

## Mexico's National Consumer Price Index (CPI), March 2025

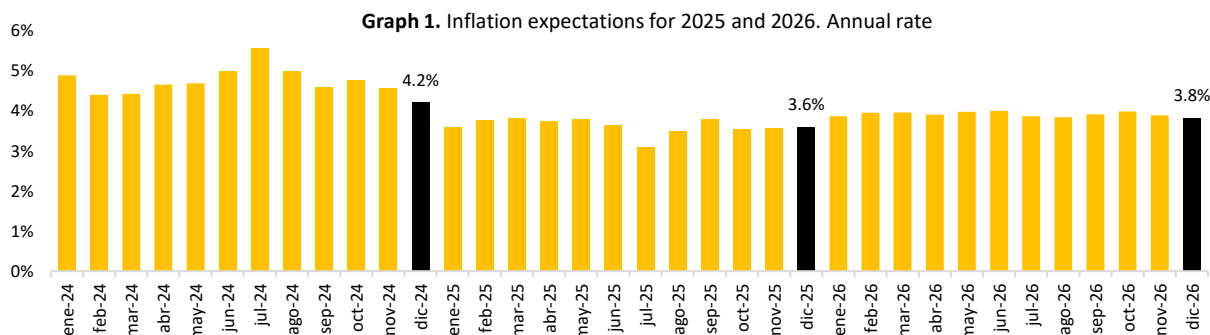
Next release on inflation as of the first half of April: April 24

### 1. Expectations

In March, consumer inflation in Mexico accelerated for the second consecutive month, standing at an annual rate of 3.80%, the highest since December 2024. Within, non-core inflation also accelerated for the second straight month, reaching 4.16% annually, likewise the highest since December. In contrast, core inflation, which excludes the most volatile prices and determines the medium and long-term inflation trajectory, posted a second consecutive month of deceleration, standing at 3.64% annually, its lowest level since November 2024. Despite the rebound in headline inflation, the deceleration of the core component is a positive sign.

March data suggests that headline inflation could begin to ease in the coming months, particularly due to lower price pressures in the services sector amid Mexico's economic slowdown. However, upside risks remain in the goods component, where the effects of peso depreciation and high volatility may already be materializing. Furthermore, inflation in Mexico could face upward pressure in the goods subcomponent due to rising prices in the United States, driven by Donald Trump's tariff policy.

In this context, inflation is expected to close the year at 3.6%, and Banco de México is forecast to continue its rate-cutting cycle, bringing the interest rate to 8.00% by the end of 2025.

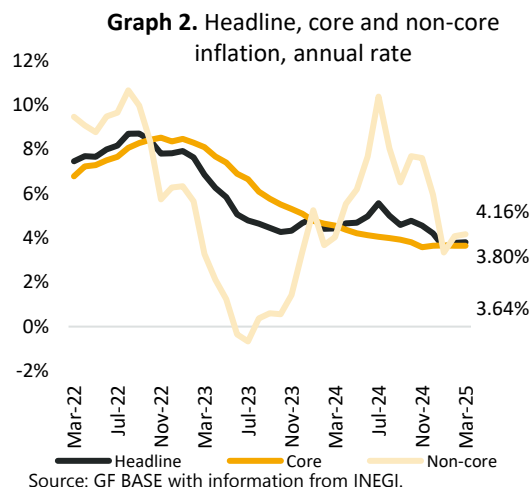


Source: Gurpo Financiero BASE with information from INEGI.

### 2. March Inflation – Annual Variation

Consumer inflation accelerated for the second consecutive month in March, reaching an annual rate of 3.80% (Graph 2 and Table 1), the highest since December 2024 (4.21%). Within the index, non-core inflation also rose for the second straight month, standing at 4.16%, the highest annual rate since December 2024 (5.95%).

The agricultural subcomponent stood at 4.87% annually (Graph 3), the highest since December 2024 (6.57%). Within it, livestock products continue to show upward pressure. Excluding last month's data, March marks the highest annual rate since February 2023. In contrast, fruits and vegetables have posted three consecutive months of negative annual inflation.



Source: GF BASE with information from INEGI.

