

INFLATION

INFLATION TRACKER:
A SHORT-LIVED JUNE RESPITE?



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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.



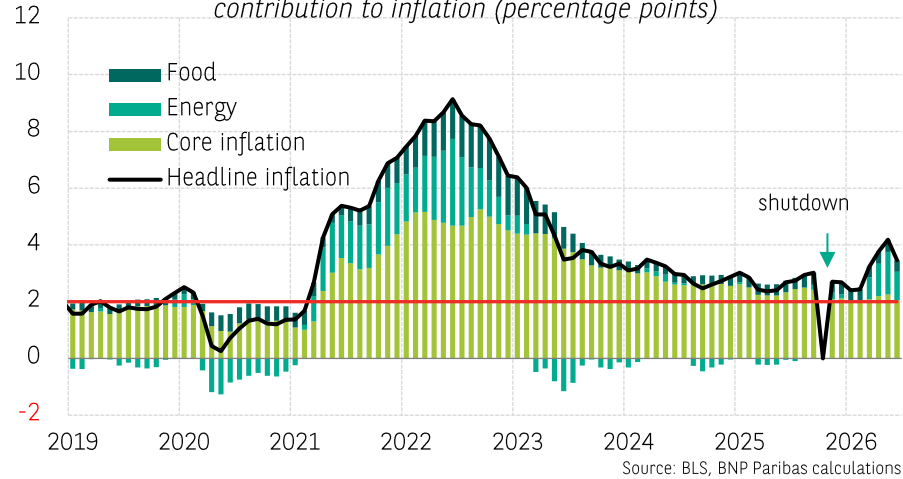
General dynamics of inflation:

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

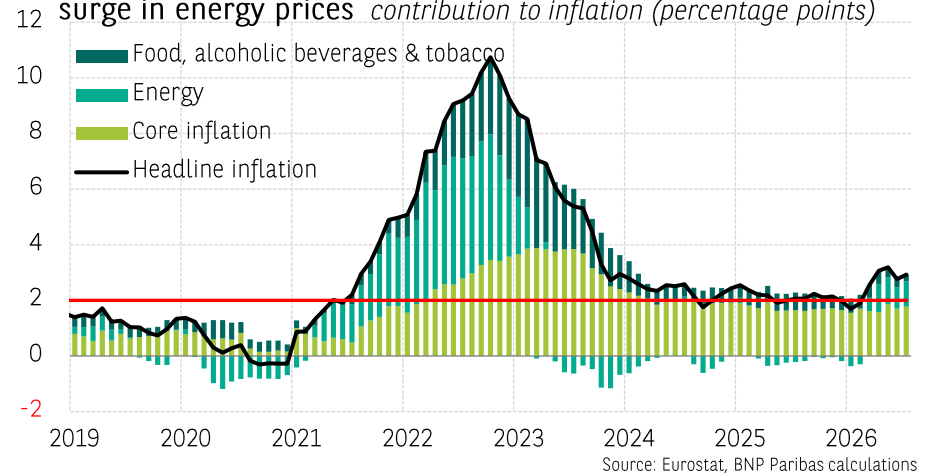


Fading energy contributions drove June's inflation slowdown

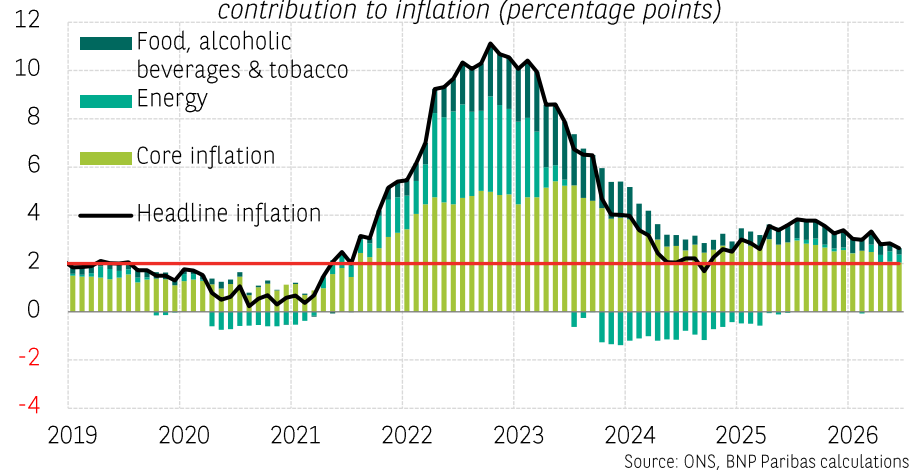
US: Contribution of both energy and core declining in June
contribution to inflation (percentage points)



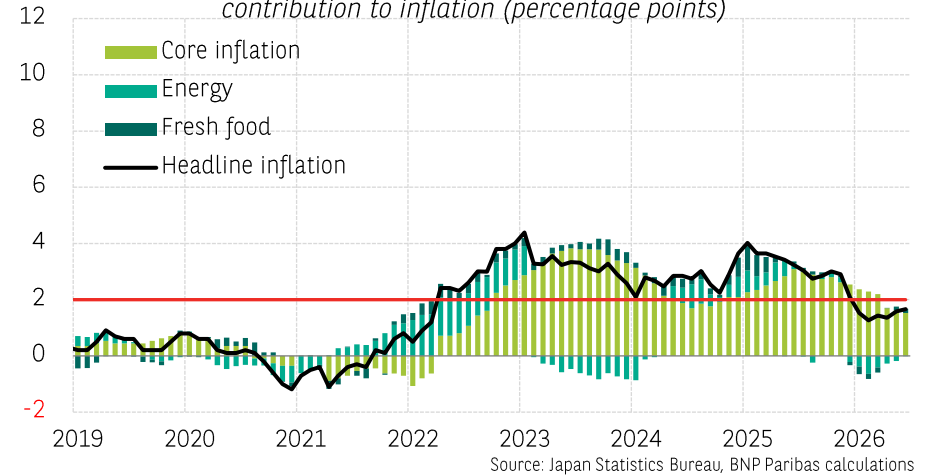
Eurozone: July inflation pick-up remained limited despite renewed surge in energy prices
contribution to inflation (percentage points)



UK: Headline inflation almost exclusively driven by core
contribution to inflation (percentage points)

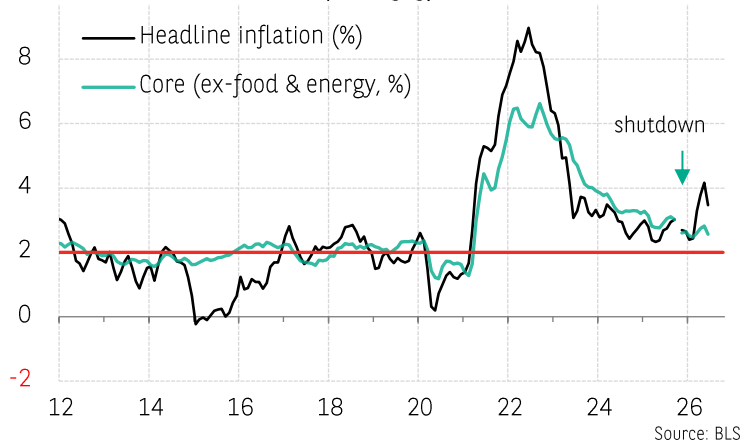


Japan: Energy contribution set to turn positive this summer
contribution to inflation (percentage points)

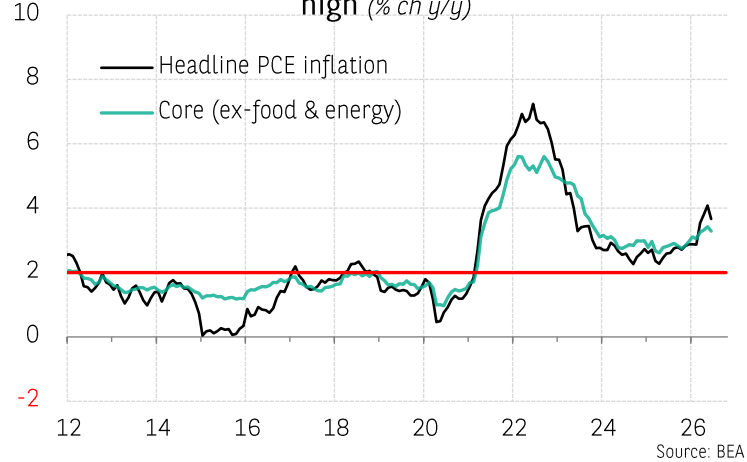


Inflation cools on the surface, but underlying pressures remain important

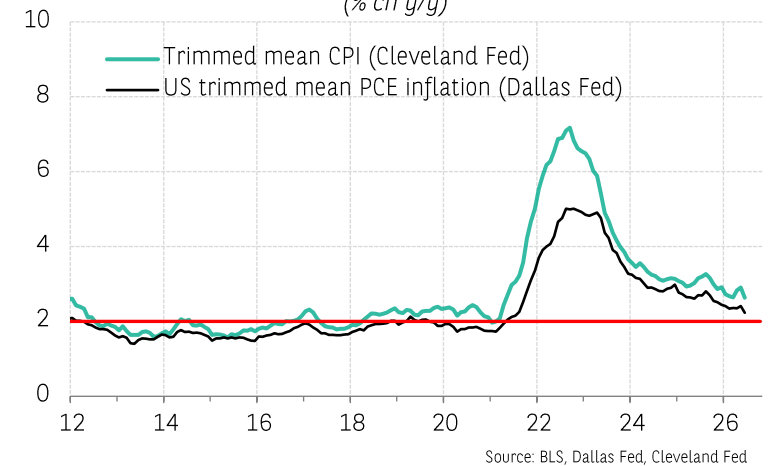
US: Headline CPI inflation edged down to 3.5% in June
(% ch y/y)



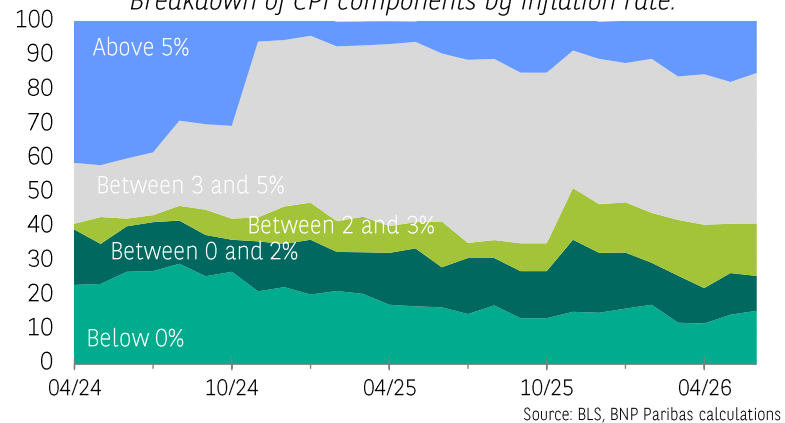
US: PCE inflation eased slightly from a three-year high (% ch y/y)



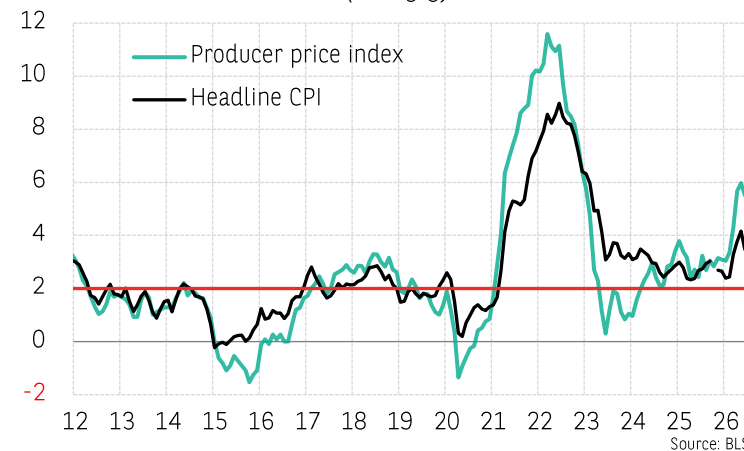
US: Alternative indicators evolving in line with core CPI
(% ch y/y)



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



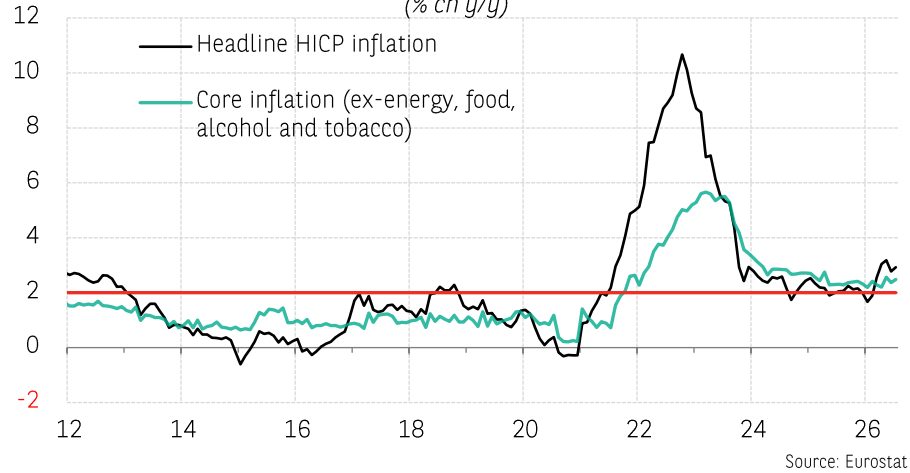
US: Higher PPI to keep upward pressures on the CPI
(% ch y/y)



