DOF Economic Bulletin on Inflation Forecast

25 June 2015

         Inflation rate in June is expected to fall further to 1.4% as against May's 1.6%. This comes as Meralco bills decline by 11%, year-on-year. Fuel prices are significantly lower than last year's and rice prices continue their month-on-month decline.

**Table 1: Inflation Forecast for June 2015**

|  |  |  |  |
| --- | --- | --- | --- |
| **COMMODITY GROUP** | Jun-14 | May-15 | June-15F |
| **All items** | **4.4** | **1.6** | **1.4** |
| Food and non-alcoholic beverages |          7.4 |        3.2 |        2.3 |
| Alcoholic beverages and Tobacco |          3.7 |        3.7 |        4.1 |
| Clothing and footwear |          3.4 |        2.6 |        2.6 |
| Housing, Utilities & Fuels |          2.3 |       (1.5) |       (1.2) |
| Actual Rentals for Housing |          1.7 |        2.7 |        2.8 |
| Electricity, Gas and Other Fuels |          3.4 |       (9.1) |       (8.7) |
| Furnishings, household equipment |          2.6 |        2.2 |        2.0 |
| Health |          3.1 |        2.3 |        2.5 |
| Transport |          1.3 |        0.1 |        0.2 |
| Communication |          0.1 |       (0.1) |       (0.1) |
| Recreation and Culture |          1.2 |        1.1 |        1.0 |
| Education |          5.0 |        5.1 |        4.1 |
| Restaurants & Misc. Services |          1.9 |        1.2 |        1.3 |
|   |   |   |   |
| Source of Basic Data: NSO |   |   |   |

**Table 2: Prices of Selected Items**

|  |  |  |
| --- | --- | --- |
| Item | Jun-14 | Jun-15 |
| Meralco (rate per kWH for 300KW/mo consumption) |      10.96 |  9.7667\* |
| NCR Big Three Diesel Pump Price |      42.90 |  30.43\*\* |
| Dubai crude oil (USD/barrel) |   108.01 |  64.79\*\*\* |
| Regular Milled Rice (PHP/kg) |      39.42 |  37.305\*\*\*\* |
| Sources of Basic Data: Meralco, DOE, World Bank, US EIA, BAS |
| Notes: \*Actual; \*\*Average for first 3 weeks of June; \*\*\*Forecast based on WTI forecast by US EIA; \*\*\*\*Average of first 2 weeks |   |