







UMB IHL Monthly Inflation Digest- *November 2022*

Contents

-  **1**
 - Year-on Year Inflation
 - Regional Breakdown

-  **2**
 - Food and Non-Food Inflation
 - Local and Imported Inflation

-  **3**
 - Policy Rate, 364 Day T-Bill, & Inflation Trade-off
 - Major contributors to Ghana's Y-o-Y inflation
 - Month-on-Month Breakdown

-  **4**
 - Ghana's Inflation against African Peers
 - i. West Africa
 - ii. Ghana Vs. Floating Exchange Rate Regime Countries

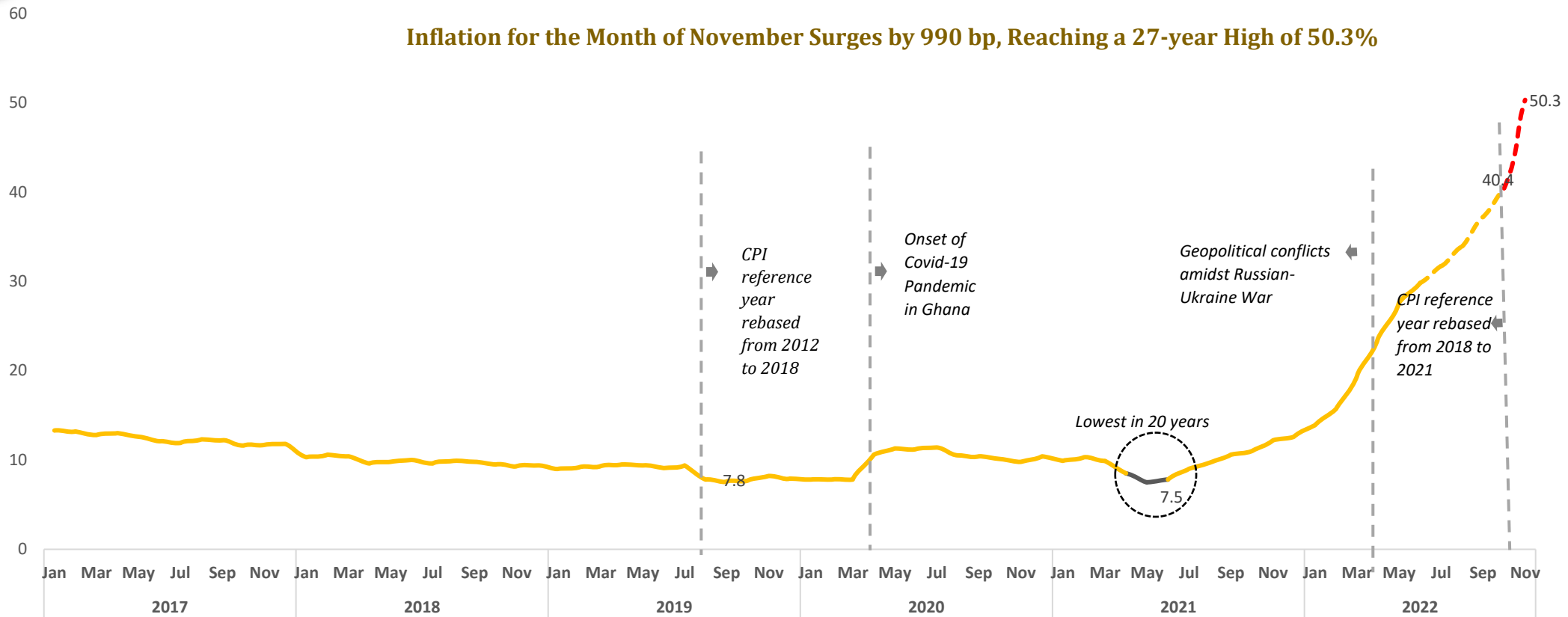
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Inflation for the Month of November Surges by 990 bp, Reaching a 27-year High of 50.3%



