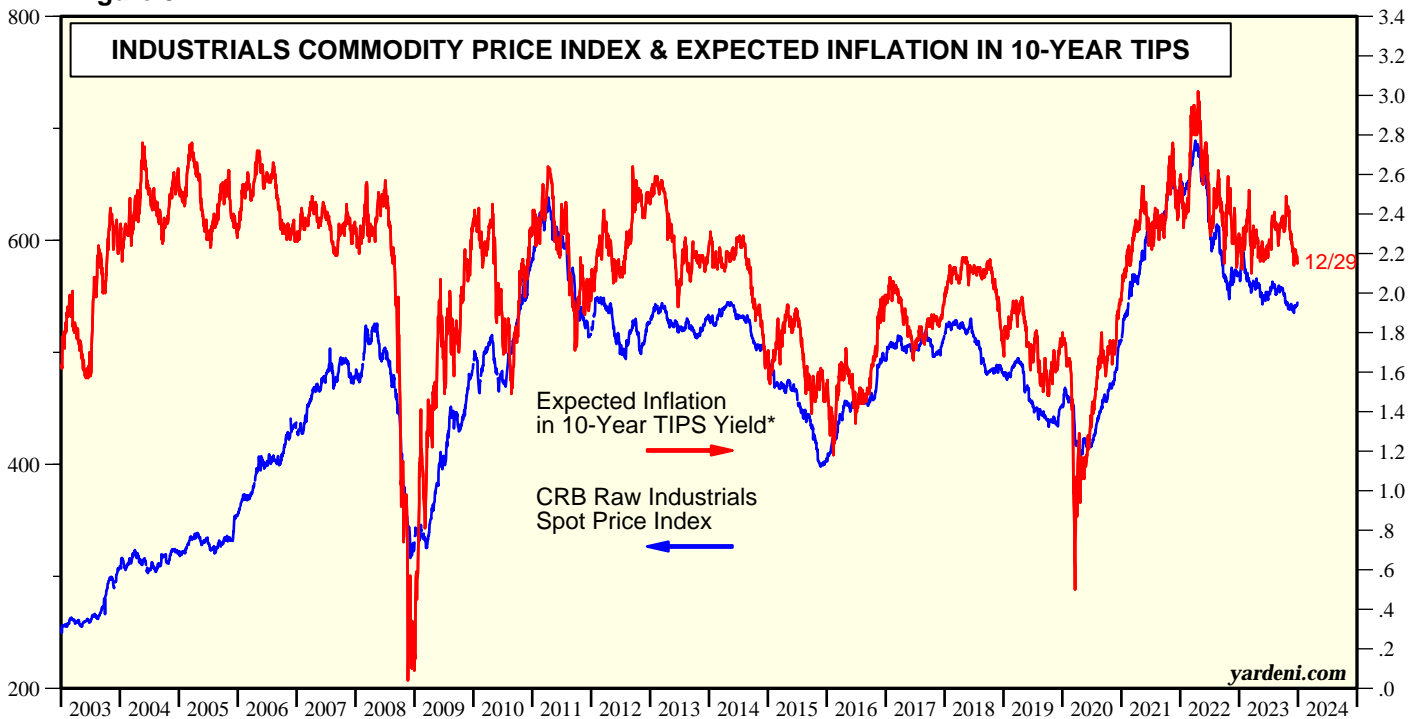
Figure 7.



* Yield spread between 10-year US Treasury bond and comparable TIPS.

** Argentina, Australia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Ecuador, Egypt, France, Germany, Hong Kong, Hungary, Japan, India, Indonesia, Israel, Italy, Korea, Kuwait, Malaysia, Mexico, Morocco, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russia Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Ukraine, Uruguay, Venezuela, Vietnam, and United States. Source: Commodity Research Bureau and JP Morgan.

Figure 8.

