

Inflation Report January 2026

Shockwave Relief: Nigeria's January 2026 Inflation Explodes Down to 15.10% from 2025's 27.61% Nightmare!

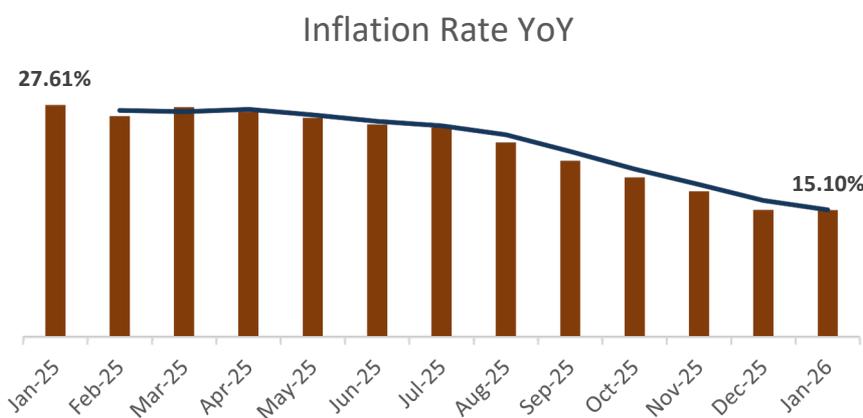
Nigeria's economy is turning a corner in spectacular fashion: after grappling with a punishing 27.61% inflation rate in January 2025, the nation has unleashed a dramatic reversal, slashing it to just 15.10% in January 2026. Dive in to discover what sparked this game-changing shift!

Figure 1: Nigeria Inflation Rate

Month	Headline	Food	Core	Urban	Rural	Trend
Jan 2025	27.61%	29.63%	25.27%	29.45%	25.04%	
Jan 2026	15.10%	8.89%	17.72%	15.36%	14.44%	

Source: NBS, Certari Research

According to the report released by **The Nigeria Bureau of Statistics (NBS)**, Nigeria's headline inflation fell from 27.61% YoY (+10.68% MoM) in January 2025 to 15.10% YoY (-2.88% MoM) in January 2026, a -12.51% YoY rate shift; food plunged from 29.63% YoY (+10.33% MoM) to 8.89% YoY (-6.02% MoM), down -20.74%; core moderated from 25.27% YoY (+10.87% MoM) to 17.72% YoY (-1.69% MoM), -7.55%; urban dropped from 29.45% YoY (+11.19% MoM) to 15.36% YoY (-2.72% MoM), -14.09%; and rural eased from 25.04% YoY (+9.47% MoM) to 14.44% YoY (-3.29% MoM), -10.60%, with negative 2026 MoM signaling deflation amid naira strength and supply improvements.



Source: NBS, Certari Research

Nigeria's food inflation rate dropped to 8.89% year-on-year in January 2026, down 20.73 percentage points from 29.63% in January 2025, driven by CPI rebasing for better accuracy and strong harvest effects boosting supply. Month-on-month, it fell -6.02%, faster than December 2025's -0.36%, due to lower prices for water yam, eggs, peas, oils, grains, beans, beef, and cassava. The 12-month average was 20.29%, improved from 38.47%, signaling ongoing disinflation to aid households.

Core inflation eased to 17.72% year-on-year in January 2026, down 7.55 points from 25.27% in 2025, via monetary tightening and reduced imports. Month-on-month, it deflated -1.69% from December's +0.58%, with slower growth in housing, utilities, and transport. The 12-month average dropped to 22.84% from 27.24%, showing rebasing's impact and easing potential. Imported food inflation moderated in January 2026 amid naira gains and better imports, despite lags in supply chains.

WHAT THIS MEANS FOR INVESTORS

Nigeria's latest inflation rate at 15.10% YoY extends the disinflationary trend for the tenth straight month, offering a welcome respite for fixed-income investors as it bolsters prospects for Central Bank of Nigeria (CBN) rate cuts at the upcoming February MPC meeting, easing borrowing costs and supporting bond rallies amid a steepening yield curve.

However, the two-speed economy remains evident: rapid easing in food prices (down to 8.89% YoY) signals ongoing tailwinds for agribusiness equities and consumer staples, yet sticky core inflation at 17.72% highlights persistent service-sector pressures, posing risks to broader equity valuations and operational margins in non-commodity sectors.

Looking ahead, the Monetary Policy Committee (MPC) on February 23rd and 24th respectively is poised for a measured, data-driven pivot toward looser policy to safeguard naira stability and foster recovery, creating selective opportunities in growth-oriented assets while cautioning against overexposure to import-reliant plays amid lingering global commodity volatility.

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