

Polish Fin Min expects inflation drop to 3.4%

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Poland's Ministry of Finance has announced that June inflation reached 3.4% y-o-y against 3.6% y-o-y in May. The figure is significantly lower than market expectations.

The Ministry said that inflation growth was enhanced by fuel prices which rose over 6% m-o-m. Food prices which decreased by 1.5% according to the Ministry's estimates are believed to be the main contributor to the drop in inflation.

A further decline in inflation is expected by the Ministry. It is believed that inflation may drop below 3% in July and should maintain this level with insignificant fluctuation till the end of the year. But according to Millennium Bank analysts their expectations for the nearest months are more pessimistic. (Millennium Bank)