

13 December 2019

# Economic Comment

## Services prices still go up

Marcin Luziński, +48 22 534 18 85, [marcin.luzinski@santander.pl](mailto:marcin.luzinski@santander.pl)

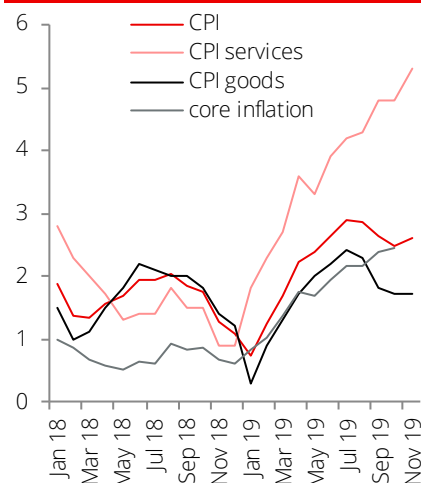
CPI Inflation was confirmed at 2.6% in November, up from 2.5% in October. We are estimating core inflation excluding food and energy prices at 2.5-2.6% versus 2.4% in October. We expect inflation to climb further in the months to come and it is likely to touch 4% y/y in January, provided that the government does not freeze energy prices again. Then CPI would fall towards the inflation target (2.5%) at the year-end.

CPI Inflation was confirmed at 2.6% in November, up from 2.5% in October. The annual indicator rose mostly due to low base effect in communications (growth rate climbed to 3.7% y/y from 1.0% y/y yet price level did not change) and rising prices in recreation, e.g. in books (2.2% m/m) and trips abroad (2.0% m/m). We are estimating core inflation excluding food and energy prices at 2.5-2.6% versus 2.4% in October.

Services grew by 5.3% y/y (the fastest since comparable data are available i.e. 2 years), while goods prices stabilised at 1.7% y/y.

We expect inflation to climb further in the months to come and it is likely to touch 4% y/y in January, provided that the government does not freeze energy prices again. Then CPI would fall towards the inflation target (2.5% y/y) at the year-end.

CPI inflation, % y/y



Source: GUS, Santander

### Economic Analysis Department:

al. Jana Pawła II 17, 00-854 Warszawa  
 email: [ekonomia@santander.pl](mailto:ekonomia@santander.pl)  
 website: [santander.pl/en/economic-analysis](http://santander.pl/en/economic-analysis)  
 Piotr Bielski +48 22 534 18 87  
 Marcin Luziński +48 22 534 18 85  
 Wojciech Mazurkiewicz +48 22 534 18 86  
 Grzegorz Ogonek +48 22 534 19 23  
 Marcin Sulewski, CFA +48 22 534 18 84

*This publication has been prepared by Santander Bank Polska S.A. for information purposes only. It is not an offer or solicitation for the purchase or sale of any financial instrument. Information presented in the publication is not an investment advice. All reasonable care has been taken to ensure that the information contained herein is not untrue or misleading. But no representation is made as to its accuracy or completeness. No reliance should be placed on it and no liability is accepted for any loss arising from reliance on it. Forecasts or data related to the past do not guarantee future prices of financial instruments or financial results. Santander Bank Polska S.A. its affiliates and any of its or their officers may be interested in any transactions, securities or commodities referred to herein. Santander Bank Polska S.A. or its affiliates may perform services for or solicit business from any company referred to herein. This publication is not intended for the use of private investors. Clients should contact analysts at and execute transactions through a Santander Bank Polska S.A. entity in their home jurisdiction unless governing law permits otherwise. Copyright and database rights protection exists in this publication.*

*Additional information is available on request. Please contact Santander Bank Polska S.A. Financial Management Division, Economic Analysis Department, al. Jana Pawła II 17, 00-854 Warsaw, Poland, phone +48 22 534 18 87, email ekonomia@santander.pl, <http://www.santander.pl>.*