**Appendix**

**Table 1 Taiwan's Inflation and Inflation Outlook**

Unit: %

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Forecast institutions | | **Inflation** | **Inflation outlook** | | **Median:**  **1.56% (2018)**  **1.10% (2019)**  **(domestic institutions)**  **Median:**  **1.55% (2018)**  **1.35% (2019)**  **(foreign institutions)** |
| 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 |
| \* 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)**

**30-year**

**bond**

**yield**

**10-year**

**bond**

**yield**

**5-year**

**bond**

**yield**

**2-year**

**bond**

**yield**

**1-year**

**deposit**

**rate**

**overnight call loan rate**

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) | | (2) | | (3)=(1)-(2) | |
| 1-year **time deposit rate**\* | | CPI annual growth rate\*\* | | **Real interest rate** | |
| (As of 2018/9/27) | | (2018 forecast) | |
| 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.