

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

Next release over Mexico's July 2025 CPI: July 24, 2025

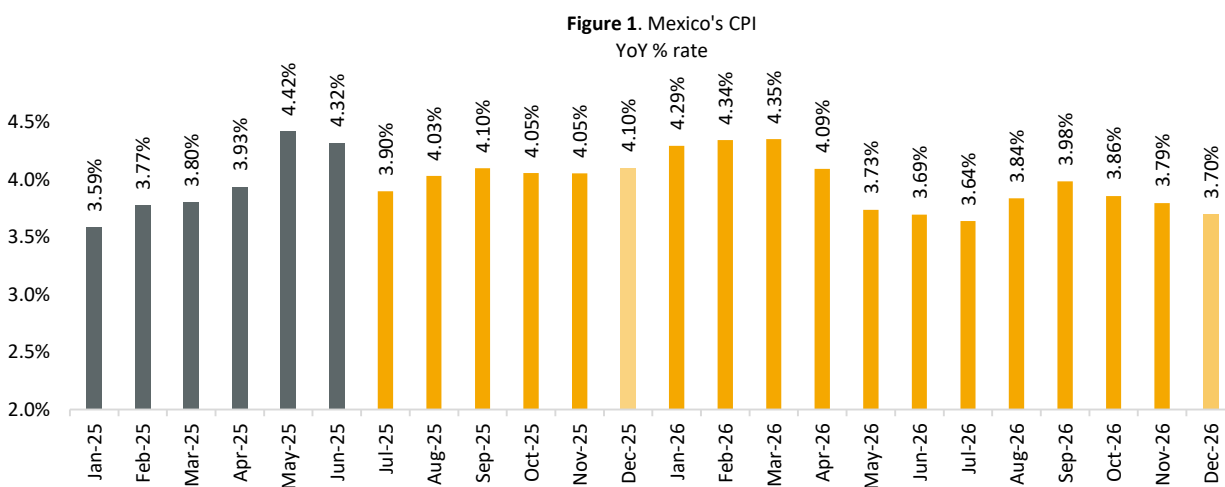
### General Results and Expectation

In Mexico, consumer inflation for June stood at 0.28% monthly, the lowest for a month of June since 2023 (0.10%). Non-core inflation contracted 0.10%, after standing at 0.23% in May, falling in 6 of the last 7 months. In contrast, core inflation, which determines the long-term trajectory of inflation, accelerated to 0.39% from 0.30% last month and reached its highest level for the month since 2022.

At an annual rate, overall inflation slowed to 4.32% from 4.42% last month, after four consecutive months of acceleration. This was a result of the slowdown in non-core inflation, which stood at 4.33% from 5.34% last month. The slowdown in this component was due to agricultural inflation, which stood at 5.04% annually, slowing from 6.76% last month, coupled with the decline in energy inflation and government-regulated tariffs, which stood at 3.56%, its fifth consecutive month below 4%. It is worth noting that, within agricultural inflation, the fruit and vegetable category fell 4.47%, its largest contraction since February (-5.54%), but there is concern about livestock product inflation, which accelerated to 11.72% annually, the highest inflation since November 2022.

Meanwhile, the underlying component is cause for concern, as it accelerated to 4.24% annually, the highest inflation rate since April last year. This was due to higher inflation in both categories: goods inflation, which stood at 3.91% and has been accelerating for seven months, reaching its highest level since February 2024, and services inflation, which stood at 4.62%, the highest inflation rate since February 2025. Within goods, both food and non-food items accelerated, while services inflation was driven solely by the acceleration of other services.

Considering that June inflation was in line with expectations, Grupo Financiero Base maintains its inflation forecast for the end of the year unchanged at 4.1%. In this context, Banco de México is expected to make two more interest rate cuts, each of 25 basis points.



Source: Grupo Financiero BASE with INEGI's information.