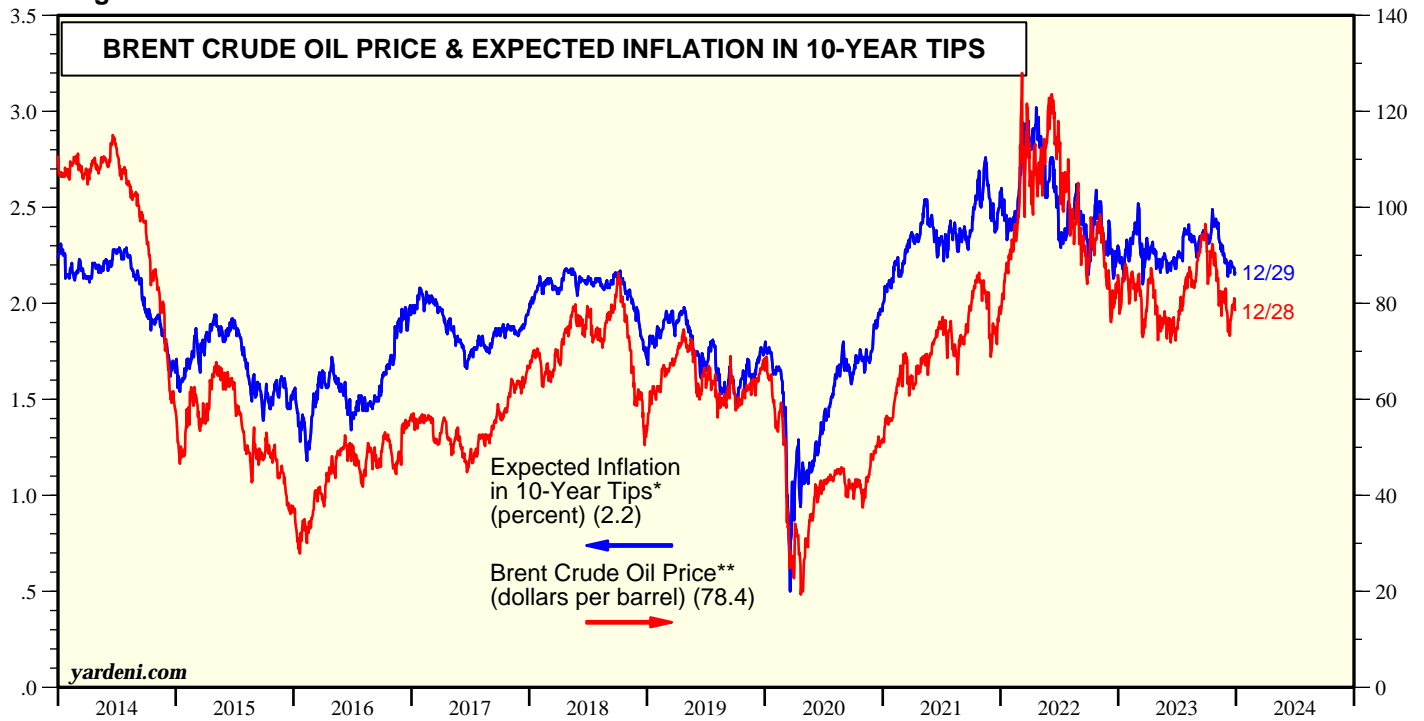


* Nominal 10-year US Treasury bond yield minus 10-year TIPS yield.

Source: Federal Reserve Board, US Treasury, and Bureau of Economic Analysis.

