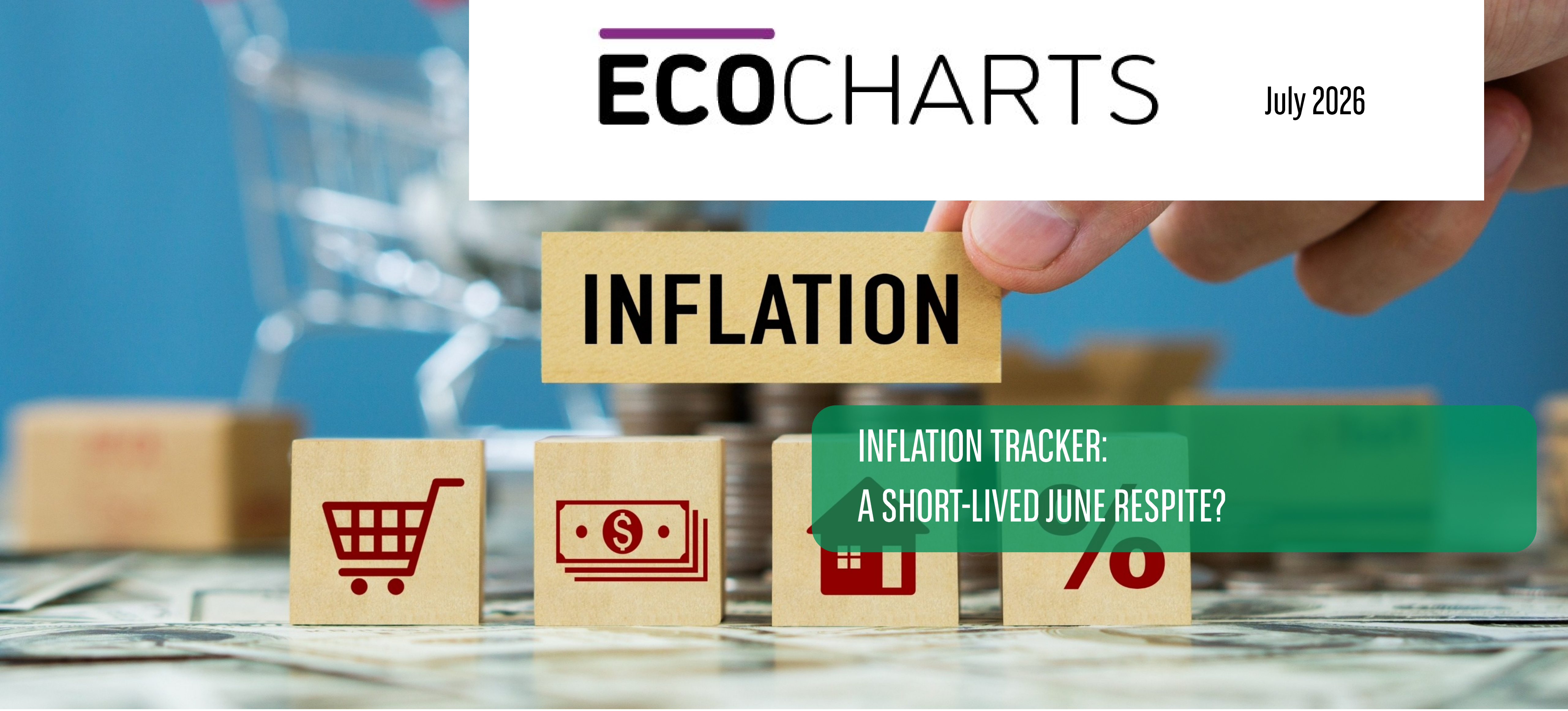
ECOCHARTS

July 2026



INFLATION TRACKER:
A SHORT-LIVED JUNE RESPITE?

BNP PARIBAS

The bank for a changing world

Advanced economies

General dynamics of inflation

June inflation declined temporarily but bounced back in July, reflecting the moves in energy prices.

Inflation and survey data

Forward indicators of price pressures eased again in July.

Inflation expectations (households, forecasters, markets)

Long-term expectations held steady as near-term expectations pulled back (UK excepted).

Inflation-wage dynamics

At this stage, no sign of a wage-price spiral.

Emerging economies

Average CPI inflation fell back slightly in June after three months of increase.

Commodities

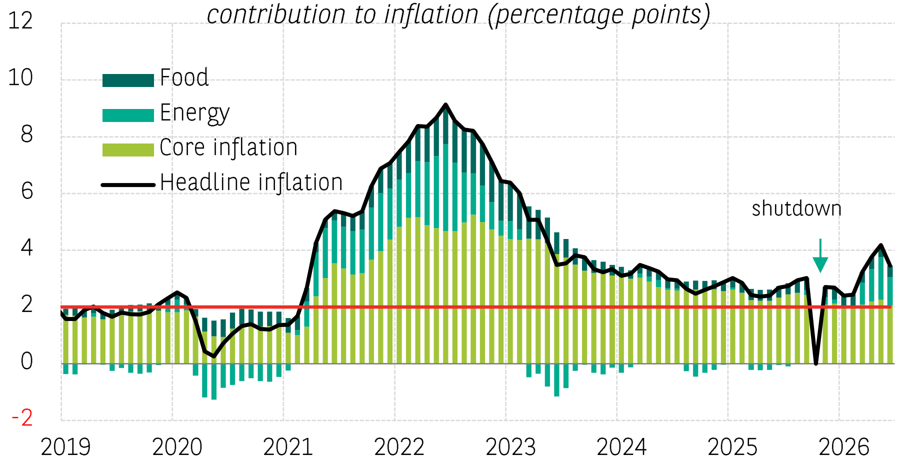
Broad-based rebound as tensions resurface.

General dynamics of inflation:

June inflation declined temporarily but bounced back in July, reflecting the moves in energy prices.

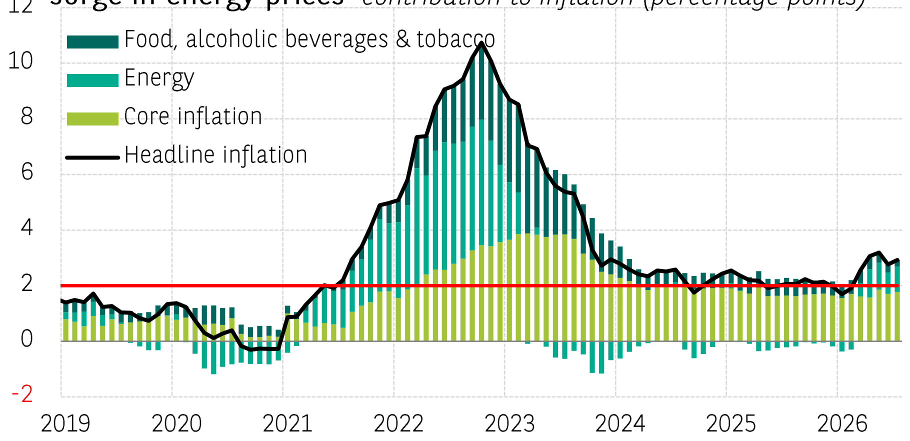
Fading energy contributions drove June's inflation slowdown

US: Contribution of both energy and core declining in June



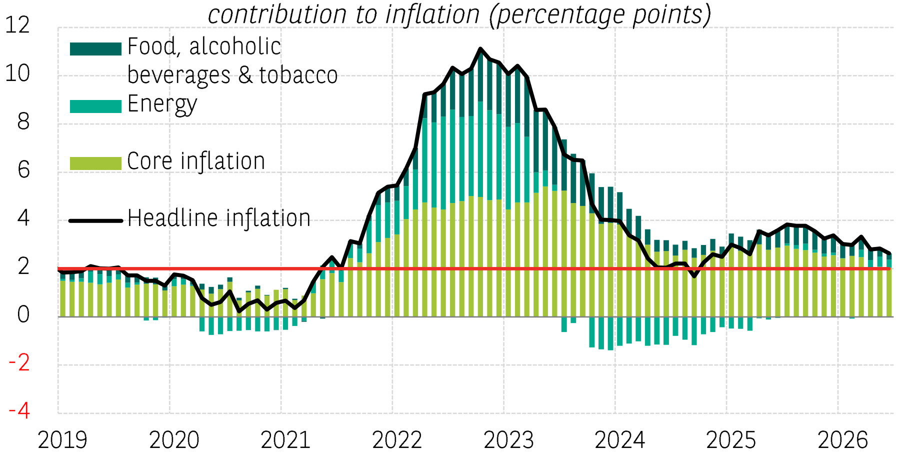
Source: BLS, BNP Paribas calculations

Eurozone: July inflation pick-up remained limited despite renewed surge in energy prices



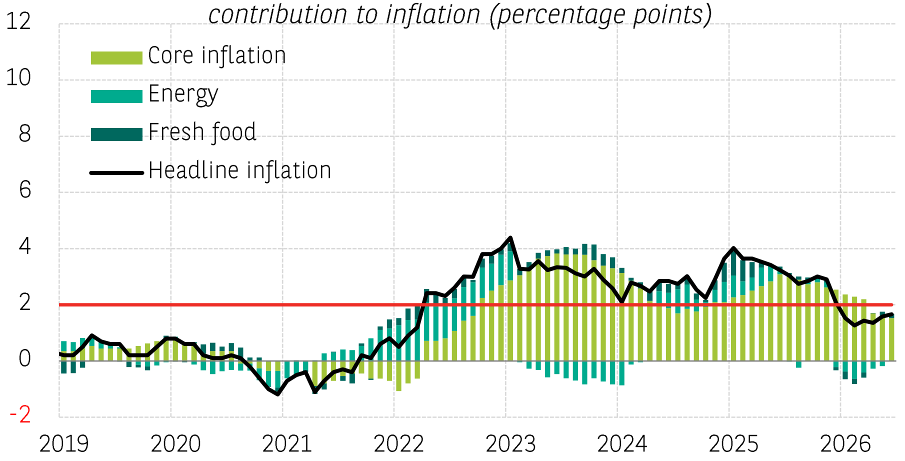
Source: Eurostat, BNP Paribas calculations

UK: Headline inflation almost exclusively driven by core



Source: ONS, BNP Paribas calculations

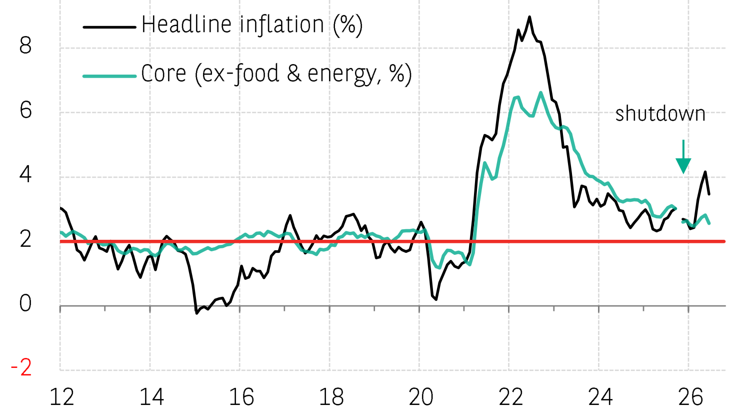
Japan: Energy contribution set to turn positive this summer



Source: Japan Statistics Bureau, BNP Paribas calculations

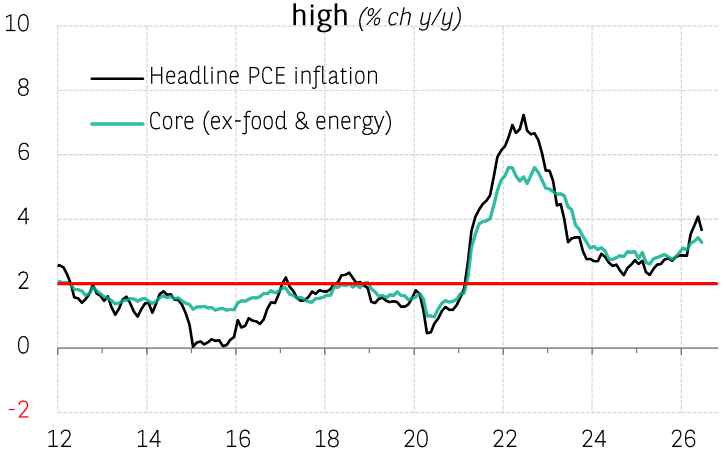
Inflation cools on the surface, but underlying pressures remain important

US: Headline CPI inflation edged down to 3.5% in June
(% ch y/y)



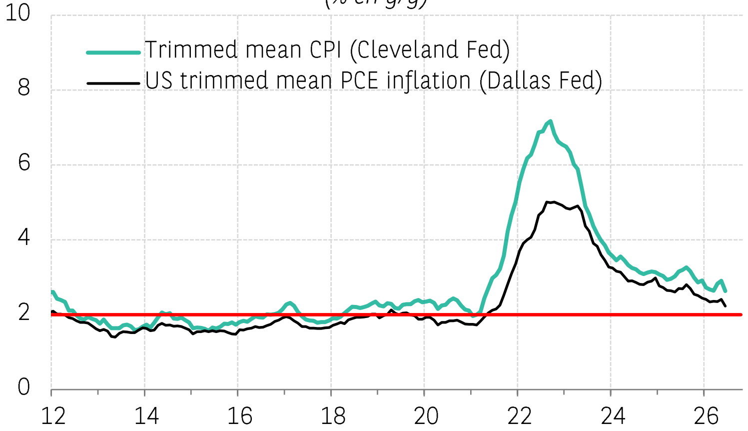
Source: BLS

US: PCE inflation eased slighlty from a three-year high *(% ch y/y)*



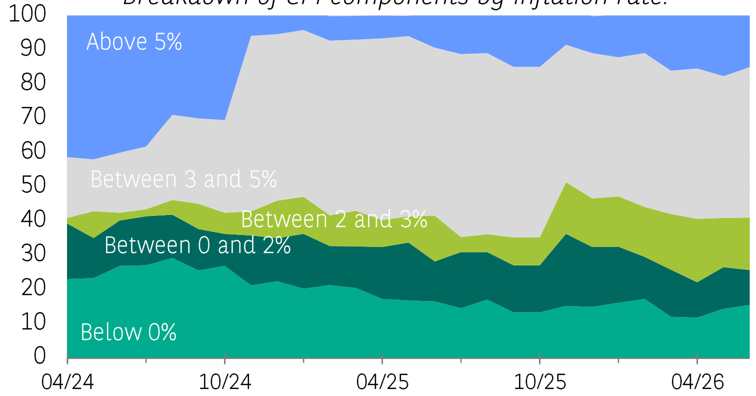
Source: BEA

US: Alternative indicators evolving in line with core CPI
(% ch y/y)



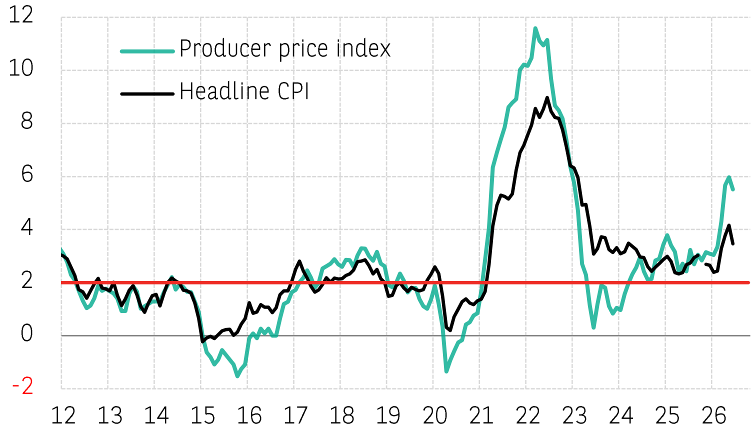
Source: BLS, Dallas Fed, Cleveland Fed

US: 60% of the CPI basket rising above 3%
Breakdown of CPI components by inflation rate.



