

## Key Macroeconomic Indicators:

**March Inflation: 33.20% (previous: 31.70% in February 2024)**

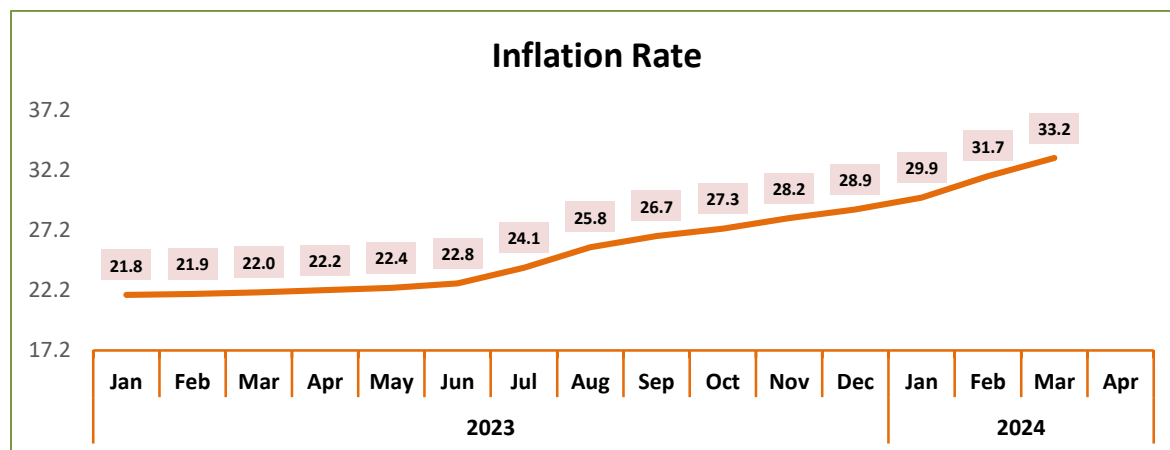
**MPR: 24.75%**

**GDP: 2.74% (2023 FY)**

### Macroeconomic Update: Upward Surge Maintained - Inflation increased to 33.20%.

As always the NBS releases its monthly forecast of the inflation, its recent publication shows inflation rate continued to soar. For the month of March 2024, the headline inflation maintained its upward surge from last month's record to settle at 33.20%.

The new rate is 150 basis point higher than the rate recorded in February 2024 (31.70%) and 11.16% higher than the rate registered in March 2023 which was 22.04%. Likewise, food and core indices increased to 37.92% and 25.13% respectively.



**Source: NBS, ASAM Research**

Enunciating food inflation, it contributed 40.01% caused by increase in prices Garri, Millet, Akpu Uncooked Fermented, Yam Tuber, Water Yam, Dried Fish Sadine, Mudfish Dried, Palm Oil, Vegetable Oil, Beef Feet, Beef Head, Liver (under Meat class), Coconut, Water Melon, Lipton Tea, Bournvita, Milo (under Coffee, Tea and Cocoa Class).

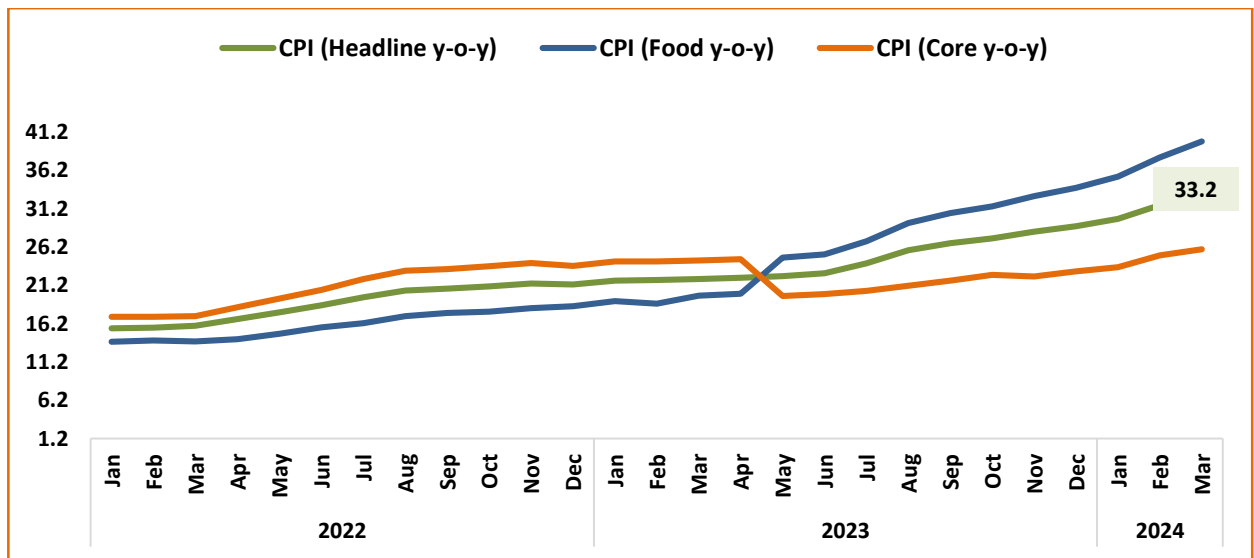
On a m/m basis, food inflation increased by 58bp to 3.62% (vs 3.79% registered in February 2024 m/m).

On the flip side, core inflation recorded 25.90%, owing to increase in prices of Bus Journey within the city (under Passenger Transport by Road class), Actual and Imputed Rentals for Housing, Consultation Fee of a medical doctor (under Medical Services class), and pharmaceutical products, etc.

On a m/m basis, core inflation decreased by 7basis point to 2.54% (vs 2.17% registered in February 2024 m/m).

The naira rebounds to appreciate against the dollar, this is meant to drive down the pieces of goods and services but there is lag effect before the naira appreciation can be felt in the economy. Antagonistic to the naira appreciation is the continuous high cost of living strengthen by high oil product prices and the recent increase in electricity tariffs.

The CBN has not backed down from its objective to tame the inflation with persistently increasing the MPR which it currently increase by 200 basis point to 24.74% from 22.75%.



Source: NBS, ASAM Research

## Outlook/Recommendation

The rate of increase is reducing, this is evidence in the rate of increase in March inflation figure is less than the rate of increase recorded in February 2024. There is a possibility of inflation reducing in the next two to three months, but with the current reality, inflation figure will still increase in April but would be marginal.

Investors continued to participate and allocate more in the fixed income space as rate remains high for both government and corporate fixed income instruments. The equities market continue to take the hit as prices of most stocks continued to decrease and NGX mostly bearish in the past weeks.

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