Source: Ghana Statistical Service, UMB IHL Analytics and Research

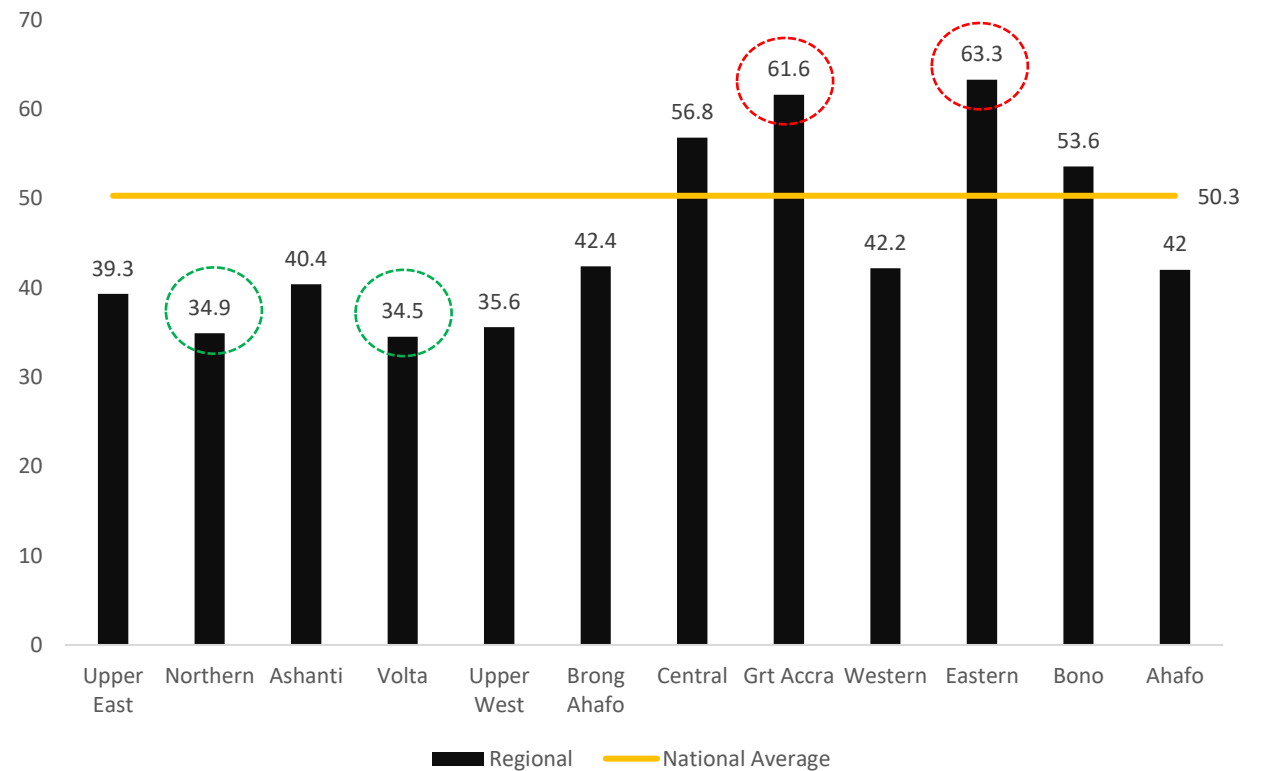
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- ▶ Year-on-year Inflation further increased by 9.9 percentage points from 40.4% in October to 50.3% in November 2022
- ▶ This surge was mostly led by housing and utilities, furnishings and household equipment, transport, personal care, and miscellaneous goods as well as food & non-alcoholic beverages.
- ▶ Recorded inflation rate for the month of November is the highest seen in 27 years

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Inflation Remains Lowest in Volta and Northern; Eastern and Greater Accra Crosses 60%



Source: Ghana Statistical Service, UMB IHL Analytics and Research

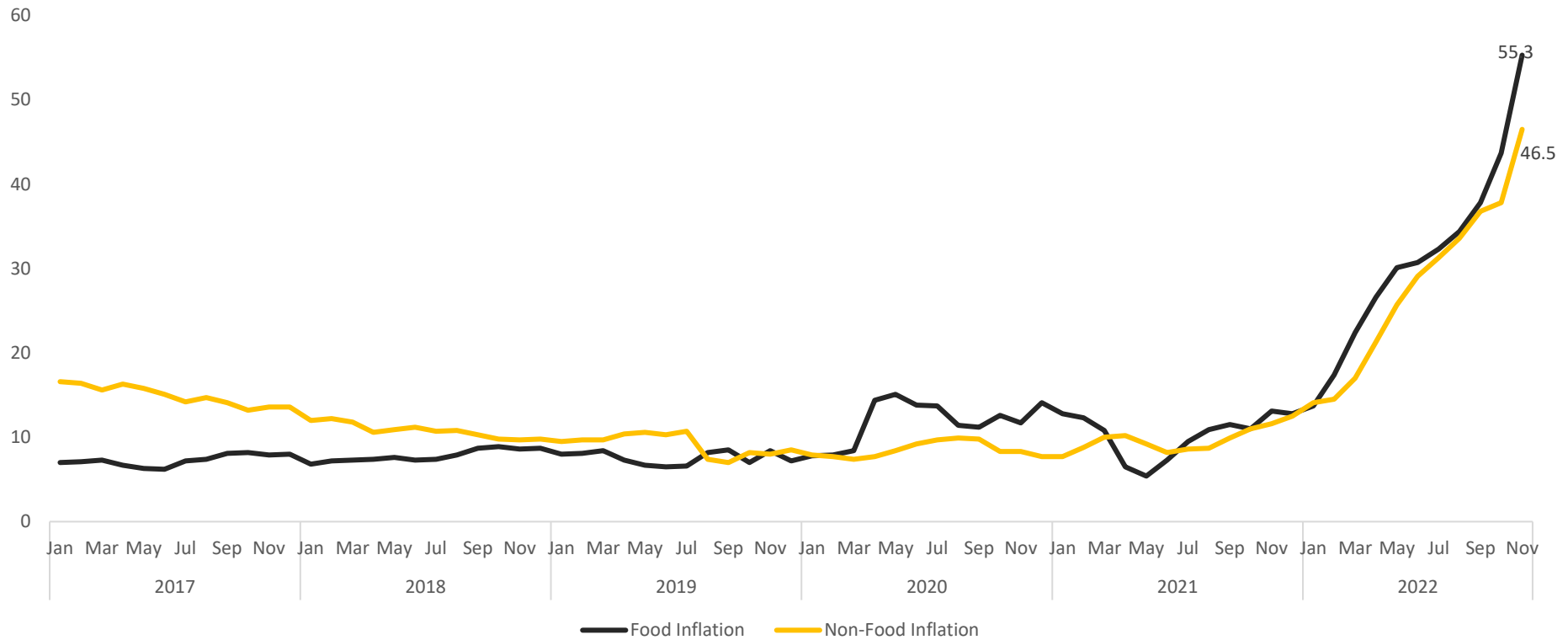
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Eastern and Greater Accra's year-on-year inflation remains highest, crossing the 60% threshold. Also, the month-on-month rate of increase is highest in the Bono region (12.8%), followed by Greater Accra (12.5%) and Eastern (12.2%) respectively.

