

# INFLATION

## WATCH

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AIICO CAPITAL

### SURGE IN ENERGY PRICES DRIVES NIGERIA'S HEADLINE INFLATION RATE TO 15.70%

Nigeria's Consumer Price Index (CPI) for February 2022 expanded by 15.70% year-on-year, 10bps higher than January 2022 figures at 15.60% (matching the Bloomberg Consensus estimate) while advancing 1.63% month-on-month (an increase of 16bps from 1.47% recorded in January).

Please see below an overview of February's inflation numbers:



The headline inflation rate for February 2022 grew by 15.70% y/y, 10bps higher than January 2022 figures at 15.60%. Similarly, on a month-on-month basis, consumer prices grew by 1.63% (an increase of 16bps from 1.47% recorded in January).



The composite food sub-index for February 2022 rose by 17.11% y/y (vs. 17.13% in January 2022), while the All items less farm produce sub-index expanded by 14.01% y/y (from 13.87% in January 2022).

Similarly, on a month-on-month basis, the food and core sub-indices increased by 1.87% and 1.33% from 1.62% and 1.25% respectively, in January 2022.



The urban inflation rate increased to 16.25% y/y (vs 16.17% y/y printed in January 2022) while The rural inflation rate advanced to 15.18% y/y (vs 15.06% y/y recorded in January 2022).



Despite the recent increase in domestic inflation figures, we opine that the monetary policy committee's decision will revolve around holding key rates at current levels and focusing on their objective to support economic growth.

