

Nigeria's CPI Report

September 2025





Sustained drop in prices pushes inflation rate to 18% in September 2025

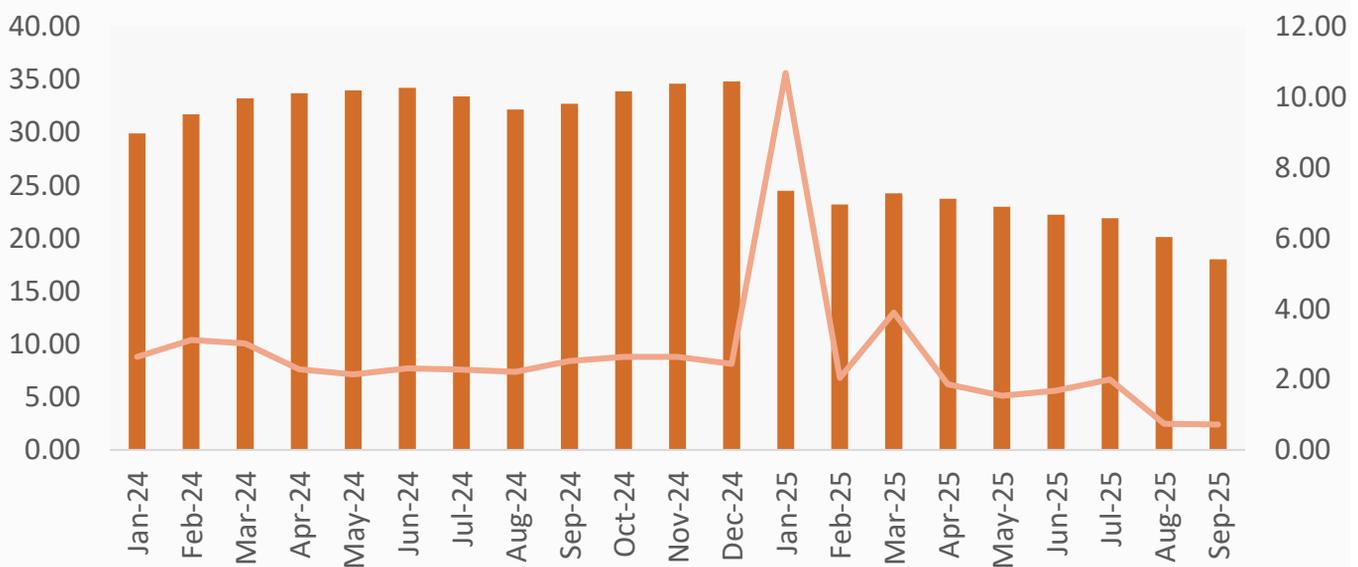
The latest Consumer Price Index (CPI) report released by the National Bureau of Statistics (NBS) shows that Nigeria’s year-on-year inflation fell below the 20% mark to 18.02% in September 2025, the lowest level since July 2022. This indicates that the average prices of goods and services are rising at a slower pace across all consumption categories.

The moderation in inflation is partly attributed to the CPI rebasing exercise conducted earlier in the year, which updated the price reference period from 2009 to 2024. This adjustment provided a more accurate reflection of the current consumption and spending patterns of Nigerian households.

Additional drivers of the slowdown include a sustained decline in several key sub-indices on a month-on-month basis. The energy component (monthly inflation) stood at -0.47% in September translating to lower transportation costs, as rate moderated from 2.60% to 0.90%. The food and non-alcoholic beverages rate also eased from 0.58% to 0.15%.

Conversely, the services sub-index climbed by 51 basis points (bps) to 1.17%, while imported food inflation rose by 210bps to 3.38%, despite a relatively stable exchange rate in the official market, averaging ₦1,498.38/\$1 compared to ₦1,535.25/\$1 in August.

Headline vs. Monthly Inflation Rate



NBS, Norrenberger Research

■ Year-on-Year (%) — Month-on-Month (%)

The core inflation basket which excludes volatile components such as agricultural produce and energy recorded an 80bps decline to 19.53% year-on-year, and a marginal 1bp reduction to 1.42% month-on-month. Similarly, food inflation dropped sharply by 500bps, settling at 16.87% year-on-year.

The all items less farm produce index stood out, posting a slight month-on-month uptick of 12bps to 1.32% (August: 1.20%). This mild increase reflects slower easing in the energy sub-index compared to other items.

Notably, the food inflation basket experienced deflation on a month-on-month basis, printing at -1.57% compared to 1.65% in August. This was primarily driven by the early harvest season, which boosted the supply of agricultural produce and consequently led to lower food prices. According to the NBS, the decline was most pronounced in the average prices of maize (corn) grains, garri, beans, millet, potatoes, onions, eggs, tomatoes, and fresh pepper, among others. This is the first time Nigeria is recording food price deflation since February 2012.

