



INFLATION MONITOR

May 20, 2024

Economic Analysis and Research Department

Macroeconomic indicators:

- **Annual HICP headline inflation in the euro area remained unchanged at 2.4%** in April 2024. This reflects a drop in core inflation (HICPX) and in processed food inflation compensated by a rise in energy inflation and, to a lesser extent, by a rise in unprocessed food inflation. In particular, core inflation (HICP excluding energy and food) declined to 2.7% in April 2024 from 2.9% in March as both its components posted lower rates. **Annual CPI inflation in the US fell to 3.4%** in April 2024, from 3.5% in March. Core CPI inflation slowed to 3.6% in April 2024, from 3.8% in March, being the lowest reading over the last three years. **Annual HICP headline inflation in Greece declined to 3.2%** in April 2024 from 3.4% in March. All components but processed food inflation declined compared to the previous month. Unprocessed food inflation in Greece remains significantly higher than that in the euro area. Core inflation also declined to 3.1% in April 2024 from 3.4% in March due to lower annual rates in both its components.
- Sea container transportation costs from China to Europe have tripled compared to November 2023 due to Houthi rebels' attacks on vessels crossing the Red Sea.

Market-based indicators:

- **Euro area nominal bond yields were broadly unchanged, vis-à-vis one month ago, while they fell in the US.**
 - In the euro area, both medium and long-term nominal yields did not mark significant changes over the past month; in the medium-term horizon, a fall in market-based expected inflation rates was offset by a rise in real yields.
 - In the US, the fall in nominal yields reflects mainly a drop in market-based expected inflation rates in the medium-term segment of the US Treasury yield curve, and a decline in real rates in the long-term segment.
- **Market-based expectations on policy rates set by the ECB and the Fed have been revised upwards:**
 - **The ECB is expected to cut rates by 25 bps in June's GovC meeting**, with a near 90% likelihood. Until the end of the year the ECB is seen likely to cut rates by no more than 75 bps, whereas in early 2024 rate cuts of 150 bps were expected.
 - **The Fed is expected to keep the Fed funds rate (FFR) at its current range of 5.25%-5.5% until September 2024**, at which time a rate cut by 25 bps is seen likely. Until the end of 2024, the case that the Fed will have cut rates by 50 bps, in total, is seen as likelier than a single rate cut of 25 bps, whereas in early 2024 rate cuts of 150 bps were expected.

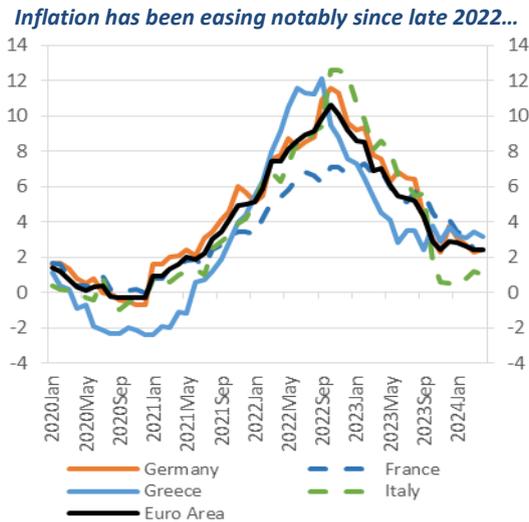
Key statements and news:

- **The FOMC statement, on 1.5.2024, maintained the target range for the Fed funds rate unchanged at 5.25%-5.5%**, while admitting that *"in recent months, there has been a lack of further progress toward the Committee's 2% inflation objective"*.
- **ECB Executive Board member Phillip R. Lane** reiterated, in a speech at Stanford University on 2 May, the 11 April MPC statement that if confidence were to increase *"that inflation is converging to our target in a sustained manner, it would be appropriate to reduce the current level of monetary policy restriction"* while discussing conditions under which *"it is best not to commit to a pre-set path for rate decisions and preserve optionality"*.

Section 1: HICP developments

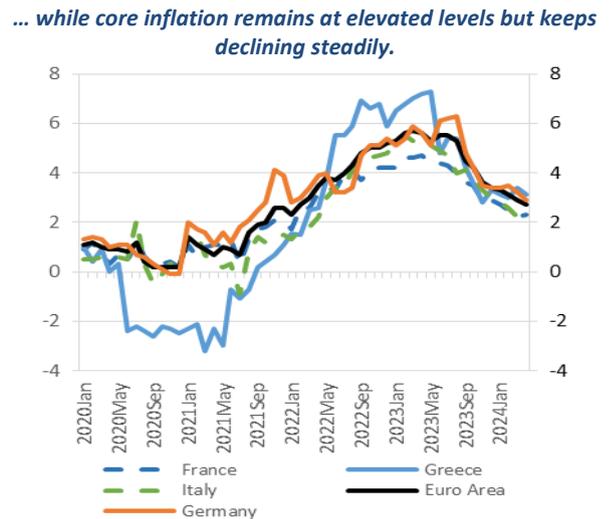
- *Inflationary pressures in the euro area eased significantly in the course of 2023 and decelerated further in the first four months of 2024. Core inflation remains at elevated levels but keeps declining steadily.*
- *In Greece both headline inflation and core inflation declined notably in the course of 2023, while in early 2024 they moved sideways. Headline inflation was once again above core inflation in the fourth quarter of 2023 and in the first four months of 2024. Both headline and core inflation declined in April 2024.*

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



Source: Eurostat. Latest observation: April 2024.

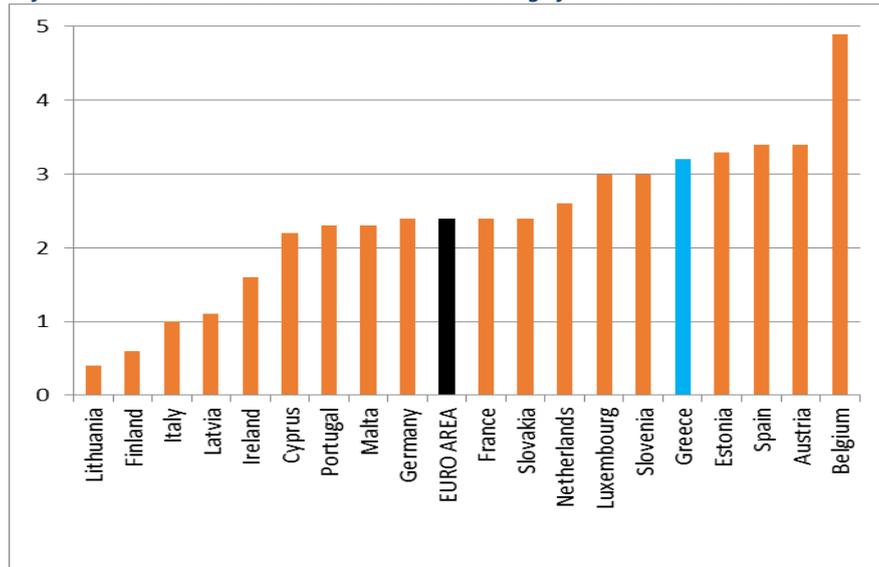
Core inflation for selected euro area countries
HICP excluding energy & food)
(annual % changes)



Source: Eurostat. Latest observation: April 2024.

