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Nigeria's CPI Report

May 2026

Norrenberger is an Integrated Financial Service Group.

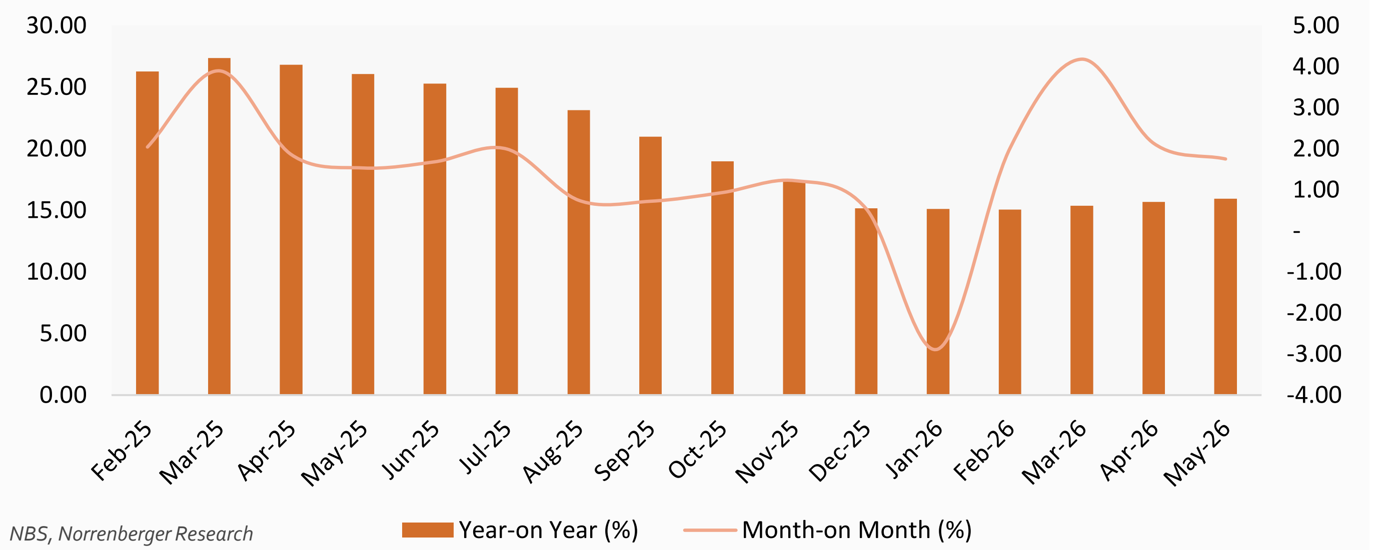
Headline Inflation edges up to 15.93%

Nigeria's headline inflation rose to 15.93% in May 2026, a 24bps increase from 15.69% recorded in April 2026, marks the third consecutive month of upward movement. This is according to the latest Consumer Price Index (CPI) data from the National Bureau of Statistics (NBS). The recent increase in the headline indicator is largely attributed to the escalating war between Iran, Israel, and the United States, which has seen global energy prices at record levels.

A closer look at the numbers revealed that the upward trajectory was broad based, as all major components of the CPI basket edged higher in the review period. All-items less farm produce and energy (core inflation) and food inflation accelerated to 16.82% (+97bps) and 16.96% (+90bps) from 15.86% and 16.06%, respectively. Similarly, all-items less farm produced jumped to 15.77% (+100bps) from 14.77% printed in the April 2026.

Meanwhile, the 12-month moving average of headline inflation moderated to 18.4% from 19.2% in the preceding month. This represents the lowest level since March 2024, when the inflation figure stood at 18.4%. While the headline inflation readings are susceptible to base effect and short-term fluctuation, the 12-month average provides a more stable measure by smoothening out monthly volatility and reducing one-off price shocks.

