

Bank of England

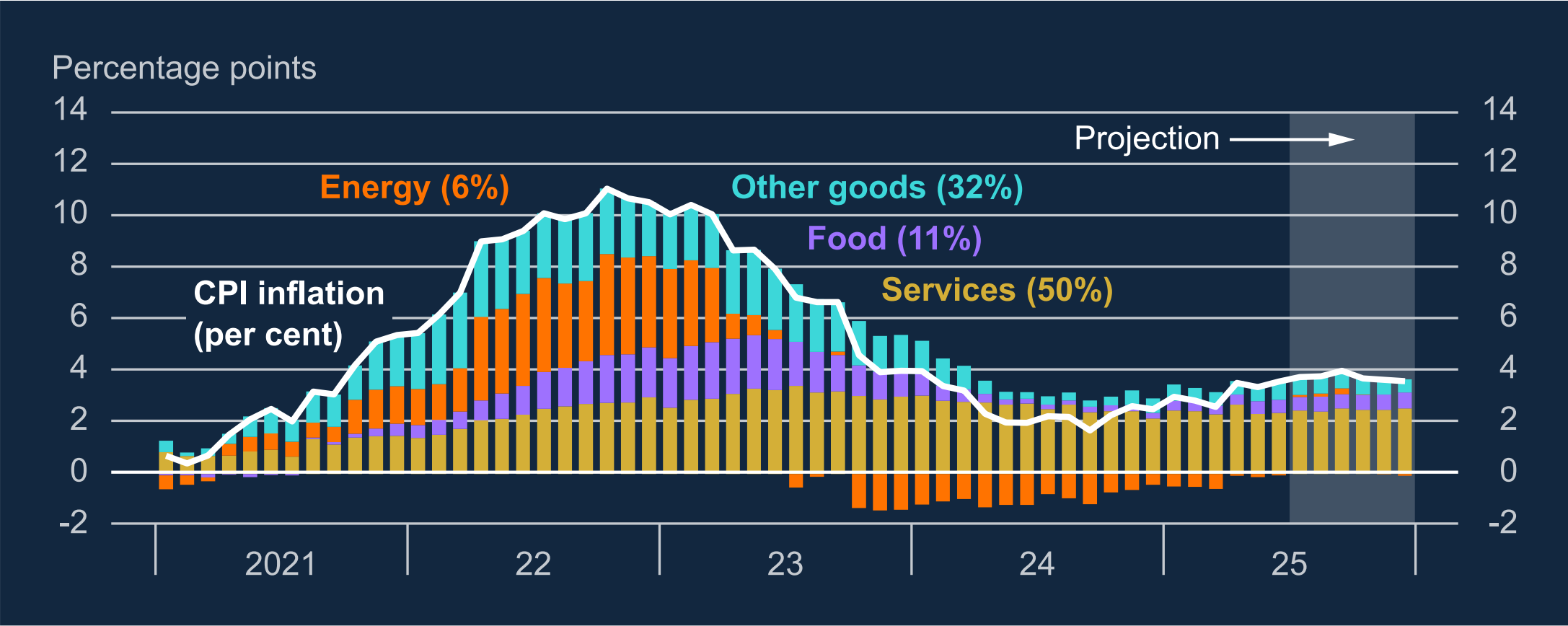
Monetary Policy Report August 2025

Press Conference



Chart 1: Inflation is