

## National Consumer Price Index (CPI) 1H of April

Next release on April inflation: May 7, 2026

### Results and Outlook

In the first half of April, headline inflation decelerated for the second consecutive fortnight, standing at 0.11%, the lowest for a similar period since 2024. The slowdown in headline inflation was driven by a contraction in non-core inflation, which fell for the first time since the second half of January, reaching -0.13%. However, this fortnightly contraction is attributable to a seasonal effect, as this component typically declines every first half of April when compared across equivalent periods. Within this category, the subcomponent of energy and government-regulated tariffs recorded inflation of -1.34%, although compared to similar periods this is the smallest price decline since 2013. This contraction was due to a drop in energy prices (-2.51%), while inflation in government-regulated tariffs limited the decline in non-core inflation, accelerating to 0.70% fortnightly, the highest for a similar period since 2013.

By contrast, core inflation recorded a slight increase, reaching 0.18% fortnightly. This acceleration was largely driven by goods inflation, which rose to 0.25% fortnightly. Within this category, both subcomponents accelerated: non-food goods inflation stood at 0.38%, and food goods inflation at 0.11%. It is worth noting that inflation in the latter remained low, as it is the lowest for a comparable period since 2007. Meanwhile, services inflation slowed to 0.12% fortnightly, breaking below the 0.2% threshold maintained over the previous four fortnights. This was due to a significant slowdown in other services inflation, which stood at 0.08%, the lowest for a similar period since 2024. At the same time, education inflation remained at 0.00% for the third consecutive fortnight. However, the slowdown in core inflation was limited by housing inflation, which reached 0.18%, the highest for a comparable period since 2023.

On an annual basis, headline inflation stood at 4.53%, marking two consecutive fortnights of deceleration. However, inflation has remained above 4% for four consecutive fortnights, well above Banco de México's 3% target. Additionally, it is concerning that both major components are registering inflation above 4%. In fact, headline inflation has accumulated 141 consecutive fortnights outside Banco de México's target range, while core inflation has remained above that target for 231 consecutive fortnights.

**Based on this, inflation is expected to close the year at 4.2% annually, and it is estimated that under the current monetary policy stance of Banco de México, the 3% target will not be reached in the coming years. This may add to the structural factors constraining Mexico's economic growth.**

Non-core inflation accelerated to 5.41%, the highest since the second half of May 2025. Within this component, agricultural product inflation stood at 8.68% annually, marking its fifth consecutive fortnight above Banco de México's 3% target. Within this, fruits and vegetables recorded inflation of 23.03%, the third consecutive fortnight above 10%. This is concerning, as it is driven by lower agricultural production and security issues within the country—problems unlikely to be resolved in the short term and that could keep this component under pressure in the medium term. By contrast, livestock product inflation fell by 0.84%, the lowest since the first half of April 2024.

Energy and government-regulated tariffs inflation stood at 2.83% annually, accelerating for the third consecutive fortnight. These upward pressures were driven by government-regulated tariffs, whose inflation rose to 6.45%, the highest since the first half of June 2023. In contrast, energy inflation slowed to 0.80%, although it remains elevated.

Core inflation stood at 4.27%, marking its fifth consecutive fortnight of deceleration. This should be interpreted with caution, as it does not yet show clear signs of converging toward Banco de México's target. Within this component, goods inflation stood at 4.10%, marking five consecutive fortnights of deceleration and reaching its lowest level since the first half of October. Non-food goods inflation stood at 2.97%, the lowest since the first

half of May 2025. Meanwhile, food goods inflation slowed to 5.41%, moving away from its recent peak recorded in the first half of February (6.28%).

Services inflation slowed to 4.44%, the lowest since the first half of February. This deceleration was mainly driven by other services inflation, which stood at 5.09%, the lowest since the second half of December 2025. Meanwhile, housing (3.54%) and education (5.96%) inflation remained stable compared to the previous three fortnights.

In this context, Grupo Financiero BASE considers that Banco de México should adopt a cautious stance, keeping its interest rate unchanged while actively evaluating the impact of the conflict between the United States and Iran on global prices of energy, food, and fertilizers.

