

# MNI Eurozone Inflation Preview – October 2025

By Moritz Arold, Emil Lundh and Chris Harrison

October 29, 2025

## Key October preliminary inflation data releases and timing

- **Spain** (12% of EZ HICP in 2025) – 0800 GMT Oct 30
- **Germany** (28% of EZ HICP in 2025) – 1300 GMT Oct 30
- **Netherlands** (6% of EZ HICP in 2025) – 0530 GMT Oct 31
- **France** (19% of EZ HICP in 2025) – 0745 GMT Oct 31
- **Italy** (16% of EZ HICP in 2025) – 1000 GMT Oct 31
- **Eurozone** – 1000 GMT Oct 31

## Eurozone MNI Consensus:

- HICP 2.1% Y/Y (vs 2.2% prior)
- Core HICP 2.3% Y/Y (vs 2.4% prior)
  - Services 3.2% Y/Y (vs 3.2% prior)
  - Core goods 0.8% Y/Y (vs 0.8% prior)
- Food, alcohol & tobacco 2.6% Y/Y (vs 3.0% prior)
- Energy -1.0% Y/Y (-0.4% prior)
- **MNI Eurozone Inflation Insight for September 2025 (PDF Link)**

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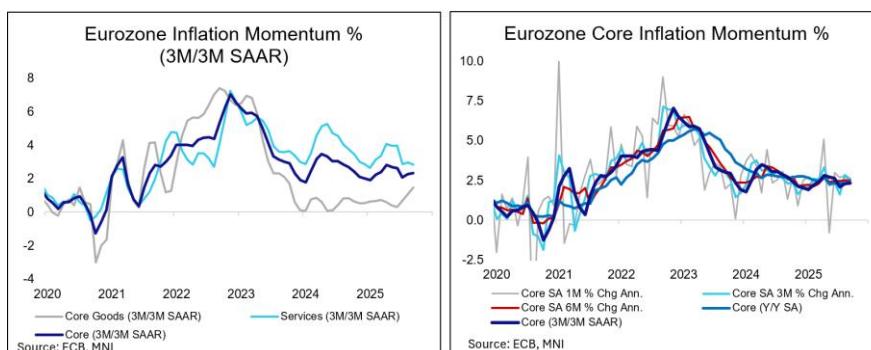
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## Key Release For December ECB Projections

The Eurozone October flash inflation round will be compressed over just two days in October, with Spain and Germany kicking off on Thursday ahead of the Netherlands, France, Italy and the bloc-wide release on Friday. Overall, analysts look for headline HICP to recede 0.1pp to 2.1% Y/Y, with the core measure (excl. food, alcohol, tobacco, and energy) also seen marginally lower than in September, at 2.3%.

The main movers in October will be the non-core categories. Energy deflation is expected to become a little more substantial this month, with the yearly rate seen around -1.0% Y/Y (vs -0.4% prior). This decrease in the annual rate will mostly be driven by base effects. FAT (food, alcohol, tobacco) meanwhile is expected to ease to around 2.6-2.7% Y/Y in October (vs 3.0% prior), with more muted sequential price increases compared to a year ago. Much eyed services inflation is expected to remain stable around 3.2% Y/Y amid steady underlying momentum, while non-energy industrial goods (core goods) is expected to remain around 0.7-0.8% Y/Y.

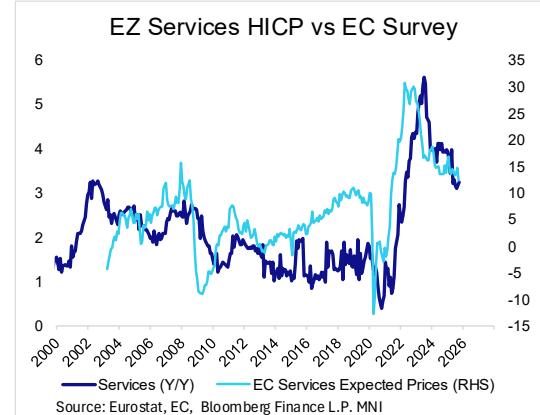
The October inflation round will likely be the final one flowing into the ECB's December quarterly projections. Against that backdrop, note the following commentary from a national central bank senior official quoted in last Friday's [MNI ECB Sources Exclusive](#): "I am not telling you anything new if I say that if inflation for 2026, 2027 and 2028 is below 2%, the cut is almost certain" – a noteworthy view considering markets currently price just a 50% implied probability of another 25bp cut this cycle (according to OIS pricing through the September 2026 decision). As such, the flash prints, but also the underlying details in the final release on November 19, will be important inputs to monitor as the ECB assesses whether downside inflation risks are materialising or not.



## Expected Positive/Negative Factors for October Eurozone Inflation

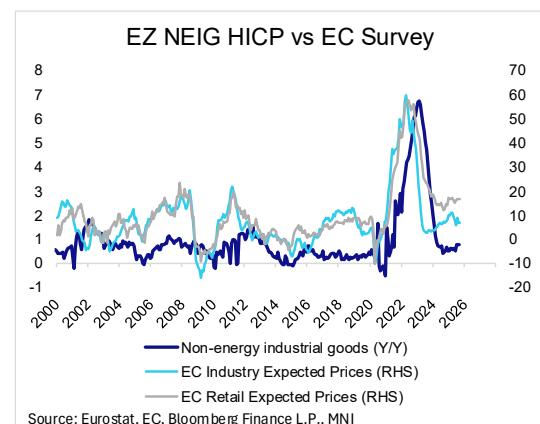
### Services (marginally -ve Y/Y) – 46% of 2025 Basket:

- Median estimate 3.2% Y/Y for Oct vs 3.24% in Sept
- Sep saw -0.9% M/M, Oct 2024 was 0% M/M vs -0.14% 2017 - 2024 M/M avg
- Services inflation in the Eurozone has been hovering slightly above the 3% mark since May of this year, and is expected to remain at these levels also in October. Interestingly, while most analysts agree on the yearly rate set to see little directional impetus in October, there appears to be some disagreement on underlying drivers.
- Morgan Stanley see services excl. airfares, package holidays and accommodation softer, which will be countered by a stronger Y/Y rate in "volatile" categories. They also mention the next large step down in services inflation is to be expected for January.
- Barclays however think an increase in communication inflation due to base effects will be "offset by some sequential payback for firmness in package holidays and accommodation".
- Movements in persistent services subcategories will be watched closely in October as they may prove consequential for the ECB's longer-term inflation projections at the December meeting.
- The October flash PMI noted that "Service providers raised charges at a solid pace that was sharper than seen in September".
- The EC's services expected prices series moderated to 12.5 in September from 14.7 in August – the lowest level since June 2021.



### Core goods (broadly unch Y/Y) – 26% of 2025 Basket:

- Median estimate 0.8% Y/Y for Oct vs 0.79% in Sept
- Sep saw 2.2% M/M while Oct 2024 was 0.7% M/M vs 0.7125% 2017 - 2024 M/M avg
- Core goods inflation was unchanged in September at 0.8% and also has remained in a 0.4% - 0.8% Y/Y range since May 2024. In October, Morgan Stanley expect core goods at 0.8% Y/Y, while Barclays expect a slight softening to 0.7%. Note that 3m/3m seasonally adjusted momentum has picked up in recent months to 1.5% annualised, but analysts remain fairly relaxed around pipeline pressures.
- The October flash PMI noted that *"Manufacturers increased their selling prices for the first time in six months, joining the services sector in recording inflation"*
- Industry selling prices in the EC survey stood at 6.9 points in September, which we'd classify as subdued.