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

Inflation in Greece ranks above the euro area average for a seventh consecutive month.



Source: Eurostat.

Price developments in the euro area and Greece

(annual % changes)

Easing in energy and food inflation continues, but unprocessed food inflation in Greece remains significantly higher than in the euro area. Core inflation stays at elevated, though decelerating, levels.

EURO AREA	2024 weights (%)	2021	2022	2023	2023			2024	2023			2024			
					Q2	Q3	Q4	Q1	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Harmonised Index of Consumer Prices (HICP)															
Overall index	100.00	2.6	8.4	5.4	6.2	5.0	2.7	2.6	2.9	2.4	2.9	2.8	2.6	2.4	2.4
Goods	55.12	3.4	11.9	5.7	6.8	4.5	1.7	1.5	1.7	1.3	2.1	1.8	1.5	1.2	1.3
Processed food (including alcohol and tobacco)	15.12	1.5	8.6	11.4	13.5	10.3	7.1	4.4	8.4	7.1	5.9	5.2	4.5	3.5	3.2
Unprocessed food	4.35	1.6	10.4	9.1	9.5	7.9	5.9	2.8	4.5	6.3	6.8	6.9	2.1	-0.5	1.2
Non-energy industrial goods	25.73	1.5	4.6	5.0	5.8	4.6	2.9	1.6	3.5	2.9	2.5	2.0	1.6	1.1	0.9
Energy	9.91	13.0	37.0	-2.0	-1.8	-4.6	-9.8	-3.9	-11.2	-11.5	-6.7	-6.1	-3.7	-1.8	-0.6
Services	44.88	1.5	3.5	4.9	5.2	5.3	4.2	4.0	4.6	4.0	4.0	4.0	4.0	4.0	3.7
Core Inflation (HICP less energy, food, alcohol and tobacco)	70.62	1.5	3.9	4.9	5.5	5.1	3.7	3.1	4.2	3.6	3.4	3.3	3.1	2.9	2.7
GREECE															
Harmonised Index of Consumer Prices (HICP)															
Overall index	100.00	0.6	9.3	4.2	3.8	3.1	3.5	3.2	3.8	2.9	3.7	3.2	3.1	3.4	3.2
Goods	53.62	2.0	12.9	3.8	2.5	2.1	3.7	2.9	4.0	3.3	3.8	3.1	2.8	2.8	2.7
Processed food (including alcohol and tobacco)	17.27	0.7	9.5	9.3	10.7	7.8	6.1	4.6	6.5	6.1	5.6	5.3	4.7	3.7	3.9
Unprocessed food	7.65	2.2	10.1	11.1	8.5	13.3	12.5	9.1	14.2	11.1	12.3	11.5	8.3	7.2	6.9
Non-energy industrial goods	21.14	-0.7	5.0	6.4	7.9	5.8	3.2	2.1	3.6	3.4	2.6	2.6	1.7	2.1	1.8
Energy	7.56	12.4	41.0	-13.4	-20.4	-18.7	-6.0	-3.5	-6.8	-7.2	-4.0	-6.5	-2.8	-1.0	-1.4
Services	46.38	-1.0	4.5	4.5	5.5	4.1	3.1	3.6	3.4	2.4	3.6	3.3	3.5	4.0	3.7
Core Inflation (HICP less energy, food, alcohol and tobacco)	67.52	-1.1	4.6	5.3	6.4	5.0	3.2	3.1	3.6	2.8	3.3	3.1	3.0	3.4	3.1

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 2023 and remain subdued since.

GREECE	2024 weights (%)	2021	2022	2023	2023			2024	2023			2024			
					Q2	Q3	Q4	Q1	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Harmonised Index of Consumer Prices (HICP)															
Overall HICP index	100.00	0.6	9.3	4.2	3.8	3.1	3.5	3.2	3.8	2.9	3.7	3.2	3.1	3.4	3.2
ENERGY	7.56	12.4	41.0	-13.4	-20.4	-18.7	-6.0	-3.4	-6.8	-7.2	-4.0	-6.5	-2.8	-1.0	-1.4
Electricity	2.56	8.3	43.1	-15.0	-25.4	-8.5	0.8	-2.0	1.9	0.7	-0.1	-0.4	-1.1	-4.6	-7.4
Natural gas and town gas	0.25	68.3	127	-49.3	-44.3	-78.0	-55.5	-52.3	-60.5	-53.2	-52.9	-60.2	-52.0	-39.1	-26.9
Liquefied hydrocarbons	0.04	1.3	11.5	7.6	12.1	4.6	-1.1	1.4	2.6	-5.0	-0.8	-1.0	3.2	2.2	-0.9
Liquid fuels	1.07	20.0	45.1	-11.8	-20.7	-20.7	6.4	7.7	0.7	6.0	13.7	1.3	9.9	12.4	6.3
Solid fuels	0.22	-0.7	11.0	21.2	28.8	23.3	10.0	7.6	10.8	9.9	9.2	8.6	7.2	6.9	0.4
Fuels for personal transport equipment	3.42	13.5	25.5	-7.8	-16.1	-7.0	-6.7	-1.8	-6.4	-9.7	-3.6	-4.0	-1.7	0.5	2.3

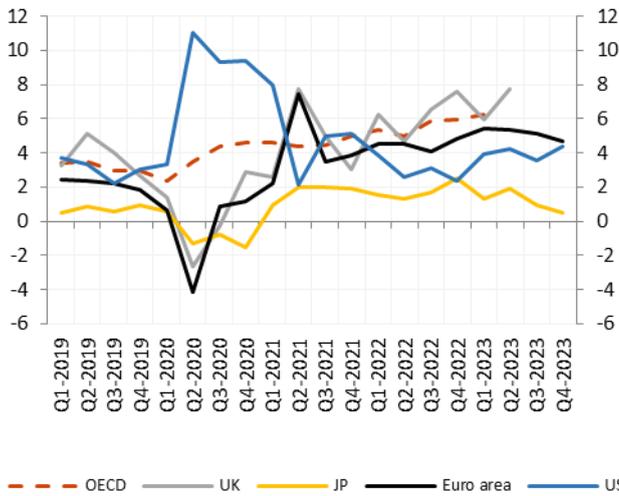
Sources: ELSTAT and BoG calculations.

