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 | |  |