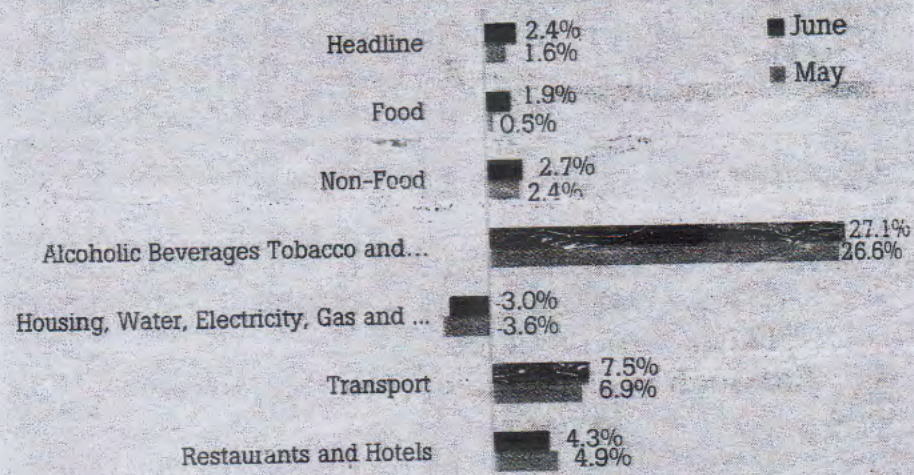


National prices accelerate to 2.4% in June

NCPI, highlighted inflation in June 2024 compared to May 2024



Sri Lanka's inflation, measured by the National Consumer Price Index, gained pace in June to 2.4 percent from a year ago, from 1.6 percent through May, as the food prices rose in June, largely due to the weather-related disruptions to the crops.

This was also seen in the monthly prices, which edged up 0.9 percent between May and June, from a negative 0.9 percent between April and May.

Specially the food prices climbed 2.4 percent in June, measured on a month-on-month basis, turning from a negative 1.6 percent in May.

Measured annually, the food prices rose by 1.9 percent, accelerating from 0.5 percent in May.

The prices of many varieties of food such as vegetables, fresh fish, potatoes, coconut and sugar and the likes climbed in June, from the May levels.

However, the prices also declined in some other varieties such as big onions, fresh fruits, milk powder and chicken.

Meanwhile, the non-food prices rose by 2.7 percent in June from a year ago, picking up from 2.4 percent in May.

However, the monthly prices declined by 0.4 percent, a basis point higher than May's 0.3 percent decline.

The downward revision in the prices of petrol and domestic gas had an outsized impact on the

non-food prices in June. Meanwhile, the so-called core prices, which are measured barring the often-volatile food, energy and transport, reported 3.9 percent for June, up from 3.1 percent through May. This is the last inflation report the Central Bank gets to see before its rate setting committee meeting today for the fourth monetary policy review.

The expectations are split between the Central Bank staying pat and cutting policy rates by 50 basis points to prop up lending activity.

The Central Bank expects to maintain the headline inflation at around 5.0 percent in the medium term.