Source: BLS, BNP Paribas calculations

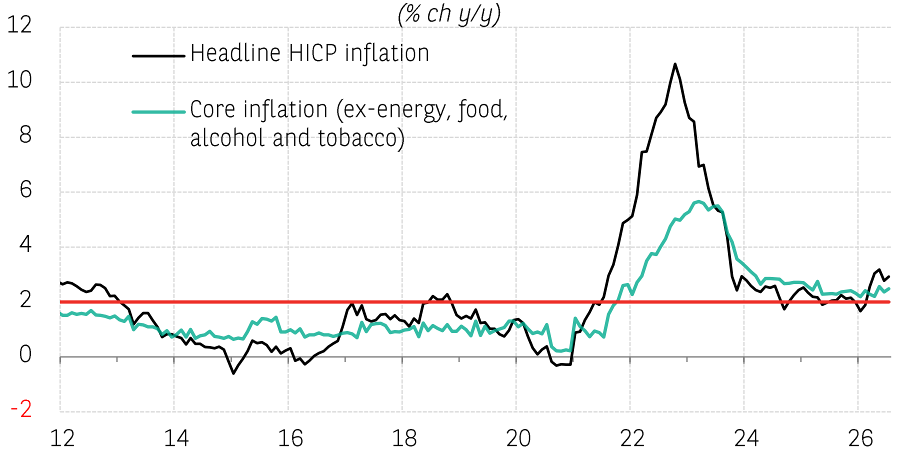
US: Higher PPI to keep upward pressures on the CPI
(% ch y/y)



Source: BLS

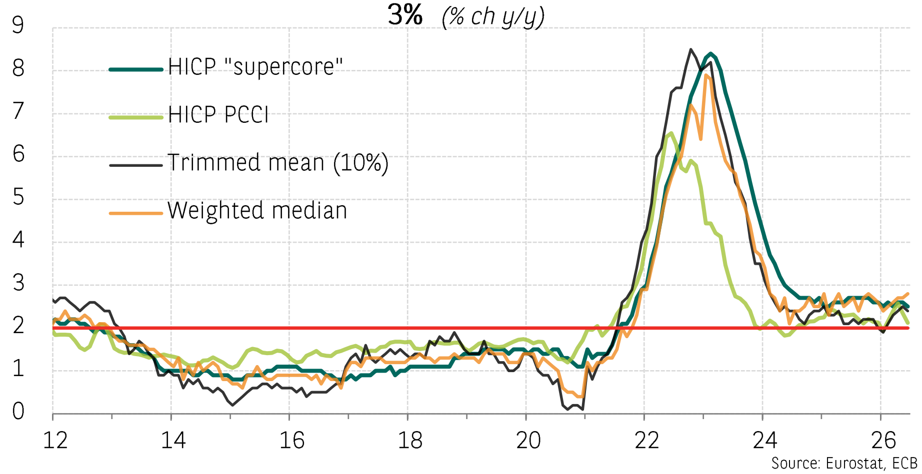
HICP and alternative measures stay anchored

Eurozone: Core inflation not moving much
(% ch y/y)



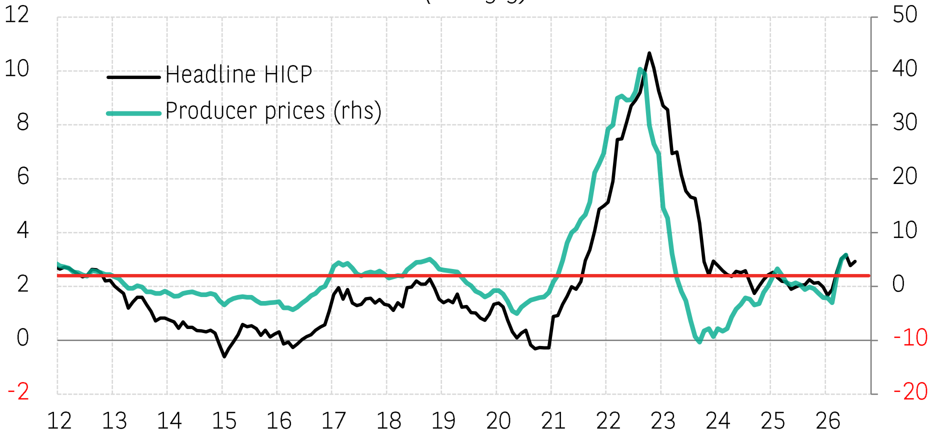
Source: Eurostat

Eurozone: ECB alternative measures anchored below 3% *(% ch y/y)*



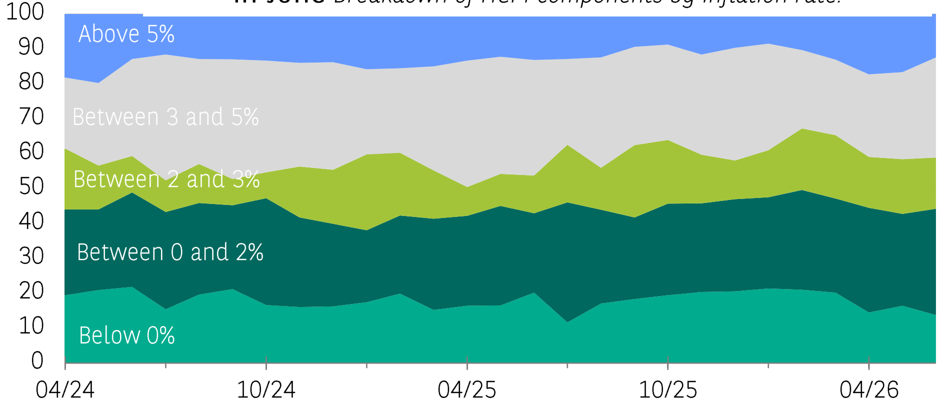
Source: Eurostat, ECB

Eurozone: PPI inflation edging higher
(% ch y/y)



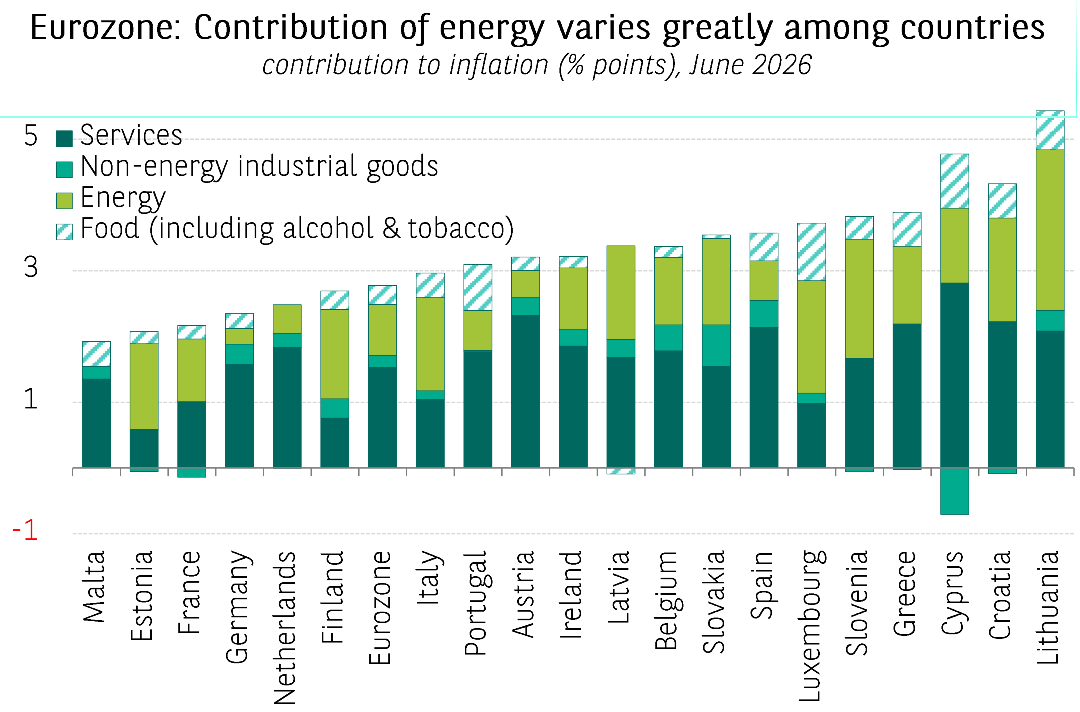
Source: Eurostat

Eurozone: Share of HCPI items rising above 3% was stable in June *Breakdown of HCPI components by inflation rate.*

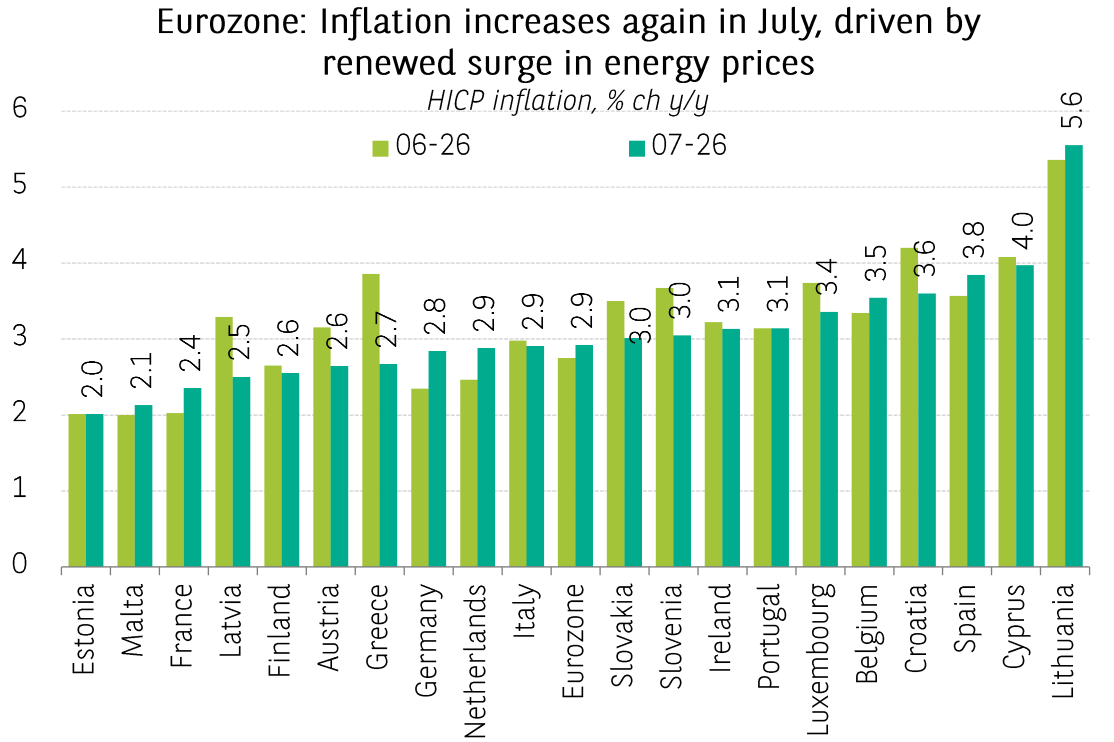


Source: Eurostat, BNP Paribas calculations

Eurozone's inflation gap widens



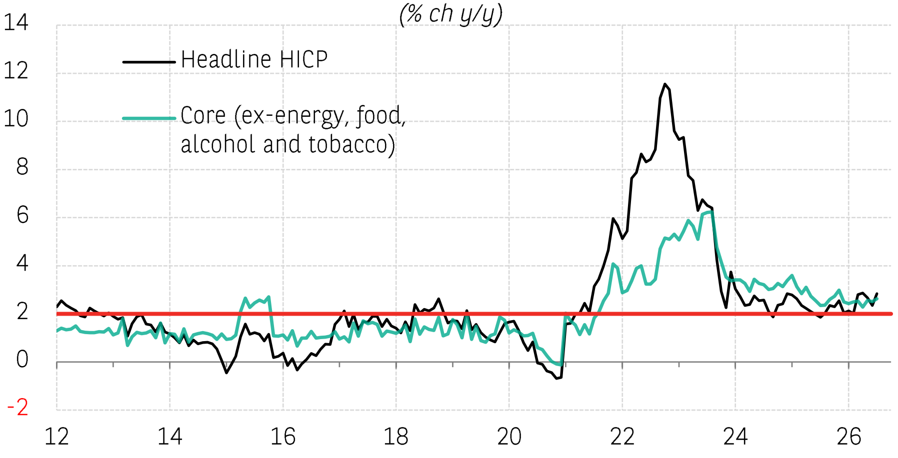
Source: Eurostat



Source: Eurostat

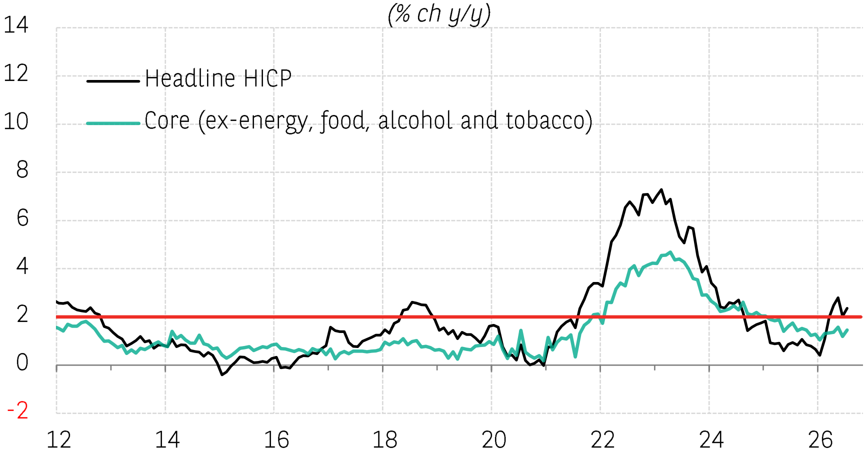
France's inflation remains moderate, Spain's core inflation accelerates further

