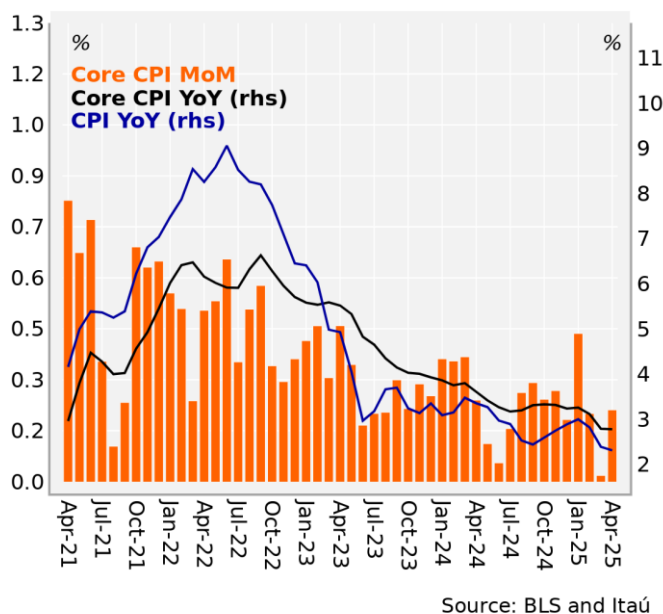


May 13, 2025

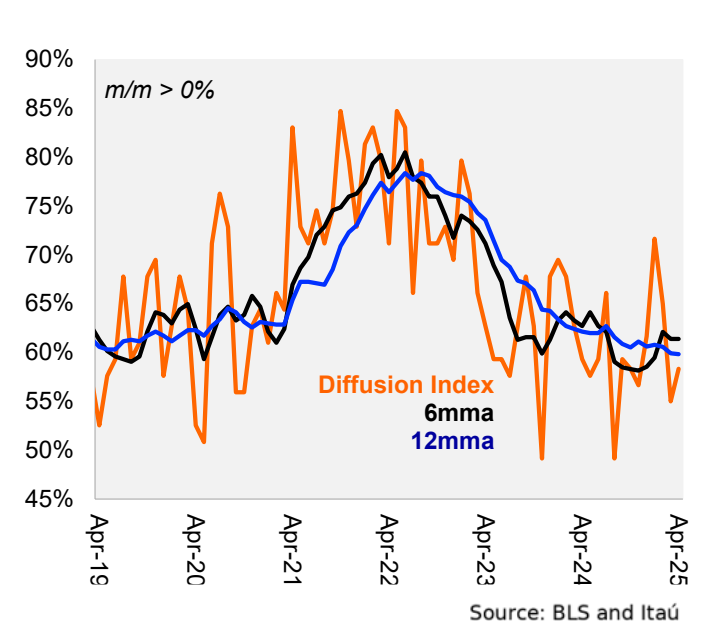
US: Core CPI at 0.24% in April, in line with our expectation

- ▶ US Core CPI came in at 0.24% m/m in April, in line with our call (0.25%) and below market consensus (0.3%). In 12 months, Core CPI inflation remained stable at 2.8%. Moreover, the headline CPI came in at 0.22% m/m, also in line with our call (0.21%) and below market consensus (0.3%). The headline index rose 2.3% in annual terms, versus 2.4% in the previous month.
- ▶ Breakdown (see table below): after declining in the previous month, Core Goods inflation went up in April, led by other core goods and medical care items. Used cars was down, as we expected, and New cars surprised a bit to the downside. Core Services inflation increased, driven by a recovery in transportation services and shelter as still-high levels. Additionally, "Supercore" inflation moved up to 0.21% (from -0.24% m/m), and our diffusion index rose to 58% (from 55%).
- ▶ **Our view:** the main takeaway is that this print did not show signs of the tariff shock yet, as we expected, and the breakdown remained moderate. However, the Fed will likely remain cautious because of the expectation of future inflationary pressures.

