

INFLATION

WATCH

JANUARY 2022



NIGERIA'S HEADLINE INFLATION SLOWS IN JANUARY

Nigeria's Consumer Price Index (CPI) for January 2022 expanded by 15.60% year-on-year, down from 15.63% recorded in December 2021. The composite food sub-index grew by 17.13% year-on-year (vs. 17.37% recorded in December 2021) while the All items less farm produce sub-index stood at 13.87% year-on-year according to published data from the National Bureau of Statistics (NBS).

Please see below an overview of December's inflation performance:



The headline inflation rate for January 2022 grew by 15.60% y/y, slightly lower than 15.63% in December 2021. Similarly, on a month-on-month basis, consumer prices grew by 1.47% (a 34bps decline from 1.82% recorded in December 2021).



The composite food sub-index for January 2022 rose by 17.13% y/y (vs. 17.37% in December 2021), while the Core (All items less farm produce) sub-index stood at 13.87% y/y. On a month-on-month basis, the food sub index grew 1.62% as against 2.19% in December while the core sub-index expanded by 1.25% compared to 1.12% in the prior month.



The urban inflation rate stood at 16.17% y/y while the rural inflation rate rose by 15.06% y/y (a 4bps dip from 15.11% recorded in December 2021).



We believe that the newly reported inflation statistics correctly imply additional economic progress and will likely affect the monetary policy committee's decision at the next meeting.