Germany: Headline accelerated while core eased to 2.4%



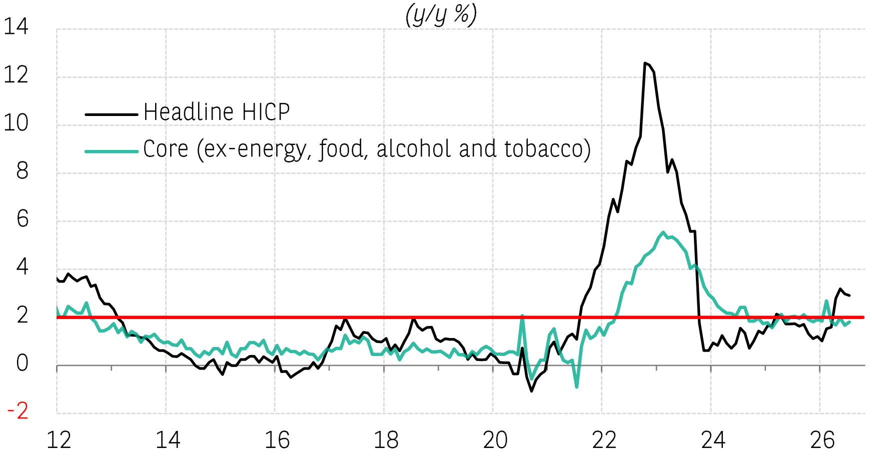
Source: Eurostat

France: Lowest inflation among the four major economies



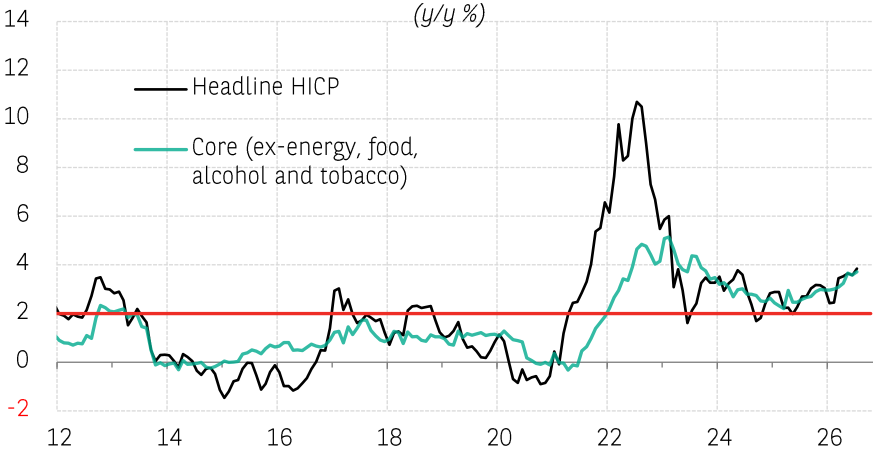
Source: Eurostat

Italy: Headline CPI moving back above core, driven by energy



Source: Eurostat

Spain: Core inflation trending higher

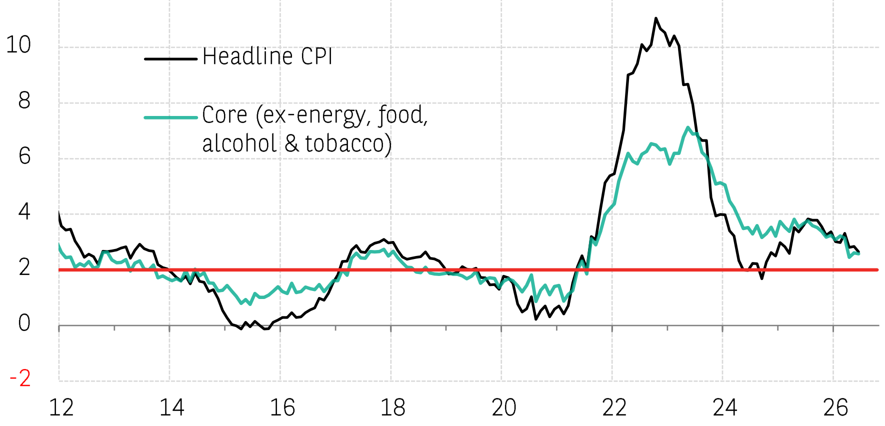


Source: Eurostat

Positive signs of disinflation

UK: Headline inflation declines again in June

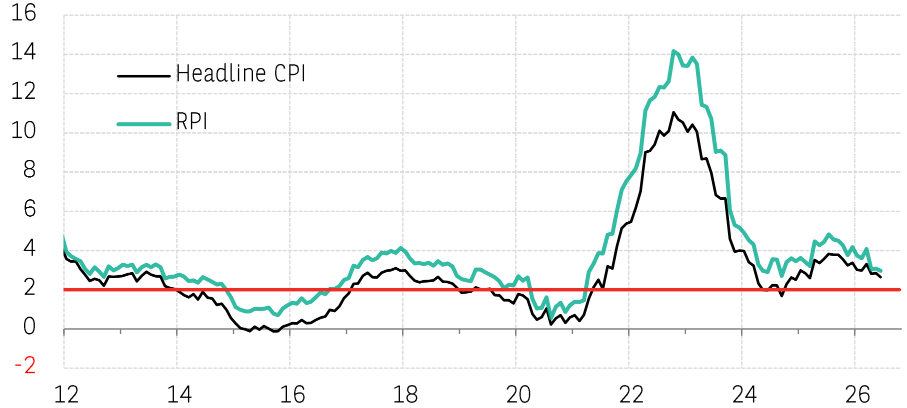
(% ch y/y, June 2026)



Source: ONS

UK: Small gap between CPI and RPI

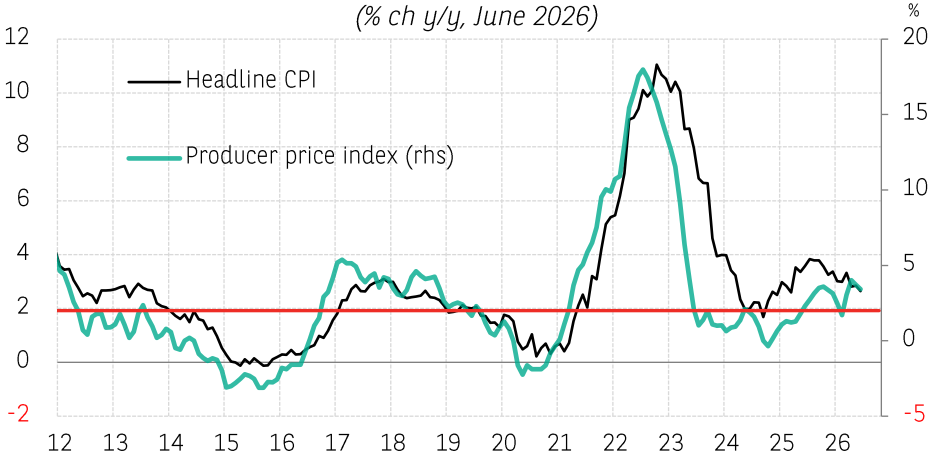
(% ch y/y, June 2026)



Source: ONS

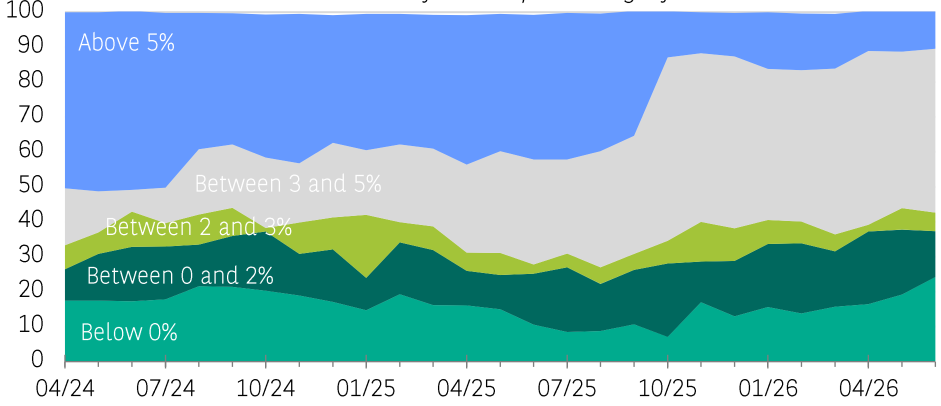
UK: Producer prices remain broadly aligned with CPI

(% ch y/y, June 2026)



Source: ONS

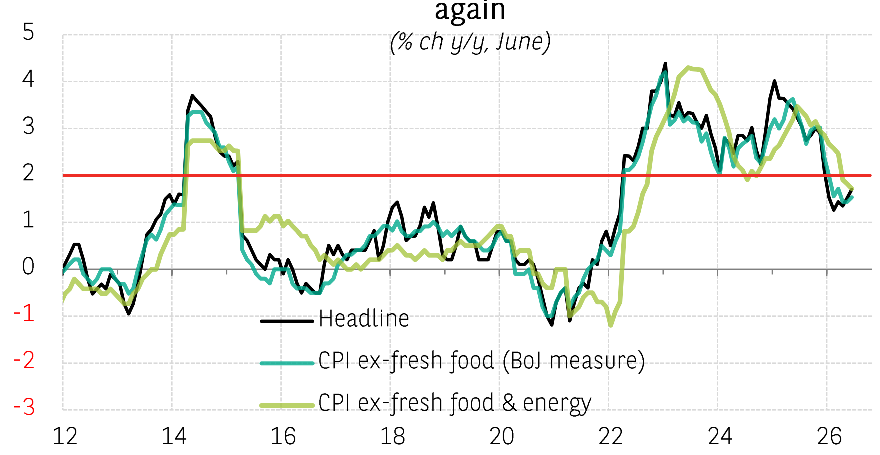
UK: Share of CPI items rising above 5% continues to shrink - *Breakdown of CPI components by inflation rate.*



Source: ONS, BNP Paribas calculations

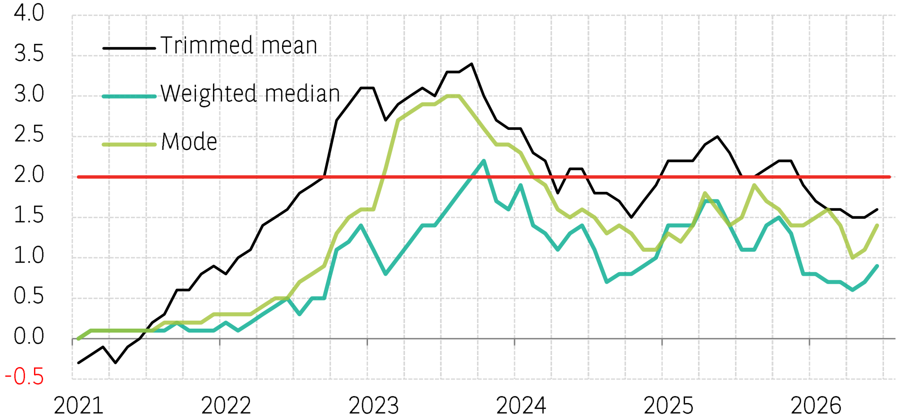
Mixed signals

Japan: Headline inflation rose but the core slowed again
(% ch y/y, June)



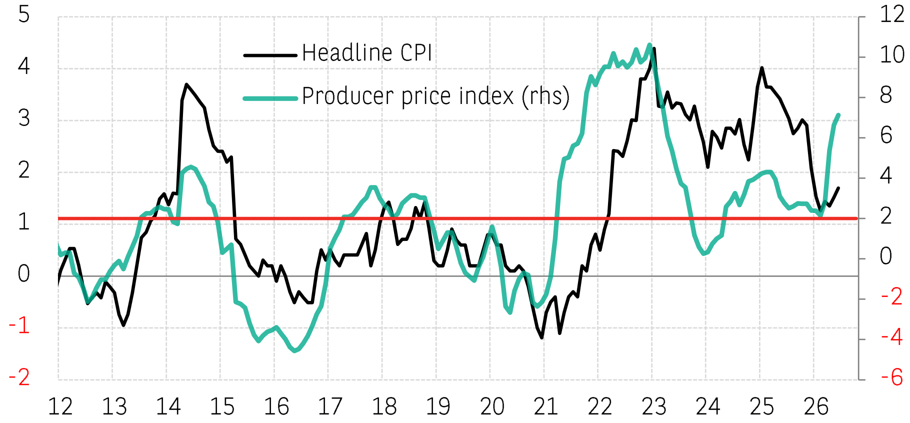
Source: Statistics Bureau of Japan

Japan: BoJ alternative inflation measures remain soft
(% ch y/y, June)



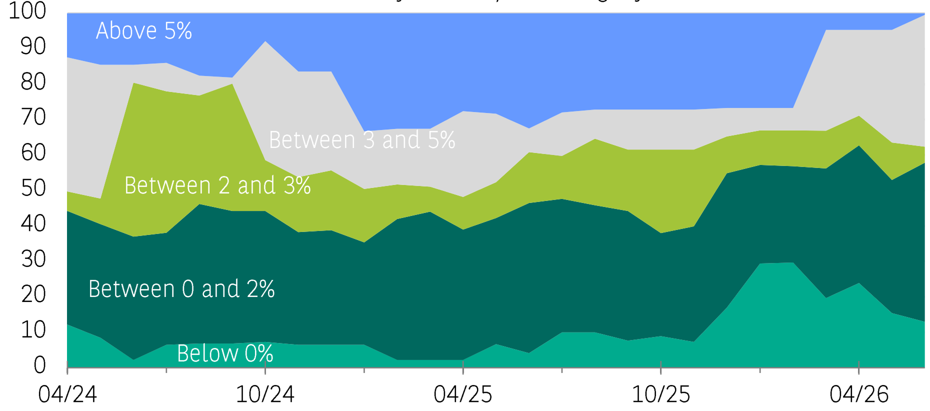
Source: Bank of Japan

Japan: PPI inflation intensified
(% ch y/y, June)



Source: Japan Statistics Bureau, BOJ

Japan: Half of the CPI items evolves in a 0-3% range
Breakdown of CPI components by inflation rate.

