



INFLATION MONITOR

December 16, 2024

Economic Analysis and Research Department

Macroeconomic indicators:

- **HICP headline inflation in the euro area increased to 2.3% in November 2024 from 2.0% in October.** This is due to minor increases in processed food inflation and non-energy industrial goods' inflation and to a considerable slowdown in the negative energy inflation rates, the latter being attributed to upward base effects. Core inflation (HICP excluding energy and food) remained stable at 2.7% for the third consecutive month. **CPI inflation in the US rose to 2.7% in November from 2.6% in October 2024.** Core CPI inflation stood at 3.3% in November, matching October's reading. **HICP headline inflation in Greece ticked down to 3.0% in November** from 3.1% in October, as further declines in processed food and energy inflation were partly offset by increases posted by unprocessed food and non-energy industrial goods' inflation. Core inflation marginally increased to 4.5% in November 2024 from 4.4% in October attributed to the increase in non-energy industrial goods' inflation. Large discrepancies continue to exist in non-energy industrial goods and in services inflation between the euro area and Greece, resulting in a 0.7 percentage point difference and in a 1.8 percentage point difference in the headline and core inflation figures respectively.
- European natural gas prices have fluctuated since mid-November, initially spiking but subsequently falling due to warmer-than-anticipated weather and decreased demand.
- Labour markets tightness is still above its long-term average in several European economies, putting upward pressure on inflation.

Market-based indicators:

- **Medium- and long-term US and euro area nominal yields fell**, driven by both the real and the inflation-expectations components.
- **Market-based expectations for policy rates in the US and in the euro area were broadly unchanged.**
 - The **ECB has cut rates four times in 2024 by a total of 100 bps.** Moreover, markets expect that the ECB will further cut its rates by 100 bps in 2025:H1, i.e. remaining broadly unchanged vis-à-vis one month ago.
 - The **Fed has reduced the Fed funds rate (FFR) by 50 bps in September and by 25 bps in November 2024.** Markets anticipate an additional 25 bps rate cut by the end of the year. Further rate cuts of 50-75 bps are expected in 2025:H1, which constitutes a revision towards expectations for fewer rate cuts compared to mid-September.

Key statements and news:

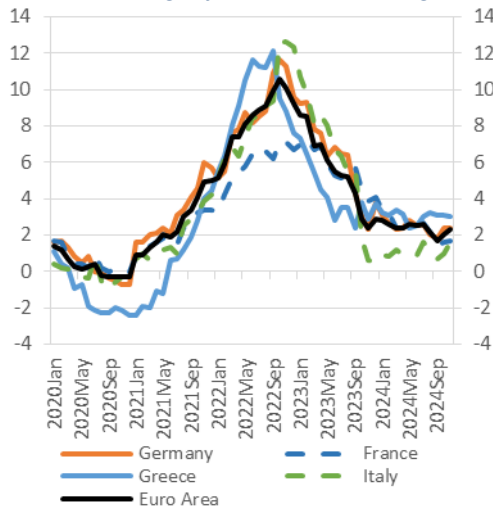
- On 12 December, the GovC decided to lower the three key ECB interest rates by 25 basis points, with the deposit facility rate (DFR), the rate through which the GovC steers the monetary policy stance, set at 3% from 3.25% previously; the monetary policy statement said that the monetary policy stance will follow a data-dependent and meeting-by-meeting approach.
- ECB President Christine Lagarde said that inflation is expected to temporarily increase in the fourth quarter of 2024, before declining to target in the course of 2025; she and other ECB officials noted that at this point the net impact of an increase in tariffs by the US on inflation is uncertain, while it has a clearer negative effect on growth.
- Fed's Chair, J. Powell said that the US economy is stronger than the Fed's officials thought back in September, so they can be more cautious in further rate moves.

Section 1: HICP inflation developments

- *Inflation in the euro area moved sideways in the first six months of 2024; it slowed down in the second half being though rather volatile. Core inflation remains at elevated levels moving sideways since the first quarter of 2024.*
- *In Greece both headline and core inflation moved sideways in the first half of 2024. In the course of the second half, headline inflation continues to move sideways while core inflation has been increasing mainly due to strengthening in services inflation.*

HICP Headline inflation for selected euro area countries
(annual % changes)

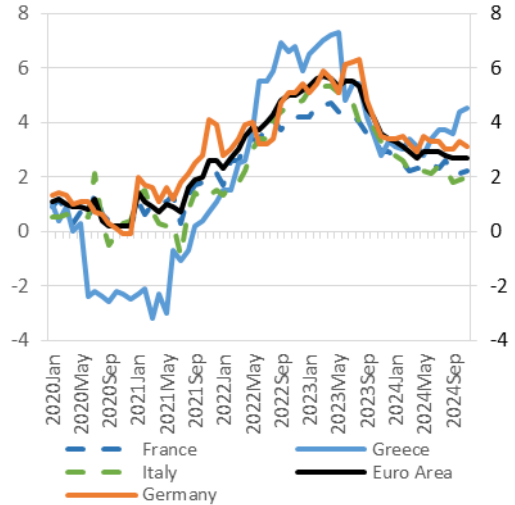
Inflation moved sideways in the first six months of 2024 and it overall hovers at a slightly lower level since August...



Source: Eurostat. Latest observation: November 2024.

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

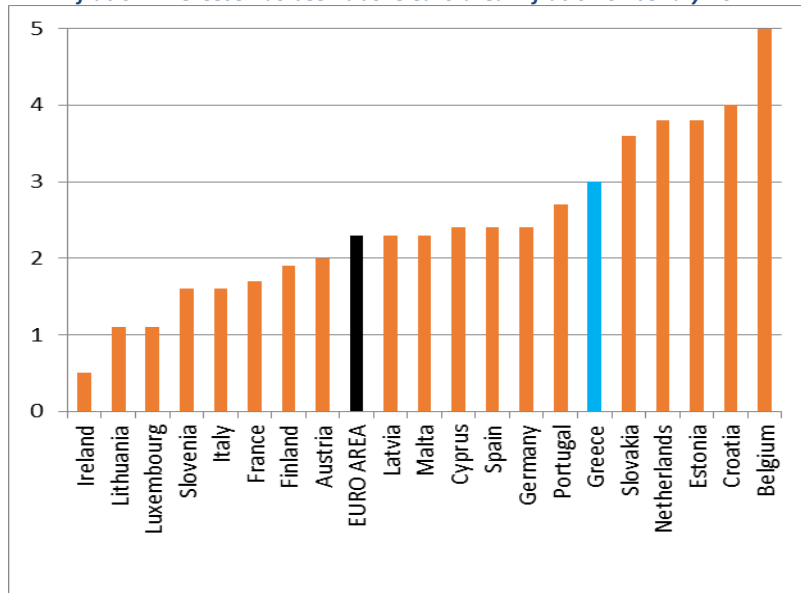
... while core inflation remains at elevated levels.



Source: Eurostat. Latest observation: November 2024.

HICP Headline inflation for euro area countries – November 2024
(annual % changes)

Inflation in Greece has been above euro area inflation since July 2024.



Source: Eurostat.

Price developments in the euro area and Greece
(annual % changes)
Core inflation stays at elevated levels due to increased services inflation.

