MNI UK Inflation Preview: October 2025

18 November, Tim Davis and Jonathan Nazar

Contents

Governor Bailey's vote at the December MPC meeting is still far from guaranteed despite last week's soft labour market data (for more on that see our Labour Market Insight piece here). We still think that assuming data comes in broadly in line with expectations and we don't have an inflationary Budget that Bailey will vote to support a cut at the December MPC meeting, and together with the four dovish dissenters from the November MPC meeting, a 5-4 vote would be enough for a pre-Christmas 25bp cut.

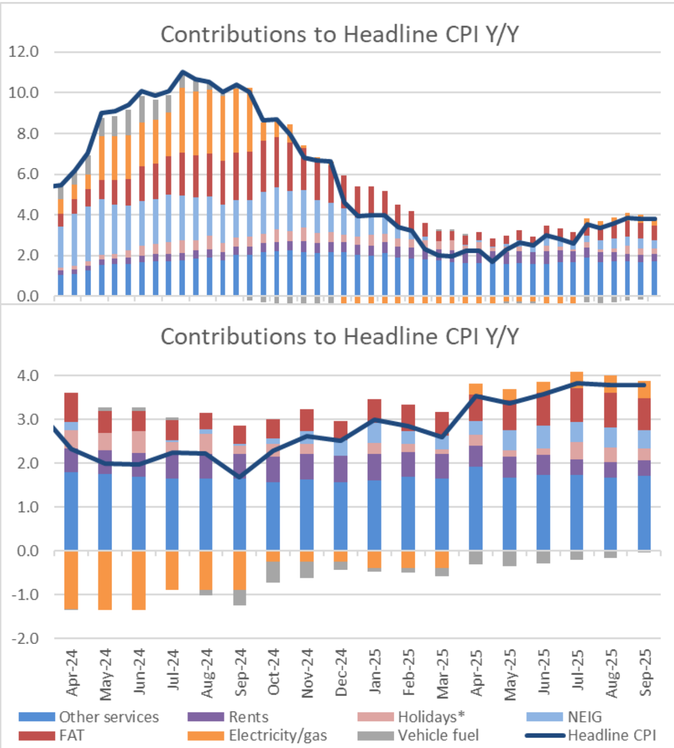
The BOE November MPR forecast looks for headline CPI to come in at 3.60%Y/Y – this forecast is 11 hundredths below the August MPR expectation following a 21 hundredth downside surprise in September. The analyst previews that we have read look for a median around a tenth lower at 3.51%Y/Y (although note that most of the analyst forecasts are only to 1dp). Indeed, 13/18 analyst previews that we have read (over 70%) look for headline CPI to round to 3.5%Y/Y (or lower) while only 2/18 look for an upside surprise for the BOE (rounding to 3.7%Y/Y).

With sellside expectations skewed towards a softer print, and markets pricing in 18bp for the December meeting, we think that an upside surprise to the BOE's forecast would therefore likely cause a larger market move than a downside surprise.

For the October print, air fares provide the largest uncertainty while analysts expect food prices to come in lower than the BOE's forecasts. Education and cultural services are likely to contribute positively to services CPI while rental and accommodation prices are expected to soften. We continue to see restaurant prices as a key barometer of the pricing power of consumer discretionary firms.

Energy: Around 0.2ppt negative contribution: Electricity and gas base effects with some offset from to motor fuels

The largest downside contribution to headline CPI will come from base effects related to electricity and gas prices. The dual-fuel Ofgem quarterly price cap increased by around 2.0% in October 2025 (relative to September), a smaller increase than the 9.5% increase seen last year. The price cap is paid by the majority (but not all) households and is expected to knock around ¼ppt off of headline CPI. This downward contribution from electricity and gas prices has been expected for some time and was the reason that the September CPI print had been expected to mark the peak (although the outturn in the end saw September CPI 0.05ppt below July CPI's 3.83%Y/Y print).