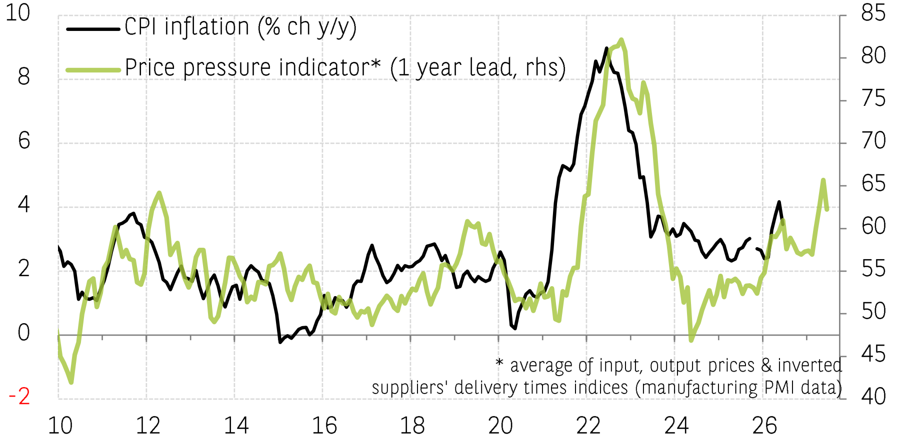


Source: Statistics Bureau of Japan, BNP Paribas

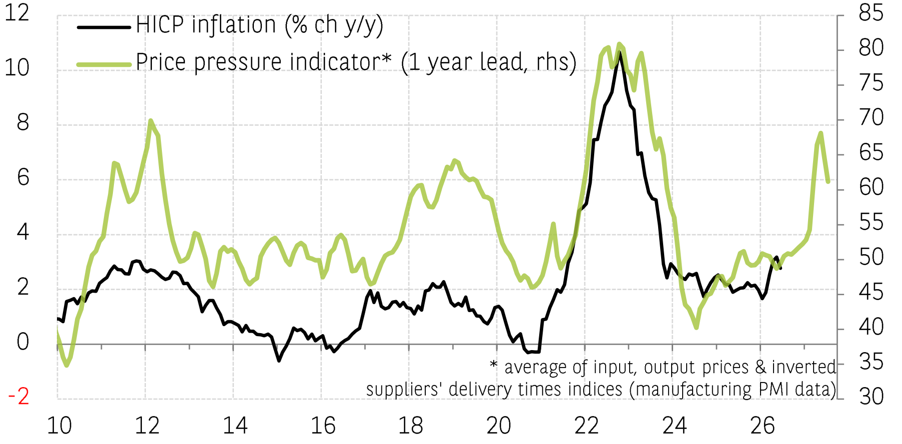
Inflation and survey data:

Forward indicators of price pressures eased again in July.

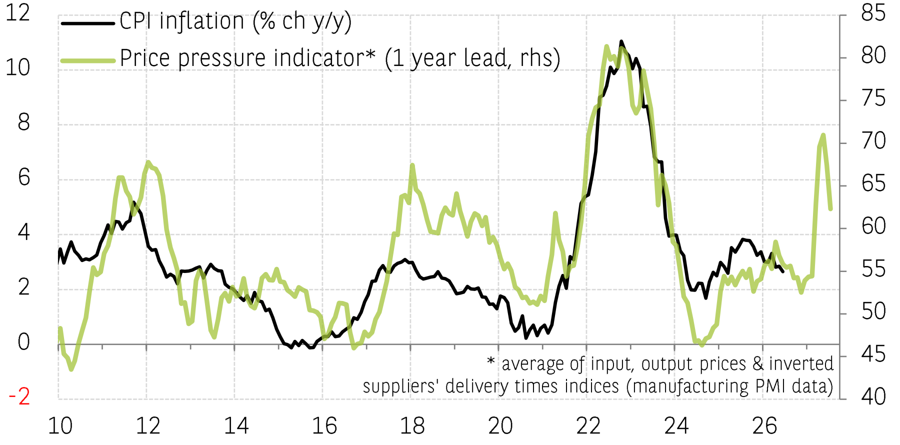
Forward indicators of price pressures eased again in July



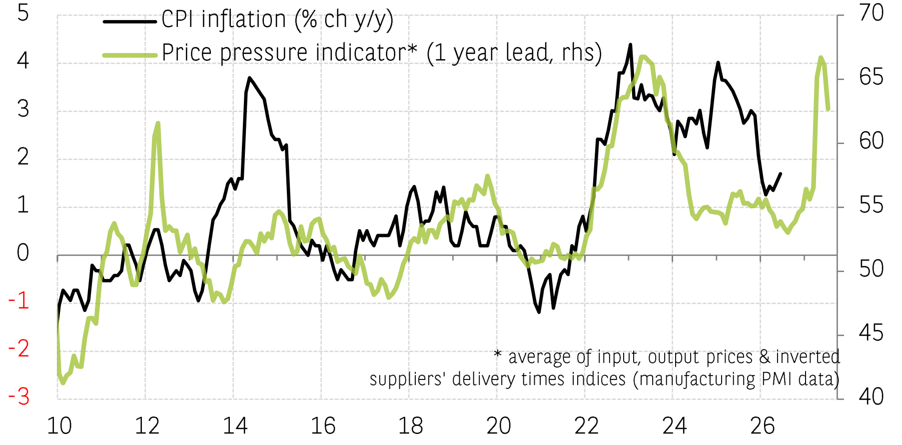
Source: BLS, S&P Global



Source: Eurostat, S&P Global



Source: ONS, S&P Global

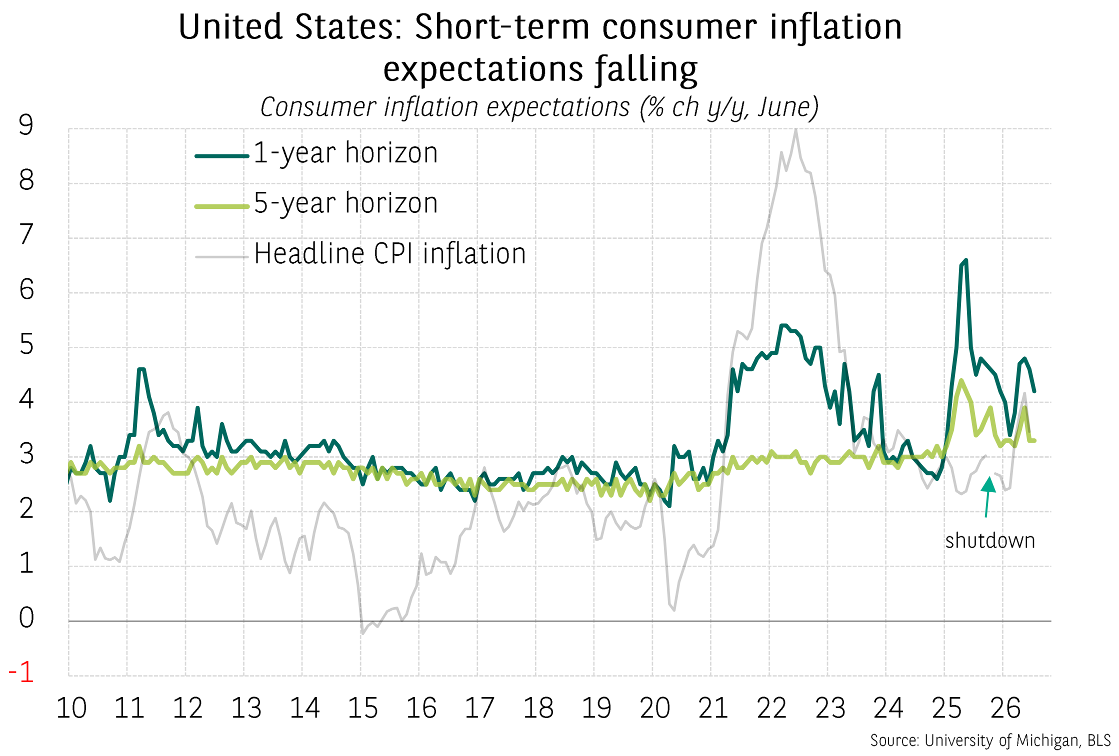


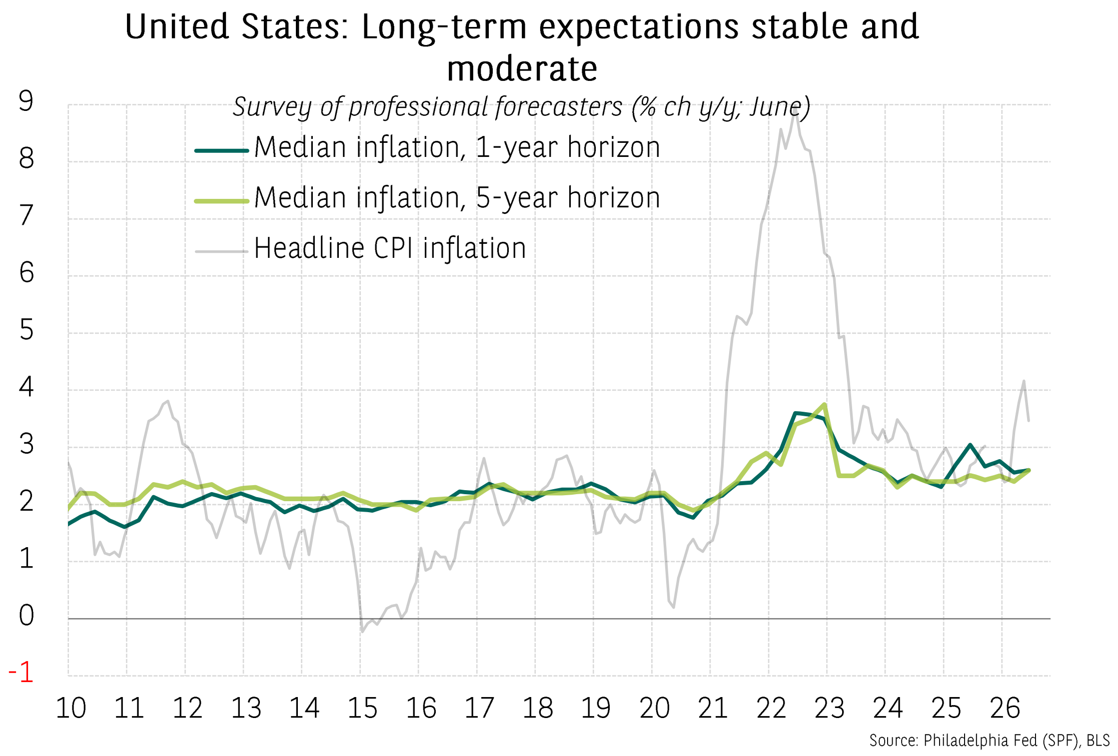
Source: Statistics Bureau of Japan, S&P Global

Inflation expectations (households, forecasters, markets):

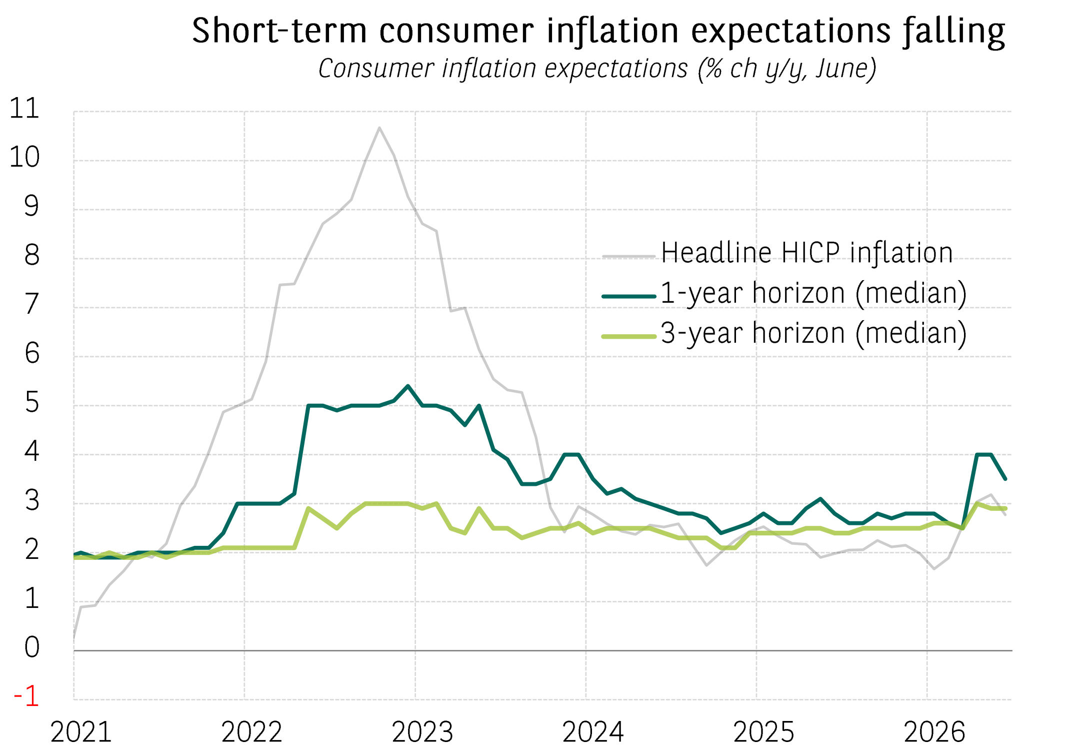
Long-term expectations held steady while near-term expectations pulled back (UK excepted).

