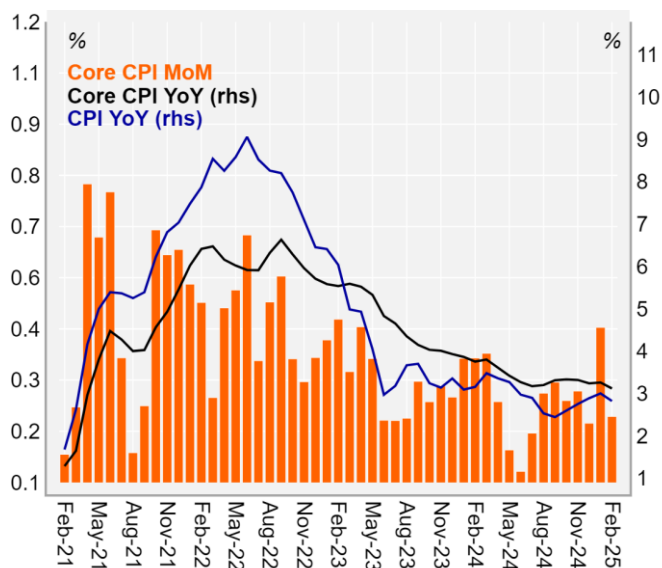


March 12, 2025

Core CPI at 0.23% m/m in February

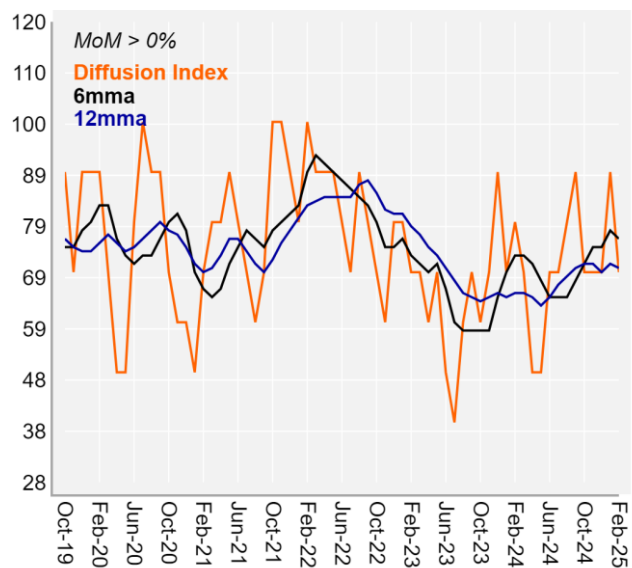
- ▶ US Core CPI came in at 0.23% m/m in February, slightly lower than our call (0.27%) and below market consensus (0.3%). In 12 months, Core CPI decelerated to 3.1%, versus 3.26% in January. Headline CPI came in at 0.22% mom, below both our call (0.29%) and market consensus (0.3%). The headline index rose 2.8% in annual terms, versus 3.0% in January.
- ▶ Breakdown (see table below): Core Goods inflation decreased compared to the previous month, led by used cars and trucks and other core goods. Core Services inflation also decelerated, driven down by transportation services and airline fares – which fell 4.0% mom, the main surprise compared to our projection. Additionally, Supercore inflation moved down to 0.22% (from 0.76% m/m), and our diffusion index decreased to 70% (from 90%).
- ▶ **Our view:** February CPI showed a good number with a good breakdown, but preliminary estimates of Core PCE point to a high level of 0.27% m/m, which does not allow much relief for the Fed. It will be important to wait for the PPI details for the final Core PCE estimate.

