



INFLATION MONITOR

February 24, 2025

Economic Analysis and Research Department

Macroeconomic indicators:

- **Euro area:** HICP headline inflation increased to 2.5% in January 2025 from 2.4% in December 2024 due to a significant increase in energy inflation. Core inflation (HICP excluding energy and food) remained stable at 2.7% for the fifth consecutive month.
- **US:** CPI inflation edged up to 3.0% in January 2025 from 2.9% in December 2024. Core CPI inflation rose to 3.3% in January 2025, from 3.2% in December 2024.
- **Greece:** HICP headline inflation increased to 3.1% in January 2025 from 2.9% in December 2024, as increases of unprocessed food and energy inflation rates were partly offset by the decline in non-energy industrial goods' inflation. Core inflation remained stable at 4.4%. Core inflation in Greece continues exhibiting a significant positive difference of 1.7 percentage point compared to the euro area.
- Labour markets remain tight in several euro area economies, including Greece.
- In early February 2025, European natural gas prices neared a two-year high due to a cold snap and concerns to restore the EU's target of 90% storage capacity by November 2025 due to notable withdrawals recently. Subsequent discussions about potentially lowering the EU's mandatory storage targets have since dampened prices. Since mid-January 2025, crude oil prices have generally trended downwards, primarily influenced by concerns about slowing global demand. Agricultural commodity prices have seen upward pressure due to adverse weather in key growing regions, while metal prices have experienced modest increases, partly attributed to optimism surrounding China's economic recovery.

Market-based indicators:

- **Medium- and long-term US and euro area nominal yields fell**, driven by the inflation-expectations component in the euro area and by the real-yields component in the US; on the other hand, in the U.S. medium-term inflation-expectations component rose amid higher-than-expected US inflation data.
- **Market-based expectations for policy rates in the euro area were revised downwards, while in the US they were adjusted slightly lower.**
 - The ECB reduced rates by 25 bps in January, after cutting rates by a total of 100 bps in 2024. Until the end of 2025, markets expect that the ECB will further cut its rates by 75 bps, strengthening their view for the outlook of rate cuts vis-à-vis one month ago.
 - The Fed kept the Fed funds rate (FFR) unchanged in January 2025, following rate cuts of a total of 75 bps in 2024. Markets anticipate a rate cut by 25 or 50 bps until the end of 2025, so that the case for two 25-bps rate cuts in 2025 has become more likely, in investors' views, vis-à-vis one month ago.

Key statements and news:

- On 30 January 2025, the ECB's GovC decided to lower the three key ECB interest rates by 25 basis points, with the deposit facility rate (DFR) set at 2.75% from 3% previously; the monetary policy statement said that the disinflation process is well on track, with most measures of underlying inflation suggesting that inflation will settle at around the target on a sustained basis.
- The Fed, on 29 January 2025, maintained the target range for the FFR unchanged at 4.25%-4.5%. The FOMC statement noted that economic activity has continued to expand at a solid pace, with inflation remaining somewhat elevated.

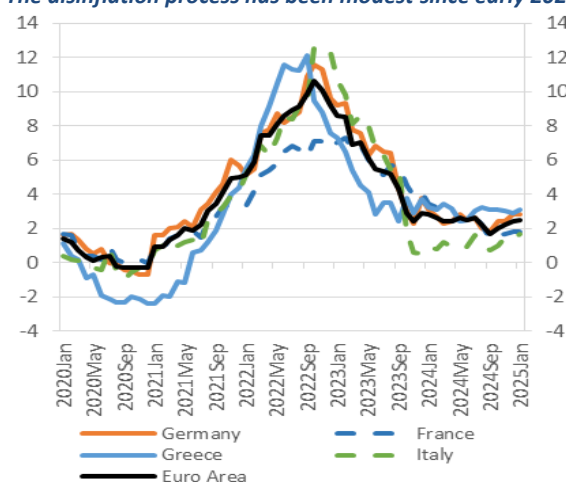
Section 1: HICP inflation developments

- *Inflation in the euro area slowed down in the second half of 2024 being though rather volatile. Core inflation remains at elevated levels moving sideways since the first quarter of 2024.*
- *In Greece, in the course of the second half of 2024, headline inflation continued to move sideways. Core inflation increased mainly due to strengthening in services inflation; it continues exhibiting a significant positive difference to the euro area.*

HICP Headline inflation for selected euro area countries

(annual % changes)

The disinflation process has been modest since early 2024

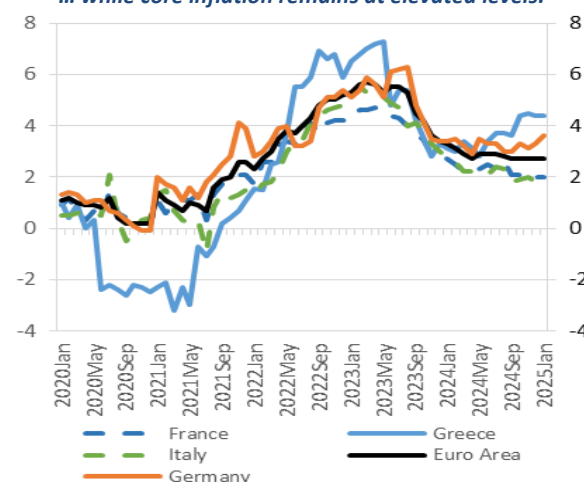


Source: Eurostat. Latest observation: January 2025.

Core inflation for selected euro area countries

HICP excluding energy & food)
(annual % changes)

... while core inflation remains at elevated levels.

