

# Ascenix Consulting

## Inflation Report

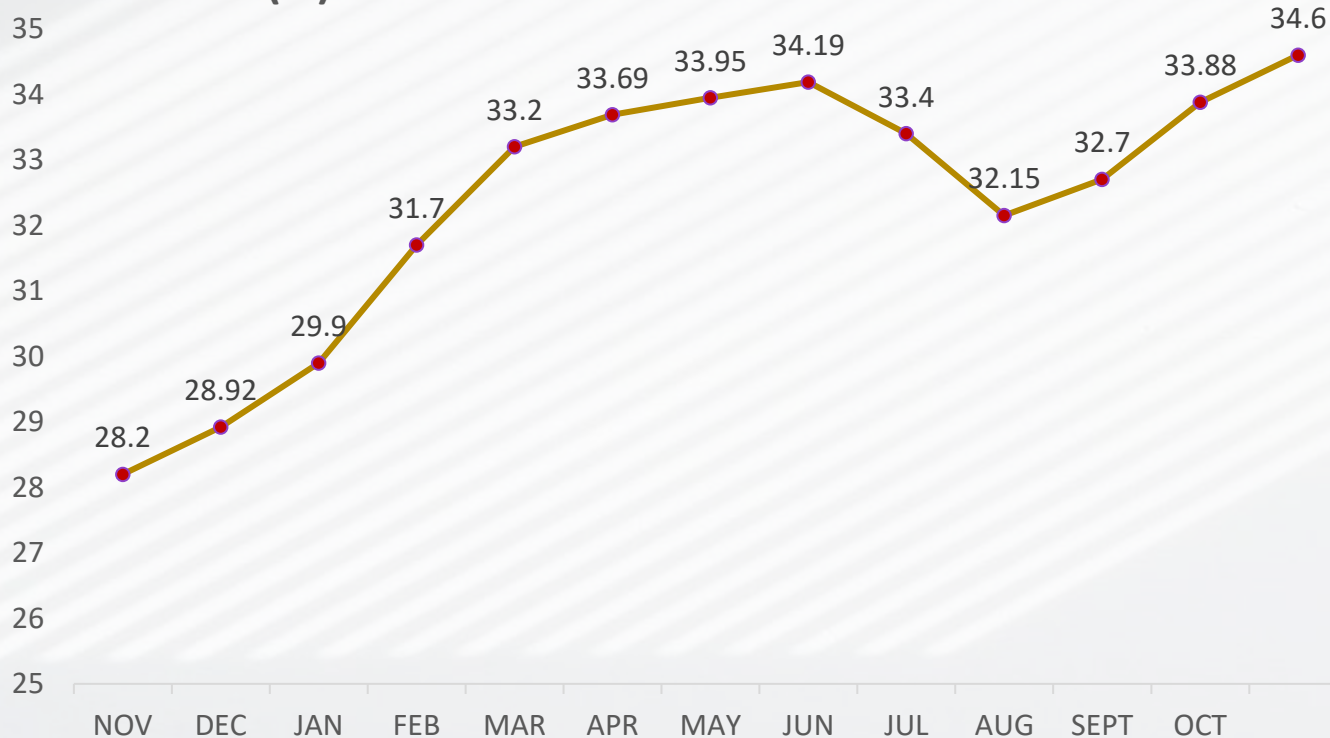
November 2024



# CONSUMER PRICE INDEX PERFORMANCE

Nigeria uses the Consumer Price Index to measure Inflation. It grew in November by **34.60%** year-on-year a **72 Basis Point (BPS)** higher than the October rate which was **33.88%**. This is the **third spike after two consecutive decline from 34.19** to hit the new **28-year all time high**. The Month-on-Month rate declined slightly by **0.2BPS** to be at **2.64%**.