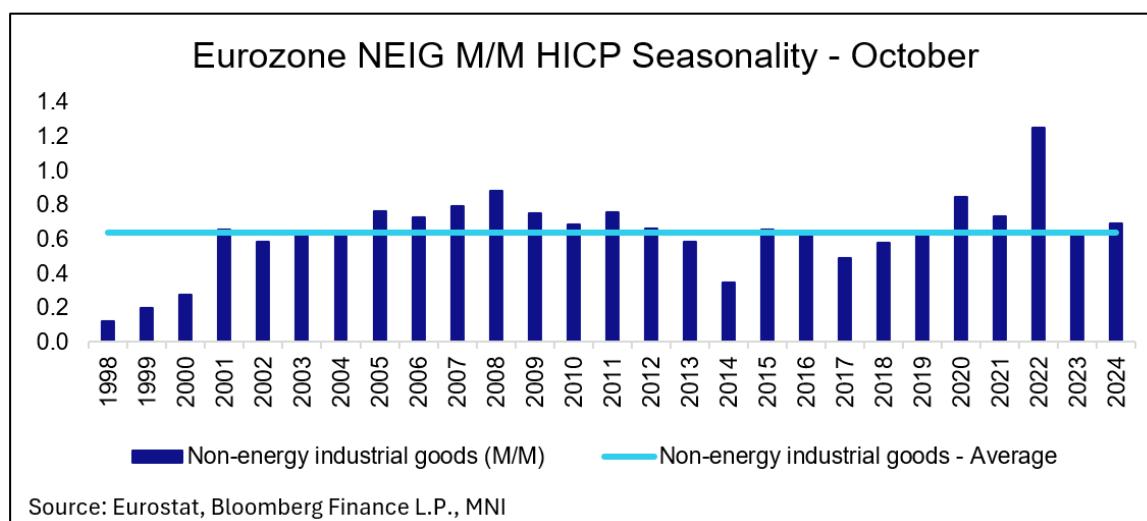
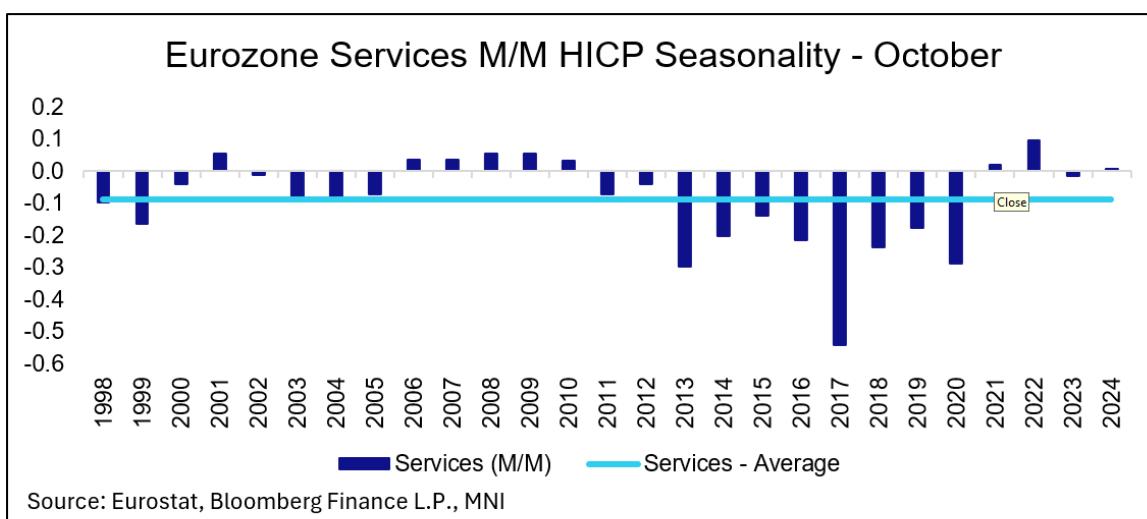
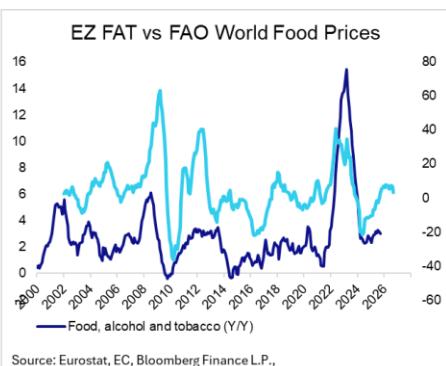
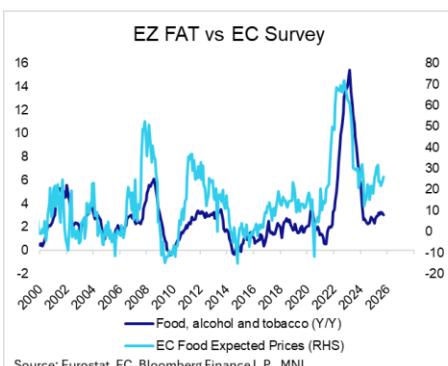
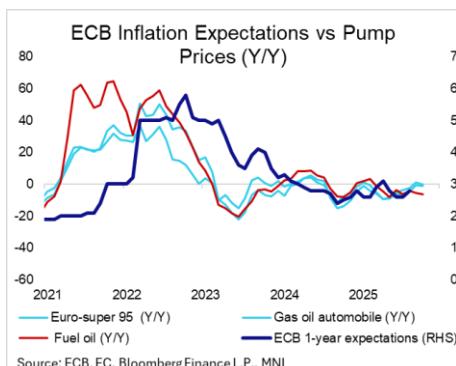


### Food, alcohol & tobacco (+ve Y/Y) – 19% of 2025 Basket:

- Median estimate 2.6% Y/Y Oct vs 3.02% in Sept
- Sep saw -0.1% M/M while Oct 2024 was 0.7% M/M vs 0.45% 2017 - 2024 M/M avg
- FAT (food, alcohol & tobacco) inflation moderated a little in September, falling to the joint lowest rate since this March at 3.0% Y/Y, from August's 3.2%. For October, analysts expect base effects to weigh on the Y/Y rate again, outweighing expectations for some moderate sequential price increases. Near-term food price indicators from the EC's survey have eased in recent months, but on a more medium-term basis there remain upside risks (e.g. from the FAO's world food price index).
- A reminder that a recent [blog](#) by ECB staff suggests food inflation developments are "particularly relevant in the ECB's current analyses". The blog notes that food inflation matters because of (i) the impact it has on inflation expectations and (ii) the possible second round impacts into wage setting.
- Sep EZ Processed food inc. alcohol and tobacco: 2.6% Y/Y, -0.1% M/M. Oct 2024 0.3% M/M vs 0.24% 2017 - 2024 M/M avg
- Sep EZ Unprocessed food: 4.7% Y/Y, 0.2% M/M. Oct 2024 2.1% M/M vs 1.24% 2017 - 2024 M/M avg

### Energy (-ve M/M, -ve Y/Y) – 9% of 2025 Basket:

- Median estimate -1.0% Y/Y for Oct vs -0.37% Sept
- Sep EZ Energy: -0.4% Y/Y, -0.1% M/M. Oct 2024 0.4% M/M vs 1.79% 2017 - 2024 M/M avg*
- Energy inflation again is expected to be a headline driver in October, owing to slightly negative base effects and a sequential easing of fuel and gas prices. The few estimates we have seen look for a pullback to -1.0%. This counters moves over the last couple of months, during which base effects drove energy inflation higher, from -3.6% Y/Y in April and May to -0.6% in September. Downward pressure in the Y/Y rate is generally expected to continue in the coming months. Looking further ahead, the ECB writes “Energy inflation is projected to remain negative until late 2026, before rebounding in 2027 owing to climate change-related fiscal measures” in their September macroeconomic projections.



