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Nigeria's CPI Report

June 2026

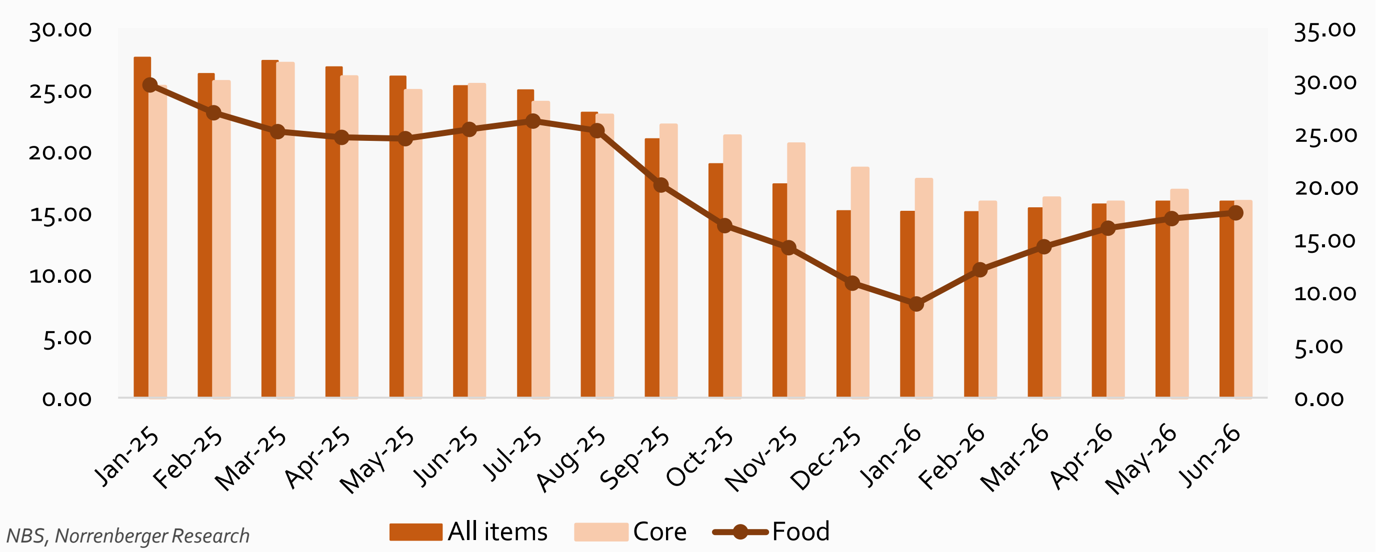
Nigeria's inflation rate slowed to 15.91%

Nigeria's headline inflation rate eased marginally to 15.91% year-on-year in June 2026, down by 2bps from 15.93% recorded in the previous month. This marks the first moderation in headline inflation following three consecutive months of increases. This is according the recent CPI report, released by the National Bureau of Statistics (NBS).

Likewise, core inflation, which excludes volatile items such as farm produce and energy, declined by 90bps to 15.92% year-on-year, while all-items less farm produce moderated by 35bps to 15.41% year-on-year. This indicates that the slight slowdown in headline inflation was largely driven by moderation in the core basket.

In contrast, the food index diverged from the broader trend, rising by 56bps to 17.52% year-on-year, its highest level since October 2025.

YoY: All items vs. Core vs. Food



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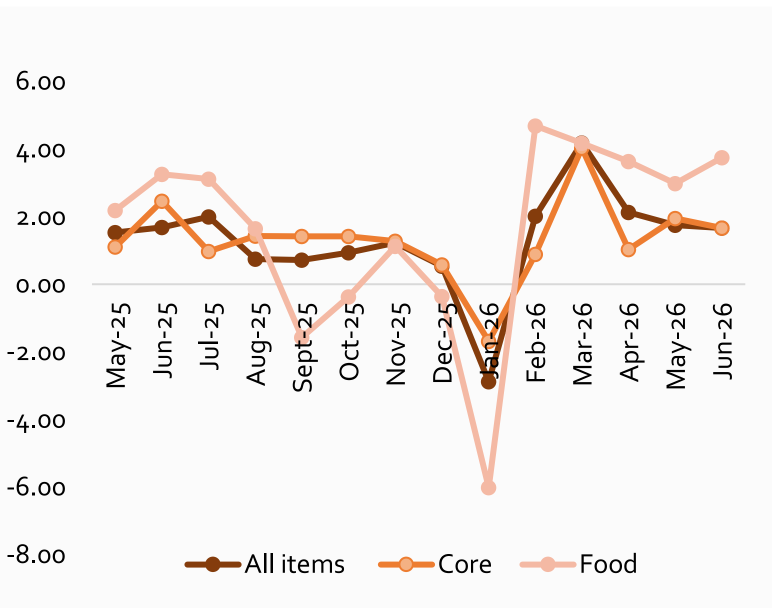
MoM: All items vs. Core vs. Food



