

**Bank of England**

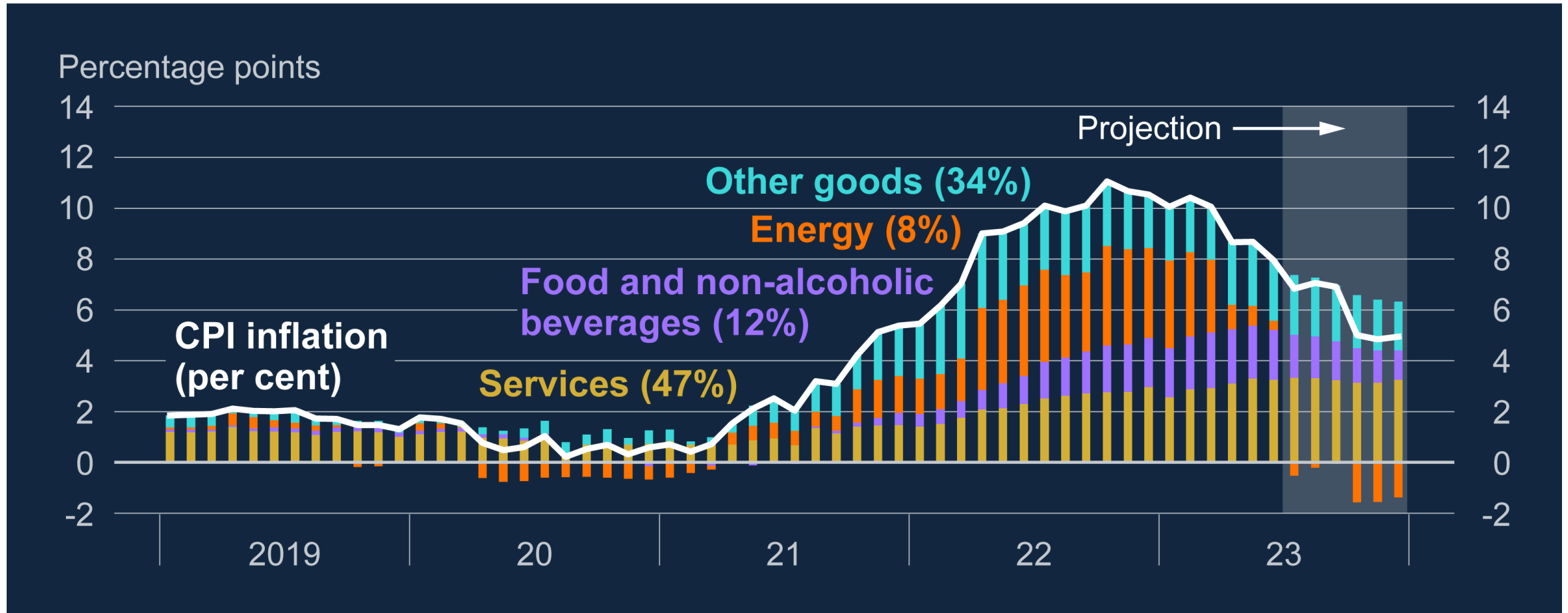
# Monetary Policy Report August 2023

Press Conference



# Chart 1: Consumer price inflation has fallen and is projected to fall