**Table 1.** Biweekly and annual CPI

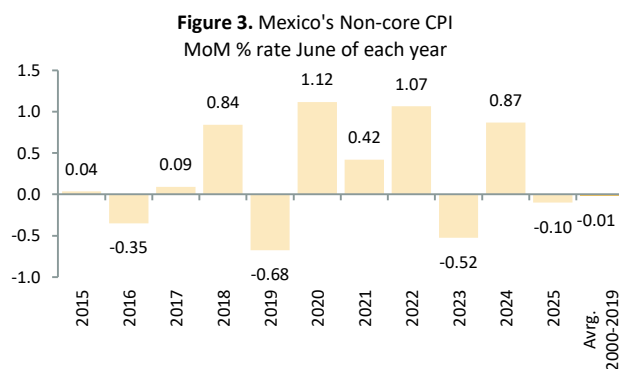
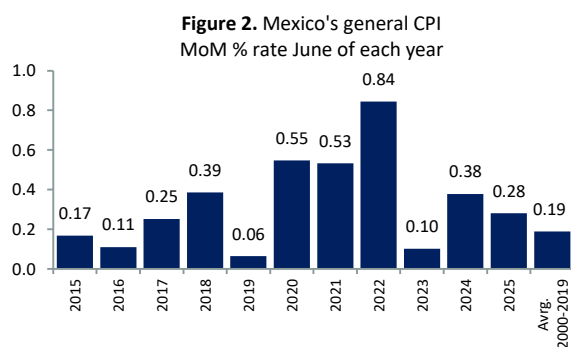
2H of June, 2025	Biweekly CPI	YoY CPI Jun 2025 vs. Jun 2024	Highest CPI Since	Consecutive months of acceleration
<b>General inflation</b>	<b>0.16%</b>	<b>4.32%</b>	<b>May 2025</b>	<b>0</b>
<b>Core</b>	<b>0.20%</b>	<b>4.24%</b>	<b>Apr 2024</b>	<b>3</b>
Goods	0.23%	3.91%	Feb 2024	7
Food	0.23%	4.89%	Mar 2024	4
Non-food	0.24%	3.03%	Dec 2023	7
Services	0.17%	4.62%	Feb 2025	1
Housing	0.17%	3.50%	May 2025	0
Education	0.00%	5.82%	May 2025	0
Other services	0.18%	5.53%	Feb 2025	1
<b>Non-core</b>	<b>0.03%</b>	<b>4.33%</b>	<b>May 2025</b>	<b>0</b>
Agricultural	0.08%	5.04%	May 2025	0
Fruits and vegetables	0.27%	-4.47%	May 2025	0
Livestock	-0.04%	11.72%	Nov 2022	3
Energy and authorized tariffs	-0.01%	3.56%	May 2025	0
Energy	-0.07%	2.97%	May 2025	0
Authorized tariffs	0.11%	4.32%	May 2025	0

Source: Grupo Financiero BASE with INEGI's information.

## Monthly CPI

In June, **consumer inflation** in Mexico stood at 0.28%, unchanged from May and in line with expectations. Compared to the same period last year, inflation was the lowest since 2023, although it is still above the average recorded between 2000 and 2019 (Figure 2).

Within overall inflation, **non-core inflation** stood out, contracting 0.10%, slowing from 0.23% in May and falling in seven of the last eight months. Furthermore, when compared to the same periods, non-core inflation recorded only its fourth decline in the last ten years (Figure 3). This is positive, as it is not a seasonal contraction and could be attributed to an inertial moderation in price increases. The latter is also reflected in a contraction above the 2000-2019 average.



Source: Grupo Financiero BASE with INEGI's information.

Within non-core inflation, monthly inflation for its two main components, agriculture and energy, and government-regulated tariffs, fell 0.10% in each category. The following highlights are noteworthy:

- **Agricultural inflation**, which fell 0.10% monthly, interrupted three consecutive months of acceleration, registering its first contraction since February (-1.44%), while for the month of June, it showed the lowest inflation since 2023 (-0.24%). Domestically, **fruit and vegetable** inflation was -1.39%, falling in five of the last seven months and showing its first contraction for an equal period since 2020. In addition, **agricultural inflation** slowed to 0.76% from 3.48% last month, although for the same period, this category recorded the highest inflation since 2022, after falling in 2023 (-2.14%) and 2024 (-0.02%).

