

Consumer Price Index (CPI) Report – November 2019

Key Highlights

- The “All Items” Index (Headline Inflation) rate for the month of Nov-19 increased by 11.85% Year-on-Year (YoY) which is 24bps higher from 11.61% YoY recorded in Oct-19. On a Month-on-Month basis (MoM), the Headline inflation growth advanced by 1.02% in Nov-19 (vs. 1.07% MoM in Oct-19).
- The “All Items less Farm Produce” Index (Core inflation) rate which excludes the prices of volatile agricultural produce increased by 8.99% YoY in Nov-19 which is 11bps higher than the 8.88% YoY captured in Oct-19. The highest price increases in the period were recorded in Cleaning, Repair and Hire of clothing, Clothing materials, Hospital Services, etc.
- The Composite Food Index (Food Inflation) rate advanced by 14.48% YoY in Nov-19, 39bps higher than the 14.09% YoY inflation rate in Oct-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 12.47% YoY in Nov-19 (vs. 12.20% in Oct-19). Also, the Rural Inflation Index advanced by 11.30% YoY in Nov-19 from 11.07% YoY in Oct-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 (+1.24% MoM) composition while the Clothing and Footwear (+0.86% 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 (+0.83% MoM), Miscellaneous Goods and Services (+0.81%) and Transport (+0.80% MoM) compositions.**
- **We posit the continued upward trend of inflation figures in the coming months, as the pass-through effect of the land border closure persists. This coupled with the perennial price hikes of the festive season, the effect of the January “back-to-school” period, likely implementation of the new minimum wage structure, just to mention a few; might result in the Headline inflation figures of Q1’20 closing in on its Q1’18 highs.**

Headline Inflation Rate

11.85% YoY from 11.61% YoY in Oct-19

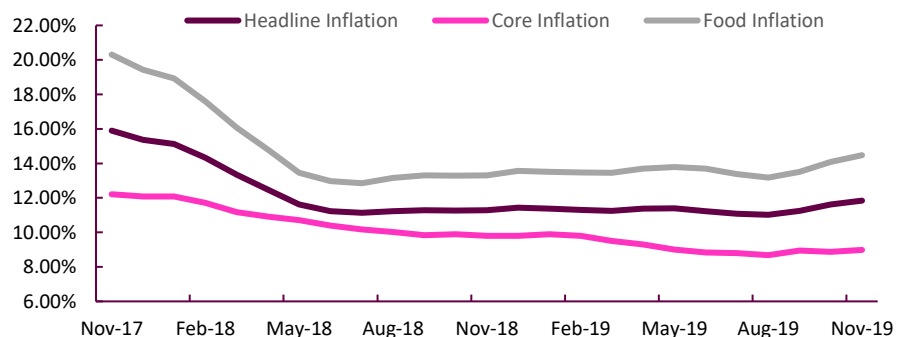
Core Inflation Rate

8.99% YoY from 8.88% YoY in Oct-19

Food Inflation Rate

14.48% YoY from 14.09% YoY in Oct-19

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



Source: NBS, NISL Research