

## Unexpected Warming of Core Inflation Reduces Possibility of Larger Cut

Lower energy prices restrained the overall consumer price index (CPI) in August, but the more important core CPI came in *warmer than expected*, further reducing the slim possibility of a 50 basis point cut at next week's Fed meeting. Headline consumer prices rose by +0.2% for the second straight month, according to BLS data, exactly matching expectations. Energy prices were -0.8% lower in August and -4.0% over the past year. Overall food prices rose by just +0.1%, with the food at home (groceries) component *unchanged* and food away from home (restaurants) up +0.3%.

*Scott McIntyre*

[Read the full article](#)

[Read more Economic Commentary](#)