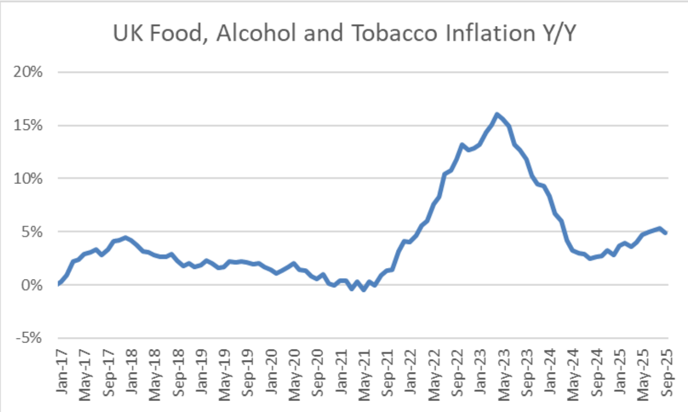


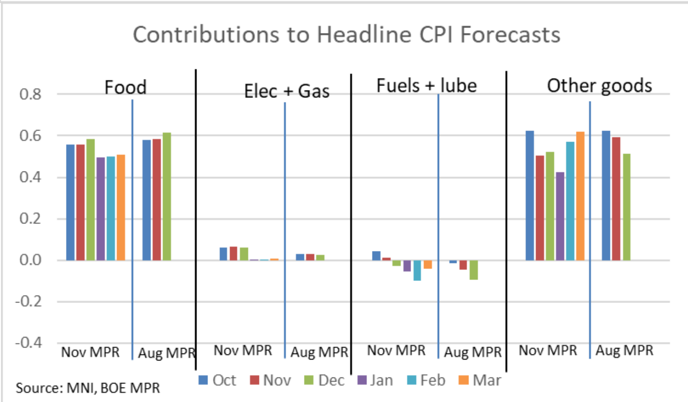
Source: MNI, ONS Note: Holidays includes accommodation, package holidays and air fares

We noted earlier in the year that we don't think that all sellside analysts are correctly incorporating the Ofgem price cap into their forecasts following a change in methodology from the ONS this year. Fixed price energy contracts have been included in the CPI basket from 2025 whereas in prior years only the Ofgem cap was included. With some consumers having already locked in energy prices before the price cap change, we think there can be a tendency for analysts to look for slightly softer electricity and gas price changes on the quarterly update months.

However, this effect may be more negligible this time due to most of the move coming from base effects. Nonetheless, we see some small upside risks to sellside forecasts here. However, offsetting this somewhat will be motor fuel prices which are normally modelled fairly accurately by the sellside and are expected to see around a 0.05ppt upside contribution. This should leave energy as a whole contributing around -0.20ppt to the Y/Y change in headline CPI in October.

Food price inflation: Downside risks to BOE forecasts – more important to hawks than doves





Food price inflation remains one of the focal points for the hawks on the MPC. However, Governor Bailey and a number of the doves on the Committee noted that they supported the view presented in the box in the November MPR that showed that although food price inflation can influence inflation expectations, it doesn't necessarily have much impact on future inflation outcomes. A downside surprise to food price inflation therefore may have more of an impact on some of the more hawkish MPC members (such as Lombardelli) who are concerned about inflation persistence stemming from inflation expectations driven by high spot inflation (particularly food).

The November MPR only lowered the October "food and non-beverages" inflation forecast by just over 2 tenths to 5.0%/Y despite a 0.48ppt downside surprise to the September forecast. The BOE forecasts then see a pick up to 5.3%Y/Y by December – surpassing the 5.12%Y/Y print seen in August.

Most analysts forecast this category at least 0.2ppt below the BOE's updated forecast in October. The BRC shop price index also pointed to a sharp decline in ambient food prices – it's not clear if that really supports a further decline in food price inflation or just confirms that the ONS September print was valid. Either way, we think it appears unlikely that food prices will not come in below the BOE's forecast here. Only a few sellside analysts forecast this category, but the median expectation is around 0.3ppt below the BOE's forecast at 4.7%Y/Y. That would still represent a pickup from the 4.53%Y/Y print seen in September.