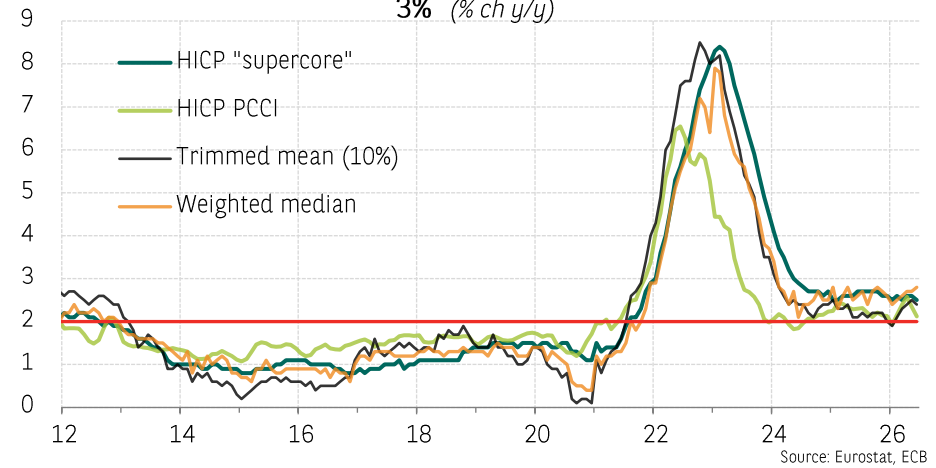


HICP and alternative measures stay anchored

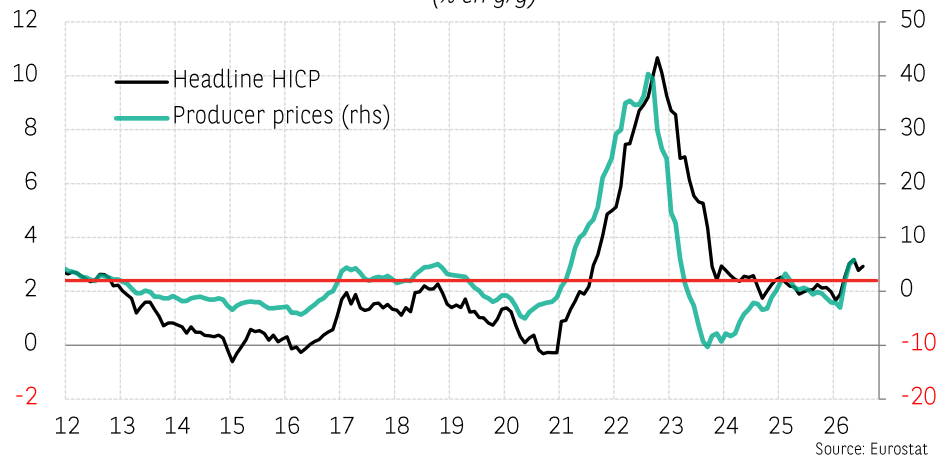
Eurozone: Core inflation not moving much
(% ch y/y)



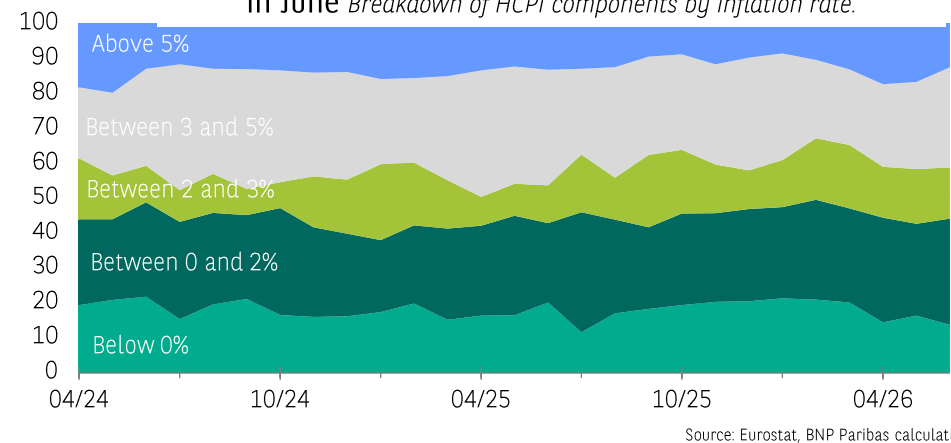
Eurozone: ECB alternative measures anchored below 3% (% ch y/y)



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



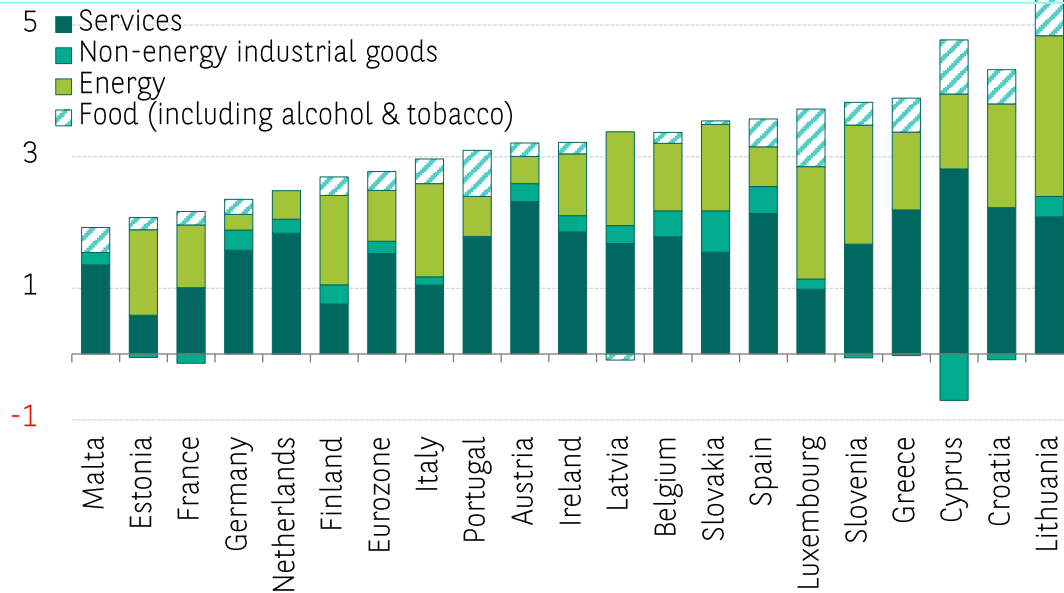
Eurozone: Share of HCPI items rising above 3% was stable in June Breakdown of HCPI components by inflation rate.





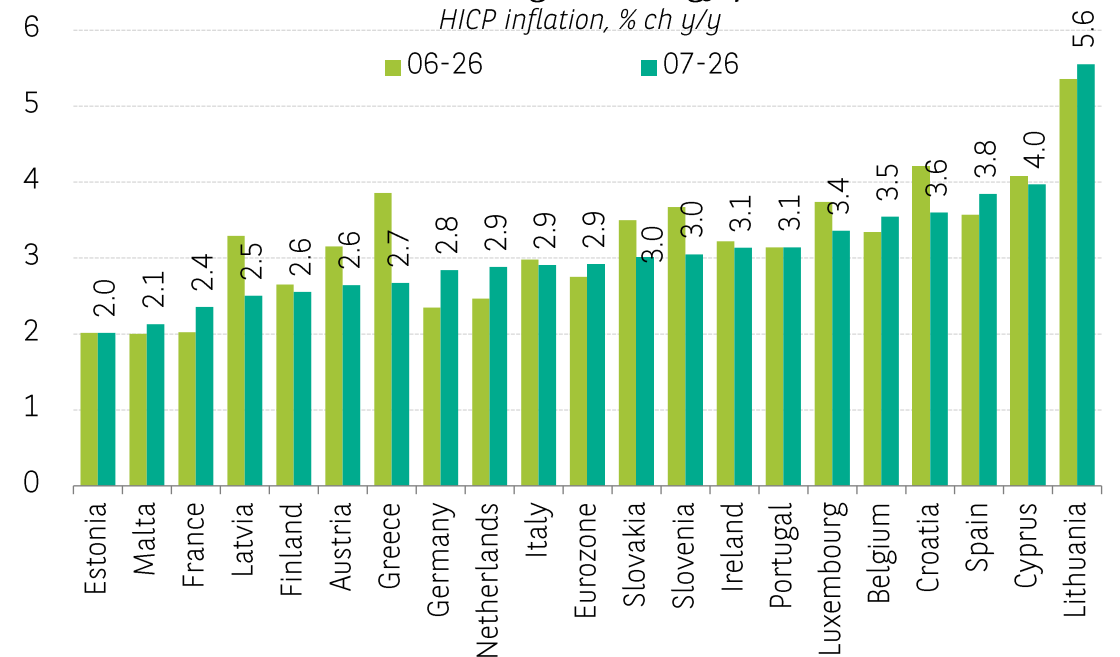
Eurozone's inflation gap widens

Eurozone: Contribution of energy varies greatly among countries
contribution to inflation (% points), June 2026



Source: Eurostat

Eurozone: Inflation increases again in July, driven by renewed surge in energy prices



Source: Eurostat

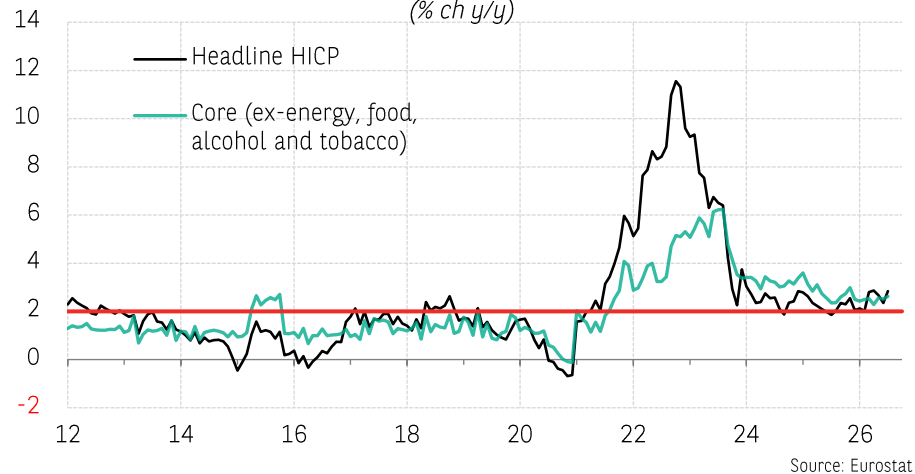


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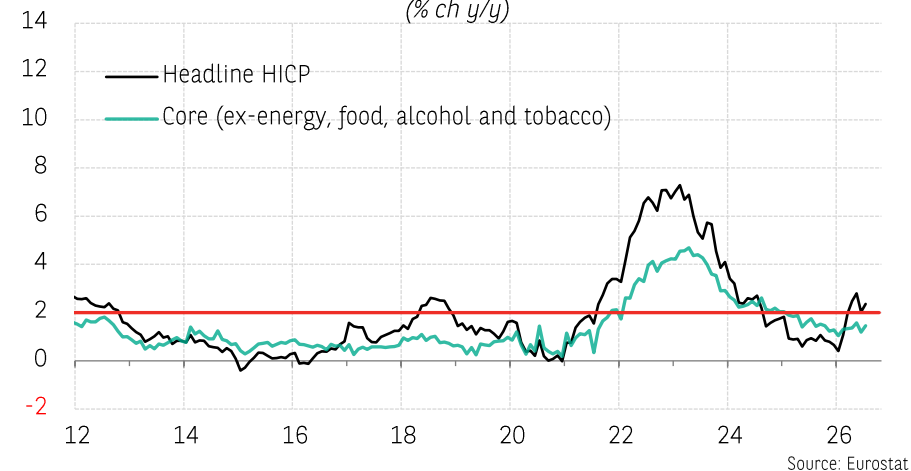
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France's inflation remains moderate, Spain's core inflation accelerates further

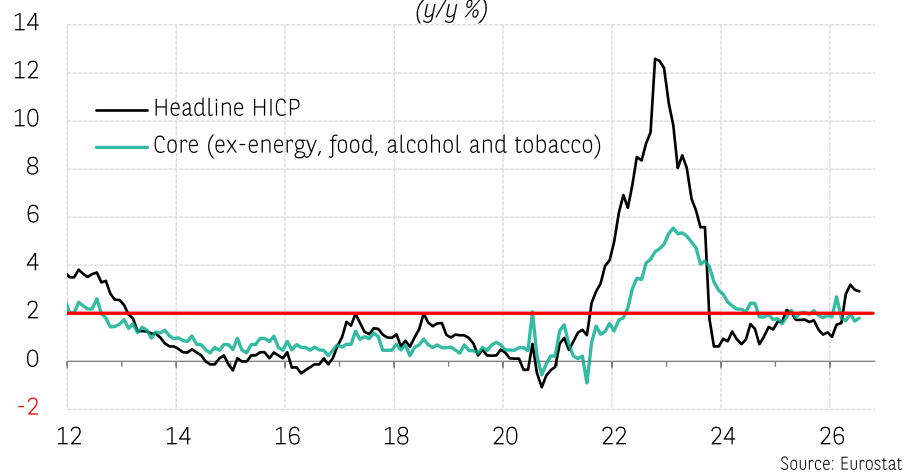
Germany: Headline accelerated while core eased to 2.4%
(% ch y/y)