further

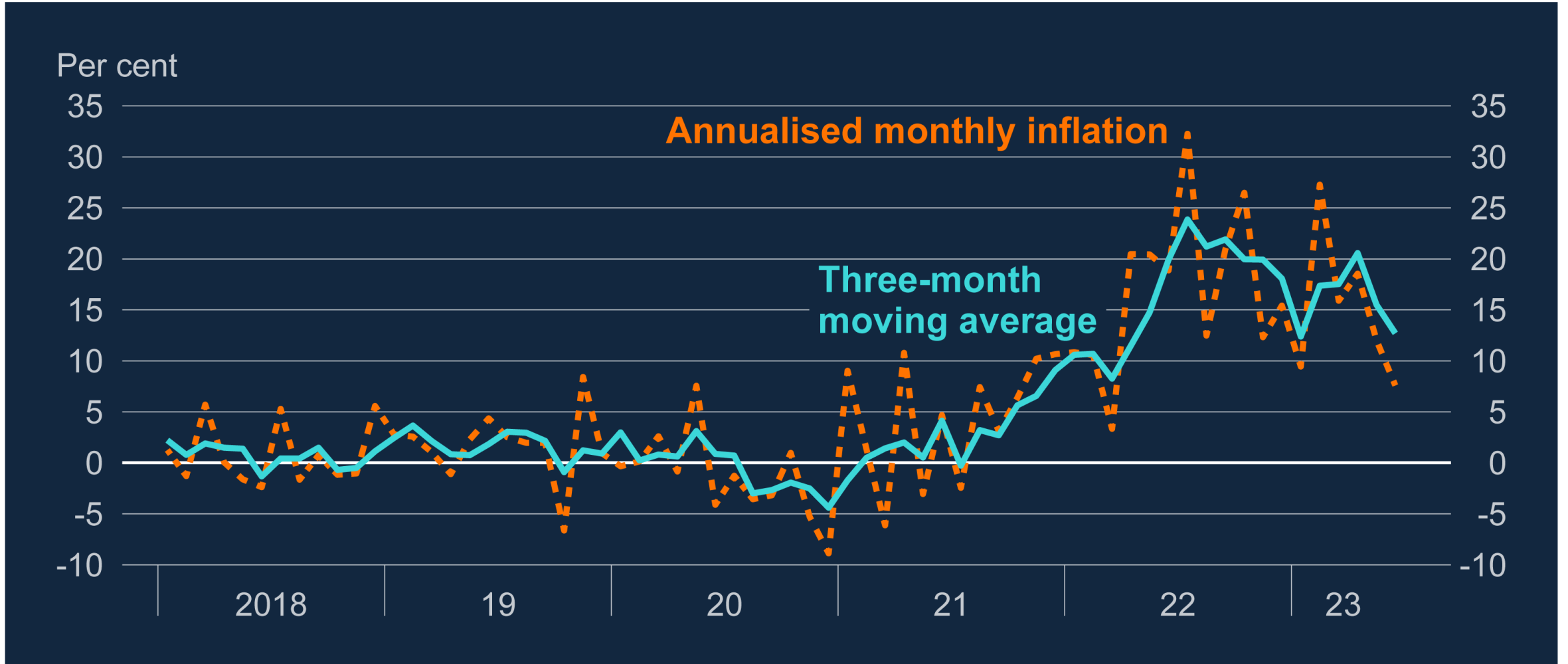
## Contributions to consumer price inflation



Source: Bloomberg Finance L.P., Department for Energy Security and Net Zero, ONS and Bank calculation

