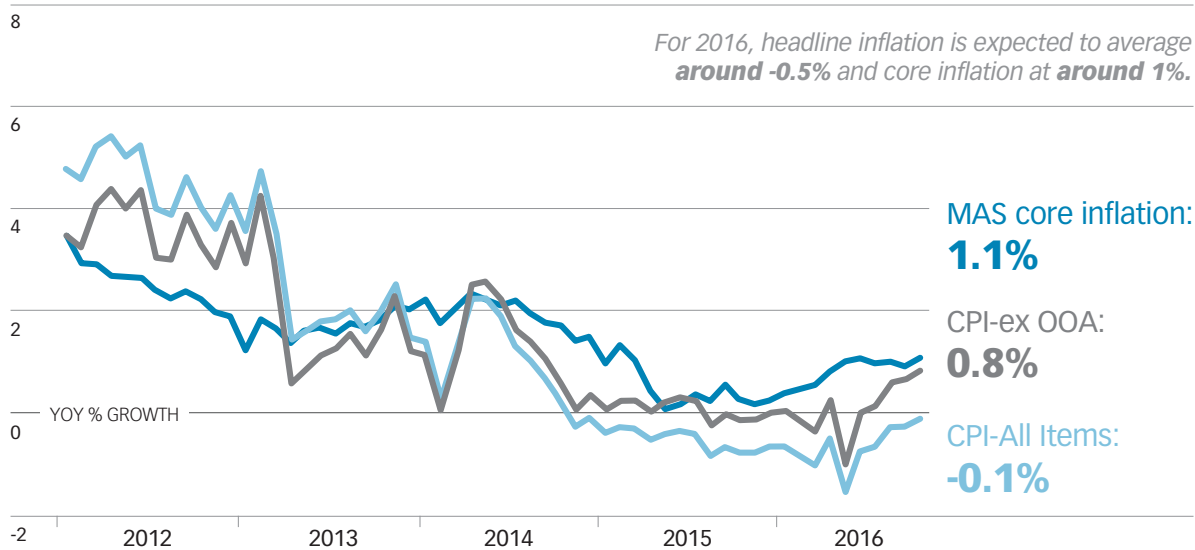


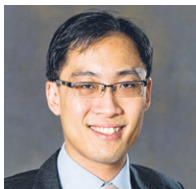
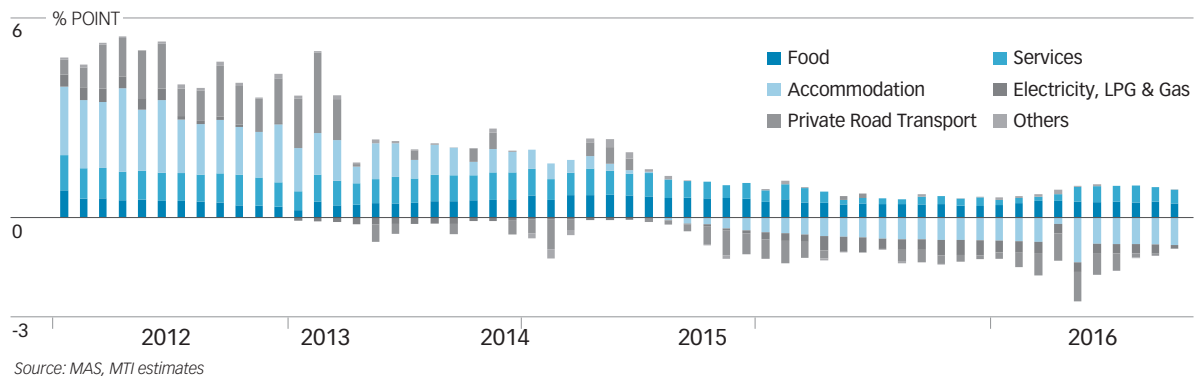
# October prices firmer, but still worrisome

CHANGES in Singapore's consumer prices in October seemed to be on the uptick from a month ago, but economists still say it's not enough. Supported by a smaller decline in prices of oil-related items, the headline inflation rate dipped 0.1% from September's 0.2% fall, while core inflation rose 1.1% from 0.9% a month ago. October's dip in the headline number was its smallest in 24 months, but it was still shy of the market's expectation of a no change in prices. Economists also say the rise in core inflation isn't strong enough. **BY SOON WEILUN**

## CPI-All Items, CPI-ex OOA and MAS core inflation



## Percentage point contribution to year-on-year CPI-All Items inflation



"Although it is still likely that 2017 core will fall within MAS's broad forecast range, it is possible that the ascent of core has been even softer than MAS had implicitly anticipated. While base effects have driven up YoY core inflation, sequential momentum has begun to slow again, staying below historical averages."

- Kit Wei Zheng, Citi economist