

## National Consumer Price Index (CPI), 1H July 2025

Next release of June's CPI: August 7

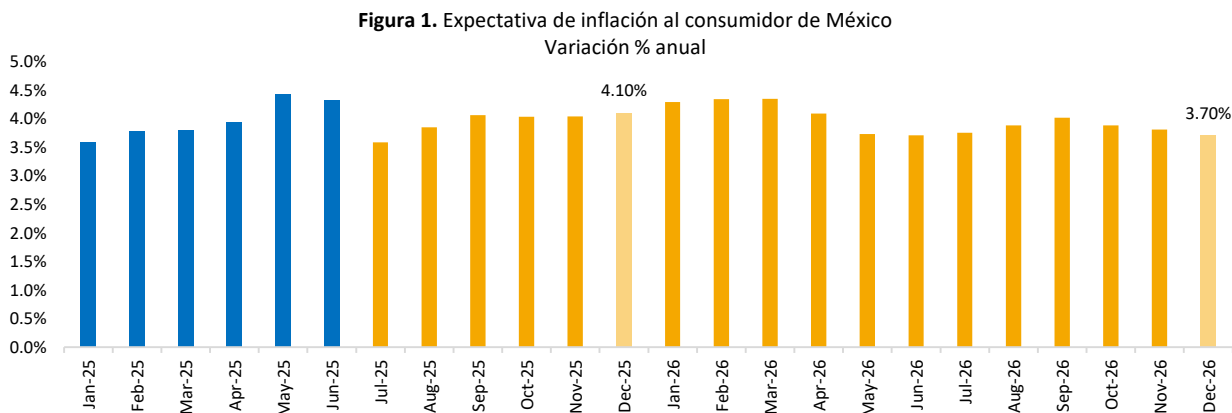
### Overall Results and Expectations

In Mexico, consumer inflation for the first half of July 2025 stood at a biweekly rate of 0.15%, the lowest for a given fortnight since 2015. The biweekly slowdown was mainly driven by core inflation, which, like overall inflation, stood at 0.15%, marking three consecutive fortnights of slowdown and reaching its lowest level for the same fortnight since 2016. Non-core inflation accelerated for the second fortnight in a row, standing at 0.16%, although this is also the lowest inflation for the same fortnight since 2015. Within core inflation, goods inflation stood at 0.05%, slowing significantly compared to the previous fortnight (0.23%). Meanwhile, services inflation accelerated to 0.24%, although compared to the same period, it is the lowest since 2021.

At an annual rate, overall inflation slowed for the second fortnight in a row, standing at 3.55% annually, its lowest level since the second fortnight of January. Both core and non-core inflation slowed. Non-core inflation stood at 1.24%, its third consecutive fortnight of deceleration and its lowest level since the second fortnight of October 2023 (0.64% annually). Core inflation, meanwhile, broke a seven-week streak of acceleration, standing at 4.25% annually, the lowest since the first fortnight of June (4.15% annually). Within non-core inflation, the slowdown was caused by low agricultural inflation, which stood at 0.26%, slowing for the third consecutive fortnight and reaching its lowest level since the second fortnight of January (0.05% annually), combined with the decline in inflation for energy and government-regulated tariffs, which stood at 2.09%, its third consecutive fortnight of deceleration and its lowest level since February 2024. For its part, the slowdown in core inflation came from the services sector, which stood at 4.49%, interrupting three consecutive fortnights of acceleration.

All of the above presents a positive short-term outlook for inflation in Mexico, but it is possible that the sharp slowdown in inflation is due to stagnation in Mexico's economic activity, reflected in declines in consumption, fixed investment, construction, and automotive exports. This weakness in economic activity is expected to continue for the rest of the year, which could continue to favor inflation. As a result, the Bank of Mexico is expected to make two cuts of 25 basis points each this year, ending 2025 with a reference rate of 7.5%.

It should be noted that there are still upside risks to inflation, particularly from the possibility of peso depreciation, which would put pressure on goods inflation.



Source: Grupo Financiero BASE with INEGI's information and own projections.

