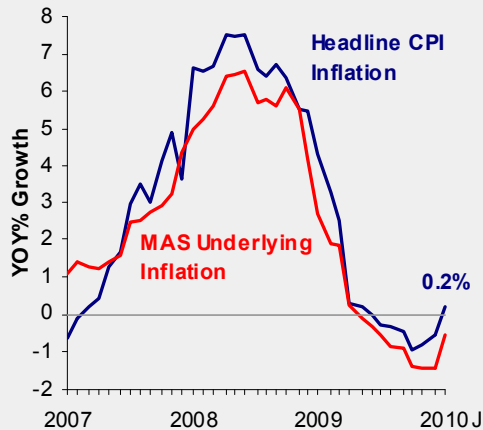
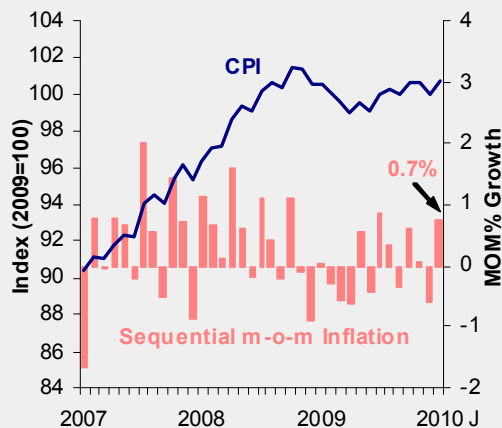


January 2010



Singapore's headline CPI increased from -0.5% in December 2009 to 0.2% in January 2010.

The rebound was fairly broad based across the major CPI components and led by a 20% point increase in fuel & utilities cost inflation as base effects arising from the collapse in global oil prices in H2 2008 dissipated. The MAS underlying inflation measure, which excludes the costs of private road transport and accommodation, also picked up from -1.4% in December to -0.5% in January.



On a month-on-month basis, the CPI was higher by 0.7% in January.

The rise was attributed mostly to a rebound in housing cost as there were no rebates for S&CC and HDB rents in January. Transport costs also rose due to more expensive cars and petrol. These increases were partially mitigated by declines in the costs of recreation & others and communication.

CPI inflation is expected to average between 2% and 3% in 2010.

The MAS underlying inflation rate is forecast to be within 1-2% in 2010.

The bulk of the price pressures for 2010 will likely come through the import channel, driven by higher oil and food commodity prices in the global markets, as well as from increased car prices, as COE supply is expected to tighten further. Meanwhile, domestic sources of inflation will be restrained in the first half of the year, but are likely to pick up in the second half as output continues to expand and the labour market tightens. Accommodation costs are also likely to rise in the latter half, especially if the economic growth turns out stronger than expected.

Domestic CPI inflation turned to positive 0.2% y-o-y in January 2010, following six months of negative inflation rates.

However, the MAS underlying inflation measure remained negative at -0.5% in January 2010, albeit a pickup from -1.4% in December 2009.

Heatmap: Change in y-o-y Inflation Rates of Major CPI Categories

	All Items	Food	Clothing & Footwear	Housing	Transport	Communication	Education & Stationery	Health Care	Recreation & Others
2009 Jan									
Feb									
Mar									
Apr									
May									
Jun									
Jul									
Aug									
Sep									
Oct									
Nov									
Dec									
2010 Jan	0.7	-0.4	0.1	3.6	0.4	-2.1	0.1	-0.4	-0.5