CPI (%) BTW NOVEMBER 2023 & NOVEMBER 2024



**33.88%**

October YoY

**2.64%**

October MoM



**34.60%**

November YoY

**2.64%**

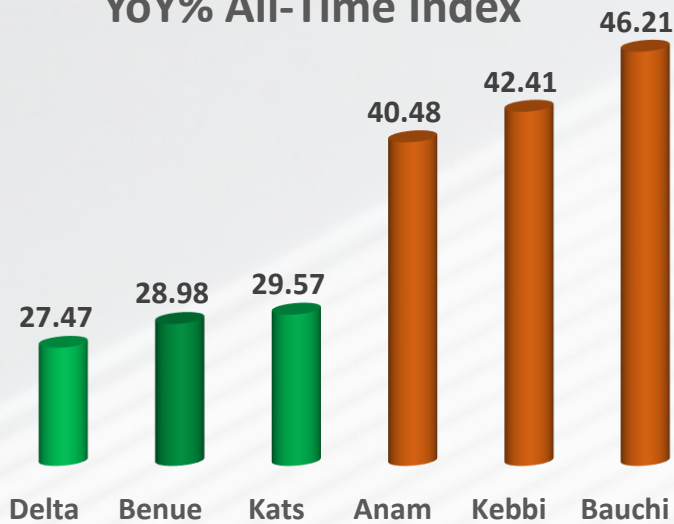
November MoM

## Core Inflation

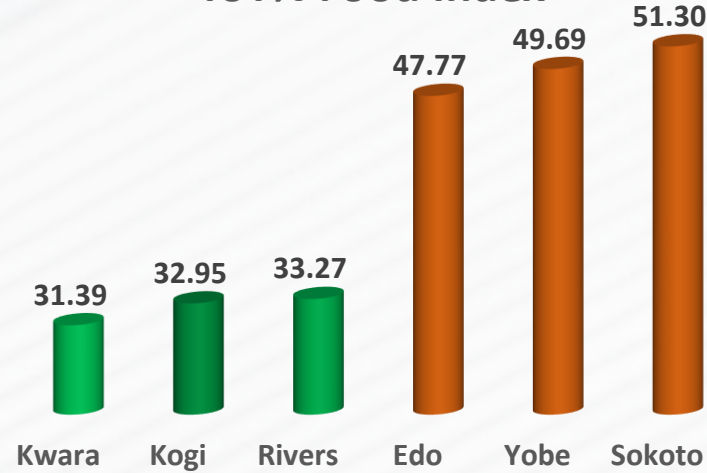
All items less farm produce excludes prices of volatile agricultural produce and energy was positioned at **28.75%** in November 2024 a **38BPS** increase from that of the previous month. On a month-on-month basis, the sub-index increased by **1.83%** in November a decrease of **31BPS** from **2.14%** of the previous month. The average 12-month annual rate of change of the index positioned at **26.64%** a **52BPS** higher than **26.12%** recorded the previous month. The highest increase was in prices of taxi journey per drop, bus journey intercity, Journey by motorcycle, rents, meal at a Local Restaurant and hair cut service, women's hairdressing etc.

