

INFLATION

WATCH

OCTOBER
2022



HEADLINE INFLATION ROSE TO 21.09% IN OCTOBER 2022

Nigeria's Consumer Price Index (CPI) for the month of October 2022 accelerated to 21.09% Y-o-Y (lower than Bloomberg median estimate +21.30%), an increase of c.0.32% from 20.77% Y-o-Y recorded in the month of September 2022. On a month-on-month basis however, headline inflation grew at a slower pace of 1.24% in October vs 1.36% recorded in September.

Food inflation expanded to 23.72% from 23.34% recorded in September 2022 while core inflation, which strips out the cost of food and energy, quickened to 17.76% in October, compared with 17.60% in September 2022.

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

- On a monthly basis, the headline index grew by 1.24% in October (vs 1.36% in September)
- The core index grew at a slower pace by 0.93% M-o-M in October, while the food sub-index also grew at a slower pace of 1.23% M-o-M compared to 1.43% in September.
- The urban inflation rate increased to 21.63% Y-o-Y (vs 20.25% Y-o-Y in September 2022).
- The rural inflation rate advanced to 20.57% Y-o-Y (vs 20.32% Y-o-Y in September 2022).

The continued weakness of the Naira, terrible flooding experience and lingering insecurity issues are expected to elevate the pressure on prices of food and commodities as the festive season approaches. Thus, there is a high probability of an increase in benchmark interest rate at the final MPC meeting for the year (Nov 21 – 22).

Thank you.

