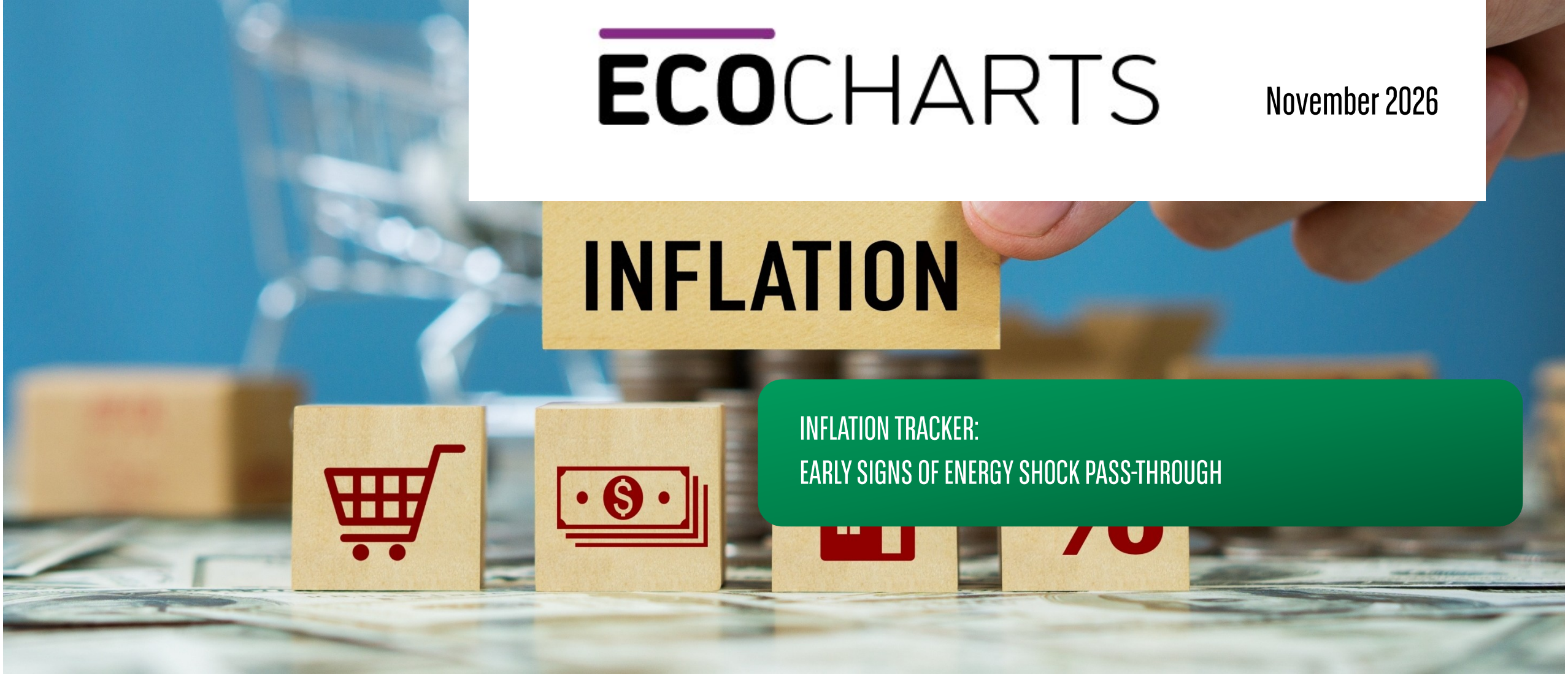
ECOCHARTS

November 2026



INFLATION TRACKER:
EARLY SIGNS OF ENERGY SHOCK PASS-THROUGH

BNP PARIBAS

The bank for a changing world

Key takeaways

1 Energy continues to push inflation higher, except in Japan

Energy accounts for almost half of the euro area inflation and for more than one percentage point in the UK. It is also the main driver of the pick-up in 3m/3m annualised inflation in the United States.

2 Underlying pressures are tilted to the upside

Core inflation remains below 3% y/y, except in Spain, but the 3m/3m annualised rate is firming in the United States, France, Italy and Japan.

3 Producer price inflation is gaining momentum

In the euro area, producer prices are rising almost three times as fast as the HICP. The gap is also marked in the United States and the UK.

4 Anchoring preserved

Long-term expectations remain close to 2% in the United States and the euro area. They are easing in Japan and remain stable, albeit at a higher level, in the UK.

		Realised inflation (% y/y)		Upstream pressures		Expectations	
Region	Latest month (CPI/HICP)	Headline	Core	Producer prices (% y/y)	Price pressures (50 = neutral)*	Households: 1 year ahead (%)	Market: 5y5y (%)
United States	Sep 26	3.7	2.6	6.4	65.3	4.3	2.2
Euro area	Oct 26	4.0	2.6	11.1	63.7	3.1	2.1
Germany	Oct 26	2.8	2.3	6.7	64.1	2.9	2.0
France	Oct 26	3.8	2.0	6.8	64.7	2.9	2.2
Italy	Oct 26	5.6	2.3	13.8	62.0	4.4	1.7
Spain	Oct 26	4.9	3.5	18.3	62.3	3.8	1.9
UK	Sep 26	3.5	2.8	4.6	63.9	4.2	3.0
Japan	Sep 26	2.1	2.4	7.1	61.1	3.6	2.3

* Colour code specific to this indicator



Source: national data, BNP Paribas

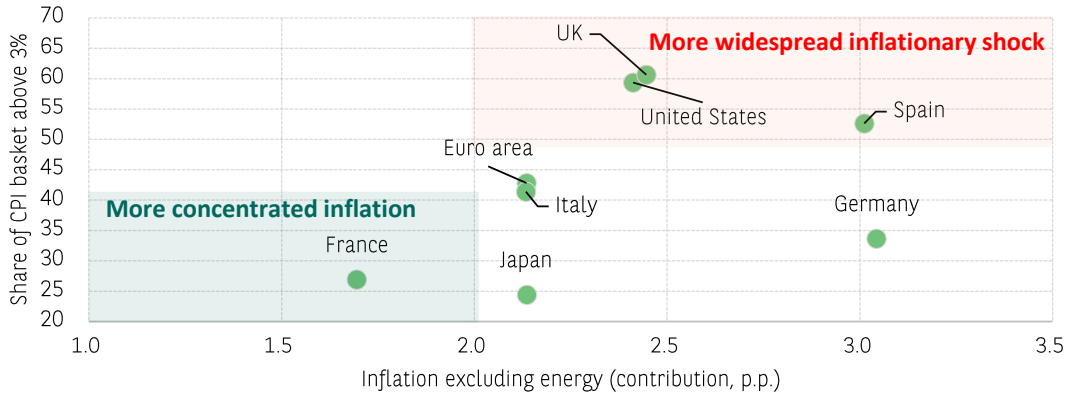
Dashboard – An energy shock that is starting to spread

Core rates remain below 3%, except in Spain

Area	Headline	1-month change in y/y rate (pp)	Core	1-month change in y/y rate (pp)	Headline 3m/3m ann. (%)	Core 3m/3m ann. (%)
United States	3.7	▲ +0.36 pp	2.6	▲ +0.1 pp	3.4	3.0
Euro area	4.0	▲ +0.23 pp	2.6	▲ +0.0 pp	4.7	2.7
Germany	2.8	▼ -0.44 pp	2.3	▼ -0.2 pp	4.0	2.4
France	3.7	▲ +0.35 pp	2.0	▲ +0.2 pp	4.4	2.6
Italy	5.6	▲ +1.40 pp	2.3	▲ +0.4 pp	5.8	2.5
Spain	4.9	▼ -0.08 pp	3.5	▲ +0.1 pp	6.9	2.7
UK	3.5	▲ +0.40 pp	2.8	▲ +0.2 pp	5.4	3.7
Japan	2.1	▲ +0.21 pp	2.4	▲ +0.4 pp	3.0	3.5

y/y change in headline and core inflation: October 2026; September for the United States, the United Kingdom, and Japan. 3m/3m annualised: October 2026.
Source: Bloomberg, BNP Paribas

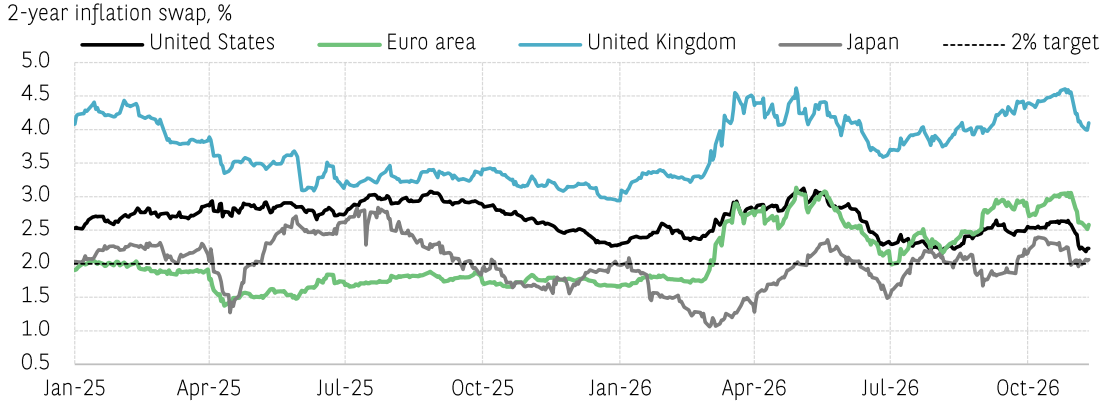
UK, US, Spain: Inflation more broad-based than energy-driven



Inflation : October 2026 ; September for United States, United Kingdom and Japan
Source: national stastistics, BNP Paribas

Short-term market expectations show a broad-based decline

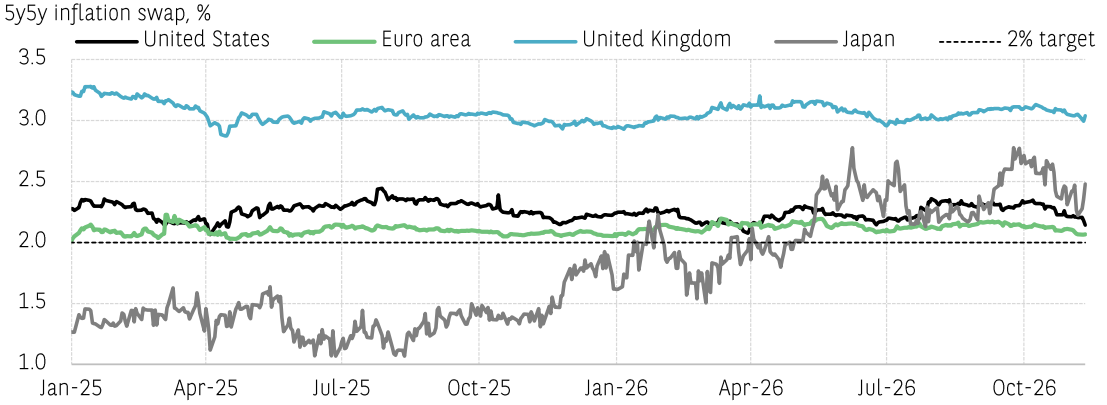
Short-term market expectations



Source: Bloomberg, BNP Paribas *Last update: 12 November 2026*

Long-term expectations still well anchored

Long-term market expectations



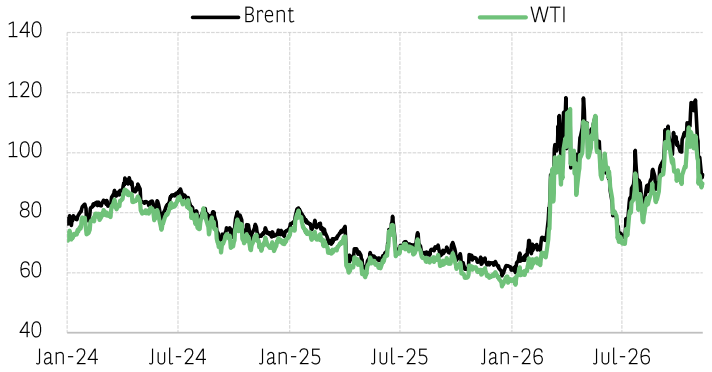
Source: Bloomberg, BNP Paribas *Last update: 12 November 2026*

Inflation backdrop – Multiple sources of upward pressure

November's pullback leaves oil above its pre-shock level

Crude oil

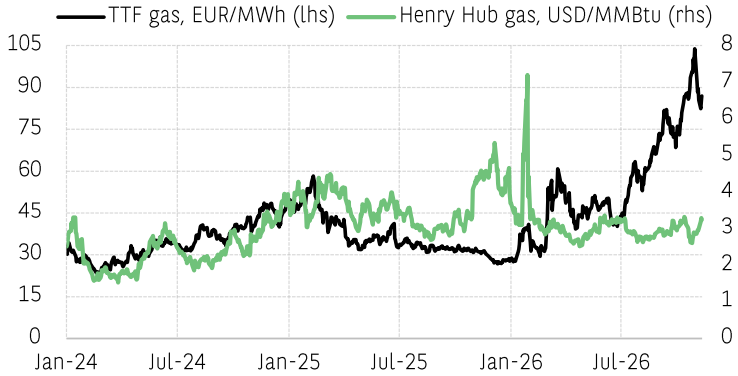
USD/barrel



Source: ICE Endex, NYMEX, Macrobond *Last update: 12 November 2026*

Upward pressure on European gas prices is likely to persist

Natural gas

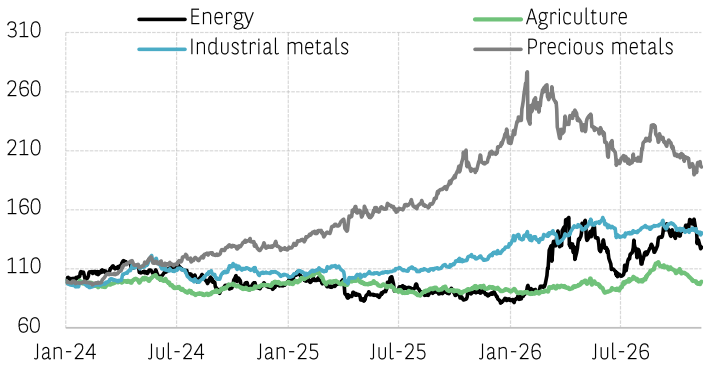


Source: ICE Endex, NYMEX, Macrobond *Last update: 12 November 2026*

Slight easing in commodity prices

S&P GSCI indices by component

Index, Jan. 2024 = 100



Source: S&P, BNP Paribas *Last update: 12 November 2026*

Global food prices accelerate for a third consecutive month

FAO Food Price Index

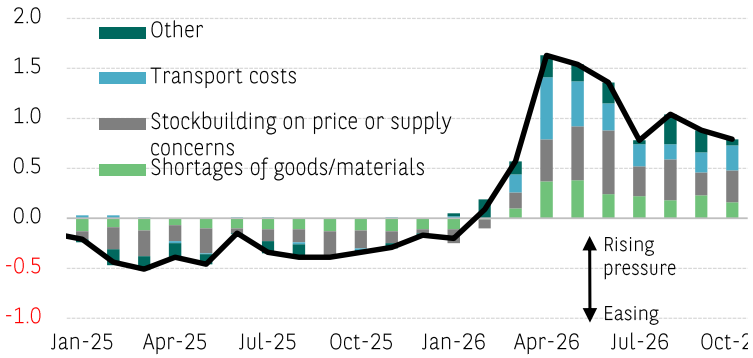
% y/y



Source: FAO, BNP Paribas

Supply-chain pressures remain significant

Global supply chain pressure index

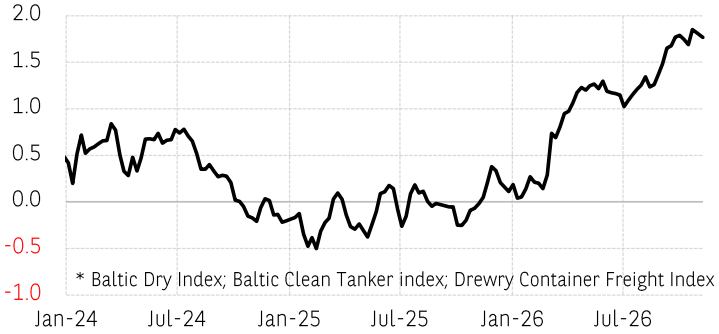


Source: S&P Global, BNP Paribas

Shipping costs hold at an elevated plateau

Composite shipping cost index*

z-score (10-year average)