Looking at the wider FAT (food, alcohol and tobacco) category, expectations are a little more mixed as to whether it comes in a little higher or a little lower than the September print. Given the BOE's updated projections, it isn't possible to impute the BOE forecast for November.

Air fares provide huge uncertainty within services

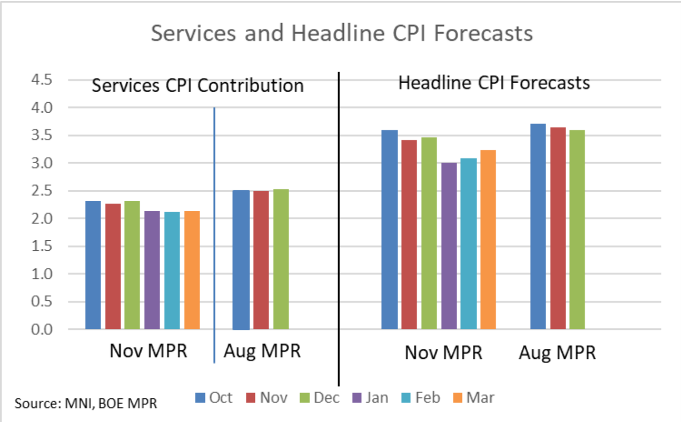
September M/M air fares were broadly in line with the average of 2015-2024 (excluding 2020 and 2021), coming in at -28.8%M/M (average was -26.8%). October 2024 was higher than the average, however, coming in at 6.3%M/M against the -3.7%M/M average (i.e. around 10%M/M higher). Most analysts who discuss the component expect a stronger print than the average, but from there views range from a small positive print (we have seen some estimates of flat to 2%M/M) to estimates of 20-25%M/M (with the latter based on the strong CPI prints seen across Europe which led to upside surprises in services HICP in a number of Eurozone countries). A flat print would represent a Y/Y print of around -0.7%Y/Y whereas a 20%M/M print would represent a 19.1%Y/Y print (there was a 5.5%Y/Y in September). This suggests that analyst expectations for air fares' contribution to the change in headline CPI are ranging from around -0.03ppt to around +0.05ppt to headline CPI. As a rule of thumb, this can be broadly doubled for a contribution to services CPI from around -0.06ppt to around +0.1ppt. It's hard to know where the BOE expected this volatile component to be.

Note that in our September Inflation Insight we noted that although we thought there weren't really any special factors impacting air fares in that months that we thought the wider travel services category could see a +0.02-0.04ppt upward contribution to headline CPI in October purely through a reversal of softness seen in September.

One thing we would point out here is the potential for some potential recent changes in seasonality. An increasing number of schools are starting to take a two week October half term (rather than the more traditional one week at the end of October). The index date for October CPI will have been either 14 October or 21 October and if it was the latter that will have included the extended half term break, potentially helping to push transport services prices to above levels expected by "normal" October seasonality.

Services CPI expectations: Consensus broadly in line with BOE, whose forecasts expect September surprise to persist into the October data

Looking at services CPI forecasts as a whole, the BOE forecasts a 4.6%Y/Y print which would broadly be a tenth softer than the 4.69%Y/Y print seen in September. This effectively sees the full -0.36ppt downside surprise to its September August MPR forecast persist through to October. Analyst expectations range from 4.4%Y/Y to 4.76%Y/Y with the aforementioned air fares expectation a meaningful driver of this spread of expectations, but the median expectation does come in around 4.6%Y/Y, in line with the BOE's forecast.



Education and cultural services are likely to contribute positively to services CPI

Education will be in focus in October after a 3.1%Y/Y increase in university tuition fees for domestic students (versus a freeze in 2024). For reference education makes up 3.18% of headline CPI with around 2/3 of the education basket made up of tertiary education.

