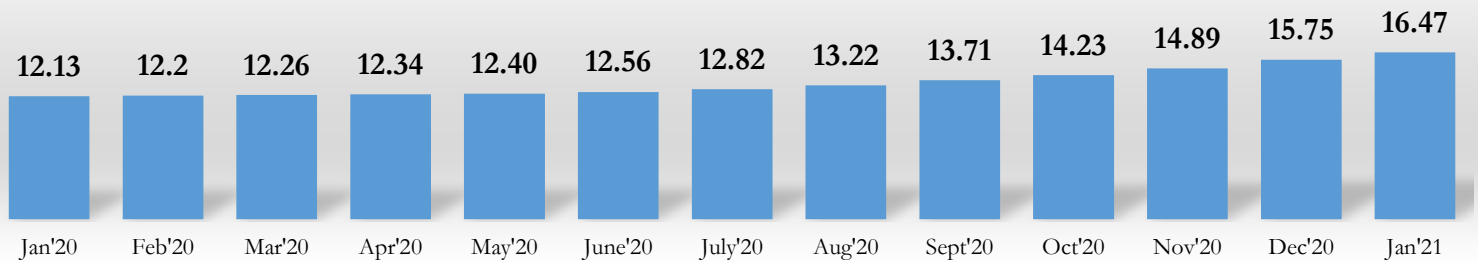




Inflation is the rate at which the general level of prices for goods and services continue to rise and consequently, the purchasing power of currency continue falling when not matched by an increase in the real wage rate.

This edition of the Statistical News contains the revised Consumer Price Index (CPI) based on Nigeria Living Standard Survey (NLSS) 2003/2004. The consumption expenditure data were re-valued to November 2009, which is the base period for the revised CPI. The survey methodology generates 3774 all items indices for all States and the Federal Capital Territory (FCT).

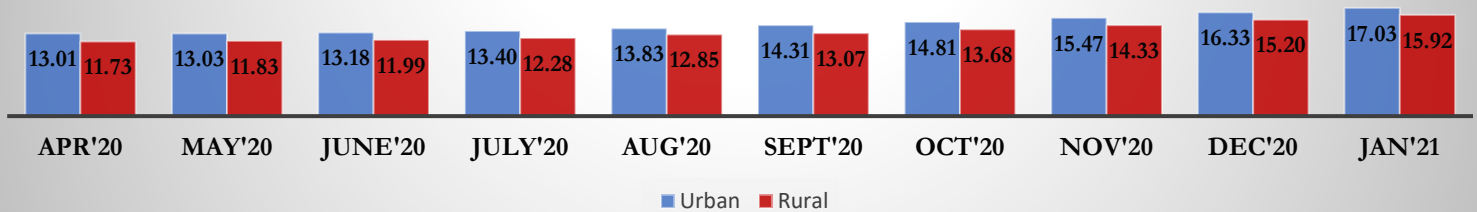
Inflation (%)



Source: National Bureau of Statistics (NBS), Kairos Capital

According to the CPI Report for January 2021 released by the National Bureau of Statistics (NBS), the CPI which measures inflation increased by 16.47% (year-on-year) in January 2021. This is 0.71% points higher than the rate recorded in December 2020 (15.75%). On month-on-month basis, the Headline index increased by 1.49% in January 2021. This is 0.12% points lower than the rate recorded in December 2020 (1.61%).

Urban and Rural Inflation Rate YoY (%)

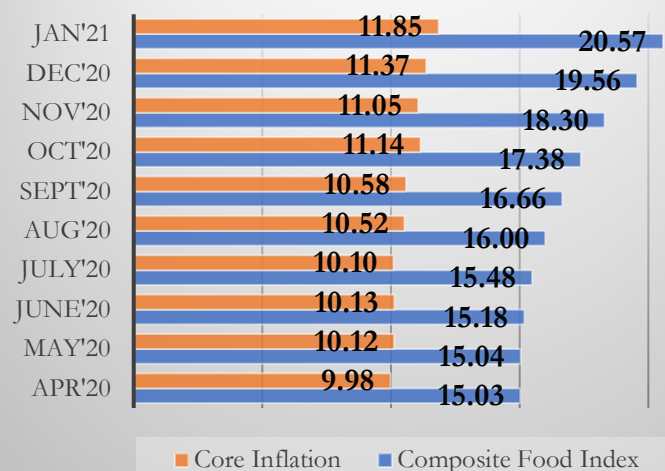


Source: NBS, Kairos Capital Research

The composite food index rose by 20.57% in January 2021 compared to 19.56% in December 2020; increased by 1.83% on month-on-month basis in January 2021, down by 0.22bps from 2.05% recorded in December 2020. This rise in the food index was caused by increases in prices of Bread and cereals, Potatoes, Yam and other tubers, Meat, Fruits, Vegetable, Fish and Oils and Fats.

The "All items less farm produce" or Core inflation, which excludes the prices of volatile agricultural produce stood at 11.85% in January 2021, up by 0.48% when compared with 11.37% recorded in December 2020. The highest increases were recorded in prices of Passenger transport by air, Medical services, Hospital services, Passenger transport by road, Pharmaceutical products, Repair of furniture, Vehicle spare parts, Motor cars, Miscellaneous services relating to the dwelling, Maintenance and repair of personal transport equipment, Paramedical services, Motor cycle, Dental services and Bicycles.

Composite Food Index and Core Inflation Rate YoY (%)



Source: NBS, Kairos Capital Research

State Profiles

States with the Highest All Items YoY Inflation

	State	Inflation Rate
1	Kogi	21.38%
2	Oyo	20.17%
3	Bauchi	19.52%
4	Ebonyi	18.74%
5	Benue	18.33%

5 States with the Lowest All Items YoY Inflation

	State	Inflation Rate
1	Cross River	12.22%
2	Abuja	12.94%
3	Kwara	13.96%
4	Abia	14.03%
5	Enugu	14.26%

5 States with the Highest Food YoY Inflation

	State	Inflation Rate
1	Kogi	26.64%
2	Oyo	23.69%
3	Rivers	23.49%
4	Benue	22.97%
5	Kwara	22.76%

5 States with the Lowest Food YoY Inflation

	State	Inflation Rate
1	Bauchi	16.37%
2	Abuja	16.73%
3	Ondo	17.20%
4	Katsina	17.62%
5	Nasarawa	17.93%

Source: NBS, Kairos Capital Research

All Items Inflation Rate: In January 2021, Kogi State recorded the highest year-on-year all items inflation rate of 21.38% followed by Oyo State with 20.17%, and Bauchi State which recorded a 19.52% inflation rate. Meanwhile the States with the lowest rise in inflation rate were Cross River State (12.22%), Abuja (12.94%), and Kwara State with 13.96%.

Food Inflation Rate: In January 2021, Kogi State recorded the highest year-on-year food inflation rate of 26.64%, followed by Oyo State with 23.69% and Rivers State, which recorded 23.49%. On the other hand, Bauchi State recorded the lowest rise in food inflation, having recorded a 16.37% increase, followed by Abuja with 16.73% and Ondo State with 17.20%.