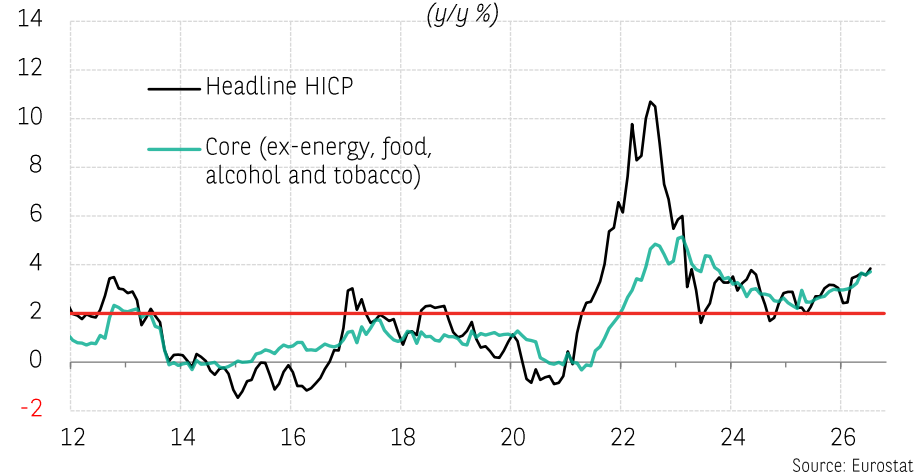
France: Lowest inflation among the four major economies
(% ch y/y)



Italy: Headline CPI moving back above core, driven by energy
(y/y %)



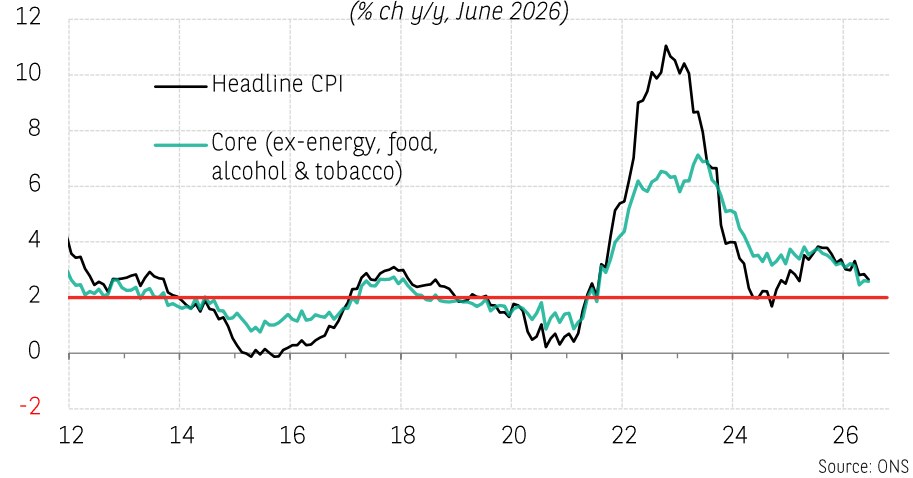
Spain: Core inflation trending higher
(y/y %)



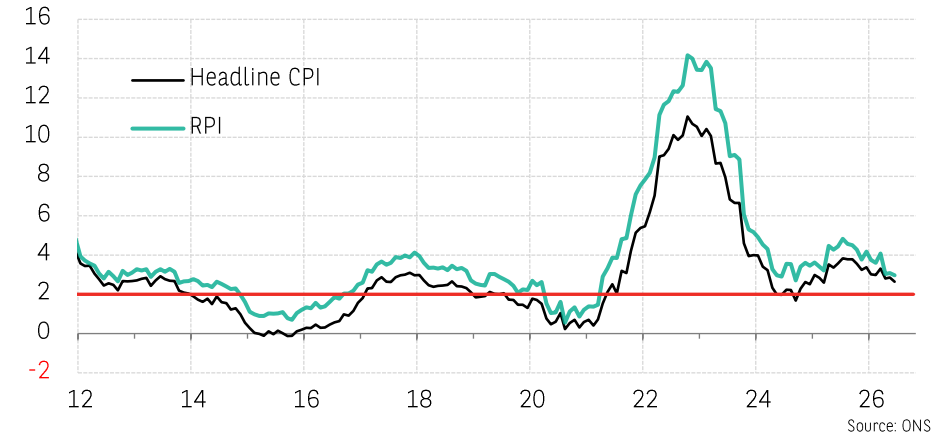


Positive signs of disinflation

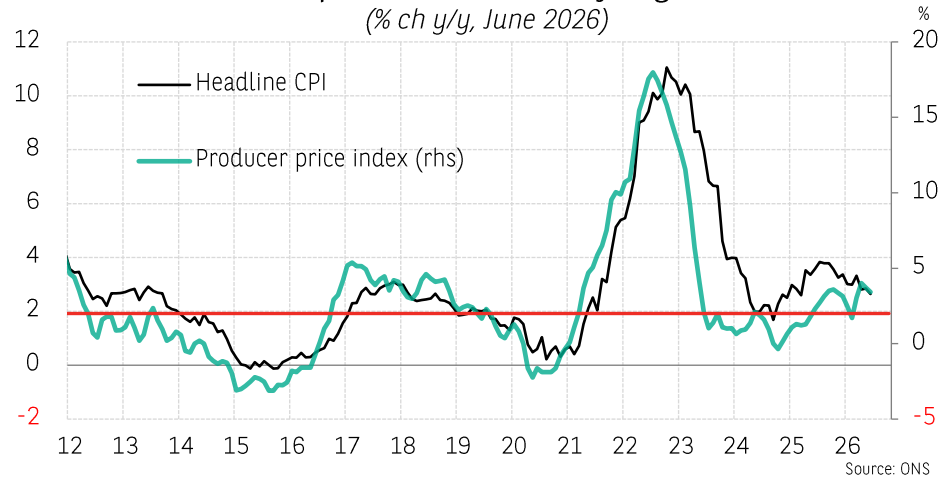
UK: Headline inflation declines again in June
(% ch y/y, June 2026)



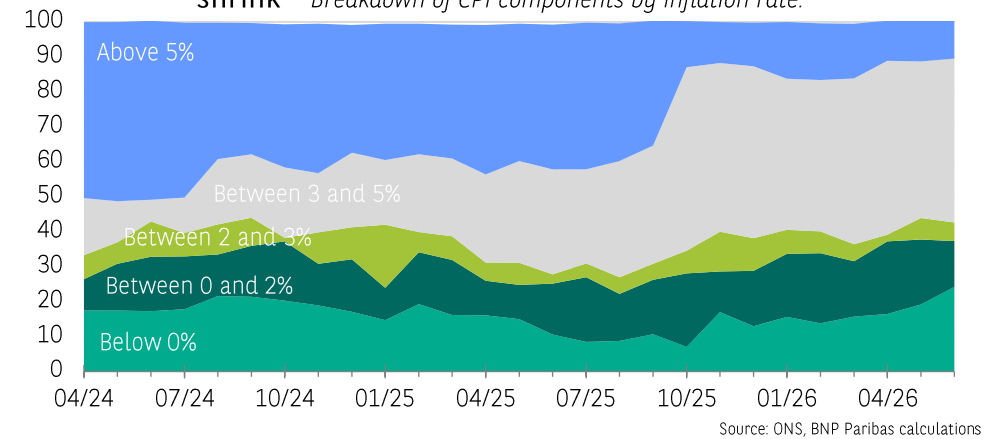
UK: Small gap between CPI and RPI
(% ch y/y, June 2026)



UK: Producer prices remain broadly aligned with CPI
(% ch y/y, June 2026)



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



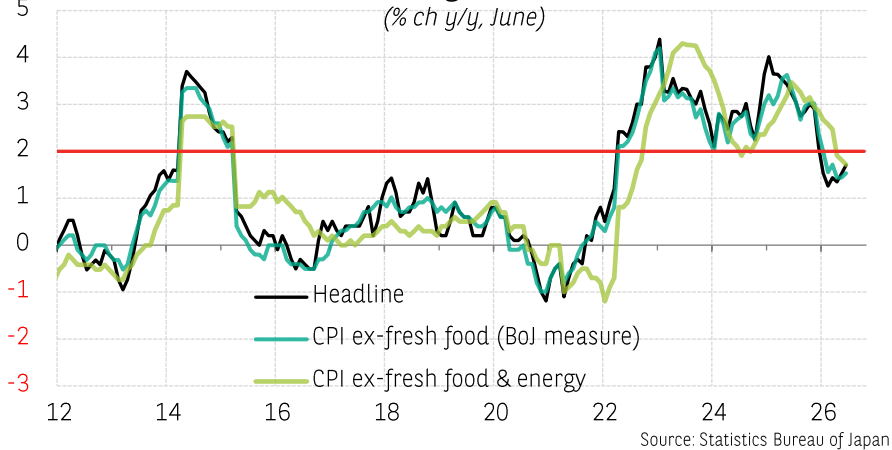
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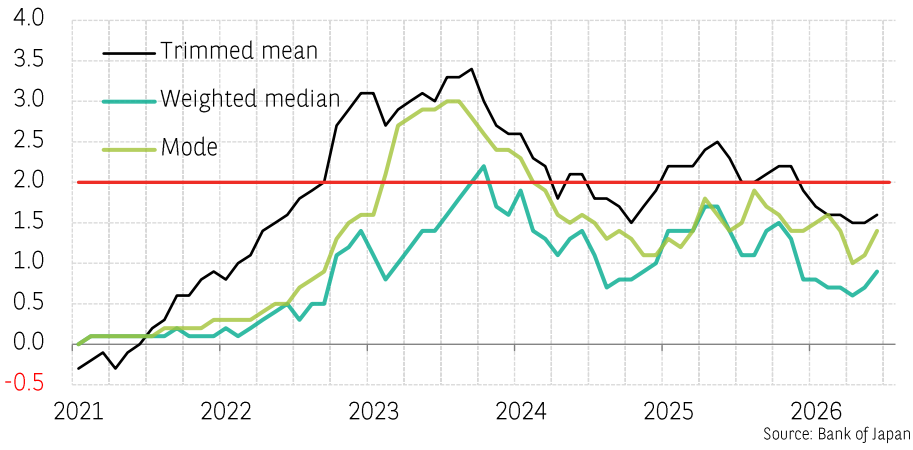


Mixed signals

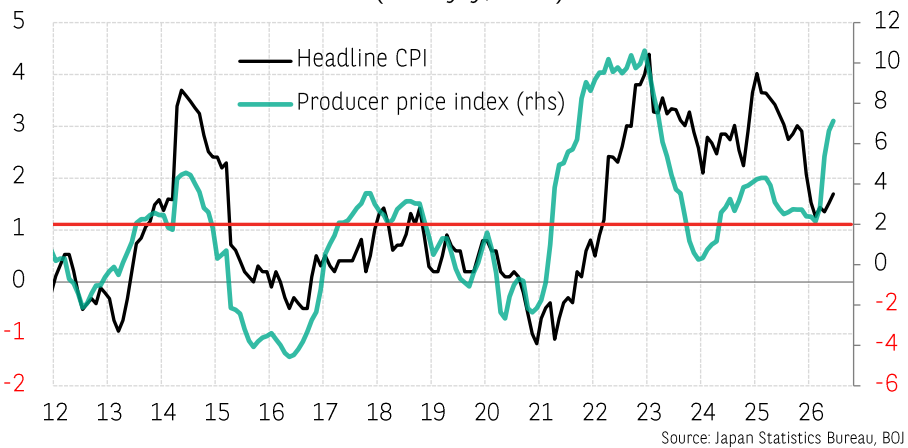
Japan: Headline inflation rose but the core slowed again



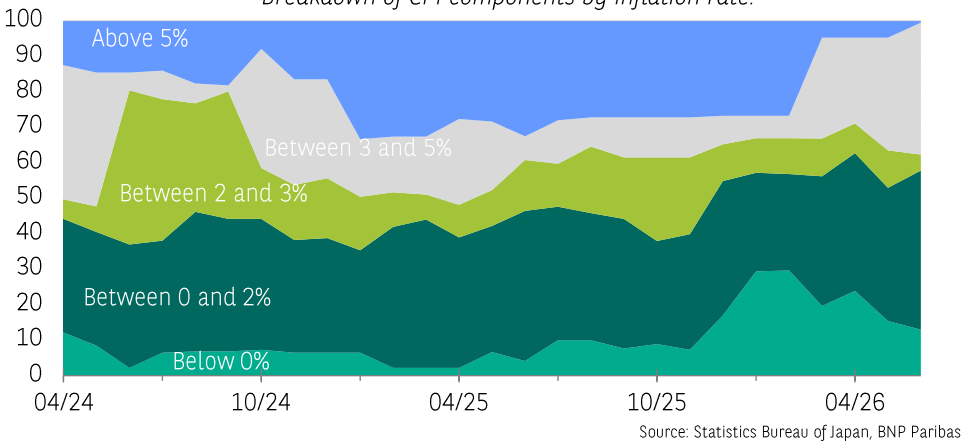
Japan: BoJ alternative inflation measures remain soft