Also potentially contributing positively to the change in headline CPI is cultural services (although the degree to which this adds to CPI is not clear from a lot of analyst notes. As we wrote in our September Inflation Insight, cultural services contributed -0.06ppt to headline CPI in September (and around double that to services CPI). That wasn't expected to be quite so soft but is a hugely volatile category. The entire downside contribution came from "Cinemas, theatres, concerts" which only rose 0.1%Y/Y (down from 7.0%Y/Y in August). The average for that over the past 12 months is now 3.6%Y/Y - so there is some scope for that to rebound in October. If this reverted to the average Y/Y rate in October it would contribute around 0.03ppt to headline CPI.

Rental and accommodation prices expected to soften

Rental prices are mentioned by a number of analysts as expected to post a smaller increase than last year. This would see COICOP division 4 (which includes rents and utility bills) be by far the largest downside driver of the change in Y/Y headline CPI in October.

Accommodation prices are generally expected to be soft, too.

Catering services remain key to us as a barometer of the pricing power of consumer discretionaries

We will continue to watch catering services. As we noted in our September Inflation Insight, there was further strength within canteens in September - which increase to 9.4%Y/Y and has risen 8.7% cumulatively since June. In contrast "restaurants and cafes" - have not shown any major rises – and saw another 4.1%Y/Y print and have now consistently shown 3.9-4.2%Y/Y prints since February and are not responding to wholesale food price increases yet. This suggests to us there is weak pricing power for restaurants with consumers choosing not to eat out as much if prices go up further. We will be looking to see if there is any movement within this category.

Core goods expected to continue slow downward descent

There isn't a huge focus on core goods this month with the median from the sellside previews we have seen looking for a 0.1ppt slowdown to 1.4%Y/Y from 1.49%Y/Y in September. A number of analysts point to the soft non-food reading seen in the BRC Shop Price Monitor (which saw non-food price inflation at 0.1%Y/Y, down from 0.7%Y/Y in September). There appear to be some uncertainty around car prices, but this is only mentioned in a couple of analyst previews.

Summary Forecast Table

Summary of Analyst October Inflation Expectations

	Headline	Core	Services	Core Goods	Energy	FAT*	Food	RPI (Y/Y)	RPI (Index)
September	3.78	3.52	4.69	1.49	4.34	4.86	4.53	4.50	406.1
October (median)	3.51	3.4	4.59	1.4	1.9	4.8	4.7	4.32	407.7
October (mean)	3.54	3.43	4.58	1.43	1.86	4.81	4.69	4.32	407.58
October (BOE)	3.60		4.6		1.7		5.0		
September BOE surprise (Aug MPR)	-0.21	-0.25	-0.36	-0.06	0.63	-0.23	-0.48		
Bbg consensus	3.5	3.4	4.6						
Bank of America	3.7	3.5	4.7	1.5	1.8		4.8	4.36	407.7
Deutsche Bank	3.68	3.57	4.76	1.49	1.97	4.93	4.64	4.45	
Societe Generale	3.6	3.5	4.7				4.8	4.2	
NatWest Markets	3.6	3.4						4.4	407.9
Morgan Stanley	3.57	3.47	4.69	1.38			4.74	4.33	
Santander	3.53	3.45	4.56					4.30	407.5
Barclays	3.53	3.41	4.62	1.33	1.87	4.76		4.38	407.8
TD Securities	3.52	3.42	4.57	1.4	1.9	4.7			
Goldman Sachs	3.51	3.40	4.56	1.40	1.69	4.77	4.46		
JP Morgan	3.5	3.4	4.6					4.3	407.6
Lloyds	3.5	3.4	4.6						
ING	3.5	3.4	4.5						
Nomura	3.5	3.4	4.4					4.2	407.0
UBS	3.5	3.4	4.4	1.5	1.9	4.9			
SEB	3.5	3.4						4.3	
Jefferies	3.5		4.6						
RBC	3.5		4.5						
Daiwa	3.4	3.4	4.5						

