

INFLATION

High CPI reading boxes in Fed, raises uncertainty for future rates

By [Kyle Campbell](#)

Published June 10, 2026, 1:04 p.m. EDT | Updated June 10, 2026, 1:14 p.m. EDT

5 Min Read

...

- **Key insight:** Inflation hit 4.2% last month, the highest annualized increase in three years. The reading follows a strong jobs report last week.
- **Expert quote:** "It's possible that we're not going to see any more rate cuts and the long-term equilibrium ends up settling at 3.5 percent or higher. If I was the CFO of a bank, I'm not saying that would be my base case, but I would be running stress scenarios that reflect a much higher rate environment." — Mark Zandi, chief economist, Moody's Analytics
- **Forward Look:** The high inflation reading has scuttled any plans to lower interest rates in June. The question is whether interest rate cuts are off the table for the foreseeable future.