

MNI Eurozone Inflation Insight – Sep 2025

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Key August preliminary HICP prints:

- **Eurozone:** 2.23% (2.2% consensus ahead of national data, 2.04% prior)
 - Core (ex-energy, food, alcohol & tobacco): 2.27% (2.3% MNI median, 2.31% prior)
 - FAT 3.21% (3.2% MNI median, 3.25% prior)
 - NEIG 0.78% (0.7% MNI median, 0.76% prior)
 - Energy -1.89% (-1.6% MNI median, -2.39% prior)
 - Services 3.10% (3.1% MNI median, 3.15% prior)
- **Germany:** 2.4% Y/Y (vs 2.1% prior, 2.2% cons)
- **France:** 1.1% Y/Y (vs 0.8% prior, 1.3% cons)
- **Italy:** 1.8% Y/Y (vs 1.6% prior, 1.7% cons)
- **Spain:** 3.0% Y/Y (vs 2.7% prior, 3.0% cons)
- **Netherlands:** 3.0% Y/Y (vs 2.4% prior, 2.7% cons)

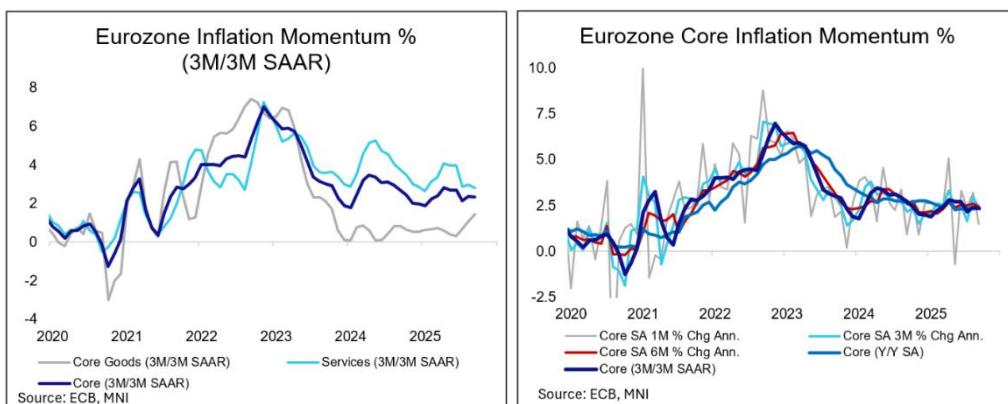
Near-Term Cut Remaining Afield

Eurozone September headline HICP inflation printed broadly in line with consensus expectations on Tuesday, at 2.23% (consensus 2.2%) for an acceleration versus August's 2.04%. As we flagged in our preview ahead of country-level data, such a marginal upside surprise was not sufficient to ensure a material tilt in EUR rates, with markets expecting both the October and December ECB meetings to remain largely out of play.

Across categories, food, alcohol and tobacco (FAT) is the only notable surprise, coming in softer than expected at 3.04%Y/Y (down from 3.19%Y/Y where it was expected to remain). The category arguably is under elevated scrutiny following a recent [ECB blog post](#) highlighting its importance for inflation expectations. Services inflation meanwhile ticked up this time, coming in very close to expectations in September, at 3.23% Y/Y (MNI median was 3.2% Y/Y following 3.10% in August) for the highest rate in the category since June. Non-energy industrial goods was unchanged from its August reading, coming in a little higher than forecast, at 0.78% Y/Y (0.7% MNI median). Energy seen the largest change, which was expected on the back of base effects, but it saw a smaller increase than consensus expectations at -1.89% (-1.6% MNI median, -2.39% prior).

ECB President Lagarde on Tuesday struck a confident tone in her [keynote speech](#) in Helsinki on "Trade wars and central banks: lessons from 2025" in Helsinki. "I have said that we are in a good place [...] there are also three additional reasons why it applies to the current situation", Lagarde said, then going on to mention a) a lack of policy trade-offs because of little new inflationary pressures, b) inflation risks appearing contained, and c) the ECB being well placed at 2% to respond to new shocks as reasons.