Headline vs. Monthly Inflation Rate



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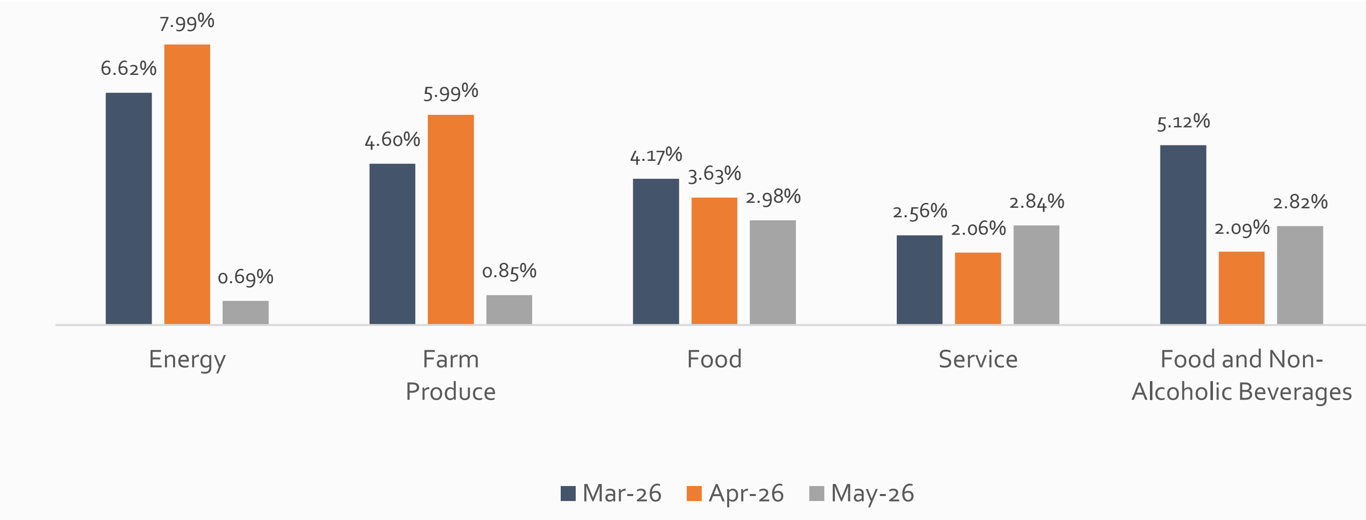
From a monthly lens, inflation rose at a slower pace, to 1.75% (-39bps) from 2.13% in April, marking the second straight month of decline. This decline was supported by softening food prices as food inflation slowed for the second consecutive month by 2.98% (-65bps) relative to 3.63% in April 2026.

On the other hand, core inflation accelerated to 1.94% (+91.6bps) from 1.03%, while all-items less farm produce surged 23.1bps to 1.8% from 1.6% in the preceding month.

Food and non-alcoholic beverages (6.38%) maintained its position as the highest contributor to yearly headline inflation at the divisional level. This was followed by restaurant and accommodation services (2.06%), transport (1.70%), housing, water, electricity, gas and other fuels (1.34%) and education services (0.99%). On the other end of the spectrum, recreation, sports and culture contributed the least, accounting for less that 1% of total headline inflation.

Key Sub-indices: month-on-month



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Food and energy inflation softens month-on-month

A review of month-on-month data revealed a mixed inflationary picture. On the upside, energy inflation eased significantly to 0.69%, a swing of over 700bps from 7.99% in the preceding month, while farm produce inflation slowed to 0.85% from 5.99%. Similarly, food inflation moderated to 2.98% from 3.63%, and transport inflation edged lower to 0.68% from 0.74%.

The sharp deceleration in the energy index is traceable to the stabilization of Petrol Motor Spirit (PMS) prices following the significant jump recorded in April, when average retail pump price rose 18.97% to ₦1,532.93 per litre. In May, following softer global oil prices, the Dangote Refinery reduced its ex-depot price from ₦1,275 to ₦1,250 per litre. This development eased transportation costs, helping to reduce the cost of moving agricultural produce and food items across supply chains. This appears to have contributed to the slowdown observed in both the farm produce and broader food indices, underscoring the strong pass-through effect of energy costs on food inflation dynamics in Nigeria.

On the other hand, food and non-alcoholic beverages accelerated by 73.18bps to 2.82% in May from 2.09% in April, while services index rose sharply by 78.43bps to 2.84%, reflecting persistent structural pressures on household consumption.

Rural and urban inflation

Rural inflation moderated year-on-year to 15.60% (-76bps), while urban inflation rose by 66bps to 16.07%, extending the divergence observed in the previous month.

On a month-on-month basis, rural inflation eased sharply to 1.17% (-163bps), indicating a notable short-term slowdown in price pressures in rural areas. This trend is supported by slowing monthly food inflation, as food contributes a major part of rural spendings. In contrast, urban inflation edged higher to 1.99% (+13bps), reflecting persistent and broad-based price pressures in urban centres during the review period.

