

**HIGHLIGHTS: Headline inflation declined 380bps from 45.0% in March 2023 to 41.2% year-on-year in April 2023.**

Inflation rate in April 2023 recorded a marginal decline of 380 bps from 45.0% in March 2023 to 41.2%. The decline was observed across the food and non-food groups which recorded a year-on-year inflation rate of 48.7% and 35.4% from 50.8%, from 40.6% respectively. The Food and non-alcoholic beverages [48.7%], Transport [42.5%] and Housing, Water, Electricity, Gas and Other Fuels [59.0%] divisions which makes up about three quarters of the rate of inflation captured in April 2023 all recorded declines.

Local inflation continued on a downward trend recording a decline of 370bps year-on-year recording 38.2% for the month of March 2023. Imported inflation also declined rather sharply by 850bps from 51.6% in March to 43.1% year-on-year for the month of April. This was expected on the back of falling crude prices amid a period of stable currency movements.

On a month-on-month basis, an inflation of 2.4% was recorded between March 2023 and April 2023. Similarly, Food inflation and Non-food inflation recorded rates of 4.3% and 0.7% respectively month-on-month. Five regions recorded inflation rate higher than the national average of 41.20% with the Western North Region recording the highest rate of 64.00%. The Volta Region remains the region with the least inflation recording an inflation rate of 28.00%.

TREND OF INFLATION

MONTH	CPI	INFLATION	
		MONTHLY	YEARLY
APR. '22	156.5	5.1%	23.6%
OCT. '22	144.4	2.7%	40.4%
NOV. '22	156.8	8.6%	50.3%
DEC. '22	162.8	3.8%	54.1%
JAN. '23	165.6	1.7%	53.6%
FEB. '23	168.7	1.9%	52.8%
MAR. '23	166.6	-1.2%	45.0%
APR. '23	170.5	2.4%	41.2%

Source: Ghana Statistical Service

Inflation decreased from 45.0% in March 2023 to settle at 41.2% in April 2023.

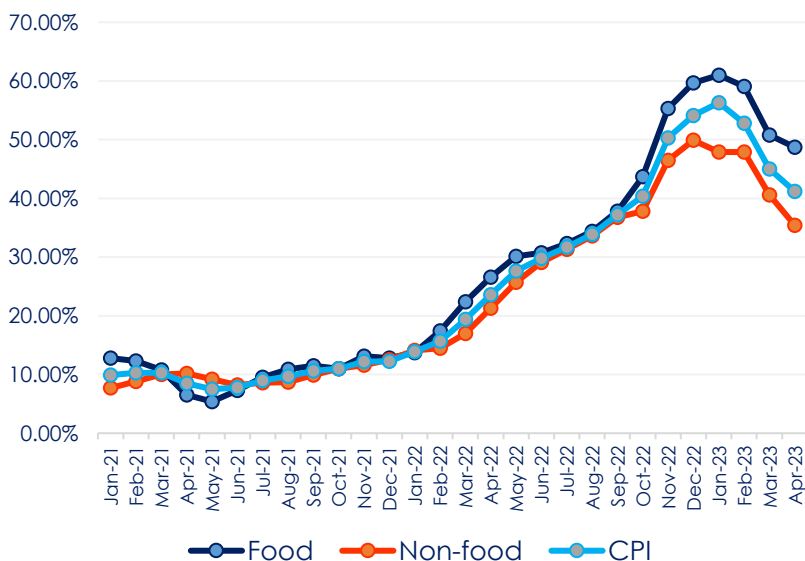
Month-on-Month (March 2023 – April 2023) inflation was 2.4%.

Food inflation decreased to 48.7% while non-food inflation decreased further to 35.4%.

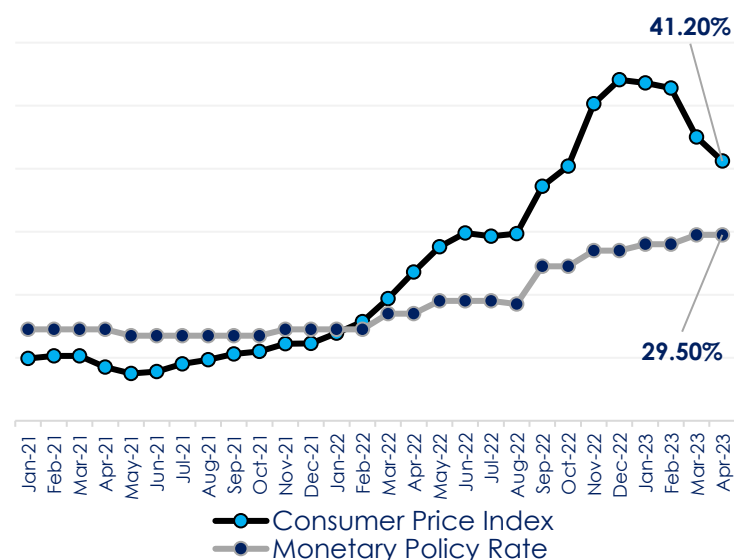
Inflation for imported goods decreased to 43.1% with inflation for local goods also falling to 38.2%

