



Short term Inflation Analyses and Forecasts

September 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.

Table of Contents

1.0 Review of Outturn	1
2.0 Factors underpinning revised forecast	3
2.1 <i>Trends in demand</i>	3
2.2 <i>Trends in supply</i>	4
2.3 <i>Import prices</i>	5
3.0 Revised Forecasts	7
4.0 Summary and conclusions	9
Appendices	10

Tables and figures

Figure 1: Trend in monthly inflation	1
Figure 2: Regional Inflation	1
Figure 3: Inflation Contribution	2
Figure 4: Short-term Indicators of Demand	3
Figure 5: Core Inflation (12-month change)	4
Figure 6: Industrial Electricity Sales	5
Figure 7: International Commodity Prices	6
Figure 8: Inflation Forecast – Point Projections	7
Figure 9: Inflation Fan Chart	8
Figure 10: Trends in selected agricultural production	10

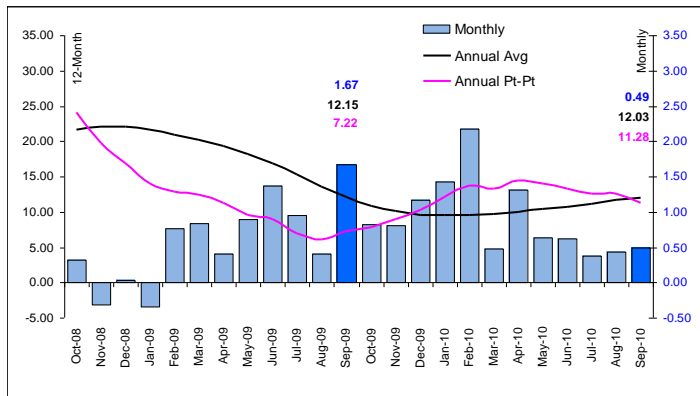


1.0 Review of Outturn

Headline inflation for September 2010 was **0.5 per cent** and 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 **8.2 per cent**, relative to the **5.4 per cent** for the corresponding period of 2009. The 12-month point-to-point inflation of **11.3 per cent** was also higher than the **7.2 per cent** recorded at the end of September 2009. However, inflation for the fiscal year-to-date was **3.9 per cent**, **1.9 percentage points** below the rate for the corresponding period of FY2009/10.

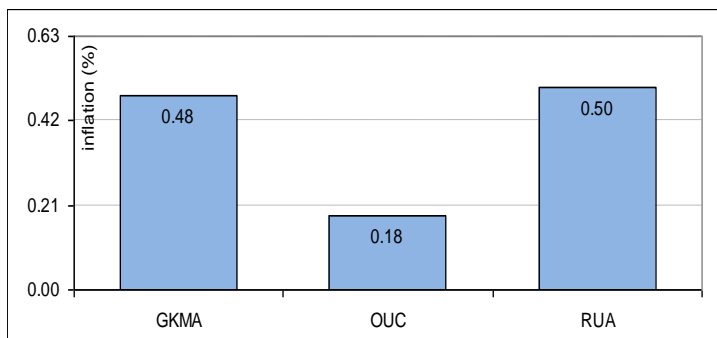
Inflation for the September quarter was within the Bank’s announced ranged of 1.0 per cent to 2.0 per cent

Figure 1: Trend in monthly inflation



September’s inflation emanated mainly from the *Rural Areas* (RUA) and the *Greater Kingston Metropolitan Area* (GKMA) and. This was mainly attributed to an increase in Education related expenses at the beginning of the school year. Additionally, the price of food fell in Other Urban Centres (OUC), the only region to record such a decline.

