BANK OF GREECE
EUROSYSTEM

INFLATION MONITOR

September 14, 2026

Economic Analysis and Research Department

Headline inflation in the euro area and Greece, in July and August (flash estimate) remains quite elevated, mainly due to high services inflation and continued strong pressures from energy inflation. Market-based expected inflation rose sharply for the short-term horizons and more so in the euro area than the US, amid renewed tensions in the Middle East and continued disruptions in the supply of energy. Markets price-in higher policy rates in the United States and the euro area with one more rates hike, vis-à-vis present levels, being expected until the end of 2026 and two additional until mid- 2027.

- ***HICP inflation*** *in August increased to 3.3% in the euro area (flash estimate) and to 3.7% in Greece. Inflation in the US steadied at 3.4% in August, unchanged from July (3.5% in June), remaining below the 2026 high of 4.2% reached in May.*
- *Although energy prices increased faster than any other sub-component of the HICP in the first eight months of 2026 in both Greece and the euro area,* ***services inflation remains the main contributor of HICP inflation*** *followed by energy and unprocessed food.*
- ***Crude oil prices*** *rose sharply over the past two months, as did European gas prices, amid renewed hostilities in the Middle East and continued disruptions to trade routes, including the Strait of Hormuz.* ***Industrial-metal and agricultural commodity*** *prices also increased, reflecting supply disruptions.*
- ***Market-based inflation expectations rose significantly in both the euro area and the US****, amid renewed US-Iran tensions which outline the prospect for higher-for-longer (than previously anticipated) inflation rates. The rise in market-based inflation expectations was stronger particularly for the short-term horizon.*
- ***The expected policy rate path in the EA shifted upwards.*** *After ECB's rate hike in June and September, markets expect as highly likely one more 25-bps rate hike until end-2026 and two more, vis-à-vis present levels, by mid-2027.*
- ***For the US, expectations for rate hikes by the Fed strengthened vis-à-vis two months ago****, after the Fed Chair reiterated Fed's focus on price stability. Markets now expect a 25-bps hike in 2026:Q4 with near certainty, and two more rate hikes until mid-2027.*
- ***According to the latest staff projections*****,** ***euro area inflation*** *will peak at 3.6% in 2026Q4, owing to the surge in energy prices, and fall sharply in 2027Q2 to 2.5%, mostly due to large downward energy base effects. Headline inflation is expected to stabilise close to 2.0% over the medium term as the contribution from energy inflation is close to zero and the indirect/second-round effects of the energy shock are contained.* ***In Greece****, headline HICP inflation will rise to 3.5% in 2026, driven by higher energy prices and the continued persistence of services inflation. Inflation is projected to moderate thereafter, thanks to the assumed moderation in energy commodity prices. In 2027-28, it is projected to decline to 2.7% and 2.2% respectively.*

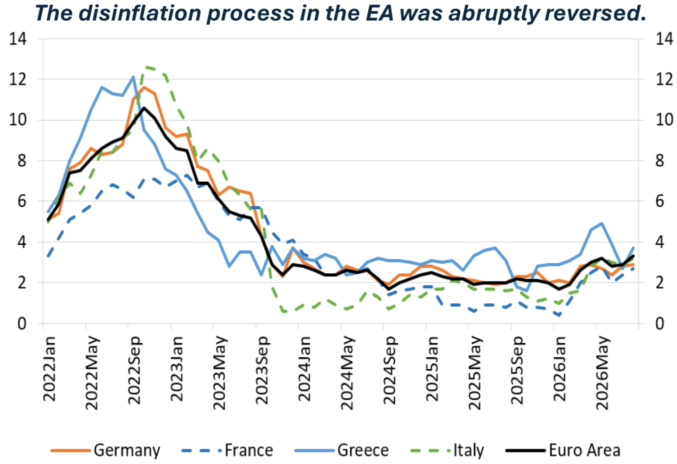
Section 1: HICP inflation developments

- ***Inflation in the euro area increased to 3.3% in August (flash estimate) after standing below 3.0%, for two consecutive months. The increase in headline HICP inflation is attributed to goods inflation and more specifically to energy inflation which picked up again in August due to renewed hostilities and the fact that natural gas reserves remain quite low. Services inflation declined to 3.0% in August but remains the main contributor to both headline and core inflation being elevated.***
- ***In Greece headline inflation followed an upward path in the first five months of 2026. It declined in June and July but rebounded in August to 3.7%, standing on average at 3.6% in the first eight months of 2026. The increase in inflation in August relates to the upward movement of the inflation rates of all five major components, especially to services and energy inflation. Core inflation also picked up significantly in August in line with the corresponding increase in services inflation which was the result of a notable increase in inflation in accommodation services.***

HICP Headline inflation for selected euro area countries

(annual % changes)

The disinflation process in the EA was abruptly reversed.

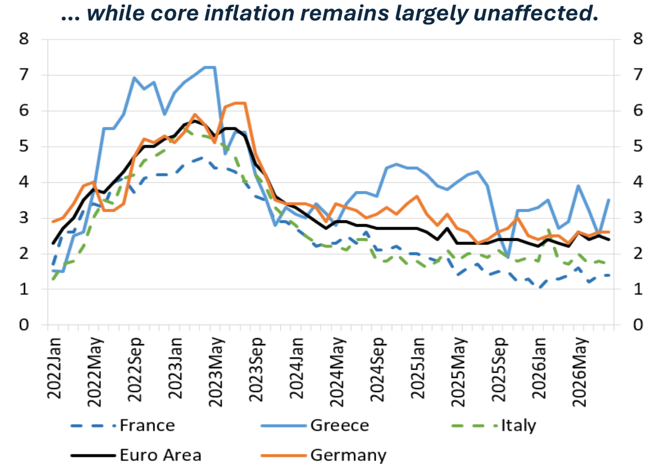


Source: Eurostat. Latest observation: August 2026.

Core inflation for selected euro area countries (HICP excluding energy & food)

(annual % changes)

... while core inflation remains largely unaffected.

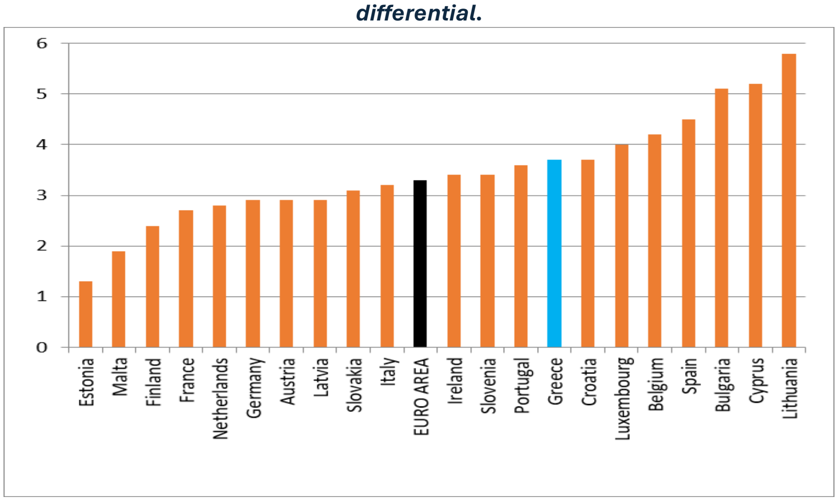


Source: Eurostat. Latest observation: August 2026.

