

Core Inflation Slows in December, Offering Hope for U.S. Economy

WASHINGTON — Core inflation in the U.S. slowed to 3.2% in December, marking a significant step in the Federal Reserve's efforts to tame rising prices. The figure, which fell below economists' expectations, signals that the central bank's aggressive interest rate hikes throughout 2024 are starting to yield results.

The slowdown is attributed to easing costs in critical sectors like food, energy, and housing, offering some relief to households battered by high inflation in recent years. Federal Reserve Chair Jerome Powell called the results "encouraging" but cautioned that inflation still exceeds the Fed's 2% target.

While the latest data provides hope for consumers, experts warn of potential headwinds, including geopolitical instability and supply chain disruptions, which could reintroduce price volatility. For now, the December figures serve as a much-needed reprieve for Americans and a sign of progress in the battle against inflation.