

Inflation, Spending Data Leave a Cloudy Picture for the Federal Reserve

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The Federal Reserve's key inflation gauge ran just slightly above expectations in May, clouding the outlook for rate cuts and adding to concerns about tariff-induced price pressures as consumer spending slowed.

The core personal consumption expenditures price index, which strips out food and energy prices, rose 0.2% on the month and 2.7% from a year earlier, the Bureau of Economic Analysis said Friday. That topped FactSet estimates for a 0.1% monthly and 2.6% annual gain.