

## Supplementary Appendix

1. Table R1 reports the results of five robustness tests, as discussed in the paper, in section 4.
2. In Figure R1 we present the cross-category average frequency of positive and negative price changes in cents for the low/zero-inflation period sample.
3. In Figures R1.1a–R1.1c we present the frequency of positive and negative price changes in cents by categories for the low/zero-inflation period sample.
4. In Figure R2 we present the cross-category average frequency of positive and negative price changes in cents for the deflation period sample.
5. In Figures R2.1a–R2.1c we present the frequency of positive and negative price changes in cents by categories for the deflation period sample.

Table R1. Robustness tests

Categories	PPI					CPI					CPI-Chicago					F4W≥L4W	F12M	L12M
	No Lag	4W	8W	12W	16W	No Lag	4W	8W	12W	16W	No Lag	4W	8W	12W	16W	P	Q	R
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O			
Analgesics	30	12	5	10	0	10	1	0	(5)	0	7	(1)	(1)	5	14	3	0	16
Bath Soap	6	0	0	(1)	(1)	(1)	(3)	0	0	0	(1)	0	0	0	0	(1)	-	-
Bathroom Tissues	6	4	4	4	5	9	5	4	4	6	4	4	4	4	3	5	2	4
Bottled Juices	12	10	2	6	24	9	2	2	(7)	3	8	10	16	0	2	5	11	12
Canned Soup	12	11	10	12	18	10	11	2	2	8	14	12	13	11	12	0	0	24
Canned Tuna	1	2	2	1	2	1	1	1	1	1	1	1	2	1	1	1	3	2
Cereals	29	25	0	25	28	28	0	21	25	28	33	29	29	(1)	29	14	0	13
Cheeses	9	9	2	9	9	8	12	2	1	10	5	9	10	6	2	1	(1)	22
Cookies	11	11	10	11	10	11	3	5	5	10	4	11	11	12	10	2	1	10
Crackers	10	4	2	4	2	1	7	4	10	6	1	1	3	6	2	2	1	11
Dish Detergent	5	10	2	6	5	7	1	4	1	3	9	5	2	1	2	5	(4)	15
Fabric Softeners	5	13	2	1	5	3	5	0	1	2	8	2	1	1	1	1	0	1
Front-end-candies	5	4	6	2	9	9	9	6	6	1	7	6	5	2	1	(1)	(1)	1
Frozen Dinners	2	9	9	2	2	1	2	1	2	1	1	2	3	1	1	2	-	-
Frozen Entrees	20	4	20	10	19	10	10	12	0	9	11	3	0	(1)	4	14	1	20
Frozen Juices	9	9	1	6	1	7	1	1	5	4	5	1	9	14	2	9	1	13
Grooming Prod.	20	18	18	10	8	13	13	8	14	1	23	5	12	18	6	2	-	-
Laundry Detergent	16	13	11	5	2	9	0	3	12	13	20	3	1	1	3	12	1	6
Oatmeal	25	4	4	12	3	2	2	4	4	17	4	5	1	3	4	2	-	-
Paper Towels	2	2	2	2	1	2	2	2	2	2	2	1	2	2	1	2	1	4
Refrigerated Juices	15	6	18	11	5	6	6	2	9	5	9	3	3	6	9	7	0	10
Shampoos	0	5	5	(1)	0	(1)	(1)	(1)	8	0	5	5	2	(1)	(1)	0	-	-
Snack Crackers	11	2	2	2	2	3	2	5	1	2	6	2	2	2	2	2	(1)	3
Soaps	1	2	1	1	1	2	1	2	1	1	6	1	1	1	1	1	-	-
Soft Drinks	5	2	9	2	0	1	1	4	3	2	2	5	1	3	3	1	0	(1)
Tooth Brushes	20	1	10	8	2	8	(1)	0	(1)	2	1	1	8	2	2	3	(3)	1
Tooth Pastes	18	6	7	20	6	6	10	8	0	3	6	6	18	10	12	10	1	2
<b>Average</b>	<b>11.3</b>	<b>7.3</b>	<b>6.1</b>	<b>6.7</b>	<b>6.2</b>	<b>6.4</b>	<b>3.8</b>	<b>3.8</b>	<b>3.9</b>	<b>5.2</b>	<b>7.4</b>	<b>4.9</b>	<b>5.9</b>	<b>4.0</b>	<b>4.7</b>	<b>3.9</b>	<b>0.6</b>	<b>9.0</b>

