

## Is Fed Funds Pricing Going Too Far After Above-Consensus Inflation?

- **Headline CPI inflation exceeded consensus expectations...**
- **...while core CPI met consensus expectations**
- **Key implications for the Fed...**
- **...including whether Fed funds pricing is too aggressive**

### US CPI, m/m headline/core %, SA, September:

Actual: 0.4 / 0.2

Scotia: 0.4 / 0.3

Consensus: 0.3 / 0.2

Prior: 0.3 / 0.1

### US CPI, y/y headline/core %, September:

Actual: 5.4 / 4.0

Scotia: 5.5 / 4.2

Consensus: 5.3 / 4.0

Prior: 5.2 / 4.0 (revised from 5.3 / 4.0)

The USD initially appreciated and Treasury yields spiked after CPI before taking back some of the moves. On net, the dollar is now weaker and the 2s10s Treasury curve is flatter as short-term yields have priced a more aggressive outlook for the policy rate.

Headline inflation exceeded consensus expectations in line with the Scotia Economics' estimate. Core CPI met consensus expectations and fell slightly shy of the Scotia Economics' estimate. Revisions played a modest role in tamping down year-over-year pressures

### FEDERAL RESERVE IMPLICATIONS

The rubber hits the road in terms of what it means to Fed policy. It's hard to see this set of updates as being terribly relevant to any nearer term considerations at the Fed, but it does contribute toward longer term considerations.

On nearer-term considerations, Chair Powell has already said that the price stability part of the Fed's dual mandate has been met and so another inflation print doesn't change that assessment.

Further, the Fed has set its taper plans to begin 'soon', which likely means at the November meeting. It has also set mid-2022 as the completion date for net Treasury and MBS purchases. Having laid out its plans, there is a high bar to being knocked off them or expediting them. One or two inflation readings don't change anything in that regard.

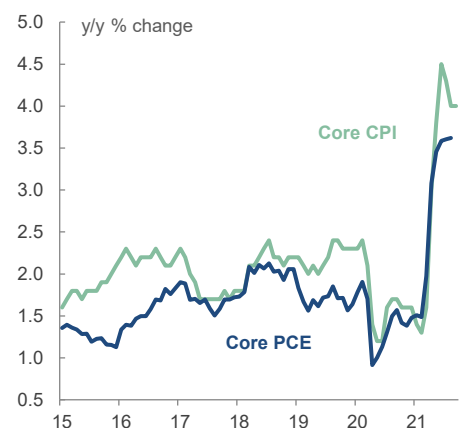
On rate hike pricing, however, I think fed funds futures are aggressive not in relation to what I'd like to see but in relation to what I think is likely. One reason is

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Chart 2

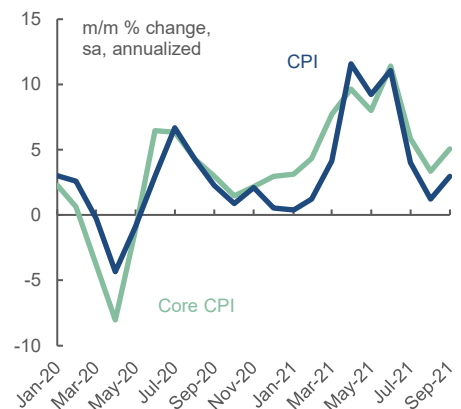
#### US Core PCE & CPI



Sources: Scotiabank Economics, BLS, BEA.

Chart 3

#### US CPI & Core CPI

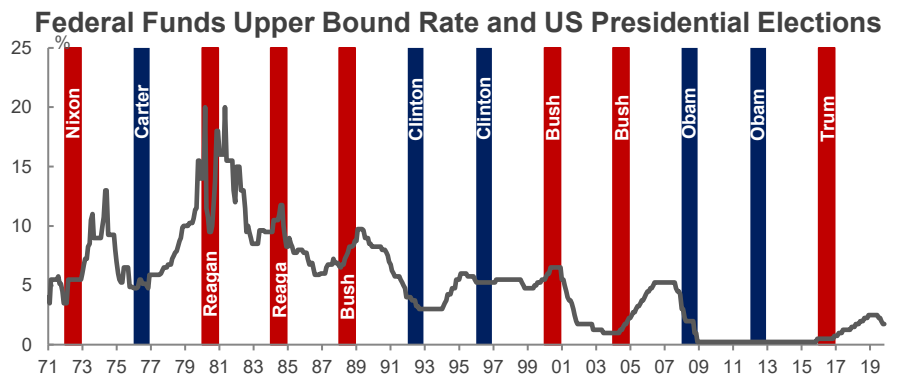


Sources: Scotiabank Economics, BLS.

the very compressed timing between the targeted completion of purchases by next summer and a priced hike in September, unless purchases end sooner than presently guided. Even then, however, ending them a couple of meetings sooner would still mean a compressed schedule. It's not impossible to turn around so quickly after ending bond purchases and skipping a reinvestment phase before almost immediately hiking, but it's still a stretch to be that tightly put together in my opinion.

Another significant reason why fed funds pricing is probably getting aggressive is that even in normal times the Fed tends to lie low around elections—including next November's mid-terms—let alone times when it is being pilloried from all sides on all manner of topics and with multiple reappointments, vacancies and confirmation hearings facing uncertain paths in a Senate that has a dysfunctional and razor-thin Democrat majority. Yet Fed funds futures are priced for lift-off next September. Chart 1 shows that the Fed has tended not to *start* a hike cycle on the eve of mid-terms in between past Presidential election periods. When it has hiked during a mid-term year it has started early and continued onward during the year. That's in normal times, not when the Fed is faced with high organizational and political uncertainty and not (hopefully) coming out of a pandemic.