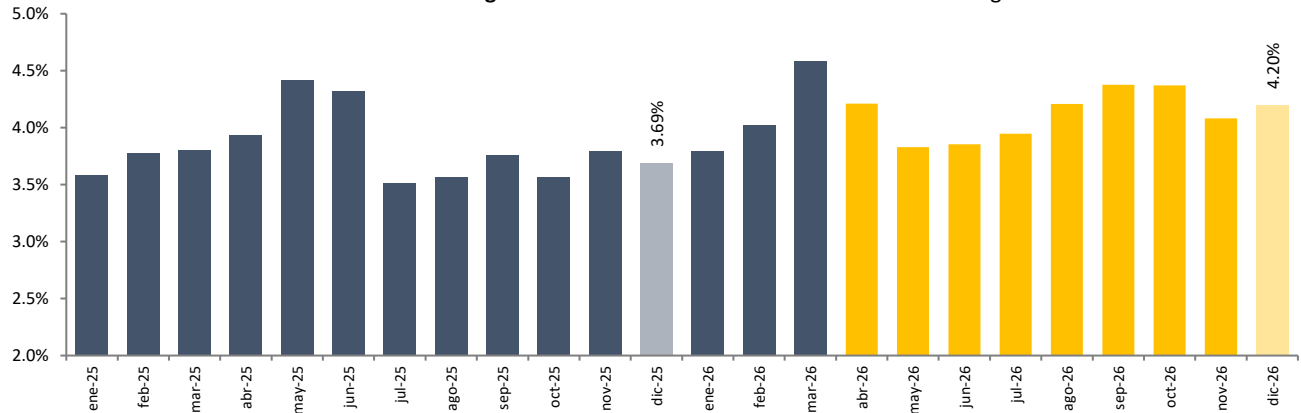
Given that Banco de México's policy rate stands at 6.75% and inflation expectations for the next 12 months are at 3.75%, the ex-ante real interest rate stands at 2.89%. Thus, the real ex-ante rate has remained within Banco de México's estimated neutral range (1.8% to 3.6%) over the past seven months, implying that monetary policy is neutral—that is, it neither stimulates nor restricts economic activity, but also does not actively combat inflation. Without clear signs of a sustained slowdown in core inflation and with upside risks, it is not appropriate to remain within the neutral rate range. Annual inflation is still expected to close the year at 4.2%, and it is unlikely that the current monetary policy stance will achieve the inflation target in the coming years, unless the Mexican economy enters a deep recession.

**Table 1. Biweekly and Annual Inflation**

| 1H of April 2026                                  | Biweekly inflation | Highest biweekly inflation for a comparable period since | Annual Inflation | Consecutive fortnights of acceleration |
|---|--------------------|--|------------------|--|
| <b>Headline inflation</b>                         | 0.11%              | <b>2024</b>  | 4.53%            | <b>2</b>                               |
| <b>Core inflation</b>                             | 0.18%              | <b>2024</b>  | 4.27%            | <b>5</b>                               |
| <b>Goods</b>                                      | 0.25%              | 2024   | 4.10%            | 5                                      |
| Food goods  | 0.11%              | 2007   | 5.41%            | 4                                      |
| Non-food goods                                    | 0.38%              | 2024   | 2.97%            | 1                                      |
| <b>Services</b>                                   | 0.12%              | 2024   | 4.44%            | 1                                      |
| Housing   | 0.18%              | 2025   | 3.54%            | 0                                      |
| Education   | 0.00%              | 2025   | 5.96%            | 0                                      |
| Other services                                    | 0.08%              | 2024   | 5.09%            | 1                                      |
| <b>Non-core inflation</b>                         | -0.13%             | <b>2025</b>  | 5.41%            | <b>0</b>                               |
| <b>Agricultural</b>                               | 1.38%              | 2024   | 8.68%            | 0                                      |
| Fruits and vegetables                             | 4.29%              | 2011   | 23.03%           | 0                                      |
| Livestock   | -0.90%             | Lowest on records  | -0.84%           | 2                                      |
| <b>Energy and government administered tariffs</b> | -1.34%             | 2025   | 2.83%            | 0                                      |
| Energy  | -2.51%             | 2023   | 0.8%             | 1                                      |
| Government administered tariffs                   | 0.70%              | 2025   | 6.45%            | 0                                      |

Source: Grupo Financiero BASE with data from INEGI

Figure 1. Mexico's consumer inflation. Annual % change

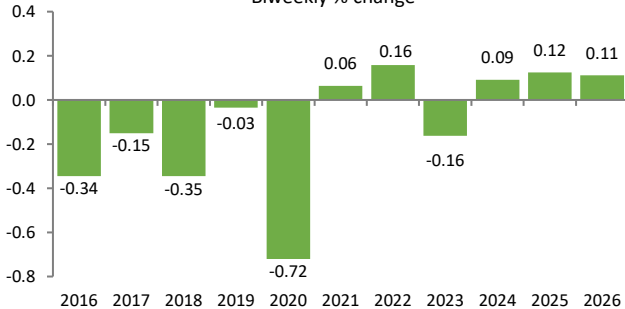


Source: Grupo Financiero BASE with data from INEGI and own estimates

In the first half of April, **headline inflation stood at 0.11% fortnightly**, marking its second consecutive period of deceleration and the lowest level for a comparable period since 2024 (Figure 2).