This is consistent with the behavior of generic inflation in agricultural inflation, as highlighted by monthly declines in the prices of poblano chili peppers (-16.19%), guava (-15.63%), serrano chili peppers (-15.30%), papaya (-14.00%), cucumbers (12.42%), and green beans (-10.11%), all of which exceeded 10%. At the same time, monthly prices for fish, eggs, and lard fell by 0.72%, 0.28%, and 0.05%, respectively (Table 2).

**Table 2.** Agricultural products with the highest and lowest monthly price variation in June 2025

June-25	Fruits and vegetables	Monthly (%)	Livestock	Monthly (%)
10 generics with the biggest increase	Carrot	13.19%	Pork	1.52%
	Chayote	6.64%	Beef	1.35%
	Lettuce and cabbage	4.62%	Beef offal	1.27%
	Orange	3.55%	Chicken	0.62%
	Potatoes and other tubers	3.12%	Shrimp	0.26%
	Pineapple	2.89%		
	Other vegetables and legumes	2.76%		
	Tomato	1.82%		
	Coriander, epazote, and parsley	1.68%		
	Dried chili	1.11%		
10 generics with the biggest decrease	Poblano chili	-16.19%	Fish	-0.72%
	Guava	-15.63%	Eggs	-0.28%
	Serrano chili	-15.30%	Pork lard	-0.05%
	Papaya	-14.00%		
	Cucumber	-12.42%		
	Green beans	-10.11%		
	Zucchini	-9.95%		
	Lemon	-9.71%		
	Nopales	-7.29%		
	Other fresh chilies	-5.55%		

Source: Grupo Financiero BASE with INEGI's information.

- Inflation in **energy prices and government-regulated tariffs**, which also fell by 0.10%, has been contracting for four months, accumulating a deflation of 4.21% over that period. Furthermore, analyzing equal periods, this is the largest drop since 2023, and it is important to mention that June is not a month in which inflation in this area tends to fall. This is thanks to a 0.30% contraction in energy inflation, which has fallen for four months in a row, coupled with low inflation in the area of government-regulated rates (0.24%).

These results are in line with what has been observed in energy generics and government-authorized tariffs, where the most notable declines were in the prices of domestic natural gas (-2.66%), electricity (-0.87%), domestic LP gas (-0.24%), high-octane gasoline (-0.15%), and low-octane gasoline (-0.12%) (Table 3).

**Table 3.** Energy products with the highest and lowest monthly price variation in June 2025

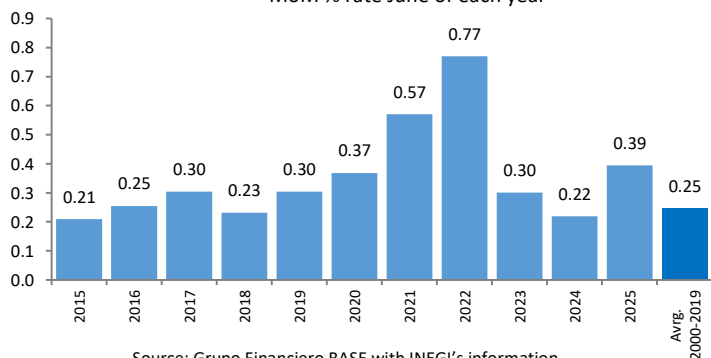
June-25	Energy	Monthly (%)	Government authorized tariffs	Monthly (%)
10 generics with the biggest increase			Parking lots	1.19%
			Taxi	0.60%
			Water supply fees	0.38%
			Urban bus	0.14%
			Subway or electric transportation	0.06%
			Issuance of public sector documents	0.05%
			Car permits	0.03%
			Shared taxis	0.03%
10 generics with the biggest decrease	Natural domestic gas	-2.66%		
	Electricity	-0.87%		
	LP domestic gas	-0.24%		
	Premium gasoline	-0.15%		
	Regular gasoline	-0.12%		

Source: Grupo Financiero BASE with INEGI's information.

Unlike the decline in **non-core inflation**, core inflation, which determines long-term inflation expectations, stood at 0.39% monthly, accelerating from 0.30% last month. Furthermore, when comparing equal periods, this is the highest inflation since 2022 (0.77%), standing above its long-term average (Figure 4).

