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Markets Focus on Core Inflation Rise in July Amid Steady Odds

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Financial markets are closely watching the potential increase in core inflation for July, with traders placing significant bets on whether the seasonally adjusted Consumer Price Index (CPI) for All Urban Consumers, excluding food and energy, will rise by more than 0.2%. According to data from Kalshi, a popular prediction market platform, this question has generated considerable trading activity and remains one of the most active markets on the site.

Kalshi reported a volume of 6,828 contracts traded over the last 24 hours on the market centered on the question: *“Will core inflation rise more than 0.2% in July?”* This market has attracted a total of 19,444 transactions since it opened on June 12, 2025. There are 14,443 positions of open interest, reflecting traders’ ongoing commitment to this market, while the liquidity level sits at a robust 4,527,031 contracts.

The market currently implies an 81% chance that core inflation will increase by more than 0.2% in July, unchanged from the previous day’s probability. This steady sentiment signals that investors remain cautious but generally expect inflationary pressures to persist at a moderate pace.

Core inflation refers to the Consumer Price Index for All Urban Consumers (CPI-U) excluding the volatile food and energy sectors. This measure provides a clearer view of underlying inflation trends by removing items that can fluctuate widely due to seasonal or external factors. The data, published by the U.S. Bureau of Labor Statistics (BLS), serves as a key indicator for policymakers and investors alike.

If the seasonally adjusted CPI for core items rises by more than 0.2% in July 2025, as determined by the BLS report, the market will resolve to “Yes.” This outcome will likely influence Federal Reserve monetary policy decisions and affect bond yields, equity markets, and consumer expectations.

The current trading volume and open interest in this Kalshi market underscore the importance investors place on inflation data amid ongoing economic uncertainty. Inflation remains a central concern, influencing everything from interest rates to wage growth and consumer spending. The steady 81% implied probability reflects a market consensus that inflation will remain somewhat elevated but without dramatic spikes.