Inflation expectations: Long-term expectations stable and moderate

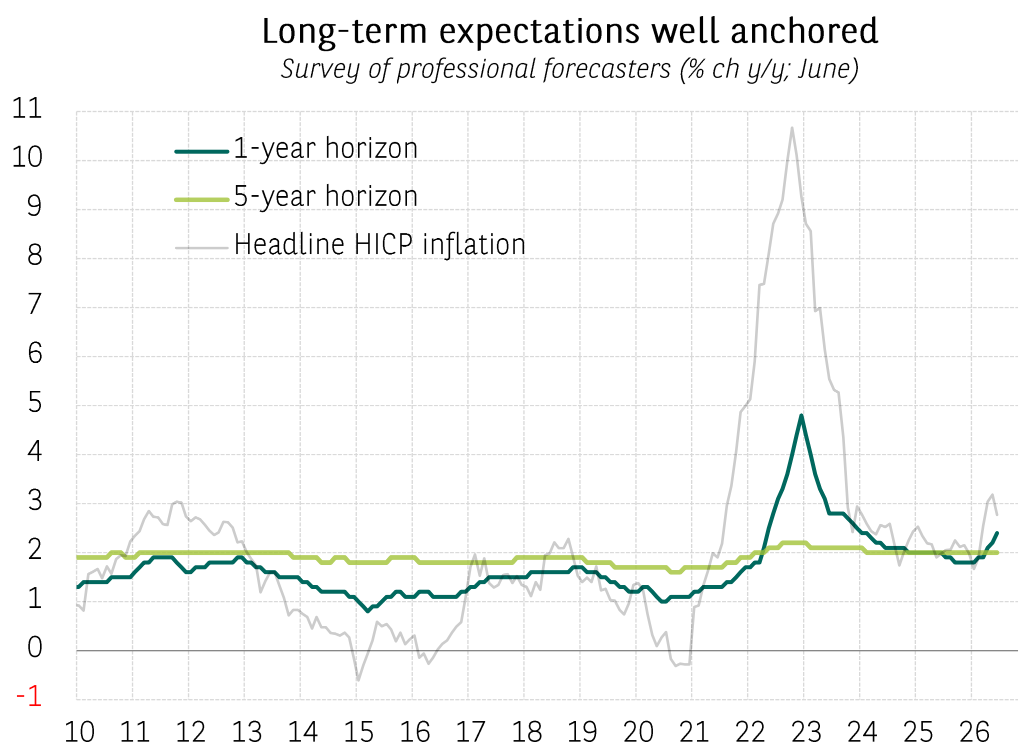




ECB's short-term inflation expectations retreat, long-term stay anchored

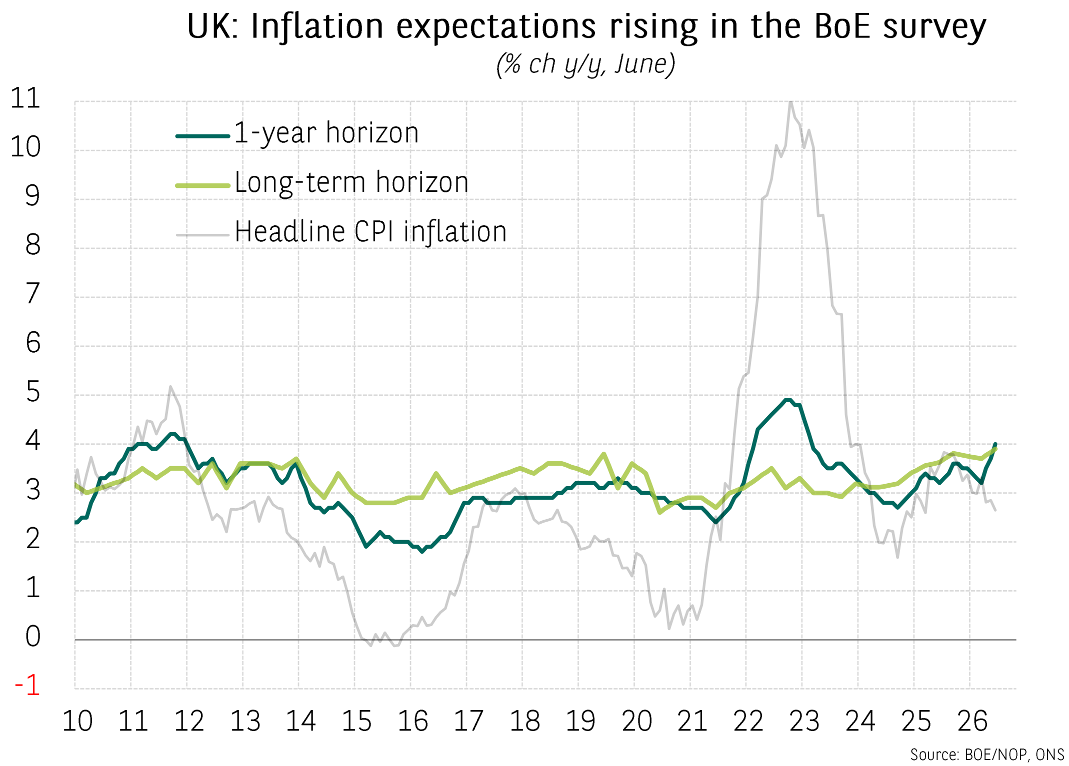


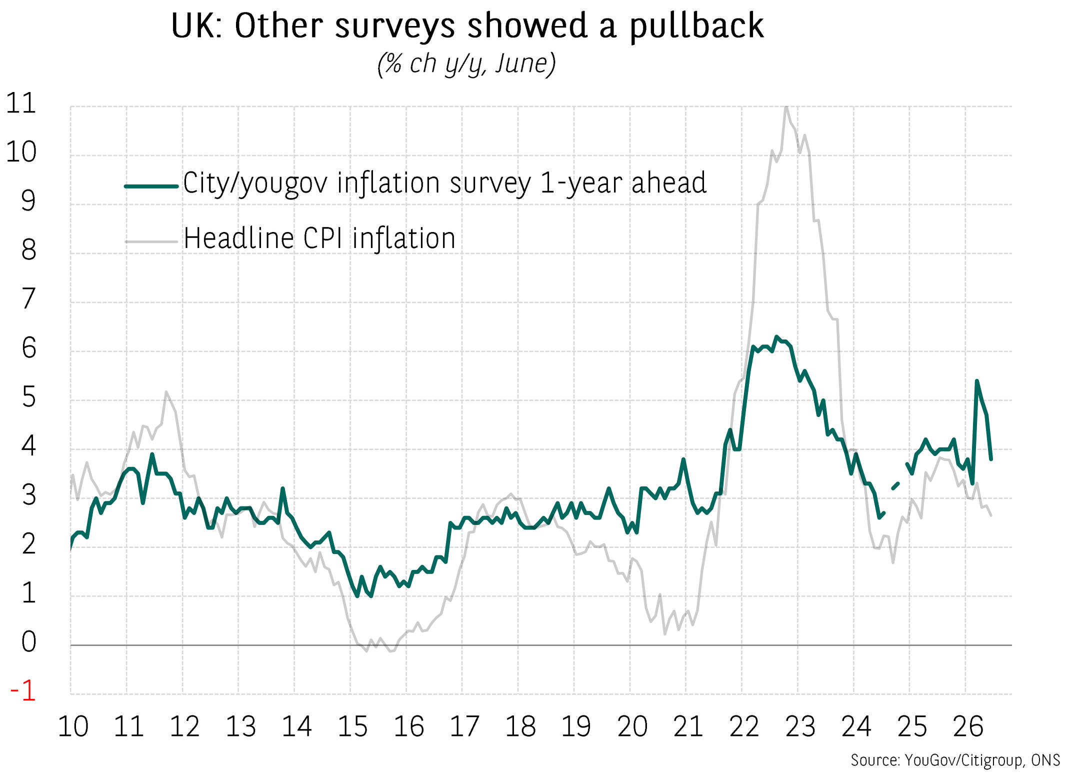
Source: Eurostat, ECB (CES survey)



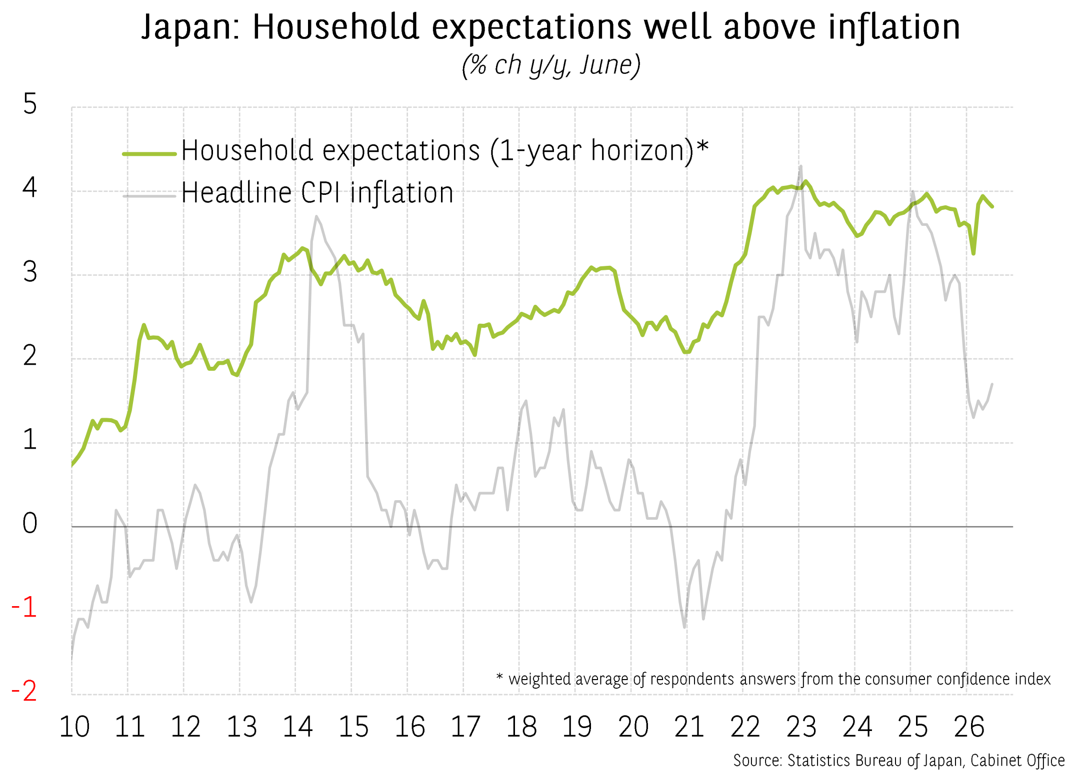
Source: ECB (SPF), Eurostat

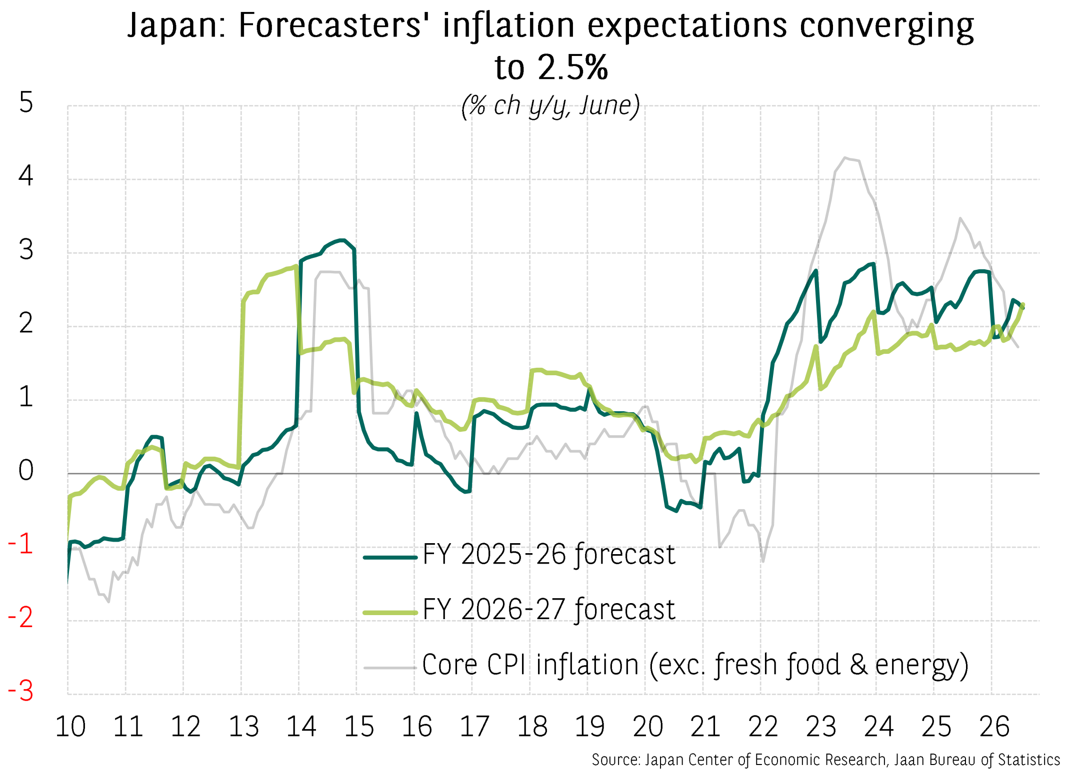
Inflation expectations: BoE survey shows a degradation





Inflation expectations: Households remain wary

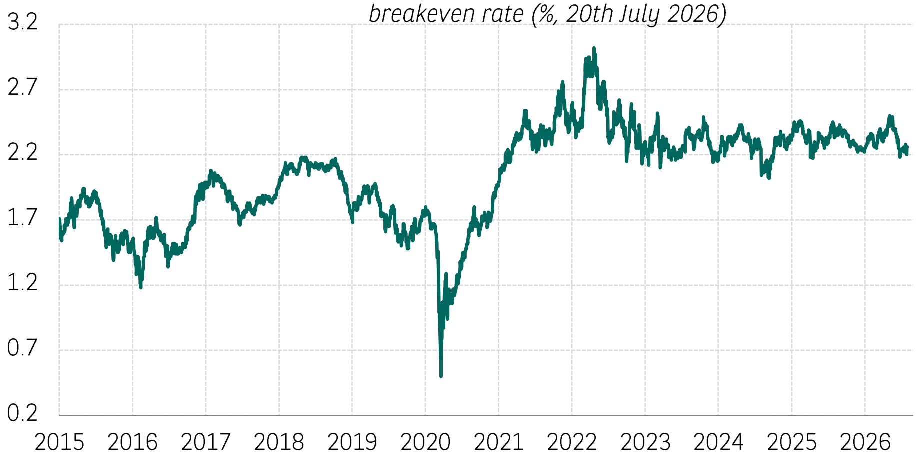




Market expectations: Breakeven rates higher in the UK, recalibration in Japan continues

US: The 10-year breakeven rate is stable

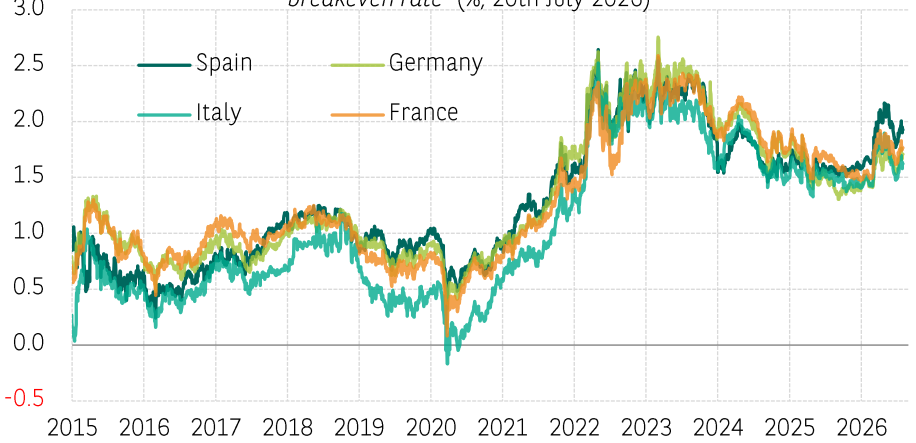
breakeven rate (%, 20th July 2026)