EURO AREA	2024 weights (%)	2021	2022	2023	2023	2024			2024						
					Q4	Q1	Q2	Q3	May	Jun	Jul	Aug	Sep	Oct	Nov
Harmonised Index of Consumer Prices (HICP)															
Overall index	100.00	2.6	8.4	5.4	2.7	2.6	2.5	2.2	2.6	2.5	2.6	2.2	1.7	2.0	2.3
Goods	55.12	3.4	11.9	5.7	1.7	1.5	1.3	0.6	1.3	1.2	1.4	0.5	0.0	0.4	1.0
Processed food (including alcohol and tobacco)	15.12	1.5	8.6	11.4	7.1	4.4	2.9	2.7	2.8	2.7	2.7	2.7	2.6	2.8	2.9
Unprocessed food	4.35	1.6	10.4	9.1	5.9	2.8	1.4	1.2	1.8	1.3	1.0	1.1	1.6	3.0	2.4
Non-energy industrial goods	25.73	1.5	4.6	5.0	2.9	1.6	0.7	0.5	0.7	0.7	0.7	0.4	0.4	0.5	0.7
Energy	9.91	13.0	37.0	-2.0	-9.8	-3.9	0.0	-2.7	0.3	0.2	1.2	-3.0	-6.1	-4.6	-1.9
Services	44.88	1.5	3.5	4.9	4.2	4.0	4.0	4.0	4.1	4.1	4.0	4.1	3.9	4.0	3.9
Core Inflation (HICP less energy, food, alcohol and tobacco)	70.62	1.5	3.9	4.9	3.7	3.1	2.8	2.8	2.9	2.9	2.9	2.8	2.7	2.7	2.7
GREECE															
Harmonised Index of Consumer Prices (HICP)															
Overall index	100.00	0.6	9.3	4.2	3.5	3.2	2.7	3.1	2.4	2.5	3.0	3.2	3.1	3.1	3.0
Goods	53.62	2.0	12.9	3.8	3.7	2.9	1.6	1.6	1.4	0.7	1.1	1.7	1.9	0.9	0.7
Processed food (including alcohol and tobacco)	17.27	0.7	9.5	9.3	6.1	4.6	3.0	2.3	2.5	2.7	2.5	2.1	2.3	0.8	0.0
Unprocessed food	7.65	2.2	10.1	11.1	12.5	9.0	2.3	1.7	2.2	-1.7	-1.2	2.0	4.4	1.5	1.7
Non-energy industrial goods	21.14	-0.7	5.0	6.4	3.2	2.2	1.4	1.4	1.5	1.1	0.9	1.4	1.8	1.6	2.1
Energy	7.56	12.4	41.0	-13.4	-6.0	-3.4	-1.9	1.0	-1.8	-2.4	1.4	2.3	-0.8	-1.6	-2.3
Services	46.38	-1.0	4.5	4.5	3.1	3.6	3.8	4.7	3.3	4.4	5.0	4.7	4.4	5.6	5.6
Core Inflation (HICP less energy, food, alcohol and tobacco)	67.52	-1.1	4.6	5.3	3.2	3.1	3.1	3.7	2.8	3.4	3.7	3.7	3.6	4.4	4.5

Sources: Eurostat, ELSTAT and BoG calculations.

Price developments in the energy component of the Greek HICP and its subcomponents
(annual % changes)

Energy prices eased significantly in the first half of 2024 but oscillated in the third quarter of 2024 due to increases in electricity and in natural gas inflation and significant drops in motor fuel prices inflation.

GREECE	2024 weights (%)	2021	2022	2023	2023	2024			2024						
					Q4	Q1	Q2	Q3	May	Jun	Jul	Aug	Sep	Oct	Nov
Harmonised Index of Consumer Prices (HICP)															
Overall HICP index	100.00	0.6	9.3	4.2	3.5	3.2	2.7	3.1	2.4	2.5	3.0	3.2	3.1	3.1	3.0
ENERGY	7.56	12.4	41.0	-13.4	-6.0	-3.4	-1.9	1.0	-1.8	-2.4	1.4	2.3	-0.8	-1.6	-2.3
Electricity	2.56	8.3	43.1	-15.0	0.8	-2.0	-11.2	6.4	-13.8	-12.2	-1.8	9.7	11.3	12.9	7.0
Natural gas and town gas	0.25	68.3	127	-49.3	-55.5	-52.3	-10.6	23.7	-11.6	13.1	23.4	28.0	20.2	10.2	-0.1
Liquefied hydrocarbons	0.04	1.3	11.5	7.6	-1.1	1.4	-1.2	-2.2	-1.2	-1.5	-2.7	-3.0	-0.9	-2.8	2.6
Liquid fuels	1.07	20.0	45.1	-11.8	6.4	7.7	6.3	6.3	6.3	6.3	6.3	6.3	6.3	-16.0	-13.4
Solid fuels	0.22	-0.7	11.0	21.2	10.0	7.6	0.0	-1.5	0.1	-0.4	-0.7	-1.2	-2.7	-4.1	-4.0
Fuels for personal transport equipment	3.42	13.5	25.5	-7.8	-6.7	-1.8	2.8	-6.4	5.5	0.6	0.5	-6.2	-13.1	-7.8	-5.6

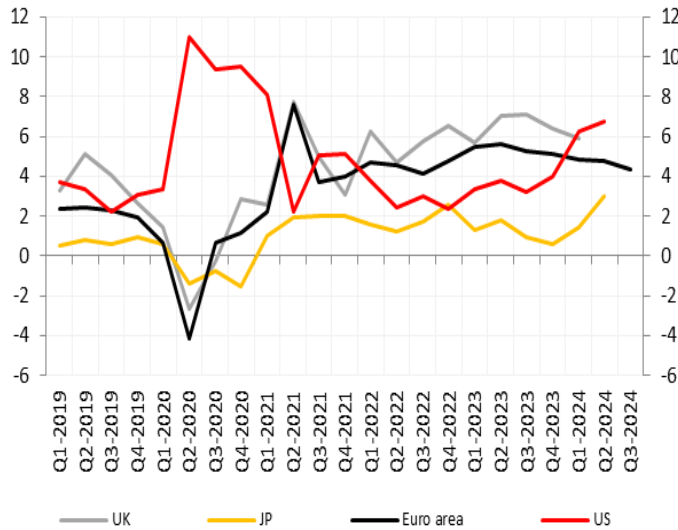
Sources: ELSTAT and BoG calculations.

Section 2: Labour market developments

- Labour market tightness is still above its pre-pandemic long term average in several European economies, but it is gradually abating.
- In the euro area, nominal wage growth remains strong but shows signs of easing.

