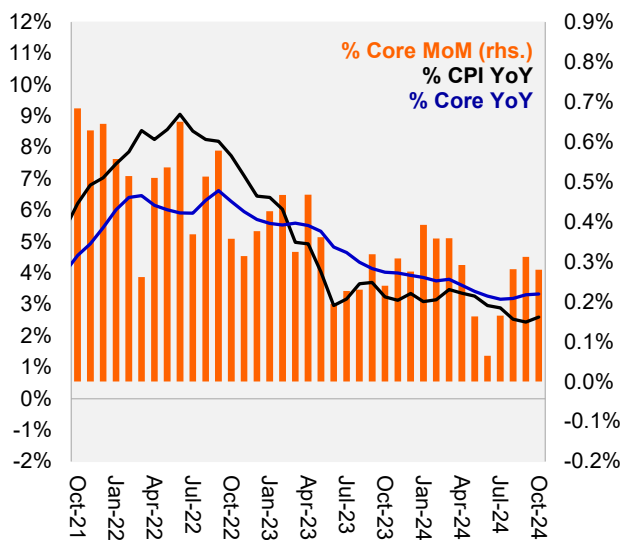


US: Core CPI in line with expected in October

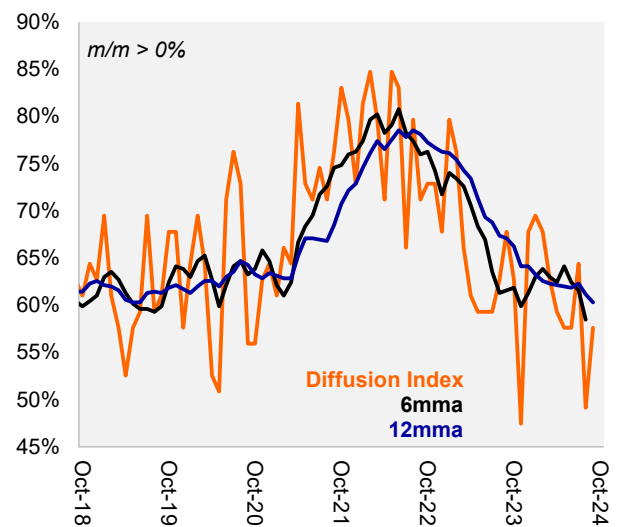
- ▶ US Core CPI came in at 0.28%, near the market consensus of 0.30% and a bit below our expectations of 0.32%. In 12 months, Core CPI was stable at 3.3%. Moreover, the headline CPI came in at 0.24% m/m, near our expectations of 0.23% m/m and the market consensus of 0.20%, increasing to 2.6% in annual terms (from 2.4%).
- ▶ **Breakdown (see table below):** Core Goods decreased compared to the previous month, led by Apparel, despite the increase in Used Vehicles as we expected. Core Services were stable compared to the previous month, despite Shelter surprising a bit to the upside. Additionally, Supercore was down a bit to 0.31% (from 0.40%). Our diffusion index also fell to 56% (from 60%).
- ▶ **Our view:** Core CPI was broadly in line with expectations, with no major surprises. The Supercore being under control is a good indication for the Fed. This number does not alter our outlook that the Fed is likely to continue cutting rates in upcoming meetings.

