

28 April 2023

## Economic Comment

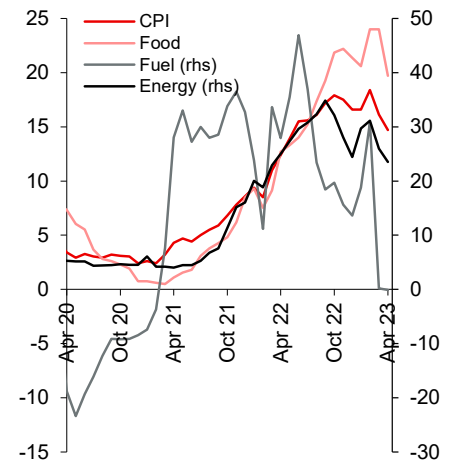
### CPI lower, but core price momentum still high

Piotr Bielski, tel. 691 393 119, [piotr.bielski@santander.pl](mailto:piotr.bielski@santander.pl)

CPI inflation fell in April to 14.7% y/y, below market consensus at 15.0% y/y. Prices increased 0.7% m/m, clearly less than in the previous few months, which was to large extent due to lower fuel prices (-1.2% m/m), lower energy prices (-0.3% m/m) and quite low – by historical standards – increase in food prices (+0.5% m/m). The latter in April 2022 surged by as much as 4.1% m/m, which implies a huge “base effect” lowering CPI inflation.

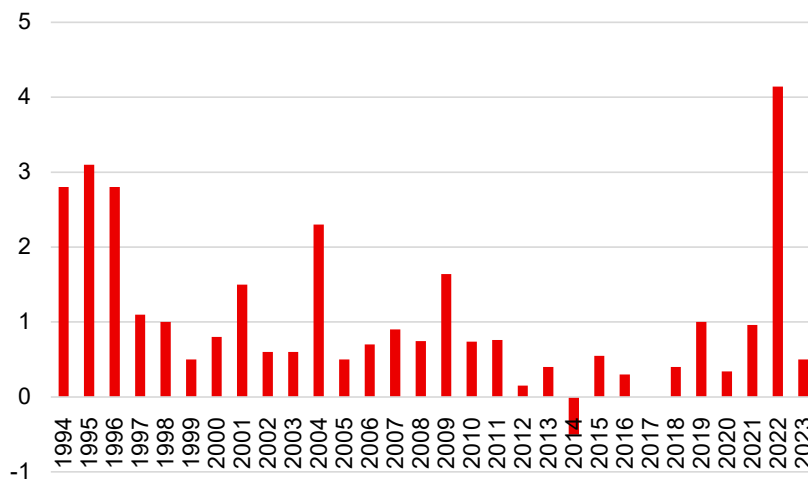
According to our estimate, core inflation ex prices of food and energy fell slightly to 12.1% y/y, after a rise in core prices by 1.1% m/m, which shows that the underlying price momentum remains very strong. Since the start of the year CPI prices have already risen by 5.7% and core prices by 4.7%. Next months are very likely to see a continuing decline in y/y inflation amid relentless high base effects, but we keep the view that CPI at the end of the year will be still close to 10% y/y, which creates no room for any rate cuts this year.

CPI inflation, % y/y



Source: GUS, Santander

Prices of food and non-alcoholic beverages in April, % m/m



Source: GUS, Santander

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](mailto:ekonomia@santander.pl), <http://www.santander.pl>.

#### 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 +48 691 393 119  
 Jarosław Kosaty +48 887 842 480  
 Marcin Luziński +48 510 027 662  
 Grzegorz Ogonek +48 609 224 857