Japan: PPI inflation intensified



Japan: Half of the CPI items evolves in a 0-3% range

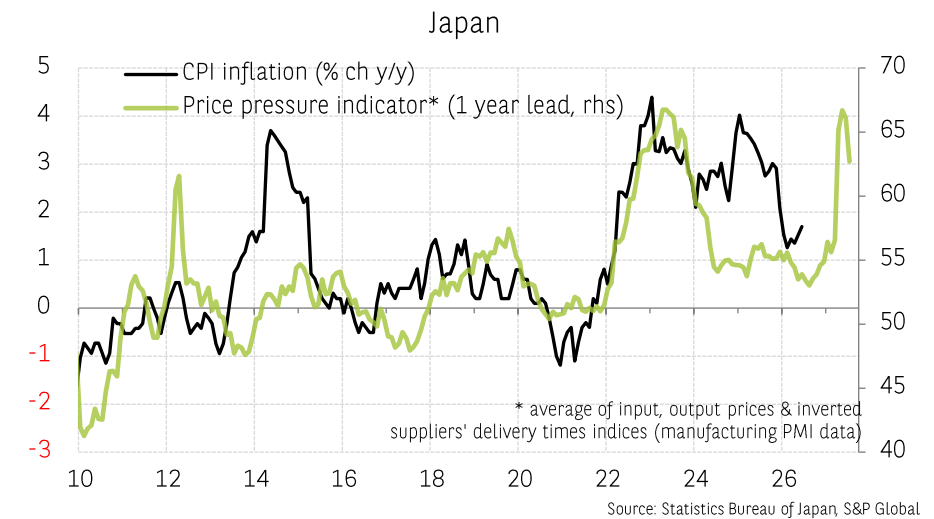
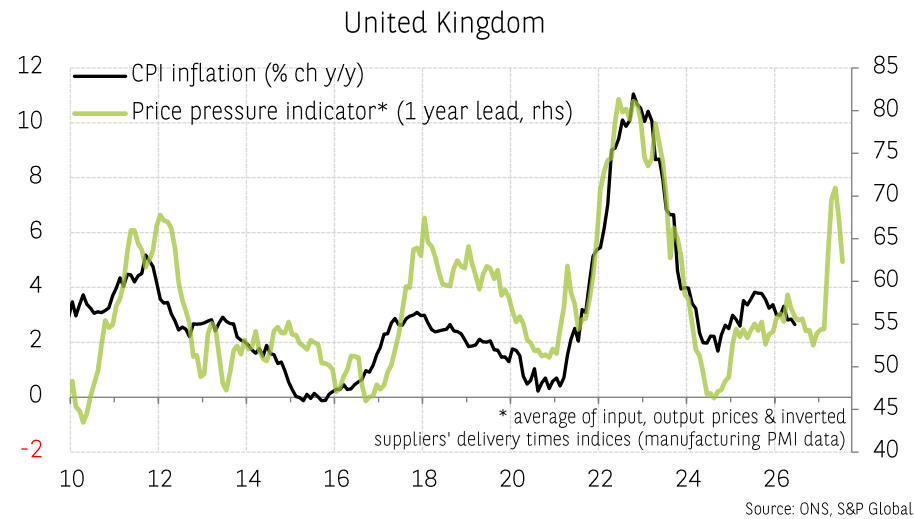
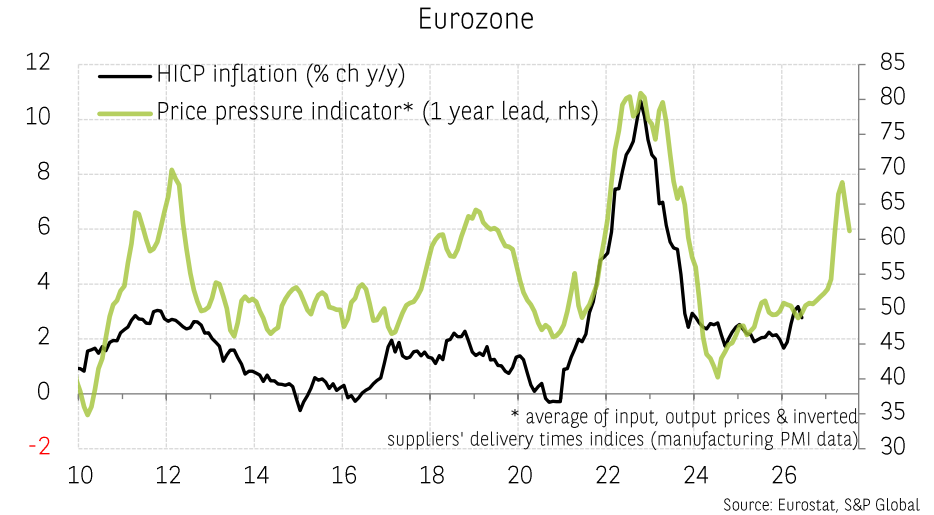
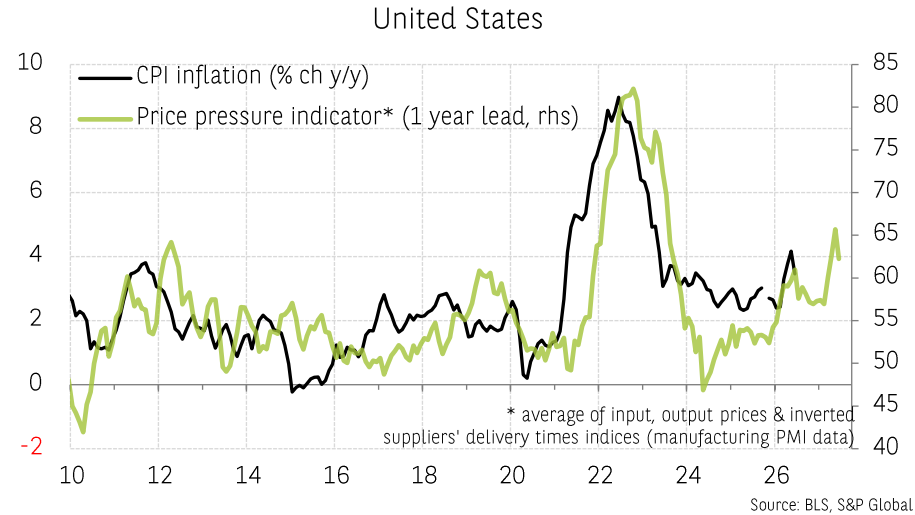


Inflation and survey data:

Forward indicators of price pressures eased again in July.



Forward indicators of price pressures eased again in July



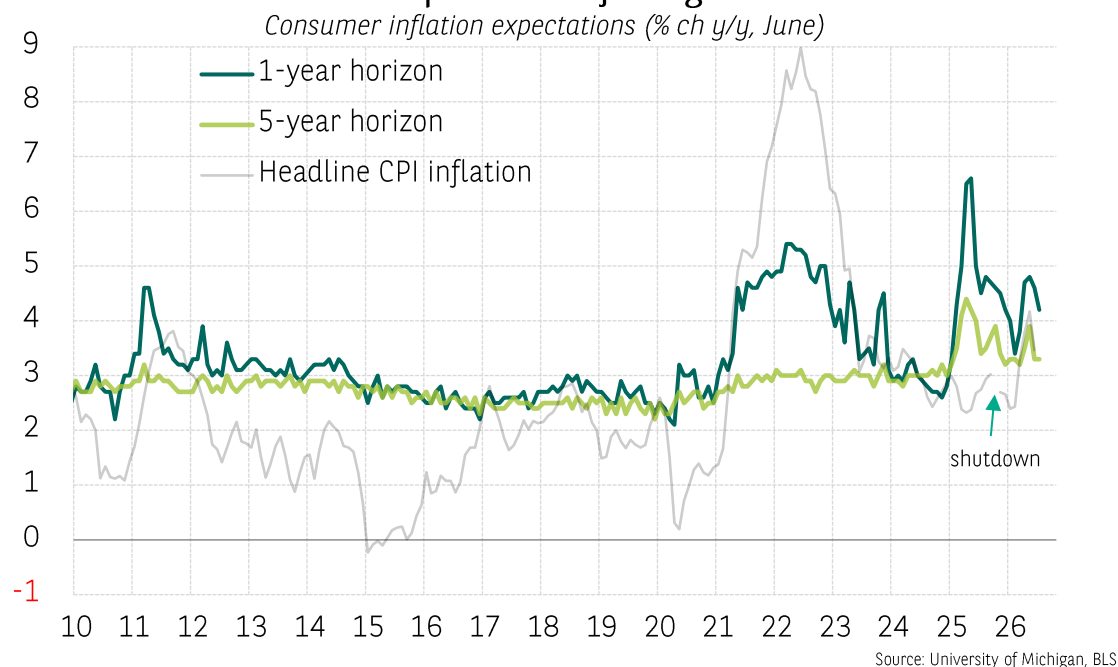
Inflation expectations (households, forecasters, markets):

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

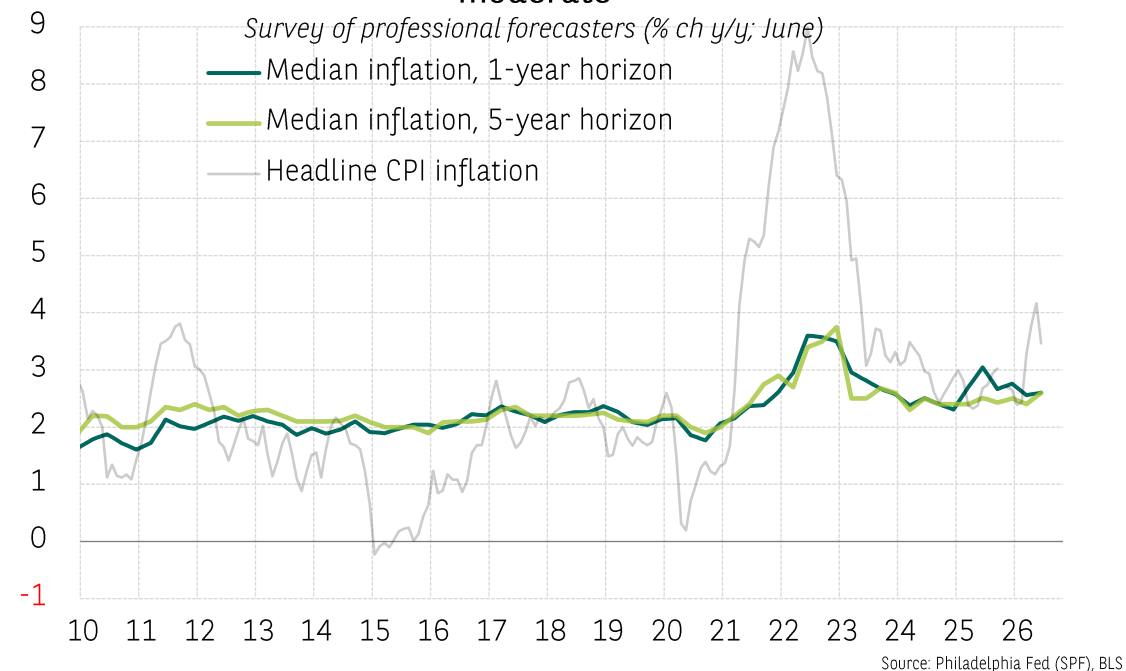


Inflation expectations: Long-term expectations stable and moderate

United States: Short-term consumer inflation expectations falling



United States: Long-term expectations stable and moderate

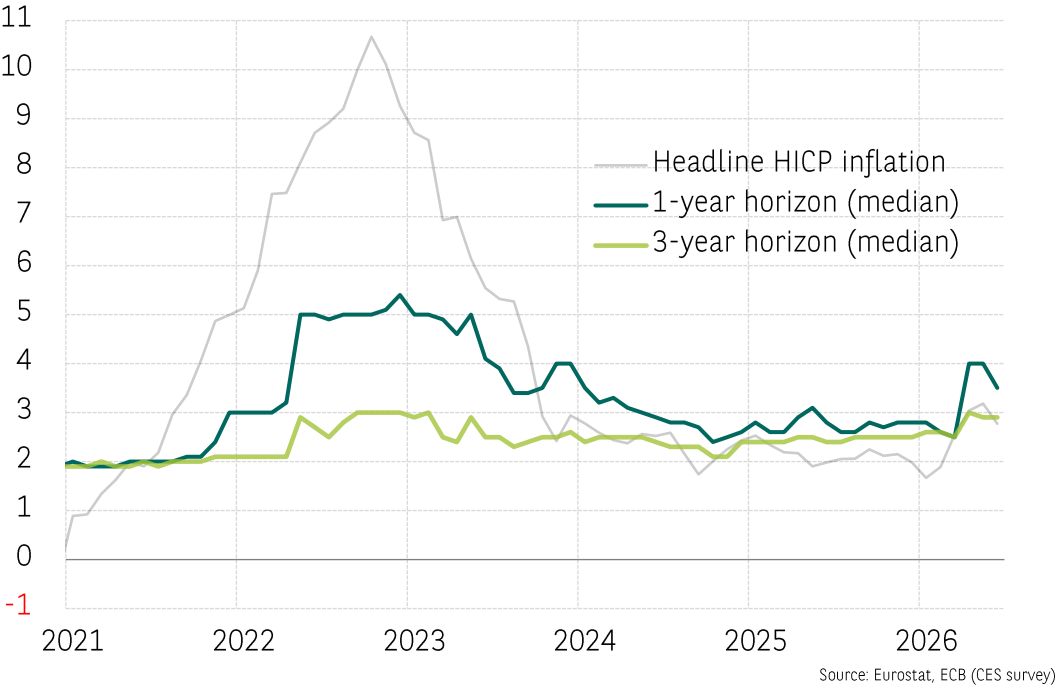




ECB's short-term inflation expectations retreat, long-term stay anchored

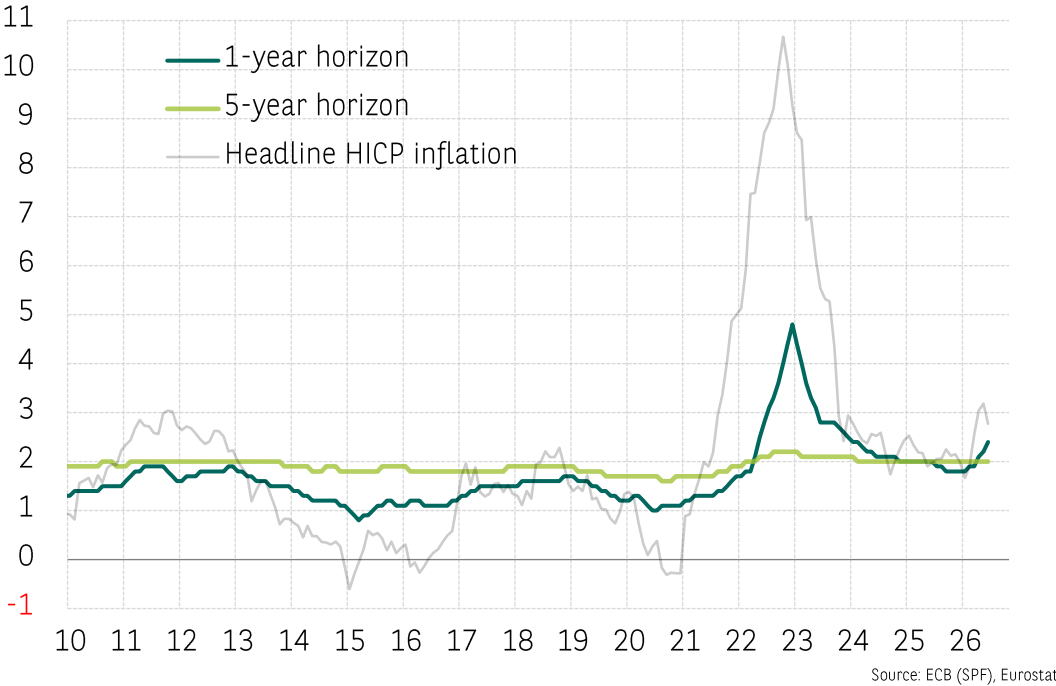
Short-term consumer inflation expectations falling

