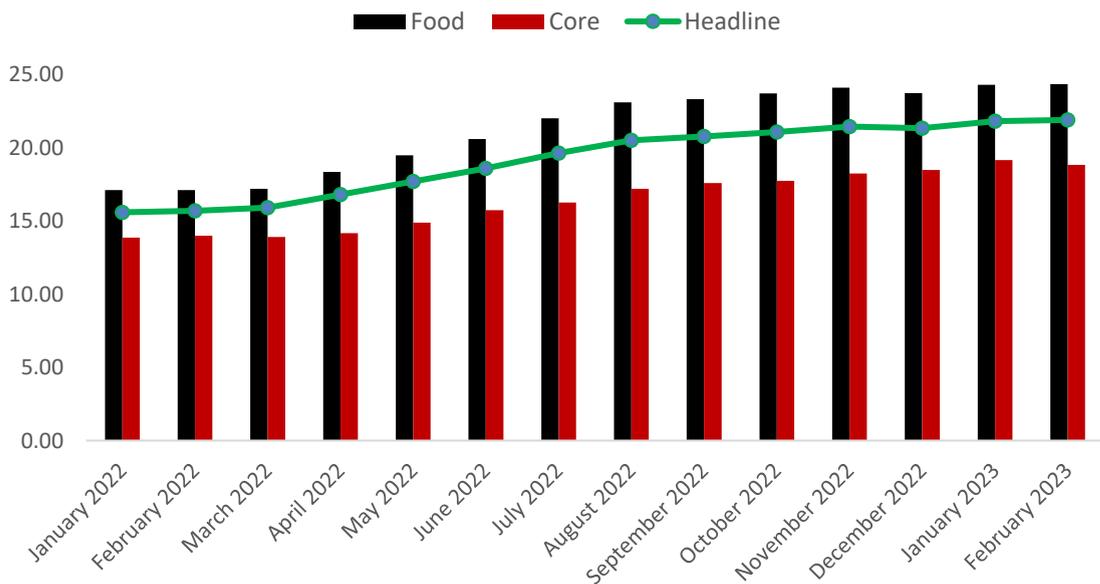


Nigeria's inflation rate rises further to 22.04% in March 2023

Headline Inflation rose for the third time this year in March, as legacy inflationary drivers tightened their grip. The extension of the deadline for the validity of old naira notes contributed to the large increase in March inflation figures as demand improved with more cash in circulation. The CPI rose to 22.04% in March 2023 compared to 21.91% in February 2023 released by the National Bureau of Statistics (NBS). The rate increased by 13 basis points in the review period, representing a 6.13% point higher compared to 15.92% recorded in the corresponding period of last year.

The food inflation rate in March 2023 was 24.45% on a year-on-year basis; which was 7.25% points higher compared to the rate recorded in March 2022 (17.20%). The rise in the food inflation was caused by increases in prices of Bread and cereals, Oil and fat, Potatoes, Yam and other tubers, Fish, Food Product etc.,

Core inflation, which excludes the prices of volatile agricultural produce stood at 19.86% in March 2023 on a year-on-year basis; up 5.94% when compared to the 13.91% recorded in March 2022. [Read more](#)



OUTLOOK

In the coming months we opine that, food and transport prices will be sustained at high levels. This is on the back of expected dry spells in food producing states as well as rising energy prices. For 2023FY, we maintain our bull case expectation of 20.60% average inflation and bear case expectation of 23.04% average inflation.

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