

Global | Inflation and Bottlenecks Chartbook

Updated September 2023

Summary

- **Headline inflation has been trending down but recently this trend has halted** or slowed due to lower than expected falls in energy prices. Second round effect continued to boost inflation in Argentina and Turkey. **Core inflation remains sticky**. Sequentially (monthly rates), in the US, Mexico and Peru registered more aligned rates with their historical average.
- **US inflation climbed to 3.7% in August, mainly underpinned by a jump in energy prices. Core inflation continued its downward trend, reaching 4.3%YoY**, helped by the moderation in core goods and owners' equivalent rent. It is expected that rent prices will accelerate the decline in the second half of the year, dragging down inflation.
- **Euro Area headline inflation dropped to 5.2% YoY in August, with energy prices falling less than expected**. Core inflation also declined to 5.3%YoY. Non-energy industrial goods inflation moderated further; while **services inflation started to ease**, although still remaining at high levels.
- **Synchronicity and persistence indicators improved** further in the Euro Area and seem to have normalized in the US as a higher number of items show a more moderate rate of inflation. However, **there is still a number of items with high weight in the CPI basket that have inflation rates above pre-pandemic levels**.
- **Consumer inflation expectations moderated in the US**, suggesting that the downward trend of inflation is filtering to consumers. However, **the decline halted in the Euro Area**, where the rise in oil prices is boosting expectations.
- **Our supply bottlenecks indicator shows no sign of supply disruptions** neither in US nor in the Euro Area. In the latter, the shortage of materials and equipment moderated.

Summary indicators

	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23			
Inflation	9.1	8.5	8.3	8.2	7.7	7.1	6.5	6.4	6.0	5.0	4.9	4.0	3.0	3.2	3.7	US	IPC Headline (%YoY, SA)	
	5.9	5.9	6.3	6.6	6.3	6.0	5.7	5.6	5.5	5.6	5.5	5.3	4.8	4.7	4.3		IPC Core (%YoY, SA)	
	1.2	0.0	0.2	0.4	0.5	0.2	0.1	0.5	0.4	0.1	0.4	0.1	0.2	0.2	0.6		IPC Headline (%MoM, SA)	
	0.6	0.3	0.6	0.6	0.3	0.3	0.4	0.4	0.5	0.4	0.4	0.4	0.2	0.2	0.3		IPC Core (%MoM, SA)	
	3.6	3.4	3.0	2.5	3.1	2.8	2.5	2.3	2.8	2.6	2.4	2.3	2.4	2.5	2.4		Inf exp (2Y inf. Swap)	
	2.7	2.6	2.5	2.5	2.7	2.6	2.6	2.5	2.6	2.6	2.5	2.5	2.6	2.6	2.6	Inf exp (5Y5Y inf. Swap)	EZ	IPC Headline (%YoY, SA)
	8.6	8.9	9.1	9.9	10.6	10.1	9.2	8.6	8.5	6.9	7.0	6.1	5.5	5.3	5.3	IPC Core (%YoY, SA)		
	3.7	4.0	4.3	4.7	5.0	5.0	5.2	5.3	5.6	5.8	5.7	5.3	5.3	5.3	5.3	IPC Headline (%MoM, SA)		
	0.7	0.7	0.7	1.0	1.1	0.3	0.1	0.4	0.7	-0.1	0.5	0.0	0.2	0.5	0.6	IPC Core (%MoM, SA)		
	0.3	0.5	0.5	0.6	0.5	0.4	0.4	0.4	0.7	0.5	0.4	0.2	0.5	0.5	.	Inf exp (2Y inf. Swap)		
4.1	4.6	4.9	3.5	3.9	3.5	3.4	2.3	2.8	3.0	2.8	2.5	2.5	2.7	2.7	Inf exp (5Y5Y inf. Swap)			
2.2	2.1	2.0	2.2	2.3	2.4	2.4	2.3	2.5	2.3	2.5	2.5	2.5	2.6	2.5				
Bottlenecks	54.9	48.6	50.4	47.3	48.2	46.8	45.1	42.5	47.0	44.3	45.7	42.6	45.6	47.3	46.8	US manuf.	ISM New Orders	
	58.7	51.3	53.0	50.9	45.3	40.0	41.4	43.4	45.1	43.9	43.1	37.5	38.7	42.8	44.1		Backlog of Orders	
	54.4	53.3	51.1	51.0	51.9	50.9	48.6	48.0	47.3	47.8	48.9	51.1	46.7	48.3	50.0		Production Index	
	57.3	55.2	55.1	52.4	46.8	47.2	45.1	45.6	45.2	44.8	44.6	43.5	45.7	46.1	48.6		Suppliers' delivery times	
	35.2	39.5	38.9	41.6	41.6	48.7	48.2	47.4	46.9	48.9	51.3	51.4	46.2	48.7	48.7		Customer Inventories	
	13.3	4.4	-2.7	-3.5	-4.9	-11.1	-11.9	-8.7	-9.1	-9.6	-14	-21.9	-26.2	-30.2	-37.6	EZ manuf.	Order books	
	7.8	2.9	0.1	1.3	0.6	-3.7	0.7	-0.1	4.1	2.4	3.2	-6.5	-3.8	-4.5	-8.2		Production trend	
	28.2	27.2	26.5	26.4	24.9	23.3	21.8	21.7	19.2	16.4	12.9	10.9	10.1	9.9	9.1	EZ const.	Equip shortage	
	54.8	49.3	45.6	44.2	44.3	42.7	44.1	46.4	44.5	44.8	42.2	43.5	44.1	43.8	44.2	Taiwan	Suppliers' delivery times	
	619	580	587	568	558	560	558	557	553	546	549	543	549	559	554	Input costs	CRB Spot Comdty. Price	
4401	4467	4449	4163	1905	1405	1372	1229	1100	1059	1108	1217	1238	1227	1227	Container freight			

Note: US and Taiwan (SA, 50+=Increasing); EZ Percent Balance (SA, %).

