

Bank of England

Monetary Policy Report May 2023

Press Conference



Chart 1: GDP growth projection based on market interest rate expectations

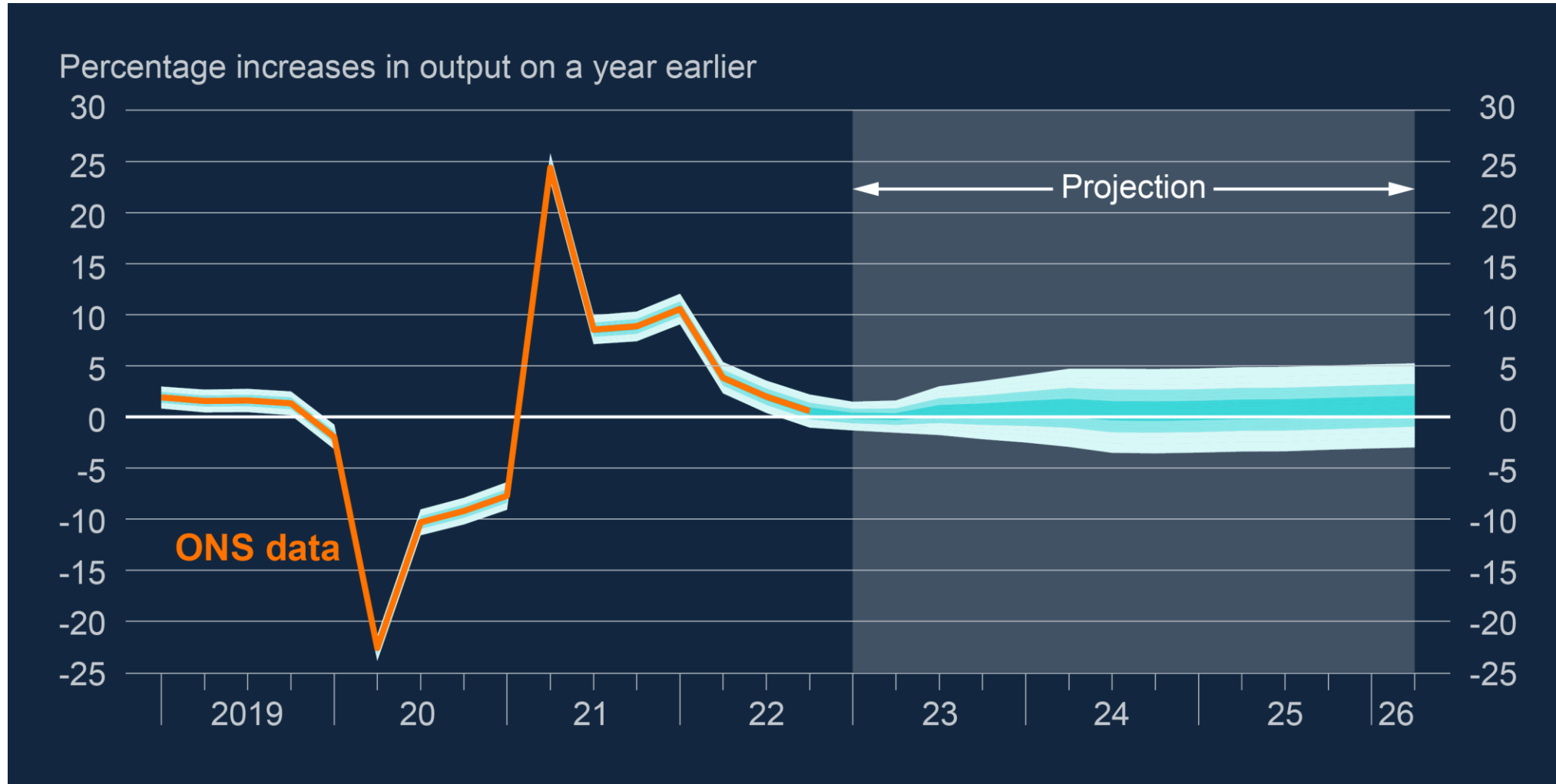
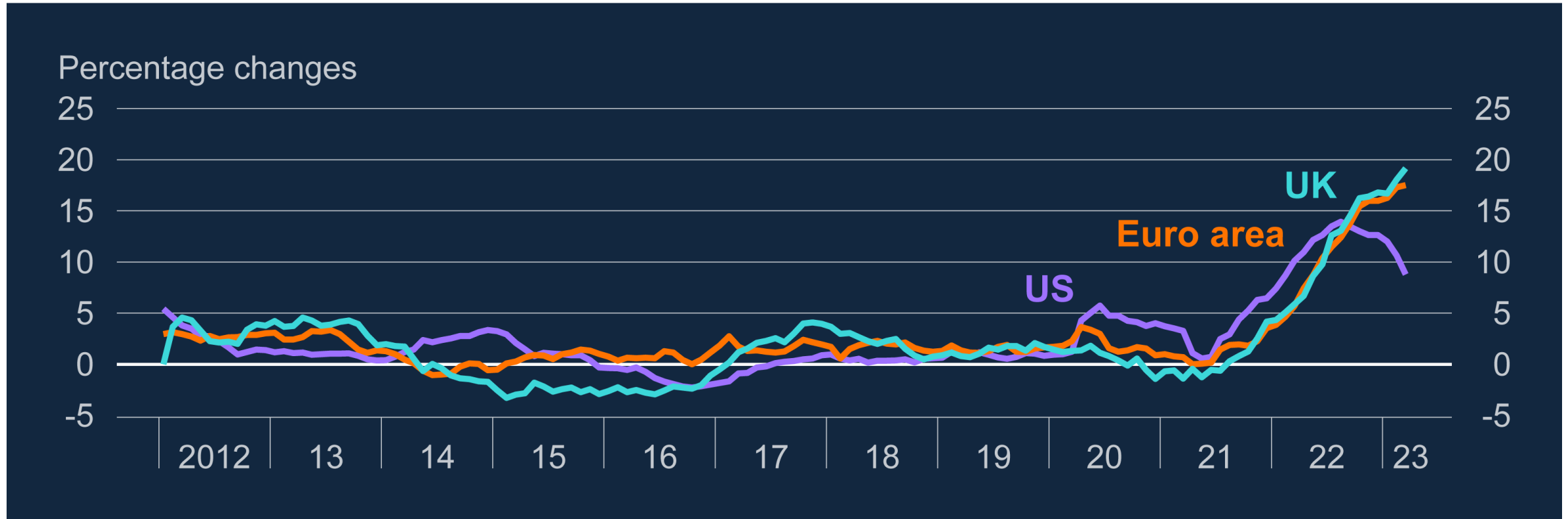


