



Global Macro Flash

US Inflation Consumer Price Index (CPI) | February 13rd, 2025

Housing and Energy Costs Drive US Inflation Higher in January 2025

Previous Data (Headline Inflation)

Period	MoM	YoY
Dec 2024	0.40%	2.90%
Nov 2024	0.30%	2.70%
Oct 2024	0.20%	2.60%

Source: US Bureau of Labor Statistics

Outlook/Projection

Years	IMF	World Bank	OECD
FY25F	2.70%	-	2.00%
FY26F	2.10%	-	-

Source: Phintraco Sekuritas Research | IMF, World Bank, OECD

Headline Inflation by Component

Component	MoM	YoY
Food	0.40%	2.50%
Energy	1.10%	1.00%
All Item less Food&Energy	0.40%	3.20%

Source: US Bureau of Labor Statistics

Inflation Expectation

Future Year Ahead	Nov 24	Dec 24	Jan 25
1 Year	3.00%	3.00%	3.00%
3 Year	2.60%	3.00%	3.00%
5 Year	2.90%	2.70%	3.00%

Source: Bank Federal Reserve New York

Future Inflation Probability

Inflation	1 Year Ahead	3 Year Ahead
<0%	24.50%	27.30%
0-2%	12.60%	13.70%
2-4%	21.70%	20.70%
>4%	41.30%	38.30%

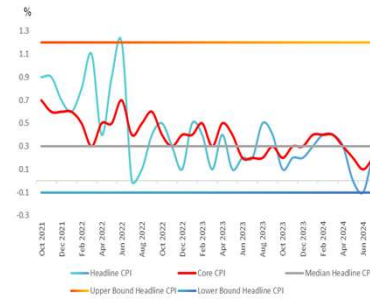
Source: Bank Federal Reserve New York

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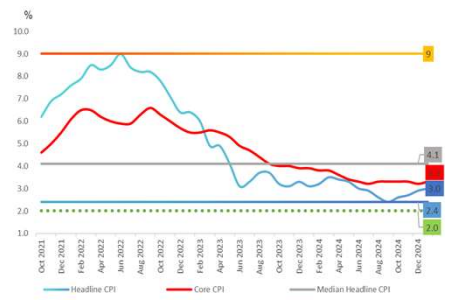
Period	Headline Inflation		Core Inflation	
	Jan 2025	0.50% MoM / 3.00% YoY	0.40% MoM / 3.30% YoY	

Figure 1. Inflation (MoM)



Source: Phintraco Sekuritas Research | US Bureau of Labor Statistics

Figure 2. Inflation (YoY)



Source: Phintraco Sekuritas Research | US Bureau of Labor Statistics

U.S. headline inflation rose by 10 basis points to 0.5% MoM in January 2025, from 0.4% MoM in December 2024 and above market expectations of 0.3% MoM. This increase was influenced by a 0.4% MoM rise in the shelter index in January 2025, accounting for nearly 30% of the monthly increase across all goods and services. The energy index rose to 1.1% MoM, with the most significant contributor being the fuel oil index, which increased by 6.2% MoM in January 2025. The food index also increased by 0.4% MoM in January 2025. Additionally, core inflation, which excludes food and energy items, rose by 20 basis points to 0.4% MoM in January 2025 from 0.2% MoM in December 2024 (Figure 1). This was due to increased prices for used cars and trucks, as well as hotel accommodation services, which resulted from wildfires in Los Angeles.

On an annual basis, U.S. headline inflation also rose by 10 basis points to 3.0% YoY in January 2025 from 2.9% YoY in December 2024. Increases influenced it in the food and gas utility indexes, which rose by 2.5% YoY and 4.9% YoY, respectively, in January 2025. However, U.S. core inflation increased by 10 basis points to 3.3% YoY in January 2025 from 3.2% YoY in December 2024 (Figure 2). Housing costs primarily drove this, as higher mortgage rates pushed more Americans into the rental market, reducing housing availability.

Federal Reserve Chair Jerome Powell has testimony (12/2) that The Fed has made progress in controlling inflation but has not yet reached its inflation target. It is reinforced by the CME Fed Watch Probabilities, which show a 97.5% chance of maintaining the interest rate range at 4.25-4.50%, expected to persist until August 2025 (Figure 3). By the end of 2025, the Fed is anticipated to cut interest rates only once by 25 basis points to 4.00-4.25%, with an aggregate probability of 78.04% (Figure 4).

Figure 3. Conditional Probability (as of 12-02-2025)

MEETING DATE	CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES									
	250-275	275-300	300-325	325-350	350-375	375-400	400-425	425-450	450-475	475-500
3/19/2025			0.0%	0.0%	0.0%	0.0%	2.5%	97.5%	0.0%	0.0%
5/7/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	15.2%	84.5%	0.0%	0.0%
6/18/2025	0.0%	0.0%	0.0%	0.0%	0.1%	3.9%	31.9%	64.1%	0.0%	0.0%
7/30/2025	0.0%	0.0%	0.0%	0.0%	0.7%	8.5%	37.2%	53.5%	0.0%	0.0%
9/17/2025	0.0%	0.0%	0.0%	0.2%	2.8%	16.3%	41.6%	39.1%	0.0%	0.0%
10/29/2025	0.0%	0.0%	0.0%	0.6%	5.1%	20.6%	41.2%	32.4%	0.0%	0.0%
12/10/2025	0.0%	0.0%	0.2%	1.6%	8.4%	25.0%	39.3%	25.5%	0.0%	0.0%
1/28/2026	0.0%	0.0%	0.2%	2.0%	9.4%	25.8%	38.5%	24.1%	0.0%	0.0%
3/18/2026	0.0%	0.0%	0.4%	2.6%	10.8%	26.9%	37.2%	21.9%	0.0%	0.0%

Source: Phintraco Sekuritas Research | CME FedWatch Tool

Figure 4. Aggregate Probability (as of 12-02-2025)

MEETING DATE	CME FEDWATCH TOOL - AGGREGATED MEETING PROBABILITIES			
	350-375	375-400	400-425	425-450
3/19/2025	0.00%	0.00%	2.50%	97.50%
5/7/2025	0.00%	0.00%	17.52%	82.48%
6/18/2025	0.00%	0.00%	39.97%	60.03%
7/30/2025	0.00%	0.00%	56.50%	43.50%
9/17/2025	0.00%	0.00%	83.40%	16.60%
10/29/2025	0.00%	0.50%	99.50%	0.00%
12/10/2025	0.00%	21.96%	78.04%	0.00%
1/28/2026	0.00%	27.50%	72.50%	0.00%
3/18/2026	0.00%	36.40%	63.60%	0.00%

Source: Phintraco Sekuritas Research | CME FedWatch Tool

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