Together with the in line HICP data, this kept markets some distance from expecting further near-term ECB cuts from the current 2%: OIS currently price a mere 10bps of easing through June 2026.



EZ August HICP Marginal Downside vs Consensus From Energy

Eurozone HICP came in at a little below the MNI tracking at 2.3%Y/Y (based on the country level data we had seen 2-way risks at 2.3%Y/Y). Unrounded, it came in at 2.23%Y/Y, broadly in line with the market consensus.

- Core and services both rounded down to consensus expectations, although core at 2.35%Y/Y was not far from rounding up to 2.4%.
- FAT (food, alcohol and tobacco) is the only notably surprise, coming in softer than expected at 3.04%Y/Y (down from 3.19%Y/Y where it was expected to remain).
- Services inflation meanwhile ticked up this time, coming in very close to expectations in September, at 3.23% Y/Y (MNI median was 3.2% Y/Y following 3.10% in August). This was the highest rate since June in the category. The acceleration was expected by analysts, mostly on the back of base effects, with the view prevailing that the underlying disinflation process remaining on track. Wednesday's data does not challenge that prospect.
- Non-energy industrial goods was unchanged from its August reading, coming in a little higher than forecast on balance, at 0.78% Y/Y (0.7% MNI median).

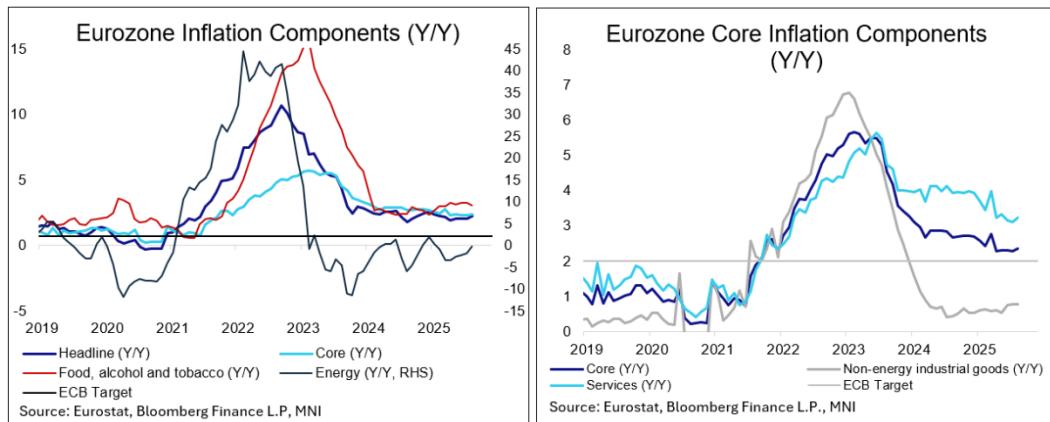
Core Inflation Rises In Aug, But Not Enough To Concern ECB

Eurozone core inflation momentum slowed marginally in September after its August spike, falling further below its YTD average. The ECB will likely be content with current HICP dynamics, and Wednesday's data should not move the needle.

- MNI's inflation momentum series are calculated as a 3m/3m seasonally adjusted annualised rate using ECB seasonally adjusted flash data.
- In September, core inflation momentum fell to 2.32%, down from 2.38% in August but above the 2.14% seen in July. This brings the YTD average in the series to 2.39%. On a sequential basis, core prices rose 0.12% M/M (vs 0.26% in August, 0.20% in July).
- Services inflation momentum ticked down to 2.81% (vs 2.95% in August), the lowest rate in the category since January. On a M/M SA comparison, services prices rose 0.23% (0.33% August).
- Core goods momentum rose for a third consecutive month to 1.45% (vs 1.09% in August, 0.69% in July), with sequential price increases almost flat at 0.07% M/M (0.04% August).

