BBVA Research

May's Inflation printed at 2.1% m/m, the lowest in eight months

BBVA Research Argentina
June 11th 2026

Summary

National headline inflation for May (2.1% m/m, 33.2% y/y, 14.7% YTD in 2026) came in below market expectations (CB-consensus: 2.3% m/m), decelerating for the second consecutive month. The improvement relative to April is primarily explained by the normalization of gasoline price dynamics, while meat prices remain stable.

We maintain our inflation forecast at 29% for 2026, with an average monthly rate of 1.7% for the remainder of the year.

Component analysis

Core inflation in May stood at 1.9% m/m (32% y/y), the lowest monthly print since October 2025. Thus, it averaged 2.1% m/m over the past two months, following an average of 3.0% m/m in Q1 2026. Food and beverages rose by 2.5% m/m (33% y/y), accelerating from April (1.5% m/m), primarily driven by the impact of vegetables (see below), which are excluded from the core inflation index.

Regulated prices increased by 2.4% m/m (45% y/y). This figure follows an average of 4.1% m/m during the first four months of 2026. The primary driver of this deceleration was the return to historical norms in gasoline price dynamics (which had surged 11% m/m in April and rose just 1.6% m/m in May), coupled with a slowdown in transportation to 2.0% m/m after averaging 4.3% m/m in the preceding two months.

Finally, seasonal prices advanced by 3.5% m/m (19% y/y), marking the highest monthly variation since February. Worth noting is the 15% m/m surge in vegetables, which is estimated to have contributed approximately 0.4 p.p. to headline inflation for the month.

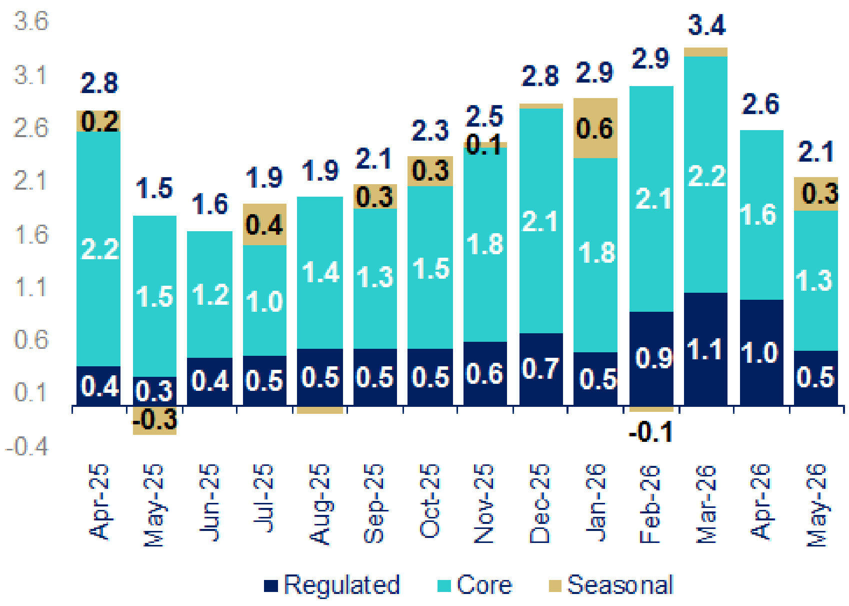
Within the various categories comprising the CPI, Communications (+3.4% m/m) and Education (+2.9% m/m) registered the highest increases for the month, whereas Clothing and Footwear (0.3% m/m) and Alcoholic Beverages and Tobacco (0.8% m/m) recorded the lowest price gains.

Outlook

In June, scheduled price adjustments are taking place, including 2.8% in natural gas, 4.6% in public transportation within the Buenos Aires region, 2.6% in prepaid healthcare plans, and roughly 5% in private school tuition. An additional metric to monitor is the price of live cattle, which spiked 14% over the last week and could, with some lag, pass through to retail meat prices. Notwithstanding these increases, we expect a further deceleration in June to 2.0% m/m (CB-consensus: 2.1% m/m).

Going forward, the macroeconomic conditions are in place for the CPI deceleration trend to persist over the coming months. We project year-end inflation for 2026 to stand at 29% y/y.

CONTRIBUTION TO HEADLINE (MONTHLY RECORD)



Source: BBVA Research and INDEC

LEGAL NOTICE