

## **Inflation Watch - Nigerian Inflation accelerates to 33.69% in April.**

In April, Nigeria's headline inflation increased to 33.69% year-on-year from 33.20% in March 2024 (Bloomberg's estimate: 34.20%). However, monthly headline inflation grew at a slower rate of 2.29% month-on-month in April, down from 3.02% in March. Additionally, food inflation rose to 40.52% year-on-year in April from 40.01% in March, while core inflation, which excludes food and energy items, increased to 26.84% in April from 25.90% in March, according to data released by the National Bureau of Statistics (NBS).

### Summary of Nigeria's Inflation report for April 2024:

- On a monthly basis, the headline index grew by 2.29% in April (vs 3.02% in March).
- The core index increased to 2.20% m/m in April vs. 2.54% m/m in March. Similarly, the food sub-index grew slower at 2.50% m/m compared to 3.62% m/m in March.
- The urban inflation rate increased to 36.00% y/y (vs 35.18% y/y in March 2024).
- The rural inflation rate was rose at 31.64% y/y (vs 31.45% y/y in March 2024).

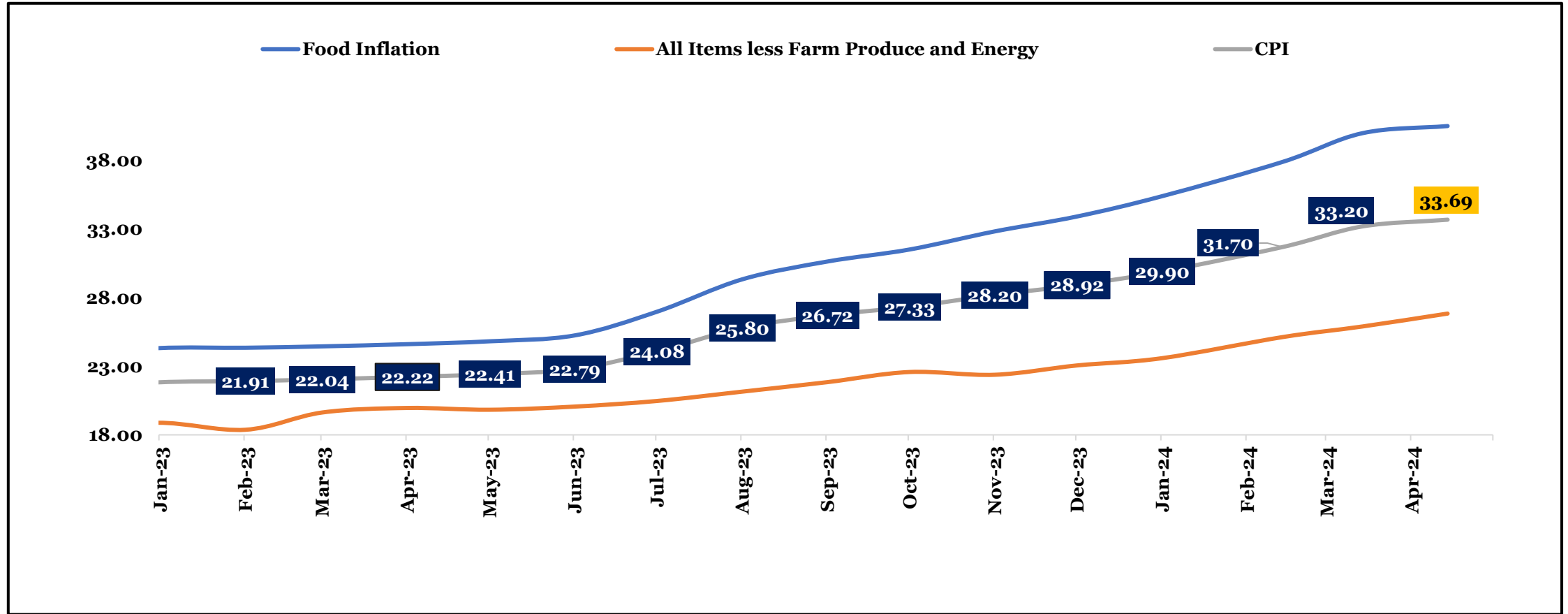
While the yearly inflation numbers for headline, food and core inflation attained new highs, the monthly inflation rates grew at a slower pace in April. We attribute the monthly drop to the appreciation of the naira in the foreign exchange market. For context, the average naira per dollar in the NAFEM window appreciated by 18.33%, from N1,524.04/USD in March to N1,244.63/USD in April.

In the meantime, we expect consumer prices to rise further, due to pressures from high energy costs, and insufficient supplies of goods and services across the nation. Hence, there is a high likelihood that the CBN will keep interest rates elevated in subsequent meetings

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## INFLATION WATCH – APRIL 2024



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