



Short term Inflation Analyses and Forecasts

October 2010
Bank of Jamaica

Foreword

This report reviews recent trends in inflation and presents the outlook for the remainder of the fiscal year. The analysis is based on trends in short-term domestic demand and supply indicators as well as imported inflation. These inform the assumptions for the short term inflation forecasting model – *Monthly Inflation Sub-Index Model* (MISI). The report ends with an assessment of the implication of inflation developments for monetary policy.

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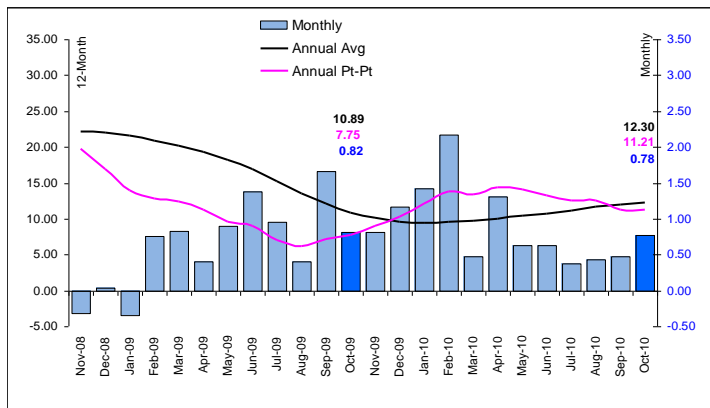
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1.0 Review of Outturn

Headline inflation for October 2010 was **0.8 per cent** which was within the Bank’s expected range of **0.0 per cent to 1.0 per cent**. This outturn resulted in a calendar year-to-date inflation of **9.0 per cent**, relative to the **8.1 per cent** for the corresponding period of 2009. The 12-month point-to-point inflation was **11.2 per cent**, also higher than the **7.8 per cent** recorded at the end of October 2009. However, inflation for the fiscal year-to-date was **4.7 per cent**, which was **2.0 percentage points** below the rate for the corresponding period of 2009/10.

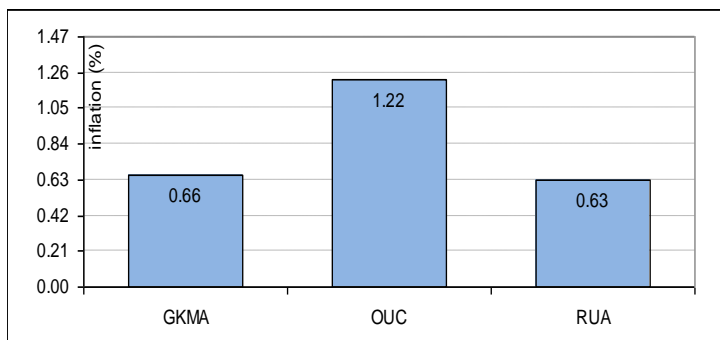
Figure 1: Trend in monthly inflation



The inflation outturn in October was the second highest monthly increase for the fiscal year.

Approximately half of October’s inflation emanated from *Other Urban Centers* (OUC) and the remaining half was spread evenly across *Greater Kingston Metropolitan Area* (GKMA) and *Rural Areas* (RUA). The month’s inflation was mainly attributed to increases in food prices, energy related costs and prices of miscellaneous goods.

Figure 2: Regional Inflation

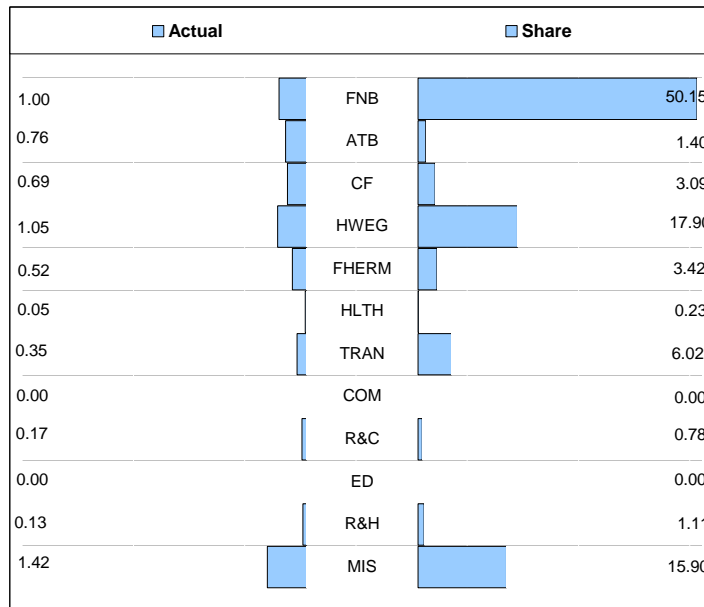




The main contributors to the overall inflation were *Food* (50%), *Housing, Water, Electricity Gas & Other Fuels* (18%) and *Miscellaneous Goods and Services* (16%). *Food* largely reflected higher prices of *Vegetables & Starchy Foods, Fish & Seafood*, and *Milk Cheese & Eggs*. All items within *Food* reflected price increases for the month.

Higher food prices continue to dominate the changes in the CPI.

Figure 3: Inflation Contribution



■	POSITIVE
■	NEGATIVE

Housing Water, Electricity, Gas & Other Fuels also reflected notable increases for all sub-items except for *Maintenance & Repairs of Dwelling*. The movement in *Miscellaneous Goods and Services* was the third largest contributor to inflation. This movement mainly reflected an adjustment in US Visa fees.

