

## National Consumer Price Index (INPC), April 2025

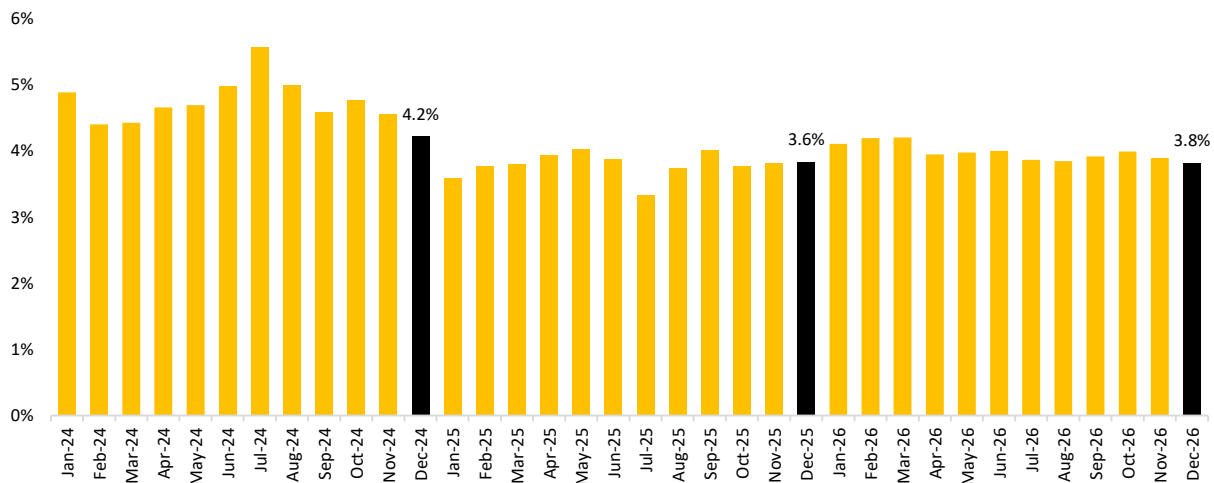
Next release over Mexico's May 2025 first half-moth CPI: May 22, 2025

### General Results and Expectation

In April, Mexico's consumer inflation accelerated to 0.33% monthly, from 0.31% in March. Within Mexico, the core component, which excludes the most volatile component, which excludes the most volatile elements and determines long-term inflation expectations, stood at 0.49% per month, the highest for a similar period since 2022 (0.78%). This component was driven by the merchandise category (0.69% monthly), which showed its highest inflation for the same period since 2022, when it stood at 1.03% monthly. Meanwhile, the non-core component registered a monthly contraction of 0.21%, its fifth consecutive month of negative inflation, a streak not seen since the period from February to July 2007. For the month of April, the fall in non-core inflation was explained by the contraction of the energy and government-authorized tariffs item, which showed a monthly inflation of -1.59%, its second consecutive month of contraction. However, in April this component normally recorded monthly declines, due to downward adjustments in electricity tariffs.

At an annual rate, inflation stood at 3.93%, accelerating for the third consecutive month and reaching its highest level since December 2024 (4.21%). This acceleration was driven by the core component, which reached 3.93%, its highest rate since August 2024. Within core inflation, the acceleration of its two main items stood out: merchandise (3.38% annual), whose acceleration was determined by the annual depreciation of the Mexican peso, which raises the cost of imports. Similarly, services inflation accelerated from 4.35% to 4.56% per year, the first acceleration since December 2024. This acceleration is largely attributed to Easter Week, giving greater inertia to the other services component (5.31% annual), in which package tourist services, air transportation, hotels and foreign buses are located. It should be clarified that in 2024 Easter Week was in March, while in 2025 it was celebrated in April, having as an effect a lower annual comparison base. Non-core inflation decelerated to 3.76% annually, the lowest since January 2025 (3.34% annual).

Figure 1. Expectation for 2025 and 2026. YoY % rate



Source: Grupo Financiero BASE with INEGI's information.