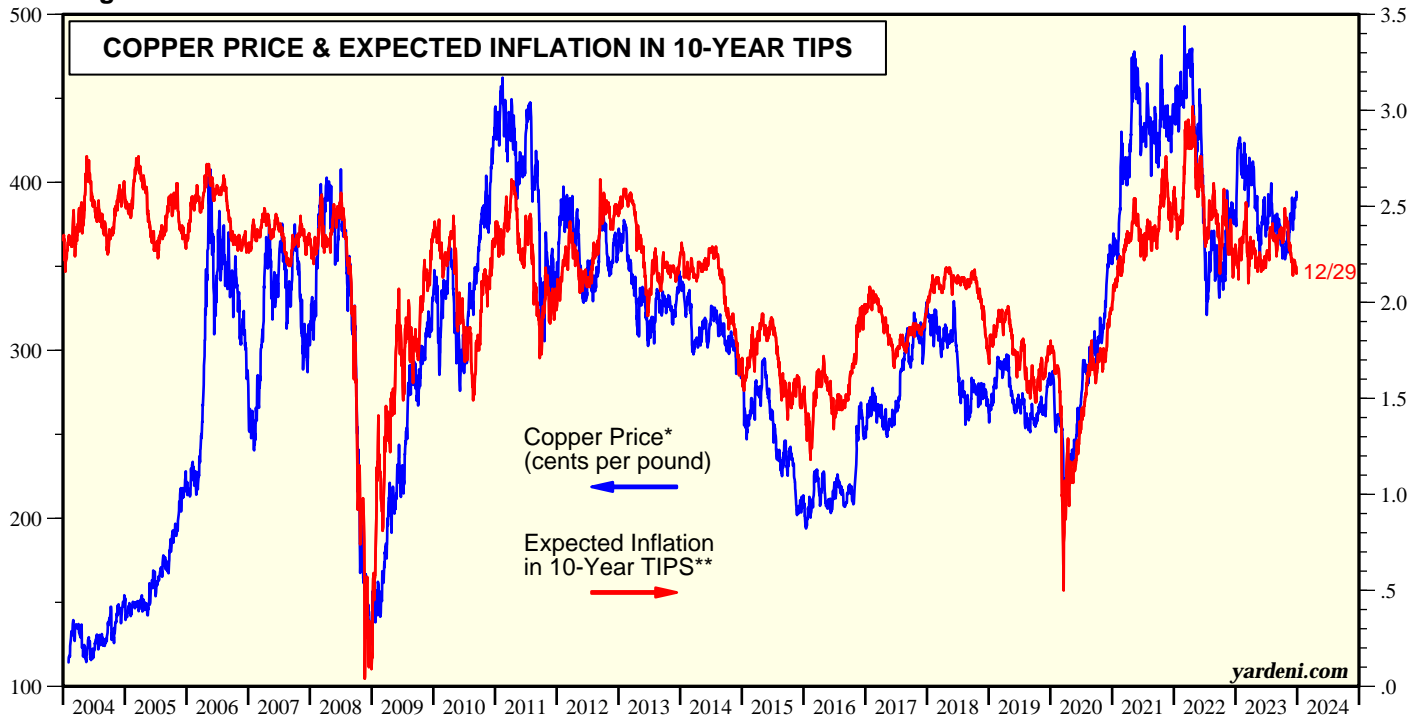
Expected Inflation & Commodity Prices

Figure 9.



* Nominal minus TIPS yield.
 ** Nearby futures price.
 Source: Federal Reserve Board.

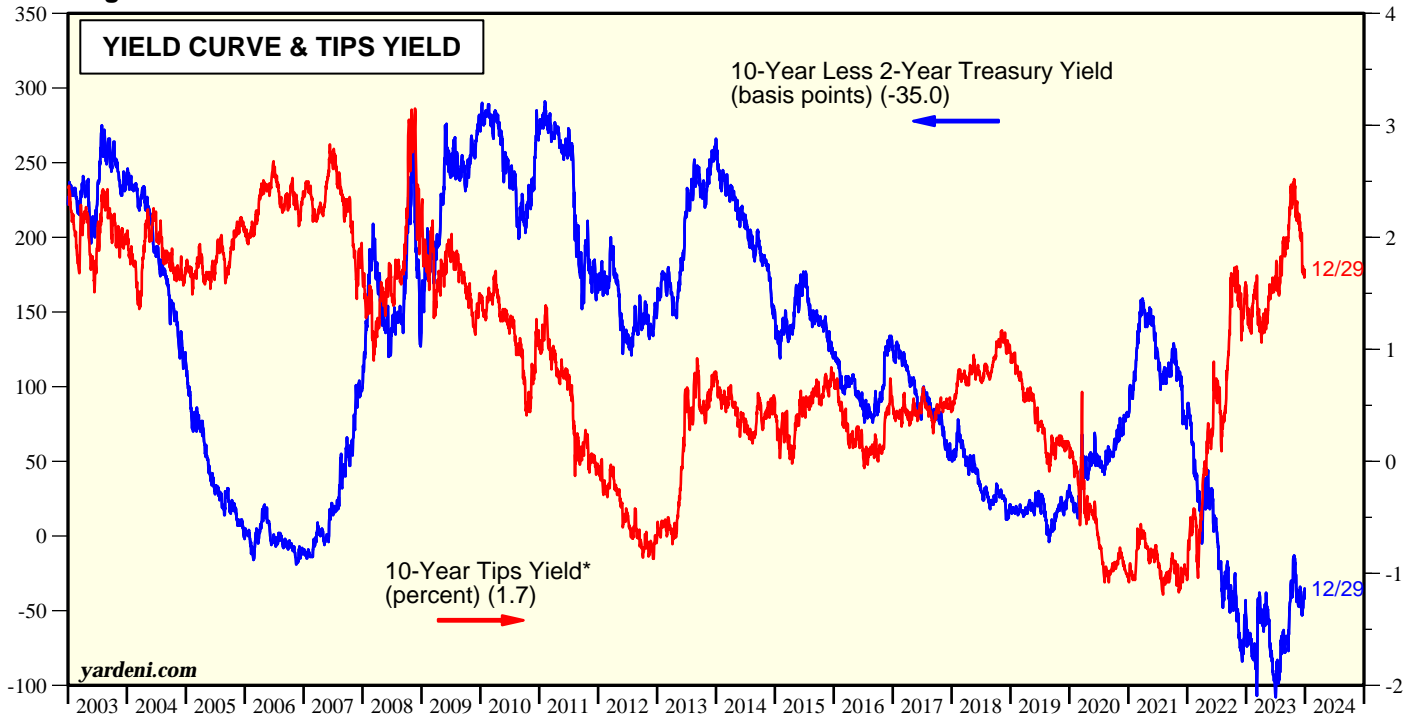
Figure 10.