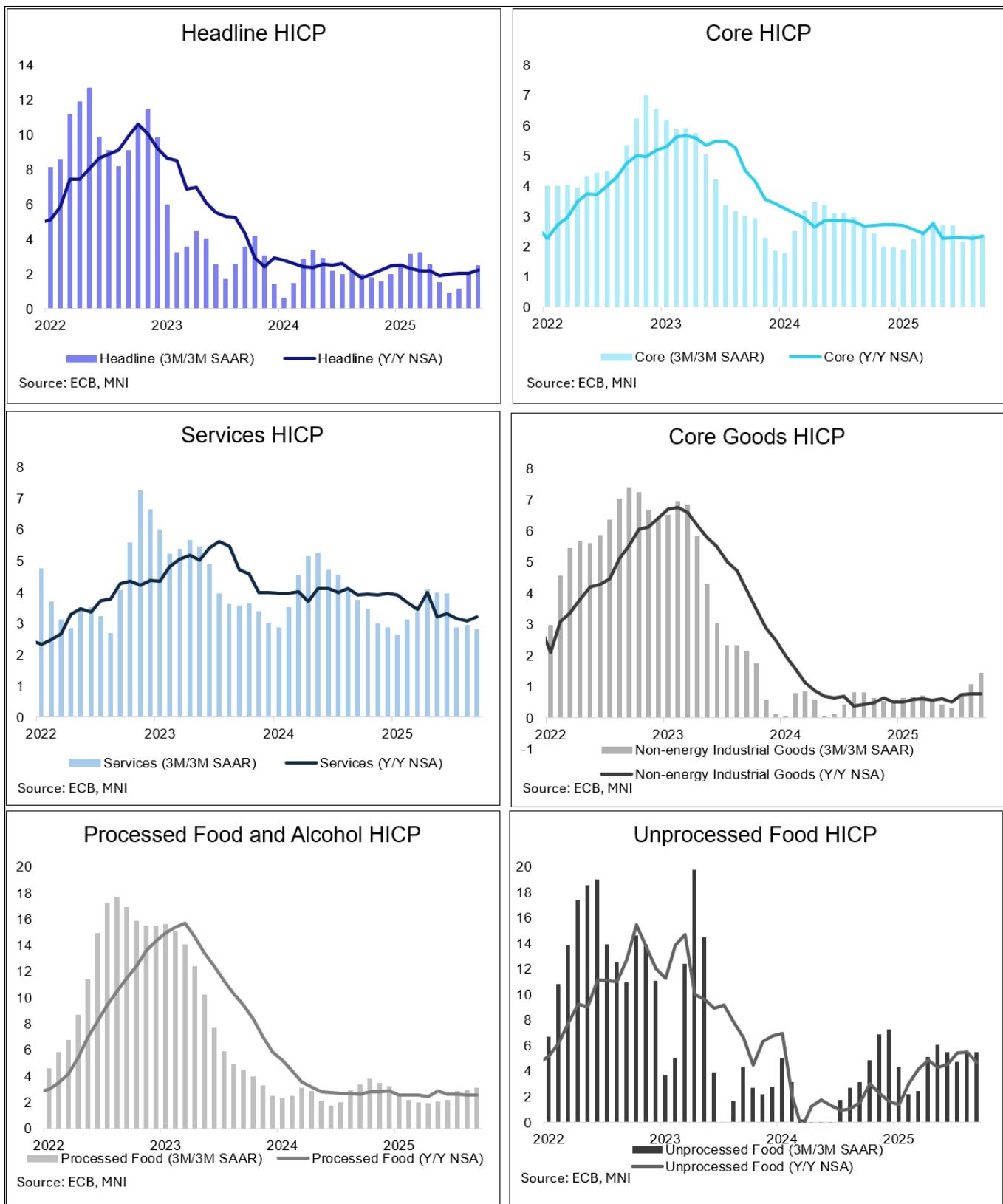
Component	Weights	Y/Y (HICP)								M/M (HICP)
		2025	Sep-24	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	
All-items HICP	1000.00	1.74	2.17	1.89	1.99	2.04	2.04	2.23	0.09	
All-items excluding										
>energy	906.02	2.62	2.80	2.48	2.47	2.51	2.47	2.49	0.10	
>energy, unprocessed food	863.36	2.66	2.69	2.39	2.37	2.37	2.32	2.39	0.10	
>energy, food, alcohol & tobacco	712.76	2.67	2.75	2.28	2.31	2.31	2.27	2.35	0.14	
Food, alcohol and tobacco	193.26	2.40	2.97	3.19	3.07	3.25	3.19	3.04	-0.03	
>processed food, alcohol and tobacco	150.60	2.62	2.43	2.89	2.64	2.65	2.57	2.59	-0.10	
>unprocessed food	42.66	1.57	4.86	4.28	4.56	5.41	5.48	4.67	0.22	
Energy	93.98	-6.10	-3.56	-3.57	-2.59	-2.39	-1.97	-0.40	-0.10	
Non-energy industrial goods	256.26	0.44	0.57	0.61	0.52	0.75	0.78	0.78	2.16	
Services	456.49	3.92	3.98	3.22	3.32	3.15	3.10	3.23	-0.93	

