



中美通脹分化下香港通脹展望

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新冠疫情衝擊下，中美經濟出現錯峰，通脹走勢開始分化。自 2021 年以來，美國通脹持續走高，而中國物價則總體保持平穩。作為小而開放度高的經濟體，香港通脹兼受歐美和中國內地影響，其基礎物資主要來自中國內地，面對輸入型通脹的衝擊程度弱於亞洲其他三小龍，故通脹大體保持穩健。展望未來，中美通脹分化仍將持續一段時間，預計香港今年的通脹增幅會較 2021 年有所上升，全年通脹中樞或位於 2-3% 之間。

一、中美通脹出現分化

面對新冠疫情，中美採取了截然不同的抗疫政策和紓困措施。美國貨幣財政雙寬鬆，推動着美國本輪通脹的持續走高；而得益於強力的抗疫措施，中國經濟在過去兩年狀況良好，通脹也較為平穩。

1、美國通脹持續走高

自 2021 年以來，美國通脹持續走高。今年 3 月，美國 CPI 同比上升 8.5%，創下 1981 年 12 月以來最高水平，通脹率目前已連續 6 個月超過 6%，遠高於美聯儲設定的 2% 的平均目標。剔除食品和能源項，3 月核心 CPI 同比上

圖 1：美國通脹情況（同比，%）

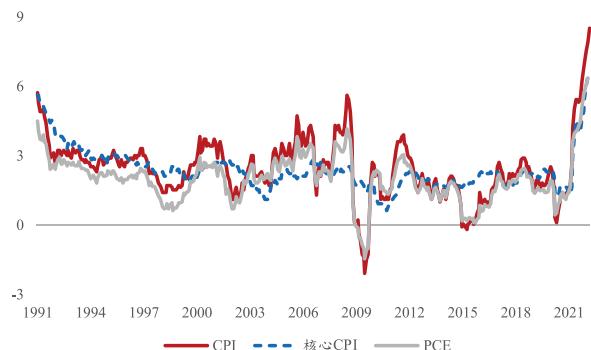
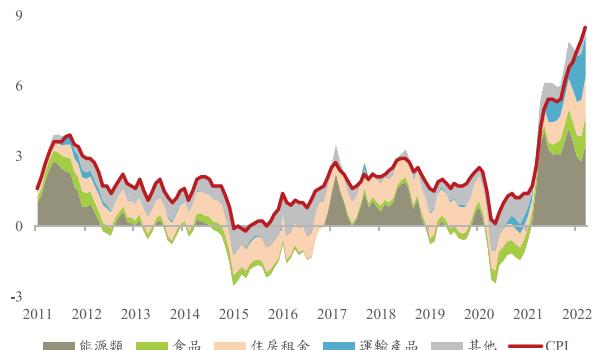


圖 2：美國通脹分項貢獻（%）



數據來源：Wind，中國銀行香港金融研究院

升 6.5%，也是近 40 年以來的最大增幅，汽車、家電、家具等耐用品價格上升較快，共同推動了 CPI 的不斷走高。以美聯儲更關注的 PCE 數據來看，也呈現類似的態勢。今年 3 月，美國 PCE 物價指數同比增加 6.6%，核心 PCE 同比上升 5.2%，迫使美國居民需要為大多數商品和服務支付比以往更高的價格。

從通脹結構來看，食品、能源、交通和住房是本輪美國通脹走高的最重要四大分項。以 2022 年 3 月份的數據為例，美國能源價格同比上漲 48.3%，食品價格上漲 8.8%，住宅價格上漲 5.1%，交通運輸上漲 21.6%，分別貢獻了 3.6、1.2、1.7 和 1.8 個百分點，合計約 8.2 個百分點，佔 CPI 增速的 96%。美國通脹續創新高加劇了人們的擔憂，也反噬國民的消費潛力，美國密西根大學消費者信心指數在 3 月跌至 59.4，是 2012 年以來的最低水平。NBC 最近的民意調查也顯示，62% 的美國人表示自己收入無法跟上不斷上漲的生活成本，美國民眾生活受到明顯影響。

