

MNI UK Data Preview: February 2026 Data

24 March, Tim Davis and Jonathan Nazar

As this is a pre-conflict print, the potential for it to be hugely market moving is much diminished but an upside surprise would likely reinforce concerns that hikes are needed while a downside surprise is unlikely to alleviate fears of second round inflationary impacts from energy prices. Looking ahead, petrol prices and heating oil will impact the data from March but consumer natural gas / electricity prices will fall in April (due to fiscal measures announced in the November Budget) and only rise in July with a lag. The 2026B weights will be introduced for this print.

Headline CPI for February (i.e. pre-Iran conflict) is generally expected to remain at the 3.0%Y/Y level when rounded based on an early analyst consensus (while the BOE's February MPR forecast also rounded to 3.0% at 2.954%Y/Y). 10/15 of the analyst previews we have read also look for a print of (or that rounds to) 3.0%Y/Y. Of the remainder only JP Morgan expect a tenth higher at 3.1%Y/Y while 4/15 look for a tenth lower than the median at 2.9%Y/Y. However, when using unrounded forecasts when available the mean from the previews that we have read comes in at 2.99%Y/Y (suggesting the risks are not as much to the downside as the balance to the median suggests). Note that headline CPI was 0.11ppt above the BOE forecast in January.

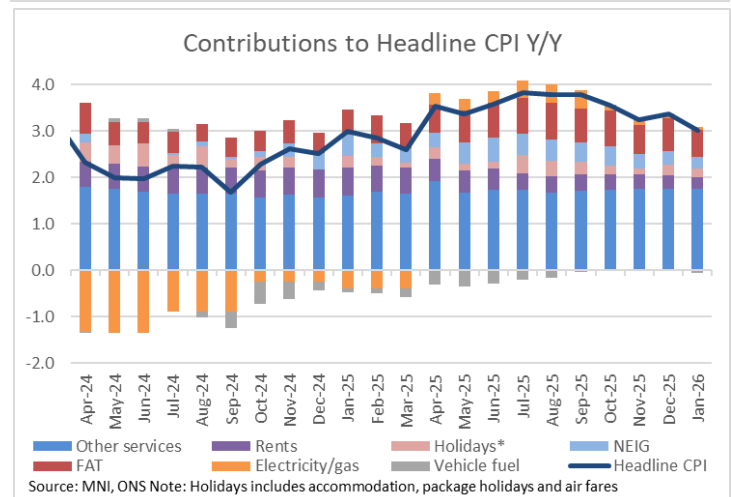
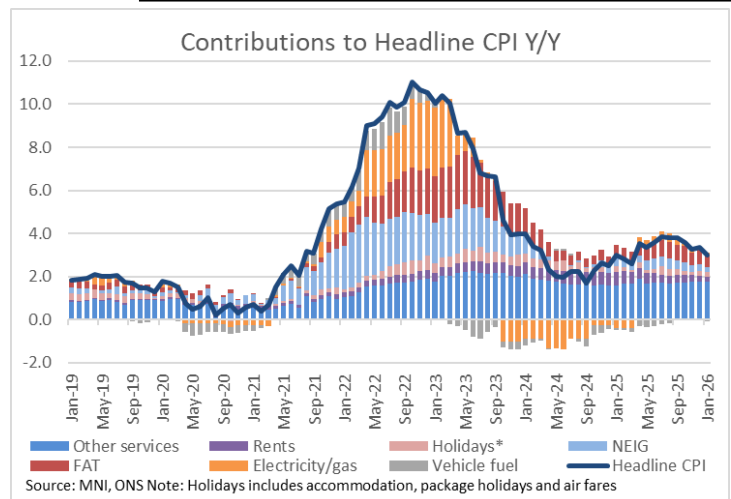
Sellside expectations for services CPI range from 4.1-4.4%Y/Y (median 4.3%Y/Y / mean 4.26%). The BOE forecast is for 4.13%Y/Y (but January surprised 0.24ppt to the upside). Expectations are for restaurant prices to increase less than last year (and hence reduce services inflation through base effects). Cultural services contributed +0.07ppt to the change in headline CPI in January, with this largely driven by “cinemas, theatres, concerts” which increased 10.2%Y/Y (up from 3.7%Y/Y in December). This is widely expected to move back to more normal levels. Transport services are more uncertain in the sell side previews that we have read.