Headline and Core CPI



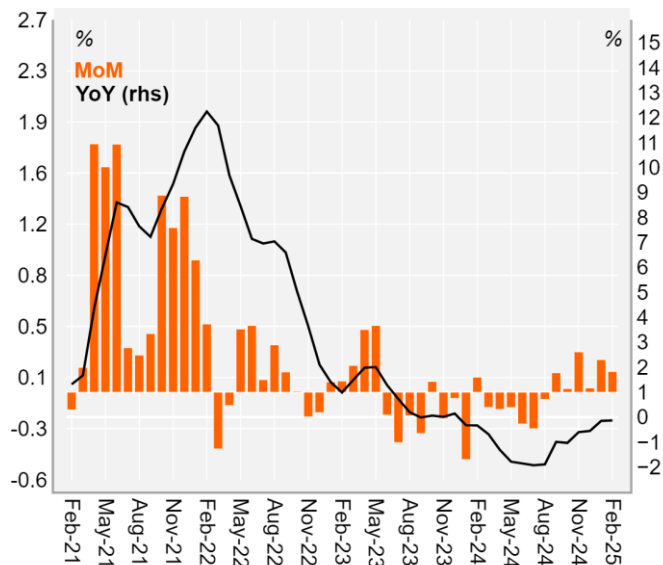
Source: BLS and Itaú

Diffusion



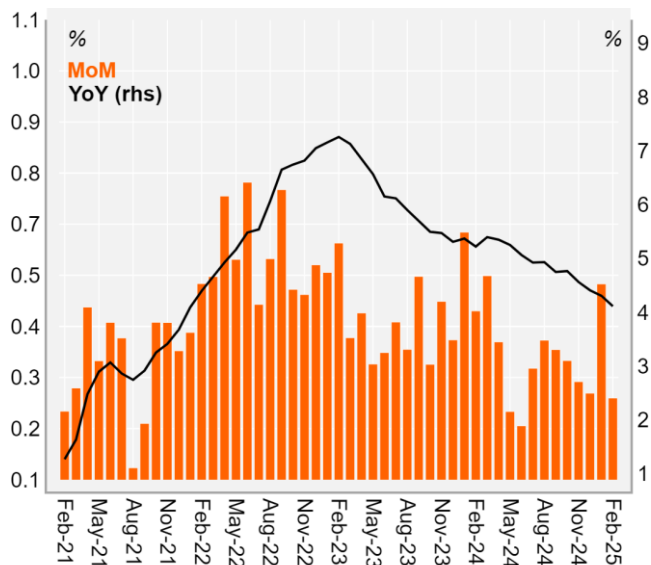
Source: BLS, Itaú

Core goods



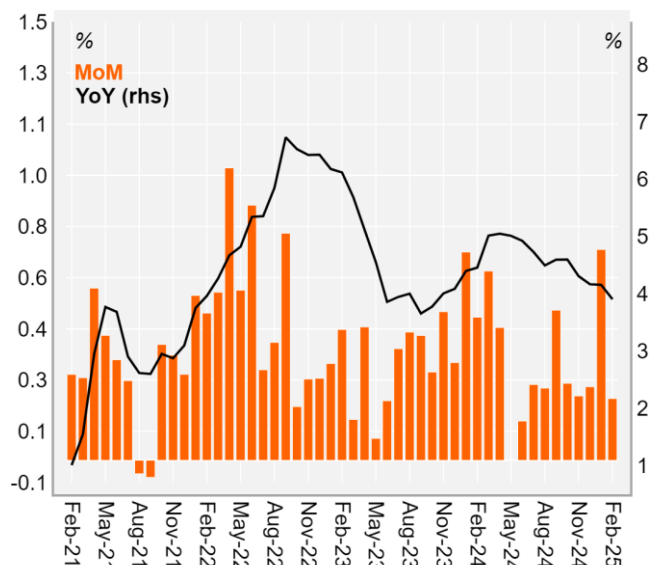
Source: BLS, Itaú

Core services



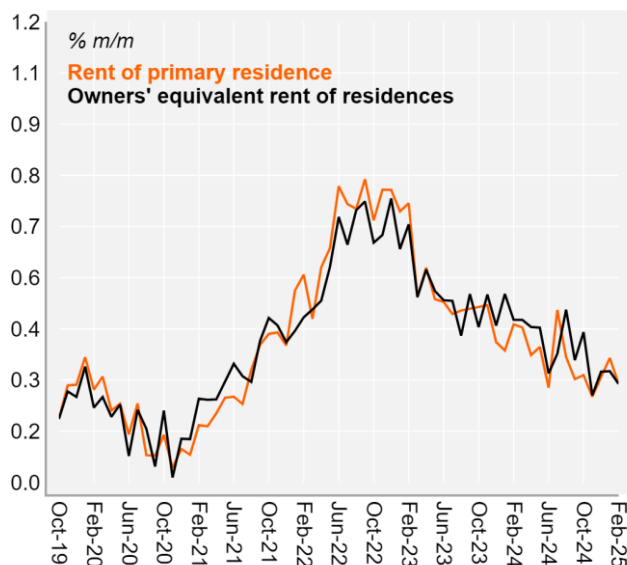
Source: BLS, Itaú

Itaú's core services ex-shelter



Source: BLS, Itaú

Shelter



Source: BLS, Itaú

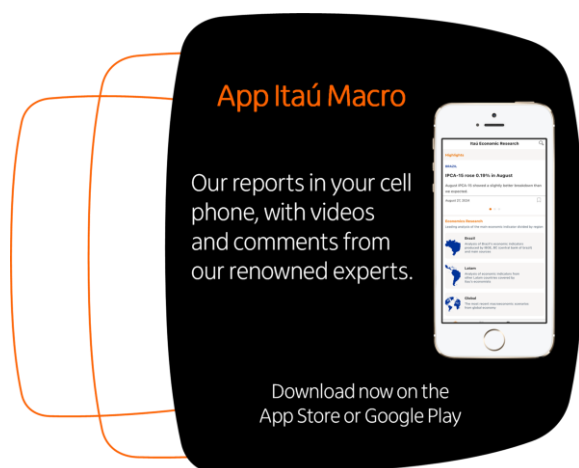
Component	Weight %	% MoM						% YoY		
		nov/24	dez/24	jan/25	fev/25	Fcst.	Surp (bps)	dez/24	jan/25	fev/25
CPI	100	0.28	0.36	0.47	0.22	0.29	-7	2.9	3.0	2.8
Food	14	0.32	0.29	0.36	0.16	0.37	-3	2.5	2.5	2.6
Energy	6	0.09	2.42	1.08	0.2	0.41	-1	-0.5	1.0	-0.2
CPI ex-food&energy	80	0.29	0.21	0.45	0.23	0.27	-3	3.2	3.3	3.1
Core Goods	19	0.21	-0.04	0.28	0.22	0.18	1	-0.5	-0.1	-0.1
New Vehicles	4	0.47	0.36	0.04	-0.07	0.1	-1	-0.4	-0.3	-0.3
Used Vehicles	2	1.29	0.76	2.19	0.88	0.55	1	-3.3	1.0	0.8
Core Goods ex-Cars	13	-0.02	-0.27	0.01	0.2	0.14	1	-0.2	-0.2	-0.1