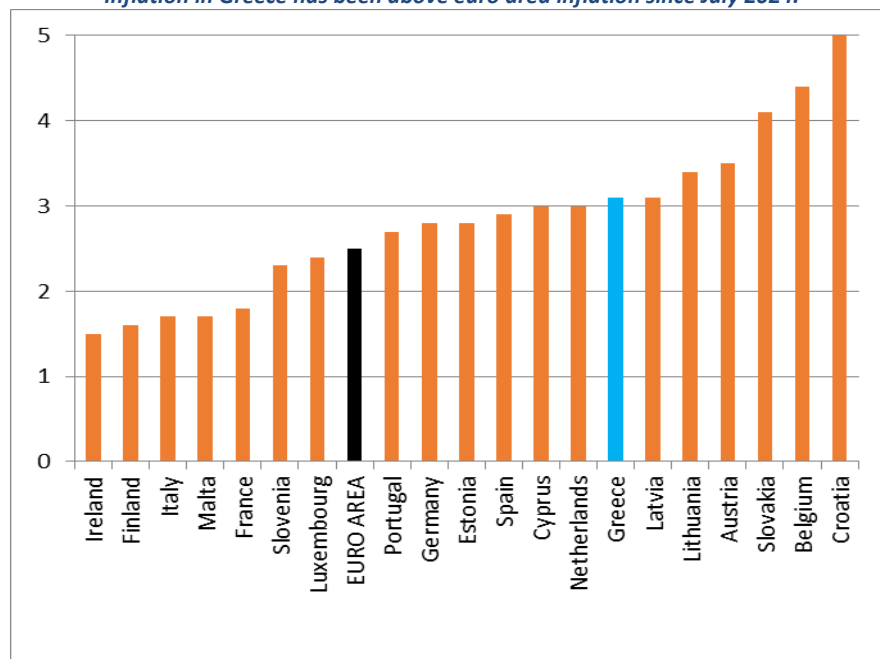


Source: Eurostat. Latest observation: January 2025.

HICP Headline inflation for euro area countries – January 2025

(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 remains at elevated levels due to increased services inflation.

EURO AREA	2025 weights (%)	2022	2023	2024	2024				2024						2024
					Q1	Q2	Q3	Q4	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Harmonised Index of Consumer Prices (HICP)															
Overall index	100.00	8.4	5.4	2.4	2.6	2.5	2.2	2.2	2.6	2.2	1.7	2.0	2.2	2.4	2.5
Goods	54.37	11.9	5.7	1.1	1.5	1.3	0.6	0.8	1.4	0.5	0.0	0.4	0.9	1.2	1.4
Processed food (including alcohol and tobacco)	15.04	8.6	11.4	3.2	4.4	2.9	2.7	2.8	2.7	2.7	2.6	2.8	2.8	2.9	2.6
Unprocessed food	4.24	10.4	9.1	1.9	2.8	1.4	1.2	2.3	1.0	1.1	1.6	3.0	2.3	1.6	1.4
Non-energy industrial goods	25.66	4.6	5.0	0.8	1.6	0.7	0.5	0.6	0.7	0.4	0.4	0.5	0.6	0.5	0.5
Energy	9.43	37.0	-2.0	-2.2	-3.9	0.0	-2.7	-2.2	1.2	-3.0	-6.1	-4.6	-2.0	0.1	1.8
Services	45.63	3.5	4.9	4.0	4.0	4.0	4.0	3.9	4.0	4.1	3.9	4.0	3.9	4.0	3.9
Core Inflation (HICP less energy, food, alcohol and tobacco)	71.29	3.9	4.9	2.8	3.1	2.8	2.8	2.7	2.9	2.8	2.7	2.7	2.7	2.7	2.7
GREECE															
Harmonised Index of Consumer Prices (HICP)															
Overall index	100.00	9.3	4.2	3.0	3.2	2.7	3.1	3.0	3.0	3.2	3.1	3.1	3.0	2.9	3.1
Goods	51.30	12.9	3.8	1.7	2.9	1.6	1.6	0.7	1.1	1.7	1.9	0.9	0.7	0.7	1.0
Processed food (including alcohol and tobacco)	15.93	9.5	9.3	2.5	4.6	3.0	2.3	0.2	2.5	2.1	2.3	0.8	0.0	-0.3	-0.3
Unprocessed food	7.00	10.1	11.1	3.4	9.0	2.3	1.7	1.1	-1.2	2.0	4.4	1.5	1.7	0.0	0.8
Non-energy industrial goods	20.06	5.0	6.4	1.7	2.2	1.4	1.4	1.8	0.9	1.4	1.8	1.6	2.1	1.7	1.4
Energy	8.31	41.0	-13.4	-1.4	-3.4	-1.9	1.0	-1.1	1.4	2.3	-0.8	-1.6	-2.3	0.7	2.6
Services	48.70	4.5	4.5	4.4	3.6	3.8	4.7	5.6	5.0	4.7	4.4	5.6	5.6	5.6	5.6
Core Inflation (HICP less energy, food, alcohol and tobacco)	68.76	4.6	5.3	3.6	3.1	3.1	3.7	4.4	3.7	3.7	3.6	4.4	4.5	4.4	4.4

Sources: Eurostat, ELSTAT and BoG calculations.

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

(annual % changes)

Energy price inflation turned positive in December 2024 and in January 2025 mainly due to higher gas and transport fuels' inflation.

GREECE	2025 weights (%)	2022	2023	2024	2024				2024						2025
					Q1	Q2	Q3	Q4	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Harmonised Index of Consumer Prices (HICP)															
Overall HICP index	100.00	9.3	4.2	3.0	3.2	2.7	3.1	3.0	3.0	3.2	3.1	3.1	3.0	2.9	3.1
ENERGY	8.31	41.0	-13.4	-1.4	-3.4	-1.9	1.0	-1.1	1.4	2.3	-0.8	-1.6	-2.3	0.7	2.6
Electricity	2.80	43.1	-15.0	0.5	-2.0	-11.2	6.4	9.2	-1.8	9.7	11.3	12.9	7.0	7.6	5.9
Natural gas and town gas	0.45	127.0	-49	-17.4	-52.3	-10.6	23.7	6.0	23.4	28.0	20.2	10.2	-0.1	8.7	26.5
Liquefied hydrocarbons	0.08	11.5	7.6	-0.3	1.4	-1.2	-2.2	0.6	-2.7	-3.0	-0.9	-2.8	2.6	2.3	-0.4
Liquid fuels	1.19	45.1	-11.8	1.6	7.7	6.3	6.3	-12.5	6.3	6.3	6.3	-16.0	-13.4	-7.6	-2.8
Solid fuels	0.19	11.0	21.2	0.4	7.6	0.0	-1.5	-3.8	-0.7	-1.2	-2.7	-4.1	-4.0	-3.4	-4.2
Fuels for personal transport equipment	3.60	25.5	-7.8	-2.7	-1.8	2.8	-6.4	-5.3	0.5	-6.2	-13.1	-7.8	-5.6	-2.2	0.6

Sources: ELSTAT and Bank of Greece computations.