**Table 1. Biweekly and annual CPI**

1st Half of July	Biweekly inflation	Highest CPI for an equal fortnight since	Annual inflation	Consecutive months of acceleration
<b>Headline inflation</b>	<b>0.15%</b>	<b>2015</b>	<b>4.51%</b>	<b>0</b>
<b>Core inflation</b>	0.15%	2016	4.25%	1
<b>Goods</b>	0.05%	-	4.01%	0
Food goods	0.24%	-	5.12%	0
Non-food goods	-0.10%	2017	3.04%	1
<b>Services</b>	0.24%	2021	4.49%	1
Housing	0.11%	2021	3.40%	1
Education	0.05%	-	5.82%	0
Other services	0.39%	2020	5.36%	1
<b>Non-core inflation</b>	<b>0.16%</b>	<b>2015</b>	<b>1.24%</b>	<b>3</b>
<b>Agricultural products</b>	0.19%		0.26%	3
Fruits and vegetables	0.25%	2020	-12.24%	3
Livestock	0.16%	2023	10.70%	2
<b>Energy and authorized tariffs</b>	0.12%	2020	2.09%	3
Energy	0.11%	2023	0.95%	3
Authorized tariffs	0.14%	2023	4.08%	1

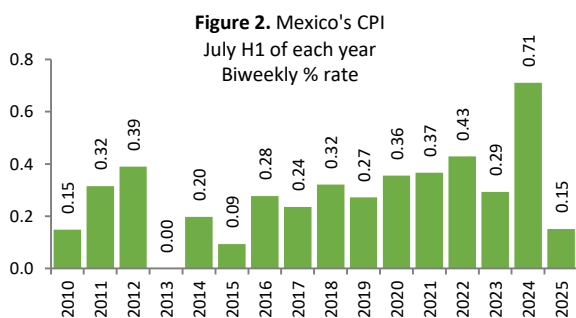
Source: Grupo Financiero BASE with INEGI's information.

## Headline CPI

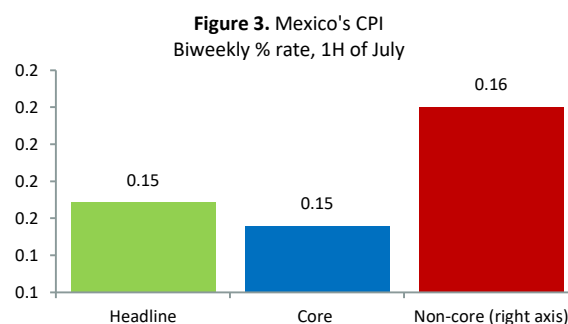
In the first half of July 2025, **headline consumer inflation stood at a biweekly rate of 0.15%**, the lowest for a given fortnight since 2015 (Figure 2). It is important to note that this is the first fortnight since 2015 in which inflation has been below 0.19% fortnightly, its long-term average for similar periods.

The biweekly **slowdown was mainly driven by core inflation**, which, like overall inflation, stood at 0.15%, marking three consecutive fortnights of slowdown and reaching its lowest level for the same fortnight since 2016.

**Non-core inflation accelerated** for the second fortnight in a row, **standing at 0.16%**, although this is also the lowest inflation for the same fortnight since 2015.



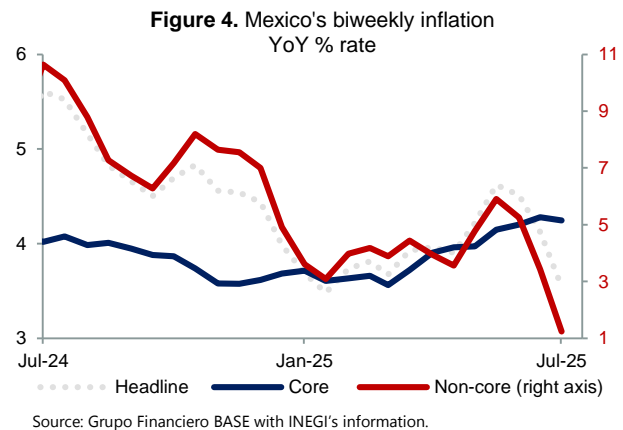
Source: Grupo Financiero BASE with INEGI's information.