多重因素共同促使美國通脹走高。貨幣財政雙寬鬆是推動美國本輪通脹持續走高的根本原因。2020 年 Q1 至 2021 年 Q4，美國 M2 同比增速均值高達 18%，其中激進的財政政策的貢獻佔一半以上，導致國內需求大幅擴張，拉升通脹。其次，疫情爆發以來，全球性的生產暫時中斷和供應鏈錯位導致國際商品產能受限，相關產品物價上漲。同時，疫情衝擊下，美國勞動力供需缺口走闊，產出與疫情前相比下降不少。而近期俄烏衝突則進一步推動了能源和食品價格上漲，使得美國通脹雪上加霜。最後，美聯儲之前對通脹壓力的誤判亦對當下的高通脹有所貢獻。在去年美國通脹問題初現時，美聯儲多次強調造成本輪通脹上升的因素是暫時性的，但隨後屢超預期的通脹數據表明美聯儲對通脹出現了誤判，最終導致市場預期改變，引發了更大的通脹。

2、中國通脹總體平穩

中國通脹總體保持平穩。2021 年，面對全球流動性氾濫、供應鏈瓶頸約束和國際大宗商品供需失衡的複雜環境，中國物價總體運行保持在合理區間，全年居民消費價格指數同比上漲 0.9%，低於全年 3% 左右的預期目標。進入 2022 年，中國消費品和服務的供給較為充足，雖然疫情的反覆對通脹產生了一些影響，但政府出台了多項政策做好重要民生商品和大宗商品保供穩價工作，整體供需情況仍基本處於均衡狀態。今年一季度，中國 CPI 同比上漲 1.1%，總體處於溫和上漲區間；扣除食品和能源價格的核心 CPI 同比上漲 1.2%，漲幅穩定。

圖 3：中國 CPI 和細分項（同比，%）



圖 4：中國豬肉和燃料 CPI(同比，%)



數據來源：Wind，中國銀行香港金融研究院

分項來看，物價出現分化。2021 年以來，食品項基本處於負增長區間，今年一季度，食品價格同比下降 3.1%，帶動 CPI 下降 0.59 個百分點，主要是由豬肉產品價格下降所致。豬肉價格在一季度同比下降 41.8%，目前已跌回到歷史低位，是中國 CPI 保持溫和的“定海神針”。同時，豬肉價格的下降也帶動了食用動物油價格下降 34.4%，羊肉和雞肉價格分別下降 3.5% 和 2.3%。而春節後服務類工作人員回歸崗位，也帶動服務價格下降。國際油價在俄烏衝突刺激下大幅上漲，帶動了中國成品油價格上升，成為拉升中國通脹的主要因素；一季度中國能源價格同比上漲 12.2%，影響 CPI 上漲約 0.84 個百分點，佔 CPI 總漲幅近八成。

值得注意的是，中國 CPI 分項中能源佔比不高，因此原油價格對 CPI 的總體影響較為有限。油價對中國 CPI 的直接影響主要體現在交通工具用燃料以及居住的水電燃料分項上，我們的模型推算兩者佔 CPI 的權重低於 9%。油價的間接影響方面則主要通過影響生產成本影響其他商品分項。以食品為例，農業生產所需的化肥以及工廠機械等生產資料需要消耗原油。理論上，原油價格升高會推動這些環節成本上升，促使最終消費品價格上漲，從而拉動食品分項 CPI 的上升。但是，油價上行對中國的輸入性影響主要體現在 PPI 上，最近這兩年中國生產資料向生活資料的傳導總體不暢，因此原油價格上升對 CPI 的間接影響較為有限，對 CPI 的波動影響遠不及食品項。

二、香港通脹穩中有升

新冠疫情衝擊下，香港經濟形勢面臨不小挑戰，通脹也穩中有升。剔除所有政府一次性紓困措施的影響，2021 年全年，香港基本消費物價通脹率為 0.6%，其中上半年為 0%，下半年為 1.2%。今年前 3 個月，香港整體消費物價分別同比上升 1.2%、1.6% 和 1.7%，通脹中樞繼續抬升，主要是由於疫情

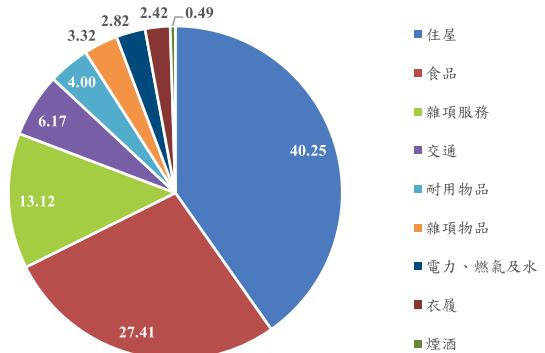
致使不少跨境司機感染新冠病毒，本港食品供應短時間內大幅減少。同時，在高傳染性的 Omicron 變種病毒衝擊下，市民產生恐慌情緒，到處搶購物資，令蔬菜等日常消耗品價格上升，從而推升了本地通脹壓力。此外，受國際原油大幅上漲的影響，能源相關項目和交通項目的價格亦有不小升幅。

