

Bank of England

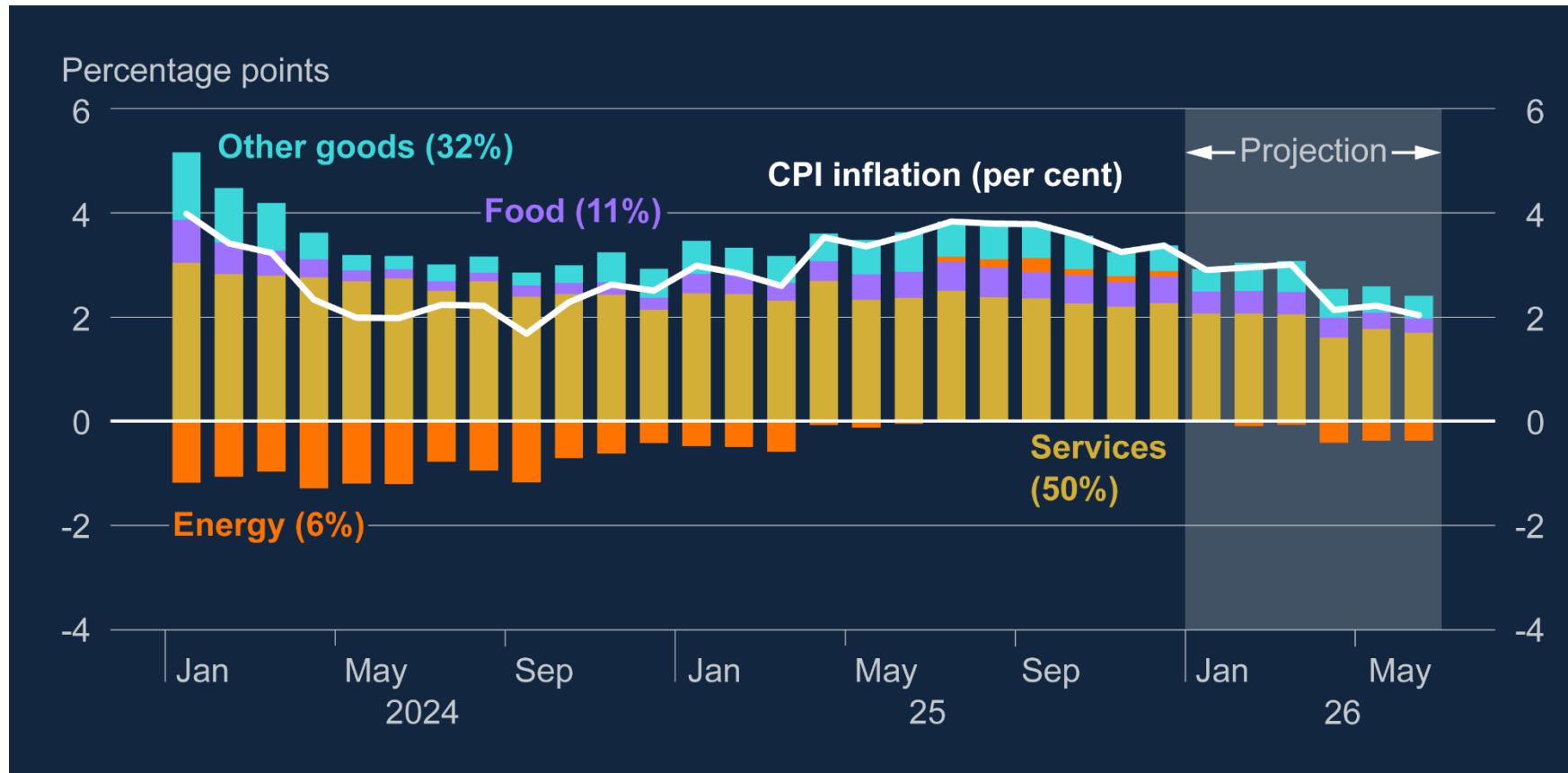
Monetary Policy Report  
February 2026

Press Conference



