

INFLATION

WATCH

JULY 2022



HEADLINE INFLATION ROSE TO 19.64% IN JULY 2022

Nigeria's Consumer Price Index (CPI) for the month of July 2022 accelerated to a near 17-year high of 19.64% Y-o-Y (Bloomberg median estimate +19.40%), an increase of c.1.04% from 18.60% Y-o-Y recorded in the month of June 2022. The biggest drivers were the prices of gas, bread, and cereal products, thus annual food-price growth accelerated to 22.02% from 20.6% in June 2022. Core inflation, which strips out the cost of food and energy, quickened to 16.26% in July, compared with 15.75% in June 2022.

Please see below, an overview of July's Inflation:

On a monthly basis, the headline index grew by 1.817% (1.816% in June).

The core increased to 1.75% from 1.56% M-o-M recorded in June, while the food sub-indices printed at 2.04% M-o-M.

The urban inflation rate increased to 20.09% Y-o-Y (vs 19.09% Y-o-Y in June 2022).

The rural inflation rate advanced to 19.22% Y-o-Y (vs 18.13% Y-o-Y in June 2022).

Incessant insecurity issues in the food producing regions, high energy costs and continued currency weakness are likely to place an upward pressure on prices in the coming months, thus increasing the likelihood of the Nigeria's monetary policy committee hiking its key interest rate for a third successive time in September.

Thank you.