* Nearby futures contract.
 ** Nominal 10-year US Treasury bond yield minus 10-year TIPS yield.
 Source: Haver Analytics.

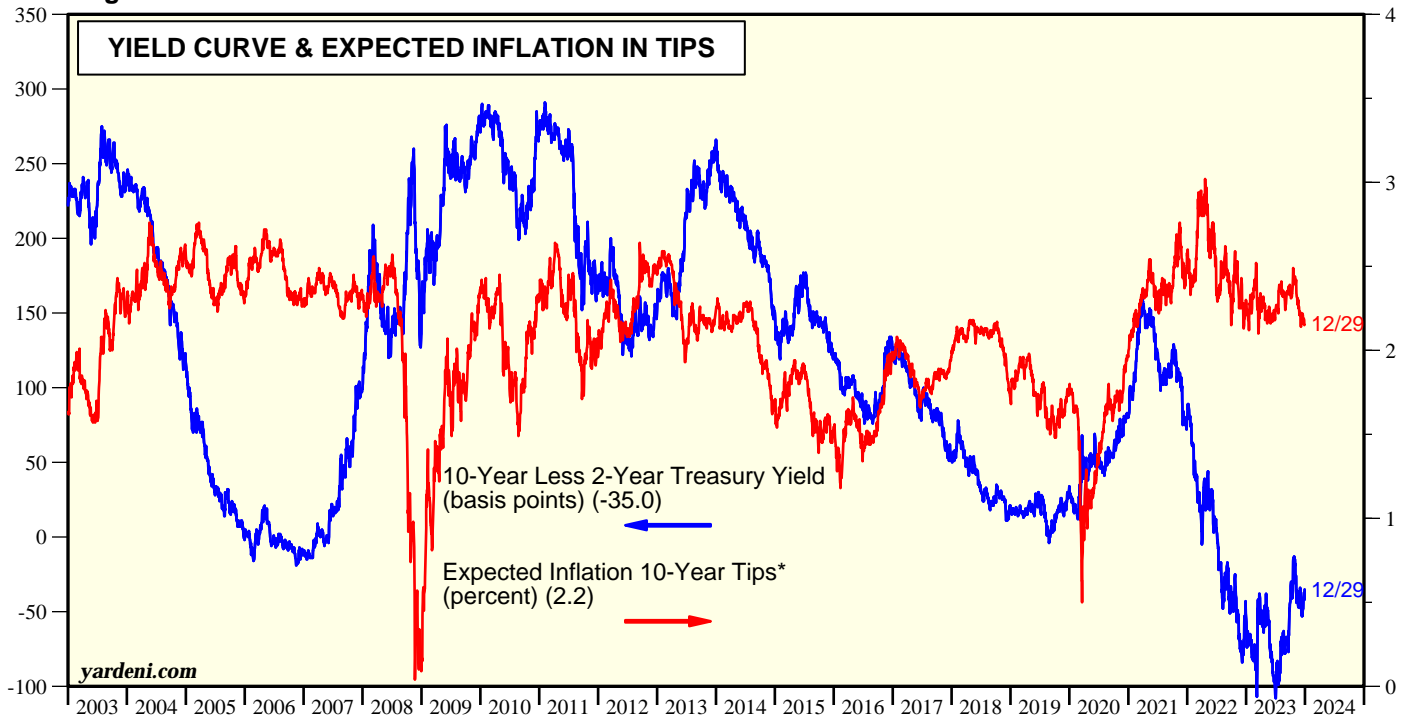
Expected Inflation & Commodity Prices