# Chart 1: Inflation was 3.4% in December

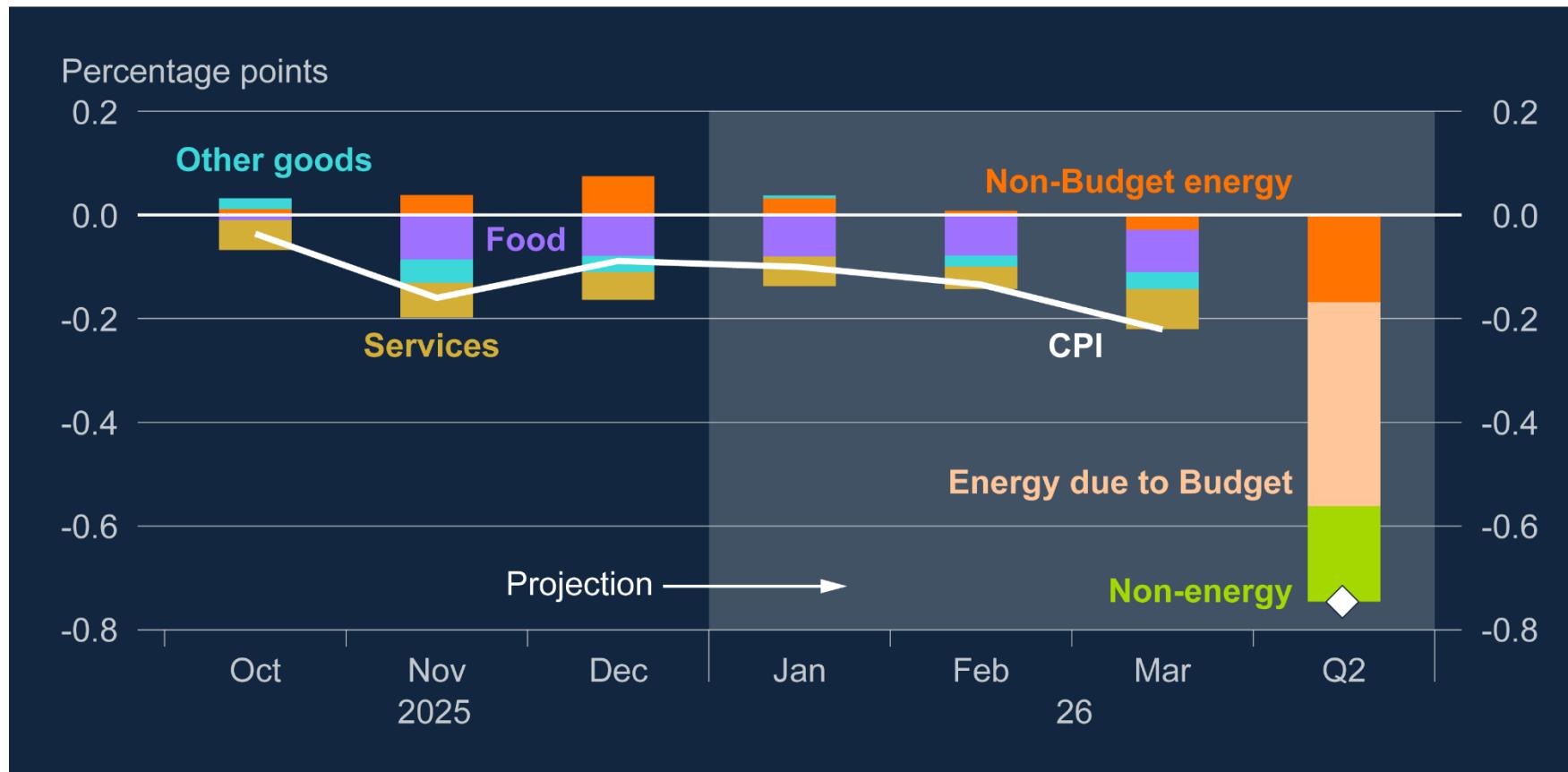
## Contributions to CPI inflation (with CPI basket weights)



