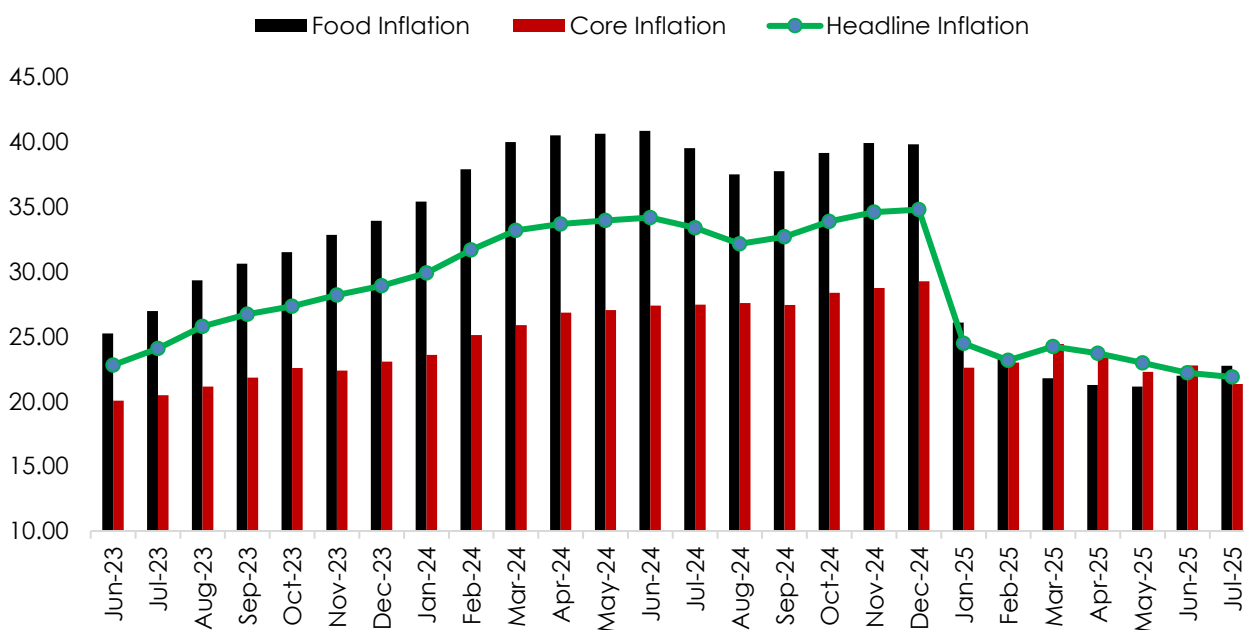


Headline Inflation Dips to 21.88% in July

Headline inflation declined to 21.88% in July 2025, down from 22.22% in June, reflecting a moderation of 34 basis points. On a month-on-month basis, however, the headline inflation rate settled at 1.99%, which was 31 basis points higher than the 1.68% recorded in June 2025.

Food inflation decreased to 22.74% in July 2025, from 39.53% recorded in July 2024. The sharp drop in the food inflation rate is technically due to the change in the base year. On a month-on-month basis, the food inflation rate declined by 14 basis points, to 3.12% in July from 3.25% in June 2025. This moderation was driven by slower increases in the average prices of vegetable oil, white beans, local rice, maize flour, sorghum, wheat flour, millet whole grain, etc.

Core inflation, which excludes the prices of volatile agricultural products and energy, stood at 21.33% in July 2025, compared to 27.47% recorded in July 2024. On a month-on-month basis, the core inflation rate moderated to 0.97%, reflecting a 149 basis points drop from the 2.46% recorded in June 2025. [Read more](#)



OUTLOOK

Headline inflation is expected to continue its gradual downward trend in August, supported by FX stability, tight monetary conditions from the CBN's hold policy, and subdued energy prices. However, food inflation remains a key risk, as persistent insecurity in major food-producing regions and rainy season logistics challenges could sustain upward pressure on prices. While base effects may moderate year-on-year inflation, supply chain disruptions could lift month-on-month readings. Economic reforms, food harvest, and CBN's inflation anchoring policy are however expected to support the disinflation momentum.

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