

# Global | Inflation and Bottlenecks Chartbook

## Summary

- **Inflation moderated less than expected** in the first two months of '24 constrained by the modest decline in services
  - **US headline inflation ticked up in Feb '24** (to 3.2% y/y from 3.1%), but **core inflation edged down** (to 3.8% y/y from 3.9%). **Services prices** continued **declining slowly**. **Core goods inflation**, which has driven inflation lower during 2023, **increased for the first time since mid-2023**.
  - **Preliminary Eurozone (EZ) inflation moderated slightly** less than expected in Feb'24 (to 2.6% y/y from 2.8%), **Core CPI eased** in line with expectations, with **services moderating only slightly** (3.9%/y/y, -0.1pp).
  - **Annualized 3-month moving average inflation rebounded**: In the **US**, **core CPI rose** to 4.2% 3mma (from 4.0%) while core PCE climbed to 2.6% 3mma (from 1.6%) in Jan. In the **EZ**, core CPI rose to 3.1% 3mma (+1.4pp).
- **Our inflation synchronicity indicators improved in the US**, after a slight deterioration in Jan. In the EZ, this indicator rose sharply in Jan following a seasonal pattern, distorted by the increases of taxes on some goods.
- **US consumers' inflation expectations hover around 3%**, while markets' **long-term inflation expectations** also remains well above Fed's target. In **contrast**, **professional forecasters** project long-term inflation around 2% target. **In the EZ consumer, market and professional forecasters see inflation trend toward ECB's target** in the medium term.
- **Disruption in the Red Sea maritime routes continued** in Feb' 24, as the number of ships on the Suez Canal declining further. However, **container freight costs inched down**.
- **Mild spillover effects** from current disruptions and higher transport costs are evident in manufacturing, with slight increases in manufacturing prices and suppliers' delivery times.
- **Our supply bottlenecks indicators inched up** in Feb' 24 but remain at very low levels. The slack in the manufacturing sectors in both the US and the Eurozone is still offsetting the impact of higher maritime transport costs.

# Summary indicators

|             | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24                   |             |                           |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------------------|-------------|---------------------------|
| Inflation   | 6.0    | 5.0    | 4.9    | 4.0    | 3.0    | 3.2    | 3.7    | 3.7    | 3.2    | 3.1    | 3.4    | 3.1    | 3.2                      | US          | IPC Headline (%YoY)       |
|             | 5.5    | 5.6    | 5.5    | 5.3    | 4.8    | 4.7    | 4.3    | 4.1    | 4.0    | 4.0    | 3.9    | 3.9    | 3.8                      |             | IPC Core (%YoY)           |
|             | 2.8    | 2.6    | 2.4    | 2.3    | 2.4    | 2.5    | 2.4    | 2.5    | 2.4    | 2.2    | 2.1    | 2.2    | 2.4                      |             | Inf exp (2Y inf. Swap)    |
|             | 2.6    | 2.6    | 2.5    | 2.5    | 2.6    | 2.6    | 2.6    | 2.7    | 2.8    | 2.6    | 2.5    | 2.6    | 2.6                      |             | Inf exp (5Y5Y inf. Swap)  |
|             | 8.5    | 6.9    | 7.0    | 6.1    | 5.5    | 5.3    | 5.2    | 4.3    | 2.9    | 2.4    | 2.9    | 2.8    | 2.6                      | EZ          | IPC Headline (%YoY)       |
|             | 5.6    | 5.7    | 5.6    | 5.3    | 5.5    | 5.5    | 5.3    | 4.5    | 4.2    | 3.6    | 3.4    | 3.3    | 3.1                      |             | IPC Core (%YoY)           |
|             | 2.8    | 3.0    | 2.8    | 2.5    | 2.5    | 2.7    | 2.7    | 2.6    | 2.5    | 2.0    | 1.8    | 1.9    | 2.1                      |             | Inf exp (2Y inf. Swap)    |
|             | 2.5    | 2.3    | 2.5    | 2.5    | 2.5    | 2.6    | 2.5    | 2.5    | 2.5    | 2.4    | 2.3    | 2.2    | 2.3                      |             | Inf exp (5Y5Y inf. Swap)  |
| Bottlenecks | 47.0   | 44.6   | 45.5   | 42.9   | 45.7   | 47.0   | 46.4   | 48.6   | 46.2   | 47.8   | 47.0   | 52.5   | 49.2                     | US manuf.   | ISM New Orders            |
|             | 45.1   | 43.9   | 43.1   | 37.5   | 38.7   | 42.8   | 44.1   | 42.4   | 42.2   | 39.3   | 45.3   | 44.7   | 46.3                     |             | Backlog of Orders         |
|             | 47.6   | 48.0   | 48.7   | 50.5   | 47.1   | 48.4   | 49.9   | 51.9   | 50.0   | 48.8   | 49.9   | 50.4   | 48.4                     |             | Production Index          |
|             | 45.2   | 44.8   | 44.6   | 43.5   | 45.7   | 46.1   | 48.6   | 46.4   | 47.7   | 46.2   | 47     | 49.1   | 50.1                     |             | Suppliers' delivery times |
|             | 46.9   | 48.9   | 51.3   | 51.4   | 46.2   | 48.7   | 48.7   | 47.1   | 48.6   | 50.8   | 48.1   | 43.7   | 45.8                     |             | Customer Inventories      |
|             | -7.9   | -8.2   | -11.3  | -20.2  | -24.4  | -28.1  | -38.6  | -38.1  | -37.9  | -41    | -44.4  | -41.4  | -42                      | EZ manuf.   | Order books               |
|             | 3.8    | 2.3    | 3.0    | -6.4   | -3.6   | -4.1   | -9.4   | -6.9   | -8.4   | -7.2   | -6.3   | -7.2   | -4.2                     |             | Production trend          |
|             | 19.4   | 16.7   | 13.4   | 11.3   | 10.4   | 10.1   | 9.4    | 10.2   | 9.6    | 9.3    | 9.7    | 9.3    | 9.4                      | EZ const.   | Equip shortage            |
|             | 44.5   | 44.8   | 42.2   | 43.5   | 44.1   | 43.8   | 44.2   | 43.8   | 46.2   | 46.7   | 46.8   | 46.8   | 46.8                     | Taiwan      | Suppliers' delivery times |
|             | 553    | 546    | 549    | 543    | 549    | 559    | 554    | 552    | 546    | 533    | 516    | 511    | 522                      | Input costs | CRB Spot Comdty. Price    |
| 1100        | 1059   | 1108   | 1217   | 1238   | 1227   | 1112   | 1053   | 953    | 884    | 823    | 1004   | 1158   | Harpex Container freight |             |                           |

