

INFLATION

WATCH

DECEMBER
2022



HEADLINE INFLATION ROSE TO 21.34% IN DECEMBER 2022

Nigeria's inflation for December 2022 slowed down to 21.34% Y-o-Y (Est. +21.80%), a decline of c.0.13% from 21.47% Y-o-Y recorded in November 2022. In addition, the headline inflation grew at 1.71% M-o-M in December 2022 vs 1.39% recorded in November 2022. Food inflation grew at a slower pace to 23.75% from 24.13% recorded in November 2022 while core inflation, which strips out the cost of food and energy, expanded to 18.49% in December, compared with 18.24% in November 2022.

Please see below, a summary of December 2022 Inflation report:

- On a monthly basis, the headline index grew by 1.71% in December (vs 1.39% in November)
- The core index grew by 1.33% M-o-M in December vs. 1.67% in November, while the food sub-index grew by 1.89% M-o-M compared to 1.40% in November.
- The urban inflation rate slowed down to 22.01% Y-o-Y (vs 22.09% Y-o-Y in November 2022).
- The rural inflation rate also slowed to 20.72% Y-o-Y (vs 20.88% Y-o-Y in November 2022).

We opine that the decline in inflation is only momentary, as month-on-month headline inflation and core inflation have remained on the upward trajectory and no expectation of a slowdown in sight amid high energy cost, persistent currency depreciation and election spending.

Thank you.

