

Consumer Inflation Declines, Office Use Gets Post-Labor Day Boost, Wholesalers See Sales Rise

By Lou Hirsh

Annual Consumer Inflation Declines

Annual consumer inflation dipped to 8.3% in August from 8.5% in July, but the government numbers released Tuesday initially displeased investors that were anticipating sharper declines in stubbornly high gas, food and other prices.

Stocks fell in response to the Labor Department August data, with the Dow Jones Industrial Average dropping nearly 1,300 points, a 3.94% decline on the day. The broader S&P 500 closed down 4.32% and the Nasdaq fell 5.16%.

Government numbers showed the consumer price index, tracking a broad range of household expenses including goods and services, remained around 40-year highs on an annual basis, and rose 0.1% from the prior month in August. Several analysts had expected a 0.1% month-over-month decrease.

"Increases in the shelter, food, and medical care indexes were the largest of many contributors to the broad-based monthly all items increase," the Bureau of Labor Statistics said in a statement. "These increases were mostly offset by a 10.6% decline in the gasoline index."

Numbers showed food prices continued to rise, increasing 0.8% for the month, as the food-from-home index rose 0.7%. The energy index fell 5% for the month, as the gasoline index declined, but the electricity and natural gas indexes increased.

Office Use Gets Post-Labor Day Boost

Workers returning after the Labor Day holiday brought office use to a new pandemic high, with the average of 10 big cities topping 50% for the first time in more than two years, according to security technology firm Kastle Systems.

The firm's "Back to Work Barometer," based on anonymous keycard data from clients' office properties, showed attendance at 52.6% of pre-pandemic levels for the week ended Sept. 7. That was a considerable jump from 43.8% in the prior week, as the number had been hovering around 44% for the past several weeks.

The week after Labor Day has generally been among the strongest for attendance since 2020, the first year of the pandemic, though the post-holiday bump this year was much stronger than in the prior two years. "This reflects the generally higher level of office attendance during the midpoint of

weeks in 2022 compared to prior pandemic years," Kastle Systems said in a statement.

Still, most major cities remain below 50% in the latest weekly data. The top three were generally the same as in most weeks of the past two years, with Austin, Texas, at 57.2%, Houston at 54.4% and Dallas at 50.8%.

Wholesalers See Sales Rise

Merchant wholesalers saw sales rise 15.3% from year-earlier levels, though the latest \$698 billion figure for July was down 1.4% from the prior month, the Commerce Department reported this week.

Wholesalers' inventories were valued at \$900.7 billion at the end of July, up 0.6% from the prior month and up 25% from a year earlier.

Wholesale numbers generally offer hints of how the economy is faring beyond the consumer, and reflect patterns similar to those being seen among the retailers who buy from them. Rising inventories generally signal slowing demand in the larger economy.