The following stood out in core CPI:

**Figure 4.** Mexico's Core CPI MoM % rate June of each year



- **Goods** recorded monthly inflation of 0.41%, the highest for the same month since 2022 (1.00%). This was mainly due to the monthly acceleration of **non-food goods inflation**, which rose from 0.28% in May to 0.41% in June, the highest for the same month since 2022 (0.69%). However, this was mitigated by **food inflation**, which slowed for the third month in a row, standing at 0.40% monthly, the lowest inflation since February.

That said, the generic goods that recorded the highest monthly inflation were cereal flakes (2.83%), table wine (2.72%), cookware (2.62%), blenders (2.60%), and razors and shaving machines (2.44%). Of the 10 generic goods with the highest monthly inflation, five were food items, while the other five were non-food items (Table 4).

**Table 4.** Goods with the highest and lowest monthly price variation in June 2025

June-25	Goods	MoM % rate	June-25	Goods	MoM % rate
10 generics with the highest increase	Flaked cereals	2.83%	10 generics with the highest decrease	Rum	-1.75%
	Table wine	2.72%		Men's socks	-1.29%
	Cookware	2.62%		Paper napkins	-1.28%
	Blenders	2.60%		Communication terminal equipment	-1.19%
	Razors and shaving machines	2.44%		Sugar	-1.08%
	Roasted coffee	2.18%		Detergents	-0.97%
	Watches, jewelry, and bijouterie	2.05%		Dermatological products	-0.93%
	Liquid chocolate and chocolate drink mix	1.98%		Wheat flours	-0.81%
	Other liquors	1.90%		Pesticides	-0.78%
	Women's trousers	1.86%		Computers	-0.75%

Source: Grupo Financiero BASE with INEGI's information.

- **Services inflation** accelerated to 0.38%, interrupting three months of deceleration. However, when compared to the same periods, the highest services inflation since 2022 (0.50%) was recorded. This was due to the acceleration of its three main components, particularly **other services**, which rose from 0.23% in May to 0.48% after three months of deceleration. Compared to the same periods, this was the highest inflation since 2022. Likewise, **housing services inflation** accelerated to 0.32% in June, although compared to the same periods, it has remained stable in recent years with inflation rates of around 0.3% per month. Finally, inflation in **education services** stood at 0.05%, accelerating marginally compared to May (0.04%), in line with its behavior over the last eight years when compared to the same periods.

In this context, the generic items in the services category that recorded the highest monthly inflation were air transport (7.23%), cinema (1.93%), dry cleaning services (1.89%), and package tourism services (1.89%). All these items corresponded to the category of other services and showed monthly inflation of over 1%. On the other hand, the generic items with the lowest inflation were hotels (-0.85%), intercity bus (-0.30%), landline telephone services (-0.06%), and school transportation (-0.05%) (Table 5).

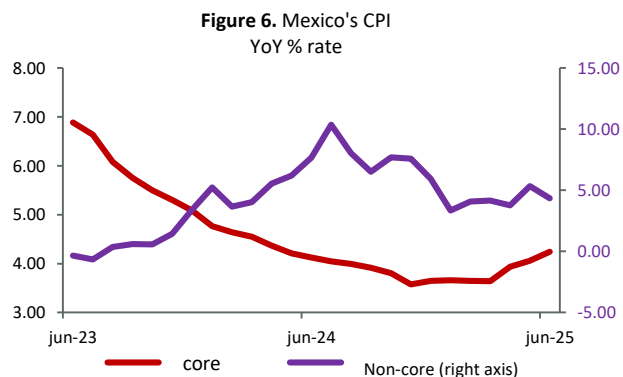
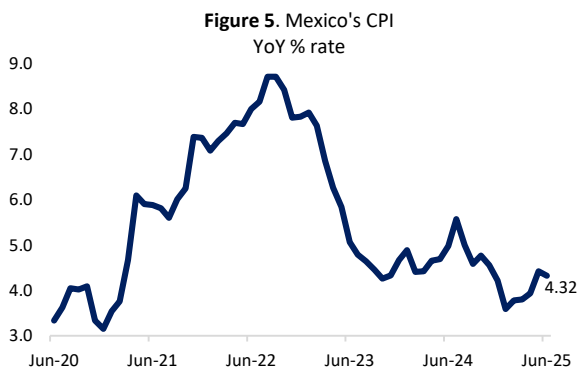
**Table 5.** Services with the highest and lowest monthly price variation in June 2025

