

MNI Eurozone Inflation Insight – Oct 2025

By Moritz Arold and Chris Harrison
November 3, 2025

Key October preliminary HICP prints

- **Eurozone:** Headline 2.10% (2.1% MNI median ahead of national data, 2.24% prior)
 - Core 2.37% (2.3% MNI median, 2.35% prior)
 - Services 3.35% (3.2% MNI median, 3.24% prior)
 - NEIG 0.61% (0.8% MNI median, 0.79% prior)
 - FAT 2.54% (2.6% MNI median, 3.02% prior)
 - Energy -0.96% (-1% MNI median, -0.37% prior)
- **Germany:** 2.3% Y/Y (2.2% cons, vs 2.4% prior)
- **France:** 0.9% Y/Y (0.9% cons, vs 1.1% prior)
- **Italy:** 1.3% Y/Y (vs 1.6% cons, 1.8% prior)
- **Spain:** 3.2% Y/Y (vs 3.0% cons, 3.0% prior)
- **Netherlands:** 3.0% Y/Y (vs 2.9% prior, 3.0% prior)

Services Beat, Travel At Play?

Executive Summary:

- HICP inflation was as expected in the flash October release but core HICP surprised a little stronger with a Y/Y rate showing no moderation from September.
- Services inflation ticked higher although country-level data hint at volatile travel-related categories at play.
- The full October release on Nov 19 will provide a more useful update on exact drivers.
- By country, Germany, Spain and Netherlands were all stronger than expected, France was in line and Italy saw a sizeable downside miss.
- The ECB is still seen being unlikely to cut at the next meeting in December (1-2bp priced) but with some sources warning that it could see more a lively discussion than some are expecting.

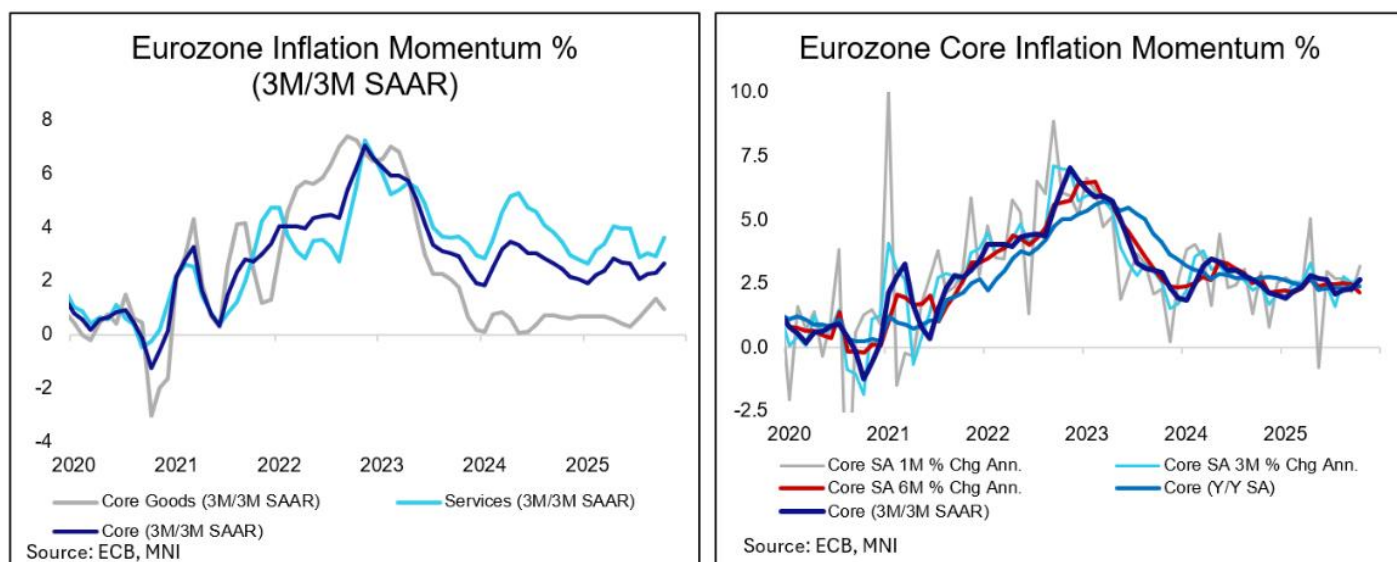
Eurozone October core HICP surprised marginally to the upside on Friday, at 2.37% Y/Y (2.3% MNI median), as firmer services inflation (3.35% vs 3.2% MNI median) was not quite outweighed by softer non-energy industrial goods (0.61% vs 0.8% MNI median). Outside of the core categories, both food, alcohol and tobacco (2.54% Y/Y vs 2.6% MNI median) as well as energy (-0.96% vs -1.0% MNI median) saw some marginal downside versus expectations, resulting in headline HICP coming in exactly in line with consensus at 2.10% Y/Y (MNI median 2.1%) for a 0.14pp deceleration versus September's 2.24%.

