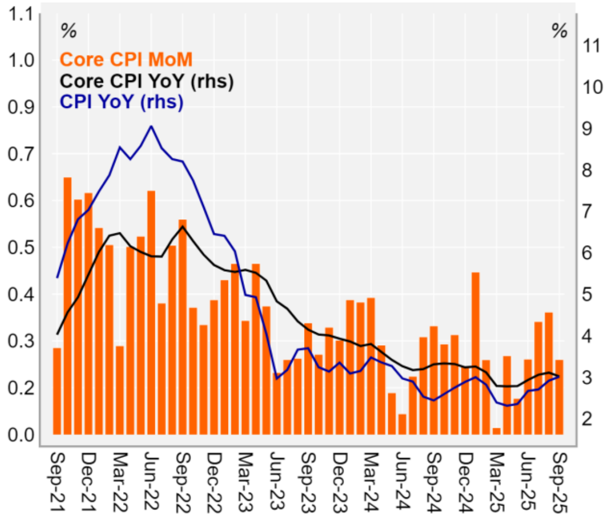
Macro Global

August 12, 2025

U.S.: Core CPI at 0.23% m/m in September

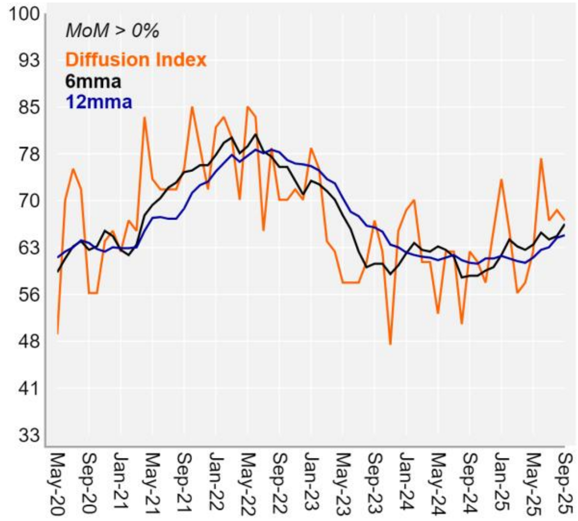
- U.S. Core CPI came in at 0.23% m/m in September, below both our call (0.31%) and the market consensus (0.3%). In 12 months, Core CPI inflation was 3.0%, versus 3.1% in August. Headline CPI came in at 0.31% m/m, below both our call (0.41%) and the market consensus (0.4%). The headline index rose 3.0% in annual terms, versus 2.9% in the previous month.
- **Breakdown (see table below):** Core goods inflation declined compared to the previous month, with downside surprises in 'new vehicles' and 'used vehicles' prices. Core services inflation also eased, driven by 'housing' – especially the owner's equivalent rent component –, which was the main surprise of the month, with a much lower-than-expected variation in a category with significant weight in the overall index. Meanwhile, "Supercore" inflation (core services excluding rent) rose to 0.35% (close to our projection of 0.38%, up from 0.33% m/m), and our diffusion index fell slightly to 67% (from 69%), though it remains at a high level.
- **Our view:** Both the headline and core CPI came in weaker, suggesting a Core PCE at 0.22%. This result reduces inflation risks and preserves space for the Fed to continue cutting interest rates in upcoming meetings.