Source: BBVA Research and Haver Analytics

Headline inflation continues to moderate, but with some unevenness due to energy and foods prices; core inflation remains sticky

Headline Inflation YoY, NSA

	2021					2022												2023								
	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J		J	A
US	5.3	5.4	6.2	6.8	7.0	7.5	7.9	8.5	8.3	8.6	9.1	8.5	8.3	8.2	7.7	7.1	6.5	6.4	6.0	5.0	4.9	4.0	3.0	3.2	3.7	US
China	0.6	0.4	1.4	2.4	1.4	0.8	0.8	1.3	2.0	2.0	2.4	2.6	2.4	2.7	2.1	1.5	1.8	2.2	1.1	0.8	0.3	0.3	0.1	-0.2	0.2	China
Eurozone	3.0	3.4	4.1	4.9	5.0	5.1	5.9	7.4	7.4	8.1	8.6	8.9	9.1	9.9	10.6	10.1	9.2	8.6	8.5	6.9	7.0	6.1	5.5	5.3	5.2	Eurozone
Germany	3.8	4.1	4.4	4.8	4.9	4.2	4.3	5.9	6.3	7.0	6.7	6.7	7.0	8.6	8.8	8.8	8.1	8.7	8.7	7.4	7.2	6.1	6.4	6.2	6.1	Germany
France	1.9	2.2	2.6	2.8	2.8	2.9	3.6	4.5	4.8	5.2	5.8	6.1	5.9	5.6	6.2	6.2	5.9	6.0	6.3	5.7	5.9	5.1	4.5	4.3	4.9	France
Spain	3.3	4.0	5.4	5.5	6.5	6.1	7.6	9.8	8.3	8.7	10.2	10.8	10.5	8.9	7.3	6.8	5.7	5.9	6.0	3.3	4.1	3.2	1.9	2.3	2.6	Spain
UK	3.2	3.1	4.2	5.1	5.4	5.5	6.2	7.0	9.0	9.1	9.4	10.1	9.9	10.1	11.1	10.7	10.5	10.1	10.4	10.1	8.7	8.7	7.9	6.8	6.7	UK
Turkey	19.3	19.6	19.9	21.3	36.1	48.7	54.4	61.1	70.0	73.5	78.6	79.6	80.2	83.5	85.5	84.4	64.3	57.7	55.2	50.5	43.7	39.6	38.2	47.8	58.9	Turkey
Argentina	51.4	52.5	52.1	51.2	50.9	50.7	52.3	55.1	58.0	60.7	64.0	71.0	78.5	83.0	88.0	92.4	94.8	98.8	102.5	104.3	108.8	114.2	115.6	113.4	124.4	Argentina
Colombia	4.4	4.5	4.6	5.3	5.6	6.9	8.0	8.5	9.2	9.1	9.7	10.2	10.8	11.4	12.2	12.5	13.1	13.3	13.3	13.3	12.8	12.4	12.1	11.8	11.4	Colombia
Mexico	5.6	6.0	6.2	7.4	7.4	7.1	7.3	7.5	7.7	7.7	8.0	8.2	8.7	8.7	8.4	7.8	7.8	7.9	7.6	6.8	6.3	5.8	5.1	4.8	4.6	Mexico
Peru	5.0	5.2	5.8	5.7	6.4	5.7	6.1	6.8	8.0	8.1	8.8	8.7	8.4	8.5	8.3	8.4	8.5	8.7	8.6	8.4	8.0	7.9	6.5	5.9	5.6	Peru
Brazil	9.7	10.2	10.7	10.7	10.1	10.4	10.5	11.3	12.1	11.7	11.9	10.1	8.7	7.2	6.5	5.9	5.8	5.8	5.6	4.7	4.2	3.9	3.2	4.0	4.6	Brazil
Chile	4.8	5.3	6.0	6.7	7.2	7.7	7.8	9.4	10.5	11.5	12.5	13.1	14.1	13.7	12.8	13.3	12.8	12.3	11.9	11.1	9.9	8.7	7.6	6.5	5.3	Chile

