



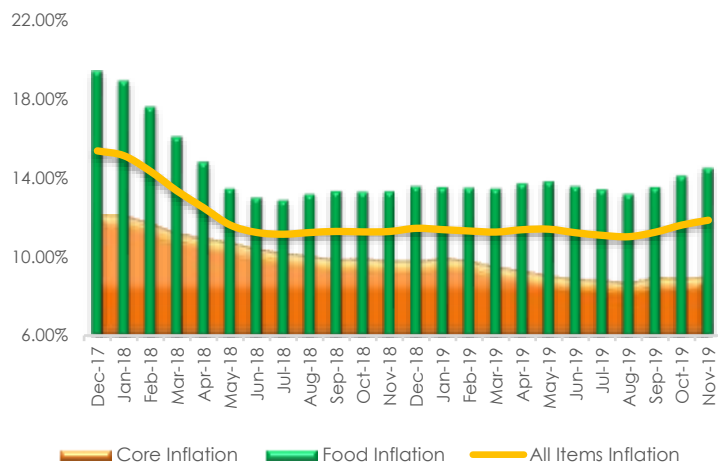
Inflation Update: November 2019

MPR: 13.50%

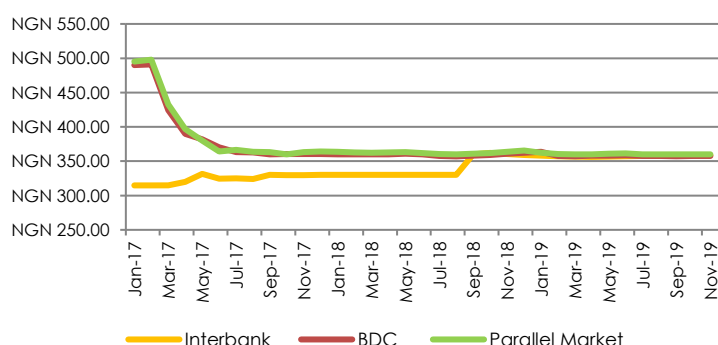
Q3 '19 Real GDP Growth Rate: 2.28%

November Annual Inflation Rate Leaps to 11.85% on Increasing Food Prices in Sokoto, Kebbi, Ekiti...

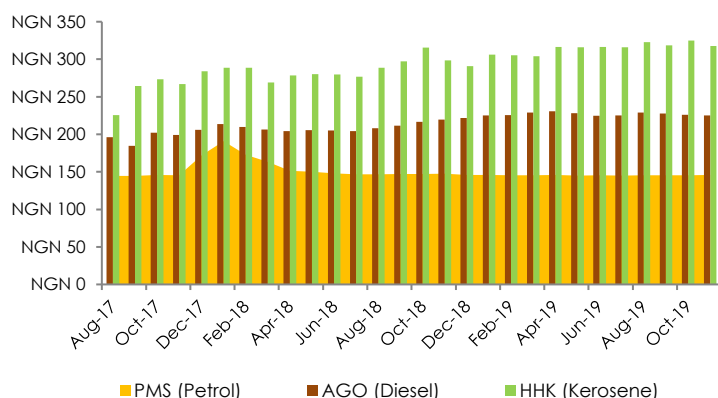
Annual Inflation Rates



Monthly Average Exchange Rates (NGN/USD)



Monthly Average Commodity (Fuels) Price/Litre



Just released November inflation report showed that headline inflation rate rose to 11.85% year-on-year, a further increase from 11.61% in October 2019 and the highest in 18 months. The rising trend in annual inflation was on the back of the sustained increase in annual food inflation. This was further lifted by the gentle upturn in core inflation rate which albeit remained in single-digit. Specifically, annual food inflation rate catapulted to 14.48% in November 2019 from 14.09% in October 2019. However, we saw monthly food inflation rate slide marginally m-o-m to 1.25% in the month of November, from 1.33% in the month of October, despite sustained closure of Nigeria's land borders. On a state-by-state basis, November food inflation rate were highest at Sokoto, Kebbi, Ekiti and Adamawa States as rates hit 18.77% (from 16.35%), 18.08% (from 17.53%), 17.18% (from 15.78%) and 16.04% (from 15.32%) respectively. Imported food index rose by 1.26% m-o-m amid sustained depreciation of the Naira against the USD at the interbank window where two months moving average foreign exchange rate rose m-o-m by 0.06% to N358.31/USD in November 2019. Similarly, annual core inflation rate rose to 8.99% y-o-y in November 2019 from 8.88% in October 2019 as clothing and footwear, energy costs and transport inflation rates increased to 9.79%, 7.70% and 9.17% respectively. Also, core inflation increased on a monthly basis to 0.79% (from 0.74% in October).

Outlook:

"We expect the rise in annual inflation rate to be sustained in December as food prices increase amid year-end festive season; however, we should see it moderate m-o-m in January 2020 amid likely slowdown in spending activities as businesses resume".

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