Figure 2: Regional Inflation

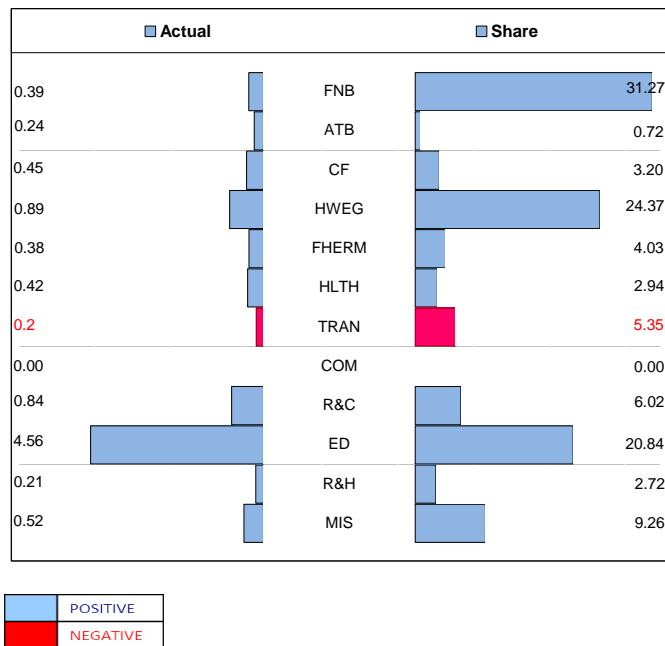


Short term
Inflation Analyses and Forecasts



The main contributors to the overall inflation were *Food* (31%), Housing, Water Electricity and Gas (24%) and Education (16%). Food largely reflected higher prices of fish and fruits, vegetables and to a lesser extent, fish and other food products. All items within *Food* reflected price increases for the month.

Figure 3: Inflation Contribution



The movement in *Communication* was the second largest contributor to inflation, which reflected increase in land line rates. *Miscellaneous Goods & Services* reflected increased prices for personal care items and personal effects.

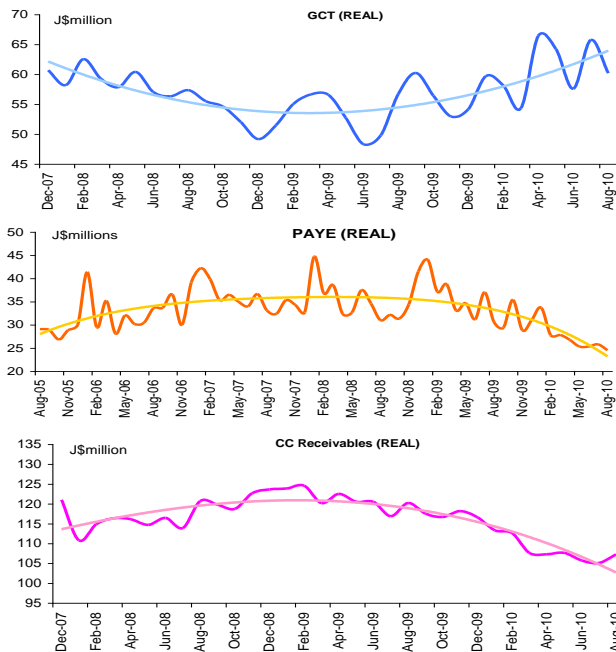


2.0 Factors underpinning revised forecast

2.1 Trends in demand

Indicators of domestic demand remain weak but reflect some reversal of the downward trend that persisted since the 2008 crisis. In August, credit card receivables in real terms, increased by **2.1 per cent**. Similarly, Real GCT receipts for the month increased by **34.3 per cent**.¹ Whereas credit card receivables are at levels significantly lower than before the 2008 crisis, GCT receipts have, instead, surpassed that comparative level, but reflects the impact of enhanced revenue generating measures rather than increased consumer spending. Smoothed GCT receipts declined by **8.4 per cent** for the month and was also represented at a level higher than the average before the 2008 crisis. Additionally, there was a 12-month change in real GCT receipts of **15.2 per cent**, while real credit card receivables decreased by **10.8 per cent**.

Figure 4: Short-term Indicators of Demand



Domestic demand remains weak.

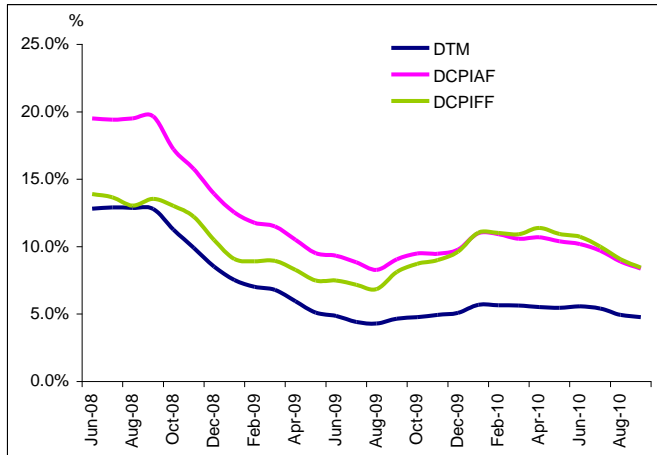
¹ Data on Government and Monetary accounts, which includes GCT and PAYE receipts as well as credit card receivables, were only available for August 2010

Short term Inflation Analyses and Forecasts



Real wages, as proxied by CPI deflated PAYE returns, declined by **4.9 per cent** in August 2010 relative to July 2010. This however reflected a slowdown in the rate of decline when compared to previous months.

