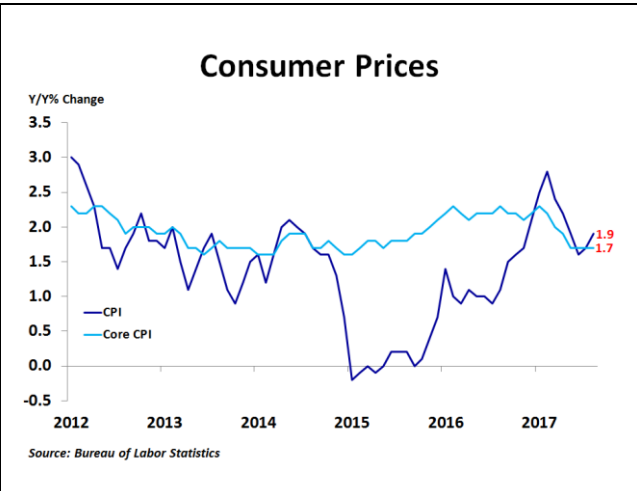
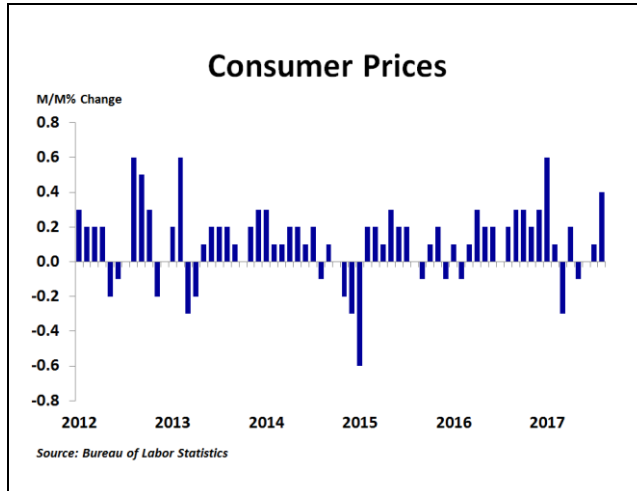




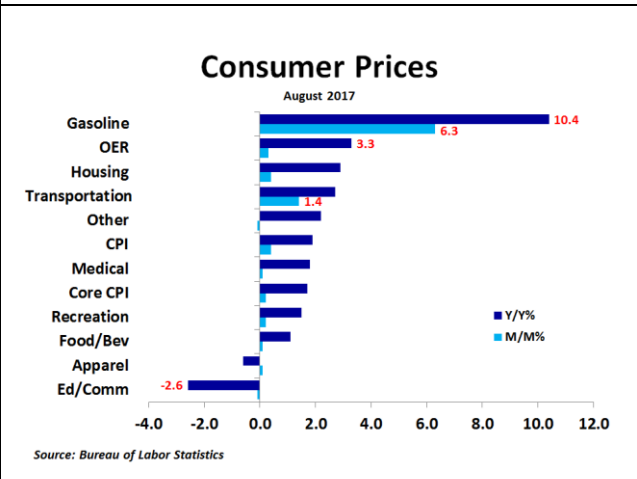
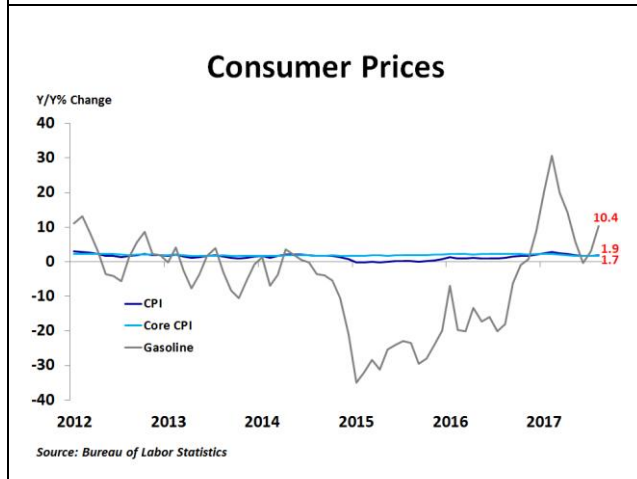
August Consumer Price Index

Gasoline prices drive stronger than expected inflation in August



Consumer prices rose 0.4% in August from the prior month following a 0.1% increase in July. This is the first real price pressure we have seen at the consumer level in half a year.

The overall index was up 1.9% from a year ago, up slightly from the 1.7% pace in July. Core prices were up 1.7%, tied for the slowest rate of growth since May 2015. No rate hike for September.



Gasoline prices jumped in August due in part to a month-end spike after Hurricane Harvey shuttered oil refineries in the South. Gas prices may rise further if Hurricane Maria impacts the same area.

Gasoline prices were up the most on both a month-ago and year-ago basis in August, while wireless phone services dragged down communications prices. OER rose only slightly.