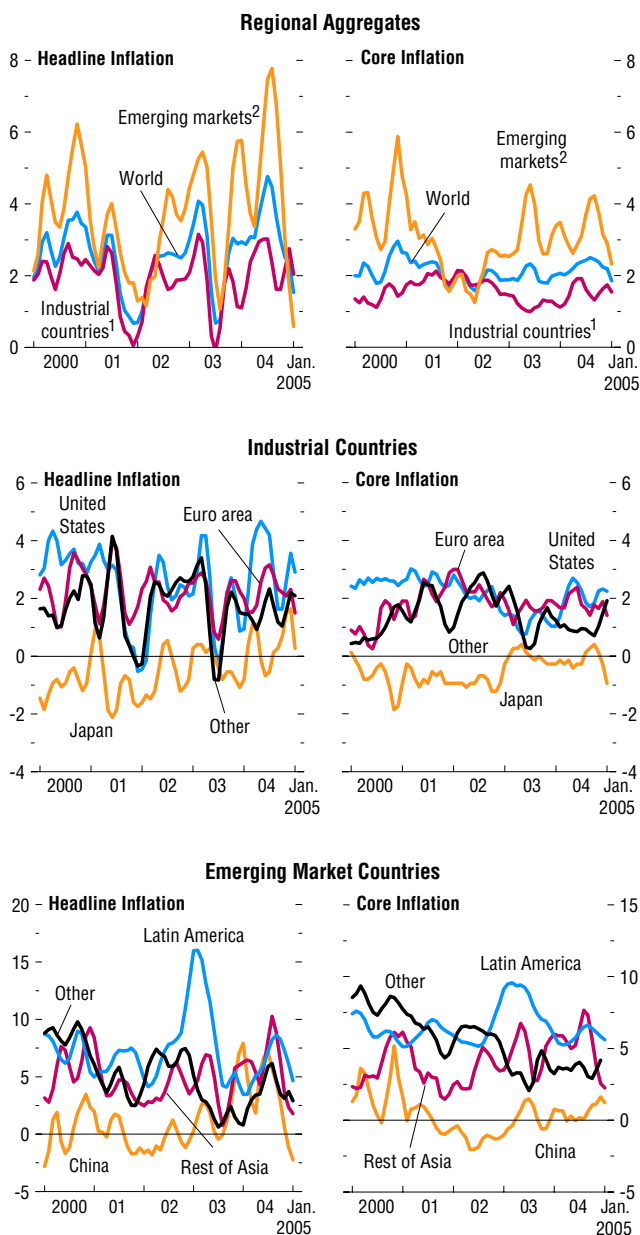


### Figure 1.4. Global Inflation

(Annualized percent change of three-month moving average over previous three-month average)

Headline inflation has fallen back following the mid-2004 spike owing to higher oil prices; so far, there is little sign of substantial second-round effects on core inflation.



Sources: Haver Analytics; and IMF staff calculations.

<sup>1</sup>Canada, Denmark, euro area, Japan, Norway, Sweden, United Kingdom, and United States.

<sup>2</sup>Brazil, Chile, China, India, Indonesia, Hungary, Korea, Mexico, Poland, South Africa, and Taiwan Province of China.