Ubhar Capital اوبار كابيتال

August 2026: Headline Inflation eases 0.2% MoM

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Inflation

Oman's headline inflation rose to 3.4% YoY in August 2026

Oman's headline inflation increased by 3.4% YoY in August 2026, with the Consumer CPI increasing to 110.2. The average inflation for 8M26 stood at 2.9%, up from 0.8% in 8M25. On a MoM basis, inflation declined by 0.2%, primarily driven by a 1.0% decrease in the Transport index and a 0.6% fall in Food prices. Meanwhile, the Miscellaneous index rose by 1.2% MoM and Clothing & Footwear edged up 0.1%, while Housing, Furnishings, and Communication remained unchanged. On a YoY basis, inflation was mainly driven by higher prices of Transport (+8.5%), Food (+7.0%), Miscellaneous (+6.1%), Restaurants & Hotels (+3.6%), and Furnishings (+3.1%). Meanwhile, the Housing index declined by 0.6% YoY, providing some offset to overall inflationary pressures.

Oman's headline inflation edged up to 3.4% YoY in August 2026 from 3.2% YoY in July 2026, even as the Consumer Price Index fell 0.2% MoM. The monthly decline was driven mainly by a 1.0% drop in the Transport index and a 0.6% decrease in Food prices, partly offset by a 1.2% rise in the Miscellaneous index and a 0.1% uptick in Clothing & Footwear, while Housing, Furnishings, and Communication held steady.

- The Food index, which carries the second-largest weight in the CPI basket at 20.6%, remained the key driver of annual inflation, rising 7.0% YoY despite a 0.6% MoM decline in August 2026. The annual increase was led by higher vegetable and fruit prices, up 19.0% YoY and 16.3% YoY respectively, with Meat (+9.8% YoY) and Non-Alcoholic Beverages (+3.5% YoY) also contributing to the upward pressure.
- The Transport index (14.5% weight) increased 8.5% YoY but fell 1.0% MoM, making it the largest drag on the monthly headline inflation reading.
- The Miscellaneous category recorded a 6.1% YoY increase, and prices rose a further 1.2% MoM in August 2026. Other categories also recorded annual increases, including Furnishings (+3.1% YoY), Restaurants & Hotels (+3.6% YoY), and Education (+2.2% YoY).
- Meanwhile, Housing (-0.6% YoY) provided some moderation to overall inflation, while Communication prices remained unchanged YoY and Clothing & Footwear edged up marginally (+0.1% YoY).

Table: Sultanate of Oman Consumer Price Index

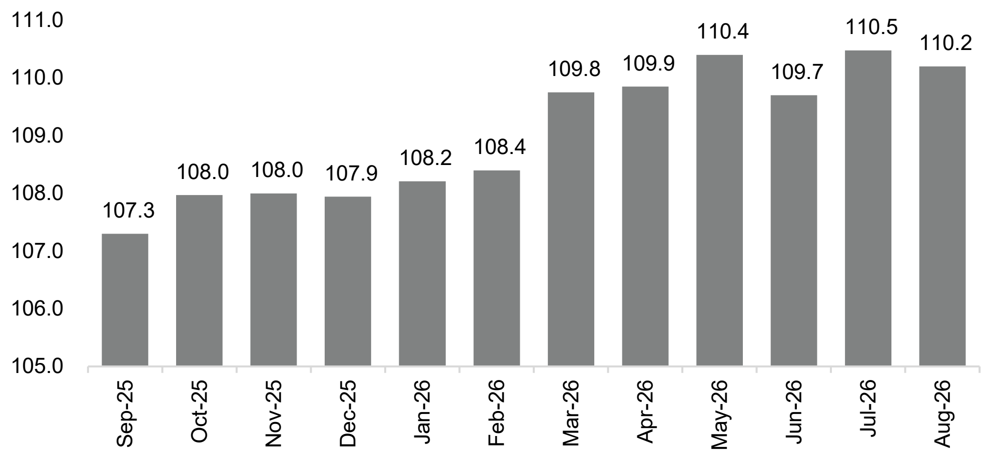
Item	Weight	Aug-26	Aug-25	YoY	Jul-26	MoM
General Price Index	**100.0%**	**110.2**	**106.6**	**3.4%**	**110.5**	**-0.2%**
Housing	31.7%	100.8	101.4	-0.6%	100.8	0.0%
Food	20.6%	122.7	114.7	7.0%	123.4	-0.6%
Transport	14.5%	112.0	103.2	8.5%	113.1	-1.0%
Furnishings	6.3%	113.3	109.9	3.1%	113.4	0.0%
Clothing & Footwear	6.1%	101.0	100.9	0.1%	100.9	0.1%
Communication	5.9%	97.4	97.4	0.0%	97.4	0.0%
Miscellaneous	5.3%	127.6	120.3	6.1%	126.1	1.2%
Restaurants and Hotels	4.5%	115.1	111.1	3.6%	115.2	-0.1%
Education	2.4%	113.0	110.6	2.2%	113.0	0.0%
Health	1.4%	109.8	108.0	1.7%	109.9	0.0%
Recreation and Culture	1.1%	107.9	107.5	0.4%	107.9	0.0%
Tobacco	0.1%	207.8	207.8	0.0%	207.8	0.0%