The biggest uncertainty in this print is likely from the introduction of grocery scanner data which will cover approximately 50% of the grocery market. Food and non-alcoholic beverages are expected between 3.7-4.0% (albeit from only four estimates, but all higher than the 3.56%Y/Y seen in January) while the broader Food, Alcohol and Tobacco index has three estimates around 3.6%Y/Y and one at 3.93% (from 3.83% in January).

Core goods prices are also widely expected to increase. Last month's 0.80%Y/Y surprised the BOE to the upside by just 0.05ppt. The BOE's forecast for February is 1.14% and consensus look for 1.0-1.3% with a median at 1.2% (while the mean is exactly in line with the BOE forecast at 1.14%).

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Summary Forecast Table

Summary of Analyst February Inflation Expectations									mni	
	Headline	Core	Services	Core Goods	Energy	FAT*	Food	RPI (Y/Y)	RPI (Index)	
January	3.01	3.09	4.38	0.80	0.15	3.83	3.56	3.75	406.4	
February (median)	3.0	3.1	4.3	1.2	-1.0	3.6	3.8	3.7	408.7	
February (mean)	2.99	3.14	4.26	1.14	-1.00	3.68	3.82	3.69	408.66	
February (BOE)	2.95	3.04	4.13	1.14	-1.4	4.3	3.77			
January BOE surprise (Feb MPR)	0.11	0.18	0.24	0.05	0.5	-0.3	-0.14			
Bbg consensus										
JP Morgan	3.1	3.3	4.3					3.7	408.7	
Santander	3.02	3.18	4.30					3.71	408.6	
Deutsche Bank	3.02	3.17	4.36	1.06	-1.08	3.93	3.7	3.67		
Bank of America	3.0	3.2	4.3	1.2	-1.0		3.7	3.65		
ING	3.0	3.2	4.2							
Goldman Sachs	3.0	3.1	4.3							
Lloyds	3.0	3.1	4.3							
NatWest Markets	3.0	3.1	4.3		-0.9		4.0	3.7	408.8	
Societe Generale	3.0	3.1	4.2	1.2				3.7		
TD Securities	3.0	3.1	4.2	1.2	-1.0	3.6				
UBS	2.98	3.17	4.4	1.0	-1.0	3.6				
Morgan Stanley	2.94	3.03	4.12	1.09			3.88	3.73		
Barclays	2.92	3.11	4.16	1.26	-1.02	3.59		3.65	408.4	
Nomura	2.9	3.1	4.1					3.7	408.8	
Daiwa	2.9	3.1								
RBC			4.3							

*FAT: Food, alcohol and tobacco
 Source: Analyst previews, Bloomberg (consensus), MNI

Sell Side Inflation Preview Highlights (A-Z)

Bank of America

- Headline: 3.0% Y/Y
- Core: 3.2% Y/Y
- Services: 4.3% Y/Y – “could see a pickup in airfares, while the strength in accommodation services seen in the Jan print can reverse.”
- Core goods: 1.2% Y/Y – “likely to be driven by clothing and footwear which was unusually weak last Feb.”
- Energy: -1.0% Y/Y – “driven by a 1% or so fall in monthly petrol prices, which should reverse in upcoming prints due to the big jump in energy prices.”
- Food: 3.7% Y/Y

