

Austrian June inflation remains stable

Headline inflation at 1.9% YoY in June as base effects fade



Stable inflation

As was the case in the summer of last year, inflation has remained stable in June. While catering services, food and rents continued to be important price drivers, fuels had almost no price effect. Excluding the price drivers, inflation would have come in at 1.1%.

On a monthly basis, prices increased by 0.1%, with expenditure on leisure and culture having the largest impact as package trips become seasonally more expensive. The HICP measure of inflation came in at 2.0% YoY in June from 2.1% YoY in May.

1.9%

June 2017 inflation

YoY according to the Austrian statistical agency

Our view

With price pressures from fuels easing, headline inflation might have already reached its peak for this year. Nevertheless, we expect inflation for the remaining months of the year to hover close to the 2% level, as the service sector, particularly catering and accommodation services, remains an

important price driver.

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