

Inflation-driven Pricing Strategy

Using BLS CPI Data & SARIMAX Forecasting

Objective: Proactive pricing and inventory management based on 6-month inflation forecasts.

PricePulse: Executive Strategy Deck

Executive Summary

1. Inflation Drivers: Energy is projected to have the highest inflation (0.39% MoM).
2. Volatility: Energy and Transportation sectors show highest volatility, requiring flexible contracts.
3. Pricing Action: Immediate price adjustments recommended for high-inflation categories to protect margins.
4. Opportunity: Stable categories offer chances for promotional volume growth.

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Inflation Forecasts (Next 6 Months)

Category	Avg MoM Forecast (%)
Energy	0.39%
Food	0.34%
Apparel	0.30%
Headline CPI	0.29%
Shelter	0.28%
Gasoline	0.19%
New Vehicles	-0.02%
Used Cars and Trucks	-0.04%

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Strategic Recommendations

Scenario: High Inflation (>0.5% MoM)

Action: Increase Prices, Stockpile Inventory, Lock Supplier Rates

Scenario: Moderate Inflation (0-0.5% MoM)

Action: Monitor Margins, Selective Price Increases

Scenario: Deflation (<0% MoM)

Action: Run Promotions, renegotiate supplier contracts down