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# September 2023 Consumer Price Index

## Going forward, pace of growth in prices will gradually slow down

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### Summary

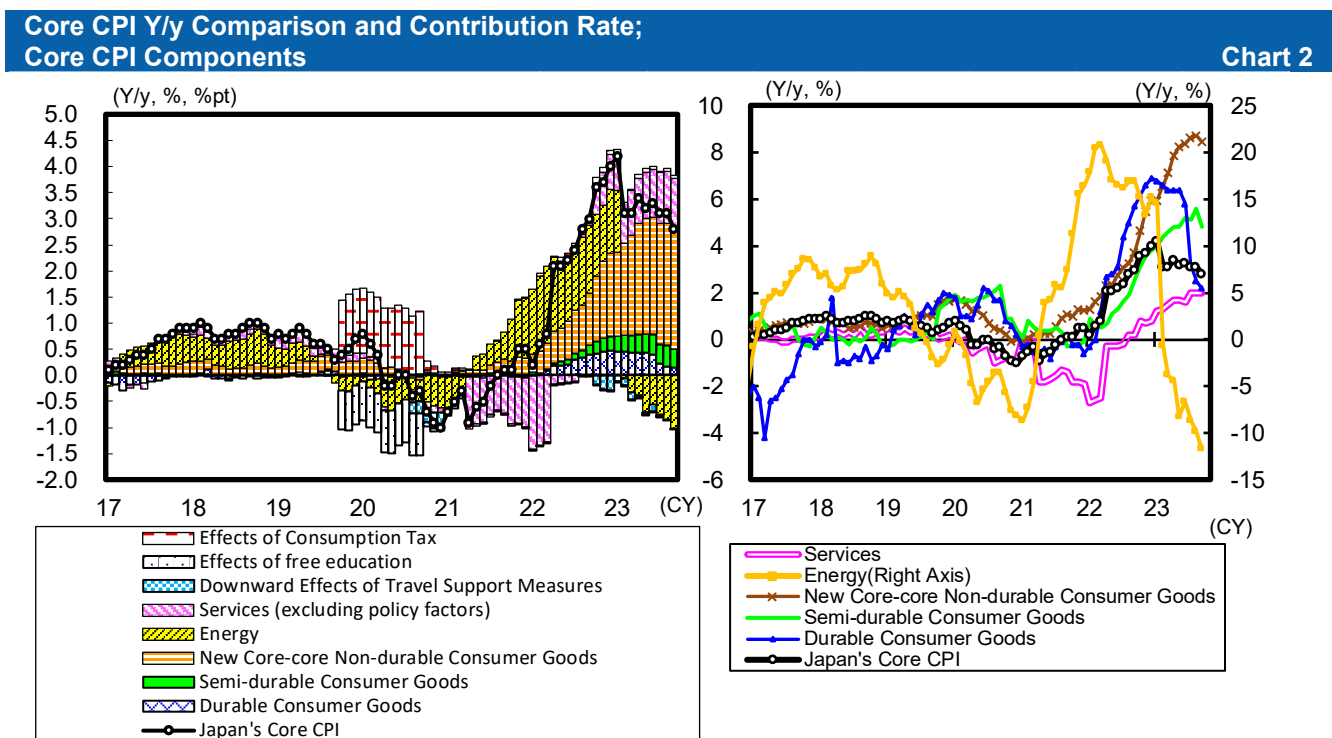
- Japan's September 2023 core CPI (excluding fresh food) recorded +2.8% y/y. New core-core CPI (excluding fresh food and energy) was at +4.2%. Both show a reduction in growth rate in comparison to the previous month.
- Looking at the y/y change in core CPI in terms of goods and services, the positive range shrank for durable consumer goods, semi-durable goods, and non-durable goods (excluding fresh food and energy). The negative range in energy prices widened. Meanwhile, services marked time in comparison to the previous month. There are signs of peaking out centering on goods.
- The growth trend in new core-core CPI is expected to continue in the future. With the high rate of growth in wages achieved in the 2023 spring labor negotiations, the service prices, which are closely linked to the wage growth rate, are showing an upward trend as the underlying tone. Companies are now becoming more aggressive in their pricing behavior, and there is a possibility that they will further accelerate their efforts to pass on the increased input costs resulting from higher wages to selling prices.

