

22nd June 2022

UK inflation at 9.1%yy for May-22, a 40 year high

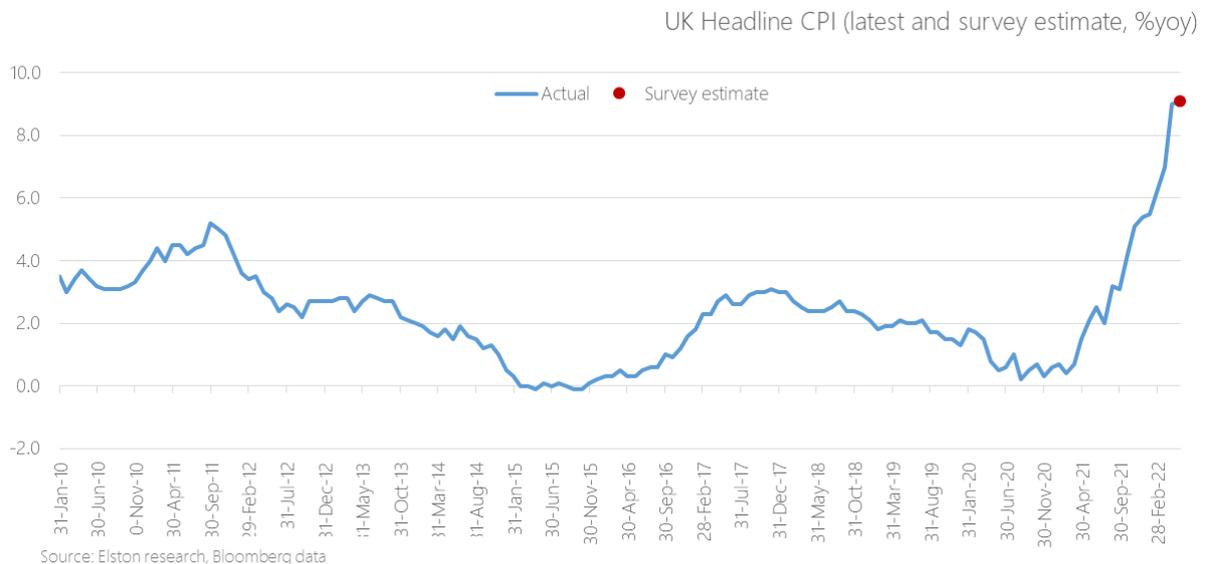
- This is in line with 9.1%yy survey estimate...
- ... and an increase from 9.0%yy last month
- Represents a new 40-year high

Latest UK inflation figure

The latest UK inflation came in at 9.1%yy for May 2022, compared to 9.1%yy survey estimate. This is up from 9.0%yy last month and is above expectations.

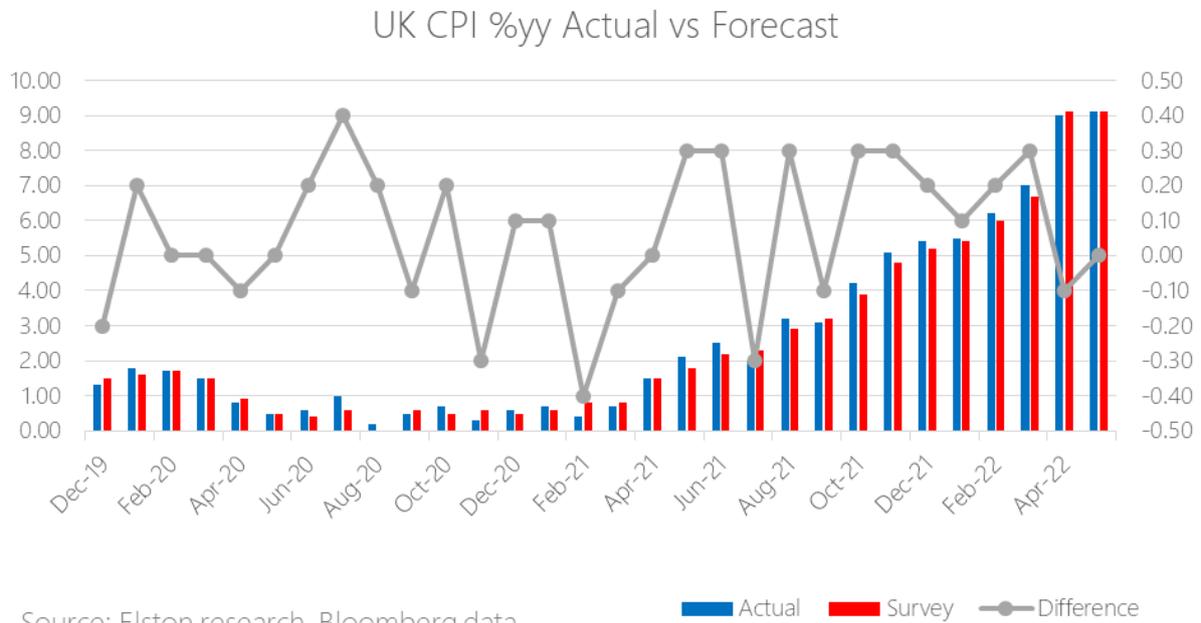
This is the highest UK inflation rate in 40 years. Higher prices for energy, motor fuel, and clothing explained for half of the increase in prices. Inflation pressure is not yet peaked with Bank of England expecting 11% in 4q22 and a further step-up in the retail energy price cap.

Fig.1. UK CPI inflation rate (%yy)



In the chart below we show how UK inflation had consistently surprised on the upside, but is more in line with forecast estimate at this stage.

Fig.2. UK CPI figures vs survey estimates



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