Consumer inflation expectations (% ch y/y, June)



Long-term expectations well anchored

Survey of professional forecasters (% ch y/y, June)

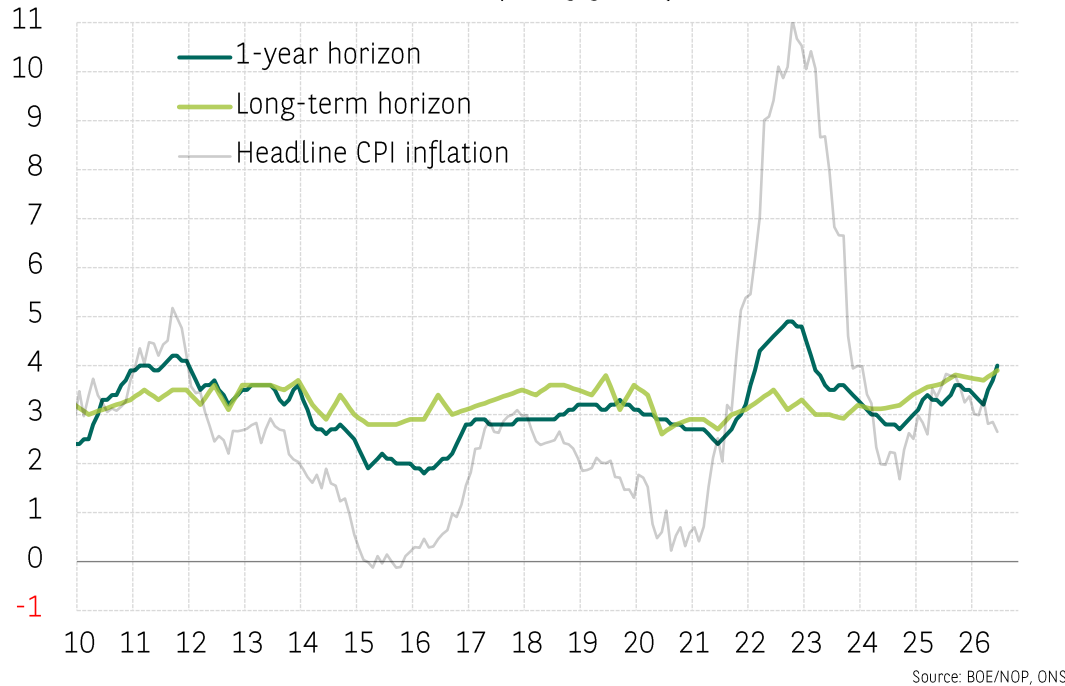




Inflation expectations: BoE survey shows a degradation

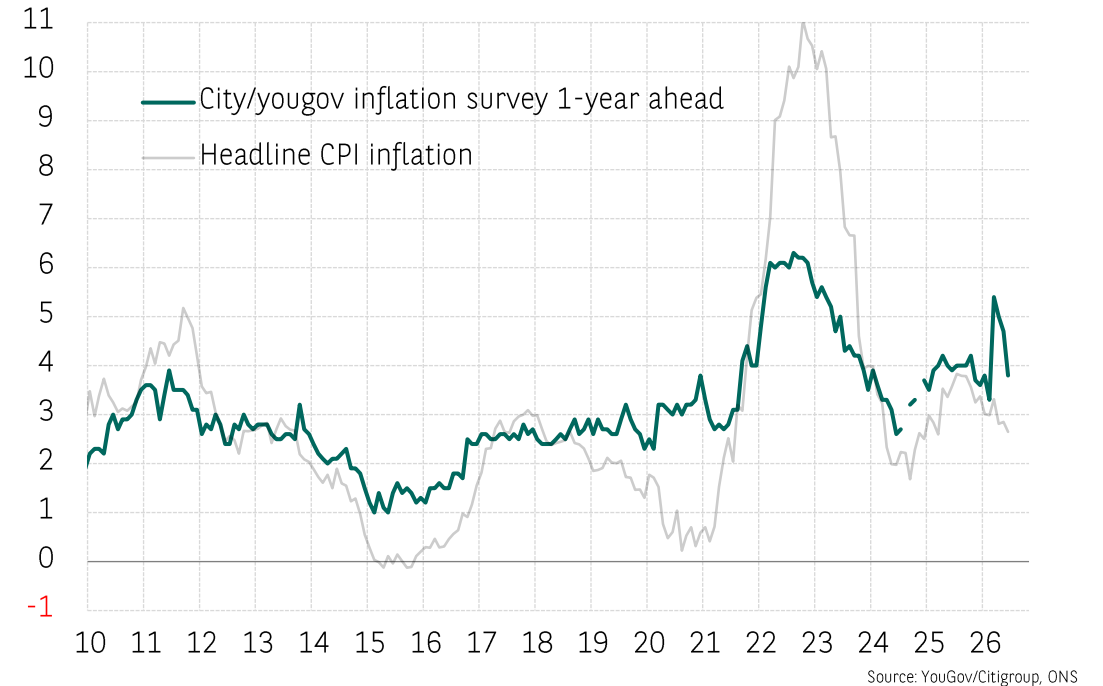
UK: Inflation expectations rising in the BoE survey

(% ch y/y, June)



UK: Other surveys showed a pullback

(% ch y/y, June)



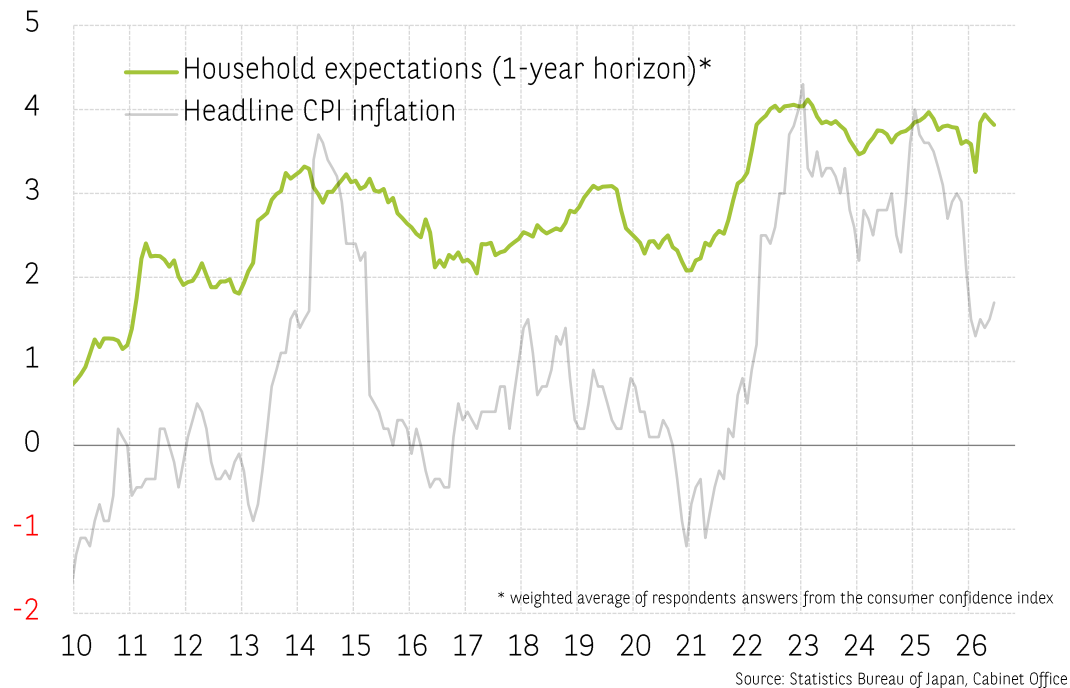
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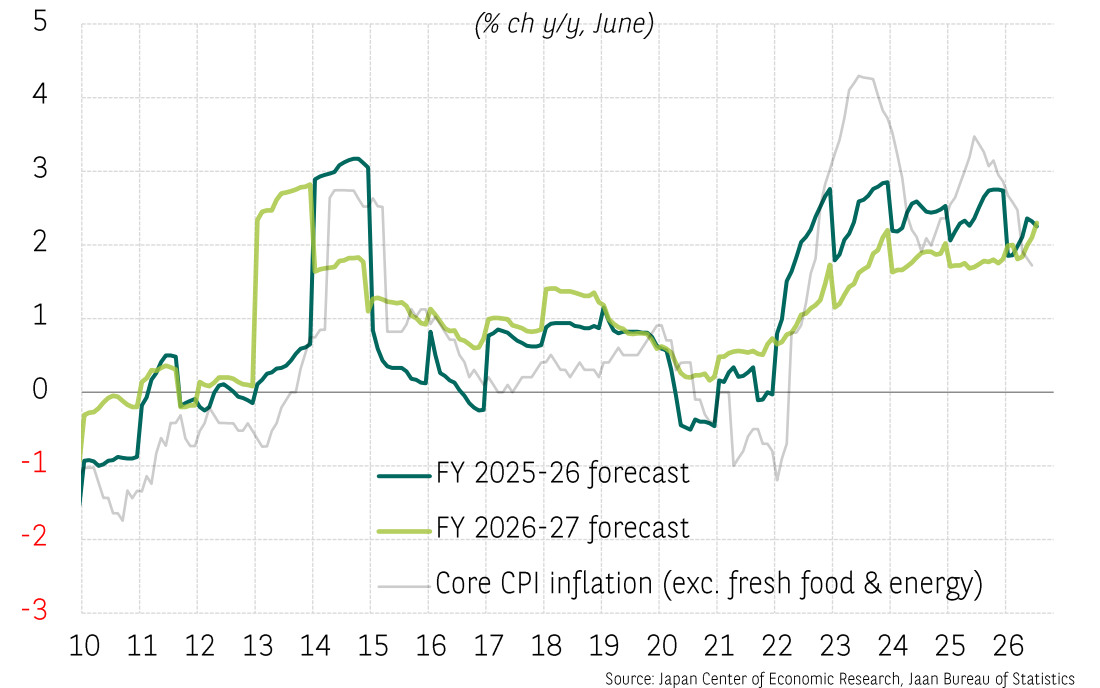


