

What to Expect from the October IPCA-15

XP Macro & Macro Strategy

The October IPCA-15 will be published on Friday, October 23rd. We anticipate the headline index to advance by 0.43% MoM (4.73% YoY), a tad below the Bloomberg consensus (0.45% MoM; 4.74% YoY) and Broadcast consensus (0.44% MoM; 4.73% YoY); forecasts range from 0.37% to 0.60% MoM.

According to the Broadcast+ survey, the market expects the average of the core inflation gauges to rise by 0.36% MoM and underlying services by 0.42% MoM. Meanwhile, we project a 0.35% MoM increase for the core inflation average (4.47% YoY) and a 0.49% MoM rise for underlying services (5.55% YoY). Should our forecast materialize, the three-month seasonally adjusted annualized rate (3M SAAR) for core inflation would rise from 4.3% to 4.7%, while the 3M SAAR for underlying services would increase from 5.3% to 6.4%. For the labor-intensive services gauge, we anticipate a 0.52% increase, with its 3M SAAR accelerating to 7.3 from 7.1%. *In sum, the 3MSAAR core inflation average is expected to edge higher, surpassing the target ceiling. Other core inflation measures under this metric will also continue to rise, pointing to a less favorable assessment of current inflation dynamics.*

Basiliki Litvac
Macro Research

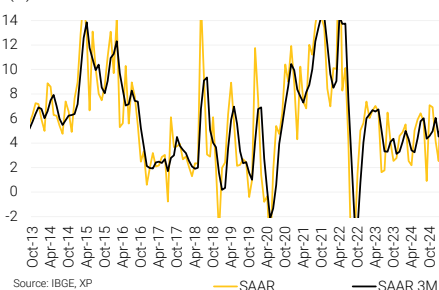
Alexandre Maluf
Macro Research

Victor Scalet
Macro Strategist

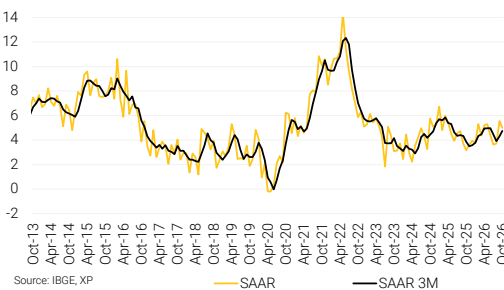
André Buzzini
Macro Strategist

Contact
macrostrategy@xpi.com.br

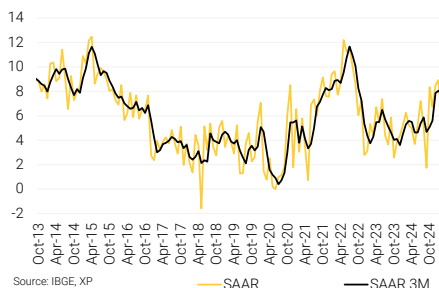
XP: IPCA-15 (Headline)
(%)



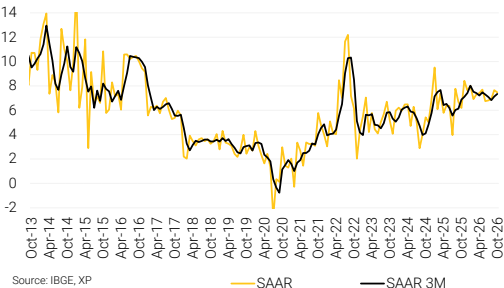
XP: Average core inflation
(%)



XP: Underlying services
(%)



XP: Labor-intensive services
(%)



Electricity will be once again one of the main drivers of the monthly inflation reading, falling in October as the green flag tariff took effect. Meanwhile, market prices will be pushed up primarily by **food at home**, with widespread increases across its components. **Industrial goods** are expected to ease as the dissipation of the cigarette price hike offsets gains in ethanol and personal care items. On the **services** side, more moderate increases in airfare and transportation services should offset the reversal of the decline in cinema tickets and the rise in food away from home.

The main upside risks to be monitored are airfares, gasoline and the reversal of cinema tickets prices promotions.

XP - Expectations on October IPCA-15 (%)

Gauge	XP	Consensus [Median]
IPCA-15	0.43	0.44* / 0.45 **
Regulated Prices	0.03	0.09
Market-set prices	0.57	0.57
Food at home	1.14	1.18
Industrials	0.30	0.30
Services	0.48	0.48
Underlying services	0.49	0.42
Avg. Core measures	0.35	0.36

*Broadcast; **Bloomberg

Sources: Bloomberg and Broadcast.

October IPCA-15	MoM		YoY	
IPCA-15 inflation	Sep-26	Oct-26	Sep-26	Oct-26
Headline	0.70	0.43	4.47	4.73
Food and beverages	0.40	0.96	4.40	5.43
Food at home	0.38	1.14	3.73	5.01
Food away from home	0.44	0.54	6.07	6.44
Housing	2.07	-0.13	4.30	4.00
Electricity	7.42	-0.84	2.82	3.09
Articles of residence	0.55	0.36	1.36	2.38
Clothing	0.41	0.48	3.15	3.18
Transports	0.60	0.57	3.85	4.01
Gasoline	0.30	0.62	5.33	4.94
Airfares	9.82	5.00	43.06	43.90
Health and personal care	0.13	0.28	5.76	5.80
Personal expenses	0.96	0.45	6.05	6.08
Education	0.03	0.03	5.97	5.91
Communication	0.54	0.05	2.59	2.73
Regulated Prices	1.28	0.03	4.14	3.92
Market-set prices	0.50	0.57	4.60	5.03
Non-durable goods	0.61	0.86	4.42	5.31
Semi-durable goods	0.32	0.37	2.15	2.27
Durable goods	0.07	0.11	0.85	1.38
Services	0.63	0.48	6.07	6.18
Underlying Services	0.28	0.49	5.29	5.55
Labor-intensive Services	0.56	0.52	7.29	7.39
Industrials	0.41	0.30	2.92	3.25
Underlying industrials	0.05	0.31	3.52	3.84
Difusion	0.54	0.71	-	-
IPCA EX0	0.55	0.41	4.85	5.05
IPCA EX3	0.19	0.41	4.55	4.84
IPCA MS	0.29	0.30	3.87	3.97
IPCA DP	0.32	0.29	4.02	4.13
IPCA P55	0.35	0.35	4.35	4.41
Average core inflation*	0.34	0.35	4.33	4.48

* EX0, EX3, MS, DP e P55

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