

CPI April 2026

The CPI rose by an unadjusted 0.4% in April, while the annual rate of consumer price inflation declined by 0.4ppts to 4.2%. This was a downside surprise to market participants (exp.: 0.6% MoM and 4.4% YoY).

%	MoM	YoY
Headline CPI	0.4	4.2
Headline CPI (Seasonally Adjusted)	-0.1	4.2
Trimmed Mean CPI (Seasonally Adjusted)	0.3	3.4
Market Sector Ex 'Volatile Items'	0.7	3.0
Goods	-0.3	4.7
Services	1.0	3.5
Tradables	-0.2	3.2
Non-tradables	0.6	4.7

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

In seasonally adjusted terms, the CPI ebbed by 0.1% over the month and rose by 4.2% through the year.

The trimmed mean CPI rose a seasonally adjusted 0.3% in April, taking the annual rate 0.1ppts higher to 3.4%, slightly above the market consensus of no change at 3.3%. This is also the highest level of annual trimmed mean inflation in the short history of the monthly CPI series, despite automotive fuel costs not being included.

That said, due to the uncertainty about the seasonal patterns of the relatively new series, the RBA continues to focus on quarterly figures, which are due in late July.

Groups

Housing remained the main contributor to annual price inflation in April, reflecting the relatively large share of this category and elevated growth. Despite a slight slowdown, housing costs remained 6.3% up through the year, with costs of utilities up 15.3% YoY due to base effects on electricity prices.

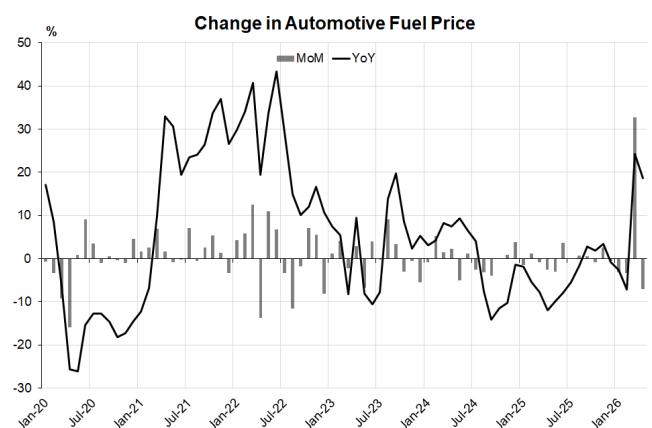
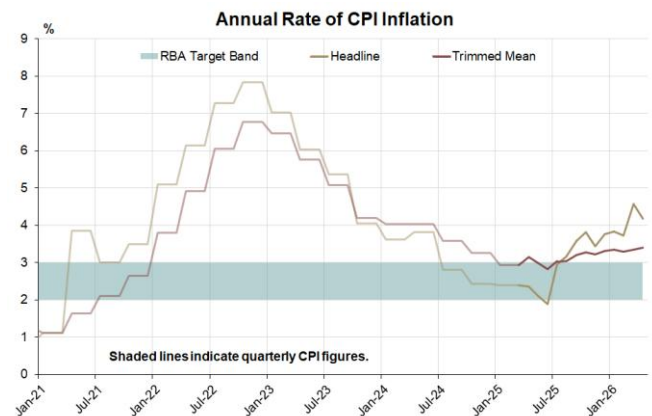
A slowdown in transport cost growth accounted for most of the decline in annual CPI inflation. Annual growth in automotive fuel prices slowed by 0.5ppts to 18.6%, as prices fell in monthly terms following the fuel excise cut effective on 1 April.

Capital Cities

Annual CPI inflation rates in April ranged from 3.9% in Perth and Melbourne to 5.0% in Hobart.

The 0.7ppts drop in the annual rate of Perth CPI inflation to 3.9% in April reflected mainly the timing of energy bill relief measures relative to 2025, as well as the fuel excise cut.

Capital Cities (% , Original)	MoM	YoY
Perth	0.4	3.9
Sydney	0.4	4.2
Melbourne	0.0	3.9
Brisbane	0.5	4.6
Adelaide	0.7	4.6
Hobart	0.5	5.0



Comment

The larger-than-expected impact of the fuel excise cut translated into a slight downside surprise to headline CPI inflation in April, both in monthly and quarterly terms. However, it remained well above the RBA's 2-3% target range.

In addition, annual trimmed mean inflation – which excluded fuel prices in April – climbed further, drifting away from the upper bound of the RBA's target range.

While the headline inflation rate and monthly trimmed mean figures are not the main focus of the RBA, neither of the above is good news for the central bank.

That said, the downside surprise to the headline inflation rate in April was enough to push cash rate hike expectations significantly lower this morning. At the time of writing, a 25bps hike remains just over 80% priced in for 2026, which compares to full pricing before the CPI release.

Due to persisting inflation pressures, the RBA will retain a hawkish bias for now. However, the Monetary Policy Board has indicated it will pause its cash rate increases at its next meeting in June, to assess the initial impacts of the 75 basis points of interest rate increases that it has already delivered this year.

28 May 2026