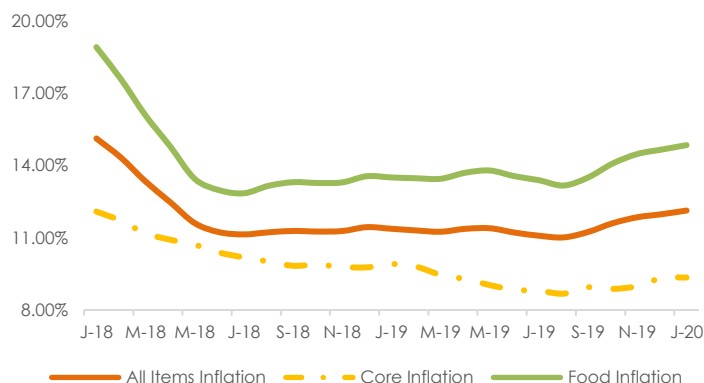


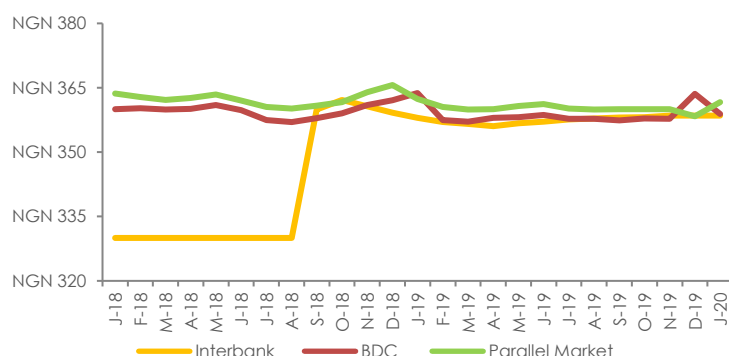
Annual Inflation Rate Jumps to 12.13% in January on Rising Food Prices...

Consumer Price Inflation



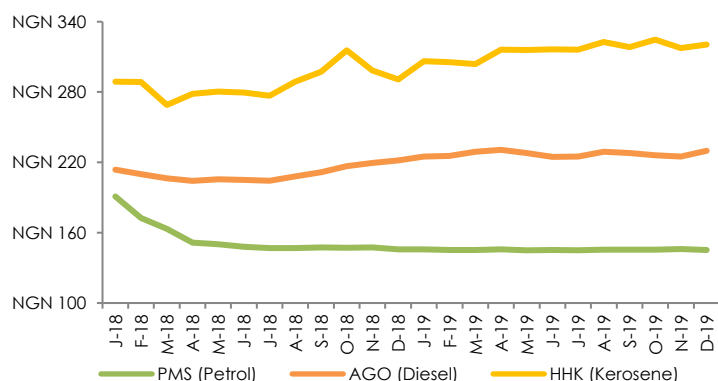
National Bureau of Statistics reported a 12.13% rise in annual inflation rate for the month of January; higher than 11.98% recorded in December. The increase in inflation rate was caused by faster increase in average food prices; with non-food prices climbing marginally. While food inflation rose by 14.85% (higher than 14.67% in December), core inflation rate increased by 9.35% (from 9.33% in December). Food inflation was driven by rise in prices of bread and cereals, meat, oils and fats, potatoes, yam and other tubers and fish. Imported food inflation also rose to 16.10% (from 16.04% in December). On the other hand, the rise in core inflation was caused by increases in prices of clothing & footwear (which rose to 10.08% from 9.91%) and transportation costs (climbed to 9.35% from 9.25%) among other things.

Monthly Average Exchange Rates (NGN/USD)



On a monthly basis, annual inflation rate rose to 0.87% in January (from 0.85% in December), driven by a faster increase in food inflation to 0.99% (from 0.97% in December) as the harvest season came to an end in the review month. On a state-by-state basis, Sokoto, Ogun and Nassarawa states registered the biggest month-on-month increases in food prices having registered food inflation rates of 19.1%, 18.7% and 17.1% respectively – with no state recording a decline.

Monthly Average Commodity (Fuels) Price/Litre



Outlook:

"We expect general prices levels to increase further in the next few months as the sowing season kicks off and as core Inflation builds chiefly due to the rise in transportation cost (especially in Lagos) and increase in VAT. Also, the lower interest rate environment amid adoption of new minimum wage could spur consumption activities and, subsequently, demand pull inflation."

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

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