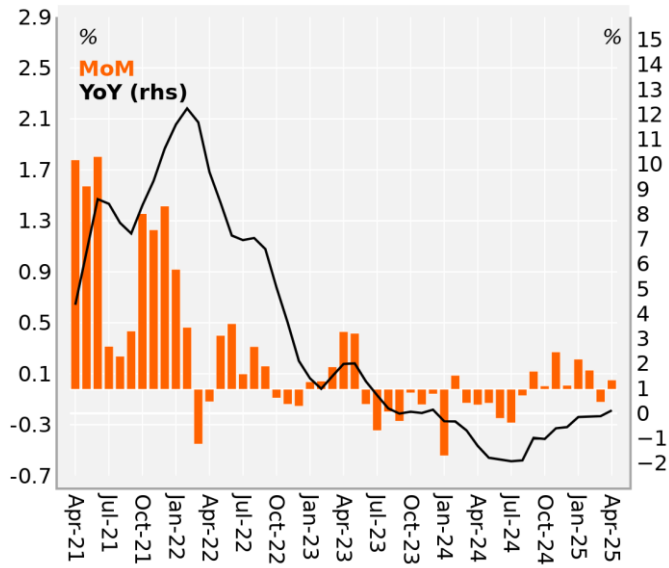
Headline and Core CPI



Diffusion

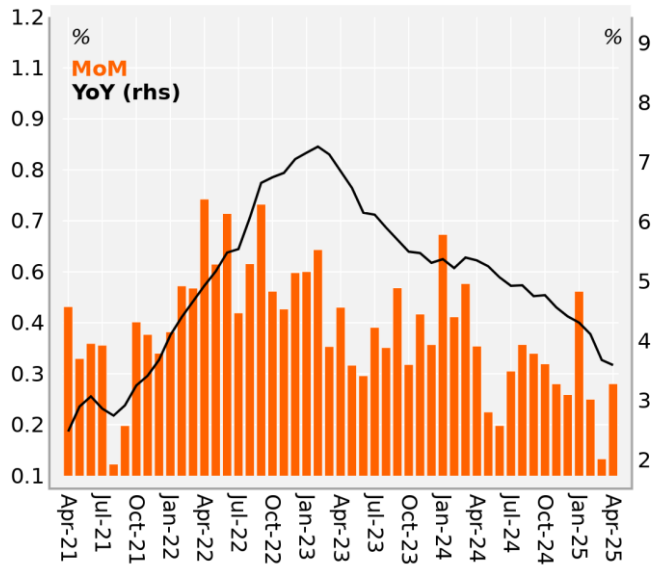


Core goods



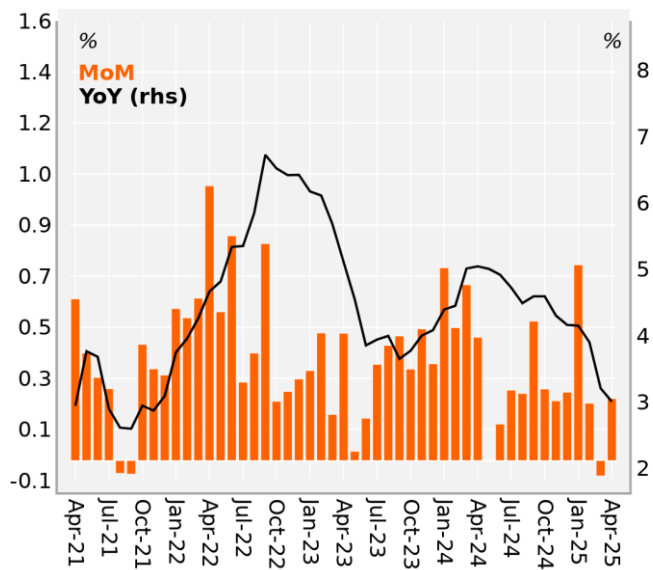
Source: BLS and Itaú

Core services



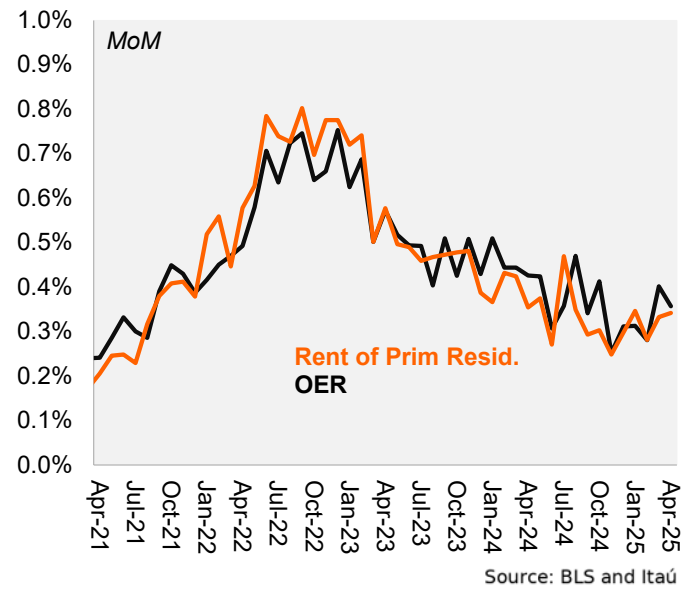
Source: BLS and Itaú

Itaú's core services ex-shelter



Source: BLS and Itaú

Shelter



Source: BLS and Itaú

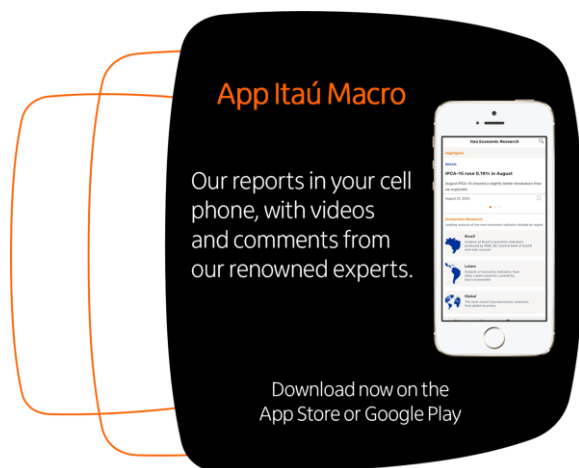
Component	Weight %	% MoM						% YoY		
		Jan/25	Feb/25	Mar/25	Apr/25	Fcst.	Surp (bps)	Feb/25	Mar/25	Apr/25
CPI	100.0	0.47	0.22	-0.05	0.22	0.21	1	2.8	2.4	2.3
Food	13.6	0.36	0.16	0.44	-0.08	0.21	-4	2.6	3.0	2.8
Energy	6.4	1.08	0.20	-2.39	0.67	-0.23	6	-0.2	-3.3	-3.7
CPI ex-food&energy	80.0	0.45	0.23	0.06	0.24	0.26	-2	3.1	2.8	2.8
Core Goods	19.3	0.28	0.22	-0.09	0.06	0.21	-3	-0.1	-0.1	0.1
New Vehicles	4.4	0.04	-0.07	0.10	-0.01	0.25	-1	-0.3	-0.0	0.3
Used Vehicles	2.4	2.19	0.88	-0.69	-0.53	-0.60	0	0.8	0.6	1.5
Core Goods ex-Cars	12.6	0.01	0.20	-0.04	0.20	0.20	-0	-0.1	-0.2	-0.1
