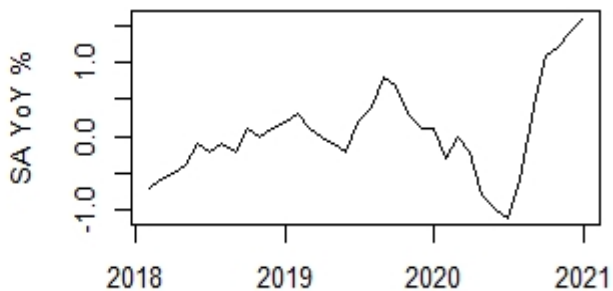
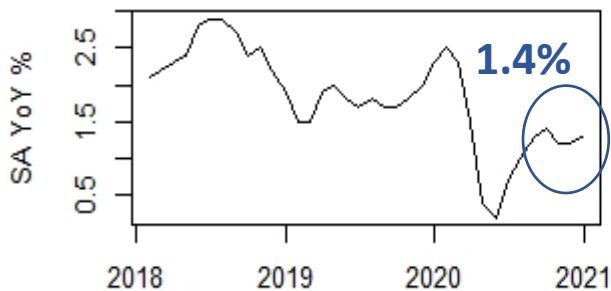


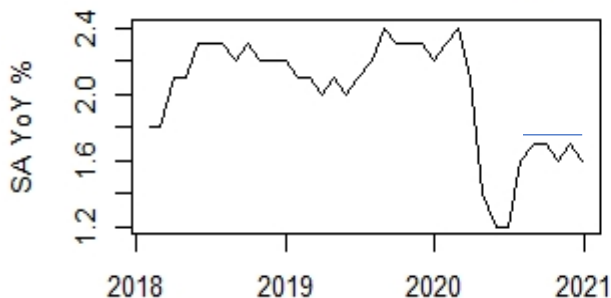
December's inflation data should temper fears of tighter monetary policy in the near term. While headline CPI increased from 1.2% in November to 1.4% in December, the less volatile Core CPI remained unchanged at 1.6%. More comforting to inflation hawks was how the prices of services continue to decline. Services account for 60% of the CPI basket.

Partly driven by external factors still only 1.6% Core Goods Inflation

Headline Consumer Prices (CPI)



**Less volatile and more indicative of price trends
CPI Less Food and Energy**



**Influenced more by domestic demand not external factors such as import prices
Core Services Inflation**

