

Quick Note 11/10/2017

## Spain · Core inflation unchanged in September

### Data

- CPI showed a YoY change of **1.8% in September** (1.6% in August).
- **Core inflation** stood at **1.2%** (1.2% in August).

### Assessment

- Inflation was up 2 tenths in September to 1.8%. The **food and non-alcoholic beverages** group made a positive contribution to the increase due to fruit prices declining more slowly (having dipped sharply during August in year-on-year terms). The **leisure and culture** category also had a positive bearing albeit to a lesser degree, while prices associated with **households** eased due to electricity and gas prices.
- **Core inflation** (the general index excluding non-prepared foods and energy products) **stood at 1.2%**, matching the August figure and slightly higher than the CaixaBank Research forecast.
- From now to the end of the year general inflation is set to ease slightly against current figures, due chiefly to the underlying electricity price effect.
- In the light of this figure, **the risks for the full-year 2017 inflation forecast, of 1.8%, look balanced.**

### CPI components (September-17) YoY

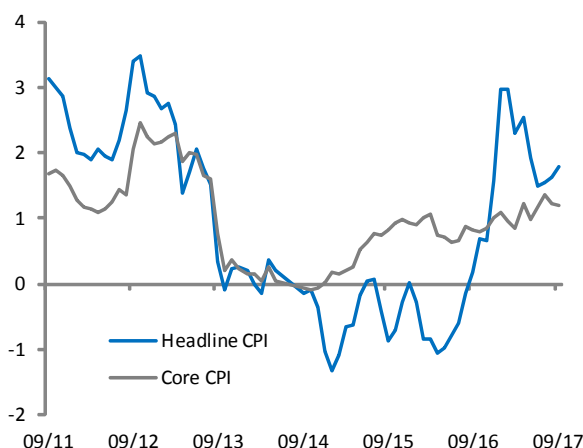
Year-on-Year change (%)

	Weight	CaixaBank Research forecast	Real data	Prediction error	Contribución al error de predicción*
<b>Headline CPI</b>	<b>100</b>	<b>1.8</b>	<b>1.8</b>	<b>-</b>	<b>#¡VALORI!</b>
Energy	11	4.3	5.8	1.5	0.17
Unprocessed food	8	1.0	2.2	1.2	0.09
<b>Core CPI</b>	<b>81</b>	<b>1.0</b>	<b>1.2</b>	<b>0.2</b>	<b>0.13</b>
Services	41	1.5	1.8	0.3	0.12
Industrial goods	25	-0.3	0.1	0.4	0.09
Processed food	15	1.2	0.9	-0.3	-0.05

Source: CaixaBank Research, based on INE data.

### CPI evolution

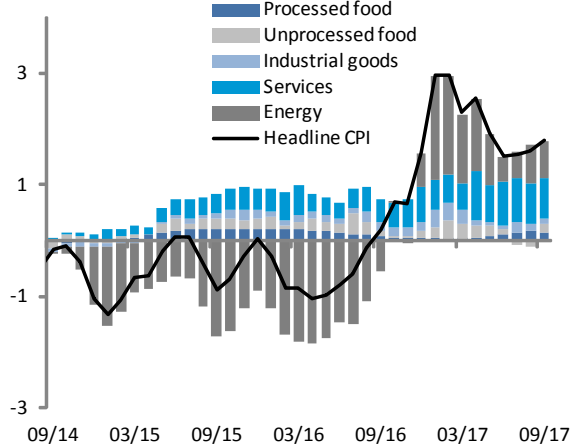
YoY change (%)



Source: CaixaBank Research, based on INE data.

### Contribution to inflation by component

(p. p.)



Note: \* YoY change.

Source: CaixaBank Research, based on INE data.

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