Barclays

- Headline: 2.92% Y/Y
- Core: 3.11% Y/Y
- Services: 4.16% Y/Y – “expect transport services to grow 0.7% m/m ... in line with our expectation for small positive growth in airfares, which has averaged growth of 4.3% m/m in February since 2001. February has historically displayed the lowest monthly volatility in airfares inflation.”
 - “The disinflation in annual transport inflation (-0.4pp to 5.5%) accounts for roughly a quarter of the total services disinflation we forecast, with the rest to be made up by recreation, housing and communication.”
- Core goods: 1.26% Y/Y – “expect non-durables to hold steady at 3.3% y/y, and for some bounce back (up 1.1pp to 0.6% y/y) in the recent weakness in semi-durables inflation. BRC Shop price data for February showed a small annual disinflation in furniture and flooring, while clothing and footwear showed continued upward movement in the annual rate, in line with these forecasts.”
 - “Autotrader data for used cars was weak in February, contracting 0.6% m/m, reflecting a downside risk to our expectation of durables growing 0.8% m/m. However, the strong January signal from Autotrader was not evident in the CPI print, so we think there may be some catch up to come in February.”
- Energy: -1.02% Y/Y – “With no Ofgem price cap change in February, the step down in energy inflation is triggered by our tracking of pump prices contracting 1.1% m/m ... In February 2025, pump prices grew 1.5% m/m, dropping out of the annual calculation”
- Food, alcohol and tobacco: 3.59% Y/Y – “we track food and non-alcoholic beverages (FNAB) prices as growing 0.3% m/m in February ... The BRC data for February indicates some downside risk, with the food index printing at 0% m/m. However, as we had expected, the upwards signal from the January BRC food index did not come through in the January CPI data. The levels of both indices have now converged, so we will monitor if the two series begin to move closely again on a monthly basis”

Daiwa

- Headline: 2.9% Y/Y – “due in part to favourable base effects in the energy and services components”
- Core: 3.1% Y/Y
- Core goods: “But with non-energy industrial goods inflation expected to reverse the drop in January, core inflation likely moved sideways.”

Deutsche Bank

- **Headline:** 3.02% Y/Y
- **Core:** 3.17% Y/Y
- **Services:** 4.36% Y/Y – “we expect private rents CPI rising by 0.2% m-o-m. Survey data – from Homelet, RightMove or RICS – all point to a continued downtrend in rental inflation. Other housing services, we think, will edge up by 0.2% m-o-m.”
 - “We expect a jump in travel and transport prices. Our Airfares Tracker showed a slightly smaller rise than last year. European data, however, point to a bigger pick-up. And, with airfares falling by a little more than we pencilled in over January (-26%), we think some positive gains are likely. We pencil in a 7.5% m-o-m rise for airfares. Other travel services (including road/rail and seafares), we expect, will have risen by 1.5% m-o-m... given the scale of the gains registered in January, we don't expect a rise in insurance premiums. Instead, we see a 1.5% m-o-m decline.”
 - “Catering prices, we think, will jump by 1.1% m-o-m... On accommodation... based on the overshoot recorded in January, we pencil in a more modest 15% m-o-m rise [compared to their model]. On other recreational and personal services, we expect some pull-back after a strong January start (lifted by cultural services mainly). We see a flat monthly print, with live music prices and cinema admission prices pulling a little lower in February.”
- **Core goods:** 1.06% Y/Y – “Our own models point to gains in semi-durables and durables in particular. For health goods, we see prices down 0.8% m-o-m. We also see some positive payback in things like flower vases, and garden products. We see clothing & textiles up 0.4% m-o-m. Furniture prices we think will rise by 1.9% m-o-m. IT goods, we think, will be up 2.6% m-o-m. Auto-Trader data also showed a slight drop-off in retail sales (with like-for-like sales down 0.2% y-o-y). Items such as jewellery, clocks/watches, travel goods will also likely see rebounds in prices.”
- **Energy:** -1.08% Y/Y – “pump prices were likely trending lower last month. Our pump price tracker points to a 1.3% m-o-m drop.”
- **Food, alcohol and tobacco:** 3.93% Y/Y – “Survey data have been mixed on the food front. And our webscrapes point to a little more upside to alcohol and tobacco prices ...
 - **Food:** 3.70% Y/Y – “For processed food, our models point to only a modest increase (0.2% m-o-m). Our models also point to a more meaningful rise for seasonal food and meat prices, with the former up 0.5% m-o-m and the latter up 0.7% m-o-m.”
 - “We expect some gains in alcohol and tobacco prices to feed through into the February print also. On alcohol prices, our trackers point to a 0.6% m-o-m gain, lifted primarily by higher wine prices. Indeed, new alcohol duty rates will have taken effect on 1 February. Finally, on the latter, our Tobacco Price Tracker points to a sizeable lift in tobacco prices – rising nearly by 1.3% m-o-m.”
- **Index date:** Likely 17 February
- **Looking ahead:** “incorporating market energy curves, our projections point to another disinflation detour by early summer. Indeed, the combination of higher pump prices and gas prices will see CPI rising back to 3% in July. The bad news is that energy markets are pricing in a longer uplift to energy prices than before – suggesting more upside risks to our projections.”
 - “For CPI, we raise our [2025] forecasts from 2.4% y-o-y (in our last update) to 2.9% y-o-y. Core CPI, we expect, will track around 2.7% y-o-y – roughly unchanged from before. Next year, we see CPI slowing to 2.4% y-o-y – 0.3pp higher than our previous projections – this accounts for the slow descent in energy prices and higher index-linked prices.”

