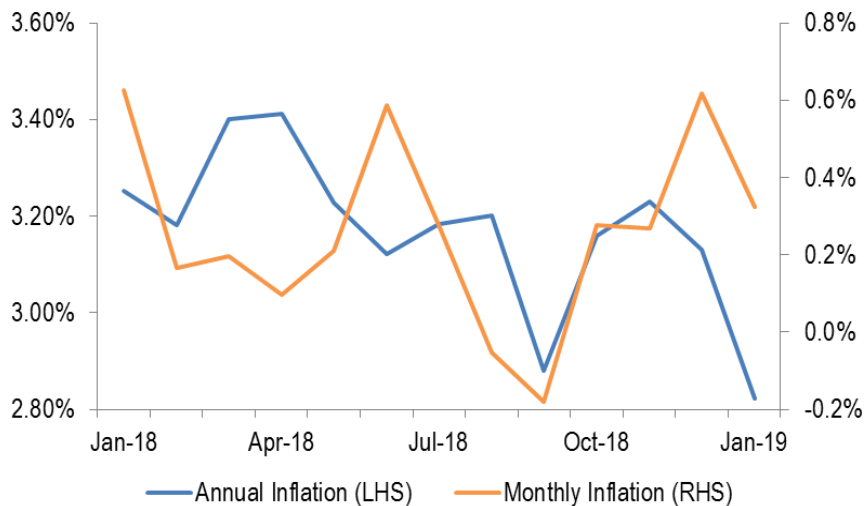


# January's Inflation

## Good Start

Macro Report | Feb 6, 2019

### Indonesia Inflation



Source: Indonesia Statistics, NHKS research

#### Highlights of January Headline Inflation

January's headline inflation was at 0.32% m-m, much lower than December's inflation of 0.62% m-m. Meanwhile, on an annual basis, January's headline inflation was at 2.82%—lower than December's headline inflation of 3.13%.

#### Maintainable Volatile & Adm. Prices Inflation

January's benign inflation was attributable to the lowering of monthly volatile inflation and the deflation of monthly administered prices. January's volatile component posted the inflation of 0.97% m-m, lower than that of 1.55% m-m in December.

January's monthly volatile inflation was the lowest volatile inflation in January within the last 4 years. On annual basis, volatile inflation posted the inflation of 1.76%, much modest than that of 2.47% in the prior month.

January's monthly administered prices posted the deflation of 0.12% m-m, lower than that of 1.20% m-m in December 2018. The deflation of administered prices was mainly attributable to the decline in non-subsidized fuel prices and prices of train tickets. On annual basis, administered prices posted the inflation of 3.39%, slightly higher than that of 3.36% in the prior month.

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### Foodstuff Posting the Highest Monthly Inflation

Based on expenditure, January's monthly inflation was attributable to foodstuff. Foodstuff inflation was at 0.92% m-m, lower than that of 1.45% m-m in December. Despite the lowering, foodstuff inflation gave the biggest contribution. The hike in prices of fresh fish and prices of rice ballooned foodstuff inflation. We oversee that the climate in January affected the raising prices of foodstuff.

### Consistent Core Inflation

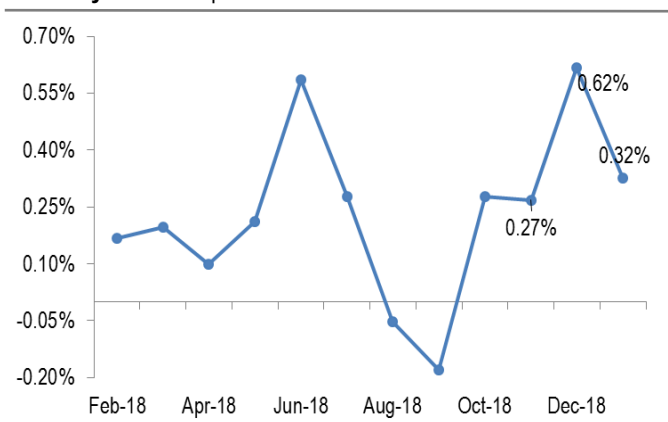
January's core inflation was at 0.30% m-m, much higher than that of 0.17% m-m in December. On annual basis, January's core inflation was at 3.06%—stable than December's core inflation of 3.07%. The main commodities contributing to the core inflation are tariffs of rental houses, wages of non-supervisors, mineral water, jewelry, rent houses, and wages of household assistants. The controlled core inflation in January signified the maintainable domestic consumption amid the slowdown in the global economy.

### Inflation Statistics

	Annual Inflation			Monthly Inflation		
	Jan'18	Dec'18	Jan'19	Jan'18	Dec'18	Jan'19
<b>Headline Inflation</b>	3.25%	3.13%	2.82%	0.62%	0.62%	0.32%
<b>Based on Expenditure</b>						
Foodstuff	2.95%	3.41%	1.98%	2.34%	1.45%	0.92%
Prepared food, Beverages, Cigarette and Tobacco	4.07%	4.04%	3.75%	0.43%	0.22%	0.27%
Housing, Water, Electricity, Gas and Fuel	4.24%	2.43%	2.48%	0.23%	0.13%	0.28%
Clothes	4.10%	3.59%	3.55%	0.50%	0,08%	0.47%
Health	2.76%	3.14%	3.13%	0.28%	0,20%	0.27%
Education, Recreation and Sport	3.37%	3.15%	3.24%	0.16%	0,10%	0.24%
Transportation, Communication and Financial Services	1.55%	3.16%	3.28%	-0.28%	1.28%	-0.16%
<b>Based on Components</b>						
Core	2.69%	3.07%	3.06%	0.31%	0.17%	0.30%
Administered Price	5.82%	3.36%	3.39%	-0,15%	1.20%	-0.12%
Volatile	2.62%	2.47%	1.76%	2.58%	1.55%	0.97%