香港通脹兼受歐美和中國內地影響。但同樣作為小而開放度高的經濟體，中國台灣地區，新加坡和韓國的通脹在同時期要高很多。在 2021 年，中國台灣，新加坡和韓國 CPI 同比分別上漲 2.0%、2.3% 和 2.5%；2022 年第一季度，三個地區的通脹增速則分別提升到 2.8%、4.6% 和 3.8%。為何會出現這種情況？香港經濟與中國內地關係更為密切是主要原因。從數據上來看，在中國內地和美國通脹走勢趨同的年份，香港通脹情況基本與美國和中國內地的通脹走勢保持一致；在中國內地和美國通脳走勢相背離的時間段，香港的通脪走勢兼受兩者影響，相對而言受中國內地的影響更大一些。以今年第一季度為例，美國通脪同比上升接近 8%，中國內地 CPI 同比上升 1.1%，香港通脪則介於兩者之間，同比上漲約 1.5%。

圖 5：三地通脪情況（同比，%）



圖 6：香港 CPI 權重 (%)



數據來源：Wind，中國銀行香港金融研究院

香港基礎物資主要受中國內地的影響。香港每日消耗的基本生活物資，從自來水到活家禽和蔬菜，內地都是唯一或者最大提供方。廣東東江每年為香港輸送多達 8 億立方米的淡水，佔全港淡水總用量的 7-8 成。在活豬、活牛、活羊、活家禽方面，中國內地是香港唯一提供方。在食用菌類和絕大多數新鮮蔬菜方面，中國內地也是最主要的供給方。此外，在飲料方面，內地供應的茶葉和咖啡豆等也佔了絕對多數。同時中國內地已經是香港最大的燃油供應方，幾乎承包了全港石油氣和天然氣的供給。所以，香港基礎物資價格，很大程度上是取決於內地供港物資的數量與價格，這也是香港通脪深受中國內地通脪影響的根本原因。

面對輸入型通脹，香港物價受衝擊程度弱於其他亞洲三小龍。由於香港的基礎物資主要來自於中國內地，而中國內地的保供穩價體系又非常出色，大大減緩了國際輸入型通脹的衝擊。以近期大漲的國際能源和食品價格為例，俄羅斯和烏克蘭是全球重要的化石能源以及糧食產地，衝突爆發以來，歐美制裁導致全球能源項與食品項價格大幅上漲，產生輸入型通脹壓力。不過香港的能源和食品主要靠中國內地供給，而中國內地在管控物價方面具備較強行政執行能力。一方面，糧食價格相對穩定，煤炭價格被行政引導，原油在大幅上漲期間也會通過行政手段弱化其對中下游行業的傳導過程；另一方面，中國內地嚴格監控重點物資的投機，需求上不至於波動太大。輸入性通脹經中國內地消化後已減弱不少，因而香港物價受到的衝擊程度較小。

其次，新冠疫情對沖了美聯儲貨幣寬鬆對香港本地樓市的影響，香港房租價格總體保持穩定。從香港 CPI 的權重來看，住房是最大項，佔比 40.25%，所以香港房租價格穩定是通脹保持平穩的最大保障。作為高度開放的國際金融中心，香港實行的是港幣與美元掛鈞的聯繫匯率制度，並無主動的貨幣政策，所以美聯儲貨幣政策對香港的資產價格，包括房租價格有很大的影響。歷史數據也表明，香港銀行間市場流動性與美聯儲寬鬆有明顯的正相關關係。過去兩年，美聯儲採取量化寬鬆政策，導致國際資金氾濫，利於推動香港樓價上升，同時也對房租形成上漲壓力。不過，新冠疫情衝擊下，香港百業蕭條，失業率大幅攀升，經濟陷入深度衰退；同時，由於新冠疫情，移入香港人口大幅下降，已離港的香港居民則滯留外地，疊加移民潮加速和老齡化加劇，導致香港人口出現較大幅度的減少，致使房租不升反降，在很大程度上降低了高通脹的風險。

三、香港通脹前景展望

展望未來，中美通脹分化仍將持續一段時間。目前美國的高通脹局面僅憑貨幣政策正常化恐無法徹底解決，還需要消除疫情反覆和國際局勢緊張等帶來的供應端問題。而中國內地的豬肉供給在年內依然充足，下半年豬肉價格有溫和上漲的可能，但對年內通脹影響總體依然可控。我們預計香港今年的通脹增幅會較 2021 年有所上升，但仍會保持較為平穩。具體而言：

