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Fed Rate Cut Bets Ramping Up After Inflation Data

Stocks rise to record, volatility drops after CPI report.



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One inflation hurdle cleared

Inflation is still higher than the Federal Reserve would like – but not high enough to stop the central bank from cutting interest rates next month.

That's investors' takeaway from yesterday's consumer price index report.

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Still, the risk remains that Fed policymakers, despite the constant jawboning from the Trump administration, decide that inflation is still too high to justify a rate cut.