Services inflation remains in firm focus for the ECB governing council. While the upside surplus for services and a second monthly acceleration may raise concern on first sight, country-level data suggested that a decent part of the acceleration came from typically volatile travel-related categories. This puts focus on the final release of the October inflation round, which will allow for more nuanced judgement on the drivers of the headline figures, and will also most likely be the last inflation update flowing into the ECB's December quarterly projections. Lagarde on the composition of inflation as an additional factor the ECB is monitoring. *"And in that respect, the way in which the labour market evolves, the way in which wages evolve and the impact that it will have to service inflation are elements that we are also monitoring to understand the impact that it will have going forward. I wouldn't call it a risk, so to speak, you don't find it in the risk section. But I just want to mention these two because they are ingredients that feed into services inflation, which in September has picked up by 0.1%. And they of course also have an impact on underlying inflation, particularly domestic."*

Across countries, data from Spain (3.2% Y/Y vs 3.0% prior and cons), Germany (2.3% vs 2.2% cons; 2.4% prior), the Netherlands (3.0% vs 2.9% cons; 3.0% prior) and France (0.9% vs 0.9% cons; 1.1% prior) suggested some contained upside risks for the Eurozone-wide print ahead of Italy's release on Friday. However, Italy, released simultaneously with the bloc-wide print on Friday, saw a notable downside surprise this time, at 1.3% (vs 1.6% cons; 1.8% prior) for the overall figure to come in in line at the mentioned 2.1%.

Following the data and Thursday's ECB meeting (MNI's review [here](#)), markets continue to view the December ECB meeting remaining largely out of play, with currently 2bp easing priced in OIS contracts, although a set of sources reports suggest that the meeting could turn out a closer call than that implies. There remains a mild easing bias more broadly, including a cumulative 7bp of cuts for March building to 10.5bp for June.

Looking ahead, ECBspeak from centrist but dovish-leaning Governing Council members Simkus, Kazaks and Rehn will be key to watch in the coming months, as a potential dovish tilt in their rhetoric may act as an early signal of a pivot towards one more cut this cycle (if data begins to deteriorate again). For more detailed considerations on recent ECBspeak, see [here](#) and [here](#).



Details

Potential Services One-Off Should Take Away From Core Upside

Headline HICP printed in line with expectations in October, at 2.10% Y/Y, after 2.24% in September. The services upside in the release being a one-off to a decent degree fades any overly hawkish interpretation from the core print coming higher than expected (2.37% Y/Y, vs 2.3% MNI median, 2.35% prior). Key focus is now on the final data and how it reads through to the ECB's December projections.

Details from the HICP print below:

- The 3.35% Y/Y services print was a decent upside surprise vs the MNI median ahead of the national data of 3.2% Y/Y, coming after 3.24% in September. MNI flagged upside risks here following national-level data. However, that data also suggested that the acceleration was driven at least to some part through volatile categories (air fares, holiday villages etc), taking away from its feedthrough to the ECB's reaction function.
- Final data, scheduled for release November 19, will reveal in particular to what extent underlying and more persistent services subcategories moved in October and we will be watching more details in the national prints before then to see how widespread the effects were too.
- Core goods meanwhile countered some of that services upside, at 0.61% Y/Y (0.8% MNI median, 0.79% prior). Analysts see limited pipeline pressures in the category ahead, and thus project the Y/Y rate to exhibit little directional trends in the months ahead.
- Energy was seen as a key downside driver in October and came in roughly in line with to marginally below expectations, at -0.96% (-1.0% MNI median, -0.37% prior). The same applied for food, alcohol and tobacco inflation, which printed 2.54% (2.6% MNI median, 3.02% prior).