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Trade-off between Food and Non-food Inflation Widened Further by 8.8% in November



Source: Ghana Statistical Service, UMB IHL Analytics and Research

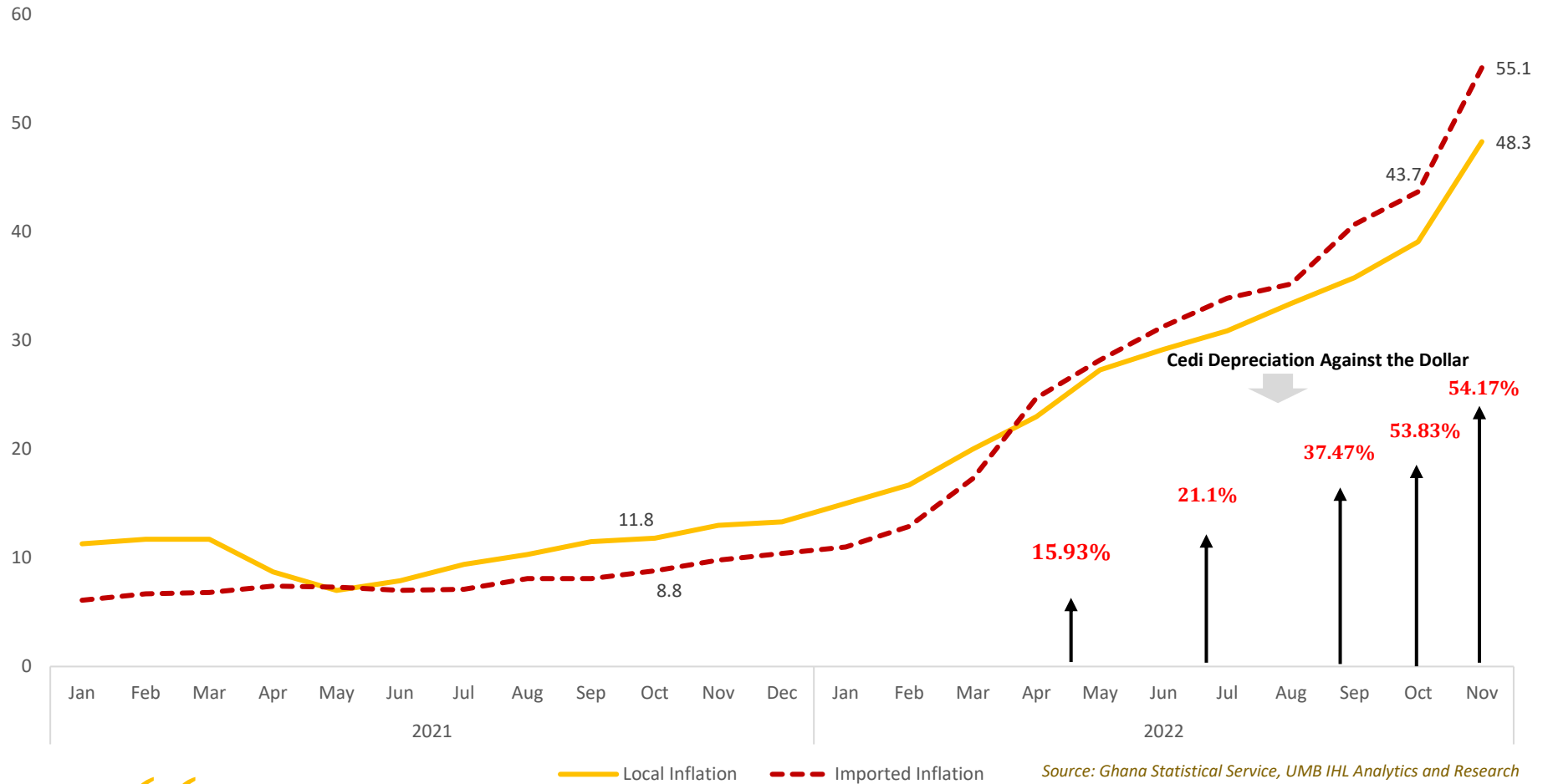
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In November, the trade-off between food and non-food inflation further widened by 880 basis points(M-o-M). The trend for food inflation in November mimicked that of October with major drivers being water, milk and other dairy products, fruits, and sugar. Conversely, housing and utilities, furnishing and household equipment, transportation, personal care, and social protection accounted for the lion's share of Non-food inflation.

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Further Weakening of Cedi; A Major Catalyst for the Steep Rise in Imported Inflation