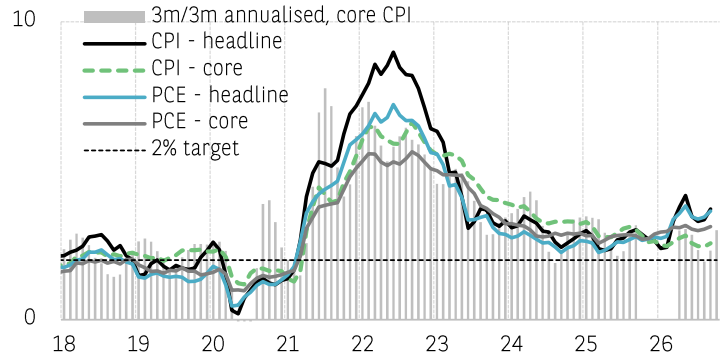
Source: Bloomberg, BNP Paribas *Last update: 12 November 2026*

United States – Core inflation re-accelerates markedly

Core 3m/3m annualised inflation has rebounded

CPI and PCE deflator

% y/y*

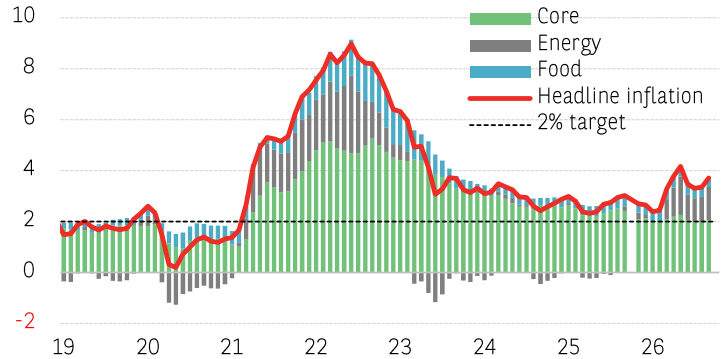


*Source: BLS, BEA * October 2026 not published except for 3m/3m annualised*

Energy's contribution is climbing while that of core is shrinking

Contributions to CPI inflation

% y/y and contributions in pp*

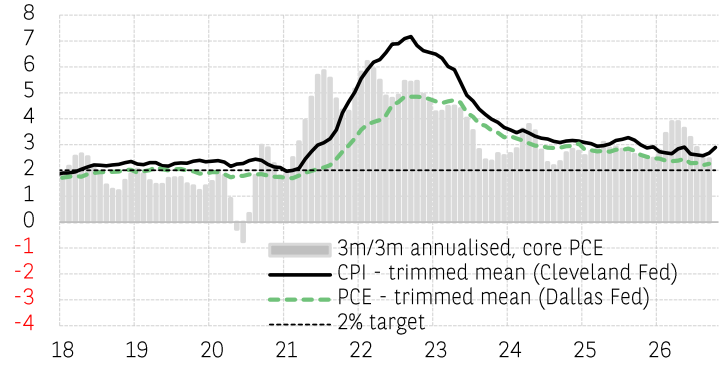


*Source: BLS, BNP Paribas * October 2025 not published (federal shutdown)*

Alternative core measures are closer to 2%

Alternative inflation measures

% y/y



Source: Cleveland Fed, Dallas Fed

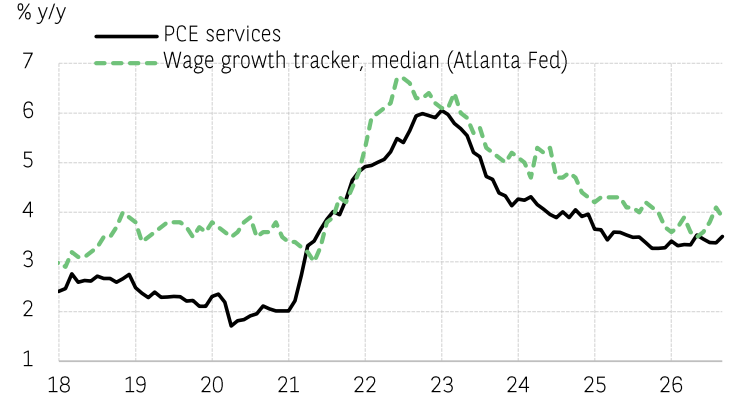
October 2026: key takeaways

- CPI : 0.4% m/m
- Core CPI : 0.3% m/m, the same increase as in the previous two months
- Core 3m/3m annualised: 3.0%, its highest since September 2025

Services and wages are slowing only slightly and remain above 3%

Services and wages

% y/y

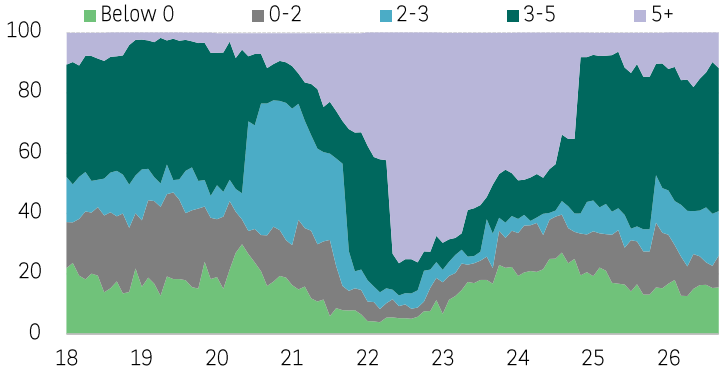


Source: BEA, Atlanta Fed, BNP Paribas

A majority of items is still above 3%

Breadth of inflation

% of CPI basket components (basket of 149 items)

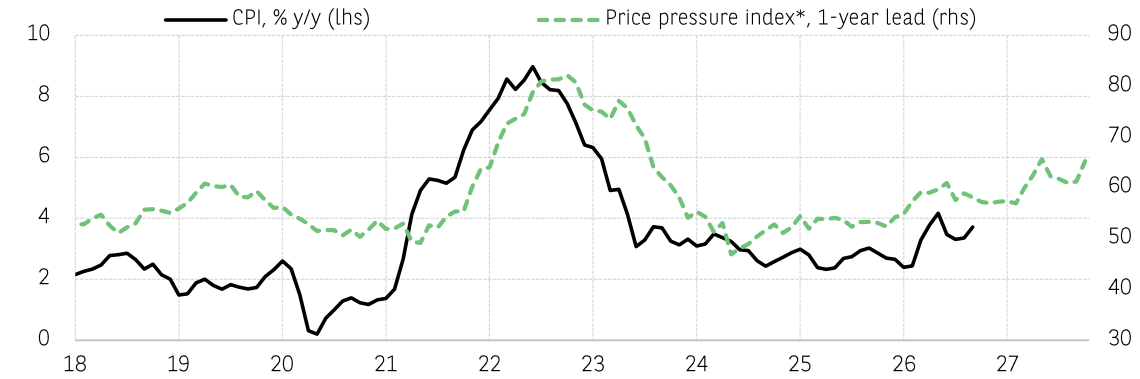


Source: BLS, BNP Paribas calculations

United States – Rising production costs, falling short-term expectations

The price pressure index rebounded in October

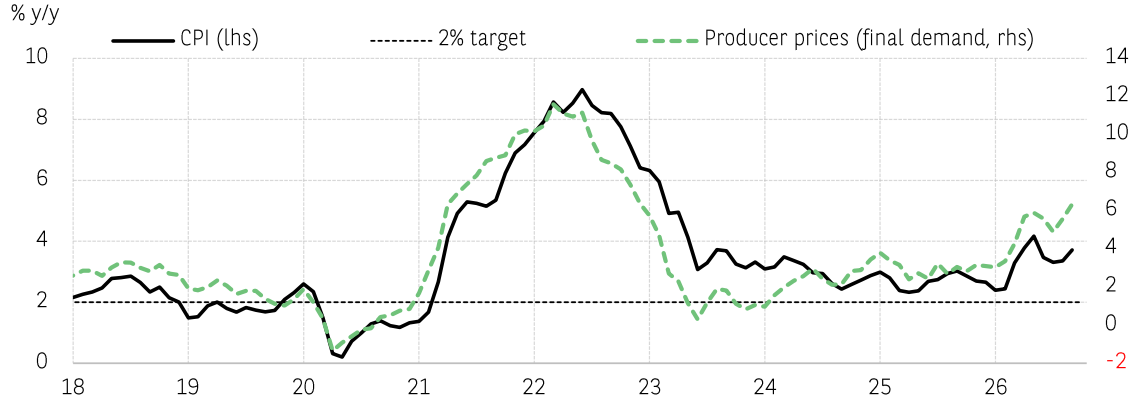
Price pressures and inflation



*Source: S&P Global, BLS, BNP Paribas. * Average of manufacturing PMI: suppliers' delivery times (inverted), input and output prices.*

