

Singapore: Inflation runs past expectations, could force further MAS action

Singapore's June inflation surged to 6.7% as price pressures intensified



Source: Shutterstock

4.4% Singapore core inflation

Higher than expected

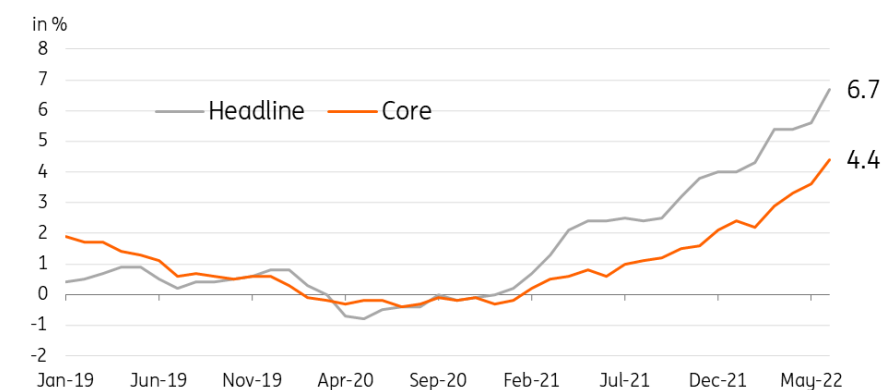
June inflation at 6.7%, core surges to 4.4%

Singapore's June inflation blew by market expectations, surging to 6.7% compared to the median forecast of 6.2%. Price pressures intensified with food, utilities and transport costs all facing faster inflation for the month.

Meanwhile core inflation, the price gauge monitored by the Monetary Authority of Singapore

(MAS), also moved past expectations and settled at 4.4%. Resurgent demand coupled with the commodity price surge tag teamed to drive prices higher. MAS recently adjusted its inflation forecasts for the year, and today's inflation reading validates [MAS's recent surprise tightening move](#).

Struggle is real: Inflation accelerates further despite MAS tightening



Source: Singapore Department of Statistics

Central bank struggles to contain red hot inflation, may need to do even more

Despite delivering a series of tightening measures since late 2021, MAS has struggled to contain stubbornly high inflation. The most recent iteration of MAS tightening was the off-cycle adjustment carried out last July and today's inflation reading suggests that the central bank may be called to action again very soon.

We expect MAS to tighten monetary policy further in October should core inflation fail to slide below 4% in the coming months.