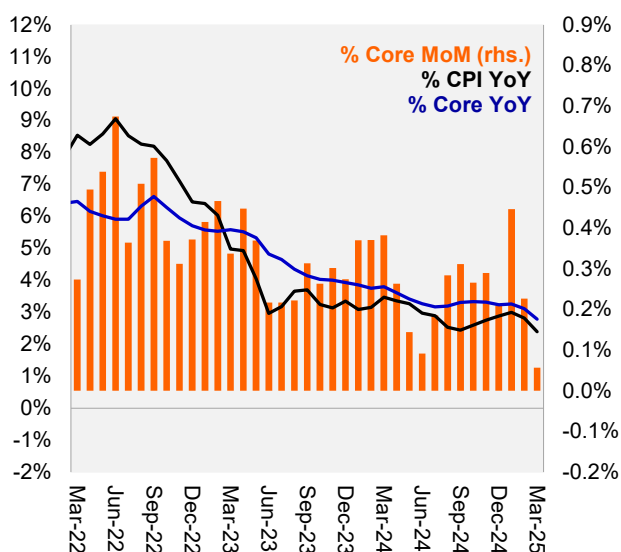


April 10, 2025

## US: Core CPI below expectations in March

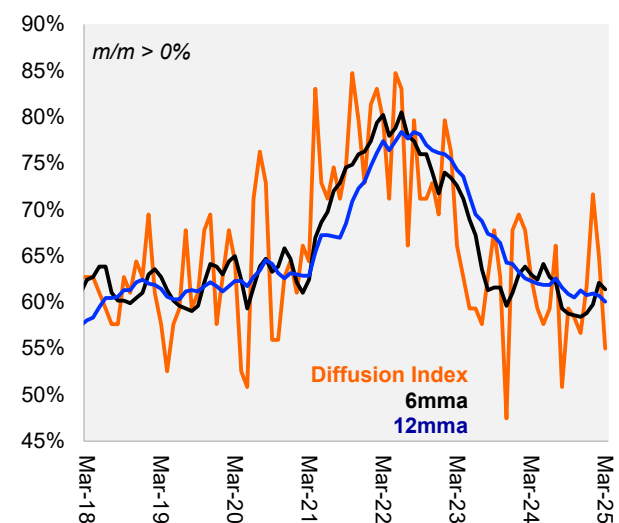
- ▶ US Core CPI came in at 0.06%, below our expectation (0.25%) and market consensus of 0.3%. In 12 months, Core CPI decreased to 2.8% from 3.1%. Moreover, the headline CPI came in at -0.05%, below our expectations of 0.08% m/m and market consensus of 0.1%. CPI decreased to 2.4% in annual terms (from 2.8%).
- ▶ Breakdown (see table below): Core Goods decreased, driven by Core Goods ex-Cars, and Used cars fell as we expected. Core Services also decreased compared to the previous month, driven by large decline in Lodging Away, Airfares and Other Transportation Services like Car rental and Insurance. Additionally, *Supercore* was down to -0.24% (from 0.22%), also driven lower by the volatile items cited above. Our diffusion index fell to 55% (from 65%).
- ▶ **Our view:** This is a lower-than-expected print and indicates a Core PCE around 0.10%, a good inflation print prior to upside shocks ahead due to tariffs.

Core CPI 0.06% m/m, 2.8% y/y in December



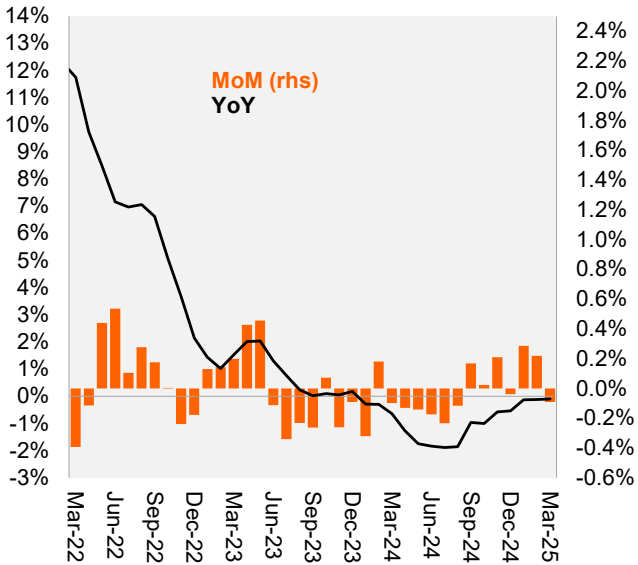
Source: BLS, Itaú

Itaú Diffusion Index down to 55% (from 65%)