Chart 2: Food price inflation rates are similar in the UK, euro area and US

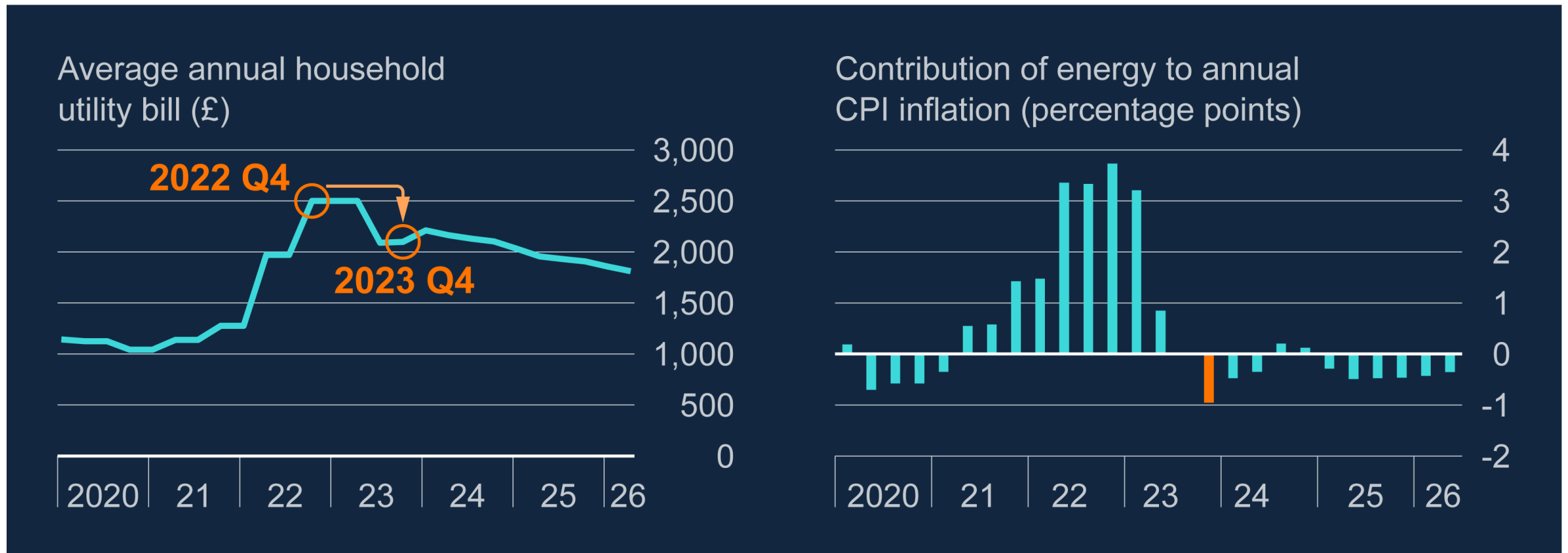
Annual food and non-alcohol beverages price inflation



