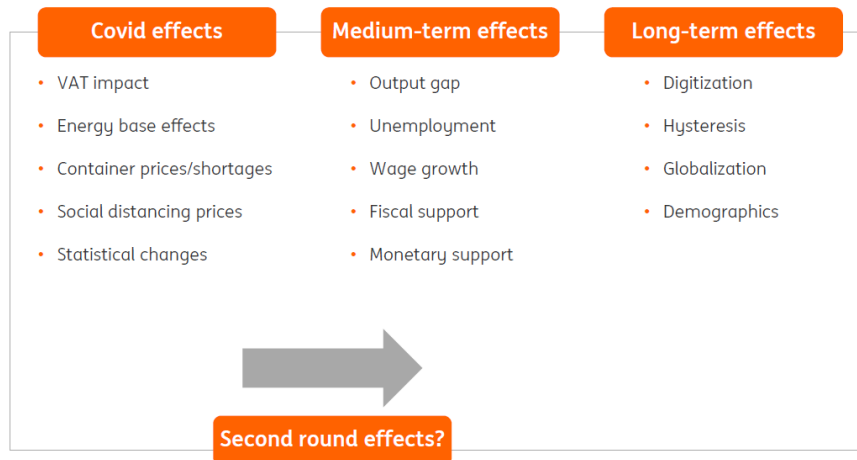


## Inflation in 18 charts

Inflation concerns are increasing on both sides of the Atlantic. The big question is whether this is temporary or longer lasting. Below we use 18 key charts to discuss how transitory inflation really is in the eurozone and the US