Inflation Rate By States

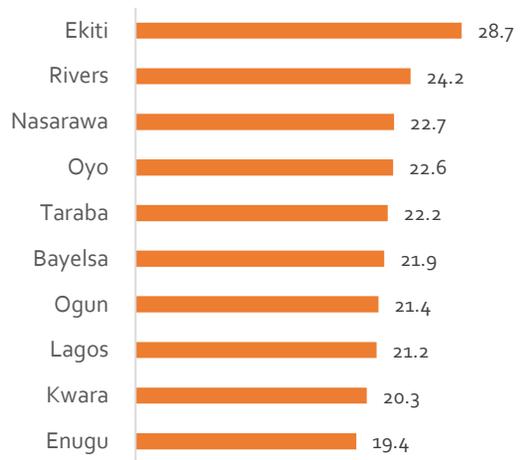
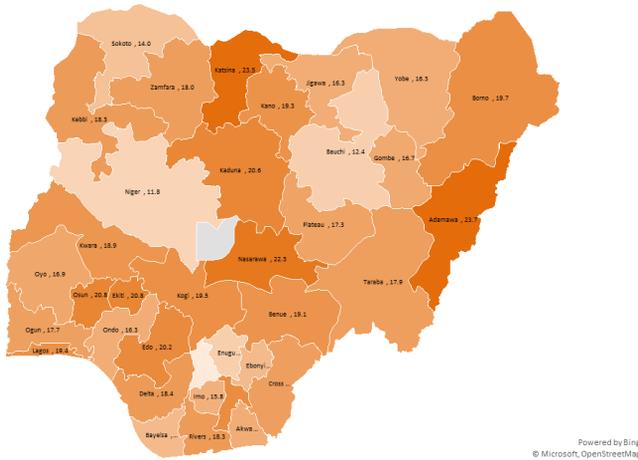
Further analysis of the inflation data by states indicate that Adamawa recorded the highest rate at 23.7%, closely followed by Katsina (23.5%) and Nasarawa (22.3%), while Ekiti and Osun both printed 20.8%. Conversely, Anambra stood out with a single-digit rate of 9.3%, representing the state with the lowest headline inflation in the period under review.

In terms of food inflation, Ekiti State topped the chart at 28.7%, followed by Rivers (24.2%), Nasarawa (22.7%), Oyo (22.6%), and Taraba (22.2%). Notably, these states are not among Nigeria’s major food-producing regions, suggesting that elevated prices were largely driven by higher energy costs, which increased transportation expenses and mark-ups from middlemen or third-party distributors.

Meanwhile, the nation’s major food-producing areas recorded significant moderation in food prices. Benue State, often referred to as Nigeria’s food basket, reported a benign food inflation rate of 8.6% (down from 25.1% in August), while Kebbi similarly declined from 23.8% in the previous month to 13.3%, reflecting improved local food supply and harvest effects.

Headline Inflation

Food Inflation



NBS, Norrenberger Research

Bottom Line

We anticipate that the factors responsible for the decline in September will persist into October, thereby sustaining the disinflationary trend. However, certain risks could temper this outlook, such as the potential uptick in consumer demand as the festive season approaches, which could exert upward pressure on the prices of major consumables like clothing and food as well as services like transportation.

Additionally, energy-related price adjustments remain a key concern. The three-day industrial action embarked upon by the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) from September 28 to October 1, 2025, led to the temporary shutdown of several production and export facilities, disrupting output and export schedules.

According to Mr. Bayo Ojulari, Group Chief Executive Officer of NNPC Ltd, the strike resulted in “a significant production loss of over 200,000 barrels per day (bpd), deferred gas production, and reduced power generation capacity.” These disruptions could feed into higher petroleum and gas prices, with secondary effects on transportation and general energy costs.

Looking ahead, at the final Monetary Policy Committee (MPC) meeting of the year, scheduled for November 24–25, 2025, we expect the Committee to cut the policy rate by 50–100bps, supported by moderating inflation, a stable and stronger exchange rate, and favourable fiscal dynamics. This would however depend largely on what inflation prints for the month of October.



norrenberger



Head Office

11 Volta Street,
Off Thames Street,
Ministers Hill, Maitama,
Abuja, Nigeria.



+234 700 066 7736



research@norrenberger.com



Lagos Office

2B, Bayo Kuku Road,
Off Alfred Rewane Road,
Ikoyi,
Lagos, Nigeria.

+234 916 032 4627



www.norrenberger.com



Port Harcourt Office

10, Evo Road,
GRA II, Port Harcourt,
Rivers State, Nigeria.

+234 700 066 7736



[@norrenberger](https://www.instagram.com/norrenberger)



Kano Office

17, Magajin Rumfa Road,
Nassarawa GRA,
Kano State,
Nigeria.

+234 700 066 7736

RESEARCH TEAM

Samuel Oyekanmi

samuel.oyekanmi@norrenberger.com

Abigael Kazeem

abigael.kazeem@norrenberger.com

Damilola Odesanya

damilola.odesanya@norrenberger.com

Uyomi Eya

uyomi.eya@norrenberger.com

Disclaimer: Whilst proper and reasonable care has been taken in preparation and accuracy of the facts and figures presented in this report, no responsibility or liability is accepted by Norrenberger Financial Group or its employees for any error, omission or opinion expressed herein. This report is not an investment research or a research recommendation and should not be regarded as such. The information provided herein is by no means intended to provide sufficient basis on which to make an investment decision.