



Core Inflation: February 2021

1. The Consumer Price Index (CPI) rose by 0.9 index point, from 107.0 in January 2021 to 107.9 in February 2021. Compared to February 2020, the CPI increased by 1.3 index points. The year-on-year (y-o-y) CPI inflation rose from 1.0 per cent in January 2021 to 1.2 per cent in February 2021. On a 12-month average period, headline inflation inched down from 2.5 per cent in January 2021 to 2.4 per cent in February 2021.

2. Underlying inflationary pressures, as gauged by the Bank's Core measures, picked up in February 2021. Y-o-y, CORE1 inflation went up from 2.6 per cent in January 2021 to 3.1 per cent in February 2021, while CORE2 inflation also increased from 3.7 per cent to 4.4 per cent over the same period. On a 12-month average period, CORE1 inflation stood at 2.2 per cent in February 2021, up from 2.0 per cent in January 2021, while CORE2 inflation rose from 3.2 per cent in January 2021 to 3.4 per cent in February 2021.

(Per cent)

Month	Annual Average			Year-on-Year		
	Headline	CORE1	CORE2	CPI Inflation	CORE1	CORE2
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
Apr-20	1.5	0.4	1.9	4.2	1.5	3.0
May-20	1.7	0.5	2.1	2.8	1.6	3.2
Jun-20	1.8	0.6	2.2	1.7	1.7	2.9
Jul-20	1.8	0.8	2.3	1.5	1.7	2.6
Aug-20	1.8	1.0	2.4	1.5	2.2	3.2
Sep-20	1.9	1.2	2.5	2.6	2.6	3.8
Oct-20	2.1	1.4	2.7	3.2	2.9	4.1
Nov-20	2.4	1.6	2.9	3.1	2.6	3.7
Dec-20	2.5	1.8	3.1	2.7	2.6	3.7
Jan-21	2.5	2.0	3.2	1.0	2.6	3.7
Feb-21	2.4	2.2	3.4	1.2	3.1	4.4

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.

Statistics Division

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15 March 2021