# HIGHEST & LOWEST STATES INDEX

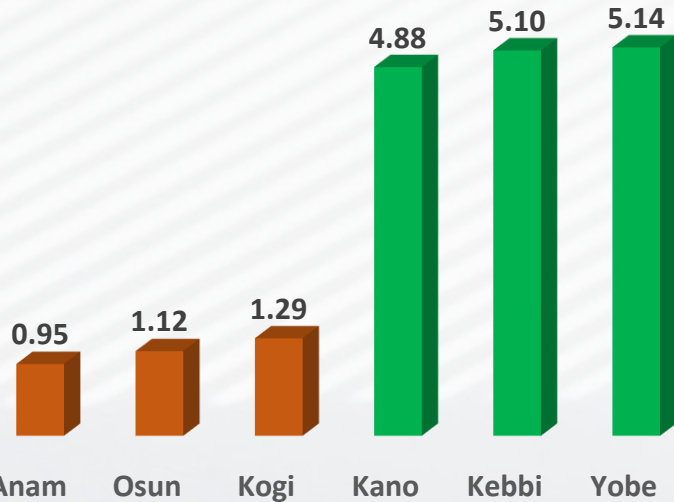
YoY% All-Time Index



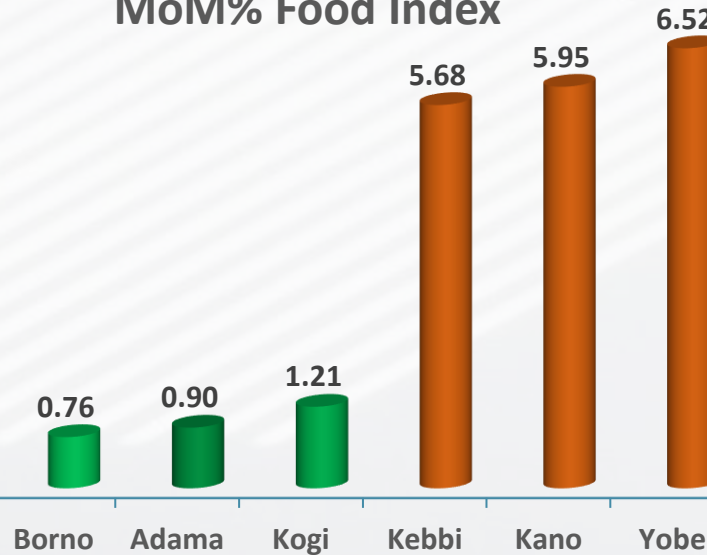
YoY% Food Index



MoM% All-Time Index



MoM% Food Index



## States Inflation

- This measures the expenditure patterns which varies from States to States. The food index increased from the increase in the cost of logistics from revised fuel pump prices resulting in an unexpected market disequilibrium.
- There has been an ease on further depletion of the purchasing power of citizens and belt adjustments by the Nigerian working population class after an upward salary review which has begun full implementation by several local, state, federal government and organizations.
- The index is negatively affected due to the sustained impact of increase in fuel prices, shortage of food supply, increased cost of doing business as the MPC committee hike in the MPR rate is adversely affecting cost of debt funding and would only reduce if inflation steepens.
- There has been increased cost of operations for MSME across every part of the federation

# MAJOR INDEX REFLECTIONS

## Urban-Rural Index

Urban Inflation year-on-year rate increased by **37.10%** in November compared to **36.38%** the previous month. The rural rate increased by **32.27%** from **31.59%** previously recorded the previous month. The twelve-month rate of change for urban stood at **35.07%** in November higher than the previous month by **55BPS**, while the Rural twelve-month rate of change decreased by **88 BPS** to **30.71%**.

## Food Index

The Composite Food Index increased by **39.93%** in November indicating an increase of **77BPS** compared to **39.16%** in previous month. This rise is majorly in prices of Mudfish, Catfish Dried, Dried Fish Sadine, Rice Yam Flour, Millet Whole Grain, Corn Flour, Agric Egg, Powered Milk, Fresh Milk, Dried Beef, Goat Meat, Frozen Chicken etc. On a month-on-month basis, the food sub-index increased by **2.98%** in November 2024 an increase of **4BPS** from **2.94%** recorded the previous month. The average annual rate of change of the food sub-index for the year ending November 2024 over the previous year was **38.67%**, an increase of **55BPS** from **38.12%** the previous month.

## Observations

- The relief from the reduced consumer price index was indeed short-lived as further devaluation hit the Nigerian Naira. The Naira is significantly undervalued when evaluated based on PPP.
- PMS is slowly responding to the slight drop in the cost of crude oil as Dangote refinery slightly lowered cost of lifting from ₦980 to ₦960 per litre.
- Food contributed the most to YoY increase in headline inflation at **17.91%**. The Composite Food Index spiked again after a sharp break from the upward trend climax of **40.87%** to **39.93%** in November 2024.
- The price index projection for December is on an upward trend due to the current outlook across the fiscal and monetary indices available.
- **A precautionary approach to expenditure is pivotal as the nation economy is restructuring.**
- Taking position on Treasury Bills, OMO Bills with **yearly returns > 20%** in the short term.
- The Inflation for the next few months is expected to be above **34.0%**





# Thank You

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Our work is founded on a robust understanding of every client's context, industry dynamics, and macroeconomic environment. We bring functional expertise, depth, and holistic perspective: we capture value across boundaries and between the silos of any entity.

We study markets, trends, and emerging best practices in every industry and region; locally and globally to map out solutions to our client's unique challenges.

We work with organizations in several stages and capacity depending on their need at the time of engagement.

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