Core Inflation YoY, NSA

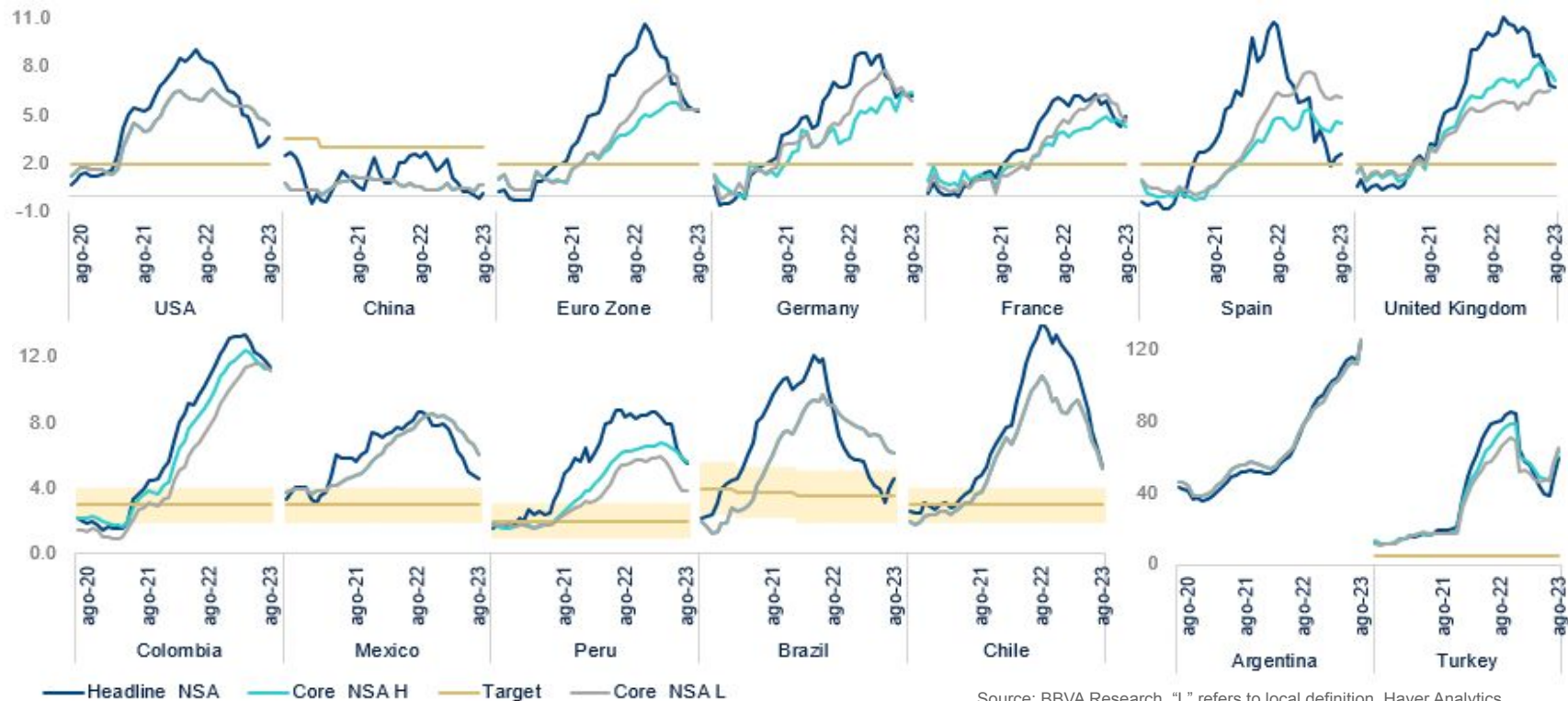
US	4.0	4.0	4.6	4.9	5.5	6.0	6.4	6.5	6.2	6.0	5.9	5.9	6.3	6.6	6.3	6.0	5.7	5.6	5.5	5.6	5.5	5.3	4.8	4.7	4.3	US
China	1.1	1.1	1.1	1.0	1.0	1.0	1.0	0.9	0.7	0.6	0.8	0.6	0.6	0.4	0.4	0.4	0.5	0.8	0.4	0.5	0.5	0.5	0.3	0.7	0.7	China
Eurozone	1.6	1.9	2.1	2.6	2.6	2.3	2.7	2.9	3.4	3.7	3.7	4.0	4.3	4.7	5.0	5.0	5.2	5.3	5.6	5.8	5.7	5.3	5.3	5.3	5.3	Eurozone
Germany	2.0	2.6	2.8	4.1	3.9	3.0	3.1	3.3	3.8	4.1	3.2	3.4	3.6	4.7	5.2	5.1	5.5	5.1	5.5	6.1	5.9	5.3	6.3	6.3	6.4	Germany
France	1.4	1.7	1.9	2.0	2.0	1.6	2.4	2.5	3.0	3.2	3.1	3.8	4.0	3.6	4.0	4.0	4.1	4.2	4.5	4.7	4.9	4.6	4.7	4.5	4.3	France
Spain	0.6	0.9	1.4	1.6	1.9	2.2	2.6	3.0	3.4	3.4	3.9	4.6	4.8	4.8	4.4	4.0	4.3	5.3	5.3	4.8	4.3	4.0	3.9	4.5	4.5	Spain
UK	3.0	2.8	3.2	3.9	4.1	4.3	5.1	5.7	6.1	6.1	6.1	6.6	6.7	7.1	7.2	7.0	7.1	6.7	7.2	7.2	7.9	8.1	7.9	7.7	7.1	UK
Turkey	17.1	17.5	17.9	19.3	34.5	43.3	47.4	51.8	58.3	63.1	66.4	71.0	74.9	76.5	78.6	78.4	60.1	58.4	56.6	53.4	48.7	47.8	47.0	54.5	63.4	Turkey
Argentina	55.5	57.0	56.6	55.5	54.9	54.0	54.5	57.3	60.5	63.2	65.5	72.2	78.4	82.3	86.4	89.1	90.6	94.4	100.4	102.0	105.2	110.3	113.1	111.5	125.3	Argentina
Colombia	3.9	3.8	3.7	4.2	4.4	5.6	6.4	6.9	7.7	8.0	8.4	8.8	9.4	10.0	10.8	11.1	11.6	11.8	12.2	12.4	12.2	11.9	11.6	11.3	10.8	Colombia
Mexico	4.8	4.9	5.2	5.7	5.9	6.2	6.6	6.8	7.2	7.3	7.5	7.7	8.1	8.3	8.4	8.5	8.3	8.5	8.3	8.1	7.7	7.4	6.9	6.6	6.1	Mexico
Peru	2.6	2.9	3.2	3.4	3.8	3.9	4.2	4.6	5.0	5.5	5.8	6.2	6.3	6.3	6.4	6.5	6.5	6.6	6.6	6.8	6.7	6.5	6.2	5.9	5.6	Peru
Brazil	6.1	6.9	7.4	7.6	7.3	8.0	8.6	9.2	9.4	9.3	9.7	9.1	9.1	8.6	8.3	8.0	7.8	7.7	7.6	7.2	7.3	7.2	6.6	6.2	6.1	Brazil
Chile	3.8	4.4	5.1	5.8	6.4	7.1	6.6	7.4	8.3	9.0	9.9	10.3	10.9	10.3	9.3	9.5	8.6	8.6	9.1	9.4	8.7	7.9	6.9	6.2	5.2	Chile