## Summary of Sell-Side Outlooks for October HICP

Analyst	HICP Headline Y/Y	HICP Headline M/M (NSA)	HICP Core Y/Y	HICP Core M/M (NSA)	Germany HICP Y/Y	Germany HICP M/M (NSA)
Sep-25 Actual	2.24	0.09	2.35	0.15	2.4	0.2
Oct-25 BBG Consensus	2.1	0.2	2.3	N/A	2.2	0.2
Oct-25 MNI Median Consensus	2.1	0.2	2.3	N/A	2.2	N/A
Morgan Stanley	2.10		2.33		2.19	
Santander	2.07	0.18	2.34	0.24 (CPI)	2.2 (CPI)	0.2 (CPI)
Barclays	2.04	0.15	2.28	0.18	2.39	0.04
Daiwa	2.1		2.3			
RBC	2.1		2.3			
Bank of America	2.1		2.3		2.0	
SEB	2.0		2.2			
TD Securities	2.0		2.3		2.1	
Danske	2.1		2.3			

Analyst	Italy HICP Y/Y	Italy HICP M/M (NSA)	France HICP Y/Y	France HICP M/M (NSA)	Spain HICP Y/Y	Spain HICP M/M (NSA)
Sep-25 Actual	1.8	1.3	1.1	-1.1	3.0	0.2
Oct-25 BBG Consensus	1.6	0.1	0.9	0.1	3.0	0.3
Oct-25 MNI Median Consensus	1.6	N/A	0.9	N/A	2.9	N/A
Barclays	1.52	0.06	1.05	0.30	2.97	0.33
Morgan Stanley	1.45		0.92		2.96	
Santander	1.6 (CPI)	0.0 (CPI)	0.9 (CPI)	0.1 (CPI)	2.8 (CPI)	0.4 (CPI)
Bank of America	1.7		0.9		2.9	

Analyst (A-Z)	Energy (Y/Y)	Food, Alcohol & Tobacco (FAT) (Y/Y)	Core Goods (Y/Y)	Services (Y/Y)
Sep-25 Actual	-0.37	3.02	0.79	3.24
Oct-25 MNI Median Consensus	-1.0	2.6	0.8	3.2
Morgan Stanley	-0.95	2.68	0.8	3.21
Barclays	-1.0	2.6	0.7	3.2
Santander				3.07
RBC				3.2

## Outlooks And Consensus Estimates For National Inflation Prints:

### Germany (28% of 2025 EZ HICP) – 1300BST Thursday October 30 (after state-level data in the morning)

- Consensus:
  - HICP: 2.2 Y/Y (vs 2.4 prior); 0.2 M/M
  - CPI: 2.2 Y/Y (vs 2.4 prior); 0.2 M/M
- Analyst views:
  - Morgan Stanley see a drop in headline CPI to 2.2% “with lower inflation in all main categories. Energy inflation is expected to fall to -1.1%Y from -0.7%Y on base effects [...] Food inflation should also take a large step down to 1.7%Y on base effects [...] core inflation at 2.6%Y [...] Services inflation should decrease to 3.3%Y [...] mainly coming from volatile items: Package holidays at -2.8%M should lower the year-on-year to 3.2%Y from 4.1%Y and on our air fares forecast of 4.5%M the annual rate would drop to -9.8%Y from -4.9%Y [...] Non-volatile services items are expected to soften only slightly”
  - Barclays see German package holidays at -5.0% M/M, accommodation at -1.5% M/M, and airfares at -2.0% M/M.
- The Bundesbank highlights in their monthly report:
  - “In the coming months, the inflation rate is likely to fluctuate around the level reached most recently. This is mainly due to volatile developments in services prices towards the end of last year and the resulting base effects, especially in the travel sector. Unlike in previous quarters, energy is unlikely to have any further dampening effect on headline inflation in the fourth quarter. The reduction in transmission grid charges for electricity and the abolition of the gas storage levy in January 2026 are likely to dampen the inflation rate somewhat more strongly again, even if the reduction in electricity prices for households is considerably lower than originally planned and the national carbon price for heating and transport will rise again at the turn of the year.”
- The October flash PMI noted “*Stronger overall input cost inflation was reflected in output prices, which also increased at the quickest rate since February. Charge inflation rose to a seven-month high in services, while manufacturing output prices increased for only the second time in the past 29 months.*”
- German final September HICP was unrevised from the flash readings at 2.4 Y/Y (2.1% in Aug) and 0.2% M/M. The final reading to CPI was also unrevised at 2.4% Y/Y (2.2% in Aug) and 0.2% M/M whilst core CPI printed at 2.8% Y/Y after three consecutive months at 2.7%. The main conclusions from the flash reading were confirmed.
  - Services accelerated to 3.4% Y/Y (confirming the flash reading), a 0.3pp reacceleration after two consecutive prints at 3.1%, adding 0.13pp to headline inflation in September. Goods inflation meanwhile also accelerated, with a 0.08pp higher contribution to headline, mostly on the back of higher energy amid base effects.
  - MNI's tracker shows 2-way moves in German September inflation breadth at either end of the spectrum, which broadly cancel out on balance and for the most part reverse the trends seen in August.

### France (19% of EZ HICP in 2025) – 0745BST Friday October 31

- Consensus:
  - HICP: 0.9% Y/Y (vs 1.1% prior); 0.1% M/M
  - CPI: 1.0% Y/Y (vs 1.2% prior); 0.1% M/M
- Analyst views:
  - Morgan Stanley see headline HICP to decrease to 0.9% Y/Y, with core HICP stable. “The pick-up of headline comes from base effects on energy inflation” ... MS see the category at -0.2%M/M “on the back of lower fuel and natural gas prices” They think the core acceleration in September “did not reflect a change of momentum, simply base effects and they see “communication services inflation to see another uptick in October (+260bp), but less than in September (+880bp) and this will be compensated by some softening in other items of the services basket like rents and “other services”.
  - The October flash PMI noted “*data signalled a further cooling of cost pressures for French companies during October. In fact, the rate of input cost inflation was the softest since November 2020. Meanwhile, there was a renewed (albeit marginal) increase in prices charged, reversing the discounting seen in the prior month.*”
  - French headline HICP was unrevised from the flash release in September, at 1.07% Y/Y, an uptick from August's 0.83% and the highest yearly rate since January.
    - The uptick vs August was mainly core driven, with the measure excluding food, alcohol, tobacco and energy increasing to 1.53% Y/Y from 1.42% previously. Services HICP was 2.20% Y/Y in September,

vs 1.98% in August, while non-energy industrial goods decelerated a little, to 0.07% from an already low 0.17% in August.

- MNI's inflation breadth tracker interestingly saw some disinflationary developments in September despite the headline uptick, with the ratio of categories printing above 3% Y/Y down to 19% (20% August), while the amount of categories printing below 1% Y/Y increased to 59% (55% August). This suggests that a small number of categories were behind the overall acceleration.

### Italy (16% of EZ HICP in 2025) – 1000BST Friday October 31

- Consensus:
  - HICP: 1.7% Y/Y (vs 1.6% prior); 0.1% M/M
  - CPI: 1.6% Y/Y (vs 1.6% prior); -0.2% M/M
- Analyst views:
  - Morgan Stanley "forecast a 34bp decline in Italy's October headline HICP, of which 11bp can be attributed to a slowdown in core: from September's 2.1%Y to 1.9%Y (un-rounded a 15bp fall) due to a continued but gradual moderation in inflationary pressure in the services sector, as well as to a smaller rise than last year in clothing and footwear inflation, after a very strong print in September" "An additional 10bp of decline in headline is due to energy inflation: we track a 0.6%M fall in fuels for transport, while electricity prices should fall by more than 3.0%M as regulated prices reset lower by 7.5%M"
  - Barclays: "A decrease in the regulated electricity rate for vulnerable customers in Italy by 7.6% should cause a modest drag of 0.4pp to Italian electricity given only approximately 3mn people are affected"
- Italian final September HICP was unrevised from the flash at 1.8% Y/Y (vs 1.6% prior). The acceleration vs the August print was driven by the core reading to a good degree, the measure rose to 2.1% (2.0% August), the highest rate since last April.
  - Non-industrial goods was the underlying mover here, accelerating to 0.7% Y/Y from 0.0% prior. Services inflation meanwhile remained steady in September in Italy, at 3.0% Y/Y for the fourth consecutive month.