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

Source: BBVA Research and Haver Analytics

# The moderation of annual inflation, both headline and core, continued in February (excl ARG, TUR)

## Headline Inflation Y/Y%, NSA

|           | 2022 |      |      |      |      |      | 2023 |       |       |       |       |       | 2024  |       |       |       |       |       |       |       |           |
|-----------|------|------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------|
|           | J    | A    | S    | O    | N    | D    | J    | F     | M     | A     | M     | J     | J     | A     | S     | O     | N     | D     |       | J     | F         |
| US        | 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   | 3.7   | 3.2   | 3.1   | 3.4   | 3.1   | 3.2   | US        |
| China     | 2.7  | 2.5  | 2.8  | 2.1  | 1.6  | 1.8  | 2.1  | 1.0   | 0.7   | 0.1   | 0.2   | 0.0   | -0.3  | 0.1   | 0.0   | -0.2  | -0.5  | -0.3  | -0.8  | 0.7   | China     |
| Eurozone  | 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   | 4.3   | 2.9   | 2.4   | 2.9   | 2.8   | 2.6   | Eurozone  |
| Germany   | 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   | 4.5   | 3.8   | 3.2   | 3.7   | 2.9   | 2.5   | Germany   |
| France    | 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   | 4.9   | 4.0   | 3.5   | 3.7   | 3.1   | 3.0   | France    |
| Spain     | 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   | 3.5   | 3.5   | 3.2   | 3.1   | 3.4   | 2.8   | Spain     |
| UK        | 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   | 6.7   | 4.6   | 3.9   | 4.0   | 4.0   | 3.4   | UK        |
| Turkey    | 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  | 61.5  | 61.4  | 62.0  | 64.8  | 64.9  | 67.1  | Turkey    |
| Argentina | 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 | 138.3 | 142.7 | 160.9 | 211.4 | 254.2 | 276.2 | Argentina |
| Colombia  | 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  | 11.0  | 10.5  | 10.1  | 9.3   | 8.3   | 7.7   | Colombia  |
| Mexico    | 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   | 4.5   | 4.3   | 4.3   | 4.7   | 4.9   | 4.4   | Mexico    |
| Peru      | 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   | 5.0   | 4.3   | 3.6   | 3.2   | 3.0   | 3.3   | Peru      |
| Brazil    | 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   | 5.2   | 4.8   | 4.7   | 4.6   | 4.5   | 4.5   | Brazil    |
| Chile     | 13.1 | 14.1 | 13.7 | 12.8 | 13.3 | 12.8 | 12.3 | 12.3  | 11.1  | 9.8   | 8.9   | 7.4   | 6.1   | 4.9   | 4.7   | 4.4   | 4.2   | 3.4   | 3.2   | 3.6   | Chile     |

## Core Inflation Y/Y%, NSA

|           |      |      |      |      |      |      |      |       |       |       |       |       |       |       |       |       |       |       |       |       |           |
|-----------|------|------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------|
| US        | 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   | 4.1   | 4.0   | 4.0   | 3.9   | 3.9   | 3.8   | US        |
| China     | 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   | 0.8   | 0.7   | 0.6   | 0.6   | 0.5   | 1.2   | China     |
| Eurozone  | 4.0  | 4.3  | 4.8  | 5.0  | 5.0  | 5.2  | 5.3  | 5.6   | 5.7   | 5.6   | 5.3   | 5.5   | 5.5   | 5.3   | 4.5   | 4.2   | 3.6   | 3.4   | 3.3   | 3.1   | Eurozone  |
| Germany   | 3.4  | 3.6  | 4.7  | 5.2  | 5.1  | 5.5  | 5.1  | 5.5   | 6.1   | 5.9   | 5.3   | 6.3   | 6.4   | 5.1   | 4.5   | 3.8   | 3.6   | 3.6   | 3.6   | 3.6   | Germany   |
| France    | 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   | 3.9   | 3.8   | 3.2   | 3.2   | 3.1   | 3.0   | France    |
| Spain     | 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   | 4.1   | 3.9   | 3.6   | 3.5   | 3.2   | 3.3   | Spain     |
| UK        | 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   | 6.9   | 6.4   | 5.7   | 5.8   | 5.5   | 4.9   | UK        |
| Turkey    | 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  | 67.6  | 67.8  | 67.4  | 67.7  | 66.8  | 69.4  | Turkey    |
| Argentina | 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 | 142.2 | 149.7 | 170.3 | 229.4 | 275.9 | 291.9 | Argentina |
| Colombia  | 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  | 10.3  | 9.9   | 9.8   | 9.5   | 8.7   | 8.1   | Colombia  |
| Mexico    | 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   | 5.8   | 5.5   | 5.3   | 5.1   | 4.8   | 4.6   | Mexico    |
| Peru      | 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   | 5.4   | 5.1   | 4.8   | 4.4   | 4.2   | 4.2   | Peru      |
| Brazil    | 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   | 6.0   | 5.6   | 5.7   | 5.4   | 5.1   | 4.7   | Brazil    |
| Chile     | 10.3 | 10.9 | 10.3 | 9.3  | 9.5  | 8.6  | 8.6  | 9.6   | 9.4   | 8.6   | 8.1   | 6.8   | 5.9   | 4.8   | 4.7   | 4.1   | 4.1   | 3.4   | 3.0   | 3.0   | Chile     |