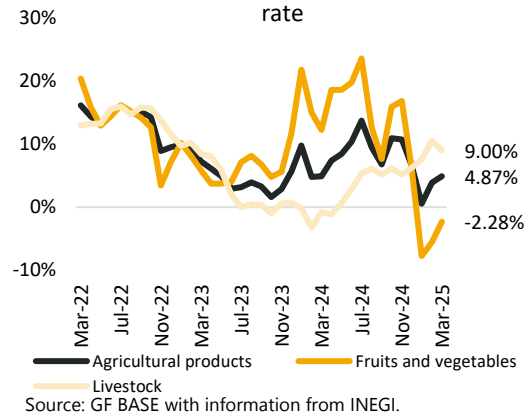
Meanwhile, the subcomponent of energy and government-authorized tariffs stood at 2.94% annually (Graph 4), the lowest since February 2024 (2.75%). This was driven by energy prices, which posted the lowest annual inflation since March 2024, in contrast to government-authorized tariffs, which recorded the highest annual rate since January 2024.

In contrast, core inflation posted a second consecutive month of deceleration, standing at 3.64% annually, the lowest since November 2024 (3.58%). This was driven by the services subcomponent, which registered an annual rate of 4.35% (Graph 5), the lowest since January 2022 (4.35%), primarily due to the subcomponents of other services and housing services, which stood at 4.92% and 3.64% annually, the lowest since September 2021 (4.78%) and September 2023 (3.58%), respectively.

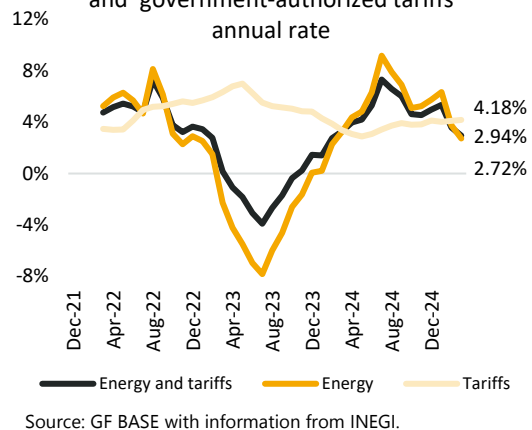
On the other hand, goods inflation recorded its fourth consecutive month of acceleration, standing at 2.98% annually (Graph 6), the highest since August 2024 (3.02%). Within it, both food-goods and non-food goods accelerated, standing at 4.15% and 1.88% annually, the highest since June 2024 (4.22%) and July 2024 (1.95%), respectively.

Core inflation data suggests that inflation may decelerate in the coming months due to easing pressures in the services sector. However, pressure in the goods component remains a concern, as it may already reflect the effects of the Mexican peso's depreciation and increased exchange rate volatility.

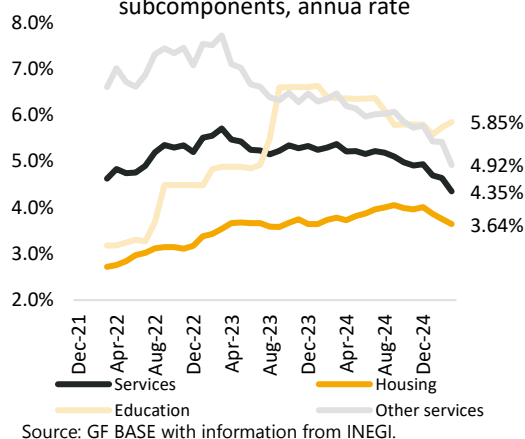
**Graph 3. Agricultural products, fruits and vegetables, and livestock, annual rate**



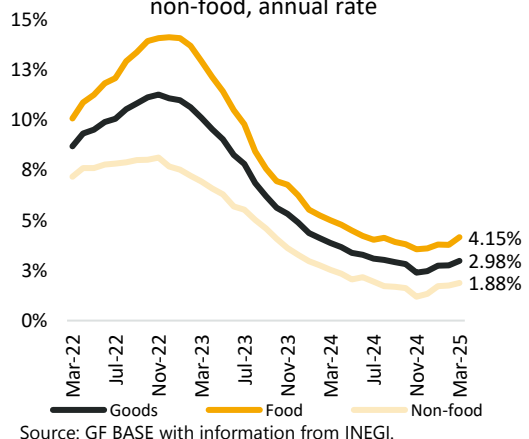
**Graph 4. Energy and tariffs, energy and government-authorized tariffs, annual rate**