Inflation expectations: Households remain wary

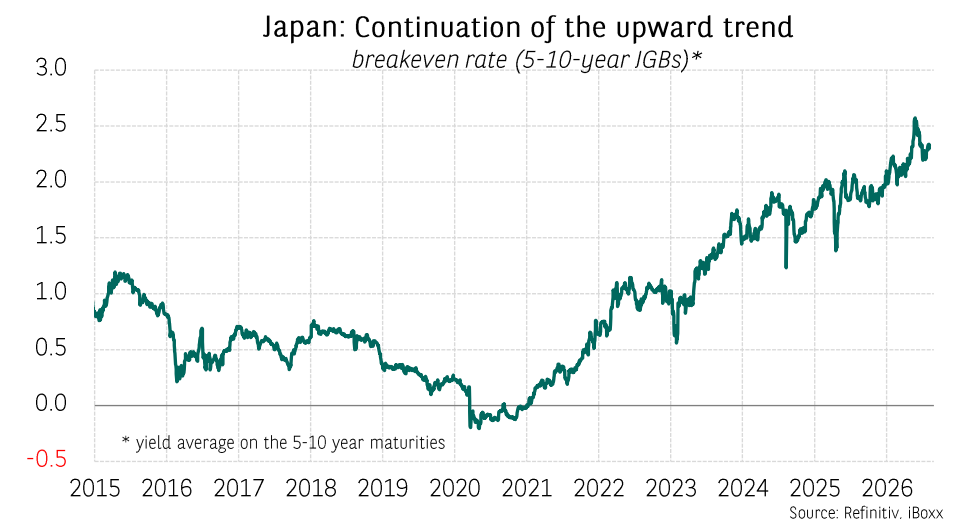
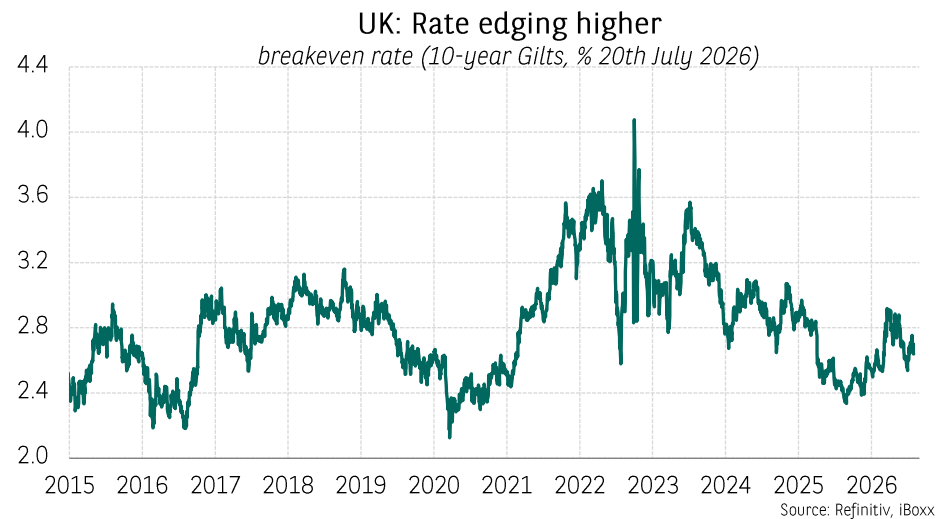
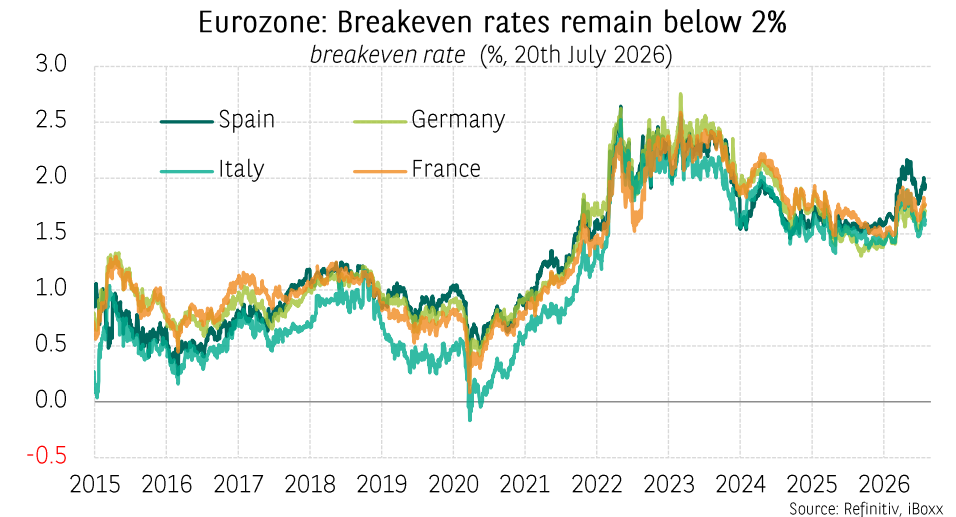
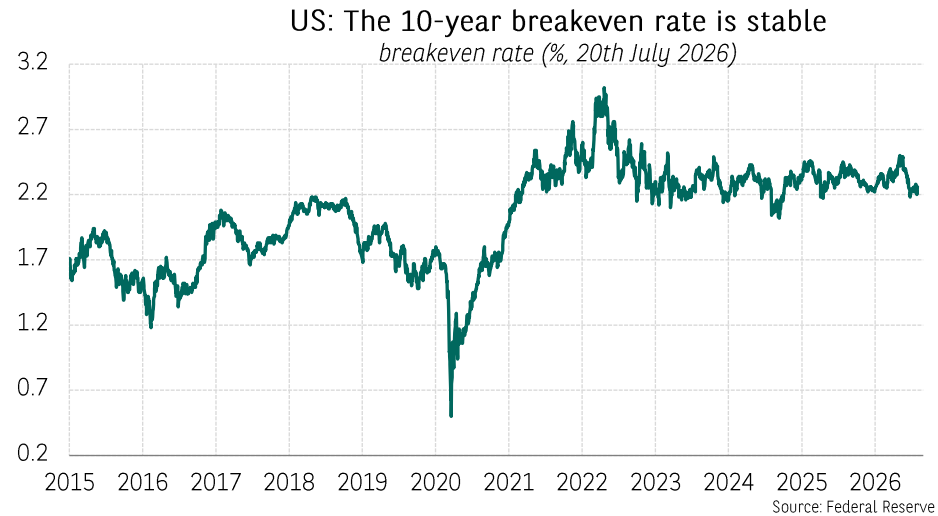
Japan: Household expectations well above inflation
(% ch y/y, June)



Japan: Forecasters' inflation expectations converging to 2.5%
(% ch y/y, June)



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



*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

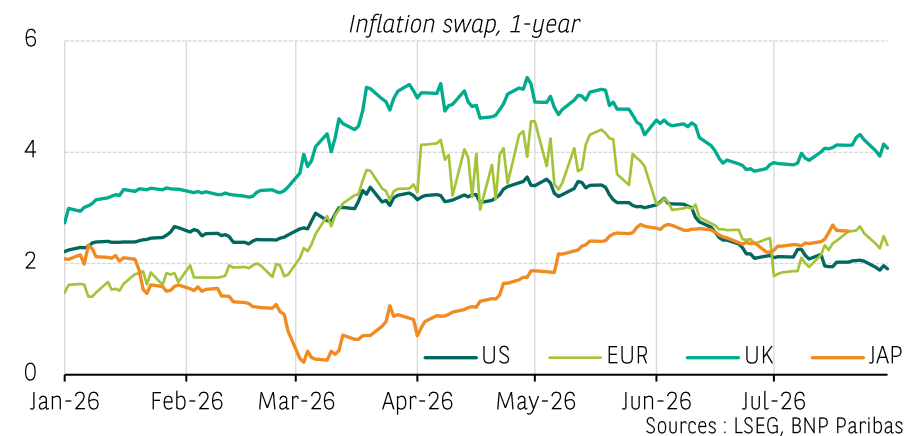
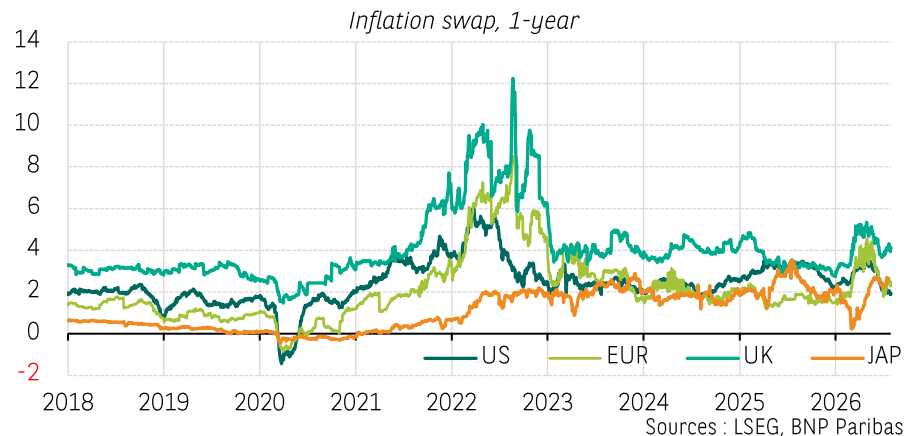


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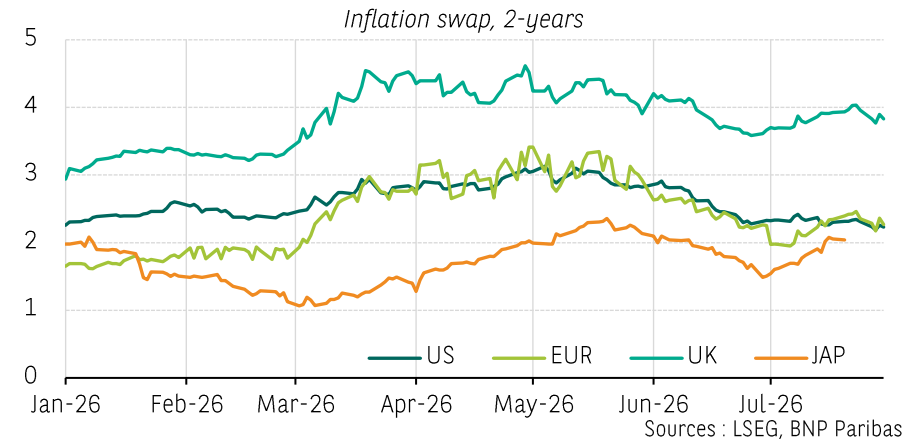
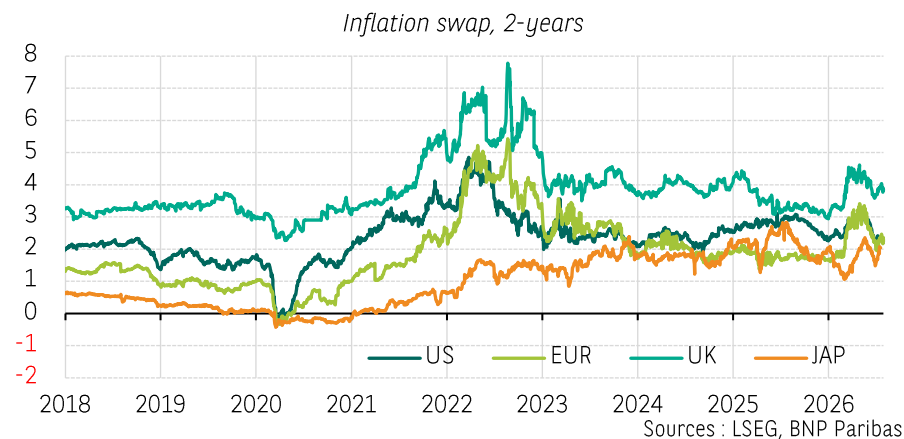
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Inflation swap rates*: July rebound follows recent easing; UK divergence persists (1)

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.

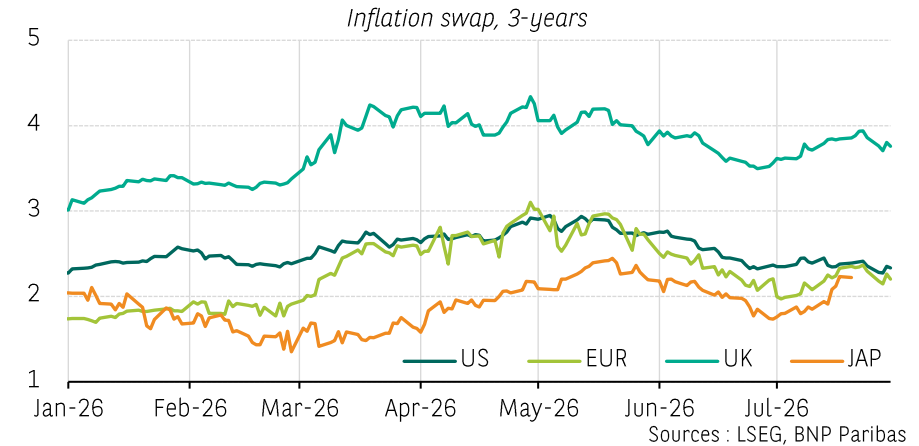
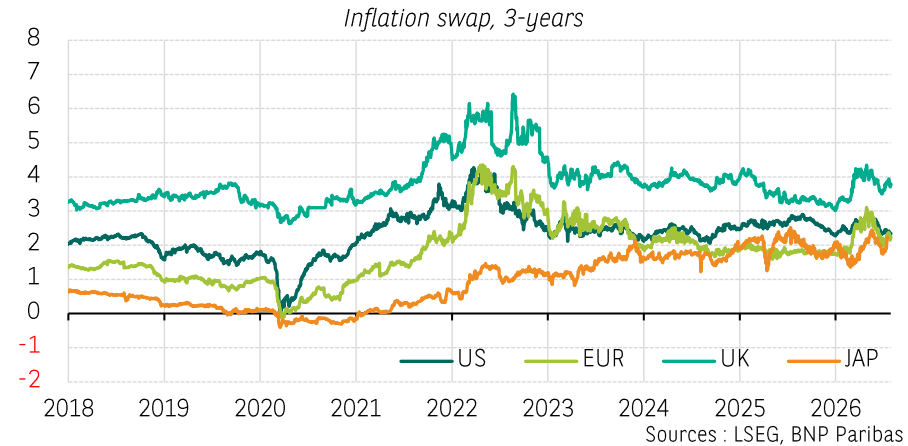


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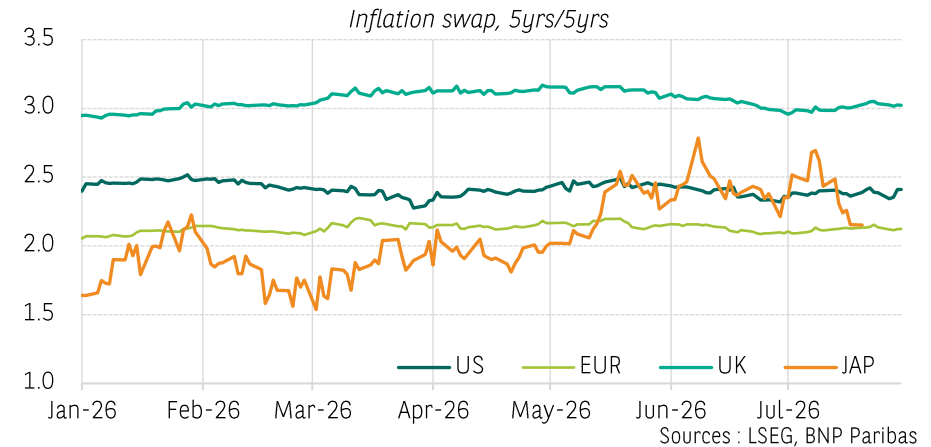
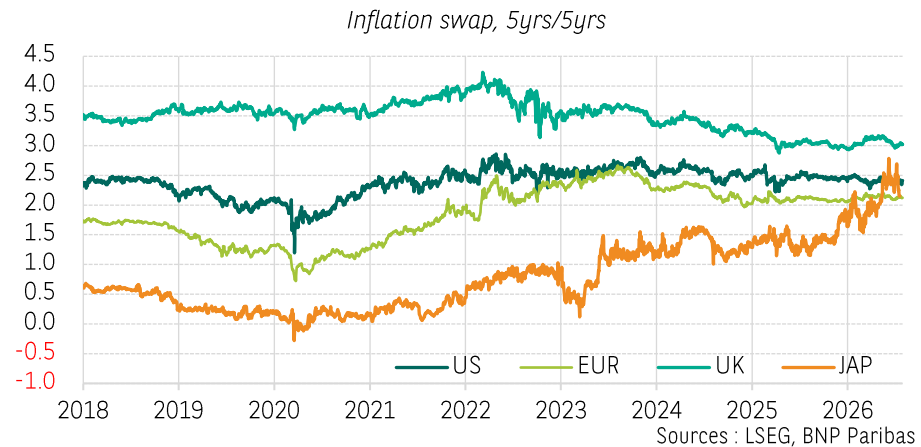
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Inflation swap rates*: July rebound follows recent easing; UK divergence persists (2)

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



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



*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.