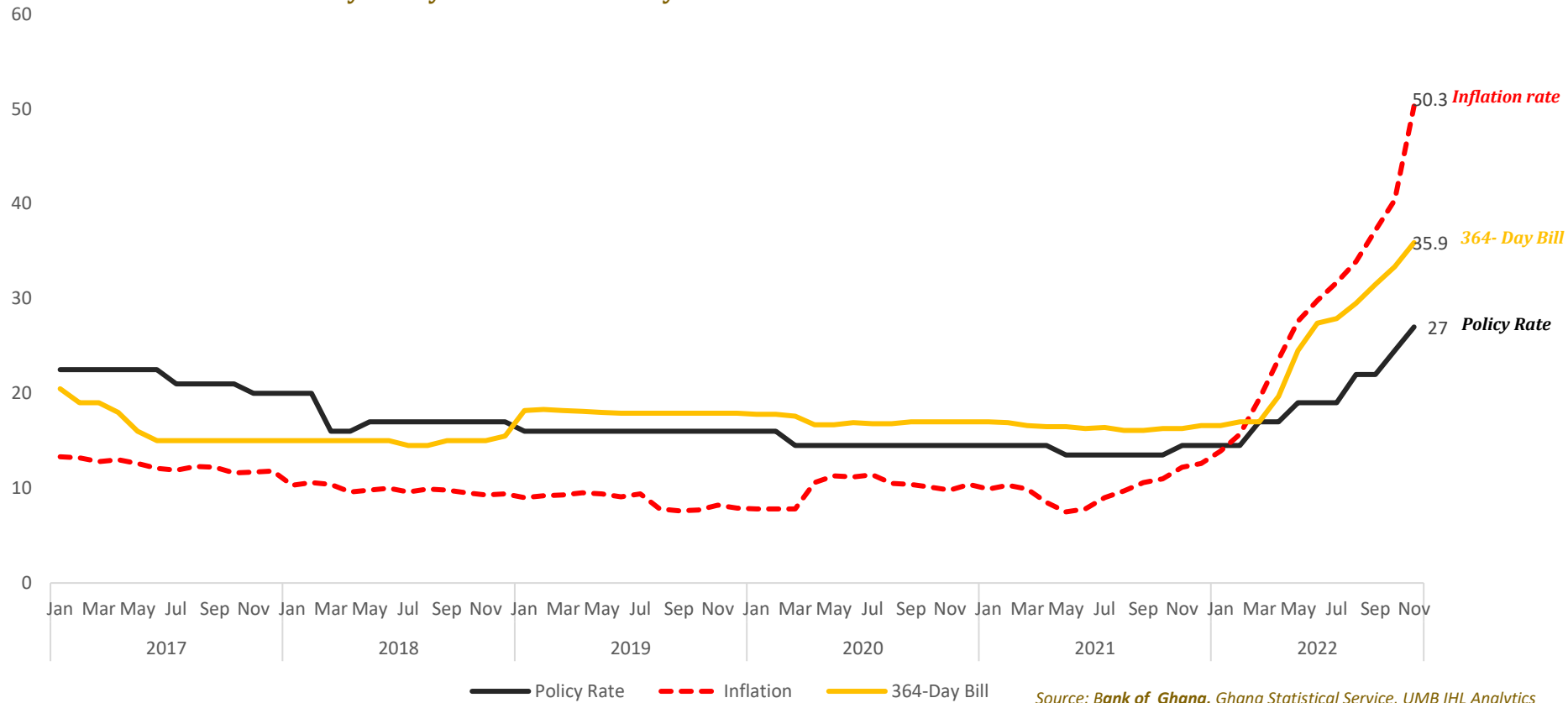
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A month-on-month 26.71% depreciation of the Ghana Cedi against the US Dollar between October and November further widens the gap between imported and local inflation to 6.8 percentage points.

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Monetary Policy Rate and Treasury Bill Rates Remain Below the Inflation Rate



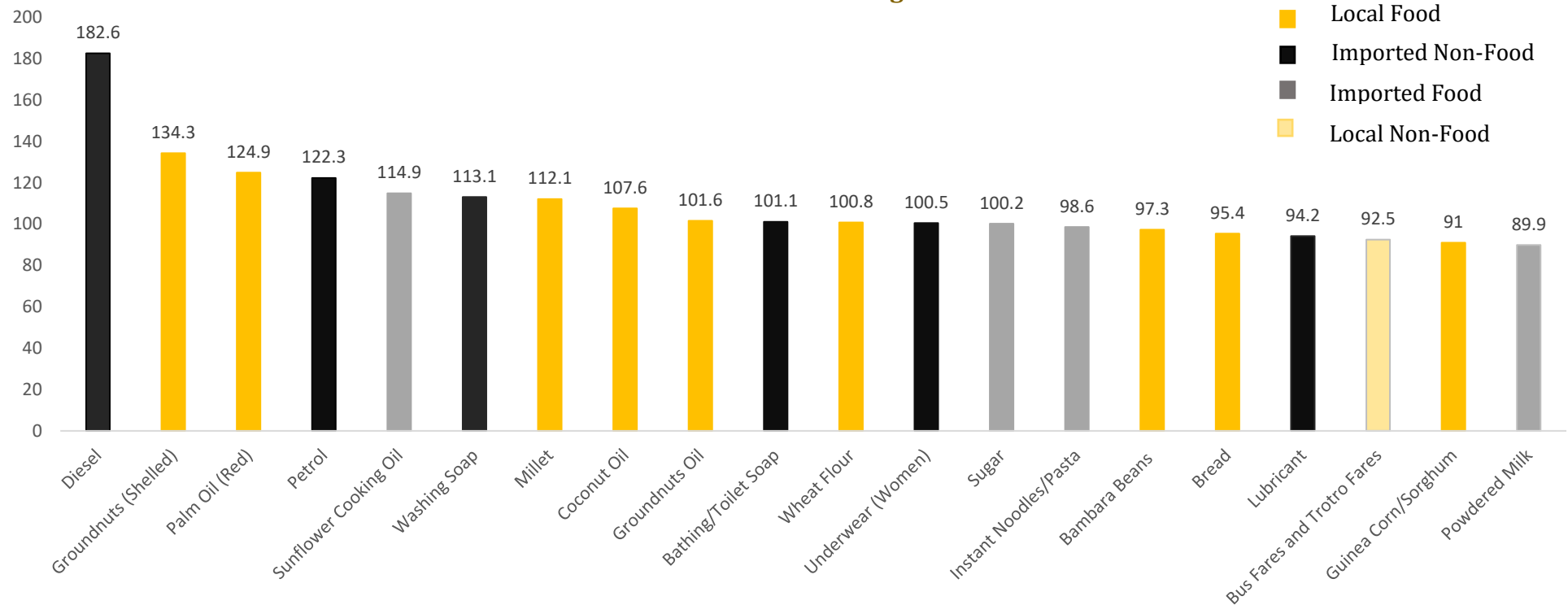
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Heightened inflationary pressures made the MPC to further increase the MPR by 250 bp from 24.5% in October to 27% in November 2022.

