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Prices

US Inflation Hits Two-Year Low, Giving Hope for End to Fed Hikes

- Consumer prices rose at slowest annual pace since 2021
- Fed July hike still likely, but future increases less certain



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July 12, 2023 at 8:32 AM EDT



Updated on July 12, 2023 at 9:41 AM EDT

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The consumer price index rose 3% last month from a year ago, the smallest advance in more than two years, according to data out Wednesday from the Bureau of Labor Statistics. Excluding food and energy, the core CPI – which economists view as the better indicator of underlying inflation – advanced 4.8%, also the lowest since 2021.



Grocery prices, which have been a big strain on Americans' budgets, were little changed last month. Medical care service costs were also flat.