Compensation per employee – major regions globally
(y-o-y % change; sa)

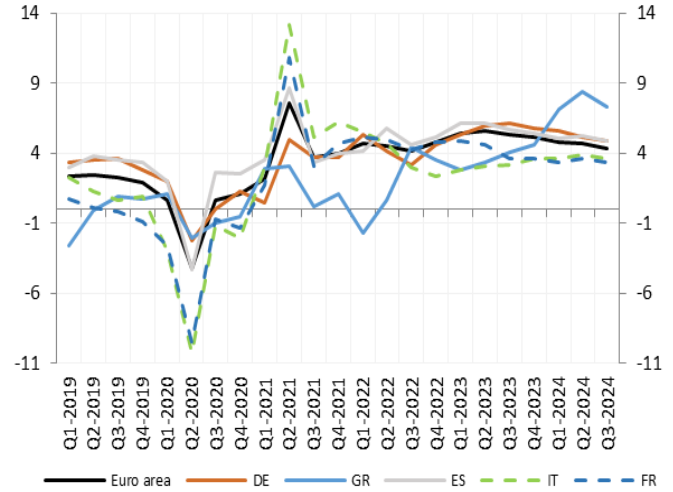
Compensation per employee growth increased in the US and Japan, but moderated further in the euro area.



Sources: OECD and ECB. Latest observation: for the EA 2024:Q3, for the US and Japan, 2024:Q2 and the UK, 2024:Q1.

Compensation per employee – selected euro area countries
(y-o-y % change; sa)

Compensation per employee growth eased in major euro area countries, in 2024:Q3.



Sources: ECB. Latest observation: 2024:Q4.

Employment and hours worked – euro area

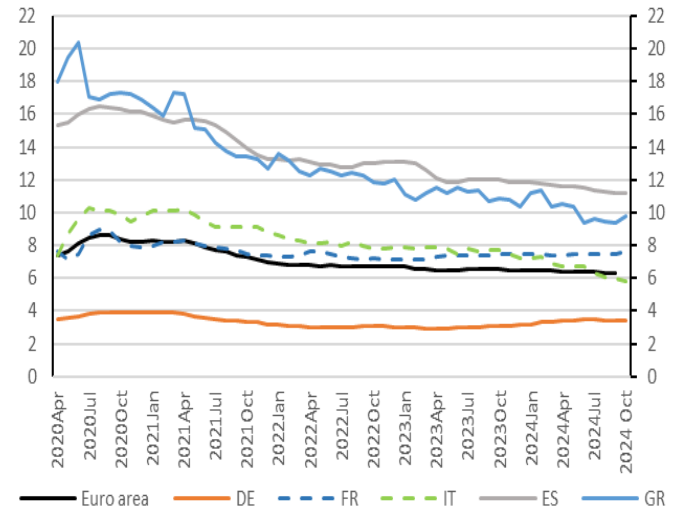
Employment growth remains resilient.



Source: Eurostat. Latest observation: 2024:Q3, for employment growth and 2024:Q2, for average actual weekly hours worked.

Unemployment – selected euro area countries (%)

In October 2024, the unemployment rate remained broadly unchanged in the euro area and in major euro area countries except from Greece and Italy (where it increased and decreased respectively).



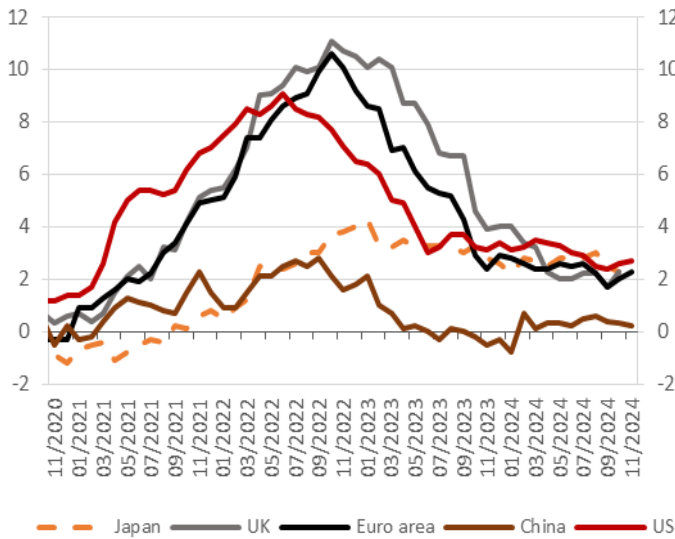
Source: Eurostat. Latest observation: October 2024.

Section 3: Global prices

- *The Inflation rate accelerated in major advanced economies, apart from China and Japan.*
- *Since mid-November, European natural gas prices have exhibited a volatile trajectory, with an initial sharp increase followed by a decline attributable to milder-than-expected weather conditions in Europe and reduced gas demand. Conversely, crude oil prices have maintained relative stability. Industrial metal and agricultural commodity prices have risen, with the latter increase driven by adverse weather conditions globally.*
- *The attacks on vessels in the Red Sea/Gulf of Aden by Houthi rebels since mid-December 2023 led several containership companies to suspend transit through that region. As a result, the global sea container transportation costs has tripled compared to November 2023. However, there is a cost moderation since early September which reflects the softer demand following ‘frontloading’ of shipments in early 2024 as well as the increased ship capacity deployment. Transit time between China – Europe has increased as some vessels opt for the longer route via the Cape of Good Hope, but the one of China – USA remains close at its pre-pandemic level.*

Headline consumer price inflation
(annual % change)

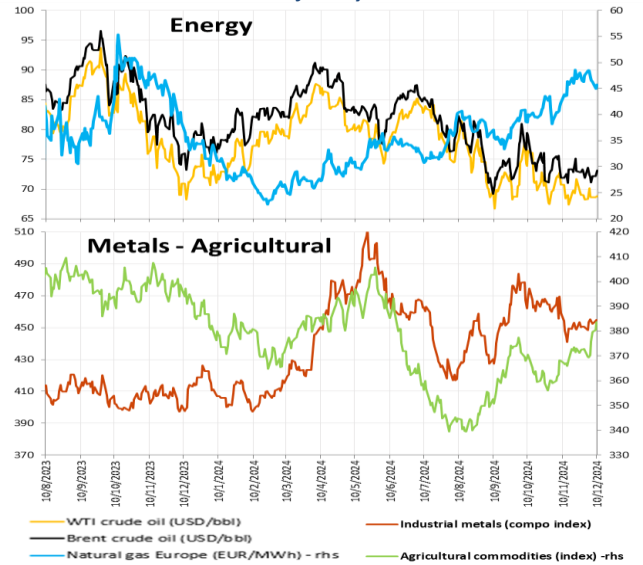
In November, inflation rose in both the euro area and the US but ticked down in China. In October, inflation continued to decline in Japan but increased in the UK.



Sources: OECD, Eurostat, UK ONS. Latest observation: November 2024 for the euro area, the US and China, October for the UK and Japan.

Daily commodity prices

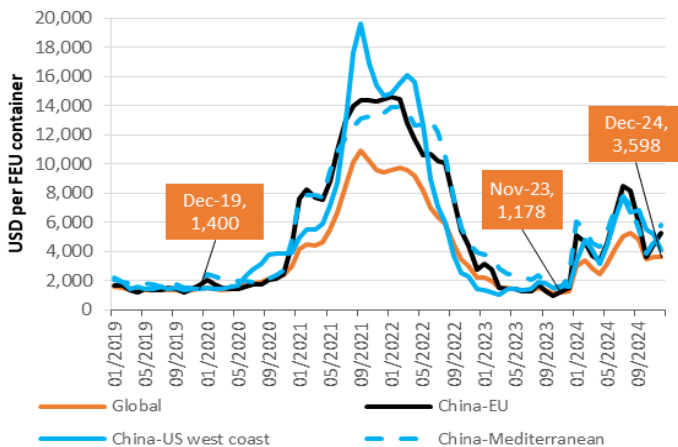
Since mid-November crude oil prices have been relatively stable, with some fluctuations. Industrial metal and agricultural commodity prices have risen, while natural gas prices have exhibited a volatile trajectory.