Core Services	61	0.29	0.26	0.51	0.25	0.3	-3	4.4	4.3	4.1
Shelter	35	0.34	0.27	0.37	0.28	0.28	0	4.6	4.4	4.2
OER	26	0.25	0.31	0.31	0.28	0.29	0	4.8	4.6	4.4
Rent of Primary Res	7	0.25	0.3	0.35	0.28	0.32	0	4.3	4.2	4.1
Lodging Away	1	2.6	-0.51	1.43	0.18	0.0	0	2.6	2.2	2.0
Health Care	7	0.31	0.16	0.02	0.31	0.29	0	3.4	2.7	3.0
Transportation Svcs	6	0.12	0.46	1.84	-0.81	0.4	-8	7.3	8.0	6.0
Airline Fare	1	-0.01	3.03	1.24	-3.99	2.0	-5	7.9	7.1	-0.7
Car and Truck Rental	0	-2.14	0.08	1.71	-1.25	1.0	0	-6.2	-3.6	-7.1
Other Transp Svcs	5	0.19	0.11	1.95	-0.26	0.11	-2	7.2	8.2	7.1
Other Core Svcs	14	0.46	0.1	0.61	0.64	0.28	5	2.8	2.7	3.1
Alternative Cores										
Core Services ex-OER&RPR (Powell Supercore)	27	0.34	0.2	0.76	0.22	0.3	-2	4.0	4.0	3.8
Core Services ex-Shelter	25	0.22	0.25	0.71	0.21	0.31	-3	4.2	4.2	3.9
Core Svcs ex-Shelter & Health	14	0.46	0.1	0.61	0.64	0.32	4	2.8	2.7	3.1

Source: BLS, Itaú

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