Figure 5: Core Inflation (12-month change)



Consistent with these results, core inflation measures have declined consistently since the start of 2010.

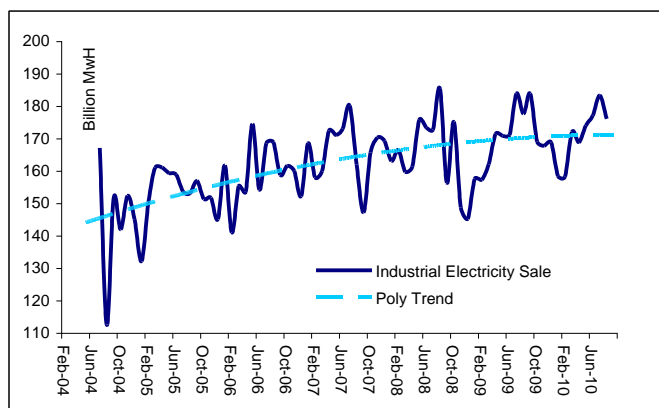
2.2 Trends in supply

Data on domestic agricultural produce indicate an upward shift in vegetable and starchy food supplies. This resulted in a decrease in the price of Starchy foods by **1.4 per cent**. Though vegetable prices within the Rural and Other Urban Centres declined considerably, inflation pressures within the GKMA area was dominant and led to an average **0.5 per cent** increase for such items. The price trends observed are directly related to improvement in weather conditions following the drought period that ended in June 2010.

Rainfall associated with Tropical Storm Nicole resulted in widespread damage to agricultural produce, which is estimated at approximately **J\$1.2 billion**. The overall crop loss (accounting for salvaging) was between **12.0 per cent** and **15.0 per cent** for bananas, plantains and condiments and **3.0 per cent** to **4.0 per cent** for roots crops. With regards to livestock, the most significant loss occurred within the poultry industry.

Tropical storm causes widespread damage to agriculture supply.

Figure 6: Industrial Electricity Sales



During August 2010, industrial electricity consumption, which is used as an indicator of industrial production, declined by **4.0 per cent** over July 2010. When compared to the level in August 2009, industrial electricity sales also declined by **0.9 per cent** (see Figure 6).

2.3 Import prices

The price of crude oil decreased by **1.46 per cent** in September to **US\$75.55 per bbl**, relative to August. The most recent projection for October currently stands at **US\$83.78 per bbl**. This compares to the previous October forecast of **US\$85.97 per bbl**. The current projection for the average crude oil price for fiscal year 2010/11 is **US\$81.04 per bbl**, in contrast to the previous forecast of **US\$75.39 per bbl**. The downside risks to the outlook include, concerns about a potential for double dip recession given sentiments of deteriorating economic conditions. The upside risk include a higher than anticipated increase in demand.

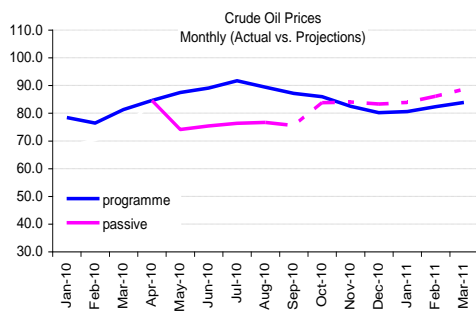
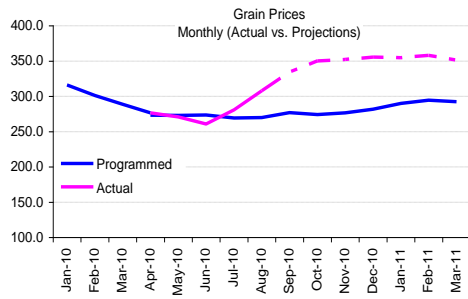
Oil prices expected to rise.

There has been a general increase in international agriculture commodity prices during the September quarter driven by a **34.9 per cent** expansion in wheat prices. This increase is attributable to drought conditions and an export ban on wheat by Russia. This development had an adverse substitution effect on the prices of other grains such as corn.

