

Nigeria's CPI Report

March 2026





Headline inflation edges up to 15.38% in March 2026

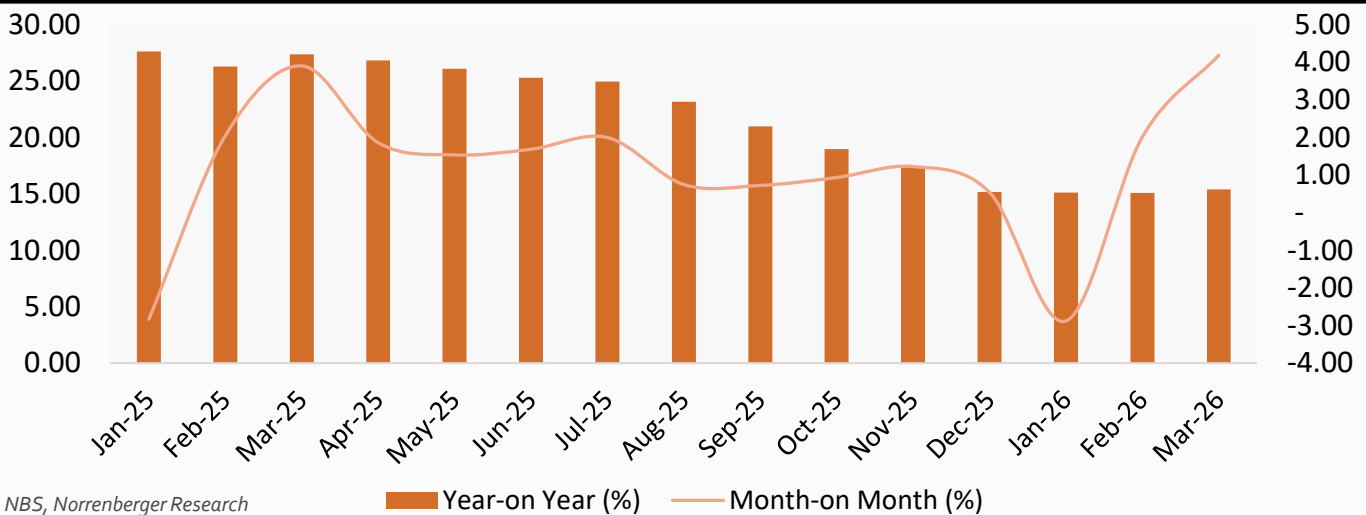
The Consumer Price Index (CPI) for March 2026 as released by the National Bureau of Statistics (NBS) edged higher on a year-on-year basis in March 2026, bringing an end to the disinflationary trend observed in the past 11 months. Headline inflation rose to 15.38% (+32 bps) from 15.06% in the previous month, indicating a mild but renewed build-up in price pressures across the economy.

The uptick in headline numbers was broad based as key constituents of the basket trended higher. Core (all items less farm produce and energy), all items less farm produce and the food component printed at 16.21% (+33 bps), 15.7% (+6 bps) and 14.31% (+219 bps) respectively.