Period considered: 2015-2019
 StDev below: + than 3 2 to 3 1 to 2 -1 to +1 1 to 2 2 to 3 + than 3
 StDev above:

Source: BBVA Research, Haver Analytics. We report here harmonised core inflation excluding food and energy. These measures may differ from local measures of core inflation where EA and Spain: excludes unprocessed food and energy, France excludes government tariffs and volatile prices, Germany excludes energy prices.

Moderation in inflation is still far from central banks' objectives in most countries, with core inflation showing greater resistance to fall

INFLATION, YOY%



Source: BBVA Research, "L" refers to local definition. Haver Analytics.

In August, headline inflation picked up on the back of a rebound in energy prices: core inflation rose close to historical values (excl ARG, TUR)

Headline Inflation MoM, SA

	2021					2022											2023									
	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M		J	J	A
US	0.4	0.4	0.9	0.8	0.8	0.6	0.7	1.0	0.4	0.9	1.2	0.0	0.2	0.4	0.5	0.2	0.1	0.5	0.4	0.1	0.4	0.1	0.2	0.2	0.6	US
China	0.0	-0.3	0.7	0.6	-0.3	0.0	0.2	0.4	0.6	0.1	0.4	0.2	-0.2	0.0	0.1	0.0	0.0	-0.1	0.1	-0.5	0.1	0.1	0.1	-0.1	0.2	China
Eurozone	0.4	0.3	0.6	0.8	0.7	1.0	0.7	1.4	0.3	0.8	0.7	0.7	0.7	1.0	1.1	0.3	0.1	0.4	0.7	-0.1	0.5	0.0	0.2	0.5	0.6	Eurozone
Germany	0.3	0.3	0.4	0.5	0.2	0.7	0.7	1.7	0.5	0.9	0.0	0.5	0.5	1.8	0.8	0.4	-0.5	1.2	0.5	0.6	0.2	-0.1	0.3	0.2	0.5	Germany
France	0.4	0.1	0.4	0.3	0.3	0.5	0.7	0.9	0.5	0.5	0.7	0.4	0.3	-0.1	0.9	0.3	0.1	0.8	1.0	0.3	0.6	-0.2	0.0	0.0	0.8	France
Spain	0.6	1.0	1.2	0.5	1.2	0.6	0.9	2.3	-0.7	0.5	1.4	0.7	0.4	-0.5	-0.3	0.1	0.1	0.7	1.1	-0.3	0.1	-0.3	0.1	1.1	0.7	Spain
UK	0.7	0.3	0.9	0.8	0.6	0.6	0.7	1.0	2.0	0.5	0.8	0.9	0.5	0.5	1.6	0.4	0.5	0.1	1.1	0.7	0.7	0.5	0.1	-0.2	0.4	UK
Turkey	2.3	2.2	1.9	3.1	12.7	10.2	4.5	5.5	5.9	4.1	4.7	3.4	2.9	4.2	3.1	2.4	0.1	5.7	2.8	2.4	1.1	0.8	3.9	10.7	10.8	Turkey
Argentina	2.7	2.8	3.2	2.9	3.7	4.2	5.1	5.7	6.0	5.6	5.5	7.4	7.2	5.6	6.0	5.4	5.0	6.4	7.1	6.6	8.3	8.4	6.1	6.3	12.6	Argentina
Colombia	0.6	0.5	0.3	0.7	0.5	1.4	1.2	0.8	1.0	1.0	0.8	1.0	1.1	1.0	1.1	1.0	1.0	1.5	1.2	0.8	0.5	0.5	0.6	0.7	0.8	Colombia
Mexico	0.3	0.6	0.7	0.9	0.4	0.3	0.9	0.8	0.8	0.6	0.7	0.6	0.8	0.6	0.5	0.4	0.5	0.4	0.6	0.1	0.3	0.2	0.0	0.4	0.7	Mexico
Peru	1.0	0.5	0.7	0.4	0.7	0.2	0.4	1.0	1.1	0.5	1.2	0.7	0.6	0.6	0.5	0.6	0.7	0.4	0.4	0.8	0.7	0.4	-0.1	0.1	0.3	Peru
Brazil	0.9	1.2	1.2	0.9	0.6	0.5	1.0	1.5	1.0	0.5	0.7	-0.6	-0.3	-0.2	0.6	0.4	0.5	0.4	0.8	0.6	0.6	0.3	0.0	0.2	0.3	Brazil
Chile	0.4	1.0	1.0	0.8	0.9	1.0	0.5	1.7	1.4	1.3	1.2	1.3	1.2	0.7	0.2	1.3	0.4	0.6	0.2	0.9	0.3	0.2	0.1	0.2	0.1	Chile