Period considered: 2015-2019

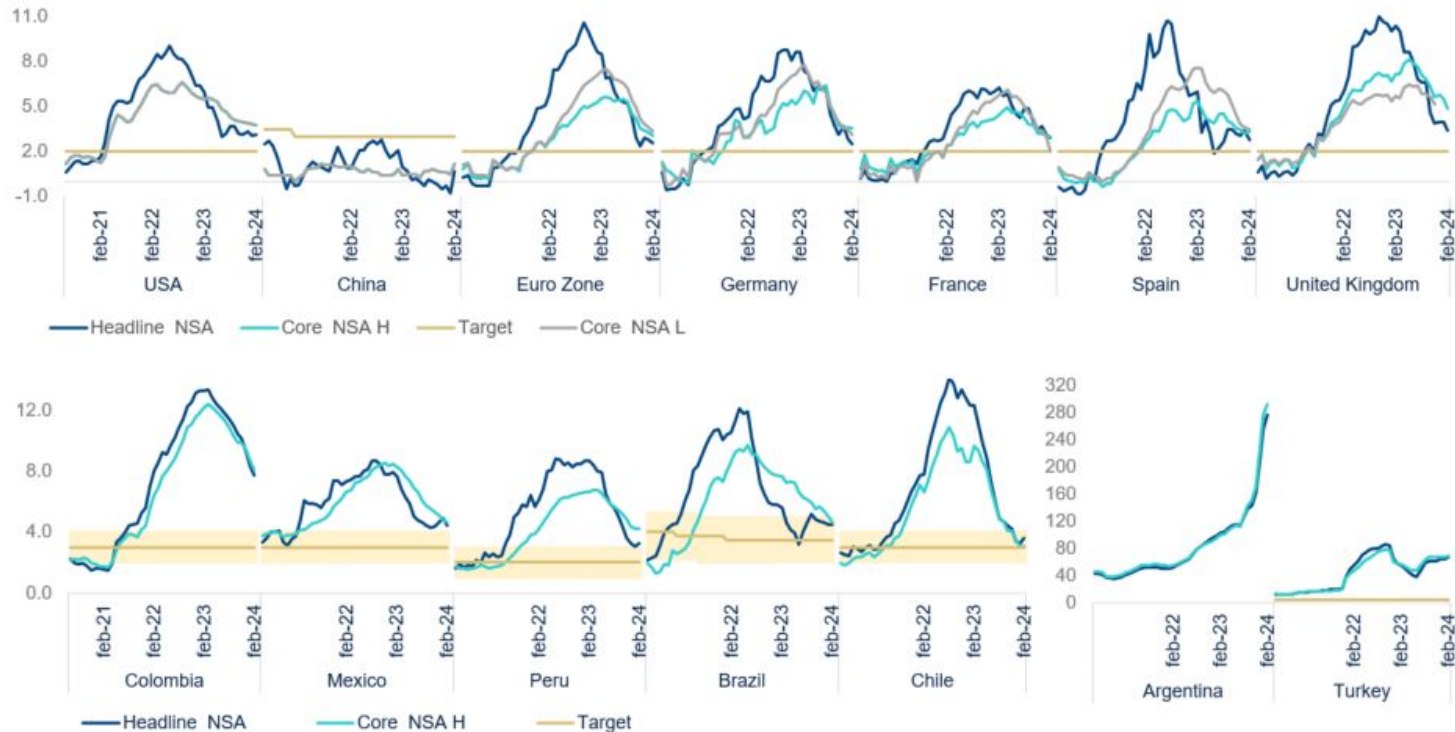
StDev below:



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.

# In February the moderation of the underlying rate was accentuated in almost all countries; the gap between headline and core inflation continues to close

## INFLATION, Y/Y%



# Sequentially, inflation rebounded in almost all geographies, largely driven by services and, to a lesser extent, energy

## Headline Inflation M/M%, SA

|           | 2022 |      |      |      |     |      | 2023 |      |      |     |      |      | 2024 |      |      |      |      |      |      |      |           |
|-----------|------|------|------|------|-----|------|------|------|------|-----|------|------|------|------|------|------|------|------|------|------|-----------|
|           | J    | A    | S    | O    | N   | D    | J    | F    | M    | A   | M    | J    | J    | A    | S    | O    | N    | D    |      | J    | F         |
| US        | 0.0  | 0.1  | 0.4  | 0.5  | 0.3 | 0.1  | 0.5  | 0.4  | 0.1  | 0.4 | 0.1  | 0.2  | 0.2  | 0.5  | 0.4  | 0.1  | 0.2  | 0.2  | 0.3  | 0.4  | US        |
| China     | 0.2  | -0.2 | 0.0  | 0.2  | 0.1 | 0.0  | -0.1 | -0.2 | -0.1 | 0.1 | 0.1  | 0.1  | -0.1 | 0.2  | 0.0  | -0.2 | -0.1 | 0.1  | 0.1  | 0.0  | China     |
| Eurozone  | 0.6  | 0.5  | 1.1  | 1.3  | 0.4 | -0.1 | 0.4  | 0.5  | 0.1  | 0.3 | 0.1  | 0.2  | 0.4  | 0.5  | 0.2  | -0.1 | -0.1 | 0.4  | 0.2  | 0.3  | Eurozone  |
| Germany   | 0.5  | 0.5  | 1.8  | 0.8  | 0.4 | -0.5 | 1.2  | 0.5  | 0.6  | 0.2 | 0.0  | 0.3  | 0.2  | 0.5  | 0.3  | 0.0  | -0.1 | 0.0  | 0.4  | 0.2  | Germany   |
| France    | 0.5  | 0.1  | 0.0  | 1.0  | 0.4 | 0.1  | 0.6  | 0.7  | 0.3  | 0.6 | -0.1 | 0.1  | 0.2  | 0.7  | 0.1  | 0.1  | 0.0  | 0.3  | 0.0  | 0.5  | France    |
| Spain     | 0.5  | 0.2  | -0.4 | -0.1 | 0.2 | 0.1  | 0.6  | 0.9  | -0.3 | 0.1 | -0.2 | 0.1  | 0.8  | 0.5  | 0.5  | -0.1 | 0.1  | 0.0  | 0.8  | 0.3  | Spain     |
| UK        | 1.0  | 0.5  | 0.4  | 1.9  | 0.5 | 0.5  | 0.1  | 1.0  | 0.6  | 0.6 | 0.4  | 0.2  | 0.0  | 0.4  | 0.4  | -0.1 | -0.1 | 0.6  | 0.1  | 0.5  | UK        |
| Turkey    | 2.6  | 2.0  | 3.3  | 3.3  | 2.7 | 0.5  | 5.2  | 3.1  | 3.0  | 2.1 | 1.9  | 3.4  | 9.6  | 9.5  | 4.9  | 3.3  | 3.2  | 2.2  | 5.2  | 4.5  | Turkey    |
| Argentina | 7.9  | 6.8  | 5.6  | 6.1  | 5.0 | 3.2  | 6.6  | 6.3  | 7.2  | 8.6 | 8.7  | 7.6  | 6.9  | 12.1 | 12.2 | 7.9  | 12.9 | 22.6 | 21.7 | 12.9 | Argentina |
| Colombia  | 1.0  | 1.1  | 1.0  | 1.1  | 1.0 | 1.2  | 1.2  | 1.0  | 0.9  | 0.6 | 0.6  | 0.7  | 0.7  | 0.8  | 0.7  | 0.6  | 0.7  | 0.4  | 0.3  | 0.5  | Colombia  |
| Mexico    | 0.6  | 0.7  | 0.6  | 0.5  | 0.4 | 0.3  | 0.4  | 0.5  | 0.2  | 0.3 | 0.3  | 0.1  | 0.4  | 0.5  | 0.4  | 0.3  | 0.5  | 0.6  | 0.6  | 0.0  | Mexico    |
| Peru      | 0.7  | 0.6  | 0.7  | 0.6  | 0.7 | 0.7  | 0.4  | 0.5  | 0.6  | 0.5 | 0.4  | 0.0  | 0.1  | 0.3  | 0.2  | 0.0  | 0.1  | 0.3  | 0.2  | 0.7  | Peru      |
| Brazil    | -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  | 0.3  | 0.2  | 0.2  | 0.5  | 0.3  | 0.8  | Brazil    |
| Chile     | 1.3  | 1.3  | 0.6  | 0.3  | 1.2 | 0.5  | 0.5  | 0.4  | 0.5  | 0.2 | 0.4  | -0.1 | 0.0  | 0.2  | 0.3  | 0.1  | 0.9  | -0.2 | 0.4  | 0.8  | Chile     |