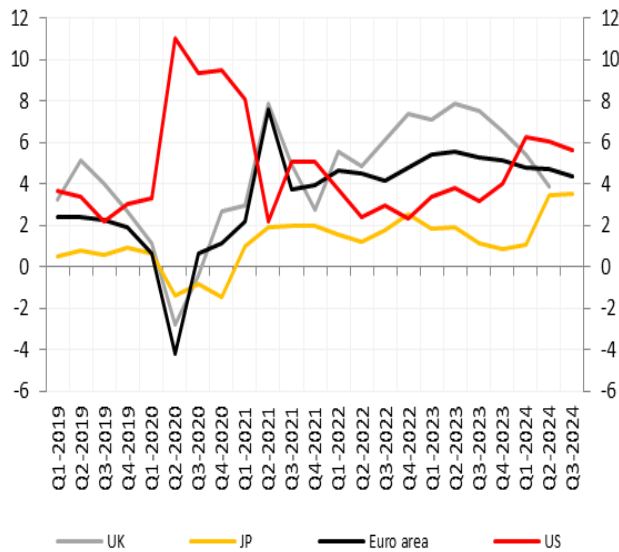
Section 2: Labour market developments

- Labour markets remain tight in several euro-area economies, but tightness is gradually easing.
- In the euro area, nominal wage growth remains strong but is beginning to moderate.

Compensation per employee – major regions globally

(y-o-y % change; sa)

Growth in compensation per employee moderated in major advanced economies in the third quarter of 2024, except for Japan.

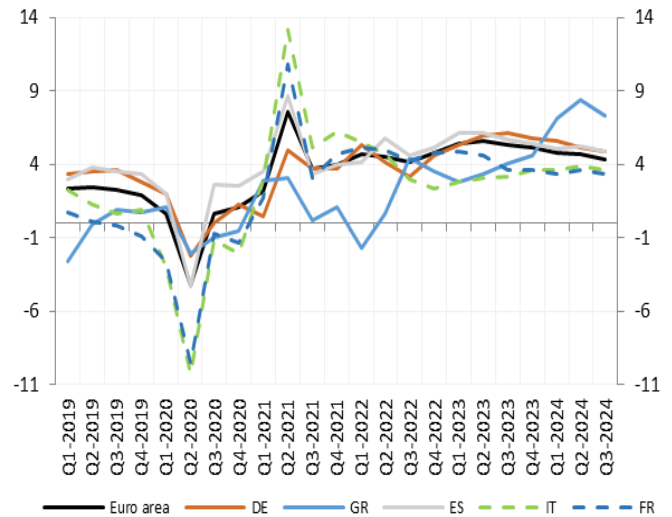


Sources: OECD and ECB. Latest observation: 2024:Q3, except for the UK, 2024:Q2.

Compensation per employee – selected euro area countries

(y-o-y % change; sa)

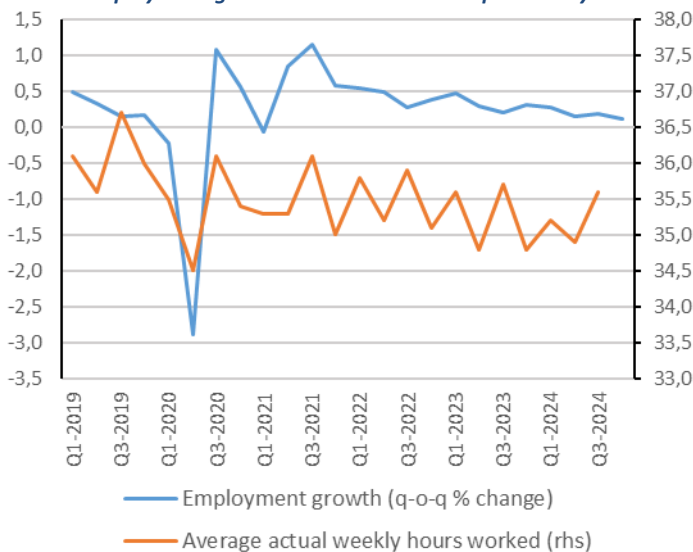
Compensation per employee growth eased in major euro area countries, in 2024:Q3. It eased also in Greece after several quarters of accelerating growth albeit it still runs faster than the EA average.



Sources: ECB. Latest observation: 2024:Q3.

Employment and hours worked – euro area

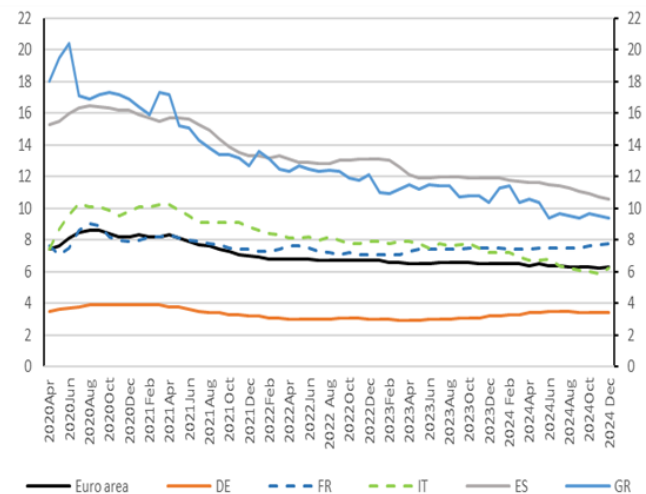
Employment growth maintains a stable pace lately.



Source: Eurostat. Latest observation: 2024:Q4 for employment growth and 2024:Q3 for average actual weekly hours.

Unemployment rate – selected euro area countries (%)

In December 2024, euro area unemployment ticked up marginally, with rises in Italy and France, and a slight decrease in Greece and Spain.



Source: Eurostat. Latest observation: December 2024.

Sources: ELSTAT and BoG calculations.

