# CONSUMER PRICE INDEX UPDATE

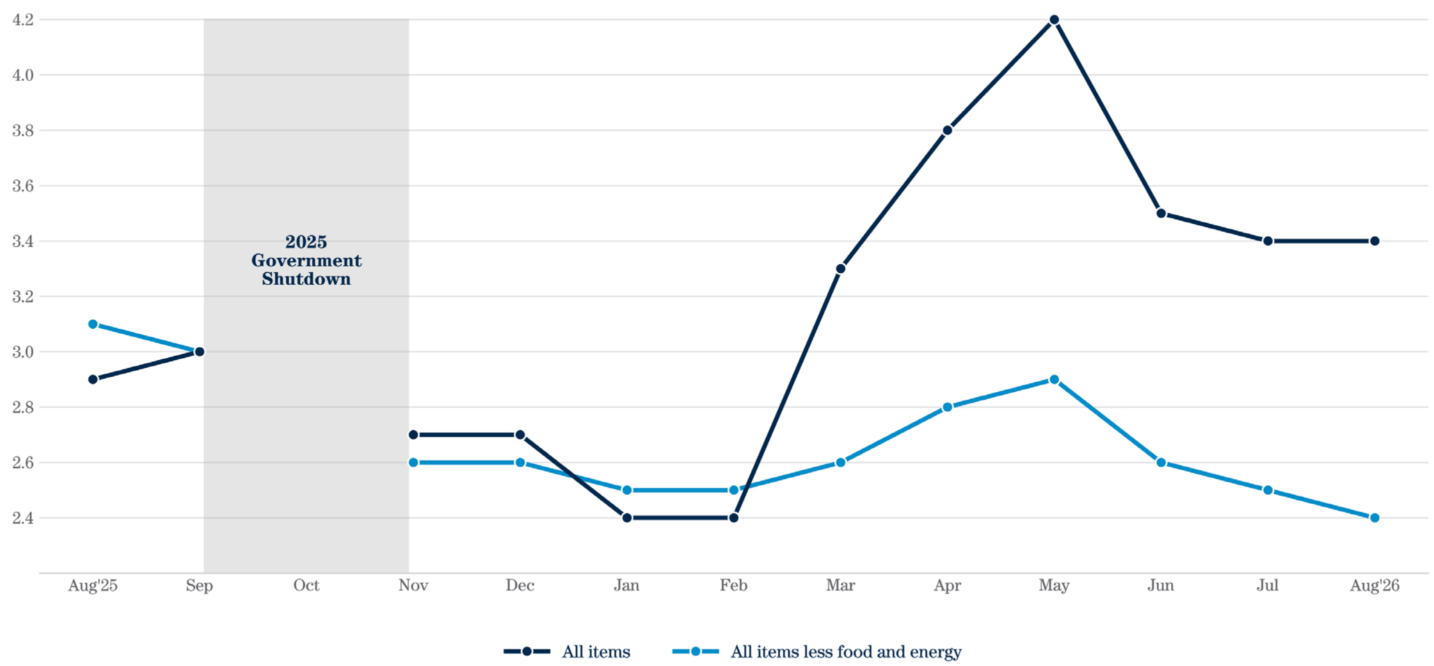
SEPTEMBER 11, 2026

## August CPI Rose 3.4% Year Over Year

The August 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 0.4% from July to August and increased 3.4% year over year. The month over month data came in hotter than estimates and the yearly change remained the same as July's 3.4%.

Shelter costs, historically one of the most persistent components of CPI, increased 0.3% in August. The index for gasoline, which rose 3.9% in August, accounted for over one third of the monthly all items increase. Other indexes that contributed to this increase were communication, lodging away from home, airline fares, education, and used cars and trucks. Indexes for medical care and vehicle insurance were the major indexes that decreased in August. Core CPI, which excludes more volatile food and energy from its calculation, rose 0.3% after increasing 0.2% in July, and increased 2.4% YoY.

12-month percentage change in CPI for All Urban Consumers (CPI-U), not seasonally adjusted, Aug. 2025 - Aug. 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 |
|---|---|---|---|---|
| | June | July | August | August 2026 |
| All Items | -0.40% | 0.10% | 0.40% | 3.40% |
| Food | 0.20% | 0.10% | 0.10% | 2.70% |
| Energy | -5.70% | -1.50% | 2.10% | 16.30% |
| All Items ex-Food and Energy | 0.00% | 0.20% | 0.30% | 2.40% |

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. Today's CPI release, combined with last week's strong jobs report, has significantly increased expectations of a rate hike at this meeting.



9-11-2026