

# CBN HOLDS ITS FIRE





# MPC DECISION

**MPR = 27.50%p.a**

**ALL PARAMETERS LEFT UNCHANGED**

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**IN THE LAST 2 YEARS**



**HIKE**  
**6 TIMES**



**STATUS QUO**  
**3 TIMES**



**REDUCTION**  
**0 TIME**



**Interest rate hike**

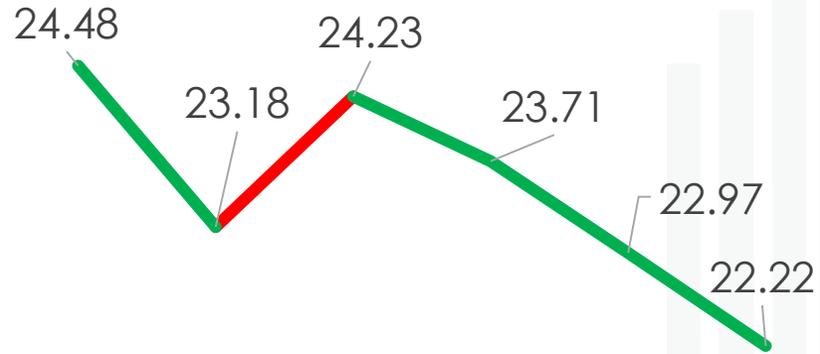
**8.75%**



# ITS ALL ABOUT INFLATION

## HEADLINE DOWN

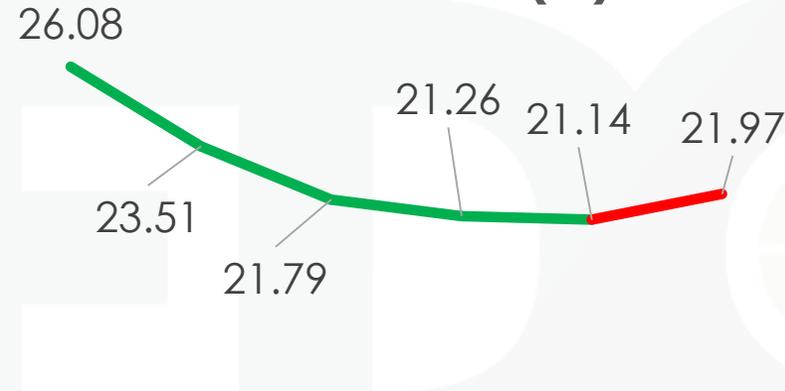
Headline Inflation (%)



Third consecutive monthly decline in June

## FOOD UP

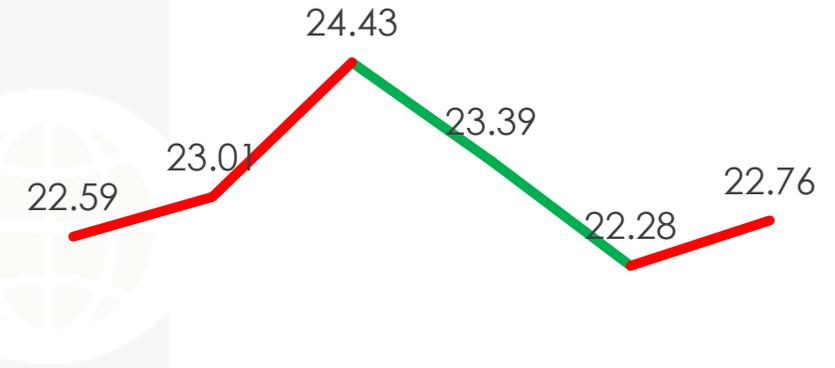
Food Inflation (%)



First increase in 5 months in June

## CORE UP

Core Inflation (%)