HICP Headline inflation for the euro area countries – August 2026

(annual % changes)

In August 2026, headline inflation in Greece rebounded and is once again above euro area inflation but with a narrower differential.



Source: Eurostat.

Price developments in the euro area and Greece

(annual % changes)

Both headline and core inflation in Greece exceed those of the EA in August 2026. The headline inflation differential narrowed in August compared to 2026:H1 but the core inflation differential remained quite large.

EURO AREA	2026 weights (%)	2023	2024	2025	2025		2026		2026					
					Q3	Q4	Q1	Q2	Mar	Apr	May	June	July	Aug
Harmonised Index of Consumer Prices (HICP)														
Overall index	**100.00**	**5.4**	**2.4**	**2.1**	**2.1**	**2.1**	**2.0**	**3.0**	**2.6**	**3.0**	**3.2**	**2.8**	**2.9**	**3.3**
Goods	53.31	5.7	1.1	1.0	1.2	0.9	1.0	2.8	2.0	3.1	2.9	2.3	2.6	3.4
Processed food (including alcohol and tobacco)	13.83	11.4	3.2	2.6	2.8	2.3	1.8	1.2	1.7	1.6	1.1	0.9	0.7	0.6
Unprocessed food	5.15	9.5	2.1	3.4	4.2	3.0	4.3	4.0	4.2	4.6	4.0	3.1	2.4	2.7
Non-energy industrial goods	25.28	5.0	0.8	0.6	0.7	0.5	0.5	0.8	0.5	0.8	0.9	0.7	0.9	1.2
Energy	9.05	-2.0	-2.2	-1.4	-1.6	-1.1	-0.7	10.1	5.1	10.8	10.8	8.5	10.3	14.3
Services	46.69	4.9	4.0	3.4	3.2	3.4	3.3	3.2	3.2	3.0	3.5	3.2	3.3	3.0
Core Inflation (HICP less energy, food, alcohol and tobacco)	**71.98**	**4.9**	**2.8**	**2.4**	**2.3**	**2.4**	**2.3**	**2.4**	**2.3**	**2.2**	**2.6**	**2.4**	**2.5**	**2.4**
GREECE														
Harmonised Index of Consumer Prices (HICP)														
Overall index	**100.00**	**4.2**	**3.0**	**2.9**	**2.9**	**2.4**	**3.1**	**4.4**	**3.4**	**4.6**	**4.9**	**3.9**	**2.7**	**3.7**
Goods	51.19	3.8	1.7	1.1	1.2	1.0	2.2	4.2	3.0	5.2	4.1	3.3	2.2	3.0
Processed food (including alcohol and tobacco)	14.98	9.4	2.6	0.1	0.2	0.5	0.4	0.6	0.3	0.8	0.4	0.6	-0.5	-0.2
Unprocessed food	8.45	10.7	3.2	5.8	6.5	7.2	10.9	6.9	9.9	9.2	6.5	5.1	-0.1	0.7
Non-energy industrial goods	19.75	6.4	1.7	0.7	0.9	-0.2	1.1	-0.1	0.2	0.4	-0.5	-0.1	0.8	1.1
Energy	8.02	-13.4	-1.4	-0.7	-1.6	-1.4	-0.1	18.7	7.7	21.6	20.0	14.7	13.0	15.4
Services	48.81	4.5	4.4	4.8	4.5	4.0	4.0	4.7	3.8	3.9	5.7	4.5	3.1	4.5
Core Inflation (HICP less energy, food, alcohol and tobacco)	**68.56**	**5.3**	**3.6**	**3.6**	**3.6**	**2.8**	**3.2**	**3.3**	**2.7**	**2.9**	**3.9**	**3.2**	**2.5**	**3.5**

Sources: Eurostat, ELSTAT and BoG calculations.

Price developments in the energy component of the Greek HICP and its subcomponents

(annual % changes)

Energy inflation increased significantly in the period March-August 2026 due to the war in the Middle East that drove up energy commodity prices. It eased in June and July thanks to declines in the annual rates of motor fuel and electricity, but it picked up again in August due to increases in motor fuel and natural gas.

GREECE	2026 weights (%)	2023	2024	2025	2025		2026		2026					
					Q3	Q4	Q1	Q2	Mar	Apr	May	Q3	Q4	Q1
Harmonised Index of Consumer Prices (HICP)														
Overall HICP index	100.00	4.2	3.0	2.9	2.9	2.4	3.1	100.00	4.2	3.0	2.9	2.9	2.4	3.1
ENERGY	8.31	-13.4	-1.4	-0.7	-1.6	-1.4	-0.1	8.31	-13.4	-1.4	-0.7	-1.6	-1.4	-0.1
Electricity	2.80	-15.0	0.5	7.6	7.2	1.7	2.6	2.80	-15.0	0.5	7.6	7.2	1.7	2.6
Natural gas through networks	0.31	-49.3	-17	8.1	-2.8	-13.3	-23.4	0.31	-49.3	-17	8.1	-2.8	-13.3	-23.4
Liquefied hydrocarbons	0.07	7.6	-0.3	-1.8	-1.6	-1.1	0.3	0.07	7.6	-0.3	-1.8	-1.6	-1.1	0.3
Liquid fuels	1.03	-11.8	1.6	-8.9	-12.9	-3.4	2.2	1.03	-11.8	1.6	-8.9	-12.9	-3.4	2.2
Solid fuels	0.21	21.2	0.4	-2.2	-2.6	1.0	1.0	0.21	21.2	0.4	-2.2	-2.6	1.0	1.0
Fuels for personal transport equipment	3.60	-7.8	-2.7	-4.4	-3.8	-1.5	0.1	3.60	-7.8	-2.7	-4.4	-3.8	-1.5	0.1

Sources: ELSTAT and Bank of Greece computations.

