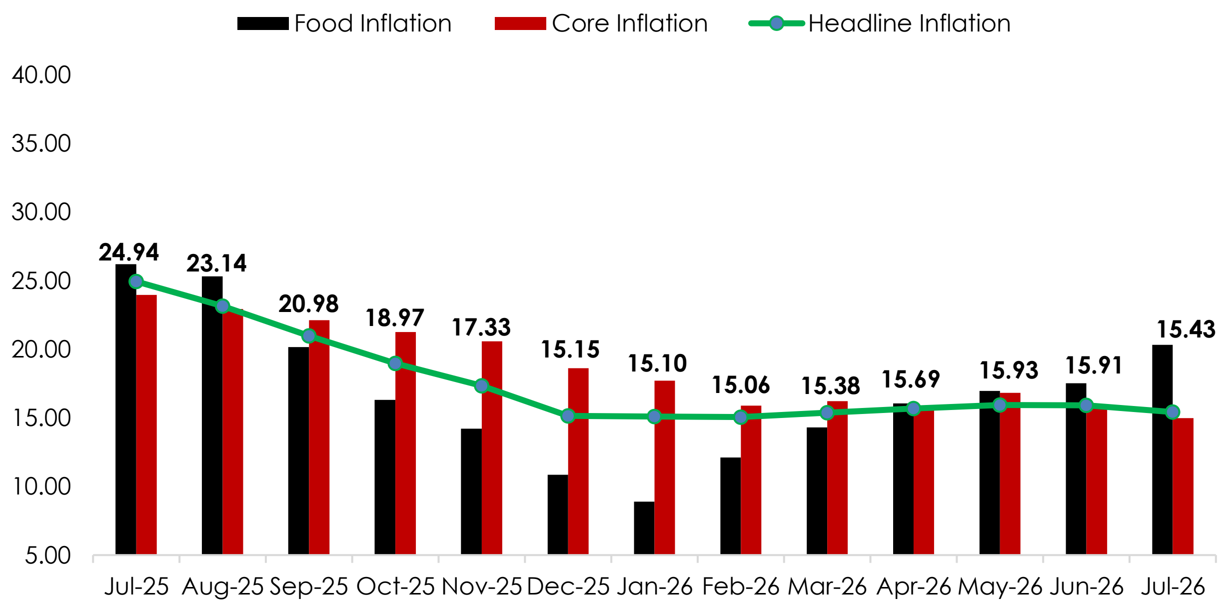
17th August 2026

Headline Inflation Eases to 15.43% in July

Headline inflation moderated to 15.43% in July 2026 from 15.91% in June 2026, indicating a decrease of 48bps. On a year-on-year basis, inflation declined by 951bps from the 24.94% recorded in July 2025, supported by continued policy transmission, sustained disinflationary momentum, and favorable base effects. On a month-on-month basis, headline inflation slowed to 1.57%, a 9bps decrease from the 1.66% recorded in June 2026, reflecting a ease in the monthly pace of price increases across key economic segments relative to the preceding month.

Food inflation eased to 20.31% year-on-year, compared to 26.20% in July 2025. On a month-on-month basis, food inflation stood at 5.56%, indicating a 182bps acceleration from the 3.75% recorded in June 2026. The monthly uptick was driven by changes in the average prices of products such as crayfish, fresh pepper, onions, carrots, rice, water yam, fresh tomatoes, garri, plantain, beef, egg, guinea corn, ginger, plantain flour, among others.

Core inflation, which excludes volatile agricultural produce and energy, stood at 14.97% year-on-year, compared with 23.95% in July 2025. On a month-on-month basis, core inflation decelerated sharply to 0.15%, indicating a 151bps decrease from 1.66% recorded in June 2026. This reflects a strong cooling of immediate price pressures across non-food and non-energy components, highlighting underlying disinflationary momentum across the core basket. Read more



OUTLOOK

Headline inflation is projected to continue its disinflationary trend into August 2026, supported by stability in global crude oil prices alongside a stable foreign exchange rate, keeping domestic PMS pump prices and logistics costs broadly unchanged from July levels, limiting further pass-through pressure on transportation and distribution costs. However, the steep month-on-month acceleration in food inflation recorded in July, linked to fertilizer cost pressures and flood-related disruptions to agricultural output, poses upside risk to the food basket in August, particularly if harvest yields stay constrained. The Federal Government's tariff adjustments are expected to help cushion against further food price spikes, while the Central Bank of Nigeria is anticipated to hold interest rates steady to manage excess system liquidity and anchor long-term inflation expectations.

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