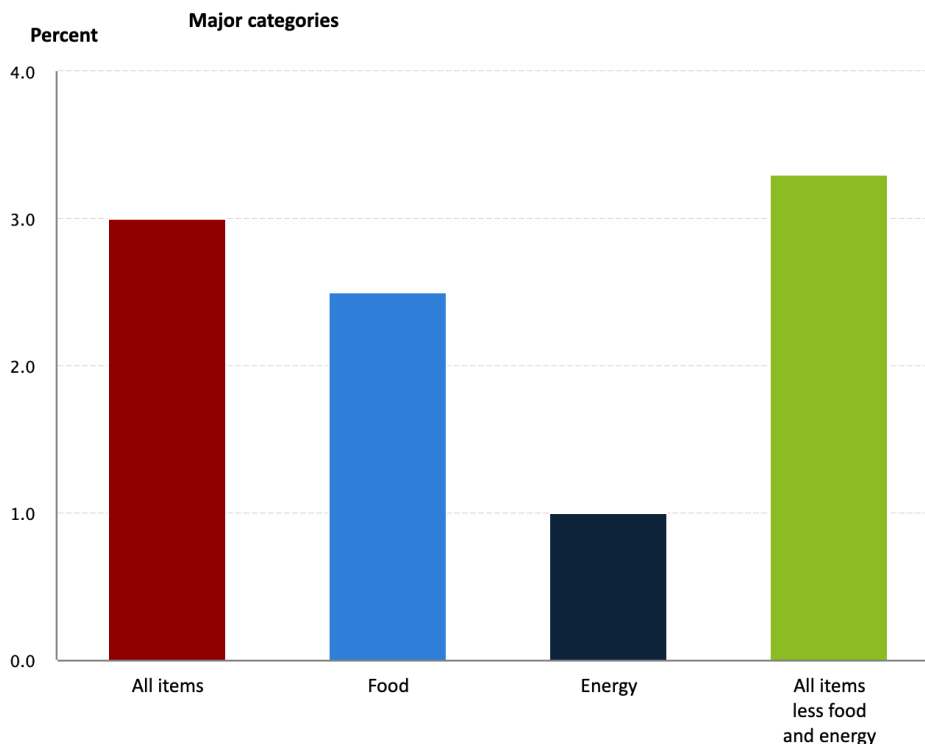


CONSUMER PRICE INDEX UPDATE

FEBRUARY 12, 2025

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 January and showed an increase of 0.5% m/m and +3.0% y/y. This came in above economists' expectations of 0.3% m/m and marked the third consecutive month of 0.1% increases. Shelter continues to be the main driver behind swings in CPI. Shelter was +0.4% m/m in January and accounted for 30% of the increase.

12-month percentage change, Consumer Price Index, selected categories, January 2025, 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
	Nov 2024	Dec 2024	Jan 2025	Jan 2025
All Items	0.30%	0.40%	0.50%	3.00%
Food	0.40%	0.30%	0.40%	2.50%
Energy	0.20%	2.60%	1.10%	1.00%
All Items ex-Food and Energy	0.30%	0.20%	0.40%	3.30%

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

CONSUMER PRICE INDEX UPDATE

FEBRUARY 12, 2025

One of the two major focuses of the Federal Open Market Committee (FOMC) is price stability, which is still running above the target range of 2%. Per the Federal Reserve's January 29th release, members reemphasized their commitment to using the tools at their disposal to try and return inflation to the target. The FOMC's next decision regarding fed fund rates will be announced on March 18-19, 2025. The CPI summary for February is scheduled to be released on March 12, 2025.

The FOMC laid out their expectations for 2025 back in December via their Summary of Economic Projections (SEP). The SEP showed two cuts to the Federal Funds Rate in both 2025 and 2026. Current market odds place the chance of only one rate cut happening in the fourth quarter of 2025. The Fed is in a spot where rates are going to remain higher for longer as inflation remains persistent and the economy remains stable.

The information in this CPI Update has been prepared solely for informative purposes and is not a solicitation, or an offer, to buy, sell or hold any security or a recommendation of the services supplied by any money management organization. It does not purport to be a complete description of the securities, markets or developments referred to in the report. We believe the sources to be reliable, however, the accuracy and completeness of the information is not guaranteed. We, or our officers and directors, may from time to time have a long or short position in the securities mentioned and may sell or buy such securities.

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The indexes referenced in the charts presented are unmanaged and do not reflect any transaction costs or management fees. They were chosen to give you a basis of comparison for market segment performance. Actual investment alternatives may invest in some instruments not eligible for inclusion in such an index or model and may be prohibited from investing in some instruments included in such an index or model.

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

1-15-2025