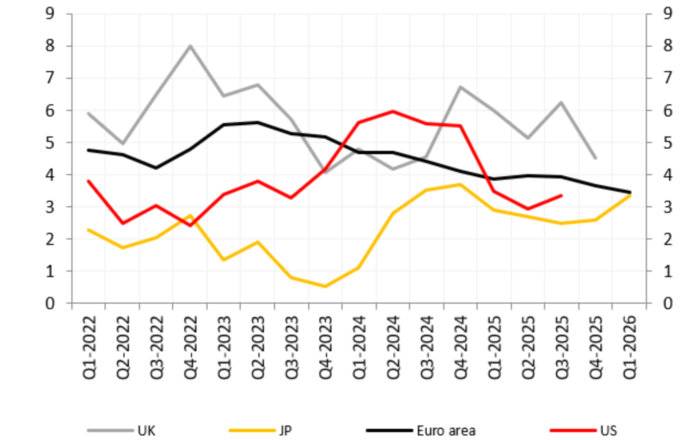
Section 2: Labour market developments

- ***The growth rate of compensation per employee has continued to moderate overall, although wage developments remain heterogeneous across countries, with compensation growth per employee accelerating in several euro-area economies in the second quarter of 2026.***
- ***Despite easing from earlier peaks, labour costs continue to contribute to elevated services inflation, while the pass-through of recent energy shocks to wage dynamics appears limited.***

Compensation per employee – major regions globally

(y-o-y % change; sa)

Growth in compensation per employee generally moderated across the major advanced economies in late 2025 and early 2026, although developments varied across countries. Wage growth eased notably in the UK and more gradually in the euro area, while it strengthened in Japan.

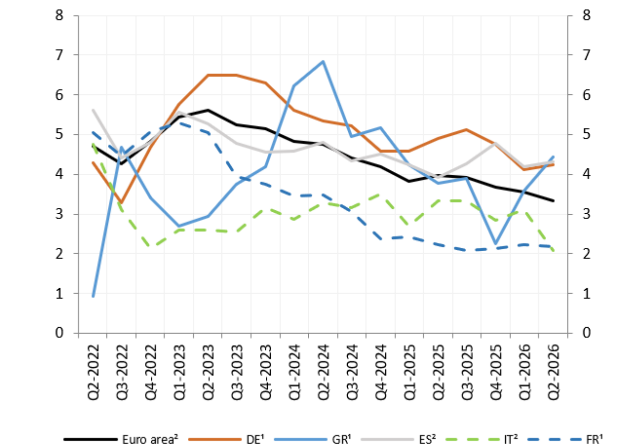


Sources: OECD and ECB. Latest observation: 2026:Q1 for the EA and Japan, 2025:Q4 for UK, 2025:Q3 for the US.

Compensation per employee – selected euro area countries

(y-o-y % change; sa)

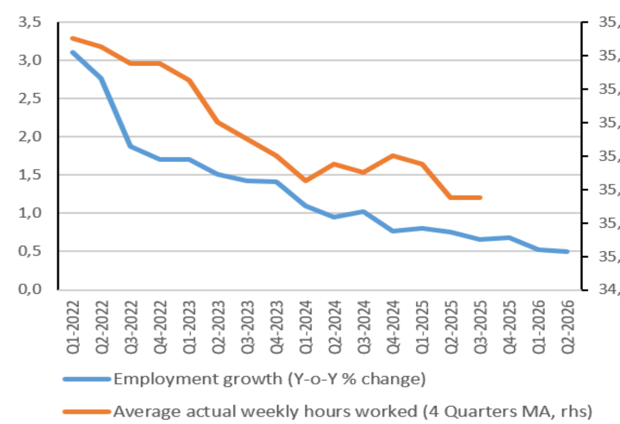
In the second quarter of 2026, compensation per employee growth remained broadly moderate, although Germany, Greece and Spain recorded increases.



Sources: ECB. Latest observation: 2026:Q2.
Note: [1] data are not calendar adjusted, [2] data are calendar adjusted

Employment and hours worked – euro area

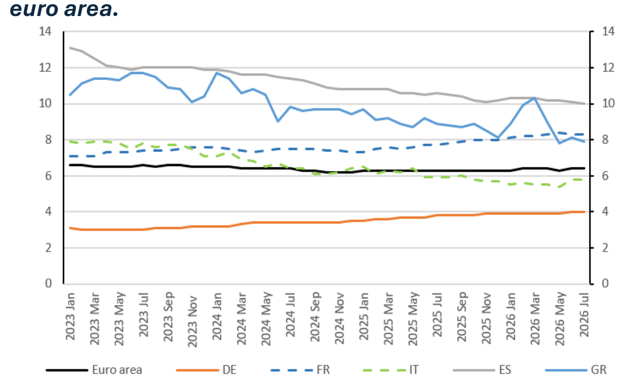
Employment growth is on an easing path, amid concerns over weakening growth prospects.



Source: Eurostat. Latest observation: 2026:Q2 for employment growth, 2025:Q4 for average actual weekly hours worked.

Unemployment rate – selected euro area countries (%)

In July 2026, the EA unemployment rate remained unchanged at 6.4%, while Greece's declined further to 7.9%(-0.2pp). However, significant cross-country differences in unemployment rates persist across the euro area.



Source: Eurostat. Latest observation: July 2026.

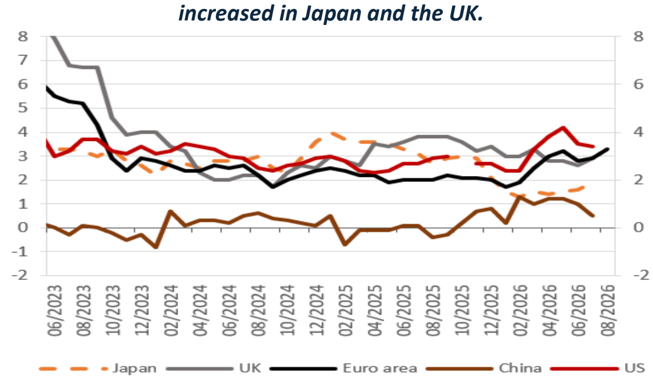
Section 3: Global prices

- ***Crude oil prices rose sharply amid renewed Middle East hostilities and continued disruptions through the Strait of Hormuz, while European gas prices increased as LNG flows were disrupted, competition with Asia for alternative cargoes intensified and European storage levels remain low. Industrial-metal and agricultural commodity prices also rose, reflecting supply disruptions, adverse weather and the gradual pass-through of higher energy costs.***
- ***Following the freight rate increase in early 2024 triggered by Houthi attacks, global container transportation costs have generally moderated, despite intermittent increases driven mainly by demand and fuel prices. In July 2026, trends diverged across major trading routes: China-US rates rose on strong demand, while China-EU rates declined amid a partial return to Red Sea routes.***

Headline consumer price inflation

(annual % change)

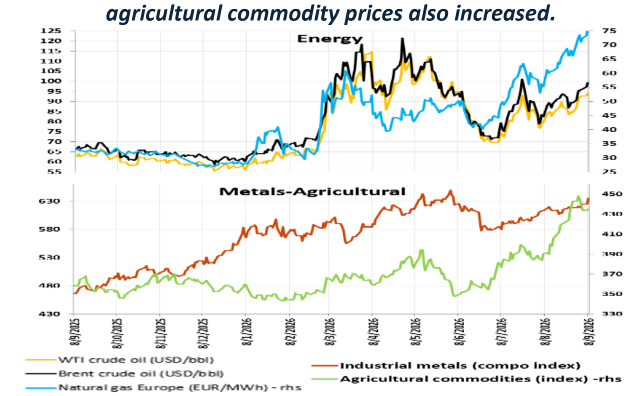
In August 2026, inflation increased in the euro area and China, while it remained unchanged in the US. In July, inflation also increased in Japan and the UK.