June-25	Services	MoM % rate	June-25	Services	MoM % rate
10 generics with the highest increase	Air transportation	7.23%	10 generics with the highest decrease	Hotels	-0.85%
	Cinema	1.93%		Long-distance bus	-0.30%
	Dry cleaning services	1.89%		Landline phone services	-0.06%
	Package tour services	1.14%		School transport	-0.05%
	Haircuts	0.87%			
	Diners, snack bars, and taco stands	0.76%			
	Movie and music streaming	0.67%			
	Car repair	0.60%			
	Restaurants and similar	0.55%			
	Car maintenance	0.52%			

Source: Grupo Financiero BASE with INEGI's information.

### Annual CPI

At an annual rate, **consumer inflation** in Mexico stood at 4.32%, interrupting four consecutive months of acceleration. However, it is concerning that this is the second month above 4% (Figure 5). In addition, the slowdown in inflation was driven by the **non-core component**, while the core component, which determines long-term inflation expectations, continued to show acceleration (Figure 6). This is not entirely positive, as in order to see a sustained slowdown in overall inflation, the momentum must come from the core component, given that the non-core component contains the most volatile elements, which could easily reverse this slowdown.



Source: Grupo Financiero BASE with INEGI's information.

On one hand, **non-core inflation** stood at 4.33% annually, slowing down from 5.34% recorded last month. The slowdown in this component was due to **agricultural inflation**, which stood at 5.04% annually, slowing down from the 6.76% recorded in May, coupled with the decline in **energy inflation and government-regulated tariffs**, which stood at 3.56%, its fifth consecutive month below 4%.

It is worth noting that, within **agricultural inflation**, the fruit and vegetable category fell 4.47%, its largest contraction since February (-5.54%), but there is concern about **livestock product** inflation, which accelerated to 11.72% annually, the highest inflation since November 2022.

Meanwhile, within **energy and government-regulated** tariff inflation, the energy sector stood out, with inflation slowing to 2.97% from 3.50% last month, falling below 3% in three of the last four months. **Government-regulated tariff inflation** was 4.32%, interrupting four months of acceleration.

On the contrary, **core inflation** is a cause for concern, as it accelerated to 4.24% annually, the highest inflation rate since April last year. This was due to higher inflation in both categories: **goods inflation**, which stood at 3.91% and has been accelerating for seven months, reaching its highest level since February 2024; and **services inflation**, which stood at 4.62%, the highest inflation rate since February 2025.

Within goods, both **food and non-food items** accelerated, reaching 4.89% and 3.03%, respectively. Food inflation has accelerated for four consecutive months and remains above 4%, raising concerns about core inflation. At the same time, non-food inflation has accelerated for seven consecutive months and shows no signs of stabilizing.

