

New York Life Investment Management's Global Market Strategy team

# May CPI: Energy prices keep pressure on inflation

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Investment  
Management

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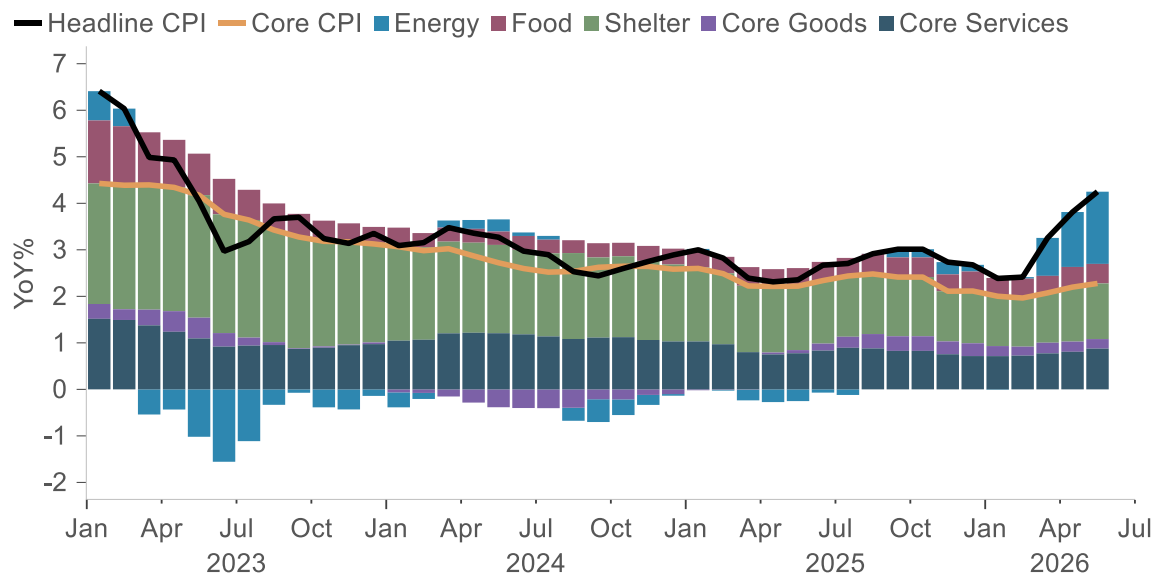


# May CPI: Energy prices keep pressure on inflation

As of 9:15 a.m. ET, 10 June 2026

- CPI continued to move higher in May, driven primarily by the energy shock tied to the Iran conflict, lifting headline inflation to 4.2% YoY [from 3.8% in April](#). On a monthly basis, price momentum moderated, with headline CPI rising 0.5% MoM, versus 0.6% in April.
- Inflation in May remained driven by energy prices. Headline inflation moved higher on the back of gasoline and other energy costs, while core goods inflation cooled MoM, an encouraging sign that higher energy prices are not sustainably translating into more broad-based inflation pressures – at least, not yet. Beneath the surface, airfares, communication services, and personal care costs moved higher, while insurance and automotive costs moderated.
- Markets largely looked through the inflation print, with Treasury yields little changed following the release. Attention now turns to next week’s FOMC meeting – the first with Kevin Warsh as Chair – where policymakers will weigh the highest inflation print in three years against a resilient labor market. We expect the Fed to leave rates unchanged next week, looking through the primarily energy-driven price increases over the past three months.
- In the coming months, we remain focused on second-order inflation effects, specifically whether higher energy prices will feed into transportation and other energy-intensive categories, ultimately pushing core inflation higher.

## The Iran conflict has reversed nearly three years of disinflation



Sources: New York Life Investment Management, Global Market Strategy, U.S. Bureau of Labor Statistics (BLS), Macrobond, June 2026. CPI: Consumer Price Index.



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