



Inflation rate continues upward surge as it hits 29.8% for the month of June 2022, a new 19-year peak and marking a full year of quickening price growth mainly driven by transport cost and food prices

INFLATION

- ❖ Inflation increased from 27.6% in May to settle at 29.8% in June 2022
- ❖ Month-on-Month (May 2022 – June 2022) inflation was 3.0%
- ❖ Transport inflation was 41.6% surpassing both Food and Non-Food Inflation of 30.1% and 25.7% respectively
- ❖ Inflation for imported goods was 31.3% while inflation for local goods was 29.2%
- ❖ Eastern Region recorded the highest regional inflation of 35.8% whilst Upper East recorded the lowest at 21.0%

Inflation rate in June had accelerated much faster than expected to the highest level in almost 19 years reaching 29.8%. The rate was mainly driven by transport costs which saw a 41.6% rise in inflation compared to 39.0% in May followed by Household Equipment and Maintenance (39.6%), Housing, Water, Gas and Electricity (38.4%) and Food and Non-Alcoholic Beverages (30.7%). The month-on-month inflation between May 2022 and June 2022 stood at 3.0%. 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 marginally to 30.7% which is up from May's food inflation of 30.1%. Non-food inflation stood at 29.1%, compared to 25.7% recorded in May. Overall month-on-month food inflation was 2.3%. Inflation for imported goods was 31.3% while inflation for local goods was 29.2%. For three (3) months running, inflation for imported items exceeded domestic inflation.

At the regional level, the Eastern Region recorded the highest inflation rate of 35.8% while the Upper East Region recorded the lowest inflation rate of 21.0%.

Government Statistician, Professor Samuel Kobina Annim, during the announcement asserted that a downward trend in inflation was dependent on the interventions that policymakers would put in place to check the rate of inflation.

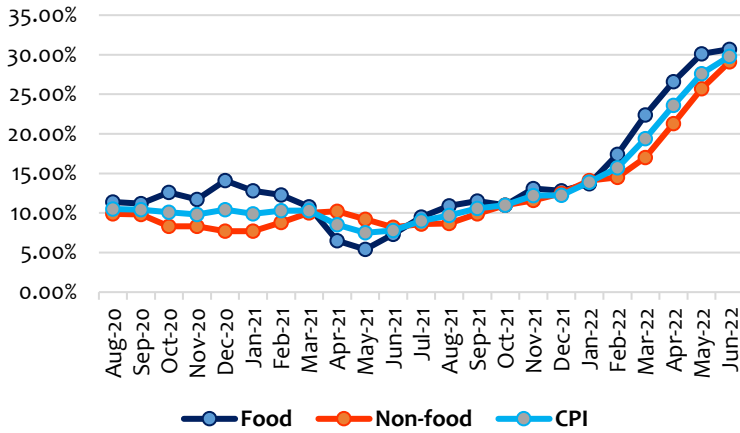
MONTH	CPI (2018=100)	CHANGE (INFLATION %)	
		MONTHLY	YEARLY
JUN - 2021	129.2	1.3	7.8
JUL	131.3	1.6	9
AUG	131.7	0.3	9.7
SEP	132.6	0.6	10.6
OCT	133.3	0.6	11
NOV	135.2	1.4	12.2
DEC	136.9	0.4	12.6
JAN - 2022	139.7	2.1	13.9
FEB	143.0	2.4	15.7
MAR	148.8	4.0	19.4
APR	156.5	5.1	23.6
MAY	162.8	4.1	27.6
JUN	167.7	3.0	29.8

Outlook

Our outlook for inflation remains negative on the back of rising input costs and weaker exchange rates of the local currency. Higher inflation will be a drag on overall economic activity in coming months. As around one-fifth of Ghana's cereals come from Russia, which is fighting a war in Ukraine that has sent prices for global commodities like wheat and oil soaring, we expect Russia-Ukraine conflict to have adverse effect on both economic growth as well as inflation. The spike in oil prices as the conflict continues to soar is expected to drive overall inflation higher in coming months.

