081326 Taking the Pulse of Healthcare Inflation

SMBC · 2026-08-13 · English original

Taking the Pulse of Healthcare Inflation July healthcare prices, as measured by today's PPI report, slowed to a 0.12% MoM rate — the lowest since February 2026. PPI healthcare prices are critical because they are a direct input into PCE healthcare prices where this component accounts for 17% and 19% of the headline PCE and core PCE deflators. Consequently, the Fed's preferred inflation data are likely to be contained and possibly ease some inflation anxieties at the Fed and in markets. We are forecasting increases of 0.15% for the headline PCE deflator and 0.22% for the core PCE deflator. Please subscribe to our new research website for access to our content (here). Source: BLS, BEA, Haver, SMBC Nikko -0.1 0.0 0.1 0.2 0.3 0.4 0.5 0.6 -0.1 0.0 0.1 0.2 0.3 0.4 0.5 0.6 2023 2024 2025 2026 PPI: Health Care (%M/M) PCE: Health Care (%M/M)

Source: https://www.smbcgroup.com/americas/getmedia/e33231f3-c030-4a07-9340-34012e94cb89/081326%20Taking%20the%20Pulse%20of%20Healthcare%20Inflation.pdf