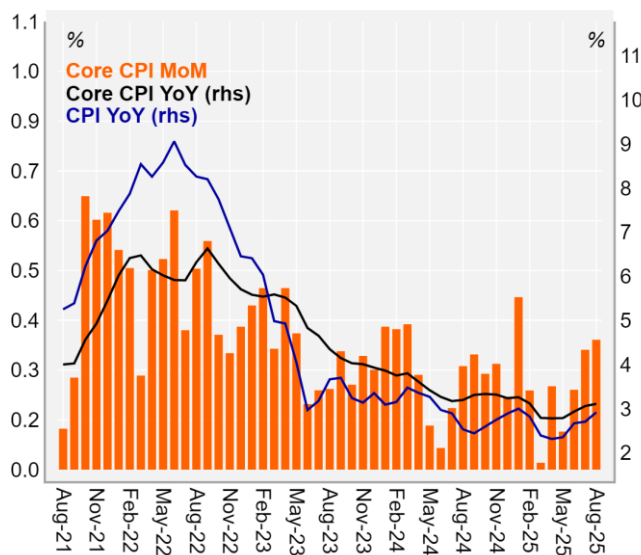


September 11, 2025

## US: Core CPI at 0.35% m/m in August, in line with our forecast

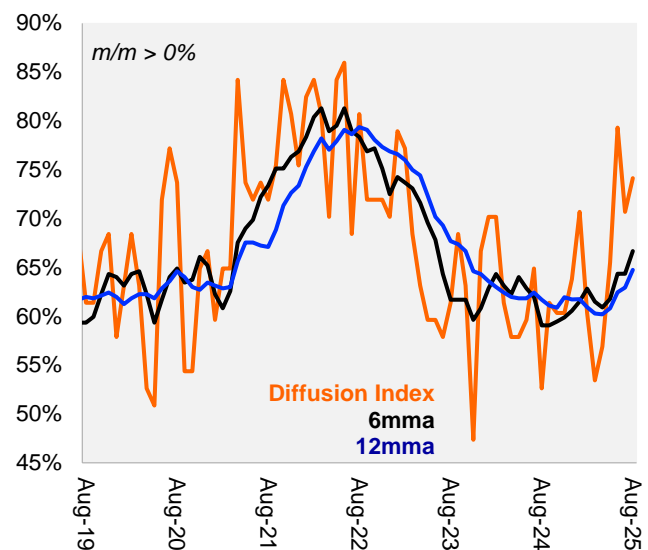
- ▶ US Core CPI came in at 0.35% m/m in August, in line with our call (0.35%) and above the market consensus (0.3%). In 12 months, Core CPI inflation was stable at 3.1%. Headline CPI came in at 0.38% m/m, also in line with our call (0.38%) and above market consensus (0.3%). The headline index rose 2.9% in annual terms, versus 2.7% in the previous month.
- ▶ **Breakdown (see table below):** Core Goods inflation increased a bit compared to the previous month, led by used cars and trucks. Core Services kept the pace, with some downside contributions from medical care services, but stronger Shelter and large increases in Airfares. Additionally, "Supercore" inflation moved down to 0.33% (from 0.48% m/m), as expected, and our diffusion index increased to 74% (from 71%).
- ▶ **Our view:** Both CPI and Core CPI came in strong at a higher pace, but our Core PCE estimate at 0.24% reduces much risk for the Fed and opens space for rate cuts ahead.

