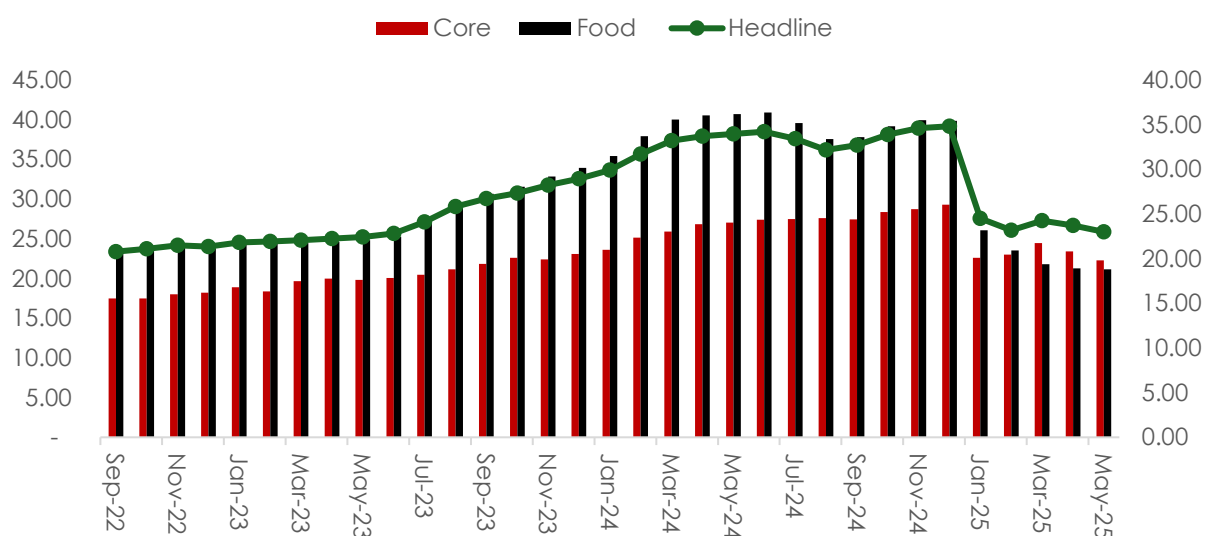


Headline Inflation ease to 22.97% in May

Headline inflation declined further in May to 22.97%, from 23.71% in April, reflecting a decline of 74bps. On a month-on-month basis, inflation moderated to 1.53% in May, compared to 1.86% in the previous month. This reduction can be attributed to a slight drop in fuel prices, exchange rate stability, and lower prices of selected food items.

Food inflation declined on a year-on-year basis to 21.14% in May 2025, from 40.66% recorded in May 2024. The sharp drop in the annual food inflation rate is largely a result of the change in the base year. However, on a month-on-month basis, the food inflation rate increased by 13bps, to settle at 2.19% in May from 2.06% in April. This can be attributed to the increase in the average prices of yam, avenger, cassava tuber, maize flour, fresh pepper, sweet potatoes.

Core inflation, which excludes the prices of volatile agricultural products and energy, declined to 22.28% in May 2025, compared to 27.04% in May 2024. On a month-on-month basis, the core inflation rate moderated to 1.10% in May 2025, representing a 24bps decrease from the 1.34% recorded in April 2025. [Read more](#)



OUTLOOK

Looking ahead, we expect headline inflation for June to moderate slightly, supported by exchange rate stability, lower fuel prices, base effects, and a decline in selected food prices driven by improved supply and ongoing government interventions. However, recent flooding in key food-producing regions, persistent insecurity, and rising global tensions pose upside risks to the inflation outlook. With inflation slowing down and the economy showing signs of improvement, the CBN may have room to ease its hawkish stance in its monetary policy parameters.

DISCLAIMER:

This report by SCM Capital Limited is for information purposes only. While opinions and estimates therein have been carefully prepared, the company and its employees do not guarantee the complete accuracy of the information contained herewith as information was also gathered from various sources believed to be reliable and accurate at the time of this report. We do not take responsibility therefore for any loss arising from the use of the information.



Investment Banking | Advisory Services

Asset Management | Research

Contact

+234- 01 280 2226-8

info@scmcapitalng.com