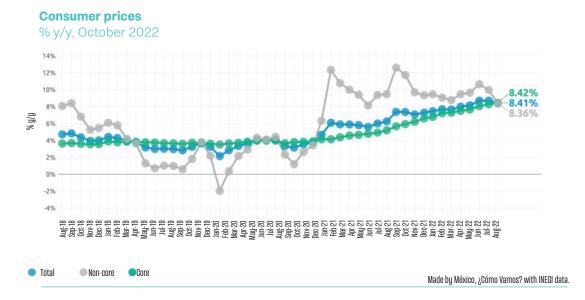


## Inflation in Mexico decelerates in October, but food prices remain relentless

October's inflation was at 8.41% y/y, lower than expected. Nevertheless, food prices kept rising.



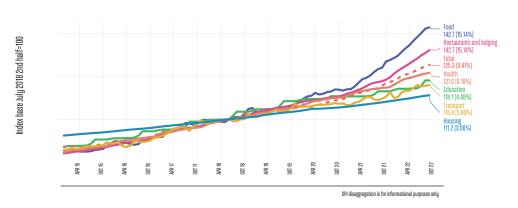
Based on the latest data by INEGI, México ¿Cómo Vamos? estimated its national traffic light for inflation. According to the report, during the tenth month of 2022:

- → Annual inflation rate: 8.41%.
- 12-month rate remains above Banxico's target range 3% +/- 1%, so our national traffic light for inflation is red.
- $\longrightarrow$  Annual inflation rate in October was lower than in August and September (8.7%).
- $\longrightarrow$  October's inflation was lower than the 8.46% from consensus.
- ---> Core inflation is still trending up, reaching 8.42%.
- Non-core inflation is at 8.36%, lower than the previous month (9.96%). Nevertheless, it is still pressured by agricultural items, with the prices of fruits and vegetables up 12.6% y/y, while the prices of livestock products have increased 15.61% in the past 12 months
- $\longrightarrow$  Total and core inflation are both above Banxico's upper target range since March 2021.
- Food prices were up 15.14% y/y in October 2022 and continue showing an upward trend.

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## **CPI by selected items**

% y/y, October 2022



Source: México, ¿Cómo vamos? With data from INEGI

The following figure shows the contribution of selected items to monthly inflation in October 2022.

## Items with larger and lowest contribution to October's inflation %-pts, contribution; % m/m

Electricity	0.256
	[17.46%]
omato	0.112 [18.8%]
ining away from home ay restaurante	0.047
ining away from home ex. restaurants	[0.95%]
ortilla	0.035
or cinu	[1.62%]
ow grade gasoline	0.033
0 0	[0.67%]
estaurants	0.026
	[0.9%]
resh milk	0.025
	[1.53%]
ousing	0.023 [0.21%]
hini	0.02
Zucchini	[23.16%]
Sugar	0.018
	[5.15%]
ananas	0.006
	[-2.33%]
pple	-0.006
	[-2.4%]
oultry	-0.014
	[-0.82%]
emon	_0.015 [_11.7%]
lahila uhana	-0.041
lobile phone	[-4.17%]
ranges	-0.043
Tungoo	[-17.25%]
vocados	-0.044
	[–16.22%]
nions	-0.08
	[-18.39%]
otatoes	-0.084
	[-16.05%]
P gas	-0.15 [-7.28%]
	[-1.20/0]

Source: México, ¿Cómo vamos? With data from INEGI

For more information visit the inflation microsite at México, ¿Cómo Vamos? webpage