Core Services	60.6	0.51	0.25	0.11	0.29	0.28	1	4.1	3.7	3.6
Shelter	35.4	0.37	0.28	0.22	0.33	0.27	2	4.2	4.0	4.0
OER	26.2	0.31	0.28	0.40	0.36	0.38	-1	4.4	4.4	4.3
Rent of Primary Res	7.5	0.35	0.28	0.33	0.34	0.35	-0	4.1	4.0	4.0
Lodging Away	1.4	1.43	0.18	-3.54	-0.10	-2.00	3	2.0	-2.5	-1.4
Health Care	6.7	0.02	0.31	0.51	0.51	0.29	1	3.0	3.0	3.1
Transportation Svcs	6.3	1.84	-0.81	-1.41	0.14	0.34	-1	6.0	3.1	2.5
Airline Fare	0.9	1.24	-3.99	-5.27	-2.83	-1.00	-2	-0.7	-5.2	-7.9
Car and Truck Rental	0.1	1.71	-1.25	-2.66	4.30	2.00	0	-7.1	-8.7	-2.1
Other Transp Svcs	5.3	1.95	-0.26	-0.74	0.54	0.52	0	7.1	4.5	4.1
Other Core Svcs	12.2	0.50	0.68	0.33	0.11	0.20	-1	3.3	3.3	3.2
Alternative Cores										
Core Services ex-OER&RPR (Powell Supercore)	27.0	0.76	0.22	-0.24	0.21	0.15	2	3.8	2.9	2.7
Core Services ex-Shelter	25.2	0.71	0.21	-0.06	0.23	0.26	-1	3.9	3.2	3.0
Core Svcs ex-Shelter & Health	18.5	0.96	0.17	-0.26	0.12	0.25	-2	4.2	3.3	3.0

Source: BLS, Itaú

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