

# FUNDAMENTALS

## GHANA JUNE 2026

### INFLATION:

**Annually Noisy,  
Sequentially Calm**

**Economist & Head, Insights**

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## IN BRIEF

- **Base effects drive inflation higher, but underlying price momentum remains contained.** Ghana's headline inflation jumped 160bps to 5.3% in June 2026, marking a third straight rise and the sharpest increase since late-2024, largely driven by unfavourable base effects and modest cost pass-through. We observed a broad-based increase across food (3.9% y/y | +60bps) and non-food (6.3% y/y | +220bps) but with more concentration in non-food, services, and locally produced items. Yet the sharp slowdown in monthly inflation (0.2% m/m | -90bps) signals that underlying price pressures remain controlled, supporting our continued expectation of single-digit inflation through 2026.
- **Cooling energy costs set up inflation relief, but food risks will keep policy cautious.** We expect headline inflation to ease to 5.0% in July 2026 as lower global oil prices, Cedi appreciation and falling domestic fuel costs potentially reduce non-food price pressures. However, seasonal food supply risks, particularly from vegetables and the onset of a two-month fishing ban, could limit the decline. Despite the real policy rate narrowing to 8.7% (vs the authorities' preferred double digits), we believe the policy stance remain appropriately tight and the MPC will likely maintain the policy rate at 14.0% in the July 2026 MPC meeting.

## The Base Effect Bites

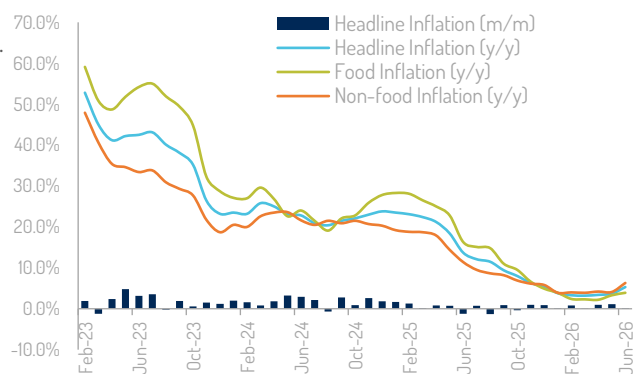
Ghana's annual headline inflation surged by 160bps to 5.3% in June 2026 with the overall momentum consistent with our expectation but landing 40bps below our forecast for the month. The June inflation spike represents the 3rds consecutive month of uptick in annual inflation and the steepest increase in headline inflation since late-2024 (when food supply shocks reversed the disinflation trend).

In our inflation note for May 2026 – "[The hop before the jump](#)" – we opined that the annual inflation print for June 2026 will be significantly impacted by unfavourable base effect. Our analysis considered the year ago contraction in consumer price index as a rare outcome that will not be repeated in June 2026. Combining the effect of higher energy prices, modest pass-through of Cedi weakness, and lean food supply, we anticipated an increase in the consumer price index compared to the 3.1points contraction in the comparable period of 2025. This unfavourable base drift effect was the major driver of Ghana's annual inflation spike in June 2026. Although we inflation uptick was broad-based across food and non-food items, we observed that the overall pressure was more concentrated across non-food, services, and locally produced items.

Despite the surge in annual inflation rate (YoY CPI change), the month-on-month inflation print suggests a more controlled pace and provides strong basis for our continued expectation of single digits inflation through 2026. Sequentially, headline inflation came in at 0.2% in June 2026 (vs 1.1% in May 2026), indicating a sharp slowdown in monthly price increases as food inflation fell to 0.1% (vs 2.0% prior) while non-food remained steady at 0.4%.

**Food inflation** increased for the second consecutive month in June 2026, albeit rising at a slower pace of 60bps to 3.9% year-on-year and contributing 31.5% to the headline inflation rate. We observed inflation uptick for 12 out of the 15 food subgroups, with vegetables & tubers as the main catalyst especially with fresh tomatoes posting a 23.3% y/y (12.2% m/m) inflation. The upside was partially offset by a seventh consecutive deflation in prices of cereal & cereal products and a rare price deflation for oil & fats.

### DISAGGREGATED CONSUMER PRICE INFLATION



SOURCE: GHANA STATISTICAL SERVICE, IC INSIGHTS

**Non-food inflation** witnessed the more intense price pressure with 220bps upsurge to 6.3% year-on-year, reflecting spillovers from the impact of global energy price shocks and unfavourable base shift in June 2026. Notably, transport inflation lifted from deflation territory into a strong cost inflation of 9.1% year-on-year. This represents the first transport cost growth since May 2025, underpinning the surge in non-food inflation and a 17.9% contribution to the June headline rate. In addition to the base push, the Ghana Statistical Service (GSS) attributed the surge in transport inflation to the temporary unapproved fare hike by some commercial transport operators which coincided with the CPI data collection window.

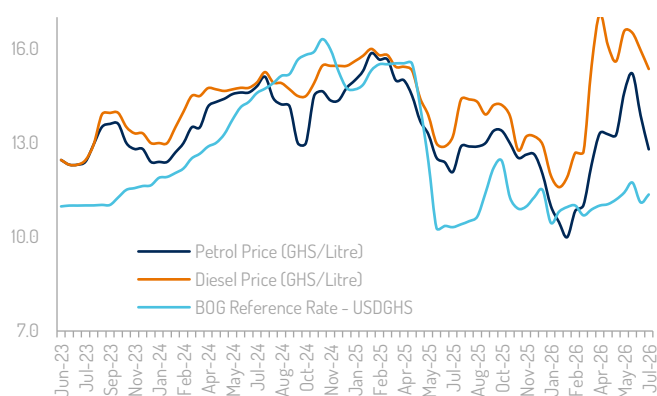
Given that the unapproved hike in commercial transport fares was reversed after the June CPI data (as indicated by the GSS), we foresee a likely moderation in transport inflation in July 2026.

**We perceive easing upside risk and expect a modest decline in headline inflation for July 2026.** Global energy prices have shifted sharply lower with Brent crude oil trading just above USD 70 per barrel and virtually pricing-out the wartime premium. We observed an almost immediate pass through to domestic energy prices in the second pricing window for fuel in June. The decline in domestic petroleum price have intensified with the Cedi appreciation in June providing additional drag in the July fuel pricing window. We view this favourable energy price shift as downward pressure on inflation rate while the reversed transport fare hike drags down non-food and headline inflation.

That said, we continue to expect moderately elevated food price pressure compared to the comparable period in 2025, especially as the closed fishing season takes off in July – one month for semi-industrial vessels and two months for industrial trawlers. Also, the recent heavy rains and floods keep us cautious ahead of the 3Q2026 crop harvest. Against this backdrop, we forecast a 30bps decline in the annual headline rate to 5.0% while the sequential rate picks up slightly to 0.4% m/m in July 2026.

**For monetary policy**, the latest inflation print has substantially trimmed the real policy rate to 8.7% from the monetary policy committee's preferred double digits real rates. We believe this will sustain the cautious stance to keep the policy rate unchanged at 14.0% at the July 2026 MPC meeting

### PETROLEUM PRICES AND EXCHANGE RATE



SOURCE: GOIL PLC, IC INSIGHTS, BANK OF GHANA

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