Goldman Sachs

- **Headline:** 3.0% Y/Y
- **Core:** 3.1% Y/Y

- Services: 4.3% Y/Y

ING

- Headline: 3.0% Y/Y
- Core: 3.2% Y/Y
- Services: 4.2% Y/Y

JP Morgan

- Headline: 3.1% Y/Y
- Core: 3.3% Y/Y
- Services: 4.3% Y/Y – “We expect a large unwind from the spike in live music prices seen in January.”
- Core goods: “However, we assume the large drop in core goods prices reported in February last year won’t be repeated”

Lloyds

- Headline: 3.0% Y/Y
- Core: 3.1% Y/Y
- Services: 4.3% Y/Y

Morgan Stanley

- Headline: 2.94% Y/Y – “See upside risk to our headline inflation forecast as our figures are very close to rounding up, but we are relatively confident that February will bring a solid decline in underlying services inflation ... The print, in a nutshell, should see a drop in services inflation countered by base effects-related rise in core goods; a stronger food print is met with a drop in fuel prices.”
- Core: 3.03% Y/Y
- Services: 4.12% Y/Y – “In recent years, January has been a month of discounting in the catering sector. As discounts end in February, large restaurant & pub chains use the normalisation in prices as an opportunity to also pass through their intended annual price hikes. UK’s largest pub chain, for example, hikes its prices following its January promotions. On our tracking, their average price hike last year was ~4-5%, whereas this year, we see it as at ~2%. These base effects, in tandem with some reversal of the unusual surge in live music prices in January, help push underlying services inflation to sub-4%Y.”
- Core goods: 1.09% Y/Y – “last year brought some delayed sales, which we don’t see as likely to be repeated ... base effects help push core goods inflation modestly higher.”
- Food: 3.88% Y/Y – “The ONS will implement changes to their food price sampling practices as of this print ... likely to be a source of some uncertainty. Price surveying will be replaced by scanner data ... However, with frequent discounting in the food retail sector, there could be monthly volatility. In any case, our bias is to see a firmer monthly print vs. a soft January reading [0.5% M/M] ... We see wide two-sided risks around this estimate.”
 - “We also account for alcohol duty uprating in February (we estimate a 1.1%M change in the Alcohol & Tobacco category).”

NatWest Markets

- Headline: 3.0% Y/Y – “a drag from energy inflation is expected to offset a partial rebound in food inflation.”
- Core: 3.1% Y/Y
- Services: 4.3% Y/Y – “forecast to remain a little sticky ... the underlying downtrend in services inflation remains incremental and much of the projected move lower in April 2026 reflects one-off policy distortions

(e.g., a one-year freeze on rail fares), and to some extent base effects, rather than a more powerful disinflationary dynamic.”

