



Core Inflation: March 2020

The underlying measures of inflation increased in March 2020 on a year-on-year (y-o-y) basis, reflecting increases in all its constituent divisions with the exception of "*Communication*" but remained more or less unchanged on a 12-month moving average basis. Y-o-y CPI inflation increased from 2.1 per cent in February 2020 to 2.9 per cent. Y-o-y, CORE1 inflation went up from 0.9 per cent in February 2020 to 1.3 per cent in March 2020, while CORE2 inflation rose from 2.2 per cent in February 2020 to 2.7 per cent in March 2020. On a 12-month average period, headline inflation rose from 0.8 per cent to 1.2 per cent between February and March 2020. The 12-month average CORE1 inflation was unchanged at 0.3 per cent in March 2020 while that of CORE2 inflation inched up from 1.7 per cent in February 2020 to 1.8 per cent in March 2020.

(Per cent)

Month	Annual Average			Year-on-Year		
	Headline	CORE1	CORE2	CPI Inflation	CORE1	CORE2
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
Jan-19	2.8	2.3	1.9	0.5	1.8	2.7
Feb-19	2.1	2.1	1.9	-0.8	1.1	1.9
Mar-19	1.4	2.0	1.9	-1.4	0.9	1.7
Apr-19	1.2	1.9	1.9	0.6	0.6	1.4
May-19	1.0	1.7	1.9	0.8	0.4	1.4
Jun-19	1.0	1.5	1.9	0.6	-0.2	1.4
Jul-19	0.9	1.3	1.8	0.8	-0.2	1.4
Aug-19	1.0	1.1	1.9	1.8	0.3	2.0
Sep-19	0.9	1.0	1.9	1.3	0.2	1.9
Oct-19	0.7	0.8	1.9	0.4	0.1	1.8
Nov-19	0.5	0.6	1.8	0.3	0.1	1.8
Dec-19	0.5	0.4	1.8	0.9	0.1	1.9
Jan-20	0.6	0.3	1.7	2.0	0.3	1.6
Feb-20	0.8	0.3	1.7	2.1	0.9	2.2
Mar-20	1.2	0.3	1.8	2.9	1.3	2.7

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 of goods and services.
3. CORE2 excludes *food, beverages, tobacco, mortgage interest, energy prices and administered prices* from the CPI basket of goods and services.
4. The 12-month 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.

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