## Core Inflation M/M%, SA

|           |      |     |      |     |     |     |     |     |     |     |     |      |     |      |      |      |      |      |      |      |           |
|-----------|------|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|------|------|------|------|------|------|------|-----------|
| US        | 0.4  | 0.5 | 0.6  | 0.4 | 0.3 | 0.4 | 0.4 | 0.5 | 0.3 | 0.5 | 0.4 | 0.2  | 0.2 | 0.2  | 0.3  | 0.2  | 0.3  | 0.3  | 0.4  | 0.4  | US        |
| China     | -0.1 | 0.0 | -0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0  | 0.3 | 0.0  | 0.0  | 0.0  | 0.0  | 0.1  | 0.2  | 0.2  | China     |
| Eurozone* | 0.5  | 0.5 | 0.7  | 0.5 | 0.6 | 0.3 | 0.5 | 0.5 | 0.4 | 0.4 | 0.2 | 0.3  | 0.4 | 0.3  | 0.0  | 0.2  | 0.0  | 0.2  | 0.3  | 0.3  | Eurozone* |
| Germany   | 0.4  | 0.2 | 1.4  | 0.7 | 0.7 | 0.4 | 0.2 | 0.5 | 0.7 | 0.2 | 0.2 | 0.5  | 0.4 | 0.3  | 0.1  | 0.2  | 0.0  | 0.3  | 0.3  | 0.4  | Germany   |
| France    | 0.5  | 0.4 | 0.3  | 0.4 | 0.5 | 0.3 | 0.3 | 0.6 | 0.4 | 0.5 | 0.1 | 0.2  | 0.3 | 0.2  | 0.0  | 0.3  | -0.1 | 0.3  | 0.2  | 0.4  | France    |
| Spain     | 0.3  | 0.4 | 0.4  | 0.2 | 0.3 | 0.4 | 0.7 | 0.4 | 0.1 | 0.1 | 0.2 | 0.3  | 0.6 | 0.3  | 0.1  | 0.2  | 0.1  | 0.3  | 0.3  | 0.4  | Spain     |
| UK        | 0.5  | 0.7 | 0.6  | 0.6 | 0.6 | 0.5 | 0.1 | 0.9 | 0.5 | 0.8 | 0.6 | 0.3  | 0.5 | 0.1  | 0.4  | 0.2  | 0.1  | 0.5  | 0.0  | 0.3  | UK        |
| Turkey    | 3.3  | 3.1 | 2.8  | 2.8 | 2.6 | 1.4 | 6.5 | 2.8 | 3.3 | 3.6 | 4.4 | 3.6  | 9.0 | 8.4  | 5.0  | 3.5  | 3.0  | 2.0  | 6.4  | 4.4  | Turkey    |
| Argentina | 8.0  | 6.0 | 5.5  | 5.9 | 3.7 | 3.3 | 6.4 | 7.2 | 7.2 | 8.5 | 8.8 | 8.1  | 7.3 | 12.7 | 13.4 | 9.3  | 11.9 | 25.3 | 21.9 | 11.7 | Argentina |
| Colombia  | 0.9  | 1.0 | 1.0  | 1.1 | 0.8 | 1.0 | 1.1 | 1.0 | 0.9 | 0.8 | 0.7 | 0.7  | 0.6 | 0.6  | 0.6  | 0.7  | 0.8  | 0.6  | 0.4  | 0.4  | Colombia  |
| Mexico    | 0.6  | 0.8 | 0.7  | 0.7 | 0.6 | 0.5 | 0.7 | 0.5 | 0.4 | 0.4 | 0.4 | 0.3  | 0.4 | 0.3  | 0.4  | 0.4  | 0.4  | 0.3  | 0.4  | 0.4  | Mexico    |
| Peru      | 0.7  | 0.5 | 0.5  | 0.6 | 0.6 | 0.7 | 0.3 | 0.5 | 0.5 | 0.5 | 0.4 | 0.3  | 0.3 | 0.3  | 0.3  | 0.3  | 0.2  | 0.3  | 0.2  | 0.5  | Peru      |
| Brazil    | 0.4  | 0.6 | 0.5  | 0.6 | 0.4 | 0.6 | 0.6 | 0.6 | 0.5 | 0.6 | 0.5 | 0.3  | 0.2 | 0.4  | 0.4  | 0.3  | 0.5  | 0.3  | 0.3  | 0.2  | Brazil    |
| Chile     | 0.9  | 1.0 | 0.4  | 0.4 | 0.7 | 0.5 | 0.8 | 0.6 | 0.7 | 0.3 | 0.4 | -0.1 | 0.0 | 0.0  | 0.2  | -0.2 | 0.6  | 0.0  | 0.3  | 0.6  | Chile     |

\* The Eurozone core inflation data shown in the table are seasonally adjusted by Haver Analytics.