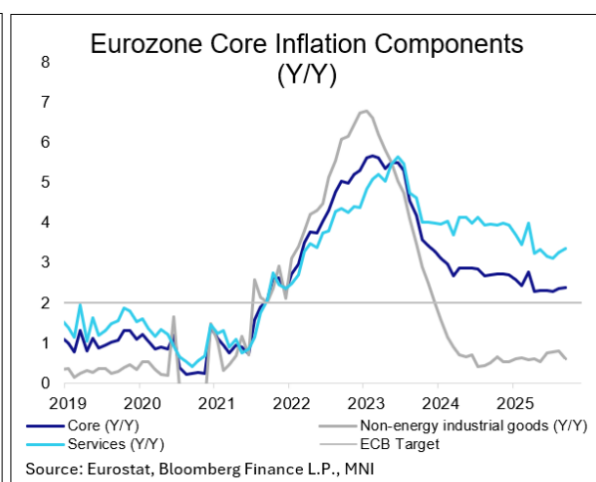
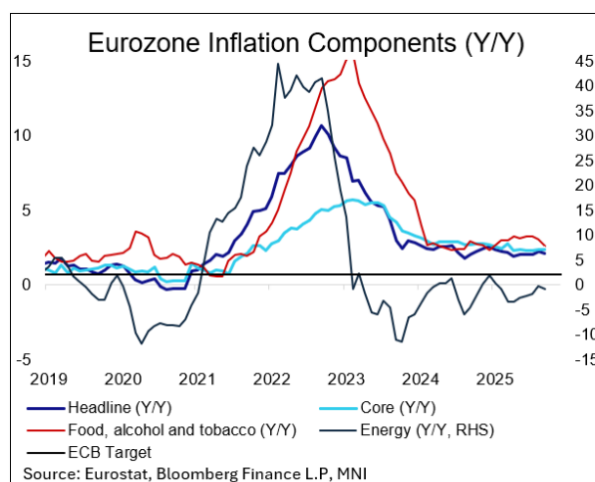
Core Momentum Highest Since May But Services Drivers Unclear

Eurozone core inflation momentum firmed in October to its highest rate since May according to this afternoon's ECB seasonally adjusted data. Some of the services strength behind it may be caveated by coming from volatile travel related categories (implied by previously released country-level NSA data), but we can't say for sure how much of the rise came from more persistent categories. Strength coming from the latter would encourage the more hawkish cohort of the ECB Governing Council who have clearly advocated against a renewed rate cut to 1.75%.

- **Core inflation** momentum accelerated to 2.66% in October after 2.31% in September and the highest since May, calculated here as a 3m/3m annualised rate using ECB seasonally adjusted data. This brings the YTD average in the series to 2.40%.
- On a sequential basis, core prices rose 0.26% M/M vs 0.18% in Sep and 0.22% in Aug.
- **Services** inflation momentum was the driver here, increasing to 3.61% (vs 2.90% in September), the highest rate since June.
- It came with monthly services inflation of 0.39% M/M after 0.24% in Sep and 0.33% in Aug.
- **Core goods** momentum meanwhile gave back a little of its recent acceleration, easing to 0.93% vs a downward revised 1.33% in Sep (previously shown at 1.45%) and 1.0% in Aug. It points to less upside risk to the 0.6% Y/Y printed earlier today in the NSA data than implied last month.
- Core goods prices fell -0.05% M/M after 0.06% in Sept for technically the first decline since April.

