



SEPTEMBER INFLATION



INFLATION FALLS
TO **18.02%**, BUT IS
UNLIKELY TO BE
SUSTAINED

2025

October 15

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The NBS released the official headline inflation data today. In line with our projections, but the fall is far in excess of expectations. Headline inflation eased by 2.1% to 18.02% from 20.12%, marking the sharpest drop in 3 years. The sustained disinflation trend reflects a combination of factors, including FX stability, a decline in PMS prices from ₦865 to ₦841/litre, the harvest season, and the base-year effect.

Food inflation eased for the second consecutive month, settling at 16.87% in September, from 21.87% in August.

This reflects a continued moderation in food prices compared to the same period last year. Also, core inflation declined, falling to 19.53% from 20.33% in August, indicating sustained easing in non-food price pressures.

▼ **16.87%**

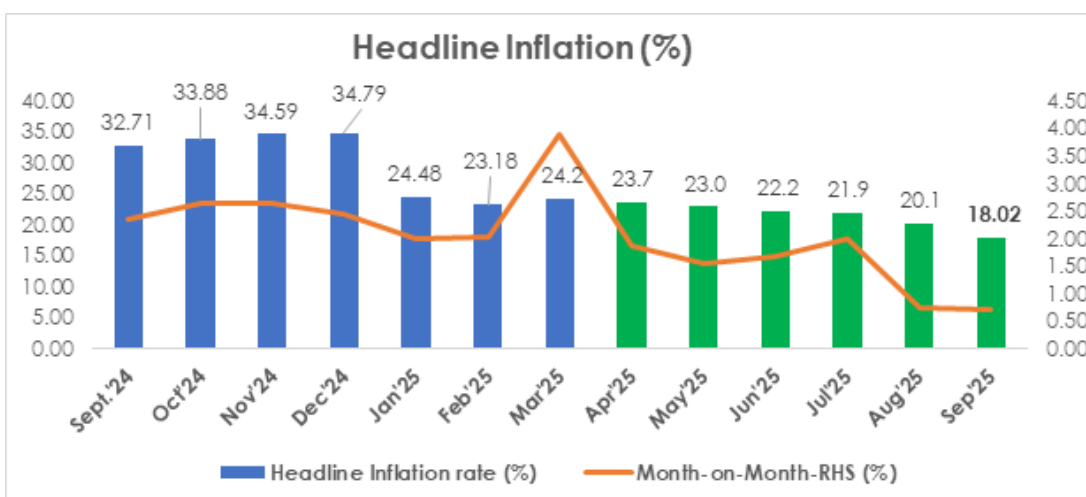
Food inflation rate for Nigeria

▼ **18.02%**

Headline inflation rate for Nigeria

▼ **19.53%**

Core inflation rate for Nigeria



¹NBS, FDC Think Tank

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Data breakdown

Month-on-month inflation

Monthly inflation fell to 0.72% in September (annualised at 9%), down from 0.74% in August, due to improved food supply, triggered by the harvest season and reduced demand.

Month-on-month food inflation

Monthly food inflation slowed to -1.57%, driven by improved harvest supply, lower demand, and softer prices in urban markets for staples like garri, rice, beans, and vegetables.

Month-on-month core inflation

Monthly core inflation edged down to 1.42% from 1.43%, supported by stable FX and reduced logistics pressures.

State-by-state inflation

Headline inflation was highest in Adamawa State at 23.69%, while Anambra State recorded the lowest at 9.28%. However, on a month-on-month basis, Zamfara State posted the highest inflation rate at 9.36%, whereas Niger State recorded the lowest at -8.14%.

Rural & Urban Indices

In September, annual urban inflation eased to 17.50% from 19.75% in August, marking the sixth decline since April, while annual rural inflation eased to 18.26% from 20.28%. On a month-on-month basis, urban inflation rose sharply to 0.74% from 0.49%, while rural inflation declined to 0.67% from 1.38% respectively.

While headline inflation has trended downwards in recent times, emerging economic realities threaten to reverse these gains. The recent 17.95% hike in PMS prices to ₦992/litre, alongside festive season demand, could reignite inflationary pressures. Consequently, the loosening cycle could be dampened, and the MPC may adopt a more cautious stance at its November meeting.

OUTLOOK



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