**Table 1.** Biweekly and annual CPI

2H of April, 2025	Biweekly inflation	Quarterly average on last 10 years	YoY CPI Apr 2025 vs. Apr2024	Highest annual inflation since	Consecutive months acceleration (YoY)
<b>General inflation</b>	<b>0.20%</b>	<b>0.20%</b>	<b>3.93%</b>	<b>dic 2024</b>	<b>3</b>
<b>Core</b>	<b>0.13%</b>	<b>0.19%</b>	<b>3.90%</b>	<b>ago 2024</b>	<b>1</b>
Goods	0.25%	0.22%	3.38%	may 2024	5
Food	0.21%	0.27%	4.42%	may 2024	2
Non-food	0.6029%	0.17%	2.40%	mar 2024	5
Services	0.01%	0.16%	4.56%	feb 2025	2
Housing	0.10%	0.12%	3.64%	mar 2025	0
Education	0.00%	0.18%	5.85%	mar 2025	0
Other services	-0.08%	0.20%	5.31%	feb 2025	1
<b>Non-core</b>	<b>-0.42%</b>	<b>0.23%</b>	<b>3.76%</b>	<b>mar 2025</b>	<b>0</b>
Agricultural	0.98%	0.25%	4.13%	mar 2025	0
Fruits and vegetables	2.27%	0.26%	-2.45%	feb 2025	0
Livestock	0.12%	0.25%	8.25%	ene 2025	0
Energy and authorized tariffs	-0.02%	0.21%	2.99%	feb 2025	1
Energy	-0.08%	0.24%	2.47%	mar 2025	0
Authorized tariffs	0.11%	0.18%	4.36%	dic 2023	3

Source: Grupo Financiero BASE with INEGI's information.

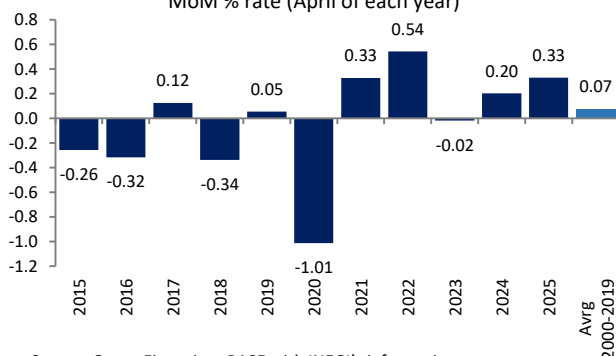
## Monthly CPI

In April, **Mexico's consumer inflation accelerated to 0.33% monthly**, from 0.31% in March, driven by the second half of April inflation, which reached 0.20% biweekly, accelerating from 0.12% in the first half of the month. With this, monthly inflation (0.33%) showed its highest rate for the same period since April 2022 (0.54%) (Figure 2).

The **core component**, which excludes the most volatile prices and determines inflation expectations in the long term, **stood at 0.49% monthly**, accelerating from 0.43% in March and showing its highest variation for an equal period since 2022 (0.78%). This was mainly a consequence of **core inflation in the first fortnight of April, which reached 0.34% biweekly**, the highest for the same period since April 2022 (0.44%). Within core inflation, the following stood out:

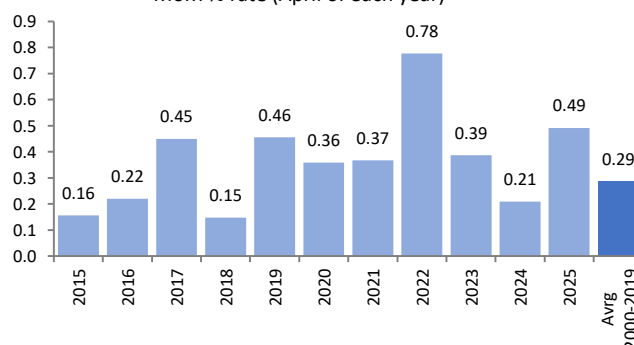
- **Goods inflation** (0.69% monthly), registered its highest variation for an equal month since April 2022 when it stood at 1.25% monthly. This rebound was mainly caused by **non-food goods inflation**, which in April rose to 0.78% monthly from the 0.26% recorded in March and showing its highest inflation for the same month since April 1999 (1.48%).

**Figure 2.** Mexico's general CPI MoM % rate (April of each year)



Source: Grupo Financiero BASE with INEGI's information.

**Figure 3.** Mexico's core CPI MoM % rate (April of each year)



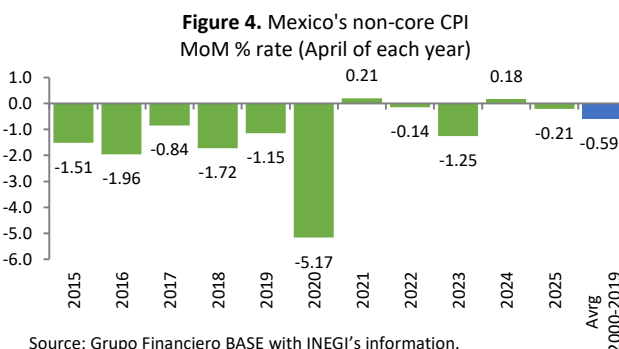
Source: Grupo Financiero BASE with INEGI's information.

