

Nigeria's Headline Inflation Soared to 27.33%, amidst higher input costs and a weaker naira.

In October, Nigeria's year-on-year inflation rose to 27.33%, up from 26.72% in September 2023, contributing an additional 0.61 percentage points and surpassing Bloomberg's estimate of 27.7%. Despite this, headline inflation showed a second consecutive monthly moderation, dropping to 1.73% in October from 2.10% in September. Food inflation increased to 31.52% from 30.64% in September, and core inflation, excluding food and energy items, rose to 22.58% in October, up from 21.84% in September, as reported by the National Bureau of Statistics (NBS).

Summary of Nigeria's Inflation report for October 2023:

- On a monthly basis, the headline index grew by 1.73% in October (vs 2.10% in September).
- The core index grew at a slower pace at 1.39% m/m in October vs. 2.22% m/m in September. Similarly, the food sub-index grew at 1.91% m/m compared to 2.45% m/m in September.
- The urban inflation rate increased to 29.29% y/y (vs 28.68% y/y in September 2023).
- The rural inflation rate was rose at 25.58% y/y (vs 24.94% y/y in September 2023).

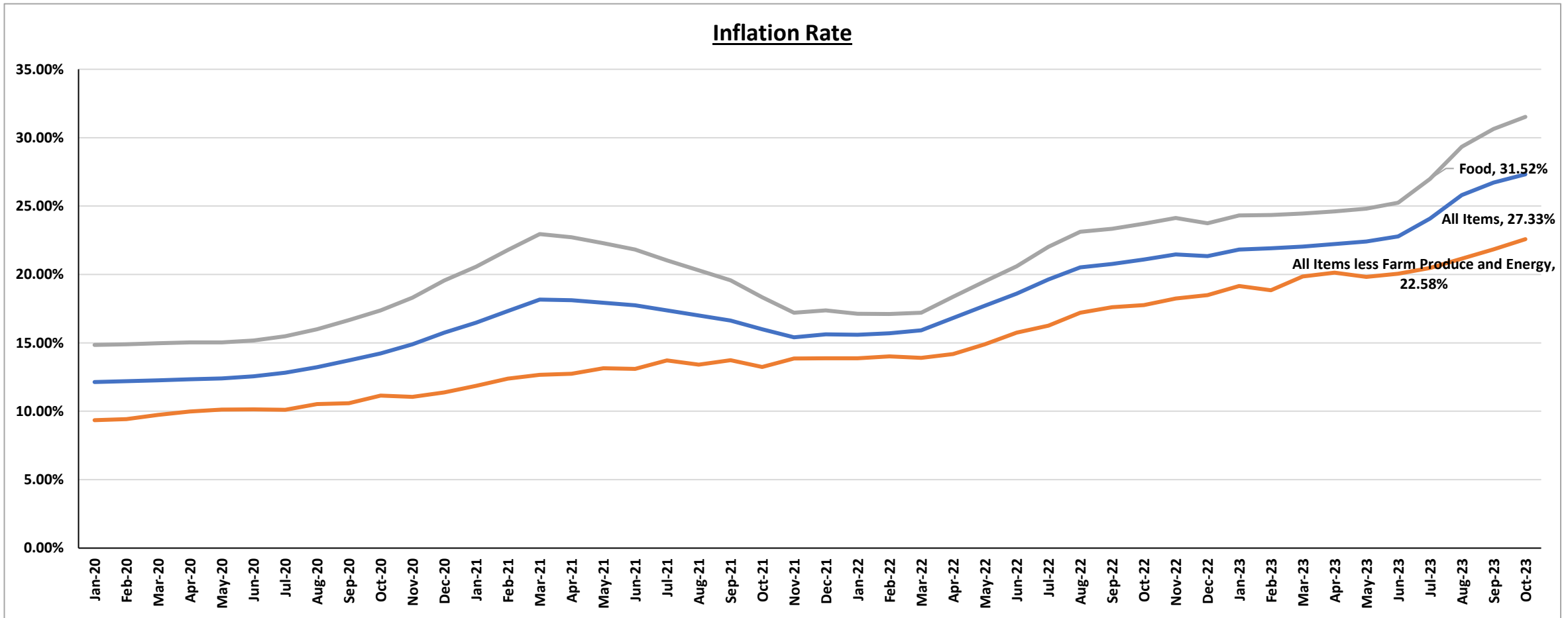
The relentless surge in the prices of food, goods, and services, driven by elevated input expenses and the weakened state of the naira, is expected to endure. This sets the stage for increasing pressure on the central bank, prompting contemplation of a potential interest rate hike at the forthcoming Monetary Policy Committee (MPC) meeting later this month.

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INFLATION WATCH – October 2023

Inflation Rate



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