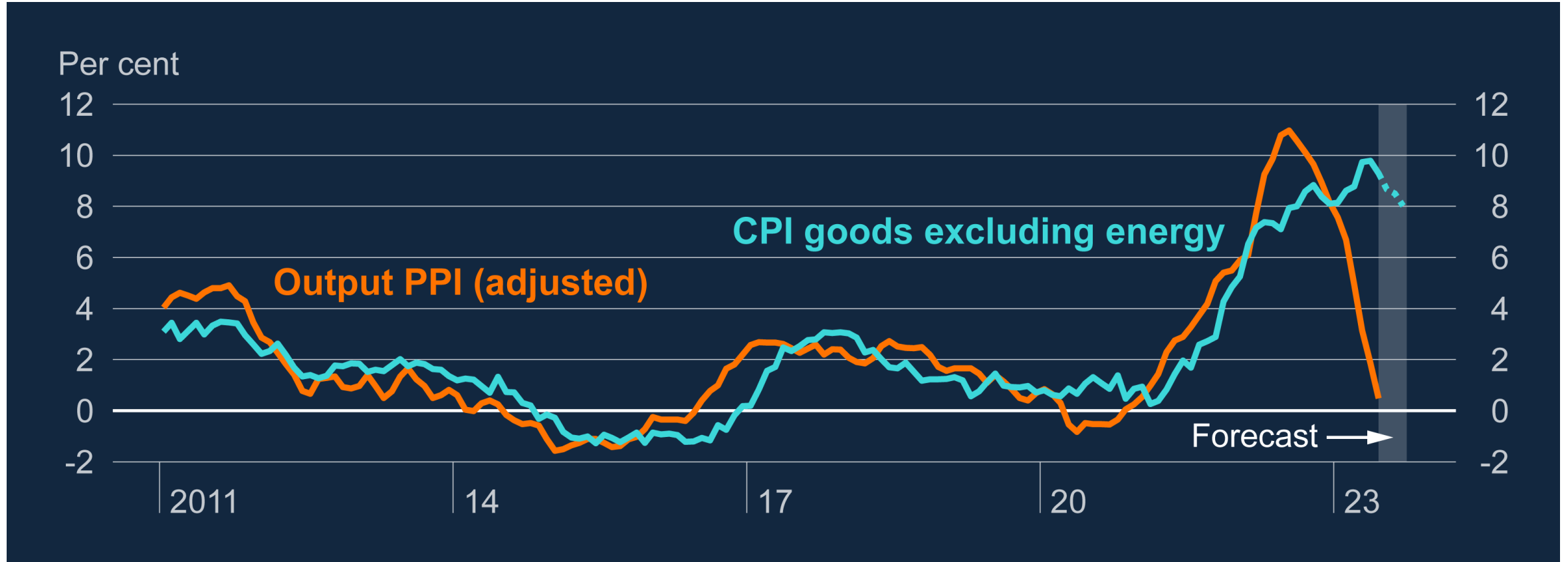
## Chart 2: Food inflation remains high but has started to slow slightly

Annualised monthly food and non-alcoholic beverages inflation



### Chart 3: Producer price inflation suggests cost pressures for goods are easing

Annual output producer price and consumer goods excluding energy inflation



Source: ONS and Bank calculations. The PPI series has been mean and variance adjusted.