Sources: OECD, Eurostat, UK ONS. Latest observation: August 2026 for the EA, the US and China, July 2026 for the remaining economies.

Daily commodity prices

Energy prices rose sharply overall, with significant increases in both crude oil and European gas prices. Industrial-metal and agricultural commodity prices also increased.



Source: LSEG. Latest observation: 8.9.2026.
Note: S&P Goldman Sachs Commodity future price indices for crude oil, gas, industrial metals and agricultural commodities.

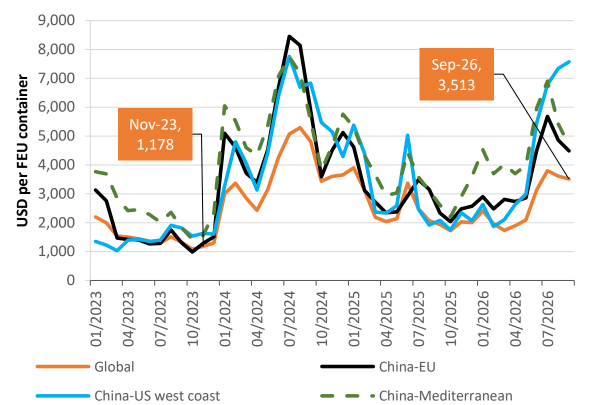
Gold and silver

Gold and silver prices moved higher overall, in the 2-month period under review, supported by increased demand for safety, combined with investor outflows from US-dollar denominated assets. More recently, however, a shift upwards of expectations for rate hikes by the Fed has moderated these gains.

Source: LSEG. Latest observation: 8.9.2026.
Notes: Spot prices of gold and silver in USD per troy ounce.

Containers transportation cost – Freightos Index

Despite the recent moderation in global sea transportation costs, there are divergent trends in China-US and China-EU costs.



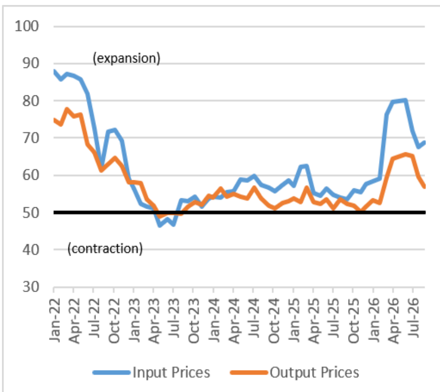
Sources: Freightos and LSEG. Latest observation: 07.09.2026.
Notes: Freightos Baltic Indices reflect the ocean container transport spot freight rates (port to port) for a standard forty-foot container (FEU). Monthly average of daily data.

Section 4: Leading price indicators for the Greek economy

- ***According to the August PMI, input price inflation in manufacturing increased at a sharper pace amid higher charges for oil-derived products and energy. Output prices also rose, but to the slowest degree since February.***

PMI input and output prices in Greek manufacturing

In August 2026, both input and output price inflation, despite some softening, continued rising at a marked pace...



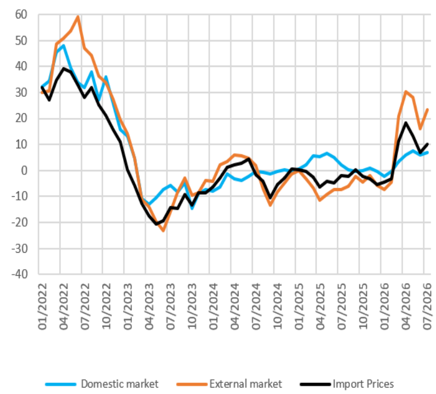
Source: S&P Global.

Latest observation: August 2026.

Producer Price Index and import prices in Greece

(annual % change)

...while producer prices started diverging again.

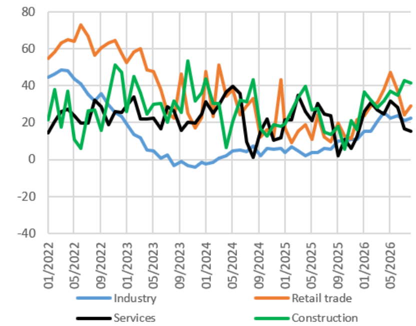


Source: ELSTAT. Latest observation: July 2026.

Selling price expectations in business sectors in Greece

(for the next 3 months)

Selling price expectations declined in all sectors except for retail trade and industry in August 2026.



Source: European Commission.

Latest observation: August 2026.

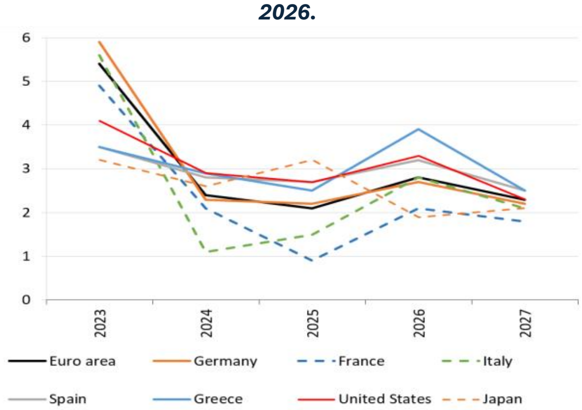
Note: Data is obtained from the closed-ended question about selling price expectations over the next 3 months. The chart shows the net balances i.e. the share of firms' managers expecting higher selling prices minus the share of them expecting lower prices.

Section 5: Inflation expectations

<u>Professional forecasters' inflation expectations</u>: According to the Consensus Forecasts released in August, inflation expectations for the EA stand at 2.8% for 2026 declining to 2.3% in 2027. Both forecasts were revised up compared with the previous month. In contrast, inflation expectations for the US were revised downwards, although they remain higher than those for the EA, at 3.3% in 2026 and 2.3% in 2027, respectively.

Inflation expectations

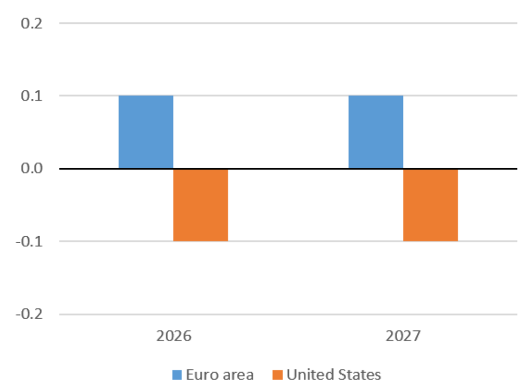
Inflation is expected to be impacted positively, mainly in 2026.