Core Inflation MoM, SA

US	0.2	0.3	0.7	0.6	0.7	0.6	0.5	0.3	0.5	0.6	0.6	0.3	0.6	0.6	0.3	0.3	0.4	0.4	0.5	0.4	0.4	0.4	0.2	0.2	0.3	US
China	0.0	0.1	0.1	0.0	0.0	-0.1	0.2	0.1	0.0	0.0	0.2	-0.1	0.0	-0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.3	0.0	China
Eurozone	0.3	0.2	0.2	0.5	0.1	0.4	0.4	0.3	0.4	0.5	0.3	0.5	0.5	0.6	0.5	0.4	0.4	0.4	0.7	0.5	0.4	0.2	0.5	0.5	0.3	Eurozone
Germany	0.2	0.3	0.2	0.6	0.1	0.5	0.2	0.3	0.3	0.6	-0.2	0.5	0.3	1.1	0.6	0.5	0.5	0.1	0.7	0.9	0.2	-0.1	1.0	0.5	0.5	Germany
France	0.2	0.4	0.1	0.3	0.1	0.4	0.5	0.1	0.5	0.4	0.2	0.5	0.4	0.0	0.5	0.3	0.2	0.3	0.8	0.4	0.7	0.1	0.2	0.4	0.1	France
Spain	0.2	0.4	0.5	0.4	0.2	0.4	0.3	0.4	0.3	0.3	0.5	0.5	0.4	0.3	0.2	0.2	0.4	1.3	0.5	-0.1	-0.2	0.1	0.3	1.0	0.3	Spain
UK	0.4	0.3	0.5	0.6	0.4	0.5	0.6	0.7	0.6	0.4	0.5	0.5	0.5	0.6	0.5	0.4	0.5	0.0	1.0	0.6	1.1	0.8	0.3	0.5	-0.1	UK
Turkey	1.4	2.0	1.2	2.5	12.6	6.7	3.9	4.3	3.9	3.7	3.1	4.2	4.1	3.3	2.7	1.7	1.0	7.4	2.2	2.2	2.6	4.1	4.2	10.4	10.0	Turkey
Argentina	2.9	2.9	3.5	3.4	4.0	4.1	4.8	5.7	6.1	5.7	5.6	6.7	6.6	5.3	5.8	5.1	4.8	6.2	8.1	6.5	7.7	8.3	7.1	5.8	13.6	Argentina
Colombia	0.5	0.3	0.3	0.6	0.4	1.1	1.0	0.8	0.9	0.9	0.8	0.9	1.0	0.9	1.0	0.8	0.8	1.3	1.3	1.0	0.8	0.6	0.6	0.6	0.6	Colombia
Mexico	0.4	0.5	0.6	0.5	0.7	0.6	0.7	0.7	0.7	0.7	0.7	0.6	0.8	0.7	0.7	0.6	0.5	0.7	0.6	0.5	0.4	0.3	0.2	0.4	0.2	Mexico
Peru	0.4	0.5	0.4	0.4	0.6	0.3	0.5	0.5	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.7	0.4	0.5	0.7	0.5	0.4	0.3	0.3	0.3	Peru
Brazil	0.6	1.0	0.8	0.7	0.7	0.7	0.9	0.9	0.7	0.6	0.9	0.3	0.6	0.5	0.5	0.4	0.5	0.6	0.8	0.5	0.8	0.5	0.3	0.0	0.5	Brazil
Chile	0.4	0.9	1.1	0.7	0.9	1.0	-0.1	1.0	1.1	0.9	1.0	0.9	0.9	0.3	0.1	0.9	0.1	1.0	0.4	1.2	0.5	0.2	0.2	0.2	-0.1	Chile

Period considered: 2015-2019
 StDev below: + than 3 2 to 3 1 to 2 -1 to +1 1 to 2 2 to 3 + than 3
 StDev above:

Source: BBVA Research, Haver Analytics. We report here harmonised core inflation excluding food and energy. These measures may differ from local measures of core inflation for the EA and Spain: excludes unprocessed food and energy, France excludes government tariffs and volatile prices, Germany excludes energy prices.