Source: NCSI, U Capital Research

Inflation

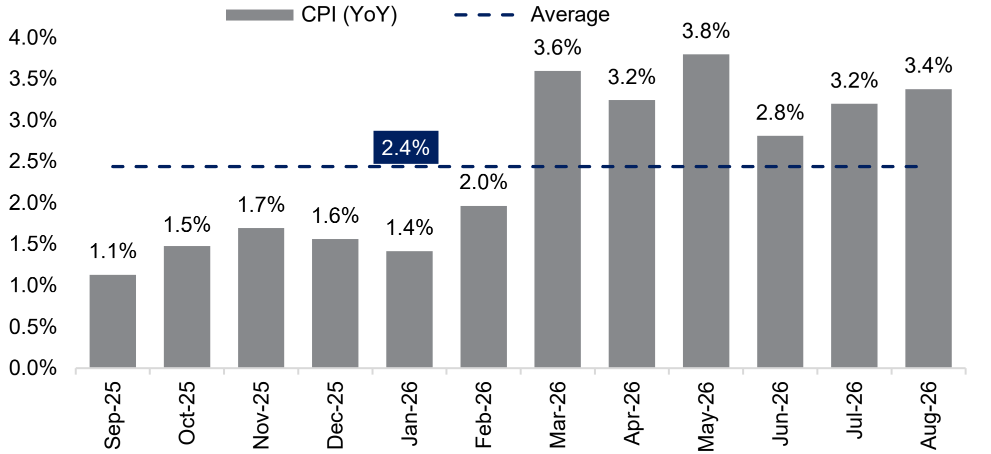
Average inflation for the 8M26 stood at 2.9%

Figure: Historical Consumer Price Index



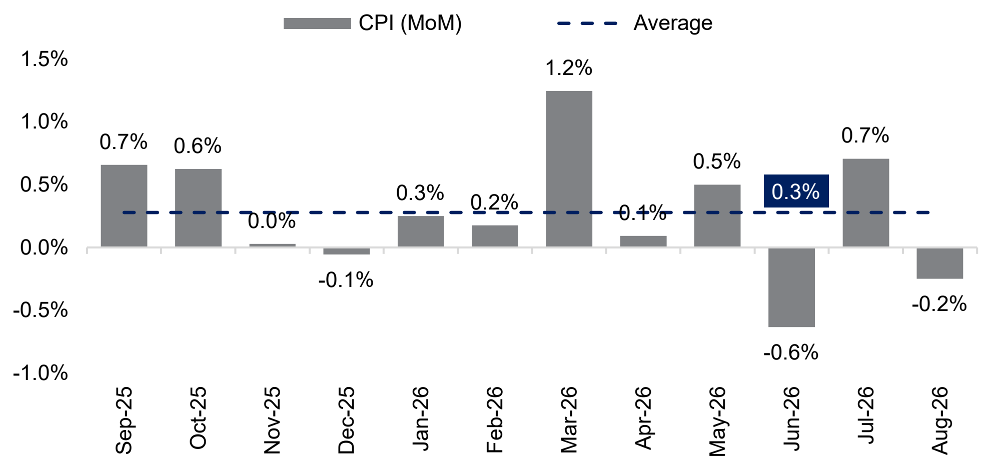
Source: NCSI, U Capital Research

Figure: Historical CPI Change (YoY)