Chart 1



Sources: Scotiabank Economics , Bloomberg.

Another Fed implication concerns transitory inflation. Fed Chair Powell is likely to argue that these readings confirm a general cooling of price pressures compared to a few months ago. There is some merit to this, but he should resist going too far. Chart 2 shows the moderation of core CPI in year-over-year terms and the correlations with the Fed's preferred core PCE gauge that gets updated on October 29<sup>th</sup>. Little change is expected to core PCE. Chart 3 shows the moderation of the annualized and seasonally adjusted month-over-month rates of core CPI inflation.

Nevertheless, 'transitory' is not—and never has been—something that is to be settled by a few months of data versus evaluating the full cycle's risk. For instance, even with a flatter Phillips curve, we might see bottlenecks eventually ease (though they are not yet...) only to give way to another leg up when spare capacity shuts in the US economy into next year. Then there is the fact that even if inflation comes down from 5%+ y/y toward 2½% y/y as we generally have in our forecasts, then the emergency stimulus put in place to counter deflation risk needs to be reined in and the Fed is falling behind such efforts. Of course, we're also left with the distinct possibility that we're in a transitory softer patch for inflation as well as growth in part due to the Delta variant and as cases continue to subside we may see a reacceleration of trend inflationary pressures.

**DETAILS DETAILS!**

If not for minor revisions spanning several months, then headline inflation would have been 5.5% y/y (instead of 5.4%) in September with core at 4.1% y/y (instead of 4.0%).

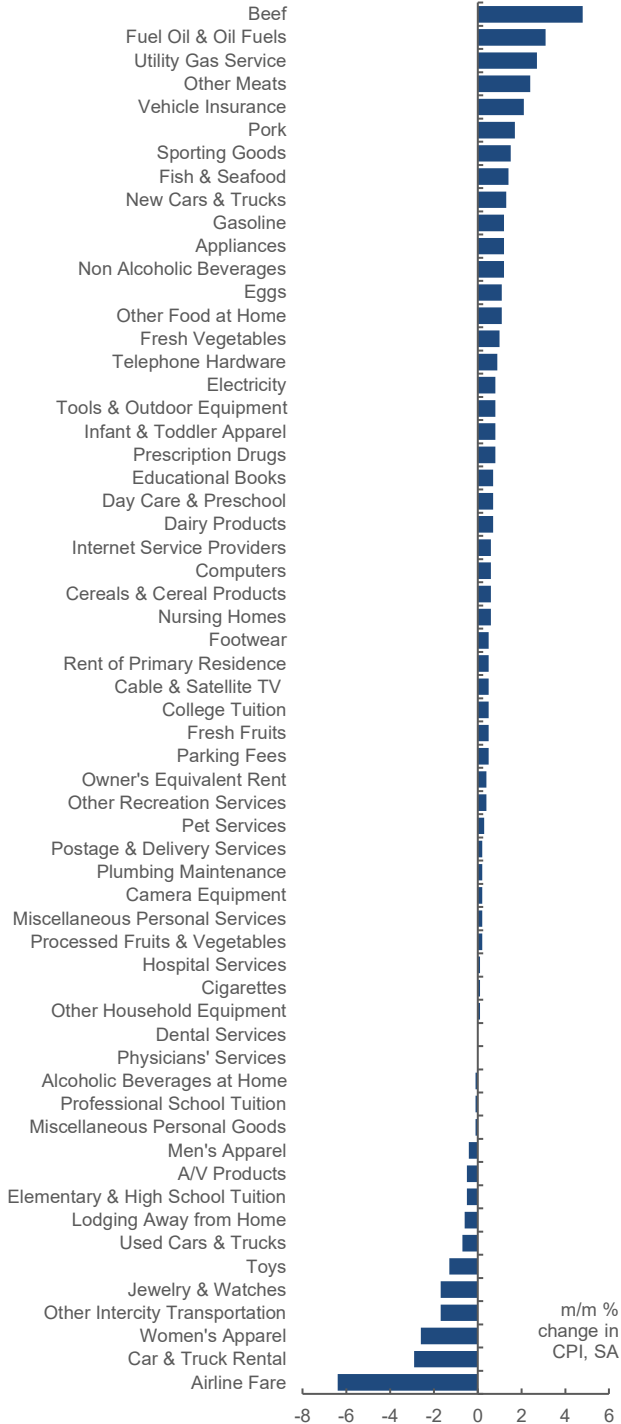
Chart 4 shows a breakdown of the CPI basket in m/m % change terms. Chart 5 does the same thing by weighting the contributions to the overall month-over-month change in CPI. The top contributors to m/m inflation in September were owners' equivalent rent at number one, followed by new vehicles, gasoline, rent and vehicle insurance.

Chart 6 shows the breakdown of the CPI basket in y/y % change terms and chart 7 does the same thing by weighting the components.

Headline CPI inflation was stronger than core inflation because of both food and energy prices. Food prices were strong at +0.9% m/m mostly on groceries (+1.2%) while 'away from home' food prices were up by 0.5% m/m. Energy prices were up 1.3% m/m with notable gains across all subcomponents including gasoline +1.2% m/m, fuel oil and other fuels up 3.1%, utility (piped) gas service up 2.7% m/m etc.

