

Consumer Price Index (CPI) Report –September 2019

Key Highlights

- The “All Items” Index (Headline Inflation) rate for the month of Sep-19 increased by 11.24% Year-on-Year (YoY) which is 0.22% higher from 11.02% YoY recorded in Aug-19. On a Month-on-Month basis (MoM), the Headline inflation growth advanced by 1.04% in Sep-19 (vs. 0.99% MoM in Aug-19).
- The “All Items less Farm Produce” Index (Core inflation) rate which excludes the prices of volatile agricultural produce increased by 8.94% YoY in Sep-19 which is 0.26% higher than the 8.68% YoY captured in Aug-19. The highest price increases in the period were recorded in Cleaning, Repair and Hire of clothing, Repair of Household Appliances, Hospital Services, etc.
- The Composite Food Index (Food Inflation) rate advanced by 13.51% YoY in Sep-19, 0.34% higher than the 13.17% YoY inflation rate in Aug-19. The highest increases were noted in the prices of Bread and Cereals, Oils and Fats, Meat, Potatoes, Yam and other tubers and Fish.
- The Urban Inflation Index advanced by 11.78% YoY in Sep-19 (vs. 11.48% in Aug-19). Also, the Rural Inflation Index advanced by 10.77% YoY in Sep-19 from 10.61% YoY in Aug-19.
- **All the components of the CPI basket in the period recorded increases on a Month-on-Month basis, with the highest jump observed on the Food and Non-Alcoholic Beverage (+1.29% MoM) composition while Clothing and Footwear (+0.81% MoM) composition followed suit. The two compositions have a combined weighting of 59.45% on the CPI basket. The CPI basket also witnessed high increases in the Health (+0.78% MoM), Alcoholic Beverage, Tobacco and Kola (+0.77% MoM) and Transport (+0.76% MoM) compositions.**
- **The previous MoM declines in Headline inflation (starting Jun-19) reversed its downward trend as inflationary pressures gather momentum. Amongst many factors, the closure of the Nigerian land borders with neighboring countries (a key import route for cheap foreign consumables) have started to take its toll on prices of some goods due to the resultant scarcity. We envisage that as the year winds down the upward price trend will persist as the border remains shut to flow of goods and we move into the period of festivities.**

Headline Inflation Rate

11.24% YoY from 11.02% YoY in Aug-19

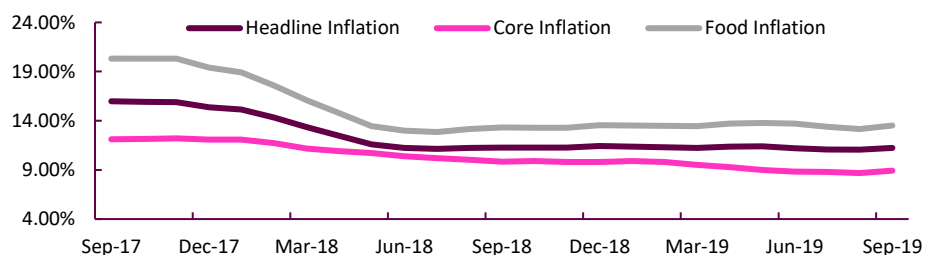
Core Inflation Rate

8.94% YoY from 8.68% YoY in Aug-19

Food Inflation Rate

13.51% YoY from 13.17% YoY in Aug-19

Chart: Trend of Headline, Core and Food YoY Inflation rates.



Source: NBS, NISL Research