CONSUMER PRICE INDEX UPDATE

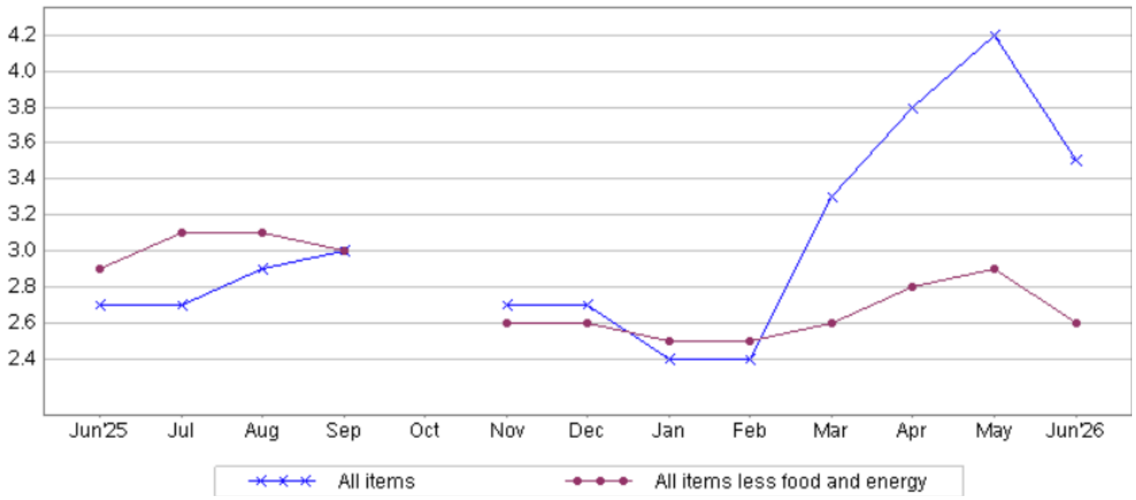
JULY 14, 2026

June CPI Rose 3.5% Year Over Year

The June 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 decreased 0.4% from May to June and increased 3.5% year over year. The month over month data was slightly better than estimates and the yearly change came in lower than May's 4.2%.

Shelter costs, historically one of the most persistent components of CPI, increased 0.1% in June. Energy prices, which contributed the most to the decrease, fell 5.7% month over month, with gasoline falling 9.7% over the same period. Both numbers represent a continuation of energy prices driving overall CPI. Core CPI, which excludes food and energy from its calculation, was unchanged from May to June, when compared to the previous period.

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



*The Oct 2025 data values were not released by BLS due to the 2025 government shutdown.

[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
	April	May	June	June 2026
All Items	0.60%	0.50%	- 0.40%	3.50%
Food	0.50%	0.20%	0.20%	3.00%
Energy	3.80%	3.90%	- 5.70%	15.70%
All Items ex-Food and Energy	0.40%	0.20%	0.00%	2.60%

[Source: Consumer Price Index Summary (bls.gov)]

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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. 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. With job data hinting at a stable labor market, the FOMC might look towards policy favoring inflation control.

Next Fed Decision

The next Fed meeting is scheduled for July 28-29. 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.

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