

14<sup>th</sup> December 2022

## UK inflation at 10.7%yy for Nov-22

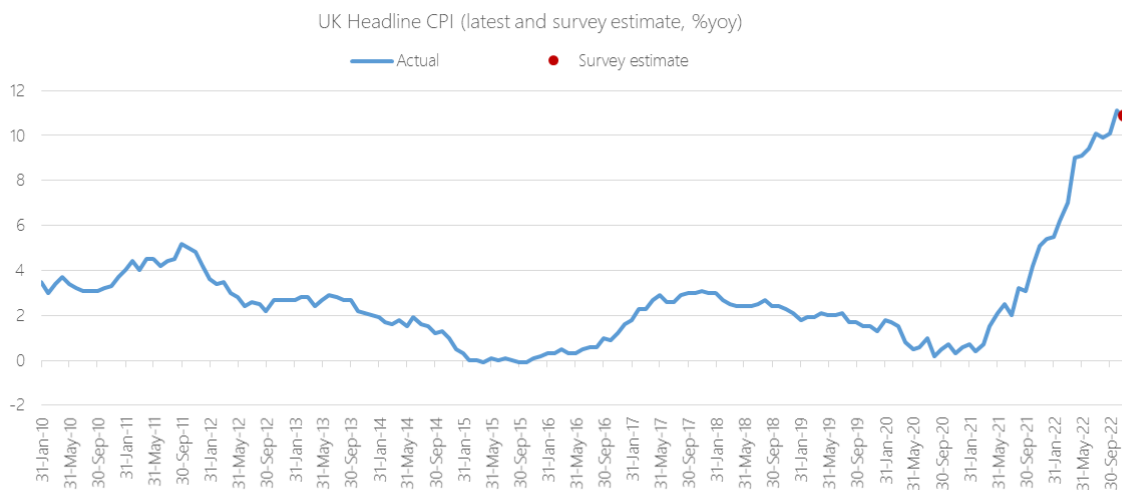
- This is lower than 10.9%yy survey estimate...
- ... and an decrease from 11.1%yy last month
- Represents falling inflationary pressures

### Latest UK inflation figure

The latest UK inflation came in at 10.7%yy for November 2022, compared to 10.9%yy survey estimate. This is down from 11.1%yy last month and is below expectations.

Core inflation eased from October, whilst food and beverage prices rose 16.4%, the most in the last 40 years. Petrol, used cars, tobacco and hotel stays were the main contributors to the decline in November figures.

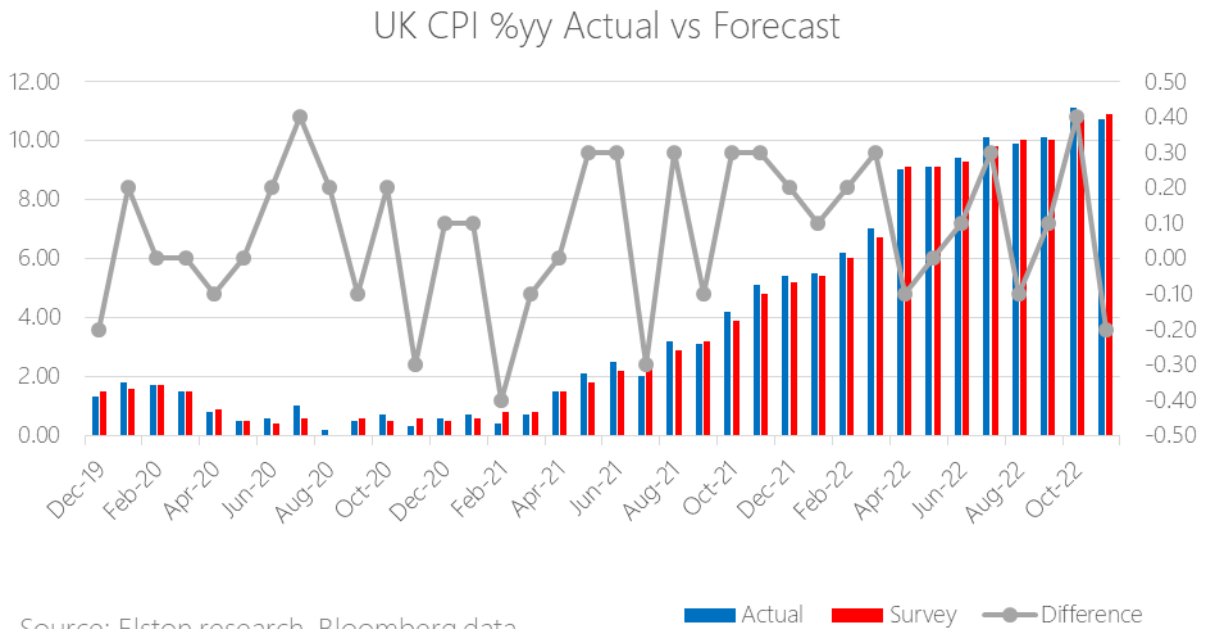
Fig.1. UK CPI inflation rate (%yy)



Source: Elston research, Bloomberg data

In the chart below we show how UK inflation has typically been ahead of estimates..