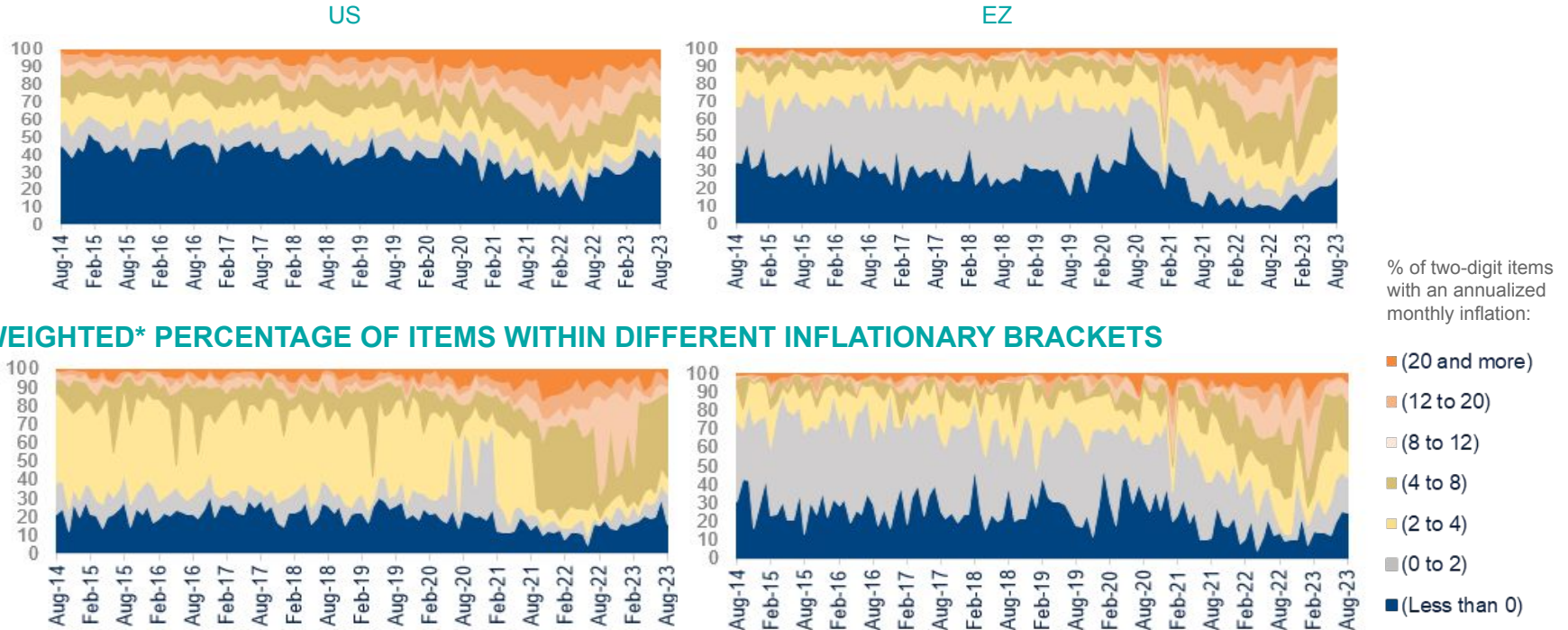
In month on month terms, headline inflation picked up with some exceptions (SPA, CHILE), while the rate of pick up in core inflation moderated

INFLATION, MOM% (SA)



Synchronicity indicators have improved in the EZ, with the number of items with low inflation rates increasing

PERCENTAGE OF ITEMS WITHIN DIFFERENT INFLATIONARY BRACKETS



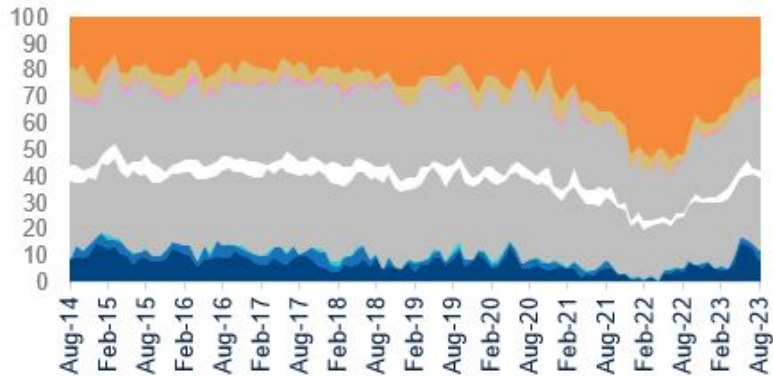
*weighted by each item's level of expenditure within the CPI basket.

Source: BBVA Research based on Haver Analytics

The number of items with frequent price revisions moderated further in the US and the EZ

PERCENTAGE OF ITEMS WITH FREQUENT ADJUSTMENTS

US



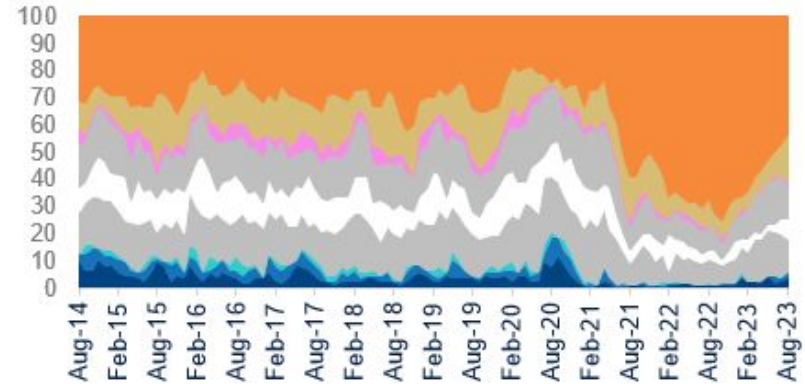
■ 3 consecutive months rising

■ Medium upwards trend

■ Noise

■ Slight downward trend

EZ



■ Slight upwards trend

□ No signal

■ Medium downward trend

■ 3 consecutive months falling

Medium downward trend refers to 3 price reductions and no increases in the last three months.

Slight downward trend refers to 2 price reduction and no increases in the last three months:

Noise: refers to both price increases AND reductions in the last three months.

No signal: refers to no significant change in prices in the last three months

Slight upward trend refers to 2 price increase and no reduction in the last three months:

Medium upwards trend refers to 3 price increases and no reductions in the last three months.

