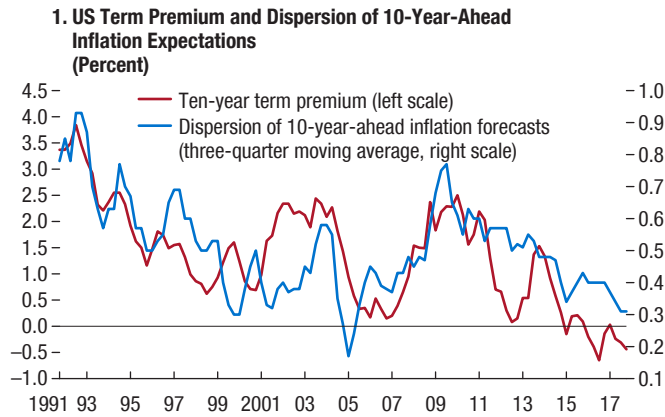
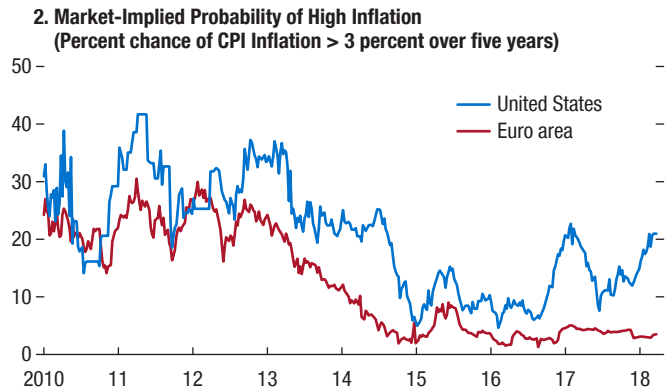


**Figure 1.5. US Inflation Expectations and Term Premium**

Term premiums have moved lower, and uncertainty about future inflation has declined.



Markets are not pricing in sharply higher inflation.



Sources: Bloomberg Finance L.P.; Federal Reserve Bank of Minneapolis; and IMF staff estimates.

Note: In panel 2, euro area options are illiquid. CPI = consumer price index.