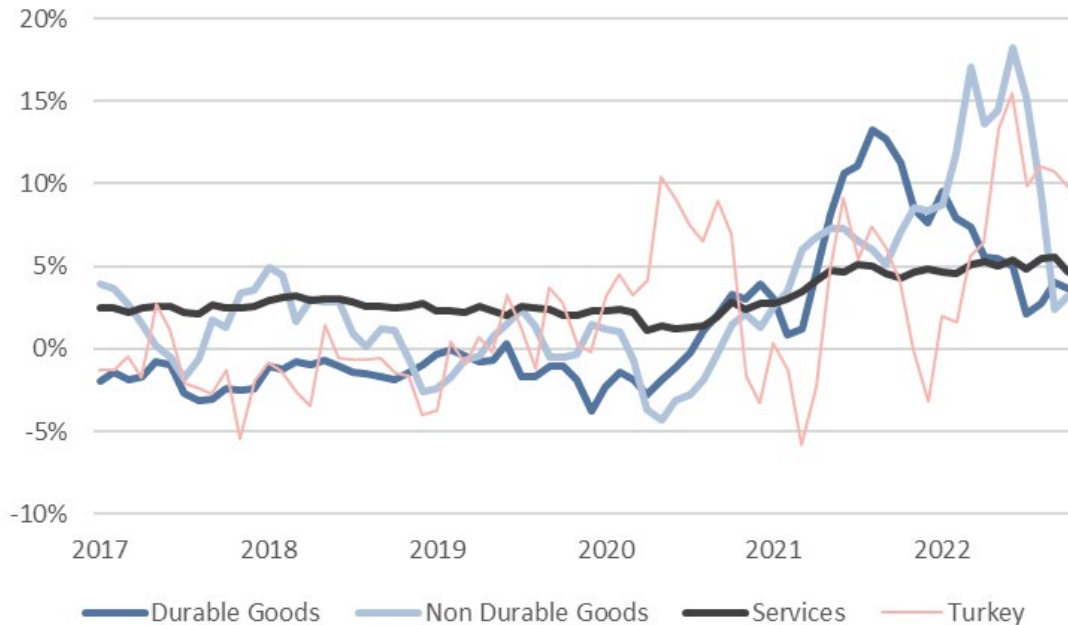


MARKET COMMENTARY

Figure 1: Inflation is running at about 5%



Source: Bloomberg, BLS, Mill Creek. Inflation shown is an annualized rate over the last six months.

According to the Bureau of Labor Statistics, turkey prices were up 9.8% from last Thanksgiving. This increase follows 2021 and 2020 increases of 4% and 7%, respectively.

One might think accounting for turkey prices in inflation indices would be straightforward, but it's not. A turkey eaten at home is known as a non-durable good. Non-durable goods are goods that are consumed within three years of purchase. Turkey eaten in a restaurant is a service. Goods that are not consumed within three years, like TVs, cars, and that turkey leg hidden in the back of the freezer, are durable goods.

While we shouldn't read too much into a [price change for one item](#), the broader categories of durable goods, non-durable goods, and services indicate that inflation is broad-based and has settled around 5%. We're thankful inflation has moderated, but 5% remains far from the Fed's target of 2%. In our monthly update next week, we'll have more to say on this topic and what it means for markets.

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- [Near-term Macro Headwinds Persist for Non-US Stocks](#)
- [Earnings Outlook Continues to Deteriorate](#)
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