At an annual rate, **headline inflation slowed for the second consecutive fortnight, standing at 3.55% annually**, its lowest level since the second fortnight of January.

Both core and non-core inflation slowed. **Non-core inflation stood at 1.24%**, its third consecutive fortnight of deceleration and its lowest level since the second fortnight of October 2023 (0.64% annually).

**Core inflation**, meanwhile, broke a seven-week streak of acceleration, **standing at 4.25% annually**, the lowest since the first fortnight of June (4.15% annually).



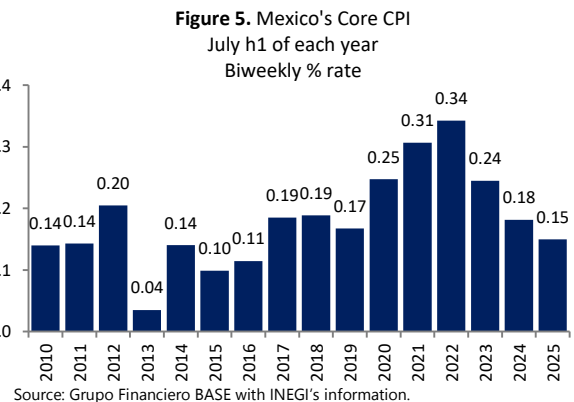
All of the above presents a positive short-term outlook for inflation in Mexico, and the Bank of Mexico is expected to make two cuts of 25 basis points each this year.

It should be noted that there are still upside risks to inflation, particularly from the possibility of peso depreciation, which would put pressure on goods inflation..

## Core CPI

### Biweekly rate

Core inflation, which excludes food and energy and determines the long-term inflation trajectory, stood at 0.15%, marking three consecutive fortnights of deceleration and reaching its lowest level for a given fortnight since 2016. The biweekly slowdown was driven by goods inflation, which stood at 0.05%, showing a significant slowdown from the 0.23% recorded in the previous fortnight. However, this was limited by services inflation, which accelerated to 0.24%, although compared to the same period, it is the lowest since 2021.



The following points stood out in core inflation:

- Biweekly **goods inflation** (0.05%) slowed significantly compared to the previous fortnight (0.23%) due to mixed performance among its two main categories. On one hand, inflation for **non-food goods** went from 0.24% in the previous fortnight to -0.10% in the first fortnight of July, the lowest for an equal period since 2017. This is consistent with the performance of the generic items in the goods component, as the nine with the lowest inflation belonged to non-food goods, notably: audio and video players and accessories (-1.24%), plants and flowers (-1.06%), musical instruments, audio and video downloads (-0.42%), sandals and huaraches (-0.23%), and towels, curtains, and other linens (-0.18%) (Table 2). Meanwhile, **food inflation** accelerated to 0.24%, the highest biweekly inflation for a given fortnight since 2022.

**Table 2.** Goods with the highest and lowest increases, food and non-food. % rate in H1 of July 2025

Generics with the highest increase	Goods	Biweekly (%)	Generics with the highest decrease	Goods	Biweekly (%)
	Audio and video players and accessories	-1.24%		Bedspreads and blankets	0.11%
	Plants and flowers	-1.06%			
	Musical instruments and audio and video downloads	-0.42%			
	Sandals and huaraches	-0.23%			
	Pet food	-0.19%			
	Towels, curtains, and other linens	-0.18%			
	Video game consoles, discs, and downloads	-0.17%			
	Energy drinks	-0.15%			
	Clothing accessories	-0.08%			

Source: Grupo Financiero BASE with INEGI's information.

- **Services inflation** (0.24% biweekly) accelerated from 0.17% in the previous fortnight. This was mainly due to **other services**, which saw inflation of 0.39% biweekly after standing at 0.18% in the previous fortnight, although this was the lowest inflation for a similar period since 2020. At the same time, inflation in **education services** stood at 0.05%, after standing at 0.00% in the previous fortnight. Compared to the same periods, this is the highest inflation since 2023. In this context, the services with the highest biweekly inflation corresponded to the category of other services, notably: air transport (11.25%), package tourist services (2.61%), cinema (1.39%), recreational services and nightclubs (0.55%), and intercity bus (0.44%) (Table 2). It is worth mentioning that the latter could be attributed to a seasonal effect, as demand for these services tends to increase during the holiday period. Meanwhile, inflation in **housing services** (0.11%) limited services inflation, as it interrupted four consecutive fortnights of acceleration and, compared to the same periods, is the lowest inflation since 2021.