Rising producer prices limit the scope for disinflation in the short term

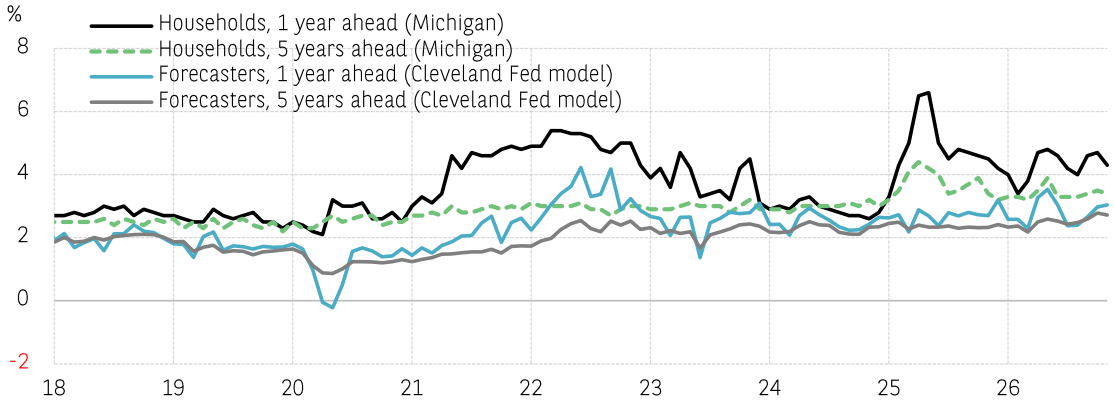
Producer and consumer prices



Source: BLS

US households' 1-year expectations remain elevated

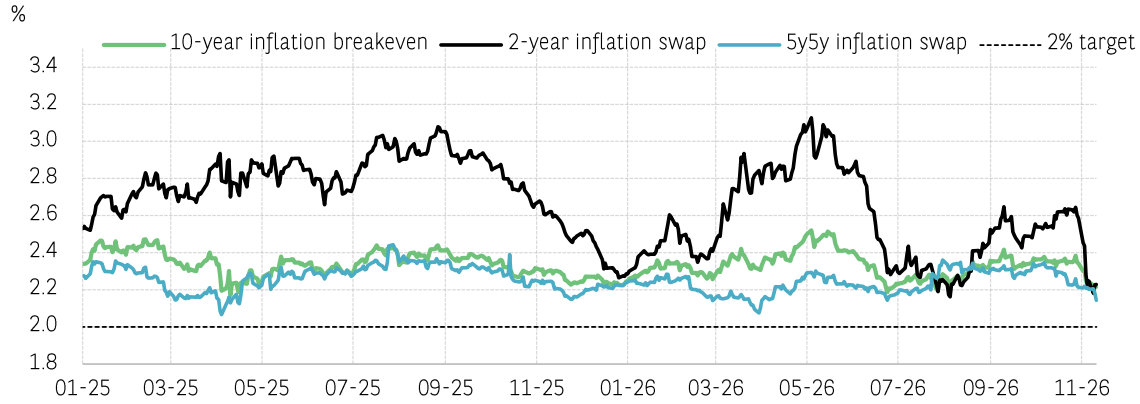
Household and forecaster expectations



Source: University of Michigan, Cleveland Fed

Short-term expectations have converged with long-term ones

Market expectations

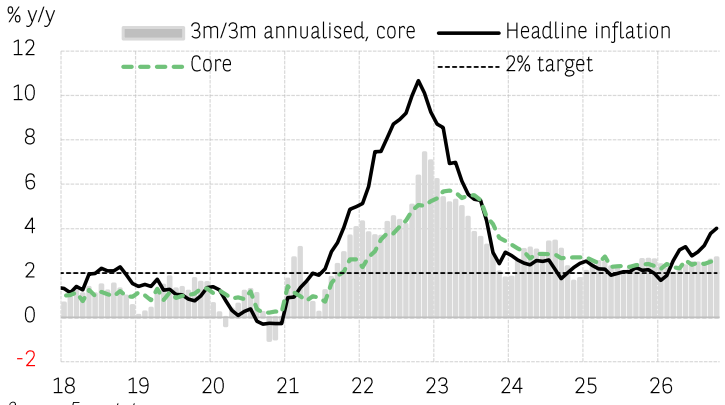


Source: Bloomberg, BNP Paribas *Last update: 12 November 2026*

Euro area – Core inflation holds firm in the face of the energy shock

Core inflation barely rises over the year; energy does most of the work

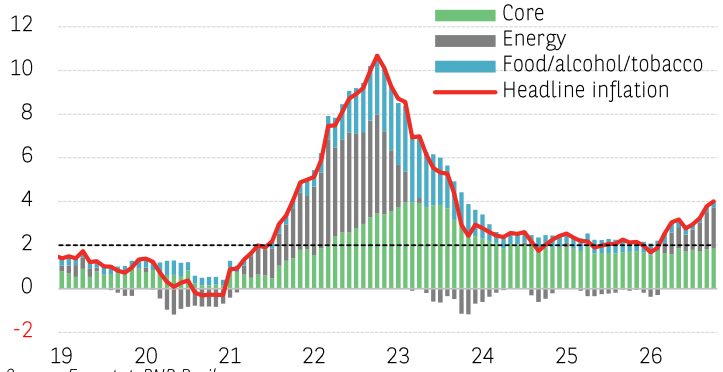
Headline and core HICP



Source: Eurostat

Almost half of inflation stems from energy prices

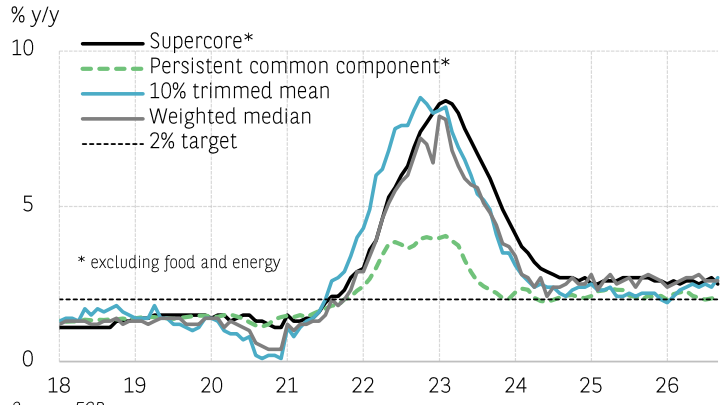
Contributions to HICP inflation



Source: Eurostat, BNP Paribas

Alternative measures are stable, ruling out any drift for now

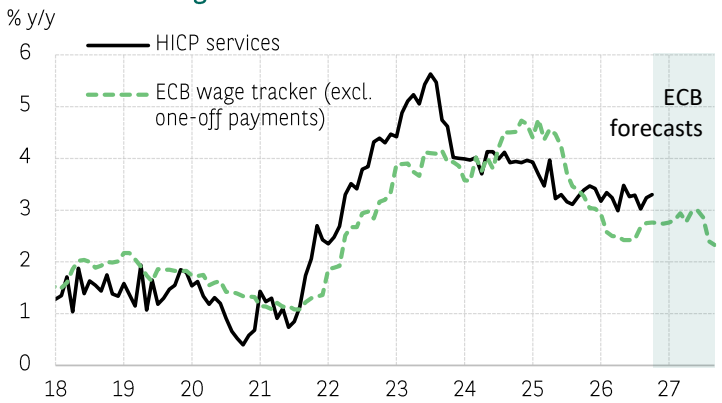
ECB alternative measures



Source: ECB

The ECB expects wage growth to ease in the second half of 2027

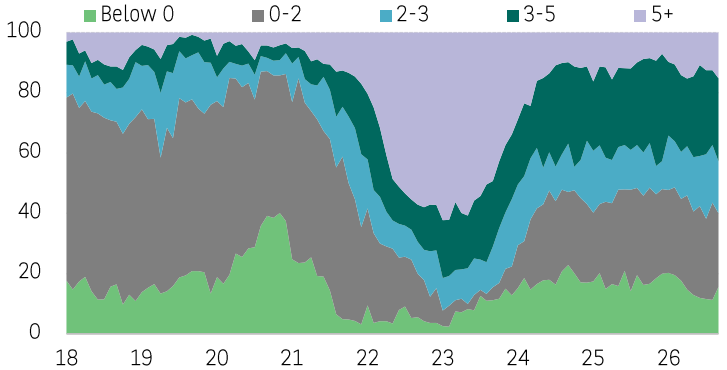
Services and wages



Source: Eurostat

The breadth of price increases remains limited, with no return to 2022-23 levels

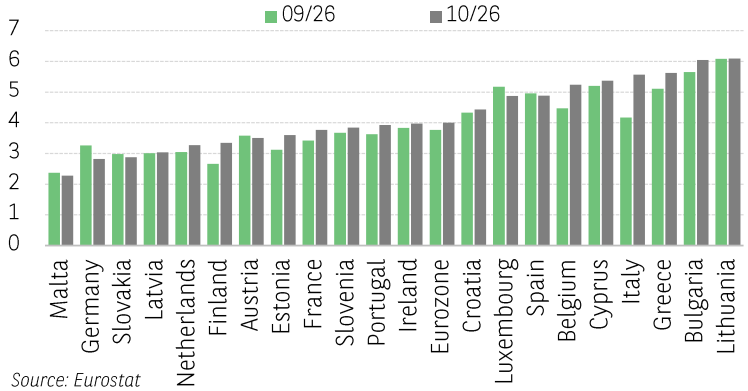
Breadth of inflation



Source: Eurostat, BNP Paribas calculations

Inflation accelerated in fifteen countries in October; Germany saw the largest decline

HICP by country

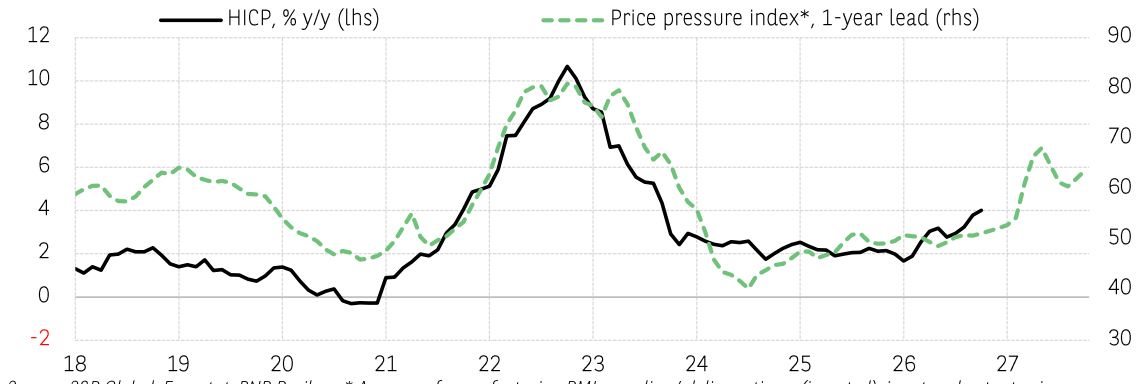


Source: Eurostat

Euro area – Reasons for the ECB to remain vigilant

Price pressure indices are not easing

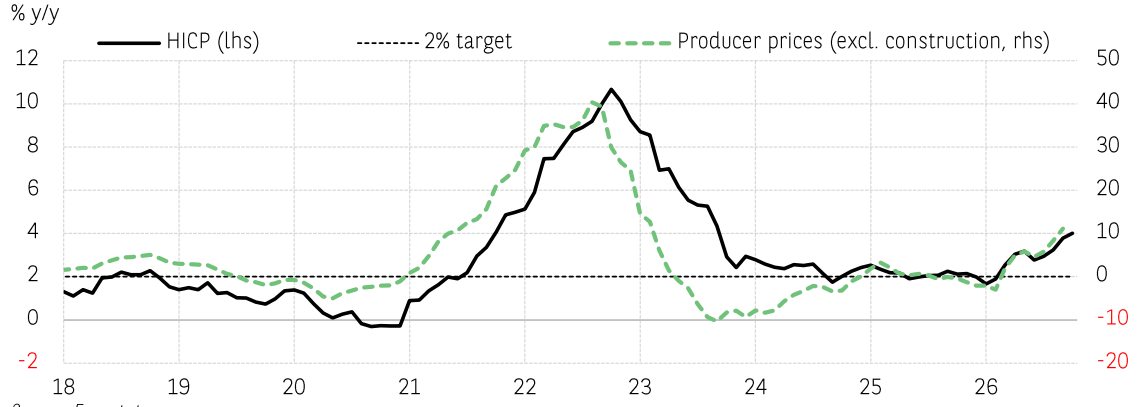
Price pressures and inflation



*Source: S&P Global, Eurostat, BNP Paribas. * Average of manufacturing PMI: suppliers' delivery times (inverted), input and output prices.*

Producer price inflation is back above 10% y/y

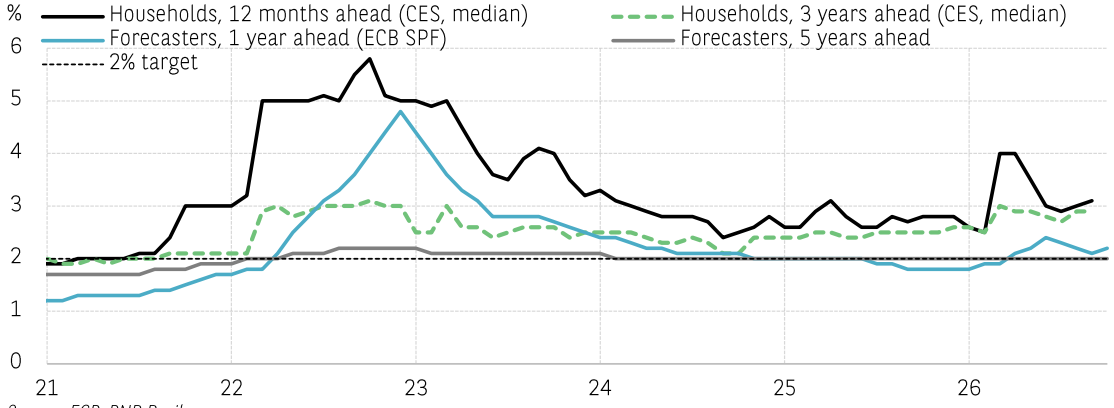
Producer and consumer prices



Source: Eurostat

Households' short-term expectations are rising again; forecasters' remain well anchored

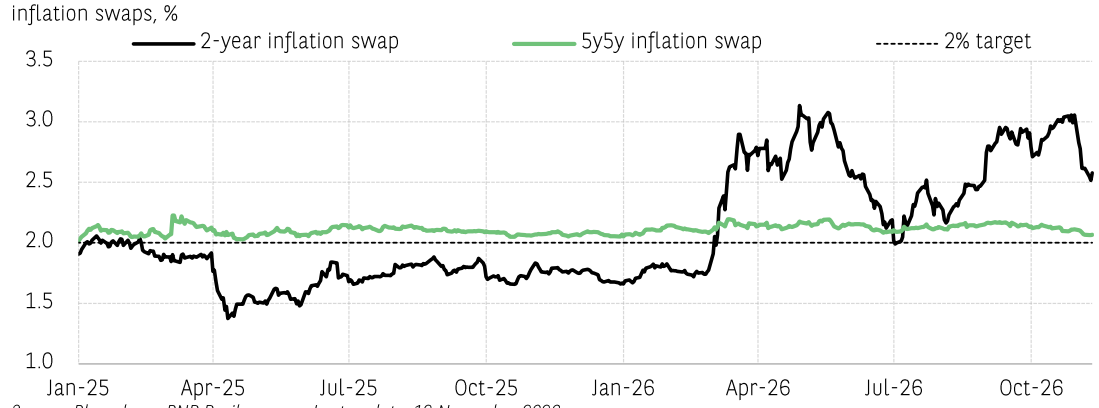
Household and forecaster expectations



Source: ECB, BNP Paribas

2-year swap down sharply, 5y5y edges lower

Market expectations

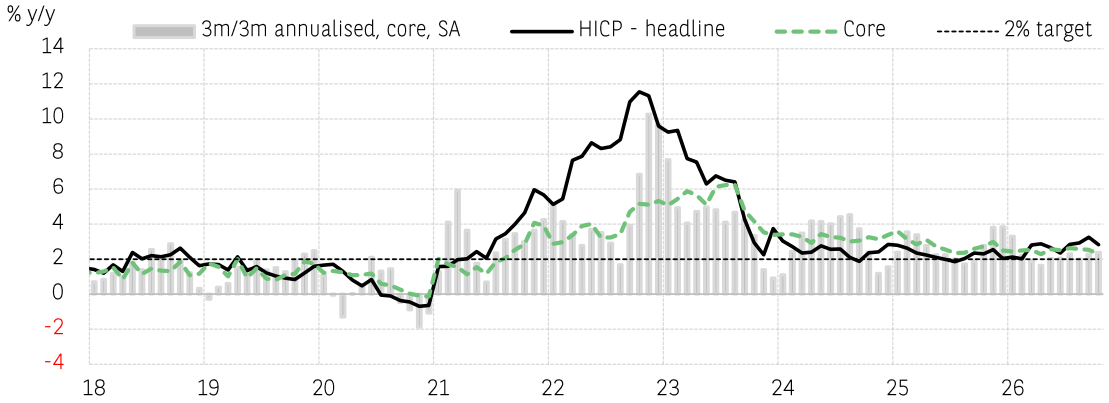


Source: Bloomberg, BNP Paribas *Last update: 12 November 2026*

Germany – Inflation eases in October…

Inflation eased in October, helped by core and new fuel discounts

Headline and core HICP

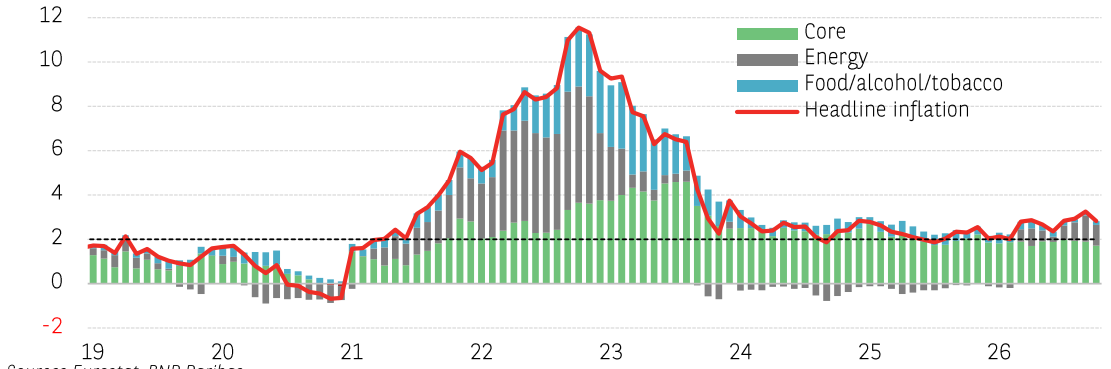


Source: Eurostat

Energy accounts for one third of German inflation

Contributions to HICP inflation

% y/y and contributions in pp

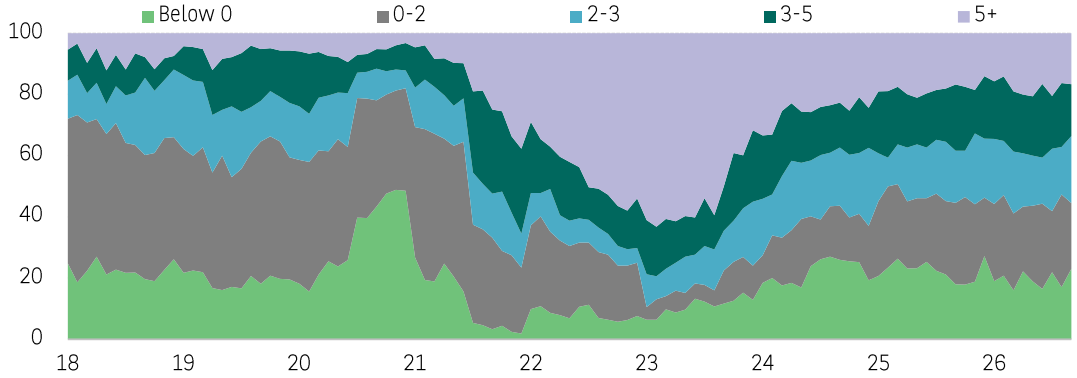


Sources Eurostat, BNP Paribas

Almost half of HICP goods and services remain below 2%

Breadth of inflation

% of HICP basket components (basket of 291 items)

