UK Inflation falls more than expected in February

UK CPI dropped to 2.8% in February, the lowest since 2021, raising expectations for rate cuts later this year. This shift could benefit interest-rate sensitive sectors like real estate, utilities, and consumer discretionary, which tend to perform well as borrowing costs fall. At the same time, inflation-resilient sectors such as energy, commodities, and healthcare remain important as core price pressures and energy volatility persist. The pound fell on the news with the FTSE 100 rallying.

Want to discuss how this impacts your clients?

Contact **Eric Silvestre**