**Graph 5. Services inflation and subcomponents, annual rate**



**Graph 6. Goods inflation, food and non-food, annual rate**



**Table 1.** March inflation, monthly and annual variation.

March 2025	Monthly inflation	Lowest for an equal month since	Monthly average over the last 10 years	Annual inflation	Lowest since	Consecutive months of deceleration (annual)
<b>Headline inflation</b>	<b>0.31%</b>	<b>2024</b>	<b>0.42%</b>	<b>3.80%</b>	<b>Feb-25</b>	-
<b>Core inflation</b>	<b>0.43%</b>	<b>2020</b>	<b>0.44%</b>	<b>3.64%</b>	<b>Nov-24</b>	2
<b>Goods</b>	<b>0.45%</b>	<b>2024</b>	<b>0.44%</b>	<b>2.98%</b>	<b>Feb-25</b>	-
Food goods	0.66%	2024	0.47%	4.15%	Feb-25	-
Non-food goods	0.26%	2024	0.40%	1.88%	Feb-25	-
<b>Services</b>	<b>0.41%</b>	<b>2020</b>	<b>0.44%</b>	<b>4.35%</b>	<b>Jan-22</b>	3
Housing	0.27%	2022	0.26%	3.64%	Sep-23	3
Education	0.13%	2024	0.02%	5.85%	Feb-25	-
Other services	0.59%	2020	0.69%	4.92%	Sep-21	3
<b>Non-core inflation</b>	<b>-0.08%</b>	<b>2024</b>	<b>0.37%</b>	<b>4.16%</b>	<b>Feb-25</b>	-
<b>Agricultural</b>	<b>0.41%</b>	<b>2024</b>	<b>0.43%</b>	<b>4.87%</b>	<b>Feb-25</b>	-
Fruits and vegetables	-0.06%	2024	0.17%	-2.28%	Feb-25	-
Livestock	0.72%	2023	0.77%	9.00%	Jan-25	1
<b>Energy and authorized tariffs</b>	<b>-0.45%</b>	<b>2020</b>	<b>0.34%</b>	<b>2.94%</b>	<b>Feb-24</b>	2
Energy	-0.86%	2020	0.36%	2.72%	Feb-24	2
Authorized tariffs	0.31%	2024	0.28%	4.18%	Feb-25	-

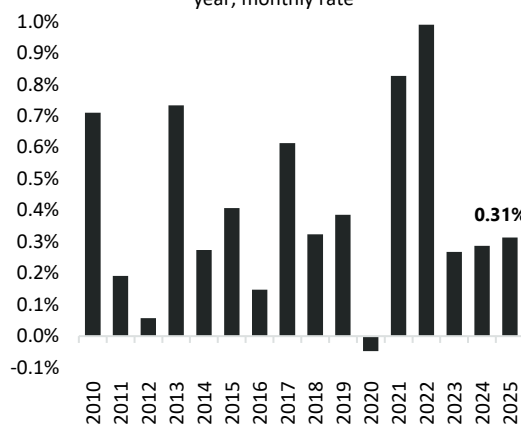
Source: Grupo Financiero BASE with information from INEGI.

### 3. March Inflation – Monthly Variation

On a monthly basis, inflation in Mexico stood at 0.31% (Graph 7 and Table 1), the highest rate for a March since 2022 (0.99%). However, core inflation was 0.43% (Graph 8), the lowest for a March since 2020 (0.29%), while non-core inflation stood at -0.08%, the mildest negative reading for March since 2022 (Graph 9). Within, the performance of subcomponents at a monthly rate stood out (Table 1):

- Goods (core): 0.45%, the highest for a March since 2023 (0.45%), and slightly above the 10-year average for the same month (0.44%). Food-goods and non-food goods inflation stood at 0.66% and 0.26%, respectively, the highest rates for a March since 2022 and 2023.
- Services (core): 0.41%, the lowest for a March since 2020 (0.23%). It also remained below the 10-year average for the same month (0.44%). Within this component, housing services inflation (0.27%) and other services inflation (0.59%) were the lowest for a March since 2022 and 2020, respectively.
- Agricultural products (non-core): 0.41%, the highest since 2022 (1.23%). This marked the first positive inflation rate for a March after two consecutive years of negative inflation in March: -0.67% in 2023 and -0.53% in 2024. This subcomponent was slightly below the 10-year average for March (0.43%). Within it, livestock products registered a 0.72% increase, close to the 10-year average of 0.77%. Meanwhile, fruits and vegetables posted a negative monthly inflation rate of -0.06%, making it the third consecutive March with a decline in this subcomponent after -1.03% in 2023 and -3.39% in 2024.