Chart 4

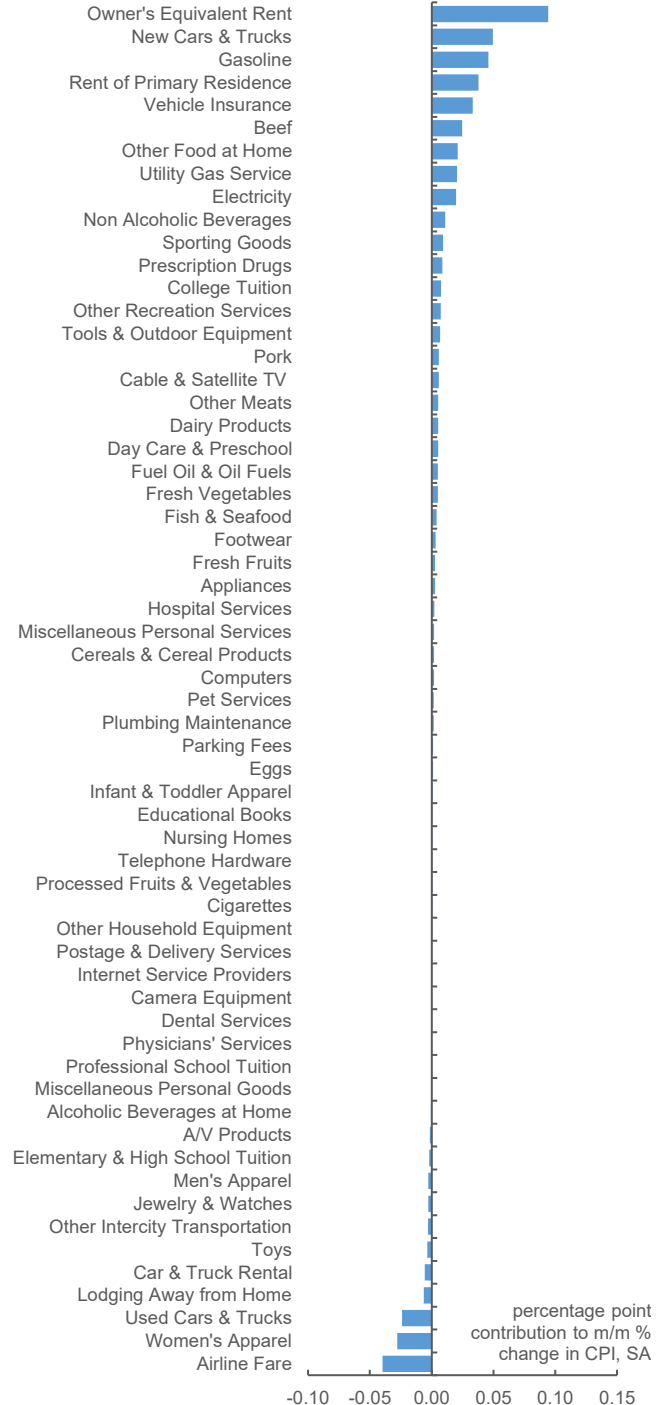
September Changes in US Headline CPI Categories



Sources: Scotiabank Economics, US BLS.

Chart 5

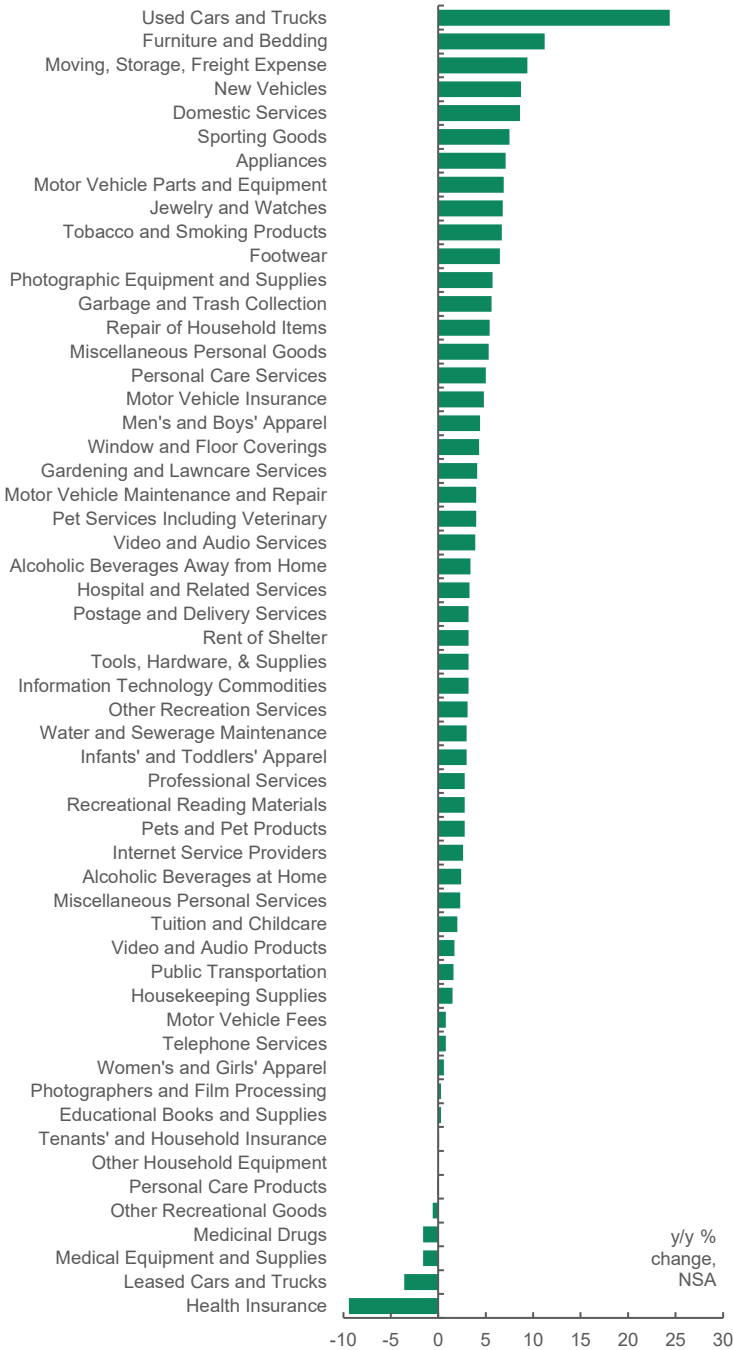
September Weighted Contributions to Monthly Change in US Headline CPI