Reverses downward trend in June

Structural Rigidities are stoking Inflation

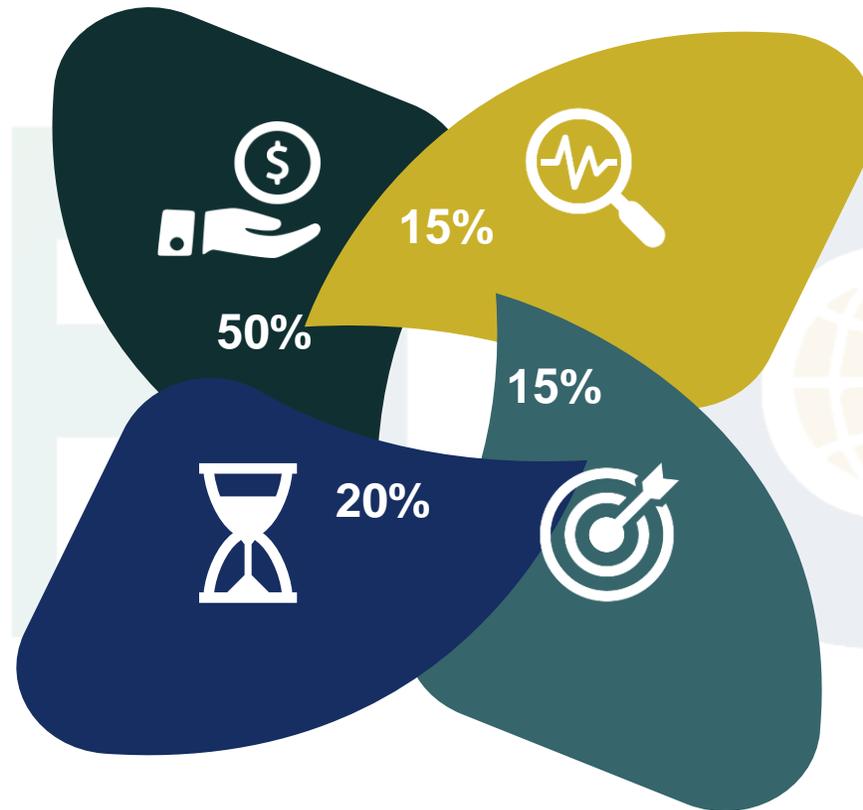
# INFLATION - THE HYDRA-HEADED BEAST

## Exchange rate

Gained 6.6% in the last 2 months to ₦1,528/\$

## Logistics Cost

PMS price down 4.4% to ₦865/litre



## Supply chain disruption

Flooding in Northern Nigeria

## Money supply growth

Down to 19.92% in May 2025

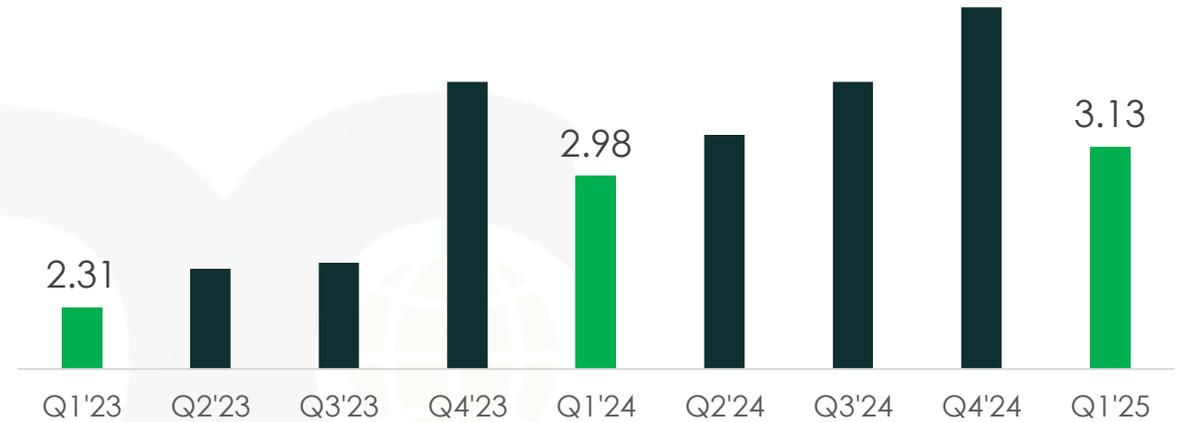
**YET TO BE TAMED**

# REBASED GDP – LIMPING IS NOT LEAPING

## Nigeria's 2024 GDP (rebased) - \$250 billion

- ❑ New Africa Ranking = 4<sup>th</sup>
- ❑ New Global Ranking = 40<sup>th</sup>
- ❑ Income per Capita = \$1,071
- ❑ Share of global GDP = 0.23%
- ❑ Share of global population = 2.9%

Nigeria's Real GDP Growth Rate (%)



- Economic growth shows an upward trend in the last 2 years
- Growing sectors in Q1'25 include power, upstream & downstream oil, & agric. sector

# IS NAIRA APPRECIATION SUSTAINABLE ? - POSSIBLY

NAIRA/DOLLAR ₦/\$

1,528

GAINED

8%

YTD

U.S. DOLLAR INDEX (\$)

