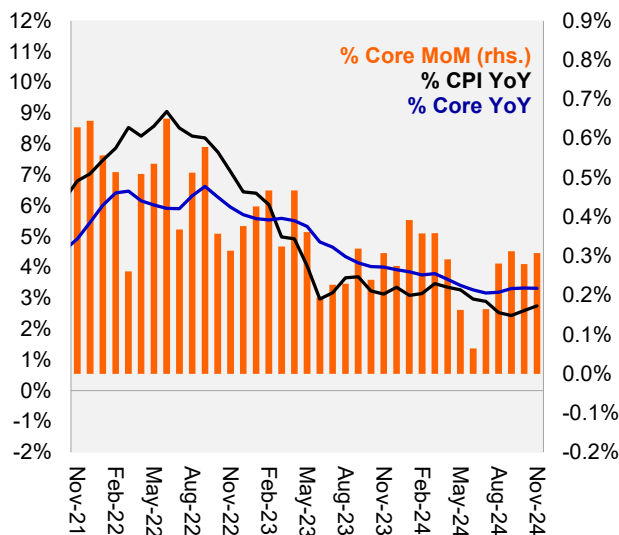


US: Core CPI close to expectation in November

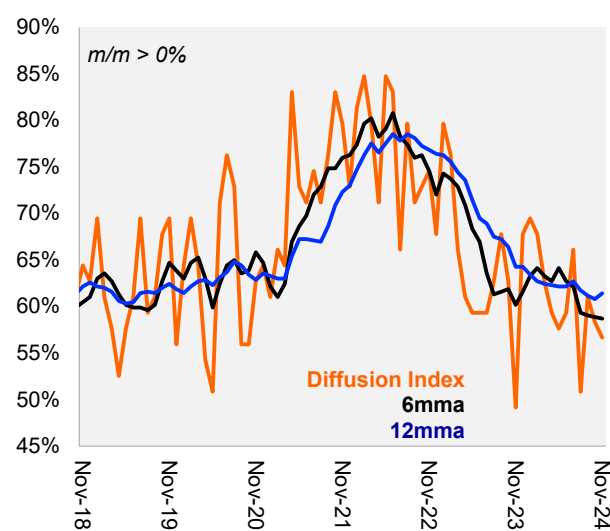
- ▶ US Core CPI came in at 0.31%, close to our call (0.26%) and market consensus of 0.3%. In 12 months, Core CPI was stable at 3.3%. Moreover, the headline CPI came in at 0.31% m/m, also close to our expectations of 0.27% m/m and market consensus of 0.3%. It increased to 2.7% in annual terms (from 2.6%).
- ▶ Breakdown (see table below): Core Goods increased compared to the previous month, led by New Vehicles and other Core Goods. Used Vehicles came strong as we expected but less than last month. Core Services decreased compared to the previous month, leading by Shelter surprising to the downside. Additionally, *Supercore* was up to 0.34% (from 0.31%). Our diffusion index also fell to 56% (from 58%).
- ▶ **Our view:** today's result reaffirms the likely rate cut at the FOMC December meeting. However, past higher inflation and growth numbers indicate less cuts next year than previously expected, as FOMC members indicated.

Core CPI 0.31% m/m, 3.3% y/y in November



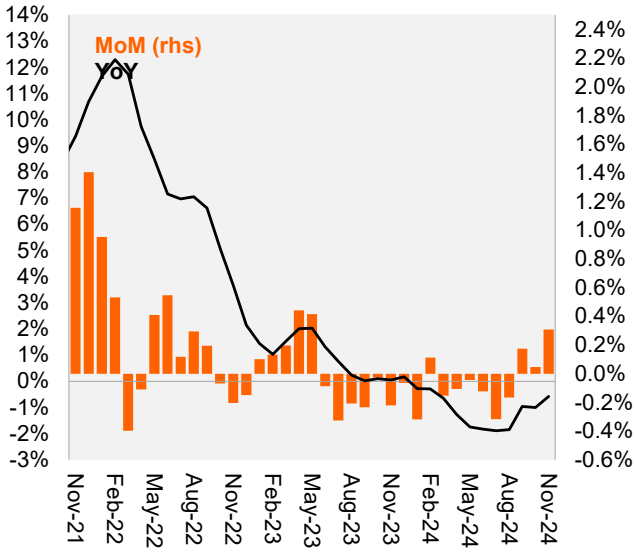
Source: BLS, Itaú

Itaú Diffusion Index down to 56% (from 58%)