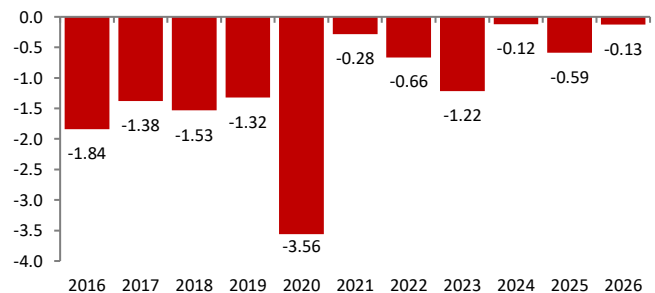
The slowdown in headline inflation was driven by a contraction in **non-core inflation, which fell for the first time since the second half of January, reaching -0.13%**. However, this fortnightly contraction is attributable to a seasonal effect, as when compared across equivalent periods, this component typically declines every first half of April (Figure 3).

Figure 2. Mexico's inflation  
First half of April of each year  
Biweekly % change



Source: Grupo Financiero BASE with data from INEGI

Figure 2. Mexico's non-core inflation  
First half of April of each year  
Biweekly % change



Within **non-core inflation (-0.13%)**, the following stood out:

- **Inflation in energy and government-regulated tariffs contracted by 1.34%**. However, when compared with similar periods, this represents the smallest price decline since 2013. This contraction was due to a **drop in energy prices (-2.51%)**, while inflation in **government-regulated tariffs** limited the decline in non-core inflation, **as it accelerated to 0.70% fortnightly**, the highest for a comparable period since 2013.

It is important to note that the **decline in energy inflation reflects a seasonal effect**, driven by downward adjustments in electricity tariffs. However, going forward, it will be important to continue weighing global risks stemming from the conflict between the United States and Iran. In April, both countries agreed to a ceasefire,

which allowed for a partial downward correction in international energy prices such as oil and its refined products (gasoline and diesel).

However, risks related to the conflict have not disappeared, and international energy prices remain elevated. At the same time, this conflict is also putting pressure on global food and fertilizer prices:

- Since the beginning of the war, WTI has increased by 40.04%.
- Since the beginning of the war, Brent has risen by 41.65%.
- The active contract for granular urea futures in the Middle East has increased by 77.08% since February 27.
- The FAO Food Price Index closed March at 128.48 points, its highest level since September 2025, with a 2.40% increase, its largest monthly gain since September 2024.

Given the above, it would be premature to interpret the fortnightly decline in energy prices as a clear signal of normalization. Grupo Financiero BASE estimates that if the war continues and blockades in the Strait of Hormuz (partial or total) persist, prices of the commodities will remain high, continuing to impact inflation in Mexico.

Among the specific items within the energy and government-regulated tariffs category, a sharp contraction was observed in electricity prices (-14.00%) and public sector document issuance (-0.60%). By contrast, the items with the highest inflation included urban bus fares (3.34%), high-octane gasoline (2.97%), metro or electric transport (1.85%), highway tolls (0.89%), and LP gas (0.48%).

**Table 2.** Energy and government-administered prices with the highest and lowest biweekly inflation. 1H April 2026

| 1H of April                     | Energy and government-administered prices | Biweekly change | 1H of April                     | Energy and government-administered prices | Biweekly change |
|---------------------------------|---|-----------------|---------------------------------|---|-----------------|
| Items with the highest increase | Urban bus                                 | 3.34%           | Items with the highest decrease | Electricity                               | -14.00%         |
|                                 | High-octane gasoline                      | 2.97%           |                                 | Public sector document issuance           | -0.60%          |
|                                 | Metro or electric transport               | 1.85%           |                                 |   |                 |
|                                 | Highway tolls                             | 0.89%           |                                 |   |                 |
|                                 | LP gas                                    | 0.48%           |                                 |   |                 |
|                                 | Taxi                                      | 0.27%           |                                 |   |                 |
|                                 | Water supply charges                      | 0.17%           |                                 |   |                 |
|                                 | Vehicle-related administrative procedures | 0.14%           |                                 |   |                 |
|                                 | Low-octane gasoline                       | 0.13%           |                                 |   |                 |
|                                 | Collective transport                      | 0.10%           |                                 |   |                 |
|                                 | Parking                                   | 0.04%           |                                 |   |                 |

