

Singapore inflation expectations edge higher - survey

Inflation expectations of Singapore households edged higher in June from March, according to a university survey published on Friday, signalling authorities may find it harder to put a lid on future price increases.

Households expect prices to rise by 4.45 percent over the next year, up from 4.13 percent in March, according to the Singapore Management University-MasterCard survey on inflation.

The five-year outlook was for headline inflation of 5.37 percent, up from 5.20 percent in the March survey.

Singapore's inflation is currently running well above historical levels of 2-3 percent, with prices increasing 5.3 percent year-on-year in June after gaining 5.0 percent in May.

The cost of living for expatriates in the Southeast Asian city-state, a major Asian financial centre, has already surpassed main rival Hong Kong, according to some surveys.

The Monetary Authority of Singapore (MAS) on Wednesday revised upward its 2012 inflation forecast to 4-4.5 percent from 3.5 to 4.5 percent, but said the pace of increase will slow in the second half, indicating a possible loosening of its stance on the Singapore dollar at its next half-yearly review in October.

(Reporting by Kevin Lim; Editing by Kim Coghill)