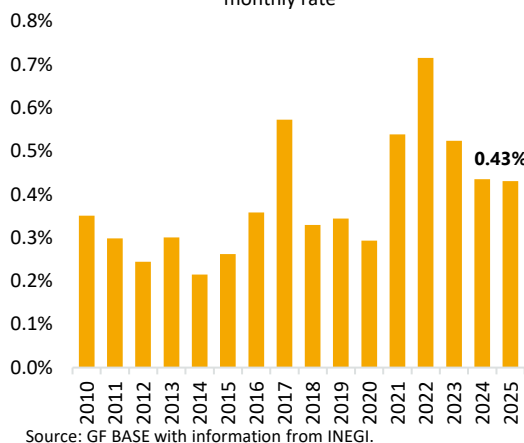
**Graph 7.** Headline inflation, March of each year, monthly rate



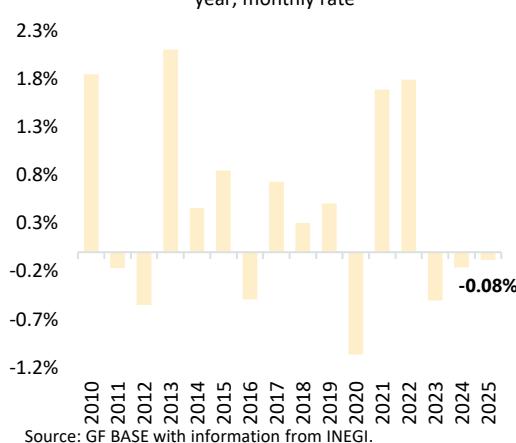
Source: GF BASE with information from INEGI.

- Energy and government-authorized prices (non-core): -0.45%, the first negative monthly inflation for March since 2023 (-0.36%), and in sharp contrast to the 10-year historical average of 0.34%. Within this, energy inflation was -0.86%, also the first negative reading for a March since 2023 (-0.81%), while government-authorized tariffs posted a monthly inflation of 0.31%, the highest since 2023.

**Graph 8.** Core inflation, March of each year, monthly rate



**Graph 9.** Non-core inflation, March of each year, monthly rate



Products and services with the largest price increases in March (Tables 2 and 3):

- Goods: roasted coffee (+5.69%), air fresheners (+3.14%), yellow cheese (+2.68%)
- Services: air transport (+10.90%), cinema tickets (+3.83%), tourist packages (+3.49%)
- Fruits and vegetables: lime (+20.75%), green tomato (+17.56%), poblano pepper (+13.81%)
- Livestock products: beef (+3.26%), shrimp (+0.57%), pork (+0.43%)
- Energy: natural gas (+1.61%), electricity (+0.21%), LP gas (+0.01%)
- Tariffs: water supply fees (+0.57%), toll fees (+0.54%), taxi (+0.49%)

Products and services with the largest price drops in March (Tables 2 and 3):

- Goods: skin creams (-2.72%), sofas (-2.23%), refrigerators (-2.22%)
- Services: internet and phone packages (-0.42%), car insurance (-0.33%), movie/music streaming services (-0.16%)
- Fruits and vegetables: chayote (-18.96%), onion (-13.44%), nopales (-11.74%)
- Livestock products: eggs (-0.86%), lard (-0.73%), chicken (-0.66%)
- Energy: low- and high-octane gasoline (-1.63% and -0.16%, respectively). The negative inflation in low-octane gasoline in March was the largest monthly price drop since November 2020 (-4.26%).
  - It is worth noting that this decline is related to the agreement signed at the end of February between the federal government and gas station owners to set a maximum price of 24 pesos per liter for Magna gasoline, with the aim of stabilizing fuel prices.