Western North Region recorded the highest regional inflation of 64.00% while Volta Region recorded the lowest at 28.00%

Source: Ghana Statistical Service

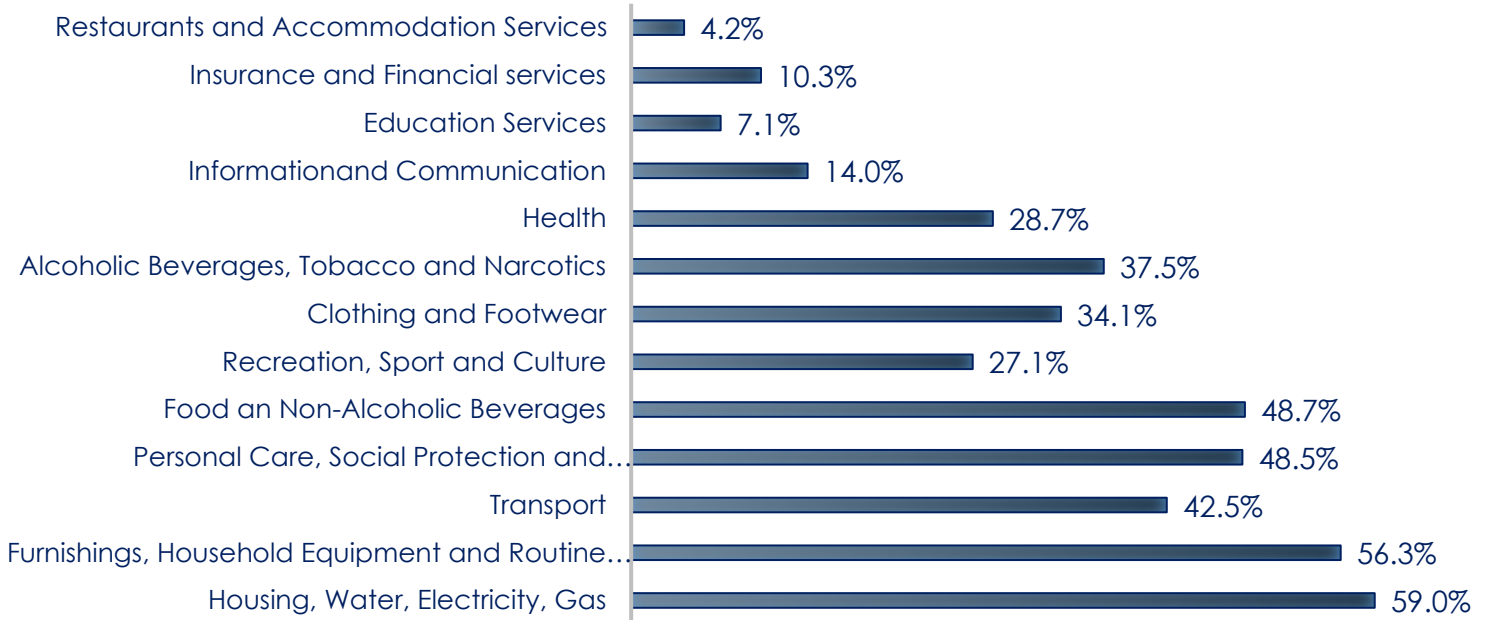
CONSUMER PRICES

Source: Ghana Statistical Service

INFLATION vs POLICY RATE

Source: Ghana Statistical Service, Bank of Ghana

INFLATION BREAKDOWN Y-O-Y CHANGE



Source: Ghana Statistical Service

OUTLOOK:

The Monetary Policy committee is expected to keep the policy rate tight in its upcoming meeting. This outlook is largely influenced by the IMF recommendation for the central bank to maintain economic tightening following approval of US\$ 3 billion bailout. The downward trend in price levels and a fourth straight month of decline in inflation only underpins the effects recent monetary tightening. This and other factors like further declines in fuel prices and a resilient currency over the last quarter, should keep inflation on its downward trajectory and at an even steeper level in the next few months.

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.

ANALYSTS

Wisdom Asigbetse: Research Analyst
wkasigbetse@sicbrokerage.com

Amenuve Kofi Aweso: Analyst
akaweso@sicbrokerage.com