

Publication: The Business Times, Breaking News

Date: 20 April 2015

Headline: Singapore's inflation expectations at lowest levels in 3.5 years: SMU survey

Singapore's inflation expectations at lowest levels in 3.5 years: SMU survey

PUBLISHED ON APRIL 20, 2015

BY KELLY TAY



Inflation expectations in Singapore have continued to slide, reaching a new 3 1/2 –year low of 3.05 per cent. PHOTO: BLOOMBERG

INFLATION expectations in Singapore have continued to slide, reaching a new 3.5-year low of 3.05 per cent.

Consumers polled in March were swayed not just by domestic factors, but also by global ones, the latest Singapore Index of Inflation Expectations (SInDEx) by the Singapore Management University (SMU) showed.

These included persistently weak oil prices accentuated by the uneven global recovery, and exchange rate fluctuations on US rate hike fears.

The new reading is lower than their one-year inflation expectation of 3.52 per cent recorded in December last year. It is also the lowest since the launch of SInDEx in September 2011.

Said SMU: "Reacting to global cues, both the one-year and the five-year ahead, Singaporeans' inflation expectations saw the largest quarterly drop in headline inflation expectations despite an unscheduled loosening of the monetary policy in Singapore in January 2015."

Consumers also factored in domestic issues, including the tight labour market and consequent pass-through of higher business costs to prices.

Source: The Business Times © Singapore Press Holdings Limited. Permission required for reproduction.

Publication: The Business Times, Breaking News

Date: 20 April 2015

Headline: Singapore's inflation expectations at lowest levels in 3.5 years: SMU survey

The latest quarterly online poll of around 500 consumers also found that the public now expects a lower rate of core inflation, which excludes accommodation and private transport costs.

Expectations for core inflation in the year ahead have dropped to 3.44 per cent, from 3.6 per cent last September - also a new low.

Singapore's inflation rate for March will be released on April 23.