Headline and Core CPI



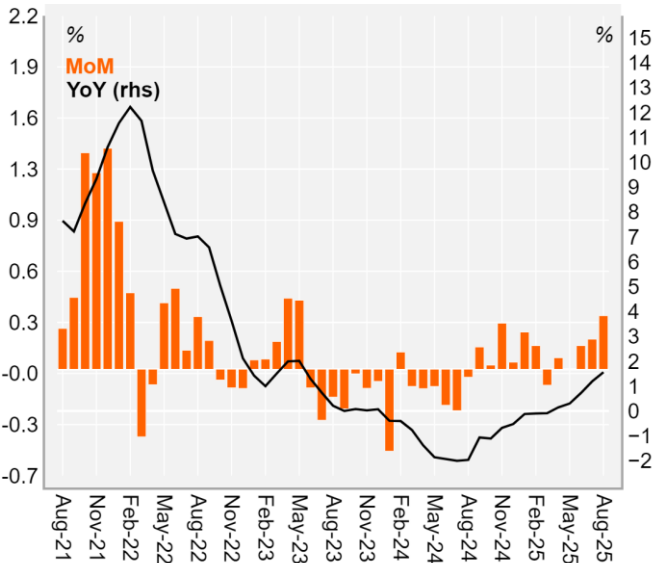
Source: BLS and Itaú

Diffusion



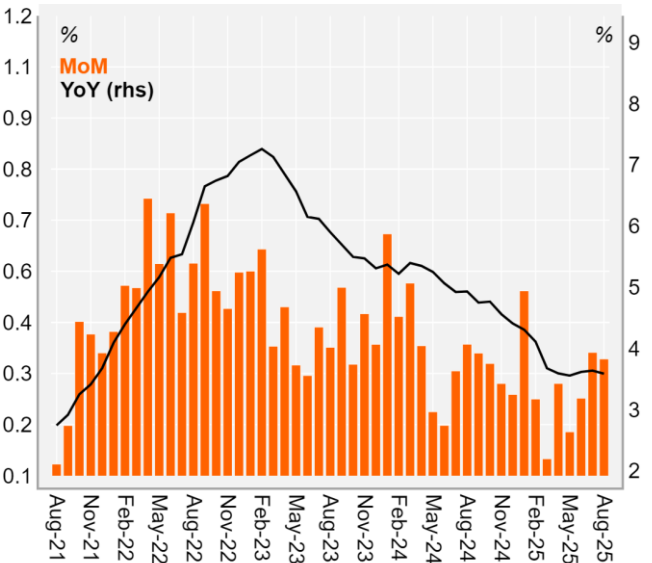
Source: BLS and Itaú

Core goods



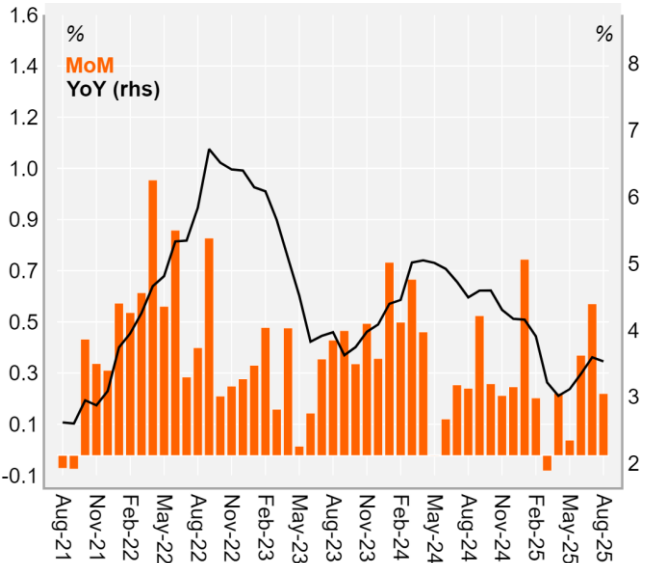
Source: BLS and Itaú

Core services



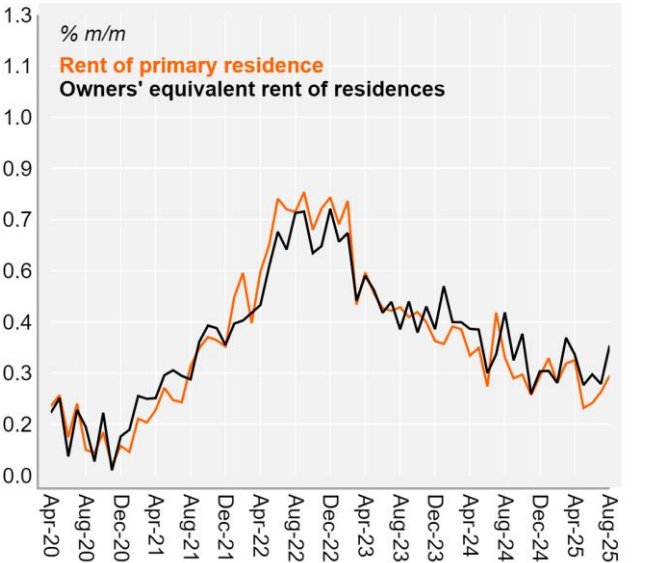
Source: BLS and Itaú

Itaú's core services ex-shelter



Source: BLS and Itaú

Shelter



Source: BLS and Itaú

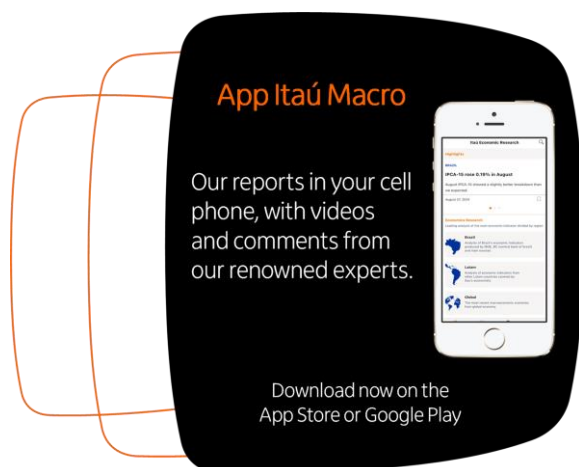
Component	Weight %	% MoM						% YoY		
		May/25	Jun/25	Jul/25	Aug/25	Fcst.	Surp (bps)	Jun/25	Jul/25	Aug/25
<b>CPI</b>	<b>100.0</b>	<b>0.08</b>	<b>0.29</b>	<b>0.20</b>	<b>0.38</b>	<b>0.38</b>	<b>0</b>	<b>2.7</b>	<b>2.7</b>	<b>2.9</b>
Food	13.6	0.29	0.33	0.05	0.46	0.34	2	3.0	2.9	3.2
Energy	6.4	-0.98	0.95	-1.07	0.69	0.91	-1	-0.8	-1.6	0.2
<b>CPI ex-food&amp;energy</b>	<b>80.0</b>	<b>0.13</b>	<b>0.23</b>	<b>0.32</b>	<b>0.35</b>	<b>0.35</b>	<b>-0</b>	<b>2.9</b>	<b>3.1</b>	<b>3.1</b>
<b>Core Goods</b>	<b>19.3</b>	<b>-0.04</b>	<b>0.20</b>	<b>0.21</b>	<b>0.28</b>	<b>0.46</b>	<b>-4</b>	<b>0.7</b>	<b>1.2</b>	<b>1.5</b>
New Vehicles	4.3	-0.29	-0.34	0.02	0.28	0.20	0	0.2	0.4	0.7
Used Vehicles	2.4	-0.54	-0.67	0.48	1.04	1.25	-1	2.8	4.8	6.0
