

Ukraine inflation slows to 0.2% m/m growth in July

Ukraine

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Analyst: "We predicted this development and therefore we are keeping our 2017 CPI forecast unchanged at 11.8% YTD growth (14.0% yoy)."

KYIV, Aug 9, 2017 - Ukraine's consumer price index slowed to 0.2% m/m growth in July (but still a 15.9% yoy surge) amid a sharp slowdown in food prices, Concorde Capital informed clients based on a State Statistics Service reported of August 8. In June, CPI grew 1.6% m/m (15.6% yoy). Food price growth slowed to 0.3% m/m from 3.3% m/m in the prior month owing to vegetables (-9.2% m/m), eggs (-9.0% m/m), and fruits (-1.4% m/m). In the meantime, meat prices were on rise at 5.1% m/m growth. Other accelerating sectors were utilities (0.6% m/m growth vs. 0.5% in June) and healthcare (0.5% m/m and 0.5% in June). Education prices slowed to 0.1% m/m growth (vs. 0.4% m/m in June). Transportation prices were unchanged m/m compared to a 0.2% m/m drop in the prior month. Prices for clothing and footwear deepened their decline to -4.4% m/m (vs. -2.5% m/m in June and -1.0% in May). Concorde analyst Alexander Paraschiy added: "Inflation slowed, however the deflation anticipated by the National Bank (NBU) did not come to reality. The NBU's 2017 CPI forecast of 9.1% YTD growth is at risk. By July CPI already reached 8.2% YTD. To reach the forecast number, a near-zero monthly average inflation rate needs to be sustained till the year end, which is an incredibly optimistic scenario. We predicted this development and therefore we are keeping our 2017 CPI forecast unchanged at 11.8% YTD growth (14.0% yoy).

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