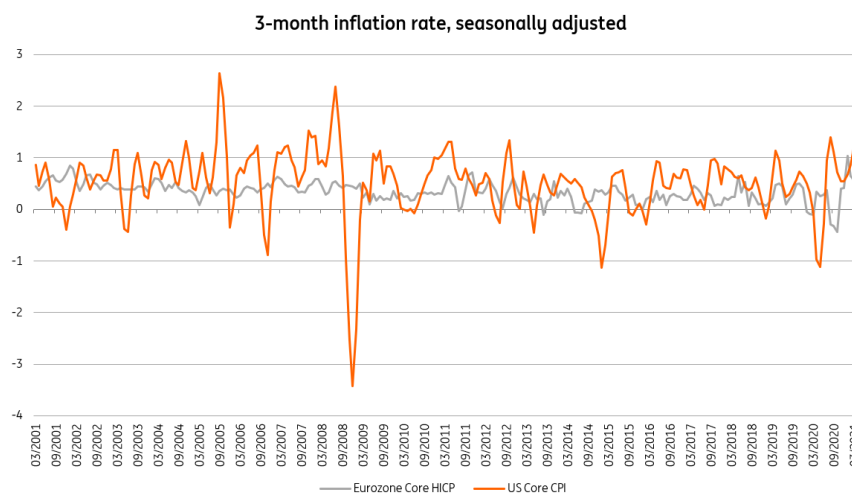


## There are multiple stories influencing the inflation rate at the moment...



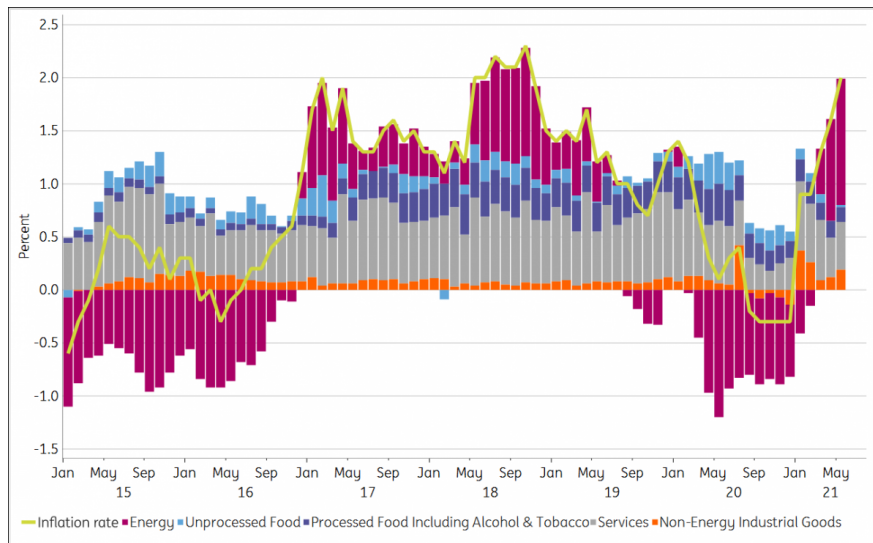
Source: ING Research

## The US sees much more “current” inflation, with base effects more important in the eurozone



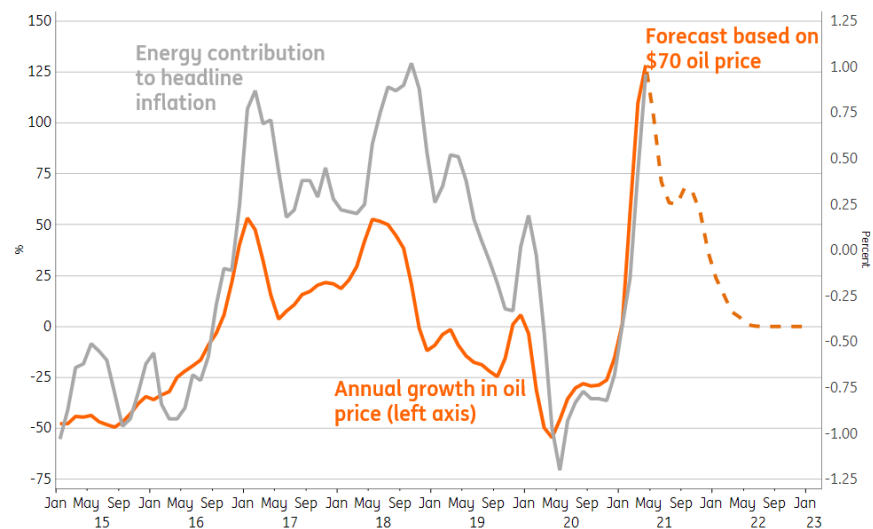
Source: ING Research

## Eurozone inflation is at 2%, but mainly on energy effects for now...



Source: ING Research

## Energy price impact on inflation is set to fall



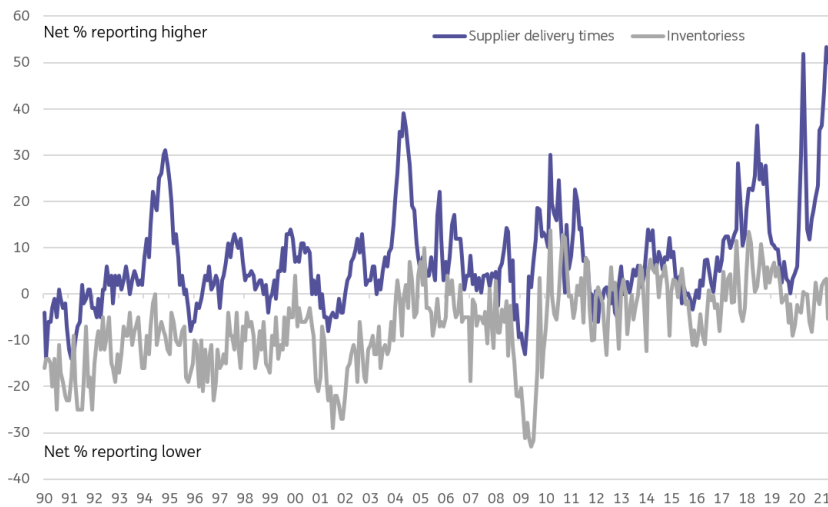
Source: ING Research