美國通脹在年內將維持高位。俄烏衝突局勢的不確定性較大，美國能源與農產品價格在短期內仍有上升空間。美國已於 3 月初宣布禁止進口俄羅斯石油，或對能源項形成支撐，導致國內能源價格居高不下。食品方面，由於俄烏是重要的農業生產國，曠日持久的衝突勢必影響兩國糧食產量和出口，全球食品價格上漲壓力不小。美國的核心商品方面，紐約聯儲的全球供應鏈壓力指數

已連續數月回落，顯示全球供應鏈正在積極修復，同時美國也在考慮削減對華關稅，可能會共同帶動耐用品價格的下降。不過新冠變種病毒衝擊下，中國等地區疫情又起，或打斷全球供應鏈修復進程。核心服務方面，美國勞動參與率持續走低，勞動力供需缺口擴大致使美國居民工資上漲較快，將提升美國居民的支付能力，而房租彈性較低，在 CPI 中佔比最大的房租項有繼續上漲的壓力，導致美國 CPI 維持在一個較高水平。我們估計，美國在 2022 年的通脹將呈現前高後低的態勢，全年平均通脹或超過 6%。

中國內地通脹則有望繼續保持穩健。雖然歐美對俄制裁可能繼續升級，油價仍有上升空間，但年內 PPI 對 CPI 的傳導恐很難改善，輸入性通脹對 CPI 的影響有限。食品方面，短期來看，豬肉供給充足，市場依然處在供過於求的階段，豬肉價格恐繼續承壓。到下半年，隨着生豬供應的逐步減少，豬肉價格有溫和上漲的可能，但對年內通脹影響總體依然可控。而新冠疫情衝擊下，服務業整體發展停滯，對今年的低收入人群收入增速形成壓力，將很大程度上抑制消費需求。不過，疫情一旦受到控制，各項管控措施將逐步放開，基建與房地產的刺激和寬信用帶來的廣義貨幣投放將提振通脹。尤其是考慮到政府今年已提出 5.5% 的經濟增長目標，相信信貸也會達到“與經濟增長基本匹配”的水平，或促使 CPI 適度走高。我們預計 2022 年全年中國內地 CPI 總體會較去年有所走高，但大概率不會超過 3%，將呈現前低後高的態勢。

香港年內通脹也有上行的壓力。一季度本地嚴峻的疫情雖然重創各項經濟活動，但在中央政府的全力支持和幫助下，供港物資供應穩定，糧食和基本生活品短缺的情況大為緩解。目前，香港每日新增已大幅回落，各項管控措施正在逐步放開，疊加消費券計劃的刺激，本地居民消費開始提升。同時經濟逐步復甦下，本地樓價和租金也有望緩慢上升，或共同助推通脹的走高。此外，由於俄烏衝突以及由此引發的國際制裁與反制裁，短期內許多發達經濟體的通脹料會居高不下，或導致部分進口物品價格升幅加快，也對通脹形成上行壓力。

不過，香港年內通脹仍會較為平穩。中國內地強大的保供穩價體系下，香港受到的外部通脹衝擊壓力會小很多，糧食、能源、耐用品等價格在年內上漲幅度有限。另一方面，美聯儲會繼續收縮貨幣政策，最新的點陣圖顯示，美國年內將加息 7 次，到年底聯邦基金利率將達到 1.75%-2%，這將加劇全球流動性收縮、新興市場資本外流、融資成本上升，最終壓制香港 CPI 住屋項的走高。綜合內外部因素，我們預計香港年內的物價會較 2021 年有所上升，但仍將較為平穩，全年通脹中樞或位於 2-3% 之間。

Hong Kong's Inflation Outlook amid Divergence in Sino-US Inflation

Economist, Chen Jianghui

Affected by the pandemic, China and US have staggered economic performances, and their inflation trends have begun to diverge. Since 2021, US inflation continues to rise, while Chinese CPI generally remains stable. Hong Kong is a small but highly open economy, its inflation is influenced by both US and Mainland China. Hong Kong's staple goods are mainly from Mainland China. The impact of imported inflation on Hong Kong is weaker than those of the other three Asian Tigers, so Hong Kong's inflation remains stable. Looking ahead, the inflation divergence between China and the US will continue for a period of time. Hong Kong's inflation rate this year is expected to increase compared with that in 2021, and the annual inflation tendency may be between 2-3%.

