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## U.S. Home-Price Growth Slows

U.S. home prices rose in September, though the pace of growth continued to slow as elevated mortgage rates and affordability concerns hit demand.

The S&P Cotality Case-Shiller National Home Price Index, which measures home prices across the country, rose 1.3% in the 12 months through September, compared with a revised 1.4% rise in August. - Note

"This represents the weakest annual price growth since early 2023, when the market was absorbing the initial shock of the Federal Reserve's aggressive rate-hiking cycle," said Nicholas Godec at S&P Dow Jones Indices. "Yet unlike that period, which saw a quick rebound, current conditions suggest more persistent headwinds." Note

The restrained growth means inflation outpaced house prices for a fourth straight month. Broad-based weakness points to falling demand as mortgage rates remained near 6.3% as of late September, Godec said. - Note

—Don Nico Forbes

## Price Data Signal Muted Rise In Key Gauge

Higher energy and food costs lifted wholesale prices in September, the Labor Department said, though certain items that feed into the Federal Reserve's preferred inflation metric are likely to leave that reading little changed.

After falling by 0.1% in August, prices charged by producers rose by 0.3% in September, in line with economists' expectations. Excluding food and energy, the PPI rose by less than forecast and climbed 2.6% from a year ago, the mildest increase since July 2024. - Note

Some prices released Tuesday are used to measure inflation in the personal-consumption expenditures price index, which the Fed uses to measure progress against its 2% inflation target. The PCE index is composed using price data from the PPI, the consumer price index and import prices. ]

Economists at Citigroup estimate that based on the PPI and CPI, so-called core inflation that excludes volatile food and energy prices rose 0.19% in September, lower than the 0.23% monthly rise in core prices for that month's CPI.

Omar Sharif, of Inflation Insights, estimates core PCE will be 0.2% for September. Their projections would bring the 12-month core PCE reading to 2.8% for September, versus 2.9% in August.

—Nick Timiraos and Matt Grossman

## **Confidence**

## Metric Declines

Shutdown-delayed data showed American consumers closed out the third quarter on a cautious footing, while a measure of consumer confidence tumbled in November.

Retail sales rose a seasonally adjusted 0.2% in September from the prior month, the Commerce Department said. That fell short of economists' expectations for a 0.3% rise.

The September data reflect a period just before the government shutdown. More recent earnings from major retailers, which generally painted a rosier picture of consumer spending, indicated consumers are hunting for value but still spending.

A survey Tuesday from the Conference Board found consumer confidence declined to 88.7 in November from 95.5 in October, below economists' expectations for 93.2.

—*Harriet Torry*

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