



## Core Inflation: January 2017

### **CORE1 inflation and CORE2 inflation rates eased marginally in January 2017.**

CORE1 inflation rate edged down from 0.4 per cent in December 2016 to 0.3 per cent in January 2017. CORE2 inflation rate also went down from 2.2 per cent in December 2016 to 2.1 per cent in January 2017. A year earlier, CORE1 and CORE2 inflation stood at 0.6 per cent and 2.0 per cent, respectively.

TRIM10 inflation, which trims 5% of the most volatile items in the CPI on both sides of the distribution, stood at 0.6 per cent in January 2017, unchanged from the previous period. A year earlier, TRIM10 inflation stood at 0.6 per cent.

*(Per cent)*

Month	Headline	CORE1	CORE2	TRIM10
<b>Jun-10</b>	1.7	2.2	2.6	2.1
<b>Dec-10</b>	2.9	3.2	2.8	2.9
<b>Jun-11</b>	5.1	4.8	4.3	4.7
<b>Dec-11</b>	6.5	6.0	4.8	5.3
<b>Jun-12</b>	5.1	4.4	3.6	3.6
<b>Dec-12</b>	3.9	3.3	3.0	2.5
<b>Jun-13</b>	3.6	2.8	2.8	2.5
<b>Dec-13</b>	3.5	2.6	2.6	2.9
<b>Jun-14</b>	4.0	2.9	2.9	3.2
<b>Dec-14</b>	3.2	2.6	3.1	2.5
<b>Jun-15</b>	1.7	1.1	2.3	1.1
<b>Dec-15</b>	1.3	0.4	1.7	0.6
<b>Jan-16</b>	1.3	0.6	2.0	0.6
<b>Feb-16</b>	1.0	0.7	2.1	0.7
<b>Mar-16</b>	0.9	0.7	2.1	0.8
<b>Apr-16</b>	0.8	0.7	2.2	0.8
<b>May-16</b>	0.8	0.7	2.2	0.8
<b>Jun-16</b>	0.9	0.7	2.2	0.7
<b>Jul-16</b>	0.9	0.7	2.3	0.7
<b>Aug-16</b>	0.9	0.7	2.3	0.6
<b>Sep-16</b>	0.8	0.6	2.3	0.5
<b>Oct-16</b>	0.8	0.5	2.3	0.5
<b>Nov-16</b>	0.9	0.4	2.3	0.6
<b>Dec-16</b>	1.0	0.4	2.2	0.6
<b>Jan-17</b>	1.1	0.3	2.1	0.6

**Notes:**

1. Effective April 2013, Core inflation data are compiled using the new basket of goods and services derived from the 2012 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. TRIM10 truncates 5 per cent of each tail of the distribution of price changes.

**Research & Economic Analysis Department**

**14 February 2017**