

Slovakia | Instant Comment

Inflation shifts up a gear in July

CPI (y/y)

Actual, July:	2.9%	Previous:	2.6%	Erste:	2.8%	Consensus:	2.7%
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Consumer prices grew by 2.9% y/y in July, gathering speed from the previous month and arriving slightly above both our and market forecasts. Compared to June, consumer prices rose by 0.1% m/m.

Services (esp. in communication, recreation and culture – linked to summer holiday packages) and transport prices drove the monthly increase, with the latter rising by 0.6% m/m. Prices in passenger air transport were higher by 11.1% m/m and fuel prices were up by 1.3% m/m. On the other hand, food prices marked a 0.2% m/m decrease on the back of lower vegetable, fruit, oils and fats prices.

Core inflation shifted up by 0.3pp to 2.5% y/y in July.

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

Zoom 6M 12M 5Y **10Y**



Source: Stat. Office Of The Slovak Republic

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