

JULY 18, 2022



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## Looking to the past

Like the recently operational Webb telescope, the Consumer Price Index report is bringing the past into view. Inflation hit 9.1% annualized in June, the highest level since November of 1981 and higher than May's 8.6%. That's not quite looking at light that emanated from stars billions of years ago, seen in the remarkable photos released this week, but it takes one to a time when inflation was scary.

That is not to say it isn't now. Many Americans are facing hardships as food and energy prices are surging. But the underlying "core" CPI—which removes those volatile components and is a better measure of the direction of the economy—actually fell slightly in June to 5.9% from 6% in May. That doesn't mean we have seen the peak in prices, but it raises the possibility the Federal Reserve rate hikes are having an impact.

But the Fed also closely watches the University of Michigan consumer sentiment and inflation expectations report, whose June report came out Friday. It was little changed from May, but that's a bad thing as respondents' confidence was at its all-time low reached then.