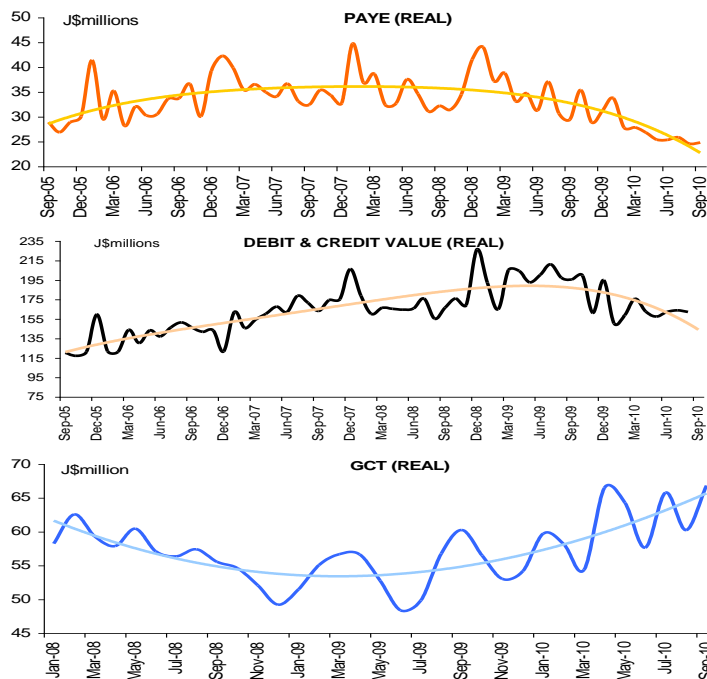


2.0 Factors underpinning revised forecast

2.1 Trends in demand

Indicators of domestic demand remain weak but there are signals that the rate of decline is slowing. Real incomes, for which PAYE was used as a proxy, remain low with a marginal **0.9 per cent** increase for September. Despite this up tick, real wages remain below the levels recorded in 2005. The total value of real debit and credit card transactions declined by **1.0 per cent** in August continuing the declining trend observed since mid -2009, albeit at a slowing pace. This trend suggests that demand conditions remain weak and could deteriorate even further, given the pace of decline of incomes. Real GCT receipts have been increasing but also at a slowing pace.¹ Whereas PAYE collections are at levels significantly lower than before the 2008 crisis, GCT receipts have since surpassed that

Figure 4: Short-term Indicators of Demand



Domestic demand remains weak.

¹ Data on Government and Monetary accounts, which includes GCT and PAYE receipts as well as credit car receivables, were only available for September 2010



comparative level. It should be noted that the higher GCT receipts reflect the impact of enhanced revenue generating measures rather than increased consumer spending. The smoothed GCT receipts increased by **11.0 per cent** for the month and were higher than the average before the recession. Additionally, there was an increase in real GCT receipts of **7.9 per cent** as at September 2010 relative to September 2009, while real value of debit and credit card transactions decreased by **17.8 per cent** as at August 2010 relative to August 2009.

2.2 Trends in supply

Data on domestic agricultural produce indicate an upward shift in vegetable and starchy food supplies for October (see *Appendices for trends in selected agriculture production*). Notwithstanding, prices of vegetables and starchy foods increased by **3.5 per cent** and **1.6 per cent**, respectively, for the month. It is likely that the heightened supply was directly related to attempts to salvage crops damaged in Tropical Storm Nicole. Nonetheless, increased transportation costs due to infrastructure damage and the additional cost of reaping damaged crops contributed to the increased prices of vegetables and starchy foods items during October.

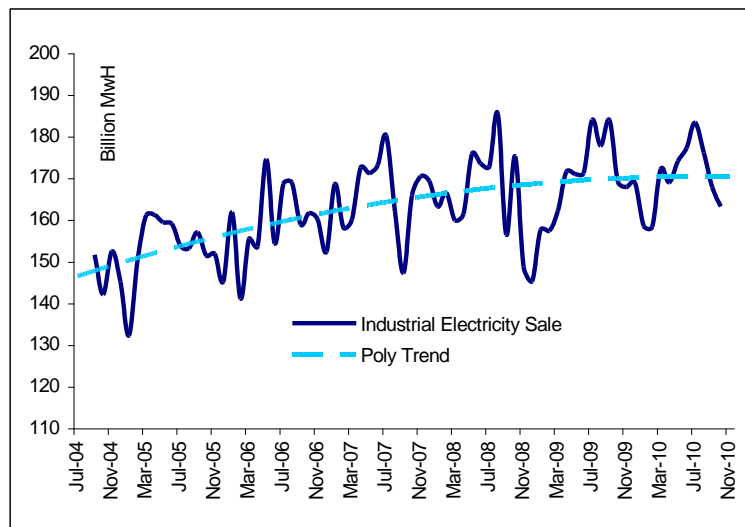
In November, there was a sharp contraction in the supply of vegetable items and to a lesser extent, starchy foods. This is directly related to the impact of TS Nicole on domestic agriculture produce. Agriculture related prices are expected to increase significantly during November, with *Vegetables & Starchy Foods* expected to contribute approximately **38.0 per cent** of the month's inflation.

Prices and supply of produce increased in October as a result of the Tropical storm.

During October 2010, industrial electricity consumption, which is used as an indicator of industrial production, declined by **2.7 per cent** over September 2010. When compared to the level in October 2009, industrial electricity sales also declined by **3.5 per cent** (see **Figure 5**). Industrial production, which is proxied by average industrial electricity sales, could level off in November. This is based on statements from some distributors that inventories are currently at high levels, possibly as a result of low domestic demand. These conditions continue to constrain domestic inflationary pressures.



Figure 5: Industrial Electricity Sales



Industrial output has levelled off, reflecting lower demand.

2.3 Import prices

The price of crude oil increased by **8.5 per cent** in October to **US\$81.97 per bbl**, relative to September. The projection for November currently stands at **US\$85.03 per bbl**. This compares to the previous November forecast of **US\$84.03 per bbl**. The current projection for the average crude oil price for fiscal year 2010/11 is **US\$81.17 per bbl**, slightly higher than the previous forecast of **US\$81.04 per bbl**. The downside risks to the outlook include, concerns that the price of crude oil could increase further in light of upward revisions to the forecasted demand for 2010 and 2011 by both OPEC and the International Energy Agency.