Short term Inflation Analyses and Forecasts



Figure 7: International Commodity Prices



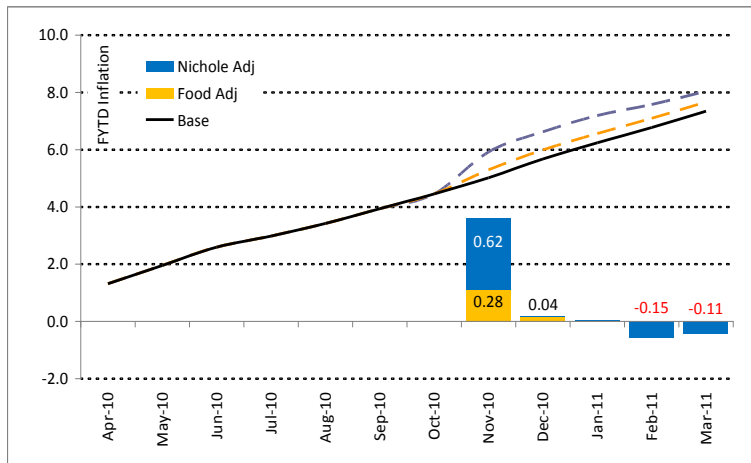


3.0 Revised Forecasts

The forecast for inflation for FY2010/11 has been revised towards the upper bound of the **6.0 per cent to 8.0 per cent** forecast range and is also consistent with the target range of **7.5 per cent to 9.5 per cent**. Of the **1.0 percentage point** upward revision, approximately **0.6 percentage point** is due to the upward revision in imported inflation and the remainder due to the net impact of Tropical Storm Nicole. The latter impact assumes the prices would rise by an additional **0.6 percentage point** in the December 2010 quarter, with some price reversals in the March 2011 quarter.

FY2010/11 inflation likely to be at the upper bound of the forecast range.

Figure 8: Inflation Forecast – Point Projections



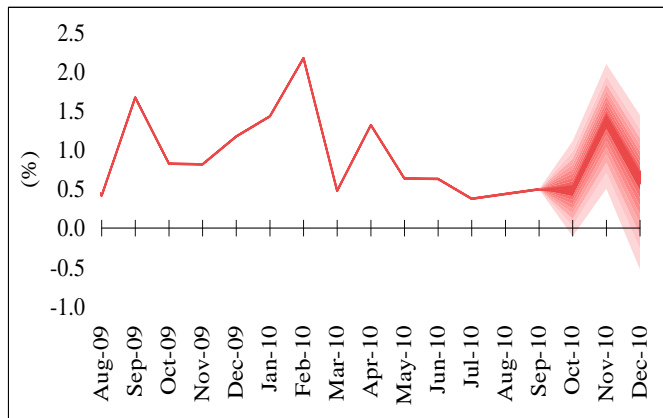
Prices are projected to increase by **0.0 per cent to 1.0 per cent** in October 2010. The main contributors are expected to be *Food* (32 %) and *Housing, Water, Electricity & Gas* (23%). Inflation for November is forecasted in range of **1.0 per cent to 2.0 per cent**, most of which is due to *Food* (76%), reflecting the pass-through of higher international agriculture commodity prices as well as the impact of Tropical Storm Nicole on domestic agriculture supply.

The risks to the projections are balanced. The main upside risks relate to the impact of adverse weather and



international commodity prices, while the main downside risk is weaker than anticipated domestic demand conditions.