Sources: Scotiabank Economics, US BLS

Chart 6

**September 12-Month Changes in US Headline CPI Categories**



Sources: Scotiabank Economics, BLS.

Chart 7

**September Weighted Contributions to the 12-Month Change in US Headline CPI**



Source: Scotiabank Economics, BLS.

Clothing prices posted the biggest drop in the basket at -1.1% m/m and led by women's clothing.

The drop in used vehicle prices (-0.7% m/m) was a bit of a surprise to me given multiple other advance readings across JD Power, Black Book and Manheim gauges. New vehicle prices were up by 1.3% m/m which was cooler than industry guidance indicated before CPI adjustments etc. Maybe used vehicles have simply lost their role as a relief valve on new vehicle pricing (chart 8).

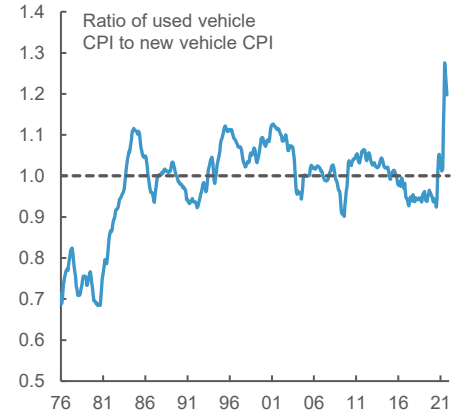
September still saw a hit from the Delta variant on pricing in high contact sectors, though it moderated a bit. The 6.4% m/m drop in airfare was somewhat slower than the prior month's decline of 9.1% but was still bigger than anticipated. This category could snap back quickly as the US reopens borders to vaccinated travellers and as the Delta's grip hopefully continues to abate.

Lodging away from home also fell another 0.6% m/m which is more in line with what I had expected relative to the steep 2.9% m/m drop the prior month when the Delta variant first hit prices.

After a pair of 0.3% m/m gains, medical care surprised lower at -0.1% m/m.

Please see the accompanying charts of several of the individual components.

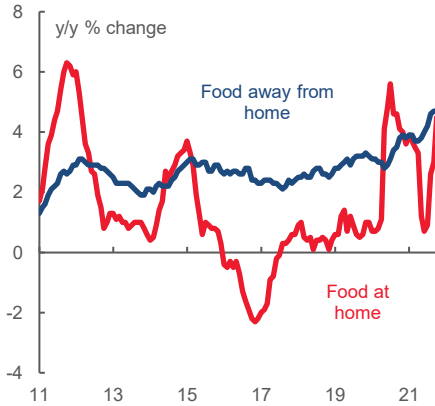
Please also see the appendix that includes a detailed table across component readings and Z-score deviations from trend measures.

**Chart 8**
**Used Vehicles Are Expensive**


Sources: Scotiabank Economics, BLS.

Chart 9

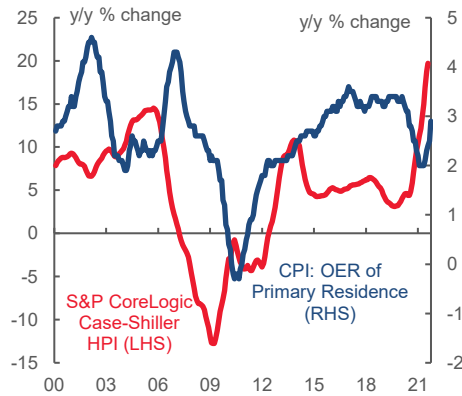
**US Food Prices**



Sources: Scotiabank Economics, BLS.

Chart 10

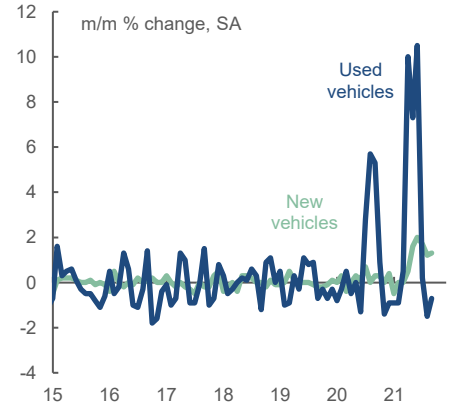
**Homebuying Price Surges May Cause Upward Pressure on Rents**



Sources: Scotiabank Economics, BLS, S&P.

