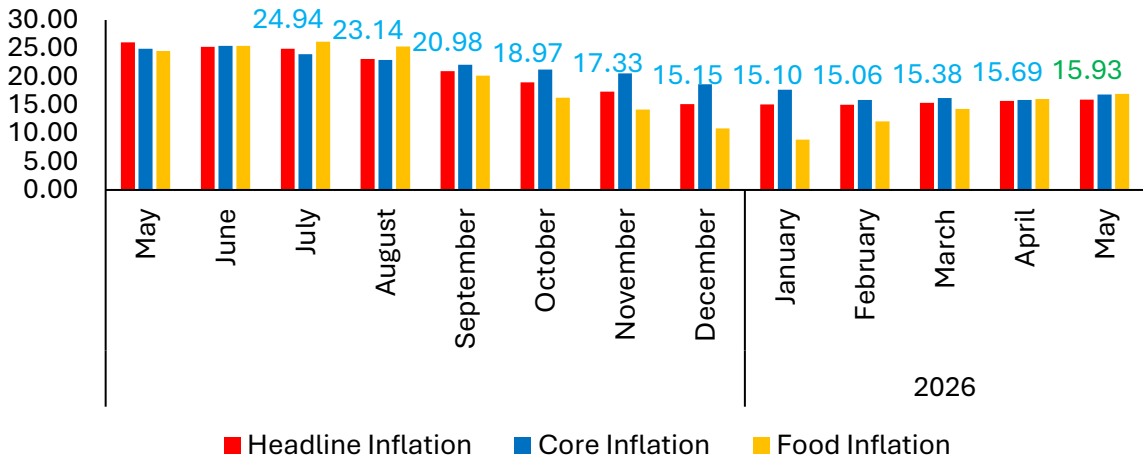


INFLATION REPORT

**MAY
2020**

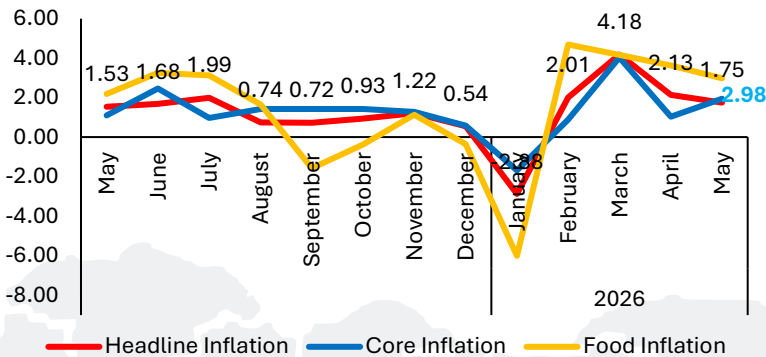


Rebased Headline, Core and Food Inflation Movement (y/y)



In May, headline inflation climbed to **15.93%** year-on-year from 15.69% recorded in April, reflecting a 0.24% increase. Despite the increase, the rate remained 10.13% lower than the 26.06% recorded in the same month of the previous year (May 2025).

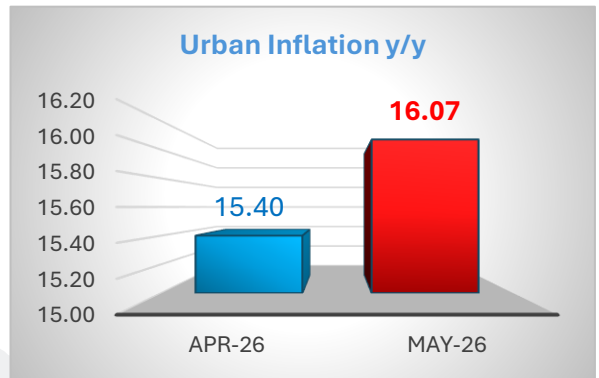
Headline, Core, and Food Inflation Trend (m/m)



On a month-on-month (m/m) basis, headline inflation moderated to 1.75% in May 2026, compared to 2.13% recorded in April 2026, indicating a 0.38% decline.

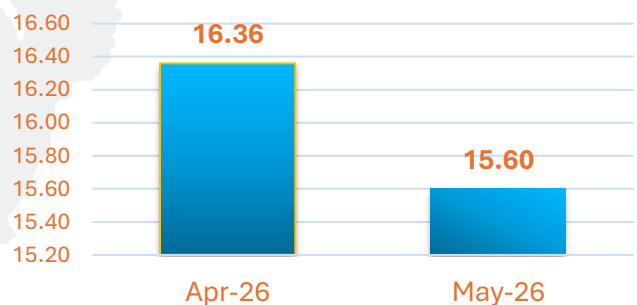
Meanwhile, **core inflation** edged higher to 1.94% in May m/m, increasing by 0.91% from 1.03% recorded in April 2026. **Food Inflation**, on the other hand, eased to 2.98% m/m in May 2026, declining by 0.65% from the previous month's rate.

URBAN & RURAL INFLATION



Urban inflation rate rose by 0.67%, standing at 16.07% y/y in May 2026, as against 15.40% reported in April 2026. In contrast, **rural inflation** dropped to 15.60% in May 2026, representing a 0.76% decrease from 16.36% in the previous month.

Rural Inflation y/y



OUR REVIEW

Headline inflation accelerated to 15.93% in May from 15.69% in April, a 0.24% increase. While the inflationary trend suggested continued price pressures resulting from effect of longstanding structural challenges and cost pressures like high energy costs, excessive importation, transportation costs, etc., the rate remained significantly lower than the 26.06% recorded in May 2025, largely due to base effects.

On a month-on-month basis, food inflation eased further, signaling improving food supply conditions such as favourable weather conditions, improved mechanization, etc. However, core inflation edged higher due to pressures in non-food components like energy costs, transportation expenses, and other components that could be disrupted by global tension and events.

Meanwhile, inflation trends across regions remained uneven as urban inflation increased while rural inflation declined further.

Looking ahead to June, we expect inflation indicators to remain mixed, with a slight upward movement due to uncertainties around global geopolitical developments, driving overall headline inflation to 16.05%.

Contact Information

info@atlassportfolios.com
07025005058, 07063697174