



Inflation rate continues upward surge to 31.7% in July 2022 as cedi depreciates by more than 25% YTD mainly driven by transport cost due to the sustained global energy prices, which has seen the price of gasoline hit record highs, as crude oil prices remain elevated.

INFLATION

- ❖ Inflation increased from 29.8% in June to settle at 31.7% in July 2022
- ❖ Month-on-Month (June 2022 – July 2022) inflation was 3.1%
- ❖ Transport inflation was 43.0% surpassing both Food and Non-Food Inflation of 32.3% and 30.7% respectively
- ❖ Inflation for imported goods was 33.9% while inflation for local goods was 30.9%
- ❖ Eastern Region recorded the highest regional inflation of 38.1% whilst Upper East recorded the lowest at 19.8%

The year-on-year inflation rate as measured by CPI was 31.7% in July 2022, a rise compared to the 29.8% recorded in June 2022, representing a month-on-month inflation increase of 3.1%. The rate was mainly driven by transport costs which saw a 44.6% rise in inflation compared to 41.6% in June followed by Housing, Water, Electricity, Gas and Other Fuels (43.0%); Furnishings, Household Equipment and Routine Household Maintenance (42.0%) and Recreation, Sport and Culture (33.8%). The headline inflation rate is more than double the upper ceiling of the central bank's inflation target band of 8+/-2%.

Food inflation increased to 32.3% which is up from June's food inflation of 30.7%. Non-food inflation stood at 31.3%, compared to 29.1% recorded the previous month. Overall month-on-month food inflation was 3.3%. Inflation for imported goods was 33.9% while inflation for local goods was 30.9%. For four (4) months running, inflation for imported items exceeded domestic inflation.

At the regional level, the Eastern Region recorded the highest inflation rate of 38.1% while the Upper East Region recorded the lowest inflation rate of 19.8%.

Notably, inflation rate at 31.7% is the fastest pace since November 2003, also marking the 11th consecutive month that the rate has exceeded the top of the central bank's target band of 8+/-2%. This implies that the purchasing powers of Ghanaians have been further eroded, despite measures by the central bank to tame the uptick.

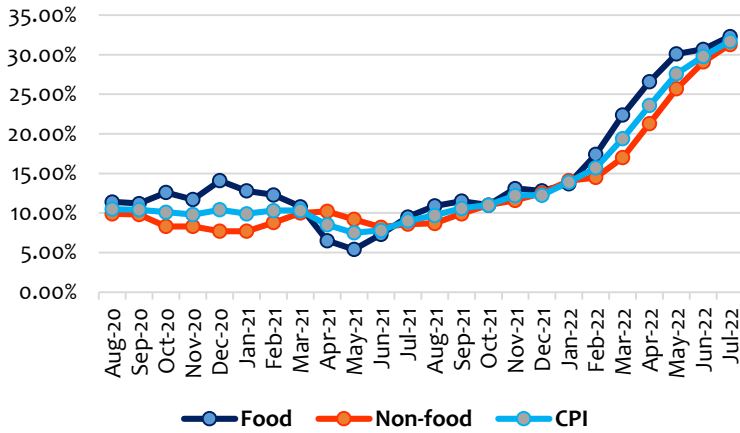
MONTH	CPI (2018=100)	CHANGE (INFLATION %)	
		MONTHLY	YEARLY
JUL - 2021	131.3	1.6	9
AUG	131.7	0.3	9.7
SEP	132.6	0.6	10.6
OCT	133.3	0.6	11
NOV	135.2	1.4	12.2
DEC	136.9	0.4	12.6
JAN - 2022	139.7	2.1	13.9
FEB	143.0	2.4	15.7
MAR	148.8	4.0	19.4
APR	156.5	5.1	23.6
MAY	162.8	4.1	27.6
JUN	167.7	3.0	29.8
JUL	173.0	3.1	31.7

Outlook

Our outlook for inflation remains negative as a continuous slump in the value of the cedi will raise the cost of imported goods like gasoline and cooking oil. Also, the world is battling with unprecedented levels of high inflation rates as a result of the Russia-Ukraine war, which triggered a surge in crude oil prices and consequently a global energy crisis. The spike in oil prices as the conflict continues to soar is expected to drive overall inflation higher in coming months. Hence, Ghana having high exposure to importation will suffer huge rise in the cost of living.