## But supply chain problems are leading to large build-up of pipeline inflation



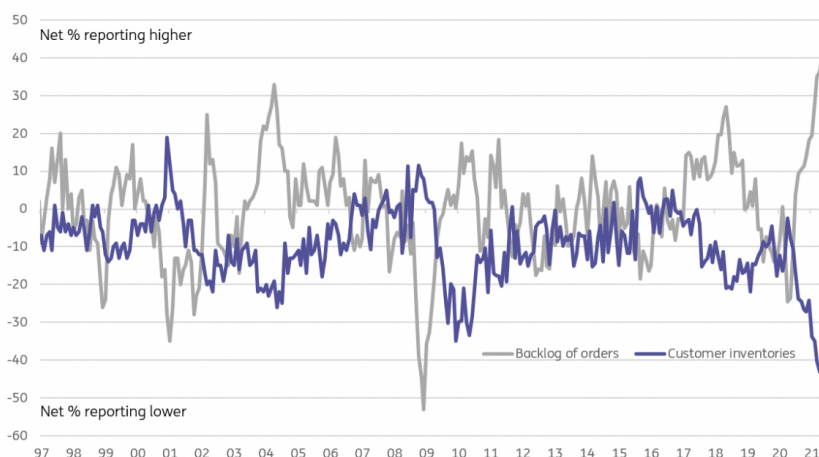
Source: ING Research

## In the US, supplier delivery times have also run up to record highs



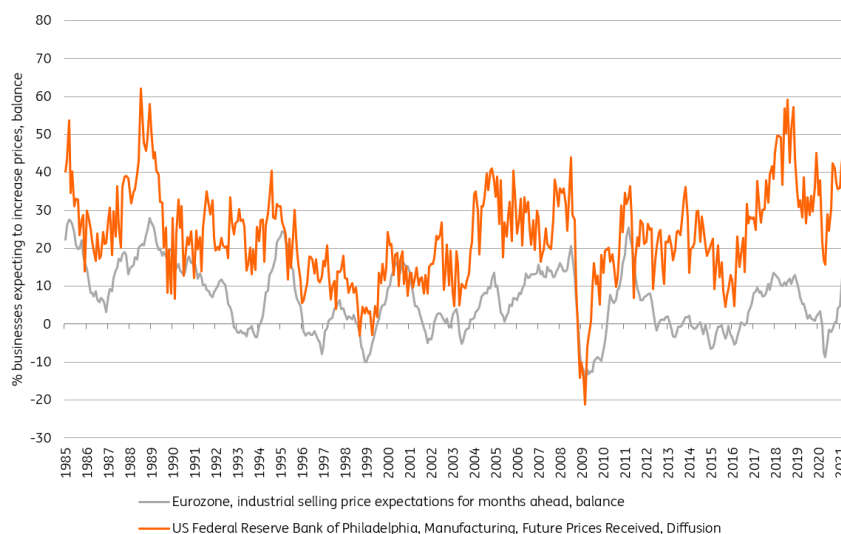
Source: ING Research

## US supply has a very hard time meeting demand at the moment, resulting in higher price expectations



Source: ING Research

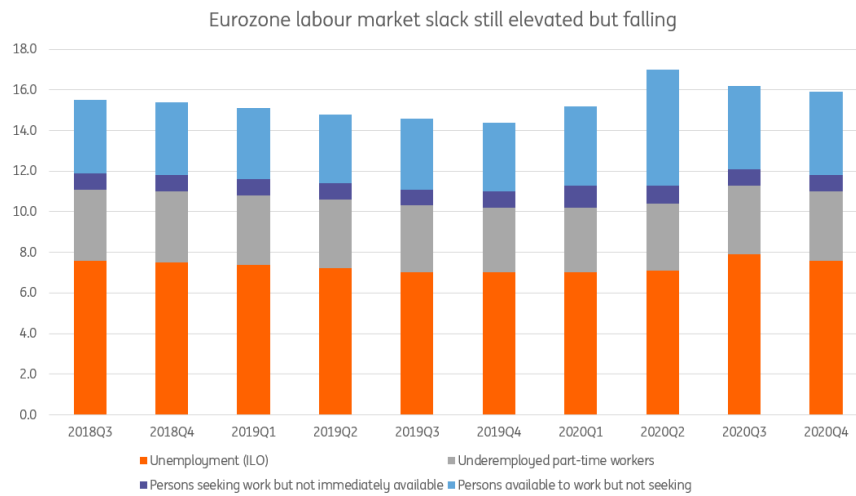
## Price expectations for goods have reached all-time highs on both sides of the pond