Consumer Price Index (Y/y, %)									Chart 1
	2023								
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Japan's Core CPI	3.1	3.1	3.4	3.2	3.3	3.1	3.1	2.8	
Consensus								2.7	
DIR Outlook								2.7	
Japan's New Core-core CPI	3.5	3.8	4.1	4.3	4.2	4.3	4.3	4.2	
Tokyo 23 Wards Core CPI	3.3	3.2	3.5	3.1	3.2	3.0	2.8	2.5	
New Core-core CPI	3.1	3.4	3.8	3.9	3.8	4.0	4.0	3.9	

Source: Ministry of Internal Affairs and Communications, Bloomberg; compiled by DIR.

Notes: 1) Consensus figures from Bloomberg aggregated data.

2) Core CPI is total excluding fresh food, and new core-core CPI excludes fresh food and energy.

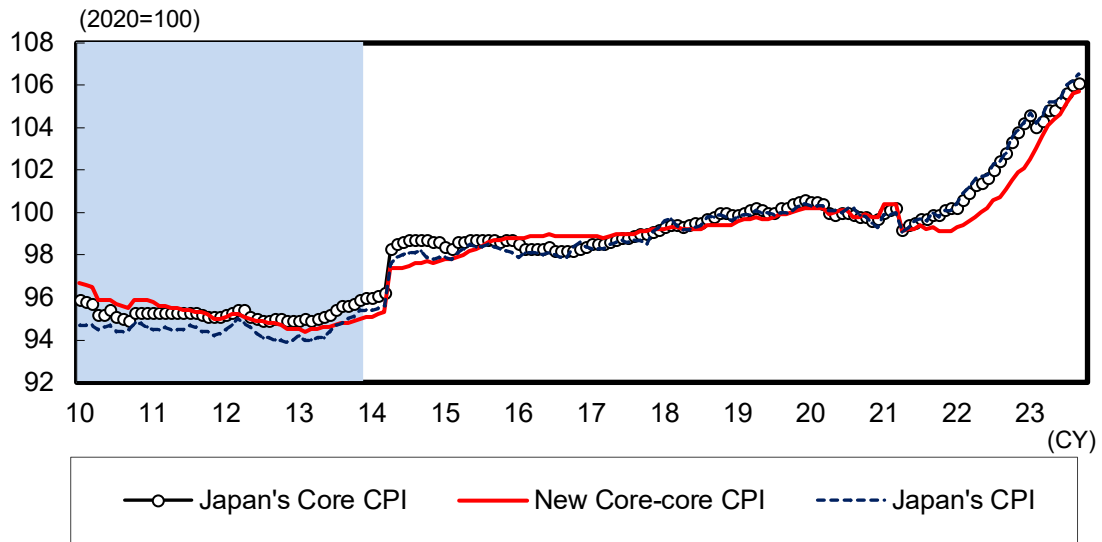


Source: Ministry of Internal Affairs and Communications; compiled by DIR.

Note: 1) Core CPI is total excluding fresh food, and new core-core non-durable consumer goods is excluding fresh food and energy.

2) Effects of consumption tax, free preschool and higher education and Travel Support Measures (Go To Travel Campaign and Nationwide Travel Support) are estimated by DIR.

Japan's Consumer Price Index (Seasonally Adjusted, Computed by Laspeyres' Chain Index Method) Chart 3



Source: Ministry of Internal Affairs and Communications, Cabinet Office; compiled by DIR.  
 Notes: 1) Core CPI is total excluding fresh food, and new core-core CPI excludes fresh food and energy.  
 2) Shaded areas represent deflationary periods according to the government's monthly economic report.