- “We continue to project services inflation easing to ~3¼% by end-2026 and to ~3.0% in 2027 – i.e., levels broadly consistent with the CPI target.”
- Energy: -0.9% Y/Y – “auto fuel prices are forecast to fall by -1.1% m/m in February, lowering the y/y rate to -4.6% y/y from -2.2%. Domestic electricity & gas prices are expected to be little altered ahead of the next Ofgem price cap re-set in April.”
- Food: 4.0% Y/Y – “a partial rebound ... We continue to expect food inflation to trend lower (to around 2.0% by early 2027) but the fall in January 2026 felt a little abrupt given ongoing cost pressures and jarred a little with survey data.”

Nomura

- Headline: 2.9% Y/Y
- Core: 3.1% Y/Y
- Services: 4.1% Y/Y

RBC

- Services: 4.3% Y/Y
- Energy: “Fuel prices in February were actually slightly down on January and, we estimate, making a negative contribution of 0.1ppts to the annual rate of inflation.”

Santander

- Headline: 3.02% Y/Y
- Core: 3.18% Y/Y
- Services: 4.30% Y/Y – “Restaurants and Hotels are expected to record a 0.8% MoM increase in February, slightly softer than the 1.1% rise observed a year earlier, exerting an estimated ~4bp drag on the headline rate. Within the detail, this drag is primarily driven by Restaurants, cafés, and dancing establishments, which we forecast to rise by 0.7% MoM – broadly in line with typical seasonal patterns, but notably weaker than the 1.4% increase seen a year ago.”
 - “We see Transport Services as a neutral influence, including a very similar rise in air fares to 2025’s 5.9% MoM.”
- Core goods: clothing and footwear (C&F) COICOP division to “rise 1.2% MoM in February, broadly in line with typical seasonality. However, this follows the highly unusual February 2025 outturn, when prices fell 0.3% MoM, which exacerbates the upward contribution to the annual rate this year. On an annual basis, even our forecasts (a normal price rise for the time of year) would push C&F inflation from flat to 1.2% YoY. The BRC Shop Price Index for the C&F division suggests the annual rate could rise from -3.6% YoY to -2.9% YoY, reinforcing our sense of a pickup in the annual rate of inflation.”
- Energy: Transport COICOP division: “to contribute a c.5bp deceleration to total CPI in February, due to Fuels and Lubricants. Monthly average petrol and diesel prices fell by 1.2% and 1.0%, respectively, between January and February 2026, compared to c.1.5% rises a year earlier. But this mild good news for motorists has already been dwarfed by the impact of the conflict in the Middle East, and those fuels’ prices are on course to rise by 4.6% and 8.8% MoM in March. The effect is exacerbated by comparison with falling prices a year ago, so auto fuel looks set to boost inflation by c.20bp in the next print and by even more in April if crude oil prices stay where they are.”
 - Housing, water, household fuels COICOP division: “Liquid fuels are not smoothed by a cap, though, and look to have risen by about 3% MoM in February, although that would have a negligible impact at the headline level.”

- Food, alcohol and tobacco: food and non-alcoholic beverages (FNAB) COICOP division: “For February FNAB we forecast a 0.4% MoM price rise. We base our estimate more heavily on grocery price index data [rather than BRC data] as well as the recent trend vs. seasonal norms. A 0.4% MoM rise would be a little larger than the 0.2% MoM rise in February last year and exert a small positive influence on the change in the 12-month CPI rate.”
 - Alcohol and tobacco: “Taken together, the 0.26% MoM increase is below the 0.98% alcohol and tobacco price rise seen in February last year - when alcohol duty changes delivered a more sizeable bump to pricing - and therefore represents a small negative contribution to the change in the 12-month CPI rate.”
- Looking ahead: “Our baseline scenario assumes Brent crude staying in the \$80-100/bbl range from March through to end-May and European natural gas futures remaining elevated for this period too. CPI is no longer expected to fall to 2% in 2Q26 but is expected to fall briefly to 3.1% in April before climbing higher to end the year at 4.0%.”