Figure 9: Inflation Fan Chart





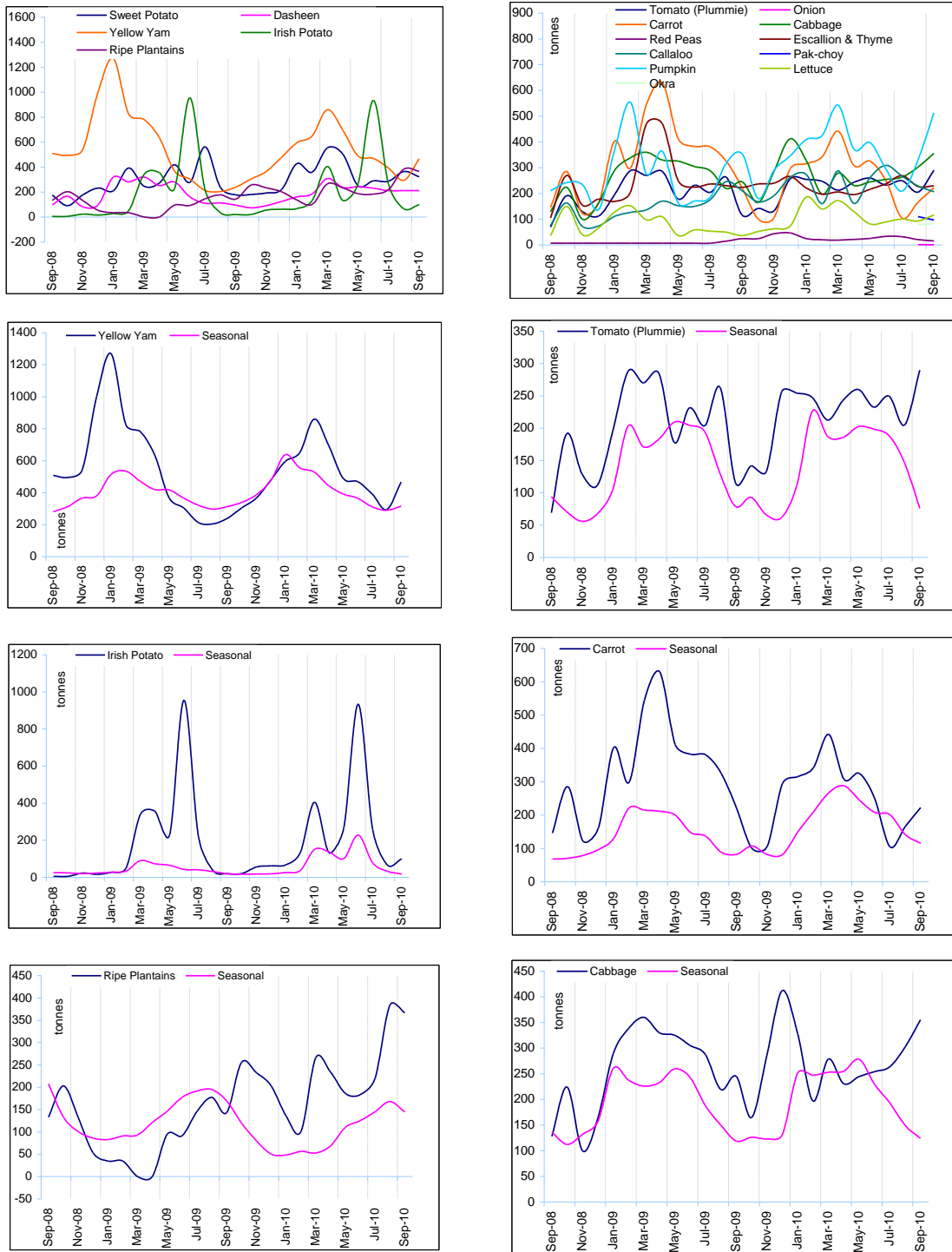
4.0 Summary and conclusions

Inflation for the fiscal year to September has generally trended in line with projections. However price movements in the second half of the fiscal year will be adversely affected by international commodity price and weather related shocks. Inflation for the fiscal year is therefore expected to be closer to the upper bound of the **6.0 per cent to 8.0 per cent** forecast range but well within the Bank's target range of **7.5 per cent to 9.5 per cent**.



Appendices

Figure 10: Trends in selected agricultural production



Short term Inflation Analyses and Forecasts

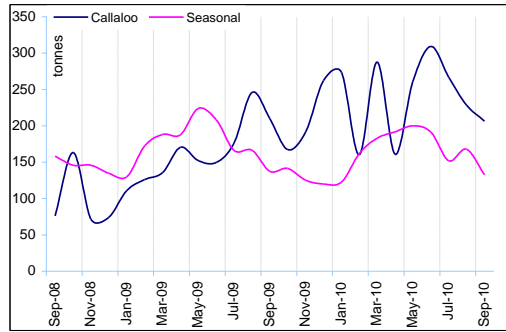
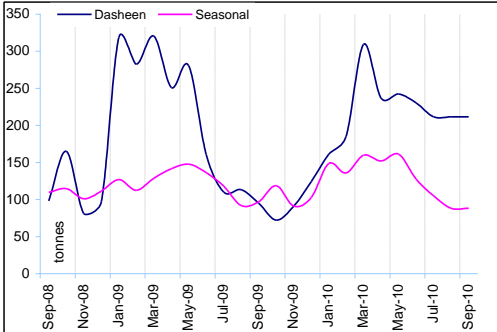
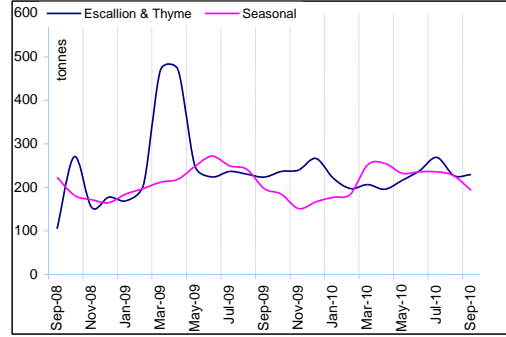
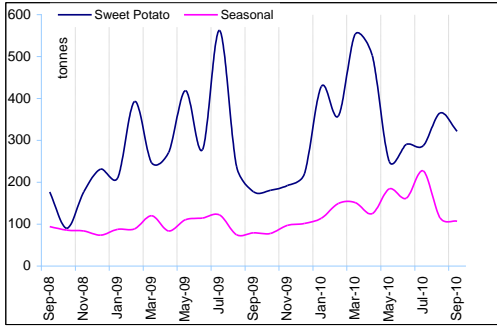


