

## CPI Climbs, but Even Higher Prices Still Ahead

The headline consumer price index (CPI) rose +0.8% in February and +7.9% year-over-year, *yet another 40-year high*. Major contributors to the headline gain last month were gasoline prices (+6.6%), food at home (+1.4%) and rent of shelter (+0.6%). All three of these categories are expected to rise further, suggesting overall CPI is almost certain to climb well above +8.0% in March. Other notable increases last month included airfare (+5.2%) and lodging (+2.2%), both highlighting the sharp decline in COVID cases and a corresponding increase in travel. On a positive note, new car and truck prices rose by just +0.3% in February, while used vehicle prices actually declined by -0.2% and are now up by “just” +41.2% year-over-year.

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