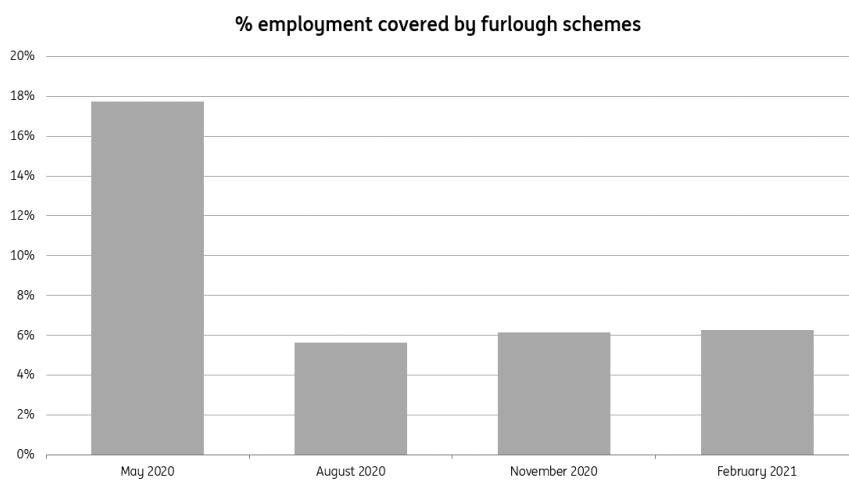
Source: ING Research

## But for inflation to be longer lasting, wage growth seems key

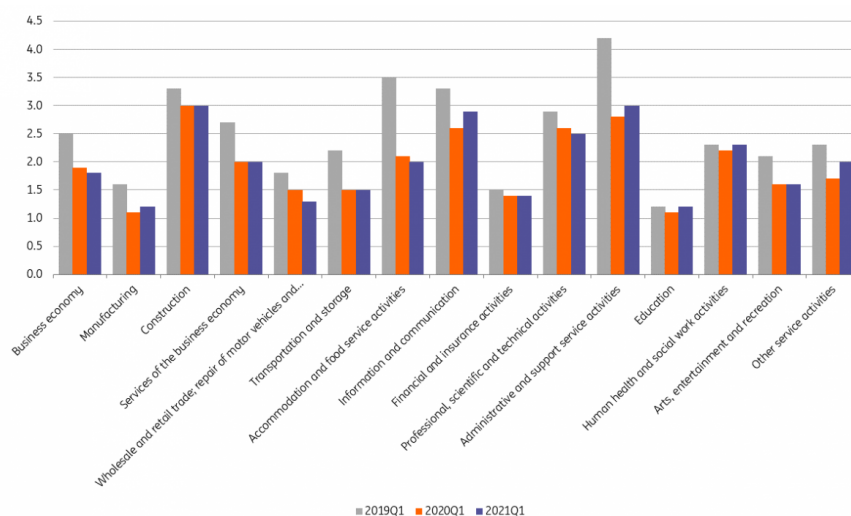
## Eurozone slack has been coming down though



## And furlough schemes still hide slack in labour market figures



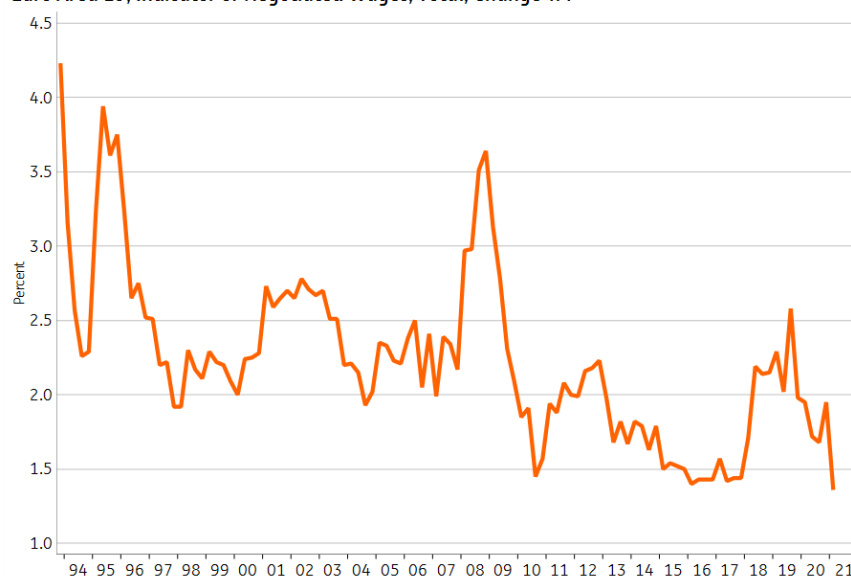
## And vacancy rates have yet to return to pre-crisis levels except for education and health



