

South Africa's January inflation slows to 6.9% y/y, as forecast

South Africa's headline consumer inflation slowed to 6.9% year on year in January from 7.2% in December, statistics agency data showed on Wednesday, in line with analysts' forecasts.



Source: Reuters.

On a month-on-month basis, consumer inflation was at -0.1% in January compared to 0.4% in the previous month, also as predicted by economists polled by Reuters.

The latest inflation figures provide further evidence that price pressures in Africa's most industrialised economy are easing, after annual inflation struck a 13-year high of 7.8% year on year in July last year.

The South African Reserve Bank has raised interest rates at its last eight monetary policy meetings.

But the central bank, which targets inflation of between 3% and 6%, raised rates by a smaller 25 basis points last month as it cut its economic growth forecasts because of crippling power cuts.

Core inflation, which excludes prices of food, non-alcoholic beverages, fuel and energy, was at 4.9% year on year in January, from 4.9% the previous month, Statistics South Africa said.

On a month-on-month basis core inflation was at 0.2% in January, compared to 0.2% in December.

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