Source: Consensus Forecasts (August 2026).

Inflation expectations' revision

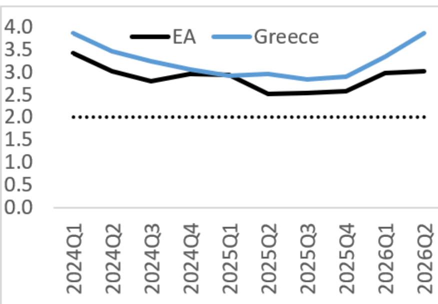
Failure to reach an agreement resulted to further upward revisions over the last month.



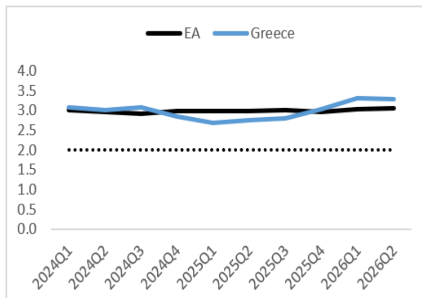
Source: Consensus Forecasts (August 2026).

- ***<u>Firms' inflation expectations</u>: Firms' median one year ahead inflation expectations in Greece increased to 3.9% in 2026 Q2 from 3.3% in 2026 Q1 whereas in the euro area were unchanged at 3%. Three years ahead expectations increased in Greece and in the euro area were unchanged at 3.3% and 3%, respectively. Firms' median five years ahead inflation expectations in Greece decreased to 3.1% in 2026 Q2 from 3.3% in the previous quarter whereas in the euro area were broadly unchanged at 3.1%.***

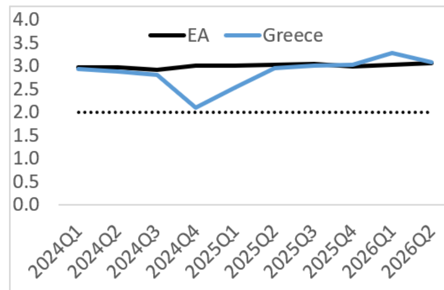
Inflation expectations 12 months ahead



Inflation expectations 3 years ahead



Inflation expectations 5 years ahead

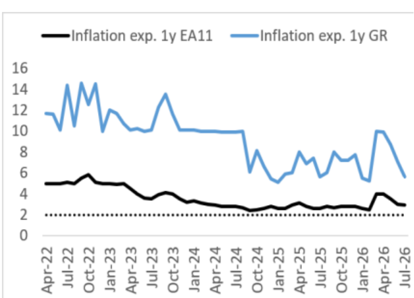


Source: ECB Survey on the Access to Finance of Enterprises (SAFE).

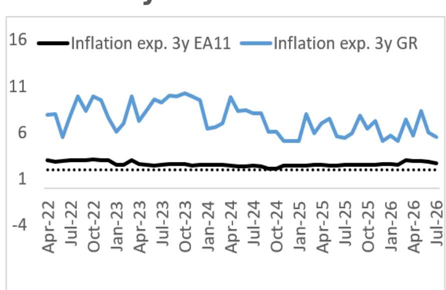
Note: Survey weighted median. Median is computed by linear interpolation of the mid-distribution function. The statistics are computed after trimming the data at the country-specific 1st and 99th percentiles. The data included in the chart refers to questions 31_a, 31_b and 31_c of the survey regarding firms' inflation expectations one year ahead, three years ahead and five years ahead. All enterprises in the sample are included. The chart refers to survey rounds 30 to 39 (2024Q1 to 2026Q2).

<u>Consumers' inflation expectations</u>: The ECB's Consumer Expectations Survey (CES) shows that in July the median inflation expectations over the next 12 months decreased in Greece to 5.6% from 7.1% in June whereas in the euro area were broadly unchanged at 2.9%. Median inflation expectations three years ahead declined in Greece to 5.5% from 6% in the previous month whereas in the euro area were broadly unchanged at 2.7%. Median five years ahead inflation expectations were unchanged in Greece and in the euro area at 5% and 2.4%, respectively.

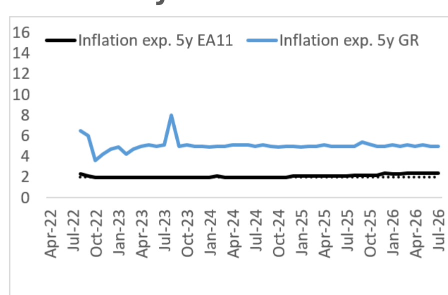
Inflation expectations 12 months ahead



Inflation expectations 3 years ahead



Inflation expectations 5 years ahead



Source: ECB Consumer Expectations Survey (CES).

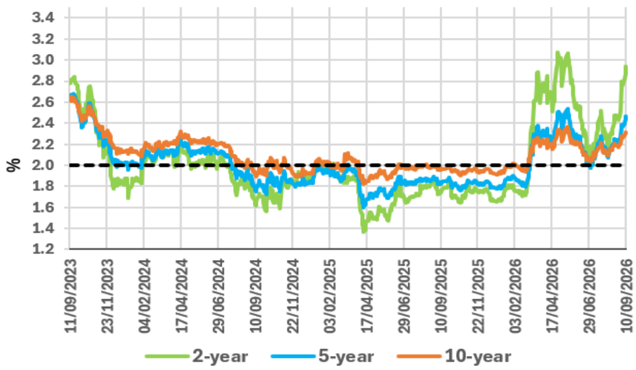
Note: Using weighted data. Median short-term, medium-term and long-term inflation expectations are obtained from the open-ended question about individuals' expectations of changes in prices in general over the next 12 months, between 2 and 3 years between 4 and 5 years, respectively. The sample period is from April 2022 to July 2026. Long-term inflation expectations are available since August 2022.