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Top Twenty (20) Drivers of Year-on-Year Inflation/Year-on Year Price Changes



Source: Ghana Statistical Service, UMB IHL Analytics and Research

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- ▶ *Steepened Cedi depreciation occasioned a significant rise in fuel price as well as transport costs*
- ▶ *Local food significantly dominated major price changes*

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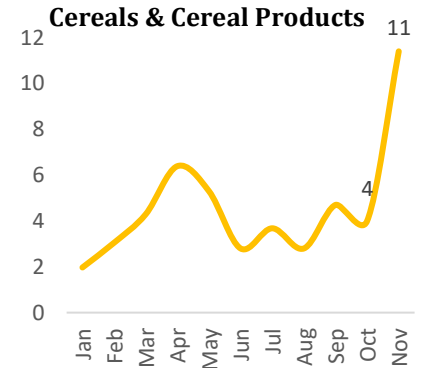
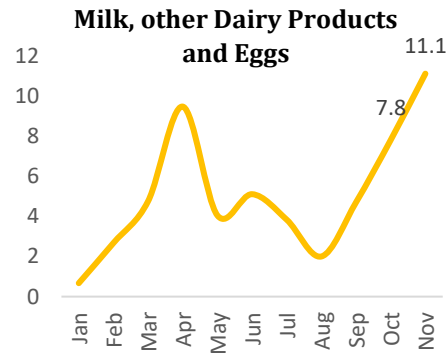
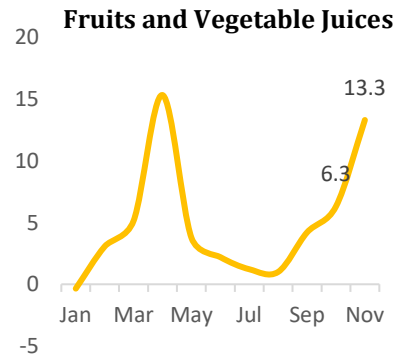
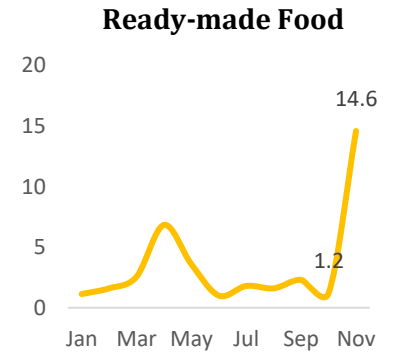
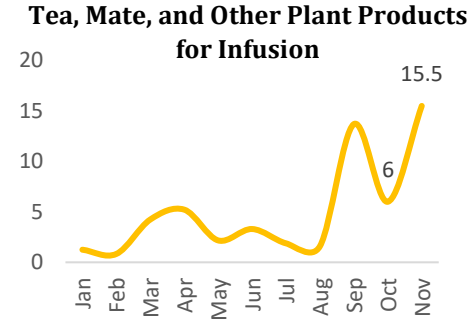
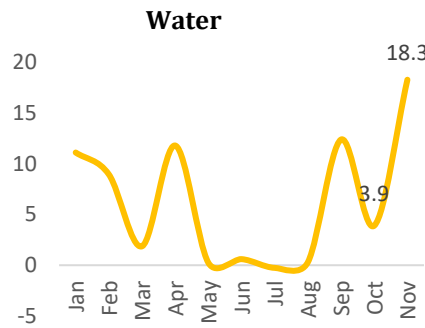


Month-on-Month Food Inflation Disaggregation

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- ▶ Water recorded the highest month-on-month food inflation (18.3%)
- ▶ This was closely followed Tea, Mate & other plant products for Infusion and vegetable juice (15.5%)
- ▶ Ready-made food emerged third after a sharp increase from 1.2% in October to 14.6% in November

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Source: Ghana Statistical Service, UMB IHL Analytics and Research



Year-on-Year Food Inflation Disaggregation

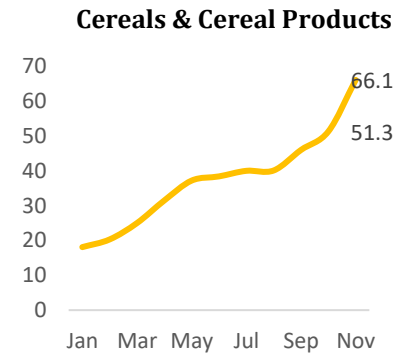
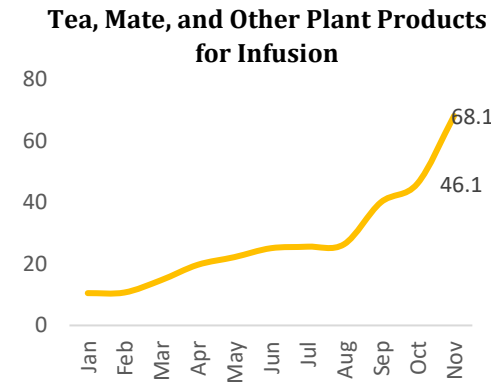
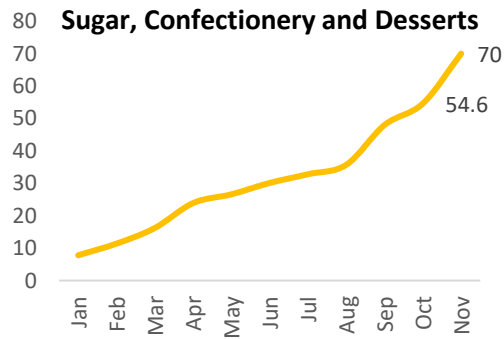
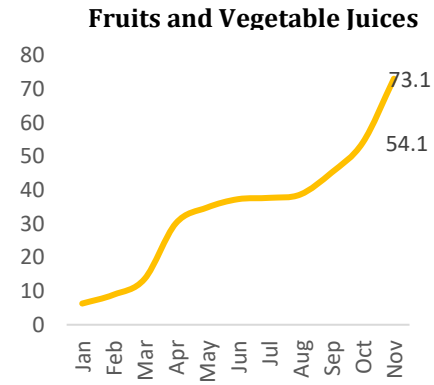
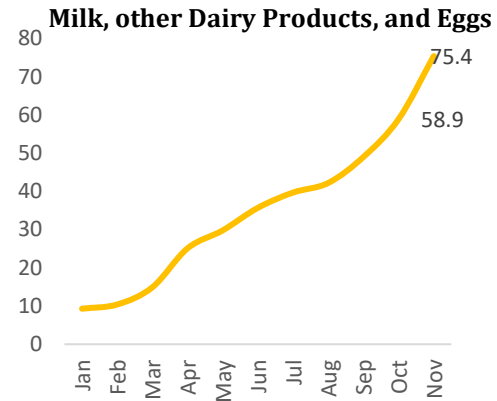
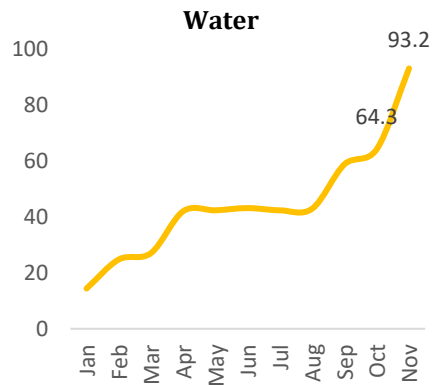
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Water recorded the highest Year-on-Year food inflation reaching a new high of 93.23%

