



Global Macro Flash

US Inflation Consumer Price Index (CPI) | April 11th, 2025

US Deflation of 0.1% MoM driven by a declining Energy Prices Index in March 2025

Previous Data (Headline Inflation)

Period	MoM	YoY
Feb 2025	0.20%	2.80%
Jan 2025	0.50%	3.00%
Dec 2024	0.40%	2.90%

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%	3.00%
Energy	-2.40%	-3.30%
All Item less Food&Energy	0.10%	2.80%

Source: US Bureau of Labor Statistics

Inflation Expectation

Future Year Ahead	Dec 24	Jan 25	Feb 25
1 Year	3.00%	3.00%	3.10%
3 Year	3.00%	3.00%	3.00%
5 Year	2.70%	3.00%	3.00%

Source: Bank Federal Reserve New York as of February 2025

Future Inflation Probability

Inflation	1 Year Ahead	3 Year Ahead
<0%	22.60%	27.30%
0-2%	11.60%	12.10%
2-4%	22.20%	19.30%
>4%	43.60%	41.40%

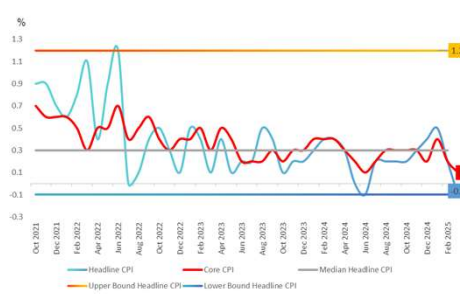
Source: Bank Federal Reserve New York as of February 2025

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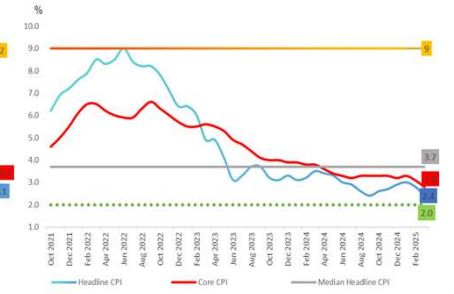
Period	Headline Inflation		Core Inflation	
	Mar 2025	-0.10% MoM	2.40% YoY	0.10% MoM

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. recorded a deflation of 0.1% MoM in March 2025, down from an inflation rate of 0.2% MoM in February 2025, contrary to market expectations of a 0.1% MoM inflation. It was influenced by a 2.4% decrease in the energy index in March 2025, which saw an offset between a decline in the gasoline index and an increase in the electricity and natural gas indices. Meanwhile, the food index rose to 0.5% MoM in March 2025. Additionally, core inflation, which excludes food and energy, decreased by 10 basis points to 0.1% MoM in March 2025 from 0.2% MoM in February 2025 (Figure 1). It was due to a 1.4% MoM decline in the transportation services index.

On an annual basis, overall US inflation also fell by 40 basis points to 2.4% YoY in March 2025 from 2.8% YoY in March 2025. It was influenced by decreases in the gasoline and energy commodities indexes by 9.8% YoY and 9.5% YoY, respectively, in March 2025. Meanwhile, US core inflation decreased by 30 basis points to 2.8% YoY in March 2025 from 3.1% YoY in February 2025 (Figure 2). The most significant decrease was in the airline ticket index, which fell by 5.2% YoY.

President Donald Trump's decision to postpone the implementation of tariffs for 90 days for all countries except China is assessed by the Fed to influence inflation developments in the coming months and impact the Fed's interest rate policy. For the upcoming FOMC meeting in May (May 7th), the CME FedWatch Probabilities recorded on Thursday (April 10th) decreased to 66.70% from the previous day (79.58%). However, it remains within the interest rate range of 4.25%-4.50%. Furthermore, the probability of a 25-basis point interest rate cut to 4.00%-4.25% is seen in June 2025 (Figure 3). By the end of 2025, the Fed is expected to cut interest rates up to four times by 100 basis points, bringing the target range to 3.25%-3.50%, with an aggregate probability of 61.68% (Figure 4).

Figure 3. Conditional Probability (as of 10-04-2025)

Meeting Date	300-325	325-350	350-375	375-400	400-425	425-450
5/7/2025	0.00%	0.00%	0.00%	0.00%	33.30%	66.70%
6/18/2025	0.00%	0.00%	0.00%	28.50%	61.90%	9.60%
7/30/2025	0.00%	0.00%	23.50%	56.10%	18.70%	1.70%
9/17/2025	0.00%	16.80%	46.80%	29.40%	6.60%	0.50%
10/29/2025	7.00%	29.30%	39.50%	19.90%	4.00%	0.30%
12/10/2025	18.60%	34.60%	29.30%	11.60%	2.10%	0.10%

Source: Phintraco Sekuritas Research | CME FedWatch Tool

Figure 4. Aggregate Probability (as of 10-04-2025)

Meeting Date	300-325	325-350	350-375	375-400	400-425	425-450
5/7/2025	0.00%	0.00%	0.00%	0.00%	34.26%	65.74%
6/18/2025	0.00%	0.00%	0.00%	14.87%	85.13%	0.00%
7/30/2025	0.00%	0.00%	0.00%	96.50%	3.50%	0.00%
9/17/2025	0.00%	0.00%	66.81%	33.19%	0.00%	0.00%
10/29/2025	0.00%	8.50%	91.50%	0.00%	0.00%	0.00%
12/10/2025	0.00%	61.68%	38.32%	0.00%	0.00%	0.00%

Source: Phintraco Sekuritas Research | CME FedWatch Tool