# SEPTEMBER INFLATION

## Inflation falls to 18.02%, but is unlikely to be sustained

2025

October 15

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

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.

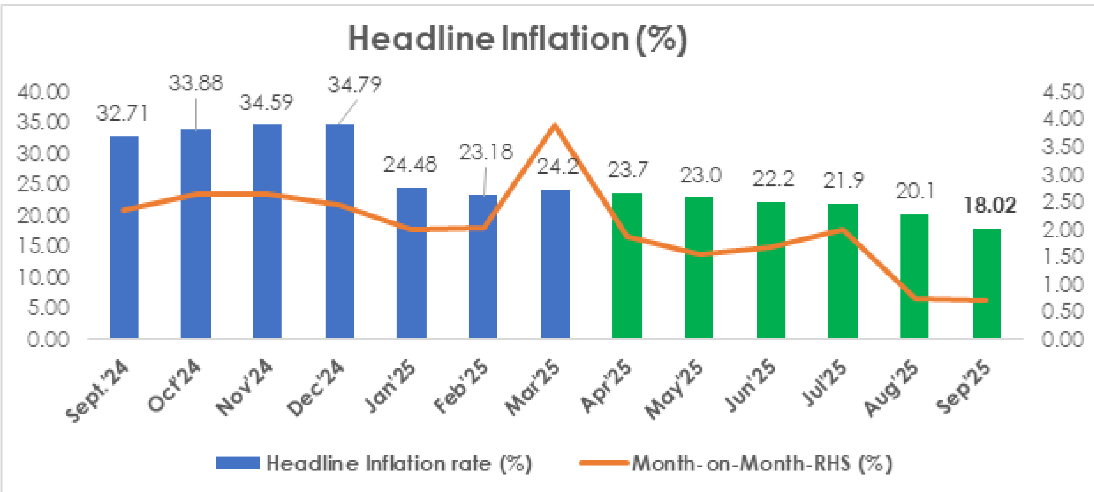
Food inflation eased for the second consecutive month, settling at 16.87% in September, from 21.87% in August. This reflects a continued moderation in food prices compared to the same period last year. Also, core inflation declined, falling to 19.53% from 20.33% in August, indicating sustained easing 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*

[1]NBS, FDC Think Tank

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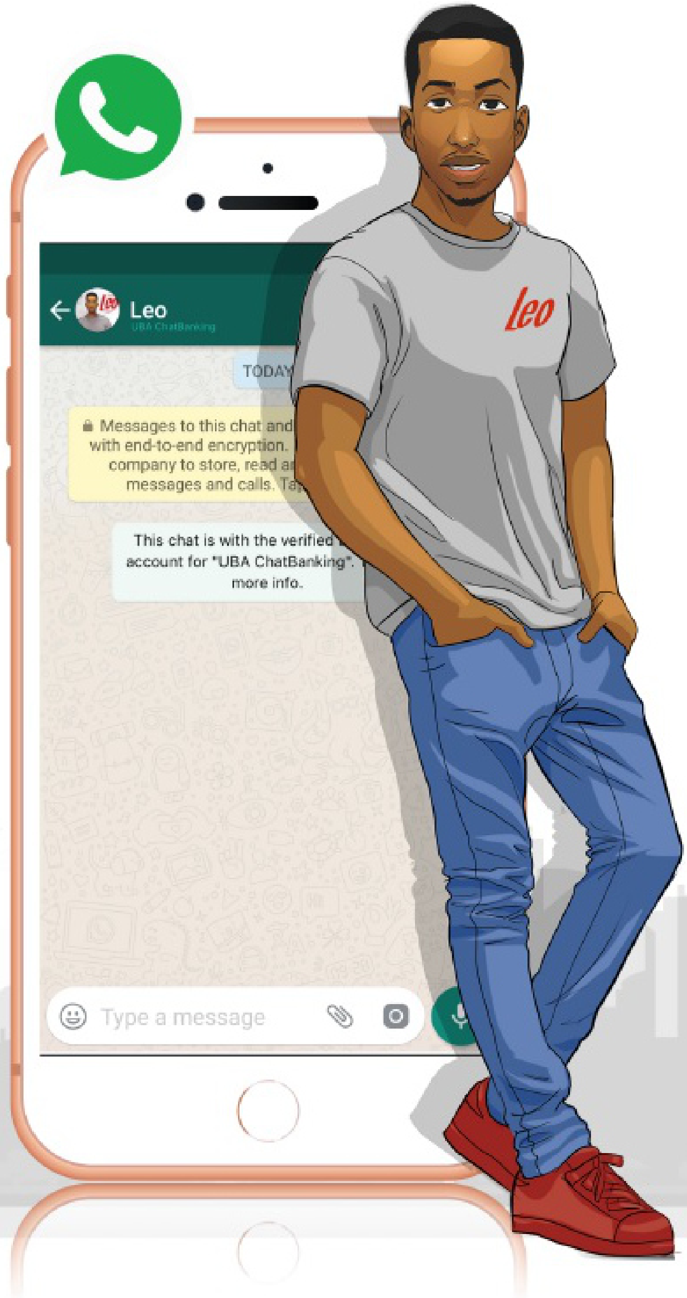


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## Data breakdown

### 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

IIn 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.