



## Inflation

### January 2026

#### CPI rose by 4.84% in January.

CPI inflation in January came in at 4.84%, exceeding market expectations of 4.32%. Despite the higher-than-expected realization, because the 2026 figure was lower than January 2025, the disinflation process continued in this period. Thus, annual CPI inflation declined from 30.89% in December to 30.65%. In the first month of the year, domestic producer prices increased by 2.67% on a monthly basis and 27.17% on an annual basis.

| January        | CPI   |       | D-PPI |       |
|----------------|-------|-------|-------|-------|
| (change %)     | 2025  | 2026  | 2025  | 2026  |
| Monthly        | 5.03  | 4.84  | 3.06  | 2.67  |
| Annual         | 42.12 | 30.65 | 27.20 | 27.17 |
| Annual Average | 56.35 | 33.98 | 39.50 | 25.39 |

#### In the new CPI basket, weights decreased in the housing group while increased in the restaurants and hotels group.

In 2026, a new sub-group was added to the CPI index—which previously consisted of 12 main expenditure groups—and the base year was updated from 2003 to 2025. The group formerly known as "miscellaneous goods and services" has been split into two: "insurance and financial services" and "personal care, social protection and miscellaneous goods and services."

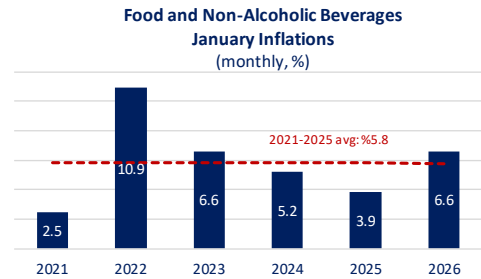
Additionally taking into account both methodological changes and current consumption behaviors, the weights of the main expenditure groups were updated. When compared to the 2025 weights calculated with the new methodology, it was observed that the weights of the restaurants-hotels and recreation-culture groups in the CPI basket increased rapidly, while the decline in the weight of the housing group was particularly prominent.

| Weights of expenditure groups (%)                                     | 2025       |            | 2026       | Diff.<br>(% point) |
|---|------------|------------|------------|--------------------|
|   | Old        | New        |            |                    |
| Food and non-alcoholic beverages                                      | 24.97      | 24.97      | 24.44      | -0.53              |
| Alcoholic beverages and tobacco                                       | 3.52       | 3.52       | 2.75       | -0.77              |
| Clothing and footwear   | 7.16       | 7.16       | 7.90       | 0.74               |
| Housing, water, electricity, gas                                      | 15.22      | 15.26      | 11.40      | -3.82              |
| Furnishings and household equipment                                   | 7.67       | 7.62       | 7.92       | 0.25               |
| Health  | 4.09       | 4.09       | 2.79       | -1.30              |
| Transport   | 15.34      | 15.53      | 16.62      | 1.28               |
| Communications  | 3.62       | 4.81       | 3.10       | -0.52              |
| Recreation and culture  | 3.36       | 2.13       | 4.34       | 0.98               |
| Education   | 2.31       | 2.31       | 2.02       | -0.29              |
| Hotels, cafes and restaurants   | 8.32       | 8.32       | 11.13      | 2.81               |
| Insurance and financial services                                      |            | 0.26       | 1.07       | 0.81               |
| Personal care, social protection and miscellaneous goods and services | 4.43       | 4.03       | 4.49       | 0.46               |
| <b>Total</b>  | <b>100</b> | <b>100</b> | <b>100</b> | <b>-</b>           |

#### The monthly rise in food prices marked the highest January increase in the last three years.

In January, food prices continued to be the primary contributor to inflation. Prices for food and non-alcoholic beverages rose by 6.59% compared to the previous month, while the increase in fresh fruit and vegetable prices reached 22.03% which represents the highest level recorded since February 2022.

Meanwhile, New Year price adjustments were most significantly felt in the transportation and health sub-groups. Besides, the highest monthly increase was recorded in the health category at 14.85%.



#### The increase in the B and C indices remained below headline inflation...

In January, the B index (CPI excluding unprocessed food, energy, alcoholic beverages, tobacco, and gold) rose by 4.22% mom, while the C index increased by 4.55%, indicating a lower inflation than the headline. The A index (calculated by excluding seasonal products) rose by 4.91% monthly, suggesting that the net impact of seasonal items on the rapid spike in January's headline inflation was limited.

In the services sector, monthly inflation hit 7.39%, reaching its highest level in the last 12 months. Among the sub-items of the services group, rent prices also exhibited a sharp increase, rising by 5.26% on a monthly basis.

#### Food products were also the determining factor in D-PPI.

In January, food products—where prices rose by 4.24% mom—became the leading item pushing monthly D-PPI inflation upward, contributing 0.83 percentage points. During this period, the sector recording the fastest price growth was other manufactured goods (which includes gold, silver, and other jewelry), increasing by 9.23%.