Source: LSEG. Latest observation: 10.12.2024.
Note: S&P Goldman Sachs Commodity spot price indices for industrial metals and agricultural commodities.

Containers transportation cost – Freightos Index

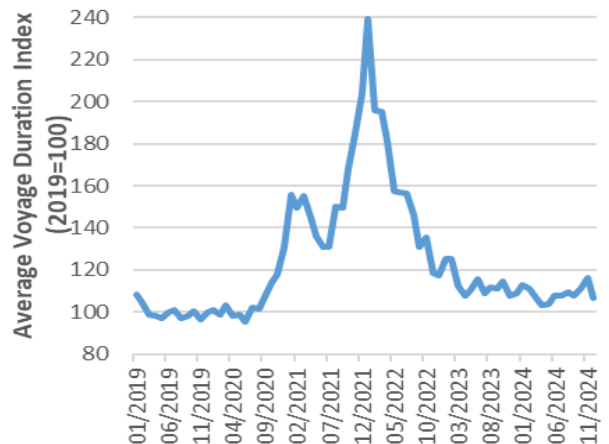
Despite the recent moderation, global sea transportation costs remain at high levels due to Houthi rebels’ attacks on vessels crossing the Red Sea.



Sources: Freightos and LSEG. Latest observation: 11.12.2024.
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.

China-US West Coast containership voyage time

The average voyage time has broadly declined to its pre-pandemic level.



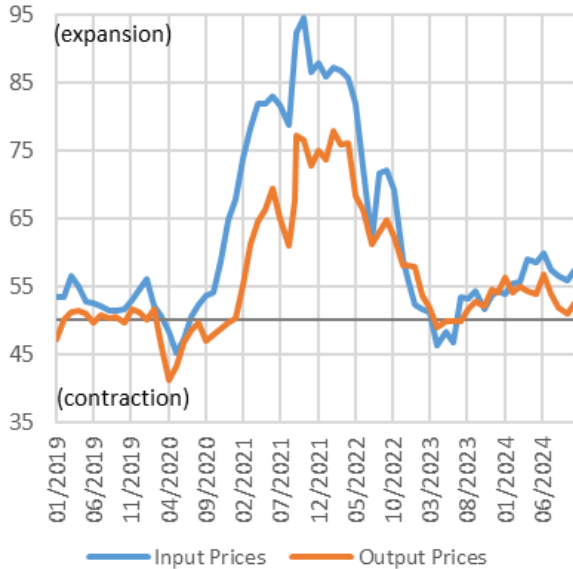
Source: Clarkson Research Services. Bank of Greece’s calculations. Latest observation: 11.12.2024

Section 4: Leading price indicators

- *The November PMI input prices in Greece increased at the highest pace since August amid higher raw material and imported goods prices; firms passed through the increased costs via a sharp uptick in selling prices.*

PMI input and output prices in Greek manufacturing

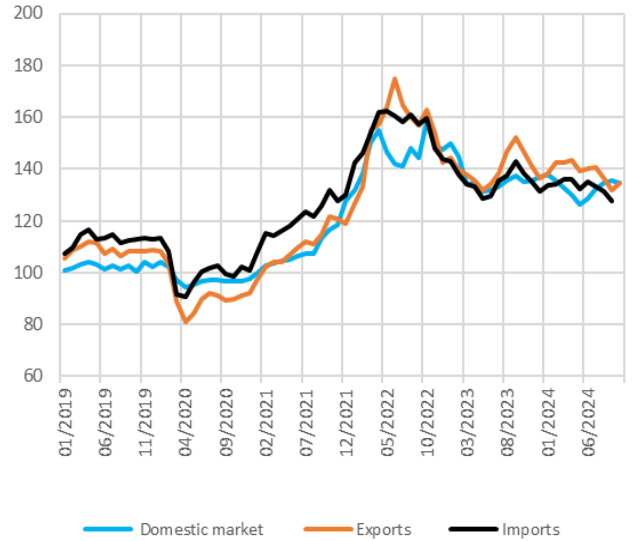
The pace of input and output prices regained momentum in November...



Source: S&P Global. Latest observation: November 2024.

Producer Price Index components in Greece

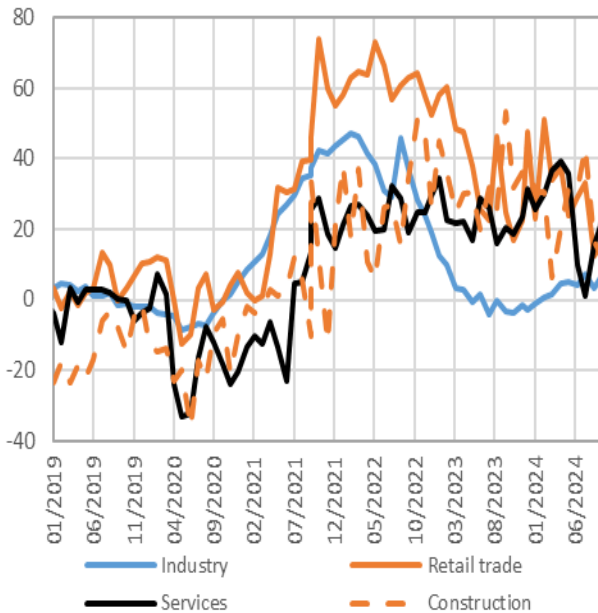
...although producer prices are broadly flat lately and import prices have been decreasing.



Source: ELSTAT. Latest observation: September 2024.

Selling price expectations in business sectors in Greece (for the next 3 months)

Selling price expectations eased in all sectors, except for the construction sector, in November ...

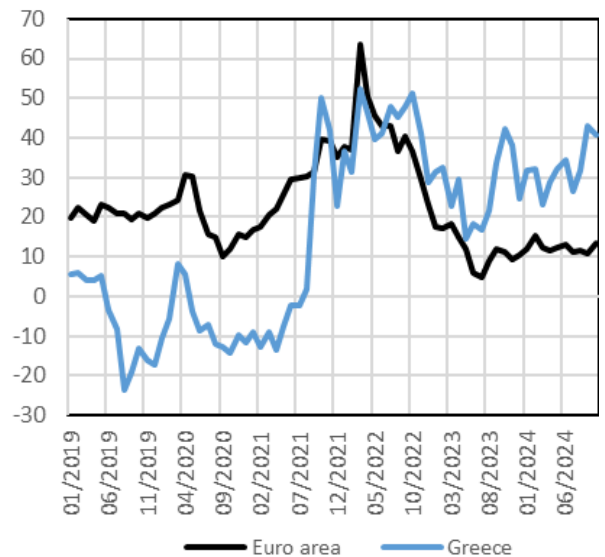


Source: European Commission. Latest observation: November 2024.