### Spain (12% of EZ HICP in 2025) – 0800BST Thursday October 30

Consensus:

- HICP 3.0% Y/Y (3.0% prior), 0.3% M/M
- CPI 2.9% Y/Y (3.0% prior), 0.5% M/M
- Core CPI 2.4% Y/Y (2.4% prior)

- Analyst views:
  - Morgan Stanley expect both headline HICP and CPI to remain unchanged at 3.0%Y/Y. Energy is likely to contribute positively (+0.9%M), reflecting some strength in electricity prices as indicated by our real-time tracking. Food inflation should rebound (+1.3%M) as is usually the case in October, but would remain slightly softer compared to last year's print (+1.4%M). As for core inflation, we forecast core CPI unchanged at 2.4%Y [...] transportation (excluding energy) to remain subdued compared to last year, particularly if the weakness in airfares extends"
  - Barclays point out a "13.2% increase in the regulated individual gas rate in Spain which we capture through a 4pp boost to Spanish gas HICP in October"
- Spanish final September HICP confirmed flash estimates at 3.04% Y/Y (vs 2.70% prior), the highest rate since June 2024. HICP ex energy and unprocessed foods continued its recent gradual upward trajectory with a fourth consecutive acceleration, at 2.47Y/Y (highest rate since April, vs 2.42% prior) on the back of both higher services and industrial goods (excl. energy) inflation.
  - Our HICP breadth tracker shows marginal inflationary tendencies for September, with the share of categories printing below 1% Y/Y at 34% (36% prior) at the lowest since February 2024, while the share of categories above 5% Y/Y was unchanged at 17%.

## Inflation Swap Expectations

Short-dated EUR inflation swaps drifted lower through September, remaining below 2% at 1-, 2- and 5-year horizons. Long-term inflation expectations, proxied by the 5y5y rate, remain very steady around 2.10%.

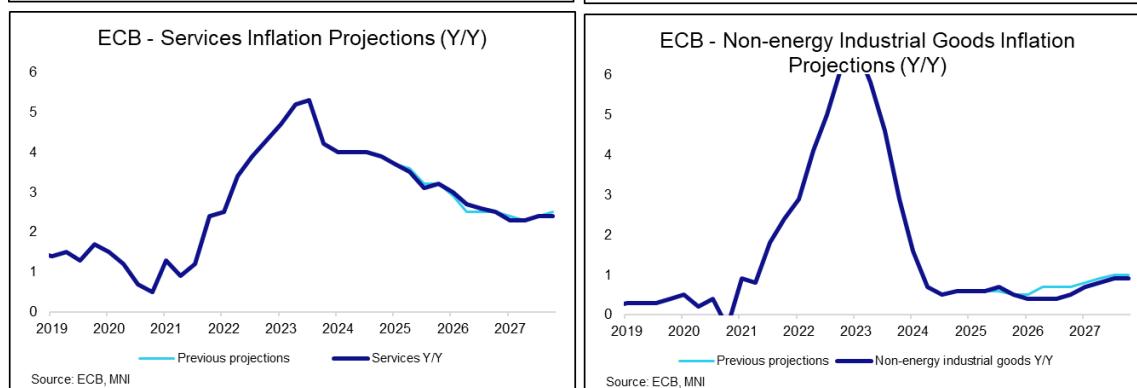
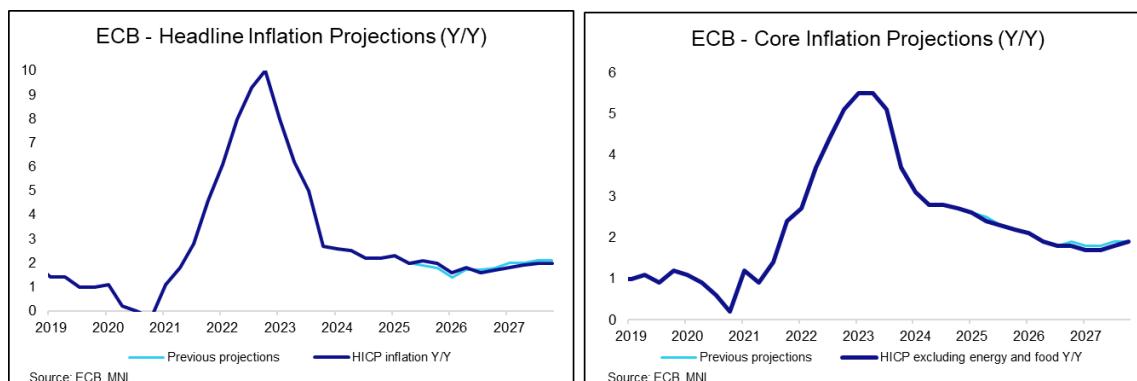
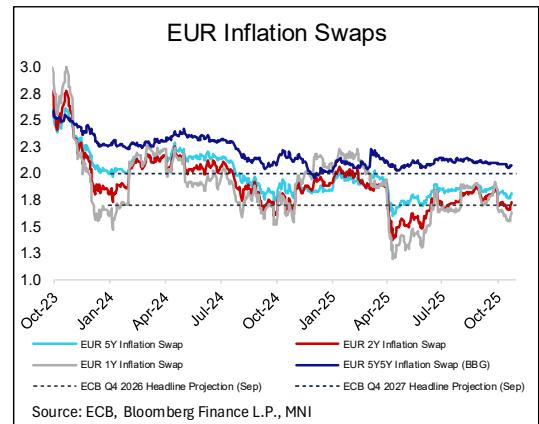
The September HICP ex-tobacco inflation swap is currently priced at ~209bps, broadly in line with analyst expectations for headline HICP.

## ECB Outlook (September Projections)

In the ECB's September macroeconomic projections, headline inflation is expected to (conveniently) return to the 2% target by Q3 2027, after reaching a low of 1.6% in Q1 and Q3 2026. This is probably one reason why Lagarde played down the 2027 undershoot in the press conference. The profile for services inflation was revised up a shade while non-energy industrial goods was revised lower through 2026.

From the ECB's write-up:

- “The inflation outlook is consistent with inflation stabilising around the medium-term target of 2%. Headline inflation is projected to move sideways, at around 2%, for the rest of 2025, and then to drop to 1.7% in 2026 before recovering to 1.9% in 2027.”
- “The drop in 2026 reflects a further gradual easing in the non-energy components, while energy inflation is expected to remain volatile, but to rise over the projection horizon, in part because of the start of the EU Emissions Trading System 2 (ETS2) in 2027.”
- “Food inflation is expected to remain elevated initially, as lagged effects from past price increases in international food commodities feed through, but to moderate to rates somewhat above 2% in 2026 and 2027”.
- “HICP inflation excluding energy and food (HICPX) is expected to decline as wage pressures recede and services inflation moderates, and as the appreciation of the euro feeds through the pricing chain and curbs goods inflation”





