

CPI increased by 11.1% YoY in April

Ramadan impact on food prices drove headline inflation

- Headline inflation clocked-in at 11.10% YoY in Apr-2021, compared to a 9.05% YoY increase in Mar-2021. The surge in inflation during the month is partly due to the low base effect in Apr-2020 when CPI had fallen by 0.84% MoM owing to the pandemic effect.
- On MoM basis, CPI increased by 1.03% in Apr-2021, mainly on the back of surging food inflation (2.18%), along with the impact of quarterly house rent adjustment.
- Increase in food inflation was always on the cards in April, given the historical trend where food prices surge ahead of and during Ramadan, where items such as fresh fruits, vegetables and chicken caused a hike in the overall inflationary trend this time.
- Headline inflation for 10MFY21 averages 8.62% YoY, which is close to the upper limit of the 7-9% YoY expectations of the central bank shared in the latest Monetary Policy Statement in March. Even if we assume 11% inflation in the remaining two months of the fiscal year, CPI would ultimately average ~9% for the year.

Apr-21: National Consumer Price Index

	Weights	Apr-21	MoMΔ	YoYΔ	10MFY21 YoYΔ
Headline inflation	100.00	145.09	1.03%	11.10%	8.62%
Food & Non-Alcoholic Beverages	34.58	150.70	2.18%	15.91%	13.36%
Alcoholic Beverages & Tobacco	1.02	144.28	-0.14%	4.92%	5.69%
Clothing & Footwear	8.60	148.48	1.05%	11.87%	10.03%
Housing, Water, Electricity, Gas & Fuels	23.63	141.20	0.51%	9.68%	5.74%
Furnishing & Household Equipment Maintenance	4.10	140.39	0.85%	9.45%	8.10%
Health	2.79	152.61	0.50%	8.97%	8.28%
Transport	5.91	141.52	-1.21%	6.53%	-1.32%
Communication	2.21	108.61	0.97%	1.54%	0.56%
Recreation & Culture	1.59	125.17	0.09%	4.57%	4.24%
Education	3.79	144.61	0.54%	1.55%	1.20%
Restaurants & Hotels	6.92	141.55	0.21%	8.20%	8.50%
Miscellaneous	4.87	150.83	0.44%	10.04%	11.72%

Source: PBS, JS Research

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