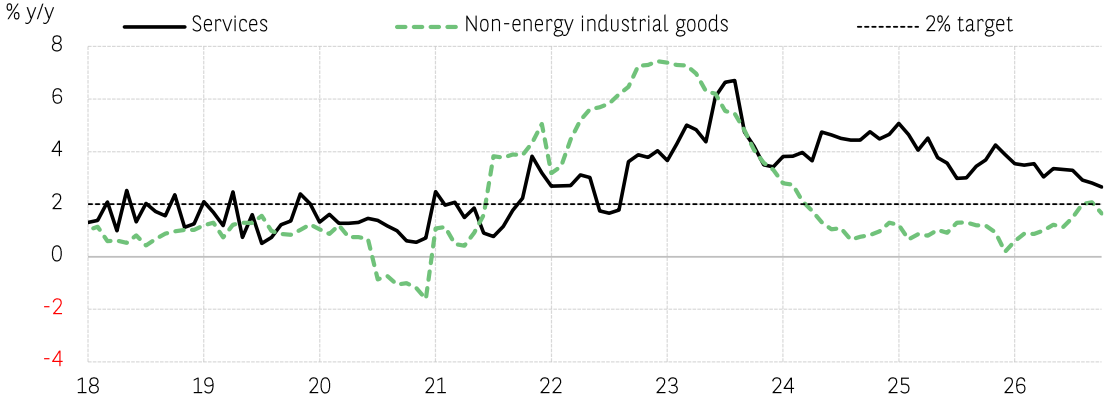


Source: Eurostat, BNP Paribas calculations

Narrowing gap between industrial goods and services inflation

Core inflation

% y/y

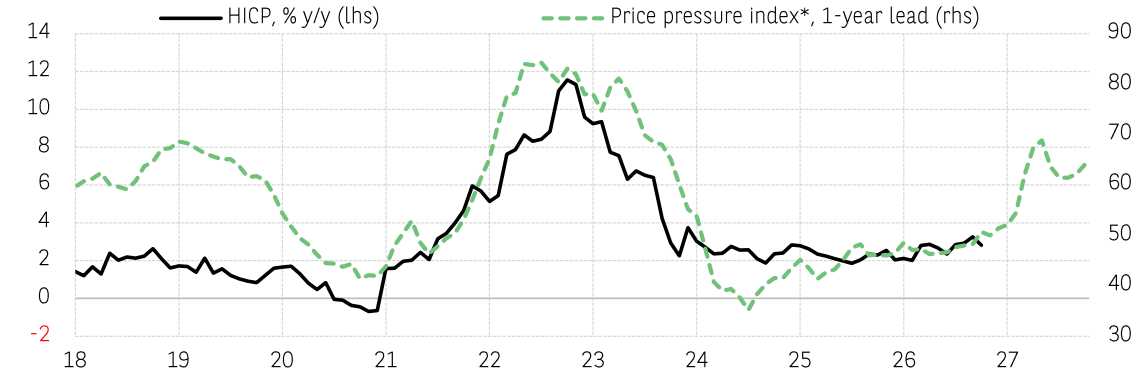


Source: Eurostat

...but upward pressures persist

The decline in German inflation contrasts with rising price pressures

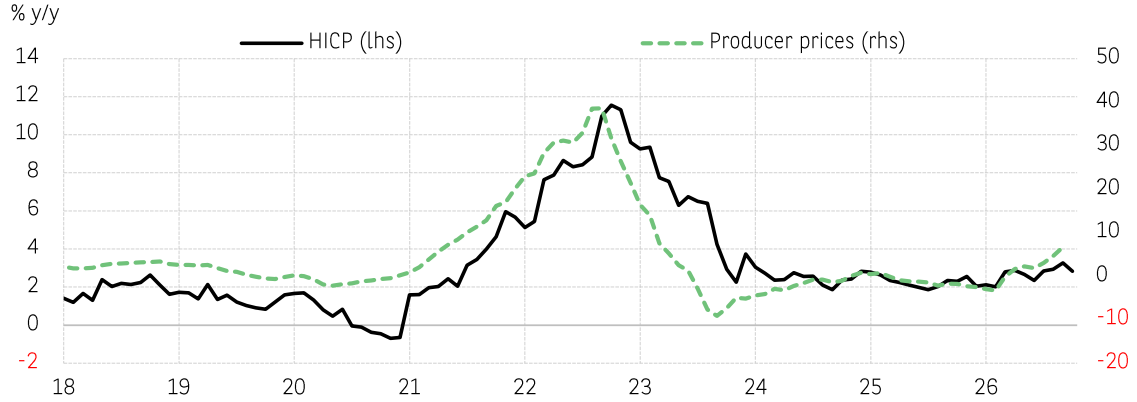
Price pressures and inflation



*Source: S&P Global, Eurostat, BNP Paribas. * Average of manufacturing PMI: suppliers' delivery times (inverted), input and output prices.*

Producer price inflation is gaining momentum

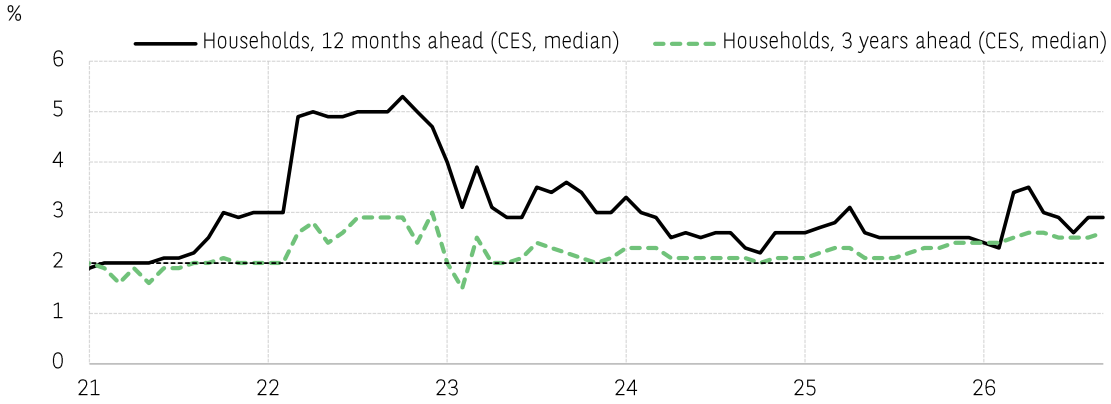
Producer and consumer prices



Source: Destatis, Eurostat

Household inflation expectations are stabilising above 2%

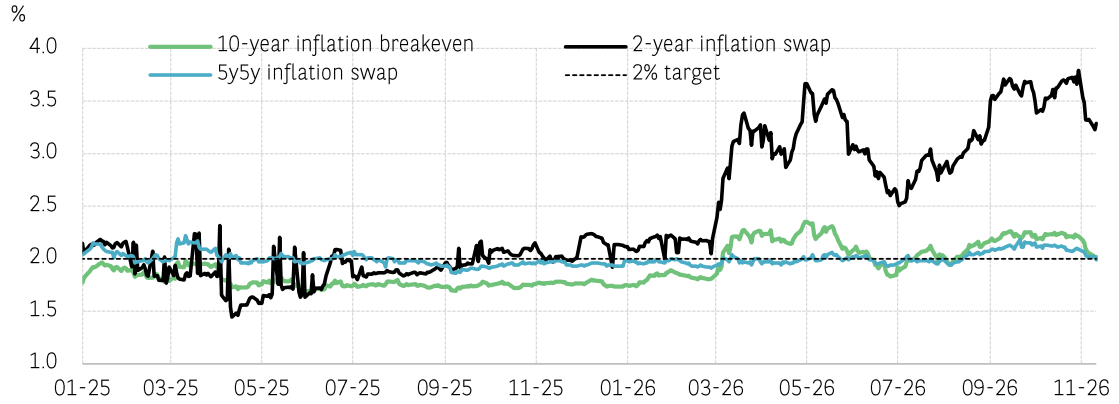
Household expectations



Source: ECB, BNP Paribas

Market expectations have eased recently, but short-term ones remain elevated

Market expectations

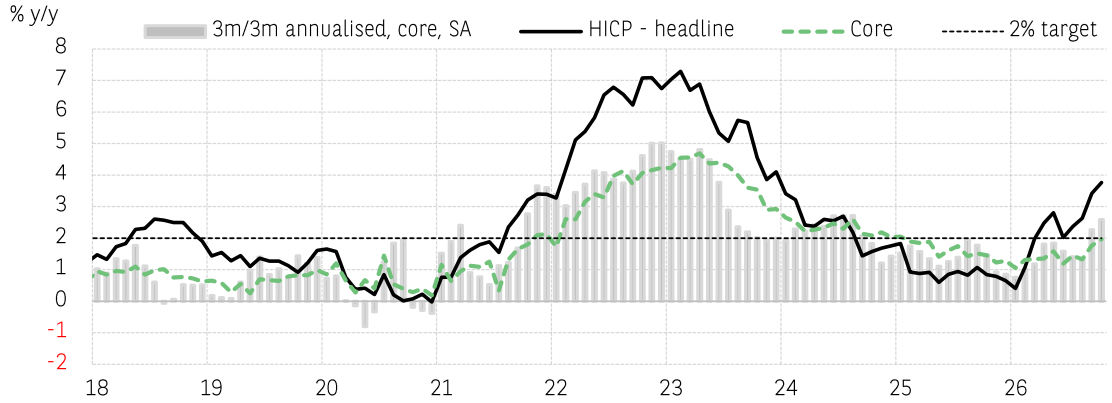


Source: Bloomberg, BNP Paribas *Last update: 12 November 2026*

France – An inflation driven mainly by energy prices…

Headline inflation is approaching the 4% mark, while core inflation is approaching the 2% mark

Headline and core HICP

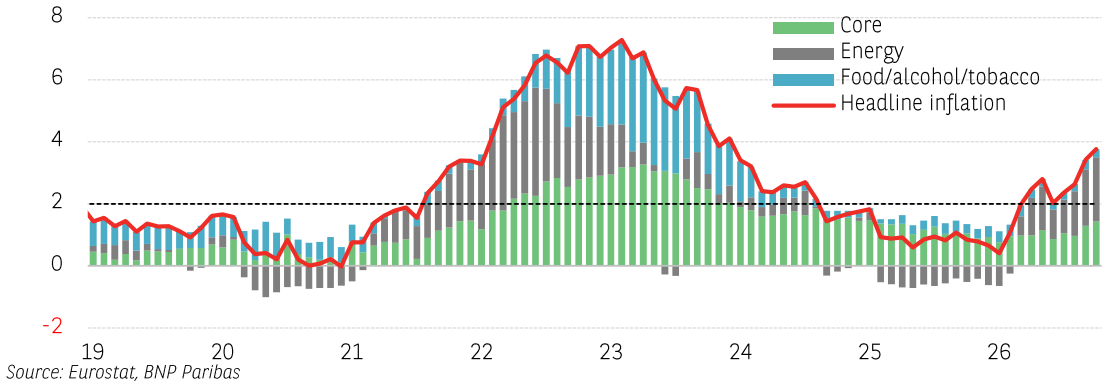


Source: Eurostat

Energy contributes more than core to French inflation

Contributions to HICP inflation

% y/y and contributions in pp

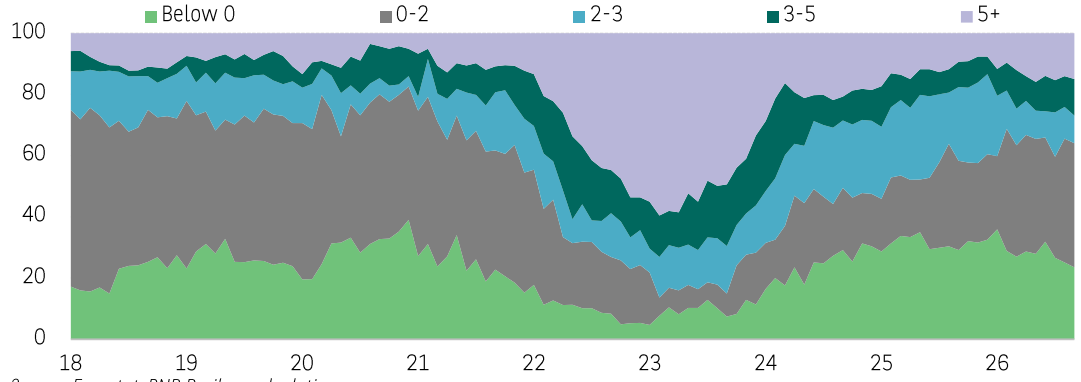


Source: Eurostat, BNP Paribas

Two-thirds of HICP components remain below 2%

Breadth of inflation

% of HICP basket components (basket of 291 items)

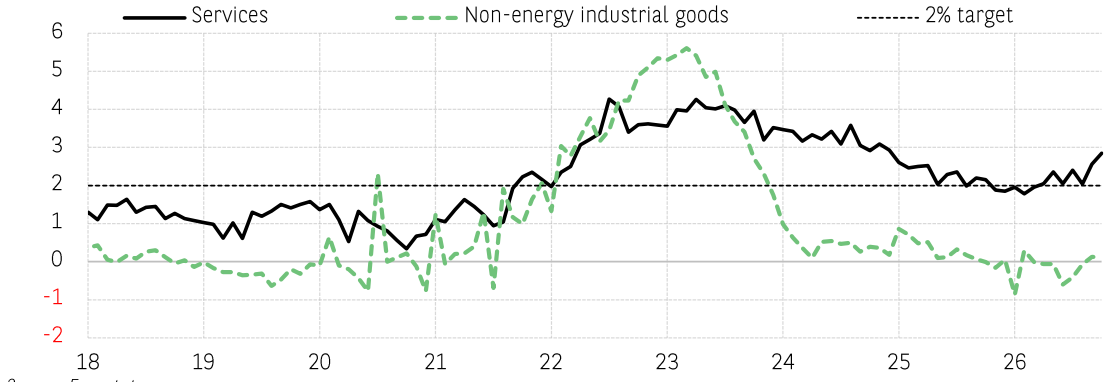


Source: Eurostat, BNP Paribas calculations

A slight rise in inflation in the services sector

Core inflation

% y/y

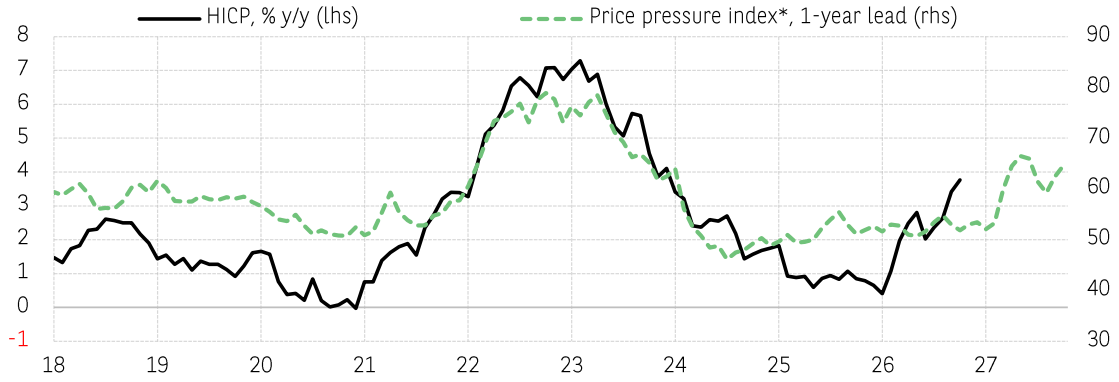


Source: Eurostat

...which is expected to spread in 2027, but not beyond

Inflation is expected to rebound for manufactured goods and food in 2027

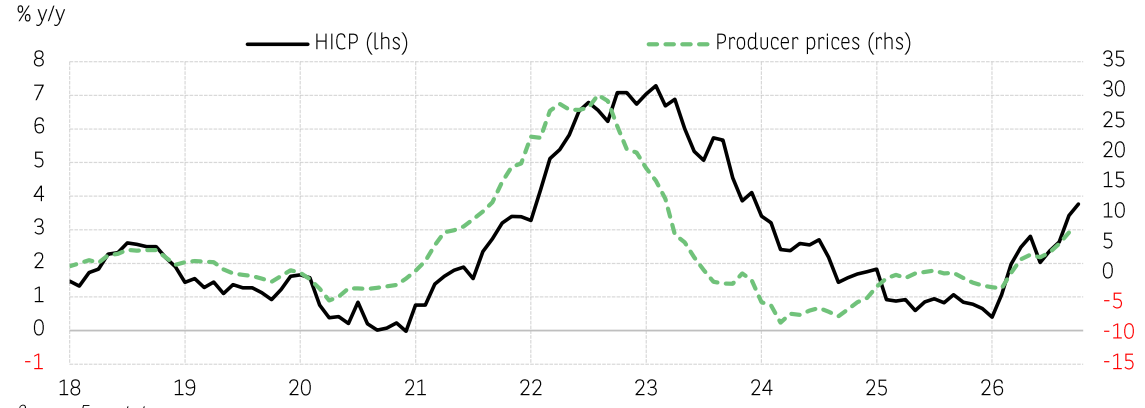
Price pressures and inflation



*Source: S&P Global, Eurostat, BNP Paribas. * Average of manufacturing PMI: suppliers' delivery times (inverted), input and output prices.*