Period considered: 2015-2019

StdDev below:

+ than 3

2 to 3

1 to 2

-1 to +1

1 to 2

2 to 3

+ than 3

# Sequentially, services inflation are stuck at high rates in most countries. The disinflationary process of core goods in the US seems to be ending

## Services Inflation M/M%, SA

|           | 2023 |     |      |      |      |      | 2024 |      |
|-----------|------|-----|------|------|------|------|------|------|
|           | J    | A   | S    | O    | N    | D    | J    | F    |
| US        | 0.3  | 0.4 | 0.5  | 0.4  | 0.5  | 0.5  | 0.6  | 0.5  |
| FRA       | 0.6  | 0.0 | -0.1 | 0.5  | -0.3 | 0.5  | 0.2  | 0.5  |
| GER       | 0.5  | 0.4 | 0.2  | 0.1  | 0.4  | -0.2 | 0.4  | 0.4  |
| China     | 0.3  | 0.1 | 0.0  | -0.1 | 0.0  | 0.1  | 0.2  | 0.8  |
| Eurozone  | 0.6  | 0.2 | 0.2  | 0.3  | 0.1  | 0.3  | 0.3  | 0.5  |
| Spain     | 0.6  | 0.2 | 0.2  | 0.2  | 0.0  | 0.3  | 0.1  | 0.4  |
| UK        | 0.7  | 0.2 | 0.3  | 0.5  | 0.0  | 0.7  | -0.4 | 0.6  |
| Turkey    | 9.4  | 7.1 | 6.5  | 5.3  | 4.8  | 4.3  | 4.9  | 7.8  |
| Argentina | 7.3  | 8.9 | 10.2 | 8.2  | 9.9  | 12.2 | 19.2 | 18.7 |
| Colombia  | 0.6  | 0.6 | 0.6  | 0.7  | 0.6  | 0.7  | 0.7  | 0.8  |
| Mexico    | 0.4  | 0.4 | 0.5  | 0.5  | 0.4  | 0.4  | 0.5  | 0.5  |
| Peru      | 0.3  | 0.2 | 0.2  | 0.2  | 0.1  | 0.2  | 0.3  | 0.6  |

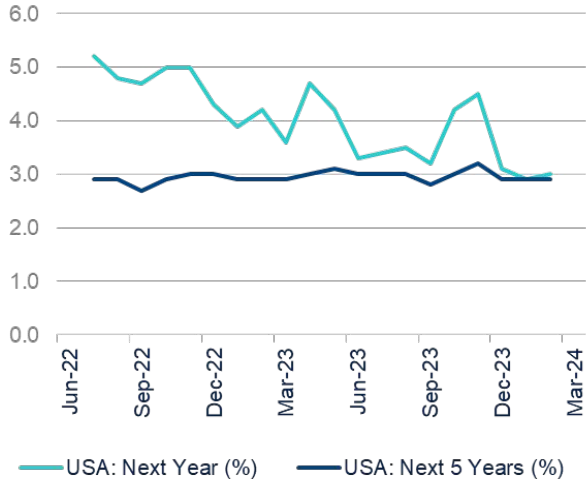
## Nonenergy Industrial Goods M/M%, SA

|           | 2023 |      |      |     |      |      | 2024 |      |
|-----------|------|------|------|-----|------|------|------|------|
|           | J    | A    | S    | O   | N    | D    | J    | F    |
| US        | -0.3 | -0.2 | -0.2 | 0.0 | -0.2 | -0.1 | -0.3 | 0.1  |
| China     | -0.2 | 0.3  | -0.1 | 0.0 | -0.3 | 0.0  | -0.2 | -0.2 |
| Eurozone  | 0.2  | 0.3  | 0.1  | 0.1 | 0.1  | 0.2  | -0.2 | -0.1 |
| Germany   | 0.2  | 0.4  | 0.1  | 0.1 | 0.2  | 0.2  | -0.2 | 0.3  |
| France    | -0.1 | 0.2  | 0.1  | 0.0 | 0.1  | 0.0  | -0.6 | 0.1  |
| Spain     | 0.7  | 0.4  | 0.0  | 0.0 | -0.1 | 0.2  | 0.3  | 0.2  |
| UK        | -0.7 | 0.3  | 0.7  | 0.2 | -0.5 | 0.1  | -1.2 | 0.8  |
| Turkey    | 8.3  | 7.9  | 3.0  | 2.8 | 1.9  | 1.7  | 3.8  | 3.0  |
| Argentina | 7.2  | 12.5 | 12.9 | 8.7 | 12.7 | 26.8 | 22.8 | 10.9 |
| Colombia  | 0.4  | 0.4  | 0.2  | 0.5 | 0.3  | 0.1  | -0.2 | -0.5 |
| Mexico    | 0.4  | 0.2  | 0.3  | 0.4 | 0.5  | 0.3  | 0.2  | 0.3  |
| Peru      | 0.1  | 0.3  | 0.2  | 0.2 | 0.1  | 0.2  | 0.2  | 0.5  |

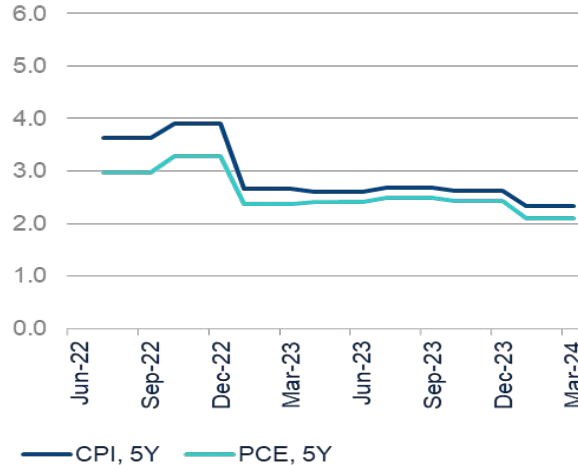
Nonenergy industrial goods for EZ countries and Turkey, Commodities Less Food and Energy Commodities for US, Consumer Goods for China, Goods for Argentina, Goods Excluding Food and Regulated Goods for Colombia, Consumer Price Index: Core: Merchandise and Consumer Price Index: Core Inflation: Goods for Peru

# US consumer 1Y-ahead inflation expectations stayed at 3%, close to its long term value but above analysts' and market-based expectations of 2.5%

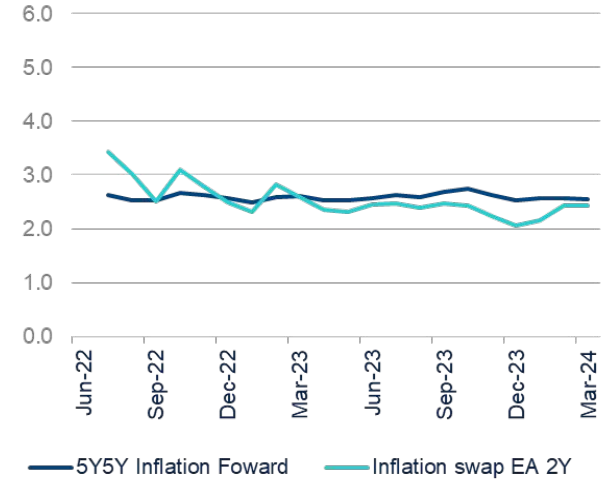
## EXPECTATIONS: CONSUMERS SURVEY (NEXT YEAR, NEXT 5 YEARS)