Table 1A
JAMAICA: HEADLINE INFLATION RATES
Sep. 2010

		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
	Jul-07	106.16	105.19	1.01	3.09	2.86	7.48	16.09	3.57	6.16
	Aug-07	107.23	106.17	1.01	2.80	2.81	8.26	6.81	4.62	7.23
	Sep-07	108.90	107.43	1.55	3.61	3.17	9.16	7.03	6.24	8.90
2008	Oct-07	110.39	108.84	1.37	3.98	3.47	10.75	7.44	7.70	10.39
	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
2009	Oct-08	136.88	136.32	0.32	2.16	4.31	24.00	21.68	11.34	17.18
	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
2010	Oct-09	147.50	145.90	0.82	2.92	2.92	7.75	10.89	6.72	8.06
	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

1/ December 2006 = 100

* Point to Point

Moving average

Source: STATIN

Table 1B
JAMAICA: CPI WITHOUT FOOD AND FUEL
Sep. 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
	Jul-07	199.82	198.74	0.47	1.90	1.98	7.83	16.93	2.26	5.85
	Aug-07	201.80	200.17	0.99	2.17	1.95	8.44	7.59	3.27	6.90
	Sep-07	204.66	202.09	1.42	2.90	2.33	9.26	7.76	4.73	8.41
2008	Oct-07	206.02	204.16	0.67	3.10	2.73	9.77	7.98	5.43	9.13
	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
2009	Oct-08	234.94	233.40	0.43	2.44	2.70	14.04	13.30	6.79	11.66
	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
2010	Oct-09	256.67	253.54	1.04	3.54	2.92	9.25	9.74	6.08	8.30
	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

1/January 2000 = 100

* Point to Point

Moving average

Source: BOJ

Table 1C
JAMAICA: CPI WITHOUT AGRICULTURE AND FUEL
Sep. 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
	Jul-07	200.42	199.14	0.64	2.24	2.52	9.79	18.73	2.96	7.06
	Aug-07	202.35	200.64	0.96	2.27	2.27	10.08	9.31	3.95	8.10
	Sep-07	204.58	202.45	1.10	2.73	2.42	10.39	9.37	5.10	9.29
2008	Oct-07	206.87	204.60	1.12	3.22	2.74	11.29	9.55	6.27	10.51
	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
2009	Oct-08	249.12	247.04	0.64	3.10	3.39	20.42	18.50	9.09	15.10
	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
2010	Oct-09	274.29	271.33	0.95	3.08	2.71	10.10	12.28	6.31	8.68
	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

1/January 2000 = 100

* Point to Point

Moving average

Source: BOJ

Table 1D
JAMAICA: TRIMMED MEAN CORE INFLATION
Sep. 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
	Jul-07	142.32	141.73	0.48	1.41	1.48	4.77	13.73	1.80	3.74
	Aug-07	143.14	142.37	0.58	1.35	1.36	5.06	4.49	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
	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
2008	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
	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
2009	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
	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
2010	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