Source: Federal Reserve

Eurozone: Breakeven rates remain below 2%

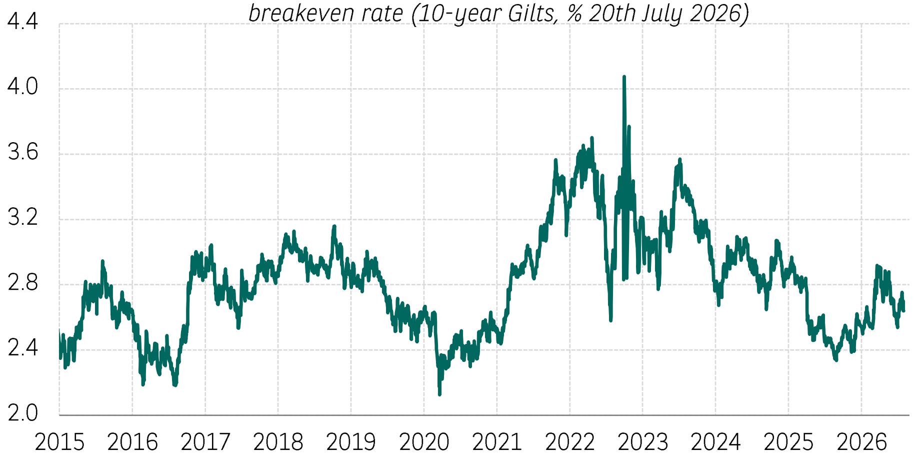
breakeven rate (%, 20th July 2026)



Source: Refinitiv, iBoxx

UK: Rate edging higher

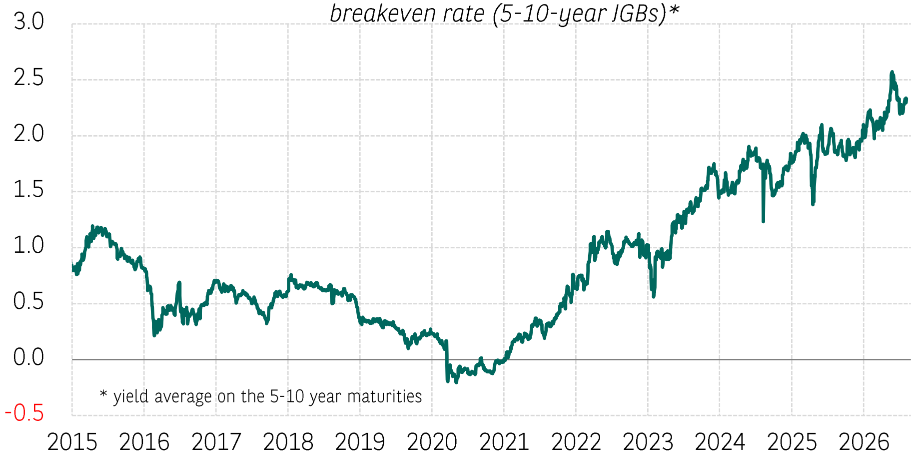
breakeven rate (10-year Gilts, % 20th July 2026)



Source: Refinitiv, iBoxx

Japan: Continuation of the upward trend

*breakeven rate (5-10-year IGBs)**

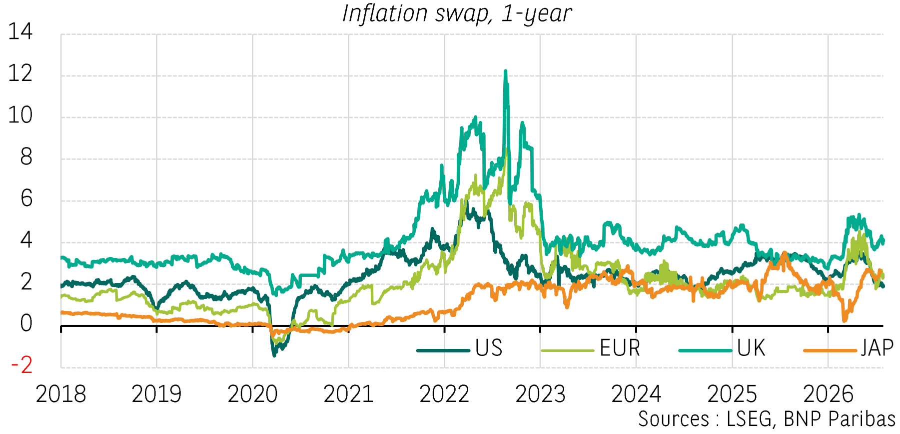


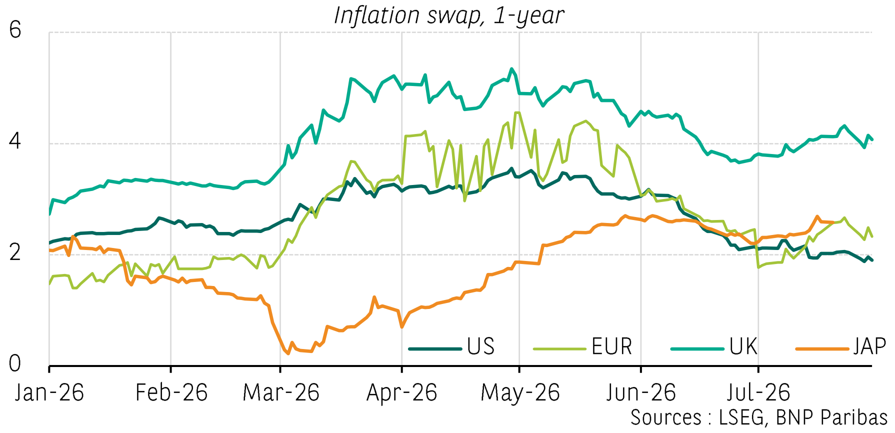
Source: Refinitiv, iBoxx

*Breakeven rates – The inflation rate the market expects, calculated as the difference between the yield of a regular (nominal) bond and the yield of an inflation-linked bond of the same maturity

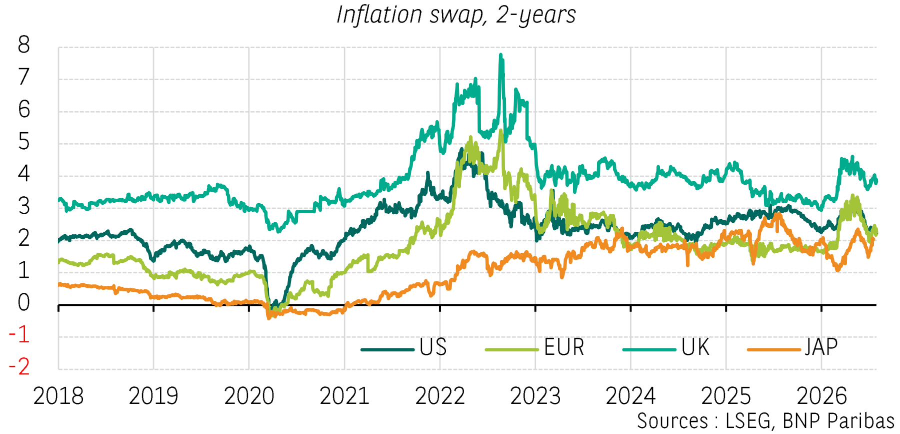
Inflation swap rates*: July rebound follows recent easing; UK divergence persists (1)

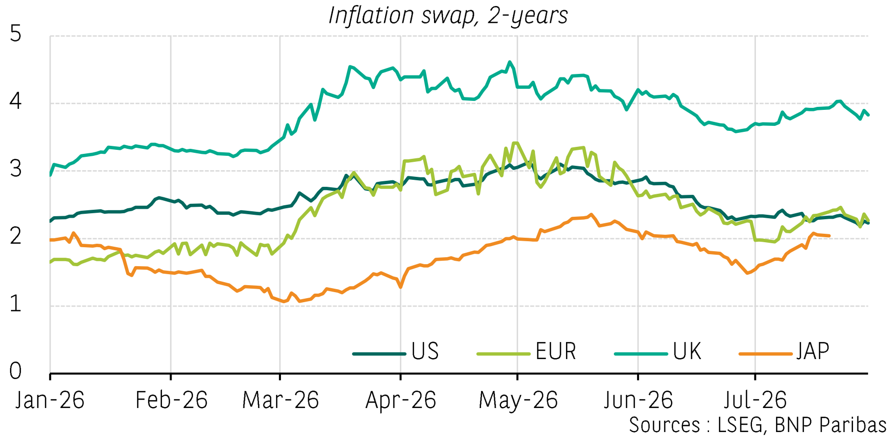
The Iranian shock has triggered a rebound in short-term inflation expectations across major advanced economies





Following the Iranian shock, markets anticipate more persistent inflation in the UK compared to other advanced economies

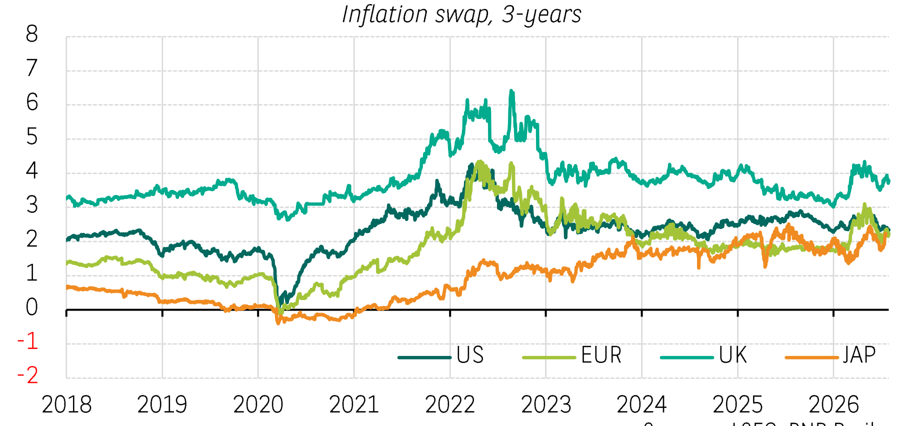




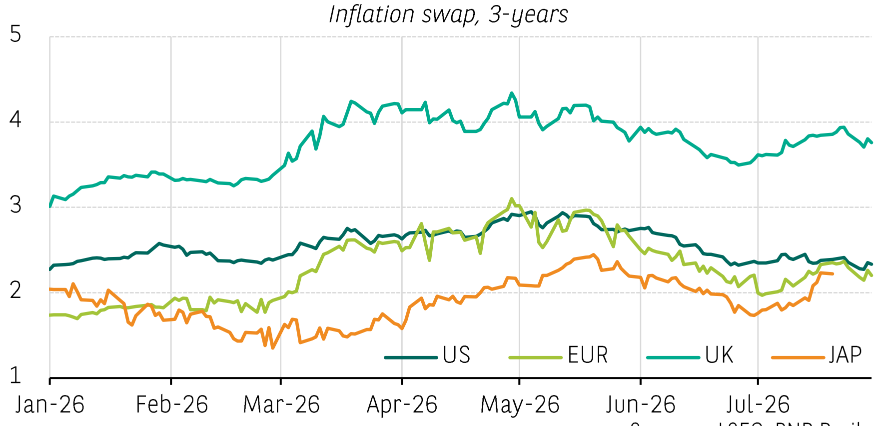
*Swap rates – The fixed interest rates set in an interest-rate swap. In the swap one party pays this fixed rate while the other pays a floating rate.

Inflation swap rates*: July rebound follows recent easing; UK divergence persists (2)

Medium-term inflation expectations remain anchored near 2%, except in the UK.