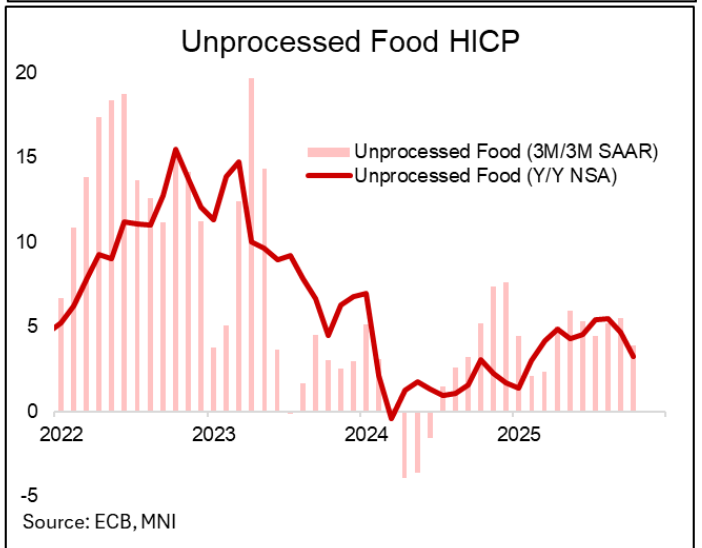
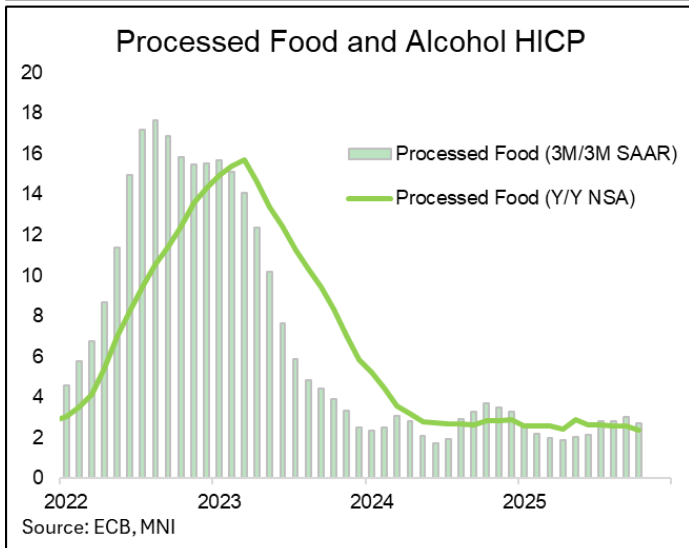
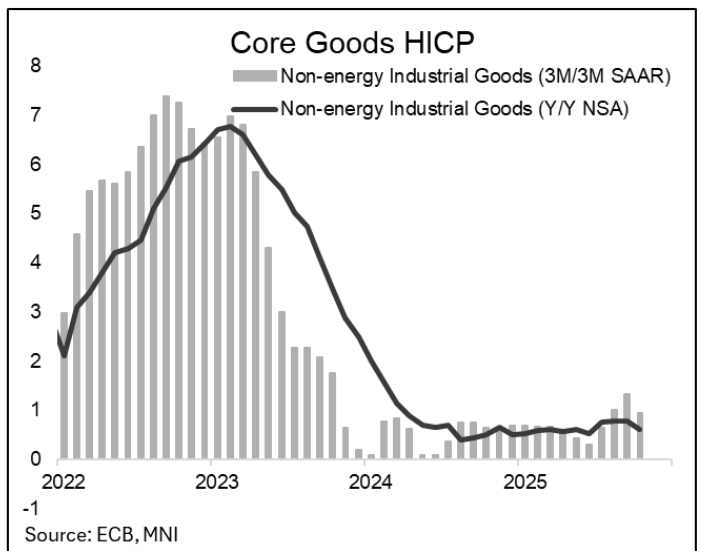
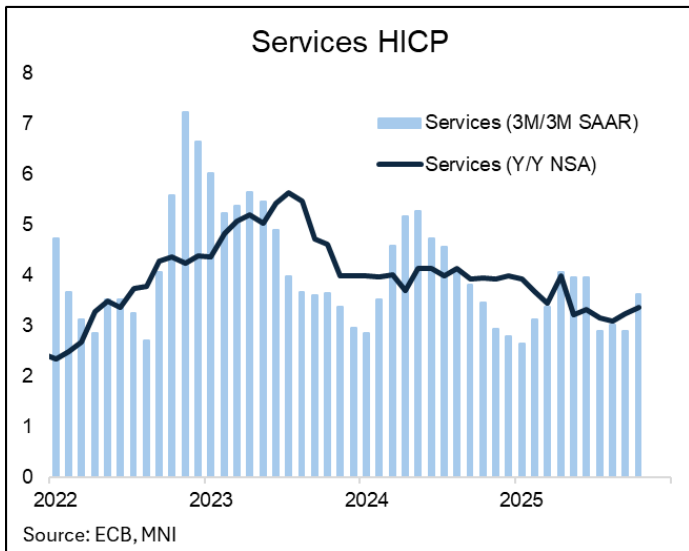
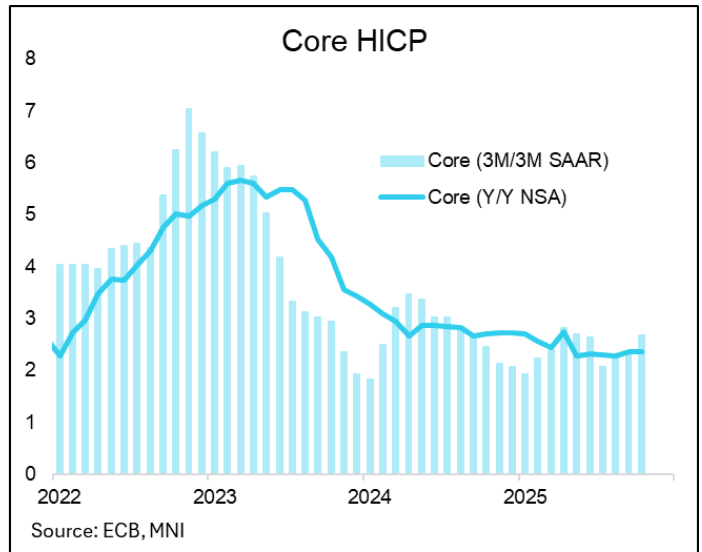
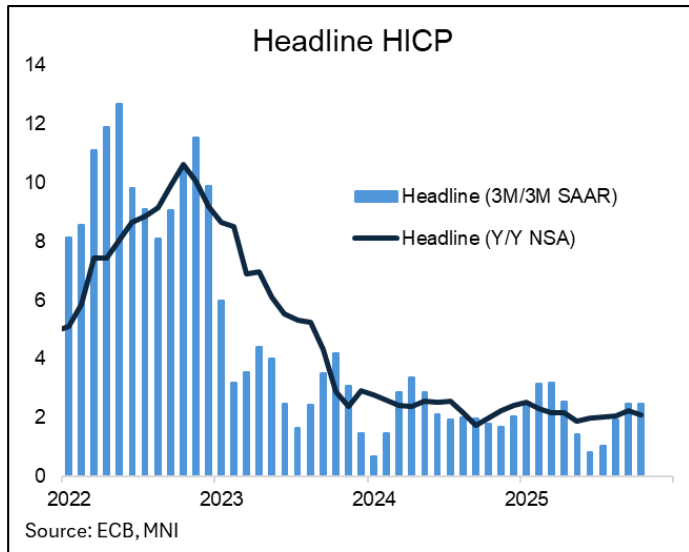
Component	Weights	Y/Y (HICP)							M/M (HICP)
	2025	Oct-24	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Oct-25
All-items HICP	1000.00	2.00	1.89	1.99	2.04	2.04	2.24	2.10	0.21
All-items excluding									
>energy	906.02	2.74	2.48	2.47	2.51	2.47	2.50	2.40	0.24
>energy, unprocessed food	863.36	2.72	2.39	2.37	2.37	2.32	2.39	2.37	0.23
>energy, food, alcohol & tobacco	712.76	2.69	2.28	2.31	2.31	2.27	2.35	2.37	0.26
Food, alcohol and tobacco	193.26	2.88	3.19	3.07	3.25	3.19	3.02	2.54	0.20
>processed food, alcohol and tobacco	150.60	2.82	2.89	2.64	2.65	2.57	2.56	2.35	0.07
>unprocessed food	42.66	3.03	4.28	4.56	5.41	5.48	4.67	3.22	0.70
Energy	93.98	-4.63	-3.57	-2.59	-2.39	-1.97	-0.37	-0.96	-0.19
Non-energy industrial goods	256.26	0.50	0.61	0.52	0.75	0.78	0.79	0.61	0.51
Services	456.49	3.95	3.22	3.32	3.15	3.10	3.24	3.35	0.12