This was followed by Milk, other dairy products, and eggs (75.4%)

Fruits and vegetable juices emerged third on account of a rapid increase from 54.1% in October to 73.1% in November

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Source: Ghana Statistical Service, UMB IHL Analytics and Research



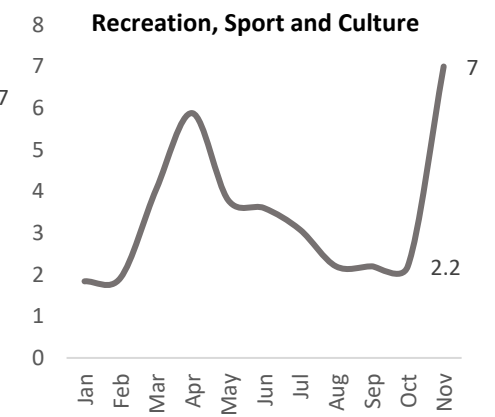
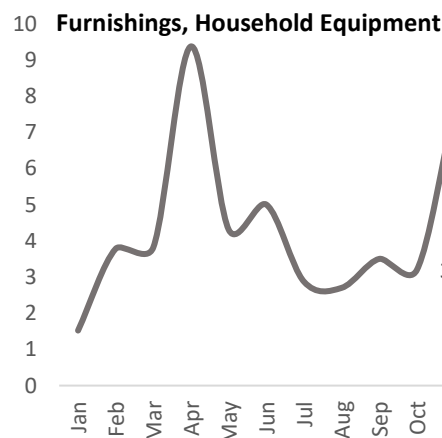
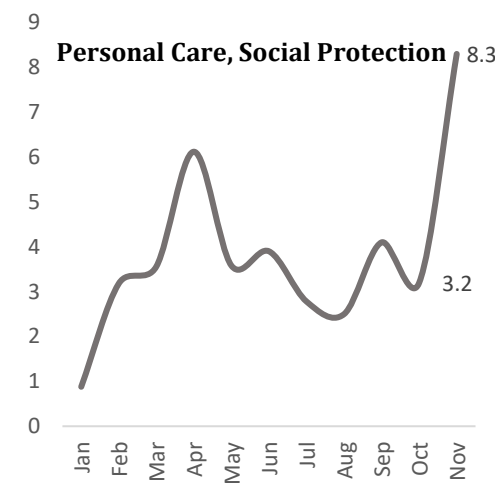
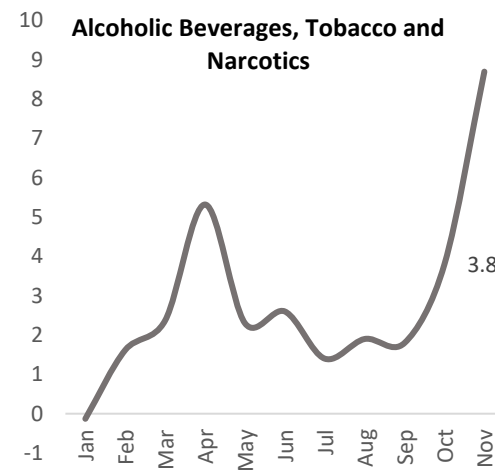
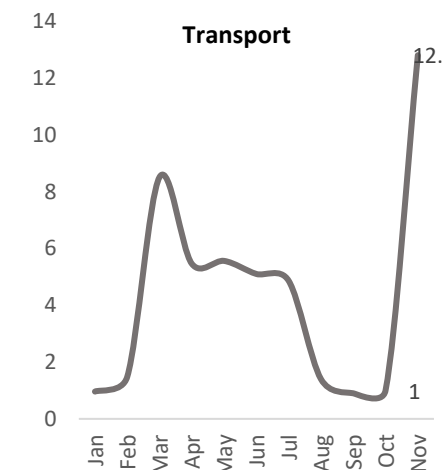
Month-on-Month Non-Food Inflation Disaggregation

Transport costs rose sharply (from 1% in October to 12.8% in November) to emerge as the highest month-on-month inflationary variable for the non-food category.

This was followed by Alcoholic Beverages, Tobacco, and Narcotics which increased by 8.7%.