It is worth mentioning that generic detergents, skin creams, automobiles and hair products had a cumulative monthly incidence of 0.068 percentage points and accounted for 20.61% of monthly headline inflation (Table 2).

- **Services inflation** (0.30% monthly) decelerated from 0.41% in March. However, for the same period, it is the highest monthly inflation since April 2022 (0.48%). This deceleration compared to March was due to the result of the second fortnight of April, which was 0.01% biweekly, the lowest for an equal period since 2022 (0.00%).

In turn, the generic items of the services category, cinema and telephone and pay TV packages, had a negative monthly impact on general inflation of -0.014 and -0.008 percentage points, being among the 10 items with the lowest impact (Table 2).

The monthly acceleration of headline inflation (0.33%) was limited by the **non-core component, which registered a monthly contraction of 0.21%**, its fifth consecutive month of negative inflation, a streak not seen since February-July 2007. April's result was due to the contraction of non-core inflation in the first half of April (-0.59%), the largest drop for the same period since the first half of April 2023 (-1.22%). Within non-core inflation in April, the following stood out:



- The contraction of **government-authorized energy and tariff inflation** (-1.59% monthly), its second month in a row of contraction and being the sharpest drop since May 2024 (-3.00%). It is important to clarify that in April and May this component normally registers monthly rate declines, due to downward adjustments in electricity tariffs.

In this item, **energy inflation fell 2.67% monthly**, after a contraction in March (-0.86% monthly), while government-authorized tariff inflation stood at 0.39%, slightly accelerating from March's 0.31%. The drop in energy was almost entirely explained by the fall in electricity tariff prices (-12.86%), together with the monthly drop in low octane gasoline prices (-0.57%). Both were among the items that had the greatest negative impact on monthly headline inflation (-0.227 percentage points) (Table 2).

- **Agricultural products inflation** (1.60% monthly), which accelerated for the second consecutive month and reached its highest level since October 2024 (1.73%). This was due to fruit and vegetable inflation (3.76%), which broke a four-month streak of contraction in which it accumulated a 15.24% decline. This is congruent with the behavior of tomato and avocado prices, which were among the items with the highest impact on monthly headline inflation, contributing 0.089 and 0.019 percentage points, respectively.
- **Livestock products inflation** (0.20% monthly), linking two months downward and reaching its lowest level since October 2024 when it fell 0.18%. Even when compared to the same period, it is the lowest inflation since April 2018 when it fell -0.20%. He highlighted that egg and pork inflation were among those that most detracted momentum from monthly inflation with an incidence of -0.027 and -0.013 percentage points.

**Table 2. Generics with the highest/lowest incidence over general inflation**

April-2025	Generic	CPI type	Monthly incidence in percentage points
10 generics with the highest incidence	Tomato	Non-core	0.089
	Beef	Non-core	0.039
	Own housing	Core	0.037
	Loncherias, fondas, torterías and taquerías	Core	0.027
	Avocado	Non-core	0.019
	Detergents	Core	0.018
	Skin creams	Core	0.017
	Other cooked foods	Core	0.017
	Automobiles	Core	0.017
	Hair products	Core	0.016
10 generics with the lowest incidence	Electricity	Non-core	-0.200
	Egg	Non-core	-0.027
	Low-octane gasoline	Non-core	-0.027
	Onion	Non-core	-0.021
	Movies	Core	-0.014
	Pork	Non-core	-0.013
	Bananas	Non-core	-0.012
	Other fruits	Non-core	-0.011
	Internet, telephone and pay television packages	Core	-0.008
	Potatoes and other tubers	Non-core	-0.008

Source: Grupo Financiero BASE with INEGI's information.

## Annual Inflation

Annual **general consumer inflation stood at 3.93% annual**, accelerating for the third consecutive month and reaching its highest level since December 2024 (4.21%) (Figure 5). This sends the signal that **there are still upward pressures and risks on inflation**.

This annual acceleration was driven by **the core component, which reached 3.93%**, its highest rate since August 2024 (Figure 6). Within core inflation, the following stood out:

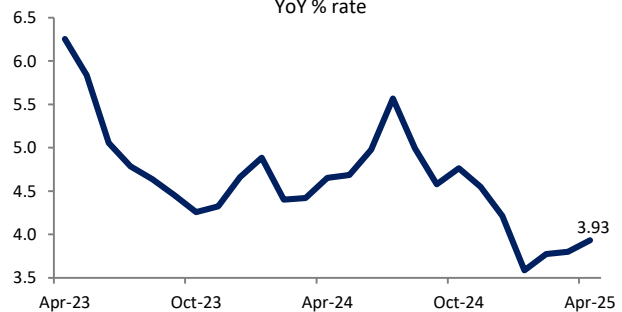
- The acceleration of **goods inflation (3.38% annual)** from the 2.98% annual rate recorded last month. This item has been rising for three months and April's level is important, as merchandise inflation had remained below 3% from September 2024 to March 2025.

