



Ghana's annual inflation rate accelerated for the 17th straight month to 40.4% in October of 2022 amid the rapid devaluation of the cedi during the month.

INFLATION

- ❖ Inflation increased from 37.2% in September to settle at 40.4% in October 2022
- ❖ Month-on-Month (September 2022 – October 2022) inflation was 2.7%
- ❖ Housing, water, electricity, gas and other fuels inflation rate of 69.6% surpassed the national average of 40.4%
- ❖ Inflation for imported goods was 43.7% while inflation for local goods was 39.1%
- ❖ Eastern Region recorded the highest regional inflation of 51.1% whilst Volta Region recorded the lowest at 25.8%

The inflation rate increased by 320 basis points (bps) from 37.2% in September to reach an all-year high of 40.4% in October. The drivers of inflation appeared unchanged from the previous month as Housing, Water, Electricity, Gas, and Other Fuels rose to 69.6% rise in inflation compared to the 68.8% recorded in September, followed by Furnishings, Household Equipment, and Maintenance (55.7%); Transport (46.3%); Personal Care, Social Protection and Miscellaneous Goods and Services (45.5%) and Food and Non-Alcoholic Beverages (43.7%) which all recorded increases year-on-year. The month-on-month inflation between September 2022 and October 2022 rose by 70bps to reach 2.7%. The inflation rate remains well above the central bank's inflation target band of 8+/-2%.

Food inflation increased to 43.7% which is up from September's food inflation of 37.8%. Non-food inflation stood at 37.8%, compared to 36.8% recorded the previous month. Overall month-on-month food inflation was 3.2% while non-food inflation stood at 2.3%. Inflation for imported goods was 43.7% while inflation for local goods was 39.1%. For the seventh consecutive month running, inflation for imported items exceeded domestic inflation. At the regional level, the Eastern Region once again recorded the highest inflation rate of 51.1% while the Volta Region recorded the lowest inflation rate of 25.8%.

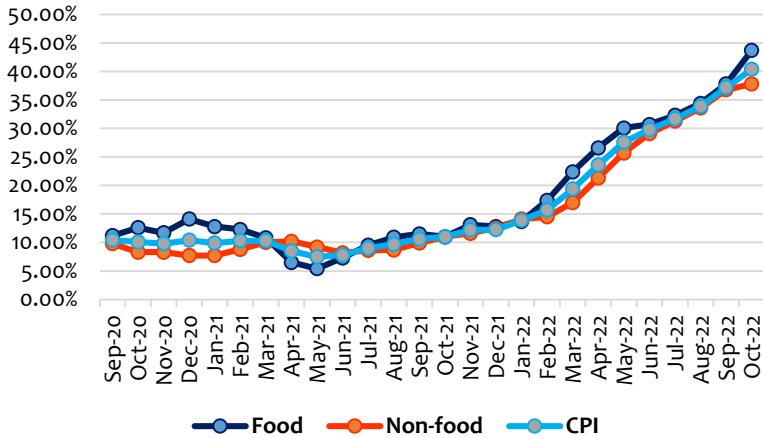
MONTH	CPI (2018=100)	CHANGE (INFLATION %)	
		MONTHLY	YEARLY
OCT - 2021	133.3	0.6	11.0
NOV	135.2	1.4	12.2
DEC	136.9	0.4	12.6
JAN - 2022	139.7	2.1	13.9
FEB	143.0	2.4	15.7
MAR	148.8	4.0	19.4
APR	156.5	5.1	23.6
MAY	162.8	4.1	27.6
JUN	167.7	3.0	29.8
JUL	173.0	3.1	31.7
AUG	176.3	1.9	33.9
SEP	140.6	2.0	37.2
OCT	144.4	2.7	40.4