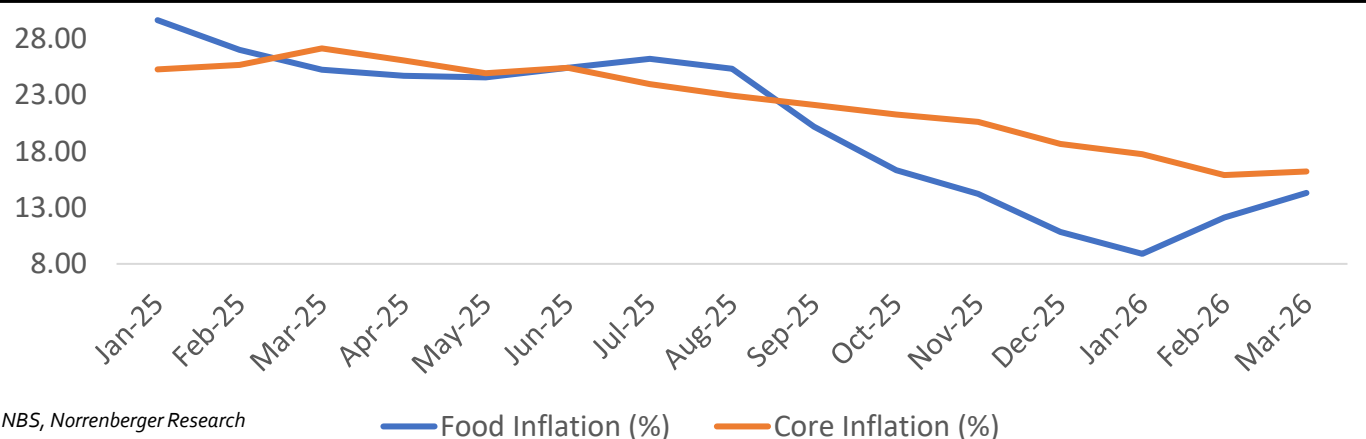
A review of the CPI numbers from a month-on-month standpoint further reflects the intensification of price pressures across key components of the index, with the headline index increasing to 4.18%, up from 2.01% in February. All items excluding farm produce rose to 4.24% from 0.80%, while core inflation surged to 4.03% from 0.89%, underscoring a clear pickup in short-term price momentum. On the other hand, food inflation was a sole outlier, as it moderated from 4.69% to 4.17% in the review period. The moderation in food inflation was attributed to decline in the average prices of food produce including Yam, Ginger, Cassava Tuber, Groundnuts, Irish Potatoes, Avenger (Ogbono/Apon), Tomatoes (fresh), etc.

On the divisional level, food and non-alcoholic beverages (5.55%) maintained its position as the highest contributor to headline inflation. Restaurants and accommodation services (3.26%) as well as transportation (1.80%) topped the list of contributors. On the flip side, recreation, sport, and culture (0.00%) recorded no price increase in the review period.

Headline vs. Monthly Inflation Rate



Food vs. Core Inflation Rate





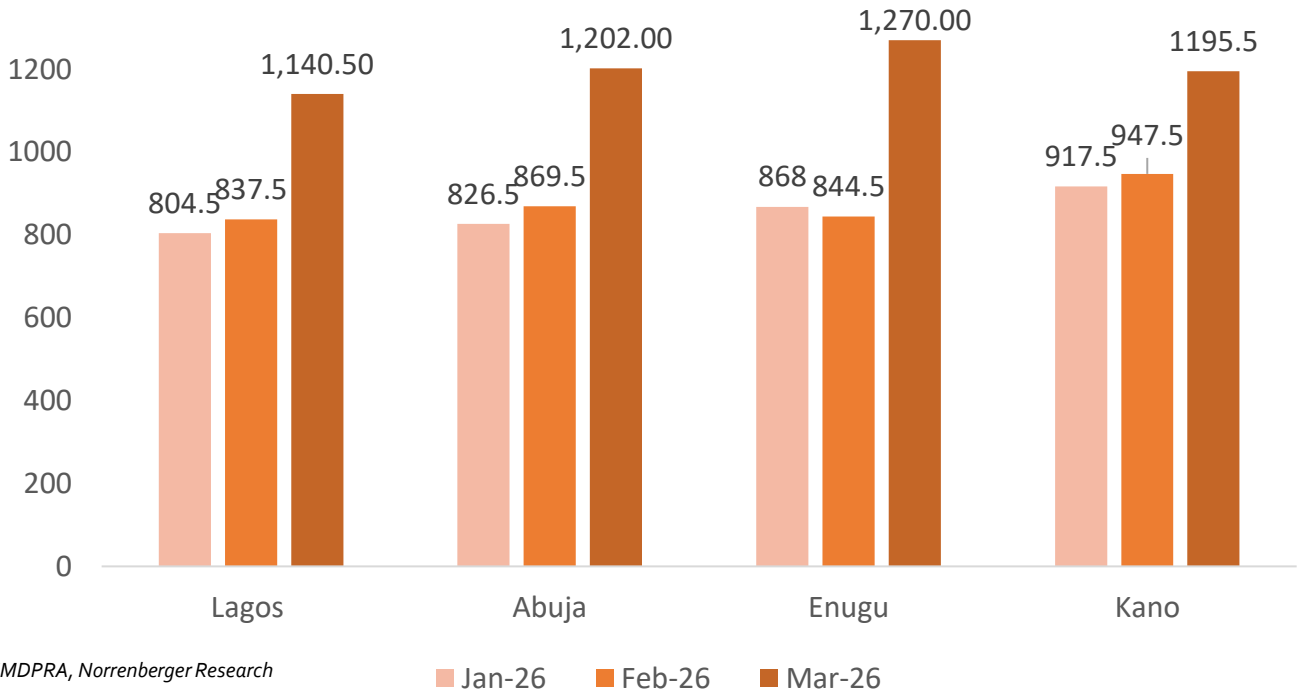
Energy and Food costs exacerbate price pressures

