

• 6 hours ago★

'Pivotal' Inflation Data Fuel Optimism for September Rate Cut

By [Megan Leonhardt](#)

Slower-than-expected inflation in June should help cement hopes that Federal Reserve officials will have the conviction they need to begin lowering interest rates.

...

Thursday's positive inflation report comes on the heels of the June employment data last week that showed continued moderation within the U.S. labor market. The unemployment rate ticked up to 4.1%—lending more support to the argument that rate cuts are due. The odds of a September rate cut rose to 83% following Thursday's inflation report, up from just 70% on Wednesday, according to the [CME FedWatch tool](#).

...

The details under the hood, so to speak, also largely provided good news for consumers and Fed officials. Goods deflation continued—driven by falling new and used vehicle prices—while services costs also trended down. And housing costs, a persistently stubborn sector when it comes to progress in taming inflation, increased just 0.2% on the month—a slowdown from the consistent monthly readings of 0.4%.