**Table 3.** Services with the highest and lowest increases. % rate in H1 of July 2025

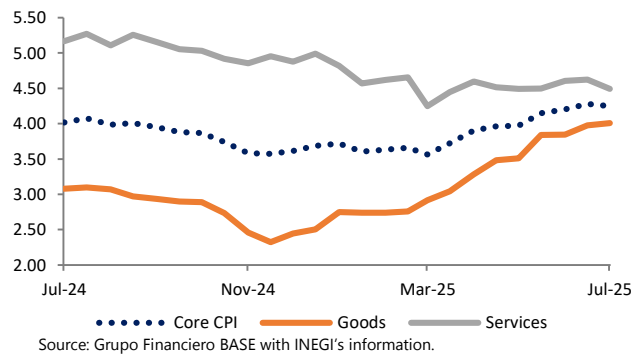
Generics with the highest increase	Services	Biweekly (%)	Generics with the highest decrease	Services	Biweekly (%)
	Air transportation	11.25%		Hospitalization for childbirth	-0.05%
	Package tourist services	2.61%		Hotels	-0.04%
	Cinema	1.39%		Car wash and oil change	-0.03%
	Recreational services and nightclubs	0.50%		Surgical operation	-0.02%
	Intercity bus	0.44%		Hospitalization for childbirth	-0.05%
	Haircuts	0.41%			
	Internet, telephone, and pay TV packages	0.38%			
	Movie and music streaming	0.35%			
	Snack bars, diners, torta shops, and taco shops	0.31%			
	General hospitalization	0.30%			

Source: Grupo Financiero BASE with INEGI's information.

### Annual Rate

Core inflation stood at 4.25% annually, interrupting seven consecutive fortnights of acceleration and showing the lowest inflation since the second half of May (4.15%). Despite the positive data, there are still no clear signs that core inflation will resume the downward trend recorded in 2024, so it cannot yet be considered that the Bank of Mexico is still achieving sustained convergence of inflation to the 3% target. This is important because the core component determines the trajectory of overall inflation in the medium and long term.

**Figure 6. Mexico's Core CPI**  
YoY % rate



Within the core component, the following stood out:

- **Services inflation** interrupted three consecutive quarters of acceleration at an annual rate, standing at 4.49%, showing that this is the category that is limiting upward pressures on the underlying component. The annual slowdown was driven by **other services**, where inflation stood at 5.36%, interrupting four consecutive fortnights of acceleration, coupled with the slowdown in **housing inflation**, which stood at 3.40% annually, the lowest inflation since the first fortnight of February 2023. Meanwhile, **education inflation** stood at 5.82%, stable at around 5.8%, as it has been since the first fortnight of March, **showing that its slowdown will be gradual**.
- **Goods inflation** (4.01% annually), which has risen for 10 consecutive fortnights and shows no signs of a downward turning point. This momentum comes from its two main categories, food goods and non-food goods. On one hand, **food goods inflation** stood at 5.12% annually, rising for four fortnights in a row and remaining above 4% since the first fortnight of March, which is above the upper range of the Bank of Mexico's inflation target. On the other hand, **non-food inflation** stood at 3.04%, showing a slowdown compared to the 3.09% annual rate recorded in the second half of June. However, this category shows a clear upward trend, moving away from the levels recorded between the second half of 2024 and March 2025 (1.17% to 1.93%).

In conclusion, the main risk to core inflation is the continued increase in commodity prices, which could be pushed upward in the latter part of the year, given a possible depreciation of the Mexican peso caused by seasonal effects and risk aversion due to Trump's protectionist policy.