expected to peak at 4.0% in September

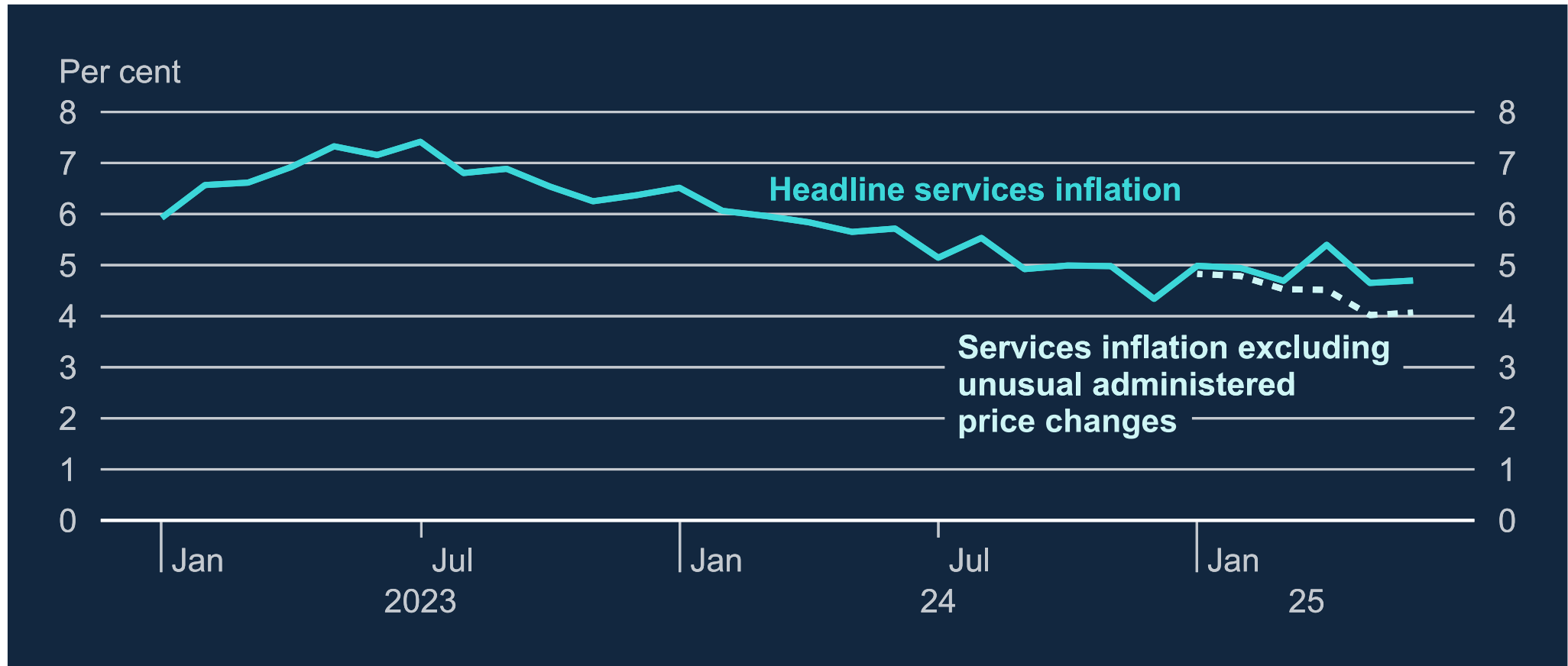
Contributions to CPI inflation (with CPI basket weights)



