

Colombia | Food inflation soars to 8.8% YoY in October

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October inflation again surprised to the upside, with a monthly variation of 0.68% (vs. BBVAe and consensus of 0.40%). In annual terms, headline inflation inched up to 5.9% from 5.4% in September. Food inflation, driven by the rise in the price of perishable goods, stood at 1.38% MoM, contributing 40 of the 68 basis points of the monthly variation. Tradable inflation grew 0.64% MoM, below the figure of 0.73% registered a month earlier, and was again affected by the increase in the price of vehicles and appliances. On the other hand, core inflation remained roughly unchanged at 4.7% YoY. Despite this surprise, we maintain our year-end inflation forecast at 5,9% due to the exchange rate appreciation of 4.4% between September and October, which should help to reduce the pressure on tradable goods.