

HEADLINE INFLATION EASES TO 14.63%

... Harvest Supply Offsets Energy Pressures

October 16, 2026.

Economic Report

Highlights

Nigeria's Headline inflation rate moderated for the fourth consecutive month, declining to 14.63% year-on-year (YoY) in September from 15.39% in August, according to data released by the National Bureau of Statistics (NBS). This continued disinflationary trend comes amid persistent geopolitical tensions in the Middle East and rising global energy prices. On a month-on-month (MoM) basis, headline inflation also eased significantly to 0.06% in September from 0.71% in August. The moderation was largely driven by a sharp decline in food prices, supported by increased agricultural produce supply as the harvest season progressed, which helped offset some of the inflationary pressures from higher energy prices.

Key Indicators

Indexes	Year-on-Year			Month-on-Month		
	Sept-26	Aug-26	Change	Sept-26	Aug-26	Change
All-items Price Index	14.63%	15.39%	-0.76%	0.06%	0.71%	-0.65%
Food Index	19.59%	19.57%	0.02%	-1.55%	1.02%	-2.57%
Core Index	12.95%	13.29%	-0.34%	1.11%	-0.06%	1.17%
Urban All-items Index	15.64%	15.88%	-0.24%	0.53%	0.28%	0.25%
Rural All-items Index	12.46%	14.23%	1.79%	-0.89%	1.79%	-2.68%

Sources: National Bureau of Statistics, WSTC Research

Conversely, Food inflation edged up marginally to 19.59% YoY in September from 19.57% in August. However, on a MoM basis, food prices declined significantly, with food inflation falling to -1.55% from 1.02% in August. This deflationary trend reflects improved food supply during the harvest season, which exerted downward pressure on the prices of several food items. Notable contributors to the decline included loose guinea corn flour, white maize flour, local short-grain rice, eggs, fresh onions, palm oil, fresh green beans, Irish potatoes, okra, fresh tomatoes, dried green peas and plantains, among other food products.

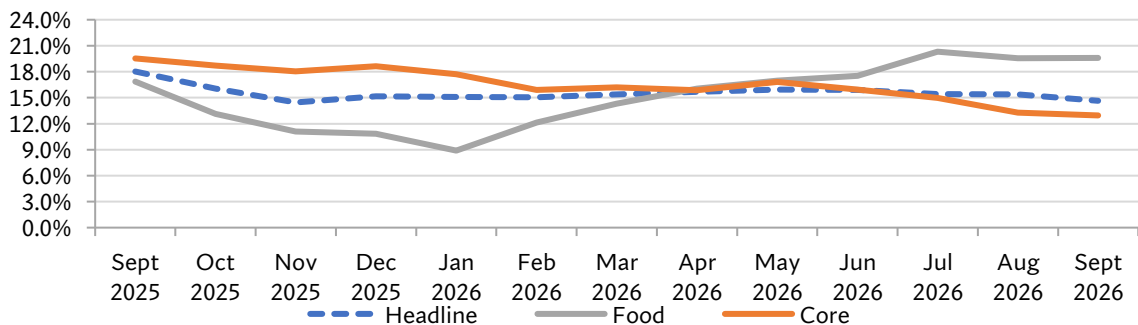
Core inflation, which excludes farm produce and energy prices, also moderated to 12.95% YoY in September from 13.29% in August. On a MoM basis, however, core inflation accelerated to 1.11% from -0.06%, indicating renewed price pressures across selected non-food categories. This increase was partly driven by higher transportation costs, accommodation services, non-alcoholic beverages, electricity, gas and other fuels. In addition, the commencement of a new academic session likely contributed to higher education service costs, further influencing the monthly increase in core prices.

Urban inflation moderated to 15.64% YoY in September from 15.88% in August. However, on a MoM basis, it increased to 0.53% from 0.28%, reflecting persistent price pressures in urban areas. The increase was consistent with rising costs across energy-related components, including housing, water, electricity, gas and other fuels, alongside higher education service costs.



Similarly, rural inflation declined to 12.46% YoY in September from 14.23% in August. On a MoM basis, rural inflation fell to -0.89% from 1.79%, indicating a broad-based moderation in rural price pressures. This decline was largely supported by lower food prices, reflecting improved availability of farm produce during the harvest season. Other contributing categories included imported food, alcoholic beverages, health and transportation, among others.

Year Inflation Trend



Sources: National Bureau of Statistics, WSTC Research

Outlook

We expect Nigeria's disinflationary trend to persist in the near term, supported by seasonal improvements in food supply. However, the pace and sustainability of the moderation will largely depend on developments in food prices, exchange-rate movements and energy costs.

The outlook for food inflation has improved as the harvest season progresses and monthly food-price pressures ease. Increased availability of seasonal agricultural produce should continue to support lower food prices in the coming months, although transportation bottlenecks, distribution costs and potential supply disruptions could limit the extent of the decline.

However, Rising global crude oil prices remain a key upside risk to the inflation outlook. Escalating geopolitical tensions in the Middle East could sustain upward pressure on international energy prices, potentially translating into higher domestic transportation, logistics and production costs.

Consequently, while seasonal food supply improvements should support further disinflation, elevated energy costs could moderate the pace of the decline in headline inflation. With all factors considered, WSTC Research's view is to expect inflation to decline moderately in the short term.



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