Producer and consumer prices are both accelerating

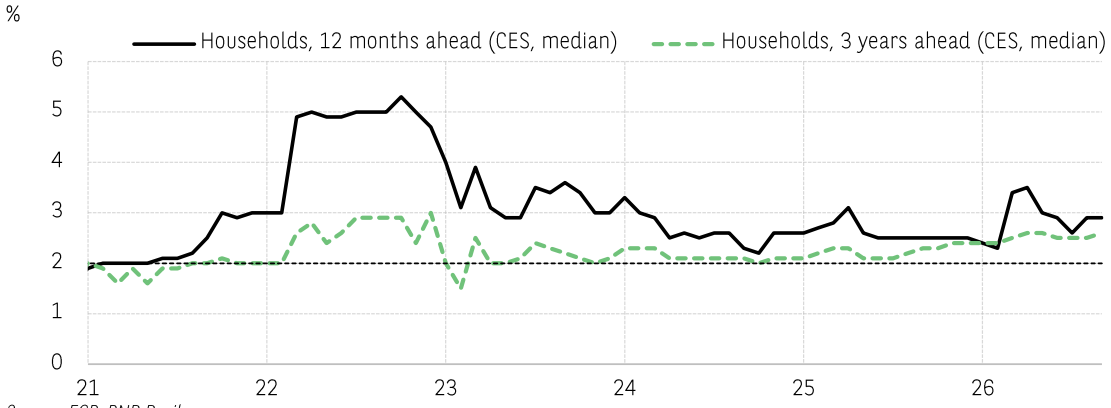
Producer and consumer prices



Source: Eurostat

Households believe that inflation is likely to remain above 2%

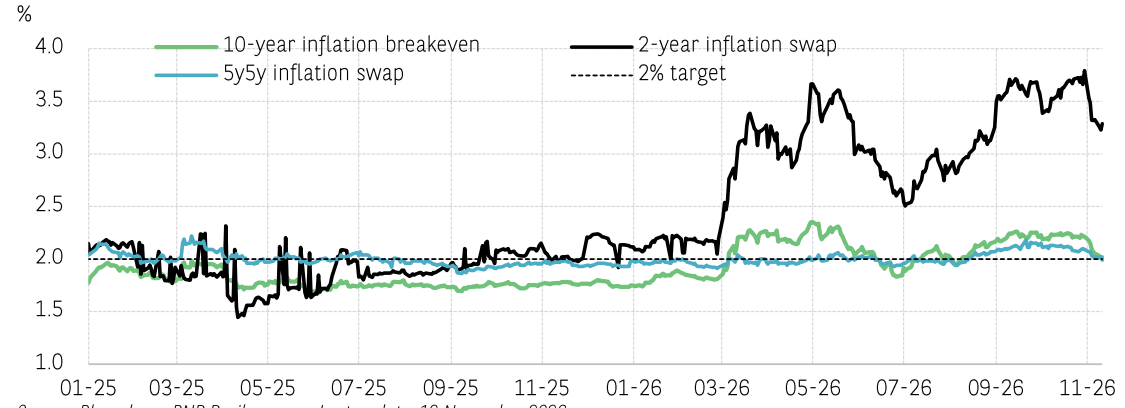
Household expectations



Source: ECB, BNP Paribas

Market indicators suggest that inflation will not last

Market expectations

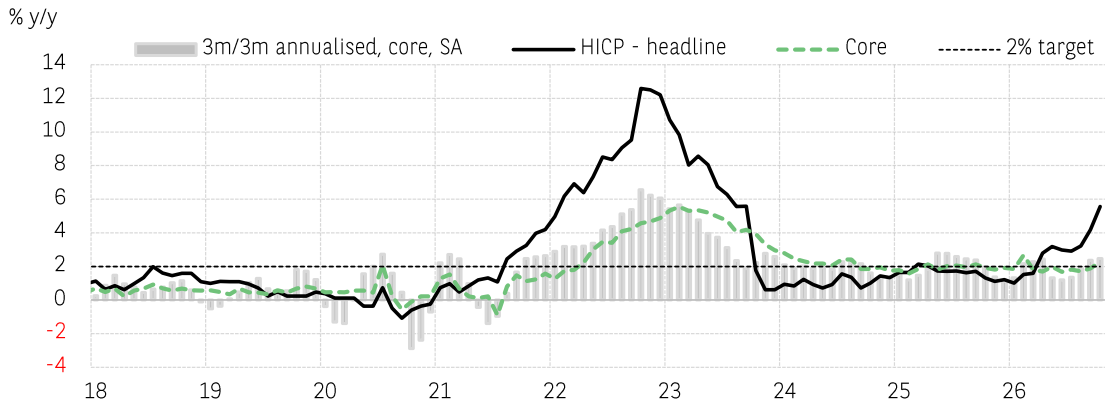


Source: Bloomberg, BNP Paribas *Last update: 12 November 2026*

Italy – A predominantly energy-driven shock...

The gap between headline and core inflation is widening

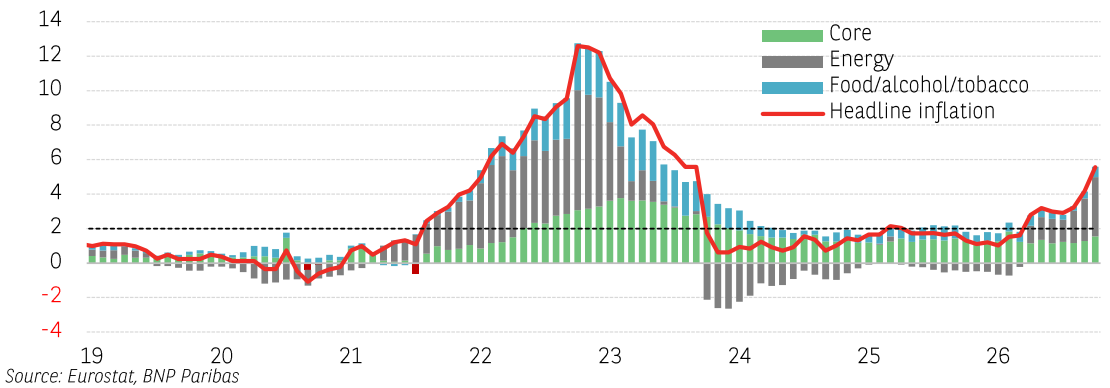
Headline and core HICP



Source: Eurostat

Energy drives more than half of inflation, core edges up slightly

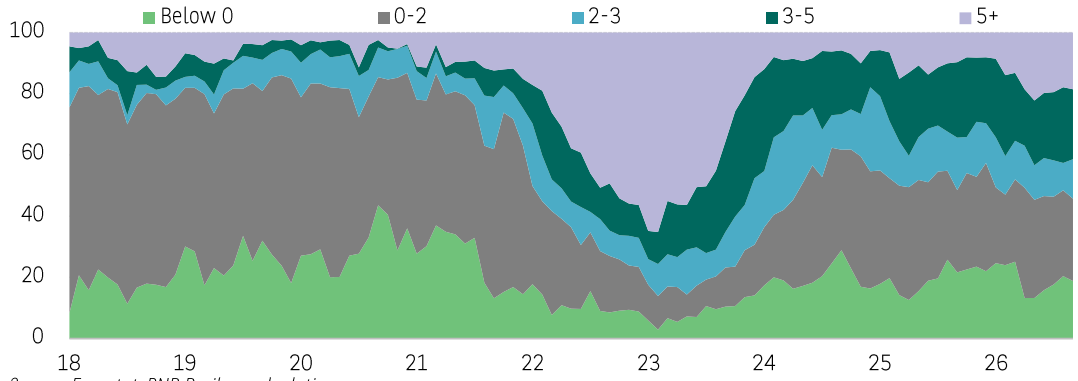
Contributions to HICP inflation



Source: Eurostat, BNP Paribas

Half of HICP items are rising sharply

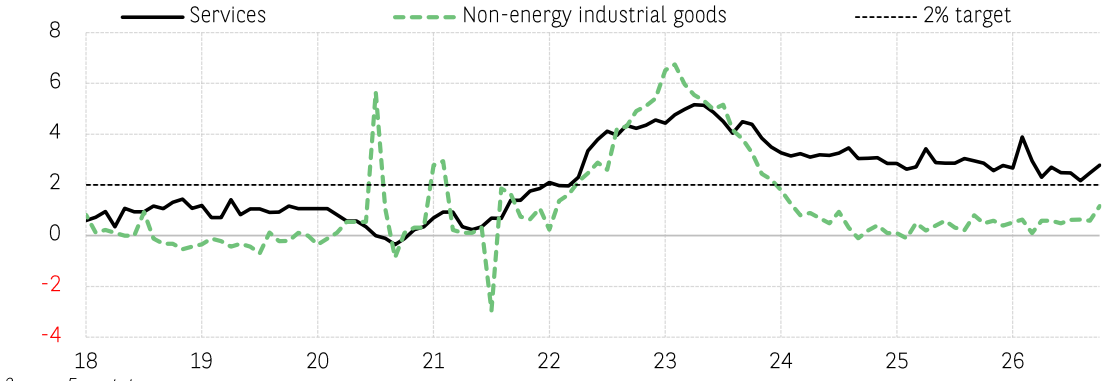
Breadth of inflation



Source: Eurostat, BNP Paribas calculations

Inflation is picking up in services and non-energy goods

Core inflation

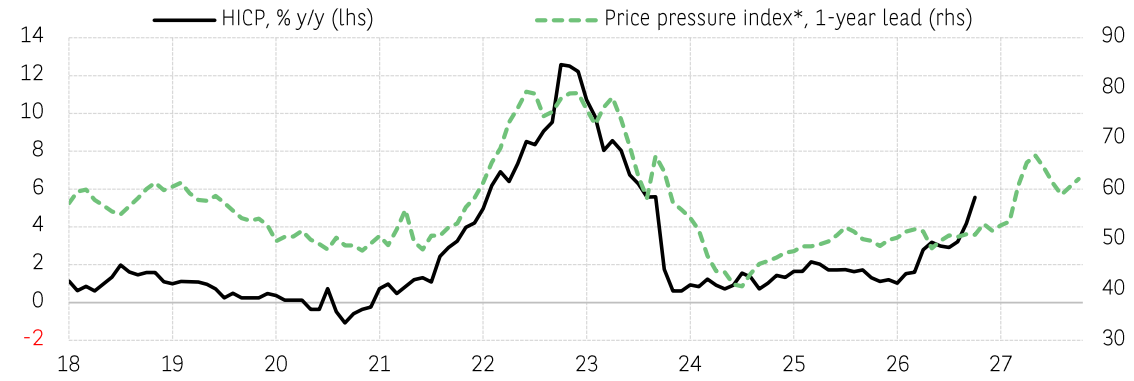


Source: Eurostat

...but markets expect a return below 2% over the medium term

Italian inflation has overshot the price-pression signal

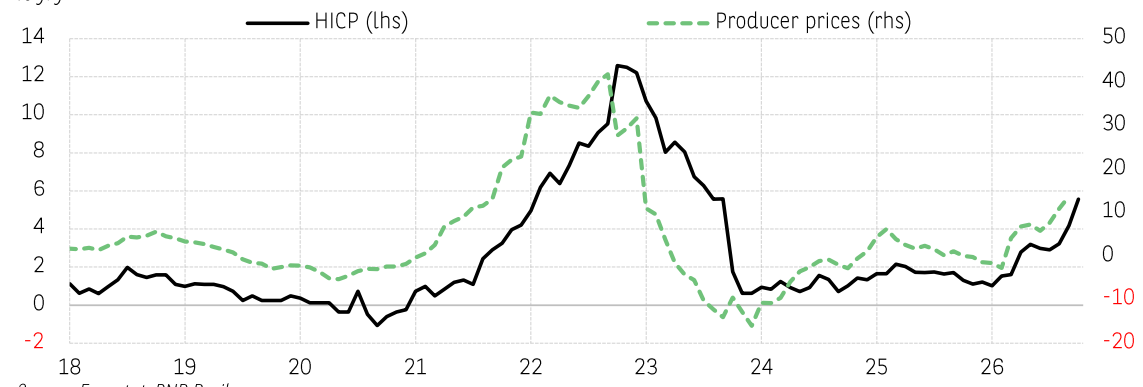
Price pressures and inflation



*Source: S&P Global, Eurostat, BNP Paribas. * Average of manufacturing PMI: suppliers' delivery times (inverted), input and output prices.*

Italian producer prices are also accelerating sharply

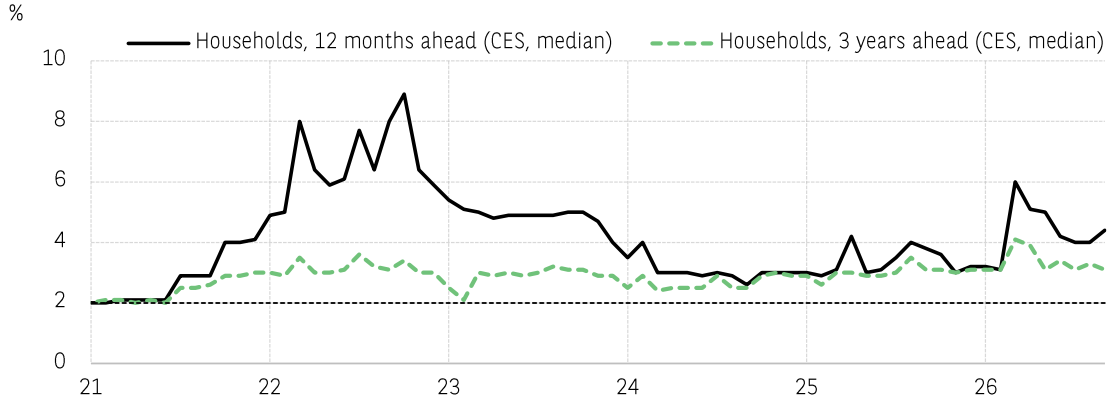
Producer and consumer prices



Source: Eurostat, BNP Paribas

After several months of decline, households' inflation expectations are rising again

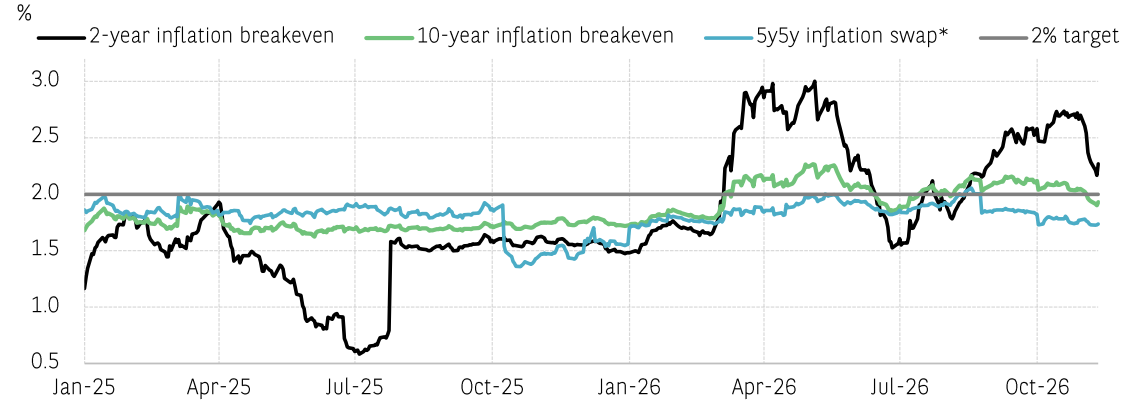
Household expectations



Source: ECB, BNP Paribas

By contrast, short-term market expectations have been easing since mid-October after several months of increases; long-term expectations are falling below 2%

Market expectations

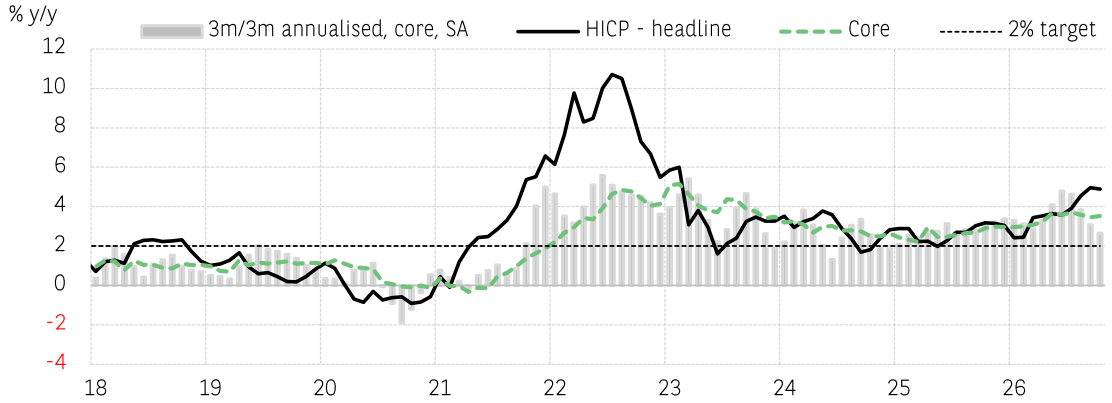


Source: Bloomberg, BNP Paribas *Last update: 12 November 2026*

Spain – Stronger inflationary pressures...