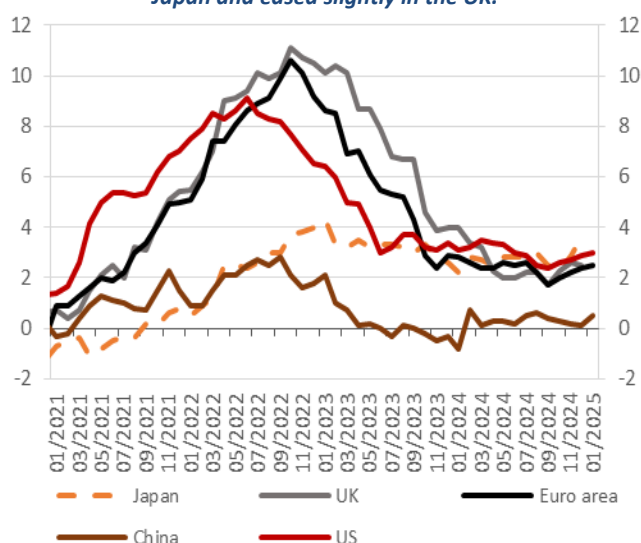
Section 3: Global prices

- The Inflation rate rose in major advanced economies, apart from the UK.
- In early February 2025, European natural gas prices neared a two-year high due to a cold snap and concerns to restore the EU's target of 90% storage capacity by November 2025 due to notable withdrawals recently. Subsequent discussions about potentially lowering the EU's mandatory storage targets have since dampened price sentiment. Since mid-January 2025, crude oil prices have generally trended downwards, primarily influenced by concerns about slowing global demand. Agricultural commodity prices have seen upward pressure due to adverse weather in key growing regions, while metal prices have experienced modest increases, partly attributed to optimism surrounding China's economic recovery.
- 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 cost has almost tripled compared to November 2023, supported also by positive global demand conditions. Transit time is a bit higher than its pre-pandemic level.

Headline consumer price inflation

(annual % change)

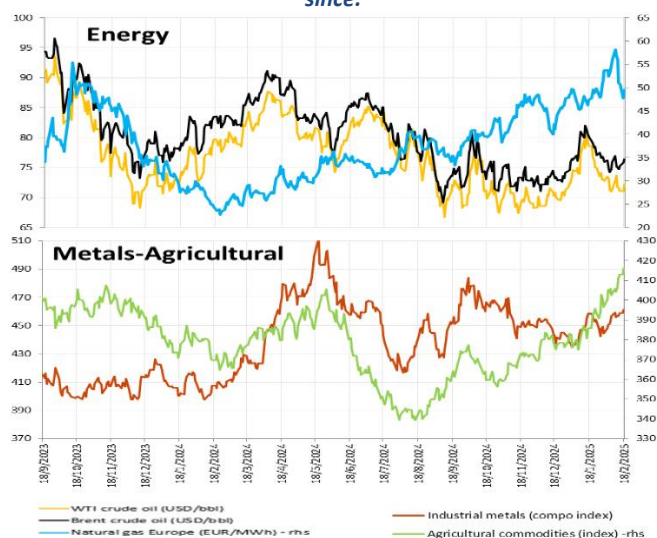
In January 2025, inflation ticked up in the euro area, in the US and in China due to seasonal holiday spending. In December 2024, it rose in Japan and eased slightly in the UK.



Sources: OECD, Eurostat, UK ONS. Latest observation: January 2025 except for Japan and the UK, December 2024.

Daily commodity prices

Ongoing global growth concerns have depressed crude oil prices. Conversely, industrial metal prices have edged up, agricultural commodity prices have risen, and natural gas prices have temporarily approached a two-year high in early February 2025 but have eased since.

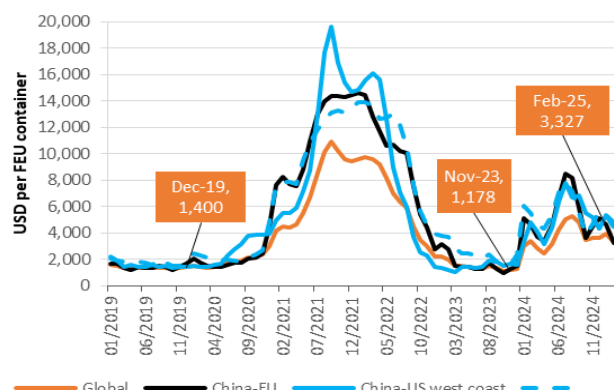


Source: LSEG. Latest observation: 18.2.2025.

Note: S&P Goldman Sachs Commodity spot price indices for industrial metals and agricultural commodities.

Containers transportation cost – Freightos Index

Global sea transportation costs still remain at high levels due to Red Sea crossing disruptions and to positive global demand conditions.

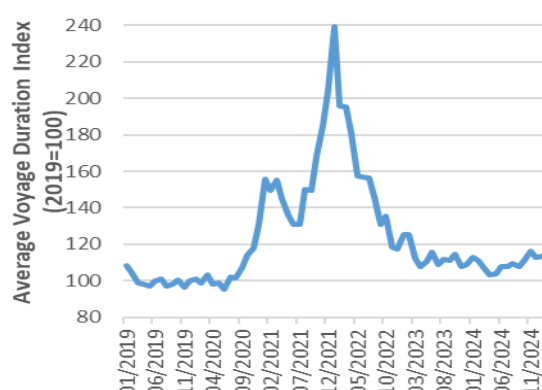


Sources: Freightos and LSEG. Latest observation: 19.02.2025.

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.



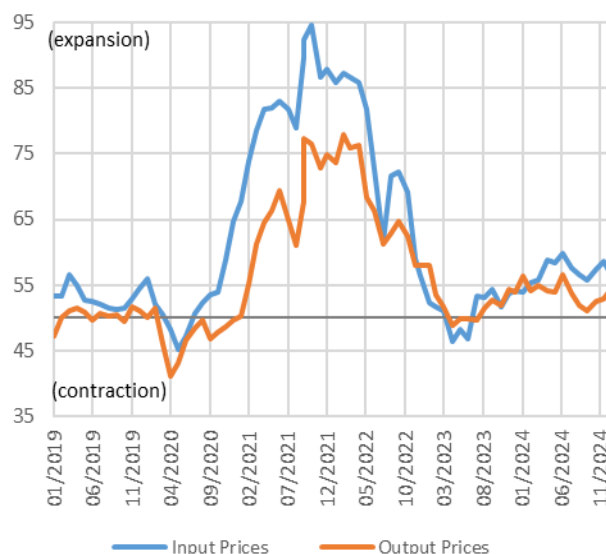
Source: Clarkson Research Services. Bank of Greece's calculations. Latest observation: 19.02.2025

Section 4: Leading price indicators

- *The January PMI input prices in Greece continued rising due to unfavourable exchange rate movements of the euro against the dollar, shortages of some items and higher utility costs; firms passed through the increased costs via a sharp uptick in selling prices amid accommodative demand conditions.*

PMI input and output prices in Greek manufacturing

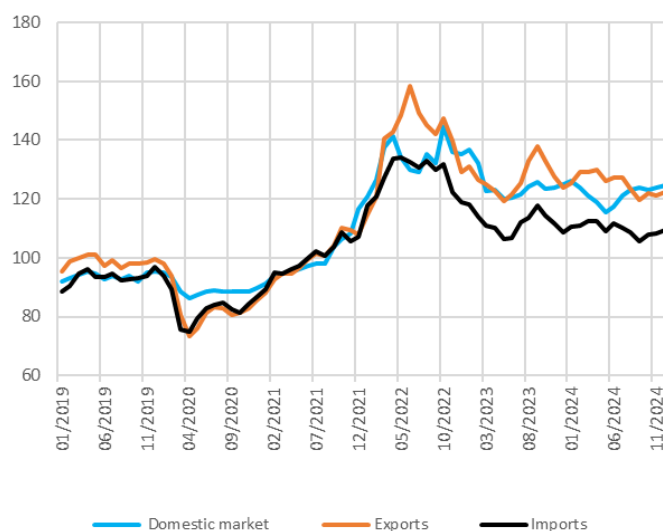
Input and output prices continued rising in January 2025...