Core Goods ex-Cars	12.6	0.14	0.55	0.22	0.13	0.40	-3	0.5	0.8	1.1
<b>Core Services</b>	<b>60.6</b>	<b>0.17</b>	<b>0.25</b>	<b>0.36</b>	<b>0.35</b>	<b>0.31</b>	<b>2</b>	<b>3.6</b>	<b>3.6</b>	<b>3.6</b>
Shelter	35.5	0.25	0.18	0.23	0.44	0.27	6	3.8	3.7	3.6
OER	26.2	0.27	0.30	0.28	0.38	0.31	2	4.2	4.1	4.0
Rent of Primary Res	7.5	0.21	0.23	0.26	0.30	0.21	1	3.8	3.5	3.5
Lodging Away	1.4	-0.07	-2.89	-1.02	2.29	-0.25	3	-2.5	-3.5	-2.6
Health Care	6.8	0.18	0.56	0.79	-0.14	0.30	-3	3.4	4.3	4.2
Transportation Svcs	6.2	-0.20	0.16	0.78	1.01	0.50	3	3.4	3.5	3.5
Airline Fare	0.9	-2.74	-0.11	4.04	5.87	3.00	2	-3.5	0.7	3.3
Car and Truck Rental	0.1	2.70	3.24	-2.91	-6.87	0.00	-1	3.8	0.7	-4.8
Other Transp Svcs	5.3	0.15	0.11	0.36	0.42	0.11	2	4.3	4.1	3.8
Other Core Svcs	12.2	0.12	0.36	0.30	0.02	0.32	-4	3.3	3.2	3.1
<b>Alternative Cores</b>										
Core Services ex-OER&RPR (Powell Supercore)	26.9	0.06	0.21	0.48	0.33	0.33	0	3.0	3.2	3.2
Core Services ex-Shelter	25.2	0.06	0.36	0.55	0.22	0.36	-3	3.3	3.6	3.5
Core Svcs ex-Shelter & Health	18.4	0.01	0.29	0.46	0.36	0.38	-0	3.3	3.3	3.3

Source: BLS, Itaú

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