## ECB Survey of Professional Forecasters, Consumer Survey and Corporate Telephone Survey

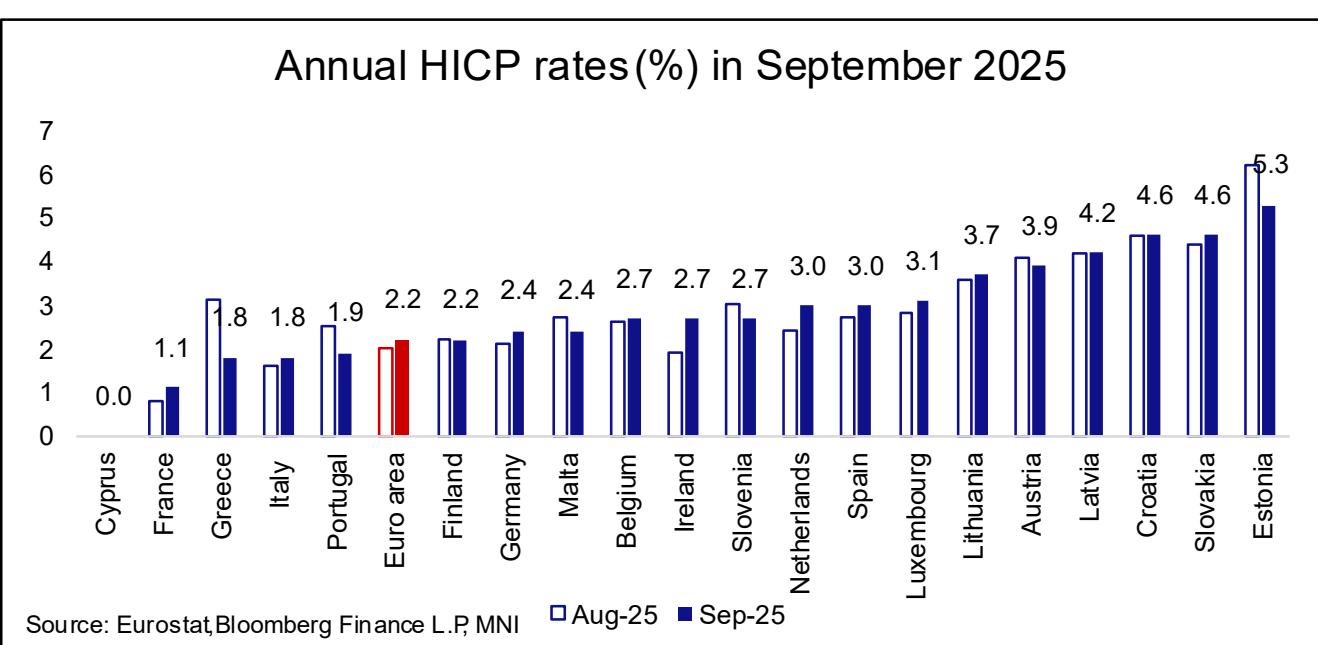
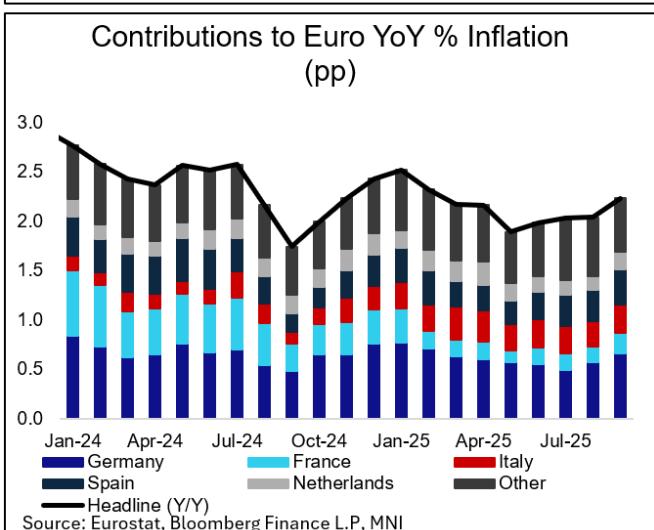
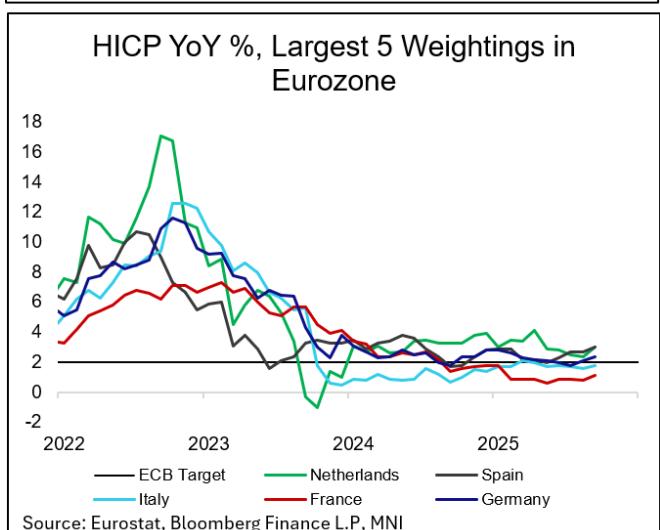
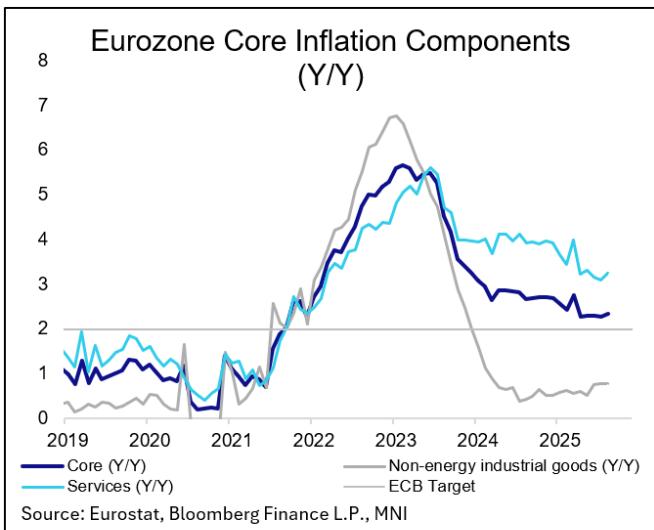
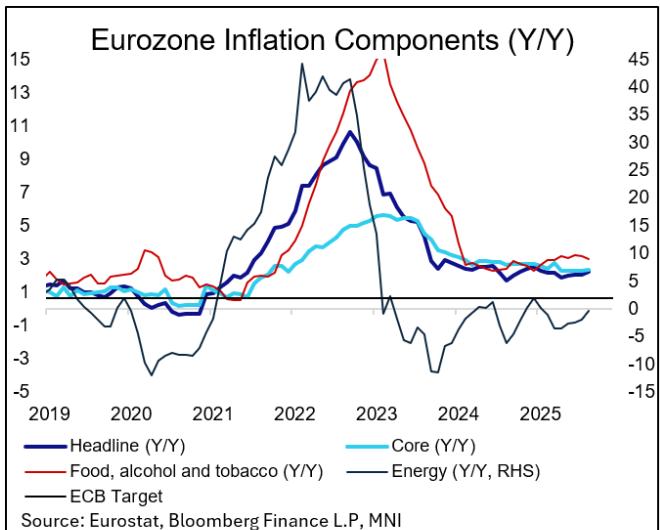
Highlights from the ECB's Q3 Survey of Professional Forecasters:

- “*Contacts reported a slight slowdown in selling price momentum in recent months*”, but this was “*mainly driven by developments in manufacturing*”. Services prices “*remained relatively robust*”.
- “*Contacts remained confident that wage growth was moderating. On average, the quantitative indications provided would imply that wage growth is expected to slow, from 4.5% in 2024 to 3.3% in 2025 and further to 2.8% in 2026*”.
- “*The effect of US tariffs on activity and prices in the euro area was mostly viewed as being negative at present, albeit with little to no impact on final consumer prices*.”