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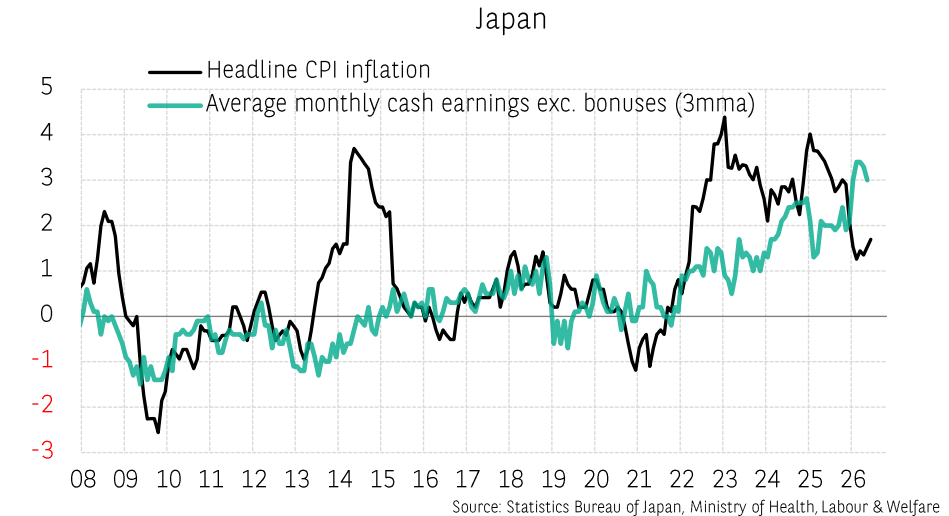
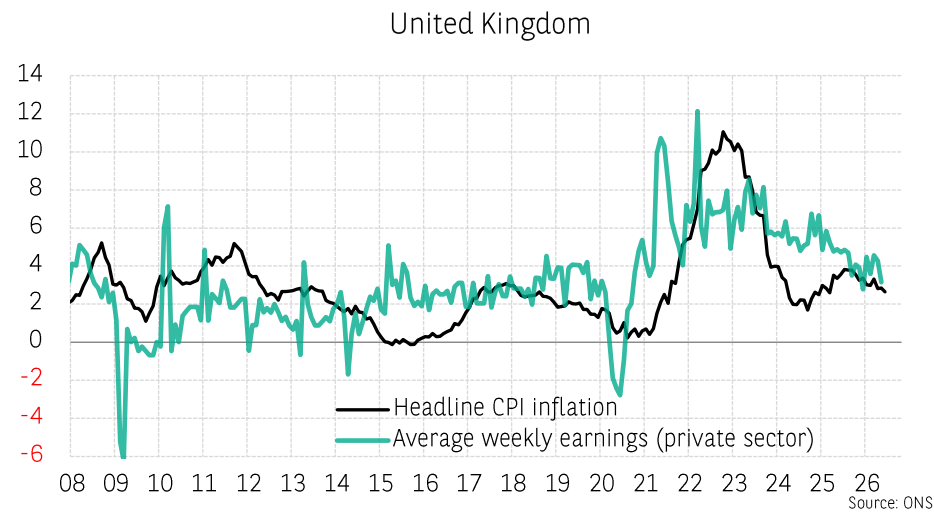
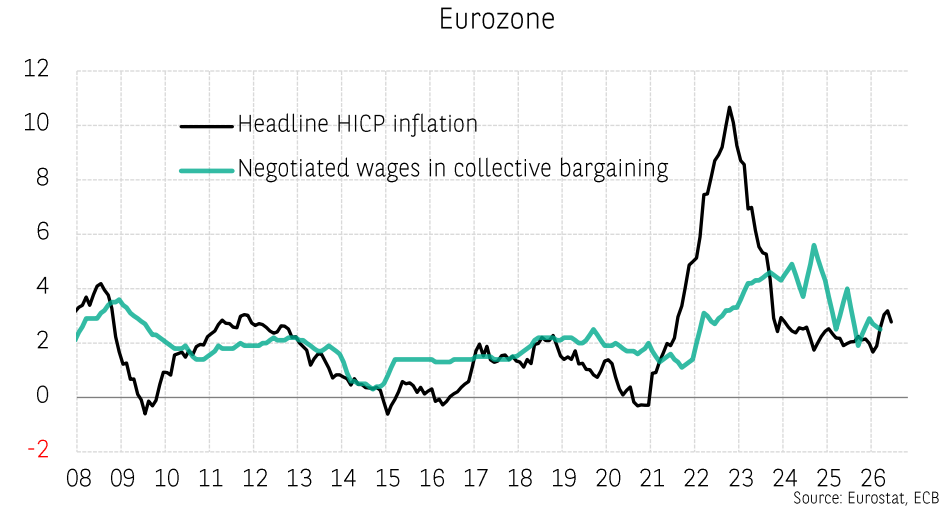
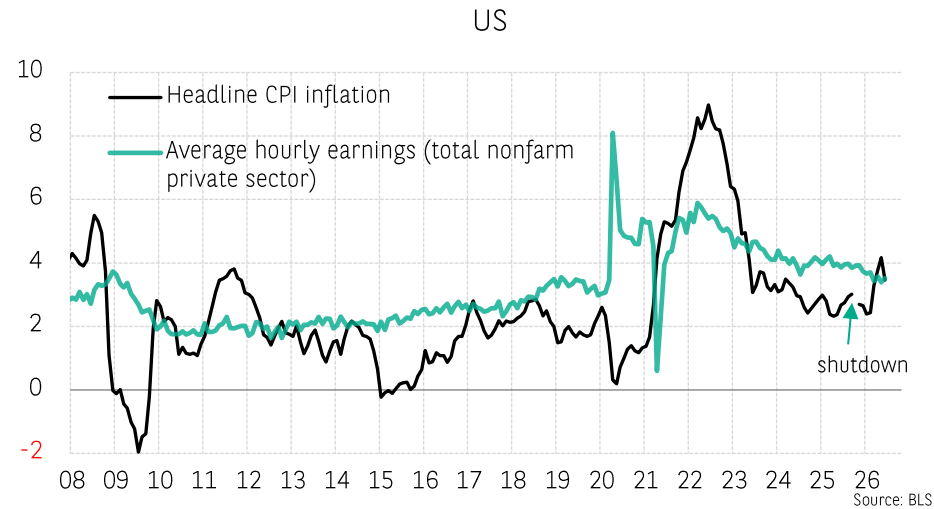
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Inflation-wage dynamics:

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



Wage moderation continues everywhere except Japan, despite rising inflation



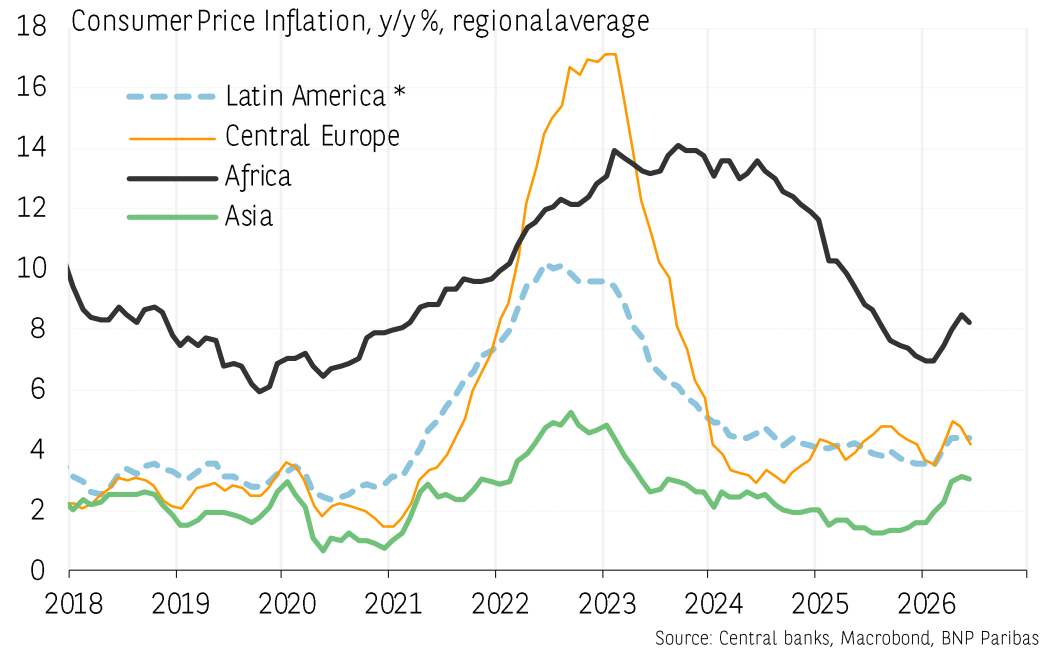
Emerging Economies:

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



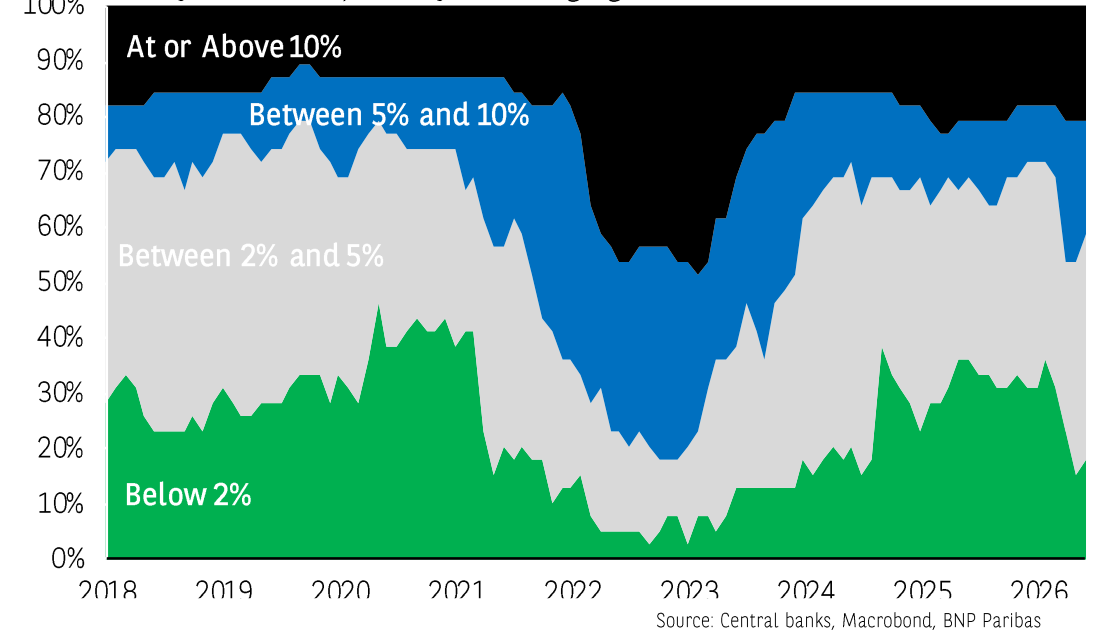
Inflation dynamics in emerging economies: Pressure eased in June

Emerging countries: Average inflation eased in June 2026



* 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.