Core CPI 0.28% m/m, 3.3% y/y in October



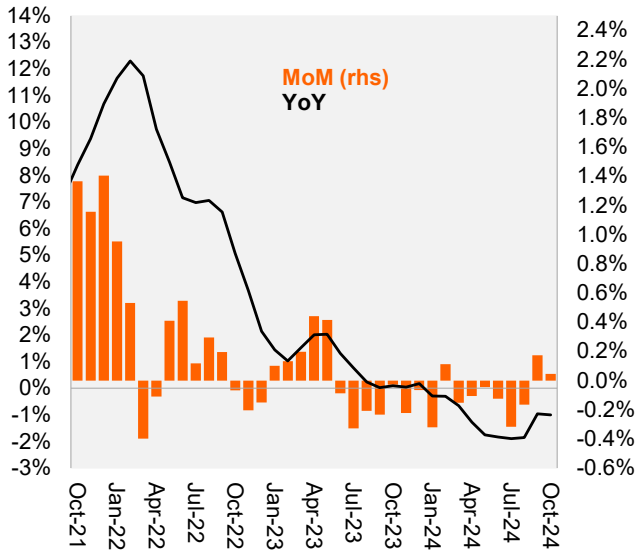
Source: BLS, Itaú

Itaú Diffusion Index down to 56% (from 60%)



