

Title: Inflation is at its Highest Rate Since 1990 at 6.2%!

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Marketwatch Article: <https://www.marketwatch.com/story/coming-up-u-s-consumer-price-index-for-october-11636550300?mod=bnbh>

****TLDR****: The U.S is facing a high inflation rate (highest in 31 years). They recorded that last month (October), the inflation rate was 6.2% which is an additional 0.8% from the month before (September). Alongside this, CPI and energy costs has also increased. CPI increasing makes it difficult for regular consumers to purchase everyday goods as the prices for these goods increased by 0.94% compared to the previous month.

Consumer prices soar again and push rate of inflation to 31-year high, CPI shows

****The numbers:**** The cost of living rose sharply again in October as Americans paid more for staples such as gas and groceries, pushing the rate of inflation to a 31-year high and adding financial pressure on U.S. households.

The consumer price index jumped 0.9% last month, the government said Wednesday. Economists polled by The Wall Street Journal had forecast a 0.6% increase.

The pace of inflation over the past year marched to 6.2% in October from 5.4% in the prior month.

That's more than double the Federal Reserve's 2% target and is the highest rate since November 1990, excluding a brief oil-driven spike in 2008.

Another closely watched measure of inflation that omits volatile food and energy costs rose 0.6% last month. This so-called core rate is closely followed by economists as a more accurate measure of underlying inflation.

The 12-month increase in the core rate climbed to 4.6% from 4% and hit a 30-year peak.

****Big picture:**** High inflation is set to persist into early 2022 because of ongoing shortages of labor and supplies that are unlikely to ease soon.

Companies such as UPS ****UPS, ** +0.32%****, Kraft ****KHC, ** +0.40%**** and Krispy Kreme ****DNUT, ** -4.21%**** have to pay more for wages and materials and they still can't produce enough goods and services to meet demand. Many are raising prices to offset the higher costs to themselves.

Chairman Jerome Powell and other senior Fed leaders say inflation should subside next year and return close to their 2% target, but they acknowledge price pressures have been much stronger than they anticipated. They say they are watching prices closely and are prepared to respond if high inflation persists.

The surge in prices for rent, gas, groceries, cars and many other goods and services has put a big dent in consumer confidence and could even threaten the economic recovery unless inflation relents.

"I am acutely aware that this period of rising prices is painful for many Americans," Philadelphia Federal Reserve President Patrick Harker said on Monday.

****Market reaction:**** The Dow Jones Industrial Average ****DJIA, ** -0.31%**** and S&P 500 ****SPX, ****

**** -0.35% **** were set to open lower in Wednesday trades. Stocks have been hitting record highs.