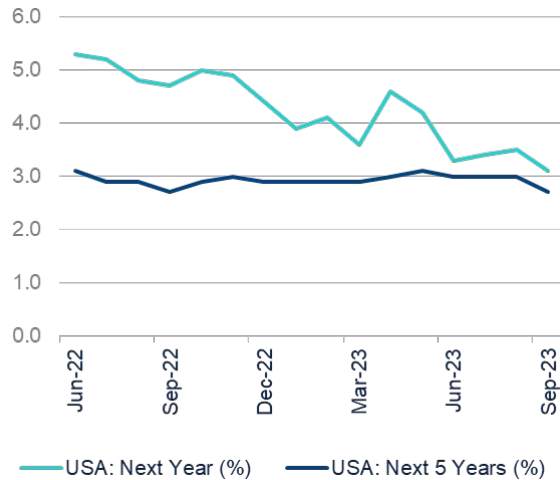
In all of the above, price changes of less than 0.05% annualized inflation are considered insignificant.

% of items* with prices signaling; * items within the CPI basket (2 digits) and where.

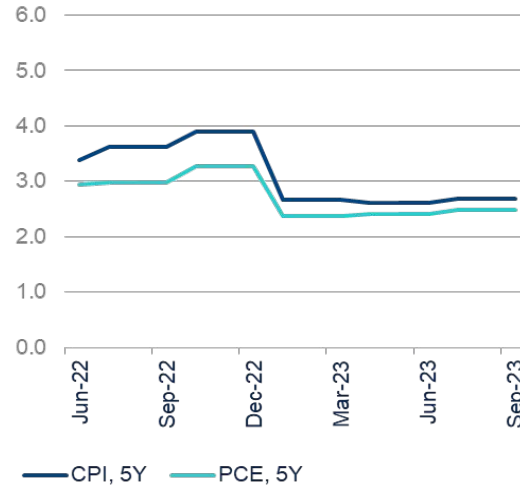
Source: BBVA Research, Haver Analytics.

In the US, markets and analysts' expectations are close to 2.5% while consumers' short-term inflation expectations fell to a two-year low (3.1%)

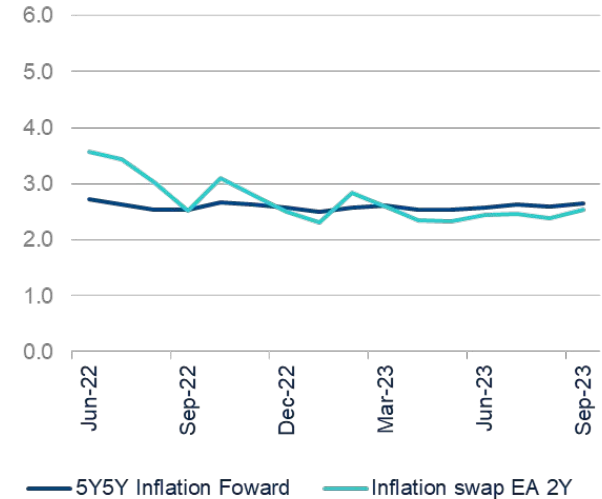
**EXPECTATIONS:
CONSUMERS SURVEY**
(NEXT YEAR, NEXT 5 YEARS)



**EXPECTATIONS:
PROFESSIONAL FORECASTERS**
(LONG-TERM*, %)



**EXPECTATIONS:
MARKET**
(5Y5Y FORWARD, 5Y SWAP)

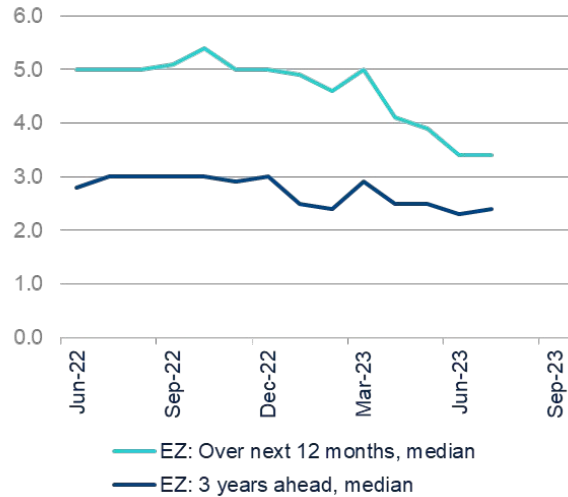


Source: BBVA Research, Haver Analytics.

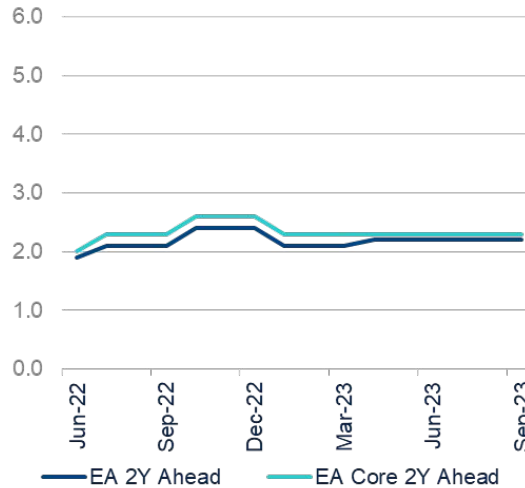
*/ This refers to an average of 5 and 10-year ahead expected rate of inflation
Source: Federal Reserve Bank of Philadelphia.

