



Core Inflation: July 2016

The underlying measures of inflation remained at moderate levels in July 2016.

CORE1 inflation stood unchanged at 0.7 per cent compared to the previous period while CORE2 inflation edged up from 2.2 per cent in June 2016 to 2.3 per cent in July 2016. A year earlier, CORE1 and CORE2 inflation stood at 0.9 per cent and 2.1 per cent, respectively.

TRIM10 inflation, which trims 5% of the most volatile items in the CPI on both sides of the distribution, remained flat at 0.7 per cent in July 2016. A year earlier, TRIM10 inflation stood at 0.9 per cent.

(Per cent)

Month	Headline	CORE1	CORE2	TRIM10
Jun-10	1.7	2.2	2.6	2.1
Dec-10	2.9	3.2	2.8	2.9
Jun-11	5.1	4.8	4.3	4.7
Dec-11	6.5	6.0	4.8	5.3
Jun-12	5.1	4.4	3.6	3.6
Dec-12	3.9	3.3	3.0	2.5
Jun-13	3.6	2.8	2.8	2.5
Dec-13	3.5	2.6	2.6	2.9
Jun-14	4.0	2.9	2.9	3.2
Dec-14	3.2	2.6	3.1	2.5
Mar-15	2.4	1.7	2.6	1.7
Jun-15	1.7	1.1	2.3	1.1
Jul-15	1.5	0.9	2.1	0.9
Aug-15	1.3	0.7	2.0	0.8
Sep-15	1.2	0.6	1.9	0.7
Oct-15	1.2	0.5	1.8	0.6
Nov-15	1.2	0.4	1.7	0.6
Dec-15	1.3	0.4	1.7	0.6
Jan-16	1.3	0.6	2.0	0.6
Feb-16	1.0	0.7	2.1	0.7
Mar-16	0.9	0.7	2.1	0.8
Apr-16	0.8	0.7	2.2	0.8
May-16	0.8	0.7	2.2	0.8
Jun-16	0.9	0.7	2.2	0.7
Jul-16	0.9	0.7	2.3	0.7

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.

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