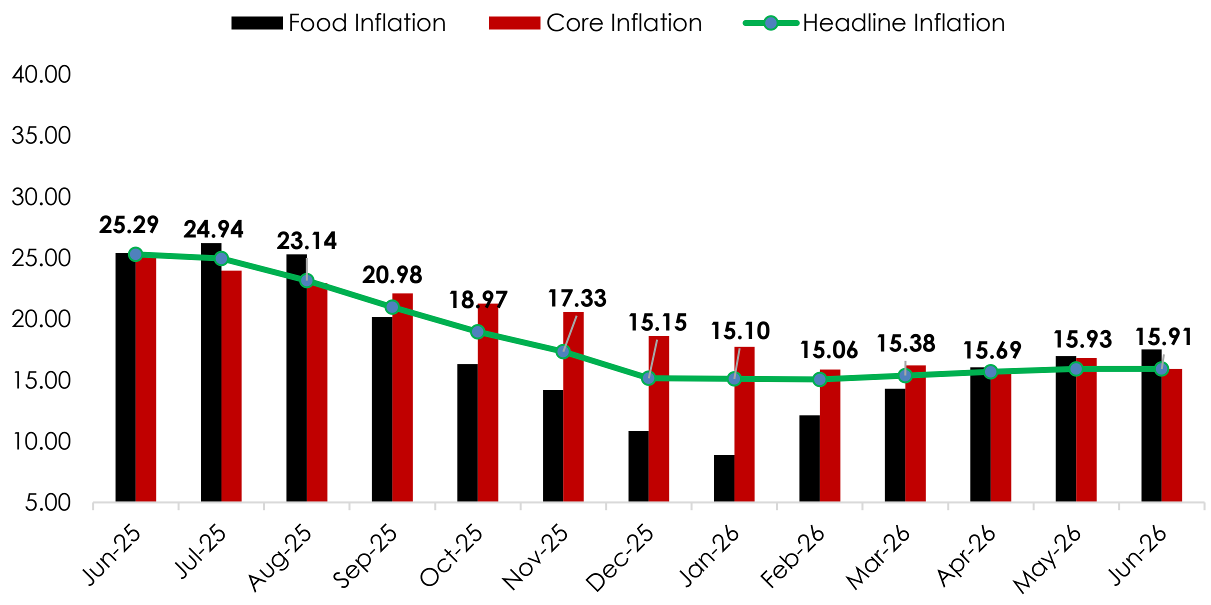
Headline Inflation Moderates to 15.91% in June

Headline inflation eased to 15.91% in June 2026 from 15.93% in May 2026, indicating a modest decrease of 2bps. On a year-on-year basis, inflation declined by 938bps from the 25.29% recorded in June 2025, on broad-based policy support and strong impact of base effect. On a month-on-month basis, headline inflation cooled to 1.66%, a 9bps decrease from the 1.75% recorded in May 2026, reflecting a slowdown in the monthly pace of price increases across key economic segments relative to the preceding month.

Food inflation increased to 17.52% year-on-year, compared to 25.41% in June 2025. On a month-on-month basis, food inflation stood at 3.75%, representing a 77bps acceleration from the 2.98% recorded in May 2026. The monthly uptick was driven by changes in the average prices of products such as crayfish, pepper, tomatoes, green peas, water yam, beef, banana, cassava flour, cow pea, garri, yam tuber, among others.

Core inflation, which excludes volatile agricultural produce and energy, stood at 15.92% year-on-year, compared with 25.41% in June 2025. On a month-on-month basis, core inflation decelerated to 1.66%, indicating a 28bps decrease from the 1.94% recorded in May 2026. This indicates a significant cooling of price pressures across non-food components. Read more



OUTLOOK

Headline inflation is projected to stabilize, supported by declining global crude oil prices following the US-Iran agreement, which have reduced domestic PMS prices and logistics costs. However, rising fertilizer costs and recent flooding pose downside risks to agricultural output, potentially affecting harvest yields and sustaining pressure on food prices. The Federal Government's ongoing downward adjustment of import tariffs is expected to provide a buffer against potential food price spikes, while the Central Bank of Nigeria is anticipated to maintain a hold on interest rate to manage excess system liquidity and anchor long-term inflation expectations.

Investment Banking | Advisory ServicesAsset Management | Research Contact
+234- 01 280 2227
info@scmcapitalng.com