Source: S&P Global. Latest observation: January 2025.

Producer Price Index components in Greece

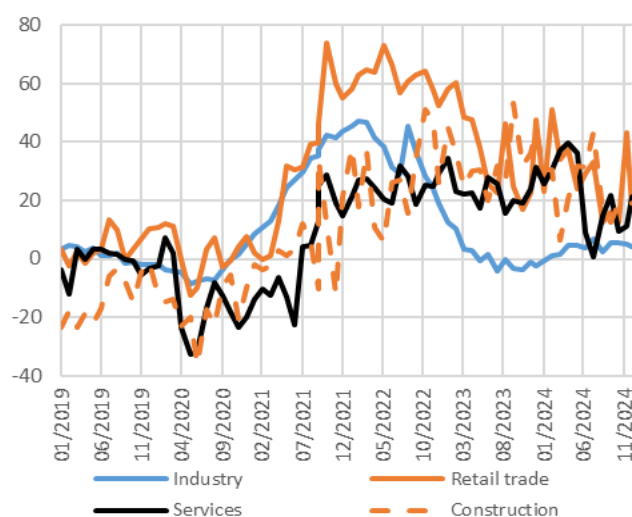
...although producer prices are broadly flat lately.



Source: ELSTAT. Latest observation: November 2024.

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

Selling price expectations increased in the services sector, fell in retail trade and remained relatively flat in other business sectors in January 2025...

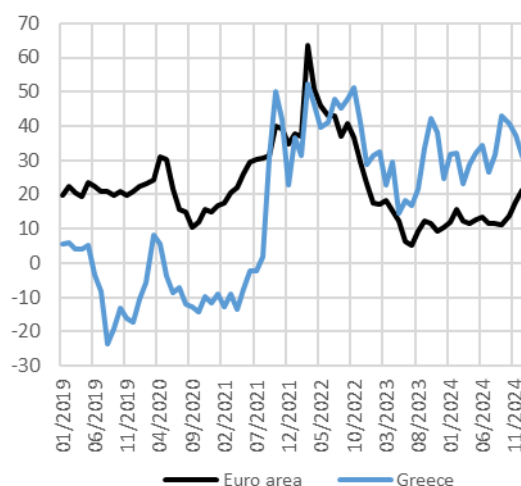


Source: European Commission. Latest observation: January 2025.

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 fell lately both in Greece and the euro area.



Source: European Commission. Latest observation January 2025.

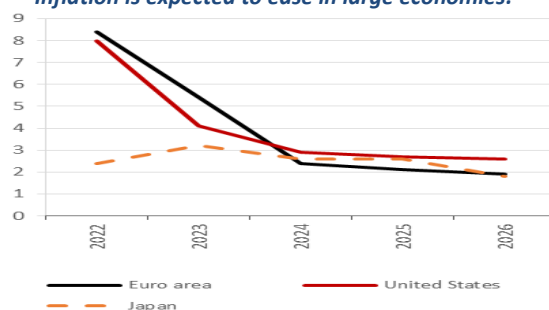
Note: Data are obtained from the closed-ended question about expectation of inflation over the next 12 months. The chart shows the net balances i.e. the share of consumers expecting higher inflation minus the share of consumers expecting lower inflation.

Section 5: Inflation expectations

- According to Consensus Forecasts released in February inflation is revised upwards for 2025 for the US and for the euro area, to 2.7% and 2.1% respectively, but remained unchanged at 1.9% and 2.6% respectively for 2026.
- The ECB's Consumer Expectations Survey (CES) shows that median inflation expectations over the next 12 months in Greece decreased to 5.4% in December 2024 from 6.6% in November, while in the euro area they increased to 2.8% from 2.6% over the same period. Median inflation uncertainty decreased in Greece to 3.7% in December 2024 from 5.2% in September while in the euro area it remained stable to 1.7% for six consecutive months, since July 2024. ¹ Median inflation expectations three years ahead in Greece and in the euro area remained stable at 5.1% and 2.4%, respectively.
- Market-based inflation expectations fell in the euro area while they rose in the US over the medium-term horizon amid higher-than-expected US inflation data; currently, medium term breakeven inflation is below 2% in the EA and higher than 2% in the US (on 18.2.2025 vs. 14.1.2025, 5-year breakeven inflation rates: EA: 1.78%, -14 bps; US: 2.66%, +10 bps; 10-year breakeven inflation rates: EA: 1.93%, -10 bps; US: 2.45%, -1 bps). Real yields were broadly unchanged in the EA and fell in the US (on 18.2.2025 vs 14.1.2025: EA-5y: 0.49%, -2 bps; EA-10y: 0.56%, -3 bps; US-5y: 1.74%; -30 bps, US-10y: 2.10%: -23 bps).

Consensus: Inflation expectations (I)

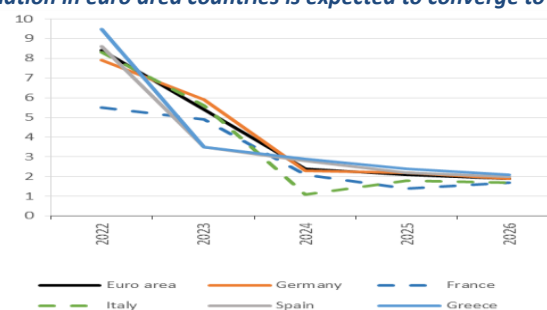
Inflation is expected to ease in large economies.



Source: Consensus Forecasts (February 2025).