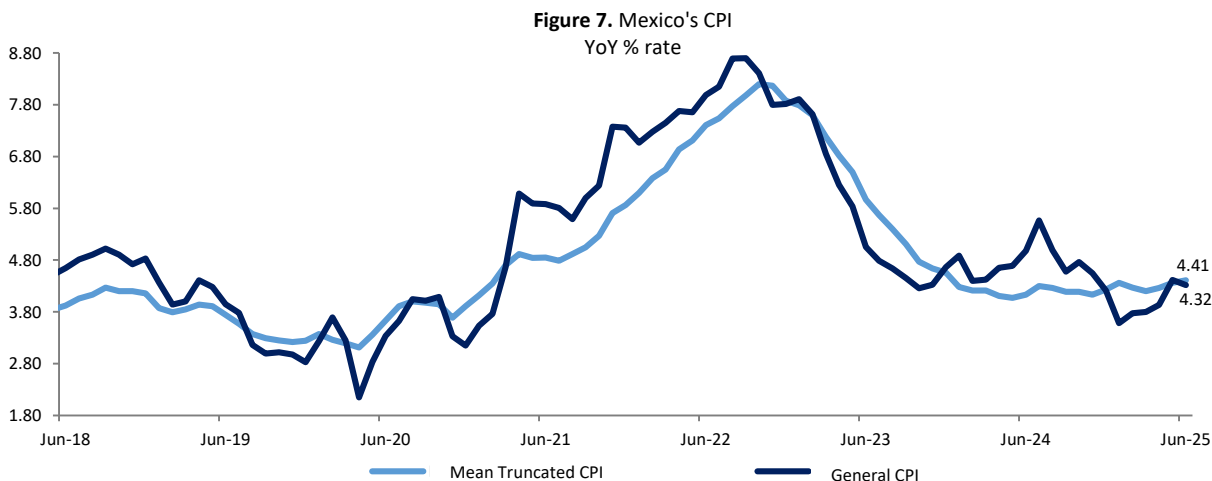
In addition to the rebound in the goods component, **inflation in services** remains high (4.62% annually in June). This is due to persistent pressures in **other services** and **education services**, which are reluctant to fall below 4%. On the one hand, education services registered inflation of 5.82% in June, their second month of deceleration, hovering around 5.8% for the fourth consecutive month. On the other hand, inflation in other services stood at 5.53%, accelerating from the 5.26% annual rate recorded in May. However, inflation in other services has not been below 5% annually since September 2021. Finally, inflation in housing services stood at 3.59% and has remained around 3% since July 2022, suggesting that it is not putting additional pressure on overall inflation.

### Truncated Mean Inflation

The truncated mean inflation indicator is useful for analyzing inflation behavior in the medium term. Unlike general inflation, this indicator eliminates certain components (generic) that show extreme variations. It is important to note that the trimmed mean inflation indicator is also different from core inflation, since the elements that core inflation does not consider are always the components of 1) agriculture and 2) energy and government-regulated tariffs. These could be referred to as “fixed exclusion elements.”

On the other hand, the high-variation generics excluded by trimmed mean inflation change from month to month (dynamic weights). The extreme variations in generics that truncated mean inflation excludes are very high growth and very deep contractions, but both trends must be associated with temporary effects due to atypical and short-term situations, not a structural or prolonged change in price formation.

That said, in June 2025, the truncated average inflation rate stood at 4.41%, its third consecutive month of acceleration and its highest level since December 2023 (4.56%). This is evidence that the slowdown in inflation in June could be misleading, as the trimmed mean showed acceleration, diverging from overall inflation, which slowed down. This could be attributed to the fact that, unlike overall inflation, the generics that were excluded from the calculation of the truncated average inflation rate may have a certain downward bias, but for the most part, the generics that make up Mexico's consumer inflation show upward pressures.



Source: Grupo Financiero BASE with INEGI's information.

**In this context, it would be best for the Bank of Mexico to pause its cycle of interest rate cuts, as expectations are one of the most important channels for monetary policy transmission in the country.**

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**Appendix 1. 10 generics with the highest monthly price variation in June 2025**

Category	Generic	MoM % rate
Fruits and vegetables	Carrots	13.19%
Services	Air transport	7.23%
Fruits and vegetables	Chayote squash	6.64%
Fruits and vegetables	Lettuce and cabbage	4.62%
Fruits and vegetables	Oranges	3.55%
Fruits and vegetables	Potatoes and other tubers	3.12%
Fruits and vegetables	Pineapple	2.89%
Goods	Cereal flakes	2.83%
Fruits and vegetables	Other vegetables and legumes	2.76%
Goods	Table wine	2.72%

Source: Grupo Financiero BASE with INEGI's information.

**Appendix 2. 10 generics with the lowest monthly price variation in June 2025**

Category	Generic	MoM % rate
Frutas y verduras	Poblano chili peppers	-16.19%
Frutas y verduras	Guava	-15.63%
Frutas y verduras	Serrano chili peppers	-15.30%
Frutas y verduras	Papaya	-14.00%
Frutas y verduras	Cucumber	-12.42%
Frutas y verduras	Green beans	-10.11%
Frutas y verduras	Zucchini	-9.95%
Frutas y verduras	Lemon	-9.71%
Frutas y verduras	Nopales	-7.29%
Frutas y verduras	Other fresh chili peppers	-5.55%
Mercancías	Table wine	2.72%

Source: Grupo Financiero BASE with INEGI's information.