Market-based inflation expectations:

- ***Market-based expectations for the EA and US inflation rose markedly at the short-term horizon, as in the price of energy rose in the past two months amid renewed US-Iran tensions and continued disruptions in key trade routes such as the Strait of Hormuz*** *(on 10.9.2026 vs. 10.7.2026: 2-year: EA: 2.94% +80 bps, US: 2.56% +32 bps).*
- ***Market-based inflation expectations at the medium- and long-term horizons also increased in both the EA and the US, albeit by less than short-term expected inflation rates*** *(on 10.9.2026 vs. 10.7.2026, 5-year horizon: EA: 2.47%, +40 bps; US: 2.52%, +18 bps; 10-year: EA: 2.32%, +23 bps; US: 2.46%, +14 bps).*
- ***At the same time real yields in the EA moved lower in the short term horizon, while in the US remained broadly unchanged; longer-term real rates in both the US and the US continued rising*** *(10.9.2026 vs 10.7.2026: EA-2y: 0.21%, -18 bps, EA-5y: 0.72%, +16 bps, EA-10y: 0.96%, +18 bps; US-2y: 1.99%, +3 bps, US-5y: 2.22%; +24 bps, US-10y: 2.48%: +23 bps).*

Euro-area market-based inflation expectations

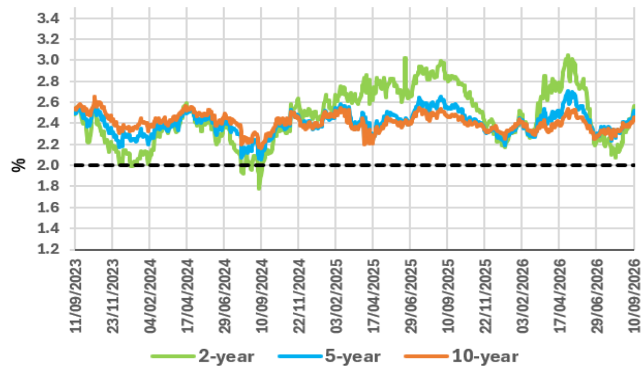
Euro-area market-based inflation expectations moved higher over the past two months, particularly at the short -end.



Sources: LSEG, Bank of Greece. Latest observation: 10.9.2026.
Note: The chart illustrates daily Euro inflation-linked swap rates for 2-year (green line), 5-year (blue line) and 10 year (orange line) horizons.

US market-based inflation expectations

US market-based inflation expectations rose across horizons, more strongly at the short end.

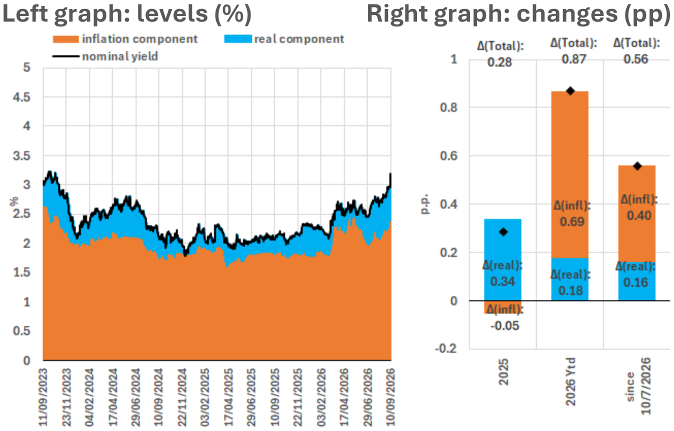


Sources: LSEG, Bank of Greece. Latest observation: 10.9.2026.
Note: The chart illustrates daily US Dollar inflation-linked swap rates for 2-year (green line), 5-year (blue line) and 10-year (orange line) horizons.

EA 5y-yields' inflation and real components

Against the backdrop of higher energy prices, EA market-based indicators of inflation expectations over a 5-year horizon rose, as did real yields.

Left graph: levels (%) **Right graph: changes (pp)**

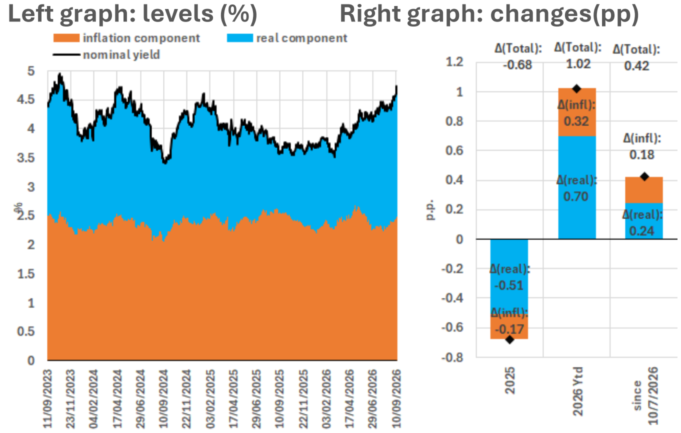


Sources: LSEG, Bank of Greece. Latest observation: 10.9.2026.
Note: The chart shows the decomposition of the 5-year Euro OIS rate (black line) into its real (blue bars) and inflation-linked (orange bars) components. The inflation component is the 5-year Euro inflation-linked swap rate and the real component is the difference between the 5-year Euro OIS rate and the 5-year Euro inflation-linked swap rate.

US 5y-yields' inflation and real components

US market-based indicators of inflation expectations over a 5-year horizon also increased in the past two months, as did real yields.

Left graph: levels (%) **Right graph: changes(pp)**



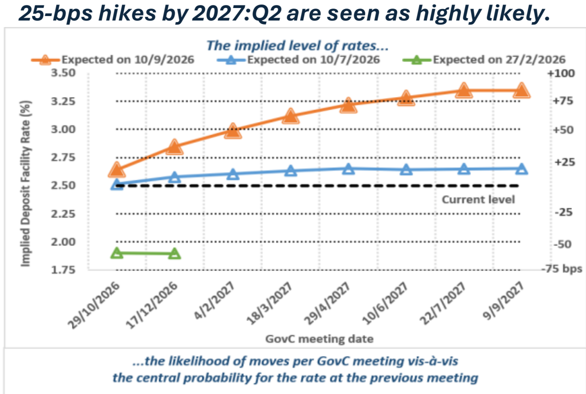
Sources: LSEG, Bank of Greece. Latest observation: 10.9.2026.
Note: The chart shows the decomposition of the 5-year US Treasury bond yield (black line) into its real (blue bars) and inflation-linked (orange bars) components. The inflation component is the 5-year US Dollar inflation-linked swap rate and the real component is the difference between the 5-year US Treasury bond yield and the 5-year US Dollar inflation-linked swap rate.

