



Global Macro Flash

US Inflation Consumer Price Index (CPI) | May 14th, 2025

US Inflation Cools Slightly in April, Below Expectations

Previous Data (Headline Inflation)

Period	MoM	YoY
Mar 2025	-0.10%	2.40%
Feb 2025	0.20%	2.80%
Jan 2025	0.50%	3.00%

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	-0.10%	2.80%
Energy	0.70%	-3.70%
All Item less Food&Energy	0.20%	2.80%

Source: US Bureau of Labor Statistics

Inflation Expectation

Future Year Ahead	Feb 25	Mar 25	Apr 25
1 Year	3.10%	3.60%	3.60%
3 Year	3.00%	3.00%	3.20%
5 Year	3.00%	2.90%	2.70%

Source: Bank Federal Reserve New York as of February 2025

Future Inflation Probability

Inflation	1 Year Ahead	3 Year Ahead
<0%	21.80%	25.10%
0-2%	11.50%	12.40%
2-4%	19.50%	19.10%
>4%	47.20%	43.40%

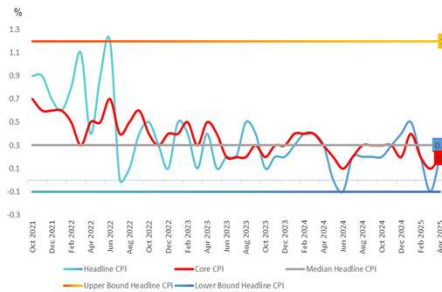
Source: Bank Federal Reserve New York as of February 2025

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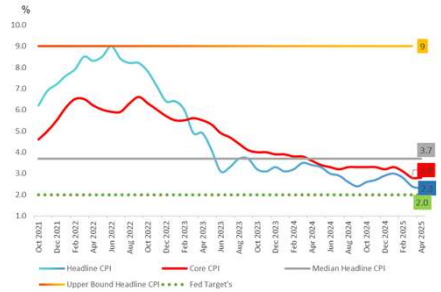
Period	Headline Inflation		Core Inflation	
Apr 2025	0.20% MoM	2.30% YoY	0.20% MoM	2.80% YoY

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

Inflation in the United States rose by 0.2% MoM in April 2025 from 0.1% MoM in March 2025 but below market expectations of 0.3% MoM. This was influenced by a 0.7% MoM increase in the energy index in April, where higher natural gas and electricity indices offset a decline in the gasoline index. Meanwhile, the food index fell to 0.1% MoM in April 2025. Core inflation, which excludes food and energy, rose by 10 basis points to 0.2% MoM in April 2025 from 0.1% MoM in March 2025 (**Figure 1**). This increase was mainly driven by a 0.3% MoM rise in the rent index, which accounts for more than 50% of core inflation, up from 0.1% MoM in March 2025.

On an annual basis, overall U.S. inflation declined by 10 basis points to 2.3% YoY in April 2025 from 2.4% YoY in March 2025. This was affected by a 40 bps drop in the energy index to -3.7% YoY in April 2025 from -3.3% YoY in March. Core inflation grew to 2.8% YoY in April 2025 (**Figure 2**). It was driven by a 4.0% YoY increase in the rent index, 2.7% YoY in the health index, and 6.4% YoY in vehicle insurance index.

The agreement between U.S. President Donald Trump and China on reducing Chinese import tariffs to 30% and U.S. import tariffs to 10% leads us to expect that the Federal Reserve will view inflation expectations as relatively well-contained, in line with this tariff deal between the U.S. and China. For the upcoming Federal Open Market Committee (FOMC) meeting in June (June 18), the CME FedWatch probabilities as of Tuesday, May 13, remain unchanged from the previous day at 91.78%, indicating the federal funds rate is expected to stay within the 4.25%-4.50% range. A 25-bps rate cut to the 4.00%-4.25% range is projected for September 2025, with a 50.90% probability (**Figure 3**). By the end of 2025, the Fed is anticipated to cut rates twice, totaling 50-bps, bringing the range down to 3.75%-4.00%, with an aggregate probability of 90.14% (**Figure 4**).

Figure 3. Conditional Probability (as of 13-05-2025)

Meeting Date	300-325	325-350	350-375	375-400	400-425	425-450
6/18/2025	0.0%	0.0%	0.00%	0.00%	8.20%	91.80%
7/30/2025	0.00%	0.00%	0.00%	2.70%	35.90%	61.40%
9/17/2025	0.00%	0.00%	1.60%	22.20%	50.90%	25.30%
10/29/2025	0.00%	0.80%	11.70%	36.30%	38.30%	12.90%
12/10/2025	0.50%	7.40%	26.60%	37.50%	22.90%	5.10%
1/28/2026	2.90%	14.20%	30.50%	32.30%	16.60%	3.30%
3/18/2026	8.10%	21.60%	31.30%	25.20%	10.50%	1.80%

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
6/18/2025	0.0%	0.0%	0.00%	0.00%	8.22%	91.78%
7/30/2025	0.00%	0.00%	0.00%	0.00%	41.29%	58.71%
9/17/2025	0.00%	0.00%	0.00%	0.12%	99.88%	0.00%
10/29/2025	0.00%	0.00%	0.00%	49.29%	50.71%	0.00%
12/10/2025	0.00%	0.00%	9.86%	90.14%	0.00%	0.00%
1/28/2026	0.00%	0.00%	45.29%	54.71%	0.00%	0.00%
3/18/2026	0.00%	0.00%	90.63%	9.37%	0.00%	0.00%

Source: Phintraco Sekuritas Research | CME FedWatch Tool