**Table 2.** Generics with the highest and lowest monthly variation, non-core component.

Mar-25	Fruits and vegetables	Monthly	Livestock	Monthly	Energy	Monthly	Government authorized tariffs	Monthly
10 generics with the highest increase	Lemon	20.75%	Beef	3.26%	Natural domestic gas	1.61%	Highway tolls	1.05%
	Green tomato	17.56%	Shrimp	0.57%	Electricity	0.21%	Water supply fees	0.42%
	Poblano chili	13.81%	Pork	0.43%	LP domestic gas	0.01%	Shared taxis	0.27%
	Guava	9.88%	Fish	0.41%			Parking lots	0.18%
	Serrano chili	9.86%	Beef offal	0.23%			Urban bus	0.04%
	Zucchini	8.04%					Car permits	0.03%
	Avocado	7.16%						
	Orange	6.49%						
	Green beans	5.85%						
	Cucumber	4.61%						
10 generics with the biggest decrease	Chayote	-18.96%	Eggs	-0.86%	Regular gasoline	-1.63%		
	Onion	-13.44%	Pork lard	-0.73%	Premium gasoline	-0.16%		
	Nopales	-11.74%	Chicken	-0.66%				
	Watermelon	-9.01%						
	Grapes	-6.60%						
	Potatoes and other tubers	-4.81%						
	Lettuce and cabbage	-3.69%						
	Papaya	-2.91%						
	Peach	-2.70%						
	Pineapple	-2.55%						

Source: Grupo Financiero BASE with information from INEGI.

**Table 3.** Generics with the highest and lowest monthly variation, core component.

Mar-25	Goods	Monthly	Services	Monthly
10 generics with the highest increase	Roasted coffee	5.69%	Air transportation	10.90%
	Air fresheners	3.14%	Cinema	3.83%
	Yellow cheese	2.68%	Package tour services	3.49%
	Instant coffee	2.54%	Hotels	1.54%
	Lotions and perfumes	2.49%	Pet services	1.40%
	Brandy	2.20%	Long-distance bus	1.02%
	Cold medications	2.10%	Sports club	0.92%
	Liquid chocolate and chocolate drink mix	2.07%	Medical consultation	0.88%
	Evaporated and condensed milk	1.93%	Funeral services	0.82%
	Rum	1.92%	Car repair	0.76%
10 generics with the biggest decrease	Skin creams	-2.72%	Internet, phone, and pay TV packages	-0.42%
	Living room sets	-2.23%	Car insurance	-0.33%
	Refrigerators	-2.22%	Movie and music streaming	-0.16%
	Batteries	-2.03%	Surgical operations	-0.03%
	Plants and flowers	-1.86%	Internet service	-0.02%
	Sanitary towels	-1.56%		
	Washing machines	-1.55%		
	Televisions	-1.34%		
	Canned tuna and sardines	-1.05%		
	Flaked cereals	-1.02%		

Source: Grupo Financiero BASE with information from INEGI.

#### 4. Monthly Contribution to Inflation (Incidence)

Incidence refers to the contribution (in percentage points) of each INPC product to headline inflation. In other words, it shows how much each good, service, or product contributes to inflation during a specific period. Unlike inflation, which measures the percentage variation in prices, incidence helps identify which products have the greatest weight in observed inflation, whether upward or downward.

In March, the strongest inflationary pressures came from the core component, which includes goods and services whose prices tend to move more steadily. Notable products include owner-occupied housing, small eateries and diners, air transport, and other prepared foods. Positive incidence was also recorded in non-core goods such as beef, green tomato, lime, and avocado.

Conversely, the products that contributed most to lowering inflation were mainly non-core goods, such as low-octane gasoline, onion, potato, and chicken. The sharp drop in gasoline prices, which topped the list with an incidence of -0.078 points, is partly due to the implementation of the government agreement with private gas station operators to cap the price at 24 pesos per liter.

In March, the 10 products with the highest positive and negative incidence were (Table 4):

- Highest positive incidence: 1) beef, 2) owner-occupied housing, 3) small eateries, diners, torta shops and taco stands, 4) air transport, and 5) other prepared foods.
- Highest negative incidence: 1) low-octane gasoline, 2) onion, 3) potato and other tubers, 4) chicken, and 5) chayote.