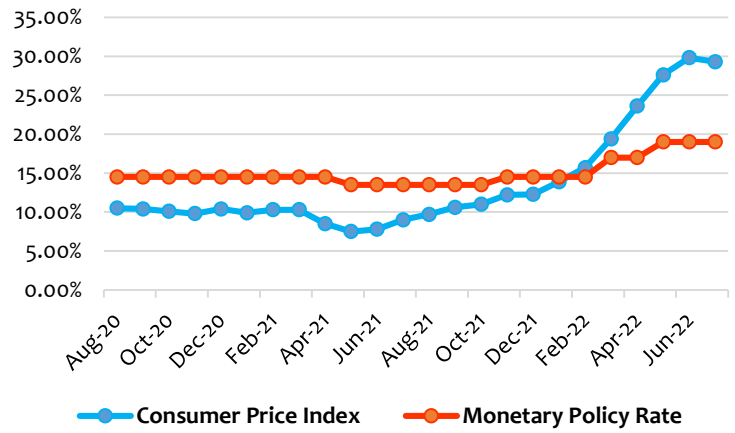


CONSUMER PRICES



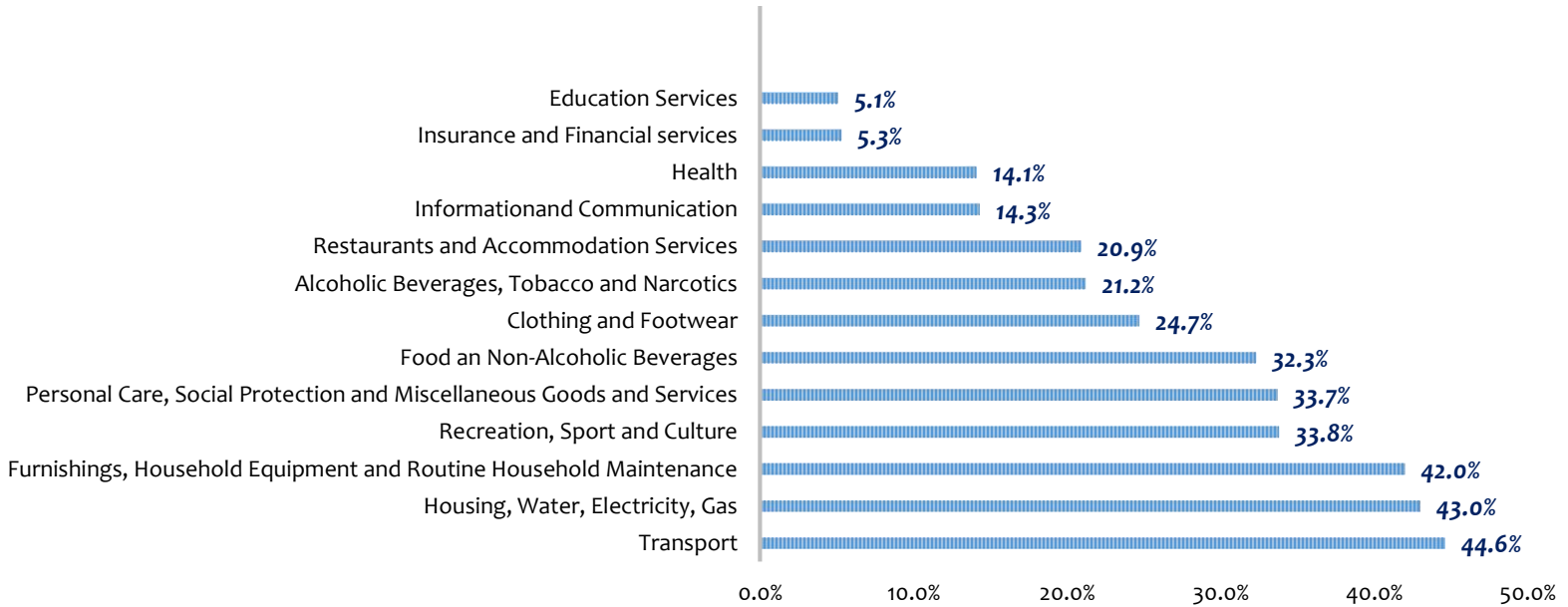
Source: Ghana Statistical Service

CPR vs MPR



Source: Ghana Statistical Service, Bank of Ghana

INFLATION BREAKDOWN Y-O-Y CHANGE



Source: Ghana Statistical Service

HOW IS CPI AND INFLATION MEASURED?

- Prices are collected for approximately 39,500 products every month.
- Price collection is done in 44 markets
- Prices are collected from 7,726 outlets.
- Products are ordered in a hierarchy of 13 Divisions, 44 Groups, 98 Classes, 156 Subclasses and 307 Items
- Every Item can only be part of one Subclass, and every Subclass can only be part of one Class, etc.

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