Section 2: Labour market developments

- Labour markets in advanced economies remain tight, as reflected in record low unemployment rates, but there are signs of some cooling.
- In the euro area, wage growth has been moderating based on all recent indicators but remains elevated. Profit margins continued to buffer the pass-through of higher labour costs to inflation.
- The higher unit labour cost growth in the euro area compared to the US in 2023 reflects both stronger wage growth and weaker productivity dynamics in the euro area. This is due to the different cyclical positions of the two economies, as well as labour market institutional factors (ECB Economic Bulletin 3/2024).

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

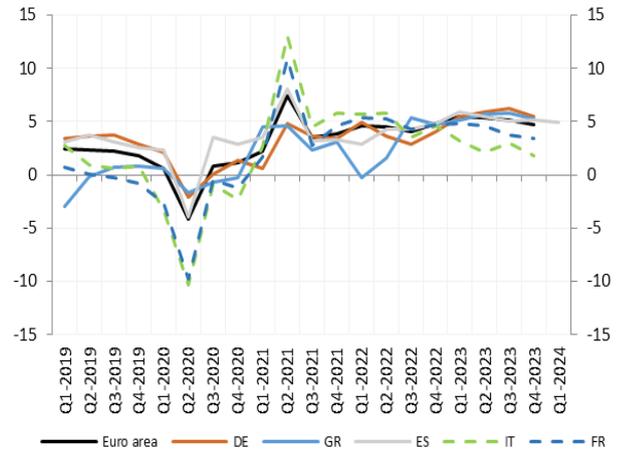
Compensation per employee growth moderated in Q4 2023 in major advanced economies, except the US...



Sources: OECD and ECB. Latest observation: Q4 2023, except for the OECD (Q1 2023) and the UK (Q2 2023).

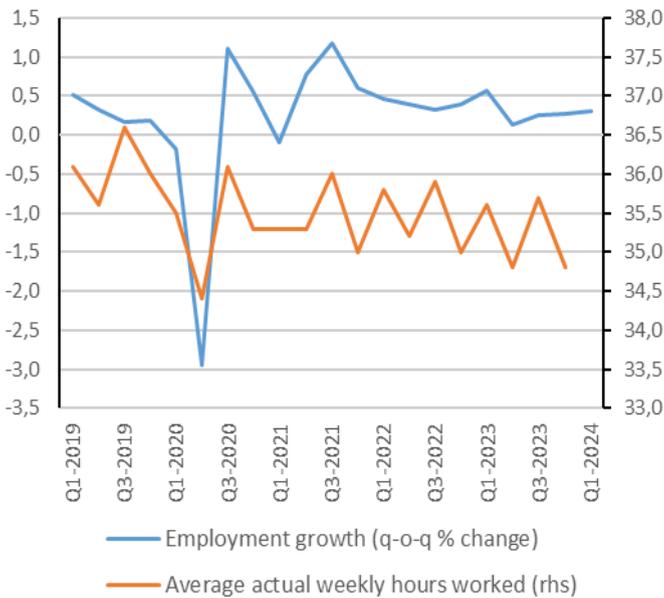
Compensation per employee – selected euro area countries
(y-o-y % change; sa)

... while it also moderated in major economies of the euro area and Greece.



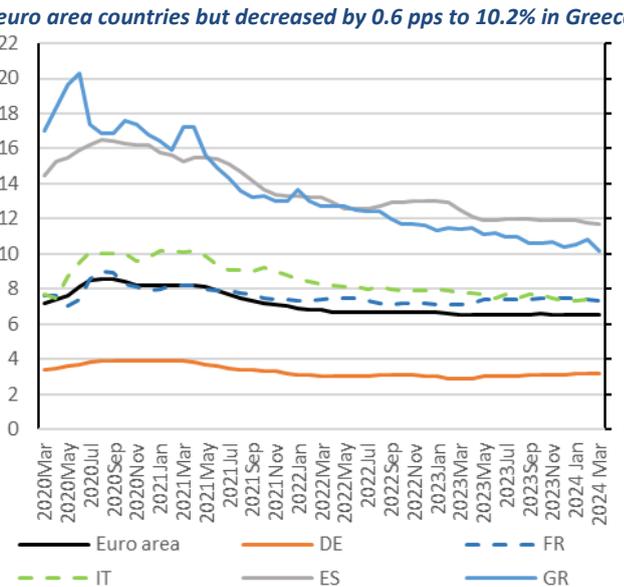
Sources: ECB. Latest observation: Q4 2023, except for Spain (Q1 2024).

Employment and hours worked – euro area
Employment growth remains resilient.



Source: Eurostat. Latest observation: Q1 2024 for Employment growth, Q4 2023 for Average actual weekly hours worked.

Unemployment – selected euro area countries (%)
In March, the rate of unemployment was broadly stable in major euro area countries but decreased by 0.6 pps to 10.2% in Greece.



Source: Eurostat. Latest observation: February 2024.

