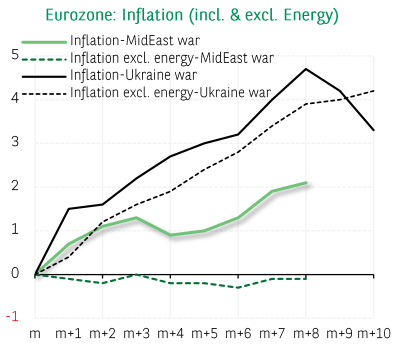
Eurozone: Contained rise in inflation, contained erosion of confidence surveys

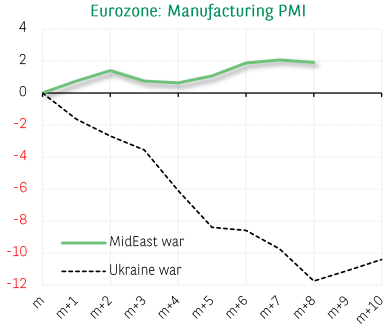
We have selected two inflation measures (with and without energy) and six survey indicators: 1/ & 2/ business confidence, as measured by the PMIs in the manufacturing and services sectors; 3/ & 4/ input and output prices components of the composite PMI (in order to identify direct inflationary pressures); 5/ the suppliers' delivery times component of the manufacturing PMI (a direct indicator of possible supply difficulties and supply-demand imbalance, and therefore, indirectly, of inflationary pressures in the making); and 6/ consumer confidence (measured by the "assessment of financial situation in the next 12 months" in order to capture the impact of inflation on purchasing power). The trends in each of these indicators are observed relative to month m=0, corresponding to the start of the conflict. Each line does not represent the level of the indicator, but its cumulative variation compared to month m=0.

The overall picture from the confidence surveys available for October is one of contained erosion. According to the PMIs, the business climate in the services sector showed a significant decline (seen as a technical backlash from September's strong print) and a slight decrease in the manufacturing sector. The two indices remain well above the 50 threshold, indicating expansion. Household confidence also deteriorated, quite significantly, affected by the rise in inflation, concerns about unemployment and purchasing power. In October, inflation indicators showed a contained rise. According to PMI surveys, input price pressures did not increase, output price pressures slightly eased, and delivery times remained rather tight but stable. HICP inflation rose again but less sharply than in September (+0.2 pp, to 4.0% y/y according to Eurostat's flash estimate) and inflation excluding energy remained stable at 2.3%.

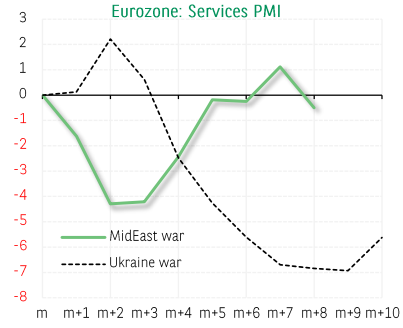
October 2026: Inflation continues to rise but remains stable and contained excluding energy



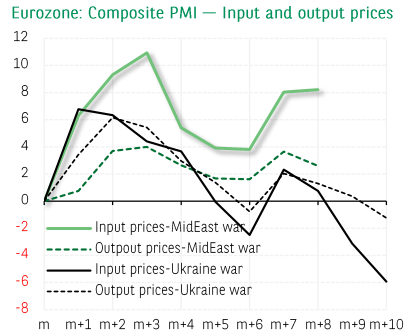
October 2026: Stabilisation at a relatively high level of the business climate in the manufacturing sector



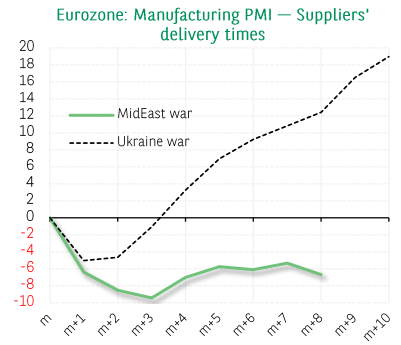
October 2026: The decline in business confidence in services interrupts a 5-month improvement



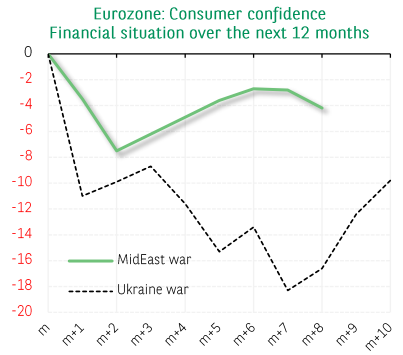
October 2026: Between unchanged and easing inflationary pressures



October 2026: Delivery times indicate persistent but stable supply tensions



October 2026: Household confidence deterioration



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

Source: S&P Global, Eurostat, European Commission, Macrobond, BNP Paribas