*FAT: Food, alcohol and tobacco

Source: Analyst previews, Bloomberg (consensus), MNI

Sell Side Inflation Preview Highlights (A-Z)

Bank of America

- Headline: 3.7% Y/Y
- Core: 3.5% Y/Y
- Services: 4.7% Y/Y – “Focus would be to see if there is any progress in underlying services inflation, which we don't expect … We see some scope for reversal of the weakness in non- catering recreation and personal services seen in September. Moreover, tuition fees pose some upside risks. Airfares inflation is likely to fall due to base effects.”
- Core goods:1.5% Y/Y -
- Energy: 1.8% Y/Y – “Energy base effects [from electricity/gas bills] would drive some small fall in headline in our view, but less than the BOE expects … The rise in weekly petrol prices should offset some of this.”
- Food: 4.8% Y/Y

Barclays

- Headline: 3.53% Y/Y – “Our forecast embodies a continued disinflation towards target by Q2 26.”
- Core: 3.41% Y/Y – “driven by a deceleration in both core goods and services>”
- Services: 4.62% Y/Y – “We expect a bounceback from the weak September airfares print (-28.8% m/m). German regional data suggests a large inflationary pulse of c.20% m/m, which provides upside risk … We revise upwards transport services inflation to 1.6% m/m.” Also see deflation in package holidays and hotels of 0.7% M/M.
- Core goods: 1.33% Y/Y – October BRC data “indicated monthly deflation in non-food components, which we think validates our expectation of 0.4% m/m durables deflation.”
- Energy: 1.87% Y/Y – “Pump prices grew 0.6% m/m, so we take signal from this and expect auto fuels to grow by the same magnitude. This represents a 0.6pp uptick versus the profile in our published monthly forecast and would add 0.02pp to headline inflation, all else equal.”
- Food, alcohol and tobacco: 4.76% Y/Y – “We take signal from the October BRC food shop price index, which showed food deflation of 0.4% m/m, although given the series overstated strength last month, we think it may understate it a little this month.”
    - “Our path for food inflation differs considerably to that of the BoE, who expect some persistence for the rest of the year due to the previous reform in packaging fees and agents surveys. The October monthly growth will be key to validating, or invalidating, the food inflation persistence expected by the BoE.”
- Index date: “We think it is highly likely the index day will fall on the 14th due to historical evidence”, this would support a contraction in hotel prices.

Daiwa

- Headline: 3.4% Y/Y – The bigger step down in headline inflation “in part reflects our assumption of a slightly larger moderation in services inflation last month
- Core: 3.4% Y/Y – “With non-energy industrial goods inflation expected to ease back to a six-month low, we forecast the core CPI rate to ease 0.1ppt to 3.4% Y/Y, a ten-month low”
- Services: 4.5% Y/Y
- Food: “We also assume softer food inflation than the BoE, forecasting it to move broadly sideways compared with a slight uptick by the Bank.”

