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Weekly Commentary

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Missing BLS data does not alter inflation story

The lion's share of the financial world had forgotten about the shutdown of the US government in fall of 2025. It jumped back into investors' minds last week with the release of the Consumer Price Index for October. The shutdown, lasting 43 days from Oct. 1 to Nov. 12, kept the Bureau of Labor Statistics (BLS) from collecting data on inflation. That deficiency came home to roost as the October report does not have year-over-year (y/y) data.

But we did get month-over-month (m/m) data, which is often more telling. Core CPI, which excludes volatile factors such as food and energy prices from its calculation, rose at the same rate of 0.3% in October as September. Some of the underlying components of the Producer Price Index (PPI) rate were softer, but only slightly, as is the case for estimates for the October core Personal Consumption Expenditures (PCE) Index.

The result is that inflation is once again proving sticky and remains well above the Federal Reserve's 2% target. Historically, the Fed tightens monetary policy to fight inflation, so we expect it to deliver a 25 basis-point hike when it meets in December.

Views are as of the date above and are subject to change based on market conditions and other factors. These views should not be construed as a recommendation for any specific security or sector.

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