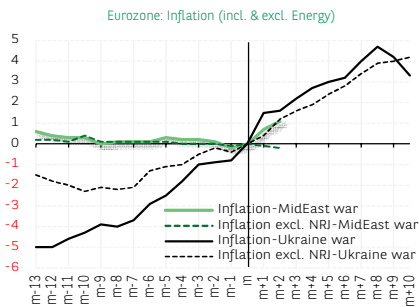


Eurozone: The inflation rise remains energy-driven, but pressures are mounting and consumer and services sector confidence is deteriorating sharply

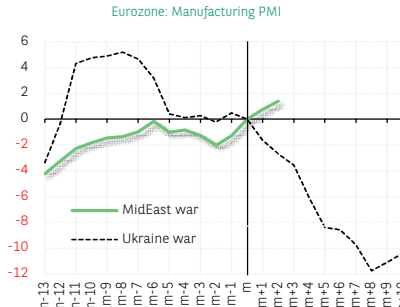
We have selected two inflation measures (with and without energy) and six survey indicators: business confidence, as measured by the PMIs in the manufacturing and services sectors; the "input prices" and "output prices" components of the composite PMI (in order to identify direct inflationary pressures); 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); household confidence, as reflected in its "assessment of financial situation in the next 12 months" component (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, more or less during the year that follows and the year that precedes the event. Each line does not represent the level of the indicator but its cumulative variation compared to month $m=0$.

The assessment of the available data for April is more negative than in March. Inflation rose by 1.1 percentage points in two months, an increase that is however still solely driven by the "energy" component. Excluding energy as well as excluding "energy and food," inflation recorded a new slight decline in April. However inflationary pressures are mounting, through rising input prices and — new development in April — the beginning of an increase in output prices according to PMIs surveys. The lengthening of delivery times is not a good sign either. The good news, coming from confidence surveys, is the further improvement in the business climate in the manufacturing sector (driven by stockpiling in anticipation of price increases). But it is weakened by the new sharp deterioration of the business climate in services and by the further decline in consumer confidence.

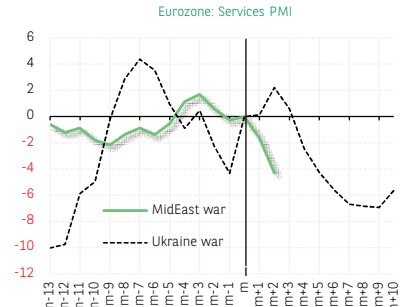
April 2026: The inflation rise remains energy-led



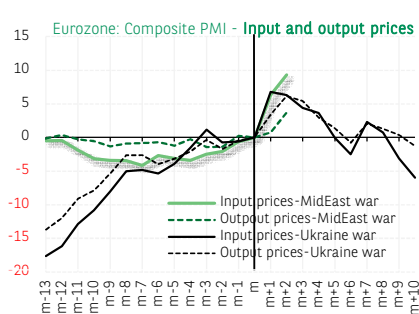
April 2026: Business confidence in the manufacturing sector remains well-oriented



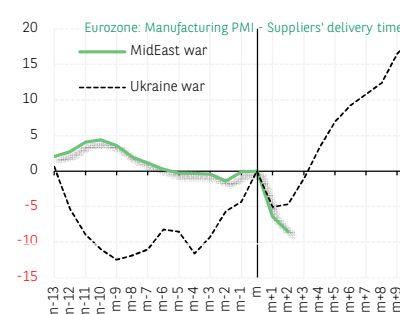
April 2026: Business confidence in services further deteriorates



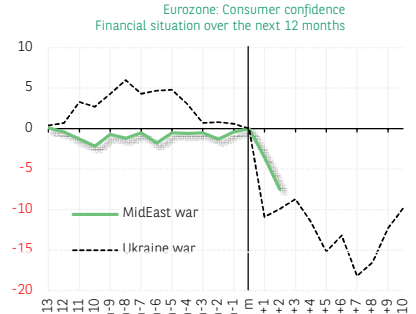
April 2026: Sharp rise in input prices and increase in output prices



April 2026: Further lengthening of delivery times, signaling rising tensions on supply



April 2026: Sharp fall in consumer confidence



Change since $m=0$ = February 2026 / February 2022

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