Source: Grupo Financiero BASE with data from INEGI

- **Agricultural inflation stood at 1.38% fortnightly**, after declining 0.69% in the previous fortnight. Compared with equivalent periods, it is the highest since 2024. Pressures in this component were driven by **fruits and vegetables, with inflation of 4.29% fortnightly**, the highest for a comparable period since 2011. It is worth noting that upward pressures in this category are due to security issues within the country and reduced supply caused by a lack of cultivated land. Meanwhile, **livestock product inflation contracted by 0.90%**, its first contraction for a comparable period since 2018.

Among the specific items within the agricultural component, the sharp increase in fruit and vegetable prices stood out: tomatoes (24.37%), poblano peppers (22.63%), serrano peppers (21.94%), other fresh chili peppers (16.89%), and carrots (7.90%). By contrast, the items with the largest fortnightly price declines were green tomatoes (-26.86%), zucchini (-14.92%), limes (-8.12%), bananas (-7.19%), and green beans (-5.43%).

**Table 3.** Fruits and vegetables with the highest and lowest biweekly inflation. First half of April 2026

| 1H of April                     | Fruits and vegetables   | Biweekly change | 1H of April                     | Fruits and vegetables | Biweekly change |
|---------------------------------|-------------------------|-----------------|---------------------------------|-----------------------|-----------------|
| Items with the highest increase | Tomato                  | 24.37%          | Items with the highest decrease | Green tomato          | -26.86%         |
|                                 | Poblano chili           | 22.63%          |                                 | Zucchini              | -14.92%         |
|                                 | Serrano chili           | 21.94%          |                                 | Lime                  | -8.12%          |
|                                 | Other fresh chilies     | 16.89%          |                                 | Bananas               | -7.19%          |
|                                 | Carrot                  | 7.90%           |                                 | Green beans           | -5.43%          |
|                                 | Onion                   | 7.43%           |                                 | Nopales               | -1.79%          |
|                                 | Potato and other tubers | 6.92%           |                                 | Papaya                | -1.53%          |
|                                 | Cucumber                | 4.84%           |                                 | Lettuce and cabbage   | -1.05%          |
|                                 | Grapes                  | 2.02%           |                                 | Beans                 | -0.82%          |
|                                 | Chayote                 | 1.18%           |                                 | Pear                  | -0.49%          |

Source: Grupo Financiero BASE with data form INEGI

**Table 4.** Livestock products with the highest and lowest biweekly inflation. First half of April 2026

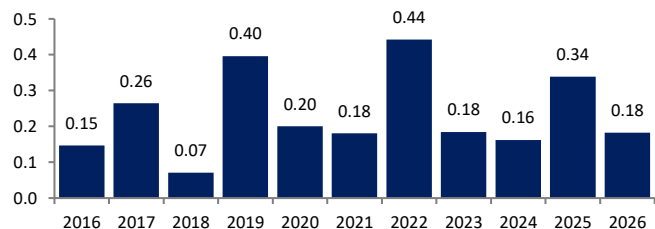
| 1H of April                     | Livestock | Biweekly change | 1H of April                     | Livestock | Biweekly change |
|---------------------------------|-----------|-----------------|---------------------------------|-----------|-----------------|
| Items with the highest increase | Fish      | 0.87%           | Items with the highest decrease | Egg       | -2.59%          |
|                                 | Shrimp    | 0.30%           |                                 | Chicken   | -1.77%          |
|                                 | Lard      | 0.18%           |                                 | Pork      | -0.25%          |
|                                 | Beef      | 0.22%           |                                 | Lard      | -0.12%          |
|                                 |           |                 |                                 | Beef      | -0.05%          |
|                                 |           | Beef offal      |                                 | -0.02%    |                 |
|                                 |           |                 |                                 |           |                 |

Source: Grupo Financiero BASE with data form INEGI

By contrast, **core inflation** recorded a slight acceleration, reaching **0.18% fortnightly** (Figure 4). This increase was largely driven by **goods inflation, which rose to 0.25% fortnightly**. Within this category, both subcomponents accelerated:

- **Non-food goods inflation stood at 0.38%, while food goods inflation came in at 0.11%**. It is worth noting that inflation in the latter remained low, as it is the lowest for a comparable period since 2007.

