

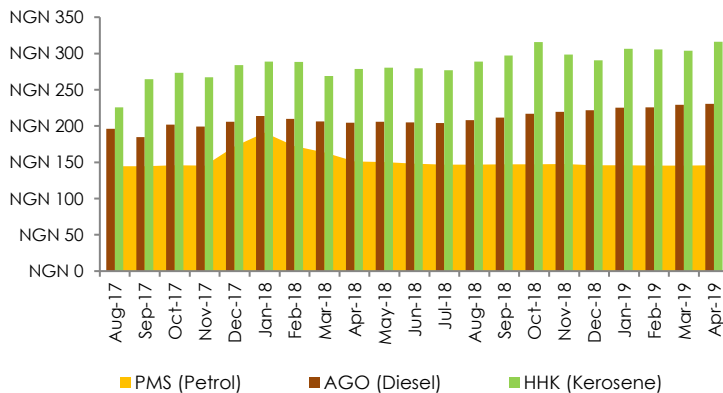
April 2019 Annual Inflation Rate Rebounds to 11.37% Despite Moderation in Core Inflation...

In line with our expectation, as documented in our inflation update of March 2019, April headline inflation rate rose to 11.37% year-on-year (from 11.25% in March 2019), to halt the three consecutive months of decline. The renewed upward movement in annual inflation rate was chiefly driven by consistent rise in food inflation rate as it grew further to 13.70% y-o-y from 13.45% in March 2019. Food prices, especially in Kaduna, Kebbi, Kwara and Zamfara States inflated y-o-y to 16.77%, 16.75%, 16.34% and 16.24% in April 2019 respectively. Also, the pressure on general price level of food rose m-o-m to 1.14% (higher than 0.88% in March 2019), above the 1% mark it last printed in September 2018. Change in consumer price index for imported food rose m-o-m by 1.24% to 301.76 points from 298.06 points in March 2019, amid monthly average depreciation of the Naira against USD in most forex market segments (FX rate rose m-o-m by 0.25% to N358.00/USD at the BDC market). On the flip side, core inflation rate grew slower on an annual basis, to 9.28% from 9.46%. This was partly driven by 3.60% y-o-y fall in the average costs of Premium Motor Spirit (PMS). However, we saw other energy prices, for kerosene and diesel, rise y-o-y by 13.57% and 12.88% respectively. Meanwhile, Inflation rate in the urban and the rural areas also rose y-o-y to 11.70% (from 11.54%) and to 11.08% (from 10.99%).

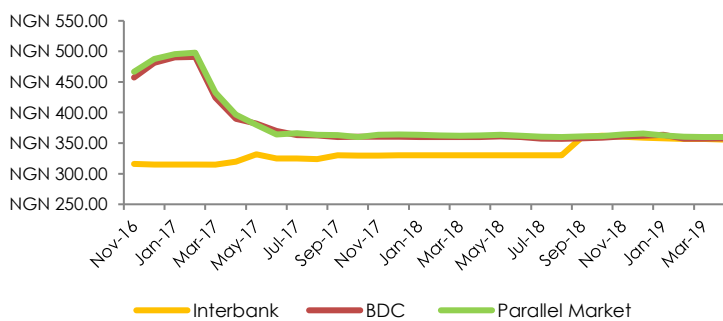
Outlook:

"We expect inflation rate to further move upwards in the months of May and June amid Ramadan festivities and the recent signing of the new minimum wage bill".

Monthly Average Commodity (Fuels) Price/Litre



Monthly Average Exchange Rates (NGN/USD)



Source: Central Bank of Nigeria, Aboki.com, Cowry Research

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