

## **Brassica Capital Flash News**

**July 2025 Inflation** 

Year-on-Year Inflation
Source: Ghana Statistical Service

## What It Measures

Inflation refers to the general increase in the prices of goods and services over time, which consequently reduces the purchasing power of currency. In simpler terms, your money buys less today than it did yesterday. This phenomenon is typically measured as a percentage increase, reflecting how much more expensive a standard basket of consumer items has become.

## **Current Trend and Implications**

The inflation drop to 12.1% in July from 13.7% continues the disinflation trend and suggests that the country's economic management strategies are taking hold. The main drivers behind the decline were a combination of favourable currency performance and a broad based easing of pricing for both food and non-food categories. Food inflation fell to 15.1% in July from 16.3% in June. Non-food inflation also dropped to 9.5% in July from 11.4% in June.

This consistent fall in inflation gives the Bank of Ghana more flexibility in its monetary policy giving room for potential rate cuts in the future. **The disinflationary trend is also a powerful signal for both domestic and international investors that the economy is on a path to recovery and sustainability.** 

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