



## *Core Inflation: July 2010*

All the three underlying measures of inflation remained moderate in July 2010. CORE1 inflation remained unchanged at 2.2 per cent for the twelve-month period ended July 2010. CORE2 inflation fell to 2.5 per cent in July 2010, from 2.6 per cent in June 2010. A year earlier, CORE1 and CORE2 stood at 5.5 per cent and 5.4 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 2.1 per cent for the twelve-month period ended July 2010. TRIM10 inflation stood at 2.8 per cent in July 2009.

*(Per cent)*

<b>Month</b>	<b>Headline</b>	<b>CORE1</b>	<b>CORE2</b>	<b>TRIM10</b>
<b>Jul-07</b>	10.5	7.6	6.4	7.5
<b>Sep-07</b>	9.7	6.4	6.2	7.2
<b>Dec-07</b>	8.8	5.0	5.7	7.0
<b>Mar-08</b>	9.0	5.8	5.7	7.3
<b>Jun-08</b>	8.8	6.6	5.5	6.5
<b>Sep-08</b>	9.8	8.3	6.0	5.5
<b>Dec-08</b>	9.7	8.7	6.1	3.5
<b>Jan-09</b>	9.3	8.4	6.0	2.3
<b>Feb-09</b>	8.8	8.0	5.9	2.4
<b>Mar-09</b>	8.5	7.6	5.8	2.5
<b>Apr-09</b>	8.0	7.1	5.7	2.6
<b>May-09</b>	7.4	6.5	5.6	2.7
<b>Jun-09</b>	6.9	6.1	5.5	2.8
<b>Jul-09</b>	6.1	5.5	5.4	2.8
<b>Aug-09</b>	5.2	4.6	5.1	2.7
<b>Sep-09</b>	4.4	3.9	4.8	2.7
<b>Oct-09</b>	3.6	3.2	4.5	2.7
<b>Nov-09</b>	2.9	2.7	4.1	2.7
<b>Dec-09</b>	2.5	2.4	3.8	2.4
<b>Jan-10</b>	2.3	2.4	3.6	2.6
<b>Feb-10</b>	2.1	2.3	3.4	2.5
<b>Mar-10</b>	1.9	2.2	3.2	2.3
<b>Apr-10</b>	1.8	2.2	3.0	2.2
<b>May-10</b>	1.8	2.2	2.8	2.2
<b>Jun-10</b>	1.7	2.2	2.6	2.1
<b>Jul-10</b>	1.8	2.2	2.5	2.1

**Notes:**

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.
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.

**Statistics Division**

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