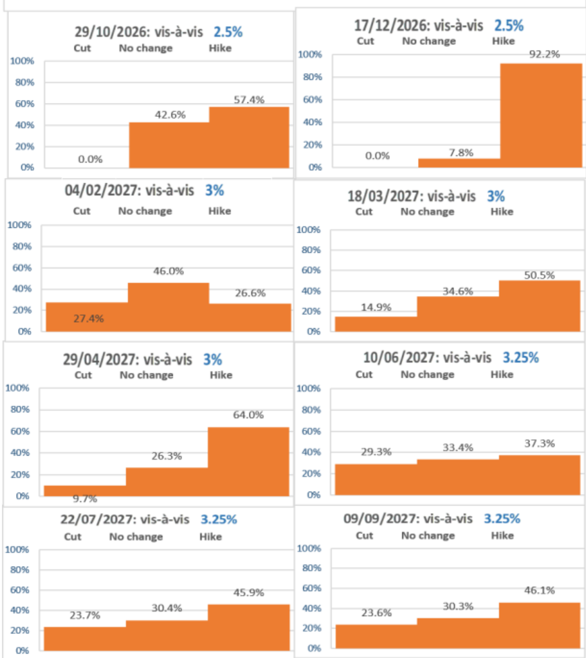
Section 6: Policy interest rates expectations

- ***Following the two ECB's 25-bps rate hikes in June and September, markets expect the ECB to continue raising its policy rates. The expected policy rate curve shifted upwards, vis-à-vis two months ago: a 25-bps rate hike, vis-à-vis current levels, is expected by the ECB until the end of 2026 and two more are seen highly likely by 2027:Q2.***
- ***Market pricing about the outlook of Fed's policy rates shifted upwards, relative to two months ago, after Fed Chair K. Warsh made explicit Fed's focus on price stability, at the Jackson Hole Economic Symposium. At present markets expect with near certainty that the Fed will raise its rate by 25 bps until 2026-end and that it will hike two more times up to mid-2027.***

Short-term rates in the euro area

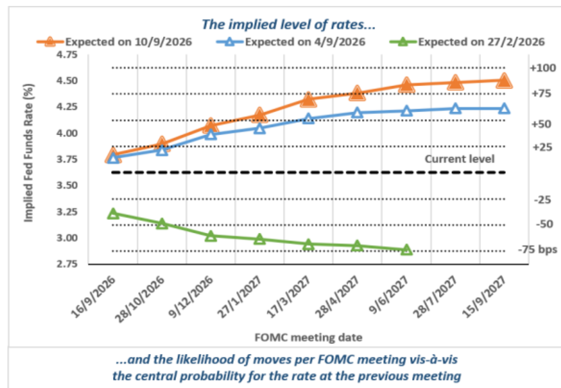
The market-implied rate path in the EA shifted upwards vs two months ago. The ECB is now expected to proceed to a 25-bps rate hike vis-à-vis current levels by end-2026; two more 25-bps hikes by 2027:Q2 are seen as highly likely.

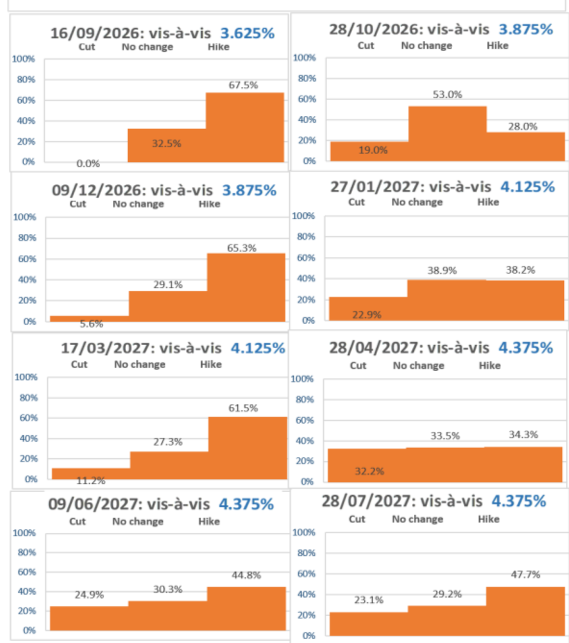




Short-term rates in the US

The market-implied Fed rate path increased relative to two months ago, with a 25-bps rate hike expected by 2026-end followed by two more hikes by mid-2027.





Sources: LSEG. Latest observation: 10.9.2026.

Notes: Upper charts: The orange line shows the most recent expectation about the level of the policy rate (ECB: Deposit Facility Rate, Fed: Fed funds rate), as implied by the OIS rates' yield curve (ECB) or the pricing in futures contracts (Fed) for each meeting from today until September 2027. The blue line shows the expectation two months ago. The horizontal axis shows the date of each meeting. The dashed lines show the present level of the policy rate and its expected level given the market's view about upcoming rate moves by the ECB (charts in the left) or the Fed (charts on the right). **Lower charts:** The bars show the level of likelihood (i.e. implied probabilities) for the event of a rate move (from left to right: cut, no change, hike). The graphs correspond to monetary policy meetings (GovC for the ECB and FOMC for the Fed) during 2026 and 2027. The probabilities for each move are calculated as the sum of the probabilities for rates lower, equal or higher, respectively, vis-à-vis the central probability for the rate at the previous meeting as inferred by the latest OIS yield curve (ECB) or futures contracts for different delivery dates (Fed).

Section 7: Eurosystem's latest published inflation projections (September 2026)

In the projections, energy commodity prices follow the technical assumptions based on the Futures markets (cut-off date 20 August 2026).

Euro area

- ***Inflation is expected to peak at 3.6% in the fourth quarter of 2026 owing to the surge in energy prices as a result of the Middle East conflict with increases in crude oil prices (year on year) amplified by additional upward pressures from refined oil products as well as from wholesale gas and electricity prices. Energy inflation is projected to peak at the end of 2026 at almost 15%.***
- ***Headline HICP inflation is projected to fall sharply in the second quarter of 2027 to 2.5%, owing mostly to large downward energy base effects. Headline inflation is expected to stabilise close to 2.0% over the medium term as the contribution from energy inflation is close to zero and the indirect and second-round effects of the energy shock are also expected to be contained.***
- ***Indirect effects from higher energy prices are expected to materialise gradually in non-energy inflation, albeit to a smaller extent relative to the inflationary episode in 2021-2024. Thus, HICP inflation excluding energy is expected to rise until early 2027 and stay elevated before moderating again in 2028, as the indirect and second-round effects from the current energy shock are expected to be contained. An ECB assessment of the second-round effects on HICPX inflation in response to the energy price shock suggests small upward impacts.***
- ***The expected easing of inflation helps to contain wage pressures over the medium term amid the improving outlook for the economy and the labour market, albeit wage growth is expected to remain above its long-term average.***

Greece

- ***Headline HICP inflation is expected to rise to 3.5% in 2026, up from 2.9% in 2025, driven by higher energy prices and the continued persistence of services inflation. The latter mainly reflects increases in wages and rents, alongside sustained pressures stemming from strong tourism demand.***
- ***Inflation is projected to moderate over the rest of the forecast period, largely driven by an assumed moderation in energy commodity prices. In 2027, inflation is projected to decline to 2.7%, while in 2028 to reach 2.2%.***
- ***Energy inflation is expected to climb to 11.0% reflecting strong energy commodity price increases and to decelerate at 2.2% in 2027 due to strong downward base effects and the assumed easing of energy commodity prices. The incorporation of ETS2 is expected to contribute to maintaining energy inflation to 2.3% in 2028.***
- ***Core inflation (HICP excluding energy and food) will stand at 3.0% in 2026 as the services component shows strong persistence. It is expected to decline to 2.6% by 2027 and continue its downward trend to 2.2% in 2028 mainly owing to the sluggish decline in services inflation.***

