HEADLINE INFLATION EASES TO 14.06%

... Headline Inflation Moderates for Fifth Consecutive Month

November 17, 2026. *Economic Report*

Highlights

October's inflation data presents a mixed but broadly positive picture. While the year-on-year (YoY) Headline Inflation rate continued to moderate, the month-on-month (MoM) rate increased, which indicates that the pace of monthly price increases picked up relative to September.

Key Indicators

Indexes	Year-on-Year			Month-on-Month		
	Oct-26	Sept-26	Change	Oct-26	Sept-26	Change
All-items Price Index	14.06%	14.63%	-0.57%	0.43%	0.06%	0.37%
Food Index	19.13%	19.59%	-0.46%	-0.75%	-1.55%	0.80%
Core Index	10.78%	12.95%	-2.17%	-0.53%	1.11%	-1.64%
Urban All-items Index	14.84%	15.64%	-0.80%	0.43%	0.53%	-0.10%
Rural All-items Index	12.17%	12.46%	-0.29%	-0.89%	0.18%	-1.07%

Sources: National Bureau of Statistics, WSTC Research

Headline Inflation moderated for the fifth consecutive month YoY from 14.63% in September to 14.06% in October. However, on a MoM basis, Headline Inflation increased from 0.06% in September to 0.43% in October. This shows that the average general price level increased at a faster pace during the month, and this is linked to low supply of farm produce compared to the beginning of the harvest season.

Food Inflation moderated slightly from 19.59% YoY in September to 19.13% in October. More importantly, Food Inflation remained negative on a MoM basis for the second consecutive month, although it increased from -1.55% in September to -0.75% in October. This evidenced that average food prices continued to decline, but at a slower pace than in the preceding month. The Nigerian Bureau of Statistics (NBS) attributed the movement to changes in the average prices of items including vegetable oil, Titus sardines, green peas, frozen mackerel, croaker fish, locally produced rice, fresh catfish, beef tripe, and palm oil, among others. We opine that the continued monthly decline in food prices is on the back of improvement in food supply conditions, i.e the ongoing harvest season and seasonal price adjustments, although the slower pace of decline shows that the relief from lower food prices is beginning to moderate as the supply of farm produce reduced.

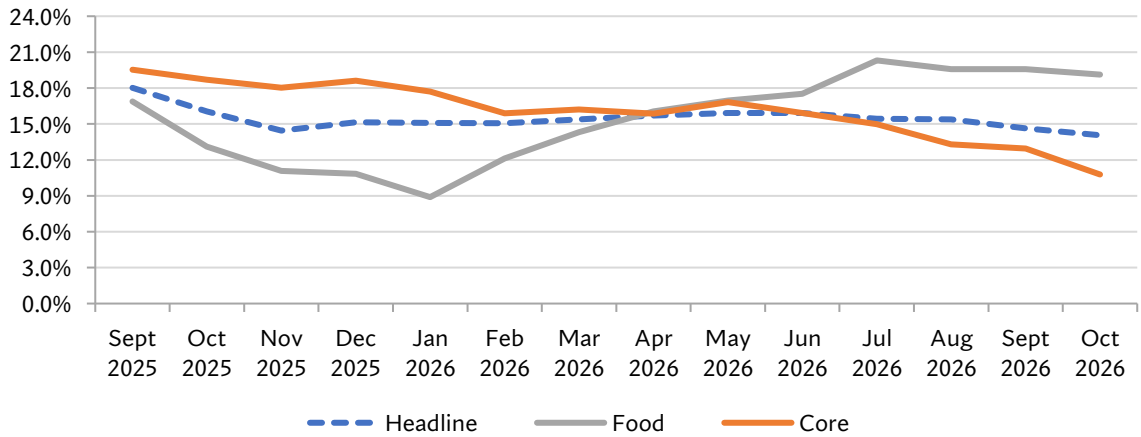
Core Inflation, which excludes volatile farm produce and energy prices, recorded a more significant moderation as it declined from 12.95% YoY in September to 10.78% in October. On a MoM basis, it moved from 1.11% in September to -0.53% in October. The data backed that the average price within this segment (services, education, etc.) declined during the month, following the increase recorded in September. We attribute this to the relatively stable exchange rate, as the naira appreciated by 1.10% MoM in the parallel market during October. This could have reduced the

naira cost of imported goods and production inputs, thereby easing price pressures on some core items. The significant moderation in energy prices (5.38% in September and 1.74% in October) might have provided additional indirect support through reduced logistics and operating costs.

Urban and Rural Inflation presented mixed movements on a monthly basis. Urban Inflation declined YoY from 15.64% in September to 14.84% in October, while MoM inflation moderated from 0.53% to 0.43%. This is attributable to the significant moderation in energy prices in the region (5.71% in September and 2.81% in October), which would have helped ease pressure on transportation, logistics and operational costs.

In contrast, Rural Inflation declined YoY from 12.46% to 12.17%, but increased MoM from -0.89% to 0.18%. We opine that this is due to low supply of farm produce compared to the beginning of the harvest season.

Year Inflation Trend



Sources: National Bureau of Statistics, WSTC Research

Outlook

We expect the disinflationary trend to continue in the near term, although the pace of moderation may remain gradual and uneven. The outlook for Food Inflation remains relatively supportive, given the continued availability of agricultural produce and improved supply conditions, which could provide further relief to food prices. However, the approaching festive season could introduce additional demand-side pressure on food, transportation and other consumer-related expenses.

For Core Inflation, the sustained exchange rate stability should continue to provide support to this segment, coupled with the continued moderation in energy costs.

Overall, we expect Inflation to maintain its downward trend in the coming months, but the sustainability of this trend will depend on food supply conditions, exchange-rate stability and changes in global energy prices.

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