Outlook

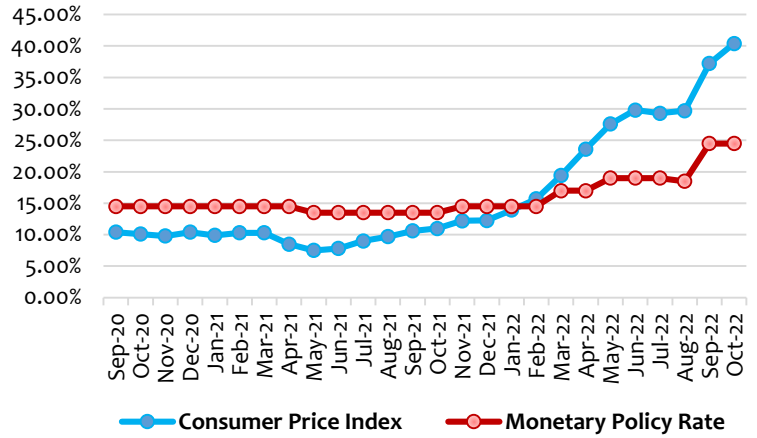
Our inflation outlook is unchanged. We expect inflation rate to remain relatively high in the near term as the sustained devaluation of the cedi means BDCs would continue to adjust the cost of imported fuel upwards. The consequential effects will be fuel price hikes at the pumps by OMCs, increments in transportation fares, and increasing cost of production to firms. We expect transportation inflation to significantly contribute to the rise in price levels of goods and services across the nation.



CONSUMER PRICES

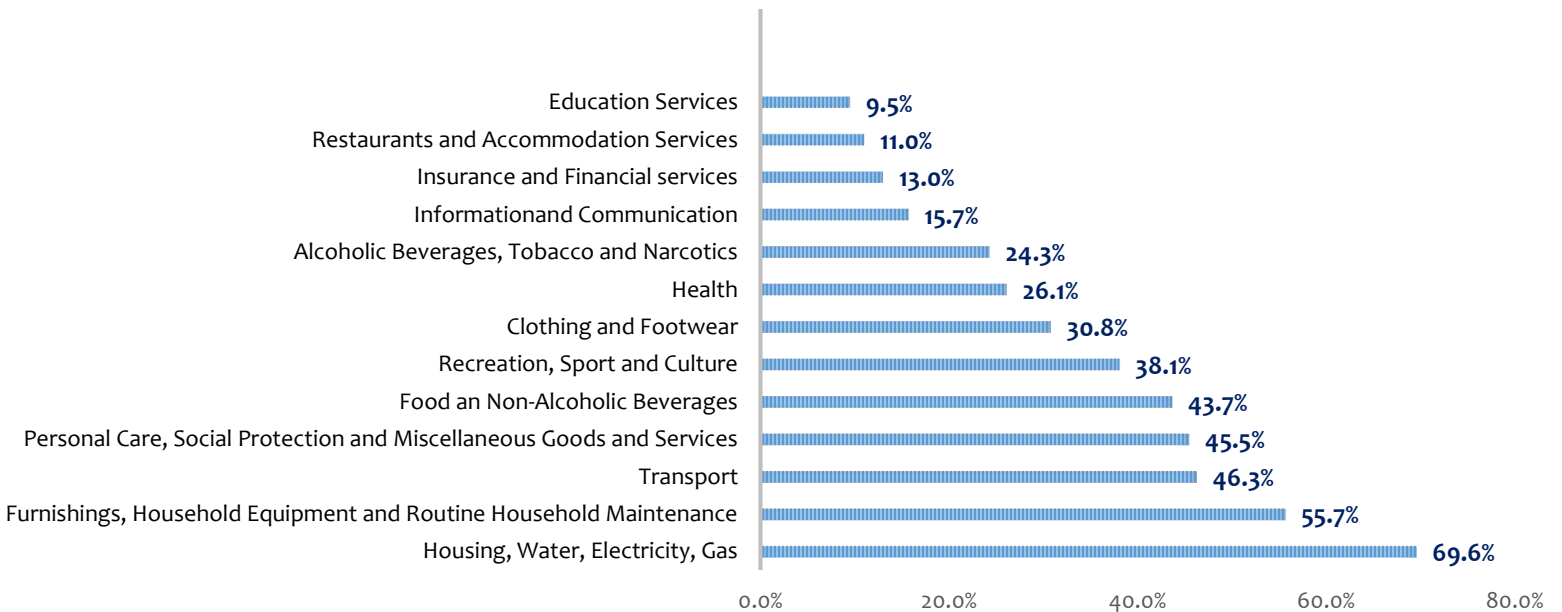


CPR vs MPR



Source: Ghana Statistical Service

INFLATION BREAKDOWN Y-O-Y CHANGE



Source: Ghana Statistical Service

HOW IS CPI AND INFLATION MEASURED?

- Prices are collected for approximately 47,877 products every month.
- Price collection is done in 57 markets
- Prices are collected from 8,337 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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