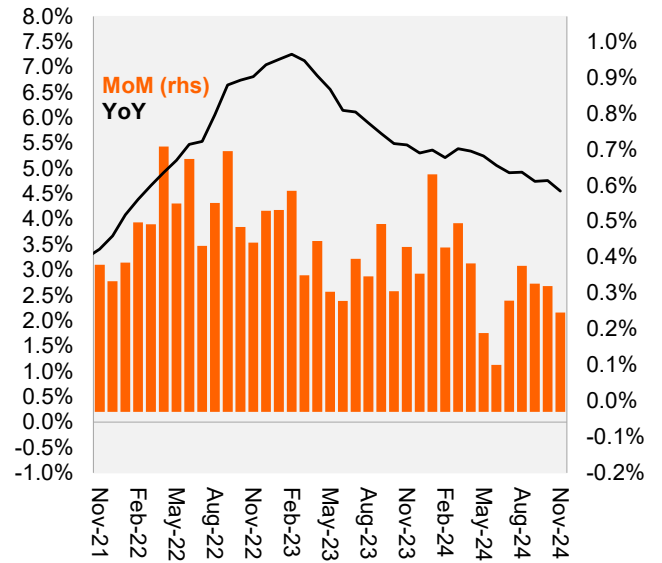
Source: BLS, Itaú

CPI Core Goods



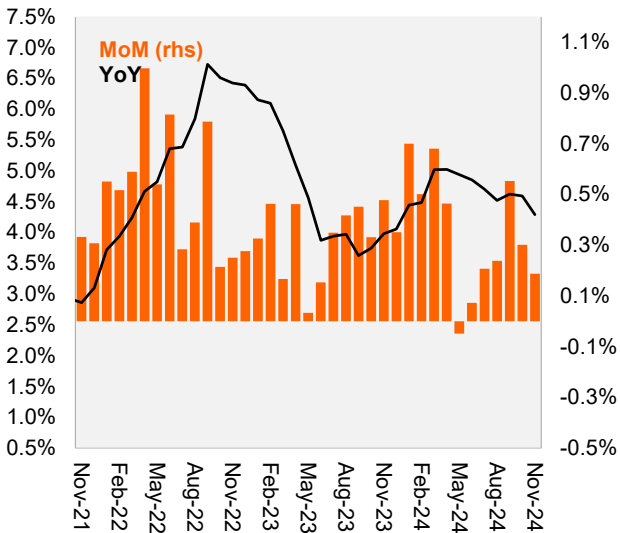
Source: BLS, Itaú

CPI Core Services



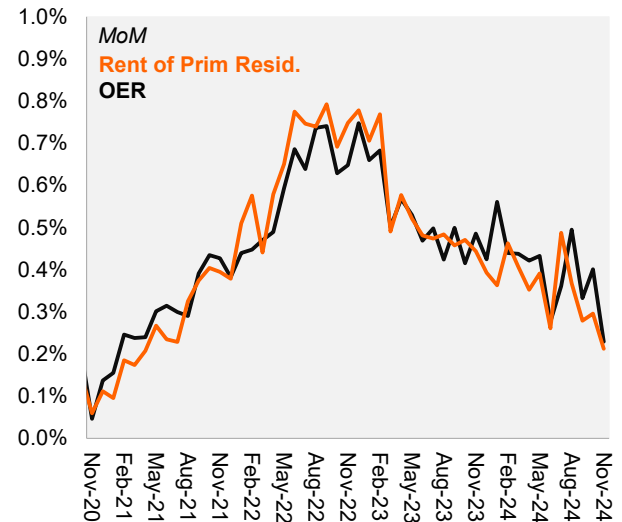
Source: BLS, Itaú

Core Services ex-Shelter



Source: BLS, Itaú

Shelter



Source: BLS, Itaú

Component	Weight %	% MoM						% YoY		
		Aug-24	Sep-24	Oct-24	Nov-24	Forecast	Surp (bps)	Sep-24	Oct-24	Nov-24
CPI	100.0	0.19%	0.18%	0.24%	0.31%	0.27%	4	2.4%	2.6%	2.7%
Food	13.5	0.1%	0.4%	0.2%	0.4%	0.2%	3	2.3%	2.1%	2.4%
Energy	6.4	-0.8%	-1.9%	0.0%	0.2%	0.6%	-2	-6.8%	-4.9%	-3.2%
CPI ex-food&energy	80.1	0.28%	0.31%	0.28%	0.31%	0.26%	4	3.3%	3.3%	3.3%
Core Goods	18.3	-0.2%	0.2%	0.0%	0.3%	0.1%	3	-1.0%	-1.0%	-0.6%
New Vehicles	3.6	0.0%	0.2%	0.0%	0.6%	0.3%	1	-1.3%	-1.3%	-0.7%
Used Vehicles	1.9	-1.0%	0.3%	2.7%	2.0%	1.8%	0	-5.1%	-3.4%	-3.4%
Core Goods ex-Cars	12.9	-0.11%	0.16%	-0.31%	-0.01%	-0.12%	1	-0.3%	-0.6%	-0.1%
Core Services	61.7	0.4%	0.4%	0.3%	0.28%	0.30%	-1	4.7%	4.8%	4.6%
Shelter	36.7	0.5%	0.2%	0.4%	0.3%	0.3%	2	4.9%	4.9%	4.7%