#### Expectations...

While the disinflation process continued in January, higher-than-expected inflation realization's impact on inflation expectations will be important. We believe that the upward trend in food prices, which played a major role in inflation surpassing expectations in January, is likely to persist in February, partly due to the influence of Ramadan. On the other hand, we anticipate that the increase in service prices will follow a more moderate pace in February.

|      |           | Inflation (%)  |              |        |                |                  |              |        |                |
|------|-----------|----------------|--------------|--------|----------------|------------------|--------------|--------|----------------|
|      |           | CPI (2025=100) |              |        |                | D-PPI (2003=100) |              |        |                |
|      |           | Monthly        | Year to Date | Annual | Annual Average | Monthly          | Year to Date | Annual | Annual Average |
| 2023 | January   | 6.65           | 6.65         | 57.68  | 72.45          | 4.15             | 4.15         | 86.46  | 125.53         |
|      | February  | 3.15           | 10.00        | 55.18  | 71.83          | 1.56             | 5.78         | 76.61  | 120.72         |
|      | March     | 2.29           | 12.52        | 50.51  | 70.20          | 0.44             | 6.25         | 62.45  | 113.73         |
|      | April     | 2.39           | 15.21        | 43.68  | 67.20          | 0.81             | 7.11         | 52.11  | 105.50         |
|      | May       | 0.04           | 15.26        | 39.59  | 63.72          | 0.65             | 7.81         | 40.76  | 95.80          |
|      | June      | 3.92           | 19.77        | 38.21  | 59.95          | 6.50             | 14.82        | 40.42  | 86.59          |
|      | July      | 9.49           | 31.14        | 47.83  | 57.45          | 8.23             | 24.27        | 44.50  | 78.51          |
|      | August    | 9.09           | 43.06        | 58.94  | 56.28          | 5.89             | 31.59        | 49.41  | 71.97          |
|      | September | 4.75           | 49.86        | 61.53  | 55.30          | 3.40             | 36.06        | 47.44  | 65.55          |
|      | October   | 3.43           | 55.00        | 61.36  | 54.26          | 1.94             | 38.70        | 39.39  | 58.46          |
|      | November  | 3.28           | 60.09        | 61.98  | 53.40          | 2.81             | 42.59        | 42.25  | 53.15          |
|      | December  | 2.93           | 64.77        | 64.77  | 53.86          | 1.14             | 44.22        | 44.22  | 49.93          |
| 2024 | January   | 6.70           | 6.70         | 64.86  | 54.72          | 4.14             | 4.14         | 44.20  | 47.35          |
|      | February  | 4.53           | 11.54        | 67.07  | 55.91          | 3.74             | 8.03         | 47.29  | 45.71          |
|      | March     | 3.16           | 15.06        | 68.50  | 57.50          | 3.29             | 11.59        | 51.47  | 45.28          |
|      | April     | 3.18           | 18.72        | 69.80  | 59.64          | 3.60             | 15.61        | 55.66  | 45.83          |
|      | May       | 3.37           | 22.72        | 75.45  | 62.51          | 1.96             | 17.87        | 57.68  | 47.24          |
|      | June      | 1.64           | 24.73        | 71.60  | 65.07          | 1.38             | 19.49        | 50.09  | 47.97          |
|      | July      | 3.23           | 28.76        | 61.78  | 65.93          | 1.94             | 21.81        | 41.37  | 47.55          |
|      | August    | 2.47           | 31.94        | 51.97  | 64.91          | 1.68             | 23.86        | 35.75  | 46.23          |
|      | September | 2.97           | 35.86        | 49.38  | 63.47          | 1.37             | 25.55        | 33.09  | 44.81          |
|      | October   | 2.88           | 39.77        | 48.58  | 62.02          | 1.29             | 27.17        | 32.24  | 43.93          |
|      | November  | 2.24           | 42.91        | 47.09  | 60.45          | 0.66             | 28.01        | 29.47  | 42.60          |
|      | December  | 1.03           | 44.38        | 44.38  | 58.51          | 0.40             | 28.52        | 28.52  | 41.10          |
| 2025 | January   | 5.03           | 5.03         | 42.12  | 56.35          | 3.06             | 3.06         | 27.20  | 39.50          |
|      | February  | 2.27           | 7.42         | 39.05  | 53.83          | 2.12             | 5.24         | 25.21  | 37.55          |
|      | March     | 2.46           | 10.06        | 38.10  | 51.26          | 1.88             | 7.23         | 23.50  | 35.23          |
|      | April     | 3.00           | 13.36        | 37.86  | 48.73          | 2.76             | 10.19        | 22.50  | 32.65          |
|      | May       | 1.53           | 15.09        | 35.41  | 45.80          | 2.48             | 12.92        | 23.13  | 30.17          |
|      | June      | 1.37           | 16.67        | 35.05  | 43.23          | 2.46             | 15.71        | 24.45  | 28.34          |
|      | July      | 2.06           | 19.08        | 33.52  | 41.13          | 1.73             | 17.70        | 24.19  | 27.07          |
|      | August    | 2.04           | 21.50        | 32.95  | 39.62          | 2.48             | 20.62        | 25.16  | 26.28          |
|      | September | 3.23           | 25.43        | 33.29  | 38.36          | 2.52             | 23.66        | 26.59  | 25.83          |
|      | October   | 2.55           | 28.63        | 32.87  | 37.15          | 1.63             | 25.67        | 27.00  | 25.49          |
|      | November  | 0.87           | 29.74        | 31.07  | 35.91          | 0.84             | 26.72        | 27.23  | 25.37          |
|      | December  | 0.89           | 30.89        | 30.89  | 34.88          | 0.75             | 27.67        | 27.67  | 25.36          |
| 2026 | January   | 4.84           | 4.84         | 30.65  | 33.98          | 2.67             | 2.67         | 27.17  | 25.39          |

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