

Don't downsize your dreams

Inflation cheat sheet: How to invest when inflation is high

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Click the icons below for quick answers to some of the most common inflation questions.



Don't expect high inflation to fall soon



What's pushing inflation up?



Is inflation good or bad?



How can investors fight inflation?



What do all these terms mean?

Inflation forecasts have risen in much of the developed world¹

Consensus CPI forecasts

	US	Euro zone	UK	China
2020	1.2%	0.3%	0.9%	2.5%
2021	4.7%	2.5%	2.5%	1.0%
2022	6.9%	6.4%	6.95%	2.2%

US inflation is particularly high²

- Headline CPI was up 8.5% year-over-year in March 2022 – the biggest jump since 1981.
- Core CPI was up 6.5% in the same period – the strongest reading since 1982.

Why is this happening?

- When inflation began to rise notably in late 2021, many experts believed it was only transitory. But high inflation has persisted, raising concerns that we are entering a prolonged inflationary period.
- US Federal Reserve Chairman Jerome Powell is concerned that "an extended period of high inflation could push longer-term expectations uncomfortably higher".
- We have identified multiple factors pushing up inflation in the short and long term. Click the icons above to learn more.

1. Source: Bloomberg. Data as at 13 April 2022. Consensus data reflect estimates for average inflation in a full calendar year. They are not directly comparable to current inflation readings.
2. Source: Bureau of Labor Statistics. Data as at April 2022. Current inflation figures reflect year-on-year rates for the latest (single) month.
3. Source: Marketwatch as at April 2022; Macrotrends as at April 2022.

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