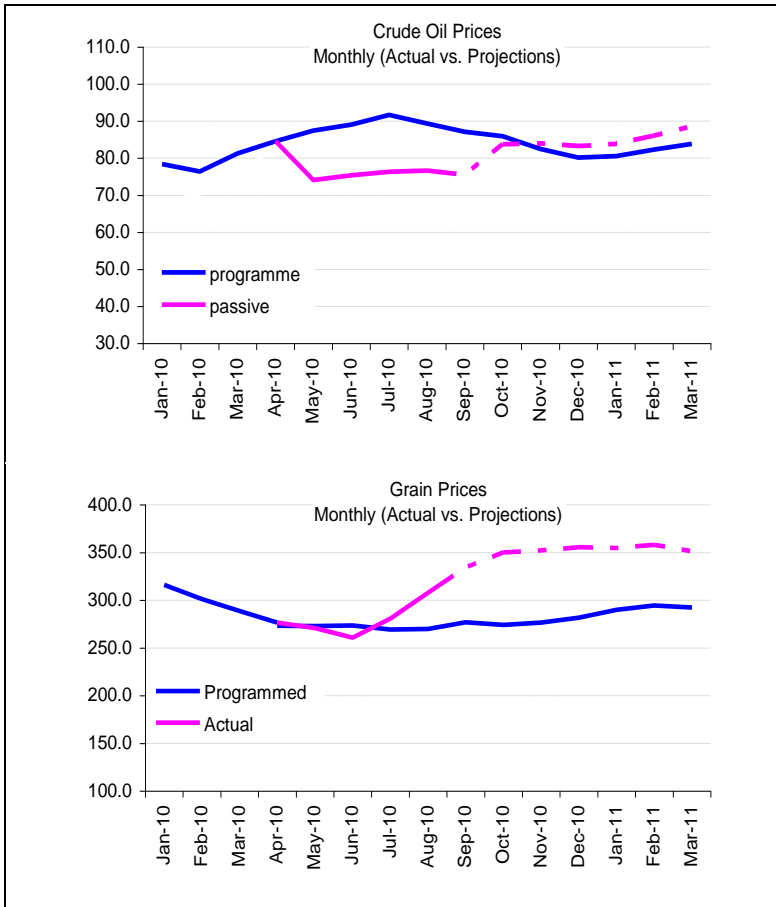
Oil prices expected to increase.

There was a marginal decline in the average price of wheat and corn in October. This follows a **34.9 per cent** increase in the September quarter. This was driven by drought conditions and an export ban on wheat by Russia, which forced up the price of corn, its primary substitute.

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Figure 6: International Commodity Prices

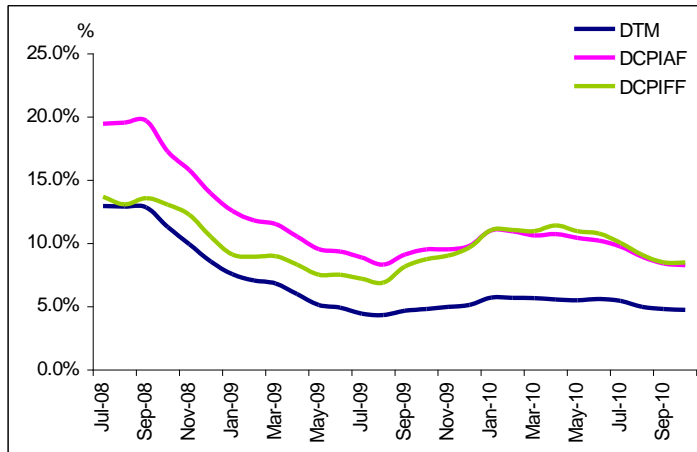




2.4 Trends in Core Inflation

The rate of decline in core inflation observed since the start of fiscal year slowed in October (see **Figure 7**). The stabilization in core inflation is consistent with the countervailing forces of increased input costs and the aforementioned deterioration in demand conditions.

Figure 7: Core Inflation (12-month change)





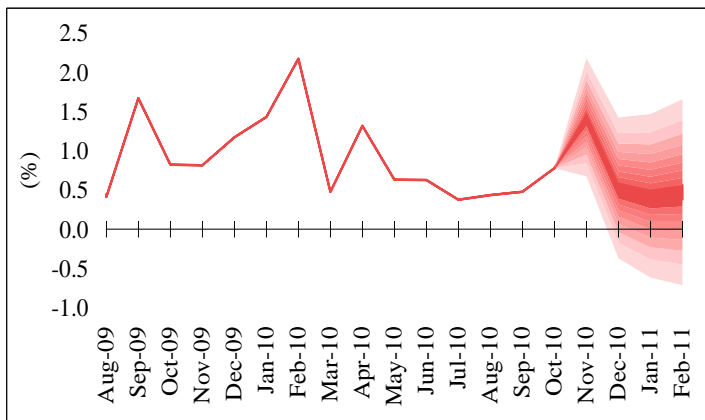
3.0 Revised Forecasts

The inflation forecast for FY2010/11 is still anticipated in the target range of **7.5 per cent to 9.5 per cent**. Prices are projected to increase by **1.0 per cent to 2.0 per cent** in November 2010. The main contributors are expected to be *Food* (72%) and *Housing, Water, Electricity & Gas* (15%). Among *Food* items, the largest increases are expected within *Vegetables & Starches* (38%), *Bread & Cereal* (13%), and *Meat* (12%), which reflects previously announced price increases and the impact of TS Nicole.

FY2010/11 inflation still likely to be in the targeted range.

The risks to the projections are balanced. The main upside risks relate to the lagged impact of adverse weather and international commodity prices, while the main downside risk is weaker than anticipated domestic demand conditions.

