

US inflation spikes 0.6% in June on rising gas prices: report

July 14 2020



A 12.3 percent spike in gasoline prices accounted for half of the overall increase in June US inflation

Consumer inflation jumped in June as the US economy began to partially reopen, rising 0.6 percent on a rebound in gasoline prices, the Labor Department reported Tuesday.

The spike came after three months of declines in the Consumer Price Index (CPI) amid shutdowns to contain the coronavirus pandemic, and was the biggest increase since August 2012.

But the data doesn't encompass the recent resurgence in case counts in several states, which have prompted authorities to restore some restrictions.

After falling to record lows in recent months, [gasoline prices](#) in June jumped 12.3 percent, accounting for half of the overall increase in CPI, according to the report. Gas prices had fallen more than 20 percent in April.

Excluding volatile food and energy goods, the closely-watched core CPI rose just 0.2 percent, the first increase since February, according to the monthly data.

For the 12 months ended in June, CPI was up 0.6 percent, compared to just 0.1 percent in May, while the core [inflation](#) measure was up 1.2 percent.

Oxford Economics said the data show deflation worries have subsided, for now, but "the slow recovery in aggregate demand will keep the pace of inflation very subdued in the coming months."

For the 12 months ended in June, CPI was up 0.6 percent, compared to just 0.1 percent in May, while the core inflation measure was up 1.2 percent.

Food [prices](#) continued to rise last month but at slower pace than the prior two months, increasing 0.6 percent compared to May, according to the report.

The cost of medical care jumped 0.5 percent in the month but housing inched up only 0.1 percent.

Prices for new vehicles were flat, while used car costs fell 1.2 percent.

© 2020 AFP

Citation: US inflation spikes 0.6% in June on rising gas prices: report (2020, July 14) retrieved 20 July 2024 from <https://techxplore.com/news/2020-07-inflation-spikes-june-gas-prices.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.