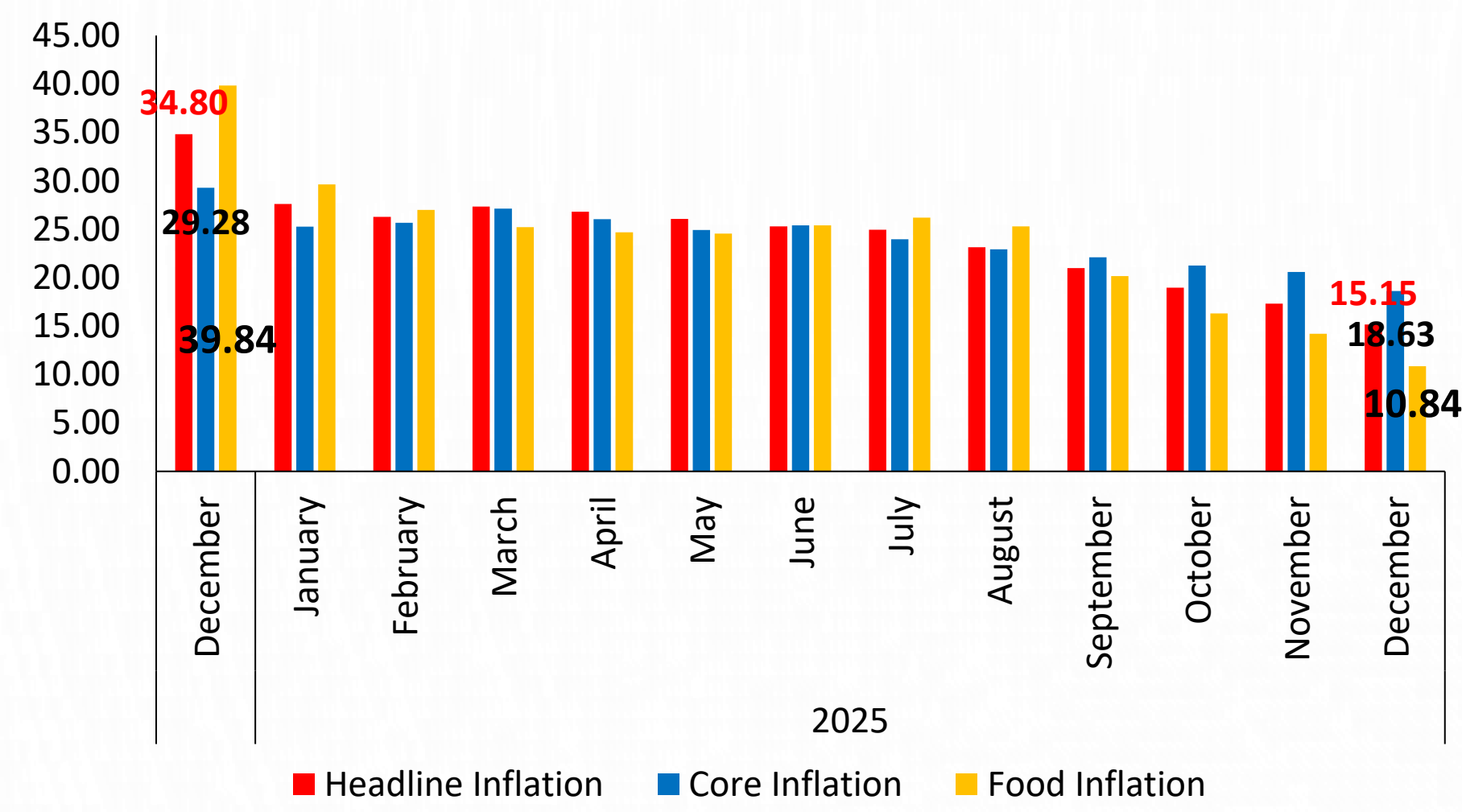


INFLATION REPORT DECEMBER 2025

Rebased Headline, Core and Food Inflation Movement (y/y)