97.73

DOWN

10%

YTD

NAIRA/POUND ₦/£

2,100

DOWN

1%

YTD

NAIRA/EURO ₦/€

1,788

DOWN

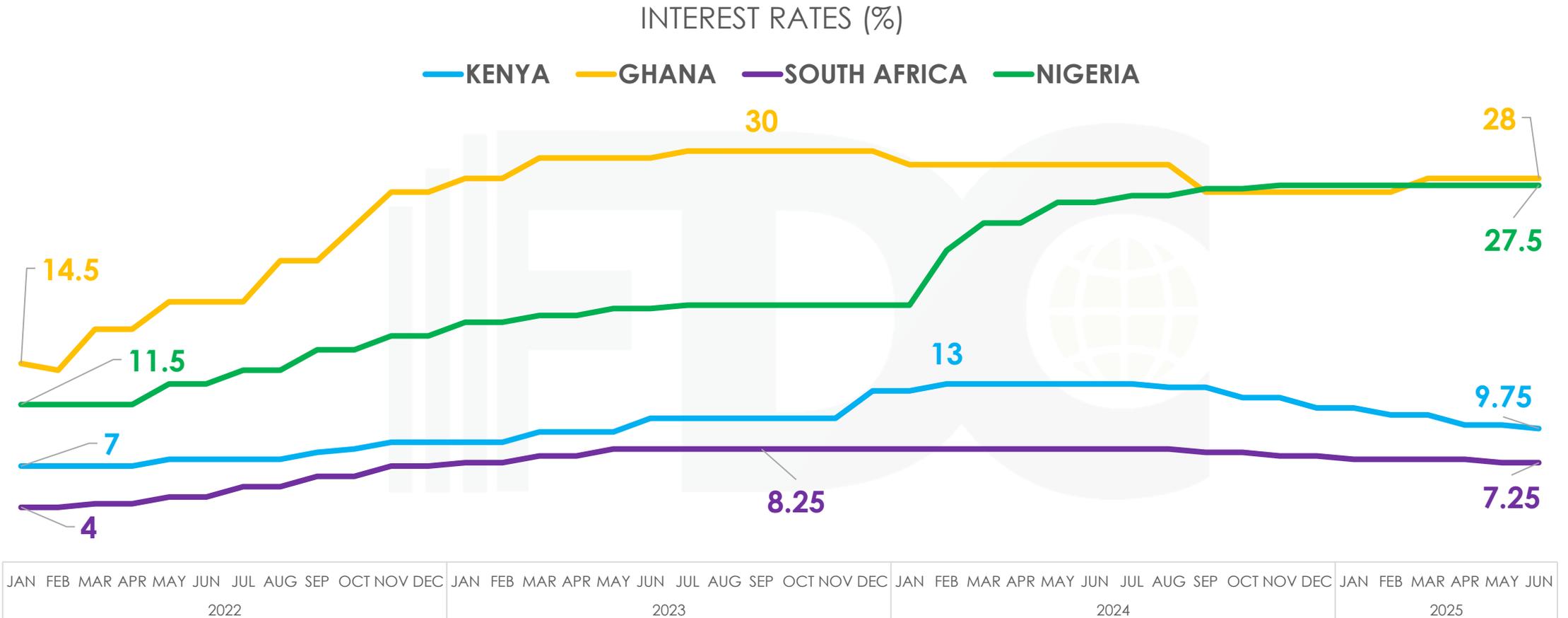
4%

YTD

Naira has gained only against a weaker U.S. Dollar

If oil prices fall below \$65pb, Naira will weaken

# NIGERIA BUCKING THE TREND IN SSA



Nigeria's rate is up, all other rates are coming down



# FOOD INFLATION BASKET

7 ITEMS – 6 PRICES UP, 1 DOWN

## HIGHER PRICES



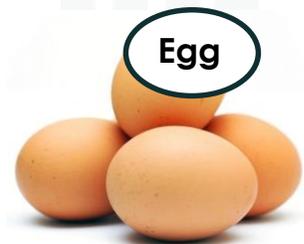
**Rice**  
**1 Bag**  
July 2024: N84,000  
Current Price: N87,000  
**UP BY 3.57%**



**Wheat**  
**50 Kg**  
July 2024: N59,500  
Current Price: N65,000  
**UP BY 10.17%**



**Chicken**  
**1 Kg**  
July 2024: N4,500  
Current Price: N5,500  
**UP BY 22.22%**



**Egg**  
**1 Crate**  
July 2024: N5,200  
Current Price: N5,500  
**UP BY 5.77%**



**Tomatoes**  
**1 Basket**  
July 2024: N60,000  
Current Price: N110,000  
**UP BY 83.33%**



**Pepper**  
**50 kg**  
July 2024: N60,000  
Current Price: N90,000  
**UP BY 50%**

## LOWER PRICES



**Garri**  
**50kg**  
July 2024: N46,000  
Current Price: N33,000  
**DOWN BY 28.26%**



# NON-FOOD BASKET

## 5 ITEMS – 4 PRICES UP, 1 DOWN

### HIGHER PRICES

#### Road Transport



#### Lagos to Benin

July 2024: N25,000  
Current Price: N28,250