**Notes:**

1. The figures in the table are asymmetry thresholds.
2. PPI – Producer Price Index, CPI – Consumer Price Index
3. A – PPI without lags; B – PPI 4 week lag; C – PPI 8 week lag; D – PPI 12 week lag; E – PPI 16 week lag;
4. F – CPI without lags; G – CPI 4 week lag; H – CPI 8 week lag; I – CPI 12 week lag; J – CPI 16 week lag;
5. K – CPI-Chicago without lags; L – CPI-Chicago 4 week lag; M- CPI-Chicago 8 week lag; N – CPI-Chicago 12 week lag; O – CPI-Chicago 16 week lag;
6. P – Products for which the first 4 week prices are greater than or equal to the last 4 week prices;
7. Q – First 12 months of the sample period; R – Last 12 months of the sample period.
8. The figures in parentheses indicate a reverse asymmetry. A zero-entry means that there is no asymmetry.

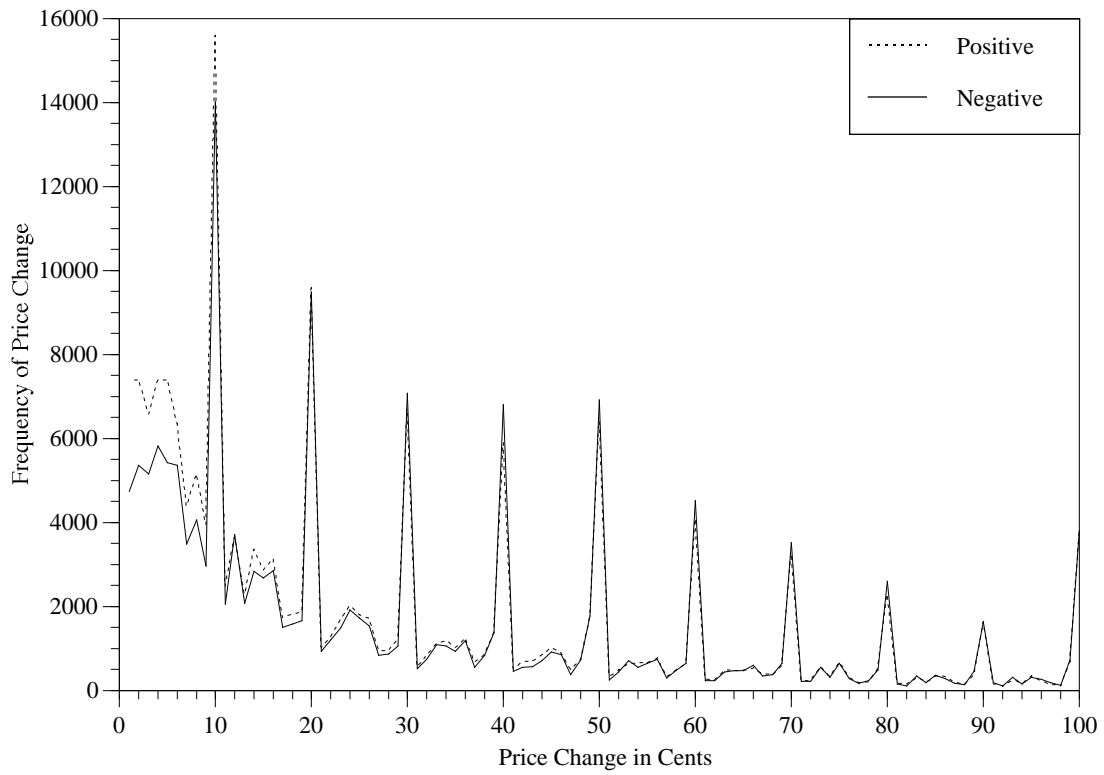


Figure R1. Average Frequency of Positive and Negative Price Changes  
All 29 Categories, Low/Zero Inflation Period

