CONSUMER PRICE INDEX UPDATE

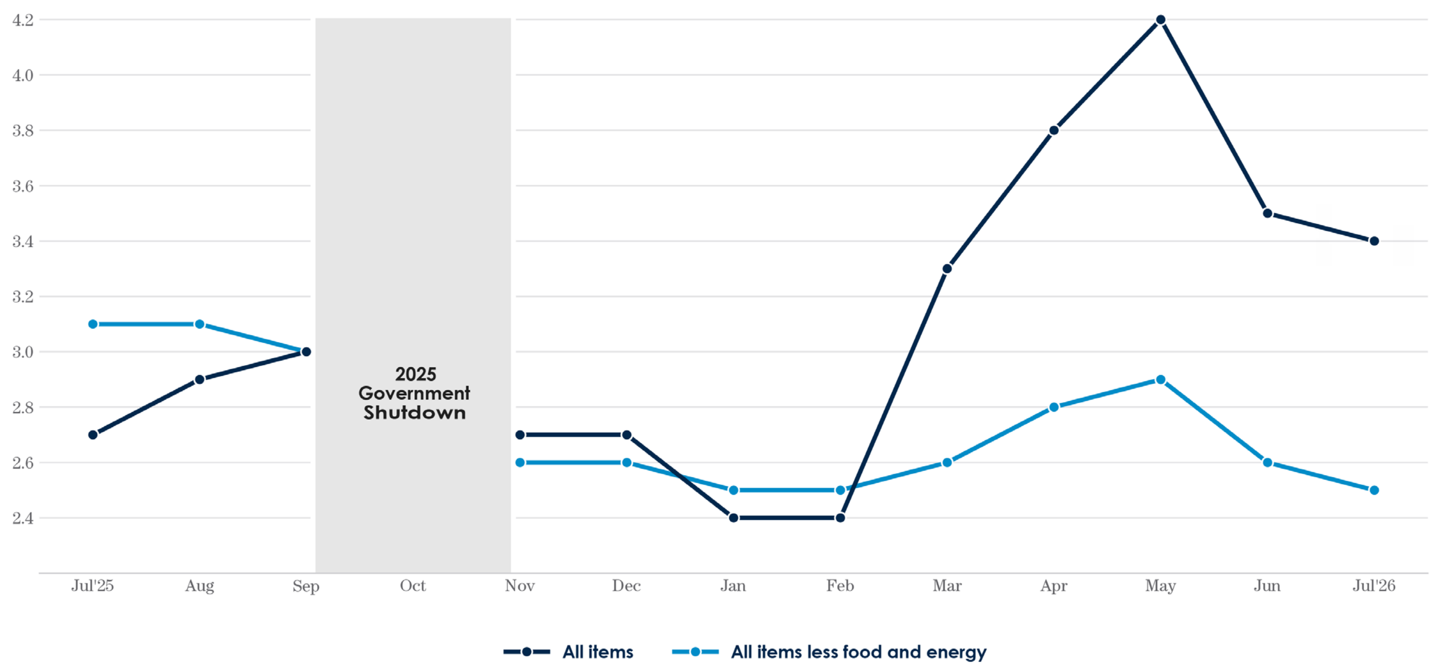
AUGUST 12, 2026

July CPI Rose 3.4% Year Over Year

The July Consumer Price Index (CPI), a key measure of inflation that tracks changes in prices across a broad basket of goods and services, was released today. The report showed prices increased 0.1% from June to July and increased 3.4% year over year. The month-over-month data was in line with estimates and the yearly change came in lower than June's 3.5%.

Shelter costs, historically one of the most persistent components of CPI, increased 0.1% in July. Core CPI, which excludes food and energy from its calculation, rose 0.2% after being unchanged in June, and increased 2.5% YoY. The indexes that contributed to this increase were medical care, airline fares, communication, education, and recreation. Energy prices, which helped contain CPI for July, fell 1.5% month over month, with gasoline falling 2.9% over the same period.

12-month percentage change in CPI for All Urban Consumers (CPI-U), not seasonally adjusted, July. 2025 - July 2026



CPI Home: U.S. Bureau of Labor Statistics (bls.gov)

The table below shows m/m percentage changes in CPI indexes which include Core CPI, Food and Energy (Core CPI excludes Food and Energy).

	Percent change month over month			12 month change
	May	June	July	July 2026
All Items	0.50%	-0.40%	0.10%	3.40%
Food	0.20%	0.20%	0.10%	3.00%
Energy	3.90%	- 5.70%	- 1.50%	14.70%
All Items ex-Food and Energy	0.20%	0.00%	0.20%	2.50%

Source: Consumer Price Index Summary (bls.gov)

Fed Focus: Inflation Significantly Above Target

One of the two primary mandates of the Federal Open Market Committee (FOMC) is price stability, with inflation still running significantly above its long-term 2% target but ticking downward. Although the Fed views the volatile energy prices as a short-term shock, the Committee has reiterated that it will use all available policy tools to bring inflation back toward that objective.

Next Fed Decision

The next Fed meeting is scheduled for September 15-16. The FOMC will be closely monitoring any developments in inflation and labor data, while looking to new Fed Chair Kevin Warsh for direction on how to maneuver the second half of 2026.

8-12-2026