

U.S. inflation slows from 40-year peak

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Falling gas prices gave Americans a slight break from the pain of high inflation last month, though overall price increases slowed only modestly from the four-decade high that was reached in June.

Consumer prices jumped 8.5% in July compared with a year earlier, the government said, down from a 9.1% year-over-year jump in June. On a monthly basis, prices were unchanged from June to July, the smallest such rise in more than two years.

The report raised hopes that a modest slowdown in inflation might enable the Federal Reserve to raise short-term interest rates by less than anticipated when it meets in late September.