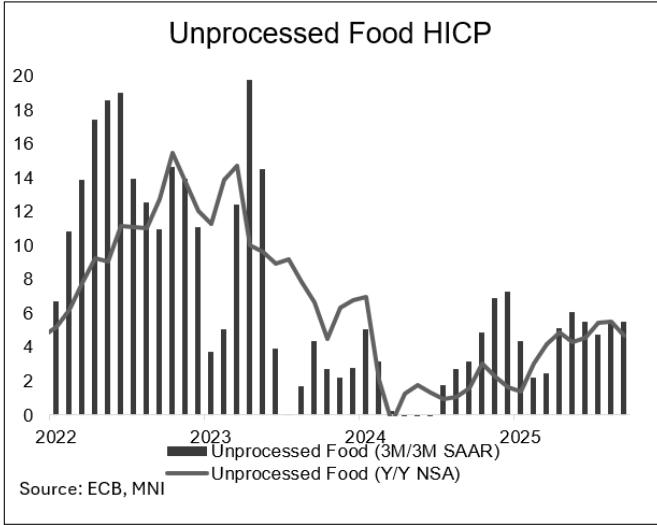
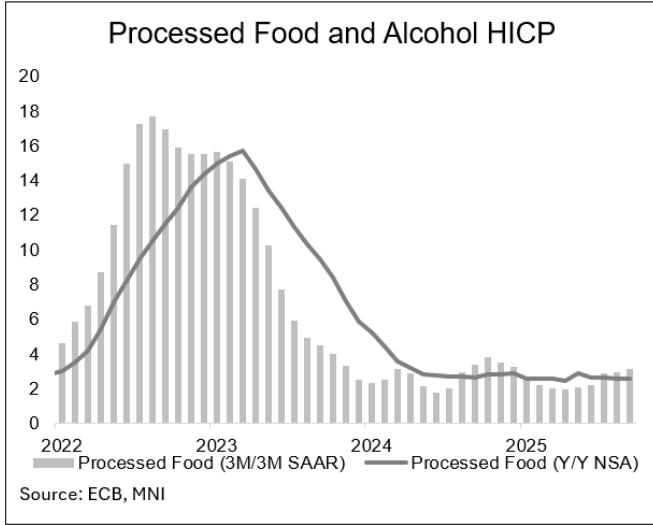
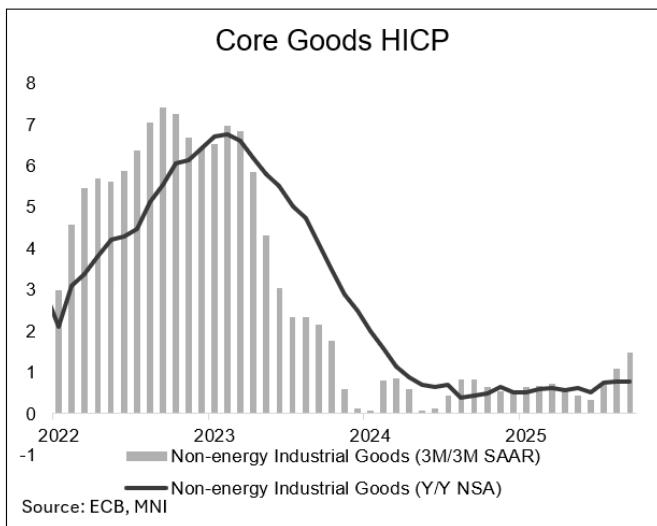
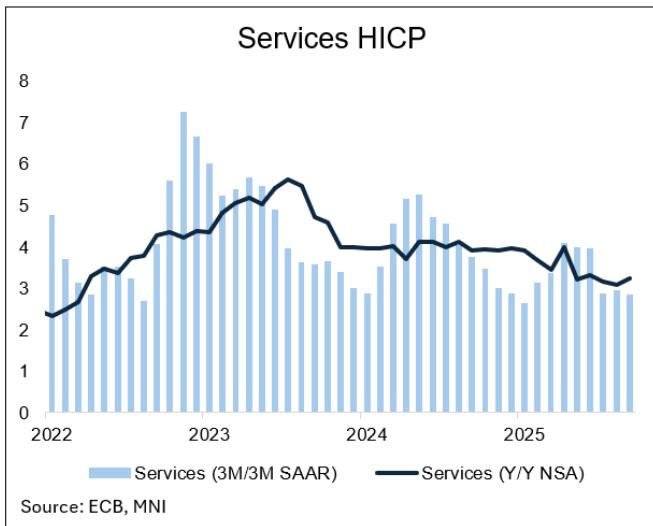
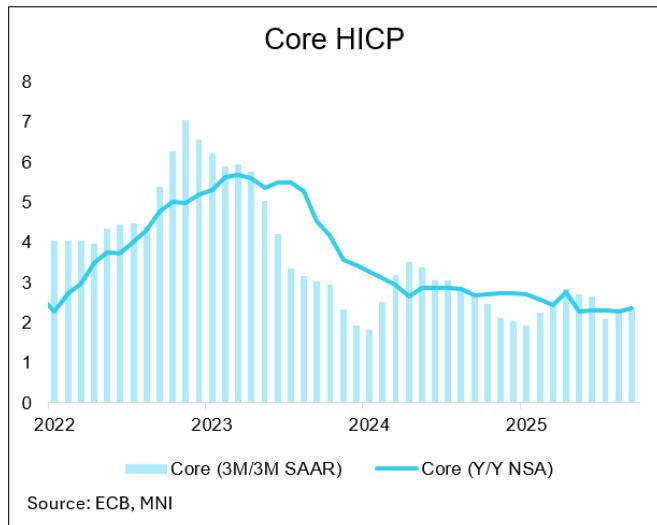
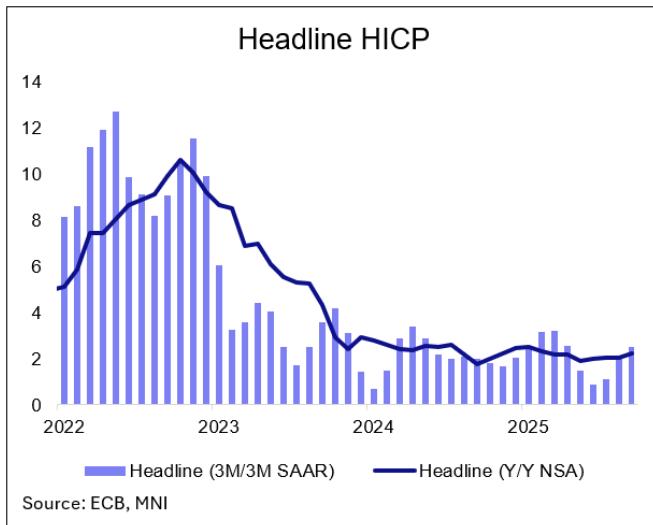
Eurozone consumer inflation expectations for the next 12 months decreased to 2.7%, from 2.8% in August, according to the latest ECB [survey](#), published Monday.

- Expectations for inflation three years ahead were unchanged at 2.5%, the Consumer Expectations Survey showed, as were those for five years ahead, which remained unchanged at 2.2%. The perceived rate of inflation over the previous 12 months was unchanged at 3.1% for the eighth consecutive month - for comparison, Eurostat said headline inflation stood at 2.2% in September.
- The data will do little to sway ECB policymaker thinking ahead of their meeting this week, but will underpin their view that inflation is at target and expectations are well anchored.

