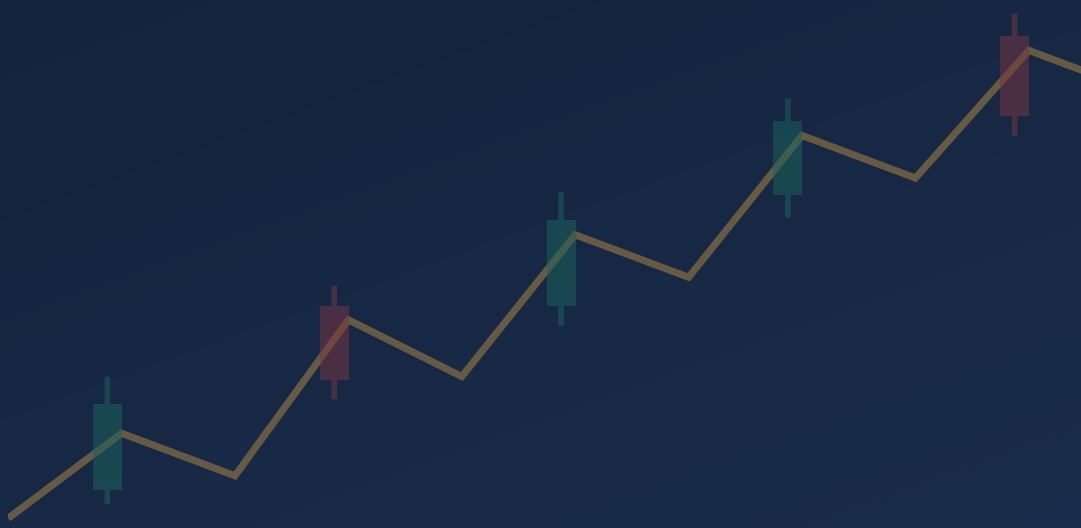
ACADEMIA MASTER TRADER

EDUCATIONAL GUIDE · BONUS

What the CPI Measures

And why markets watch it: a beginner's reading guide to the US inflation report, using the real October 2026 release as the example.

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FREE GUIDE

BEFORE YOU START

Important notice

RISK WARNING

All content in this guide is for **educational purposes only**. Nothing here is a recommendation to buy or sell any asset, an analysis of securities, or a promise of gains. Trading in financial markets involves a **real risk of partial or total loss of capital**. Past results - yours or anyone else's - do not guarantee future results.

How to use this guide

- Read in order: each part builds on the previous one.
- The data quoted is real and comes from the official source, with its publication date.
- Understanding an inflation report is not an instruction to trade. It is background knowledge to read the news calmly.

OUR COMMITMENT

Academia Master Trader is an education channel. We do not promise profit, we do not show invented results and we do not say it is easy. Our goal is that you understand the market before risking a single dollar.

PART 1

What the CPI is

The **CPI - Consumer Price Index** measures the average change over time in the prices that consumers pay for a basket of goods and services: food, housing, energy, transport, healthcare and more. It is the most widely watched inflation gauge in the United States.

The CPI is published every month by the **U.S. Bureau of Labor Statistics (BLS)**, a government statistics agency. The headline number most people quote is the **CPI-U**, covering all urban consumers - it represents the spending of the large majority of the US population.

> **WHY ONE NUMBER MATTERS SO MUCH**
>
> Inflation shapes how far a paycheck goes, how much it costs to borrow, and how central banks set interest rates. That is why a single monthly release can move markets around the world.

The release itself is free

Anyone can read the CPI release directly on the BLS website, at no cost: it is a public document, published on a scheduled date and time. Reading the source is a skill - and it is the skill this guide practices with you.

PART 2

How to read a CPI release

1 · Monthly change vs. 12-month change

CPI releases normally report both. In October 2026, most **12-month changes** were unavailable because October 2025 survey data were missing; the worked example therefore uses monthly, seasonally adjusted changes. The **monthly change** compares the latest month with the previous month; the **12-month change** compares it with the same month a year earlier. Headlines mix the two all the time - always check which one is being quoted.

2 · Headline vs. core

Food and energy prices swing a lot. The **core CPI** removes those two categories to show the underlying trend. Economists and central banks watch core inflation closely because it is usually less noisy.

3 · The detail lines

Inside the release, each spending category gets its own number - **shelter** (housing), **food**, **energy** and many others. They explain what is pushing the headline up or down.

> **FREE PRACTICE**
>
> Open the latest release at bls.gov and find the monthly change, the core number and the 12-month change where available; most 12-month changes were unavailable in October 2026. Two minutes, and you have already read more than most headlines tell you.

PART 3 · A REAL RELEASE

October 2026, step by step

Let's apply the reading steps to a real release: the October 2026 CPI, published by the BLS on **November 10, 2026**, at 8:30 AM Eastern Time.

Item	What the official release says
Headline (CPI-U)	**+0.4% in October** versus September (monthly change), after +0.6% in September.
Core CPI	**+0.3%** in October - the same monthly pace as September and August.
Shelter	+0.3% in the month.
Food	+0.5% in the month.
Energy	+0.7% in the month.

OFFICIAL SOURCE (FREE)

U.S. Bureau of Labor Statistics, Consumer Price Index - October 2026, published November 10, 2026: bls.gov/news.release/cpi.nr0.htm

Read it like this: the headline slowed from +0.6% to +0.4% month over month, while core inflation held steady at +0.3%. One release is one data point - the trend across several months is what matters, and only the next releases can confirm it.

PART 4

Why markets watch it - and next steps

Central banks set interest rates with inflation in view. When inflation runs high, rates tend to stay high; when inflation cools, there is room to cut. Interest rates, in turn, touch everything: loan costs, currencies and asset prices. That chain - inflation, rates, prices - is why traders and investors everywhere read the CPI the minute it comes out.

WHAT THIS GUIDE DOES NOT DO

This guide does not tell you how to trade the CPI. No single number is a signal to buy or sell, and trading around news releases involves real risk of loss. Use this knowledge to read the news, not as an instruction to operate.

Mini glossary

Term	Meaning
CPI-U	Consumer Price Index for All Urban Consumers - the headline US inflation gauge.
Monthly change	Comparison with the previous month (seasonally adjusted in the headline).
12-month change	Comparison with the same month a year earlier, before seasonal adjustment.
Core CPI	CPI without food and energy, used to see the underlying trend.
BLS	U.S. Bureau of Labor Statistics, the agency that publishes the CPI.

- [ ] Understanding inflation is background knowledge, not an instruction to trade.
- [ ] Next study step: what the financial market is and how prices form - our free beginner guide covers the basics, with no promises of gains.
- [ ] Always read the original source: the official release is free and public.



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