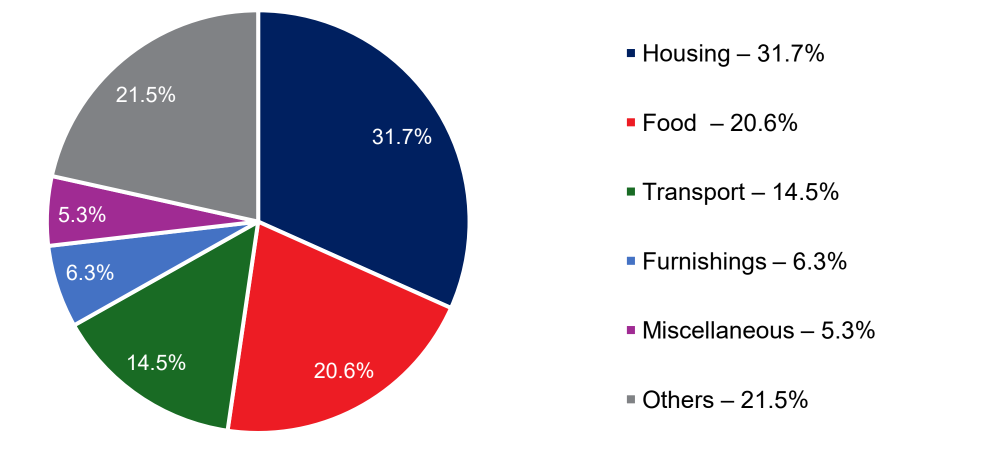
Source: NCSI, U Capital Research

Figure: Historical CPI Change (MoM)



Source: NCSI, U Capital Research

Figure: CPI Basket Weights

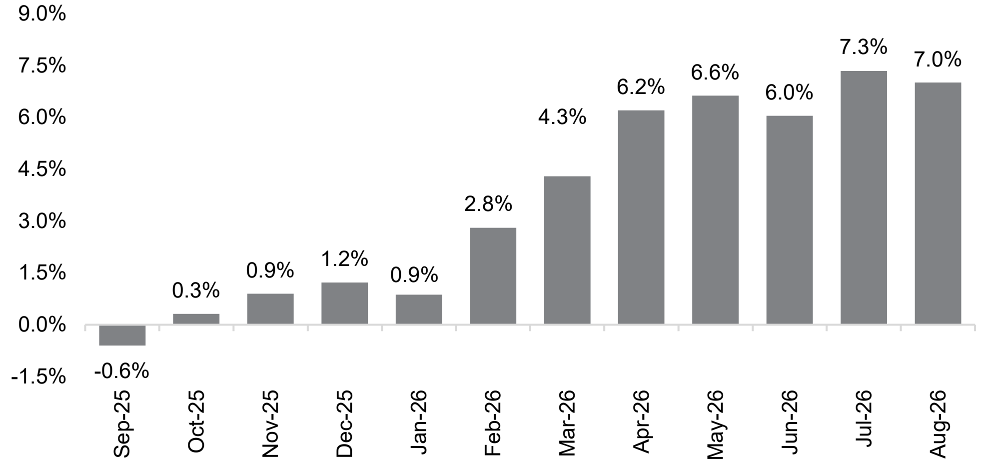


Source: NCSI, U Capital Research

Inflation

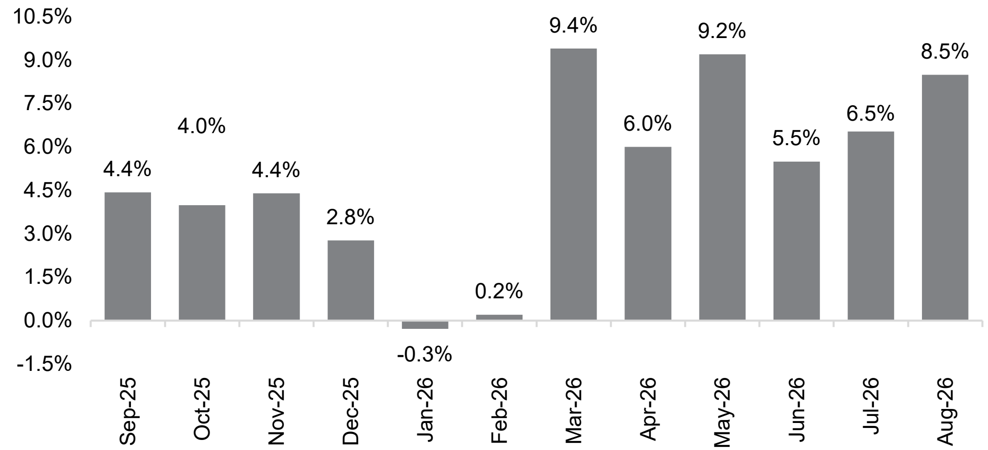
Food inflation stood at 7.0% YoY in August 2026