Headline and Core CPI



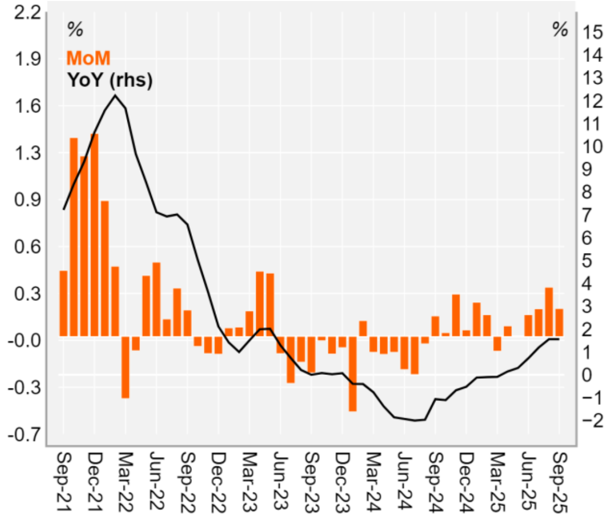
Source: BLS and Itaú

Diffusion



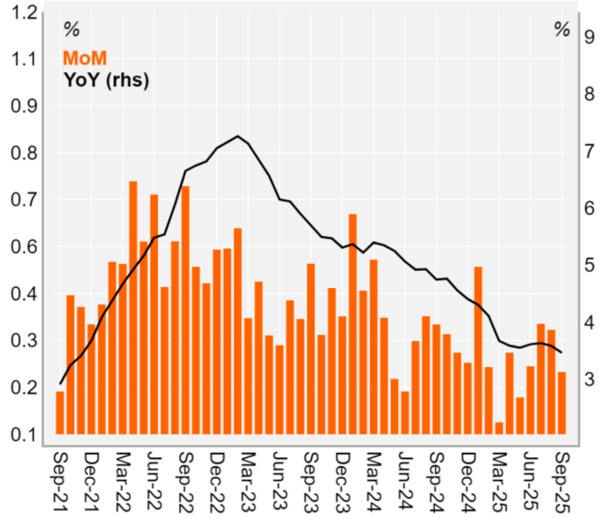
Source: BLS and Itaú

Core goods



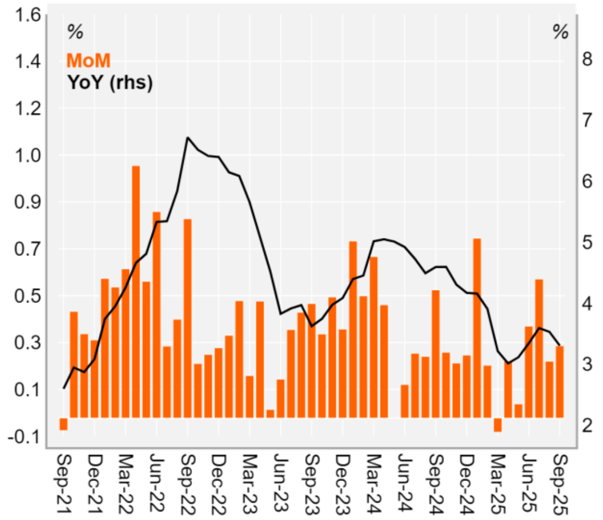
Source: BLS and Itaú

Core services



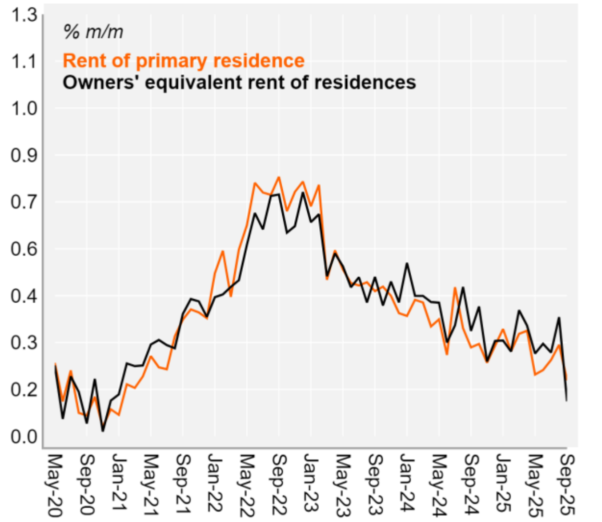
Source: BLS and Itaú

Itaú's core services ex-shelter



Source: BLS and Itaú

Shelter



Source: BLS and Itaú

Component	Weight %	% MoM						% YoY		
		Jun/25	Jul/25	Aug/25	Sep/25	Fcst.	Surp (bps)	Jul/25	Aug/25	Sep/25
CPI	**100.0**	**0.29**	**0.20**	**0.38**	**0.31**	**0.41**	**-10**	**2.7**	**2.9**	**3.0**
Food	13.7	0.33	0.05	0.46	0.25	0.22	0	2.9	3.2	3.1
Energy	6.4	0.95	-1.07	0.69	1.51	1.94	-3	-1.6	0.2	2.8
CPI ex-food&energy	**80.0**	**0.23**	**0.32**	**0.35**	**0.23**	**0.31**	**-7**	**3.1**	**3.1**	**3.0**
Core Goods	**19.3**	**0.20**	**0.21**	**0.28**	**0.22**	**0.29**	**-1**	**1.2**	**1.5**	**1.5**
New Vehicles	4.3	-0.34	0.02	0.28	0.22	0.35	-1	0.4	0.7	0.8
Used Vehicles	2.4	-0.67	0.48	1.04	-0.41	0.00	-1	4.8	6.0	5.1
Core Goods ex-Cars	12.6	0.55	0.22	0.13	0.34	0.33	0	0.8	1.1	1.3
Core Services	**60.6**	**0.25**	**0.36**	**0.35**	**0.24**	**0.32**	**-5**	**3.6**	**3.6**	**3.5**
Shelter	35.4	0.18	0.23	0.44	0.21	0.30	-3	3.7	3.6	3.6
OER	26.2	0.30	0.28	0.38	0.13	0.27	-4	4.1	4.0	3.8
Rent of Primary Res	7.5	0.23	0.26	0.30	0.20	0.29	-1	3.5	3.5	3.4
Lodging Away	1.3	-2.89	-1.02	2.29	1.35	1.20	0	-3.5	-2.6	-0.1
Health Care	6.8	0.56	0.79	-0.14	0.28	0.35	-0	4.3	4.2	3.9
Transportation Svcs	6.2	0.16	0.78	1.01	0.28	0.11	1	3.5	3.5	2.5
Airline Fare	0.9	-0.11	4.04	5.87	2.72	1.00	2	0.7	3.3	3.2
Car and Truck Rental	0.1	3.24	-2.91	-6.87	0.35	0.50	-0	0.7	-4.8	-5.0
Other Transp Svcs	5.2	0.11	0.36	0.42	-0.13	-0.05	-0	4.1	3.8	2.6
Other Core Svcs	12.2	0.36	0.30	0.02	0.29	0.45	-2	3.2	3.1	3.3
Alternative Cores										
Core Services ex-OER&RPR (Powell Supercore)	26.9	0.21	0.48	0.33	0.35	0.38	-1	3.2	3.2	3.2
Core Services ex-Shelter	25.2	0.36	0.55	0.22	0.29	0.34	-1	3.6	3.5	3.3
Core Svcs ex-Shelter & Health	18.4	0.29	0.46	0.36	0.29	0.33	-1	3.3	3.3	3.1

Source: BLS, Itaú

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