# United States: June brought inflation some relief

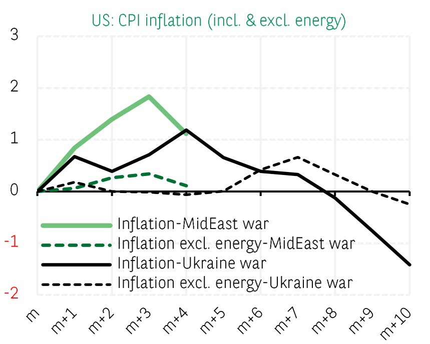
The memorandum of understanding, signed in mid-June between the US and Iran, improved US data before hostilities resumed in mid-July.

Headline CPI posted its first monthly drop (-0.4% m/m) since 2020 in June, driven by gasoline prices (-9.7% m/m). It stood at 3.5% y/y, down sharply from May's 4.2% but still 1.1pp above pre-conflict levels. Inflation excl. energy eased as well (-0.2pp to 2.7% y/y), edging back towards its February reading.

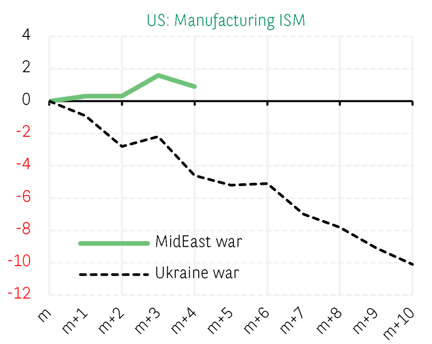
Business activity, buoyant going into the shock, stayed resilient. Input-price growth (a leading indicator of inflation) and delivery times remained elevated but moderated after the March/April spike. Both developments tie directly to the Middle East turmoil. Meanwhile, households, whose confidence was already weak, saw their outlook and inflation expectations deteriorate further given their sensitivity to gasoline prices, before partially recovering.

Macroeconomic conditions remain significantly less inflationary than in 2022, although small businesses have raised their price plans.

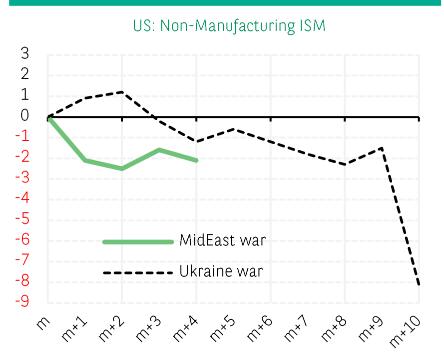
**June 2026:
Inflation eases on the back of gasoline prices**



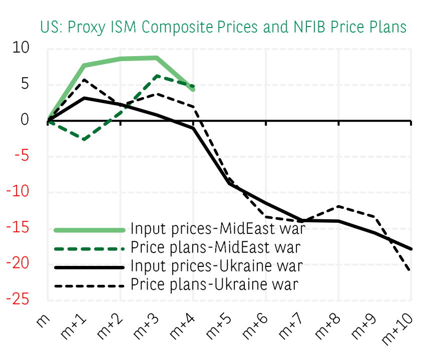

**June 2026: Favorable business climate in manufacturing**



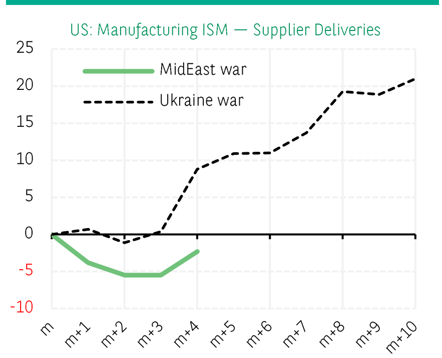

**June 2026: Business climate still buoyant in services**



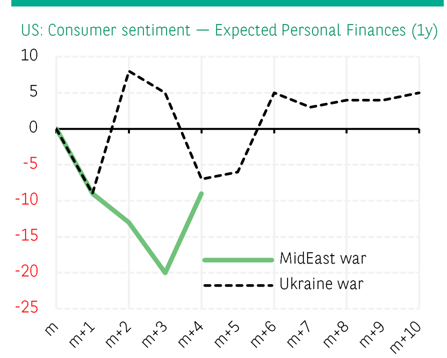

**June 2026: Moderating input-price growth and price plans**




**June 2026:
Delivery times lengthening less**




**June 2026:
Moderating consumer concerns**




Source: BLS, ISM, NFIB, University of Michigan, BNP Paribas

Change since m = 0 = February 2026 / February 2022.
Unit: inflation change in percentage point, point for confidence surveys.