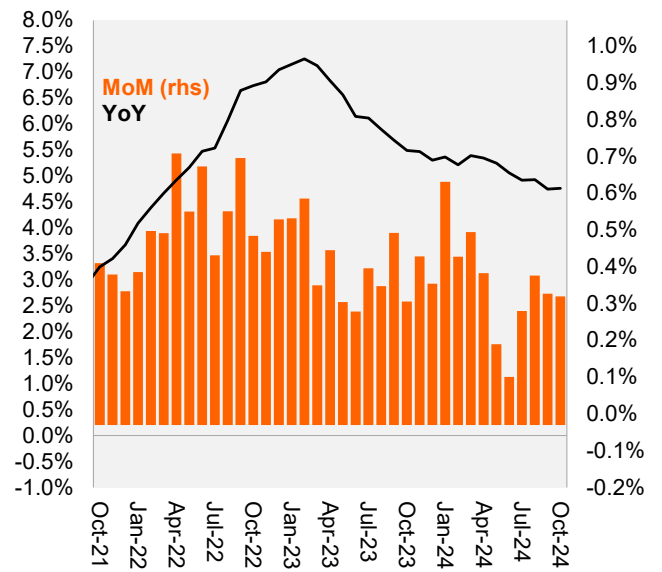
Source: BLS, Itaú

CPI Core Goods



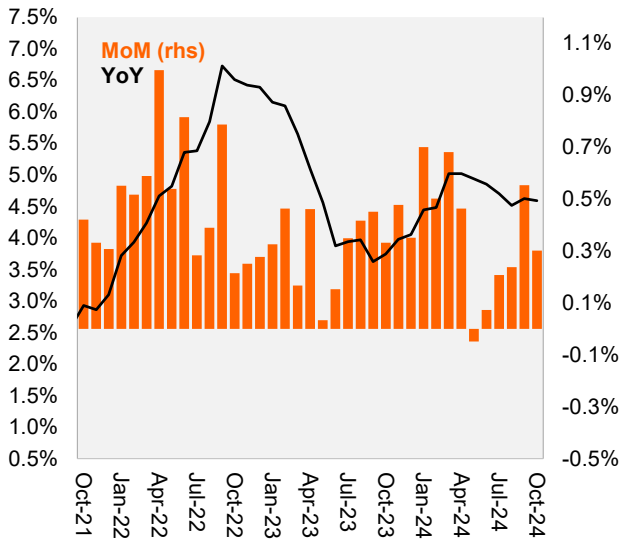
Source: BLS, Itaú

CPI Core Services



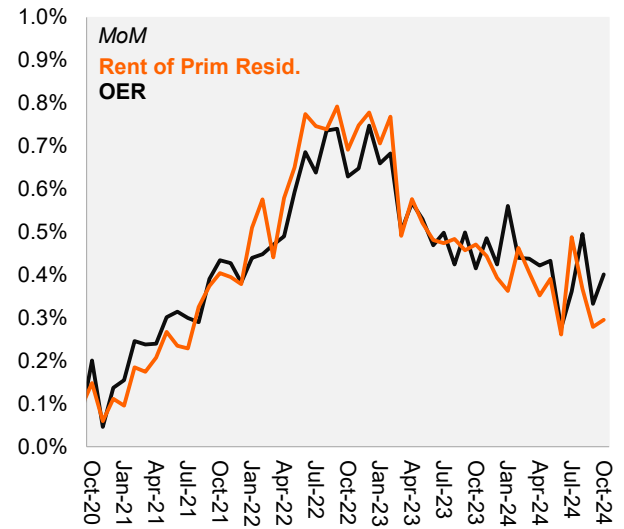
Source: BLS, Itaú

Core Services ex-Shelter



Source: BLS, Itaú

Shelter



Source: BLS, Itaú

Component	Weight %	% MoM						% YoY		
		Jul-24	Aug-24	Sep-24	Oct-24	Forecast	Surp (bps)	Aug-24	Sep-24	Oct-24
CPI	100.0	0.15%	0.19%	0.18%	0.24%	0.23%	2	2.5%	2.4%	2.6%
Food	13.5	0.2%	0.1%	0.4%	0.2%	0.2%	0	2.1%	2.3%	2.1%
Energy	6.5	0.0%	-0.8%	-1.9%	0.0%	-0.7%	4	-4.0%	-6.8%	-4.9%
CPI ex-food&energy	80.0	0.17%	0.28%	0.31%	0.28%	0.32%	-3	3.2%	3.3%	3.3%
Core Goods	18.4	-0.3%	-0.2%	0.2%	0.0%	0.3%	-4	-1.9%	-1.0%	-1.0%
New Vehicles	3.6	-0.2%	0.0%	0.2%	0.0%	-0.1%	0	-1.2%	-1.3%	-1.3%
Used Vehicles	1.9	-2.3%	-1.0%	0.3%	2.7%	2.3%	1	-10.4%	-5.1%	-3.4%
Core Goods ex-Cars	13.0	-0.06%	-0.11%	0.16%	-0.31%	0.10%	-5	-0.8%	-0.3%	-0.6%
Core Services	61.6	0.3%	0.4%	0.4%	0.35%	0.33%	2	4.9%	4.7%	4.8%
Shelter	36.6	0.4%	0.5%	0.2%	0.4%	0.3%	2	5.2%	4.9%	4.9%
OER	27.1	0.36%	0.50%	0.33%	0.40%	0.30%	3	5.4%	5.2%	5.2%
Rent of primary res	7.7	0.49%	0.37%	0.28%	0.30%	0.28%	0	5.0%	4.8%	4.6%
Lodging Away	1.4	0.2%	1.8%	-1.9%	0.4%	1.2%	-1	1.8%	-2.8%	-0.1%
Health Care	6.5	-0.3%	-0.1%	0.7%	0.4%	0.2%	1	3.2%	3.6%	3.8%
Transportation svcs	6.6	0.4%	0.9%	1.4%	0.4%	0.3%	1	7.9%	8.5%	8.2%
Airline Fare	0.8	-1.6%	3.9%	3.2%	3.2%	2.0%	1	-1.3%	1.6%	4.1%
Car and Truck Rental	0.1	0.3%	-1.5%	1.2%	-1.6%	0.0%	0	-8.4%	-6.8%	-7.0%
Other Transp Svc	5.6	0.7%	0.5%	1.1%	0.1%	0.1%	0	9.7%	10.1%	9.1%
Other Core Services	11.9	0.40%	0.06%	0.06%	0.18%	0.38%	-2	3.4%	3.0%	3.1%
Alternative Cores										
Core Services ex-OER&RPR	26.8	0.21%	0.33%	0.40%	0.31%	0.36%	-1	4.5%	4.3%	4.4%
(Powell Supercore)										
Core Services ex-Shelter	25.0	0.21%	0.24%	0.55%	0.30%	0.32%	0	4.5%	4.6%	4.6%
Core Svcs ex-Shelter & Health	18.4	0.40%	0.36%	0.52%	0.27%	0.35%	-1	5.0%	5.0%	4.9%

Bernardo Dutra
Nathan Teixeira

Macro Research – Itaú
Mario Mesquita – Chief Economist

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