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Wall Street's Risk-On Trade Gets Green Light from CPI

By [Connor Smith](#)

The S&P 500 may only be up slightly, but Wall Street is hitting the gas on the risk-on trade.

The May CPI came in cooler than expected. While tariff impacts could send inflation higher in the months ahead, the fact that prices held steady so far was an encouraging sign. Odds of a September interest-rate cut ticked higher, and bonds rallied on the news. That has led to rallies in riskier and rate-sensitive stocks.