

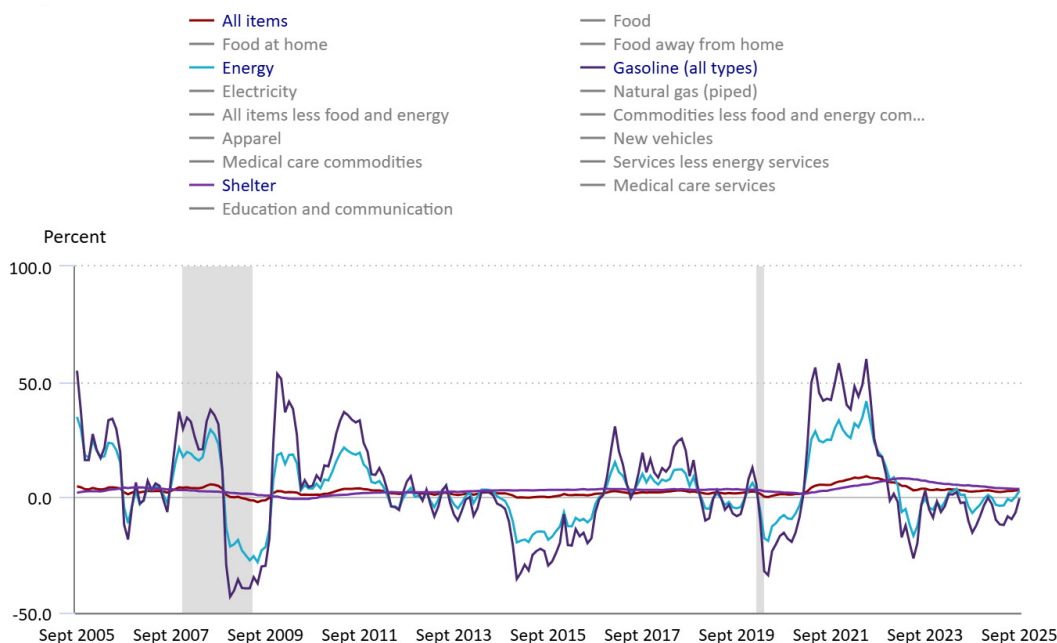
### September CPI Report: Inflation Edges Slightly Lower, Spotlight Turns to October Fed Meeting

The Consumer Price Index (CPI), a key inflation gauge measuring the average change in prices paid by consumers for a wide range of goods and services, was released for September 2025, offering further insight into the evolving inflation picture.

CPI rose 0.3% month-over-month (m/m) and 3.0% year-over-year (y/y) which was a decrease from August’s 0.4% m/m increase. While the annual pace ticked slightly above the prior month’s 2.9% reading, it came in below expectations. Despite remaining elevated, the figures correspond with the broader pattern of steady moderation seen throughout the year.

Shelter costs, the most persistent component of CPI, rose 0.2% m/m, remaining a primary driver of headline inflation. The gasoline index rose 4.1% m/m and -0.5% y/y, representing a significant contributor to the overall monthly increase. The monthly increase in gasoline could place renewed pressure on consumer budgets as the holiday season approaches.

12-month percentage change, Consumer Price Index, selected categories, not seasonally adjusted



[CPI Home: U.S. Bureau of Labor Statistics \(bls.gov\)](https://www.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).

|                              | Percentage change month over month |        |           | 12 month change |
|------------------------------|------------------------------------|--------|-----------|-----------------|
|                              | July                               | August | September | September 2025  |
| All Items                    | 0.20%                              | 0.40%  | 0.30%     | 3.00%           |
| Food                         | 0.00%                              | 0.50%  | 0.20%     | 3.10%           |
| Energy                       | -1.10%                             | 0.70%  | 1.50%     | 2.80%           |
| All Items ex-Food and Energy | 0.30%                              | 0.30%  | 0.20%     | 3.00%           |

[Source: Consumer Price Index Summary \(bls.gov\)](https://www.bls.gov)

## CONSUMER PRICE INDEX UPDATE

OCTOBER 24, 2025

**Fed Focus: Inflation Still Above Target**

With price stability as one of its dual mandates, the Federal Open Market Committee (FOMC) continues to monitor inflation closely. Despite recent progress and a twenty-five basis-point cut in September, inflation remains above the Fed's 2% long-term target. In its September policy statement, the Fed reiterated its commitment to returning inflation to target and emphasized its goal of maximum employment and stable prices across a broad range of economic conditions for the benefit and well-being of all Americans.

**Market Outlook: Probabilities Tilt Toward Rate Cut**

Market expectations for monetary policy have shifted significantly following recent data. According to CME FedWatch, markets are now pricing in around a 96% probability of a 25-basis-point cut at both the upcoming October meeting and again at the December meeting. With inflation showing limited upward pressure, as the impact of tariffs has so far proven overstated, and labor market conditions continuing to moderate, the trajectory for interest rates appears to be lower.

The next FOMC interest rate decision is scheduled for October 28-29. The October CPI report will be released on November 13.

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**Additional information is available upon request. Please contact your Financial Consultant with any questions.**

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