**Table 4.** Generics with the highest (positive and negative) incidence in March, in the National Consumer Price Index (percentage points).

mar-25	Product	Inflation type	Monthly Contribution to Inflation
10 generics with the highest (positive) incidence	Beef	Non-core	0.059
	Homeownership	Core	0.035
	Small eateries, diners, torta shops and taco stands	Core	0.03
	Air transportation	Core	0.024
	Other prepared foods	Core	0.022
	Green tomato	Non-core	0.02
	Lemon	Non-core	0.02
	Restaurants and similar	Core	0.016
	Pasteurized milk	Core	0.012
	Avocado	Non-core	0.012
10 generics with the highest (negative) incidence	Regular gasoline	Non-core	-0.078
	Onion	Non-core	-0.03
	Potatoes and other tubers	Non-core	-0.013
	Chicken	Non-core	-0.012
	Chayote	Non-core	-0.011
	Eggs	Non-core	-0.009
	Skin creams	Core	-0.009
	Nopales	Non-core	-0.009
	Other vegetables and legumes	Non-core	-0.006
	Grapes	Non-core	-0.006

Source: Grupo Financiero BASE with information from INEGI.

## 5. Inflation in the Second Half of March

In the second half of March, headline inflation stood at 0.21% biweekly (Graph 10 and Table 5), the highest for a comparable period since 2022 (0.59%). Core inflation stood at 0.18%, the highest for the same biweekly period since 2023 (0.29%). Meanwhile, non-core inflation stood at 0.34% biweekly, the highest for a comparable period since 2022 (1.15%).

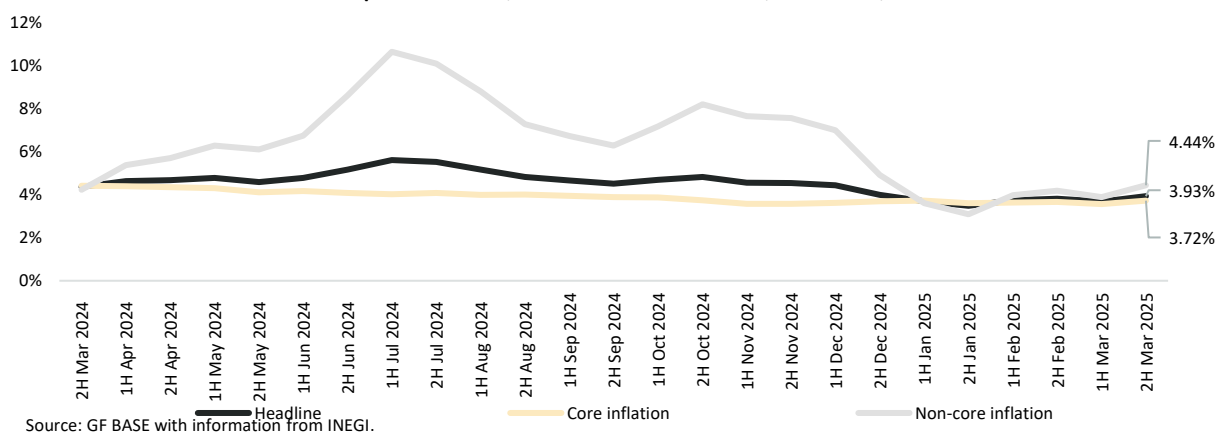
As a result, headline inflation in Mexico stood at 3.93% annually, the highest since the second half of December 2024 (3.99%); core inflation at 3.72% annually, the highest since the second half of October (3.75%); and non-core inflation at 4.44% annually, the highest since the second half of December 2024 (4.91%). It is worth noting that headline, core, and non-core inflation decelerated during the first half of March but re-accelerated in the second half.

Of particular concern is that within the core component, there are growing pressures in the goods subcomponent (both food-goods and non-food goods), which stood at an annual rate of 3.04%, the highest since the first half of August 2024 (3.07%). It is important to recall that goods inflation peaked at 11.50% at the end of 2022 and then

began to decelerate, reaching a minimum of 2.32% at the end of 2024. Since then, goods inflation has been rising again and appears to be regaining momentum.