OER	27.2	0.50%	0.33%	0.40%	0.23%	0.34%	-3	5.2%	5.2%	4.9%
Rent of primary res	7.7	0.37%	0.28%	0.30%	0.21%	0.29%	-1	4.8%	4.6%	4.4%
Lodging Away	1.4	1.8%	-1.9%	0.4%	3.2%	-1.2%	6	-2.8%	-0.1%	3.7%
Health Care	6.5	-0.1%	0.7%	0.4%	0.4%	0.40%	0	3.6%	3.8%	3.7%
Transportation svcs	6.6	0.9%	1.4%	0.4%	0.0%	0.4%	-3	8.5%	8.2%	7.1%
Airline Fare	0.8	3.9%	3.2%	3.2%	0.4%	1.5%	-1	1.6%	4.1%	4.7%
Car and Truck Rental	0.1	-1.5%	1.2%	-1.6%	-3.0%	1.0%	-1	-6.8%	-7.0%	-8.0%
Other Transp Svc	5.6	0.5%	1.1%	0.1%	0.0%	0.2%	-1	10.1%	9.1%	7.8%
Other Core Services	11.9	0.06%	0.06%	0.18%	0.21%	0.28%	-1	3.0%	3.1%	3.1%
Alternative Cores										
Core Services ex-OER&RPR (Powell Supercore)	26.8	0.33%	0.40%	0.31%	0.34%	0.25%	2	4.3%	4.4%	4.3%
Core Services ex-Shelter	25.0	0.24%	0.55%	0.30%	0.19%	0.33%	-4	4.6%	4.6%	4.3%
Core Svcs ex-Shelter & Health	18.5	0.36%	0.52%	0.27%	0.12%	0.31%	-3	5.0%	4.9%	4.5%

Bernardo Dutra
Nathan Teixeira

Macro Research – Itaú

Mario Mesquita – Chief Economist

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