Chart 11

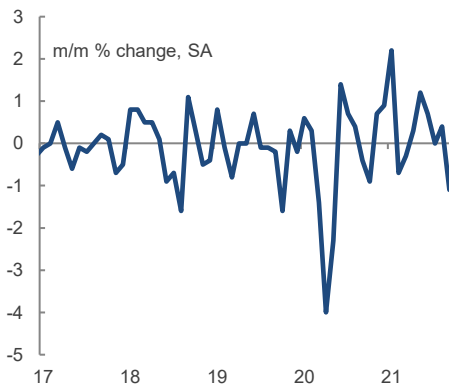
**New vs Used Vehicle Inflation**



Sources: Scotiabank Economics, Bloomberg.

Chart 12

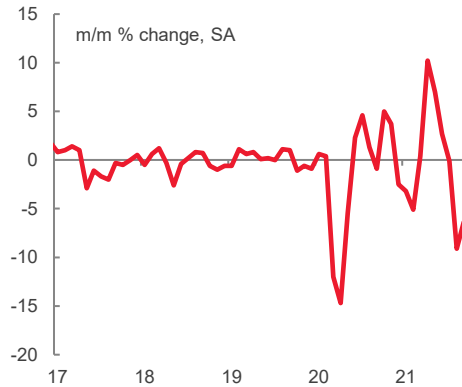
**US Apparel**



Sources: Scotiabank Economics, BLS.

Chart 13

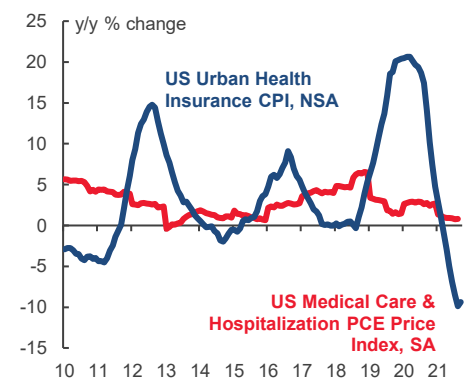
**US Airfare**



Sources: Scotiabank Economics, BLS.

Chart 14

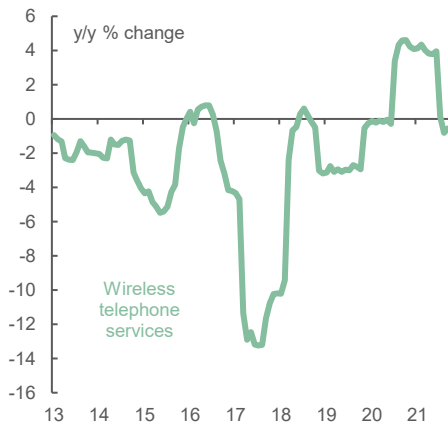
**US Medical Care Insurance Inflation**



Sources: Scotiabank Economics, US BLS, US Bureau of Economic Analysis.

Chart 15

**US Cell Phone Service Inflation**



Sources: Scotiabank Economics, BLS.

Chart 16

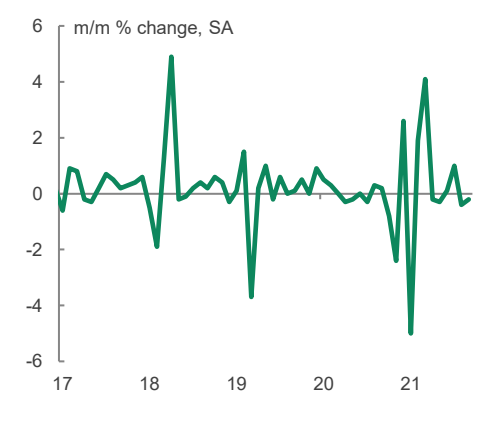
**Prescription Drug Prices**



Sources: Scotiabank Economics, BLS.





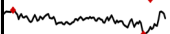







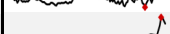



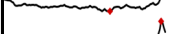






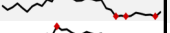
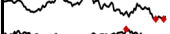


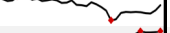




















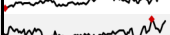








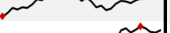
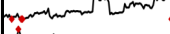

Chart 17

**US Financial Services**



Sources: Scotiabank Economics, BLS.

