

INFLATION WATCH



A FURTHER UPTICK IN INFLATION FOR MAY

Nigeria's inflation for May 2023 increased to 22.41% Y-o-Y (Est. +22.10%), an increase of c.0.19% from 22.22% Y-o-Y recorded in April 2023. Moreso, headline inflation grew at 1.94% M-o-M in May 2023 vs 1.91% recorded in April 2023. Likewise, food numbers rose to 24.82% from 24.61% recorded in April 2023. However, core inflation moderated to 20.06% in May, from 20.14% in April 2023.

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

On a monthly basis, the headline index grew by 1.94% in May (vs 1.91% in April)

- The core index grew by 1.81% M-o-M in May vs. 1.46% in April, while the food sub-index grew by 2.19% M-o-M compared to 2.13% in April.
- The urban inflation rate rose to 23.74% Y-o-Y (vs 23.39% Y-o-Y in April 2023).
- The rural inflation rate was printed at 21.19% Y-o-Y (vs 21.14% Y-o-Y in April 2023).

As the prevailing issues continue to mount pressures on the prices of goods and services, we envisage a sustained upward trajectory in the short-to-medium term. The drastic removal of fuel subsidy and the bold step to float the rate of foreign exchange should be fully captured in the subsequent inflation readings.

Thank you.