Consensus: Inflation expectations (II)

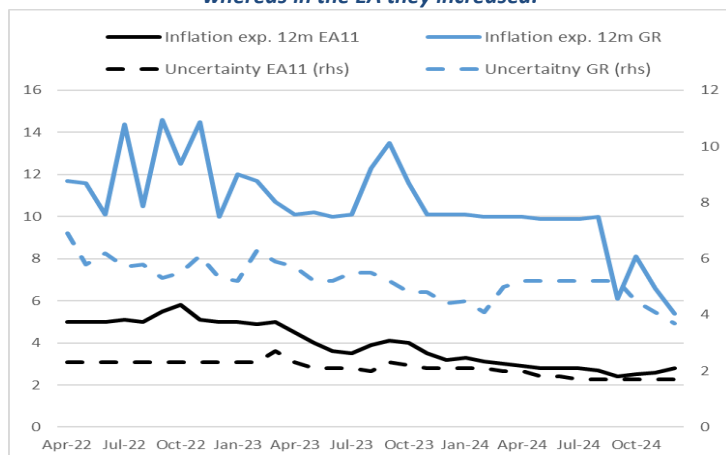
Inflation in euro area countries is expected to converge to 2%.



Source: Consensus Forecasts (February 2025).

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

Short-term inflation expectations in Greece decreased in December 2024 whereas in the EA they increased.

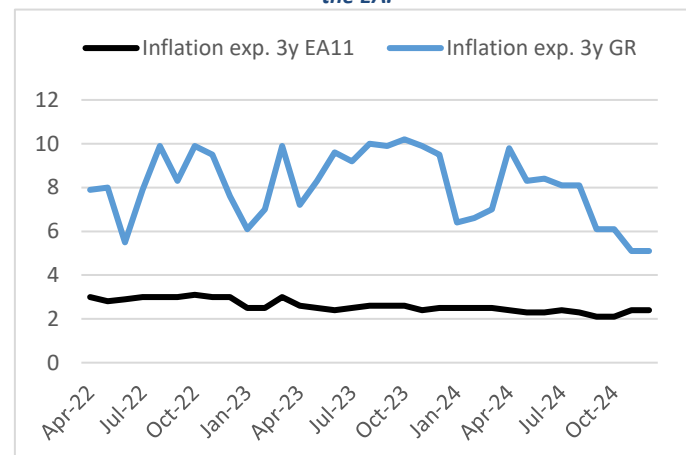


Source: ECB Consumer Expectations Survey (CES).

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. Inflation uncertainty is based on the respondent-specific probability distributions derived from the probabilistic bin question on inflation expectations. Implied Inflation uncertainty is computed as the interquartile range between the 75th and the 25th percentile of the respondent-specific subjective distribution. The sample period is from 4/ 2022 to 12/2024.

Consumer inflation expectations 3 years ahead – Greece vs EA

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



Source: ECB Consumer Expectations Survey (CES).

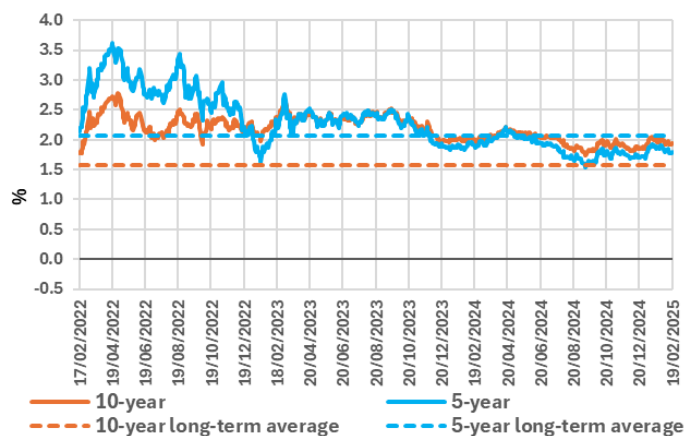
Note: Using weighted data. Median inflation expectations are obtained from the open-ended question about individuals' expectations of changes in prices in general between 2 and 3 years. The sample period is from April 2022 to December 2024.

¹ For a more detailed description of how inflation uncertainty is computed see, Section 3.3 “Indicators from the probabilistic bin questions” of the guide to the computation of aggregate statistics and the technical appendix:

https://www.ecb.europa.eu/stats/ecb_surveys/consumer_exp_survey/shared/pdf/CES_aggregate_statistics_guide.en.pdf

Euro-area breakeven inflation rates

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

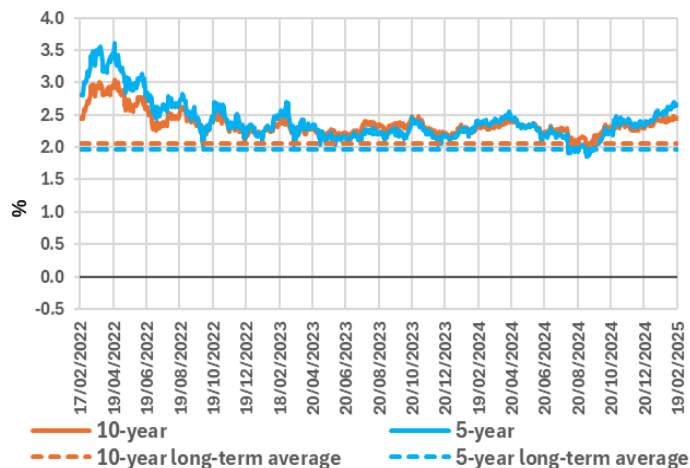


Sources: LSEG, Bank of Greece. Latest observation: 18.2.2025.

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 rose over a medium-term horizon, remaining above the 2% medium-term target.



Sources: LSEG, Bank of Greece. Latest observation: 18.2.2025.

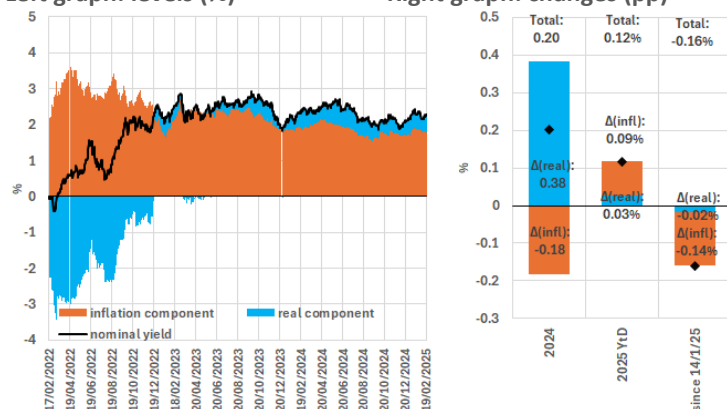
Note: The chart illustrates daily developments in the yield differential between nominal and inflation-linked US Treasury bonds with a maturity of 5 (blue line) and 10 (orange line) years. The dotted lines indicate the average value of each series since 2013.