Note: Data are obtained from the closed-ended question about expectation of inflation over the next 3 months. The chart shows the net balances i.e. the share of consumers expecting higher inflation minus the share of consumers expecting lower inflation.

Developments in consumer inflation expectations (for the next 12 months)

...while consumers' inflation expectations, despite some softening in November, remain elevated in Greece compared to the euro area.



Source: European Commission. Latest observation November 2024.

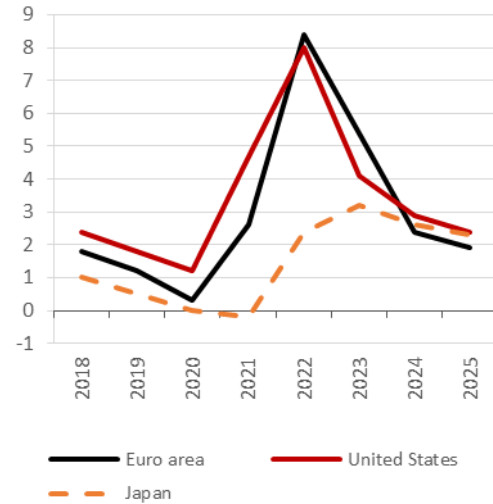
Note: Data are obtained from the closed-ended question about expectation of inflation over the next 12 months. The chart shows the net balances i.e. the share of consumers expecting higher inflation minus the share of consumers expecting lower inflation.

Section 5: Inflation expectations

- *Consensus Forecasts of inflation released in December suggest expected declining inflation for most advanced countries for 2024-2025 and convergence to 2%. Compared to the survey of last month, inflation expectations decreased marginally for some euro area countries while increased marginally for the US and Japan in 2025.*
- *The ECB's Consumer Expectations Survey (CES) shows that median inflation expectations over the next 12 months in Greece increased to 8.1% in October from 6.1% in September and in the euro area they marginally increased to 2.5% from 2.4% over the same period. Median inflation expectations three years ahead in Greece and in the euro area remained stable to 6.1% and 2.1%, respectively.*
- *Market-based inflation expectations retreated in the euro area and in the US; currently, medium term breakeven inflation is below 2% in the EA and a bit higher than 2% in the US (on 10.12.2024 vs. 10.11.2024, 5-year breakeven inflation rates: EA: 1.70%, -11 bps; US: 2.36%, -6 bps; 10-year breakeven inflation rates: EA: 1.82%, -14 bps; US: 2.29%, -7 bps). Real yields fell in the EA and in the US (on 10.12.2024 vs 10.11.2024: EA-5y: 0.26%, -14 bps; EA-10y: 0.30%, -11 bps; US-5y: 1.74%; -3 bps, US-10y: 1.93%; -2 bps).*

Consensus: Inflation expectations (I)

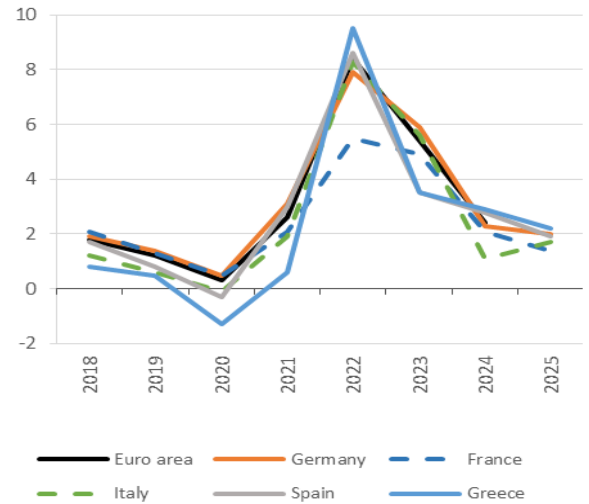
Inflation is expected to ease in large economies.



Source: Consensus Forecasts (December 2024).

Consensus: Inflation expectations (II)

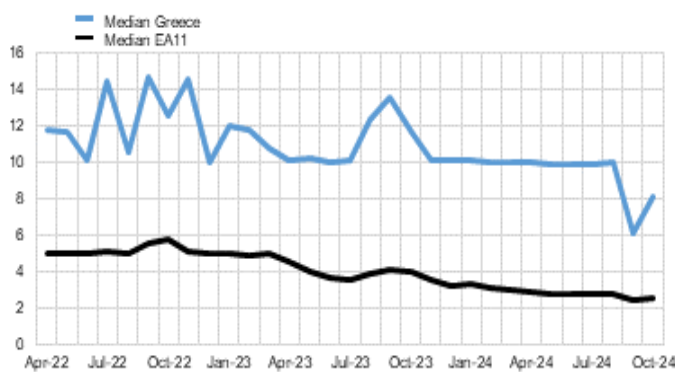
Inflation in euro area countries is expected to converge to 2%.



Source: Consensus Forecasts (December 2024).

Consumer inflation expectations over the next 12 months – Greece vs EA

Short-term inflation expectations in Greece and in the EA increased.

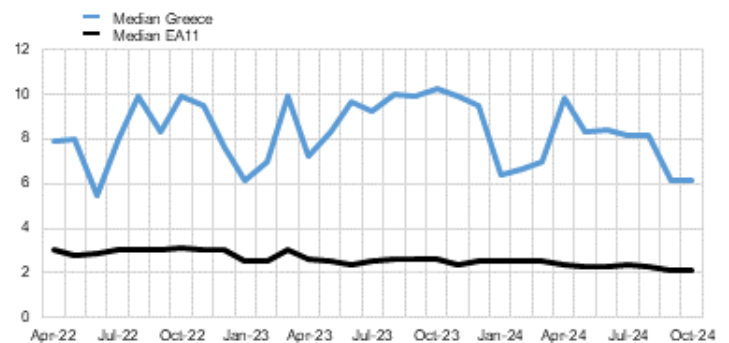


Source: ECB Consumer Expectations Survey (CES).

Note: Using weighted data. Median inflation expectations are obtained from the open-ended question about individuals' expectations of changes in prices in general over the next 12 months. The sample period is from April 2022 to October 2024.

Consumer inflation expectations 3 years ahead – Greece vs EA

Medium-term inflation expectations in Greece and in the EA remained stable.

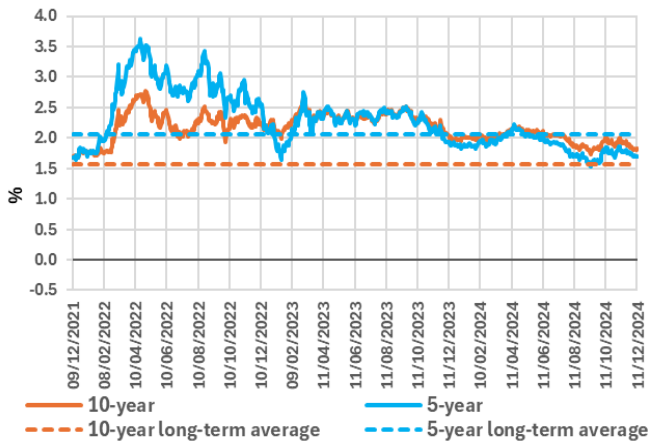


Source: ECB Consumer Expectations Survey (CES).