## Chart 4: Services price inflation is projected to remain high

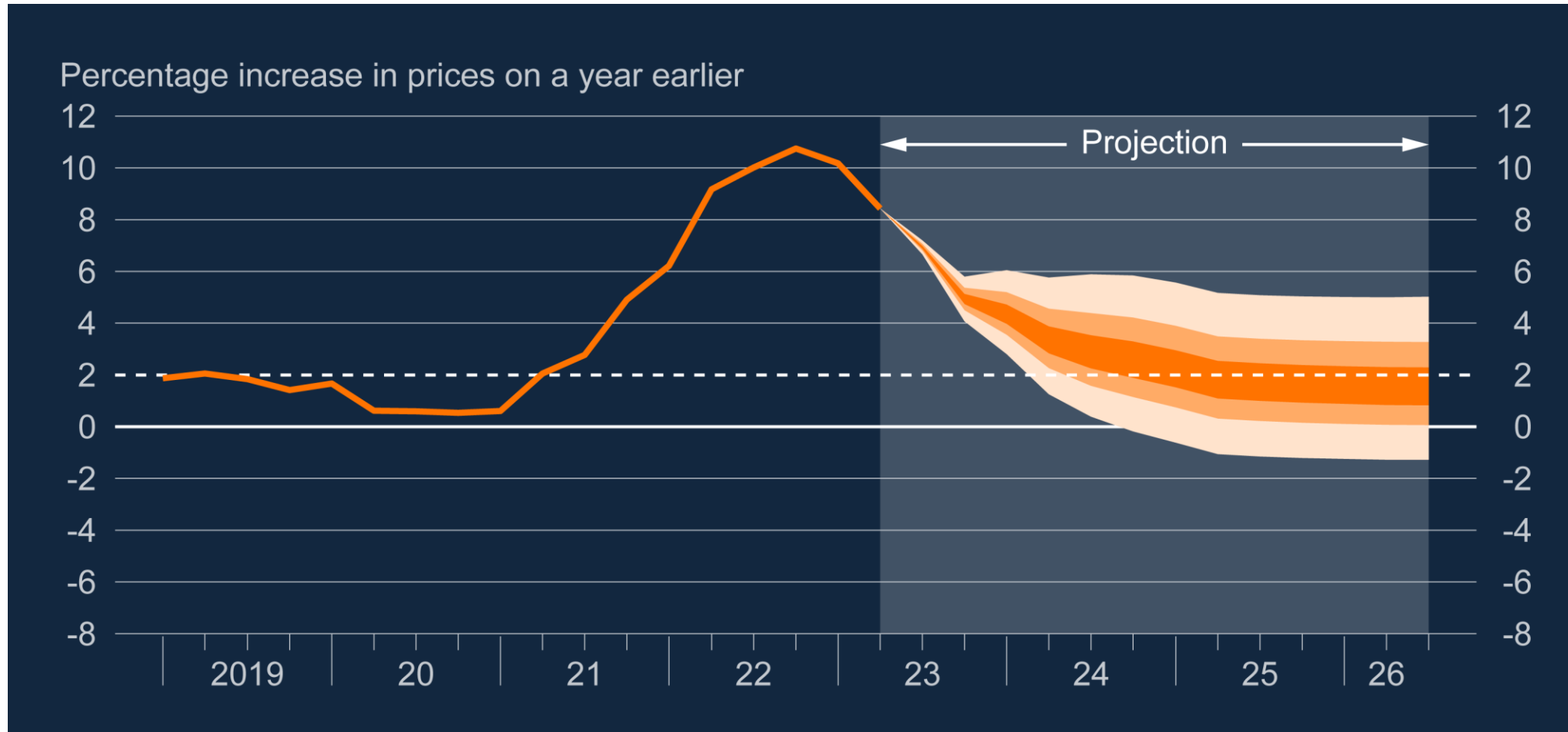
Twelve-month services price inflation



Source: ONS and Bank calculations

## Chart 5: CPI inflation projection

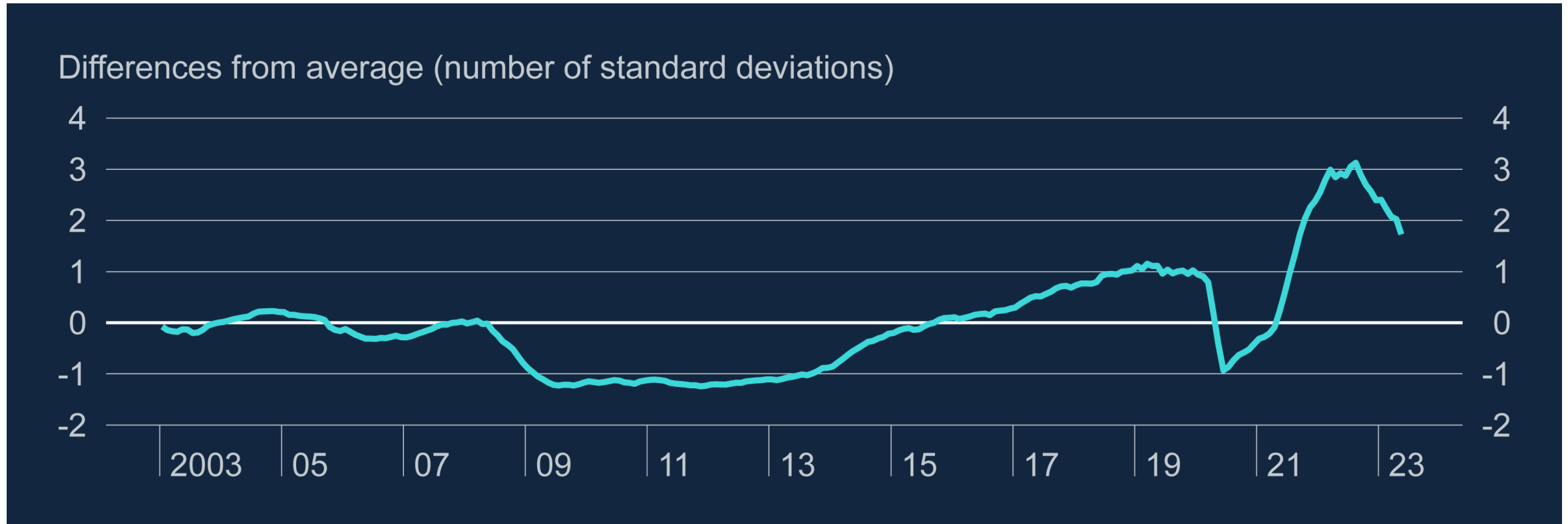
Based on market interest rate expectations