The costs of Personal Care and Social Protection were third rising by 8.3%

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Year-on-Year Non-Food Inflation Disaggregation

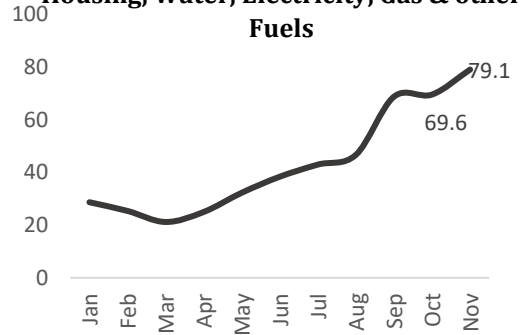
On Year-on-Year Basis, Housing, water, electricity, gas, and other fuels recorded the highest Year-on-Year non-food inflation (79.1%)

This was followed by Furnishings, household equipment (65.7%)

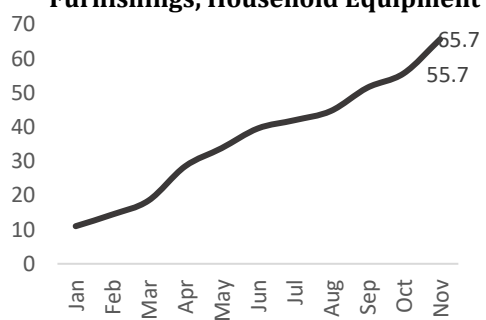
Transport inflation emerged third (63.1%). This was mainly driven by increase in fuel prices.

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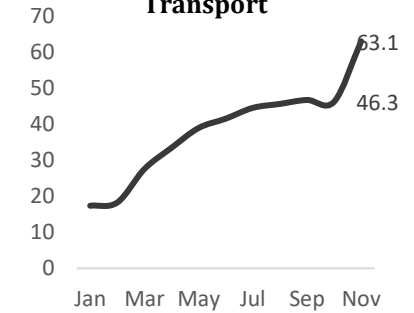
Housing, Water, Electricity, Gas & other Fuels