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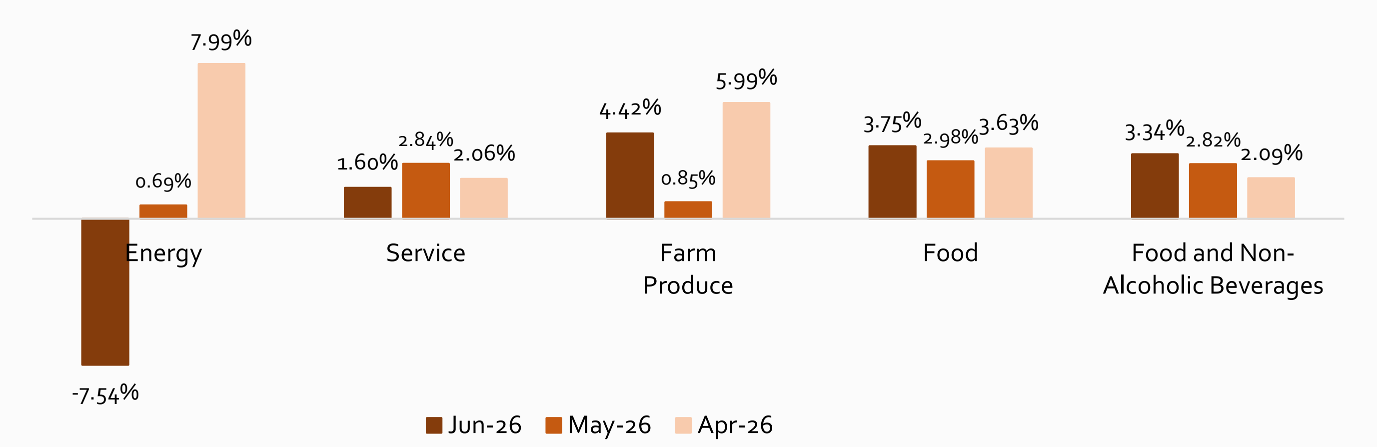
Consistent with the annual trends, month-on-month readings also showed broad-based moderation across major indices, with food inflation remaining the notable exception. All items and core inflation both printed at 1.66%, -9bps and -28bps from last month respectively while food inflation printed at 3.75% (+77bps).

The energy sub-indices moved to disinflation in the month under review to -7.54% while the service sub-indices declined significantly by 125bps to 1.60%. Imported food inflation also slowed to 1.73% from 2.27% recorded in May 2026.

Key Sub-indices: month-on-month



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Energy and Service-related inflation softens month-on-month

The disinflation recorded in the energy sub-index (-7.54% MoM) was largely driven by easing global oil prices following the de-escalation of the Iran-Israel conflict and the subsequent reopening of the Strait of Hormuz, which reduced concerns over disruptions to global crude supply driving brent crude prices down from an average of $104.62/bbl in May to $84.57/bbl in June. In addition, increased output from OPEC+ members improved market supply conditions and eased pressure on international energy prices. For Nigeria, lower global oil prices translated into softer domestic fuel, contributing to the moderation of energy-related inflation during the month.

A key component of the core index; service sub-index declined significantly by 125bps to 1.60% in the period under review, with other service-related sub-indices showing similar trends: Information and communication at 0.14% (-50bps). Recreation, sports and culture at 0.31% (-141bps). Restaurants and accommodation services at 0.28% (-113bps).

A notable trend was seen in the insurance and financial services sub-indices, which shifted into marginal disinflation of -0.06%; this could be partly attributed to easing operational cost pressures following lower energy prices, alongside broader moderation in service-sector inflation. Competitive dynamics within the financial sector and subdued consumer demand for non-essential financial products has also constrained providers' ability to increase fees and charges during the month.