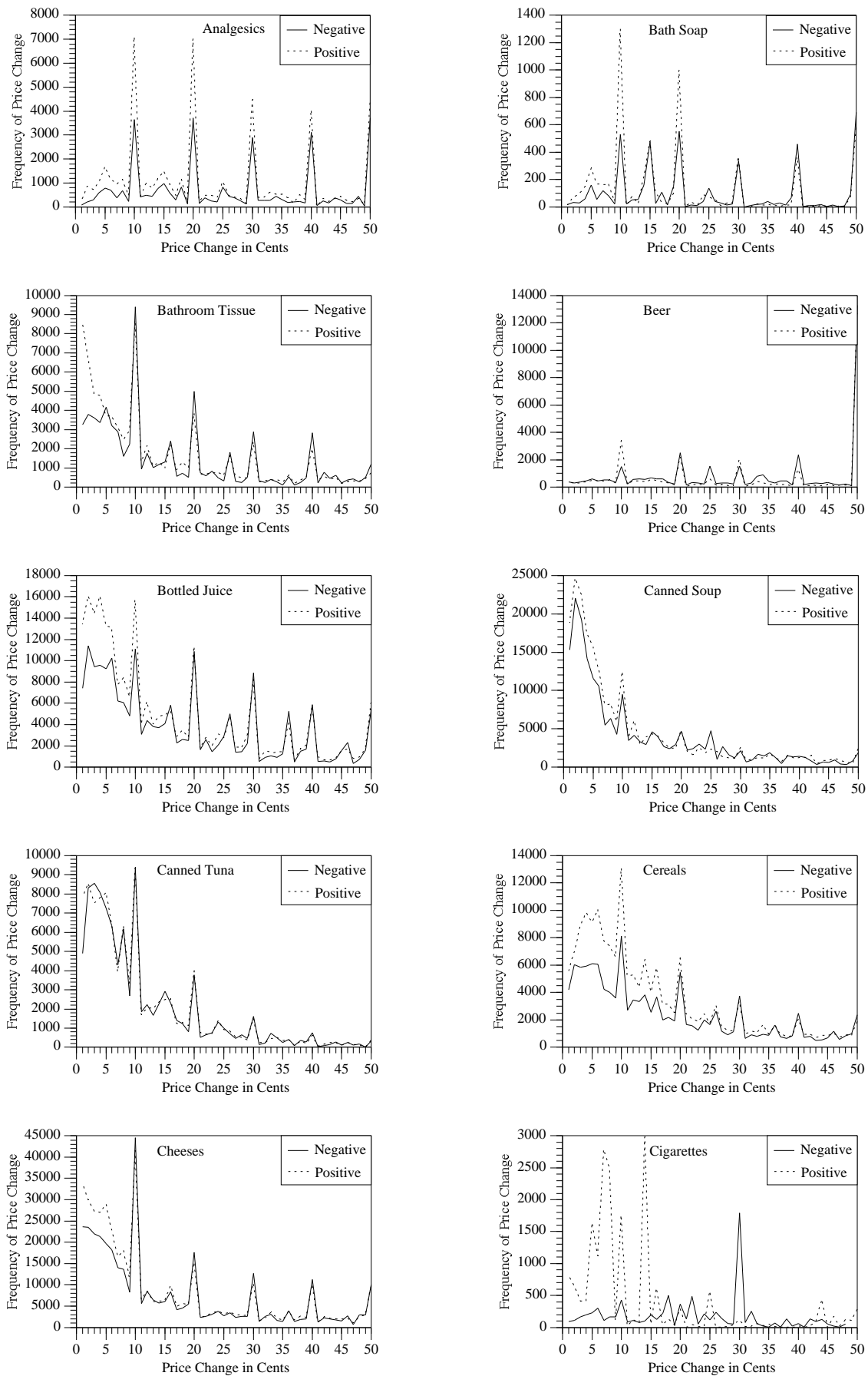


Figure R1.1a. Frequency of Positive and Negative Retail Price Changes in Cents by Category, Low/Zero Inflation Period