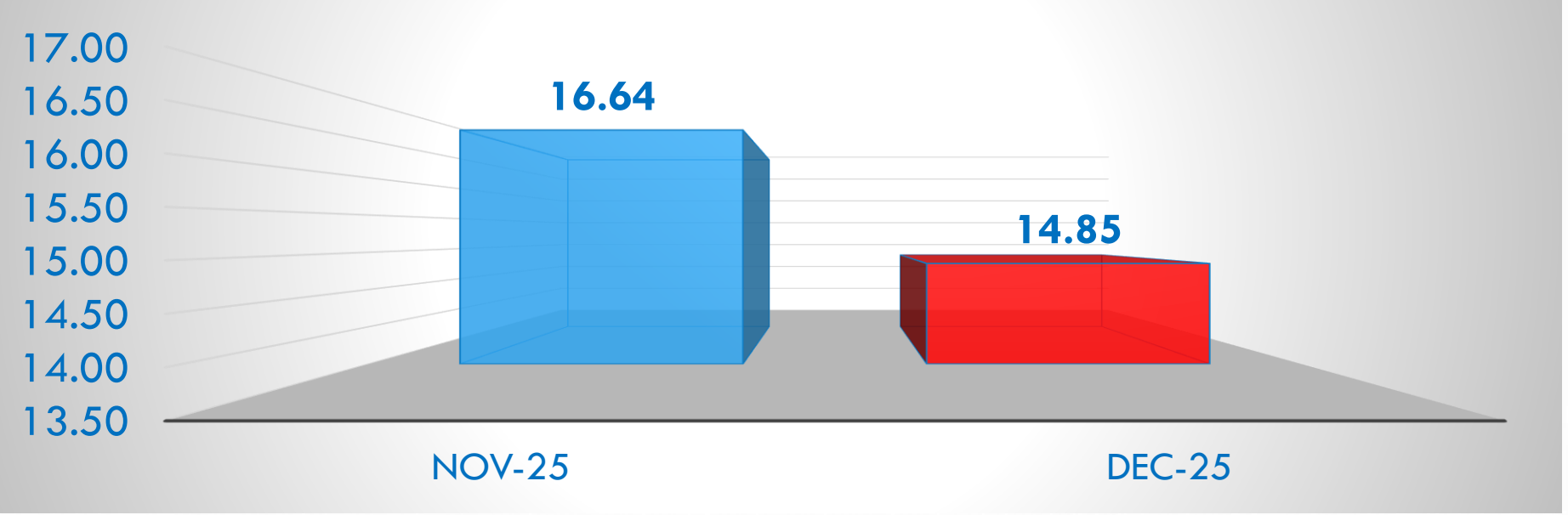
Headline inflation rate in December 2025 stood at 15.15% year-on-year, from 17.33% in November 2025 after the recent methodology review, representing a decrease of 2.18%. Also, it dipped by 19.65% when compared to the 34.80% recorded in December 2024, although with different base effect.

Furthermore, on a month-on-month (m/m) basis, Headline inflation rate was 0.54% in December, 0.69% lower than 1.22% recorded in November 2025.

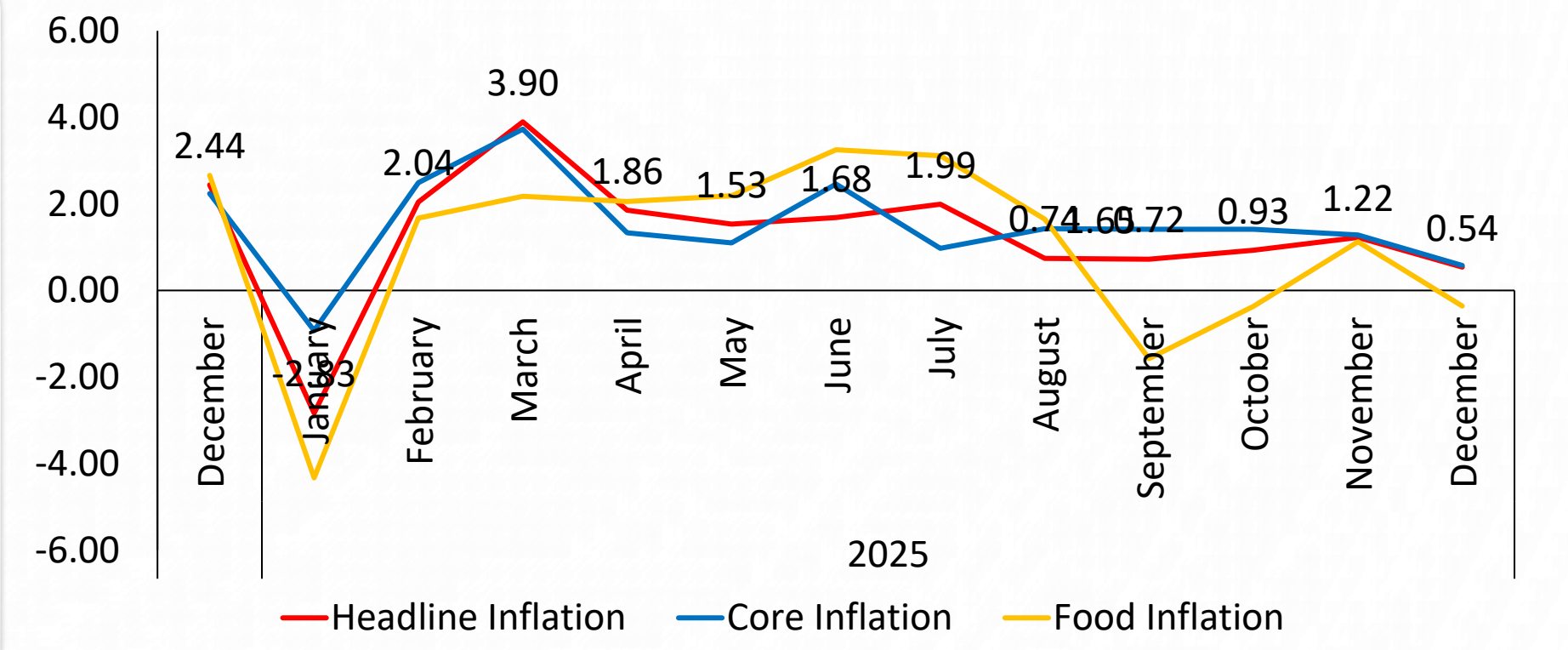
Food inflation stood at -0.36% in December m/m, which was 1.49% higher when compared to 1.13% recorded in November 2025. The **Core Inflation** rate dropped to 0.58% m/m in December 2025, which was down by 0.70% when compared to 1.28% recorded in November.