Sep 2021				Weighted Contributions (ppts)*			5-Year Pre-Pandemic			10-Year Pre-Pandemic			
US INFLATION COMPONENT BREAKDOWN	y/y % change	10-year trend	Pandemic trend (Jan 2019–Present)	m/m % change	Weights (%)	y/y	m/m	2015–2019 avg. y/y	Std. Dev.	Z-Score	2011–2019 avg. y/y	Std. Dev.	Z-Score
<b>Food</b>	<b>4.6</b>			<b>0.9</b>	<b>13.90</b>	<b>0.64</b>	<b>0.13</b>	<b>1.3</b>	<b>0.8</b>	<b>4.4</b>	<b>1.7</b>	<b>1.1</b>	<b>2.5</b>
<b>Food, home</b>	<b>4.5</b>			<b>1.2</b>	<b>7.65</b>	<b>0.34</b>	<b>0.09</b>	<b>0.2</b>	<b>1.1</b>	<b>3.8</b>	<b>1.2</b>	<b>1.9</b>	<b>1.8</b>
Cereals & bakery products	2.7			1.1	0.97	0.03	0.01	0.4	0.9	2.6	0.9	1.7	1.1
Meats, poultry, fish & eggs	10.5			2.2	1.80	0.19	0.04	-0.2	3.2	3.3	2.1	3.9	2.1
Dairy & related products	0.6			0.7	0.75	0.00	0.01	-0.6	1.6	0.7	1.1	3.1	-0.2
Fruits & vegetables	3.0			0.6	1.31	0.04	0.01	0.4	1.7	1.5	1.0	2.0	1.0
Non-alcoholic beverages	3.7			1.2	0.91	0.03	0.01	0.6	1.0	3.0	0.5	1.6	2.0
Other food at home	3.1			1.1	1.92	0.06	0.02	0.5	0.6	4.1	1.0	1.6	1.3
<b>Food, away</b>	<b>4.7</b>			<b>0.5</b>	<b>6.25</b>	<b>0.29</b>	<b>0.03</b>	<b>2.7</b>	<b>0.3</b>	<b>6.7</b>	<b>2.5</b>	<b>0.5</b>	<b>4.3</b>
Full services meals & snacks	5.2			0.6	3.14	0.16	0.02	2.6	0.4	7.1	2.4	0.5	5.6
Limited services meals and snacks	6.7			0.6	2.78	0.19	0.02	2.8	0.3	12.1	2.5	0.7	5.9
Food at employee sites and school	-46.3			-6.4	0.08	-0.03	0.00	2.8	2.4	-20.1	2.8	1.9	-25.6
Food from vending machines & mobile vendors	6.0			-0.3	0.08	0.00	0.00	3.1	1.0	2.9	2.5	1.3	2.7
Other food away from home	3.5			1.3	0.17	0.01	0.00	2.5	1.3	0.8	2.3	1.0	1.2
<b>Energy</b>	<b>24.8</b>			<b>1.3</b>	<b>7.29</b>	<b>1.81</b>	<b>0.09</b>	<b>-1.9</b>	<b>10.0</b>	<b>2.7</b>	<b>1.6</b>	<b>9.6</b>	<b>2.4</b>
<b>Energy comm.</b>	<b>41.7</b>			<b>1.3</b>	<b>4.07</b>	<b>1.70</b>	<b>0.05</b>	<b>-2.8</b>	<b>17.0</b>	<b>2.6</b>	<b>3.0</b>	<b>17.1</b>	<b>2.3</b>
Fuel oils & other fuels	36.0			3.1	0.16	0.06	0.01	-2.3	15.8	2.4	2.7	14.4	2.3
Motor fuel	42.0			1.2	3.91	1.64	0.05	-2.8	17.1	2.6	3.0	17.3	2.3
<i>Gasoline</i>	<i>42.1</i>			<i>1.2</i>	<i>3.83</i>	<i>1.61</i>	<i>0.05</i>	<i>-2.8</i>	<i>17.1</i>	<i>2.6</i>	<i>3.0</i>	<i>17.4</i>	<i>2.3</i>
<i>Other</i>	<i>37.3</i>			<i>0.6</i>	<i>0.08</i>	<i>0.03</i>	<i>0.00</i>	<i>-2.3</i>	<i>19.5</i>	<i>2.0</i>	<i>3.6</i>	<i>17.9</i>	<i>1.9</i>
<b>Energy serv.</b>	<b>8.5</b>			<b>1.2</b>	<b>3.22</b>	<b>0.27</b>	<b>0.04</b>	<b>0.0</b>	<b>2.4</b>	<b>3.5</b>	<b>0.5</b>	<b>2.7</b>	<b>3.0</b>
Electricity	5.2			0.8	2.47	0.13	0.02	0.5	1.5	3.2	1.0	1.7	2.5
Utility (piped gas service)	20.6			2.7	0.76	0.16	0.02	-1.4	7.5	2.9	-0.9	7.3	2.9
<b>All items less food and energy</b>	<b>4.0</b>			<b>0.2</b>	<b>78.81</b>	<b>3.15</b>	<b>0.16</b>	<b>2.0</b>	<b>0.2</b>	<b>8.8</b>	<b>1.8</b>	<b>0.4</b>	<b>5.3</b>
<b>Commodities less food and energy</b>	<b>7.3</b>			<b>0.2</b>	<b>20.72</b>	<b>1.51</b>	<b>0.04</b>	<b>-0.3</b>	<b>0.4</b>	<b>19.6</b>	<b>0.2</b>	<b>0.9</b>	<b>8.0</b>
<b>Household furnishings</b>	<b>4.8</b>			<b>1.3</b>	<b>3.32</b>	<b>0.16</b>	<b>0.04</b>	<b>-0.8</b>	<b>1.2</b>	<b>4.7</b>	<b>-0.9</b>	<b>1.2</b>	<b>4.8</b>
Window & floor coverings	4.3			3.9	0.28	0.01	0.01	-2.3	1.7	3.8	-2.8	1.8	4.0
Furniture & bedding	11.2			2.4	0.97	0.11	0.02	-0.3	1.7	6.7	-0.9	2.1	5.8
Appliances	7.1			1.2	0.22	0.02	0.00	-1.2	3.1	2.7	-1.6	3.0	2.9
Other household equipment	1.1			0.8	0.52	0.01	0.00	-3.5	1.8	2.5	-3.7	1.5	3.2
Tools & hardware	3.2			0.8	0.87	0.03	0.01	-0.1	1.0	3.2	-0.3	1.2	2.9
Housekeeping supplies	1.5			0.4	0.88	0.01	0.00	0.3	1.2	1.0	0.4	1.3	0.9