Source: ING Research

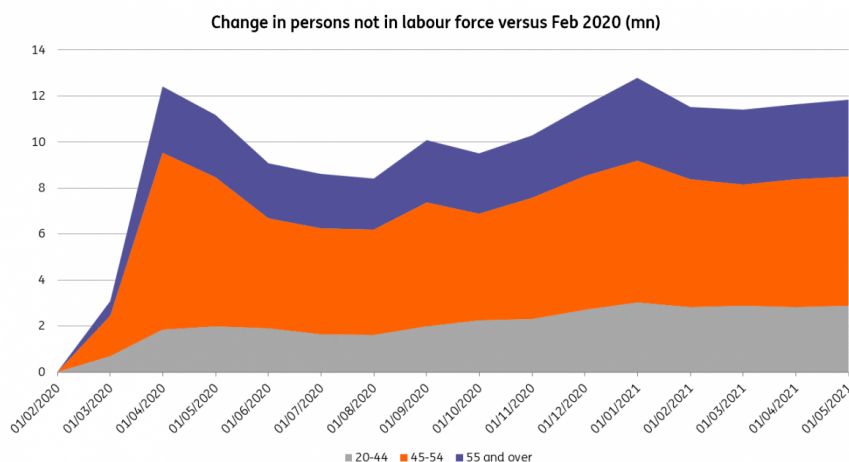
## Wage pressures have fallen over the course of the pandemic

Euro Area 19, Indicator of Negotiated Wages, Total, Change Y/Y



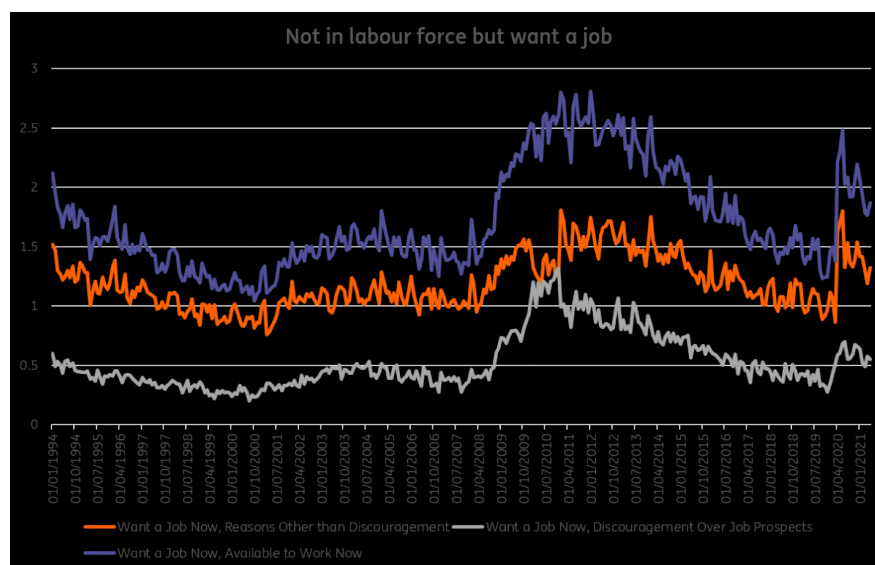
Source: ING Research

## In the US, labour market slack is deceiving...



Source: ING Research

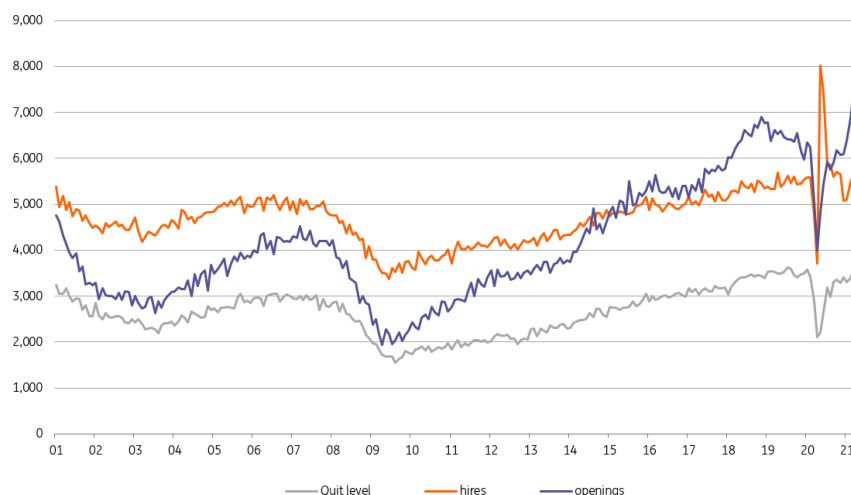
The number of people out of the labour force that want a job has seen a much smaller increase than total labour market dropouts