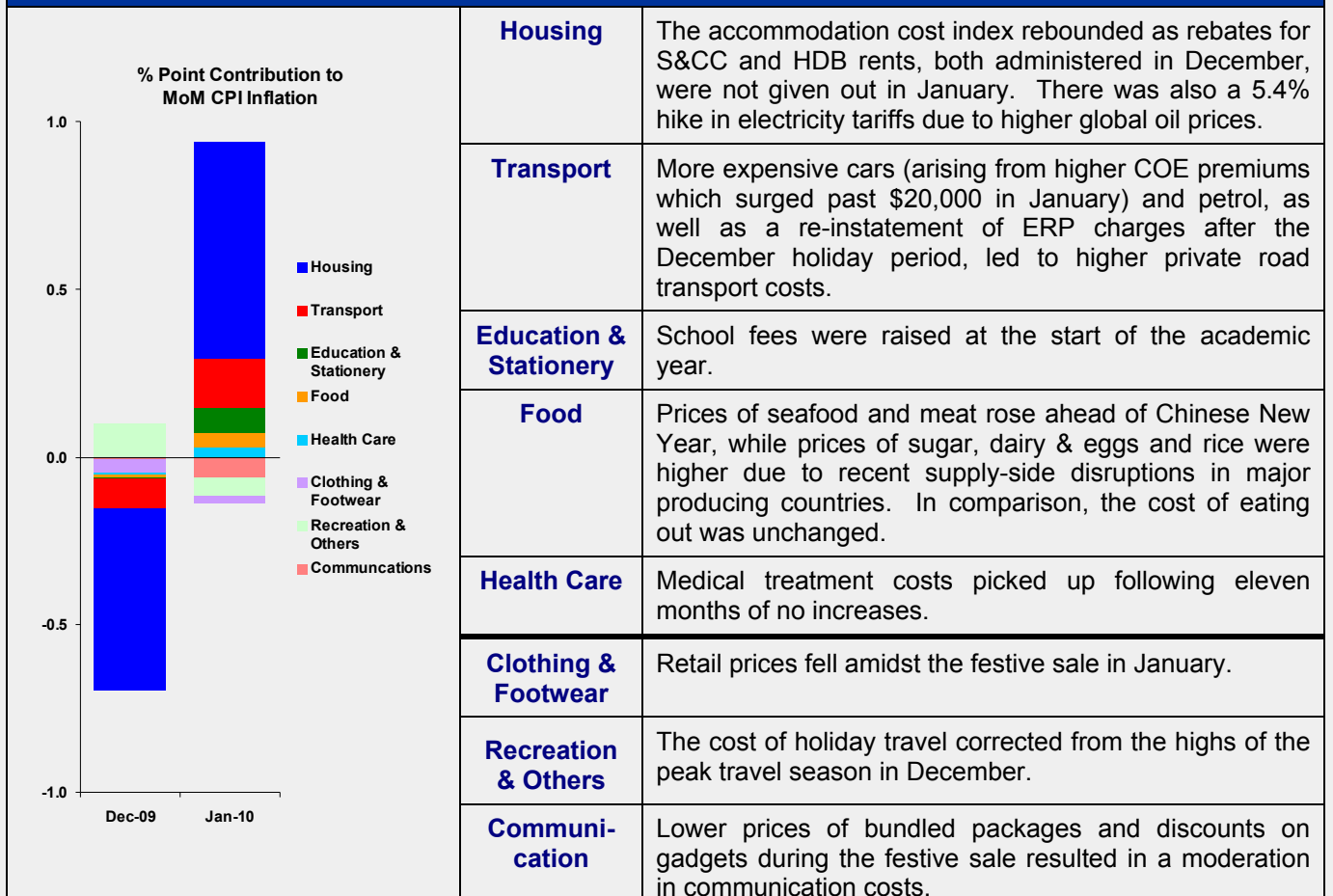
YOY Inflation Rate Compared to Preceding Month

Higher

Lower

The CPI rose by 0.7% m-o-m in January 2010, due largely to higher costs of housing and transport.

MONTH-ON-MONTH CHANGES IN KEY CPI CATEGORIES



Appendix Tables

Table A.1
Consumer Price Index

	All Items	Food	Clothing & Footwear	Housing	Transport	Comms	Educa-tion & Stationery	Health Care	Recreation & Others
Weights	10000	2205	341	2548	1553	475	735	586	1557
	INDEX (2009 = 100)								
2009 Jan	100.56	100.15	98.26	103.17	97.16	100.57	99.95	99.78	101.35
Feb	100.24	99.84	99.48	102.80	97.06	100.41	99.70	99.94	100.29
Mar	99.67	99.92	100.51	100.87	95.84	100.60	99.71	99.85	100.64
Apr	99.03	99.81	100.37	98.42	96.13	100.66	99.86	99.74	100.39
May	99.56	99.78	99.18	99.94	97.94	100.56	99.91	99.71	99.81
Jun	99.12	99.83	96.84	97.71	99.40	100.54	99.87	99.78	99.62
Jul	99.97	99.89	100.34	99.85	100.74	100.40	99.96	100.16	99.21
Aug	100.33	99.85	101.62	99.70	103.06	100.30	100.42	99.92	99.13
Sep	99.98	99.99	100.20	98.66	102.66	100.32	100.08	100.18	99.15
Oct	100.58	100.14	101.09	100.32	103.14	99.97	100.14	100.25	99.47
Nov	100.63	100.16	100.95	100.34	103.66	97.55	100.19	100.29	99.97
Dec	100.02	100.11	99.56	98.20	103.08	97.39	100.18	100.20	100.61
2010 Jan	100.77	100.30	98.96	100.72	104.01	96.17	101.21	100.73	99.85

Source: Singapore Department of Statistics

Table A.2
Selected Inflation Indicators

	CPI	MAS Underlying Index	Import Price Index	Non-fuel Primary Commodities	OPEC Oil Price
	YOY% GROWTH				
2009 Jan	4.3	2.7	-9.5	-26.4	-53.3
Feb	3.3	1.9	-8.7	-32.9	-54.4
Mar	2.6	1.9	-8.7	-35.4	-53.7
Apr	0.3	0.3	-9.3	-31.7	-52.2
May	0.2	-0.1	-11.6	-27.0	-52.2
Jun	0.0	-0.3	-11.6	-25.8	-46.7
Jul	-0.3	-0.5	-13.5	-26.3	-50.8
Aug	-0.3	-0.8	-11.0	-18.0	-36.5
Sep	-0.5	-0.9	-10.2	-14.6	-30.7
Oct	-0.9	-1.4	-5.3	2.3	5.1
Nov	-0.8	-1.4	1.4	14.7	53.3
Dec	-0.5	-1.4	4.5	27.0	94.1
2010 Jan	0.2	-0.5	4.5	26.5	84.4

Source: Singapore Department of Statistics, IMF and Bloomberg