Figure 11.



* Nominal minus TIPS yield.
Source: Federal Reserve Board.

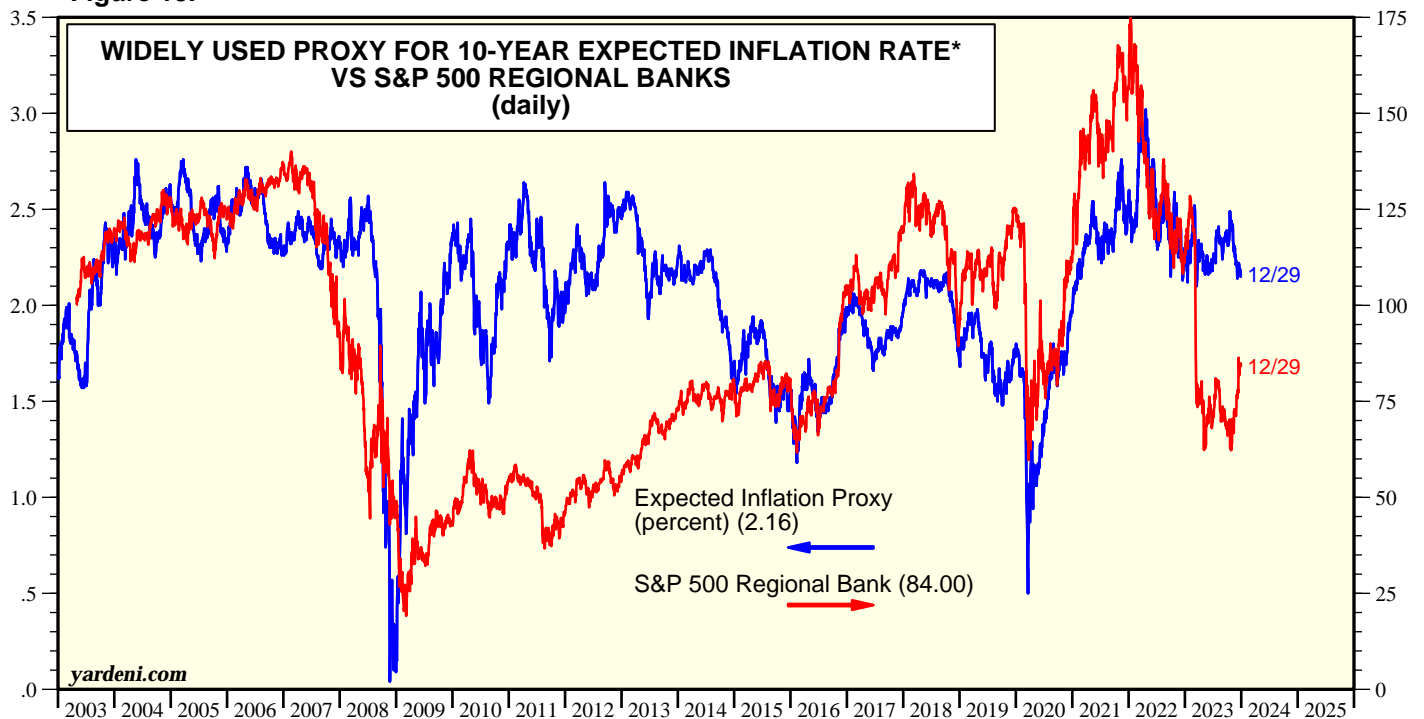
Figure 12.



* Nominal minus TIPS yield.
Source: Federal Reserve Board.