Sources: ONS and Refinitiv Datastream.

Chart 3: Contributions of energy to inflation to will turn negative

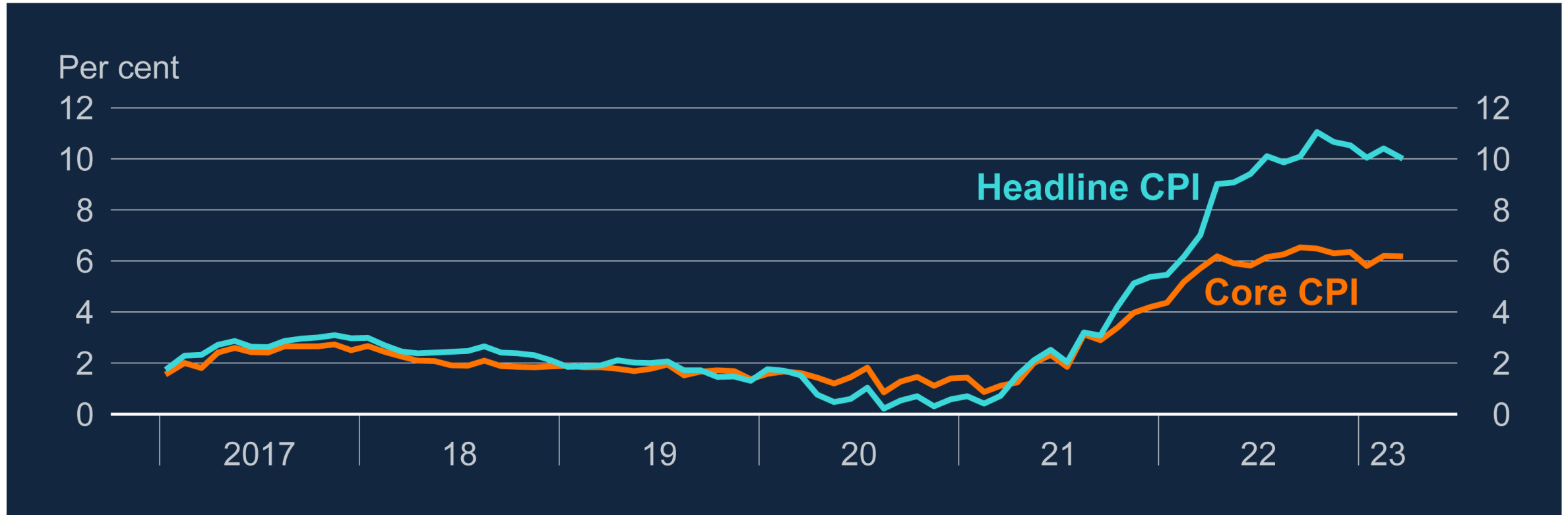
Typical household utility bill and contributions of energy to CPI inflation