Note: Using weighted data. Median inflation expectations are obtained from the open-ended question about individuals' expectations of changes in prices in general between 2 and 3 years. The sample period is from April 2022 to October 2024.

Euro-area breakeven inflation rates

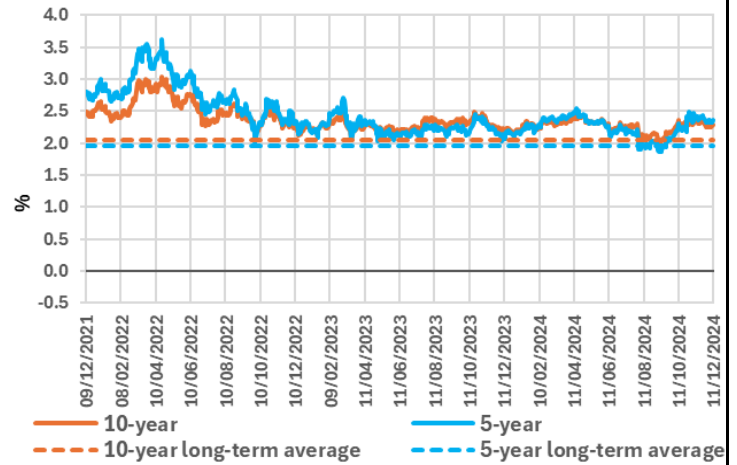
Market-based expectations for euro-area inflation, over a medium- to long-term horizon, fell over the last month, moving further below the medium-term target level of 2%.



Sources: LSEG, Bank of Greece. Latest observation: 10.12.2024.
 Note: The chart illustrates daily developments in the yield differential between nominal and inflation-linked EA benchmark bonds with a maturity of 5 (blue line) and 10 (orange line) years. The dotted lines indicate the average value of each series since 2013.

US breakeven inflation rates

Market-based expectations for US inflation, over a medium- to long-term horizon remains slightly above the 2% medium-term target.

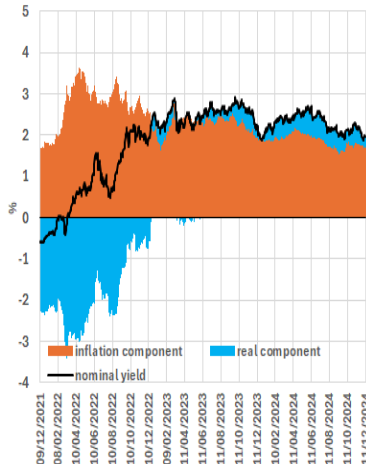


Sources: LSEG, Bank of Greece. Latest observation: 10.12.2024.
 Note: The chart illustrates daily developments in the yield differential between nominal and inflation-linked US Treasury bonds with a maturity of 5 (blue line) and 10 (orange line) years. The dotted lines indicate the average value of each series since 2013.

Euro area: Decomposition of nominal 5y yields into real yield and inflation component

In the EA, nominal yields fell, as both inflation expectations and real yields (i.e. inflation-linked bond yields which compensate investors for inflation) retreated.

Left graph: levels (%)



Right graph: changes (pp)

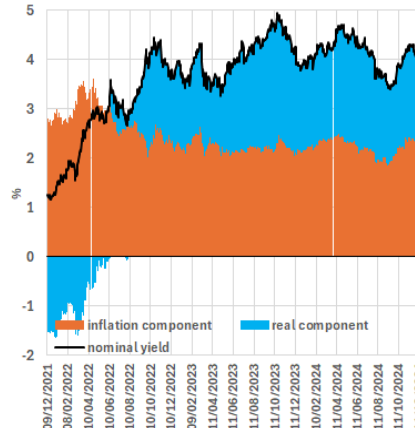


Sources: LSEG, Bank of Greece. Latest observation: 10.12.2024.
 Note: The chart shows the decomposition of the 5-year EA benchmark bond yield (black line) into its real (blue bars) and inflation-linked (orange bars) components. The inflation component is the breakeven inflation rate and the real component is the yield of the bond that compensates bondholders for inflation (i.e. the 5-year German inflation-linked federal bond).

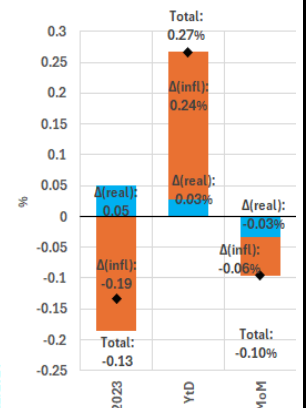
US: Decomposition of nominal 5y yields into real yield and inflation component

In the US, nominal yields on medium-term bonds fell, driven mainly by falling inflation expectations, which added to a small fall in real yields (i.e. yields on US Treasury inflation-protected securities).

Left graph: levels (%)



Right graph: changes (pp)



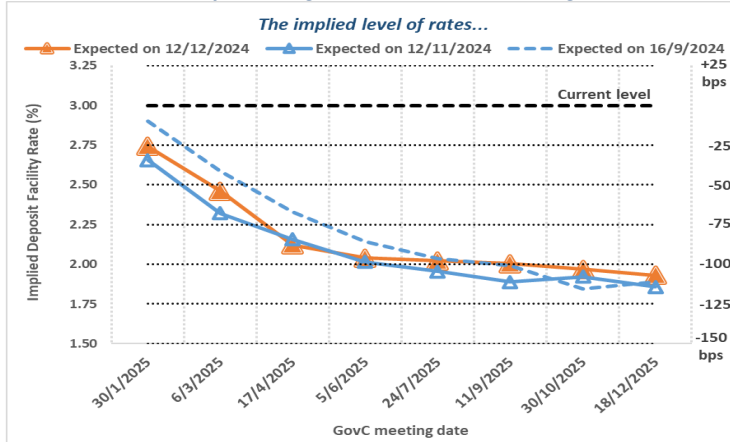
Sources: LSEG, Bank of Greece. Latest observation: 10.12.2024.
 Note: The chart shows the decomposition of the 5-year US Treasury bond yield (black line) into its real (blue bars) and inflation-linked (orange bars) components. The inflation component is the breakeven inflation rate and the real component is the yield of the bond that compensates bondholders for inflation (i.e. the 5-year US Treasury Inflation-Protected Security).