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]

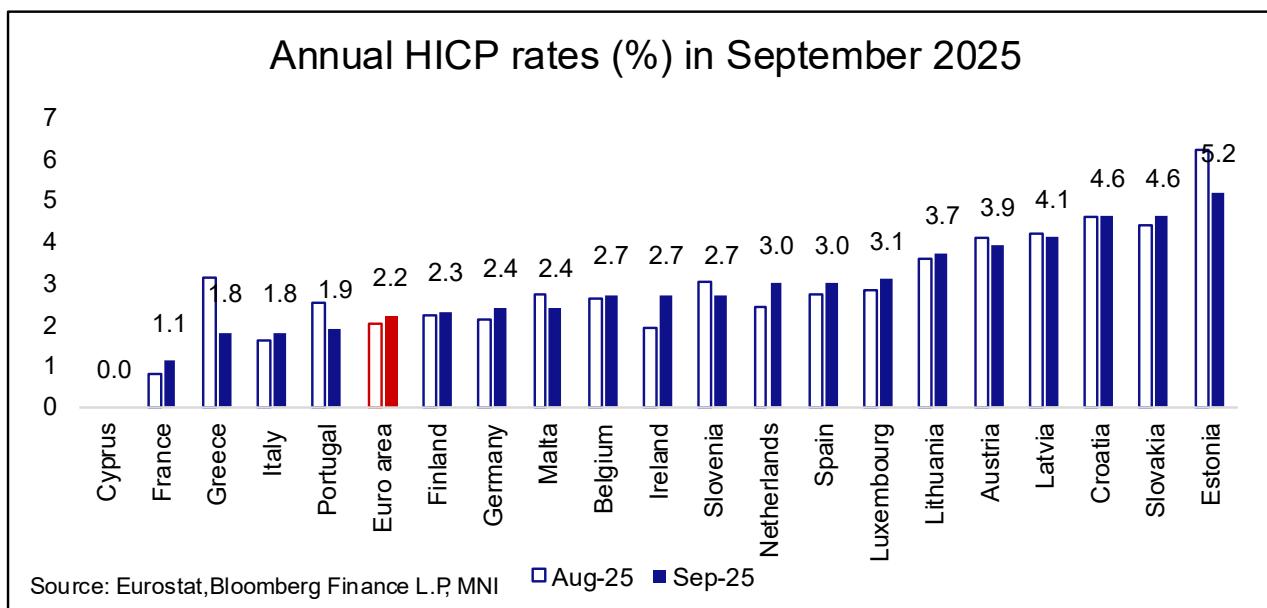
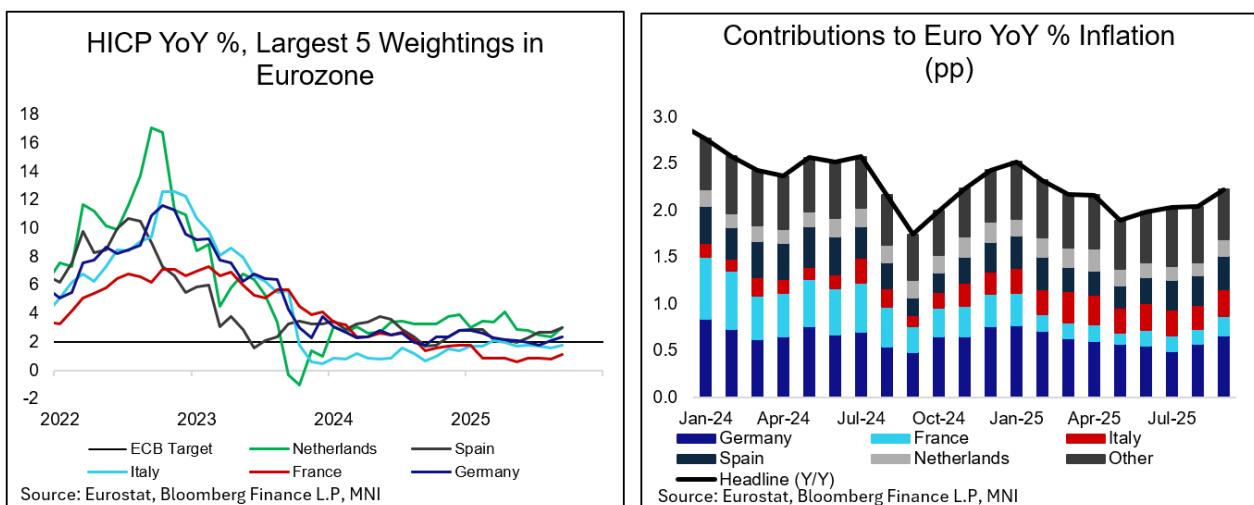
Inflation Momentum Chart Pack