Source: Eurostat, MNI. Note: Blue highlights indicate preliminary readings. HICP monthly figures are not seasonally adjusted.



[Report continues below with summary charts and national level detail]

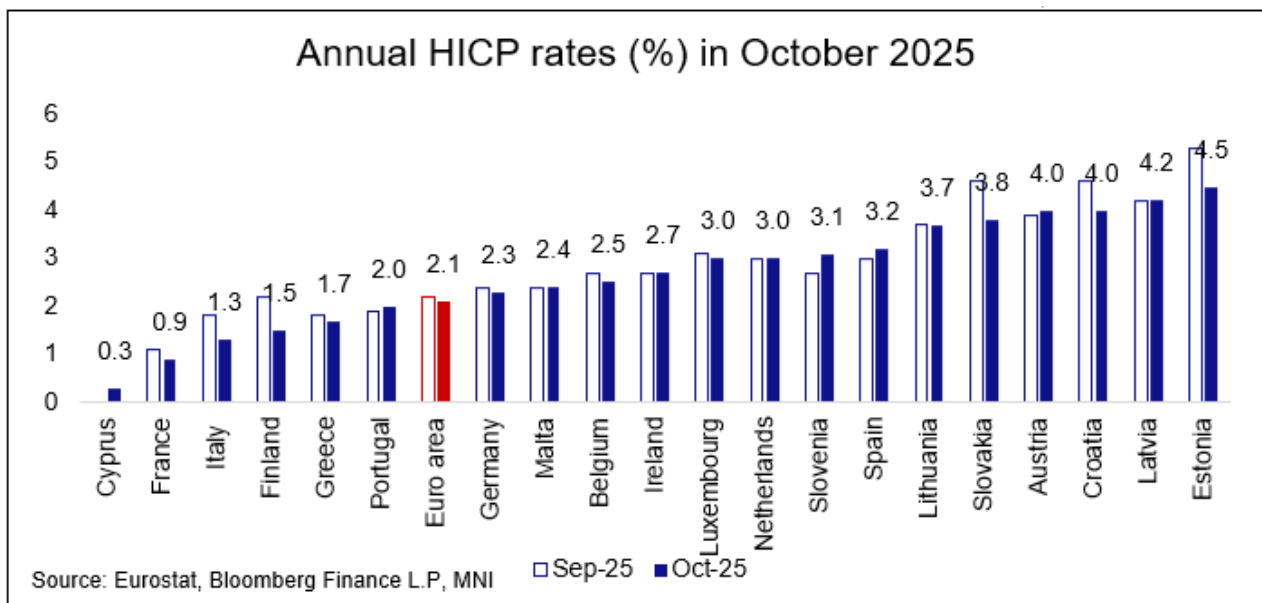
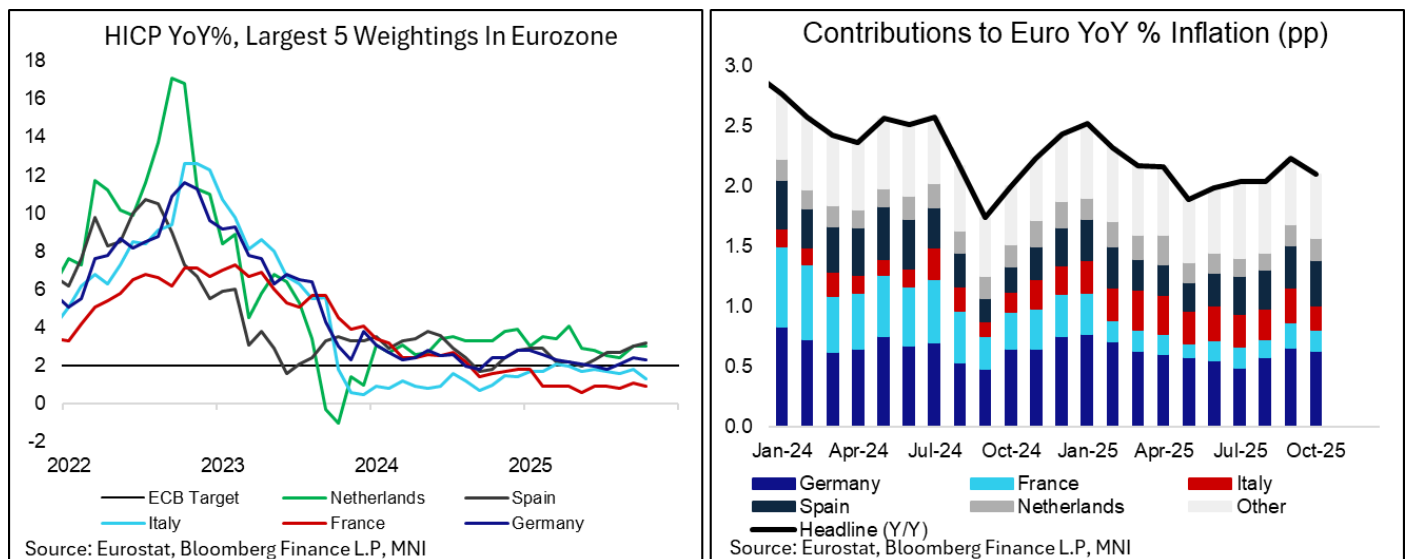
Inflation Momentum Chart Pack



National Inflation Prints

At a country level, headline Y/Y inflation decelerated in 10 of 20 countries in September compared to August, accelerated in 5 and was steady in 5.

- 14 countries had Y/Y rates above the ECB's 2% target, vs 15 in August.
- Estonia had the highest Y/Y rate, at 4.5%, followed by Latvia, at 4.2% (vs 5.3% and 4.2% prior).
- The lowest Y/Y rate was again seen in Cyprus (0.3% Y/Y vs 0.0% prior), followed by France (0.9% Y/Y vs 1.1% prior) and Italy (1.3% Y/Y vs 1.8% prior).
- See below for further details on the main individual country releases.