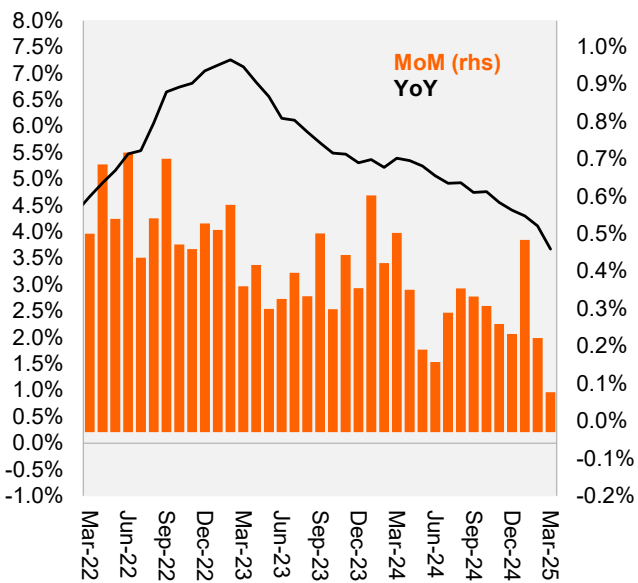
Source: BLS, Itaú

CPI Core Goods



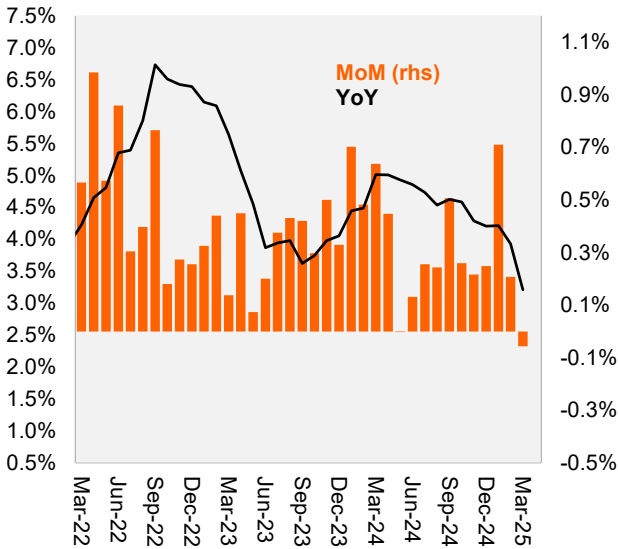
Source: BLS, Itaú

CPI Core Services



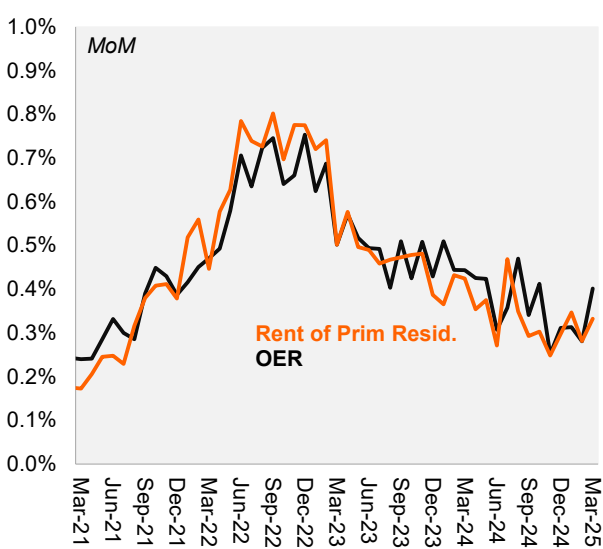
Source: BLS, Itaú

Core Services ex-Shelter



Source: BLS, Itaú

Shelter



Source: BLS, Itaú

Component	Weight %	% MoM						% YoY		
		Dec-24	Jan-25	Feb-25	Mar-25	Forecast	Surp (bps)	Jan-25	Feb-25	Mar-25
<b>CPI</b>	<b>100.0</b>	<b>0.36%</b>	<b>0.47%</b>	<b>0.22%</b>	<b>-0.05%</b>	<b>0.08%</b>	<b>-13</b>	<b>3.0%</b>	<b>2.8%</b>	<b>2.4%</b>
Food	13.7	0.3%	0.4%	0.2%	0.4%	0.3%	2	2.5%	2.6%	3.0%
Energy	6.3	2.4%	1.1%	0.2%	-2.4%	-2.4%	0	1.0%	-0.2%	-3.3%
<b>CPI ex-food&amp;energy</b>	<b>80.0</b>	<b>0.21%</b>	<b>0.45%</b>	<b>0.23%</b>	<b>0.06%</b>	<b>0.25%</b>	<b>-15</b>	<b>3.3%</b>	<b>3.1%</b>	<b>2.8%</b>
<b>Core Goods</b>	<b>19.4</b>	<b>0.0%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>-0.1%</b>	<b>0.1%</b>	<b>-3</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>-0.1%</b>
New Vehicles	4.4	0.4%	0.0%	-0.1%	0.1%	0.2%	0	-0.3%	-0.3%	0.0%
Used Vehicles	2.4	0.8%	2.2%	0.9%	-0.7%	-0.7%	0	1.0%	0.8%	0.6%
Core Goods ex-Cars	12.6	-0.33%	0.01%	0.20%	-0.04%	0.19%	-3	-0.3%	-0.2%	-0.2%