Section 6: Policy interest rates expectations

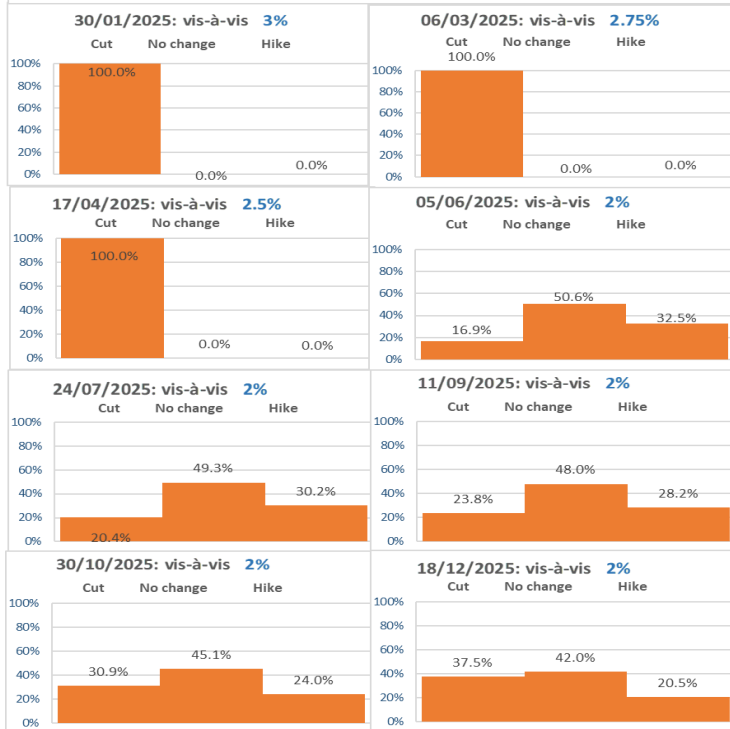
- The ECB has cut its policy rates four times in 2024 by a total of 100 bps. Furthermore, by the end of 2025:H1 the ECB’s DFR is expected to stand 100 bps lower than at the end of 2024, i.e. broadly unchanged vis-à-vis one month ago.
- The FED has cut rates by 50 bps in September’s FOMC and by 25 bps in November 2024. One more cut is expected until the end of 2024 (probability around 90%). For the period after, policy rate expectations have not changed vis-à-vis one month ago, i.e. rate cuts of 50-75 bps are anticipated until the end of 2025:H1. These have been revised towards fewer rate cuts than mid-September, when rate cuts of 100 bps were expected in 2025:H1.

Short-term rates in the euro area

The outlook for ECB rates in the first semester of 2025 has remained broadly unchanged, vis-à-vis one month ago.

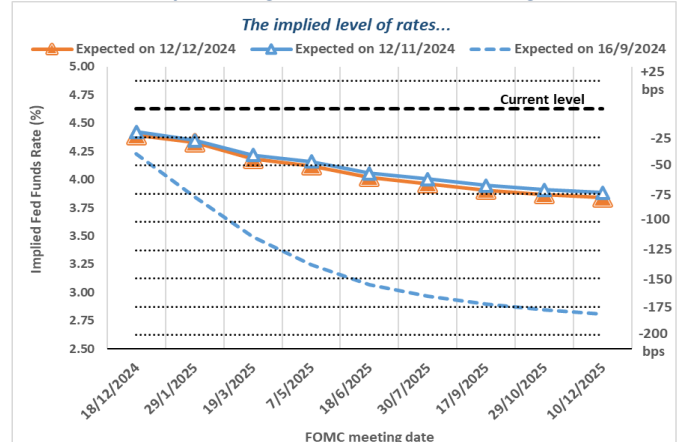


...the likelihood of moves per GovC meeting vis-à-vis the central probability for the rate at the previous meeting

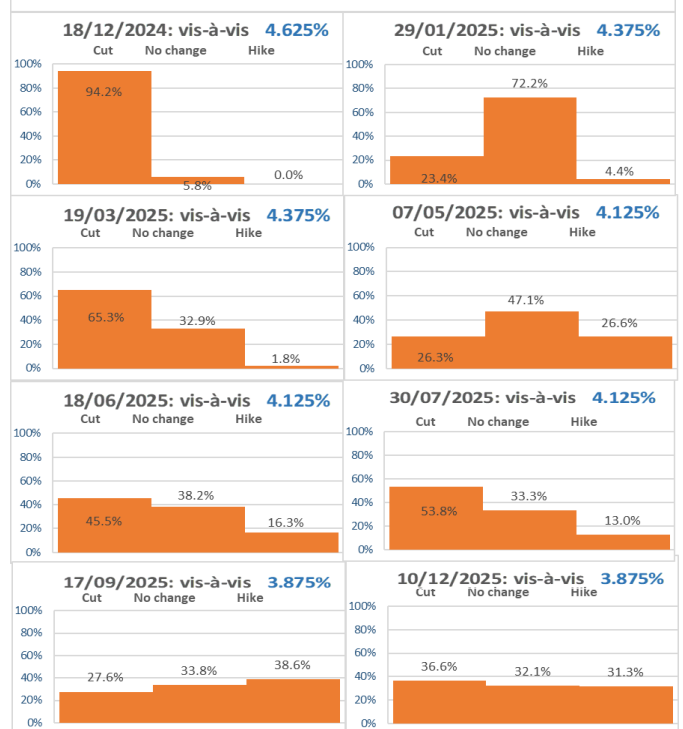


Short-term rates in the US

The US rates outlook for the first semester of 2025 has remained broadly unchanged, vis-à-vis one month ago.



...and the likelihood of moves per FOMC meeting vis-à-vis the central probability for the rate at the previous meeting



Sources: LSEG. Latest observation: 10.12.2024.

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 December 2025. The blue line shows the expectation one month ago and the blue dotted line the expectation three 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 2024 and 2025. 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 (December 2024)

Euro area

- HICP inflation is projected to temporarily rise in late 2024 due to upward base effects in the energy component, before declining to hover around 2% from the second quarter of 2025.
- Based on assumptions of declining energy prices, energy inflation will remain negative until the second half of 2025 and will stay subdued thereafter, except for an uptick in 2027. A new EU-wide carbon pricing scheme for transport fuels and building heating (ETS2) is projected to temporarily raise headline inflation by 0.3 p.p in 2027 (energy inflation up 2.9 p.p.)
- HICP inflation excluding energy and food (HICPX) is expected to decline in early 2025. So far, the moderation in HICPX inflation has been largely due to the unwinding of non-energy industrial goods price dynamics. However, from early 2025 a decline in HICPX inflation is expected to be driven by a decrease in services inflation reflecting the ongoing unwinding of past shocks, an easing of labour cost pressures and the lagged impact of the past tightening of monetary policy.
- Wage growth will initially remain elevated but will decline gradually as inflation compensation pressures fade. The moderation in growth of compensation per employee, coupled with a recovery in productivity growth, is expected to lead to significantly slower growth of unit labour costs. As a result, domestic price pressures will ease, with profit margins initially buffering the still high labour cost pressures but they will be recovering over the projection horizon.
- Compared with the September 2024 projections, the outlook for headline HICP inflation has been revised down for 2024 and 2025, mainly owing to downward data surprises, lower oil and electricity price assumptions, the reassessment of the degree of economic slack and the downward revisions to the outlook for wages. By contrast, there is an upward revision of food inflation due to higher data outturns and higher food commodity price assumptions.

Greece

- HICP inflation will decline significantly over the next two years. In 2024 it is expected to stand at 3.0%, reflecting the sharp decline in energy commodity prices and the de-escalation of food inflation. By the end of 2026, inflation will converge towards the 2% mark but will remain slightly above it. However, in 2027 a one-off uptick in HICP inflation to 2.5% is expected due to the impact of ETS2 on the energy component.
- Core inflation is expected to decline in 2024, ending at 2.2% in 2027, reflecting mainly the decline in non-energy industrial goods inflation and to lesser extent services inflation.