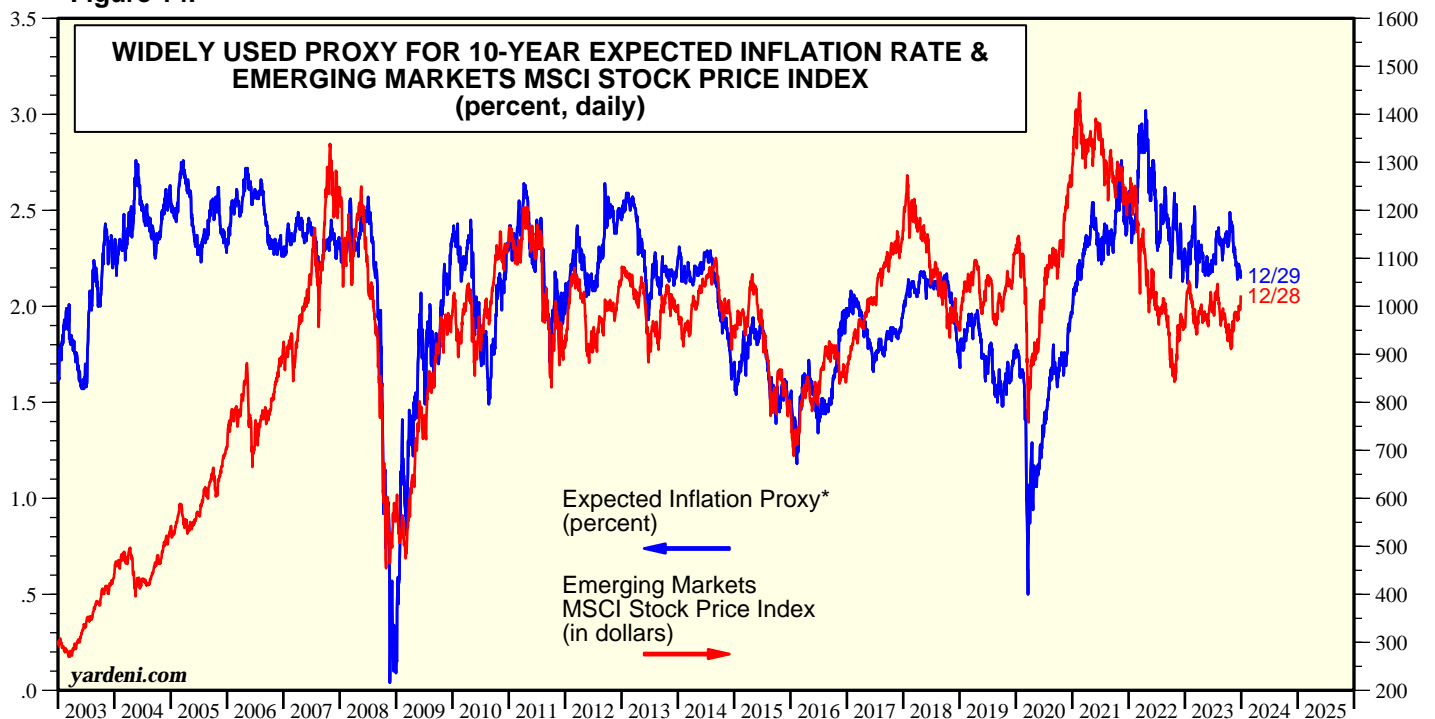
Expected Inflation & Commodity Prices

Figure 13.



* Nominal 10-year US Treasury bond yield minus 10-year TIPS yield.
Source: Federal Reserve Board.

