

Quick Note 31/01/2018

Spain · Inflation declines due to electricity prices

Data

- **CPI showed a YoY change of 0.5% in January** (1.1% in December).
- The MoM change was **-1.1%** (-0.5% in January 2017).

Assessment

- Inflation was down by 6 tenths in January to 0.5%, a slightly sharper decline than that anticipated by CaixaBank Research.
- While no breakdown by components is yet available, this slowdown in prices is likely due to the underlying electricity price effect (an upturn in electricity prices a year ago saw inflation reach 3% during January and February).
- Inflation is set to climb moderately over the coming months, driven by rising oil prices.
- In the light of this figure, **the risks for the full-year 2018 inflation forecast of 1.6% look to be slightly downside.**

Flash CPI January 2018

(%)

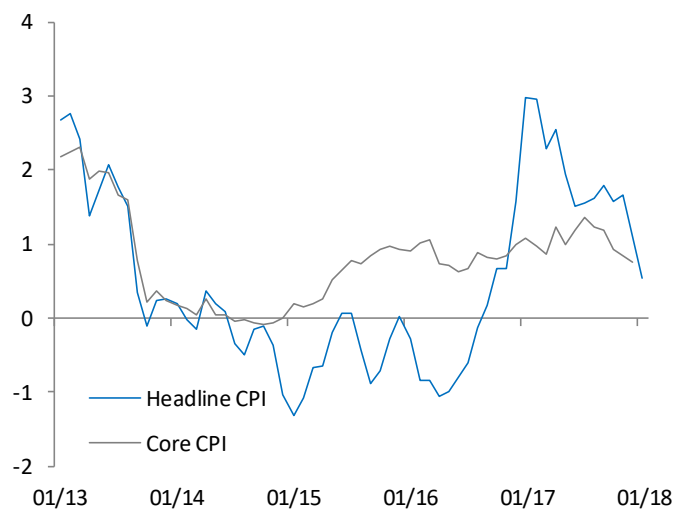
	Oct.-17	Nov.-17	Dec.-17	Jan.-18	
				Data	Forecast
General CPI (YoY change)	1.6	1.7	1.1	0.5	0.7
	Average*	Average*	Jan.-17	Jan.-18	
	2004-2009	2010-2015		Data	Forecast
General CPI (MoM change)	-0.7	-1.2	-0.5	-1.1	-1.0

Note: *Average for January.

Source: CaixaBank Research, based on National Statistics Institute Data.

CPI performance

Year-on-year change (%)



Source: CaixaBank Research, based on National Statistics Institute Data.

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