

A Persistent decline in Nigeria's Headline Inflation Figures

The Consumer Price Index (CPI) report for June which was released today, shows that the Nigeria's headline inflation moderated for the third consecutive month, down 18bps Y-o-Y to 17.75% (from 17.93% in the prior month). The inflation rate came in 12bps lower than our estimate of 17.87% and 5bps lower than Bloomberg consensus estimate of 17.8%. However, month on month headline inflation increased by 5bps to 1.06%.

- ❖ The Food sub index fell 45bps to settle at 21.83% Y-o-Y from 22.28% in May 2021.
- ❖ The Core sub index (All items less agricultural produce) was down 6bps to 13.09% Y-o-Y vs 13.15% in May 2021.
- ❖ The Urban Inflation figures for June settled at 18.35% Y-o-Y, down 16bps from 18.51% recorded in May 2021.
- ❖ The Rural Inflation figures for June grew by 17.16% Y-o-Y, down 20bps from 17.36% recorded in May 2021.
- ❖ We anticipate further moderation in headline inflation figures in the coming month due to the impact of a high base from the previous year.

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