

# INFLATION WATCH



## REFLECTING THE KNOWN REALITY

Nigeria's inflation for March 2023 increased to 22.04% Y-o-Y (Est. +21.80%), an increase of c.0.13% from 21.91% Y-o-Y recorded in February 2023. Moreso, headline inflation printed higher at 1.86% M-o-M in March 2023 vs 1.71% recorded in February 2023. Similarly, food inflation jumped to 24.45% from 24.35% recorded in February 2023 while core inflation also amplified to 19.86% in March, compared with 18.84% in February 2023.

Please see below, a summary of March 2023 Inflation report:

- On a monthly basis, the headline index grew by 1.86% in March (vs 1.71% in February)
- The core index grew by 1.84% M-o-M in March vs. 1.06% in February, while the food sub-index grew by 2.07% M-o-M compared to 1.90% in February.
- The urban inflation rate rose to 23.07% Y-o-Y (vs 22.78% Y-o-Y in February 2023).
- The rural inflation rate was printed at 21.09% Y-o-Y (vs 21.10% Y-o-Y in February 2023).

The influx of the old and new currency notes drove the ease of spending across the country in March, thus leading to a surge in inflation. In addition, given the existing inflationary pressures, that is, the high cost of fuel, soaring exchange rate and regional demand-supply imbalances, we expect the rising pace of inflation to extend further in the next reading.

Thank you.

