

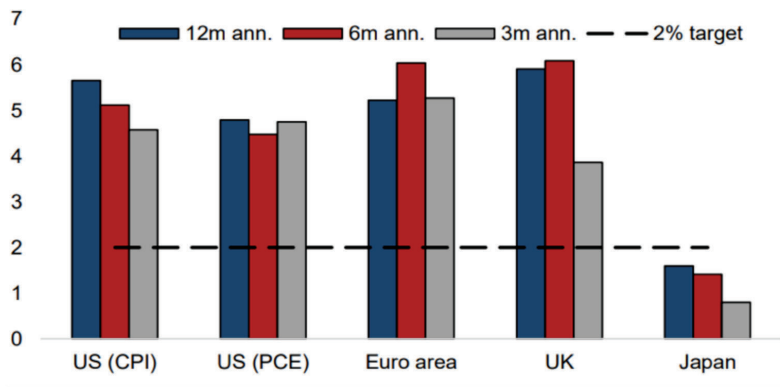
## Global Inflation Remains Uncomfortably High

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Inflation has been a hot topic over the past year with global central banks increasing interest rates in order to bring inflation down to target levels in their respective countries. Most central banks have maintained a 2% inflation target and, as you can see below from our US research partner, Credit Suisse, the inflation measures most closely followed by central banks remain well above the 2% level for the US, Europe and the UK.

### Figure 1: Core inflation run rates have generally fallen, but are still far too high

Rate of core inflation. Mom% average over time horizon stated and converted to annual rate.



Source: Credit Suisse, Haver Analytics®

Stock and bond markets are now pricing-in 'higher for longer' for interest rates which has created a sell-off in stocks and bonds. Higher for longer interest rates increase the probability of a North American recession and are generally negative for stock prices.

**Please call one of our advisors to discuss the impact of higher interest rates on your portfolio.**



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