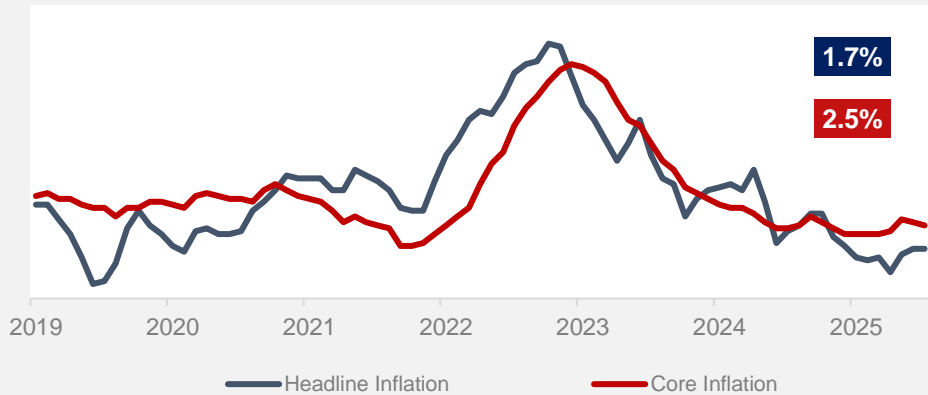


# INFLATION UPDATE

## Steady and mellow

**PH Inflation Rate (in %)**  
2018=100



Source: Philippine Statistics Authority

- Headline inflation remained unchanged 1.7% year-on-year (YoY) in October from September. This falls within the Bangko Sentral ng Pilipinas (BSP)'s 1.4%-2.2% forecast and is lower than the 1.8% Bloomberg median estimate.
- Year-to-date inflation is unchanged at 1.7%, below the BSP's 2.0%-4.0% full-year target.
- Core inflation, which excludes volatile food and energy items, decelerated to 2.5% from 2.6% in September.
- Month-on-month (MoM), the consumer price index rose by 0.1% in October compared to September.
- Food and non-alcoholic beverages saw lower YoY of 0.5% in October compared to September, and its index remained unchanged MoM. This was attributed to lower MoM prices for rice, corn, and meat.
- Fish, seafood, and vegetables, however, still provided upside pressure, posting the fastest MoM increases among food items. Prices for these items may remain elevated going forward as the country experiences more typhoons.
- Housing, water, electricity, gas, and other fuels was the biggest contributor to headline inflation. Electricity, gas, and other fuels recorded the quickest increase.
- National Statistician Dennis Mapa said transport still provides upward price pressure due to higher diesel prices and slower gasoline deflation.

### Commodities with faster annual increases

<b>1</b>	<p><b>CLOTHING AND FOOTWEAR</b></p> <ul style="list-style-type: none"> <li>• 1.8% YoY inflation rate from 1.7% in September</li> <li>• Due to higher prices of clothing and footwear items</li> </ul>
<b>2</b>	<p><b>HOUSING, WATER, ELECTRICITY, GAS, AND OTHER FUELS</b></p> <ul style="list-style-type: none"> <li>• 2.7% YoY inflation rate from 2.1% in September</li> <li>• Due to rentals, electricity, and water supply</li> </ul>
<b>3</b>	<p><b>INFORMATION AND COMMUNICATION</b></p> <ul style="list-style-type: none"> <li>• 0.7% YoY inflation rate from 0.6% in September</li> <li>• Due to higher prices of information and communication equipment</li> </ul>
<b>4</b>	<p><b>PERSONAL CARE, AND MISCELLANEOUS GOODS AND SERVICES</b></p> <ul style="list-style-type: none"> <li>• 2.5% YoY inflation rate from 2.4% in September</li> <li>• Due to higher prices of personal care items</li> </ul>