Rural and urban inflation

Year-on-year, rural inflation continued its downward trajectory, declining by 12bps to 15.48%, while urban inflation increased slightly by 2bps to 16.08%, further widening the rural-urban inflation gap.

Month-on-month trends mirrored this divergence. Rural inflation eased to 0.52% (-64bps), supported by deeper disinflation in energy, transportation, furnishing and clothing categories, as well as slower inflation in service-related prices. However, upward pressure from food-related components limited the pace of moderation. Meanwhile, urban inflation accelerated slightly to 2.13% (+14bps), underscoring lingering price pressures across urban centres.

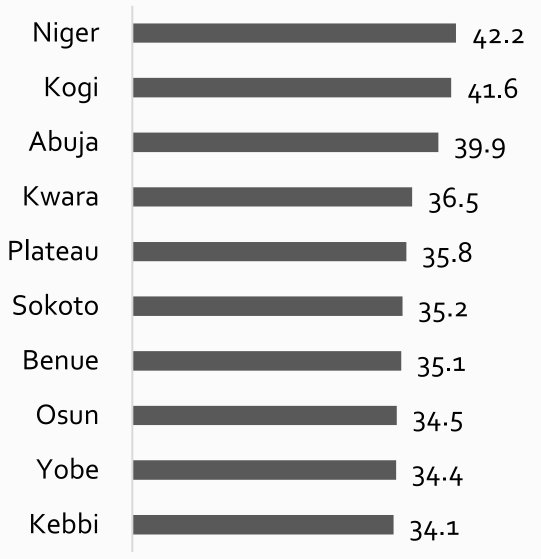
Rural Inflation	15.48%	▽
Urban Inflation	16.08%	△

Inflation by states

State-level data indicates that inflationary pressures remain more pronounced across several northern states, with Niger (42.2%), Kogi (41.6%), and the FCT Abuja (39.9%) recording the highest headline inflation rates nationwide. Other states with notable headline inflation included Kwara (36.5%), Plateau (35.8%), Sokoto (35.2%), Benue (35.1%), Osun (34.5%), and Yobe (34.4%).

Food inflation continues to be the primary driver of price pressures across states, reflecting persistent supply constraints, distribution bottlenecks, and heightened insecurity in key agricultural regions, which have disrupted farm output and market access. Kogi (53.0%) recording the highest food inflation rate, followed by Niger (43.8%), Benue (40.8%), and Abuja (40.2%).

Headline Inflation



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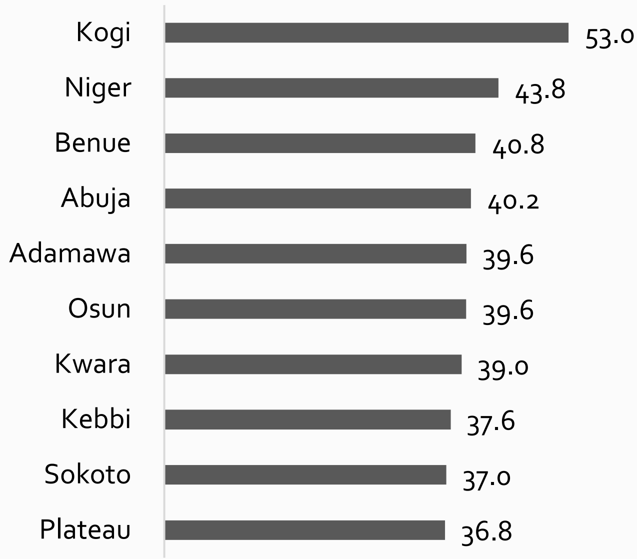
Food Inflation



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MPC Direction

We expect headline inflation to moderate further in the coming months, albeit at a gradual pace, supported by improving food supply conditions ahead of the harvest season, sustained disinflation in energy prices, and a continued easing in core inflationary pressures. Nonetheless, risks to the inflation outlook remain skewed to the upside, particularly from adverse weather conditions, persistent insecurity across major food-producing regions, and potential external shocks arising from geopolitical developments in the Middle East.

At the 306th Monetary Policy Committee (MPC) meeting scheduled for 20-21 July 2026, we anticipate that policymakers will maintain a cautious hold stance while assessing the sustainability of the emerging disinflation trend, the recent marginal recovery in Purchasing Managers' Index (PMI) readings, alongside prevailing external risks.

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