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



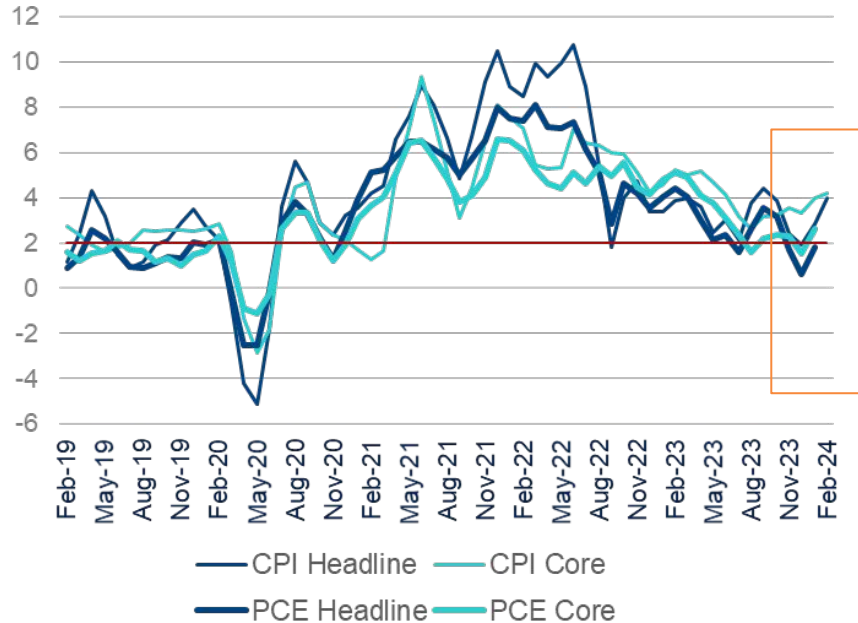
## EXPECTATIONS: MARKET (5Y5Y FORWARD, 5Y SWAP)



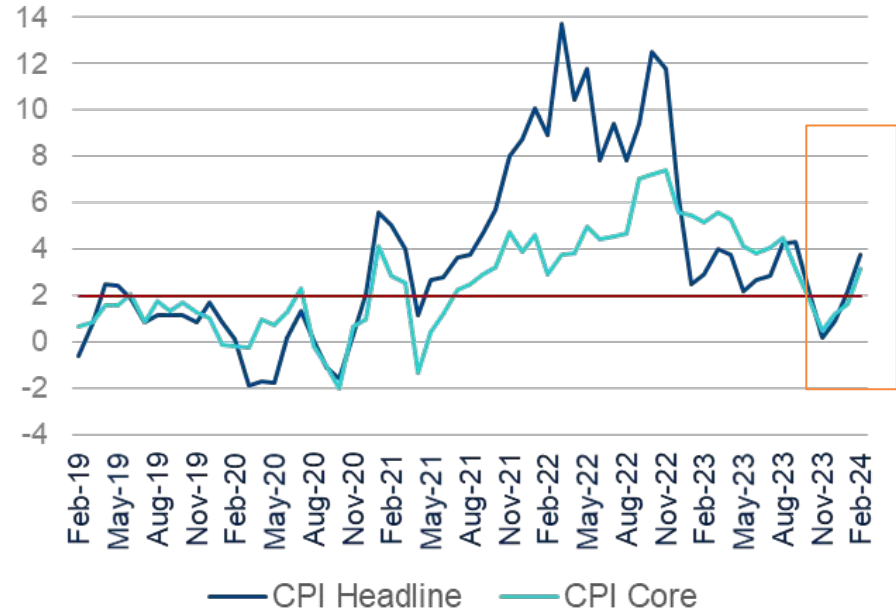


# Monthly inflation: There is a uptick in annualized monthly data (3-month avg) in both US and the EZ

US INFLATION HEADLINE CPI AND PCE, AVERAGE 3M M/M% ANNUALIZED

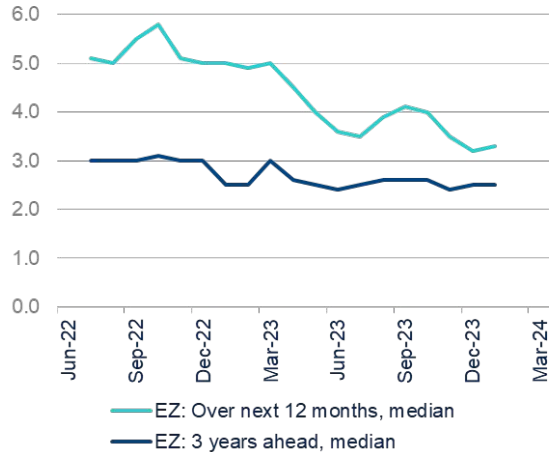


EZ INFLATION CORE AND PCE, AVERAGE 3M M/M% ANNUALIZED

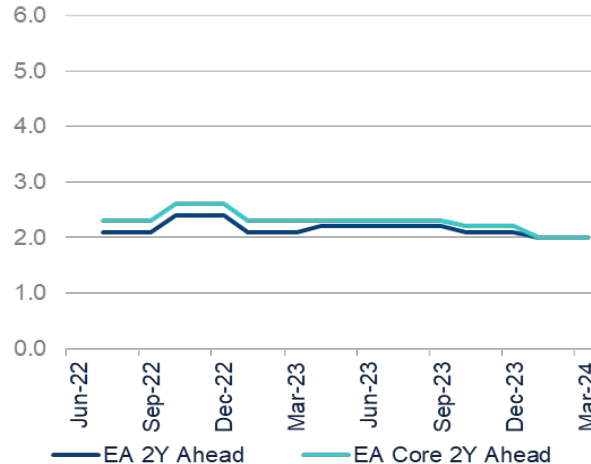


# EZ consumers' 1Y-ahead inflation expectations rebounded slightly to 3.3%, still above their long-term expectations (2.5%)