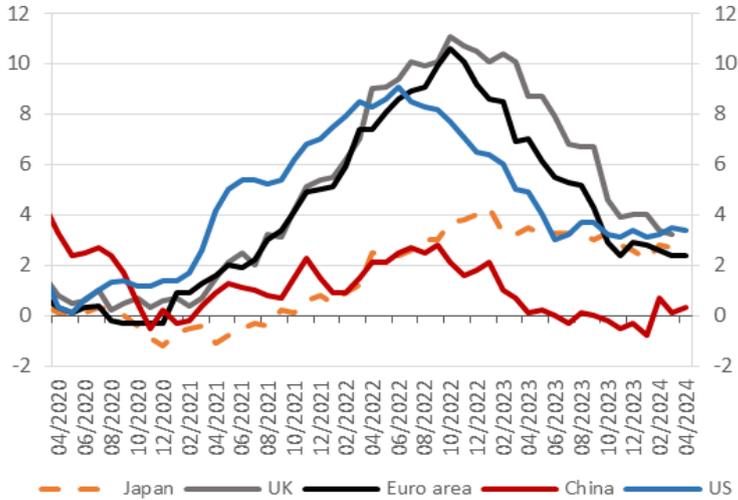
Section 3: Global prices

- In the last couple of months, inflation developments have differed among major economies. While inflation steadied in the euro area and slowed in the UK, the US and Japan, it accelerated in China for the second consecutive month.
- Since early April, crude oil prices have stabilised as supply-side concerns have eased. The increase in shale oil production has softened the impact of oil supply reductions by the OPEC. European natural gas prices remained broadly stable due to adequate short-term supply backed by high gas storage levels. Prices for industrial metals rose due to indications of slightly stronger demand in China and some disruptions in supply.
- 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 more than doubled while the corresponding cost from China to Europe has tripled compared to November 2023. Transit time between China – Europe will increase as vessels opt for the longer route via the Cape of Good Hope, but the one of China – USA may remain at its pre-pandemic level.

Headline consumer price inflation

(annual % change)

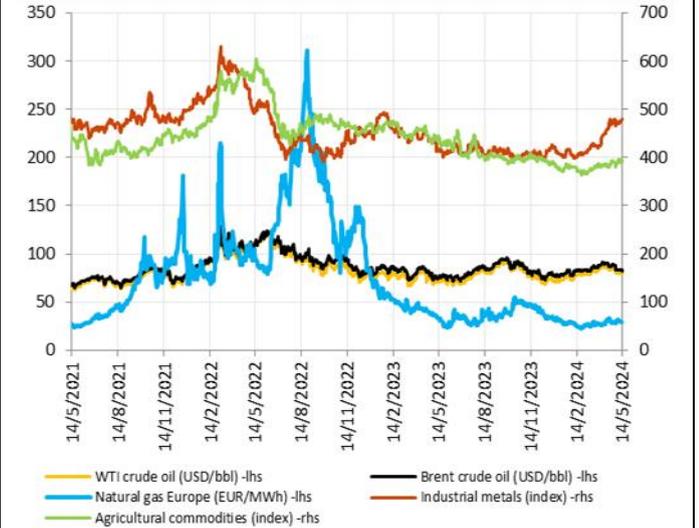
In April, inflation stabilised in the euro area, marginally fell in the US and ticked up in China. In March, disinflation continued in the UK, and Japan.



Sources: OECD, Eurostat, UK ONS. Latest observation: April 2024, except for the UK and Japan (March 2024).

Daily commodity prices

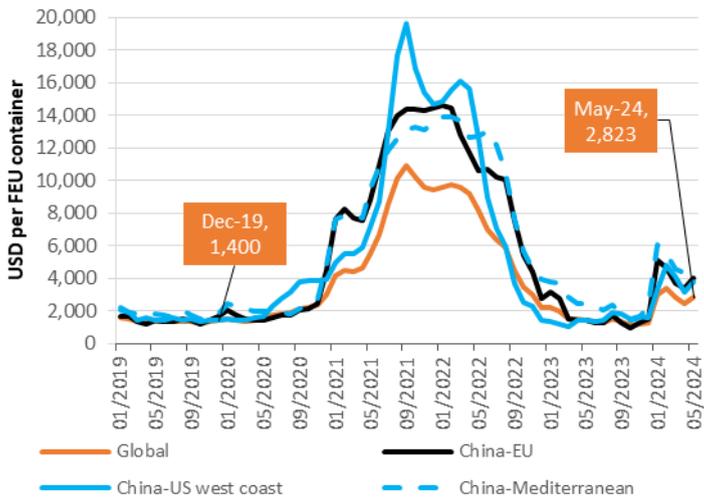
Since early April, crude oil and European natural gas prices have flattened. Prices of industrial metal commodities ticked up, while agricultural commodities prices have stabilised amid a well-supplied market.



Source: LSEG. Latest observation: 14.05.2024.
Note: S&P Goldman Sachs Commodity spot price indices for industrial metals and agricultural commodities.

Containers transportation cost – Freightos Index

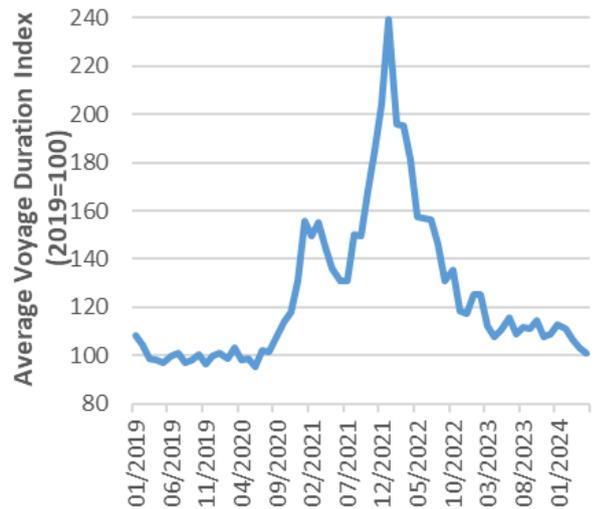
Global sea transportation costs more than doubled due to Houthi rebels' attacks on vessels crossing the Red Sea.



Sources: Freightos and LSEG. Latest observation: 14.05.2024.
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 declined to its pre-pandemic level.



Source: Clarkson Research Services. Bank of Greece's calculations. Latest observation: 14.02.2024.5

Section 4: Leading price indicators

- *PMI input prices further increased in April 2024, at the fastest rate since January 2023, due to higher raw material and fuel costs. Output price inflation also increased in April, for the eighth successive month, due to the pass through of higher costs to customers.*
- *Selling price expectations declined significantly in April 2024 in the retail trade and the construction sectors, they stabilised at relatively low levels in the industrial sector, but increased in the services sector.*
- *Consumer inflation expectations eased in April in the euro area but increased in Greece.*

PMI input and output prices in Greek manufacturing
Input and output prices have been rising over the last eight months...



