

Consumer Prices Index

January 2018 – Flash estimate

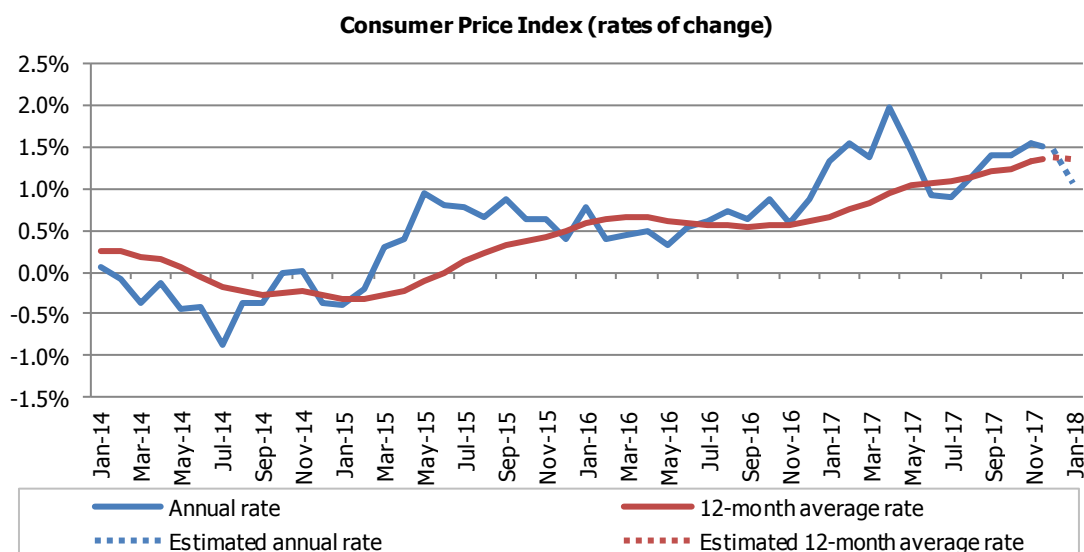
CPI annual rate of change estimated at 1.1% in January

According to the flash estimate, the Consumer Price Index (CPI) annual rate was 1.1% in January 2018 (the value for December 2017 was 1.5%). The estimated annual core inflation rate, which excludes energy and unprocessed food products components, was 1.0% (1.2% in the previous month).

The estimated CPI monthly rate was -1.0% (in December the value was nil), while the CPI 12-month average rate was 1.3% (1.4% in the previous month).

The Portuguese Harmonised Index of Consumer Prices (HICP) annual rate of change was estimated at 1.1% (1.6% in December).

The January 2018 final results will be released on February 12th, 2018.



Starting with this press release, Statistics Portugal publishes a CPI/HICP flash estimate based on provisional data and price estimates. This publication will integrate estimates for the annual and monthly rates of change of those indices, following a long period of compilation and internal evaluation of their quality compared to the published final figures.

In line with the dissemination practices followed by Eurostat and some EU countries this information will be disseminated on the last working day of each month.

For a more detailed analysis, please check the December CPI/HICP press release.

CPI decelerates

As presented in table 1, the flash estimate of the annual average rate of change of the Portuguese Consumer Price Index was 1.1% in January 2018, 0.4 percentage points (p.p.) below the rate for the previous month. The estimated annual average core inflation rate, which excludes unprocessed food and energy, was 1.0% (0.2 p.p. above the previous month).

Table 1: Consumer Price Index - rates of change¹

	Monthly rate (%)		Annual rate (%)		12-month average rate (%)	
	Dec - 17	Jan - 17 (e)	Dec - 17	Jan - 17 (e)	Dec - 17	Jan - 17 (e)
CPI						
Total	-0.04	-0.98	1.47	1.07	1.37	1.35
All items excluding housing	-0.05	-1.03	1.50	1.09	1.38	1.36
All items excl. unproc. food and energy	-0.02	-1.55	1.18	0.98	1.09	1.13
Unprocessed food	-0.41	1.01	2.23	0.86	1.79	1.63
Energy	0.20	2.02	3.17	2.31	3.52	3.10
HICP						
Total	-0.2	-1.2	1.6	1.1	1.6	1.5

(e) estimated values

¹Rounded values to two and one decimals. For more information see the final notes

The estimated CPI monthly rate was -1.0% (nil in the previous month and -0.6% in January 2017). The estimated monthly core inflation rate, which excludes unprocessed food and energy, was -1.5% (nil in the previous month and -1.3% in January 2017).

The estimated HICP 12-month average rate was 1.3% in January, 0.1 p.p. below the previous month rate. The 12-month average core inflation rate, which excludes unprocessed food and energy, was 1.1% (the same value as in the previous month).

Consumer Price Index

The Consumer Price Index (CPI) measures the change over time of the prices of a certain basket of goods and services bought by a “typical” consumer. The CPI has been designed to capture price changes and not to measure price levels.

Core inflation index (all items CPI excluding unprocessed food and energy products)

The core inflation index is compiled by excluding the prices of unprocessed food and energy products from the all items CPI. The primary objective of this index is to capture the underlying inflation pressures in the economy.

Differences between estimated and final values

In table 2, some descriptive statistics are presented for the differences between the estimated and final values of the annual rate for the last 24 months. The table also includes the differences for the last three months, in p.p.

Table 2: Differences between the estimated and final values of the annual rate

	Differences last 24 months (p.p.)			Differences last 3 months (p.p.)		
	Mean	Max	Min	Oct-17	Nov-17	Dec-17
Total	0.00	0.08	-0.07	0.00	0.02	0.00
All items excluding housing	0.00	0.08	-0.07	0.00	0.02	0.00
All items excl. unproc. food and energy	0.00	0.10	-0.09	0.01	0.02	-0.01
Unprocessed food	-0.03	0.03	-0.27	-0.01	-0.02	-0.01
Energy	0.03	0.17	-0.02	0.03	0.03	0.01

It should be noted that the mean difference value between the estimated and final values is nil for the main aggregates. For the last three months, the largest absolute difference was observed in October and November for Energy Products (0.03 p.p.).

Presentation of data and rounding rules

For the CPI, rates of change are calculated based on rounded index values (3 decimal places), and rounded to 2 decimal places. HICP rates are rounded to one decimal place.

In this press release the descriptive analysis is based on rounded values to one decimal.

Next releases

The January 2018 CPI/HICP will be released on February 12th, 2018.

The February 2018 flash estimate will be released on February 28th, 2018.