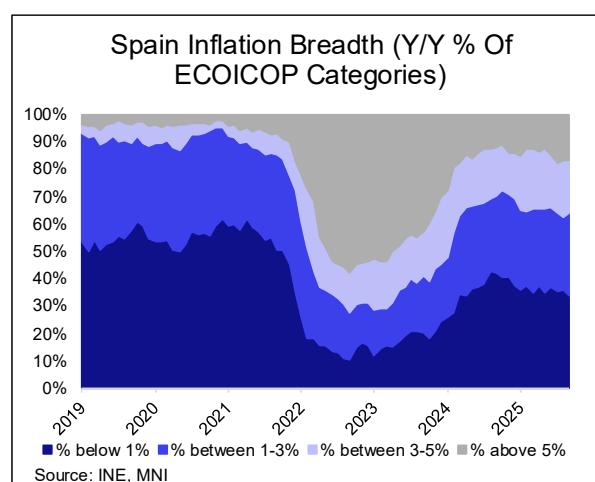
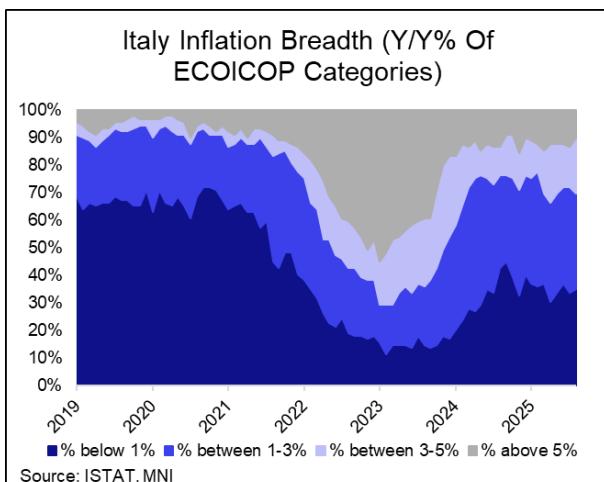
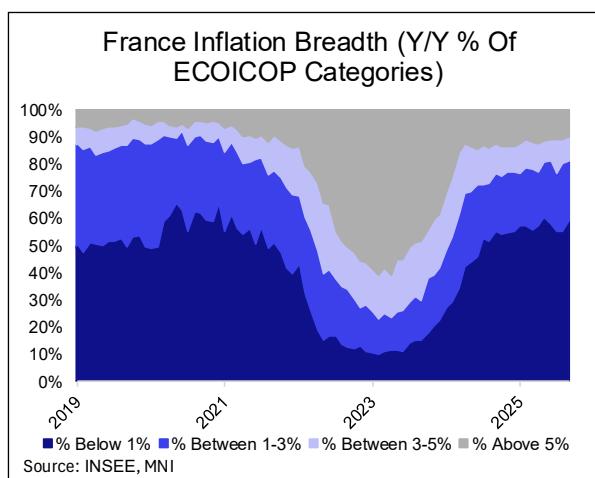
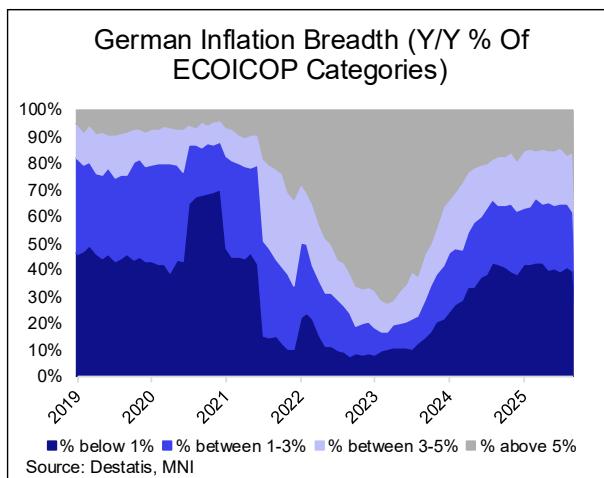
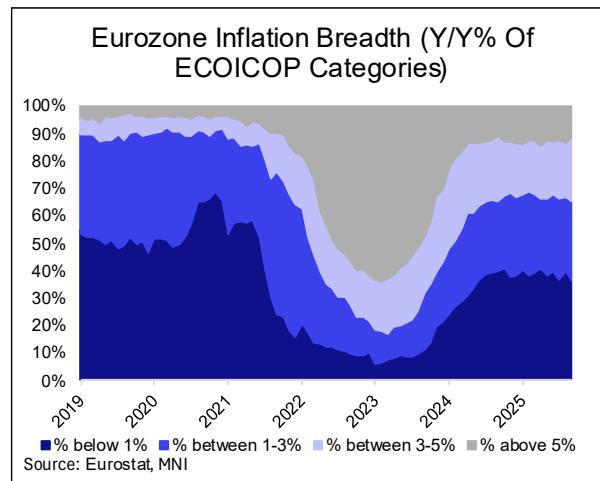
## Key Eurozone Inflation Charts



## Eurozone - Key Inflation Categories % Y/Y And Momentum (On Seas Adj. 3M/3M Basis)



## Country-Level Breadth Charts



## September HICP Recap: September Final Details Should Leave ECB Expectations Intact

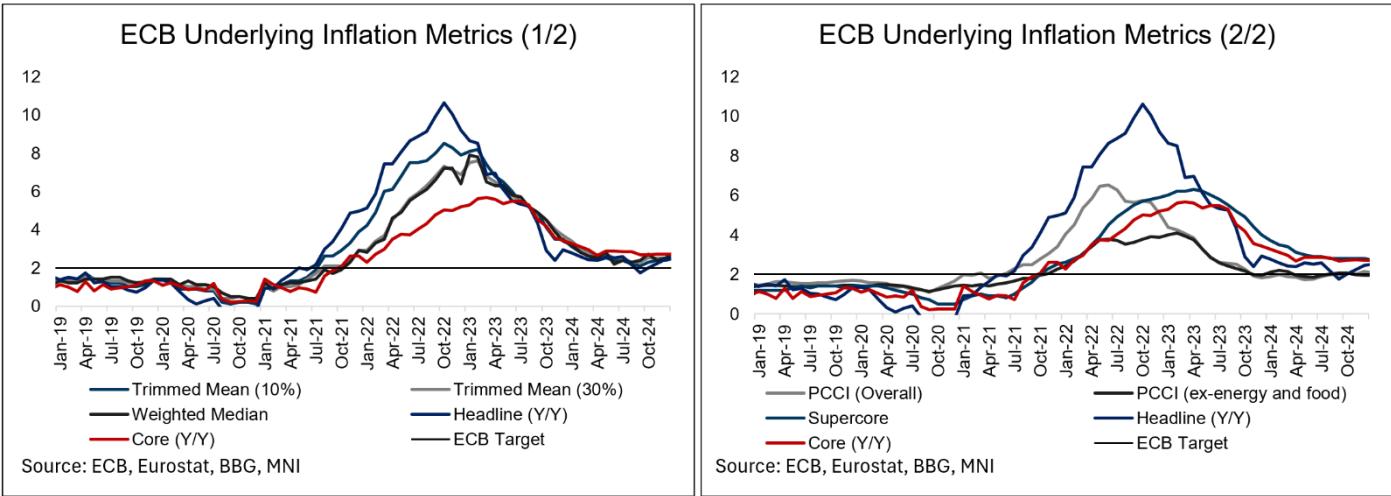
The Eurozone September final HICP report echoed the trends seen in the flash release. While the core print was revised up to 2.4% on a rounded basis after four consecutive releases at 2.3%, the revision was marginal as the 2dp reading remained at 2.35% (2.27% prior). We see no indication in the data suggesting a shift in ECB expectations.

- Services inflation, as in the flash release, was behind the core acceleration, coming in at 3.24% Y/Y (3.23% flash, 3.10% prior). Base effects drove the annual rate higher as the sequential print was -0.91% M/M in September.
- The services sub-components suggested mixed trends in the volatile travel-related categories, with services related to package holidays and accommodation being a solid upward driver this time at 2.78% Y/Y (2.26% prior). Some of that was countered by services related to transport being down to 3.32% Y/Y (3.59% prior).
- Elsewhere, the health category saw a marginal acceleration to 2.33% Y/Y (2.25% prior), rents were a little softer than previously (2.89% vs 2.94% prior), communications accelerated to -1.21% Y/Y (-2.52% prior), while education was softer at 3.67% (4.05% prior).
- Overall, there were no indications in the September services final data suggesting an incoming sudden slowdown across categories, which would reignite speculation around another ECB cut in the more immediate future.
- Core goods inflation meanwhile continued to see no real change in its yearly rate at 0.79% Y/Y in September (0.78% flash, 0.78% prior). While clothing and footwear inflation accelerated to 1.08% Y/Y (0.53% prior) amid strong seasonality (12.00% M/M), furnishings, household equipment and maintenance also accelerated slightly to 0.64% (0.60% prior). Car prices (1.27% vs 1.46% prior) will have outweighed some of that.
- Headline HICP was upwardly revised by 0.01ppt in the final data, to 2.24% Y/Y (2.23% flash, 2.04% prior) on the back of firmer energy (-0.37%, vs -0.40% flash, base effects drove the acceleration vs August's -1.97%). FAT at 3.02% (3.04% flash, 3.19% prior) countered some of that revision from flash, meanwhile.