National Inflation Prints

At a country level, headline Y/Y inflation decelerated in 7 of 20 countries in August compared to July. Inflation accelerated in 11 countries, and was steady in the remaining 2.

- 15 countries had Y/Y rates above the ECB's 2% target, vs 1 in July.
- Estonia had the highest Y/Y rate, at 5.2%, followed by Slovakia and Croatia, both at 4.6% (vs 6.2%, 4.4% and 4.6% prior).
- The lowest Y/Y rate was seen in Cyprus (0.0% Y/Y vs 0.0% prior), followed by France (1.1% Y/Y vs 0.8% prior) and Greece (3.1% 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 HICP saw a decent upside surprise to consensus, of 2 tenths in Y/Y terms at 2.4% Y/Y. National CPI meanwhile came in one tenth above consensus and in line with the MNI tracking, at 2.4% Y/Y (up from 2.2% Y/Y in August). The main categories of the German national-level data show higher energy and services inflation, as expected following the state-level data out earlier on Tuesday:

- Energy moved up as expected, to -0.7% (-0.7% MNI tracking, -2.4% prior) amid base effects.
- Services accelerated even more than we had thought, to 3.4% (3.3% MNI tracking), the first uptick after two consecutive prints at 3.1%. This was an upside surprise as analysts were rather looking for a marginal slowdown here. The Bundesbank sees the category continuing to rise towards the end of the year on the back of travel price base effects.
- This led core CPI to speed up to 2.8% Y/Y (2.8% MNI tracking, 2.7% prior). The category stood at 2.7% for three consecutive months previously.
- Food came in lower than before, meanwhile, at 2.1% Y/Y (MNI tracking was incl. alcoholic beverages and was also for a deceleration, 2.5% prior). This is the lowest rate since June. The category arguably stands under elevated scrutiny following a recent ECB post on its importance for inflation expectations.

