# Monthly CPI Report

Each month, when the Bureau of Labor Statistics releases the Consumer Price Index (CPI), investors ought to care about three things: inflation trends over the past year, what categories drove the change in overall inflation, and how the broad components of the index are evolving. Below we plot the answers to these three questions.

Overall this month's CPI data showed a modest uptick, after a few months of disappointingly low prints, as the shelter component picked up (see the top 5 contributors below). Headline CPI registered an increase of 1.9% year-over-year, while core CPI (excluding food and energy) rose 1.7% for the fourth month in a row. August's CPI inflation data should give the Fed a bit more confidence that the economy is prepared for an additional rate hike this year, even after an announcement that the balance sheet will slowly shrink.

## CPI Time Series: Headline, Core and Median CPI, % Change Year-Over-Year
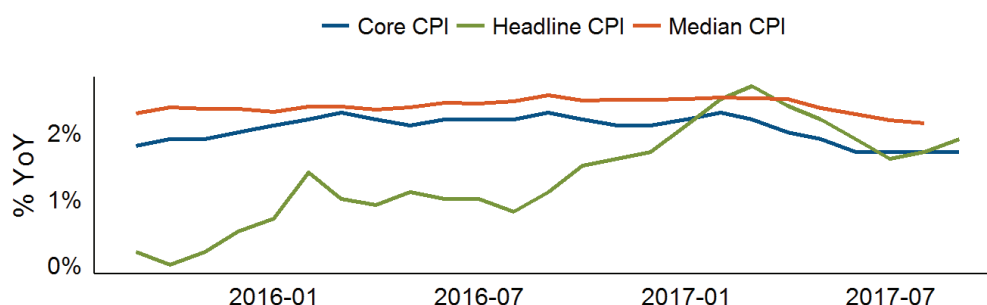


*Source: Bureau of Labor Statistics*

## CPI Contributers: Top 5 and Bottom 5 Contributers to Change in CPI % Change Year-Over-Year

Top 5 Contributors to Inflation

| Category | Weight | % Change Year-Over-Year | Contribution to Annual % Change |
|---|---|---|---|
| Shelter | 33.793 | 3.3 | 1.12 |
| Motor fuel | 3.298 | 10.3 | 0.34 |
| Motor vehicle insurance | 2.551 | 8.1 | 0.21 |
| Fuels and utilities | 5.155 | 3.2 | 0.16 |
| Food away from home | 5.796 | 2.2 | 0.13 |

Top 5 Detractors from Inflation

| Category | Weight | % Change Year-Over-Year | Contribution to Annual % Change |
|---|---|---|---|
| Telephone services | 2.249 | -9.0 | -0.20 |
| New and used motor vehicles | 6.345 | -1.6 | -0.10 |
| Other recreational goods | 0.345 | -8.6 | -0.03 |
| Information technology, hardware and services | 1.145 | -2.2 | -0.03 |
| Household furnishings and operations | 3.967 | -0.7 | -0.03 |

## CPI Treemap: Area Represents Weight in Index, Color Represents % Change Year-Over-Year

LOS ANGELES | BOSTON | LONDON | PARIS