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

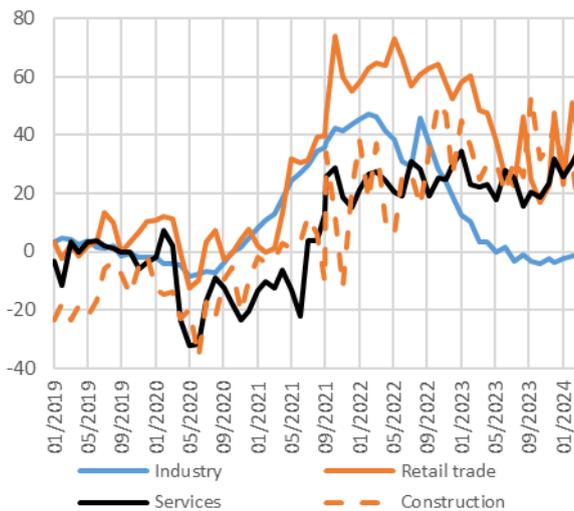
Producer Price Index components in Greece
...while producer prices are broadly flat lately.



Source: ELSTAT. Latest observation: March 2024.

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

Selling price expectations sharply declined in April in most sectors, except for the services sector...

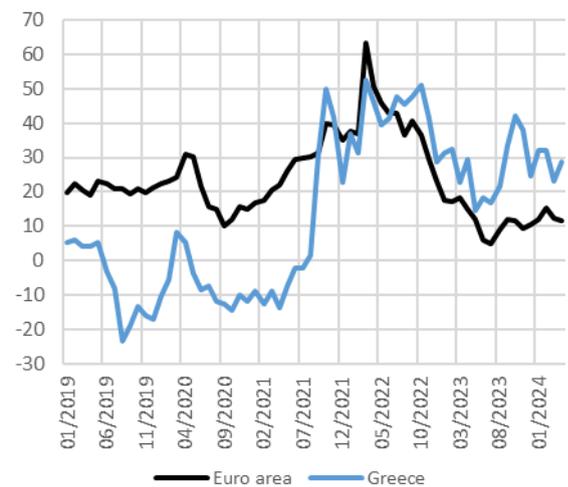


Source: European Commission. Latest observation: April 2024.

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.

Consumer price expectations
 (for the next 12 months)

...while consumers' price expectations increased in April in Greece, but eased in the euro area.



Source: European Commission. Latest observation April 2024.

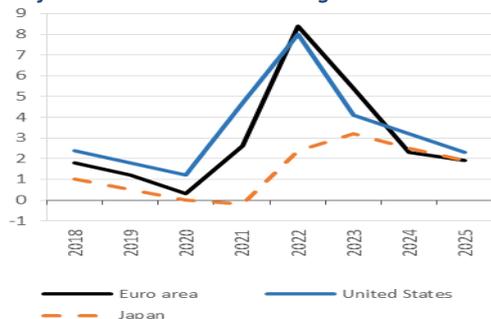
Note: Data are obtained from the closed-ended question about expectation of inflation over the next 12 months. The chart shows the net balances i.e. the share of consumers expecting higher inflation minus the share of consumers expecting lower inflation.

Section 5: Inflation expectations

- *Consensus Forecasts of inflation released in May suggest declining inflation for most advanced countries for 2024-2025. Compared to the survey of the previous month, figures were broadly stable for many advanced economies with the exception of a big increase in the expected inflation of the US in 2024 (from 2.6% to 3.2%).*
- *A new data release from the ECB’s Consumer Expectations Survey (CES) shows that median inflation expectations in Greece over the next 12 months remained unchanged at 10% in March 2024 and in the euro area decreased marginally to 3%. Median inflation expectations three years ahead in Greece have increased to 7% in March 2024 from 6.6% in February 2024 while in the euro area they remained stable at 2.5%.*
- *It is noted that median consumer inflation expectations are significantly higher in Greece compared to the euro area and also significantly higher than current inflation. Some early research seems to indicate that the upward divergence of Greek households’ inflation expectations vs those in the euro area could be attributed to the Greek households’ pessimism about their own financial situation.¹*
- *In the last month, market-based expected inflation in the euro area, for a medium-term horizon, came closer to the 2% inflation target. In the US, market-based expected inflation rates, for the medium term, fell by more, although standing at higher levels (5-year breakeven inflation rates on 15.5.2024: EA: 2.02%, -10 bps vs 11.4.2024; US: 2.30%, -18 bps). Movements in longer-term inflation expectations were milder in both regions (10-year breakeven inflation rates on 15.5.2024: EA: 2.10%, -4 bps vs 11.4.2024; US: 2.31%, -8 bps). Real yields (i.e. yields on inflation-linked/inflation-protected notes) increased in the EA and retreated in the US (on 15.5.2024: EA-5y: 0.43%, EA-10y: 0.33%, +6 bps and no change, respectively, vs 11.4.2024; US-5y: 2.05%, US-10y: 2.04% bps, -9 and -14 bps, respectively, vs 11.4.2024). As a result of the aforementioned movements benchmark bond yields were broadly unchanged in the EA and fell in the US (on 15.5.2024: DE-5y: 2.46%, -3 bps vs 11.4.2024; DE-10y: 2.42%, -6 bps; UST-5y: 4.36%, -26 bps; UST-10y: 4.36%, -22 bps).*
- *Market-based expectations for ECB rates have been revised upwards compared to early 2024:Q1. Markets now expect a 25 bps rate cut in June 2024 with around 90% probability; they are pricing in that the ECB will cut rates no more than 75 bps, until the end of 2024 (67% likely), while rate cuts of 100 bps in total are now seen as 27% likely. Expectations about the Fed funds rate have also been revised upwards compared to early 2024:Q1. Futures contracts on the FFR imply a 65% probability that the FED will not cut rates in July’s FOMC meeting and a 75% probability for a rate cut in September. Additionally, with regard to the outlook for US base rates, markets now expect with 66% probability that total rate cuts by the FED will not exceed 50 bps, until the end of 2024.*

Consensus: Inflation expectations (I)

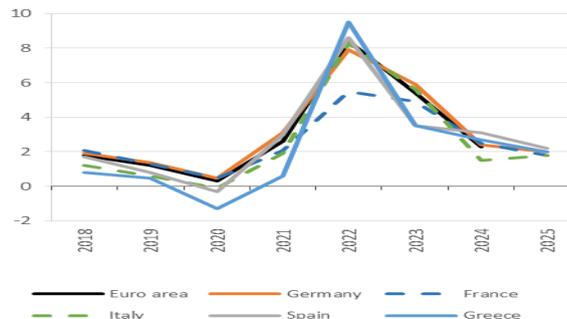
Inflation to ease in 2023 in large economies...