Figure 8: Inflation Fan Chart



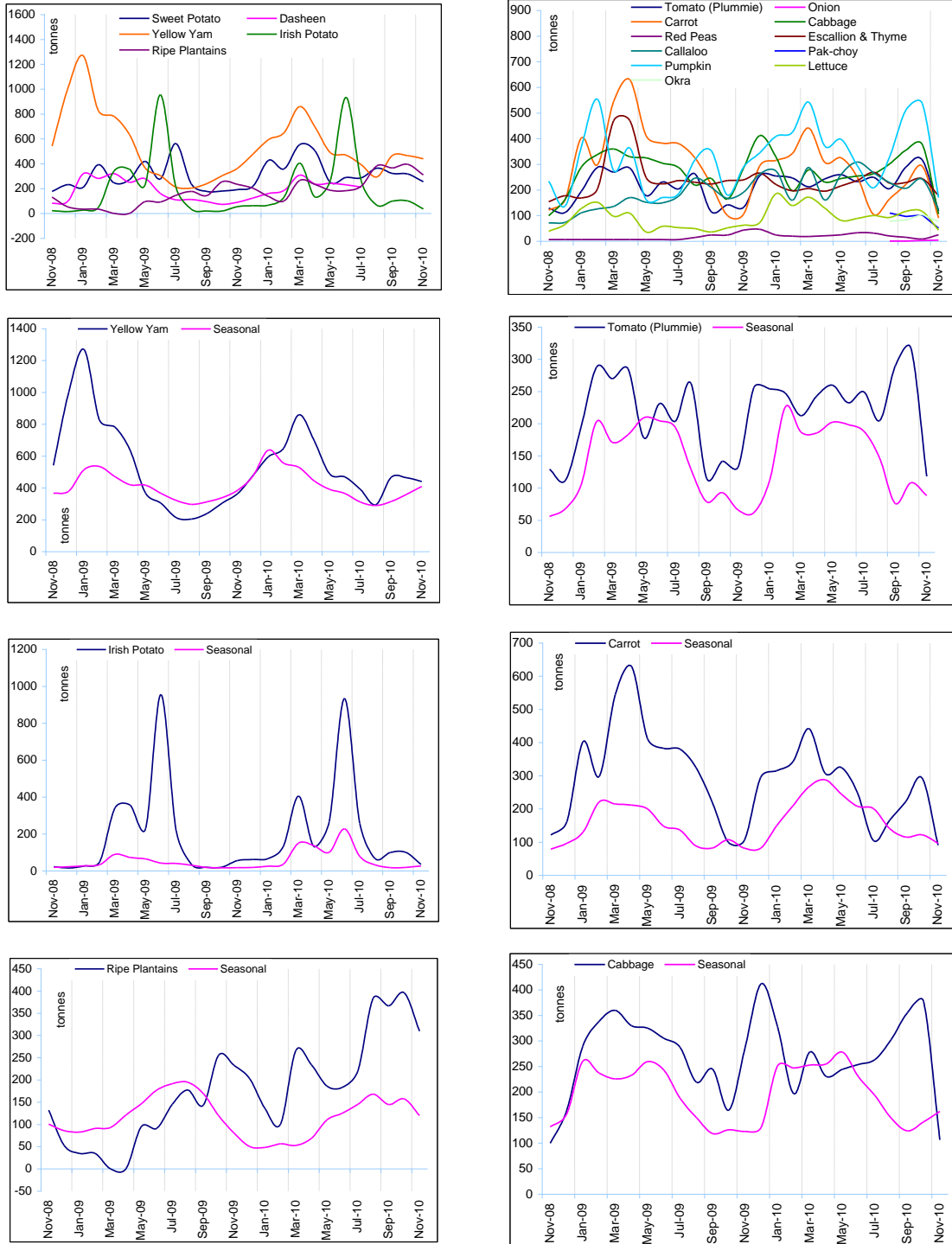


4.0 Summary and conclusions

Domestic demand conditions continue to deteriorate though at a slowing pace. Inventories have increased and could possibly result in lower inflationary pressures. Domestic agriculture supply contracted significantly in response to unfavourable weather conditions and will generate additional upward pressures on prices. November's inflation forecast is expected to bring the 12-month inflation rate in line with the original programme rate.

Appendices

Figure 9: Trends in selected agricultural production



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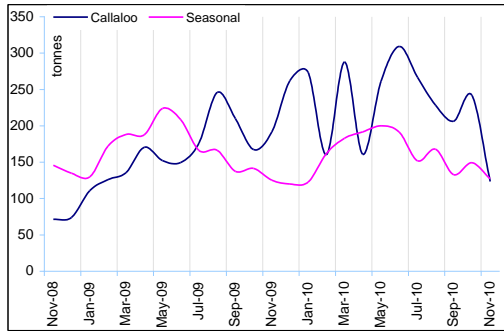
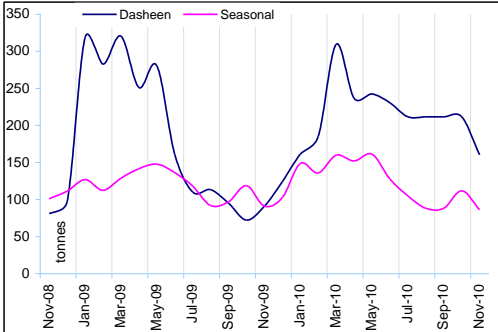
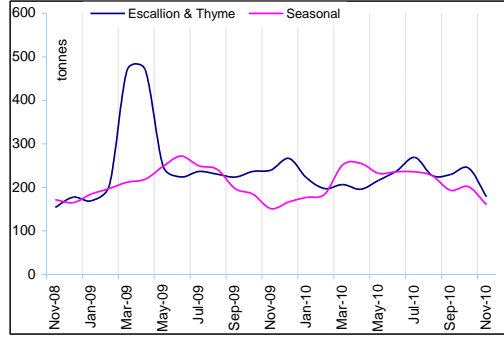
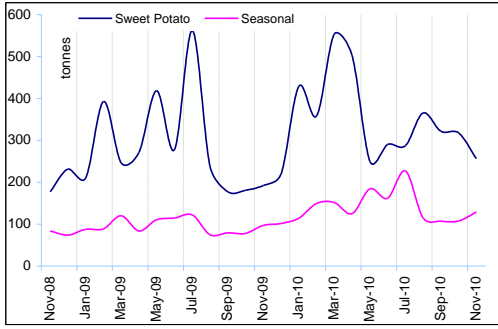