1/January 2000 = 100

* Point to Point

Moving average

Source: BOJ

Table 2
Regional Inflation
Sep-MTH. 2010

		GKMA	OUC	RUA
		Inflation(%)	Inflation(%)	Inflation(%)
01	FOOD & NON-ALCOHOLIC BEVERAGES	0.49	-0.22	0.34
01.1	Food	0.54	-0.22	0.34
	Bread and Cereals	0.11	0.36	0.36
	Meat	0.34	0.56	0.31
	Fish and Seafood	1.34	0.94	0.65
	Milk, Cheese and Eggs	0.42	0.12	0.49
	Oils and Fats	0.09	0.76	1.24
	Fruit	0.47	1.25	0.58
	Vegetables and Starchy Foods	0.57	-2.92	-0.21
	Vegetables	0.64	-1.28	-0.15
	Starchy Foods	0.40	-6.73	-0.41
	Sugar, Jam, Honey, Chocolate and Confectionery	0.66	0.84	0.34
	Food Products n.e.c.	0.21	0.44	0.40
01.2	Non-Alcoholic Beverages	0.28	0.07	0.27
	Coffee, Tea and Cocoa	0.00	0.27	0.70
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	0.33	0.00	0.07
02	ALCOHOLIC BEVERAGES & TOBACCO	0.49	0.00	0.10
03	CLOTHING & FOOTWEAR	0.28	0.07	0.79
03.1	Clothing	0.33	0.07	1.10
03.2	Footwear	0.26	0.00	0.31
04	HOUSING, WATER, ELECTRICITY, GAS & OTHER FUELS	0.61	0.78	1.27
04.1	Rentals for Housing	0.00	0.00	0.00
04.3	Maintenance and Repair of Dwelling	0.18	0.00	0.33
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	-2.85	-2.83	-2.83
04.5	Electricity, Gas and Other Fuels	2.36	2.20	2.19
05	FURNISHINGS, HOUSEHOLD EQUIPMENT & ROUTINE HOUSEHOLD MAINTENAN	0.31	0.56	0.33
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.12	0.75	0.72
05.2	Household Textiles	0.34	0.70	0.15
05.3	Household Appliances	0.24	0.19	0.19
05.4	Glassware, Tableware and Household Utensils	0.73	0.82	0.65
05.5	Tools and Equipment for House and Garden	1.02	0.42	0.73
05.6	Goods and Services for Routine Household Maintenance	0.30	0.63	0.34
06	HEALTH	0.26	0.49	0.49
06.1	Medical Products, Appliances and Equipment	0.61	0.16	0.00
06.2	Health Services	0.09	0.67	0.68
07	TRANSPORT	-0.06	-0.52	-0.07
08	COMMUNICATION	0.00	0.00	0.00
09	RECREATION & CULTURE	0.51	0.96	0.95
10	EDUCATION	3.26	5.72	5.70
11	RESTAURANTS & ACCOMMODATION SERVICES	0.59	0.00	0.00
12	MISCELLANEOUS GOODS & SERVICES	0.30	0.73	0.47
ALL DIVISIONS		0.48	0.18	0.50

Table 3
Component Contribution to Inflation
Sep. 2010

		Weight in the CPI	Monthly Inflation(%)	Weighted Inflation	% Contrib'n to Inflation
01	FOOD & NON-ALCOHOLIC BEVERAGES	37.45	0.38	0.14	30.26
01.1	Food	35.10	0.41	0.14	30.87
	Bread and Cereals	6.10	0.33	0.02	4.28
	Meat	7.66	0.38	0.03	6.29
	Fish and Seafood	5.33	0.91	0.05	10.45
	Milk, Cheese and Eggs	3.11	0.42	0.01	2.80
	Oils and Fats	1.64	0.80	0.01	2.84
	Fruit	1.14	0.67	0.01	1.64
	Vegetables and Starchy Foods	6.85	0.00	0.00	0.05
	Vegetables	4.64	0.55	0.03	5.52
	Starchy Foods	2.21	-1.43	-0.03	-6.82
	Sugar, Jam, Honey, Chocolate and Confectionery	1.72	0.53	0.01	1.97
	Food Products n.e.c.	1.55	0.31	0.00	1.02
01.2	Non-Alcoholic Beverages	2.35	0.23	0.01	1.17
	Coffee, Tea and Cocoa	0.66	0.44	0.00	0.63
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	1.69	0.13	0.00	0.49
02	ALCOHOLIC BEVERAGES & TOBACCO	1.38	0.22	0.00	0.66
03	CLOTHING & FOOTWEAR	3.33	0.47	0.02	3.38
03.1	Clothing	2.12	0.66	0.01	3.02
03.2	Footwear	1.22	0.21	0.00	0.55
04	HOUSING, WATER, ELECTRICITY, GAS & OTHER FUELS	12.76	0.87	0.11	23.88
04.1	Rentals for Housing	3.52	0.02	0.00	0.12
04.3	Maintenance and Repair of Dwelling	0.80	0.23	0.00	0.40
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	1.32	-2.88	-0.04	-8.19
04.5	Electricity, Gas and Other Fuels	7.12	2.22	0.16	34.07
05	FURNISHINGS, HOUSEHOLD EQUIPMENT & ROUTINE HOUSEHOLD MAINT	4.93	0.41	0.02	4.37
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.69	0.55	0.00	0.81
05.2	Household Textiles	0.32	0.34	0.00	0.23
05.3	Household Appliances	0.56	0.18	0.00	0.22
05.4	Glassware, Tableware and Household Utensils	0.05	0.73	0.00	0.08
05.5	Tools and Equipment for House and Garden	0.15	0.67	0.00	0.22
05.6	Goods and Services for Routine Household Maintenance	3.16	0.39	0.01	2.66
06	HEALTH	3.29	0.43	0.01	3.07
06.1	Medical Products, Appliances and Equipment	1.22	0.24	0.00	0.62
06.2	Health Services	2.07	0.51	0.01	2.29
07	TRANSPORT	12.82	-0.16	-0.02	-4.54
08	COMMUNICATION	3.99	-0.01	0.00	-0.11
09	RECREATION & CULTURE	3.36	0.84	0.03	6.05
10	EDUCATION	2.14	4.59	0.10	21.16
11	RESTAURANTS & ACCOMMODATION SERVICES	6.19	0.21	0.01	2.82
12	MISCELLANEOUS GOODS & SERVICES	8.37	0.50	0.04	8.99
	ALL DIVISIONS	100.00	0.48	0.46	100.00

