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## Peak Inflation? Not So Fast.

By [Carleton English](#) [Follow](#) Updated August 14, 2022 / Original August 12, 2022



Posing with the Wall Street bull statue in New York.

Drew Angerer/Getty Images

the 9.1% reading in June.

Wall Street got a dose of good news this week. It also got a little ahead of itself.

Inflation slowed in July, according to Department of Labor data released on Wednesday. The consumer price index rose 8.5% in [July](#) from a year ago. That was lower than both the 8.7% increase in prices forecast by economists and

That news sent the [S&P 500 index](#) up 2.1% that day and tipped the tech-weighted [Nasdaq Composite](#) into a bull market. The S&P closed the week up 3.3%, while the [Dow Jones Industrial Average](#) and the Nasdaq gained 2.9% and 3.1%, respectively.

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It makes sense that investors would celebrate the easing of prices. But it may be too early to pop the Champagne—inflation standing at 8.5% is still a long way from the Federal Reserve's target of 2%, and the Fed [is likely to continue tightening](#) until it is under control.