### Mixed Underlying Inflation Developments in September

The ECB's underlying inflation metrics saw mixed developments in September. Consistent with the details of the NSA data covered earlier, there's little in here to push the ECB away from its well-signalled "good place" guidance on rates. Some Governing Council members continue to warn of downside inflation risks, but these are not being realised in the spot data yet.

- The ECB's preferred measure of underlying inflation, PCCI, eased to 2.04% in September from 2.12% in August for the lowest since November 2024. Core PCCI similarly fell to 1.90% from 1.97% prior.
- Supercore inflation (a model-based measure which considers subcomponents that covary with the business cycle) was steady at 2.50% for the third consecutive month.
- On the other hand, non-model-based measures ticked up in September:
  - 10% trimmed mean to 2.2% from 2.1% prior
  - 30% trimmed mean to 2.3% from 2.2% prior
  - Weighted median to 2.6% from 2.4% prior
- The ECB's seasonally adjusted inflation metrics saw modest upward revisions relative to the flash release. Sequential core HICP rose 0.19% M/M (vs 0.12% initial), with services rising 0.24% (vs 0.23% initial) and non-energy industrial goods rising 0.08% (vs 0.07% initial). That saw 3m/3m annualised core inflation momentum revised to 2.34% (vs 2.32% initial, 2.39% prior).



## Sell-Side Analyst Previews

### Sorted in Descending Order of October Core HICP Y/Y Forecast

#### Morgan Stanley: Core 2.33%, Headline 2.10%

- “Softer headline comes from energy and food. We continue to expect the next large step down for inflation in January”
- Energy -0.95% Y/Y: Softening M/M “reflects both lower fuel prices and a small decline in gas and electricity tariffs on the back of broadly stable natural gas prices. Base effects from a month-on-month increase in energy prices last year in October [pressure Y/Y this time] We expect further drops in energy inflation in the coming months”
- Food 2.68% Y/Y: Higher rate “due to base effect from a sharp increase in food prices in Oct-24 (0.7%M), which is notably above our forecast of 0.3%M for this month. There are some items for which the year-on-year rate continues to trend upward (e.g., meat - which we identified as a key driver behind persistently high unprocessed food inflation, see here), while it has started to come down for others”
- Core goods 0.8% Y/Y: “We expect the idiosyncratic strength to correct in October with a slight weakening of 3bp at the euro area level Services 3.21% Y/Y [...] muted underlying momentum and a lack of pipeline pressures point to downside risk”
- Services 3.21% Y/Y: “We do not expect a meaningful correction of the September increase (e.g., communication), which induces some stickiness in the underlying services path. On our forecast, services excluding air fares, package holidays and accommodation will soften by 8bp, close to the average slope observed since the beginning of the year. The year-on-year inflation in volatile items could strengthen a bit [...] The next meaningful step down of services inflation should come in Jan-26 on the back of annual repricing”

#### Barclays: Core 2.28%, Headline 2.04%

- “Inflation should primarily decline due to the non-core components, as leading indicators suggest that food inflation will likely continue to ease in October and our tracking of energy market prices suggest that energy inflation could drop for the first time in six months, in part due to base effects. Core should also decline, but to a lesser extent as we expect sequential momentum in most services and core goods components to remain roughly stable at current levels”
- Energy -1.0% Y/Y: “driven by a combination of slightly negative base effects and a sequential easing of fuel and gas. Specifically, we expect fuel prices to fall 0.6% m/m NSA as euro-denominated oil has on average so far been 5% cheaper in October than September and pump prices have started to fall. Gas should also decline, by 0.4% m/m NSA, as TTF gas has been edging lower since July. This is despite a 13.2% increase in the regulated individual gas rate in Spain which we capture through a 4pp boost to Spanish gas HICP in October”
- FAT 2.6% Y/Y: “While we expect a slight decline in processed food inflation (-0.1pp to 2.3% y/y), this should be primarily driven by unprocessed food. October is a volatile month for unprocessed food prices, with negative prints in some years but also multiple increases of more than 2% m/m NSA in the past 10 years. Based on leading indicators such as farm gate prices, we expect a relatively modest print of 0.5% m/m NSA”

- Core goods 0.7% Y/Y: "Core goods momentum has consistently remained below 1.0% m/m SAAR this year, with little monthly variation, both including and excluding the volatile semidurable goods. Leading indicators such as manufacturing PMI output prices and the EC survey industry selling price expectations continue to show no clear trend"
- Services 3.2% Y/Y: "Similar to core goods, sequential momentum in services including/excluding the volatile categories has shown no discernible trend over the past year, hovering around 3.1%/3.5% m/m SAAR. We expect this to continue in October, with little change in sequential services momentum. Across components, we forecast an increase in communication inflation (+0.6pp to 0.5% y/y) due to base effects connected with a pricing war between French telecommunication companies last year. However, this should be offset by some sequential payback for firmness in package holidays and accommodation"

#### Daiwa: Core 2.3%, Headline 2.1%

- "While certain services components helped to round core inflation up another decimal point last month, we expect it to temporarily fall back to 2.3% Y/Y, as it had previously been since May. Of course, with the earliest flash estimates from Germany and Spain coinciding with the ECB's meeting, October's flash inflation estimates will have no bearing on the Governing Council's decision or communication."

#### Santander: Core 2.34%, Headline 2.07%

- CPI Y/Y across countries: Germany 2.2%, France 0.9%, Italy 1.6%, Spain 2.8% (core 2.4%)
- EZ services 3.07% Y/Y
- "We highlight the stickiness of services and core inflation for the rest of the year, which might prevent the ECB from sounding much more dovish before the year is over."
- Santander see the HICP ex-tobacco index rising to 129.03.
- "We expect inflation to temporarily fall below 2% in early 2026 due to base effects and one-off factors, but since this undershoot is expected to be short-lived and inflation should return to target by mid-2026, the ECB is unlikely to deliver another rate cut even if we see inflation risks tilted to the downside."

#### RBC: Core 2.3%, Headline 2.1%

- Lower headline "largely due to energy base effects which are likely turn more strongly negative over the coming months. We are forecasting services inflation to remain unchanged at 3.2% y/y with the momentum on a monthly basis only softening slightly from where it averaged in 2023-24. Generally, it looks like inflation should hover around 2% in the near-term, with a temporary dip at the start of 2026, largely due to energy effects and administered prices."

#### Bank of America: Core 2.3%, Headline 2.1%

- "We remain convinced that, over the next months, core inflation will be back on track, slowing towards 2%. We still have two more data prints before the December meeting, and we think data could surprise the ECB to the downside given the stickiness in its forecasts."
- Across countries HICP / CPI: Germany 2.0%/2.0%, France 0.9%/1.1%, Italy 1.7%/1.5%, Spain 2.9%/2.8%

#### Danske: Core 2.3%, Headline 2.1%

- On headline: "chance that it could be lower"

#### TD Securities: Core 2.3%, Headline 2.0%

- "The ECB will welcome a return to its 2% target for headline inflation, even if core inflation remains a little too sticky above, though it doesn't seem to be stressing it too much."
- "Base effects should help bring German headline inflation down a bit to 2.1% y/y (core there is likely to remain sticky as well)."

#### SEB: 2.2% Core; 2.0% Headline

#### Analysts Without Eurozone Core HICP Forecast - Sorted A-Z

##### Commerzbank:

- "Our quant model based on machine learning forecasts higher core inflation in the euro area for the coming months than it did in August. Inflation excluding energy, food, alcohol and tobacco will therefore decline more slowly than previously assumed. Our analysis of inflation details also shows no movement in underlying

inflationary pressure at present. Only in the coming months is the momentum of service inflation likely to slow due to slower wage growth and lower energy prices.“

- “The seasonal adjustment used by ECB is likely to underestimate the pace in September”

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