1. Inflation Divergence between China and the US

China and the US have adopted completely different anti-epidemic policies and relief measures under the new crown pandemic. The monetary and fiscal easing policies drive the current round of inflation in the US to continue to rise. While the Chinese economy has better economic performance in the past two years because of the strict anti-epidemic measures, and its inflation is relatively stable.

1) Rising Inflation in the US

US inflation rises continuously since 2021. In March this year, the US CPI rose by 8.5% YoY, the highest since December 1981. The inflation rate has exceeded 6% for six consecutive months, far higher than the average target of 2% set by the Federal Reserve. Excluding food and energy items, the core CPI in March rose by 6.5% YoY, which was also the highest in the past 40 years. The prices of durable goods such as automobiles, home appliances, and furniture rose rapidly, continuously driving the CPI up. From the perspective of PCE data, which the Fed is concerned more, it also exhibits a similar trend. In March this year, the US PCE rose 6.6% YoY, and the core PCE rose 5.2% YoY, forcing US residents to pay higher prices than before for most goods and services.

Analyzed by inflation structure, food, energy, transportation, and housing are the most important components for this round of US inflation. Taking the data of March 2022 as an example, the US energy

prices rose 48.3% YoY, food prices rose 8.8%, housing prices rose 5.1%, and transportation prices rose 21.6%, contributing 3.6, 1.2, 1.7, and 1.8 percentage points, respectively. Their sum is 8.2 percentage points, accounting for 96% of the CPI increase in March. The continuous record-high inflation in the US has exacerbated residents' concerns and eroded their consumption confidence. The University of Michigan's consumer confidence index fell to 59.4 in March, the lowest level since 2012. A recent NBC poll also revealed that 62% of Americans said their income could not keep up with the rising living cost, and their lives were significantly affected.

A combination of factors contributed to the rising inflation in the US. Monetary and fiscal easing policies are the fundamental reasons for this round of inflation. From Q1 in 2020 to Q4 in 2021, the average growth rate of M2 in the US is as high as 18%, of which the aggressive fiscal policy accounts for more than a half, resulting in a substantial expansion of domestic demand and higher inflation. Secondly, since the outbreak of the pandemic, the temporary interruption of production and dislocation of supply chains have led to restrictions on the production capacity of international commodities and the rise in the related products prices. At the same time, because of the pandemic, the gap between the supply and demand of labor in the US has widened, and the output has dropped a lot compared with that before the pandemic. The recent Russian-Ukrainian conflict has further pushed up energy and food prices, making US inflation even worse. Finally, the Fed's previous misjudgment of inflation pressures also contributed to the current high inflation. When the US inflation issue first emerged last year, the Federal Reserve repeatedly emphasized that the factors causing this round of inflation were temporary. But subsequent inflation data that beat expectations showed that the Fed had misjudged the inflation, which eventually led to a change in market expectations, triggering even higher inflation.

2) Stable Inflation in China

Inflation in China remained stable. In 2021, under the complex environment of global liquidity flooding, supply chain bottlenecks and commodity supply and demand imbalances, China's overall inflation remained within a reasonable range, and the annual CPI increased by 0.9% YoY, lower than the expected goal of 3%. Entering 2022, the supply of consumer goods and services in China is relatively sufficient. Although the repeated outbreaks of the epidemic have some impacts on inflation, the government has issued various policies to ensure the supply of important commodities. The overall supply and demand are still near the balanced level. In the first quarter of this year, China's CPI rose by 1.1% YoY, which was generally in a moderate range; the core CPI, excluding food and energy items, rose by 1.2% YoY.

Subitem prices are differentiated. Since 2021, food items are basically in the negative growth range. In Q1 of this year, food prices fell by 3.1% YoY, making the CPI drop by 0.59 percentage points, mainly due to the decline in pork product prices. The price of pork fell by 41.8% YoY in Q1, and has now fallen back to a

historical low level, plays as the key factor that keeps China's CPI flat. At the same time, the decline in pork price also led to a 34.4% decline in the price of edible animal oil, and the prices of mutton and chicken fell by 3.5% and 2.3%, respectively. The return of service workers to their posts after the Spring Festival also led to a drop in service prices. Stimulated by the conflict between Russia and Ukraine, crude oil prices rose sharply, driving up China's refined oil prices and becoming the main factor pushing up China's inflation. In Q1, China's energy prices rose by 12.2% YoY, driving the CPI rise by about 0.84 percentage points, accounting for nearly 80% of the total increase in CPI.