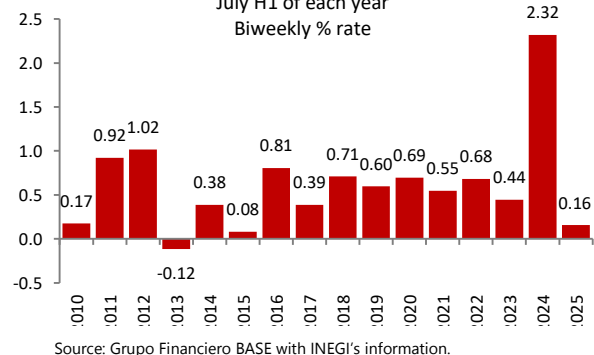
### Non-core CPI

#### Biweekly rate

**Non-core inflation** accelerated for the second consecutive fortnight, reaching 0.16%. However, when compared to the same periods in previous years, it is the lowest inflation rate since 2015 (Figure 6). It is also important to note that it was below the biweekly average of 0.50% for the same periods from 2010 to 2019.

The biweekly acceleration was driven by inflation in its two main categories. Inflation in **energy and government-**

**Figure 7. Mexico's CPI**  
July H1 of each year  
Biweekly % rate



**regulated tariffs** stood at 0.12%, interrupting eight consecutive biweekly periods of contraction.

Within the agricultural and government-regulated price categories, the following stood out:

- Biweekly inflation for agricultural products (0.19%) was due to the acceleration of inflation for livestock products (0.16%), after falling 0.04% in the previous fortnight. Meanwhile, inflation for fruits and vegetables slowed slightly to 0.25%, from 0.27% in the previous fortnight. However, on a positive note, when compared to the same periods, it recorded the lowest inflation since 2020 (-1.05%) and, excluding 2020, it is the lowest inflation for the same period since 2016.

Within livestock products, the biweekly acceleration was due to an increase in the prices of eggs (3.29%), pork (0.43%), fish (0.33%), beef (0.31%), and lard (0.18%). Meanwhile, the fall in the price of chicken (-1.79%), shrimp (0.31%), and beef offal (-0.24%) limited inflation.

**Table 4.** Livestock products with the highest and lowest inflation of July H1. % rate in July H1 2025

Generics with the highest increase	Livestock	Variación quincenal	Generics with the highest decrease	Livestock	Variación quincenal
	Eggs	3.29%		Chicken	-1.79%
	Pork	0.43%		Shrimp	-0.31%
	Fish	0.33%		Beef offal	-0.24%
	Beef	0.31%			
	Lard	0.18%			

Source: Grupo Financiero BASE with INEGI's information.

Within fruits and vegetables, the biweekly slowdown was mainly due to the contraction in the prices of grapes (-11.96%), green beans (-9.18%), papaya (-5.86%), lemons (5.73%), and guava (-4.72%). However, the slowdown was limited by inflation in nopales (14.44%), lettuce and cabbage (8.71%), chayote (6.09%), oranges (4.42%), and zucchini (4.41%).

**Table 5.** Fruits and vegetables with the highest and lowest inflation in the first half of July. % rate H1 July 2025

Generics with the highest increase	Fruits and vegetables	Biweekly % rate	Generics with the highest decrease	Fruits and vegetables	Biweekly % rate
	Nopales	14.44%		Grapes	-11.96%
	Lettuce and cabbage	8.71%		Green beans	-9.18%
	Chayote squash	6.09%		Papaya	-5.86%
	Oranges	4.42%		Lemon	-5.73%
	Zucchini	4.41%		Guava	-4.72%
	Onions	4.20%		Poblano chili pepper	-4.12%
	Other fresh chili peppers	4.07%		Peach	-4.10%
	Carrots	3.06%		Watermelon	-3.87%
	Other vegetables and legumes	2.76%		Green tomato	-3.34%
	Melons	1.58%		Avocado	-3.21%

Source: Grupo Financiero BASE with INEGI's.

- The biweekly inflation rate for energy and government-regulated tariffs (0.12%) was mainly due to the rebound in energy prices (0.21%), which interrupted eight consecutive biweekly periods of contraction. This was reflected in the biweekly increase in electricity prices (0.42%), domestic LP gas (0.25%), and high-octane gasoline (0.18%). Meanwhile, government-regulated tariffs showed biweekly inflation of 0.14%, accelerating from 0.11% in the previous biweekly period. This higher inflation was particularly reflected in the prices of taxis

(0.55%), water supply fees (0.122%), metro or electric transport (0.03%), issuance of public sector documents (0.03%), and vehicle procedures (0.02%).

