

INFLATION

WATCH

**MAY
2022**



HEADLINE INFLATION IN NIGERIA INCREASED TO 17.71% IN MAY 2022

Nigeria's Consumer Price Index (CPI) for May 2022 printed higher at 17.71% Y-o-Y (Bloomberg median estimate +17.50%), an increase of c.0.89% from 16.82% Y-o-Y recorded in April 2022. Core and Food inflation remained elevated at 14.90% and 19.50% Y-o-Y respectively, compared to 14.18% and 18.37% Y-o-Y, the previous month, due to surging global energy, food and commodity prices.

Please see below, an overview of May's Inflation highlights:



On a monthly basis, the headline index grew by 1.78% (a marginal increase of 2bps from 1.76% recorded in April 2022).

The core and food sub-indices rose 1.87% and 2.01%, M-o-M, up from 1.22% and 2.00% recorded in April 2022.



The urban inflation rate increased to 18.24% Y-o-Y (vs 17.35% Y-o-Y printed in April 2022).

The rural inflation rate advanced to 17.21% Y-o-Y (vs 16.32% Y-o-Y recorded in April 2022).

Disrupted supply chains due to the war in Ukraine, China's Covid-19 lockdowns, extreme weather and security challenges in Nigeria's food producing regions, have been placing upward pressures on cost of logistics as well as food and other commodities.

We expect the central bank to raise the key interest rate again next month as it suggests price pressures are becoming entrenched in the economy.

Inflation Rate

