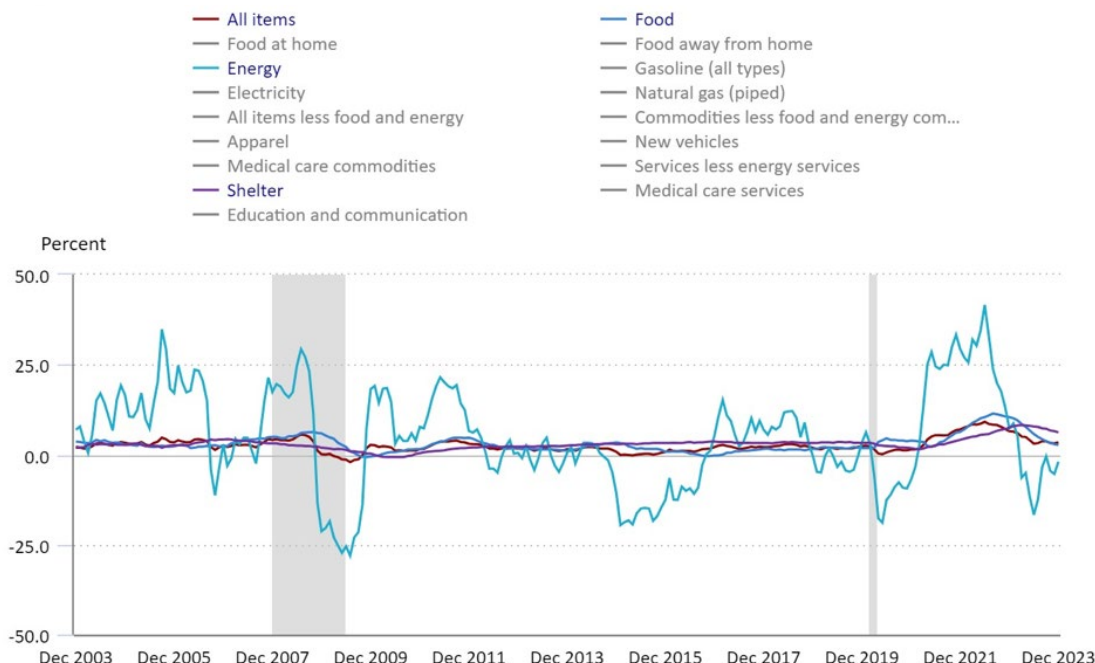


# CONSUMER PRICE INDEX UPDATE

JANUARY 11, 2024

The Consumer Price Index (CPI), which measures changes in prices paid by consumers for goods and services, was released earlier today for the month of December and showed an increase m/m of +0.3% and +3.4% y/y vs. the prior month of +0.1% m/m and +3.1% y/y. After several months of cooling CPI, this release reversed course and increased slightly both m/m and y/y. Inflation readings continue to run above the Fed's 2.0% long-term target. Shelter is one of the largest contributors to CPI, it remained persistent and increased 0.5% m/m and +6.2% y/y. There is typically a 12-month lag as rent contracts are not renegotiated at new rates until the term is completed.

## 12-Month Percentage Change, Consumer Price Index, Selected Categories, Not Seasonally Adjusted



Source: 12-month percentage change, Consumer Price Index, selected categories (bls.gov)

The table below shows m/m percentage changes in CPI indexes including All Items, Food and Energy in addition to the Core CPI, which excludes Food and Energy.

	Percentage month over month change			12 month change
	October	November	December	December 2023
All Items	0.0%	0.1%	0.3%	3.4%
Food	0.3%	0.2%	0.2%	2.7%
Energy	-2.5%	-2.3%	0.4%	-2.0%
All Items ex-Food and Energy	0.2%	0.3%	0.3%	3.9%

Source: Consumer Price Index Summary

One of the two major focuses of the Federal Open Market Committee (FOMC) is price stability, which is running well above the target range of 2%. Per the Federal Reserve's December 13 news release, members reemphasized their commitment to using the tools at their disposal to try and tackle inflation. The FOMC's next decision regarding fed fund rates will be announced on January 30th. The CPI summary for January is scheduled for release on February 13.

## CONSUMER PRICE INDEX UPDATE

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