Table 1A
JAMAICA: HEADLINE INFLATION RATES
Oct. 2010

		1/ C.P.I	3 Month AVG. C.P.I	Monthly % change	3 mth* % change	3mth# % change	12 Month* % change	12 Month# % change	FYTD % change	CYTD % change
	Aug-07	107.23	106.17	1.01	2.80	2.81	8.26	16.26	4.62	7.23
	Sep-07	108.90	107.43	1.55	3.61	3.17	9.16	7.03	6.24	8.90
	Oct-07	110.39	108.84	1.37	3.98	3.47	10.75	7.44	7.70	10.39
2008	Nov-07	113.97	111.09	3.24	6.28	4.63	14.46	8.22	11.19	13.97
	Dec-07	116.82	113.73	2.50	7.27	5.86	16.82	9.17	13.97	16.82
	Jan-08	119.36	116.72	2.18	8.13	7.24	18.18	10.17	16.45	2.18
	Feb-08	121.47	119.22	1.77	6.58	7.32	19.87	11.29	18.51	3.98
	Mar-08	122.94	121.26	1.21	5.24	6.62	19.94	12.34	19.94	5.24
	Apr-08	124.81	123.07	1.52	4.56	5.45	21.19	13.54	1.52	6.84
	May-08	127.78	125.18	2.38	5.20	5.00	22.50	14.78	3.94	9.39
	Jun-08	130.29	127.63	1.96	5.98	5.25	23.97	16.15	5.98	11.53
	Jul-08	133.99	130.69	2.84	7.36	6.19	26.21	17.72	8.99	14.70
	Aug-08	135.63	133.31	1.22	6.14	6.49	26.48	19.25	10.32	16.10
	Sep-08	136.45	135.36	0.61	4.73	6.06	25.30	20.60	10.99	16.81
	Oct-08	136.88	136.32	0.32	2.16	4.31	24.00	21.68	11.34	17.18
2009	Nov-08	136.45	136.59	-0.32	0.60	2.47	19.72	22.07	10.99	16.80
	Dec-08	136.50	136.61	0.04	0.03	0.92	16.84	22.01	11.03	16.84
	Jan-09	136.03	136.33	-0.34	-0.62	0.00	13.97	21.57	10.65	-0.34
	Feb-09	137.07	136.53	0.76	0.46	-0.04	12.84	20.89	11.49	0.42
	Mar-09	138.22	137.11	0.84	1.26	0.36	12.43	20.19	12.43	1.26
	Apr-09	138.78	138.02	0.41	2.02	1.24	11.19	19.29	0.41	1.67
	May-09	140.03	139.01	0.90	2.16	1.81	9.58	18.15	1.31	2.59
	Jun-09	141.95	140.25	1.37	2.70	2.29	8.95	16.87	2.70	4.00
	Jul-09	143.31	141.76	0.96	3.27	2.71	6.95	15.25	3.69	4.99
	Aug-09	143.90	143.05	0.41	2.77	2.91	6.10	13.59	4.11	5.42
	Sep-09	146.30	144.50	1.67	3.06	3.03	7.22	12.15	5.85	7.18
	Oct-09	147.50	145.90	0.82	2.92	2.92	7.75	10.89	6.72	8.06
2010	Nov-09	148.70	147.50	0.81	3.34	3.11	8.98	10.07	7.59	8.94
	Dec-09	150.44	148.88	1.17	2.83	3.03	10.21	9.58	8.84	10.21
	Jan-10	152.59	150.58	1.43	3.45	3.20	12.17	9.47	10.40	1.43
	Feb-10	155.90	152.98	2.17	4.84	3.71	13.74	9.58	12.80	3.63
	Mar-10	156.64	155.04	0.47	4.12	4.14	13.33	9.68	13.33	4.12
	Apr-10	158.70	157.08	1.32	4.01	4.32	14.36	9.97	1.32	5.49
	May-10	159.70	158.35	0.63	2.44	3.51	14.05	10.35	1.95	6.16
	Jun-10	160.70	159.70	0.63	2.59	3.00	13.21	10.70	2.59	6.82
	Jul-10	161.30	160.57	0.37	1.64	2.22	12.55	11.17	2.97	7.22
	Aug-10	162.00	161.33	0.43	1.44	1.89	12.58	11.70	3.42	7.68
	Sep-10	162.77	162.02	0.48	1.29	1.45	11.26	12.03	3.91	8.20
	Oct-10	164.03	162.93	0.78	1.69	1.47	11.21	12.30	4.72	9.04

1/ December 2006 = 100

* Point to Point

Moving average

Source: STATIN

Table 1B
JAMAICA: CPI WITHOUT FOOD AND FUEL
Oct. 2010

		1/ CPI-FF	3 Month Avg.CPIFF	Monthly % change	3 mth* % change	3mth# % change	12 Month* % change	12 Month# % change	FYTD % change	CYTD % change
	Aug-07	201.80	200.17	0.99	2.17	1.95	8.44	17.04	3.27	6.90
	Sep-07	204.66	202.09	1.42	2.90	2.33	9.26	7.76	4.73	8.41
	Oct-07	206.02	204.16	0.67	3.10	2.73	9.77	7.98	5.43	9.13
2008	Nov-07	207.88	206.19	0.90	3.01	3.01	10.43	8.26	6.38	10.12
	Dec-07	210.41	208.11	1.21	2.81	2.97	11.46	8.66	7.67	11.46
	Jan-08	214.53	210.94	1.96	4.13	3.32	12.56	9.11	9.78	1.96
	Feb-08	217.99	214.31	1.61	4.86	3.94	12.89	9.58	11.55	3.60
	Mar-08	220.00	217.51	0.92	4.56	4.52	12.58	9.95	12.58	4.56
	Apr-08	222.11	220.03	0.96	3.53	4.31	13.26	10.41	0.96	5.56
	May-08	224.83	222.31	1.23	3.14	3.73	13.83	10.90	2.19	6.85
	Jun-08	227.61	224.85	1.24	3.46	3.37	14.45	11.44	3.46	8.18
	Jul-08	229.34	227.26	0.76	3.26	3.28	14.77	12.02	4.24	9.00
	Aug-08	231.35	229.44	0.88	2.90	3.20	14.64	12.54	5.16	9.95
	Sep-08	233.92	231.54	1.11	2.77	2.98	14.30	12.95	6.33	11.18
	Oct-08	234.94	233.40	0.43	2.44	2.70	14.04	13.30	6.79	11.66
2009	Nov-08	236.10	234.99	0.49	2.05	2.42	13.57	13.55	7.32	12.21
	Dec-08	237.01	236.02	0.39	1.32	1.93	12.64	13.63	7.73	12.64
	Jan-09	237.78	236.96	0.32	1.21	1.53	10.84	13.47	8.08	0.32
	Feb-09	239.60	238.13	0.77	1.48	1.34	9.91	13.20	8.91	1.09
	Mar-09	241.97	239.78	0.99	2.09	1.60	9.98	12.96	9.98	2.09
	Apr-09	243.43	241.67	0.60	2.37	1.98	9.60	12.64	0.60	2.71
	May-09	244.66	243.35	0.51	2.11	2.19	8.82	12.21	1.11	3.23
	Jun-09	246.48	244.86	0.75	1.87	2.12	8.29	11.69	1.87	4.00
	Jul-09	247.91	246.35	0.58	1.84	1.94	8.10	11.13	2.46	4.60
	Aug-09	249.93	248.11	0.82	2.16	1.96	8.03	10.59	3.29	5.45
	Sep-09	254.02	250.62	1.64	3.06	2.36	8.59	10.12	4.98	7.18
	Oct-09	256.67	253.54	1.04	3.54	2.92	9.25	9.74	6.08	8.30
2010	Nov-09	258.34	256.34	0.65	3.36	3.32	9.42	9.42	6.77	9.00
	Dec-09	260.67	258.56	0.90	2.62	3.17	9.98	9.22	7.73	9.98
	Jan-10	266.01	261.67	2.05	3.64	3.21	11.87	9.32	9.94	2.05
	Feb-10	268.60	265.09	0.97	3.97	3.41	12.10	9.52	11.01	3.04
	Mar-10	270.02	268.21	0.53	3.59	3.73	11.59	9.66	11.59	3.59
	Apr-10	272.49	270.37	0.92	2.44	3.32	11.94	9.86	0.92	4.53
	May-10	273.41	271.97	0.34	1.79	2.60	11.75	10.11	1.26	4.89
	Jun-10	274.51	273.47	0.40	1.66	1.96	11.37	10.36	1.66	5.31
	Jul-10	274.91	274.28	0.15	0.89	1.45	10.89	10.59	1.81	5.46
	Aug-10	277.04	275.49	0.77	1.32	1.29	10.84	10.81	2.60	6.28
	Sep-10	278.33	276.76	0.47	1.39	1.20	9.57	10.88	3.08	6.78
	Oct-10	280.19	278.52	0.67	1.92	1.55	9.16	10.86	3.77	7.49