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

In the EA, nominal yields fell, driven by lower inflation expectations, with real yields (i.e. inflation-linked bond yields which compensate investors for inflation) remaining broadly unchanged.

Left graph: levels (%)

Right graph: changes (pp)



Sources: LSEG, Bank of Greece. Latest observation: 18.2.2025.

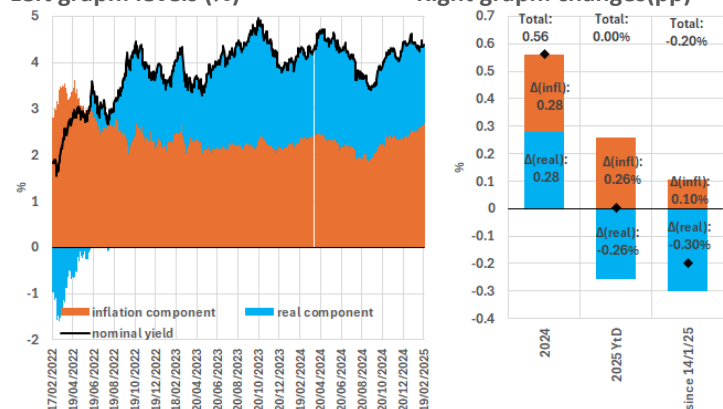
Note: The chart shows the decomposition of the 5-year EA benchmark bond yield (black line) into its real (blue bars) and inflation-linked (orange bars) components. The inflation component is the breakeven inflation rate and the real component is the yield of the bond that compensates bondholders for 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 by lower real yields (i.e. yields on US Treasury inflation-protected securities), while inflation expectations rose.

Left graph: levels (%)

Right graph: changes (pp)



Sources: LSEG, Bank of Greece. Latest observation: 18.2.2025.

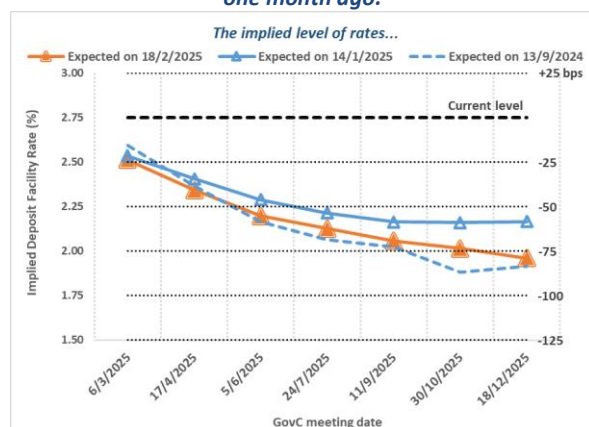
Note: The chart shows the decomposition of the 5-year US Treasury bond yield (black line) into its real (blue bars) and inflation-linked (orange bars) components. The inflation component is the breakeven inflation rate and the real component is the yield of the bond that compensates bondholders for inflation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

Section 6: Policy interest rates expectations

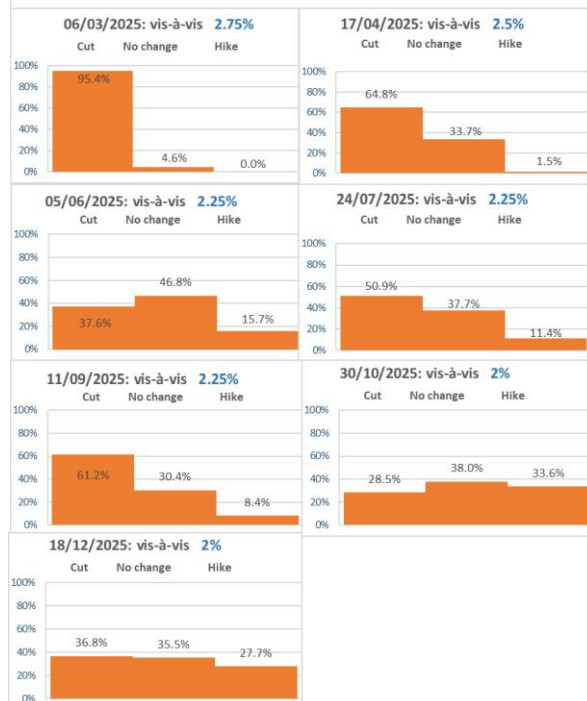
- The ECB cut its policy rates by 25 bps in January 2025, after having reduced them four times in 2024 by a total of 100 bps. Furthermore, by the end of 2025 the ECB's DFR is expected to be further cut by 75 bps, i.e. strengthening somewhat the outlook for rate cuts by the ECB, in 2025, as one month ago rate cuts of 50 to 75 bps, in total, were expected.
- The Fed left the Fed funds rate (FFR) unchanged in January 2025, after having cut its rate three times in 2024 by a total of 75 bps. Expectations on the FFR incorporate a higher probability for two rate cuts in 2025 vis-à-vis one month ago. Nevertheless, rate expectations have been revised significantly towards fewer rate cuts than mid-September of 2024, when rate cuts of 100 bps were expected in 2025.

Short-term rates in the euro area

The outlook for ECB rates in 2025 has been revised downwards, vis-à-vis one month ago.