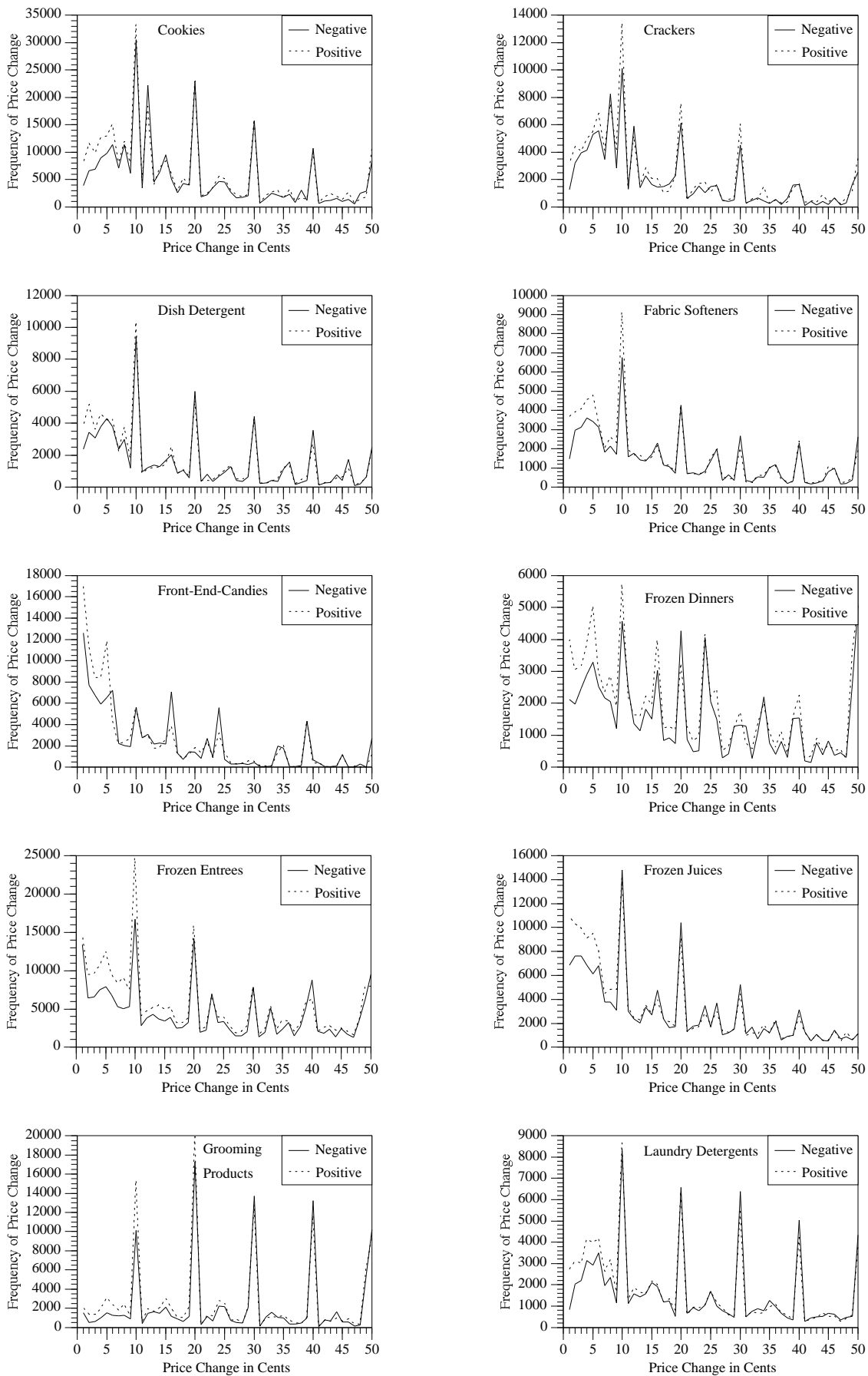


Figure R1.1b. Frequency of Positive and Negative Retail Price Changes in Cents by Category, Low/Zero Inflation Period