Societe Generale

- Headline: 3.0% Y/Y – “Uncertainty is higher than usual, as the ONS will now incorporate scanner data and add an additional collection day for hotel stays and computer games, which should reduce volatility in these items.”
- Core: 3.1% Y/Y
- Services: 4.2% Y/Y – “driven by an unwinding of the larger-than-usual increase in cultural services and a general easing in domestic pressures from softening wage growth and the fading 2024 Autumn Budget effect on labour costs.”
- Core goods: 1.2% Y/Y – “expect a range of goods items to record stronger increases relative to last year, particularly clothing and games”
- Energy: “On the downside, a 1.6% mom fall in fuel prices, compared with a 1.4% mom increase last year means fuel inflation is likely to shave around 0.1pp off headline CPI.”
- Food, alcohol and tobacco: “On the upside, the increase in Alcohol Duty is likely to add just under 0.05pp to headline CPI.”

TD Securities

- Headline: 3.0% Y/Y
- Core: 3.1% Y/Y
- Services: 4.2% Y/Y – “Airlines: Looking back to 2025, January and February saw -19% and 6%, respectively. We see this same trend continuing for February 2026, as our tracking indicates a 4% m/m increase in airfares. With respect to the route sub-indices, domestic and long-haul routes showed nearly flat results. The overall index was pulled upwards by the short-haul route index.”
 - “Accommodation: The ONS's methodology for hotel price tracking has changed and will be in effect for this month's release... After adjusting for the methodological changes, our tracking suggest a moderate 0.5% increase in hotel prices for February. This would break the 4-month streak of consecutive decreases in hotel prices.”
 - “Catering typically experiences robust price growth in February, largely driven by seasonal demand and cost pressures. However, this year, we anticipate the increase to be more subdued as key drivers such as food, energy, and labour costs have shown signs of easing during the initial months. This moderation in underlying expenses is expected to temper the usual February surge, resulting in a more stable m/m pricing environment for the sector, bringing the annual measure down to 4.0% y/y from 4.9% in January.”
 - “We do see risks to the downside [for services inflation]”

- Core goods: 1.2% Y/Y – “The two largest components, Clothing and Household Goods, showed price growth in the BRC price index that was weaker than seasonally expected for February ... Given that the anticipated growth was not as pronounced as it was in January 2025, these two components would come in soft at 0.7% y/y and -0.6% y/y, respectively. Collectively though, other goods should show a bit more strength.”
- Energy: -1.0% Y/Y – “Fuel the only pertinent, albeit outdated, story. There, we see prices easing to -4.7% y/y.”
- Food, alcohol and tobacco: 3.6% Y/Y
- Index date: “the two possible dates ... are February 10th and 17th, though the difference in pricing between the two in this month is marginal.”
- Looking ahead: “If elevated energy prices persist, however, households should anticipate their bills beginning to catch up with the effects of the conflict in July. This is when the next Ofgem price cap will take effect, incorporating energy prices observed between March and May, a period marked by energy supply disruption.
 - “Consequently, Q3 will likely bear the full brunt of the Middle East conflict’s impact on household energy costs. In addition, food prices may also come under pressure, as the cost of fertilisers—closely linked to energy—could rise, compounding the inflationary effects for consumers.”

UBS

- Headline: 2.98% Y/Y – “On balance, we see upside risk to our estimate, largely due to a risk of a bounce back in food inflation”
- Core: 3.17% Y/Y – “solely driven by a rise in [core] goods inflation”
- Services: 4.4% Y/Y -
- Core goods: 1.0% Y/Y
- Energy: -1.0% Y/Y
- Food, alcohol and tobacco: 3.6% Y/Y – “risk of a bounce back in food inflation after a larger-than-expected drop in January.”
- “Looking ahead, we foresee a big step down in inflation in April (1.9% y/y) amid a cut in household energy bills and administrative price increases dropping out from annual inflation.”

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