Germany (28% of Eurozone HICP in 2025)

- **HICP 2.4% Y/Y (vs 2.1% prior); 0.2% M/M**
- **CPI 2.4% Y/Y (vs 2.2% prior); 0.2% M/M**

German national level subcategories as well as headline M/M and Y/Y all came in in line with the MNI tracking following state-level data.

- The services acceleration to 3.5% Y/Y (3.4% Sep) was not expected by analysts but may be partially driven by (volatile) airfares, subtracting from its importance for the ECB. The yearly rate is the highest since April.
- Energy moved further into deflationary territory, at -0.9% Y/Y (-0.7% Sep). Lower energy inflation is also expected for the Eurozone-level print.
- Food inflation, as MNI projected, saw a 0.8pp deceleration to 1.3% Y/Y.

Looking a bit closer at German state level October CPI data, some individual states' data questions the persistence of the national services firmness - a hypothesis which we've also raised following earlier Spanish and Belgian data.

- Looking at the services-heavy subcategories, trends vs September seem mixed: We see healthcare around 2.8% Y/Y (2.9% Sep), communication around 0.0% (-0.3% Sep), recreation and culture around 1.9% Y/Y (1.6% Sep), education around 4.8% (5.1% Sep), and restaurants and hotels around 3.4-3.5% Y/Y (3.7% Sep).
- The mixed-weighting transport category meanwhile will likely come in around 2.6% Y/Y in October, an acceleration from September's 2.4%. However, individual states' data points towards strength in typically volatile airfares this time - meaning some of the acceleration here has the potential to reverse in November and naturally be of less concern for the ECB.
- Categories associated with 'core goods' (clothing and footwear as well as furnishings and household equipment) have only seen limited directional moves this time.

German rail transport inflation will likely be a lagged function of past CPI inflation to some extent, marginally adding to inflation persistence in Germany after state-level ministers of transportation agreed on a price mechanism for the "Deutschlandticket" monthly rail ticket on Thursday.

- Starting from 2027, a new index based on personnel, energy and general cost increases should determine price rises in the ticket, as opposed to the current process rooted in political consensus.
- It is not clear yet how exactly the index will be calculated. In mid-September, transportation ministers agreed on a price increase of 8.6% to a E63/month starting in January 2026. German overall rail transport CPI was 3.8% Y/Y in September. Concrete details of the new price index are scheduled to be concluded on in spring 2026.

France (19% of Eurozone HICP in 2025)

- **HICP 1.1% Y/Y (vs 0.8% prior); -1.1% M/M**
- **CPI 1.2% Y/Y (vs 0.9% prior); -1% M/M**

France flash HICP was 0.86% Y/Y in October, in line with consensus on a rounded basis but only just rounding up to a 0.9% reading. This represents a 0.21pp deceleration vs September's 1.07%. On a M/M basis, HICP was exactly in line with consensus, at 0.10%.

- National CPI (non-HICP) meanwhile was 0.96% Y/Y (1.16% Sep) and 0.08% M/M, marginally below consensus for readings of 1.0% and 0.1%, respectively.
- Sticking to the national CPI details:
 - Fresh food decelerated materially, to -2.22% Y/Y (1.57% Sep), bringing food down to 1.29% (1.73% Sep). Other food was roughly unchanged at 1.78% Y/Y (1.74% Sep).
 - Services inflation saw little change in October, printing 2.40% Y/Y (2.44% Sep).
 - Energy was a downside driver to headline, as was expected for the Eurozone-wide print scheduled for later today. The category printed -5.57% Y/Y this time (-4.45% Sep).
 - Manufactured products were -0.52% Y/Y in October (-0.43% Sep).

Italy (16% of Eurozone HICP in 2025)

- **HICP 1.8% Y/Y (vs 1.6% prior); 1.3% M/M**
- **CPI 1.6% Y/Y (vs 1.6% prior); -0.2% M/M**

Italian September flash HICP was a tenth higher than consensus in both Y/Y and M/M terms coming in at 1.8%Y/Y (1.6% prior) and 1.3%M/M (-0.2% prior).

