



# Inflation Report

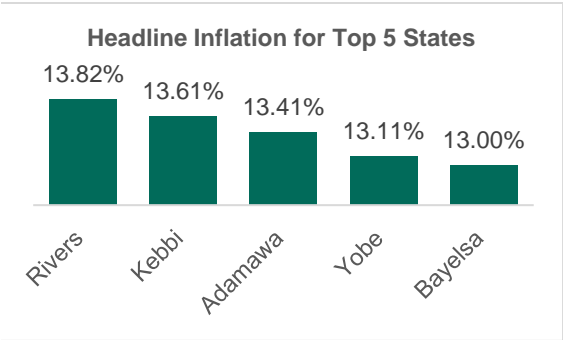
## June 2018

### Headline Inflation Rate Declined for the 17th Consecutive time in June 2018

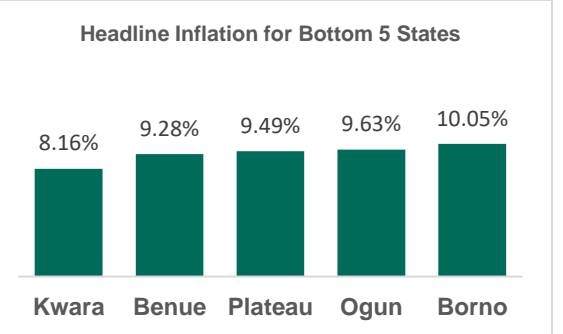
The National Bureau of Statistics (NBS) yesterday, 23 July 2018, released the inflation statistics for June 2018, with the headline inflation at 11.23% year-on-year (YOY). This represents a decline of 0.37% from the previous rate of 11.61% YOY, making it the seventeenth consecutive decline in headline inflation since January 2017. Similarly, the food inflation stood at 12.98% (year-on-year) in June, down from the 13.45% recorded in May 2018.

In June 2018, headline inflation on a year-on-year basis was highest in Rivers (13.82%), Kebbi (13.61%), Adamawa (13.41%), Yobe (13.11%) and Bayelsa (13.00%) while Kwara (8.16%), Benue (9.28%), Plateau (9.49%), Ogun (9.63%) and Borno (10.05%) recorded the lowest rates in headline inflation.

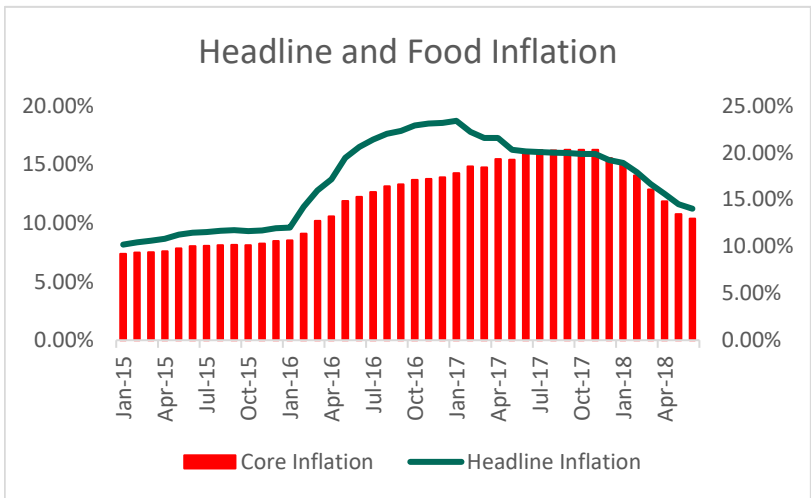
Headline inflation on a year-on-year in commercial cities of Lagos, Kano and Abuja rose to 11.27%, 11.19% and 12.38% respectively.



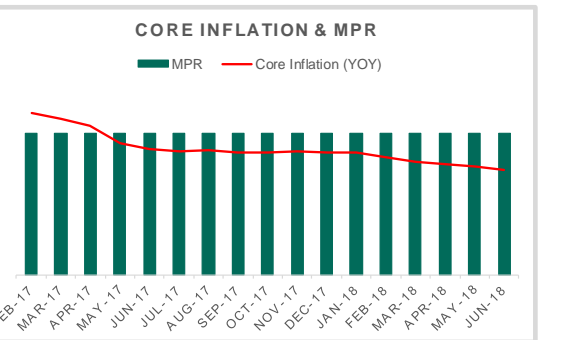
Source: Anchoria AM Research; NBS



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Sources: Anchoria AM Research, NBS



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### Outlook for July Inflation Report

We expect a reverse in the downward trend in the headline inflation on a year-on-year basis in July 2018 due to: sustained pressure on food inflation as herdsman crisis continue in the northern part of the country; reduction in the base year effect; increase in interest rate in the US which will put pressure on the foreign exchange rate; and increase in election spending as we approach electioneering period in the country.

We see the inflation rate increasing marginally to 11.35% in July.

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