It is worth noting that the weight of energy in China's CPI is not large, so the overall impact of crude oil prices on CPI is relatively limited. The direct impact of oil prices on China's CPI is mainly reflected in the components of fuel for transportation and water and electricity for living. Our model shows that the weight of those two in CPI is less than 9%. The indirect impact of oil prices mainly influences other items by affecting production costs. Taking food as an example, the fertilizer required for agricultural production and equipment such as factory machinery need to consume crude oil. In theory, the rise in crude oil prices will push up these costs, prompting the price of final consumer goods to rise, thereby driving the food CPI. However, the impact of rising oil prices on China is mainly reflected in PPI. In the past two years, the transmission of China's production costs to consumer goods prices was generally poor. Therefore, the indirect impact of rising crude oil price on CPI is relatively limited, and its impact on CPI fluctuations is far less than that of food item.

2. Steadily Rising Inflation in Hong Kong

Affected by the pandemic, Hong Kong's economy encountered with many challenges, and inflation is rising steadily. Netting out the effects of all the government's one-off relief measures, the underlying consumer price inflation rate in Hong Kong was 0.6% for the whole of 2021, of which 0% in H1 and 1.2% in H2. In the first three months of this year, Hong Kong's overall consumer prices rose by 1.2%, 1.6% and 1.7% YoY respectively, exhibiting a rising inflation tendency. The main reason was that many cross-border drivers were infected with the new crown virus, and the food supply in Hong Kong was greatly reduced in a short period of time. Meanwhile, affected by the highly contagious Omicron variant virus, Hong Kong citizens panicked and rushed to purchase goods, causing the prices of staple goods such as fresh vegetables to rise, thereby pushing up inflationary pressures. In addition, because of the sharp rise in international crude oil, the prices of energy-related and transportation items also increased considerably.

Inflation in Hong Kong is affected by both Mainland China and the US. However, also as small but highly open economies, Taiwan province, Singapore, and South Korea's inflations were much higher during the same period. In 2021, the CPI in Taiwan, Singapore and South Korea increased by 2.0%,

2.3%, and 2.5% YoY respectively. In Q1 of 2022, the inflation of those three regions increased to 2.8%, 4.6% and 3.8% respectively. The main reason for this is that Hong Kong's economy is more closely related to Mainland China. In years when the inflation trends of Mainland China and the US converge, the inflation trend of Hong Kong is basically the same; while in years when the inflation trends of Mainland China and the US diverge, the inflation trend of Hong Kong is affected by both, and relatively more affected by Mainland China. Taking the data of Q1 this year as an example, inflation in the US rose by nearly 8% YoY, while CPI in Mainland China rose by 1.1% YoY. Inflation in Hong Kong is in between, rising about 1.5% YoY.

Hong Kong's staple goods mainly come from Mainland China. The Mainland is the only or largest provider of most staple goods that Hong Kong consumes every day, from tap water to live poultry and vegetables. Guangdong Dongjiang supplies up to 800 million cubic meters of fresh water to Hong Kong every year, accounting for 70-80% of the total fresh water consumption in Hong Kong. Mainland China is the only provider of live pigs, live cattle, live sheep, and live poultry to Hong Kong. Mainland China is also the main supplier of edible fungi and most fresh vegetables. In addition, in terms of beverages, tea and coffee beans supplied by the Mainland account for the majority. At the same time, Mainland China has already become Hong Kong's largest fuel supplier, providing almost the entire supply of LPG and natural gas in Hong Kong. Therefore, the price of staple goods in Hong Kong depends on the quantity and price of goods supplied from the Mainland, which is also the fundamental reason why Hong Kong inflation is deeply affected by inflation in Mainland China.

Hong Kong's prices are less affected by the imported inflation than the other three Asian tigers. Since Hong Kong's staple goods mainly come from the Mainland, and Mainland China has a good system of ensuring supply and stabilizing prices, it has largely alleviated the impact of international imported inflation. Take the recent surge in international energy and food prices as an example. Russia and Ukraine are important sources of fossil energy and food in the world. Since the outbreak of the conflict, sanctions from Western countries have led to a sharp rise in global energy and food prices, resulting in imported inflationary pressures. However, Hong Kong's energy and food are mainly supplied by Mainland China, which has strong administrative enforcement capabilities in controlling prices. On the one hand, food prices are relatively stable, coal prices are guided by the government, and during the period of a sharp rise in crude oil, its transmission to the midstream and downstream industries will be weakened by administrative means. On the other hand, Mainland China strictly monitors the speculation activities on some key commodities, and the demand will not fluctuate too much. Imported inflation has weakened considerably after being digested by Mainland China, so its impact on Hong Kong is relatively small.

