

# Instant Comment Slovakia

## Inflation picks up in May

CPI (y/y)

Actual, May:	<b>2.7</b>	Previous:	<b>2.3</b>	Erste:	<b>2.6</b>	Consensus:	<b>2.6</b>
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**Consumer price growth picked up to 2.7% y/y in May which corresponds to a monthly increase of 0.3% m/m (mildly above our expectations).**

The key drivers behind the May inflation print were food, clothing and footwear as well as transport and some service prices. **Food prices marked a 0.9% m/m increase**, as meat, sugar and various other food items saw their prices go up in May. **Clothing and footwear prices rose by 0.8% m/m and transport prices were higher by 0.6% m/m** on the back of higher fuel prices. **Some service prices, such as in restaurants and hotels, also saw an increase in May.**

**Core inflation rose to 2.3% y/y**, up from the 1.9% y/y in the previous month.

Looking Forward:

Overall, consumer price increases are mostly driven by food, transport and service prices, with services in particular responding to the favourable labour market conditions and the resulting higher disposable income of households. **We keep our inflation forecast unchanged at 2.5% this year.**



Source: Stat. Office Of The Slovak Republic

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Instant Comment | Fixed Income | Slovakia

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