**Figure 4.** Mexico's core inflation  
First half of April of each year  
Biweekly % change



Source: Grupo Financiero BASE with data form INEGI

In this context, the items within the goods category that recorded the highest inflation were clothing accessories (0.54%), plants and flowers (0.51%), musical instruments and audio/video downloads (0.44%), and pet food (0.34%). Meanwhile, the items that registered price declines were video game consoles, discs and downloads (-2.57%), bedspreads and blankets (-0.12%), and audio and video players and their accessories (-0.01%).

**Table 5.** Goods with the highest and lowest biweekly inflation. First half of April 2026

| 1H of April                     | Goods   | Biweekly change | 1H of April                     | Goods   | Biweekly change |
|---------------------------------|---|-----------------|---------------------------------|---|-----------------|
| Items with the highest increase | Clothing accessories                          | 0.54%           | Items with the highest increase | Video game consoles, discs and downloads      | -2.57%          |
|                                 | Plants and flowers                            | 0.51%           |                                 | Bedspreads and blankets                       | -0.12%          |
|                                 | Musical instruments and audio/video downloads | 0.44%           |                                 | Audio and video players and their accessories | -0.01%          |
|                                 | Pet food                                      | 0.34%           |                                 |   |                 |
|                                 | Sandals                                       | 0.29%           |                                 |   |                 |
|                                 | Energy drinks                                 | 0.18%           |                                 |   |                 |
|                                 | Towels, curtains and other linens             | 0.04%           |                                 |   |                 |

Source: Grupo Financiero BASE with data from INEGI

- **Services inflation slowed to 0.12% fortnightly**, breaking below the 0.2% threshold observed over the previous four fortnights. This was due to a significant slowdown in **other services inflation, which stood at 0.08%**, the lowest for a comparable period since 2024. At the same time, **education inflation remained at 0.00%** for the third consecutive fortnight. However, the slowdown in core inflation was limited by **housing inflation, which stood at 0.18%**, the highest for a comparable period since 2023.

The slowdown in services inflation was consistent with the behavior of some of its components. Notably, there were price declines in air transportation (-11.65%), package tourism services (-2.42%), and hotels (-0.62%), which could be attributed to a downward adjustment following the Easter holiday period. By contrast, among the items that recorded fortnightly increases in prices were movie theaters (4.35%), museums and cultural sites (1.67%), pay TV services (1.08%), intercity bus fares (1.06%), and beauty salons and massage services (1.06%).

**Table 6.** Services with the highest and lowest biweekly inflation. First half of April 2026

| 1H of April                     | Services                           | Biweekly change | 1H of April                     | Services                 | Biweekly change |
|---------------------------------|------------------------------------|-----------------|---------------------------------|--------------------------|-----------------|
| Items with the highest increase | Movie theaters                     | 4.35%           | Items with the highest decrease | Air transportation       | -11.65%         |
|                                 | Museums and cultural sites         | 1.67%           |                                 | Package tourism services | -2.42%          |
|                                 | Pay TV services                    | 1.08%           |                                 | Hotels                   | -0.62%          |
|                                 | Intercity bus                      | 1.06%           |                                 | Pay TV services          | -0.28%          |
|                                 | Beauty salons and massage services | 0.98%           |                                 | Movie theaters           | -0.15%          |
|                                 | Car maintenance                    | 0.67%           |                                 | Car repair               | -0.05%          |
|                                 | Other housing related services     | 0.59%           |                                 |                          |                 |
|                                 | Hospital childbirth services       | 0.56%           |                                 |                          |                 |
|                                 | Car washing                        | 0.54%           |                                 |                          |                 |
|                                 | Laundry services                   | 0.48%           |                                 |                          |                 |

Source: Grupo Financiero BASE with data from INEGI

On an annual basis, **headline inflation stood at 4.53%**, marking two consecutive fortnights of deceleration. However, inflation has remained above 4% for four consecutive fortnights, well above Banco de México's 3% target. Additionally, it is concerning that both major components are registering inflation above 4%.