1/January 2000 = 100

* Point to Point

Moving average

Source: BOJ

Table 1C
JAMAICA: CPI WITHOUT AGRICULTURE AND FUEL
Oct. 2010

		1/ CPI-AF	3 Month Avg.CPIAF	Monthly % change	3 mth* % change	3mth# % change	12 Month* % change	12 Month# % change	FYTD % change	CYTD % change
	Aug-07	202.35	200.64	0.96	2.27	2.27	10.08	18.77	3.95	8.10
	Sep-07	204.58	202.45	1.10	2.73	2.42	10.39	9.37	5.10	9.29
	Oct-07	206.87	204.60	1.12	3.22	2.74	11.29	9.55	6.27	10.51
2008	Nov-07	212.53	207.99	2.74	5.03	3.67	13.81	9.97	9.18	13.53
	Dec-07	216.44	211.95	1.84	5.80	4.69	15.62	10.61	11.19	15.62
	Jan-08	221.57	216.85	2.37	7.10	5.98	16.87	11.30	13.82	2.37
	Feb-08	225.34	221.12	1.70	6.03	6.31	17.31	12.01	15.76	4.11
	Mar-08	228.37	225.09	1.34	5.51	6.20	17.32	12.68	17.32	5.51
	Apr-08	231.41	228.37	1.33	4.44	5.32	18.05	13.40	1.33	6.92
	May-08	235.67	231.82	1.84	4.59	4.84	19.11	14.20	3.20	8.89
	Jun-08	239.52	235.53	1.63	4.88	4.64	20.27	15.09	4.88	10.66
	Jul-08	241.64	238.94	0.89	4.42	4.63	20.57	15.99	5.81	11.64
	Aug-08	244.49	241.88	1.18	3.74	4.34	20.82	16.88	7.06	12.96
	Sep-08	247.53	244.55	1.24	3.34	3.83	20.99	17.75	8.39	14.36
	Oct-08	249.12	247.04	0.64	3.10	3.39	20.42	18.50	9.09	15.10
2009	Nov-08	250.54	249.06	0.57	2.47	2.97	17.88	18.81	9.71	15.75
	Dec-08	252.38	250.68	0.74	1.96	2.51	16.61	18.86	10.52	16.61
	Jan-09	253.56	252.16	0.46	1.78	2.07	14.44	18.61	11.03	0.46
	Feb-09	255.22	253.72	0.66	1.87	1.87	13.26	18.23	11.76	1.12
	Mar-09	258.01	255.60	1.09	2.23	1.96	12.98	17.82	12.98	2.23
	Apr-09	260.41	257.88	0.93	2.70	2.27	12.53	17.32	0.93	3.18
	May-09	262.27	260.23	0.72	2.76	2.57	11.29	16.64	1.65	3.92
	Jun-09	264.16	262.28	0.72	2.38	2.61	10.29	15.78	2.38	4.67
	Jul-09	266.10	264.18	0.74	2.19	2.44	10.12	14.91	3.14	5.44
	Aug-09	268.00	266.09	0.71	2.18	2.25	9.62	13.99	3.87	6.19
	Sep-09	271.70	268.60	1.38	2.86	2.41	9.77	13.09	5.31	7.66
	Oct-09	274.29	271.33	0.95	3.08	2.71	10.10	12.28	6.31	8.68
2010	Nov-09	276.30	274.10	0.73	3.10	3.01	10.28	11.68	7.09	9.48
	Dec-09	278.32	276.31	0.73	2.44	2.87	10.28	11.19	7.87	10.28
	Jan-10	283.29	279.30	1.78	3.28	2.94	11.73	10.99	9.80	1.78
	Feb-10	286.16	282.59	1.01	3.57	3.10	12.12	10.91	10.91	2.81
	Mar-10	287.94	285.80	0.62	3.46	3.43	11.60	10.81	11.60	3.46
	Apr-10	290.32	288.14	0.83	2.48	3.16	11.49	10.74	0.83	4.31
	May-10	291.59	289.95	0.44	1.90	2.60	11.18	10.73	1.27	4.77
	Jun-10	293.18	291.70	0.55	1.82	2.06	10.99	10.79	1.82	5.34
	Jul-10	293.99	292.92	0.28	1.27	1.66	10.48	10.81	2.10	5.63
	Aug-10	295.86	294.35	0.64	1.47	1.52	10.40	10.87	2.75	6.30
	Sep-10	297.25	295.70	0.47	1.39	1.37	9.40	10.83	3.23	6.80
	Oct-10	299.04	297.39	0.60	1.72	1.52	9.02	10.73	3.86	7.44