**UP BY 13%**

#### Air Transport



#### Lagos to Abuja (Round Trip)

July 2024: N152,000  
Current Price: N200,000

**UP BY 31.58%**



#### Petrol (1 litre)

July 2024: N770  
Current Price: N865

**UP BY 12.21%**

#### Lonart Syrup



July 2024: N3,800  
Current Price: N4,600

**UP BY 21.05%**

### LOWER PRICES

#### Cooking Gas



July 2024: N15,060  
Current Price: N11,875

**DOWN BY 21.15%**

# AVOIDING HAPPY STATISTICS & UNHAPPY PEOPLE



- ✓ Inclusive Growth
- ✓ Equitable Distribution of Income
- ✓ Reduction in Poverty Levels



# WHAT TO EXPECT BY INDEPENDENCE DAY (Q4)

## SURVIVORS

Food



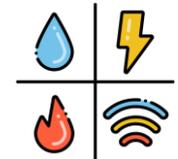
Transport Fare



House Rent

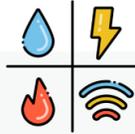


Electricity



## CORPORATES

Utilities



Diesel



Borrowing costs



Spare Parts & Raw Materials



## ELITES

Airline tickets



Int'l school fees



Luxury goods



# OUTLOOK

- Oil prices to trade between \$65-\$70pb, as geopolitical tensions cool
- Oil production to maintain upward trend towards 1.5mbpd
- Naira to remain stable, trading between ₦1,500- ₦1,550/\$ (parallel)
- Headline inflation to fall towards 22% in July - August
- Stock market to rally by 2% in August
- MPC may ease rates by 25bps in September

