

Snap | 30 September 2026

ITALY

Energy shock sends Italian inflation sharply higher

Italian headline inflation jumped above 4% in September, but the underlying picture remains considerably softer. This is still very much an energy story, with additional support from unprocessed food, another volatile component – a combination which will be increasingly felt by households



The volatility in energy and unprocessed food will increasingly be felt by households in Italy

Istat's preliminary estimate puts national consumer price inflation at 4.2% year-on-year, up from 3.3% in August, which is higher than expected. Harmonised inflation rose to 4.1% YoY from 3.2%, with the 2.0% monthly rise also reflecting the end of the summer sales.

Energy prices push inflation above 4%

The renewed acceleration was overwhelmingly energy-driven. Energy inflation rose to 22.3% from 17.1% as prices rose sharply across both regulated and non-regulated components. Regulated energy inflation reached 25.9%, led by a sharp rise in protected-market gas prices, while non-regulated energy rose by 22.2%, reflecting sizeable increases in motor fuels, heating oil, free-market gas and electricity.

Food inflation also strengthened to 1.8% from 1.0%, entirely because of unprocessed food, which accelerated to 5.5% from 3.8%. This pushed inflation in the 'shopping basket' of food and everyday household and personal-care products to 1.7% from 0.9%. By contrast, processed food prices were still slightly lower than a year earlier. Services inflation edged up more moderately, to 2.6% from 2.4%, with firmer recreational, personal-care and transport services. For the time being, the services domain, more directly affected by wage costs, is not showing evidence of emerging second-round effects.

The composition is less alarming than the headline suggests, but not entirely benign

Core inflation excluding energy and fresh food rose only modestly, to 1.7% from 1.5%, and inflation excluding energy stood at 2.0%. The September spike therefore looks mainly like a fresh energy shock rather than a broad-based resurgence in domestic price pressures. Even so, the rise in high-frequency purchases to 5.3% will make the inflation rebound particularly visible to households and could weigh on real purchasing power.

Istat's acquired inflation rate for 2026 now stands at 3.1% for the headline index, while remaining at 1.9% for core inflation. Taking into account that more increases will follow protected energy bills starting from October, headline inflation will likely remain above the 4% mark over the last quarter of 2026, pushing average 2026 inflation to 3%, our new base case.

Author

Paolo Pizzoli

Senior Economist, Italy, Greece

paolo.pizzoli@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority

THINK Economic and financial analysis

for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.