Source: ONS and Bank calculations

## Chart 6: The labour market remains tight although it has loosened

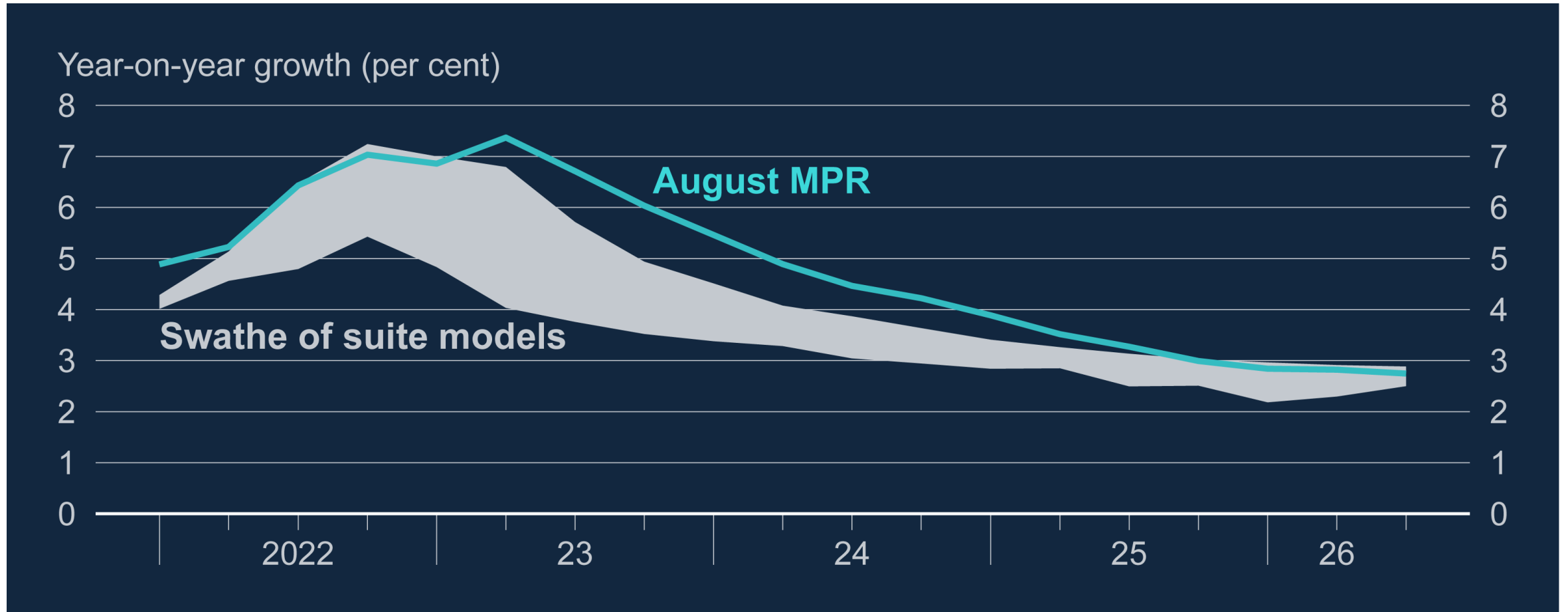
Vacancy to unemployment ratio



Source: ONS and Bank calculations

# Chart 7: Wage growth is expected to ease more slowly than in empirical models

Projection for private-sector regular pay growth



Source: ONS and Bank calculations



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