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

Chart 2: Administered prices add to services inflation

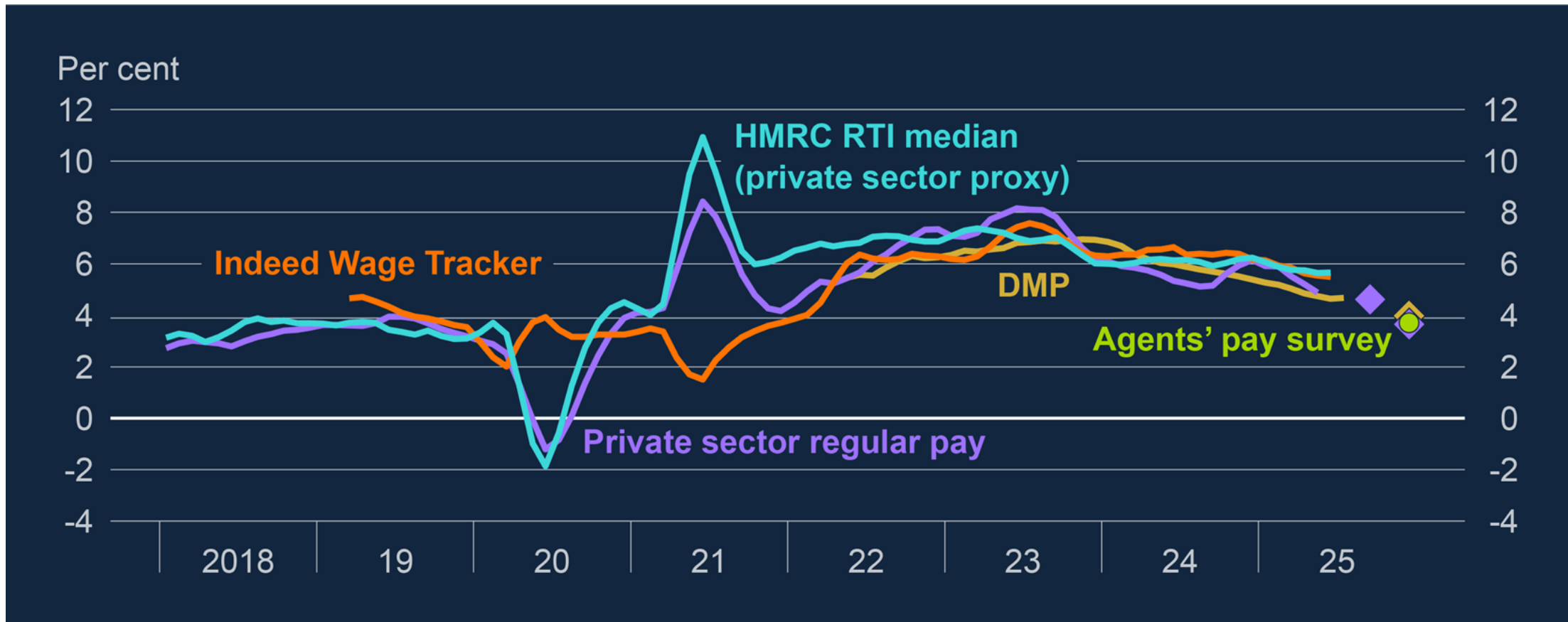
Measures of annual services inflation



Sources: ONS and Bank calculations

Chart 3: Wage growth has declined and is expected to fall below 4%

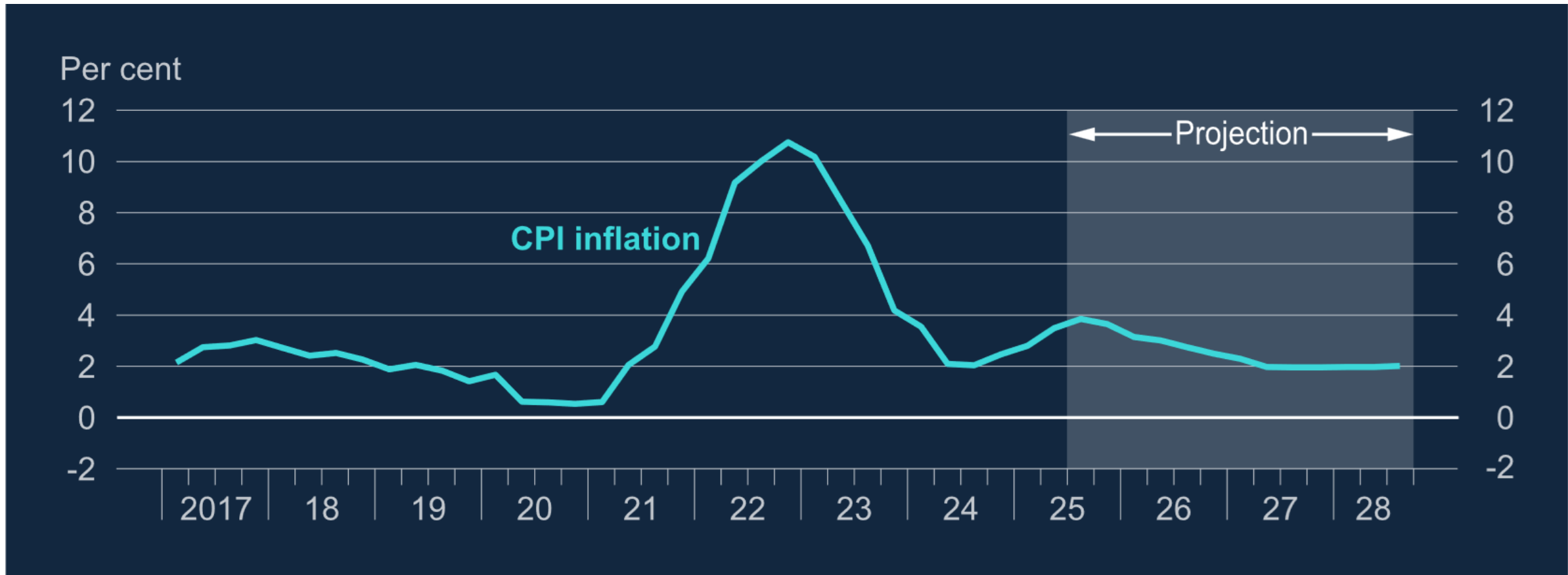
Measures of private sector wage growth



Sources: Bank Agents, DMP Survey, HMRC, Indeed, KPMG/REC UK Report on Jobs, Lloyds Business Barometer, ONS and Bank calc.

Chart 4: CPI inflation is projected to return to the 2% target

UK CPI inflation and projection



Sources: ONS and Bank calculations.

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