### Major contributors to overall headline inflation

<b>1</b>	<p><b>HOUSING, WATER, ELECTRICITY, GAS, AND OTHER FUELS</b></p> <ul style="list-style-type: none"> <li>• 2.7% YoY inflation rate and a 0.6 ppt contribution to headline inflation</li> <li>• Due to higher prices of rentals, electricity, and water supply</li> </ul>
<b>2</b>	<p><b>RESTAURANT AND ACCOMOCATION SERVICES</b></p> <ul style="list-style-type: none"> <li>• 2.4% YoY inflation rate and a 0.2 ppt contribution to headline inflation</li> <li>• Due to higher prices at restaurants, cafes, and the like</li> </ul>
<b>3</b>	<p><b>FOOD AND NON-ALCOHOLIC BEVERAGES</b></p> <ul style="list-style-type: none"> <li>• 0.5% YoY inflation rate and a 0.2 ppt contribution to headline inflation</li> <li>• Due to higher prices of fish and seafood</li> </ul>

# INFLATION UPDATE

## Steady and mellow

### METROBANK'S TAKE

#### Rice import ban extended

On October 30, 2025, President Ferdinand Marcos Jr. issued Executive Order (EO) No.102, which extends the import ban for regular and well-milled rice until the end of the year. The EO aims to protect local farmers from a further decline in rice prices amid a glut. This should slow down and later reverse the decline in the retail prices of the grain and could pose an upside risk to inflation.

#### Price freeze

President Marcos also announced that there will be no price increase in basic and prime commodities until the end of 2025. However, supply constraints amid adverse weather conditions may continue to affect prices of fish and vegetables.

#### Oil-slicked inflation

On the global space, the OPEC+ has decided on a small output hike for December and a pause in the output hikes in the first quarter of next year to address concerns about oversupply. This will bring prices higher year-on-year, posing upside risks to headline inflation in the near term.

#### Room for one more

Amid expectations of faster inflation in the last two months of the year, Metrobank maintains its forecast that full-year inflation will settle at 1.8%, below the BSP's target range.

Furthermore, the absence of upward supply-side price shocks points to the slow MoM inflation continuing until early next year. Still, low base effects from this year can be a source of upward pressure. Thus, Metrobank revises its full-year 2026 inflation forecast to 3.3% from 3.6% previously but maintains its full-year 2027 forecast at 3.0%.

Sub-target inflation provides sufficient room for the BSP to cut policy rates by 25 basis points in its December meeting. Continued economic risks add reason for the BSP to provide further springboard to growth. We continue to expect that BSP's target reverse repurchase (RRP) rate will settle at 4.50% by year-end.

#### BSP RISK-ADJUSTED FULL-YEAR AVERAGE INFLATION FORECAST

	as of Jun 2025	as of Aug 2025	as of Oct 2025
2025	1.6%	1.7%	1.7%
2026	3.4%	3.3%	3.1%
2027	3.3%	3.4%	2.8%

#### METROBANK FULL-YEAR AVERAGE INFLATION FORECAST

2024 Actual	2025	2026	2027
3.2%	1.8%	3.3%	3.0%

#### METROBANK YEAR-END TARGET RRP RATE FORECAST

2024 Actual	2025	2026	2027
5.75%	4.50%	4.25%	4.25%

- Related articles: 1) [Inflation Preview: Food and utilities rising on varying paces](#);  
2) [GDP Preview: Domestic headwinds prove challenging](#)

