



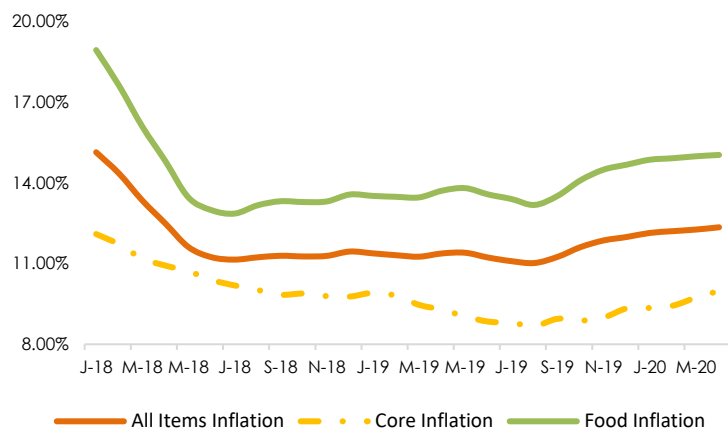
Inflation Update: April 2020

MPR: 13.50%

Q4 '19 Real GDP Growth Rate: 2.55%

April Annual Inflation Rate Rises to 12.34% on Rising Non-food Prices...

Consumer Price Inflation



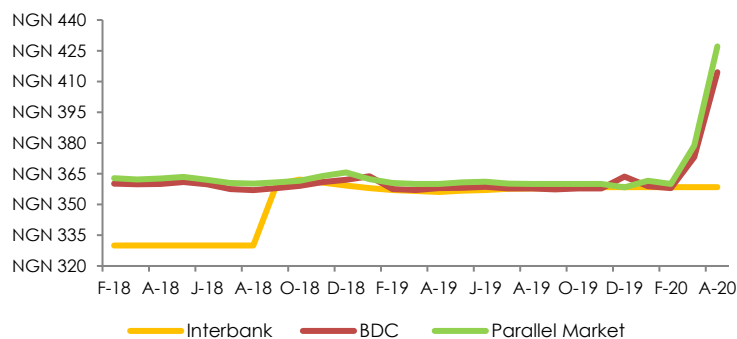
Freshly released inflation report by the National Bureau of Statistics showed a 12.34% rise in annual inflation rate for the month of April; higher than 12.26% recorded in March in line with our expectations. The increase in inflation rate was caused by faster increase in non-food prices; with average food prices climbing marginally. While core inflation rate increased by 9.98% (from 9.78% in March), food inflation rose to 15.03% (higher than 14.98% in March). Core inflation was caused by increases in prices of clothing & footwear (which rose by 10.33% compared to a 10.21% increase in the preceding month) and transportation costs (climbed by 9.78%; from a 9.49% rise) among other things. On the other hand, the rise in food inflation was driven by planting season and the negative effect of COVID-19 pandemic. Also, the annual imported food inflation rose to 16.24% (from 16.20% in March).

On a monthly basis, annual inflation rate jumped by 1.02% in April (from 0.84% in March), as imported food inflation index rose by 1.27% amid depreciation of the Naira against the USD. The two months moving average foreign exchange rates of the Bureau de Change and the parallel markets rose (Naira depreciated) m-o-m by 7.73% and 9.08% to N393.84/USD and N402.94/USD respectively in April 2020. Also, food and core inflation rose to 0.93% and 1.18% (from 0.80% and 0.94% in March) respectively. Meanwhile, urban and rural inflation rates rose by 12.26% and 11.20% (higher than 12.15% and 11.14%) respectively.

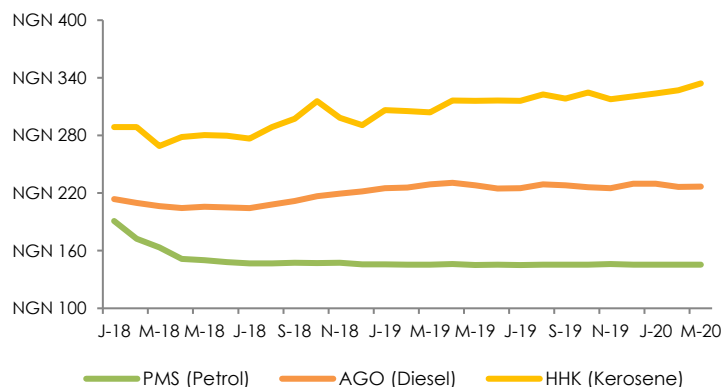
Outlook:

"We expect the battle against COVID-19, moderating crude oil prices and the depreciation of the Naira against the USD to negatively impact on the general price level in the coming months."

Monthly Average Exchange Rates (NGN/USD)



Monthly Average Commodity (Fuels) Price/Litre



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

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