



Core Inflation: March 2010

All the three underlying measures of inflation went down in March 2010. CORE1 inflation edged down to 2.2 per cent for the twelve-month period ended March 2010, from 2.3 per cent a month earlier. CORE2 inflation fell to 3.2 per cent in March 2010, from 3.4 per cent in February 2010. A year earlier, CORE1 and CORE2 stood at 7.6 per cent and 5.8 per cent, respectively.

TRIM10 inflation, which trims 5% of the most volatile items in the CPI on both sides of the distribution, dropped to 2.3 per cent for the twelve-month period ended March 2010, from 2.5 per cent in February 2010. TRIM10 inflation stood at 2.5 per cent in March 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
Sep-07	9.7	6.4	6.2	7.2
Dec-07	8.8	5.0	5.7	7.0
Mar-08	9.0	5.8	5.7	7.3
Jun-08	8.8	6.6	5.5	6.5
Sep-08	9.8	8.3	6.0	5.5
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
Feb-10	2.1	2.3	3.4	2.5
Mar-10	1.9	2.2	3.2	2.3

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.

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