# INFLATION UPDATE

Steady and mellow

## ANNEX

### HEADLINE INFLATION OF MAIN COMMODITY ITEMS

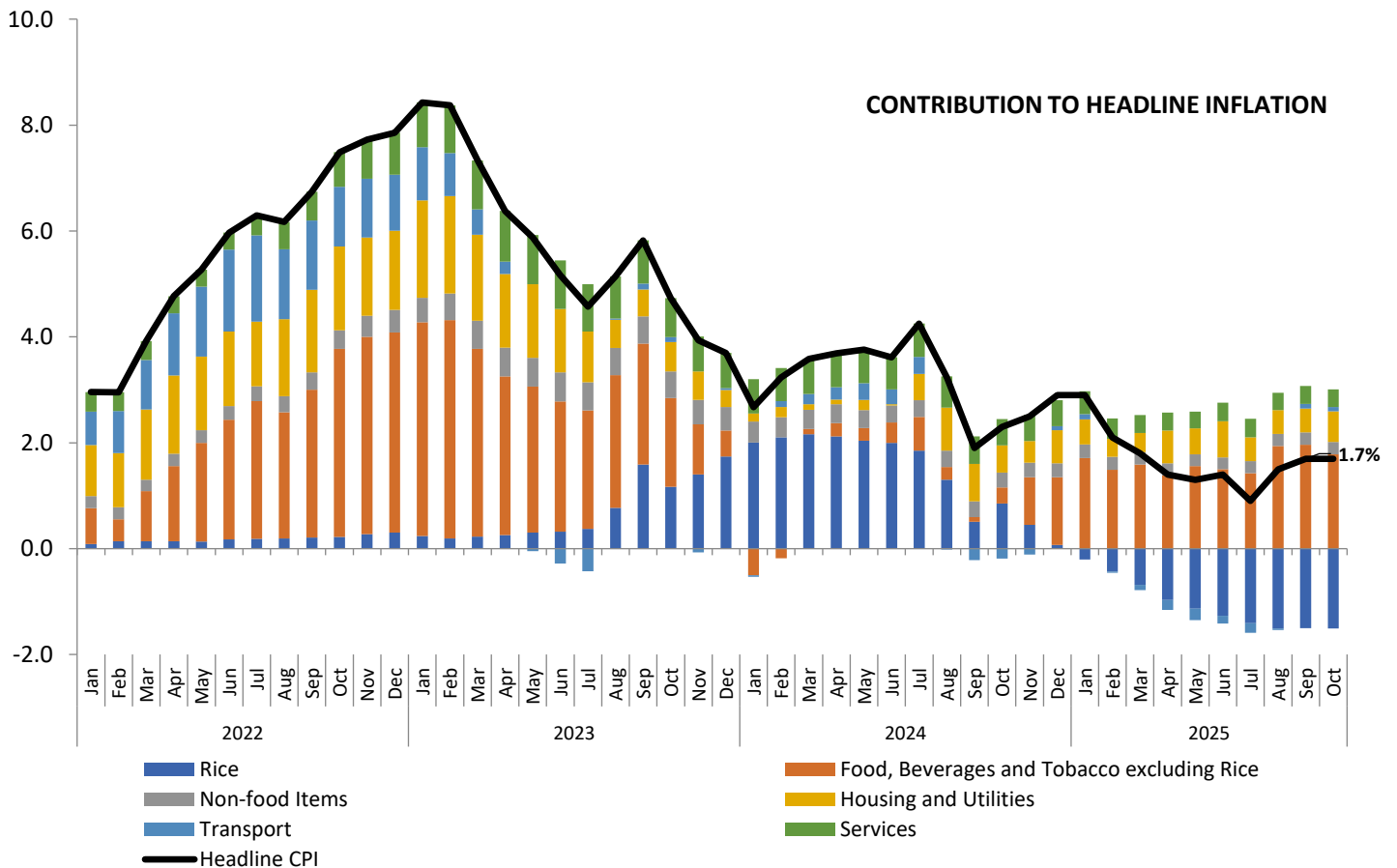
All Items	1.7
Food and non-alcoholic beverages	0.5
Alcoholic beverages and tobacco	4.0
Clothing and footwear	1.8
Housing, water, electricity, gas, and other fuels	2.7
Furnishings, household equipment, and routine household maintenance	2.4
Health	2.7
Transport	0.9
Information and communication	0.7
Recreation, sport, and culture	1.9
Education services	3.0
Restaurants and accommodation services	2.4
Financial services	0.0
Personal care, and miscellaneous goods and services	2.5

### October 2025 (in %)

Food and non-alcoholic beverages	0.5
Alcoholic beverages and tobacco	4.0
Clothing and footwear	1.8
Housing, water, electricity, gas, and other fuels	2.7
Furnishings, household equipment, and routine household maintenance	2.4
Health	2.7
Transport	0.9
Information and communication	0.7
Recreation, sport, and culture	1.9
Education services	3.0
Restaurants and accommodation services	2.4
Financial services	0.0
Personal care, and miscellaneous goods and services	2.5

Legend

Lower vs last month Higher vs last month



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