Source: Consensus Forecasts (May 2024).

Consensus: Inflation expectations (II)

... and in euro area countries.



Source: Consensus Forecasts (May 2024).

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

Short-term inflation expectations in Greece remained unchanged and in the EA they decreased marginally.

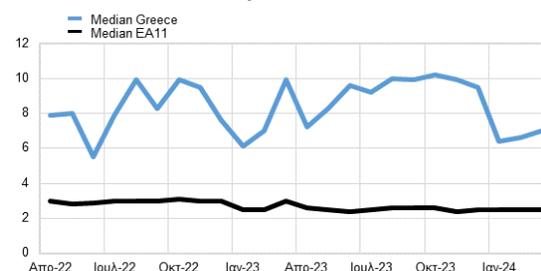


Source: ECB Consumer Expectations Survey (CES).

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 March 2024.

Consumer inflation expectations 3 years ahead - Greece vs EA

Medium-term inflation expectations in Greece increased, whereas in the EA they remained stable.



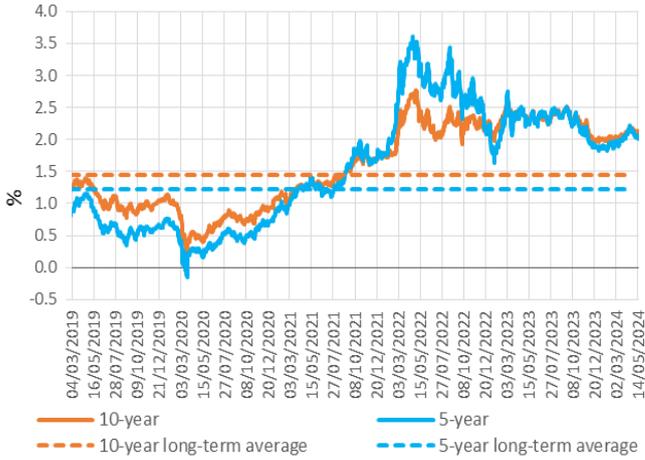
Source: ECB Consumer Expectations Survey (CES).

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 March 2024.

¹ For more details see the Box titled “Inflation expectations for Greek consumers: Evidence from the ECB Consumer Expectations Survey”, in Annual Governor’s Report (forthcoming) which builds on Coibion, O., D. Georganakos, Y. Gorodnichenko, and M. van Rooij (2023), “How Does Consumption Respond to News about Inflation? Field Evidence from a Randomized Control Trial”, American Economic Journal: Macroeconomics, 15(3), 109-152.

Euro-area breakeven inflation rates

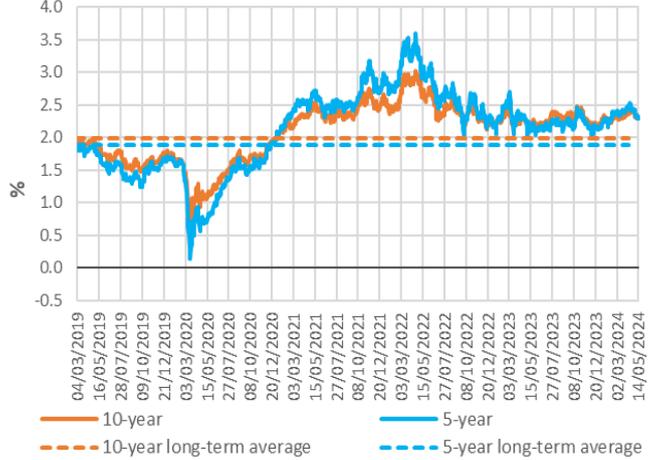
Market-based expectations for euro-area inflation, over a medium- to long-term horizon, fell over the last month, standing only marginally above the medium-term inflation target of 2%.



Sources: LSEG |, Bank of Greece. Latest observation: 15.05.2024.
 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

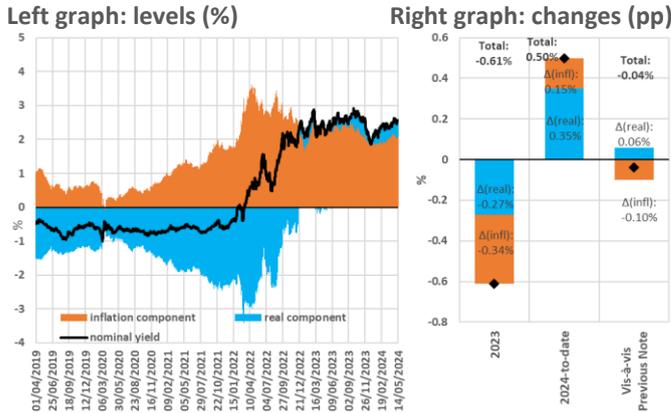
Market-based expectations for US inflation, over a medium- to long-term horizon fell over the last month, nevertheless standing somewhat above the 2% inflation target.



Sources: LSEG, Bank of Greece. Latest observation: 15.05.2024.
 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

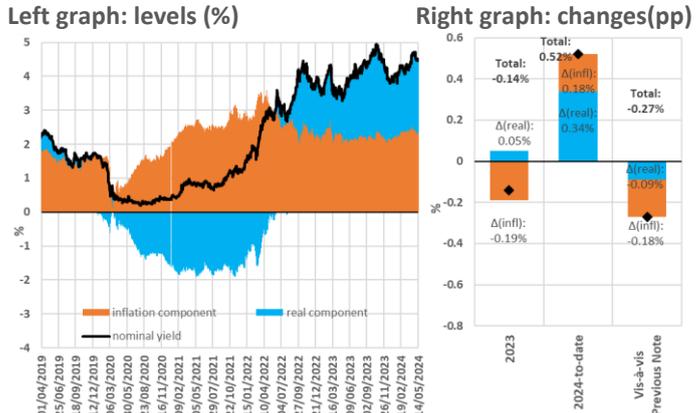
In the EA, real yields (i.e. inflation-linked bond yields which compensate investors for inflation) increased recently, offsetting the fall of the inflation-related component in nominal yields.



