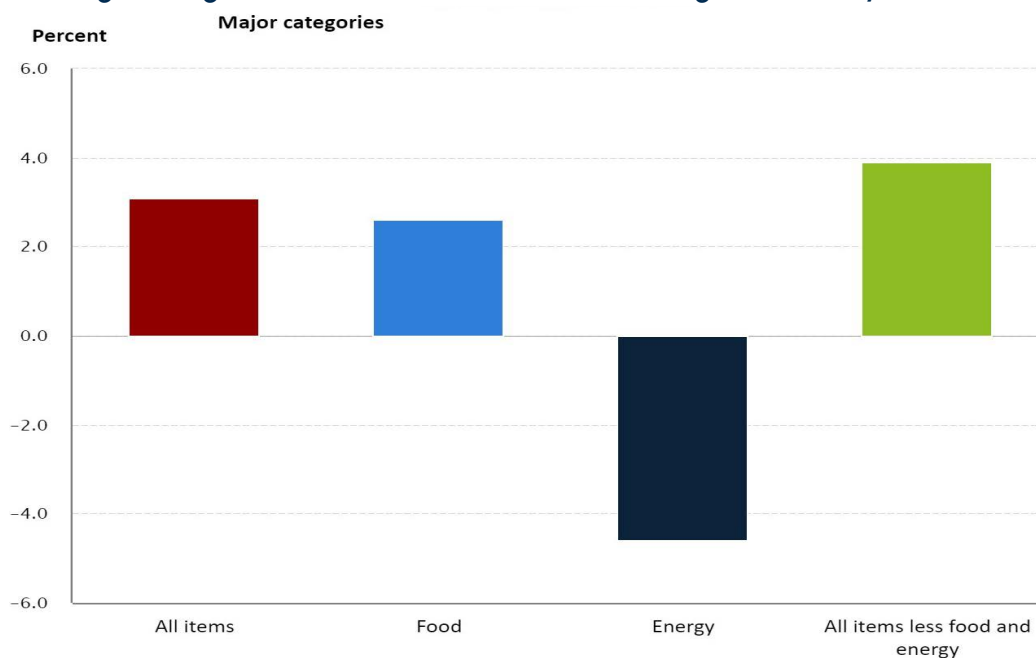


CONSUMER PRICE INDEX UPDATE

FEBRUARY 13, 2024

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 m/m of +0.3% and +3.1% y/y vs. the prior month of +0.2% m/m and +3.4 y/y. Despite cooling y/y from the prior month, inflation readings continue to run above the Fed's 2.0% long-term target. Shelter is one of the largest contributors to CPI and it remains persistent. The increase was 0.6% m/m and +6.0% y/y. Shelter accounted for over 2/3rds of the monthly increase in CPI for January. There is typically a 12 month lag as rent contracts are not renegotiated at new rates until the term is completed.

12-Month Percentage Change, Consumer Price Index, Selected Categories, January 2024, Not Seasonally Adjusted



Source: [12-month percentage change, Consumer Price Index, selected categories \(bls.gov\)](https://www.bls.gov)

The table below shows m/m percentage changes in CPI indexes including All Items, Food, Energy in addition to the Core CPI, which excludes Food and Energy.

| | Percentage month over month change | | | 12 month change |
|------------------------------|------------------------------------|----------|---------|-----------------|
| | November | December | January | January 2024 |
| All Items | 0.20% | 0.20% | 0.30% | 3.10% |
| Food | 0.20% | 0.20% | 0.40% | 2.60% |
| Energy | -1.60% | -0.20% | -0.90% | -4.60% |
| All Items ex-Food and Energy | 0.30% | 0.30% | 0.40% | 3.90% |

Source: [Consumer Price Index Summary](#)

One of the two major focuses of the Federal Open Market Committee (FOMC) is price stability, which is running well above the target range of 2%. Per the Federal Reserve's January news release, members reemphasized their commitment to using the tools at their disposal to try and tackle inflation. The FOMC's next decision regarding fed fund rates will be announced on March 20. The CPI summary for February is scheduled for release on March 12.

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