On the other hand, the **Urban inflation** rate was stated at 14.85% y/y, representing a decline of -1.79% compared to 16.64% computed in November. The **rural inflation** rate in October was also stated at 14.60%, which is -3.30% lower compared to 17.90% recorded in the previous month.

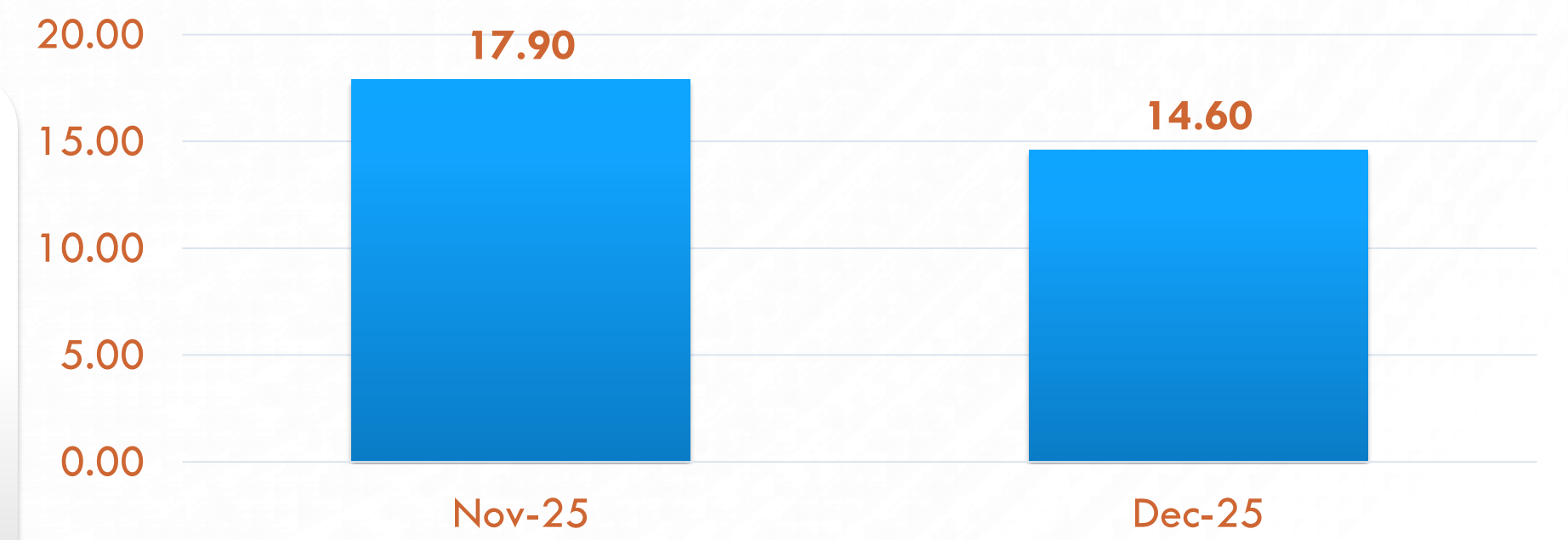
Urban Inflation y/y



Headline, Core, and Food Inflation Trend (m/m)



Rural Inflation y/y



Our Review:

Following a methodology readjustment, Headline inflation moderated to 15.15% in December, driven by a sustained slowdown in both food and core sub-indices and a favorable base effect. On a month-on-month basis, headline and food inflation also trended lower. Remarkably, food prices and energy costs declined despite typical festive season demand. Simultaneously, core inflation eased month-on-month, reflecting the impact of tighter monetary policy, improved foreign exchange liquidity via a trade surplus, and ongoing fiscal discipline. Looking ahead, we expect this disinflationary trend to persist into January, with headline inflation projected to decline further toward 14.50%, primarily supported by the base effect.