Deutsche Bank

- Headline: 3.68% Y/Y
- Core: 3.57% Y/Y
- Services: 4.76% Y/Y – "On transport and travel services, we expect a lot of volatility here given September's big drops in travel prices" (pencilling in an 8% M/M rise). Deutsche Bank modelling points to a 20-25% M/M increase in airfares, "consistent with a larger increase in October than last year. Timing of half-term holidays and Diwali, we think, could see Oct-25 reach a monthly record high."
    - "On education, domestic university tuition fees will have increased by 3.1% as per government guidance. International student fees, we estimate, will have risen by 8-12%. Overall, we see the education basket up 3.8% m-o-m."
    - Private rentals are expected to "remain broadly around its current level of 0.3% m-o-m. We also pencil in a 0.20% rise in non-private rents owing to the potential increase in social rents yet to filter through into the inflation basket."
    - "We see communication prices rising by 0.5% m-o-m", with the biggest mover likely coming from parcel delivery prices. "On recreation and personal services, we expect a marginal uplift in price momentum … Catering prices will push up 0.3% m-o-m … Accommodation a 6% m-o-m fall in October. One offset, however, will be university accommodation prices, which we think will rise by 4.5% m-o-m."
- Core goods: 1.49% Y/Y – "AutoTrader data point to a slight slowdown in used-car prices, signalling some weakness in the basket."
- Energy: 1.97% Y/Y – "On our trackers, pump prices will have likely risen by 0.65% m-o-m."
- Food, alcohol and tobacco: 4.93% Y/Y – Given last month's downside surprise, "we think there may be a little more upward momentum, given positive base-effects", though "food inflation looks to be tempering based on available survey data … We see processed food prices up 0.25% m-o-m and unprocessed food prices up 0.23% m-o-m … Away from food, we see alcohol prices up 0.3% m-o-m, driven by higher beer and wine prices … Our Tobacco Price Tracker points to a slight 0.1% m-o-m rise."
- Food: 4.64% Y/Y
- Looking ahead, "we see headline CPI sticking at 3.4% y-o-y this year, before slowing to 2.6% y-o-y next year. We expect core CPI to slow from 3.6% y-o-y to 2.9% y-o-y, with services CPI slowing from 4.8% y-o-y to 3.4% y-o-y."

Goldman Sachs

- Headline: 3.51% Y/Y
- Core: 3.40% Y/Y
- Services: 4.56% Y/Y – "Expect a rebound in some volatile components in the cultural services category (live music and theatre tickets)."
    - "The annual rate of air fares inflation should drop given that October 2024 saw the largest price increase in October since monthly collection began in 2001… We also expect a decrease in hotel prices driven by payback from the increase in September, and continue to see scope for normalisation of hotel prices in Scotland from elevated levels."
- Core goods: 1.40% Y/Y – "a decrease in the BRC non-food price index in October pointing to another weaker print."
- Energy: 1.69% Y/Y
- Food, alcohol and tobacco: 4.77% Y/Y – "given weakness in the BRC food price index."
- Food: 4.46% Y/Y

ING

- Headline: 3.5% Y/Y
- Core: 3.4% Y/Y
- Services: 4.5% Y/Y

Jefferies

- Headline: 3.5% Y/Y – "driven primarily by energy … Additionally, weaker goods and services inflation also contributing."
- Services: 4.6% Y/Y

JP Morgan

- Headline: 3.5% Y/Y
- Core: 3.4% Y/Y – "We also look for core goods inflation to step down for the same reason [as above] … and for core to also slow by a tenth."
- Services: 4.6% Y/Y – "We expect monthly services inflation to rebound (0.36% m/m, sa) which relates partly to firmer transport services prices (1.5% m/m, sa) after last month's soft print (-4.2% m/m, sa) … But after printing near-zero, supercore services is likely to show some rebound in October (JPM 0.3% m/m, sa). Despite this, these assumed price pressures would be lower than last year."

Lloyds

- Headline: 3.5% Y/Y
- Core: 3.4% Y/Y
- Services: 4.6% Y/Y "Key driver is expected to come from a further easing in rental inflation, mostly in private rents, as well as moderation in annual inflation for hotel accommodation."
- "We continue to envisage the headline rate holding a touch above the 3% mark until Q2 next year."

Morgan Stanley

- Headline: 3.57% Y/Y – "We see the risks around our forecast as balanced."
- Core: 3.47% Y/Y
- Services: 4.69% Y/Y – "On the travel front, our main concern is air fares
    - On October-specific changes, "this time around, our focus is on hospital services … we notice that July brought a very soft monthly print, which we suspect might partially unwind in October. We pencil in a 2%M print, and see the risks as moderately skewed to the upside."
    - "October also brings another leg in education fees, which we peg at 3.5%M (note, we do think international student fees likely decelerated vs last year, but domestic student fees rose by 3.1%) … Unite – the UK's largest provider of student accommodation – anticipates a slowdown in its average rent rise. We pencil in a 3.0% rise for this year vs the 5.2% the ONS recorded in October 2024."
    - "In terms of underlying services inflation … perhaps the appropriate summary of the underlying price pressures we forecast is that their slow, stop-and-go process towards a lower and more normal equilibrium continues."
- Core goods: 1.38% Y/Y – "BRC for October was rather soft, and the September print oozed with weak underlying details. There are bits and pieces of payback that we incorporate – footwear looks far too weak as of September, for example."
- Energy: "Assuming two-thirds of customers are on the variable tariffs, we pencil in a 1.3%M pick-up for gas and electricity."