Sep 2021				Weighted Contributions (ppts)*			5-Year Pre-Pandemic			10-Year Pre-Pandemic			
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<b>Apparel</b>	<b>3.4</b>			-1.1	2.69	0.09	-0.03	-0.5	1.0	4.0	0.3	1.7	1.8
Men's & boys apparel	4.4			-0.4	0.68	0.03	0.00	-0.3	1.5	3.1	0.5	2.3	1.7
Women's & girls apparel	0.6			-2.6	1.07	0.01	-0.03	-1.3	1.9	1.0	-0.1	2.5	0.3
Footwear	6.5			0.5	0.64	0.04	0.00	0.2	1.3	4.7	0.8	1.7	3.4
Infant & toddler's apparel	3.0			0.8	0.12	0.00	0.00	0.4	3.8	0.7	0.5	3.6	0.7
Jewelry & watches	6.8			-1.7	0.17	0.01	0.00	1.0	3.4	1.7	1.5	3.8	1.4
<b>Trans. less fuel</b>	<b>14.9</b>			<b>0.3</b>	<b>6.59</b>	<b>0.98</b>	<b>0.02</b>	<b>-0.3</b>	<b>0.9</b>	<b>17.2</b>	<b>0.4</b>	<b>1.5</b>	<b>9.7</b>
New vehicles	8.7			1.3	3.81	0.33	0.05	0.1	0.7	13.1	0.8	1.2	6.4
Used cars & trucks	24.4			-0.7	3.43	0.84	-0.02	-1.3	2.1	12.4	1.1	4.8	4.8
Motor vehicle parts & equipment	6.9			0.8	0.40	0.03	0.00	0.2	1.1	6.3	0.9	2.2	2.8
<b>Medical comm.</b>	<b>-1.6</b>			<b>0.3</b>	<b>1.50</b>	<b>-0.02</b>	<b>0.00</b>	<b>2.1</b>	<b>1.7</b>	<b>-2.2</b>	<b>2.3</b>	<b>1.5</b>	<b>-2.7</b>
Medicinal Drugs	-1.6			0.7	1.63	-0.03	0.01	2.2	1.8	-2.2	2.3	1.6	-2.5
Medical equipment & supplies	-1.6			1.0	0.07	0.00	0.00	0.4	1.2	-1.6	0.3	1.2	-1.7
<b>Recreation comm.</b>	<b>3.5</b>			<b>-0.2</b>	<b>1.76</b>	<b>0.06</b>	<b>0.00</b>	<b>-2.6</b>	<b>1.1</b>	<b>5.8</b>	<b>-2.3</b>	<b>0.9</b>	<b>6.4</b>
Video & audio products	1.7			-0.5	0.21	0.00	0.00	-10.1	2.4	4.9	-9.2	2.2	4.9
Pets & pet products	2.8			0.5	0.61	0.02	0.00	0.4	1.5	1.6	0.5	1.5	1.6
Sporting goods	7.5			-0.4	0.61	0.05	0.00	-0.7	1.5	5.3	-0.6	1.2	6.7
Photographic Equipment & supplies	5.7			0.2	0.03	0.00	0.00	-1.7	4.6	1.6	-3.0	4.0	2.2
Recreational reading materials	2.8			0.0	0.12	0.00	0.00	1.6	1.9	0.7	1.5	1.8	0.7
Other recreational goods	-0.6			-1.2	0.35	0.00	0.00	-6.5	1.3	4.4	-5.2	1.7	2.6
<b>Educ. &amp; communication comm.</b>	<b>2.6</b>			<b>0.6</b>	<b>0.51</b>	<b>0.01</b>	<b>0.00</b>	<b>-3.7</b>	<b>1.0</b>	<b>6.2</b>	<b>-3.5</b>	<b>0.9</b>	<b>6.7</b>
Educational books & supplies	0.3			-0.4	0.10	0.00	0.00	2.2	3.0	-0.6	3.6	2.7	-1.2
IT commodities	3.2			0.9	0.39	0.01	0.00	-6.1	1.9	4.9	-6.8	1.8	5.5
<b>Alcohol</b>	<b>2.8</b>			<b>0.2</b>	<b>1.01</b>	<b>0.03</b>	<b>0.00</b>	<b>1.3</b>	<b>0.3</b>	<b>4.5</b>	<b>1.4</b>	<b>0.4</b>	<b>3.9</b>
Alcoholic beverages at home	2.4			-0.1	0.56	0.01	0.00	0.8	0.6	2.6	0.8	0.5	3.1
Alcoholic beverages away from home	3.4			0.4	0.45	0.02	0.00	1.9	0.5	3.3	2.2	0.7	1.8
<b>Other goods</b>	<b>3.4</b>			<b>0.1</b>	<b>1.56</b>	<b>0.05</b>	<b>0.00</b>	<b>1.4</b>	<b>0.9</b>	<b>2.4</b>	<b>1.4</b>	<b>0.7</b>	<b>2.8</b>
Tobacco & smoking products	6.7			0.7	0.61	0.04	0.00	4.3	1.5	1.6	4.4	3.8	0.6
Personal care products	-0.1			-0.1	0.65	0.00	0.00	-0.3	0.6	0.4	-0.1	0.8	0.0
Miscellaneous personal goods	5.3			-1.2	0.19	0.01	0.00	-2.4	3.1	2.5	-1.7	2.4	2.9