Looking a bit closer at the German state level September CPI data released on Tuesday, we see the following:

- Within the services-heavy subcategories, the largest magnitude of change will likely be in education, we see the category around 3.9% Y/Y (from 5.1% prior, but note its low weighting in the CPI basket). Restaurants and hotels meanwhile seem to have accelerated, to around 3.9% - 4.0% (3.6% prior). Restaurants will see a VAT decrease in January in Germany.
- The mixed-weighting transport category meanwhile also accelerated, that comes on the back of the mentioned energy acceleration which is driven by base effects. We see transport at around 2.5% Y/Y in September (vs 1.4% prior).

As per seasonally adjusted Bundesbank data, German sequential services inflation spiked in September, to 0.51% M/M, its highest rate since May 2024 (vs 0.25% prior, 6.3% annualized).

- This looks to be an upward surprise, as ahead of the non-SA Destatis release, analysts saw the services Y/Y rate lower in Germany this time - that has not happened as per an acceleration to 3.4% (from 3.1% prior). Services-heavy subcategories that seem likely to print higher in September (judging from state-level data) are recreation and culture as well as restaurants and hotels. It is not quite clear yet what impact airfares had this time.
- The services spike was countered by a deceleration in manufactured goods ex-energy, which came in at 0.08% M/M (0.17% prior, 1.0% annualized).
- On balance, this left German sequential core CPI unchanged vs August on a sequential comparison, at 0.25% M/M (3.1% annualized).
- On a 3m/3m SAAR basis, core CPI was 2.6% in September (vs 2.3% prior, highest rate since February). On this less volatile measure, both subcategories came in higher than previously: services accelerated to 3.0% (2.4% prior), while manufactured goods ex-energy was 2.2% (1.5% prior).

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 HICP came in below consensus in September, at 1.07% Y/Y (vs 1.3% cons; 0.83% prior). National-level CPI was also below consensus, at 1.16% Y/Y (vs 1.3% cons; 0.88% prior). Sticking to the national-level CPI details:

- Services accelerated, to 2.44% Y/Y (from 2.14% in August).

- Energy inflation also moved higher, to -4.49% Y/Y (-6.21% August). Energy base effects are seen to be the main upward driver in the Eurozone-wide release this time.
- Food meanwhile also accelerated, from 1.60% to 1.74% in September. On a Eurozone-wide level, food was seen unchanged around 3.2% by analysts - but we've now seen accelerations from both France and Belgium (Spain gave no indication in their flash release on the category). This means the category is to watch in the German and Italian releases later today (especially after a recent ECB blog post drawing attention to its importance for inflation expectations).
- Manufactured goods saw little change in September, at -0.43% Y/Y (-0.32% prior).

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 September HICP was inline with consensus on a rounded basis at 3.0% Y/Y (vs 3.0% cons, 2.7% prior). On a monthly basis, HICP was 0.1% (0.2% cons). Core HICP (excluding energy and unprocessed foods) was estimated softer than before, at 2.4% Y/Y (vs 2.7% prior), the lowest rate in the category since March.

- National-level flash CPI was lower than expected, meanwhile, at 2.9% Y/Y (vs 3.1% cons, 2.7% prior), with core CPI at 2.3% Y/Y (vs 2.5% cons, 2.4% prior).
- The headline CPI Y/Y uptick is mainly due to "fuel and electricity prices falling less than in September 2024", INE notes.
- Ahead of the print, analysts have expected energy base effects to drive headline inflation up - that seems to have materialized. Core inflation was seen lower on both core goods and services, the release does not contain much information here. Final data is scheduled for October 15.