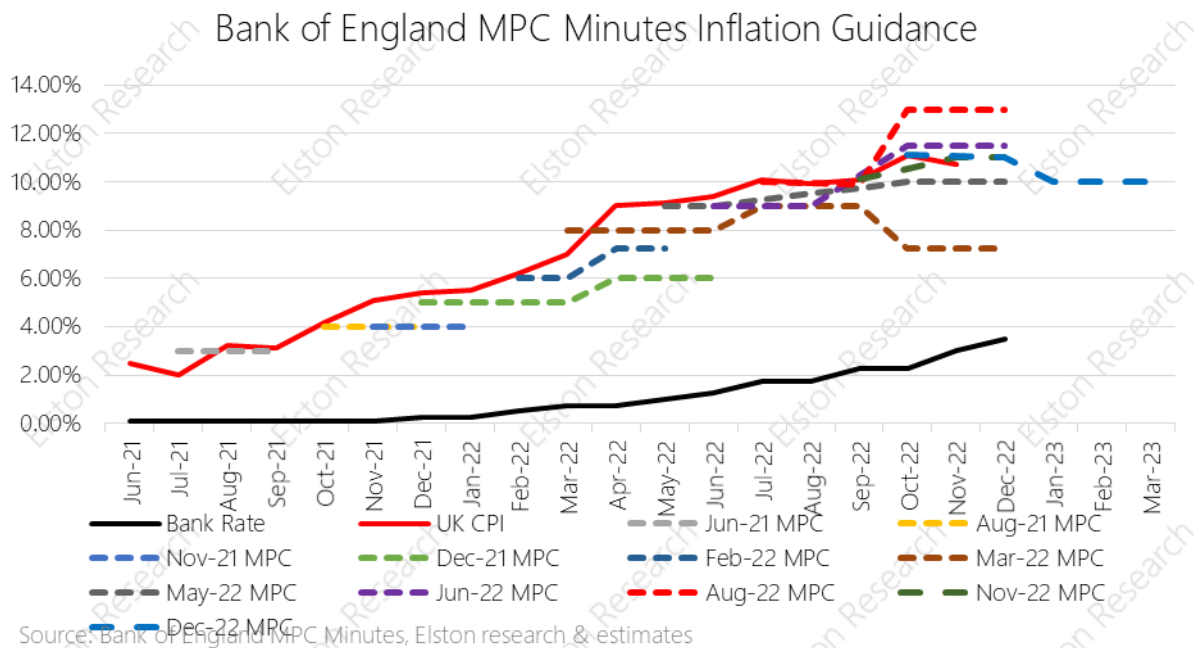
Fig.2. UK CPI figures vs survey estimates



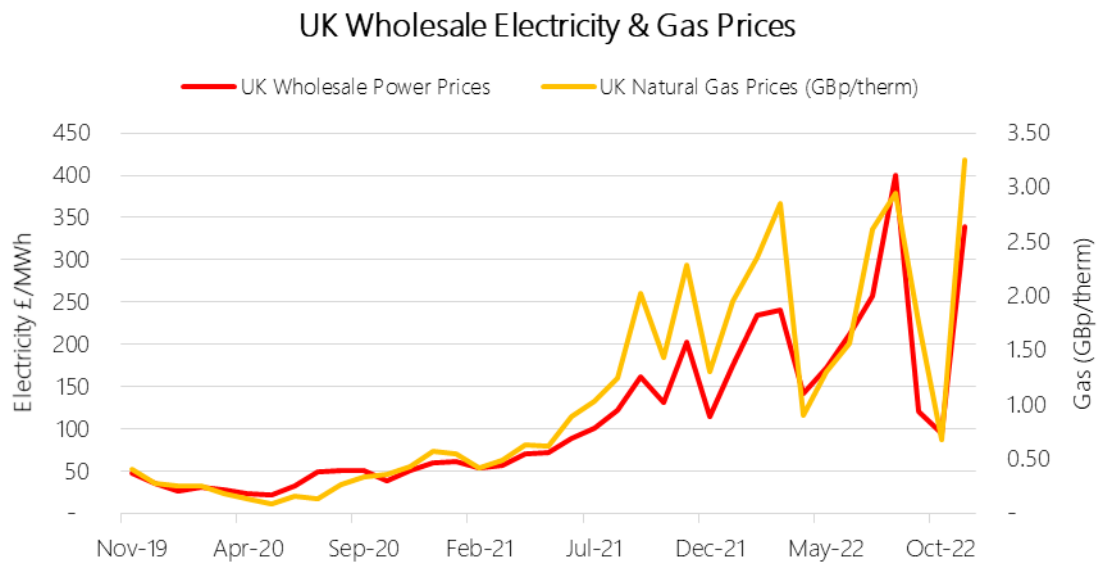
Source: Elston research, Bloomberg data

In the chart below we show how the Bank of England has been behind the curve on inflation expectations. Inflation is expected to decline gradually in the first quarter of 2023. BoE cites a 4.5% interest rate peak based on market expectations.

Fig.3. Bank of England MPC Minutes Inflation Guidance



In the chart below we show how the UK Wholesale Electricity & Gas Prices.



Source: Elston research, Bloomberg data

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Research Team

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