- Food: 4.74% Y/Y – saw the September reading as “too good to be true”. “Namely, the three following categories provided the bulk of the drag on prices: “Other Bakery Products”, “Pizza and Quiche” and “Crisps” … We think these three categories will see a full reversal of their steep price declines in October. However, the survey data and high-frequency tracking we look at were all pretty soft.”

NatWest Markets

- Headline: 3.6% Y/Y
- Core: 3.4% Y/Y

Nomura

- Headline: 3.5% Y/Y
- Core: 3.4% Y/Y
- Services: 4.4% Y/Y – “due to i) a smaller rise in private rents (which rose 0.9% m-o-m in October last year; ii) our assumption that airfares are unlikely to repeat last October’s abnormal rise … and iii) a more normal decline in October hotel prices following September’s large rise.”
    - Momentum in core services (i.e., excluding non-private rents, sewerage, personal transport costs such as vehicle excise duty and volatile transportation services prices including airfares) will also be watched closely by the BoE.
- Food: “we expect [food prices] to be unchanged in October vs September”
- Energy: “A smaller rise in energy bills in October 2025 compared with the same month in 2024 should comprise about 0.25pp of the fall in the annual rate of headline CPI.”

RBC

- Headline: 3.5% Y/Y
- Services: 4.5% Y/Y
- Food: “It also now appears that food price inflation, identified by the MPC as having ‘salience’ in terms of household’s inflation expectations, has peaked and we expect the pace of food price inflation to slow to 4% y/y this month from 4.3% y/y previously.” – Note that this food estimate is for the “food” category alone (and not the more commonly used “food and non-alcoholic beverages”)

Santander

- Headline: 3.53% Y/Y – upward drivers highlighted: “recreation and culture”, “restaurants and hotels”; notable downward drivers: “housing, water, electricity, gas and other fuels”, “transport”, “clothing and footwear”.
- Core: 3.45% Y/Y
- Services: 4.56% Y/Y – “We pencil in a 0.3% MoM rise in recreation and culture prices, firmly above the 0.1% MoM fall seen a year ago and adding 6bp to the headline rate of inflation. We expect the largest positive contribution to come from cinemas, theatres, concerts, anticipating a 3% MoM rise compared to a fall of 3.4% MoM a year earlier. … We see package holidays as a neutral overall influence in October, rising 0.3% MoM, largely in line with typical seasonality.”
    - “We see actual rents acting as a small drag on the headline rate, driven by private rents logging a softer rise than a year ago … Private rents still look like a problem area, showing signs of reacceleration in September and logging their fastest monthly growth so far this year. We have since revised our forecast for private rents up a touch for the next few months to reflect this reacceleration.”
- Energy: “Our forecasts see [COICOP] division 4 [housing, water, electricity, gas and other fuels] exerting the largest drag on the headline rate, driven almost entirely by electricity and gas prices as part of the

3Q25 energy price cap, both contributing -11bp and -13bp to the overall headline rate, respectively … The ONS's inclusion of fixed tariffs is still not having a discernible impact on inflation, other than to reduce the weight in the quarterly EPC updates."

