

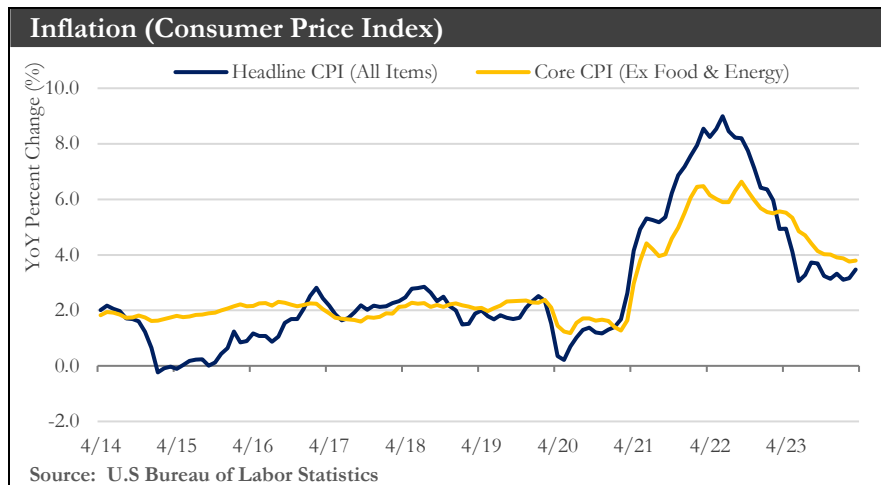


CMC UPDATE: CPI Rises in April
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The Consumer Price Index (CPI) rose 0.3% in April. On a twelve-month basis, CPI inflation edged lower by 0.1 percentage points to 3.4%. Higher gasoline prices (+2.8% in April) were partly responsible for the uptick in headline inflation. Core CPI rose a 'soft' 0.3% in the month, marking a slight deceleration from the 0.4% monthly gains registered in each of the prior three months. Relative to April 2023, core inflation was up 3.6% - down 0.2 percentage points from the March reading.

Thanks to a further decline in goods prices and some cooling in services price pressures, core inflation recorded its softest monthly gain of the year. The 3-and-6-month inflation trends are expected to gradually cool through the second half of the year and likely be in a place by late-2024 where policymakers would feel comfortable to begin dialing back the policy rate.



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