CPI October 2026

The CPI rose by an unadjusted 0.5% in October, taking the annual rate of consumer price inflation 0.6ppts higher to 4.9%. This was an upside surprise to market participants who expected increases of 0.4% MoM and 4.7% YoY.

%	MoM	YoY
Headline CPI	0.5	4.9
Headline CPI (Seasonally Adjusted)	0.7	4.9
Trimmed Mean CPI (Seasonally Adjusted)	0.5	3.8
Market Sector Ex 'Volatile Items'	0.4	3.3
Goods	1.0	5.8
Services	0.0	4.0
Tradables	0.8	5.3
Non-tradables	0.4	4.7

Data is original (not seasonally adjusted) unless stated otherwise.

In seasonally adjusted terms, the headline CPI increased by 0.7% in October, roughly the same as in the previous three months.

The trimmed mean CPI picked up by 0.5% in October, the most since July, resulting in an unexpected 0.2ppts rise in trimmed mean inflation to 3.8%. The RBA is focusing on quarterly trimmed mean inflation figures until seasonal patterns are clearer.

Groups

The 0.6ppts rise in annual inflation was caused equally by acceleration in price growth in housing (+1.2ppts to 5.2%) and transport (+1.9ppts to 8.7% YoY).

The faster rise in housing costs was led by higher electricity prices from a low base caused by energy bill relief measures last year. Overall, electricity costs were up 25.2% YoY (versus 12.8% YoY in September).

The acceleration in transport cost growth was driven by faster growth in automotive oil prices (32.5% YoY against 23.6% YoY a month ago).

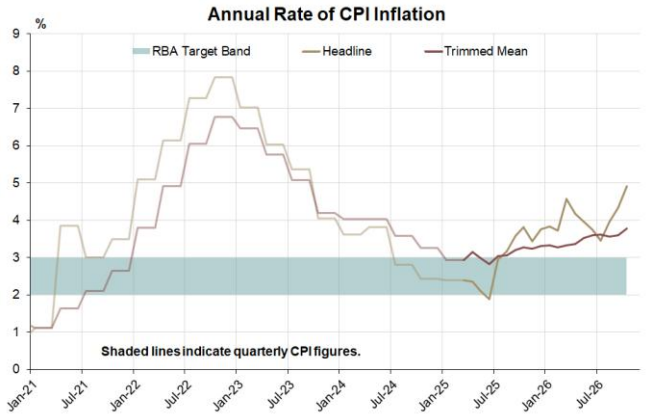
Capital Cities

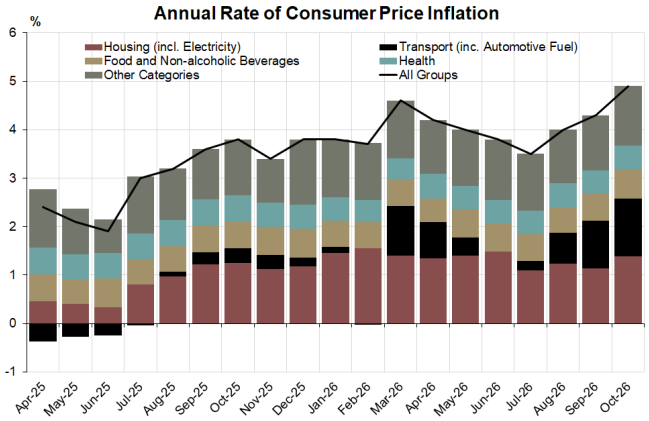
The annual rates of inflation in October ranged between 4.4% in Melbourne and 6.0% in Hobart.

In Perth, the CPI rose by 0.8% in October, while the annual rate of inflation increased by a full percentage point to 5.5%.

Perth transport costs rose by 13.2% YoY, while housing costs picked up by 7.6% YoY.

Capital Cities (%, Original)	MoM	YoY
Perth	0.8	5.5
Sydney	0.6	5.1
Melbourne	0.3	4.4
Brisbane	0.5	4.7
Adelaide	0.7	5.7
Hobart	1.1	6.0





Comment

The October inflation figures surprised somewhat to the upside, but there was hardly anything surprising about the details of the report.

The rise in inflation was caused primarily by well-known factors – high automotive fuel prices and base effects on electricity costs caused by energy bill relief measures.

There was also a marginal impact from the end of credit card surcharges, which prompted some businesses to increase prices of their products. This was particularly visible in services, such as drycleaning, hairdressing, veterinary services and vehicle repairs. This suggests that businesses judge that their customers are able to absorb higher prices, meaning that there could be some excess demand, at least in parts of the economy.

With the economy slowing, we are likely at or very close to the peak of inflation for this cycle, unless new supply shocks emerge. However, it will take several quarters for inflation to return to the target range.

The October CPI report led to some trimming of cash rate cut expectations, but the probability of such a move in the first half of 2027 remains around 80%, and a cut is fully priced in for the second half of the year. We continue to judge that it is a bit too early to discuss rate cuts.

25 November 2026