Macroeconomic projections, December 2024

Euro area

	HICP	HICP ex energy and food	HICP energy	Comp. per employee	Productivity	ULC
	Rate of changes					
2024	2.4	2.9	-2.3	4.6	-0.1	4.7
2025	2.1	2.3	-1.1	3.3	0.8	2.6
2026	1.9	1.9	0.5	2.9	0.9	2.0
2027	2.1	1.9	2.8	2.8	0.8	2.0

Greece

	HICP	HICP ex energy and food	HICP energy	Comp. per employee	Productivity	ULC
	Rate of changes					
2024	3.0	3.5	-1.2	5.1	0.9	4.1
2025	2.5	3.1	-0.3	4.5	1.2	3.2
2026	2.2	2.4	0.9	4.3	1.1	3.1
2027	2.5	2.2	6.9	4.5	0.8	3.6

Table of news and statements on inflation (period: 16/11/2024-13/12/2024)

Statements by central bankers and other officials

- **12.12.2024: ECB's Monetary Policy Statement (link):** “[...] The disinflation process is well on track. Staff see headline inflation averaging 2.4% in 2024, 2.1% in 2025, 1.9% in 2026 and 2.1% in 2027 when the expanded EU Emissions Trading System becomes operational. [...] Staff now expect a slower economic recovery than in the September projections. Although growth picked up in the third quarter of this year, survey indicators suggest it has slowed in the current quarter. Staff see the economy growing by 0.7% in 2024, 1.1% in 2025, 1.4% in 2026 and 1.3% in 2027. [...] The Governing Council is determined to ensure that inflation stabilises sustainably at its 2% medium term target. It will follow a data-dependent and meeting-by-meeting approach to determining the appropriate monetary policy stance. [...]”
- **4.12.2024: ECB's President Christine Lagarde (speech at the Hearing of the Committee on Economic and Monetary Affairs of the European Parliament, link):** “[...] Looking ahead, inflation is expected to temporarily increase in the fourth quarter of this year, as previous sharp falls in energy prices drop out of the annual rates, before declining to target in the course of next year. [...]”
- **4.12.2024: Fed's Chair J. Powell (New York Times DealBook Summit, link):** “[...] (from 8:49” to 9:48”) I think that the case for the FED being independent means that we can make our decisions without them being reversed other than by Congress; **we're a creature of Congress, we're a creature of Statute and that gives us the ability to make these decision for the benefit of all Americans** at all times not for any particular political party and I'm not concerned that there is some risk that we would lose our statutory independence [...] (from 18:10” to 19:35”) the background is that the US economy is doing very well, we're growing at around 2½% and inflation has come down, it was 7.2% now it's 2.3% and unemployment is 4.1%, but it's still a very low level [...] we were the last major central bank to cut rates and we're now on the path to bring rates back to a more neutral level over time, **but the economy is stronger than we thought it was going to be in September, downside risks in the labor market appear to be less, so the good news is that we can be a little more cautious as we try to find neutral** [...]”
- **27.11.2024: ECB's Executive Board member Isabel Schnabel (Interview, link):** “[...] In general, tariffs would pose some downside risks to economic growth in the euro area. On the inflation side, it's more complicated. On the one hand, tariffs could be inflationary, in particular if there's retaliation. Then we would have rising import prices, reinforced by a weaker exchange rate. On the other hand, you could have weaker foreign and domestic demand and a diversion of trade from China to the euro area, which could dampen price pressures. Overall, if we look at what happened during the globalisation phase, it was net disinflationary. So I would expect that a partial reversal of this process should on net have an inflationary effect. But that remains to be seen and the precise impact will also depend on how the measures are designed in the end.”
- **26.11.2024: FOMC minutes (meeting of November 6-7, link):** “In discussing the outlook for monetary policy, participants anticipated that if the data came in about as expected, with inflation continuing to move down sustainably to 2 percent and the economy remaining near maximum employment, it would likely be appropriate to move gradually toward a more neutral stance of policy over time. [...]”

Data releases

Date	Announcement	Actual	Expected*	Actual vs Expected	Previous reading
19 Νοε 2024	Euro Zone HICP (%ΔYoY Oct Final)	2.0%	2.0%	0.0%	2.0%
19 Νοε 2024	Euro Zone HICP excl. food, energy, alcohol, tobacco (%ΔYoY Oct Final)	2.7%	2.7%	0.0%	2.7%
20 Νοε 2024	Germany Producer Prices (%ΔYoY Oct)	-1.1%	-1.1%	0.0%	-1.4%
27 Νοε 2024	United States Core PCE Price Index (%ΔYoY Oct)	2.8%	2.8%	0.0%	2.7%
27 Νοε 2024	United States PCE Price Index (%ΔYoY Oct)	2.3%	2.3%	0.0%	2.1%
28 Νοε 2024	Germany CPI (%ΔYoY Nov Preliminary)	2.2%	2.3%	-0.1%	2.0%
28 Νοε 2024	Germany HICP (%ΔYoY Nov Preliminary)	2.4%	2.6%	-0.2%	2.4%
28 Νοε 2024	Italy Producer Prices (%ΔYoY Oct)	-2.8%			-2.0%
29 Νοε 2024	France CPI (EU Norm) (%ΔYoY Nov Preliminary)	1.7%	1.7%	0.0%	1.6%
29 Νοε 2024	France CPI Prelim NSA (%ΔYoY Nov Preliminary)	1.3%	1.5%	-0.2%	1.2%
29 Νοε 2024	Euro Zone HICP (%ΔYoY Nov Flash)	2.3%	2.3%	0.0%	2.0%
29 Νοε 2024	Euro Zone HICP excl. food, energy, alcohol, tobacco (%ΔYoY Nov Flash)	2.7%	2.8%	-0.1%	2.7%
29 Νοε 2024	Italy Consumer Price (%ΔYoY Nov Preliminary)	1.4%	1.4%	0.0%	0.9%
29 Νοε 2024	Italy CPI (EU Norm) (%ΔYoY Nov Preliminary)	1.6%	1.5%	0.1%	1.0%
29 Νοε 2024	France Producer Prices (%ΔYoY Oct)	-5.7%			-6.9%
4 Δεκ 2024	Euro Zone Producer Prices (%ΔYoY Oct)	-3.2%	-3.3%	0.1%	-3.4%
10 Δεκ 2024	Germany CPI (%ΔYoY Nov Final)	2.2%	2.2%	0.0%	2.2%
10 Δεκ 2024	Germany HICP (%ΔYoY Nov Final)	2.4%	2.4%	0.0%	2.4%
10 Δεκ 2024	Greece Harmonised CPI (%ΔYoY Nov)	3.0%			3.1%
10 Δεκ 2024	Greece CPI (%ΔYoY Nov)	2.4%			2.4%
11 Δεκ 2024	United States Core CPI, NSA (%ΔYoY Nov)	3.3%	3.3%	0.0%	3.3%
11 Δεκ 2024	United States CPI, NSA (%ΔYoY Nov)	2.7%	2.7%	0.0%	2.6%
13 Δεκ 2024	France CPI (EU Norm) (%ΔYoY Nov Final)	1.7%	1.7%	0.0%	1.7%
13 Δεκ 2024	France CPI NSA (%ΔYoY Nov)	1.3%	1.3%	0.0%	1.3%

Source: LSEG.

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

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