Further review of the CPI data revealed the central role of energy and food costs in reversing the moderating trend in headline inflation. The energy sub-component surged to 6.62% after recording two straight months of deflation, underscoring the effect of ongoing geopolitical tensions particularly in the Middle East. In the review month, both the Dangote Refinery and the Nigerian National Petroleum Company (NNPC) implemented multiple upward price adjustment in Premium Motor Spirit (PMS) in response to a surge in global crude oil prices. Consequently, PMS prices went from the N800+ level in February to as high as N1,270 in some area. This development elevated logistics and distribution costs which reinforces the broad-based price pressures recorded in the major components of the CPI.

Notably the transport subcomponent, mirroring the volatility in energy prices surged to 3.98% after recording a -0.26 deflation in the prior period. Other subcomponents including, services (2.56%), goods (5.47%), farm produce (4.60%) and imported food (1.12%) all recorded an uptick from the prior months level.

While food inflation recorded slight moderation month-on-month, it surged year-on-year by 219 bps to 14.31%, highlighting supply chain constraints, elevated input costs and persistent insecurity challenges particularly in food producing states, all of which has limited agricultural output and placed further pressure on price.

PMS Price Trend in 2026



Rural and urban inflation

Urban and rural inflation dynamics in the review period reflected a notable shift in price pressures across regions. On a year-on-year basis, urban inflation moderated to 14.64%, from 15.36% in February, while rural inflation rose sharply to 17.22%, from 14.44%. This trend reversal indicates that price pressures have become increasingly concentrated in rural areas.

On a month-on-month basis, inflation accelerated in both segments, although more pronounced in rural areas. Urban inflation rose to 3.16% (+61 bps), likely due to the passthrough effects of higher crude prices.

Notably, rural Inflation surged to 6.73% (+601 bps), reinforcing the spike in short-term prices among rural dwellers. This is likely due to insecurity challenges disrupting trade and daily way of life, especially in food producing regions of the country.

