

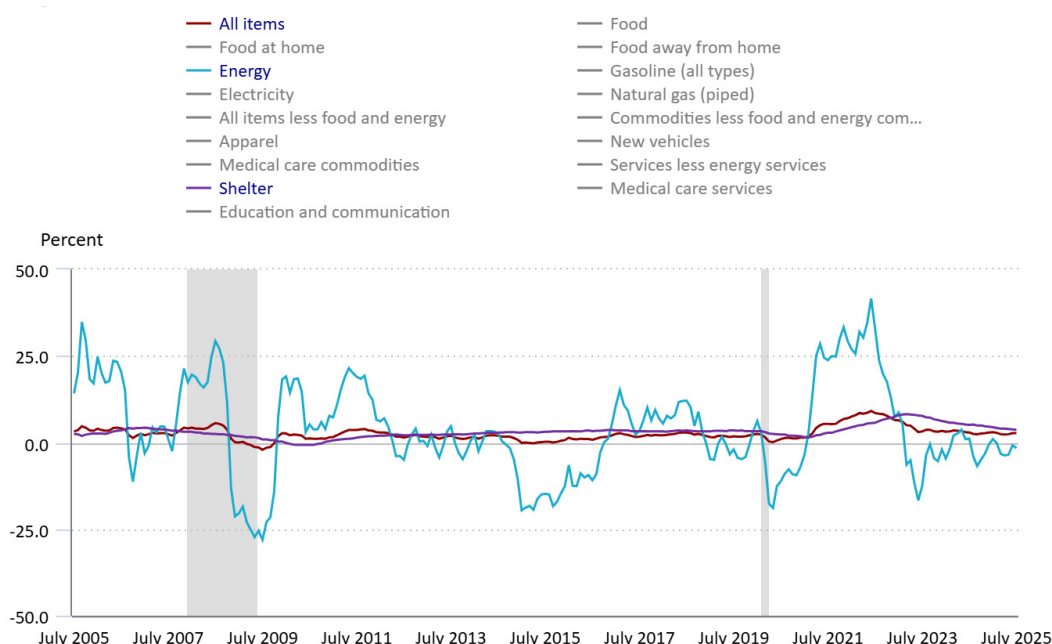
### July CPI Report: Inflation Eases Slightly as Markets Eye September Fed Meeting

The Consumer Price Index (CPI), a widely followed measure of inflation reflecting the average change in prices paid by consumers for a broad basket of goods and services, was released earlier this morning for the month of July.

CPI rose 0.2% month-over-month (m/m) and 2.7% year-over-year (y/y), consistent with June’s annual pace but slightly cooler than the prior month’s 0.3% m/m increase.

A key contributor to the monthly increase was shelter costs, which make up more than one-third of the CPI calculation. Shelter rose 0.2% m/m, continuing to exert upward pressure on overall inflation. In contrast, energy prices fell 1.1% m/m, led by a 2.2% decline in gasoline, offering modest relief to consumers at the pump.

12-month percentage change, Consumer Price Index, selected categories, July 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 |
|------------------------------|------------------------------------|-------|--------|-----------------|
|                              | May                                | June  | July   | July 2025       |
| All Items                    | 0.10%                              | 0.30% | 0.20%  | 2.70%           |
| Food                         | 0.30%                              | 0.30% | 0.00%  | 2.90%           |
| Energy                       | -1.00%                             | 0.90% | -1.10% | -1.60%          |
| All Items ex-Food and Energy | 0.10%                              | 0.20% | 0.30%  | 3.10%           |

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

## CONSUMER PRICE INDEX UPDATE

AUGUST 12, 2025

**Fed Focus: Inflation Still Above Target**

Price stability remains one of the Federal Open Market Committee's (FOMC) primary mandates, and inflation continues to run above the Fed's long-term 2% target. In its July 30th statement, the Federal Reserve reaffirmed its commitment to using all available tools to guide inflation back to target levels.

Looking ahead, the next FOMC interest rate decision is scheduled for September 16-17, 2025, with the August CPI report due on September 11.

**Market Outlook: Rate Cut Expectations Rise**

Recent economic data, including this CPI release and softer non-farm payroll numbers, has increased market expectations for a potential rate cut at the Fed's September meeting. According to CME FedWatch, the probability of a cut has now climbed to over 90%.

With inflation showing signs of moderation and economic momentum slowing, attention now turns to Chair Powell and the FOMC as they weigh their next policy move.

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.

Data displayed on this site or printed in such reports may be provided by third party providers.

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.

This document is intended only for the addressee and may not be reproduced or redistributed. If the reader is not the intended recipient, you are notified that any disclosure, distribution or copying is prohibited.

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

1-15-2025