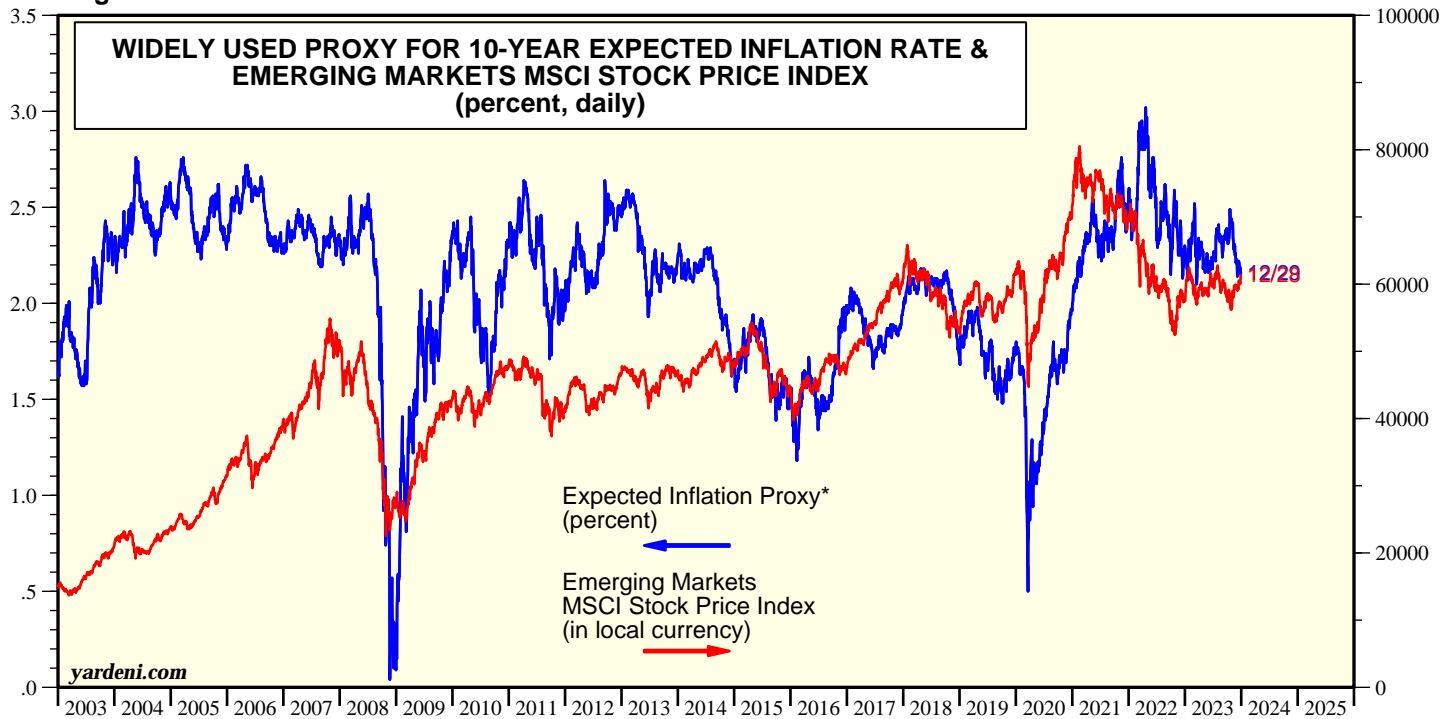
Figure 14.



* Nominal 10-year US Treasury bond yield minus 10-year TIPS yield.
Source: Federal Reserve Board and MSCI.

