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In the September 7, 2010 meeting the Board of CBA decided to leave the Refinancing Rate of CBA unchanged, at 7.25 percent.

In August of 2010, 1.3 percent inflation was recorded, while the 12-month inflation indicator has grown by 1.8 pp against the previous month's respective indicator and amounted to 9.6 percent.

The Board stated that acceleration of the 12-month inflation has been a result of price increases in items such as "Bread products", "Vegetable and potato" and "Fruit" which were driven by developments in world food markets and in agriculture. The Board estimates that though the inflation indicator exceeds the upper border of the target it, however, derives from supply shocks, which is less likely to have a lasting character. It is expected that in the upcoming months the 12-month inflation would slow down gradually and reach the upper border of the target band within the forecast one-year horizon.

Meantime, the Board's consensus is that slowly recovering domestic demand is not creating inflationary pressures yet. Even more so, the tightening of monetary conditions since the start of the year as well as current developments in currency market are further fostering moderation of the inflation environment.

In consideration of inflation that accelerates totally due to supply-side factors as well as uncertainties over future developments in world food markets, the Board found it reasonable to further withhold from changing monetary conditions.