<b>Core Services</b>	<b>60.6</b>	<b>0.3%</b>	<b>0.5%</b>	<b>0.3%</b>	<b>0.11%</b>	<b>0.30%</b>	<b>-12</b>	<b>4.3%</b>	<b>4.1%</b>	<b>3.7%</b>
Shelter	35.4	0.3%	0.4%	0.3%	0.2%	0.3%	-2	4.4%	4.2%	4.0%
OER	26.2	0.31%	0.31%	0.28%	0.40%	0.30%	3	4.6%	4.4%	4.4%
Rent of primary res	7.5	0.30%	0.35%	0.28%	0.33%	0.29%	0	4.2%	4.1%	4.0%
Lodging Away	1.4	-0.5%	1.4%	0.2%	-3.5%	0.0%	-5	2.2%	2.0%	-2.5%
Health Care	6.7	0.2%	0.0%	0.3%	0.5%	0.34%	1	2.7%	3.0%	3.0%
Transportation svcs	6.3	0.5%	1.8%	-0.8%	-1.4%	0.3%	-11	8.0%	6.0%	3.1%
Airline Fare	0.9	3.0%	1.2%	-4.0%	-5.3%	0.0%	-5	7.1%	-0.7%	-5.2%
Car and Truck Rental	0.1	0.1%	1.7%	-1.3%	-2.7%	1.0%	0	-3.6%	-7.1%	-8.7%
Other Transp Svc	5.3	0.0%	1.9%	-0.3%	-0.7%	0.3%	-6	8.8%	7.5%	4.8%
Other Core Services	12.2	0.19%	0.50%	0.68%	0.33%	0.32%	0	2.9%	3.3%	3.3%
<b>Alternative Cores</b>										
Core Services ex-OER&RPR (Powell Supercore)	27.0	0.21%	0.76%	0.22%	-0.24%	0.30%	-15	4.1%	3.8%	2.9%
Core Services ex-Shelter	25.2	0.25%	0.71%	0.21%	-0.06%	0.31%	-9	4.2%	3.9%	3.2%
Core Svcs ex-Shelter & Health	18.5	0.28%	0.96%	0.17%	-0.26%	0.32%	-11	4.8%	4.3%	3.3%

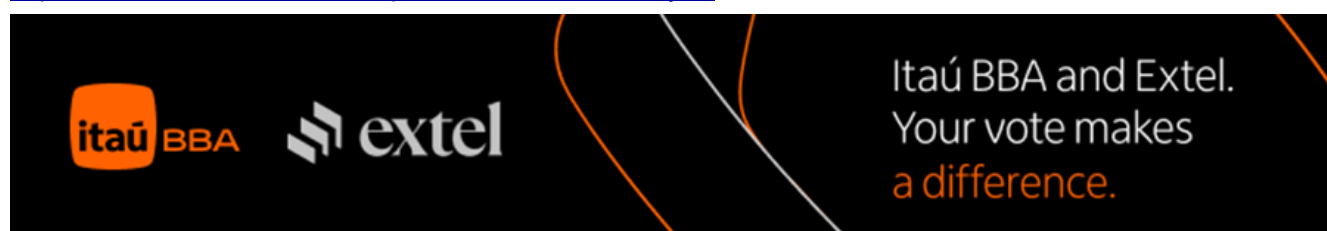
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