The pandemic has hedged the impact of the Fed's monetary easing on the local property market, and Hong Kong's rental price remains modest. Renting accounts for 40.25% of Hong Kong's CPI, so

the stability of Hong Kong's rental price is the biggest guarantee for a flat inflation. As a highly open international finance center, Hong Kong implements a linked exchange rate system with the Hong Kong dollar pegged to the US dollar and does not have active monetary policies. Therefore, the Federal Reserve's monetary policy has a great impact on Hong Kong's asset prices, including the rental price. Historical data also reveals that there is a positive correlation between Hong Kong's interbank market liquidity and Fed easing. In the past two years, the Federal Reserve adopted quantitative easing policies, which led to the flood of international funds. QE is conducive to promoting the rise of Hong Kong's property prices, and also exerts upward pressure on the rental. However, because of the pandemic, all industries in Hong Kong depressed, the unemployment rate rose sharply, and the economy fell into a deep recession. At the same time, the number of immigrants to Hong Kong dropped sharply, and Hong Kong residents who had left Hong Kong preferred staying outside, superimposing the acceleration of immigration and the aging population, leading to a substantial reduction in the population of Hong Kong. As a result, rentals in Hong Kong did not rise but fall, reducing the risk of high inflation to a large extent.

3. Hong Kong Inflation Outlook

Looking ahead, the inflation divergence between China and the US will continue for a period of time. The current high inflation in the US may not be completely eliminated by normalizing monetary policy alone. It is also necessary to deal with supply-side troubles caused by repeated pandemics and international tensions. The pork supply in Mainland China is still sufficient during the year. Although the pork price may rise moderately in H2, its overall impact on inflation in 2022 is still controllable. We expect inflation in Hong Kong to pick up this year compared to 2021, but remain relatively stable. In particular:

US inflation will remain high during the year. The uncertainty of the Russia and Ukraine conflict is relatively high, and the prices of US energy and agricultural products may still rise in the short term. The US had announced a ban on the import of Russian oil in early March, which may provide support for domestic energy prices. In terms of food, since Russia and Ukraine are important agricultural producers, the protracted conflict will inevitably influence the grain output and exports of these two countries, adding pressures on global food prices. For core commodities in the US, the GSCPI has been falling for several consecutive months, indicating the global supply chain is recovering. Meanwhile, the US is also considering cutting tariffs on China, which may jointly drive down the prices of durable goods. However, the outbreak of epidemic in China and other regions may interrupt the recovery process of the global supply chain. In terms of core services, the labor force participation rate in the US continues to decline, and the widening gap between labor supply and demand has led to a rapid increase in wages, which will improve the paying ability of American residents. Meanwhile, the rental elasticity is relatively low, and the rental items, which account for the largest share of the CPI, are under pressure to rise, resulting in the US CPI staying at a high level. The inflation in the US in 2022 is expected to show a trend of high and

then low, and the annual average inflation may exceed 6%.

Inflation in Mainland China is expected to keep flat. Although Western sanctions against Russia may escalate and oil prices still have room to rise, the transmission of PPI to CPI may be difficult to improve in 2022, and the impact of imported inflation on CPI is limited. In terms of food, the pork supply is sufficient in the short term, the market is still oversupplied, and pork prices may remain low. In H2, as the supply of live pigs gradually decreases, pork prices may rise moderately, while the overall impact on inflation during the year is still controllable. Because of the pandemic, the overall development of the service industry has stagnated, which will put pressures on the low-income people, and will largely curb consumption demand. However, once the epidemic is under control, various measures will be loosened gradually. The stimulus of infrastructure and real estate, and the release of M2 will boost inflation. Especially considering the government has proposed an economic growth target of 5.5% this year, it is believed that the credit will also reach a level “basically matching economic growth”, which may lead to a moderate increase in the CPI. We expect the overall CPI in Mainland China will be higher in 2022 than last year, but probably not more than 3%, with a trend of low before high.