**Non-core inflation accelerated to 5.41%**, the highest since the second half of May 2025. Within this component:

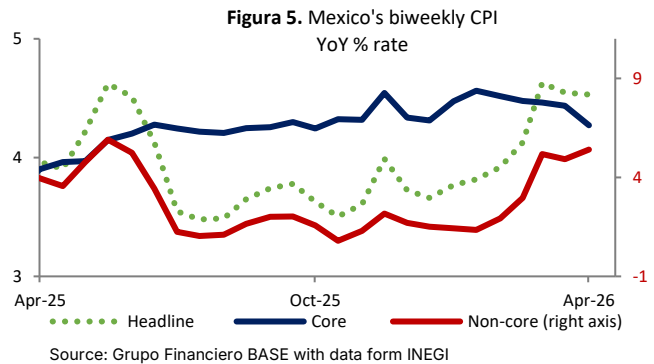
- **Agricultural product inflation stood at 8.68% annually**, marking its fifth consecutive fortnight above the 3% target. Within this, **fruits and vegetables recorded inflation of 23.03%**, the third consecutive fortnight above 10%. This is concerning, as it is driven by lower agricultural production and security issues within the country—problems unlikely to be resolved in the short term and that could keep this component under pressure in the medium term. By contrast, **livestock product inflation fell by 0.84%**, the lowest since the first half of April 2024.
- **Energy and government-regulated tariffs inflation stood at 2.83% annually**, accelerating for the third consecutive fortnight. These upward pressures were driven by **government-regulated tariffs, whose inflation rose to 6.45%**, the highest since the first half of June 2023. In contrast, **energy inflation slowed to 0.80%**, although it remains elevated.

**Core inflation stood at 4.27%**, marking its fifth consecutive fortnight of deceleration. This should be interpreted with caution, as **it has remained above the 3% target for 231 consecutive fortnights**. Within this component, both subcategories slowed:

- **Goods inflation stood at 4.10%**, marking five consecutive fortnights of deceleration and reaching its lowest level since the first half of October. **Non-food goods inflation stood at 2.97%**, the lowest since the first half of May 2025. Meanwhile, **food goods inflation slowed to 5.41%**, moving away from its recent peak recorded in the first half of February (6.28%).
- **Services inflation slowed to 4.44%**, the lowest since the first half of February. This deceleration was mainly driven by **other services inflation, which stood at 5.09%**, the lowest since the second half of December 2025. Meanwhile, **housing (3.54%) and education (5.96%) inflation remained stable** compared to the previous three fortnights.

In this context, Grupo Financiero BASE considers that Banco de México should adopt a cautious stance, keeping its interest rate unchanged while actively evaluating the impact of the conflict between the United States and Iran on global prices of energy, food, and fertilizers.

Given that Banco de México's policy rate stands at 6.75% and inflation expectations for the next 12 months are at 3.75%, the ex-ante real interest rate stands at 2.89%. Thus, the real ex-ante interest rate has remained within Banco de México's estimated neutral range (1.8% to 3.6%) over the past seven months, implying that monetary policy is neutral—that is, it neither stimulates nor restricts economic activity, but also does not actively combat inflation. Without clear signs of a slowdown in inflation and with upside risks, it is not appropriate to remain within the neutral rate range. Annual inflation is still expected to close the year at 4.2%.



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# FOCUS ECONOMICS

**10TH** ANNIVERSARY ANALYST  
FORECAST AWARDS 2026

#1 FORECASTER - Mexico Overall  
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**Annex 1.** Items with the highest and lowest biweekly inflation. First half of March 2026

| 1H April                    | Items                                    | Biweekly change |
|-----------------------------|--|-----------------|
| Items with highest increase | Tomato                                   | 24.37%          |
|                             | Poblano chili                            | 22.63%          |
|                             | Serrano chili                            | 21.94%          |
|                             | Other fresh chilies                      | 16.89%          |
|                             | Carrot                                   | 7.90%           |
|                             | Onion                                    | 7.43%           |
|                             | Potato and other tubers                  | 6.92%           |
|                             | Cucumber                                 | 4.84%           |
|                             | Movie theaters                           | 4.35%           |
|                             | Urban bus                                | 3.34%           |
| Items with highest decrease | Electricity                              | -14.00%         |
|                             | Air transport                            | -11.65%         |
|                             | Egg                                      | -2.59%          |
|                             | Video game consoles, discs and downloads | -2.57%          |
|                             | Package tourism services                 | -2.42%          |
|                             | Chicken                                  | -1.77%          |
|                             | Hotels                                   | -0.62%          |
|                             | Public sector document issuance          | -0.60%          |
|                             | Pork                                     | -0.25%          |
| Bedspreads and blankets     | -0.12%                                   |                 |

Source: Grupo Financiero BASE with data from INEGI