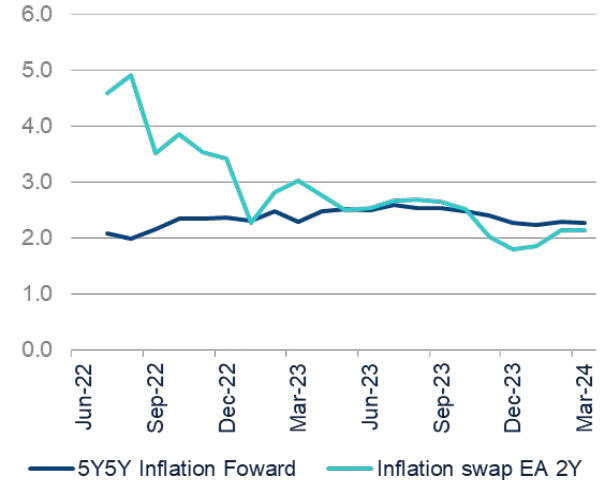
## EXPECTATIONS: CONSUMERS SURVEY (NEXT YEAR, 3Y AHEAD)



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

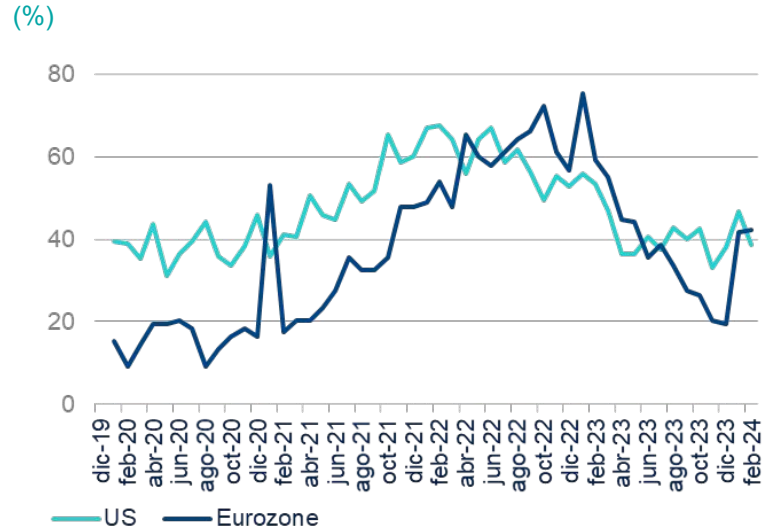


## EXPECTATIONS MARKET (5Y5Y FORWARD, 5Y SWAP)



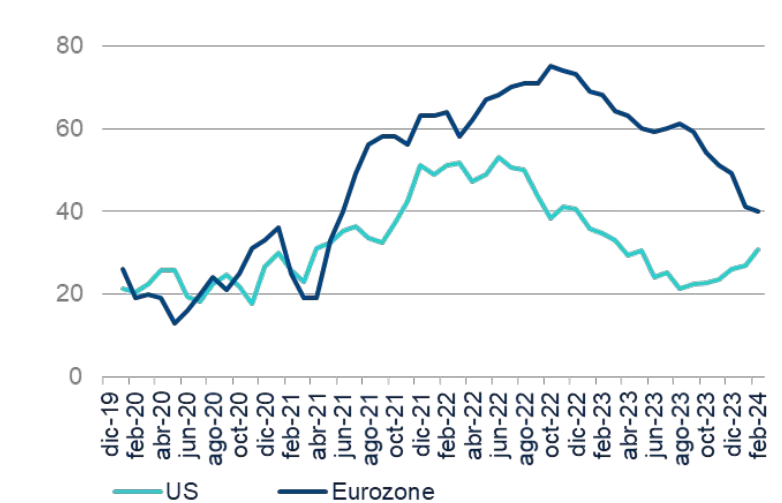
# High inflation items have normalized in the US but rose in the EZ. The number of items with frequent price increases dropped in the EZ and increase in US

## ITEMS OF THE CPI BASKET WITH ANNUALIZED MONTHLY INFLATION HIGHER THAN 4% (%)



Source: BBVA Research, Haver Analytics.

## ITEMS OF THE CPI BASKET WITH THREE CONSECUTIVE MONTHLY PRICE RISES (%)



Source: BBVA Research, Haver Analytics.

# Geopolitical indicators and conflict indexes relaxed compared with last month, while protest indicators increased in Europe

## BBVA RESEARCH GEOPOLITICS MONITOR MAIN "SIGNAL" CHANGES AFTER THE HAMAS-ISRAEL CONFLICT

(Signals in Geopolitical Risk, Political Tensions, Economic Policy Uncertainties, Protest and Conflict according to Standard Deviations)

[Link to Dashboard](#)

### Summary of Signals After Hamas-Israel Conflict (January 18th, 2024)

(News Sentiment Map. Sentiment relative to average sentiment in each country)



Source: BBVA Research



### Summary of Signals After Hamas-Israel Conflict (February 19th, 2024)

(News Sentiment Map. Sentiment relative to average sentiment in each country)