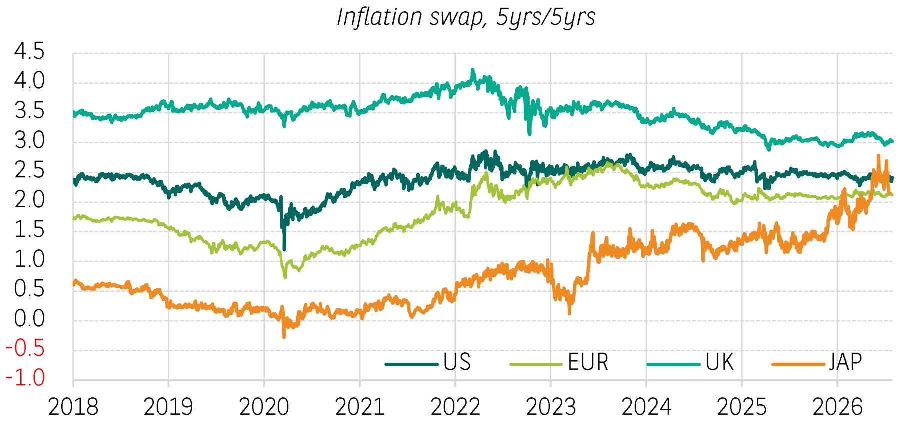


Sources : LSEG, BNP Paribas

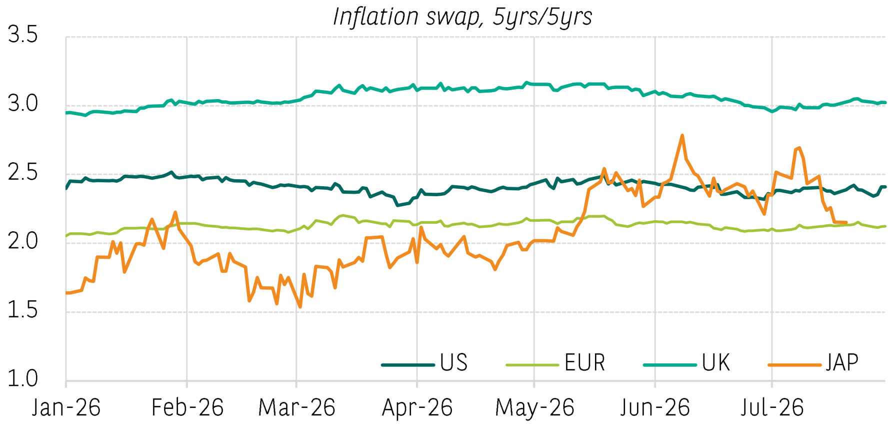


Sources : LSEG, BNP Paribas

Long-term inflation expectations have been broadly stable YTD, except in Japan



Sources : LSEG, BNP Paribas



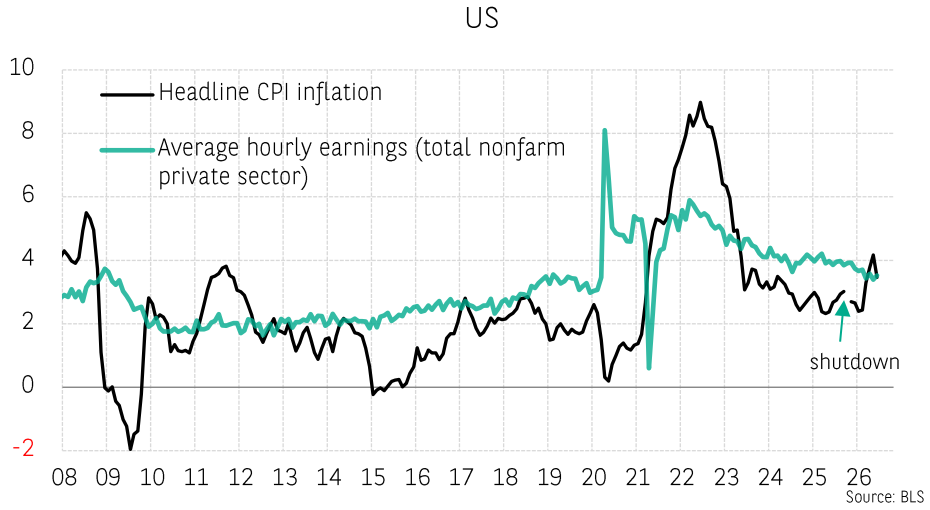
Sources : LSEG, BNP Paribas

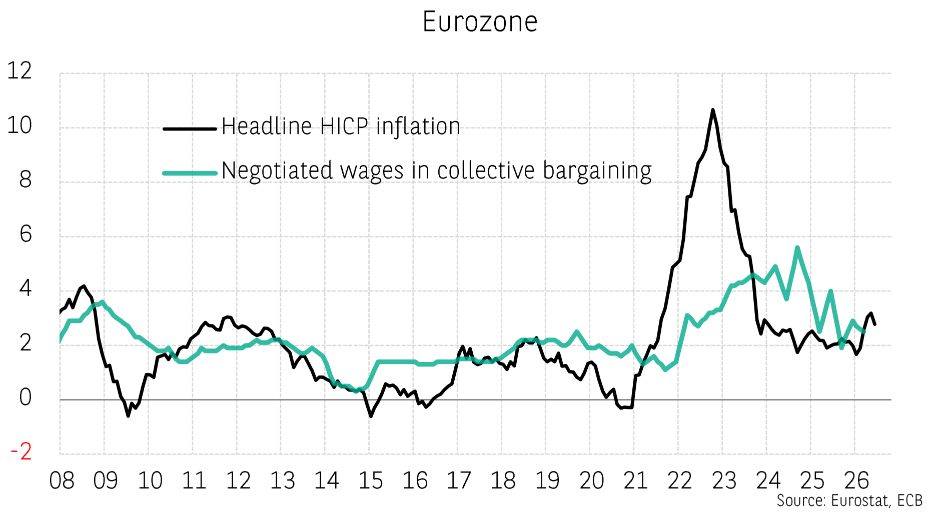
*Swap rates – The fixed interest rates set in an interest-rate swap. In the swap one party pays this fixed rate while the other pays a floating rate.

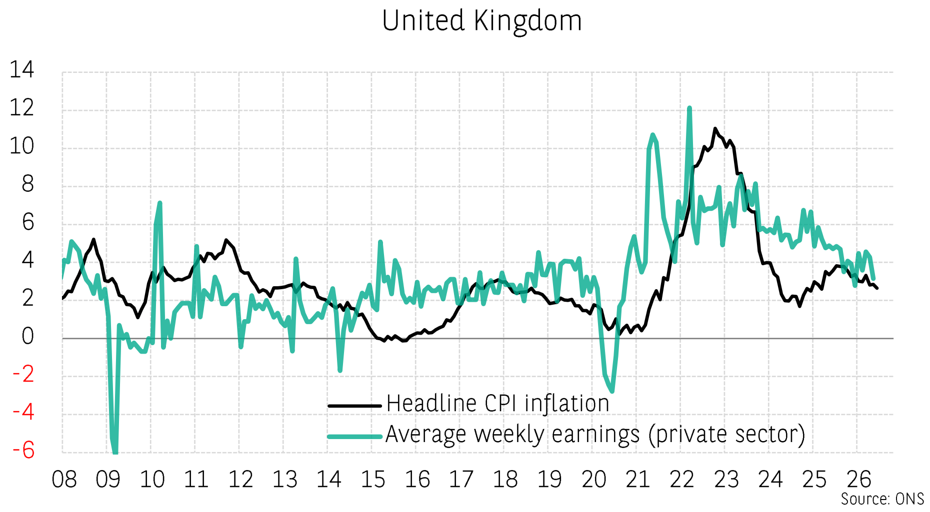
Inflation-wage dynamics:

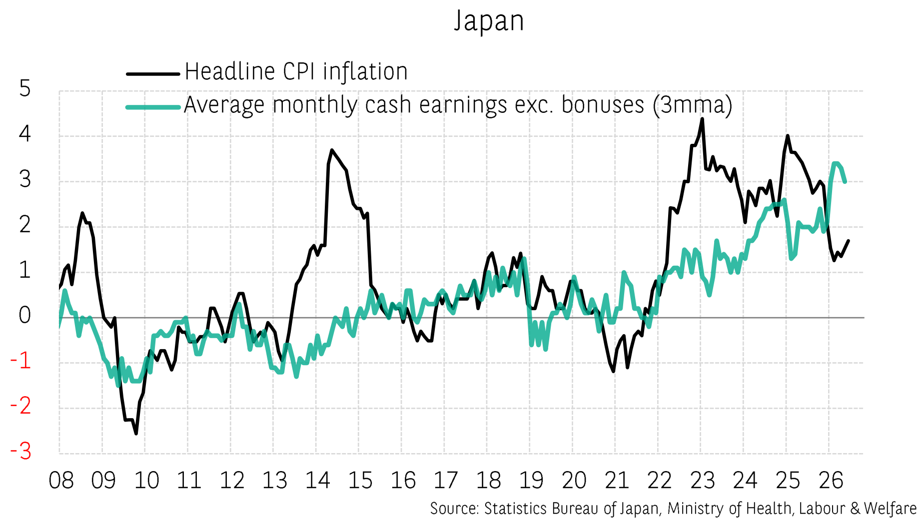
At this stage, no sign of a wage-price spiral.

Wage moderation continues everywhere except Japan, despite rising inflation







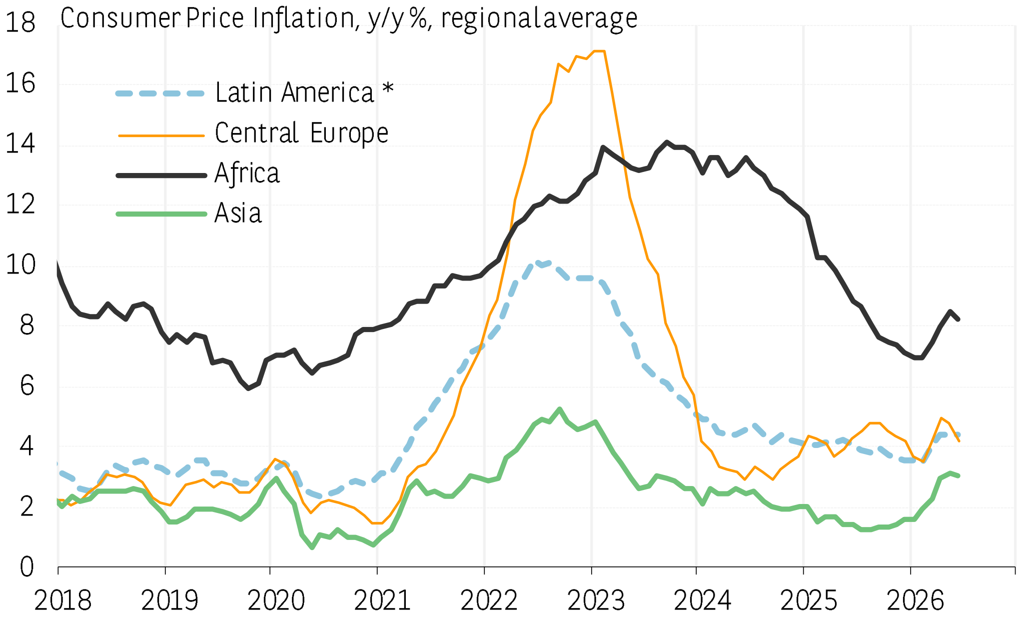


Emerging Economies:

Average CPI inflation fell back slightly in June after three months of increase.

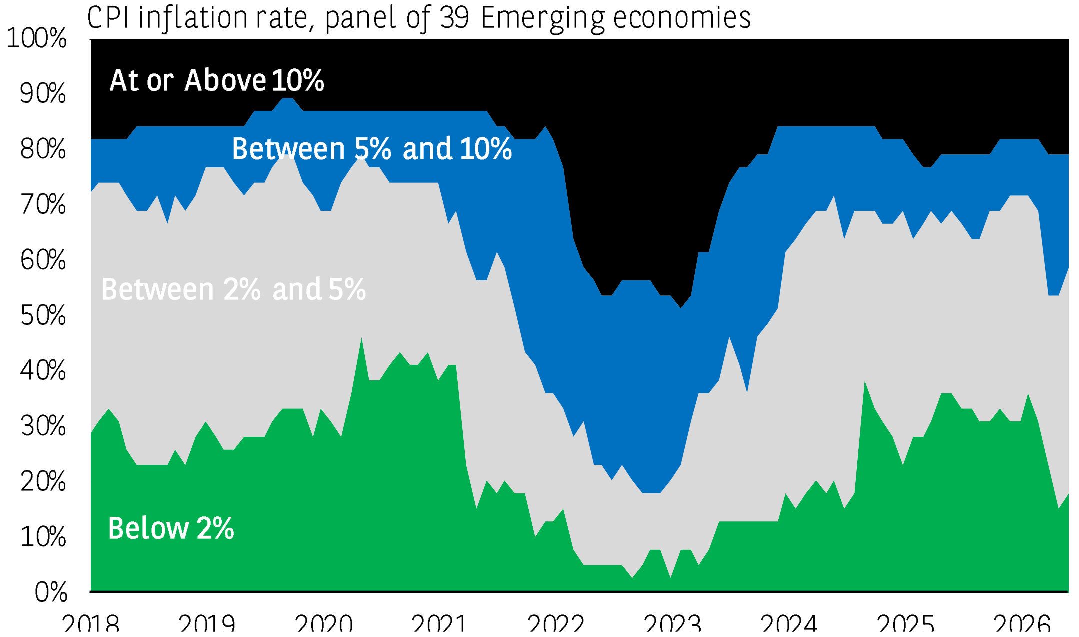
Inflation dynamics in emerging economies: Pressure eased in June

Emerging countries: Average inflation eased in June 2026



Source: Central banks, Macrobond, BNP Paribas

Emerging countries: Inflation pressures have remained moderate

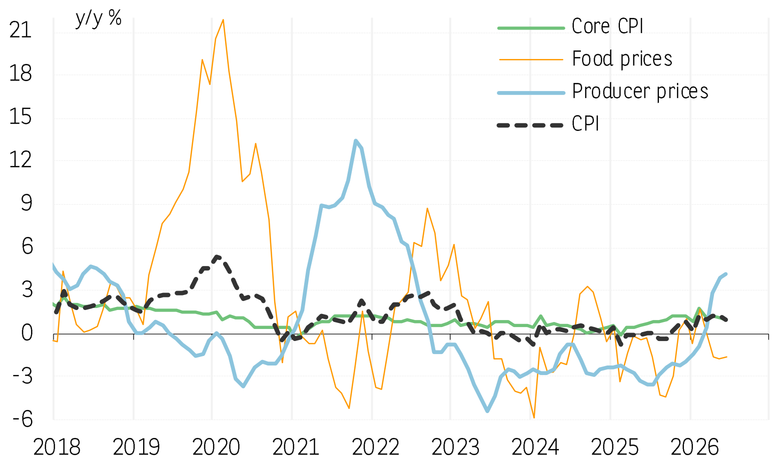


Source: Central banks, Macrobond, BNP Paribas

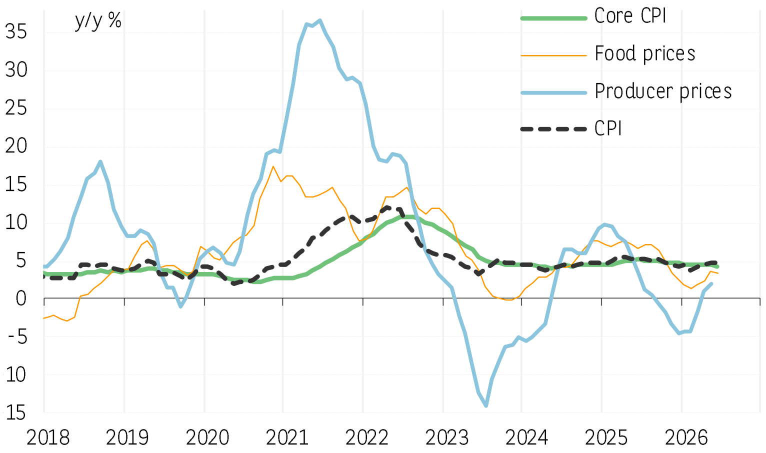
* Latin America: Brazil, Chile, Colombia, Mexico, Peru.
Central Europe: Bulgaria, Croatia, Czech Rep., Hungary, Poland, Romania, Slovakia.
Africa: Algeria, Angola, Egypt, Kenya, Morocco, Nigeria, South Africa, Tunisia.
Asia: China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan, Thailand, Vietnam.

