



Core Inflation: January 2010

The underlying measures of inflation remained moderate in January 2010. CORE1 inflation stood at 2.4 per cent for the twelve-month period ended January 2010, unchanged from the previous month. CORE2 inflation dropped to 3.6 in January 2010, from 3.8 per cent for the twelve month period ended December 2009. A year earlier, CORE1 and CORE2 stood at 8.4 per cent and 6.0 per cent, respectively.

TRIM10 inflation, which trims 5% of the most volatile items in the CPI on both sides of the distribution, stood at 2.6 per cent for the twelve-month period ended January 2010, up from 2.4 per cent in December 2009. TRIM10 inflation stood at 2.3 per cent in January 2009.

Table 1: Headline and Core Inflation Rates¹

(Per cent)

Month	Headline	CORE1	CORE2	TRIM10
Jul-07	10.5	7.6	6.4	7.5
Dec-07	8.8	5.0	5.7	7.0
Jun-08	8.8	6.6	5.5	6.5
Jul-08	9.1	7.2	5.7	6.2
Aug-08	9.5	7.8	5.9	5.9
Sep-08	9.8	8.3	6.0	5.5
Oct-08	9.9	8.5	6.1	5.1
Nov-08	9.9	8.7	6.1	4.6
Dec-08	9.7	8.7	6.1	3.5
Jan-09	9.3	8.4	6.0	2.3
Feb-09	8.8	8.0	5.9	2.4
Mar-09	8.5	7.6	5.8	2.5
Apr-09	8.0	7.1	5.7	2.6
May-09	7.4	6.5	5.6	2.7
Jun-09	6.9	6.1	5.5	2.8
Jul-09	6.1	5.5	5.4	2.8
Aug-09	5.2	4.6	5.1	2.7
Sep-09	4.4	3.9	4.8	2.7
Oct-09	3.6	3.2	4.5	2.7
Nov-09	2.9	2.7	4.1	2.7
Dec-09	2.5	2.4	3.8	2.4
Jan-10	2.3	2.4	3.6	2.6

¹ Effective July 2007, Core inflation data are compiled using the new basket of goods and services derived from the 2006-07 Household Budget Survey.

Notes:

1. CORE1 excludes “Food, Beverages and Tobacco” components and mortgage interest on housing loan from headline inflation.
2. CORE2 excludes Food, Beverages, Tobacco, mortgage interest, energy prices and administered prices from headline inflation
3. TRIM10 truncates 5 per cent of each tail of the distribution of price changes.

Statistics Division

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