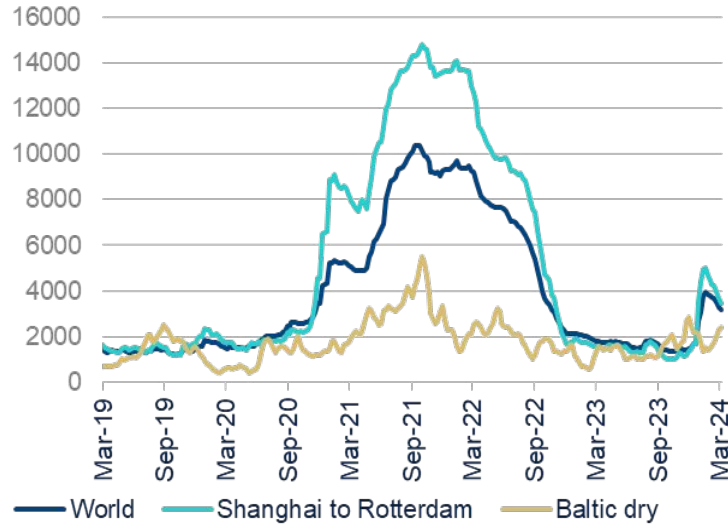


Source: BBVA Research



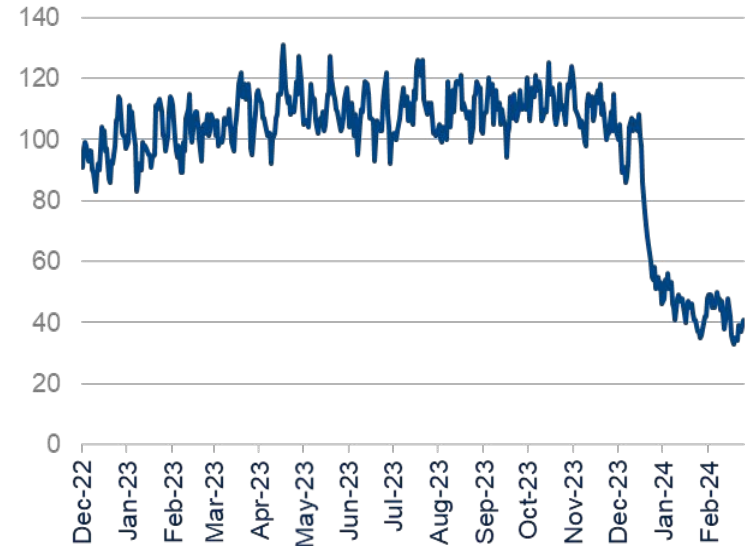
# Container freights halted their upward trend, and declined in February despite the fact that the disruption on Red Sea maritime routes continued

**WORLD CONTAINER FREIGHT**  
(USD/40 FT BOX, LAST DATA FEBRUARY 23TH)



Source:Source: DREWRY WORLD CONTAINER INDEX and BBVA Research.

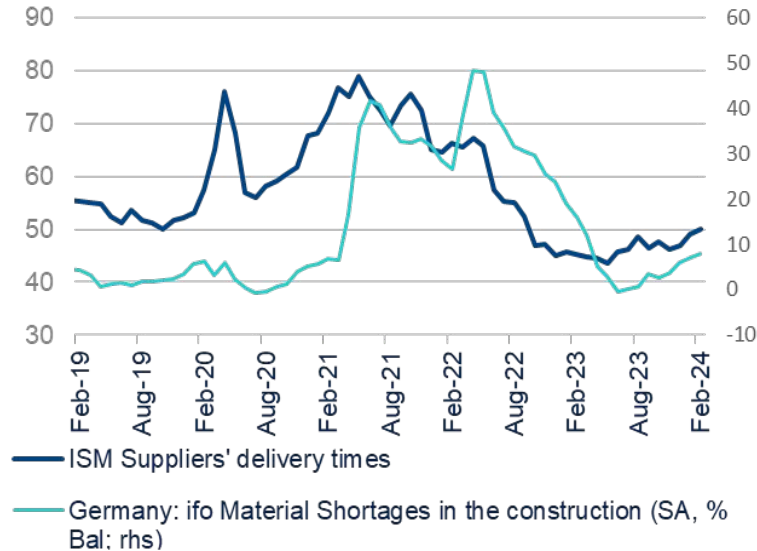
**NUMBER OF CONTAINER SHIP IN THE RED SEA**  
(NUMBER OF SHIPS)



Source:Kiel Institute for the world economy

# Suppliers' delivery times in manufacturing increased in the US, while shortage of materials in Germany inched up, boosting prices from low levels

## US AND GERMANY SUPPLIERS' DELIVERY TIMES (INDEX)



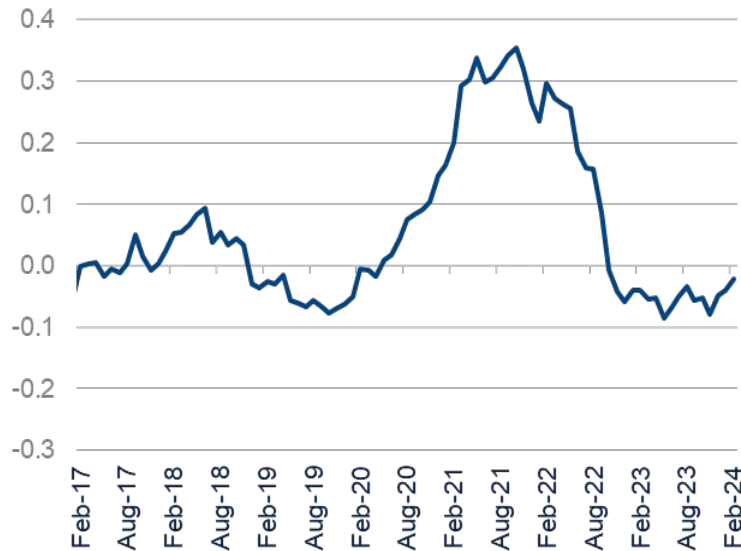
## US AND GERMANY EXPECTED MANUFACTURING PRICES (Y/Y CHG AND DIFFUSION INDEX)



# BBVA supply bottlenecks indicator remained low, as the slack in the manufacturing sector offset the effect of higher maritime costs

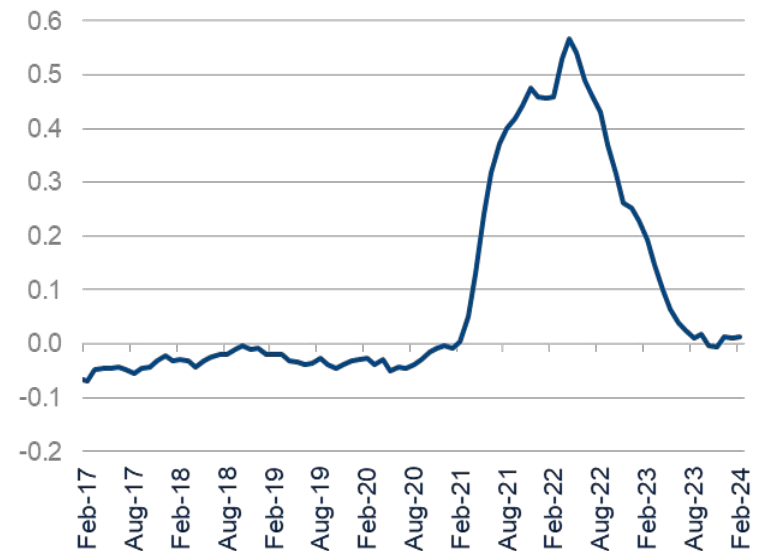
## US SUPPLY BOTTLENECKS INDICATOR

(INDEX; LAST AVAILABLE DATA: FEBRUARY 2024)



## EZ: SUPPLY BOTTLENECKS INDICATOR

(INDEX; LAST AVAILABLE DATA: FEBRUARY 2024)



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.

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