In the EZ, analysts' and market expectations remain stable (2-2.25%) while consumer expectations for 2024 are falling as per the latest available July data

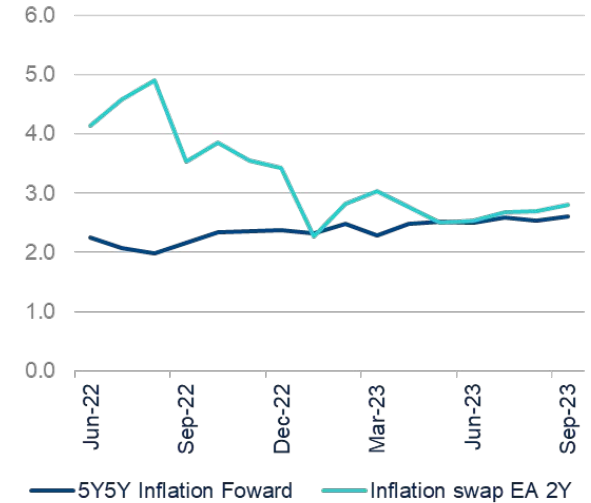
**EXPECTATIONS:
CONSUMERS SURVEY**
(NEXT YEAR, 3Y AHEAD)



**EXPECTATIONS:
PROFESSIONAL FORECASTERS**
(LONG-TERM*, %)



**EXPECTATIONS
MARKET**
(5Y5Y FORWARD, 5Y SWAP)



Source: BBVA Research, ECB, consumer survey

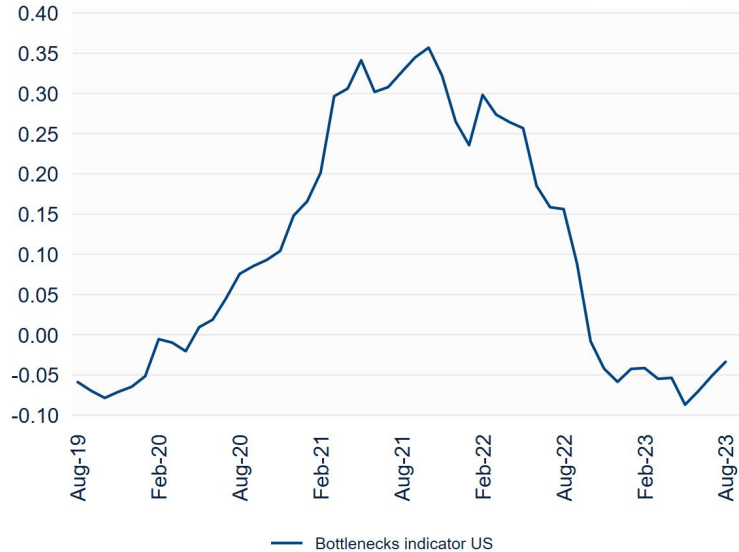
*/ Long-Term CPI Inflation refers to 2027 expected headline inflation

Source: ECB

Our supply bottlenecks indicator reflects no supply disruptions in the US or the EA. Recent uptick in the US led by increases in production to fill up stocks

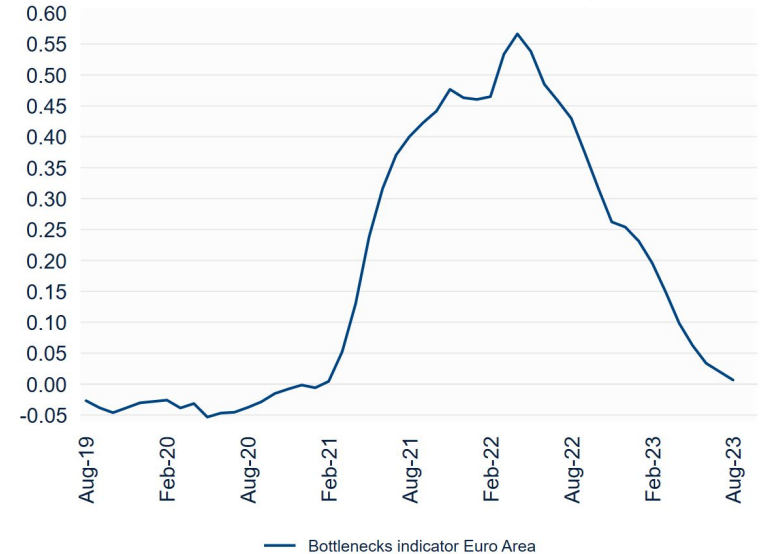
US SUPPLY BOTTLENECKS INDICATOR

(INDEX; LAST AVAILABLE DATA: APRIL 2023)



EZ: SUPPLY BOTTLENECKS INDICATOR

(INDEX; LAST AVAILABLE DATA: APRIL 2023)



Principal Component Analysis (PCA) has been the methodology followed in the construction of the supply bottlenecks indicator for United States and the Euro Area, whereby the first principal component has been considered as the corresponding supply bottlenecks indicator.

Variables included in the indicator: EA19: factors limiting production - Equipment (Percent Balance SA); EA19: Material shortage construction (Percent Balance SA); IFO: Germany: Material shortage in construction (Percent Balance SA); Ea 19: Retail Inventories (Percent Balance SA); Harpex Shipping Index; Vessel Size in TEU - Rates in US\$.

Source: BBVA Research, Haver Analytics.

Disclaimer

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