

Singapore's inflation expectations at lowest levels in 3 years: SMU survey

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Sliding oil prices and uncertain global growth have sent inflation expectations plummeting in Singapore to their lowest levels in three years. ST PHOTO

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SLIDING oil prices and uncertain global growth have sent inflation expectations plummeting in Singapore to their lowest levels in three years.

Consumers polled in December expect overall inflation to stand at 3.53 per cent this year, the latest Singapore Index of Inflation Expectations (SInDEx) by the Singapore Management University (SMU) showed.

This is lower than their one-year inflation expectation of 3.73 per cent recorded in September last year.

Said SMU: "Compared to the historical headline inflation expectations average of 4.11 per cent and the historical fourth quarter average of 4.08 per cent, the current one-year-ahead headline

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inflation expectations show that Singapore households are cognisant of the global conditions, and responding to price experiences, official communications, and release of aggregated data from policymakers."

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 this year have dropped to 3.61 per cent, from 3.95 per cent last September.

Both the overall and core inflation expectations are at their lowest levels since the SInDEx survey started in September 2011.