Sources: LSEG, Bank of Greece. Latest observation: 15.05.2024.
 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

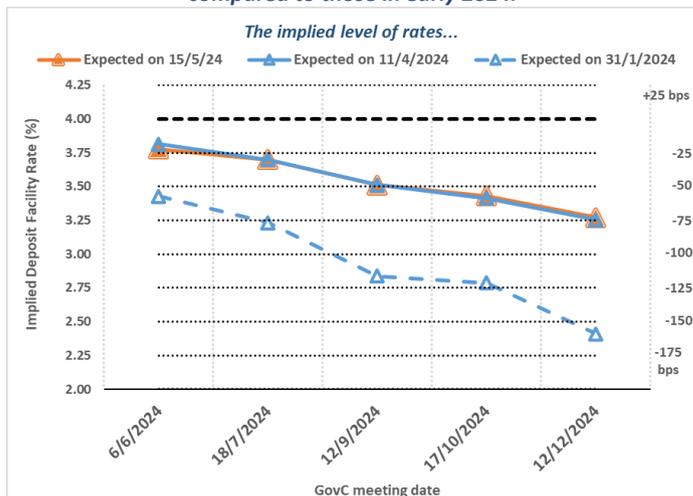
In the US, real yields (i.e. yields on US Treasury inflation-protected securities) fell somewhat while the inflation-related component retreated by more, thus contributing to an overall decrease of nominal bond yields.



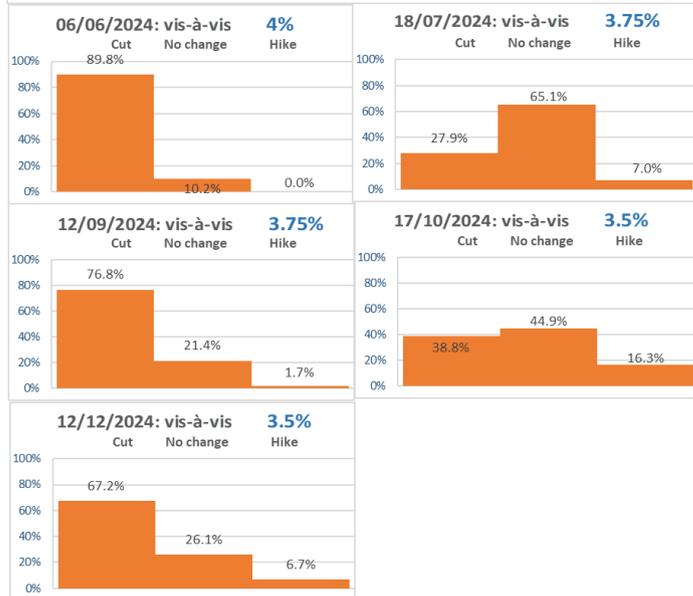
Sources: LSEG, Bank of Greece. Latest observation: 15.05.2024.
 Note: The chart shows the decomposition of the 5-year US Treasury bond yield (black line) into its real (blue bars) and inflation-linked (orange bars) components. The inflation component is the breakeven inflation rate and the real component is the yield of the bond that compensates bondholders for inflation (i.e. the 5-year US Treasury Inflation-Protected Security).

Short-term rates in the euro area

Money markets expect that the ECB will begin cutting rates in June; until the end of 2024, rate cuts of no more than 75 bps are seen likely, thus revising the expectation for rates in 2024 upwards compared to those in early 2024.

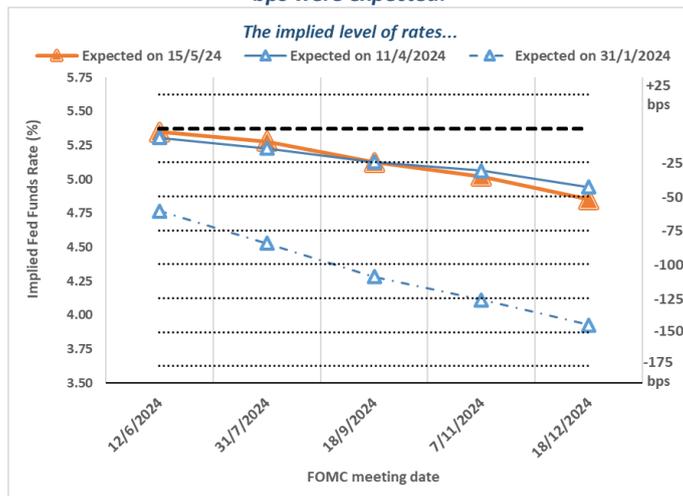


...and the likelihood of moves per GovC meeting vis-à-vis the central probability for the rate at the previous meeting

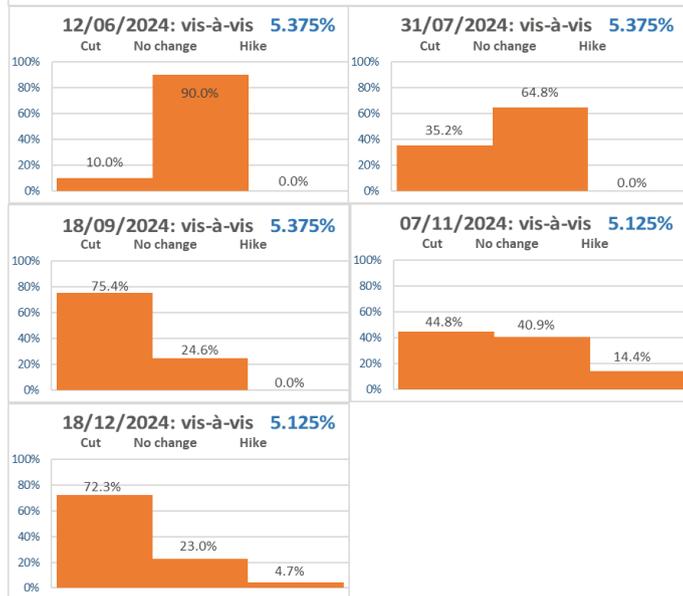


Short-term rates in the US

Interest rate derivatives show that the first rate cut by the Fed is seen likely in September; for 2024 rate markets now expect rate cuts of no more than 50 bps, whereas in early 2024 rate cuts of an additional 100 bps were expected.



...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: 15.05.2024.