Sources: ONS and Bank calculations

Chart 4: Headline and core CPI inflation have risen rapidly and remain elevated

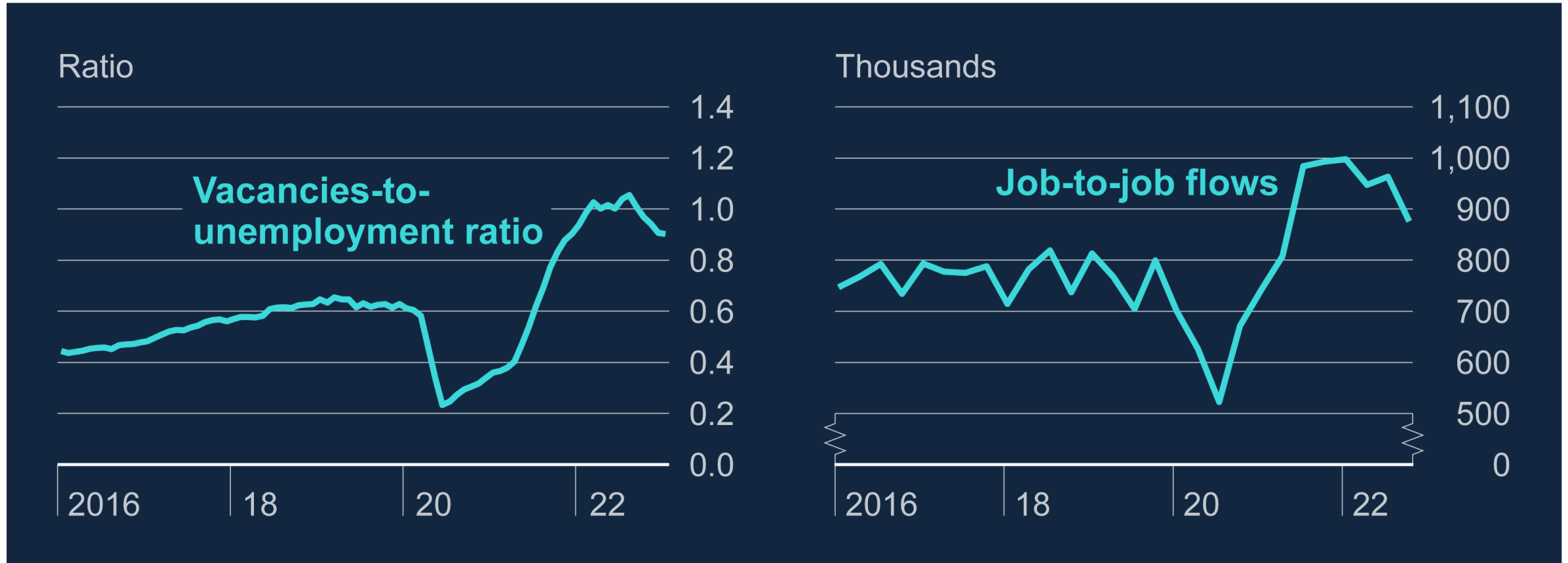
Headline and core annual CPI inflation



The latest data points are for March 2023. Core CPI is CPI excluding energy, food, beverages and tobacco.

