

Consumer Price Index (CPI) Report – October 2019

Key Highlights

- The “All Items” Index (Headline Inflation) rate for the month of Oct-19 increased by 11.61% Year-on-Year (YoY) which is 0.36% higher from 11.24% YoY recorded in Sep-19. On a Month-on-Month basis (MoM), the Headline inflation growth advanced by 1.07% in Oct-19 (vs. 1.04% MoM in Sep-19).
- The “All Items less Farm Produce” Index (Core inflation) rate which excludes the prices of volatile agricultural produce increased by 8.88% YoY in Oct-19 which is 0.07% lower than the 8.94% YoY captured in Sep-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 14.09% YoY in Oct-19, 0.58% higher than the 13.51% YoY inflation rate in Sep-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 12.20% YoY in Oct-19 (vs. 11.78% in Sep-19). Also, the Rural Inflation Index advanced by 11.07% YoY in Oct-19 from 10.77% YoY in Sep-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 (+1.49% MoM) composition while the Clothing and Footwear (+0.90% MoM) composition followed suit. The two compositions have a combined weighting of 55.61% on the CPI basket. The CPI basket also witnessed high increases in the Health (+0.86% MoM), Miscellaneous Goods and Services (+0.84%) and Alcoholic Beverage, Tobacco and Kola (+0.83% MoM) compositions.**
- **Amongst several factors, the uptick witnessed in the Headline Inflation rate is largely linked to the resulting scarcity and price hikes on most consumables that have found their way into the domestic market via the land borders before now. We envisage that the Headline Inflation rate will continue its upward trend for the remainder of the year as the prices for consumer good items climb up with the upcoming festivities.**

Headline Inflation Rate

11.61% YoY from 11.24% YoY in Sep-19

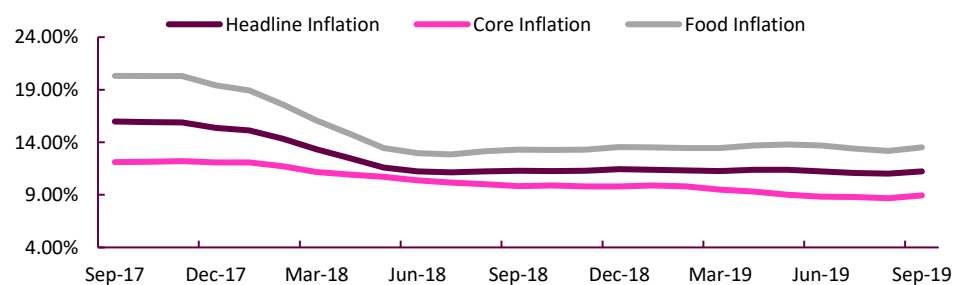
Core Inflation Rate

8.88% YoY from 8.94% YoY in Sep-19

Food Inflation Rate

14.09% YoY from 13.51% YoY in Sep-19

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



Source: NBS, NISL Research