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 2024. The blue dotted line shows the expectation on average over the last 30 days. 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 on 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. 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 6: Bank of Greece latest published inflation projections (March 2024)

Euro area

- *Following a temporary uptick at the turn of the year, headline inflation is expected to resume its downward path, albeit with some volatility. This volatility is related to the upward and downward base effects in the energy component and a different timing of Easter compared to the previous year. Given declines in energy prices, the strength in labour cost developments should be the dominant driver of core inflation.*
- *Nominal wage growth is set to remain at relatively elevated levels driven by a persistently tight labour market but should gradually ease over the projection horizon as upward impacts from inflation compensation gradually fade. A rebound in productivity growth should support the moderation in labour costs growth. Profit growth is set to weaken over the projection horizon, providing a buffer to the pass-through of labour costs.*
- *Given the weak outlook for energy inflation, headline inflation is expected to remain below HICP inflation excluding energy and food throughout the projection horizon.*

Greece

- *Headline inflation eased notably in 2023, reflecting the large reduction in energy prices, while core inflation (HICP excluding energy and food) rose.*
- *In 2024, headline and core inflation are projected to decelerate further, averaging 2.8% and 3.0%, respectively. This development is expected on the back of further declines in the annual rates of change of food components, non-energy industrial goods, services and energy prices.*
- *Inflation is projected to gradually decelerate further in 2025 and 2026, with negative energy inflation and decelerating rates in food, non energy industrial goods (NEIG) and services. Lower profit margins are expected to absorb part of the effect of high wage growth on inflation.*

Macroeconomic projections, March 2024

Euro area

HICP

HICP ex energy and food

HICP energy

Rate of changes

2023	5.4	4.9	-2
2024	2.3	2.6	-1.6
2025	2	2.1	0.5
2026	1.9	2	0.6

Greece

HICP

HICP ex energy and food

HICP energy

Rate of changes

2023	4.2	5.3	-13.4
2024	2.8	3	-2.6
2025	2.2	2.3	0.9
2026	2.1	2.2	0.4

Table of news and statements on inflation (period: 15/4/2024-19/5/2024)

Statements by central bankers and other officials

1.5.2024: Fed Chair Jerome Powell (Monetary policy statement, [link](#)): “Recent indicators suggest that economic activity has continued to expand at a solid pace. Job gains have remained strong, and the unemployment rate has remained low. Inflation has eased over the past year but remains elevated. In recent months, there has been a lack of further progress toward the Committee’s 2 percent inflation objective. [...] In support of its goals, the Committee decided to maintain the target range for the federal funds rate at 5-1/4 to 5-1/2 percent. In considering any adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2 percent. [...]”.

29.4.2024: ECB Executive Board members position ahead of next month’s monetary policy meeting:

- Vice-President Luis de Guindos [link](#) “[...] Although inflation dynamics are broadly heading in the right direction, our work is not yet done. We expect inflation to fluctuate around current levels in the coming months. In particular, the swings in energy prices during 2023 and the associated base effects in calculating annual comparisons mechanically imply a bumpy path in the monthly readings for inflation rates over the remainder of 2024. In addition, the withdrawal of various temporary fiscal support measures will affect prices in an uneven manner. [...]”.
- Executive Board member Philip R. Lane [link](#) “[...] While this family of possible future rate paths provides helpful guidance to the Governing Council, the robust approach to making rate decisions under conditions of high uncertainty is to avoid pre-commitments or creating unwarranted expectations about the future rate path. In particular, moving from one meeting to the next meeting and from one projection round to the next projection round allows for the accumulation of further data that can help inform the rate decision. [...] Accordingly, it is best not to commit to a pre-set path for rate decisions and preserve optionality.[...]”

Data releases

Date	Announcement	Actual	Expected*	Actual vs Expected	Previous reading
16 April	Italy CPI (%ΔYoY Mar Final)	1.2%	1.3%	-0.1%	1.3%
16 April	Italy HICP (%ΔYoY Mar Final)	1.2%	1.3%	-0.1%	1.3%
17 April	Euro Zone HICP (%ΔYoY Mar Final)	2.4%	2.4%	0.0%	2.4%
17 April	Euro Zone HICP excl. food, energy, alcohol, tobacco (%ΔYoY Mar Final)	2.9%	2.9%	0.0%	2.9%
19 April	Germany Producer Prices (%ΔYoY Mar)	-2.9%	-3.2%	0.3%	-4.1%
26 April	United States Core PCE Price Index (%ΔYoY Mar)	2.8%	2.7%	0.1%	2.8%
26 April	United States PCE Price Index (%ΔYoY Mar)	2.7%	2.6%	0.1%	2.5%
29 April	Germany CPI (%ΔYoY Apr Preliminary)	2.2%	2.3%	-0.1%	2.2%
29 April	Germany HICP (%ΔYoY Apr Preliminary)	2.4%	2.3%	0.1%	2.3%
30 April	Germany Import Prices (%ΔYoY Mar)	-3.6%	-3.8%	0.2%	-4.9%
30 April	France HICP (%ΔYoY Apr Preliminary)	2.4%	2.2%	0.2%	2.4%
30 April	France Producer Prices (%ΔYoY Mar)	-7.5%	--	--	-5.5%
30 April	Euro Zone HICP (%ΔYoY Apr Flash)	2.4%	2.4%	0.0%	2.4%
30 April	Euro Zone HICP excl. food, energy, alcohol, tobacco (%ΔYoY Apr Flash)	2.7%	2.6%	0.1%	2.9%
30 April	Italy CPI (%ΔYoY Apr Preliminary)	0.9%	1.0%	-0.1%	1.2%
30 April	Italy HICP (%ΔYoY Apr Preliminary)	1.0%	1.1%	-0.1%	1.2%
2 May	Italy Producer Prices (%ΔYoY Mar)	-9.6%	--	--	-10.8%
6 May	Euro Zone Producer Prices (%ΔYoY Mar)	-7.8%	-7.7%	-0.1%	-8.3%
14 May	Germany CPI (%ΔYoY Apr Final)	2.2%	2.2%	0.0%	2.2%
14 May	Germany HICP (%ΔYoY Apr Final)	2.4%	2.4%	0.0%	2.4%
14 May	Greece HICP (%ΔYoY Apr)	3.2%	3.2%	0.0%	3.4%
14 May	Greece CPI (%ΔYoY Apr)	3.1%	3.2%	-0.1%	3.2%
14 May	United States PPI exFood/Energy (%ΔYoY Apr)	2.4%	2.4%	0.0%	2.4%
15 May	France HICP (%ΔYoY Apr Final)	2.4%	2.4%	0.0%	2.4%
15 May	United States Core CPI (%ΔYoY Apr)	3.6%	3.6%	0.0%	3.8%
15 May	United States CPI (%ΔYoY Apr)	3.4%	3.4%	0.0%	3.5%

Source: LSEG.

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

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