Headline inflation is levelling off, core remains stable at a high level

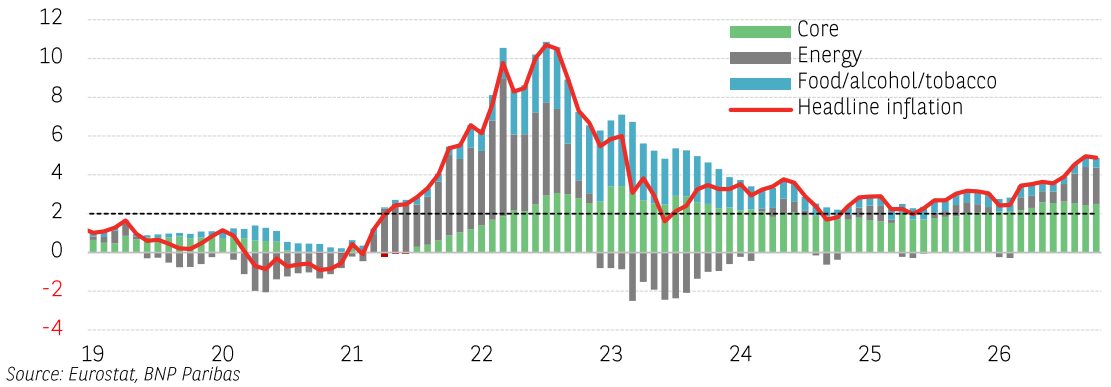
Headline and core HICP



Source: Eurostat

Energy and food together account for half of HICP inflation

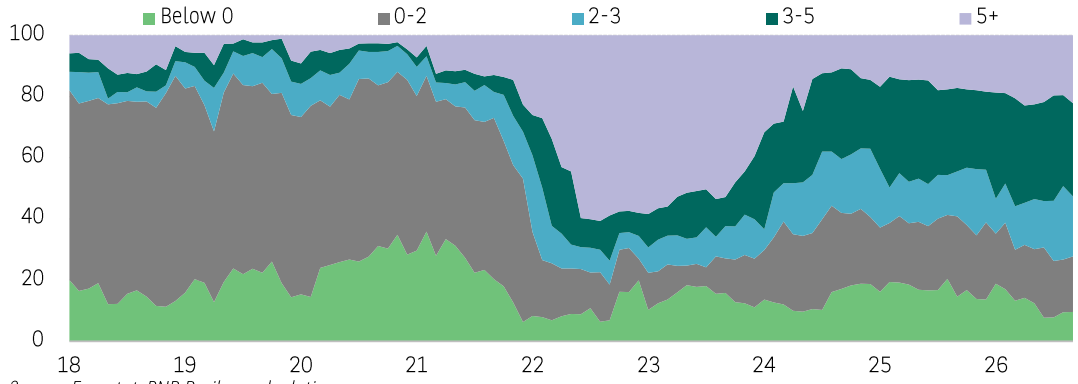
Contributions to HICP inflation



Source: Eurostat, BNP Paribas

The share of items above 2% has risen markedly over the past year

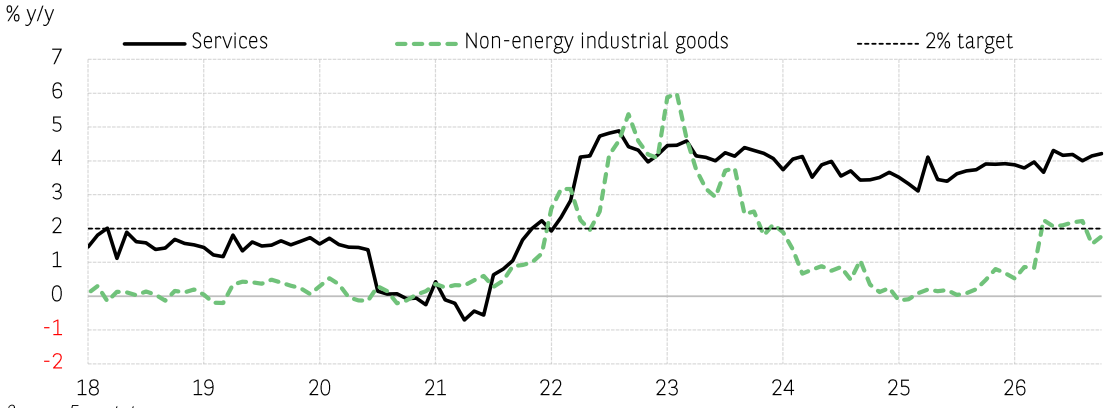
Breadth of inflation



Source: Eurostat, BNP Paribas calculations

Services inflation is anchored above 4% and is helping keep Spanish inflation at a high level

Core inflation

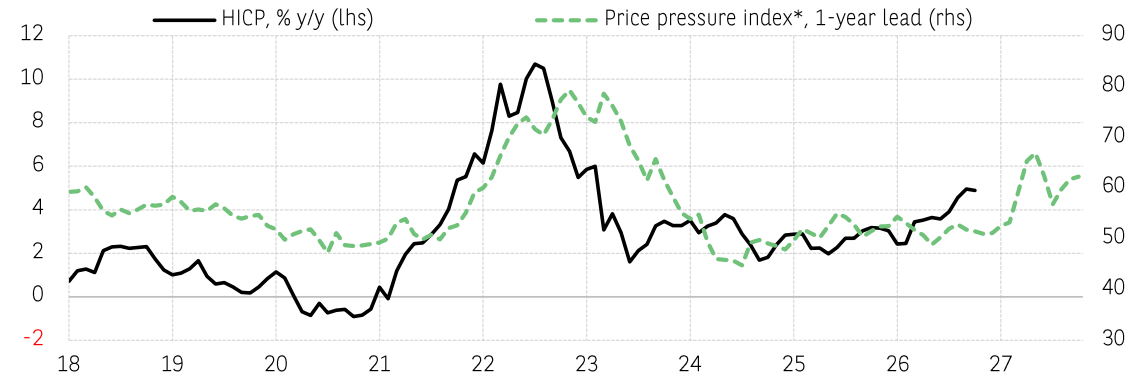


Source: Eurostat

...despite easing in markets

Inflation, already rising sharply, is set to accelerate further in 2027

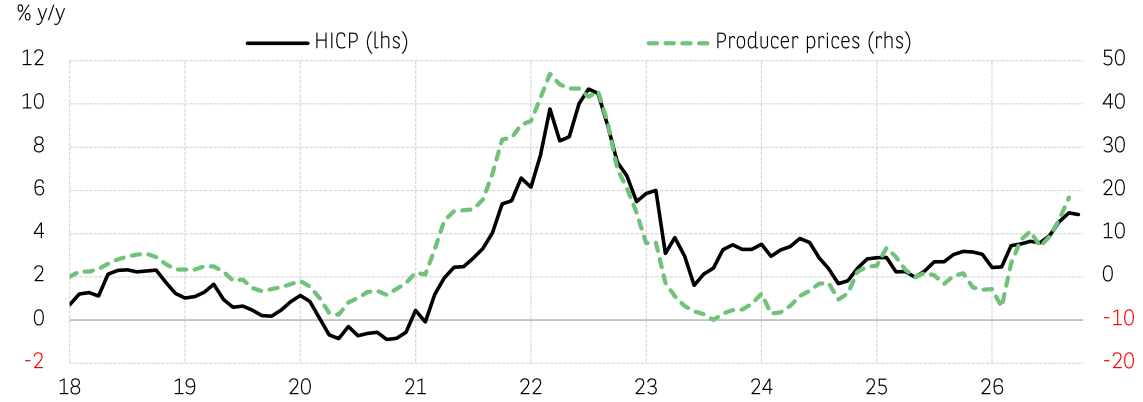
Price pressures and inflation



*Source: S&P Global, Eurostat, BNP Paribas. * Average of manufacturing PMI: suppliers' delivery times (inverted), input and output prices.*

Producer prices keep climbing

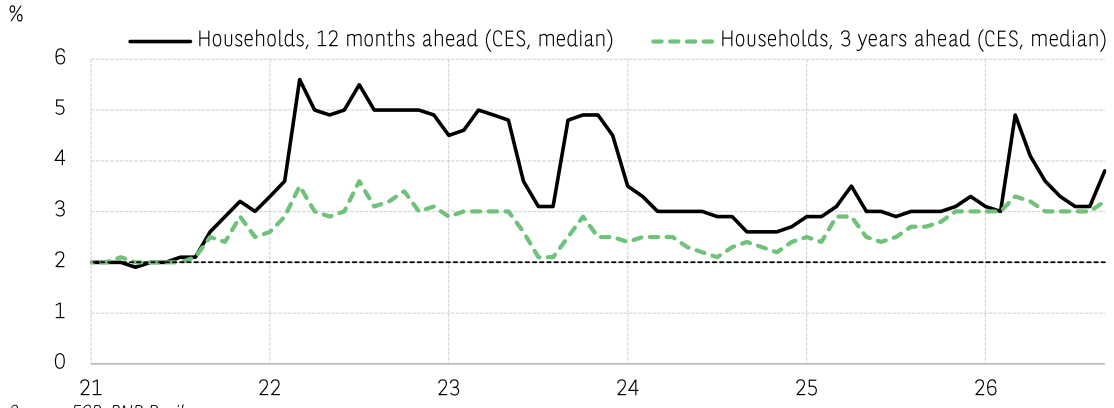
Producer and consumer prices



Source: Eurostat

Spanish households' inflation expectations are rising sharply

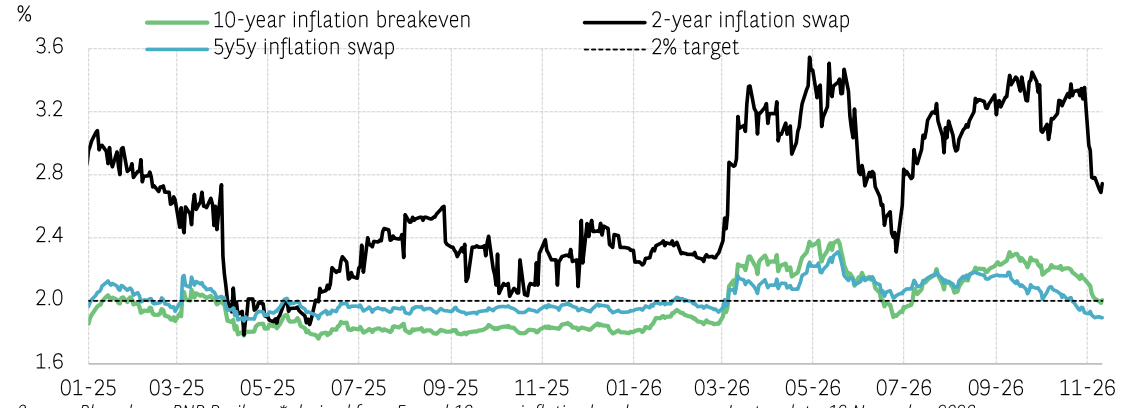
Household expectations



Source: ECB, BNP Paribas

Long-term market expectations are nonetheless easing back towards the target

Market expectations

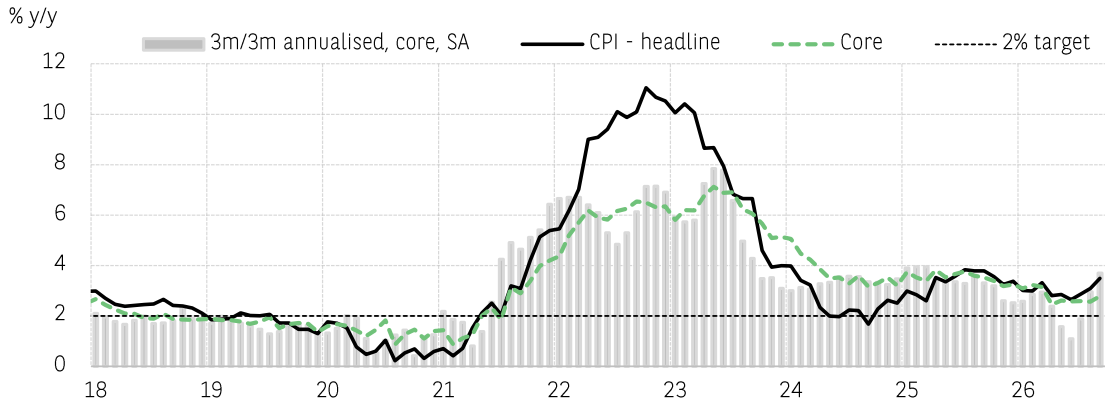


*Source: Bloomberg, BNP Paribas * derived from 5- and 10-year inflation breakevens* *Last update: 12 November 2026*

United Kingdom – Inflation picks up again and broadens

Inflation continues to rise

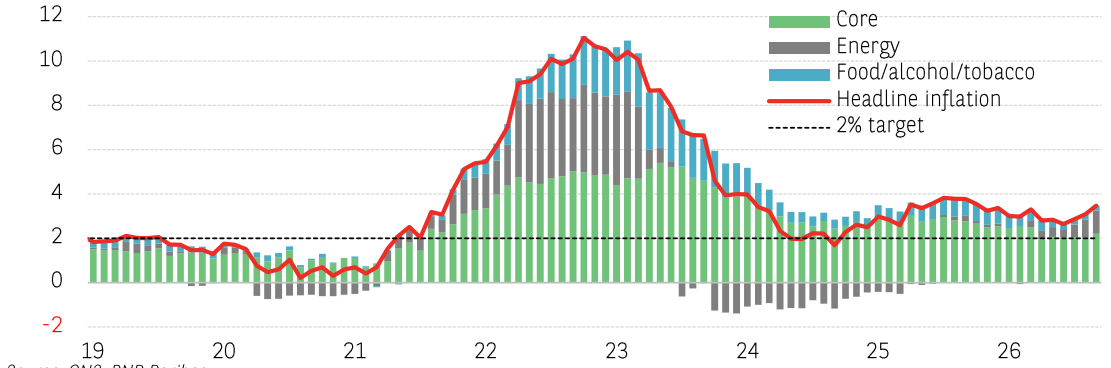
Headline and core CPI



Source: ONS

The pick-up in core inflation adds to the pressure from energy prices

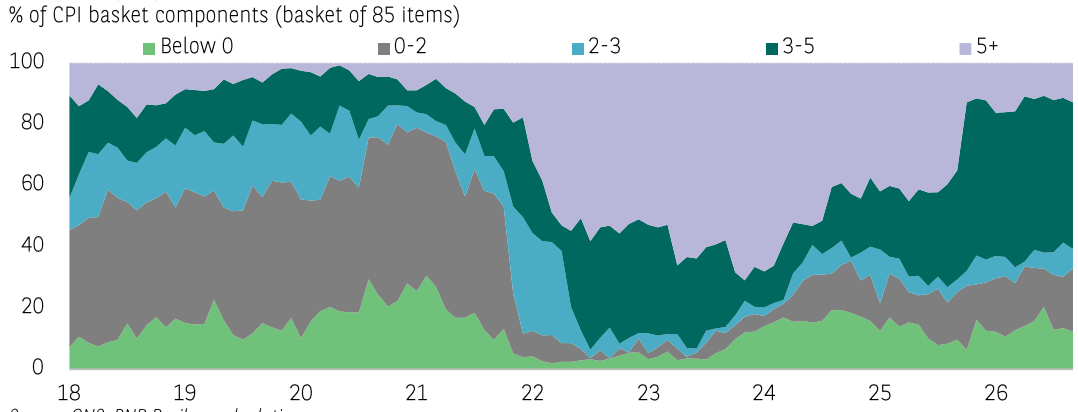
Contributions to CPI inflation



Source: ONS, BNP Paribas

Very large price rises remain rare, but most CPI components are rising by over 3%