Rural Inflation 15.60% ▽

Urban Inflation 16.07% △

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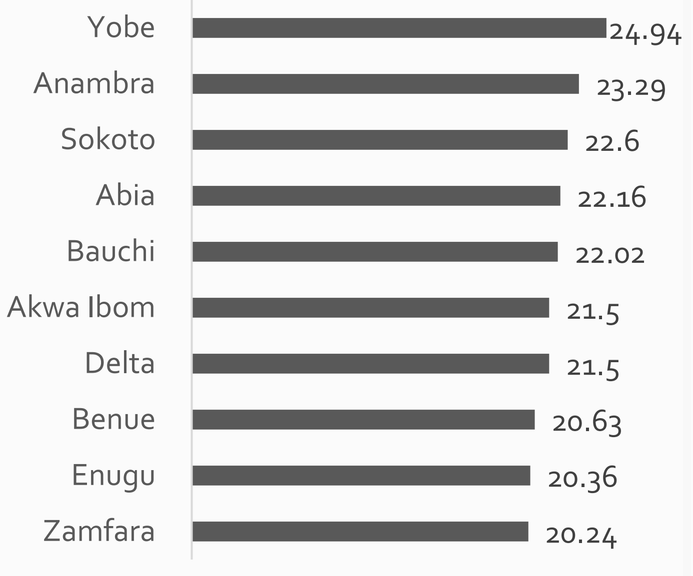
Inflation by states

At the state-level, Yobe (24.94%), Anambra (23.29%), and Sokoto (22.60%) recorded the highest headline inflation rates, reflecting sustained pressure on consumer prices driven by persistent supply constraints, particularly in food distribution, transport logistics, and market access. In contrast, Niger (3.07%), Plateau (7.10%), and Edo (7.73%) recorded the lowest headline inflation rates, suggesting relatively more stable supply conditions and weaker pass-through of cost pressures.
On a month-on-month basis, headline inflation rose most sharply in Benue (8.23%), Bayelsa (7.62%), and Borno (7.29%), indicating renewed short-term price pressures driven by seasonal food supply tightening and higher transport costs. Conversely, Niger (-4.55%), Zamfara (-3.36%), and Taraba (-2.67%) recorded deflationary movements.

Food inflation remained the main driver of price pressures, with Adamawa (29.62%), Kwara (28.47%), and Rivers (28.40%) recording the highest year-on-year increases due to sustained pressure from staple food prices, input costs, and distribution inefficiencies. In contrast, Borno (-6.53%), Taraba (1.13%), and Bayelsa (5.99%) recorded the lowest readings, with Borno's decline reflecting lower prices relative to the previous year. The recent printings reflect that inflation remains uneven across states, driven primarily by food supply dynamics alongside seasonal and localized structural factors.

Headline Inflation



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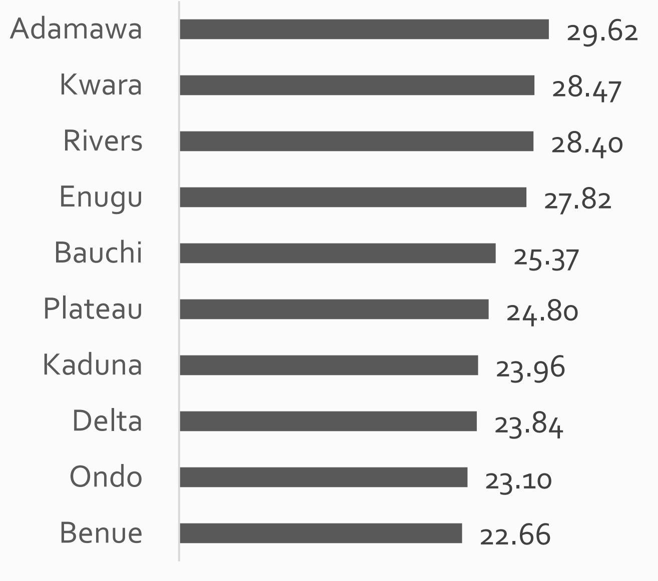
Food Inflation



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Bottom Line

In the coming months, we expect moderation in headline inflation. This outlook is supported by easing energy costs, relative exchange rate stability and favourable base effect. The decline in global oil prices following the de-escalation of tensions in the Middle East and the reopening of the Strait of Hormuz is expected to reduce energy, transportation, and logistic costs, providing further relief to food and core inflation.

However, upside risk remain. Persistent insecurity across major food-producing regions continue to disrupt farming activities and supply chain, while adverse weather conditions particularly flooding could affect agricultural output and food distribution. Externally, renewed geopolitical tensions, supply chain disruption and exchange rate volatility remain key risk factors.

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