



Core Inflation: May 2020

1. The Consumer Price Index (CPI) decreased by 1.5 index points or 1.4 per cent, from 108.8 in April 2020 to 107.3 in May 2020. Compared to May 2019, the CPI rose by 2.9 index points or 2.8 per cent. The year-on-year (y-o-y) CPI inflation went down from 4.2 per cent in April 2020 to 2.8 per cent in May 2020. On a 12-month average period, headline inflation rose from 1.5 per cent to 1.7 per cent.

2. Underlying inflationary pressures, as reflected in the Bank's CORE1 and CORE2 measures, rose in May 2020. Y-o-y, CORE1 inflation edged up from 1.5 per cent in April 2020 to 1.6 per cent in May 2020, while CORE2 inflation increased from 3.0 per cent in April 2020 to 3.2 per cent in May 2020. The 12-month average CORE1 inflation inched up from 0.4 per cent in April 2020 to 0.5 per cent in May 2020, while CORE2 inflation went up from 1.9 per cent to 2.1 per cent in May 2020.

(Per cent)

Month	Annual Average			Year-on-Year		
	Headline	CORE1	CORE2	CPI Inflation	CORE1	CORE2
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
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

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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