Figure: Historical Trend of Food Inflation (YoY)



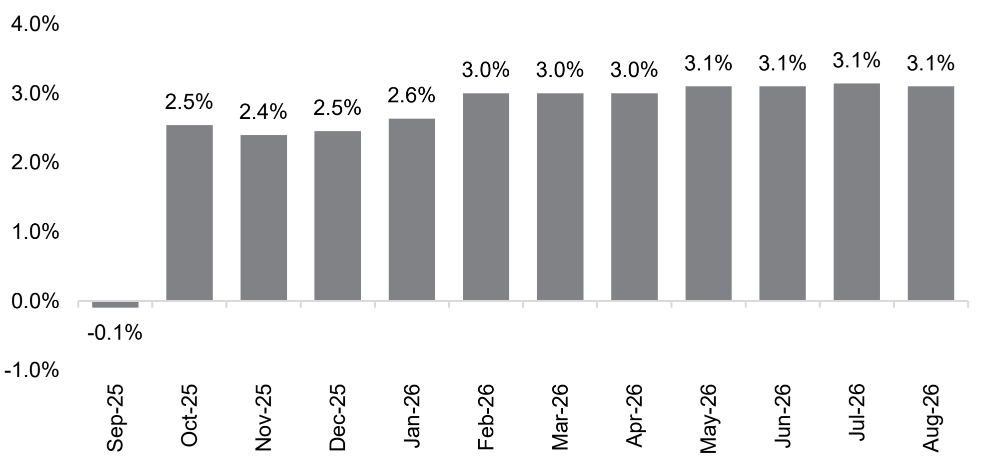
Source: NCSI, U Capital Research

Figure: Historical Trend of Transport Inflation (YoY)



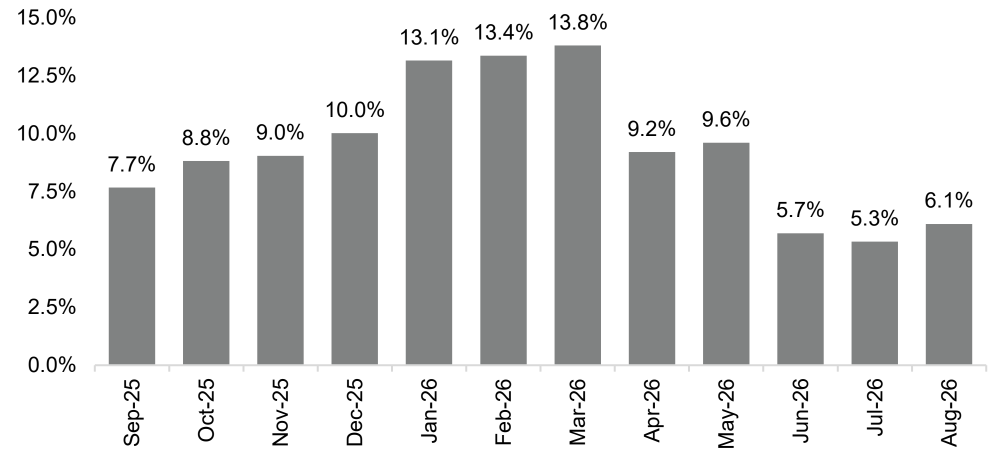
Source: NCSI, U Capital Research

Figure: Historical Trend of Furnishings Inflation (YoY)



Source: NCSI, U Capital Research

Figure: Historical Trend of Miscellaneous Inflation (YoY)



Source: NCSI, U Capital Research

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