Sep 2021				Weighted Contributions (ppts)*			5-Year Pre-Pandemic			10-Year Pre-Pandemic			
US INFLATION COMPONENT BREAKDOWN	y/y % change	10-year trend	Pandemic trend (Jan 2019–Present)	m/m % change	Weights (%)	y/y	m/m	2015–2019 avg. y/y	Std. Dev.	Z-Score	2011–2019 avg. y/y	Std. Dev.	Z-Score
Services less energy services	2.9			0.2	58.09	1.68	0.12	2.8	0.2	0.3	2.4	0.6	0.8
Shelter	3.2			0.4	32.55	1.04	0.13	3.3	0.2	-0.5	2.5	1.2	0.6
Rent of shelter	3.2			0.4	32.21	1.03	0.13	3.3	0.2	-0.6	2.5	1.2	0.6
Rent of primary residence	2.4			0.5	7.60	0.18	0.04	3.7	0.1	-9.7	2.9	1.1	-0.5
Lodging away from home	17.5			-0.6	1.05	0.18	-0.01	2.3	2.0	7.5	2.2	2.2	7.0
QER of residences	2.9			0.4	23.56	0.68	0.09	3.2	0.2	-1.6	2.4	1.1	0.5
Tenants' & household insurance	0.1			0.3	0.35	0.00	0.00	1.4	1.2	-1.1	2.3	1.5	-1.4
Water, sewer, trash collection	3.7			0.5	1.08	0.04	0.01	3.6	0.6	0.1	4.3	1.0	-0.6
Water & sewage maintenance	3.0			0.2	0.79	0.02	0.00	4.0	0.8	-1.1	4.8	1.4	-1.3
Garbage & trash collection	5.6			1.1	0.29	0.02	0.00	2.5	1.5	2.1	2.5	1.1	2.9
Household ops.	6.6			-0.2	0.90	0.06	0.00	3.8	1.3	2.2	2.6	1.6	2.5
Domestic services	8.6			-2.3	0.31	0.03	-0.01	2.0	1.1	6.2	1.6	1.0	6.8
Gardening & lawn care	4.1			1.9	0.30	0.01	0.01	4.3	2.7	-0.1	2.8	2.6	0.5
Moving, storage, freight	9.4			-0.8	0.10	0.01	0.00	5.6	3.9	1.0	3.3	3.9	1.6
Repair of household items	5.4			0.1	0.12	0.01	0.00	4.8	2.1	0.3	4.2	2.0	0.6
Medical serv.	0.9			-0.1	7.06	0.06	-0.01	2.9	1.0	-2.0	3.0	0.8	-2.6
Professional Services	2.8			-0.2	3.59	0.10	-0.01	1.5	0.9	1.4	1.8	0.8	1.2
Hospital & related services	3.3			0.1	2.37	0.08	0.00	3.8	1.1	-0.5	4.5	1.3	-0.9
Health insurance	-9.4			-1.0	1.09	-0.10	-0.01	5.0	5.8	-2.5	3.6	6.0	-2.2
Transportation serv.	4.4			-0.5	5.09	0.22	-0.03	2.6	1.1	1.6	2.6	1.0	1.8
Leased cars & trucks	-3.6			-3.6	0.64	-0.02	-0.02	0.5	3.0	-1.4	-1.6	3.2	-0.6
Motor vehicle maintenance & repair	4.0			0.0	1.08	0.04	0.00	2.2	0.7	2.6	2.0	0.6	3.5
Motor vehicle insurance	4.8			2.1	1.58	0.08	0.03	5.5	2.6	-0.3	4.8	2.0	0.0
Motor vehicle fees	0.8			0.2	0.55	0.00	0.00	1.8	0.7	-1.4	2.2	1.9	-0.7
Public transportation	1.6			-5.0	1.10	0.02	-0.05	-1.2	1.5	1.9	1.0	3.6	0.2
Recreation serv.	3.5			0.4	3.85	0.13	0.02	2.6	0.7	1.4	2.3	0.7	1.6
Video & audio services	3.9			0.4	1.58	0.06	0.01	2.7	1.4	0.8	2.6	1.3	0.9
Pet services	4.0			0.3	0.55	0.02	0.00	3.1	0.8	1.2	3.3	0.9	0.8
Photo services	0.3			0.0	0.04	0.00	0.00	-0.2	2.0	0.2	0.8	1.8	-0.3
Other recreation services	3.1			0.4	1.86	0.06	0.01	2.4	0.6	1.2	1.7	1.1	1.3
Educ. & communication serv.	1.7			0.4	6.00	0.10	0.02	0.4	1.3	1.0	1.1	1.3	0.5
Tuition, school fees, child care	2.0			0.4	2.82	0.06	0.01	2.8	0.6	-1.4	3.3	0.8	-1.7
Postage & delivery	3.2			0.2	0.11	0.00	0.00	2.3	2.0	0.5	3.3	2.0	0.0
Telephone services	0.8			0.2	2.27	0.02	0.00	-2.4	3.0	1.1	-1.3	2.4	0.9
Internet services	2.6			0.6	0.86	0.02	0.01	-0.2	1.5	1.9	0.1	1.3	1.9
Other personal serv.	3.4			0.1	1.64	0.06	0.00	2.7	0.7	1.1	2.4	0.6	1.6
Personal care services	5.0			-0.4	0.69	0.03	0.00	2.3	0.7	3.9	1.8	0.8	3.9
Miscellaneous personal services	2.3			0.5	0.95	0.02	0.00	2.9	0.9	-0.6	2.7	0.7	-0.5

\*Number may not add due to rounding

Sources: Scotiabank Economics, BLS.

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