Inflation dynamics in six large emerging economies

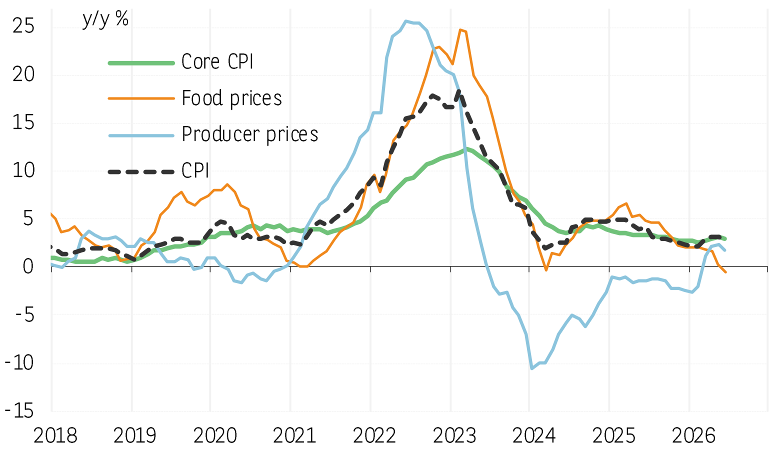
China: CPI inflation has recovered only slightly



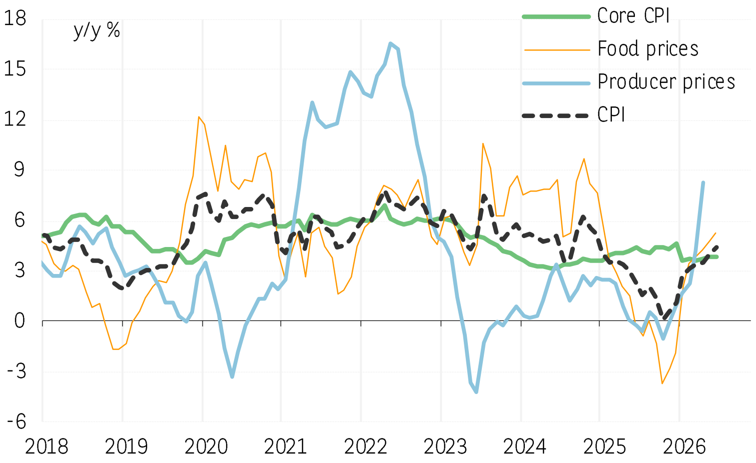
Brazil: Inflation is accelerating again



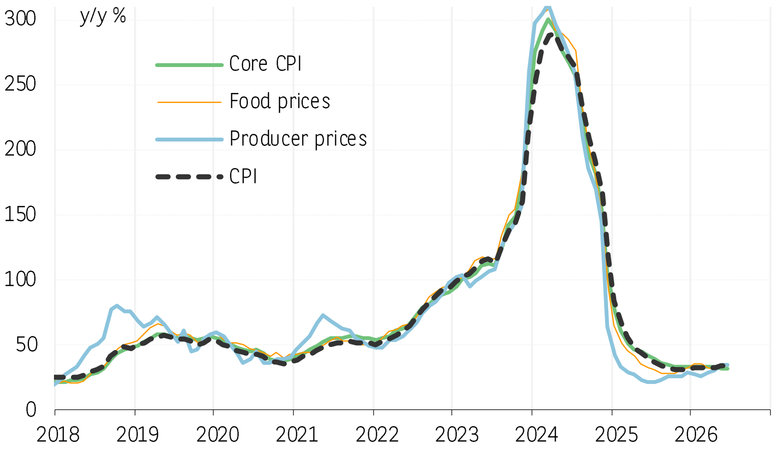
Poland: Inflation well under control



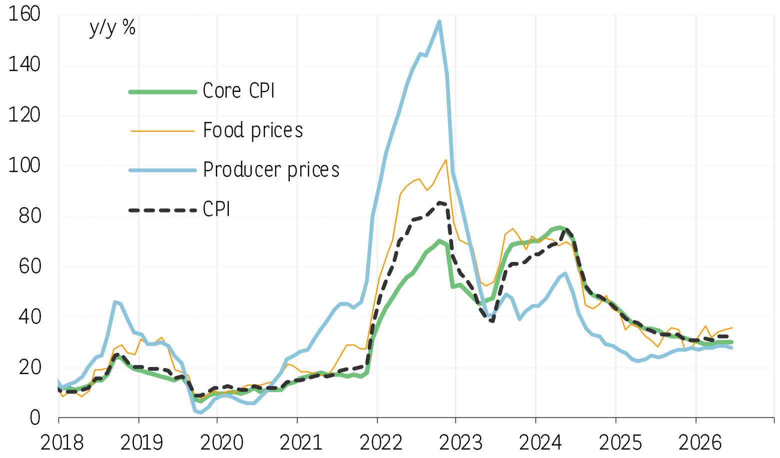
India: Worrying increase in inflationary pressures



Argentina: No new spike in inflation



Türkiye: Inflation is still well below its 2022 level



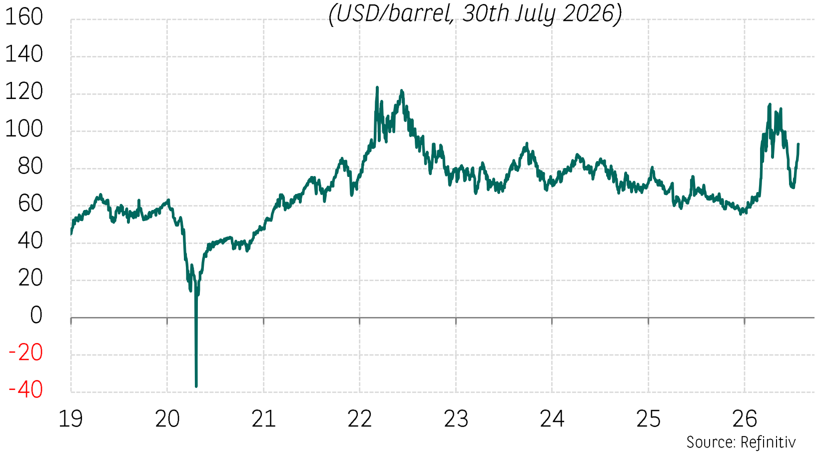
Source: Central banks, Macrobond, BNP Paribas

Commodities:

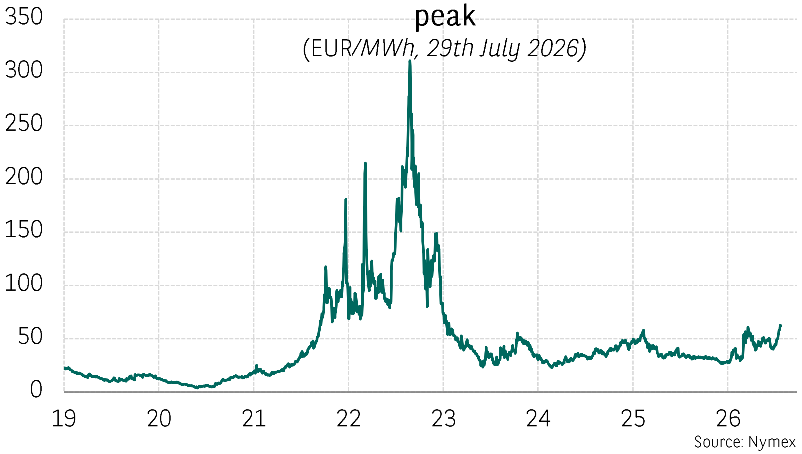
Broad-based rebound as tensions resurface.

Commodities: Broad-based rebound as tensions resurface

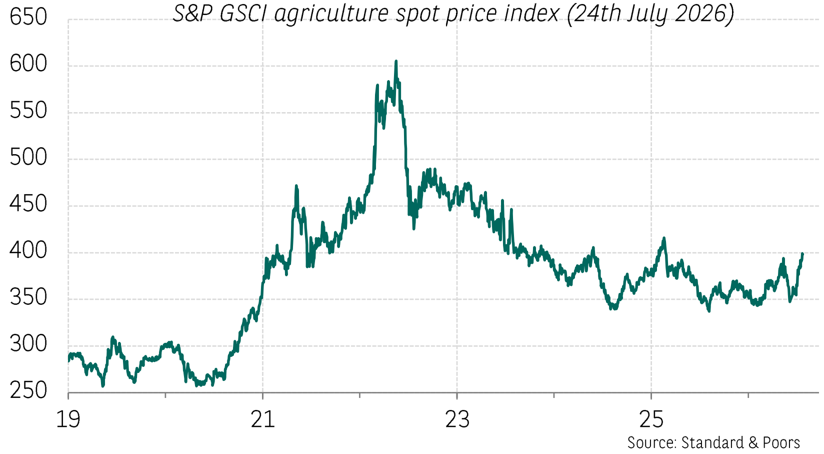
WTI crude oil price have bounced back



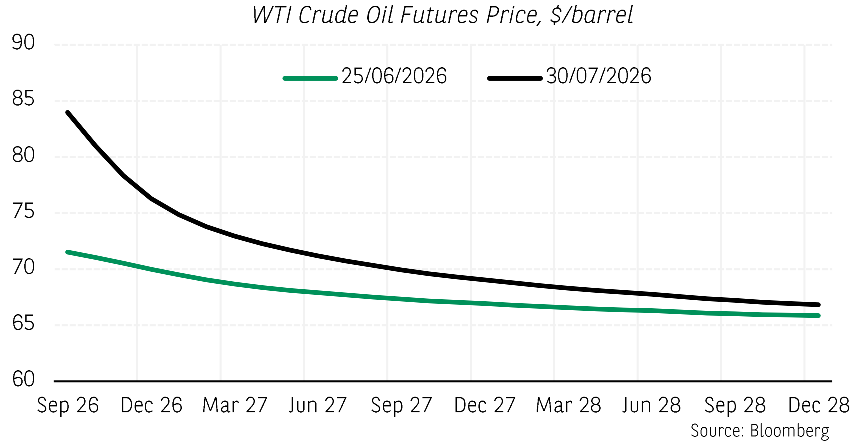
Dutch TTF Natural Gas surpassed last March's peak

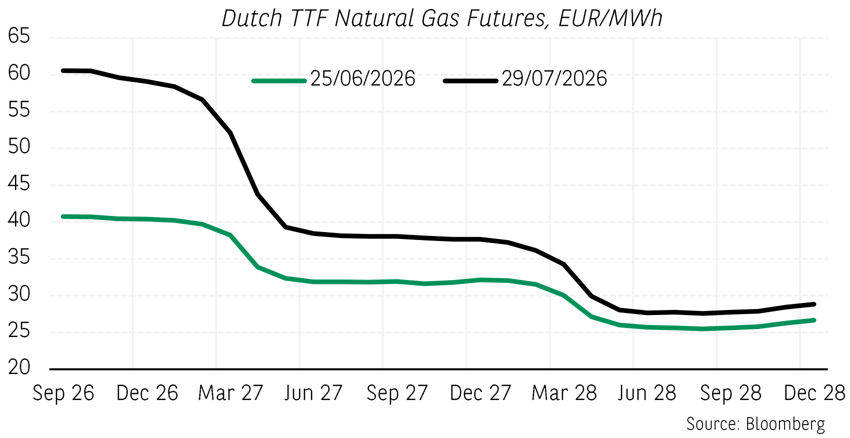


Agriculture prices at an eighteenth month high

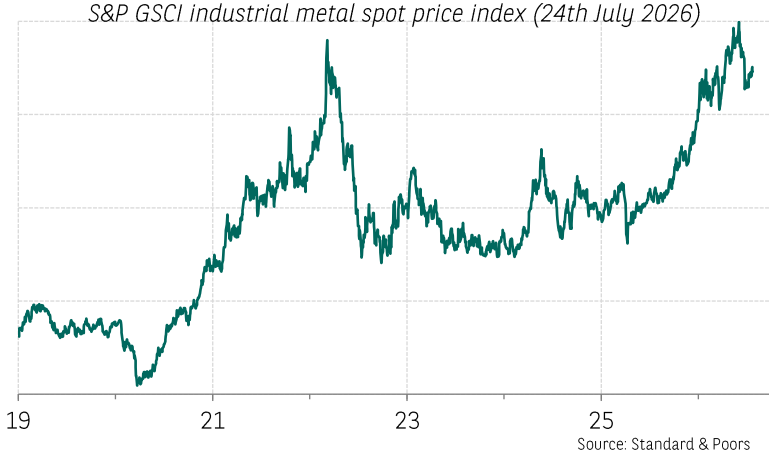


Steepening of the future curve signals rising supply tensions in the short term





Industrial metal prices on the rise again



BNP PARIBAS ECONOMIC RESEARCH

Isabelle Mateos y Lago Group Chief Economist	+33 1 87 74 01 97	isabelle.mateosylago@bnpparibas.com
Hélène Baudchon Deputy Chief Economist, Head of Global Macroeconomic Research	+33 1 58 16 03 63	helene.baudchon@bnpparibas.com
Stéphane Alby Maghreb, Middle East	+33 1 42 98 02 04	stephane.alby@bnpparibas.com
Lucie Barette Europe, Germany, Italy, Spain	+33 1 87 74 02 08	lucie.barette@bnpparibas.com
Anis Bensaidani United States, Japan	+33 1 87 74 01 51	anis.bensaidani@bnpparibas.com
Céline Choulet Banking Economics	+33 1 43 16 95 54	celine.choulet@bnpparibas.com
Stéphane Colliac Head of Advanced Economies – France	+33 1 42 98 26 77	stephane.colliac@bnpparibas.com
Guillaume Derrien Europe, Eurozone – World Trade	+33 1 55 77 71 89	guillaume.a.derrien@bnpparibas.com
Pascal Devaux Middle East, Western Balkans – Energy	+33 1 43 16 95 51	pascal.devaux@bnpparibas.com
Hélène Drouot Latin America	+33 1 42 98 33 00	helene.drouot@bnpparibas.com
François Faure Head of Country Risk – Türkiye – Argentina	+33 1 42 98 79 82	francois.faure@bnpparibas.com
Salim Hammad Head of Data & Analytics – Brazil	+33 1 42 98 74 26	salim.hammad@bnpparibas.com
Thomas Humblot Banking Economics	+33 1 40 14 30 77	thomas.humblot@bnpparibas.com
Cynthia Kalasopatan Antoine Central Europe, Ukraine	+33 1 53 31 59 32	cynthia.kalasopatanantoine@bnpparibas.com
Johanna Melka Asia	+33 1 58 16 05 84	johanna.melka@bnpparibas.com
Marianne Mueller Europe, United Kingdom, Portugal, Greece	+33 1 40 14 48 11	marianne.mueller@bnpparibas.com
Christine Peltier Head of Emerging economies – Asia	+33 1 42 98 56 27	christine.peltier@bnpparibas.com
Lucas Plé Sub-saharan Africa, Colombia, Central America	+33 1 40 14 50 18	lucas.ple@bnpparibas.com
Jean-Luc Proutat Head of Economic Projections	+33 1 58 16 73 32	jean-luc.proutat@bnpparibas.com
Laurent Quignon Head of Banking Economics	+33 1 42 98 56 54	laurent.quignon@bnpparibas.com
Tarik Rharrab Data scientist	+33 1 43 16 95 56	tarik.rharrab@bnpparibas.com
Mickaëlle Fils Marie-Luce Media contact	+33 1 42 98 48 59	mickaelle.filsmarie-luce@bnpparibas.com