

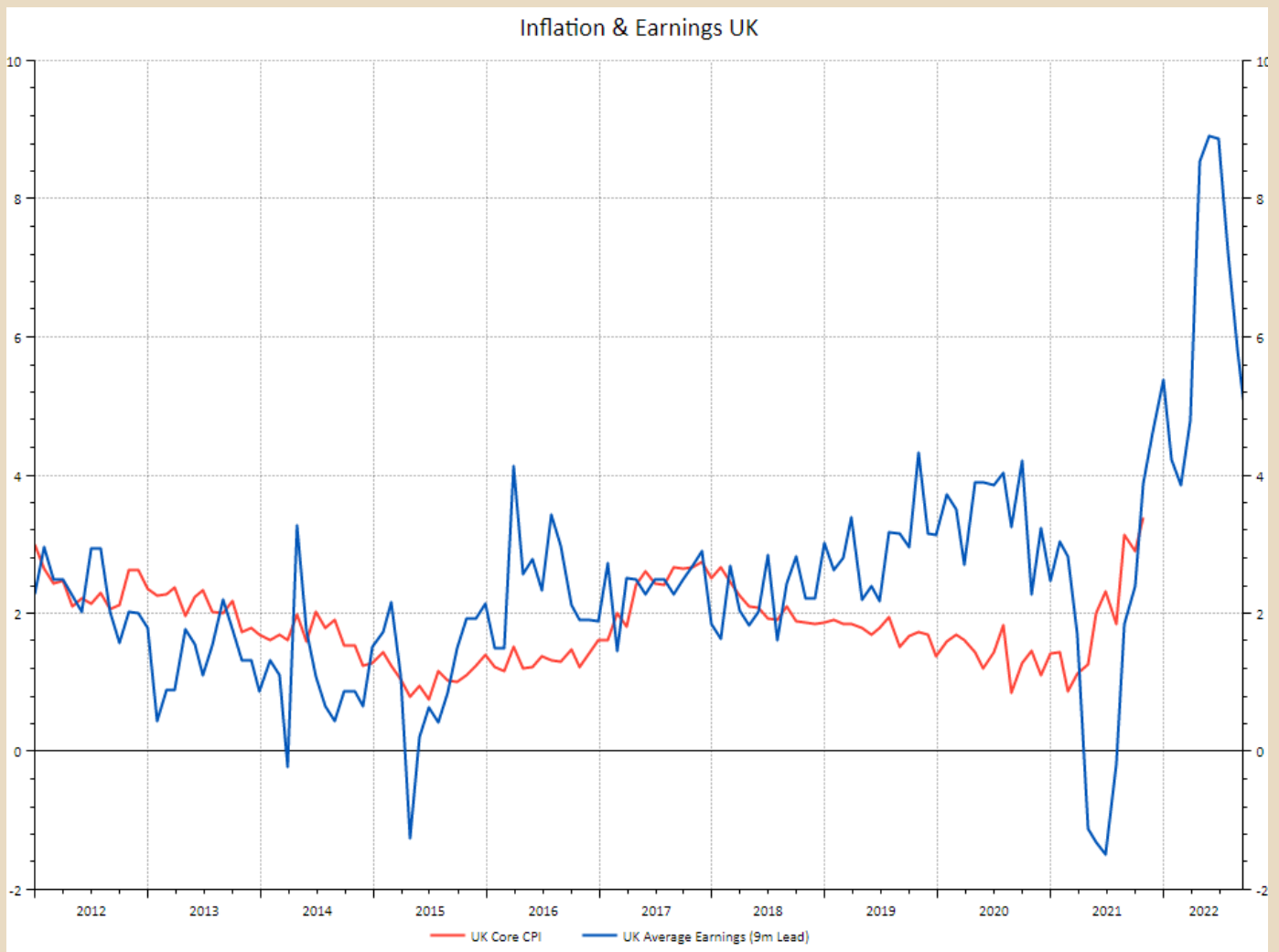
# CHART OF THE WEEK

A Closer Look At Some Of The Charts We Use

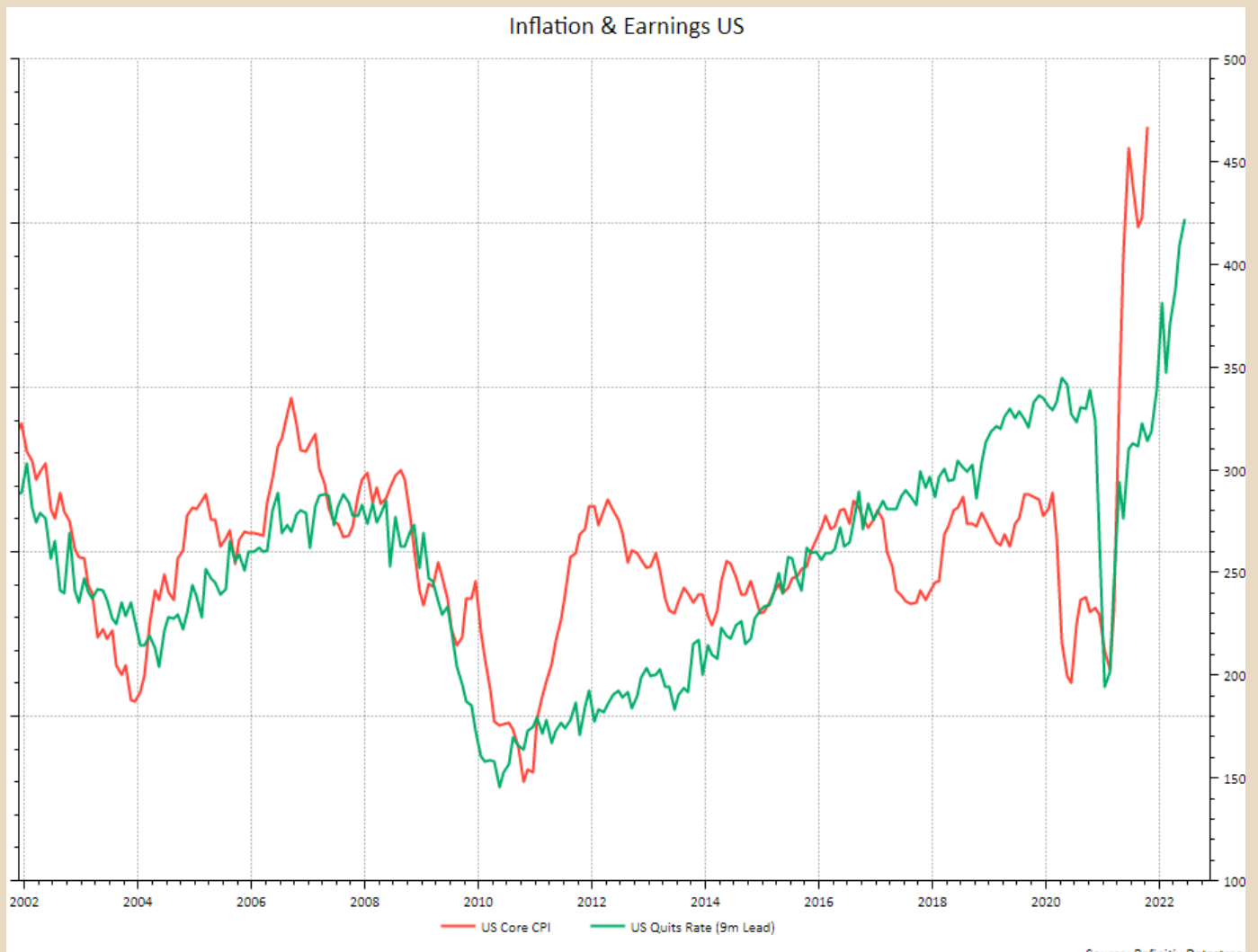
## Earnings & Inflation

Article by Andrew Chorley

Employees earnings are one of the best indicators for inflation; the chart below shows the annual change in hourly earnings (blue) for the UK pushed forward by nine months - it looks like higher inflation is very likely.



Whilst we hear a lot about "supply chains" and the difficulty of getting goods to the consumer, these are hopefully temporary problems. However, when we see hourly earnings rise this can lead to higher inflation that is "sticky" and can hang around for a lot longer. In the US as well as the annual change in earnings we also look at the "quits rate" this is the number of people leaving their current job for new employment - usually for higher wages.



It looks like a we could well be heading for a  
period of higher inflation