



Core Inflation: May 2018

The underlying measures of inflation remained broadly contained in May 2018.

Between April 2018 and May 2018, for the twelve-month period, CORE1 inflation rate went down from 2.6 per cent to 2.5 per cent while CORE2 inflation rate also edged down from 2.1 per cent to 2.0 per cent.

Year-on-year (y-o-y) CORE1 inflation rate remained unchanged at 2.2 per cent in May 2018, compared to the previous month while y-o-y CORE2 inflation rate decreased from 1.5 per cent in April 2018 to 1.3 per cent in May 2018.

(Per cent)

Month	Annual Average			Year-on-Year		
	Headline	CORE1	CORE2	CPI Inflation	CORE1	CORE2
May-16	0.8	0.7	2.2	0.8	-0.1	1.7
Jun-16	0.9	0.7	2.2	1.1	0.4	2.3
Jul-16	0.9	0.7	2.3	1.0	0.7	2.6
Aug-16	0.9	0.7	2.3	0.9	-0.4	1.8
Sep-16	0.8	0.6	2.3	0.9	-0.3	1.9
Oct-16	0.8	0.5	2.3	1.5	-0.4	1.8
Nov-16	0.9	0.4	2.3	2.2	0.1	1.8
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

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.

Research & Economic Analysis Department

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