Emerging countries: Inflation pressures have remained moderate
CPI inflation rate, panel of 39 Emerging economies

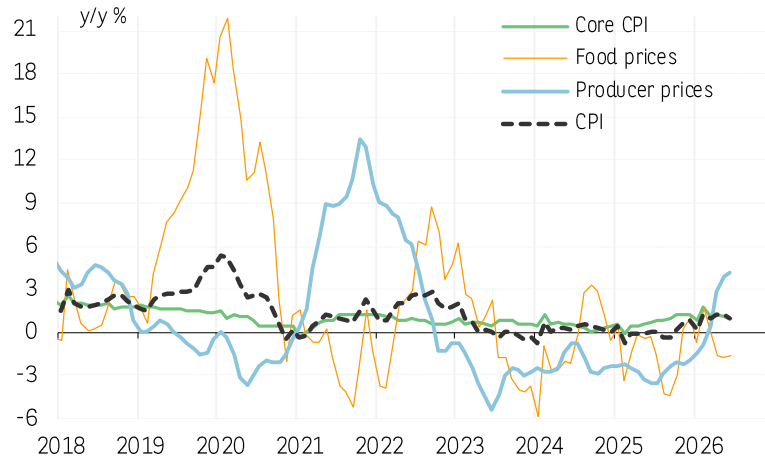


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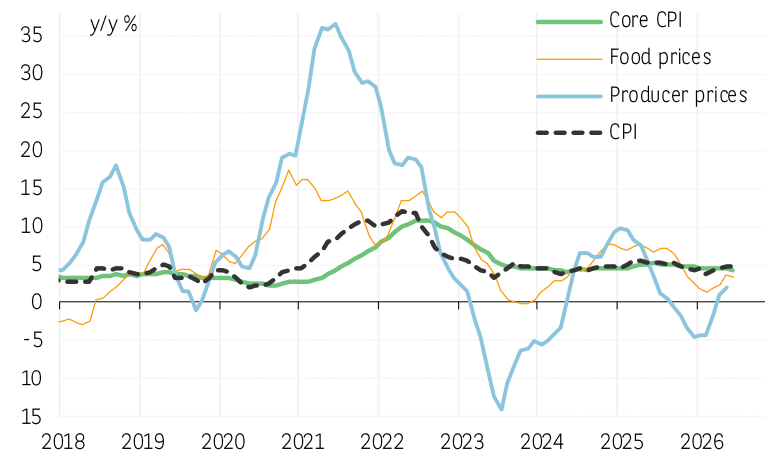
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Inflation dynamics in six large emerging economies

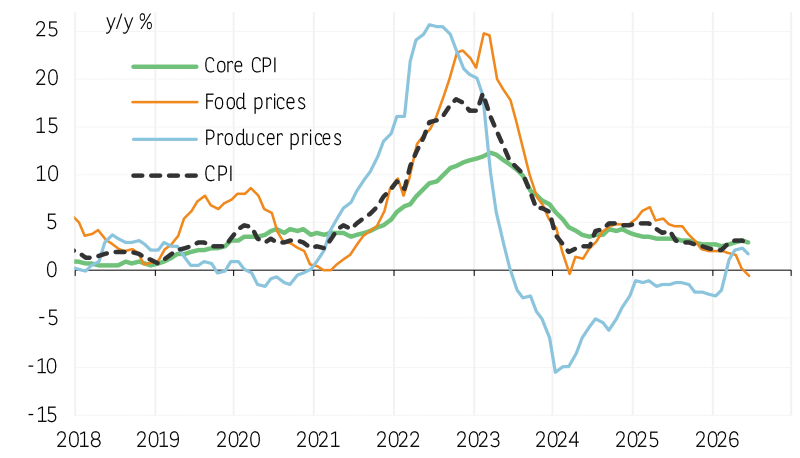
China: CPI inflation has recovered only slightly



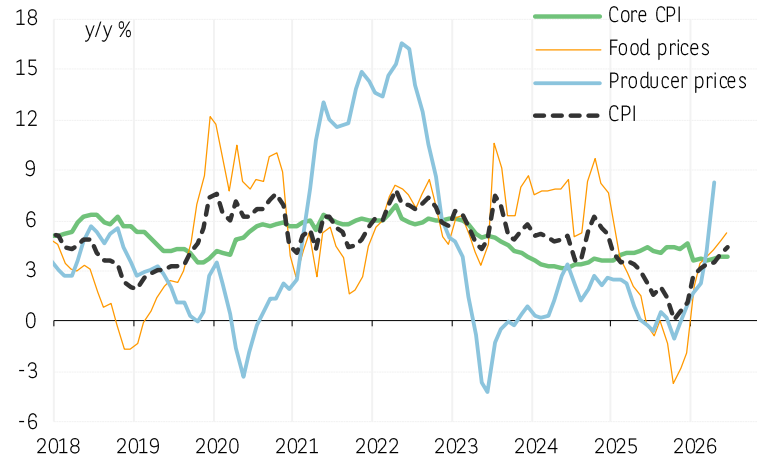
Brazil: Inflation is accelerating again



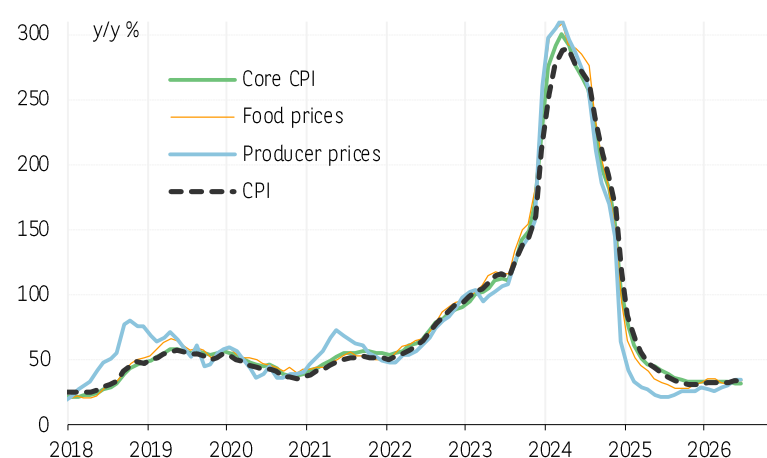
Poland: Inflation well under control



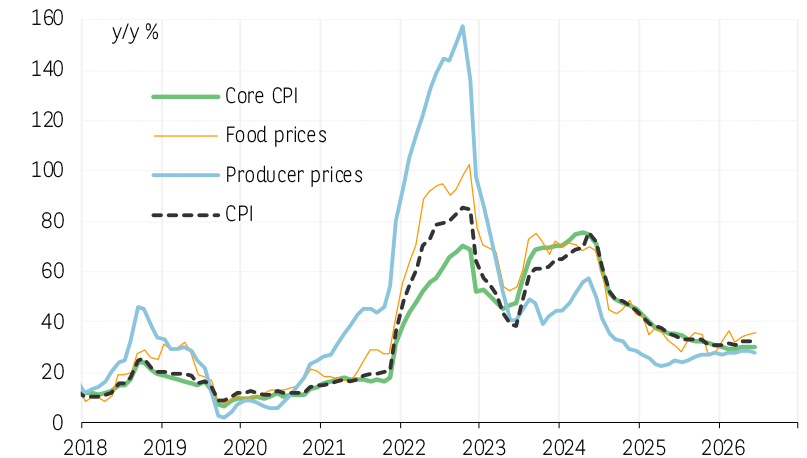
India: Worrying increase in inflationary pressures



Argentina: No new spike in inflation



Türkiye: Inflation is still well below its 2022 level



Source: Central banks, Macrobond, BNP Paribas



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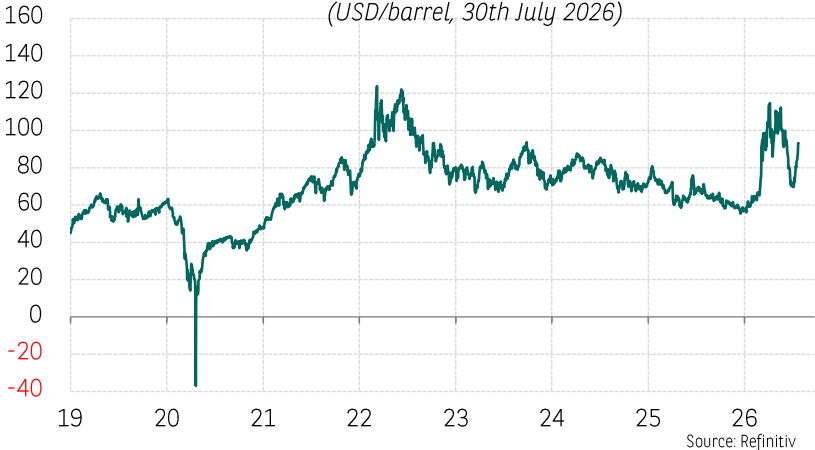
Commodities:

Broad-based rebound as tensions resurface.

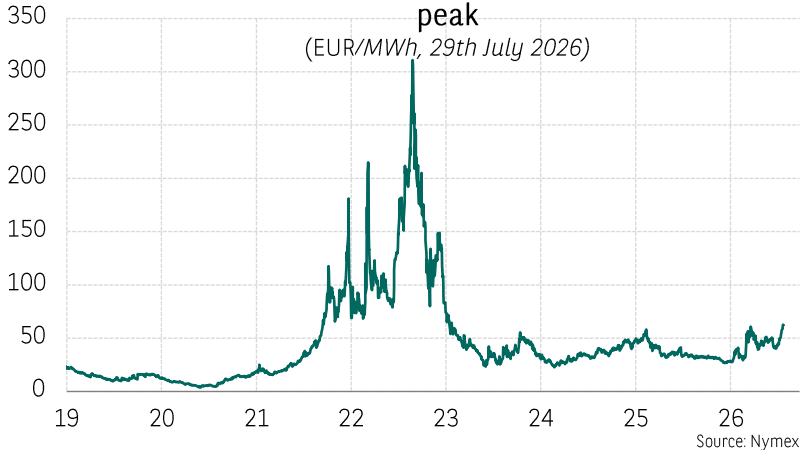


Commodities: Broad-based rebound as tensions resurface

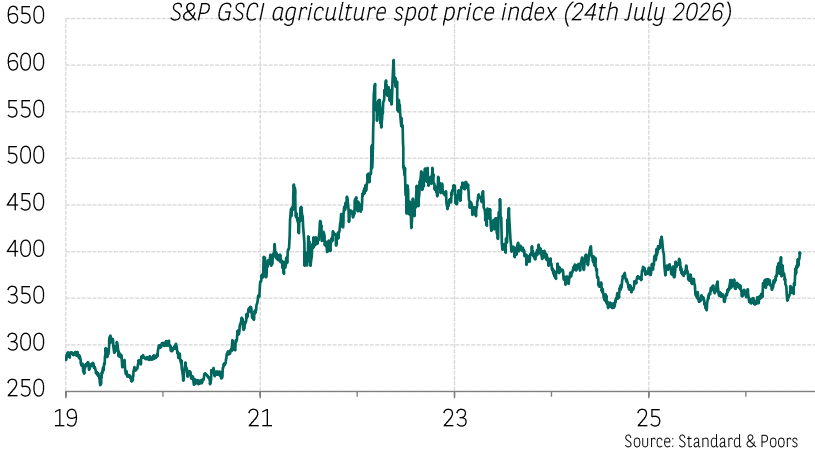
WTI crude oil price have bounced back
(USD/barrel, 30th July 2026)



Dutch TTF Natural Gas surpassed last March's peak
(EUR/MWh, 29th July 2026)

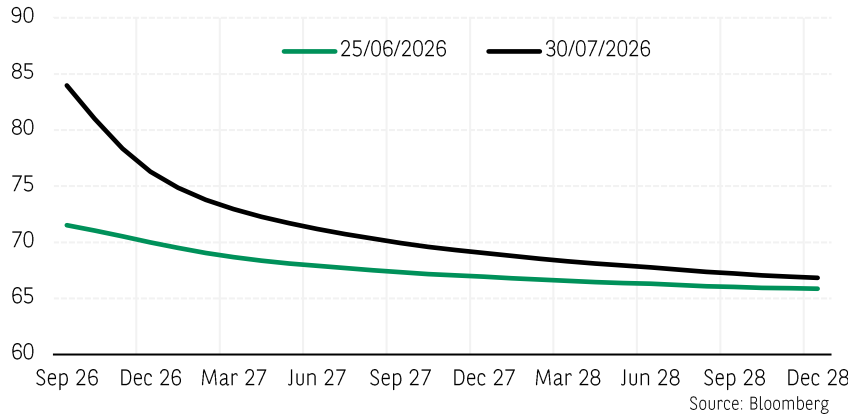


Agriculture prices at an eighteenth month high
S&P GSCI agriculture spot price index (24th July 2026)

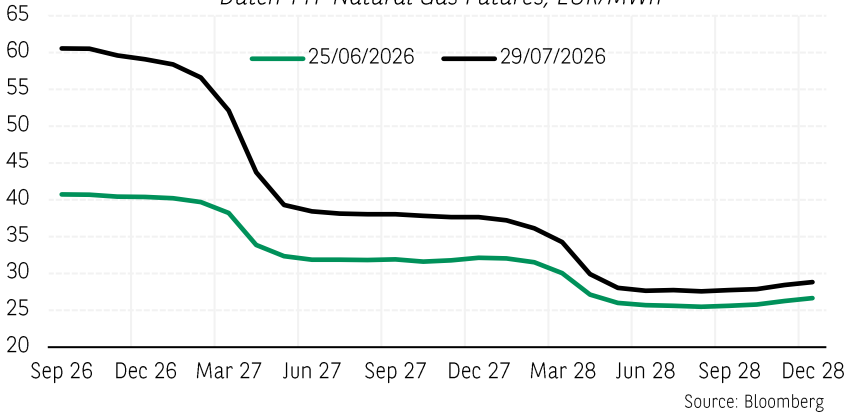


Steepening of the future curve signals rising supply tensions in the short term

WTI Crude Oil Futures Price, \$/barrel



Dutch TTF Natural Gas Futures, EUR/MWh



Industrial metal prices on the rise again
S&P GSCI industrial metal spot price index (24th July 2026)



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