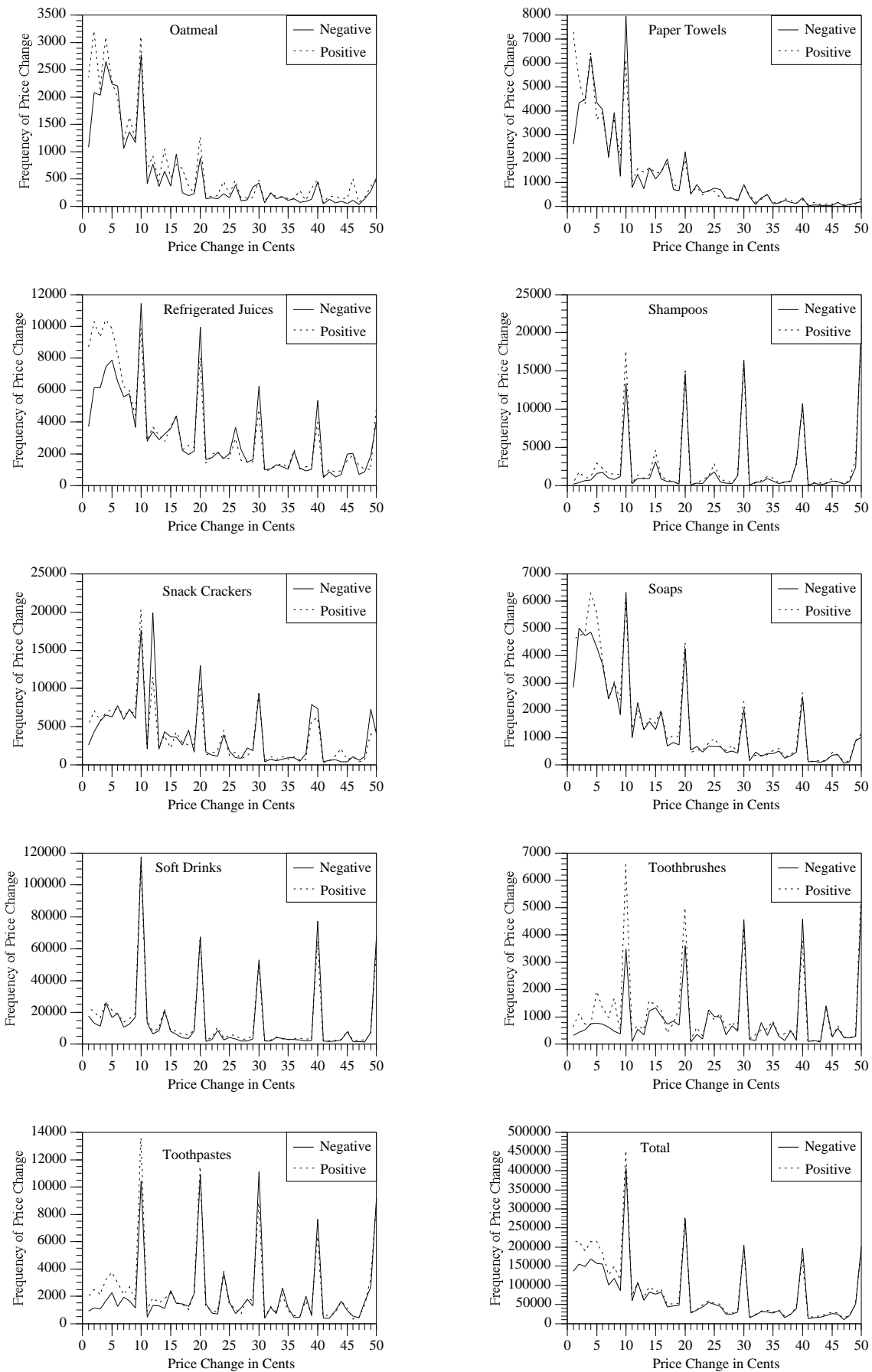


Figure R1.1c. Frequency of Positive and Negative Retail Price Changes in Cents by Category, Low/Zero Inflation Period