1/January 2000 = 100

* Point to Point

Moving average

Source: BOJ

Table 1D
JAMAICA: TRIMMED MEAN CORE INFLATION
Oct. 2010

		1/ CPI-TRIM	3 Month Avg.TRIM	Monthly % change	3 mth* % change	3mth# % change	12 Month* % change	12 Month# % change	FYTD % change	CYTD % change
	Aug-07	143.14	142.37	0.58	1.35	1.36	5.06	13.82	2.39	4.33
	Sep-07	144.29	143.25	0.80	1.87	1.54	5.40	4.58	3.21	5.17
	Oct-07	145.15	144.19	0.60	1.99	1.73	5.94	4.75	3.82	5.80
2008	Nov-07	147.71	145.72	1.77	3.20	2.35	7.84	5.09	5.66	7.67
	Dec-07	150.04	147.63	1.58	3.99	3.06	9.37	5.55	7.32	9.37
	Jan-08	152.45	150.07	1.60	5.03	4.08	10.42	6.08	9.04	1.60
	Feb-08	154.28	152.26	1.20	4.44	4.49	11.10	6.63	10.35	2.82
	Mar-08	155.36	154.03	0.70	3.55	4.33	11.13	7.16	11.13	3.55
	Apr-08	156.68	155.44	0.85	2.78	3.58	11.64	7.75	0.85	4.42
	May-08	158.64	156.89	1.25	2.82	3.05	12.32	8.36	2.11	5.73
	Jun-08	160.54	158.62	1.20	3.33	2.98	13.35	9.07	3.33	7.00
	Jul-08	161.62	160.27	0.67	3.15	3.10	13.56	9.80	4.02	7.71
	Aug-08	162.86	161.67	0.77	2.66	3.05	13.78	10.53	4.83	8.54
	Sep-08	163.71	162.73	0.52	1.97	2.59	13.46	11.20	5.37	9.11
	Oct-08	164.35	163.64	0.39	1.69	2.11	13.23	11.80	5.78	9.53
2009	Nov-08	164.89	164.32	0.33	1.25	1.63	11.63	12.10	6.13	9.90
	Dec-08	165.43	164.89	0.33	1.05	1.33	10.26	12.16	6.48	10.26
	Jan-09	165.89	165.40	0.27	0.94	1.08	8.82	12.00	6.77	0.27
	Feb-09	166.27	165.87	0.23	0.84	0.94	7.77	11.70	7.02	0.51
	Mar-09	167.31	166.49	0.62	1.13	0.97	7.69	11.39	7.69	1.13
	Apr-09	168.07	167.22	0.45	1.31	1.09	7.27	11.01	0.45	1.59
	May-09	168.73	168.03	0.39	1.48	1.31	6.36	10.49	0.85	1.99
	Jun-09	169.47	168.75	0.44	1.29	1.36	5.56	9.83	1.29	2.44
	Jul-09	170.03	169.41	0.33	1.17	1.31	5.21	9.13	1.63	2.78
	Aug-09	170.73	170.08	0.41	1.19	1.22	4.83	8.39	2.05	3.20
	Sep-09	171.98	170.91	0.73	1.48	1.28	5.05	7.71	2.79	3.95
	Oct-09	172.76	171.82	0.45	1.60	1.42	5.12	7.06	3.26	4.43
2010	Nov-09	173.61	172.78	0.49	1.68	1.59	5.29	6.55	3.77	4.94
	Dec-09	174.32	173.56	0.41	1.36	1.55	5.37	6.16	4.19	5.37
	Jan-10	175.71	174.55	0.80	1.71	1.59	5.92	5.93	5.02	0.80
	Feb-10	176.75	175.59	0.59	1.81	1.63	6.30	5.82	5.65	1.40
	Mar-10	177.52	176.66	0.43	1.84	1.79	6.10	5.69	6.10	1.84
	Apr-10	178.02	177.43	0.28	1.32	1.65	5.92	5.59	0.28	2.12
	May-10	178.72	178.09	0.39	1.11	1.42	5.92	5.55	0.68	2.53
	Jun-10	179.51	178.75	0.44	1.12	1.18	5.92	5.59	1.12	2.98
	Jul-10	179.96	179.39	0.25	1.09	1.11	5.83	5.64	1.37	3.23
	Aug-10	180.46	179.97	0.28	0.97	1.06	5.70	5.71	1.65	3.52
	Sep-10	180.97	180.46	0.28	0.82	0.96	5.23	5.72	1.94	3.82
	Oct-10	181.77	181.07	0.44	1.01	0.93	5.22	5.73	2.40	4.28

1/January 2000 = 100

* Point to Point

Moving average

Source: BOJ

Table 2
Regional Inflation
Oct-MTH. 2010

		GKMA	OUC	RUA
		Inflation(%)	Inflation(%)	Inflation(%)
01	FOOD & NON-ALCOHOLIC BEVERAGES	0.81	2.06	0.68
01.1	Food	0.80	2.09	0.68
	Bread and Cereals	0.21	0.46	0.21
	Meat	0.06	0.62	0.18
	Fish and Seafood	0.40	2.73	0.18
	Milk, Cheese and Eggs	1.62	0.59	0.49
	Oils and Fats	0.31	2.81	0.46
	Fruit	0.93	1.91	0.51
	Vegetables and Starchy Foods	2.00	5.18	2.48
	Vegetables	2.19	6.97	2.59
	Starchy Foods	1.50	0.85	2.07
	Sugar, Jam, Honey, Chocolate and Confectionery	0.71	1.00	0.06
	Food Products n.e.c.	0.64	1.31	0.68
01.2	Non-Alcoholic Beverages	0.84	0.86	0.67
	Coffee, Tea and Cocoa	0.59	0.88	0.69
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	0.99	0.86	0.59
02	ALCOHOLIC BEVERAGES & TOBACCO	0.04	0.25	1.37
03	CLOTHING & FOOTWEAR	0.39	1.18	0.72
03.1	Clothing	0.53	1.33	0.82
03.2	Footwear	0.22	0.88	0.61
04	HOUSING, WATER, ELECTRICITY, GAS & OTHER FUELS	1.39	0.95	0.78
04.1	Rentals for Housing	1.53	0.26	0.26
04.3	Maintenance and Repair of Dwelling	0.06	0.00	0.13
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	4.19	4.16	4.16
04.5	Electricity, Gas and Other Fuels	0.50	0.80	0.50
05	FURNISHINGS, HOUSEHOLD EQUIPMENT & ROUTINE HOUSEHOLD MAINTENAN	0.12	0.75	0.73
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.06	0.92	1.25
05.2	Household Textiles	0.13	0.44	0.37
05.3	Household Appliances	0.06	0.81	0.65
05.4	Glassware, Tableware and Household Utensils	0.96	0.94	0.13
05.5	Tools and Equipment for House and Garden	0.27	0.62	0.20
05.6	Goods and Services for Routine Household Maintenance	0.18	0.75	0.68
06	HEALTH	0.00	0.08	0.08
06.1	Medical Products, Appliances and Equipment	0.00	0.16	0.08
06.2	Health Services	0.00	0.08	0.08
07	TRANSPORT	0.38	0.39	0.33
08	COMMUNICATION	0.00	0.00	0.00
09	RECREATION & CULTURE	0.14	0.41	0.14
10	EDUCATION	0.00	0.00	0.00
11	RESTAURANTS & ACCOMMODATION SERVICES	0.13	0.33	0.07
12	MISCELLANEOUS GOODS & SERVICES	1.03	1.26	1.80
ALL DIVISIONS		0.66	1.22	0.63

