



Japan's latest inflation readings

- Sept core consumer prices up 2.8% yr/yr vs f'cast +2.7%
- Core-core index up 4.2% yr/yr in Sept - govt
- Data among factors to come under scrutiny at BOJ's Oct meeting

TOKYO, Oct 20 (Reuters) - Japan's core inflation in September slowed below the 3% threshold for the first time in over a year but stayed above the central bank target, keeping alive expectations that policymakers will phase out ultra-easy monetary policy.

The data will be among a host of indicators the Bank of Japan (BOJ) will scrutinise at its two-day policy meeting ending on Oct. 31, when it produces fresh quarterly growth and price forecasts.

The core consumer price index (CPI), which excludes volatile fresh food costs, rose 2.8% in September from a year earlier, government data showed on Friday, slightly exceeding a median market forecast for a 2.7% gain but easing from 3.1% in August. The problematic, as we see it, is that the consumer does not buy the CPI when he goes grocery shopping. Its actually, and this is the same for inflation readings in other countries as well, pulling a curtain before your eyes.

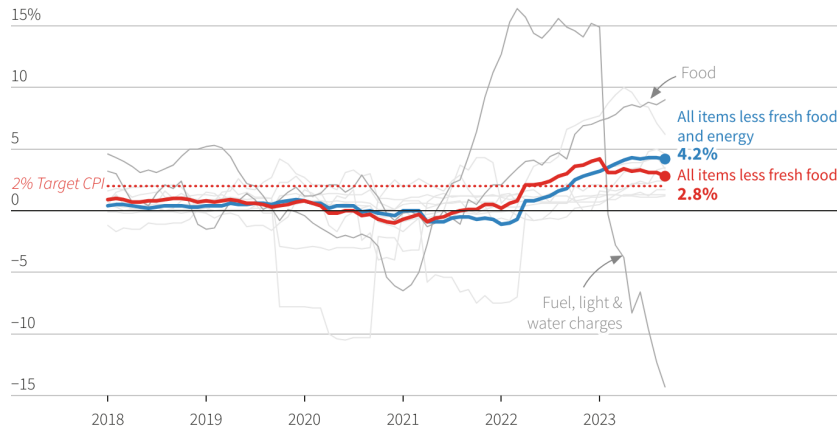
Prices of food and daily necessities continued to rise but at a slower pace than in August, a sign that cost-push pressures were easing.

The core-core index, which strips away fresh food and fuel costs and is closely watched by the BOJ as a better gauge of trend inflation, rose 4.2% in September from a year earlier, slowing from a 4.3% gain in August.



Japan's core inflation slows to 13-month low

Japan's core inflation rose 2.8% in September, below the 3% threshold for the first time in over a year but stayed above the central bank target, while another index excluding fuel costs rose 4.2%.



Source: LSEG Datastream | Reuters, Oct. 20, 2023 | By Pasit Kongkunakornkul

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