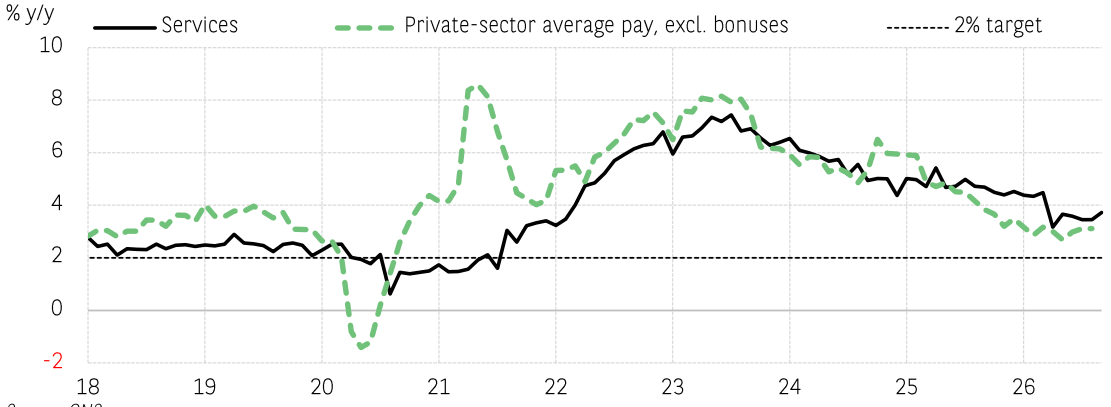
Breadth of inflation



Source: ONS, BNP Paribas calculations

Services inflation rebounds despite still-contained wage growth

CPI services and wages

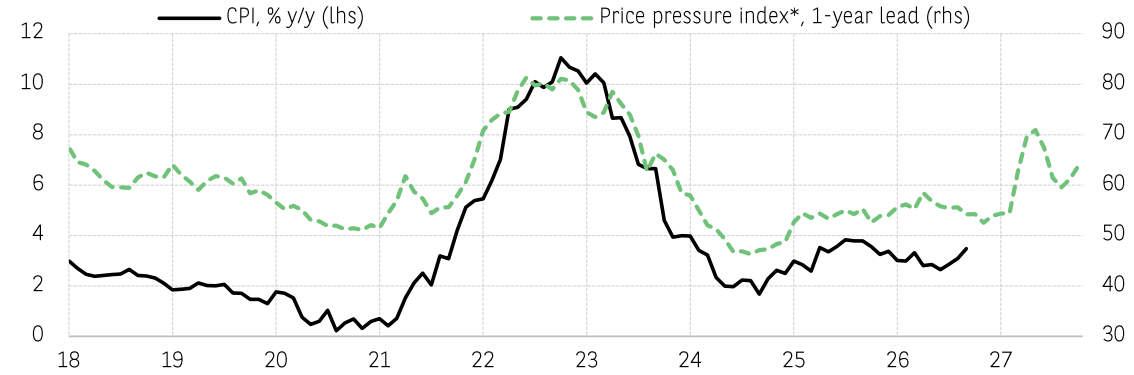


Source: ONS

United Kingdom – Behind prices, a deteriorating picture

Price pressures pick up again after the summer pause

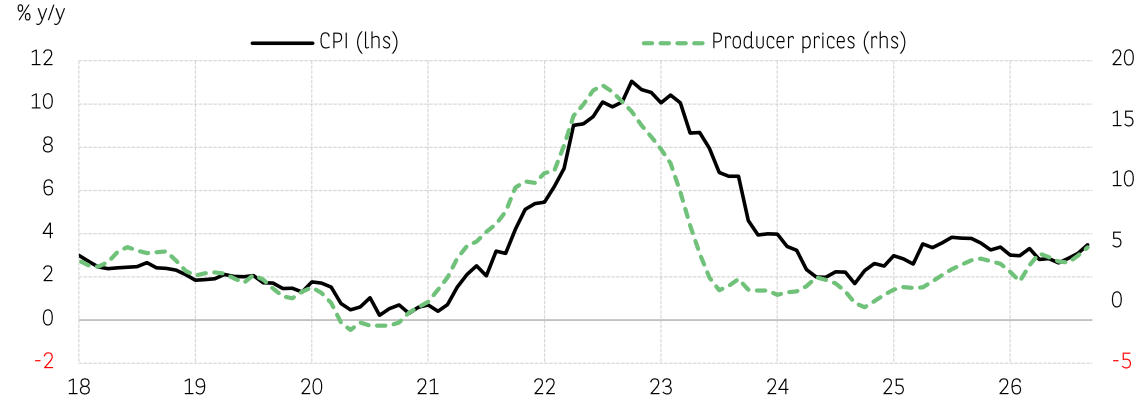
Price pressures and inflation



*Source: S&P Global, ONS, BNP Paribas. * Average of manufacturing PMI: suppliers' delivery times (inverted), input and output prices.*

Producer prices are accelerating and pushing up consumer prices

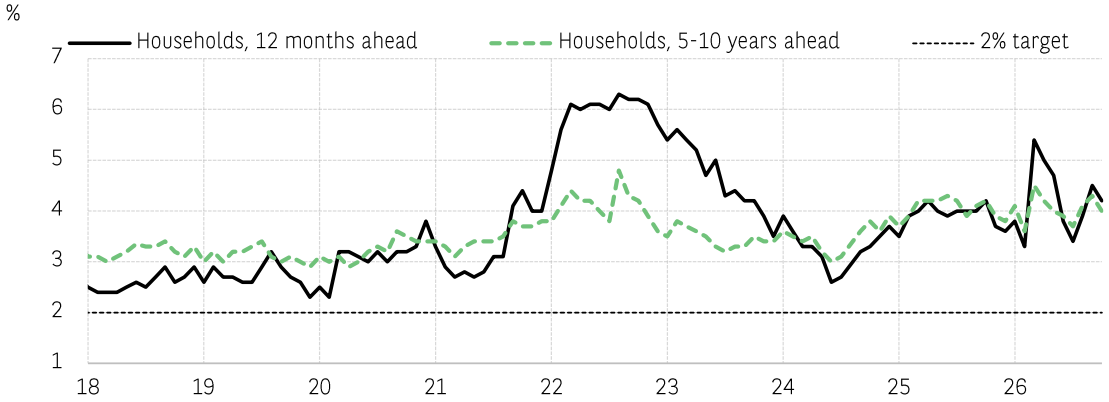
Producer and consumer prices



Source: ONS, BNP Paribas

Households' expectations still exceed 4%

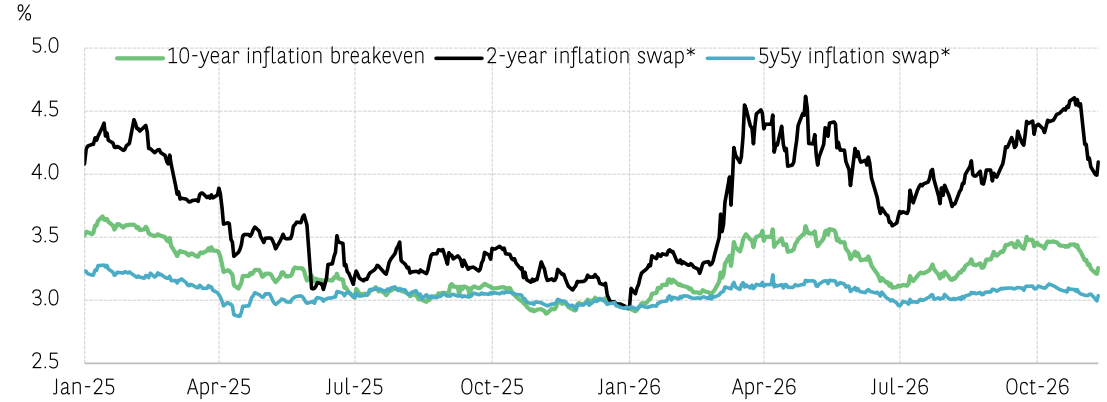
Household and forecaster expectations



Source: YouGov

Short-term market expectations are easing, but long-term ones remain above 3%

Market expectations

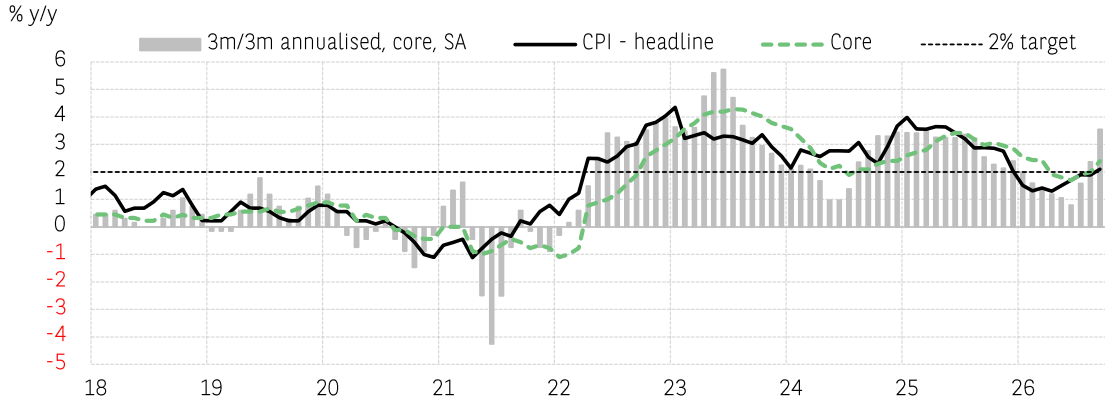


*Source: Bloomberg, BNP Paribas * Swap indexed to the Retail Price Index* *Last update: 12 November 2026*

Japan – Government measures are tempering an already entrenched rise in inflation

The energy rebound is tempered by policy measures...

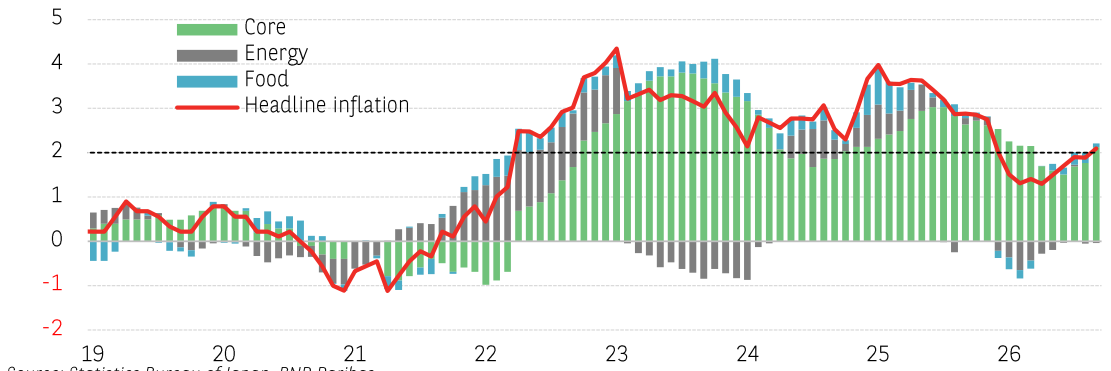
Headline and core CPI



Source: Statistics Bureau of Japan, BNP Paribas

... with administrative action limiting energy's contribution

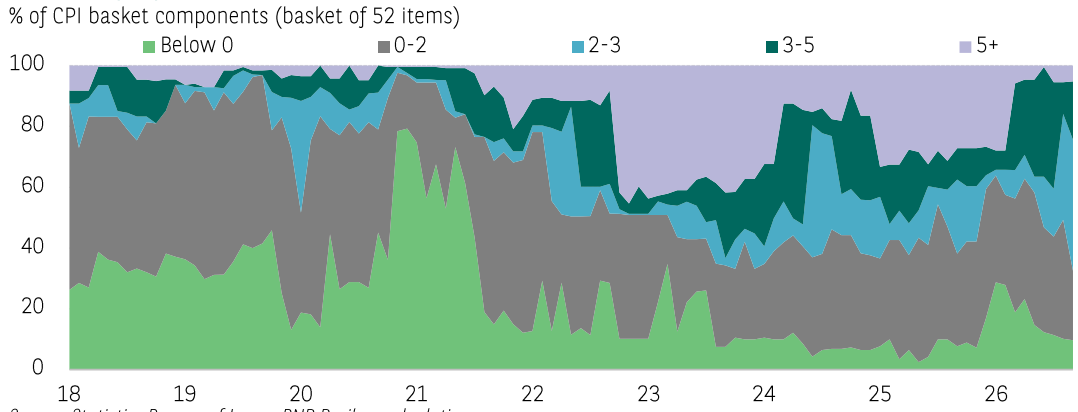
Contributions to CPI inflation



Source: Statistics Bureau of Japan, BNP Paribas

The share of items above 5% has fallen sharply, but the share above 2% is rising strongly