Table 3
Component Contribution to Inflation
Oct. 2010

		Weight in the CPI	Monthly Inflation(%)	Weighted Inflation	% Contrib'n to Inflation
01	FOOD & NON-ALCOHOLIC BEVERAGES	37.45	1.00	0.37	50.15
01.1	Food	35.10	1.01	0.36	47.64
	Bread and Cereals	6.10	0.25	0.01	2.01
	Meat	7.66	0.22	0.02	2.23
	Fish and Seafood	5.33	0.73	0.04	5.20
	Milk, Cheese and Eggs	3.11	0.86	0.03	3.59
	Oils and Fats	1.64	0.90	0.01	1.97
	Fruit	1.14	1.01	0.01	1.54
	Vegetables and Starchy Foods	6.85	2.90	0.20	26.70
	Vegetables	4.64	3.44	0.16	21.42
	Starchy Foods	2.21	1.63	0.04	4.83
	Sugar, Jam, Honey, Chocolate and Confectionery	1.72	0.42	0.01	0.97
	Food Products n.e.c.	1.55	0.80	0.01	1.67
01.2	Non-Alcoholic Beverages	2.35	0.77	0.02	2.42
	Coffee, Tea and Cocoa	0.66	0.71	0.00	0.63
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	1.69	0.79	0.01	1.79
02	ALCOHOLIC BEVERAGES & TOBACCO	1.38	0.76	0.01	1.40
03	CLOTHING & FOOTWEAR	3.33	0.69	0.02	3.09
03.1	Clothing	2.12	0.82	0.02	2.33
03.2	Footwear	1.22	0.50	0.01	0.83
04	HOUSING, WATER, ELECTRICITY, GAS & OTHER FUELS	12.76	1.05	0.13	17.90
04.1	Rentals for Housing	3.52	0.99	0.03	4.68
04.3	Maintenance and Repair of Dwelling	0.80	0.07	0.00	0.08
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	1.32	4.18	0.06	7.41
04.5	Electricity, Gas and Other Fuels	7.12	0.58	0.04	5.50
05	FURNISHINGS, HOUSEHOLD EQUIPMENT & ROUTINE HOUSEHOLD MAINT	4.93	0.52	0.03	3.42
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.69	0.73	0.01	0.68
05.2	Household Textiles	0.32	0.31	0.00	0.13
05.3	Household Appliances	0.56	0.47	0.00	0.35
05.4	Glassware, Tableware and Household Utensils	0.05	0.55	0.00	0.04
05.5	Tools and Equipment for House and Garden	0.15	0.28	0.00	0.06
05.6	Goods and Services for Routine Household Maintenance	3.16	0.50	0.02	2.14
06	HEALTH	3.29	0.05	0.00	0.23
06.1	Medical Products, Appliances and Equipment	1.22	0.06	0.00	0.09
06.2	Health Services	2.07	0.05	0.00	0.14
07	TRANSPORT	12.82	0.35	0.04	6.02
08	COMMUNICATION	3.99	0.00	0.00	0.00
09	RECREATION & CULTURE	3.36	0.17	0.01	0.78
10	EDUCATION	2.14	0.00	0.00	0.00
11	RESTAURANTS & ACCOMMODATION SERVICES	6.19	0.13	0.01	1.11
12	MISCELLANEOUS GOODS & SERVICES	8.37	1.42	0.12	15.90
	ALL DIVISIONS	100.00	0.78	0.75	100.00

Table 4
Annual Component Contribution to Inflation
Oct. 2010

		Weight in the CPI	Monthly Inflation(%)	Weighted Inflation	% Contrib'n to Inflation
01	FOOD & NON-ALCOHOLIC BEVERAGES	37.45	9.97	3.74	33.32
01.1	Food	35.10	9.95	3.49	31.16
	Bread and Cereals	6.10	4.49	0.27	2.44
	Meat	7.66	7.36	0.56	5.03
	Fish and Seafood	5.33	11.44	0.61	5.44
	Milk, Cheese and Eggs	3.11	9.75	0.30	2.70
	Oils and Fats	1.64	11.36	0.19	1.66
	Fruit	1.14	10.57	0.12	1.08
	Vegetables and Starchy Foods	6.85	14.67	1.01	8.97
	Vegetables	4.64	18.84	0.87	7.80
	Starchy Foods	2.21	6.12	0.14	1.21
	Sugar, Jam, Honey, Chocolate and Confectionery	1.72	13.67	0.24	2.10
	Food Products n.e.c.	1.55	14.02	0.22	1.94
01.2	Non-Alcoholic Beverages	2.35	9.41	0.22	1.97
	Coffee, Tea and Cocoa	0.66	11.30	0.07	0.67
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	1.69	8.80	0.15	1.33
02	ALCOHOLIC BEVERAGES & TOBACCO	1.38	14.69	0.20	1.81
03	CLOTHING & FOOTWEAR	3.33	9.31	0.31	2.77
03.1	Clothing	2.12	10.59	0.22	2.00
03.2	Footwear	1.22	7.67	0.09	0.83
04	HOUSING, WATER, ELECTRICITY, GAS & OTHER FUELS	12.76	12.59	1.61	14.33
04.1	Rentals for Housing	3.52	27.16	0.96	8.53
04.3	Maintenance and Repair of Dwelling	0.80	9.80	0.08	0.70
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	1.32	7.26	0.10	0.86
04.5	Electricity, Gas and Other Fuels	7.12	6.69	0.48	4.25
05	FURNISHINGS, HOUSEHOLD EQUIPMENT & ROUTINE HOUSEHOLD MAINTENANCE	4.93	7.00	0.35	3.08
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.69	9.89	0.07	0.61
05.2	Household Textiles	0.32	7.12	0.02	0.20
05.3	Household Appliances	0.56	10.95	0.06	0.55
05.4	Glassware, Tableware and Household Utensils	0.05	7.86	0.00	0.04
05.5	Tools and Equipment for House and Garden	0.15	6.96	0.01	0.09
05.6	Goods and Services for Routine Household Maintenance	3.16	5.65	0.18	1.59
06	HEALTH	3.29	2.98	0.10	0.88
06.1	Medical Products, Appliances and Equipment	1.22	2.87	0.04	0.31
06.2	Health Services	2.07	3.11	0.06	0.57
07	TRANSPORT	12.82	24.82	3.18	28.39
08	COMMUNICATION	3.99	5.36	0.21	1.91
09	RECREATION & CULTURE	3.36	9.17	0.31	2.75
10	EDUCATION	2.14	8.58	0.18	1.64
11	RESTAURANTS & ACCOMMODATION SERVICES	6.19	4.43	0.27	2.45
12	MISCELLANEOUS GOODS & SERVICES	8.37	10.35	0.87	7.73
	ALL DIVISIONS	100.00	11.21	11.21	100.00