

# Japan inflation at 8-year high of 3%

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Japan's core consumer inflation rate accelerated to a fresh eight-year high of 3.0 per cent in September, exceeding the central bank's 2 per cent target for the sixth straight month as the yen's slump to 32-year lows continue to push up import costs.

The inflation data highlights the dilemma the Bank of Japan faces as it tries to underpin a weak economy by maintaining ultra-low interest rates, which in turn are fuelling an unwelcome slide in the yen that pushes up import costs.

The increase in the nationwide core consumer price index (CPI), which excludes volatile fresh food

but includes fuel costs, matched a median market forecast and followed a 2.8 per cent rise in August. It was the fastest pace of gain since September 2014, data showed on Friday.

## Price rise in Hong Kong at 7-yr high

Hong Kong's consumer inflation rate jumped in September to the highest in seven years.

The city's composite consumer price index climbed 4.4 per cent last month from a year earlier. It surpassed a year-on-year rise of 1.9 per cent in August. **BLOOMBERG**