

INFLATION

WATCH

MARCH 2022

AIICO CAPITAL



NIGERIA'S CPI INCREASES TO 5-MONTH HIGH AT 15.92% IN MARCH 2022

Nigeria's annual inflation accelerated to 15.92% in March 2022 (12bps higher than Bloomberg's consensus estimate), representing a 22bps increase from 15.70% recorded in February 2022. Due to global supply chain delays and rising commodity prices, food inflation remained elevated at 17.20%, up from 17.11%, the previous month. The annual core inflation rate, which includes volatile agricultural produce prices, fell to 13.91% from 14.01%, the previous month.

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



On a monthly basis, the headline index grew by 1.74% (an increase of 11bps from 1.63% recorded in February 2022). The food and core sub-indices moved in opposite directions, with the latter at 0.98% for March 2022, down from 1.33% printed in Feb'22 while the former grew by 1.99% (an increase of 12bps from 1.87% recorded in February 2022).



Likewise, the Urban and Rural inflation rates rose by 16.44% and 15.42% up, from 16.25% and 15.18% recorded in February 2022.

We opine that Nigeria's headline inflation will maintain its upward trajectory, as the damning effect of global supply chain bottlenecks on the upsurge in commodity prices remains.

Inflation Rate