Merchandise inflation was driven by **non-food goods inflation (2.40% annual)**, which has been rising for five months and in April surpassed the 2% y/y threshold for the first time since June 2024. The latter can be attributed in part to the depreciation of the Mexican peso, which raises the cost of imports (Figure 7). Similarly, **food goods inflation (4.42% annual)** reached its highest level since May 2024.

- **Services inflation** rose from 4.35% to 4.56% annual in April, the first acceleration since December 2024. This acceleration could be largely attributed to the effects of Easter Week, giving greater inertia to the other services component (5.31% annual), in which package tourist services (11.84%), air transportation (7.48%), hotels (8.10%) and foreign bus (7.52%) are located.

**It should be clarified that in 2024 Easter Week was in March, while in 2025 it was celebrated in April, having as an effect a lower annual comparison base, magnifying the increase in the inflation of services and therefore of the core component and its impact on the general inflation of April.**

Figure 5. Mexico's Consumer Price Index  
YoY % rate



Source: Grupo Financiero BASE with INEGI's information.

Figure 6. Mexico's core CPI  
YoY % rate

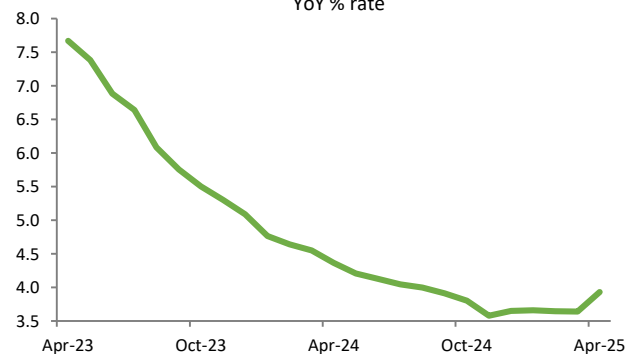
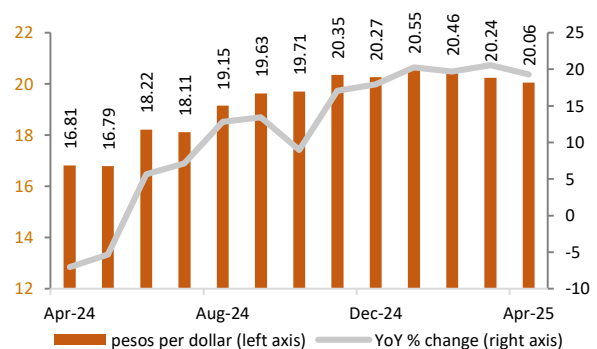


Figure 7. Peso-dollar exchange rate



Source: Grupo Financiero BASE with INEGI's information.

**Non-core inflation decelerated to 3.76% annual**, dropping below 4.0% for the first time since January (3.34%). The deceleration was due to the agricultural sector, whose inflation stood at 4.13% from the 4.87% annual rate recorded in March. In the domestic market, fruit and vegetable inflation fell 2.45% annually, its fourth consecutive month of contraction. Livestock products inflation was at 8.25% annual rate, decelerating again after reaching a high of 10.53% in February.

**Inflation of energy and government-authorized tariffs was 2.99%**, accelerating from the 2.94% annual rate recorded in March. This is due to the fact that government-authorized tariff inflation reached 4.36% annual, its third month in a row showing acceleration and reaching its highest level since December 2023 (4.84% annual), limiting the decline in non-core inflation.

Renewed inflationary pressures in the core merchandise component may lead to upward revisions for annual inflation for the rest of the year, especially if the risk of peso depreciation continues.

Despite the rebound in inflation, the Bank of Mexico is expected to cut interest rates on May 15. This given that the Mexican economy is going through a marked economic slowdown with a high probability of falling into recession, which would take pressure off inflation.

Given the inflationary pressures and the possibility that the peso will depreciate again, it would be convenient for the May 15 interest rate cut to be 25 basis points. However, it is estimated that the cut will be of 50 basis points.

By the end of the year, the Bank of Mexico's target rate is expected to be 8%.

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