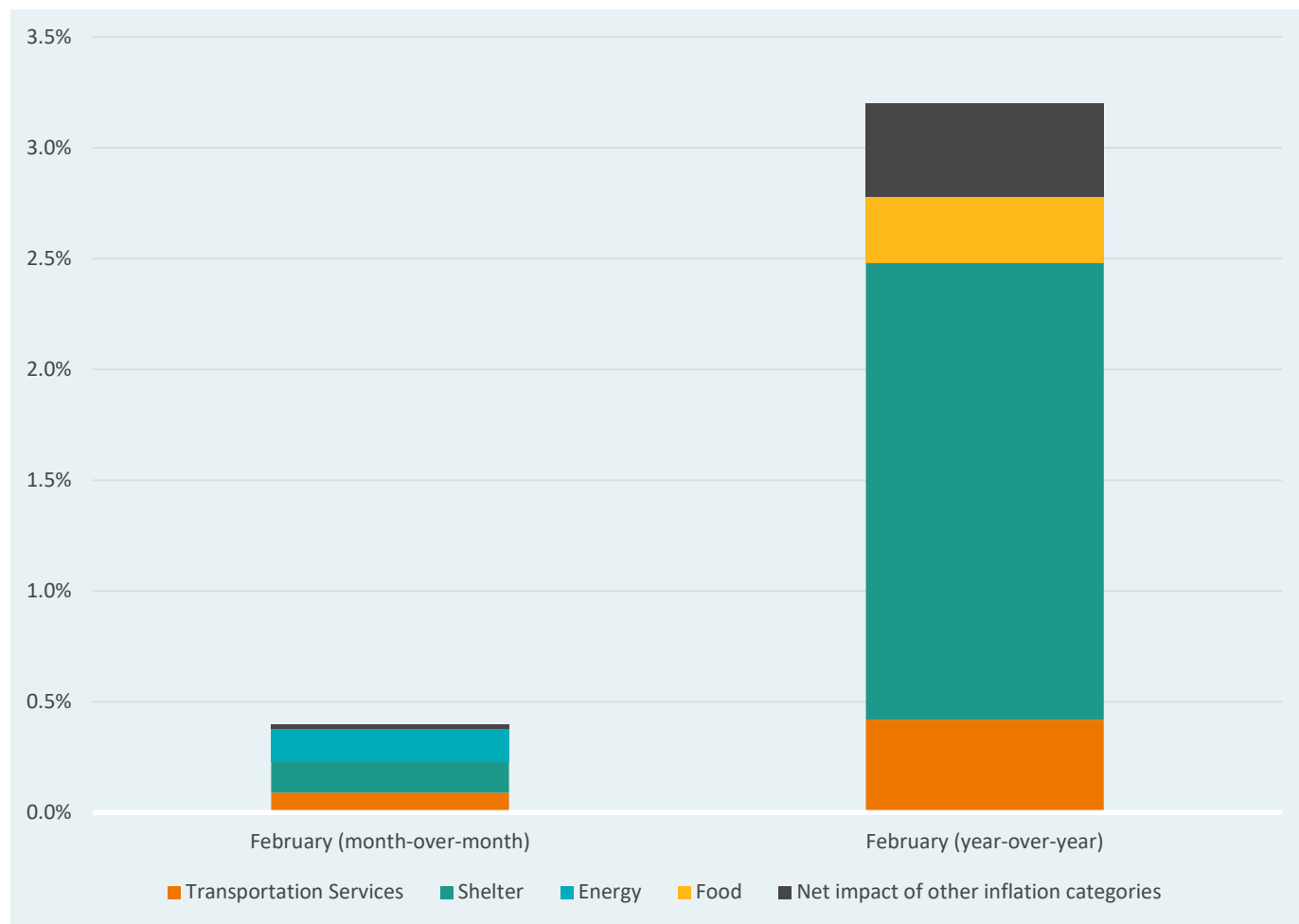


Verus Market Note

February U.S. CPI print: path to lower inflation remains bumpy

Prices increased **0.4%** in February (month-over-month CPI), slightly higher than the forecasted 0.3%. This brought year-over-year inflation to **3.2% Headline** and **3.8% Core**. Equity markets were largely unphased, as the print did little to change investors' expectations for a first rate cut in June.

Our chart illustrates that just a few goods-and-services categories have propelled inflation higher. Shelter (housing) inflation remains elevated despite a moderation of home and rent costs in recent quarters, as official government shelter data tends to be lagged. This has kept official inflation figures elevated. Two other notable categories which contributed to inflation include **motor vehicle insurance**, as higher car prices have significantly pushed the cost of insurance upwards, and **food away from home (restaurants)**.



Source: BLS, as of 3/12/24.