**Table 6.** Energy sources and government-approved rates with the highest and lowest increases. % rate in H1 of July 2025

	Energy	Biweekly % rate	Tarifas autorizadas por el gobierno	Biweekly % rate
Generics with the highest increase	Electricity	0.42%	Taxi	0.55%
	Domestic LP gas	0.25%	Derechos por el suministro de agua	0.12%
	High-octane gasoline	0.18%	Metro o transporte eléctrico	0.03%
			Expedición de documentos del sector público	0.03%
Generics with the highest decrease			Trámites vehiculares	0.02%
	Low-octane gasoline	-0.01%	Estacionamiento	-0.01%

Source: Grupo Financiero BASE with INEGI's information.

### Annual Rate

**Non-core inflation** stood at 1.24%, its third consecutive fortnight of deceleration and its lowest level since the second fortnight of October 2023 (0.64% annually).

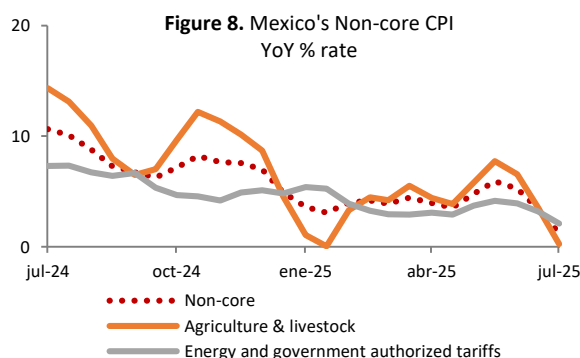
The annual slowdown was explained by inflation in energy and government-regulated tariffs (2.09%), which has slowed for three consecutive fortnights, coupled with agricultural inflation, which stood at 0.26% annually, the lowest since the second fortnight of January.

Within each category, the following stood out:

- Inflation in the **agricultural sector** (0.26% annually) slowed significantly for the second month in a row, signaling that the upward trend seen in the first half of the year could be reversed (Figure 8). This was mainly due to the **fruit and vegetable** sector, where inflation fell by 12.24% annually, having fallen in 12 of the last 13 fortnights. In addition, the high comparative base of the previous year suggests that fruit and vegetable prices could continue to contract, as inflation in this category ranged between 7.15% and 19.01% annually from August to December 2024.

On the other hand, there is inflation in **livestock products**, which, despite showing a slowdown for the second month in a row, stood at 10.70%, and there is currently a clear sign that it is already at a downward turning point. This is evidence that this category could continue to limit the slowdown in the non-core component.

- Inflation in **energy and government-regulated tariffs** (0.95% annually) is declining and stable (Figure 8). This suggests that it is not generating additional inflationary pressures on the non-core component or on overall inflation. Furthermore, it should be noted that, in an international context, energy prices remain low and there is a growing expectation that they could continue to fall in view of a global economic slowdown, reducing the risk of new inflationary pressures via this component.



Source: Grupo Financiero BASE with INEGI's information.

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#### Appendix 1. Generic drugs with the highest and lowest biweekly inflation in the first half of July.

H1 July		Biweekly (%)
10 Generics with the highest increase	Fruits and vegetables	14.44%
	Nopales (prickly pear cactus pads)	11.25%
	Air transport	8.71%
	Lettuce and cabbage	6.09%
	Chayote squash	4.42%
	Oranges	4.41%
	Zucchini	4.20%
	Onions	4.07%
	Other fresh chilies	3.29%
	Eggs	3.06%
10 generics with the highest decrease	Carrots	-11.96%
	Grapes	-9.18%
	Green beans	-5.86%
	Papaya	-5.73%
	Lemons	-4.72%
	Guava	-4.12%
	Poblano chilies	-4.10%
	Peaches	-3.87%
	Watermelon	-3.34%
	Green tomatoes	-3.21%

Source: Grupo Financiero BASE with INEGI's information.