Table 4
Annual Component Contribution to Inflation
Sep. 2010

		Weight in the CPI	Monthly Inflation(%)	Weighted Inflation	% Contrib'n to Inflation
01	FOOD & NON-ALCOHOLIC BEVERAGES	37.45	9.82	3.68	32.66
01.1	Food	35.10	9.84	3.45	30.68
	Bread and Cereals	6.10	4.80	0.29	2.60
	Meat	7.66	7.68	0.59	5.22
	Fish and Seafood	5.33	11.50	0.61	5.45
	Milk, Cheese and Eggs	3.11	9.29	0.29	2.57
	Oils and Fats	1.64	10.79	0.18	1.57
	Fruit	1.14	10.22	0.12	1.03
	Vegetables and Starchy Foods	6.85	12.91	0.88	7.86
	Vegetables	4.64	18.84	0.87	7.77
	Starchy Foods	2.21	1.17	0.03	0.23
	Sugar, Jam, Honey, Chocolate and Confectionery	1.72	18.46	0.32	2.82
	Food Products n.e.c.	1.55	13.39	0.21	1.84
01.2	Non-Alcoholic Beverages	2.35	9.70	0.23	2.03
	Coffee, Tea and Cocoa	0.66	12.40	0.08	0.73
	Mineral Waters, Soft Drinks, Fruit and Vegetable Juices	1.69	8.75	0.15	1.31
02	ALCOHOLIC BEVERAGES & TOBACCO	1.38	14.91	0.21	1.83
03	CLOTHING & FOOTWEAR	3.33	9.93	0.33	2.94
03.1	Clothing	2.12	10.61	0.22	2.00
03.2	Footwear	1.22	8.99	0.11	0.97
04	HOUSING, WATER, ELECTRICITY, GAS & OTHER FUELS	12.76	13.22	1.69	14.98
04.1	Rentals for Housing	3.52	32.94	1.16	10.30
04.3	Maintenance and Repair of Dwelling	0.80	9.95	0.08	0.71
04.4	Water Supply and Miscellaneous Services Related to the Dwelling	1.32	4.24	0.06	0.50
04.5	Electricity, Gas and Other Fuels	7.12	6.08	0.43	3.84
05	FURNISHINGS, HOUSEHOLD EQUIPMENT & ROUTINE HOUSEHOLD MAINTENANCE	4.93	7.11	0.35	3.11
05.1	Furniture and Furnishings (inc. Floor Coverings)	0.69	10.23	0.07	0.63
05.2	Household Textiles	0.32	7.51	0.02	0.21
05.3	Household Appliances	0.56	11.11	0.06	0.55
05.4	Glassware, Tableware and Household Utensils	0.05	8.01	0.00	0.04
05.5	Tools and Equipment for House and Garden	0.15	7.12	0.01	0.09
05.6	Goods and Services for Routine Household Maintenance	3.16	5.69	0.18	1.60
06	HEALTH	3.29	3.28	0.11	0.96
06.1	Medical Products, Appliances and Equipment	1.22	3.33	0.04	0.36
06.2	Health Services	2.07	3.24	0.07	0.60
07	TRANSPORT	12.82	24.49	3.14	27.89
08	COMMUNICATION	3.99	5.36	0.21	1.90
09	RECREATION & CULTURE	3.36	10.66	0.36	3.18
10	EDUCATION	2.14	8.58	0.18	1.63
11	RESTAURANTS & ACCOMMODATION SERVICES	6.19	4.74	0.29	2.60
12	MISCELLANEOUS GOODS & SERVICES	8.37	9.58	0.80	7.12
	ALL DIVISIONS	100.00	11.26	11.26	100.00