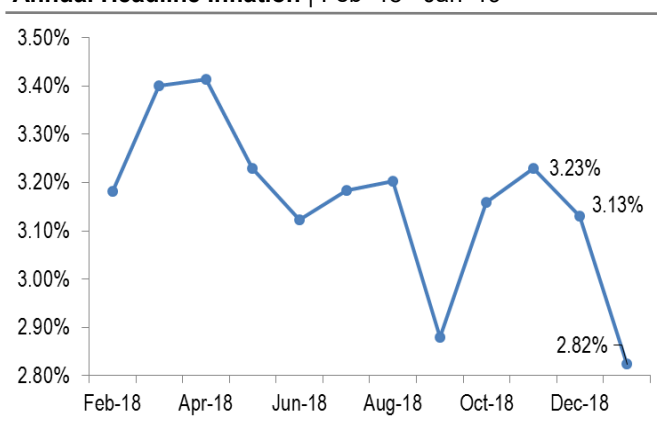
Source: Indonesia Statistics, NHKS Research

Monthly Inflation | Feb '18 - Jan '19



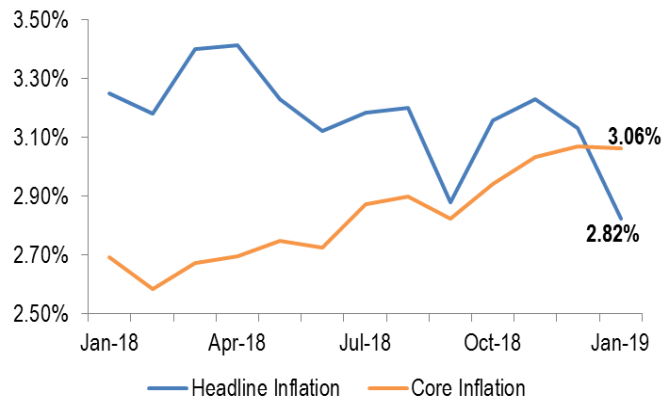
Source: Indonesia Statistics, NHKS Research

Annual Headline Inflation | Feb '18 - Jan '19



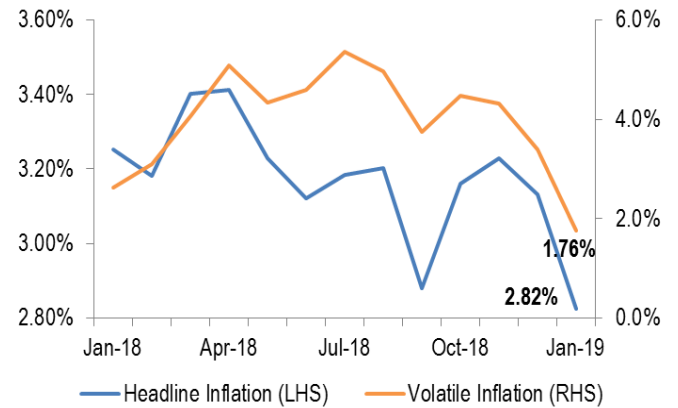
Source: Indonesia Statistics, NHKS Research

Annual Headline and Core Inflation | Jan'18 - Jan'19



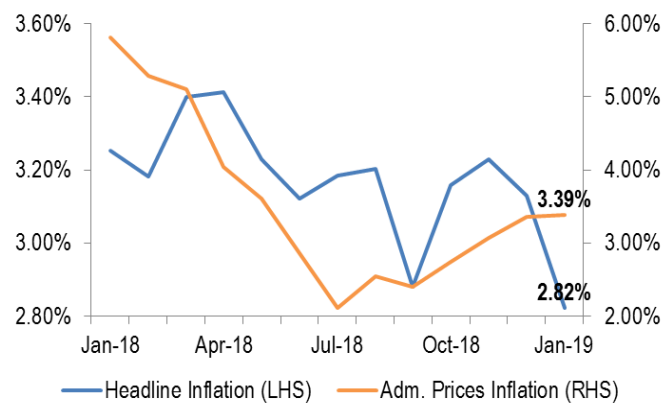
Source: Indonesia Statistics, NHKS research

Annual Headline and Volatile Inflation | Jan'18 - Jan'19



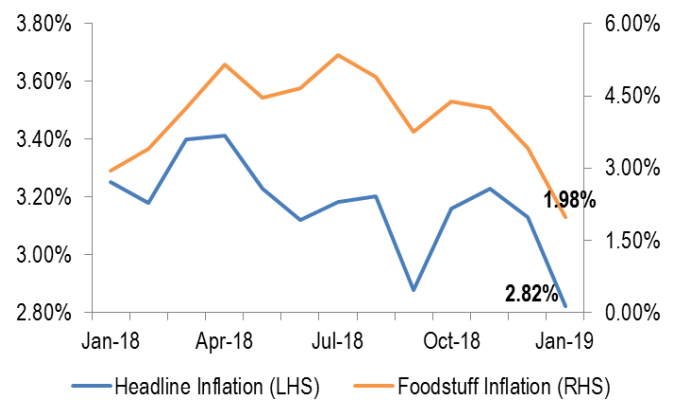
Source: Indonesia Statistics, NHKS research

Annual Headline and Adm. Prices Inflation | Jan'18 - Jan'19



Source: Indonesia Statistics, NHKS research

Annual Headline and Foodstuff Inflation | Jan'18 - Jan'19



Source: Indonesia Statistics, NHKS research

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