



No relief: Inflation unexpectedly heated up last month

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Egg prices jumped more than 15% in January after farmers had to cull millions of laying hens due to avian flu. The rise in grocery prices kept overall inflation elevated.

Andrew Caballero-Reynolds/AFP via Getty Images

Inflation saw a surprising increase last month, as the price of groceries, gasoline and shelter all climbed.

Consumer prices in January were up 3% from a year ago, according to [a report Wednesday](#) from the Labor Department. That's a bigger annual increase than the previous month. Prices rose 0.5% between December and January alone.

Forecasters had expected to see some moderation in price hikes, but inflation remained stubbornly high. The news sent stock markets tumbling, with the Dow Jones Industrial Average falling more than 350 points in the first half-hour of trading.

Egg prices surged

Egg prices saw their biggest jump in nearly a decade last month, rising more than 15% after [avian flu forced egg farmers](#) to cull millions of laying hens in December. Overall grocery prices rose 0.5% in January.

Stripping out food and energy prices, which bounce around a lot, "core inflation" was also higher than forecasters had expected, at 3.3%. The price of auto insurance, used cars and airline tickets all rose last month.

President Trump's new tariffs could put even more upward pressure on prices. On Monday, Trump ordered a [25% tax on all imported steel and aluminum](#), which could raise the cost of everything from automobiles to canned soup, soft drinks and beer. Trump had earlier imposed a 10% tariff on all imports from China and has threatened additional tariffs on other imports.

The Federal Reserve had already signaled that [it planned to take its time](#) before making any further cuts to interest rates. The sticky inflation data is likely to make the central bank even more cautious.



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