- Core HICP rose to 2.1% from 2.0% in September. This is only the second time above 2.0% since August 2024 (with April 2025 the only other time).
- The increase in core was all driven by goods: Services HICP remained at 3.0%Y/Y for the fourth consecutive month but there was an increase in core goods (NEIG) from 0.1%Y/Y in August to 0.7%Y/Y in September. This was partly driven by base effects, but also marks the highest NEIG print since July 2024. Clothing and "restaurants and hotels" both saw notable increases. Clothing in particular seems to be a surprise versus consensus.
- Energy also seemingly surprised to the upside slightly, at -3.8%Y/Y up from -4.8%Y/Y (it had been expected to increase to around -4%).
- FAT fell to 3.7%Y/Y from 3.8%Y/Y in August. This was largely driven by a fall in unprocessed food inflation from 6.4%Y/Y to 5.5%Y/Y.

Spain (11% of Eurozone HICP in 2025)

- **HICP 3% Y/Y (vs 2.7% prior); 0.1% M/M**
- **CPI 2.9% Y/Y (vs 2.7% prior); -0.4% M/M**

Spanish flash October HICP was firmer consensus on a rounded basis at 3.2% Y/Y (vs 3.0% cons and prior). On a monthly basis, HICP was 0.5% (0.3% cons). Core HICP (excluding energy and unprocessed foods) was estimated softer than before, at 2.6% Y/Y (no consensus, 2.7% prior).

- There are two key takeaways for us here: first that core CPI is higher than expected - but the press release notes that there are "increases in air and rail transport prices." These may be seen across other Eurozone member states - but if these are big drivers may also be reversed next month.
- Second, the uptick was also driven by "higher electricity prices compared to October 2024". This was something flagged in the sellside previews that we had read but may be a larger impact than expected given the even larger upside surprise to headline HICP and headline national CPI. The press release does also note "These increases are partially offset by lower gasoline prices."
- National-level flash CPI was also higher than expected, meanwhile, at 3.1% Y/Y (vs 2.9% cons, 3.0% prior), with core CPI at 2.5% Y/Y (vs 2.4% cons and prior).

Netherlands (5.8% of Eurozone HICP in 2025)

- **HICP 3% Y/Y (vs 2.4% prior); -0.3% M/M**
- **CPI 3.3% Y/Y (vs 2.8% prior)**

Dutch flash HICP inflation came in above consensus in preliminary October data, at 3.01% Y/Y (2.9% consensus, 3.04% September). A core acceleration amid firmer services and softer core goods was roughly balanced by an energy slowdown.

- Core HICP was 2.87% in October, the highest rate since April, vs September's 2.75%.
- This came as firmer services, at 4.53% Y/Y (also highest since April and the second consecutive acceleration, 3.58% Sep), more than outweighed softer core goods (0.35% Y/Y, vs 1.53% Sep, lowest rate since January).
- We've seen services accelerate in all countries that have posted data for the category so far, despite sellside expectations for a roughly unchanged Eurozone-wide print. However, some national-level details suggest that this acceleration was driven at least to some part through volatile categories (air fares, holiday villages etc), taking away from its feedthrough to the ECB's reaction function. However, there is no data yet for the Netherlands on this, so only the final data scheduled for November 11 will reveal where the October services upside came from in detail in the country.
- On the non-core items, FAT (food, alcohol and tobacco) was a little higher, at 3.83% Y/Y (3.70% Sep). Energy was pulled down by base effects, to 2.07% Y/Y (3.99% prior) amid a -0.31% M/M sequential print.

- The national CPI was in line with expectations, at 3.1% in October (3.1% cons, 3.3% September).

Belgium (4.0% of Eurozone HICP in 2025)

- **HICP 2.7% Y/Y (vs 2.6% prior); -0.3% M/M**
- **CPI 2.12% Y/Y (vs 1.9% prior); -0.3% M/M**

Belgium HICP fell to 2.5% in October (vs 2.7% prior), now one tenth below the levels seen in July and August. Headline CPI (non HICP) fell around half as much to 2.00% (vs 2.12% September). Looking at the CPI details:

- Food (incl alcoholic beverages) inflation saw a large decrease to 2.68% (vs 3.32% September). This fall contributed 0.46ppts to headline inflation.
- Airfares contributed +0.05ppts to the headline figure, airfares were also noted to be higher in Spain and appear to be an upside surprise generally so far. "Holiday villages" (package holidays) contributed +0.13ppts to the figure.
- Core CPI (excl energy and unprocessed food) remained relatively stable at 2.58% (vs 2.61% September), noting that last month's release saw a notable c.0.3ppt rise.
- Services CPI grew 0.15ppts to 3.62%. Private rents, sporting and recreational services, restaurants and cafes all contributed positively, but hotel prices contributed negatively.
- Energy CPI fell further to -1.85% (vs -1.48% September).