Chart 5: The labour market remains tight with some signs of loosening

Ratio of the number of vacancies to people unemployed and job-to-job flows

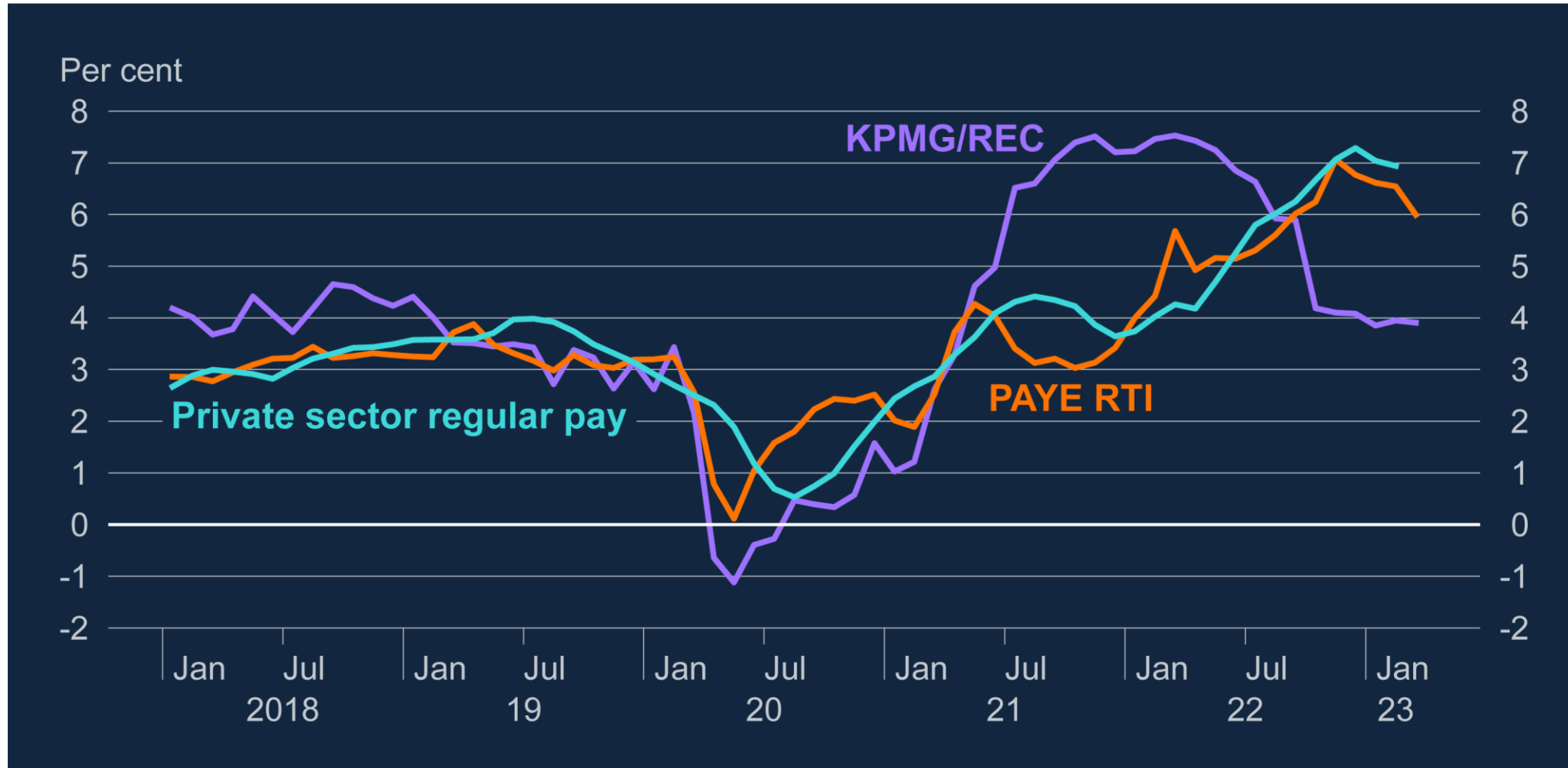


V/U ratio data are monthly with latest data point is for the three months to February 2023.

Job-to-job flows are quarterly with the latest data point for 2022 Q4.