Urban Inflation 14.64% ▼

Rural Inflation 17.22% ▲

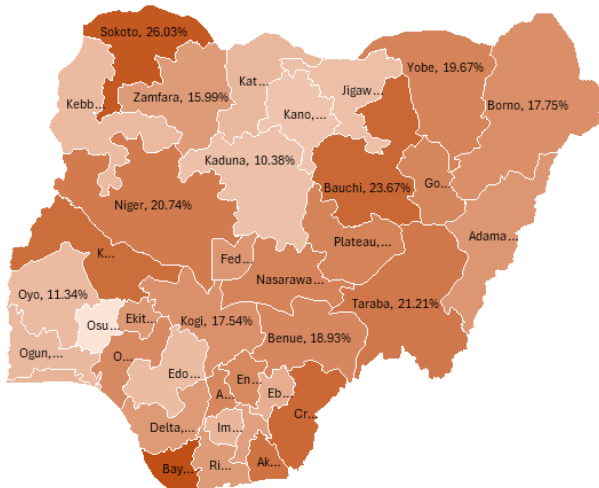
Inflation by states

At the state-level, the inflation data shows a clear divergence across the states, underscoring the uneven transmission of price pressures across the country. At the upper end of the curve, Bayelsa State recorded the highest headline inflation rate at 27.37%, followed by Sokoto (26.03%), Bauchi (23.67%), Cross River (23.59%), and Kwara (22.86%). This trend was largely broad-based driven by higher food and transportation costs and possible logistical frictions.

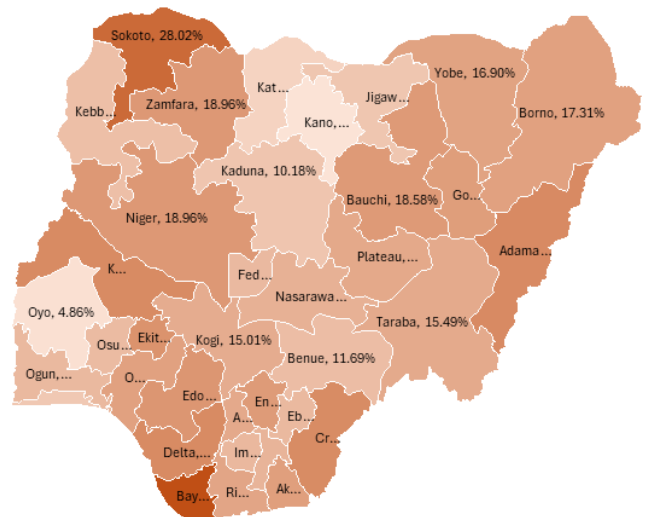
A similar pattern was also noted in food inflation, with Bayelsa State leading again at 33.35%, followed by Sokoto (28.02%), Adamawa (21.67%), Kwara (21.66%), and Delta (21.57%). These printings further highlight the impact of supply disruptions and higher transport costs leading to upward pressure of food prices .

In contrast, at the lower end of the curve reflects relatively milder inflation outcomes. Osun recorded the lowest headline inflation at 5.25%, followed by Kano (9.85%) and Kaduna (10.38%). On the food side, Kano posted the lowest rate at 4.29%, followed by Oyo (4.86%) and Katsina (7.48%), suggesting relatively softer food price dynamics supported by better market access and more efficient distribution channels. The overall trend reflects the differing dynamics in supply conditions, transport costs and market access, with food supply constraints and logistics continuing to drive price variations.

Headline Inflation



Food Inflation



NBS, Norrenberger Research

Outlook

In the coming month, inflation is expected to remain elevated with a slight upward bias, driven by persistent energy and transport cost pressures as higher fuel prices continue to feed into logistics and distribution costs. Food inflation is also likely to stay firm, reflecting ongoing supply-side constraints and cost pass-through from transportation. While naira stability may help moderate imported inflation, residual FX pass-through effects are expected to sustain underlying price pressures in the near term.

However, favorable base effects should help contain the pace of increase, keeping headline inflation within a relatively stable band.

On the policy front, the Monetary Policy Committee (MPC) is expected to maintain a cautious and data-driven approach as they will continue to balance inflation containment with broader economic growth. The next MPC meeting is scheduled to hold on 19th and 20th May, 2026.



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 Adesina

abigael.adesina@norrenberger.com

Damilola Odesanya

damilola.odesanya@norrenberger.com

Uyomi Eya

uyomi.eya@norrenberger.com

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