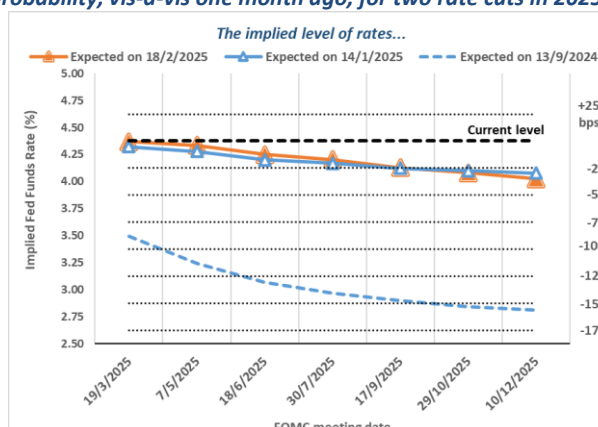


...the likelihood of moves per GovC meeting vis-à-vis the central probability for the rate at the previous meeting

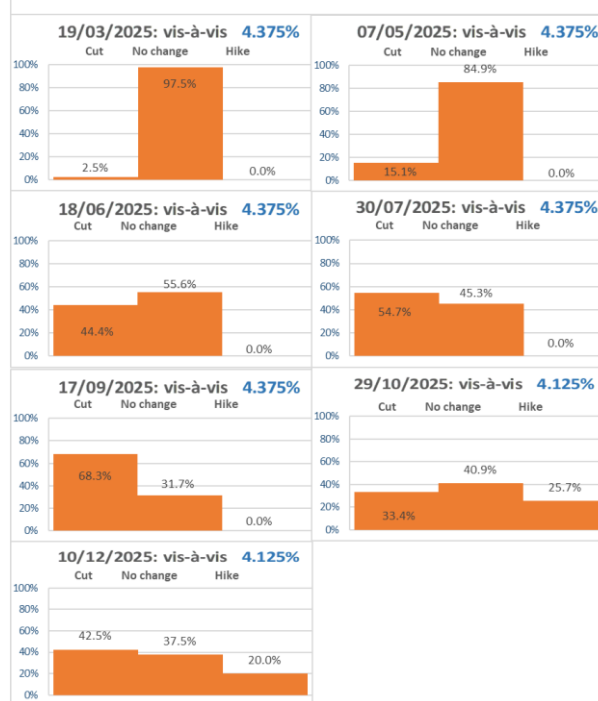


Short-term rates in the US

The outlook for the Fed funds rate incorporates a higher probability, vis-à-vis one month ago, for two rate cuts in 2025.



...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: 18.2.2025.

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 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: 20/1/2025-21/2/2025)

Statements by central bankers and other officials

- **11.02.2025: Fed Chair Jerome Powell (testimony before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, [link](#)):** “[...] With our policy stance now significantly less restrictive than it had been and the economy remaining strong, we do not need to be in a hurry to adjust our policy stance. [...]”
- **30.01.2025: ECB’s Monetary Policy Statement ([link](#)):** “[...] The disinflation process is well on track. Inflation has continued to develop broadly in line with the staff projections and is set to return to the Governing Council’s 2% medium-term target in the course of this year. Most measures of underlying inflation suggest that inflation will settle at around the target on a sustained basis. Domestic inflation remains high, mostly because wages and prices in certain sectors are still adjusting to the past inflation surge with a substantial delay. But wage growth is moderating as expected, and profits are partially buffering the impact on inflation. [...]”
- **30.01.2025: ECB’s President Christine Lagarde (speech at press conference after ECB’s monetary policy statement, [link](#)):** “[...] We expect inflation to fluctuate around its current level in the near term. It should then settle sustainably at around the two per cent medium-term target. Easing labour cost pressures and the continuing impact of our past monetary policy tightening on consumer prices should help this process. While market-based indicators of inflation compensation have largely reversed the declines observed in the autumn, most measures of longer-term inflation expectations continue to stand at around 2 per cent. [...]”
- **29.01.2025: FOMC statement ([link](#)):** “Recent indicators suggest that economic activity has continued to expand at a solid pace. The unemployment rate has stabilized at a low level in recent months, and labor market conditions remain solid. Inflation remains somewhat elevated. [...]”
- **29.01.2025: Fed Chair Jerome Powell (FOMC’s press conference, [link](#)):** “[...] I think our policy stance is very well calibrated, as I mentioned, to balance the achievement of our two goals. We want policy to be restrictive enough to continue to foster further progress for our 2 percent inflation goal. At the same time, we don’t need to see further weakening in the labor market to achieve that goal, and that’s kind of what we’ve been getting. [...] Conditions seem to be broadly in balance. And I would say, look at the last couple of inflation readings and you see we don’t—we don’t overreact to two good readings or two bad readings. [...]”

Data releases

Date	Announcement	Actual	Expected*	Actual vs Expected	Previous reading
31 January 2025	France HICP (%ΔYoY Jan Preliminary)	1.8%	1.9%	-0.1%	1.8%
31 January 2025	France CPI (%ΔYoY Jan Preliminary)	1.4%	1.5%	-0.1%	1.3%
31 January 2025	Germany CPI (%ΔYoY Jan Preliminary)	2.3%	2.6%	-0.3%	2.6%
31 January 2025	Germany HICP (%ΔYoY Jan Preliminary)	2.8%	2.8%	0.0%	2.8%
31 January 2025	United States Core PCE Price Index (%ΔYoY Dec)	2.8%	2.8%	0.0%	2.8%
31 January 2025	United States PCE Price Index (%ΔYoY Dec)	2.6%	2.6%	0.0%	2.4%
3 February 2025	Euro Zone HICP (%ΔYoY Jan Flash)	2.5%	2.4%	0.1%	2.4%
3 February 2025	Euro Zone HICP ex. Tobacco, Food & Energy (%ΔYoY Jan Flash)	2.7%	2.6%	0.1%	2.7%
3 February 2025	Italy CPI (%ΔYoY Jan Preliminary)	1.5%	--	--	1.3%
3 February 2025	Italy HICP (%ΔYoY Jan Preliminary)	1.7%	1.4%	0.3%	1.4%
12 February 2025	United States Core CPI (%ΔYoY Jan)	3.3%	3.1%	0.2%	3.2%
12 February 2025	United States CPI (%ΔYoY Jan)	3.0%	2.9%	0.1%	2.9%
13 February 2025	Germany CPI (%ΔYoY Jan Final)	2.3%	2.3%	0.0%	2.3%
13 February 2025	Germany HICP (%ΔYoY Jan Final)	2.8%	2.8%	0.0%	2.8%
13 February 2025	United States PPI Final Demand YY	3.5%	3.2%	0.3%	3.5%
13 February 2025	United States PPI excl. food/ energy YY	3.6%	3.3%	0.3%	3.7%
14 February 2025	Greece HICP (%ΔYoY Jan)	3.1%	--	--	2.9%
14 February 2025	Greece CPI (%ΔYoY Jan)	2.7%	--	--	2.6%
18 February 2025	France HICP (%ΔYoY Jan Final)	1.8%	1.8%	0.0%	1.8%
18 February 2025	France CPI (%ΔYoY Jan)	1.7%	1.4%	0.3%	1.4%

Source: LSEG.

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

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