Chart 6: Pay growth has eased, and some indicators point to a further decline

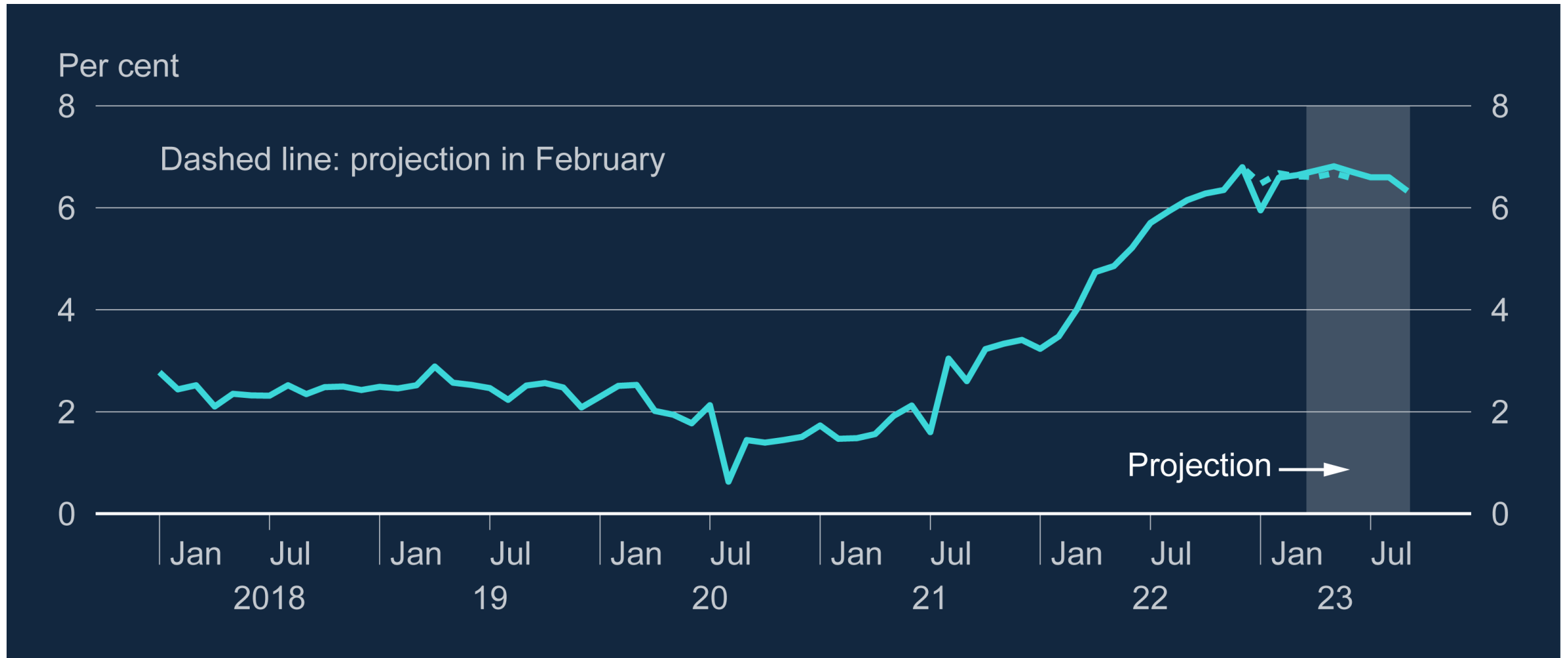
Indicators of annual pay growth



Sources: HMRC, KPMG/REC UK Report on Jobs, ONS, S&P Global and Bank calculations

Chart 7: Services price inflation remains strong

Services price inflation



Sources: ONS and Bank calculations

Chart 8: CPI inflation projection