Hong Kong inflation also has upward pressure during the year. The epidemic severely damaged various economic activities in Q1. With the full support from the central government, the supply of staple goods to Hong Kong was sufficient, and the shortage of food and daily necessities was largely alleviated. The daily new confirmed cases in Hong Kong have dropped sharply, and various control measures are loosening gradually. With the stimulus of the consumption voucher scheme, the local consumption has begun to increase. Meanwhile, local property prices and rentals are also expected to rise slowly with the gradual recovery of the economy, which may jointly boost the inflation. Besides, due to the Russian-Ukrainian conflict and related sanctions and counter-sanctions, inflation in many developed economies is expected to remain high in the short term, which may lead to faster price increases of imported items, also adding upward pressure on local inflation.

However, inflation in Hong Kong will remain relatively stable in 2022. Due to the powerful system of ensuring supply and stabilizing prices in Mainland China, Hong Kong will suffer much less from external inflationary shocks. Prices of food, energy, and durable goods will only rise to a limited level during the year. On the other hand, the Federal Reserve will continue to shrink monetary policy. The latest dot plot shows that the US will raise interest rates 7 times this year, pushing the federal funds rate to 1.75%-2% by the end of 2022. This will exacerbate global liquidity contraction, boost capital outflows from emerging markets, and raise financing costs, ultimately suppress the rise in Hong Kong's rental CPI. Taking internal and external factors into consideration, we expect Hong Kong CPI will rise during the year compared with 2021, but it will remain relatively stable, and the annual inflation tendency may be between 2-3%.

主要經濟指標 (Key Economic Indicators)

	2020	2021	2021/Q4	2021/Q1
一. 本地生產總值 GDP				
總量 (億元) GDP(\$100 Million)	26,716	28,426	7,692	N/A
升幅 (%) Change(%)	-6.1	6.4	4.7	-4.0
二. 對外貿易 External Trade			2022/03	2022/01-03
外貿總值 (億元) Total trade(\$100 Million)				
總出口 Total exports	39,275	49,607	3,728	11,460
進口 Total imports	42,698	53,078	4,100	12,087
貿易差額 Trade balance	-3,422	-3,471	-373	-627
年增長率 (%) YOY Growth(%)				
總出口 Total exports	-1.5	26.3	-8.9	3.4
進口 Imports	-3.3	24.3	-6	2.9
三. 消費物價 Consumer Price				
綜合消費物價升幅 (%) Change in Composite CPI(%)	0.3	1.6	1.7	1.5
四. 樓宇買賣 Sale & Purchase of Building Units			2022/04	2022/01-04
合約宗數 (宗) No. of agreements	73,322	96,133	4,852	18,589
年升幅 (%) Change(%)	-2.0	31.1	-47.0	-41.9
五. 勞動就業 Employment			2021/12-2022/02	2022/01-2022/03
失業人數 (萬人) Unemployed(ten thousands)	259.1	250.9	16.2	18.9
失業率 (%) Unemployment rate(%)	5.5	5.5	4.5	5.0
就業不足率 (%) Underemployment rate(%)	3.1	2.7	2.3	3.1
六. 零售市場 Retail Market			2022/03	2022/01-03
零售額升幅 (%) Change in value of total sales(%)	-24.3	8.1	-13.8	-7.6
零售量升幅 (%) Change in volume of total sales(%)	-25.5	6.5	-16.8	-10.4
七. 訪港遊客 Visitors				
總人數 (萬人次) arrivals (ten thousands)	356.9	9.1	0.2	1.1
年升幅 (%) Change(%)	-93.6	-97.4	-73.0	-30.5
八. 金融市場 Financial Market			2022/02	2022/03
港幣匯價 (US\$100=HK\$)	775.2	779.8	780.8	783.1
H.K. Dollar Exchange Rate (US\$100 = HK\$)				
貨幣供應量升幅 (%) change in Money Supply(%)				
M1	30.1	8.0	2.3	5.4
M2	5.8	4.3	3.6	4.0
M3	5.8	4.3	3.5	4.0
存款升幅 (%) Change in deposits(%)				
總存款 Total deposits	5.4	4.6	3.9	4.5
港元存款 In HK\$	6.2	1.4	-1.4	0.9
外幣存款 In foreign currency	4.6	7.9	9.5	8.3
放款升幅 (%) in loans & advances(%)				
總放款 Total loans & advances	1.2	3.8	1.6	2.2
當地放款 use in HK	1.7	4.7	1.3	3.0
海外放款 use outside HK	0.1	1.7	2.1	0.4
貿易有關放款 Trade financing	-6.2	14.2	16.0	15.3
最優惠貸款利率 (%) Best lending rate (%)	5.0000	5.0000	5.0000	5.0000
恒生指數 Hang Seng index	27,231	23,398	22,713	21,997