



## Core Inflation: December 2018

**The underlying inflation measures remained moderate in December 2018.** On a 12-month average period, CORE1 inflation inched down from 2.4 per cent in November 2018 to 2.3 per cent in December 2018, while CORE2 inflation was unchanged at 1.8 per cent over the same period.

Year-on-year (y-o-y), CORE1 inflation eased from 2.6 per cent in November 2018 to 2.1 per cent in December 2018, while CORE2 inflation was lower at 2.1 per cent in December 2018, compared to 2.5 per cent in November 2018.

*(Per cent)*

Month	Annual Average			Year-on-Year		
	Headline	CORE1	CORE2	CPI Inflation	CORE1	CORE2
Dec-16	1.0	0.4	2.2	2.3	0.3	1.7
Jan-17	1.1	0.3	2.1	1.8	0.5	1.7
Feb-17	1.2	0.3	2.0	1.3	1.1	1.6
Mar-17	1.3	0.4	1.9	1.3	1.7	1.8
Apr-17	1.5	0.5	1.9	2.9	1.9	2.1
May-17	1.9	0.7	2.0	5.9	2.6	3.0
Jun-17	2.4	0.8	2.0	6.4	2.0	2.3
Jul-17	2.7	0.9	2.0	5.3	1.9	2.2
Aug-17	3.0	1.2	2.0	4.6	3.1	2.7
Sep-17	3.2	1.5	2.1	3.5	2.7	2.1
Oct-17	3.4	1.7	2.1	3.5	2.9	2.4
Nov-17	3.5	2.0	2.1	3.6	2.7	2.1
Dec-17	3.7	2.2	2.2	4.2	2.9	2.2
Jan-18	4.0	2.4	2.2	6.2	2.9	1.8
Feb-18	4.5	2.5	2.2	7.0	2.7	1.8
Mar-18	5.0	2.5	2.2	6.7	2.1	1.6
Apr-18	5.0	2.6	2.1	3.7	2.2	1.5
May-18	4.7	2.5	2.0	2.4	2.2	1.3
Jun-18	4.3	2.6	1.9	1.0	2.6	1.6
Jul-18	4.0	2.6	1.9	1.7	2.5	1.9
Aug-18	3.7	2.5	1.8	0.9	1.8	1.4
Sep-18	3.5	2.5	1.8	1.9	2.1	1.8
Oct-18	3.5	2.4	1.8	2.8	2.3	2.1
Nov-18	3.4	2.4	1.8	2.8	2.6	2.5
Dec-18	3.2	2.3	1.8	1.8	2.1	2.1

**Notes:**

1. Effective April 2018, Core inflation data are compiled using the new basket of goods and services derived from the 2017 Household Budget Survey.
2. CORE1 excludes "Food, Beverages and Tobacco" components and mortgage interest on housing loan from the CPI basket.
3. CORE2 excludes food, beverages, tobacco, mortgage interest, energy prices and administered prices from the CPI basket.
4. The annual average method compares the average level of prices during a twelve-month period with the average level during the corresponding previous twelve-month period.
5. The year-on-year methodology is computed as the change in the Consumer Price Index (CPI) for a given month compared with the same month of the preceding year in percentage terms.

**Economic Analysis and Research and Statistics Department**

**14 January 2019**