Based on market interest rate expectations

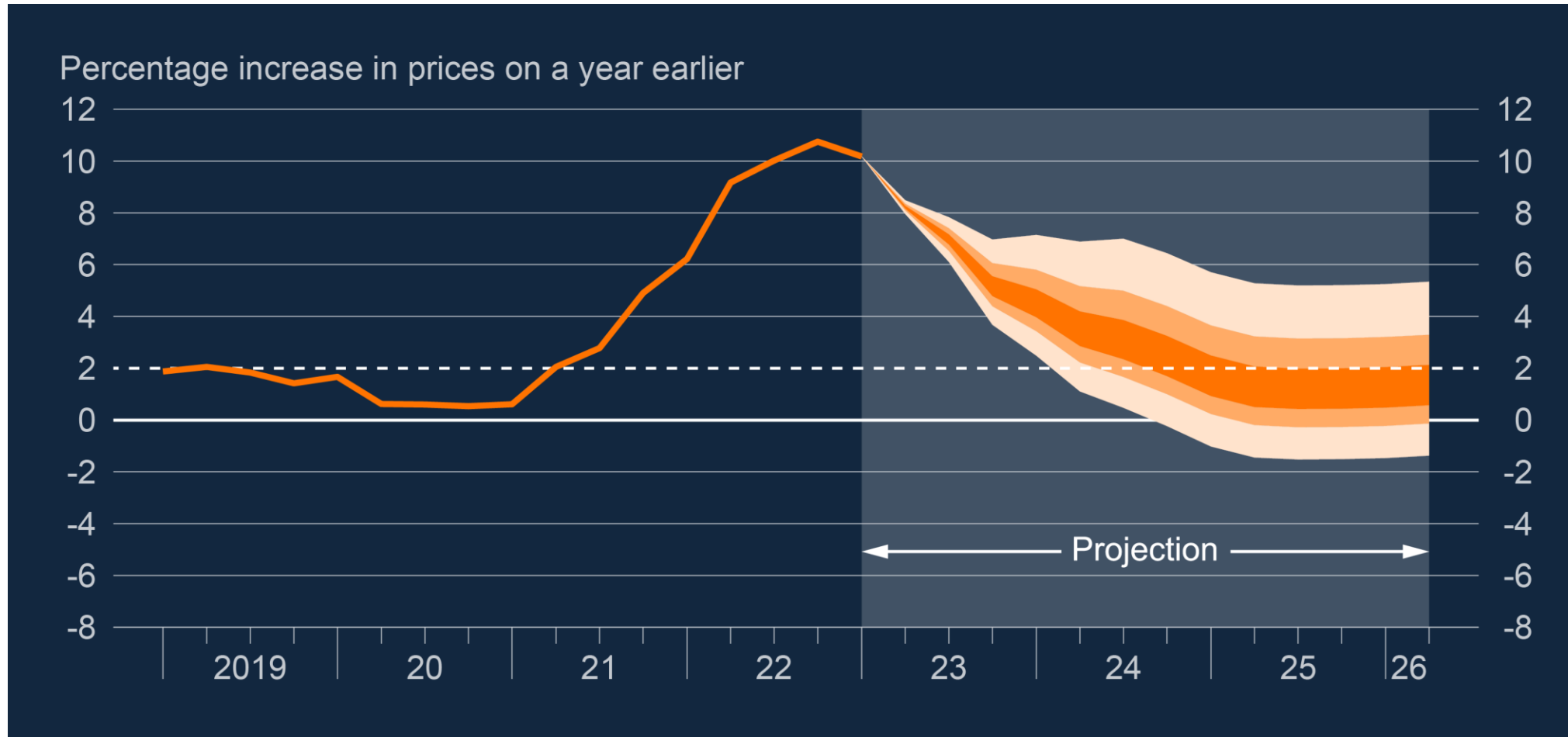
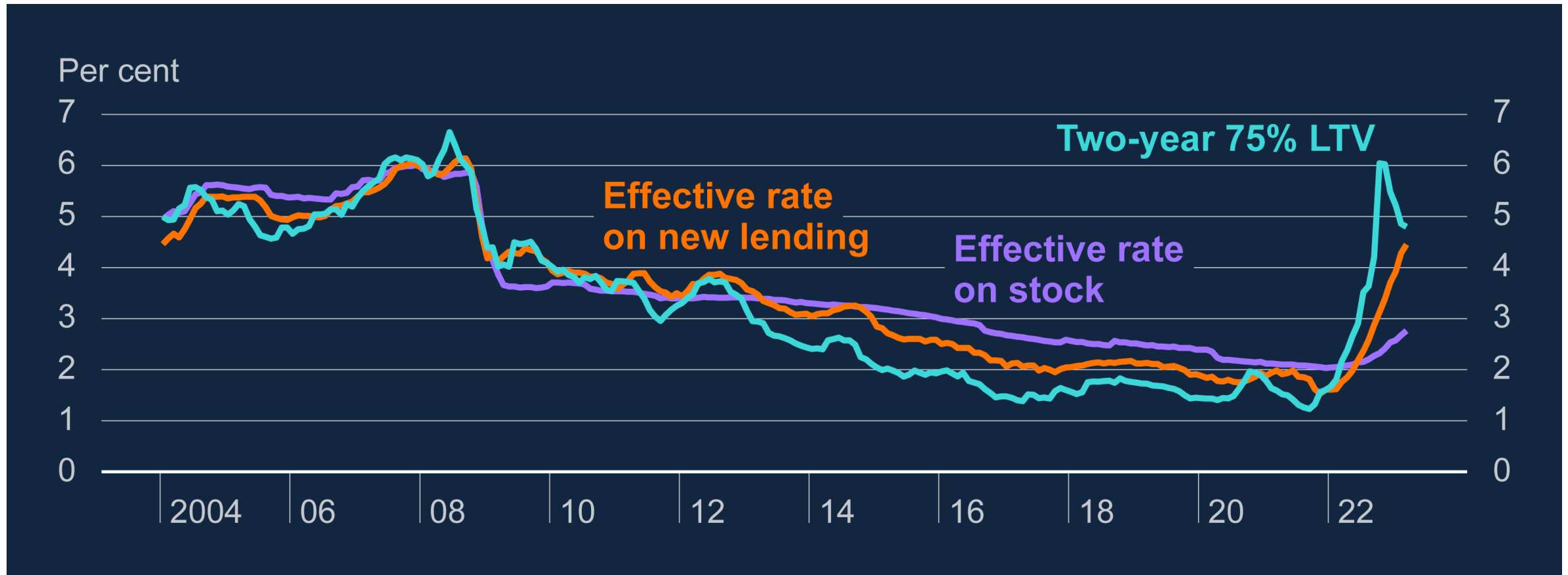


Chart 9: Rates on stock of mortgages have risen by less than quoted rates

Quoted rates on new two-year 75% LTV mortgages, and effective rates on new lending and existing stock of mortgages



Bank of England

Monetary Policy Report May 2023

Press Conference