- Food: "Our forecast for food and non-alcoholic beverages is for a flat reading. We have also lowered our forecast for November, reflecting the robust discounting that has kicked in over the last two months, with price cuts prioritised over offers, according to Worldpanel."
- "Our forecasts see headline inflation at 3.4% by the end of this year … Signs of further moderation should come, with inflation falling to 3.0% in January 2026 and below 3% in April. Our services CPI forecast remains less reassuring, still 4.8% by the end of the year."
    - "This forecast does not see CPI reaching target at all this year or next, though Budget action could change this."

SEB

- Headline: 3.5% Y/Y – "The inflation rate will decline only gradually over the next 6 months."
- Core: 3.4% Y/Y – "Core CPI accelerated in the first half of this year, partly driven by higher indirect taxes. We predict that core inflation peaked in July … Core inflation has slowed by 0.2-0.3pp and we predict this trend to continue in October."
- "Rents inflation is slowing from high levels … The downward trend is expected to continue throughout this year … Wage inflation is slowing and there are some signs that downward pressure is increasing."
- "Our CPI forecast is close to the BOE's forecast in the near term, but we see lower inflation in 2026."

Societe Generale

- Headline: 3.6% Y/Y – "The entire drop is driven by a negative base effect in energy utilities … Additionally, a 0.1pp fall in goods inflation should provide a marginal contribution to the decline. On the upside, a positive base effect and higher fuel prices should add 0.05pp to headline CPI"
- Core: 3.5% Y/Y
- Services: 4.7% Y/Y – "An unwinding of October's unusual decline in cultural services and an increase in university tuition fees should offset softer rent inflation."
- Food: 4.8% Y/Y – "This remains well below the BoE's estimate of 5% yoy. However, the BRC's food shop price index continued to fall in October, suggesting downside risks to our food inflation forecast."

TD Securities

- Headline: 3.52% Y/Y – "We expect inflation to start easing for the remainder of the year with a broad slowdown in all components."
- Core: 3.42% Y/Y
- Services: 4.57% Y/Y – "Our tracking suggests a moderate rebound in airfares at +3.7% m/m. The domestic route sub-index actually saw sustained downward pressure in prices; however, the short-haul routes pulled the aggregate level up."
    - "Accommodation services had a jumpy August and September … We see October reversing course again, as our tracking suggests a -0.9% m/m decrease in hotel prices. In October, multiple of the highly-weighted regional indices experienced downward pressure in prices. Highly weighted South East, South West, West Midlands, and London all saw negative m/m changes in hotel prices"
    - Index date: Out of the two dates that meet the ONS criteria (14th and 21st), we assume the former. "This month, there is minimal difference in airfares between the two, but a change in collection date would drag m/m decline in accommodation prices even further" (bringing services inflation down to 4.5% y/y).

- Core goods: 1.4% Y/Y – "We expect moderate strength in several subcomponents, including used vehicle prices, which have benefitted form high numbers of car registrations throughout the month. Clothing, though also showing growth m/m, is muted in its contributions to the y/y value due to a much stronger October last year. Ultimately, the strength in these two categories is balanced out by weakness in household goods and base effects."
- Energy: 1.9% Y/Y – "Fuel prices will also tick up slightly to a 1.4% y/y increase."
- Food, alcohol and tobacco: 4.7% Y/Y – "Early signals from EU food inflation and BRC reports point to other imported categories, including sugar [coming off their highs] in October. However, some of the locally-sourced inflation in foods like meat will continue to see strength, balancing out declines elsewhere."

UBS

- Headline: 3.5% Y/Y – "we think the inflation peak now lies behind … We expect this decline in headline to be in almost equal parts driven by lower core and energy inflation."
- Core: 3.4% Y/Y
- Services: 4.4% Y/Y
- Core goods: 1.5% Y/Y
- Energy: 1.9% Y/Y – "helped by negative base effect."
- Food, alcohol and tobacco: 4.9% Y/Y
- "Looking ahead, we expect inflation to ease to 3.3% y/y by December 2025 and 2% by December 2026 with the annual averages at 3.4% in 2025 and 2.2% in 2026. However, we continue to view the balance of risks to our inflation outlook as skewed to the upside."