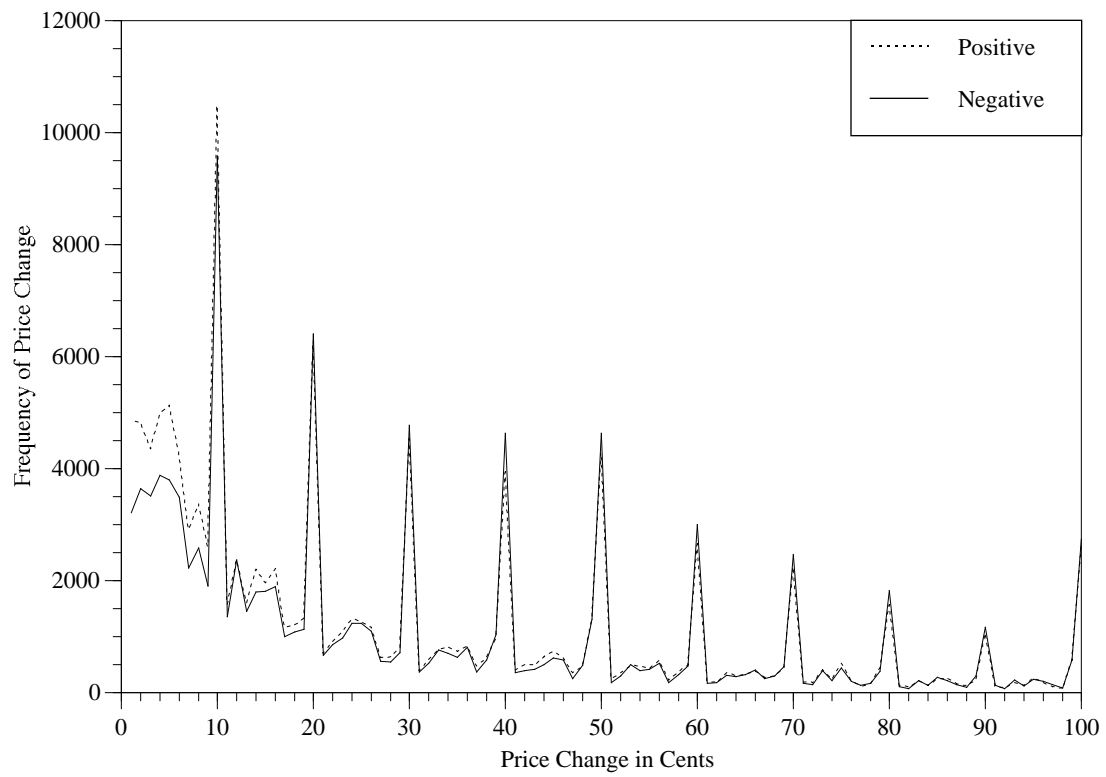


Figure R2. Average Frequency of Positive and Negative Price Changes  
All 29 Categories, Deflation Period