Source: ING Research

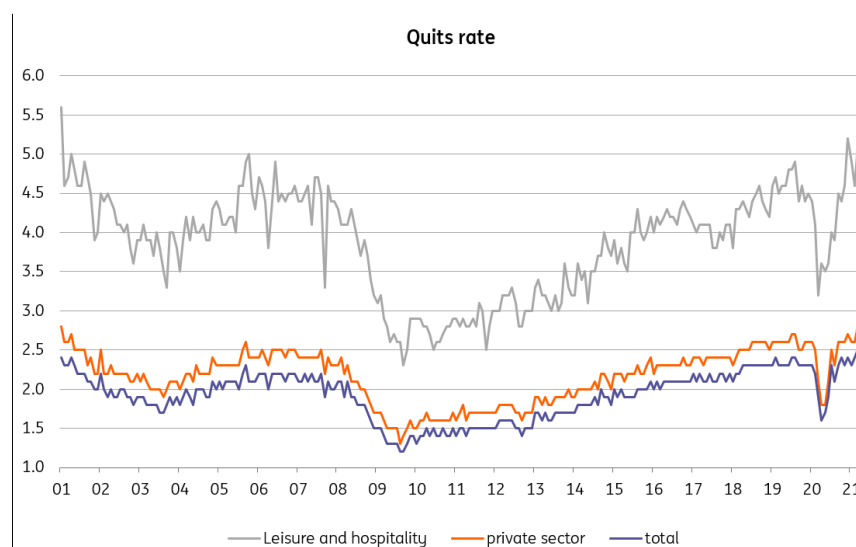


## Job openings have shot up in 2021, with hiring having a hard time keeping up



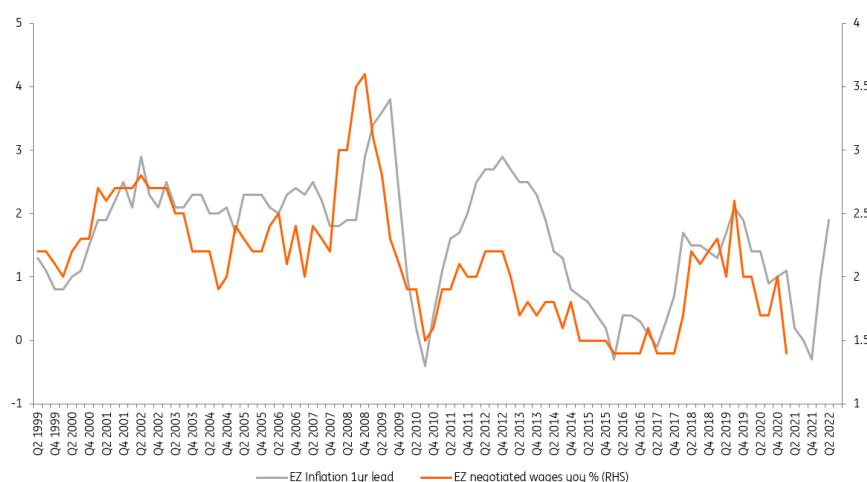
Source: ING Research

## How temporary is the tightness in the US labour market? Rising quit rates are a sign of increased wage pressures



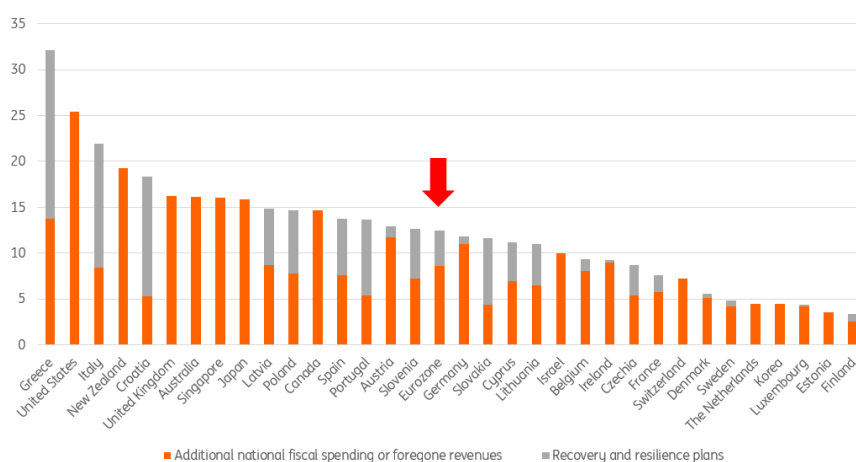
Source: ING Research

## Eurozone wage growth is influenced by past inflation, increasing chances of a wage-price spiral on the back of a price shock



Source: ING Research

## Modest fiscal support lowers chances of overheating substantially in the eurozone



Source: ING Research

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