

Metro Denver's inflation runs cooler than national rate

Local consumer prices show no gain the past two months, and annual rate holds at 1.4%

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The Denver-Aurora-Lakewood Consumer Price Index showed no movement between July and September, although various items in the basket of goods to measure inflation did shift around, according to an update Thursday from the U.S. Bureau of Labor Statistics.

Annual inflation rose 1.4% in September in metro Denver, matching the 1.4% annual pace seen in July.

Denver's inflation rate is running cooler than the 2.4% rate measured nationally in September with only Tampa, Fla., having a lower rate.

Housing costs, a dominant item in the CPI, are down 0.6% over the past two months and up 1.4% on the year, matching the overall rate.

Prices for food eaten at home are down 1.1% since July and down 0.4% on the year, with a 5.2% annual decline in meat, poultry, fish and egg costs helping bring them lower. Prices in most food categories moved lower as summer came to an end, exceptions being cereals and baked goods and "other" items eaten at home.

The cost of eating out, however, remains a pinch point for Denver-area consumers, with prices up 0.5% since July and 5.8% since September 2023.

Energy prices have fallen 8.7% in the past year led by a sharp drop in natural gas prices, which should help consumers out whenever winter arrives. Gasoline prices are down 12.2% on the year, although they rebounded 2.2% between July and September.

Clothing costs, which had been falling much of the year, shot up 6.8% since July but remain 5% below year-ago levels. Other goods and services, a broad category, saw prices increase 7.15% in the past year and are up 1.75% since July.

Used car prices fell 4.3% in the past two months, while new car prices were down 0.3%.

The good news on inflation in metro Denver, however, was overshadowed by stronger-than-expected gains in prices nationally, which had analysts questioning whether the Federal Reserve will continue on the path of aggressive rate cuts it started on in September.

"This is not what the Fed wanted to see after its bold move in September and virtually rules out another large cut in November. While we still lean toward a quarter-point reduction, much will depend on

whether we see a second straight strong jobs report in October,” said Sal Guatieri, a senior economist with BMO Capital Markets in a research note.