Appendix

Table 1 Taiwan's Inflation and Inflation Outlook

Unit: %

Forecast institutions		Inflation	Inflation outlook	
		Jan.-Aug. 2018	2018 (f)	2019 (f)
Domestic institutions	CBC (2018/9/6)	1.64 (CPI) 1.44 (Core CPI**)	**1.50* (CPI) 1.28 (Core CPI**)**	**1.05 (CPI) 1.00 (Core CPI**)**
	DGBAS (2018/8/17)		1.52	0.93
	Yuanta-Polaris (2018/9/26)		1.59	1.15
	CIER (2018/7/18)		1.65	1.43
Foreign institutions	ADB (2018/9/26)		1.40	1.30
	Goldman Sachs (2018/9/25)		1.40	0.90
	Credit Suisse (2018/9/20)		1.40	1.60
	BoA Merrill Lynch (2018/9/25)		1.50	1.20
	Nomura (2018/9/21)		1.50	1.30
	Barclays Capital (2018/9/21)		1.50	1.50
	UBS (2018/9/24)		1.55	1.35
	IHS Markit (2018/9/18)		1.58	1.43
	HSBC (2018/9/25)		1.60	1.40
	Citi (2018/9/14)		1.60	1.60
	Morgan Stanley (2018/9/12)		1.60	1.10
	EIU (2018/9/17)		1.70	1.40
	Deutsche Bank (2018/9/7)		1.70	1.20

Median:

1.56% (2018)

1.10% (2019)

(domestic institutions)

Median:

1.55% (2018)

1.35% (2019)

(foreign institutions)

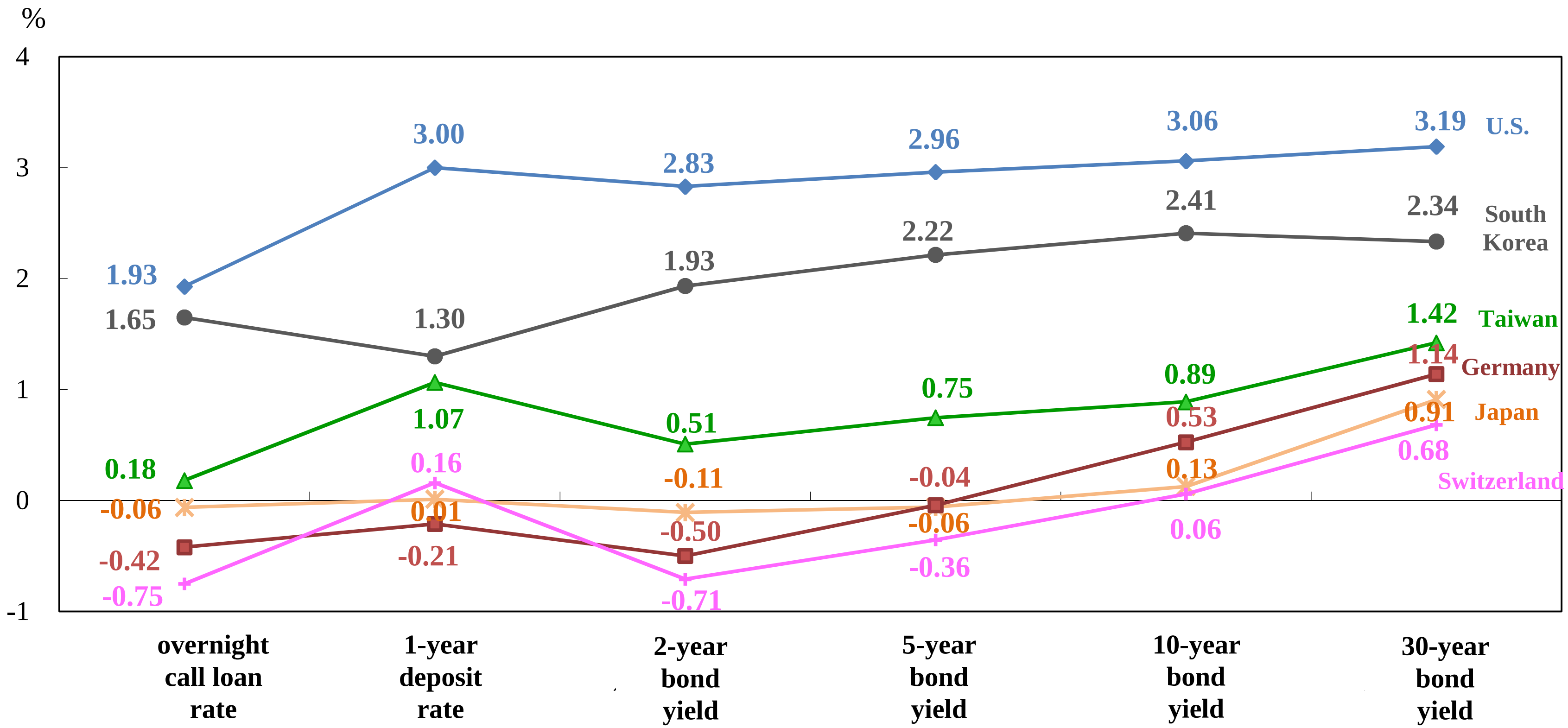
* The CBC's forecast for 2018 CPI inflation is 1.50%, with a lower projection of 1.10% if excluding the cigarette tax hike effect.

**Excluding vegetables, fruit, and energy.

Sources: DGBAS, Executive Yuan; forecasts by respective institutions.

Figure 1

Nominal Interest Rates of Selected Economies (2018/9/27)



Sources: Bloomberg; CBC; Taipei Exchange; Bank of Japan; US Federal Reserve; US Treasury Department; Swiss National Bank.

Table 2
Real Interest Rates of Selected Economies

Unit: %

Economies	(1) 1-year **time deposit rate*** (As of 2018/9/27)	(2) CPI annual growth rate** (2018 forecast)	(3)=(1)-(2) **Real interest rate**
Malaysia	2.950	1.04	1.910
Indonesia	4.750	3.21	1.540
United States	3.000	2.53	**0.470**
Thailand	1.500	1.30	0.200
South Korea	1.300	1.49	-0.190
Singapore	0.400	0.77	-0.370
Taiwan	1.065	1.50	**-0.435**
China	1.500	2.21	-0.710
Switzerland	0.160	1.01	-0.850
Japan	0.011	0.93	**-0.919**
United Kingdom	1.080	2.55	-1.470
Euro Area	-0.210	1.75	**-1.960**
Hong Kong	0.050	2.33	-2.280
The Philippines	0.500	5.17	-4.670

* 1-year time deposit floating rate of the five major domestic banks.

** IHS Markit projections, as of Sep. 18, 2018. Forecast for Taiwan's CPI annual growth rate is the CBC's projection.