



Core Inflation: December 2017

The underlying measures of inflation picked up in December 2017. CORE1 inflation rate rose from 2.0 per cent in November 2017 to 2.2 per cent in December 2017, reflecting somehow the higher prices of petroleum products. CORE2 inflation rate edged up from 2.1 per cent to 2.2 per cent over the same period and was unchanged compared to December 2016.

TRIM10 inflation, which trims 5% of the most volatile items in the CPI on both sides of the distribution, increased from 2.3 per cent in November 2017 to 2.5 per cent in December 2017. A year earlier, TRIM10 inflation stood at 0.6 per cent.

(Per cent)

Month	Headline	CORE1	CORE2	TRIM10
Dec-15	1.3	0.4	1.7	0.6
Jan-16	1.3	0.6	2.0	0.6
Feb-16	1.0	0.7	2.1	0.7
Mar-16	0.9	0.7	2.1	0.8
Apr-16	0.8	0.7	2.2	0.8
May-16	0.8	0.7	2.2	0.8
Jun-16	0.9	0.7	2.2	0.7
Jul-16	0.9	0.7	2.3	0.7
Aug-16	0.9	0.7	2.3	0.6
Sep-16	0.8	0.6	2.3	0.5
Oct-16	0.8	0.5	2.3	0.5
Nov-16	0.9	0.4	2.3	0.6
Dec-16	1.0	0.4	2.2	0.6
Jan-17	1.1	0.3	2.1	0.6
Feb-17	1.2	0.3	2.0	0.6
Mar-17	1.3	0.4	1.9	0.6
Apr-17	1.5	0.5	1.9	0.7
May-17	1.9	0.7	2.0	1.0
Jun-17	2.4	0.8	2.0	1.3
Jul-17	2.7	0.9	2.0	1.5
Aug-17	3.0	1.2	2.0	1.8
Sep-17	3.2	1.5	2.1	2.0
Oct-17	3.4	1.7	2.1	2.2
Nov-17	3.5	2.0	2.1	2.3
Dec-17	3.7	2.2	2.2	2.5

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.

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