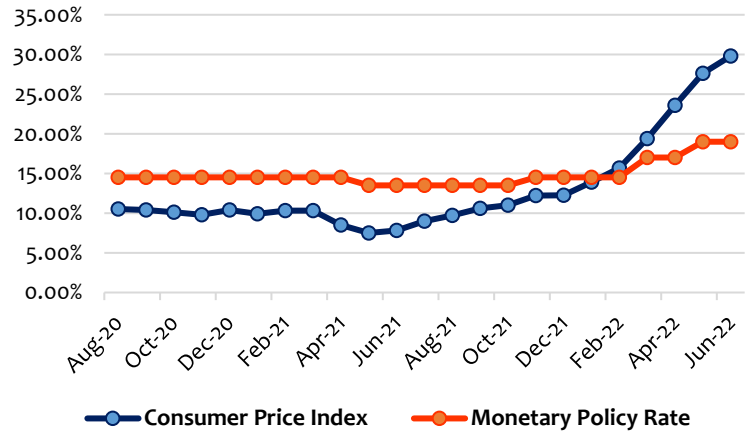


CONSUMER PRICES



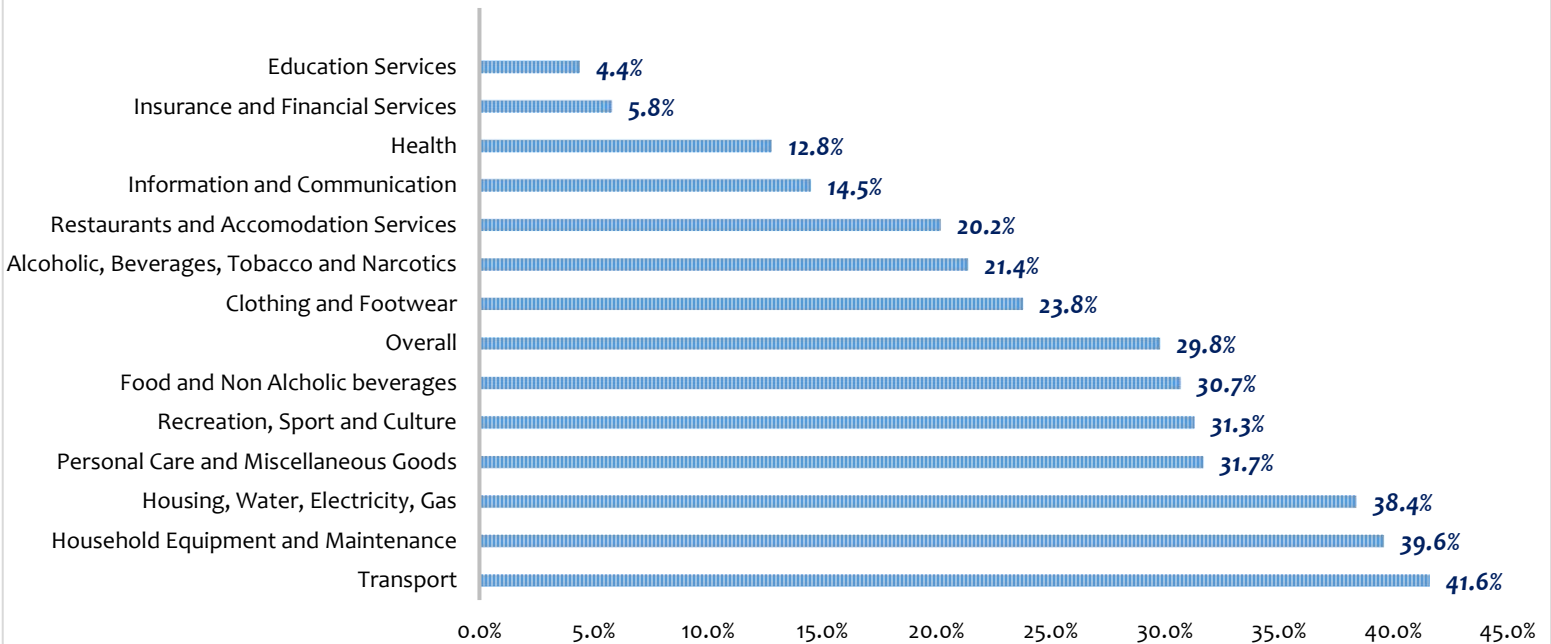
Source: Ghana Statistical Service

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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