



## Core Inflation: January 2016

Core inflation measures remained at moderate levels in January 2016. **CORE1** inflation edged up to 0.6 per cent in January 2016, from 0.4 per cent for the twelve-month period ended December 2015. **CORE2** inflation went up from 1.7 per cent for the twelve-month period ended December 2015 to 2.0 per cent for the twelve-month period ended January 2016. A year earlier, **CORE1** and **CORE2** inflation stood at 2.2 per cent and 2.9 per cent, respectively.

**TRIM10** inflation, which trims 5% of the most volatile items in the CPI on both sides of the distribution, stood unchanged at 0.6 per cent in January 2016. A year earlier, **TRIM10** inflation stood at 2.2 per cent.

*(Per cent)*

| Month         | Headline | CORE1 | CORE2 | TRIM10 |
|---------------|----------|-------|-------|--------|
| <b>Jun-10</b> | 1.7      | 2.2   | 2.6   | 2.1    |
| <b>Dec-10</b> | 2.9      | 3.2   | 2.8   | 2.9    |
| <b>Jun-11</b> | 5.1      | 4.8   | 4.3   | 4.7    |
| <b>Dec-11</b> | 6.5      | 6.0   | 4.8   | 5.3    |
| <b>Jun-12</b> | 5.1      | 4.4   | 3.6   | 3.6    |
| <b>Dec-12</b> | 3.9      | 3.3   | 3.0   | 2.5    |
| <b>Jun-13</b> | 3.6      | 2.8   | 2.8   | 2.5    |
| <b>Dec-13</b> | 3.5      | 2.6   | 2.6   | 2.9    |
| <b>Jun-14</b> | 4.0      | 2.9   | 2.9   | 3.2    |
| <b>Dec-14</b> | 3.2      | 2.6   | 3.1   | 2.5    |
| <b>Jan-15</b> | 2.8      | 2.2   | 2.9   | 2.2    |
| <b>Feb-15</b> | 2.5      | 1.9   | 2.7   | 1.9    |
| <b>Mar-15</b> | 2.4      | 1.7   | 2.6   | 1.7    |
| <b>Jun-15</b> | 1.7      | 1.1   | 2.3   | 1.1    |
| <b>Jul-15</b> | 1.5      | 0.9   | 2.1   | 0.9    |
| <b>Aug-15</b> | 1.3      | 0.7   | 2.0   | 0.8    |
| <b>Sep-15</b> | 1.2      | 0.6   | 1.9   | 0.7    |
| <b>Oct-15</b> | 1.2      | 0.5   | 1.8   | 0.6    |
| <b>Nov-15</b> | 1.2      | 0.4   | 1.7   | 0.6    |
| <b>Dec-15</b> | 1.3      | 0.4   | 1.7   | 0.6    |
| <b>Jan-16</b> | 1.3      | 0.6   | 2.0   | 0.6    |

**Notes:**

1. Effective April 2013, Core inflation data are compiled using the new basket of goods and services derived from the 2012 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.

**Research & Economic Analysis Department**

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