

Quick Note 12/05/2017

Spain · General and core inflation rise in April

Data

- CPI showed a YoY change of **2.6% in April** (2.3% in March).
- **Core inflation** was up **1.2%** (0.9% in March).

Valuation

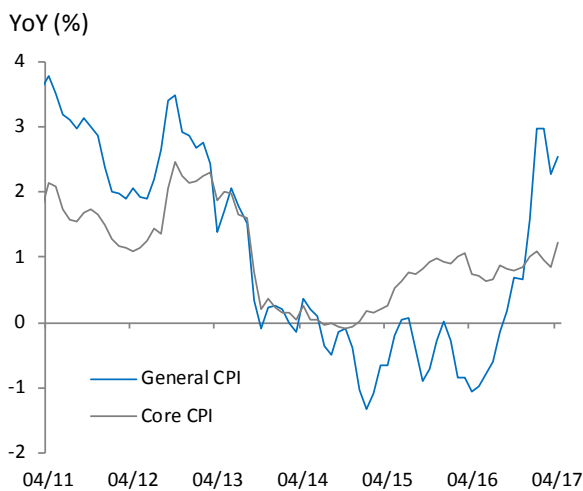
- Inflation was up to 2.6% in April, three tenths higher than in March. This faster price growth was chiefly due to an uptick in tourism prices, driven by Easter Week falling entirely in April this year (while last year it came in March). Said effect was reflected in the **leisure and culture** category, which showed an increase of 3.4%, more than 3 p.p. higher than the previous month. The **housing** category also contributed to the increase due to stability in electricity prices compared to a decline in the previous month.
- **Core inflation** (the general index excluding non-prepared foods and energy products) **stood at 1.2%**, 3 tenths higher than the March figure, in line with CaixaBank Research forecasts.
- Looking ahead to May, we expect inflation to return to an easing trend due to a slowdown in oil prices in YoY terms. Likewise, core CPI should show a smooth rising trend thanks to bouyant private consumption.
- In the light of this figure, **the risks for the full-year 2017 inflation forecast (2.2%) look balanced.**

CPI components (April-17) YoY

	Weight	CaixaBank Research forecast	Real data	Prediction error
Headline CPI	100	2.6	2.6	-
Energy	11	11.7	12.0	0.3
Unprocessed food	8	4.1	3.4	-0.7
CPI Core	81	1.1	1.2	0.1
Services	41	1.8	2.1	0.4
Industrial goods	25	0.5	0.3	-0.2
Processed food	15	0.2	0.2	0.0

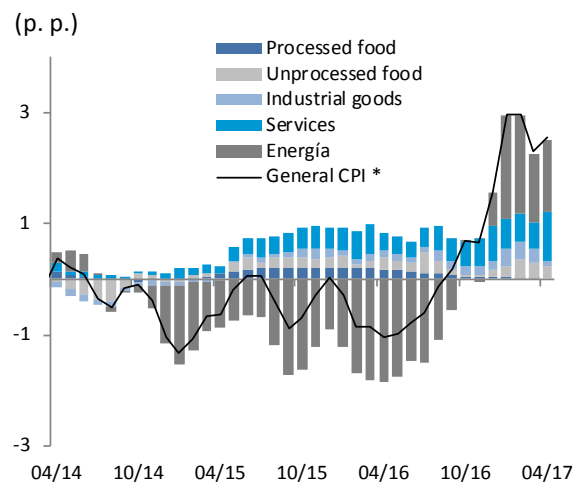
Source: CaixaBank Research, from INE data

CPI evolution



Source: CaixaBank Research, INE.

Contribution to the inflation



Nota: * YoY.

Source: CaixaBank Research, INE.

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