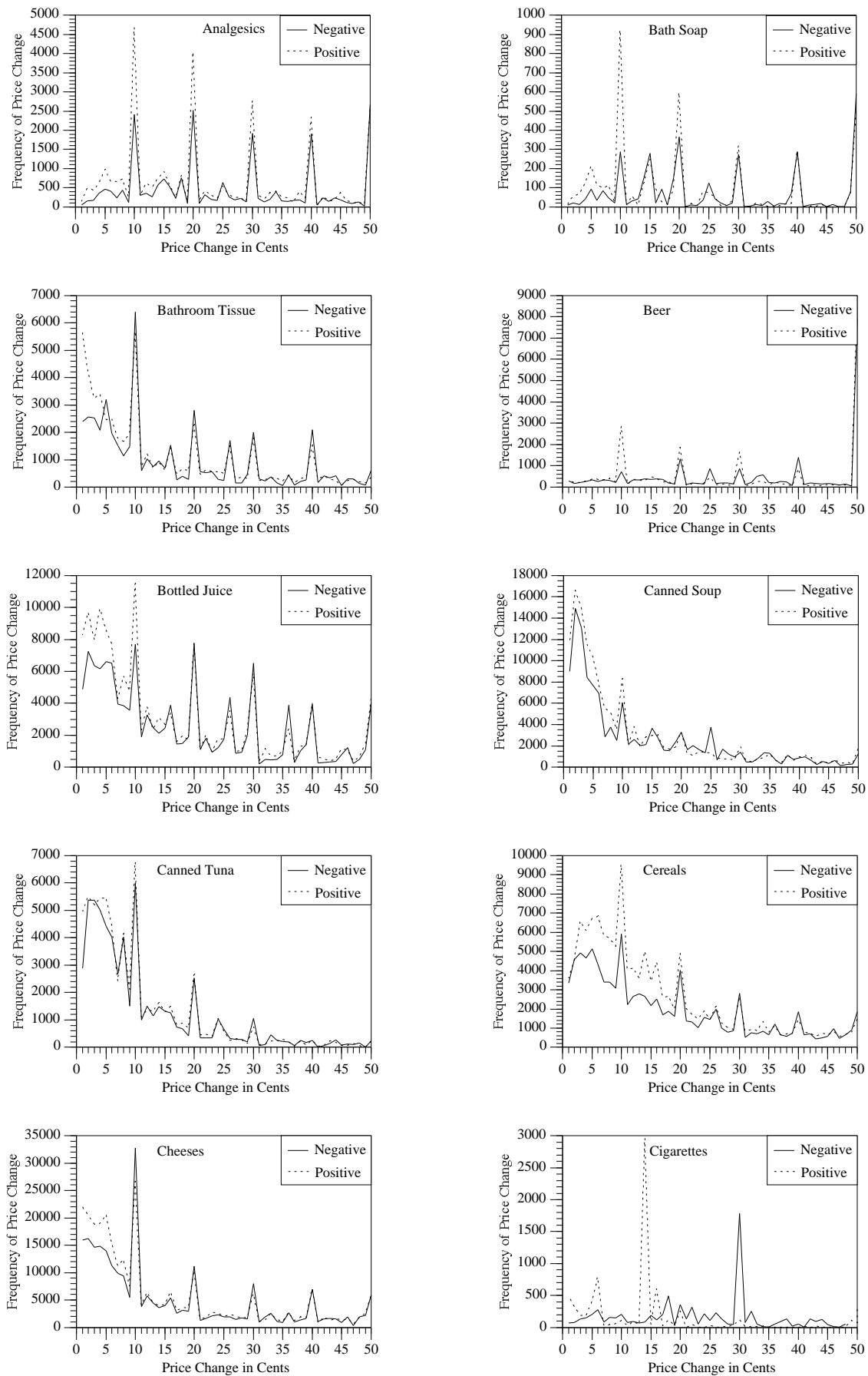


Figure R2.1a. Frequency of Positive and Negative Retail Price Changes in Cents by Category, Deflation Period



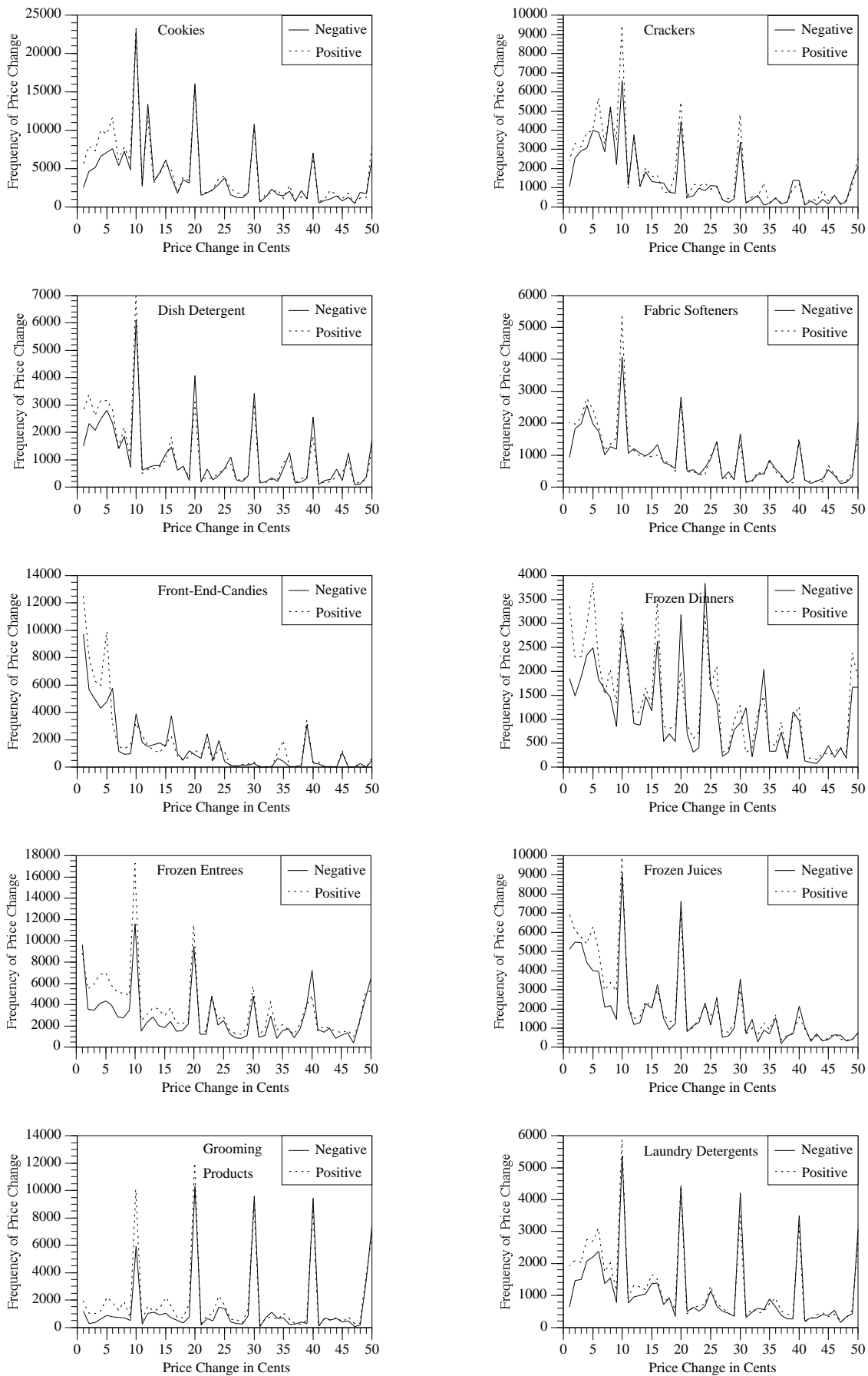


Figure R2.1b. Frequency of Positive and Negative Retail Price Changes in Cents by Category, Deflation Period

