

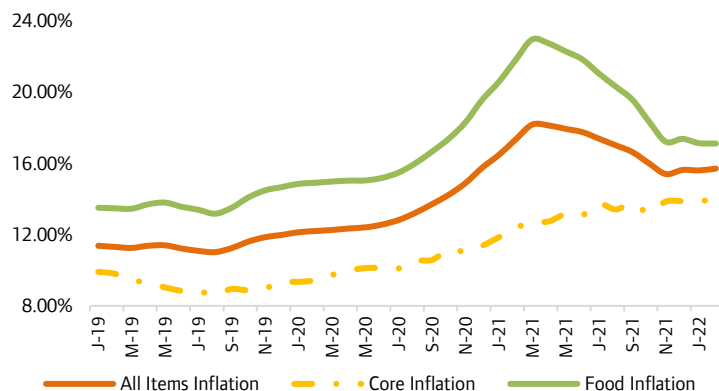


# Inflation Update: April 2022

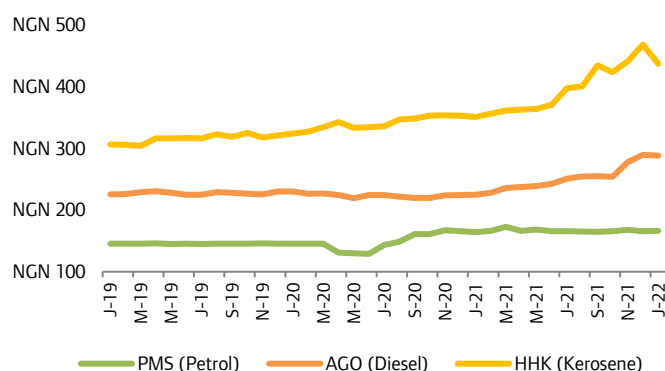
MPR: 11.50%

Q4 '21 Real GDP Growth Rate: 3.98%

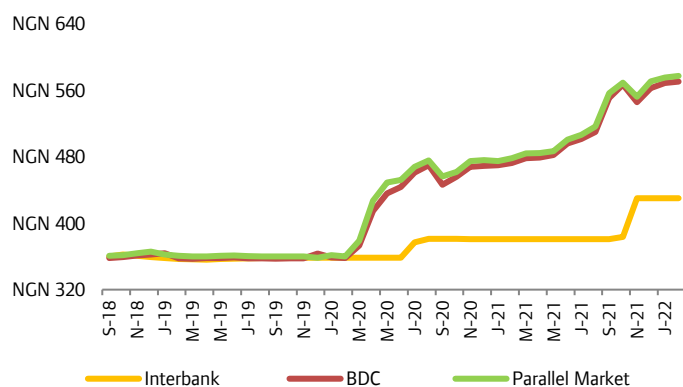
## Consumer Price Inflation



## Monthly Average Commodity (Fuels) Price/Litre



## Monthly Average Exchange Rates (NGN/USD)



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

## Headline Inflation Rate Rise to 16.82% in April 2022 on Core Inflation...

The freshly released April Inflation report from the National Bureau of Statistics (NBS) showed the continuous rise in headline inflation as the inflation rate trended upward to 16.82% in April (from 15.92% recorded in March). Faster inflation rates were also printed in both urban and rural areas at 17.35% (from 16.44%) and 16.32% (from 15.42%) respectively in April; driven principally by food inflation in April 2022 and a moderating gallop in the food index to 18.37% (from 17.20% in March). We saw a rise in the prices of bread, tea & cocoa, milk, bread, cereals, meat, fat, and vegetables amongst others. Also, the core inflation rate rose to 14.18% (from 13.91% in March) on the back of a higher y-o-y rise in prices of clothing & footwear, Housing water, electricity, gas & other utilities, as well as furnishings & household equipment maintenance.

Specifically, we saw weaker y-o-y increases in prices of Bread and cereals, Potatoes, yam, and other tubers, Oils and fats, and fruit. Also, the core inflation rate rose to 14.18% y-o-y in April (from 13.91% in March) amid higher prices of Alcoholic, beverages, Tobacco & Kola, Housing Water, Electricity, Gas & Other Fuel as well as Clothing & Footwear.

Meanwhile, the imported food index rose by 17.48% (as against 17.40% in March 2022) as Naira depreciated against the greenback at the parallel market. Two months moving average foreign exchange rate at this market rose m-o-m by 0.59% to N579.16/USD in April 2022.

On a month-on-month basis, headline inflation rose to 1.76% in April (from 1.74% in March) on the back of monthly increases in the cost of all items, especially Food, transportation costs & Non Alcoholic Beverages. The food inflation rate rose to 2.00% in April from 1.99% in March while the core inflation rate rose to 1.22% from 0.98%,

## Outlook:

*We expect to see further increased inflationary pressure in the coming months due to rising insecurity which continues to negatively impact food distributions across the country. More so, the increasing demand pressure on the Greenbank would further put pressure on cost, coupled with the rainy season and the effect of crude oil price on transportation costs.*



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