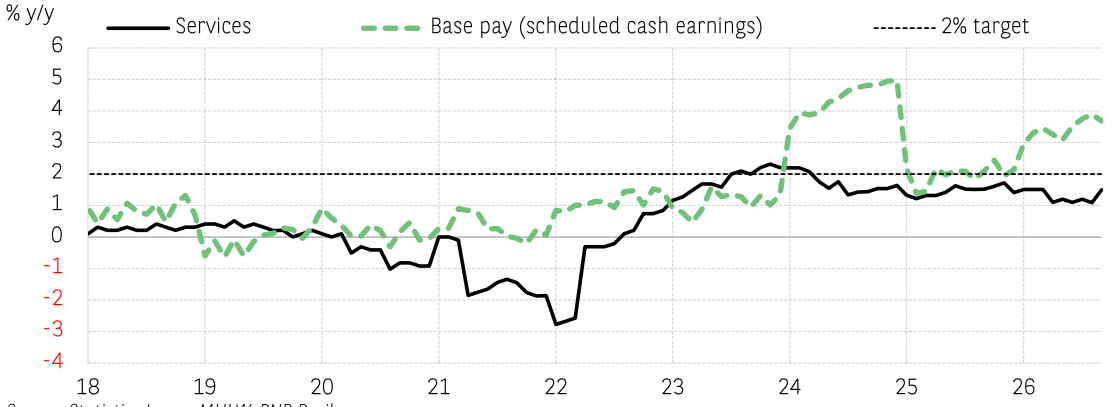
Breadth of inflation



Source: Statistics Bureau of Japan, BNP Paribas calculations

Wage inflation is still slow to feed through to services

CPI services and wages

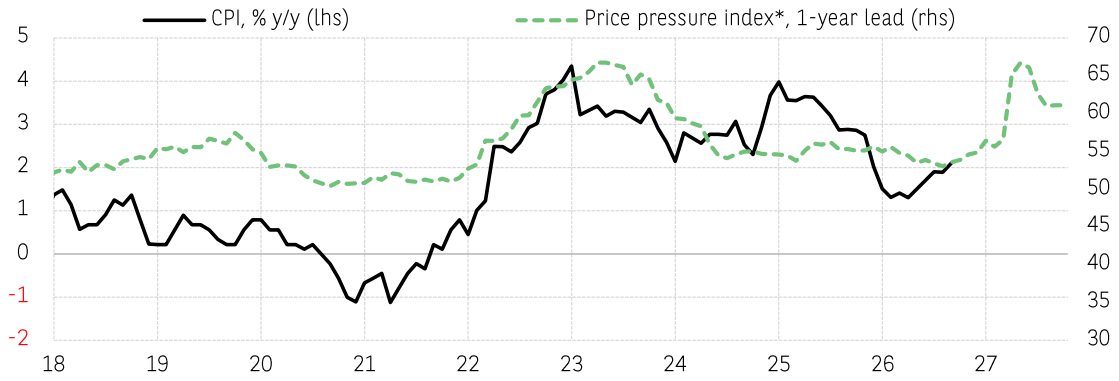


Source: Statistics Japan, MHLW, BNP Paribas

Japan – Expectations have shifted durably higher

The economy is highly exposed to price pressures

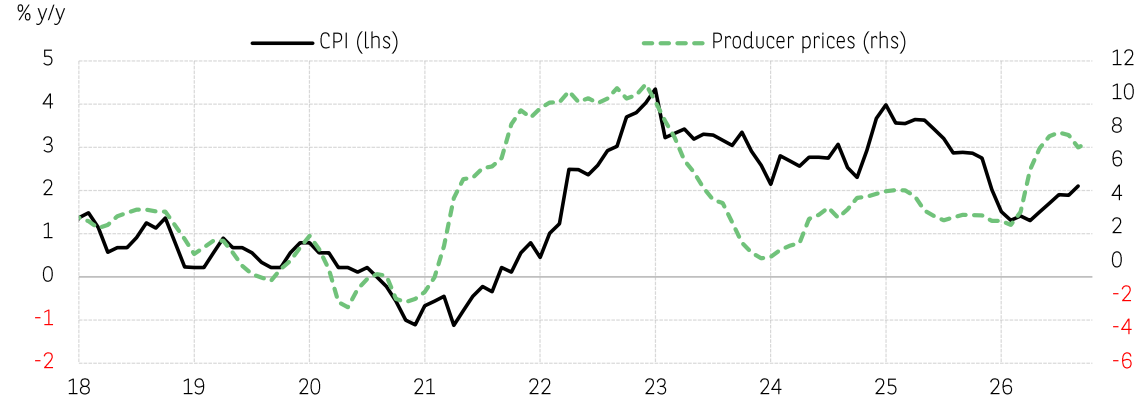
Price pressures and inflation



*Source: S&P Global, Statistics Bureau of Japan. * Average of manufacturing PMI: suppliers' delivery times (inverted), input and output prices.*

Rising producer prices are starting to pass through to the CPI

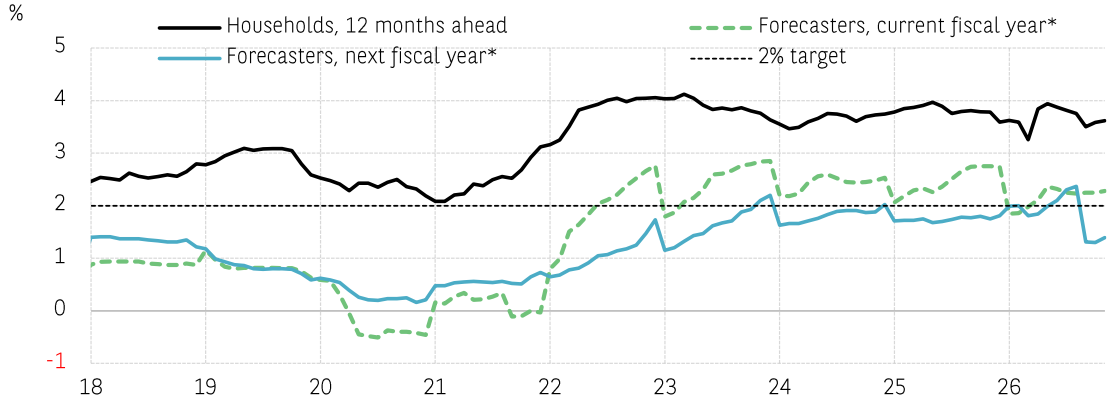
Producer and consumer prices



Source: Bank of Japan

Households' inflation expectations exceed forecasters'

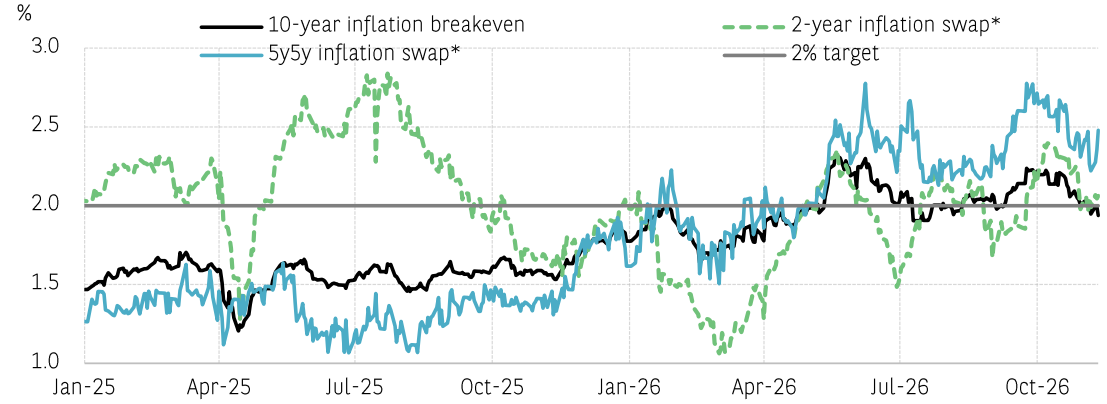
Household and forecaster expectations



*Source: Japan Cabinet Office, JCER, BNP Paribas. * Core CPI excluding fresh food, rolling horizon*

The 5y5y has been above 2% since May

Market expectations

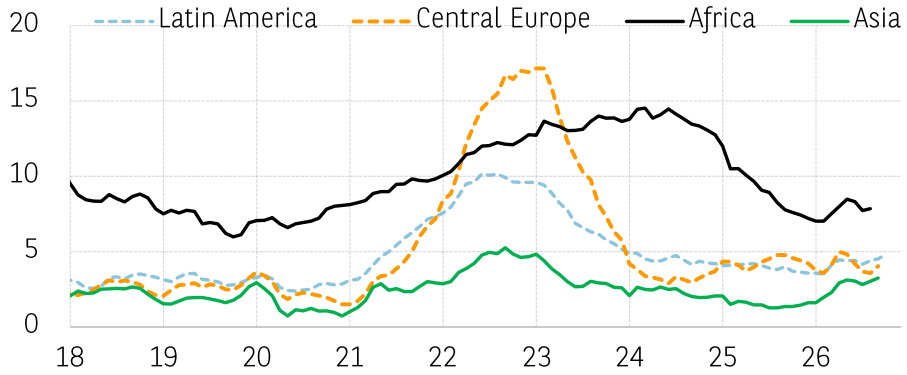


*Source: Bloomberg, BNP Paribas. * Swap indexed to CPI excluding fresh food* *Last update: 12 November 2026*

Emerging economies – Inflation risk still rising

Inflation pressures rising again in all regions

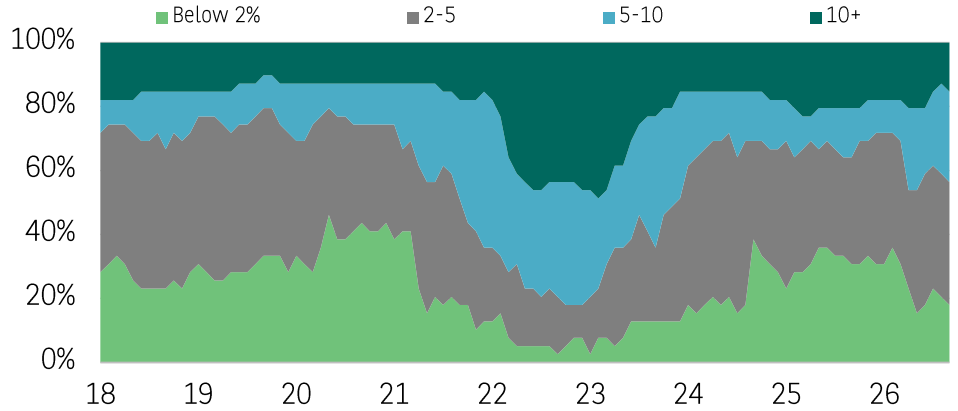
Consumer Price Inflation, y/y %, regional average



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

The rise in inflation is spreading slowly throughout emerging countries

CPI inflation rate, panel of 39 Emerging economies



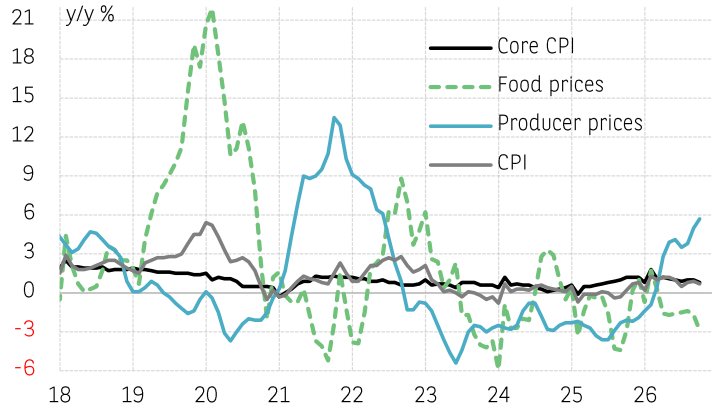
Source: Central banks, Macrobond, BNP Paribas

India facing the fastest acceleration in CPI inflation

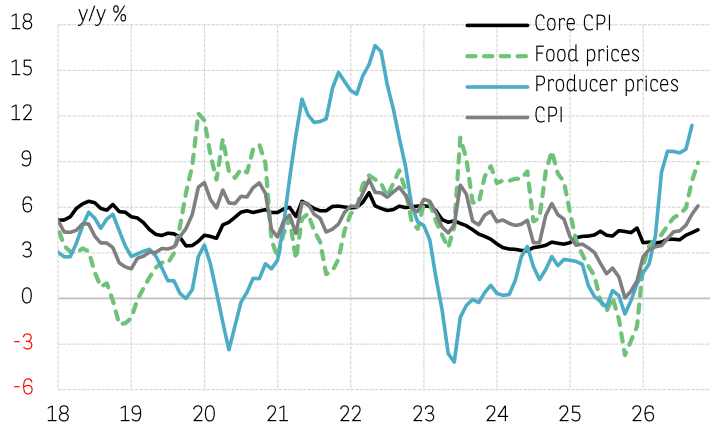
		Realised inflation (% y/y)			
Country	Month	CPI (%)	1-month change in y/y rate (pp)	Core (%)	1-month change in y/y rate (pp)
China	October	0.7	▼ -0.2 pt	1.0	▼ -0.2 pt
India	October	6.1	▲ +0.5 pt	4.5	▲ +0.2 pt
Argentina	Sept.	33.4	▼ -0.2 pt	31.6	▼ -0.3 pt
Brazil	October	4.6	▲ +0.1 pt	4.4	▼ -0.0 pt
Poland	October	3.5	▼ -0.6 pt	n.a.	n.a.
Türkiye	October	29.8	▲ +0.0 pt	28.7	▼ -0.4 pt

Emerging economies – Core inflation is not keeping pace with CPI inflation

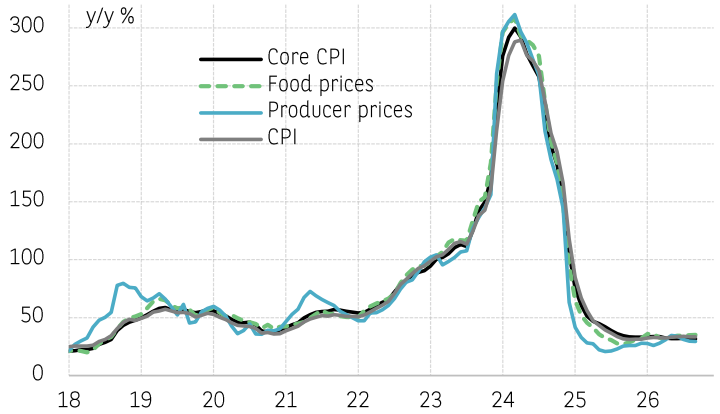
China: Inflation pressure remains weak



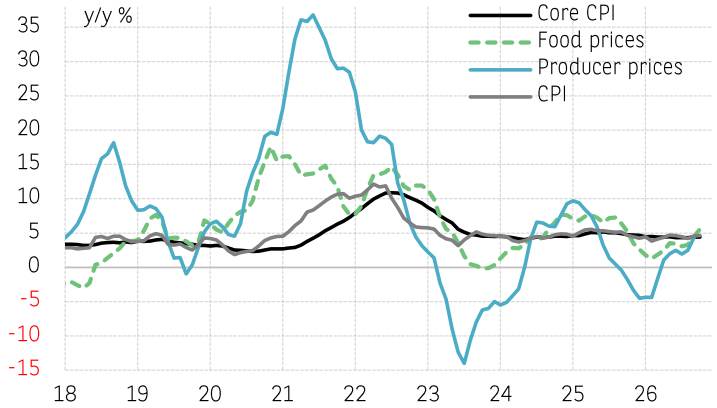
India: A marked acceleration in inflation



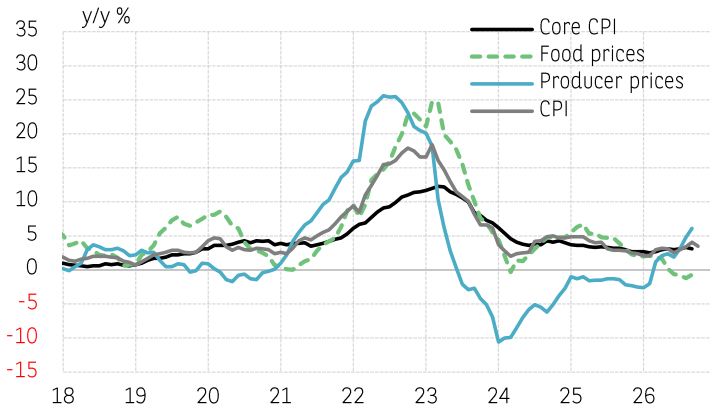
Argentina: No spike in inflation



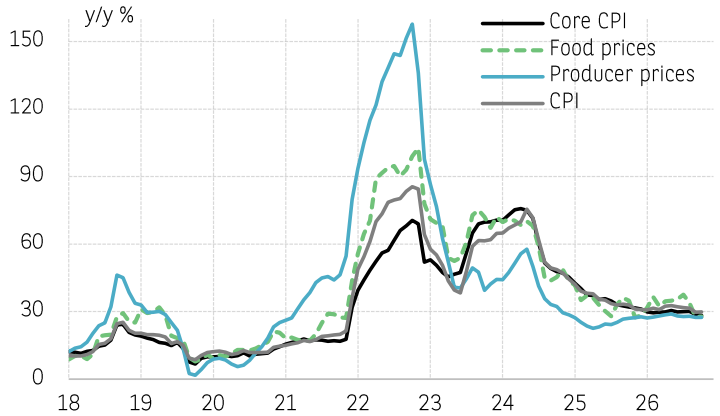
Brazil: Inflation continues to rise



Poland: CPI inflation back in the target band of 2.5% ±1%



Türkiye: Stabilisation of CPI inflation in October



Source: Central banks, Macrobond, BNP Paribas

BNP PARIBAS ECONOMIC RESEARCH

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