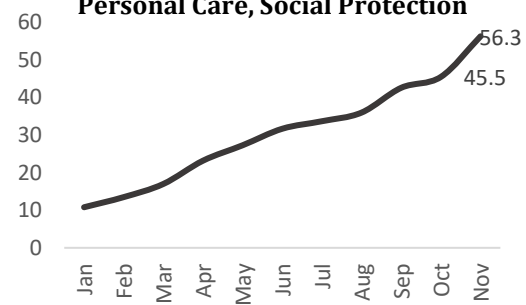
Furnishings, Household Equipment



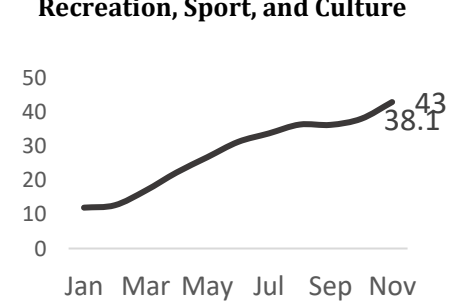
Transport



Personal Care, Social Protection



Recreation, Sport, and Culture

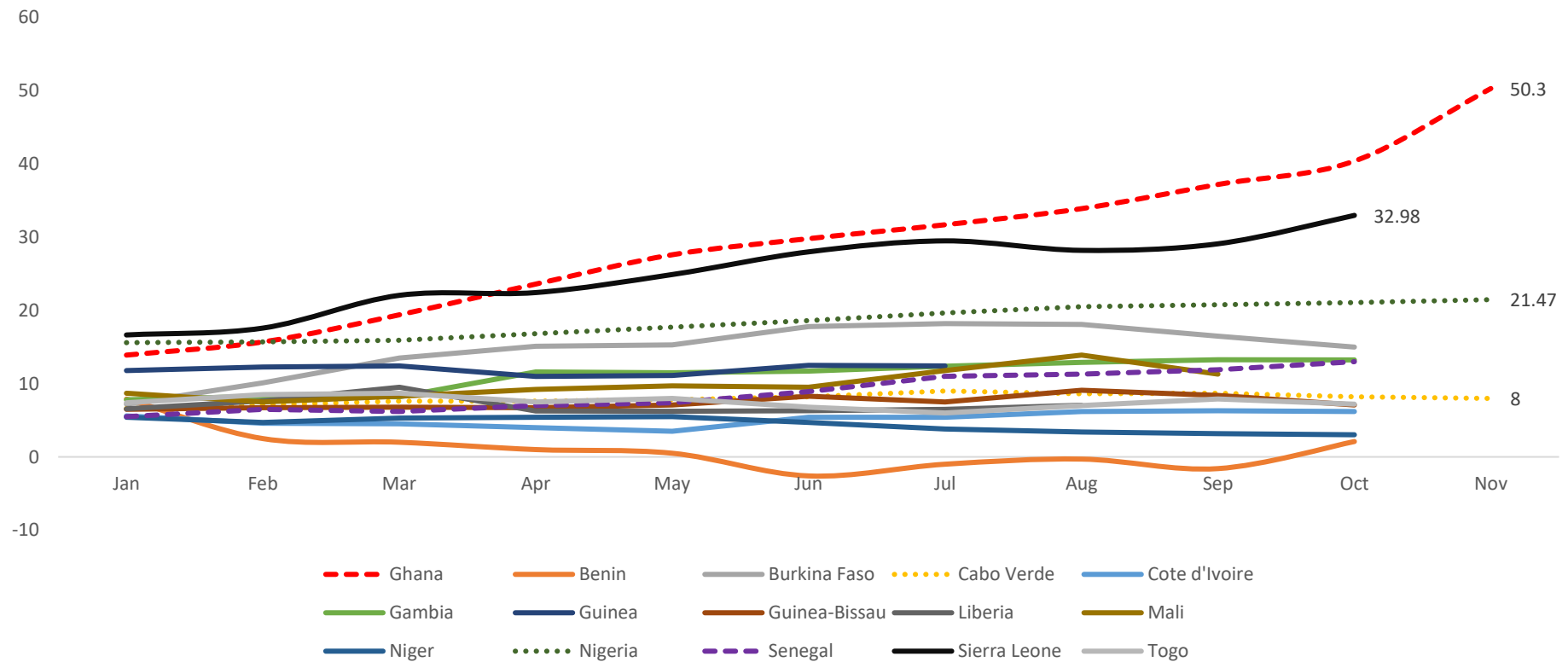


Clothing and Footwear





Ghana's Inflation Emerged as an Outliner in the West African Sub-region



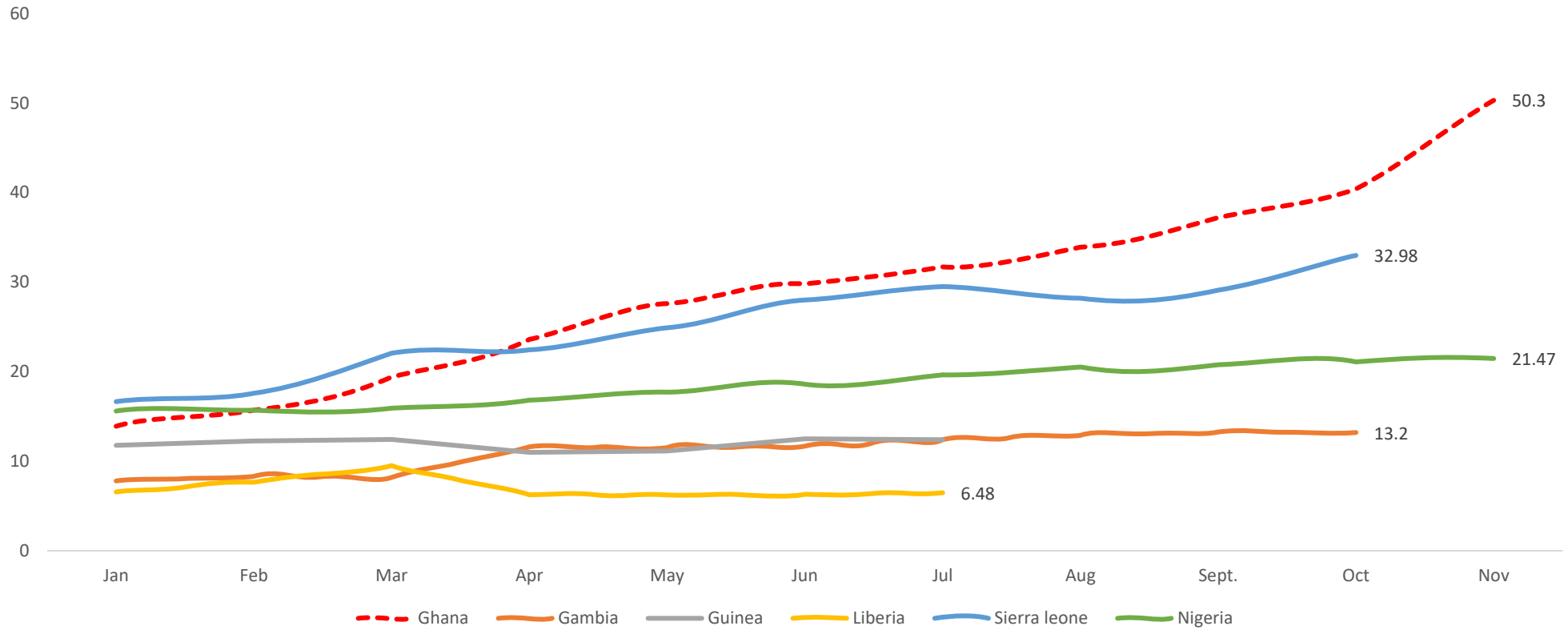
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Cedi's steeper depreciation pushed Ghana's inflation rate far above the West African average.

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Floating/Flexible Exchange Rate Regime



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West African economies with floating and flexible exchange rate regimes continue to post elevated inflation rates, with Ghana maintaining the highest rate

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UMB Investment Holdings Limited (UMB IHL) is the pioneer investment firm in Ghana. It has its roots in Merban Investment Holdings Ltd incorporated as a wholly owned subsidiary of Merchant Bank (now Universal Merchant Bank) on 5th December 1975. UMB IHL is licensed by the Securities and Exchange Commission (SEC) under the Securities Industry Law (PNDC Law 333) and registered with the National Pensions Regulatory Authority (NPRA) as a Pension Fund Manager.

UMB IHL over the past decades empowered businesses, individuals, and governments with excellent finance and investment services. The company is well positioned to play a strategic role in helping both corporate and individual citizens as well as governments achieve their strategic objectives through its suite of finance and investment products and services.

The firm has been working with individual and corporate clients both resident in Ghana and abroad, across many industry sectors such as Insurance, Banking, Oil marketing, and Construction. We also serve religious groups, professional associations, NGOs, etc.

Our retail clients consist of high-net-work individuals, pensioners, students, workers of various levels, as well as professionals drawn from a broad spectrum of the economy.

We currently manage several institutional portfolios with over 12,000 clients.

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2. **Asset Management:** UMB Balanced Fund, Treasury Bills, Notes and Bonds, Pensions, Provident Funds, Other Institutional Funds
3. **Wealth Management:** Private Wealth Management, Retirement Products
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For more information about our services, contact:

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