It is also noteworthy that within the non-core component, the subcomponent of livestock products (within agricultural goods) recorded an annual inflation rate of 9.07%, which—excluding the figures from the first and second half of February—is the highest since the second half of February 2023. This suggests that strong inflationary pressures persist within this subcomponent. Similarly, in the non-core component, government-authorized prices (within energy and government-authorized prices) recorded the highest annual inflation since the first half of January 2024 (4.17%).

**Graph 10.** Headline, core and non-core inflation, annual rate, second half of March



**Table 5.** Biweekly and annual inflation.

2nd half of March	Biweekly inflation	Highest for an equal fortnight since	Biweekly average over the last 10 years, for an equal fortnight	Annual inflation	Higher since	Consecutive months accelerating
<b>Headline inflation</b>	<b>0.21%</b>	<b>2022</b>	<b>0.11%</b>	<b>3.93%</b>	<b>2H Dec 2024</b>	<b>1</b>
<b>Core inflation</b>	<b>0.18%</b>	<b>2023</b>	<b>0.17%</b>	<b>3.72%</b>	<b>2H Oct 2024</b>	<b>1</b>
<b>Goods</b>	<b>0.18%</b>	<b>2023</b>	<b>0.17%</b>	<b>3.04%</b>	<b>1H Aug 2024</b>	<b>3</b>
Food goods	0.28%	2022	0.22%	4.25%	1H Jun 2024	3
Non-food goods	0.09%	2023	0.11%	1.93%	2H Jul 2024	2
<b>Services</b>	<b>0.18%</b>	<b>2023</b>	<b>0.17%</b>	<b>4.45%</b>	<b>2H Feb 2025</b>	<b>1</b>
Housing	0.13%	2023	0.12%	3.64%	2H Feb 2025	1
Education	0.00%	2014	0.00%	5.85%	1H Mar 2025	4
Other services	0.24%	2023	0.26%	5.11%	2H Feb 2025	1
<b>Non-core inflation</b>	<b>0.34%</b>	<b>2022</b>	<b>-0.08%</b>	<b>4.44%</b>	<b>2H Dec 2024</b>	<b>1</b>
<b>Agricultural products</b>	<b>1.00%</b>	<b>2017</b>	<b>0.56%</b>	<b>5.53%</b>	<b>1H Dec 2024</b>	<b>1</b>
Fruits and vegetables	2.28%	2017	0.90%	-0.89%	2H Dec 2024	4
Livestock	0.18%	2022	0.51%	9.07%	2H Feb 2025	1
<b>Energy and authorized tariffs</b>	<b>-0.16%</b>	<b>2024</b>	<b>-0.51%</b>	<b>2.92%</b>	<b>1H Mar 2025</b>	<b>-</b>
Energy	-0.36%	2024	-0.77%	2.62%	1H Mar 2025	-
Authorized tariffs	0.19%	2020	0.08%	4.29%	1H Jan 2024	1

Source: Grupo Financiero BASE with information from INEGI.

## 6. Inflation in the first quarter of 2025

In the first quarter of 2025, average headline inflation stood at 3.7% annually (Graph 11), in line with the estimate from Banco de México (3.7%). Meanwhile, core inflation averaged 3.6% in the first quarter of the year, also matching Banco de México's forecast (3.6%).

It is important to recall that in its latest monetary policy announcement on March 27, the Governing Board cut the interest rate from 9.50% to 9.00% but left its inflation forecasts (both headline and core) unchanged. For the second, third, and fourth quarters of 2025, Banco de México projects headline inflation at 3.5%, 3.4%, and 3.3%, respectively, maintaining the projection of convergence toward the 3% target by the third quarter of 2026.