Macroeconomic projections, September 2026

	Euro area			Greece		
	HICP	HICP ex energy and food	HICP energy	HICP	HICP ex energy and food	HICP energy
	Rate of change			Rate of change		
2026	3.0	2.5	9.3	3.5	3.0	11.0
2027	2.5	2.6	1.0	2.7	2.6	2.2
2028	2.1	2.3	-0.6	2.2	2.2	2.3

Table of news and statements on inflation (period: 10/7/2026-11/9/2026)

Statements by central bankers and other officials

- ***10.9.2026: ECB President C. Lagarde at the 10 September 2026 GovC meeting: "****The Governing Council today decided to raise the three key ECB interest rates by 25 basis points. The conflict in the Middle East continues to generate inflation pressures, and inflation is set to remain well above target for an extended period. [...] The risks to the inflation outlook are to the upside. [...] The longer energy prices stay high, the more likely they are to drive up broader inflation through indirect and second-round effects.*

- ***3.9.2026: Fed Governor C. Waller at Reuters NEXT Newsmaker Interview:*** *"[...] Recent data suggest we are finally seeing some signs of disinflation. If this continues in the data due over the next two weeks, I would be inclined to support holding the target for the federal funds rate at its current setting. But there continues to be considerable uncertainty about how military conflicts, trade policy, and artificial intelligence (AI) will affect prices and economic activity. If the incoming data for August show this improvement has been fleeting, then it may be appropriate to raise the policy rate when the FOMC meets on September 15 and 16. [...]"*

- ***28.8.2026: Fed Chair K. Warsh (2026 Jackson Hole Economic Policy Symposium):*** *"[...] Inflation is running above our 2 percent target. So the Fed's predominant focus right now should be on prices. [...] We must be confident that underlying inflation is moving to our objective, clearly and at sufficient speed. Otherwise, we have work to do. [...] It's not fashionable these days, but my view is that money has something important to do with monetary policy. [...] Finally, a quieter Fed, more purposeful in its communications, is better able to meet its objectives [...]".*

Data releases

Date	Announcement	Actual	Expected*	Actual vs Expected	Previous reading
14 Jul 2026	United States Core CPI (%ΔYoY Jun)	2.6%	2.8%	-0.2%	2.9%
14 Jul 2026	United States CPI (%ΔYoY Jun)	3.5%	3.8%	-0.3%	4.2%
16 Jul 2026	Italy HICP (%ΔYoY Jun Final)	3.0%	3.1%	-0.1%	3.1%
17 Jul 2026	EZ HICP (%ΔYoY Jun Final)	2.8%	2.8%	0.0%	2.8%
17 Jul 2026	EZ HICP ex. Food, Energy Alc. & Tob. (%ΔYoY Jun Final)	2.4%	2.4%	0.0%	2.4%
30 Jul 2026	Germany CPI (%ΔYoY Jul Preliminary)	2.8%	2.7%	0.1%	2.3%
30 Jul 2026	Germany HICP (%ΔYoY Jul Preliminary)	2.8%	2.8%	0.0%	2.4%
30 Jul 2026	United States Core PCE (%ΔYoY Jun)	3.3%	3.3%	0.0%	3.5%
30 Jul 2026	United States PCE (%ΔYoY Jun)	3.7%	3.7%	0.0%	4.1%
31 Jul 2026	France HICP (%ΔYoY Jul Preliminary)	2.4%	2.1%	0.3%	2.0%
31 Jul 2026	EZ HICP (%ΔYoY Jul Flash)	2.9%	2.9%	0.0%	2.8%
31 Jul 2026	EZ HICP ex. Food, Energy Alc. & Tob. (%ΔYoY Jul Flash)	2.5%	2.4%	0.1%	2.4%
31 Jul 2026	Italy HICP (%ΔYoY Jul Preliminary)	2.9%	2.8%	0.1%	3.0%
12 Aug 2026	Germany CPI (%ΔYoY Jul Final)	2.8%	2.8%	0.0%	2.8%
12 Aug 2026	Germany HICP (%ΔYoY Jul Final)	2.8%	2.8%	0.0%	2.8%
12 Aug 2026	Italy HICP (%ΔYoY Jul Final)	2.9%	2.9%	0.0%	2.9%
12 Aug 2026	United States Core CPI (%ΔYoY Jul)	2.5%	2.5%	0.0%	2.6%
12 Aug 2026	United States CPI (%ΔYoY Jul)	3.4%	3.4%	0.0%	3.5%
14 Aug 2026	France HICP (%ΔYoY Jul Final)	2.4%	2.4%	0.0%	2.4%
19 Aug 2026	EZ HICP (%ΔYoY Jul Final)	2.9%	2.9%	0.0%	2.9%
19 Aug 2026	EZ HICP ex. Food, Energy Alc. & Tob. (%ΔYoY Jul Final)	2.5%	2.5%	0.0%	2.5%
26 Aug 2026	United States Core PCE (%ΔYoY Jul)	3.3%	3.3%	0.0%	3.3%
26 Aug 2026	United States PCE (%ΔYoY Jul)	3.7%	3.6%	0.1%	3.7%
28 Aug 2026	France HICP (%ΔYoY Aug Preliminary)	2.7%	2.6%	0.1%	2.4%
31 Aug 2026	Germany CPI (%ΔYoY Aug Preliminary)	2.9%	3.0%	-0.1%	2.8%
31 Aug 2026	Germany HICP (%ΔYoY Aug Preliminary)	2.9%	3.1%	-0.2%	2.8%
1 Sep 2026	EZ HICP (%ΔYoY Aug Flash)	3.3%	3.3%	0.0%	2.9%
1 Sep 2026	EZ HICP ex. Food, Energy Alc. & Tob. (%ΔYoY Aug Flash)	2.4%	2.5%	-0.1%	2.5%
1 Sep 2026	Italy HICP (%ΔYoY Aug Preliminary)	3.2%	3.4%	-0.2%	2.9%
3 Sep 2026	EZ PPI (%ΔYoY Jul)	5.8%	5.3%	0.5%	4.6%
10 Sep 2026	Germany CPI (%ΔYoY Aug Final)	2.9%	2.9%	--	2.9%
10 Sep 2026	Germany HICP (%ΔYoY Aug Final)	2.9%	2.9%	--	2.9%
11 Sep 2026	United States Core CPI (%ΔYoY Aug)	2.4%	2.4%	--	2.5%
11 Sep 2026	United States CPI (%ΔYoY Aug)	3.4%	3.4%	--	3.4%

*Source: LSEG. *Expected figures are based on opinion polls among financial sector experts.*

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