

Eurozone | Inflation back to 0%

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The overall index increased 0.1pp and core inflation remained stable at 0.6% YoY

Without knowing the final data, Eurostat's flash estimate indicates that inflation accelerated to 0.0% 0.1pp YoY due to a smaller decline in the prices of energy products (-5.8% YoY from -6% YoY in March) and the acceleration of food, especially unprocessed food (1.3% YoY after 0.7% YoY in March), while prices of non-energy industrial goods stabilised (0.0% YoY after 0.0% YoY) and accelerated in processed food (0.9% YoY after 0.6% YoY). On the other hand, core inflation remains at 0.6% YoY (Table 1), despite a further moderation in services (0.8% after 0.9% YoY), although, given the volatility of this component in recent months and the Easter effect in April, this decline could be reversed next month.

Figure 1

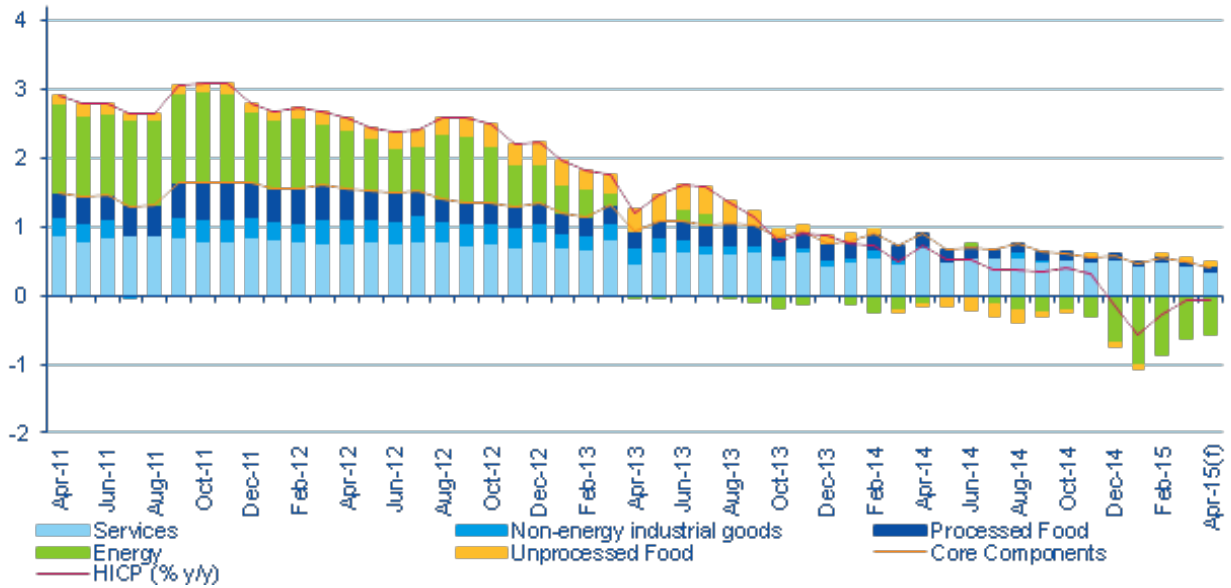
Eurozone. HCPI inflation (% YoY)

	Observed		April 2015	
	February 2015	March 2015	Flash Estimate	BBVA Research
HCPI	-0,3	-0,1	0,0	-0,1
Energy	-7,9	-6,0	-5,8	-5,0
Fresh Food	0,4	0,7	1,3	0,8
HCPI excluding energy and food	0,7	0,6	0,6	0,5
Core excluding Fresh Food and Energy	0,7	0,6	0,6	0,5
Services	1,2	1,0	0,9	0,8
Non-Energy Industrial Goods	-0,1	0,0	0,0	-0,1
Processed Food	0,5	0,6	0,9	0,7

Source: Eurostat and BBVA Research

Figure 2

Eurozone. Annual HICP inflation rate. Contribution by component



Source: Eurostat and BBVA Research

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