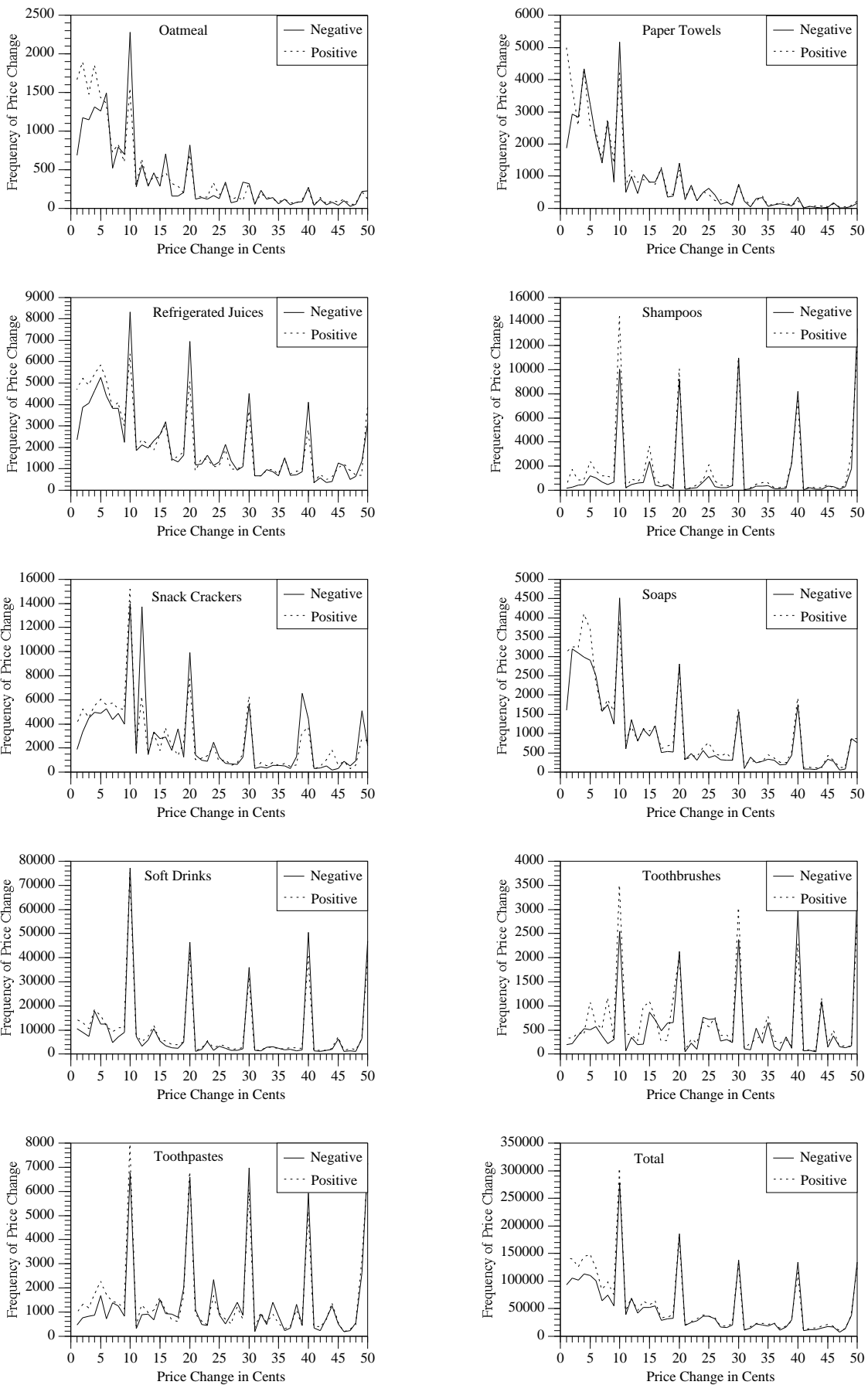


Figure R2.1c. Frequency of Positive and Negative Retail Price Changes in Cents by Category, Deflation Period