



The Etergino Group

Connecting Wealth with Purpose

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The Markets

This is not the inflation you're looking for...

In general, everyone who buys goods or services in the United States would prefer to see prices trend lower – and that's what happened in the earlier part of this year. Over the last couple of months, though, inflation has begun to creep higher.

Last week, the Consumer Price Index (CPI), a well-known measure of inflation, showed prices moving higher in June. The only goods that did not show price increases in June were new and used vehicles. “Even with only limited signs of increasing effects from tariffs, inflation is once again accelerating in America. The total measure of inflation in June was right in line with expectations on Tuesday, but it was still a significant jump in the wrong direction,” reported Megan Leonhardt of Barron's.

Here's a look at how prices have changed this year.

2025 CPI	Headline inflation (All prices, year over year)	Core inflation (excluding food and energy prices, year over year)
June	2.7 percent	2.9 percent
May	2.4 percent	2.8 percent
April	2.3 percent	2.8 percent
March	2.4 percent	2.8 percent
February	2.8 percent	3.1 percent
January	3.0 percent	3.3 percent

Source: Bureau of Labor Statistics

The CPI provides two inflation measures: headline inflation, which shows how all prices changed, and core inflation, which excludes volatile food and energy categories.

Gathering the data for the CPI requires boots on the ground. “Prices are collected each month in 75 urban areas across the country from about 6,000 housing units and approximately 23,000 retail establishments—department stores, supermarkets, hospitals, gas stations, and other types of stores and service establishments,” reported the Bureau of Labor Statistics.

Recently, staff reductions have made it more challenging for the government to complete the monthly inflation survey, reported Matt Grossman of The Wall Street Journal. When hard data is not collected, the staff relies on estimates. In the past, about 10 percent of CPI survey data was estimated, according to economist Torsten Sløk. In May, that number rose to 30 percent – almost one-third of the data in the survey.

Last week, earnings season got off to a good start. John Butters of FactSet anticipates that the Standard & Poor's 500 Index will report “year-over-year growth in earnings above 9 [percent] for the second quarter.” Strong earnings boosted investor confidence. The Standard & Poor's 500 Index rose over the week, and the Nasdaq Composite finished at a new record high. However, the Dow Jones Industrial Average ended slightly lower. Yields on shorter maturities of U.S. Treasuries generally moved lower over the week, while yields on longer maturities of U.S. Treasuries moved higher.

Data as of 7/11/25	1-Week	YTD	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 Index	0.6%	7.1%	13.6%	18.0%	14.1%	11.5%
Dow Jones Global ex-U.S. Index	0.4	16.1	12.2	11.4	6.4	3.6
10-year Treasury Note (yield only)	4.4	N/A	4.1	3.0	0.6	2.4
Gold (per ounce)	0.1	28.5	39.6	25.0	13.1	11.8
Bloomberg Commodity Index	1.2	6.4	6.2	-3.5	9.7	0.9

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance; MarketWatch; djindexes.com; U.S. Treasury; London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

ABOUT MONEY AND HAPPINESS... In 2010, Nobel Laureates Daniel Kahneman and Sir Angus Deaton investigated how money influences happiness. They measured as people's daily sense of emotional well-being and their lifetime sense of accomplishment as proxies for happiness. The pair concluded that, "More money does not necessarily buy more happiness, but less money is associated with emotional pain." In addition, the emotional benefits of earning more money leveled off when income reached \$75,000. (The real median income in the United States was about \$66,700 in 2010, according to the U.S. Census Bureau via FRED.)

In 2021, the relationship between money and happiness was revisited by Matthew Killingsworth, a senior fellow at the Wharton School. The study found, "Larger incomes were robustly associated with both greater experienced well-being and greater evaluative well-being... There was no observed plateau in experienced well-being... either around \$75,000/y or at any other income level." (The real median household income in the U.S. was about \$79,200 in 2021, according to the U.S. Census Bureau via FRED.)

To try and understand the contradiction in findings, Kahneman and Killingsworth engaged in an adversarial collaboration mediated by Wharton professor Barbara Mellers. After reviewing the data sets, they concluded, "In the low range of incomes, unhappy people gain more from increased income than happier people do. In other words, the bottom of the happiness distribution rises much faster than the top in that range of incomes. The trend is reversed for higher incomes, where very happy people gain much more from increased income than unhappy people do."

WEEKLY FOCUS – THINK ABOUT IT

"Research is formalized curiosity. It is poking and prying with a purpose."

— Zora Neale Hurston, *Writer and anthropologist*

Best regards,



Ann Marie Etergino, CIMA®

Managing Director – Financial Advisor

The Etergino Group at
RBC Wealth Management

5425 Wisconsin Avenue, Suite 301
Chevy Chase, MD 20815
Tel: (301) 907-2772 | Toll: (800) 368-3880
Website: www.eterginogroup.com



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- All indexes referenced are unmanaged. The volatility of indexes could be materially different from that of a client's portfolio. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. You cannot invest directly in an index.
- The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
- The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
- Gold represents the 3:00 p.m. (London time) gold price as reported by the London Bullion Market Association and is expressed in U.S. Dollars per fine troy ounce. The source for gold data is Federal Reserve Bank of St. Louis (FRED), <https://fred.stlouisfed.org/series/GOLDPMGBD228NLBM>.
- The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
- The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.
- The Dow Jones Industrial Average (DJIA), commonly known as "The Dow," is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.
- The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.
- International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.
- Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
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Sources:

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