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 September data, at 3.04% (cons 2.7%) after 2.42% in August, for the highest rate since April.

- Core HICP drove the acceleration, at 2.74% Y/Y (2.16% August), also the highest reading since April.
- This was mainly due to firmer services, which came in at 3.57% Y/Y (2.87% August), while non-energy industrial goods (core goods) were only slightly higher than previously, at 1.53% Y/Y (1.42% August).

- Looking at the non-core items, FAT (food/alcohol/tobacco) was almost unchanged at 3.70%. Energy was pushed up by base effects (as is expected for the Eurozone-wide release at 10:00 BST), at 4.01% Y/Y (1.57% August; M/M was 0.75%).
- The national CPI was also firmer than expected, at 3.3% in September (2.9% cons, 2.8% August).

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 rose to 2.7% Y/Y (from 2.6% prior), its highest rate since June according to the Statbel flash estimate. National CPI (non HICP) inflation meanwhile also accelerated, to 2.12% in September from 1.91% previously.

- Sticking to the non-HICP details, core CPI (ex energy & unprocessed food) ticked up notably, to 2.61% Y/Y (vs 2.30% prior).
- Services inflation was almost unchanged at 3.47% Y/Y (3.48% prior).
- "Inflation for food products (including alcoholic beverages) stands at 3.32% this month, compared with 2.42% last month.", INE adds. Food inflation is expected to be roughly unchanged on the yearly rate on the Eurozone-wide HICP release, and may undergo increased scrutiny in the coming months following a recent ECB blog post drawing attention to the importance for inflation expectations of the category. After the Belgian increase, we will be watching to see if we get a similar increase in other countries - which could then provide an upside surprise to headline HICP.
- Energy inflation meanwhile has dropped in September in Belgium, with a -1.48% Y/Y rate (vs -0.75% August, -1.86% July). Energy is seen to drive an uptick in the Eurozone-wide headline print in September.

Austria (3.4% of Eurozone HICP in 2025)

- **HICP 3.9% Y/Y (vs 4.1% prior); 0% M/M**
- **CPI 4% Y/Y (vs 4.1% prior); -0.2% M/M**

Austria HICP decelerated to 3.9% Y/Y in September after 4.1% in August for its first slowdown since May. On a sequential comparison, HICP was 0.0%. The national-level CPI print meanwhile was 4.0% in September (4.1% August). Statistics Austria comments on the drivers of the CPI release:

- "Once again, the strongest price driver was the service sector, with a price increase of 4.7%. The upward trend slowed for food, tobacco and alcohol, with prices rising by 3.8% after 5.0% in August."
- "Industrial goods also saw weaker inflation at +1.4% than in August at +2.2%. In contrast, price momentum in the energy sector strengthened to +7.9%, after +5.9% in the previous month, because electricity remained expensive and fuel no longer had a dampening effect on prices"

Portugal (2.6% of Eurozone HICP in 2025)

- **HICP 1.9% Y/Y (vs 2.5% prior); 1% M/M**
- **CPI 2.4% Y/Y (vs 2.76% prior); 0.9% M/M**

Portugal HICP decreased to 1.9% Y/Y in September according to the Statistics Portugal flash release (2.5% August).

- The national-level CPI (non-HICP) decelerated to 2.39% (2.76% August), meanwhile.
- The slowdown was driven by the 'core' measure (CPI excl. unprocessed food and energy), which came in at 1.96% Y/Y (2.44% August).
- Energy CPI accelerated, meanwhile, to 0.33% Y/Y (-0.18% August). A higher Y/Y rate in the category is also expected for the Eurozone-wide print scheduled for release later today. The energy M/M reading was 0.31% in Portugal this time.
- Food saw relatively little change this time, with unprocessed food unchanged at 6.99% and processed food at 1.03% (0.81% prior).