



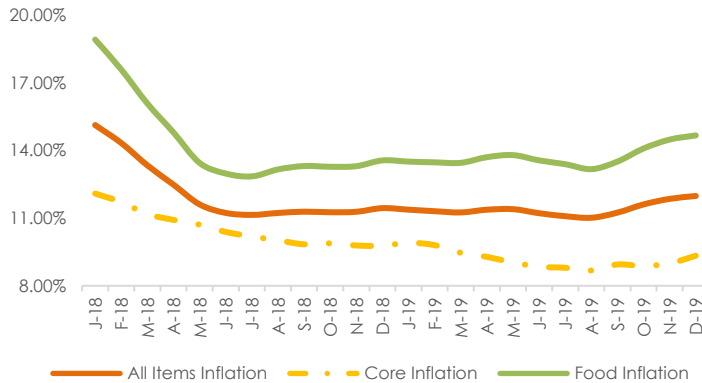
Inflation Update: December 2019

MPR: 13.50%

Q3 '19 Real GDP Growth Rate: 2.28%

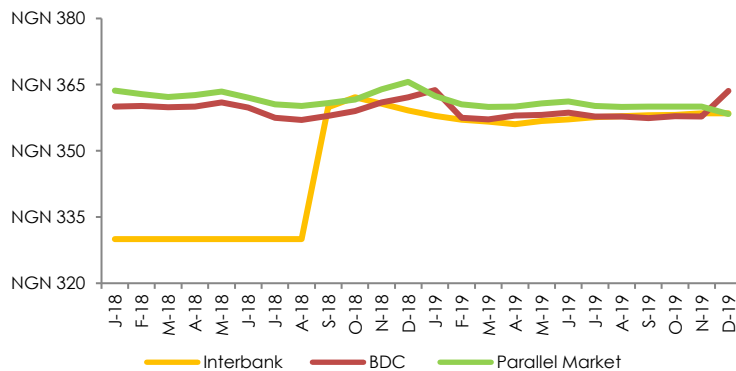
December Inflation Rate Climbs to 11.98% on Rising Prices of Food, Non-Food Items...

Consumer Price Inflation



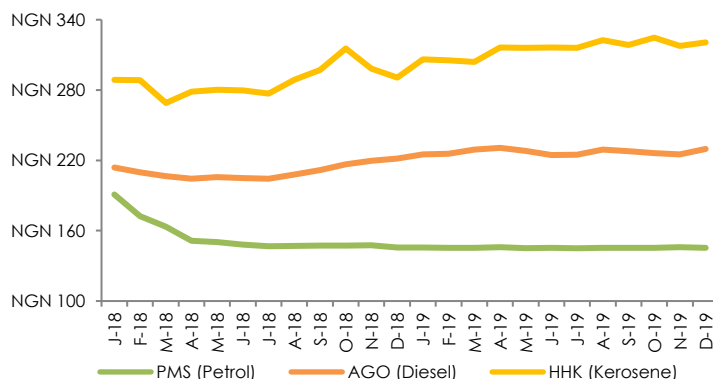
National Bureau of Statistics reported an 11.98% rise in annual inflation rate for the month of December; higher than 11.85% recorded in November. The increase in inflation rate was caused by sustained increases in average food and non-food prices. While food inflation climbed by 14.67% (higher than 14.48% in November), core inflation rate increased by 9.33% (from 8.99% in November). Food inflation was driven by rise in prices of bread and cereals, Meat, Fish, Oils and fats, Potatoes, yam and other tubers. Imported food inflation also upped to 16.04% (from 15.99% in November). On the other hand, the rise in core inflation was caused by rise in price of clothing & footwear, transportation costs and other things, notably, fuel prices were generally upbeat: diesel and kerosene prices rose by 2.10% and 0.96% respectively; however, petrol prices fell by 0.41%.

Monthly Average Exchange Rates (NGN/USD)



On a monthly basis, despite the end of year festivities and accompanying consumption activities, annual inflation rate slowed to 0.85% (from 1.02% in November), driven by a slower increase in food inflation to 0.97% (from 1.25% in November) – suggesting increased availability of food towards the end of the harvest season. On a state-by-state basis, Edo, Delta, Imo and Kwara registered month-on-month decline in food prices having registered deflation rates of 0.60%, 0.53%, 0.31% and 0.16% respectively.

Monthly Average Commodity (Fuels) Price/Litre



Outlook:

"Inflation, especially non-food, appears to be assuming an upward trajectory (notably imported items). Also, the lower interest rate environment would likely spur consumption activities and, subsequently, demand pull inflation in the months to come."

Source: Central Bank of Nigeria, Aboki.com, Cowry Research

IMPORTANT DISCLOSURES: This report is produced by the Research Desk, Cowry Asset Management Limited (COWRY) as a guideline for Clients that intend to invest in securities on the basis of their own investment decision without relying completely on the information contained herein. The opinion contained herein is for information purposes only and does not constitute any offer or solicitation to enter into any trading transaction. While care has been taken in preparing this document, no responsibility or liability whatsoever is accepted by any member of COWRY for errors, omission of facts, and any direct or consequential loss arising from the use of this report or its contents.