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

## Chart 2: Inflation is projected to slow much more than expected in November

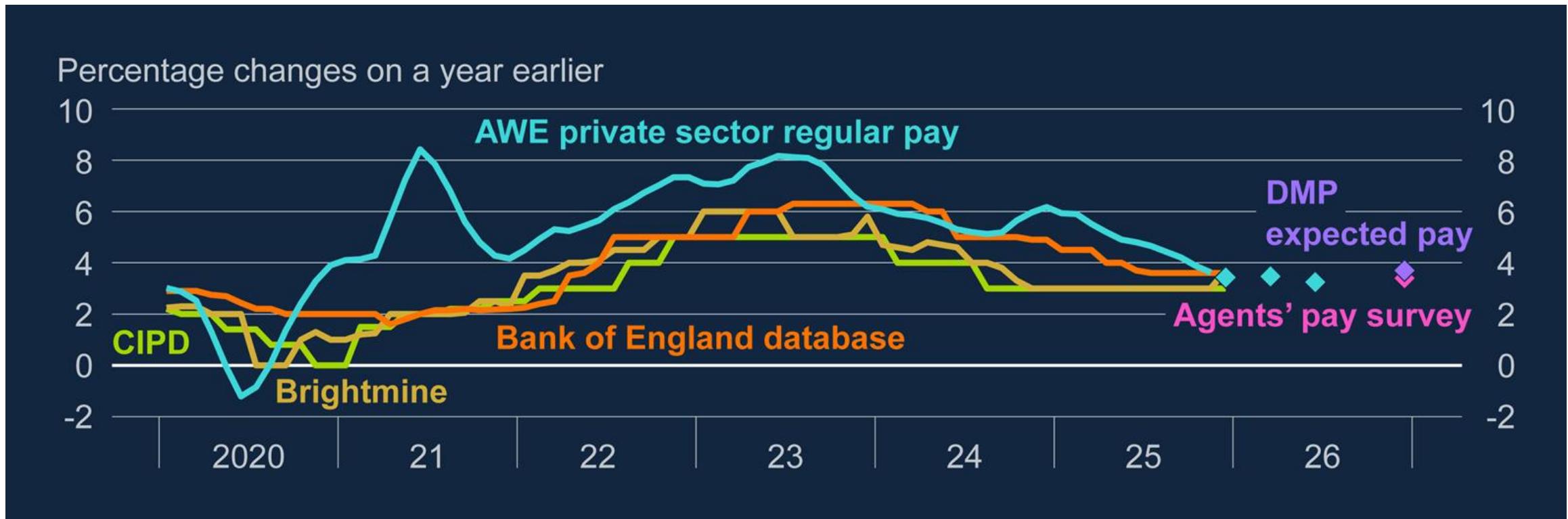
## News to CPI inflation relative to the November 2025 projection



Sources: ONS and Bank calculations

## Chart 3: Wage growth has fallen and is expected to moderate further

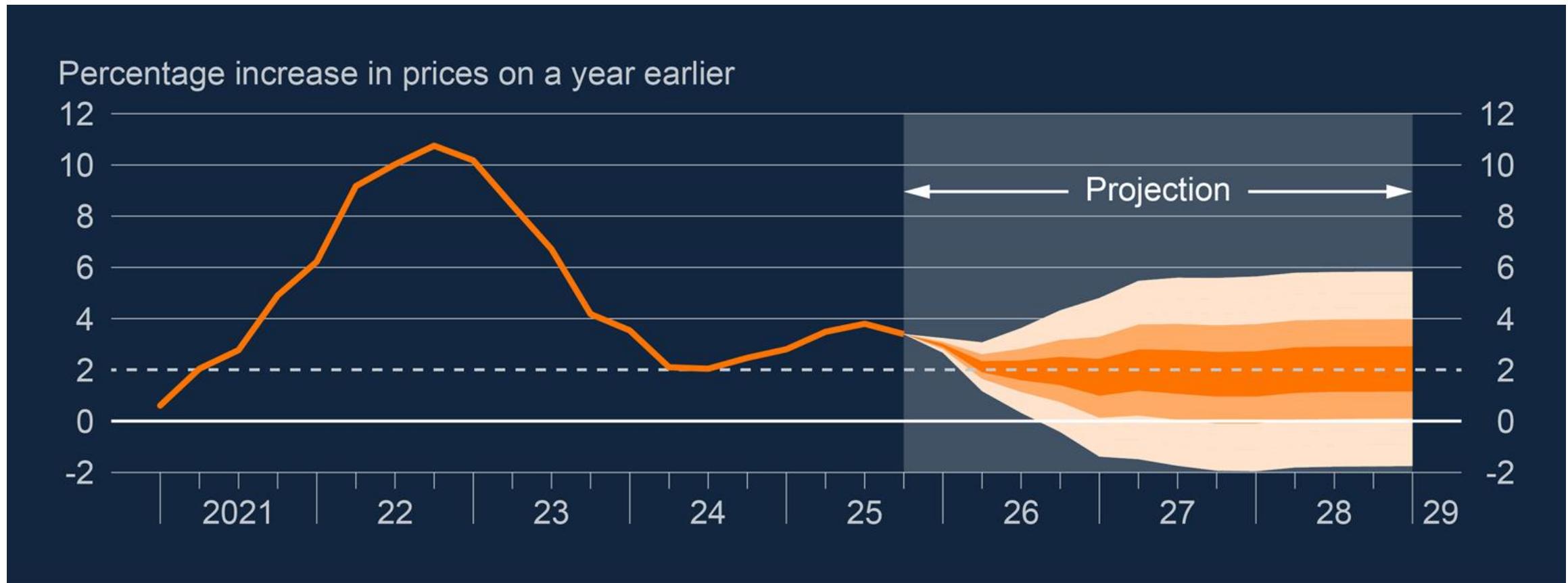
Measures of private sector wage growth and pay settlement