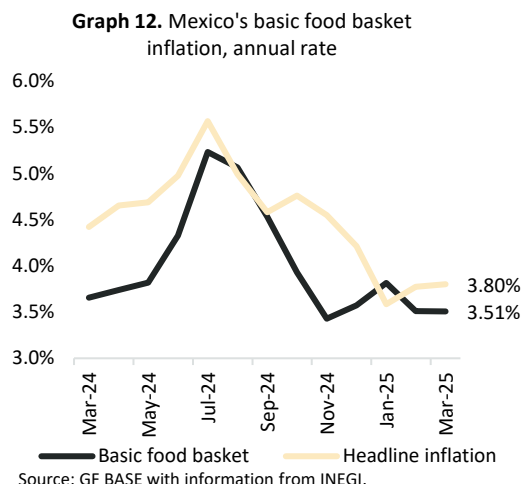
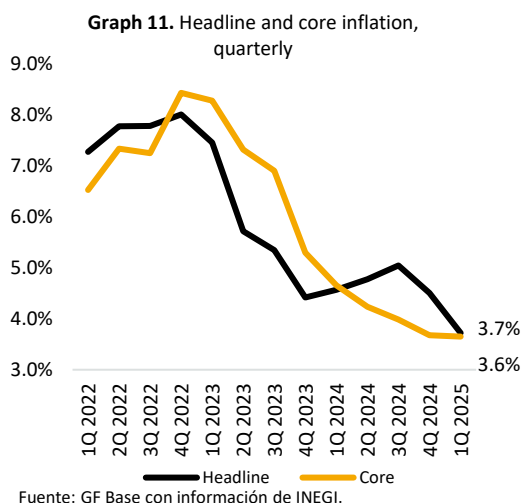
Regarding forward-looking risks, the Board reiterated that the balance of risks remains tilted to the upside, although with an improvement compared to previous assessments. Among the factors that could push inflation upward are: (1) greater exchange rate volatility, (2) disruptions from geopolitical conflicts or trade tensions, (3) persistence in core inflation, (4) cost-related pressures, and (5) climate-related effects. The Board also acknowledged that economic policy decisions by the new U.S. administration have introduced greater uncertainty to the inflation outlook, with potential impacts on prices in both directions.

## 7. Basic Basket Inflation – March

Annual headline inflation stood at 3.80% in March, accelerating again from the 3.77% recorded in February. Meanwhile, annual inflation for the basic basket stood at 3.51%, remaining unchanged from February and marking the lowest annual inflation since November 2024, when it stood at 3.43% (Graph 12).

In Mexico, the basic basket is a subset of the INPC basket and refers to the set of goods and services considered essential for the subsistence of an average household. It is mainly composed of food, personal hygiene and household cleaning products, and other essential items. While the INPC basket reflects price variations for 292 generic products, the basic basket includes 84 of those generics.

In March, the products within the basic basket with the largest price increases were: (1) roasted coffee, (2) movie tickets, and (3) beef. In contrast, the products with the steepest price declines were: (1) skin creams, (2) refrigerators, and (3) batteries (Table 6). Despite the rebound in headline inflation in March, inflation for the basic basket remained unchanged and at its lowest level since November 2024, suggesting that prices of essential goods and services for households have not come under significant new pressure.





**Table 6.** Generics of the basic basket with the highest and lowest monthly variation in March

Mar-25	Generics of the basic basket	Monthly
Generics with the highest increase	Roasted coffee	5.69%
	Cinema	3.83%
	Beef	3.26%
	Instant coffee	2.54%
	Cold medicine	2.10%
	Liquid chocolate and chocolate drink mix	2.07%
	Evaporated and condensed milk	1.93%
	Expectorants and decongestants	1.80%
	Pain relievers	1.65%
	Natural gas for domestic use	1.61%
Generics with the biggest drop	Skin creams	-2.72%
	Refrigerators	-2.22%
	Batteries	-2.03%
	Low-octane gasoline	-1.63%
	Beans	-1.36%
	Televisions	-1.34%
	Canned tuna and sardines	-1.05%
	Eggs	-0.86%
	Motorcycles	-0.68%
	Pasta for soup	-0.68%

Source: Grupo Financiero BASE with information from INEGI.

#### Gabriela Siller Pagaza, PhD

Director of Economic and Financial Analysis

[gsiller@bancobase.com](mailto:gsiller@bancobase.com)

Tel. 81512200 ext. 223

#### Jesús Anacarsis López Flores

Assistant Director of Economic-Financial Analysis

[jlopezf@bancobase.com](mailto:jlopezf@bancobase.com)

#### Paulina Di Giusto Fernandez

Economic-Financial Analyst

[pdigiusto@bancobase.com](mailto:pdigiusto@bancobase.com)

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