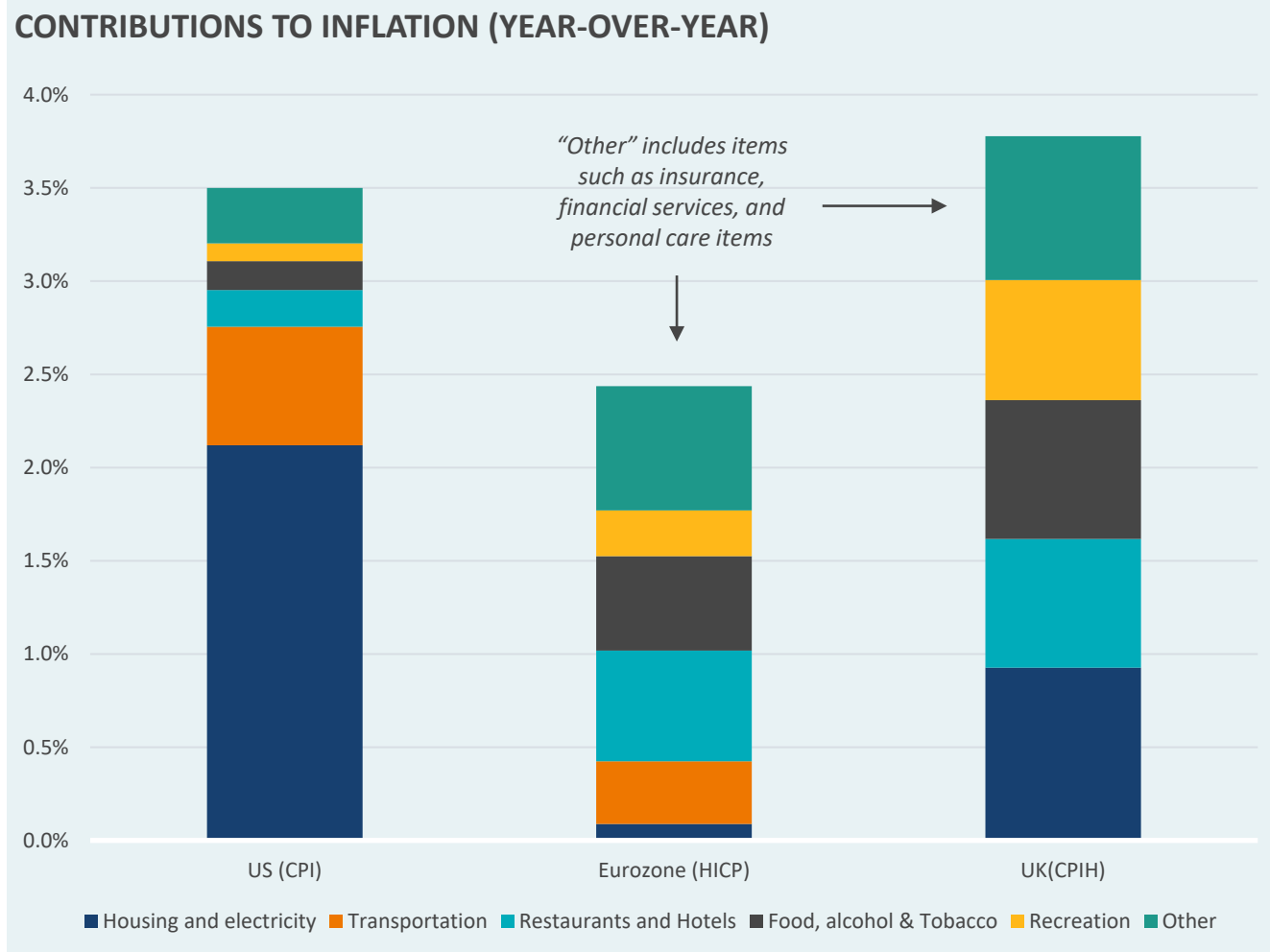


# Verus Market Note

## Disparate inflation measures could lead to diverging rate paths

Markets are keenly monitoring inflation, being a major catalyst behind global central bank policy decisions. Sticky inflation and better-than-forecasted growth in the U.S. has set back rate cut expectations, likely resulting in policy divergence relative to the Bank of England (BOE) and the European Central Bank (ECB).

GDP readings show stagnant economic growth throughout the Eurozone, while the U.K. experienced a technical recession in 2023. Falling price pressures combined with lackluster growth has given these central banks greater incentive to cut rates, particularly the ECB. Futures markets are pricing in rate cuts to start this summer, whereas U.S. interest rate cuts are not priced in until November. Our market note focuses on contributions to inflation across the U.S., U.K., and Eurozone, helping the reader better visualize major price pressures experienced across each region.



Source: U.S. Bureau of Labor Statistics, Eurostat, UK Office of National Statistics