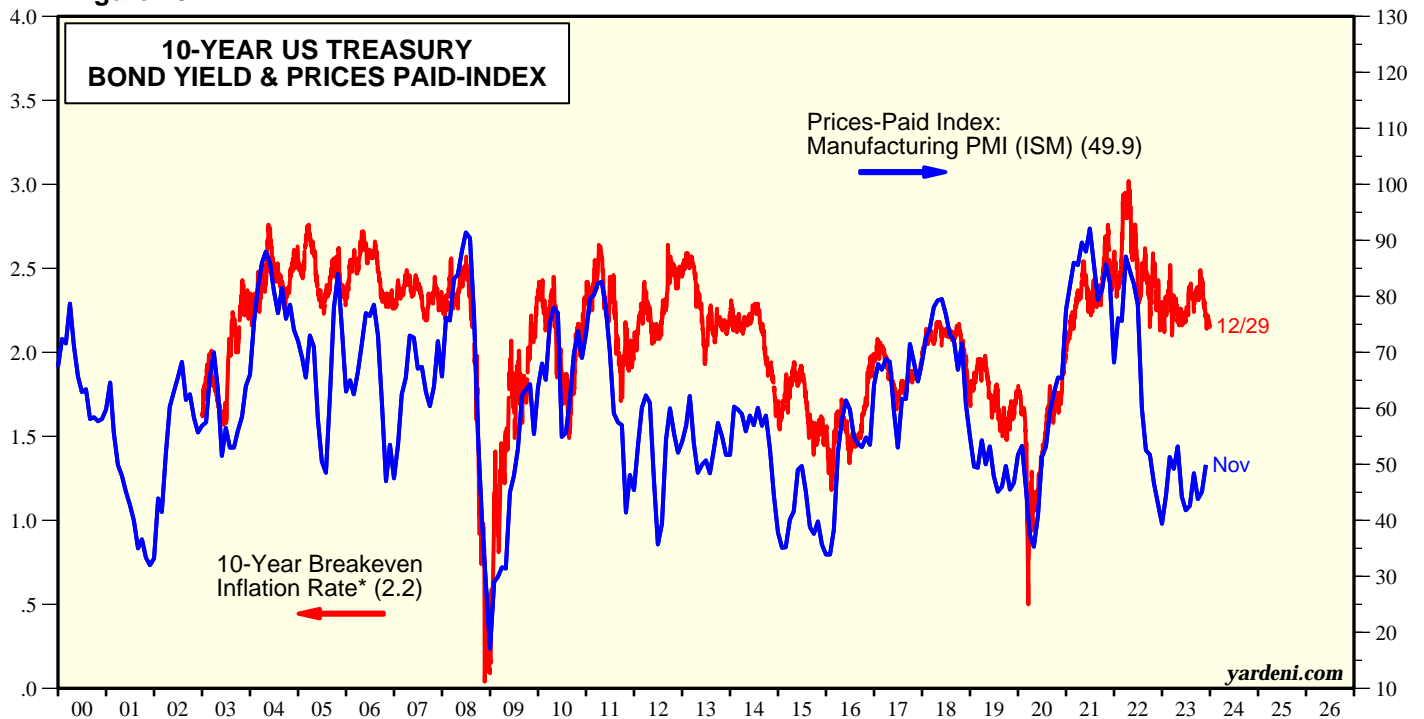
Expected Inflation & Commodity Prices

Figure 15.



* Nominal 10-year US Treasury bond yield minus 10-year TIPS yield.
Source: Federal Reserve Board and MSCI.

Figure 16.



* Ten-year nominal minus Ten-Year TIPS Rate.
Source: Federal Reserve Board and Institute of Supply Management.

Copyright (c) Yardeni Research, Inc. 2023. All rights reserved. The information contained herein has been obtained from sources believed to be reliable, but is not necessarily complete and its accuracy cannot be guaranteed. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, or correctness of the information and opinions contained herein. The views and the other information provided are subject to change without notice. All reports and podcasts posted on www.yardeni.com, blog.yardeni.com, and YRI's Apps are issued without regard to the specific investment objectives, financial situation, or particular needs of any specific recipient and are not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Past performance is not necessarily a guide to future results. Company fundamentals and earnings may be mentioned occasionally, but should not be construed as a recommendation to buy, sell, or hold the company's stock. Predictions, forecasts, and estimates for any and all markets should not be construed as recommendations to buy, sell, or hold any security--including mutual funds, futures contracts, and exchange traded funds, or any similar instruments.

The text, images, and other materials contained or displayed on any Yardeni Research, Inc. product, service, report, email or website are proprietary to Yardeni Research, Inc. and constitute valuable intellectual property. No material from any part of www.yardeni.com, blog.yardeni.com, and YRI's Apps may be downloaded, transmitted, broadcast, transferred, assigned, reproduced or in any other way used or otherwise disseminated in any form to any person or entity, without the explicit written consent of Yardeni Research, Inc. All unauthorized reproduction or other use of material from Yardeni Research, Inc. shall be deemed willful infringement(s) of this copyright and other proprietary and intellectual property rights, including but not limited to, rights of privacy. Yardeni Research, Inc. expressly reserves all rights in connection with its intellectual property, including without limitation the right to block the transfer of its products and services and/or to track usage thereof, through electronic tracking technology, and all other lawful means, now known or hereafter devised. Yardeni Research, Inc. reserves the right, without further notice, to pursue to the fullest extent allowed by the law any and all criminal and civil remedies for the violation of its rights.

The recipient should check any email and any attachments for the presence of viruses. Yardeni Research, Inc. accepts no liability for any damage caused by any virus transmitted by this company's emails, website, blog and Apps. Additional information available on [request](#).