

Economics

# US Spending Drops on Cold Weather; Inflation Gauge Offers Relief

- Core inflation posts smallest annual increase since early 2021
- Spending fell by most in nearly four years on lower auto sales

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US Core PCE rises at mild pace, consumer spending slips in Jan.



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US consumers unexpectedly pulled back on spending on goods like cars in January amid extreme winter weather, and a slowdown in services, if sustained, may raise concerns about the resilience of the economy.

Inflation-adjusted consumer spending fell 0.5%, marking the biggest monthly decline in almost four years after a robust holiday season.