Sources: Bank Agents, Brightmine, CIPD, DMP Survey, Incomes Data Research, Labour Research Department, ONS and Bank calculations

## Chart 4: Inflation is projected to return to the 2% target this year

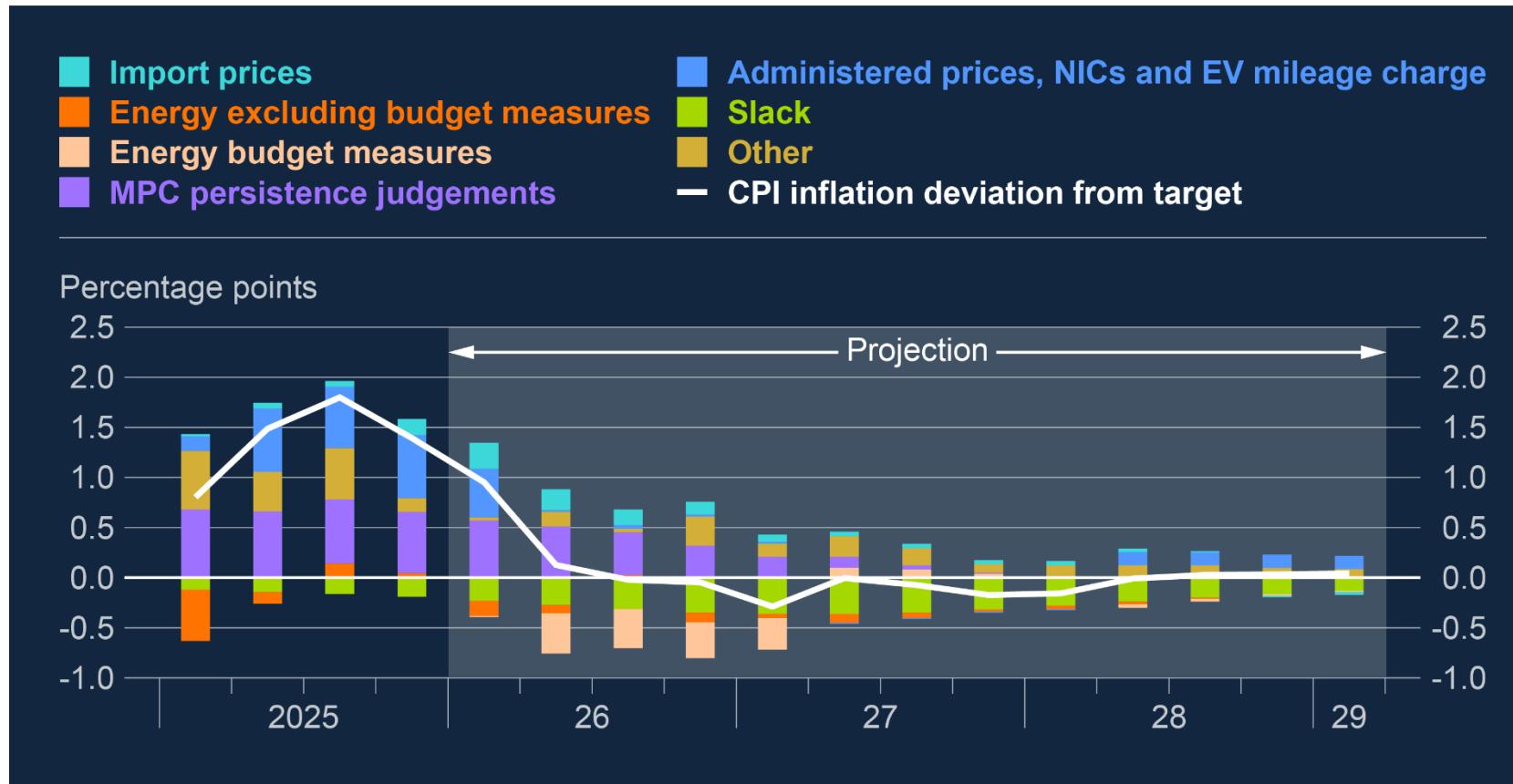
CPI inflation projection conditional on market-implied path for Bank Rate



Sources: ONS and Bank calculations

## Chart 5: Inflation is expected to slow sharply in 2026Q2

Percentage point deviation from the 2% inflation target



Sources: ONS and Bank calculations

Bank of England

Monetary Policy Report  
February 2026

Press Conference

