

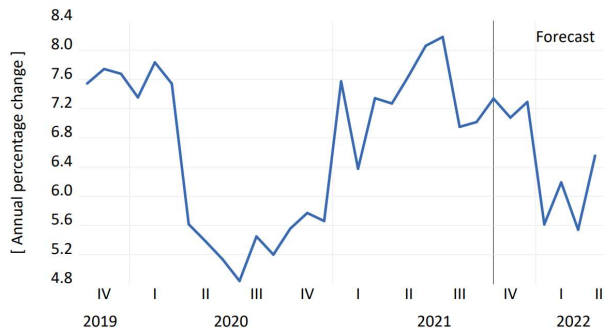
ECONOMIC BRIEF

Consumer Price Index

October 2021

Inflation Rate
7.3%

Chart 1: Headline Consumer Price Index



Consumer Price Index

12 Month Moving Average -0.1ppt ↓
Year-on-year change (%) -0.2ppt ↓

Headline Inflation

Inflationary pressures accelerated in October 2021. Headline inflation picked up from 7.0 percent in September 2021 to 7.3 percent in October 2021. Food inflation (y-o-y) moderated from 9.2 percent in September to 9.0 percent in October 2021. Non-food inflation on the other hand grew from 4.8 percent in September 2021, to 5.7 percent in October 2021.

In terms of drivers, the decline in food inflation was due to the reduced-price contribution from fish, fruits & nuts, and bread & cereals. Within the non-food category, the acceleration in prices was driven by the rise in the prices of hotels, cafes & restaurants, and health-related goods & services.

Chart 2: Contributions to CPI (Market & Administered Prices)

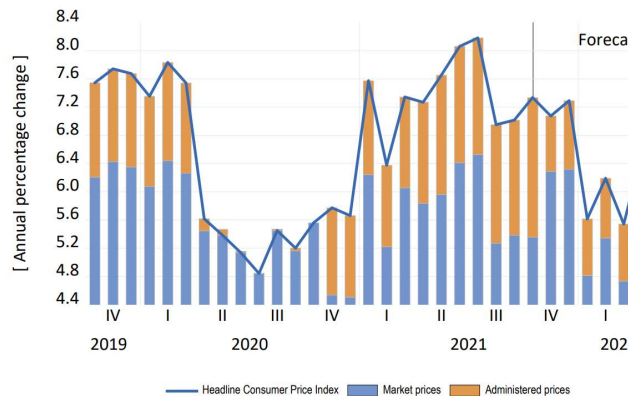
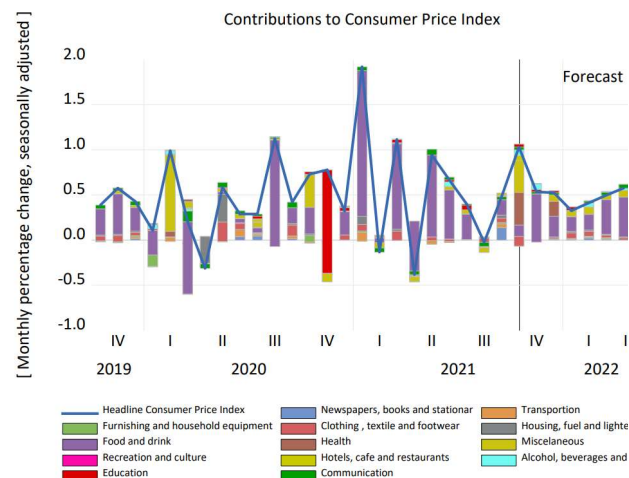


Chart 3: Contributions to CPI, Monthly % Change



Underlying inflation exhibited a similar trend to headline inflation over a comparative period. The Bank's core measures of inflation, (which excludes energy, fuel, and utilities), revealed that prices edged up from 9.9 percent in September 2021 to 10.2 percent in October 2021.

The key risk to the inflation outlook is increases in commodity and energy prices, rising global inflation, and possible fiscal pressures on the outlook. Barring any unanticipated shocks, CBG Staff forecasts show that inflation is currently expected to remain elevated at the end of the 4th quarter.

