

INFLATION

WATCH

OCT
2021



NIGERIA'S HEADLINE INFLATION FIGURES: SLOWS DOWN TO 15.99%, SURPASSES 16.2% ESTIMATES

The headline inflation rate in October printed at 15.99% year-on-year, which showed a further decline from 16.63% recorded in September 2021. The moderation trend in inflation figures can be traced to the base year effect and food harvest seasonality which supported food prices. This is the seventh consecutive monthly decline in the Consumer Price Index (CPI), currently reflecting a ten month low of 15.99%. Please see below, a summary of October's inflation performance:



The Composite food index grew at a slower rate in the month, settling at 18.34% Y-o-Y from 19.57% in September 2021.



The Core sub index (All items, less agricultural produce) was down 50bps to 13.24% Y-o-Y vs 13.74% in September 2021.



The Urban and Rural Inflation figures were published at 16.52% and 15.48% respectively Y-o-Y vs 17.19% and 16.08% recorded in September 2021.



We expect the domestic inflation figures to further decline in the near term, due to seasonality effects. In addition, we expect the recently published figures to influence market sentiments this week, as market players focus on the upcoming bond auction.

