

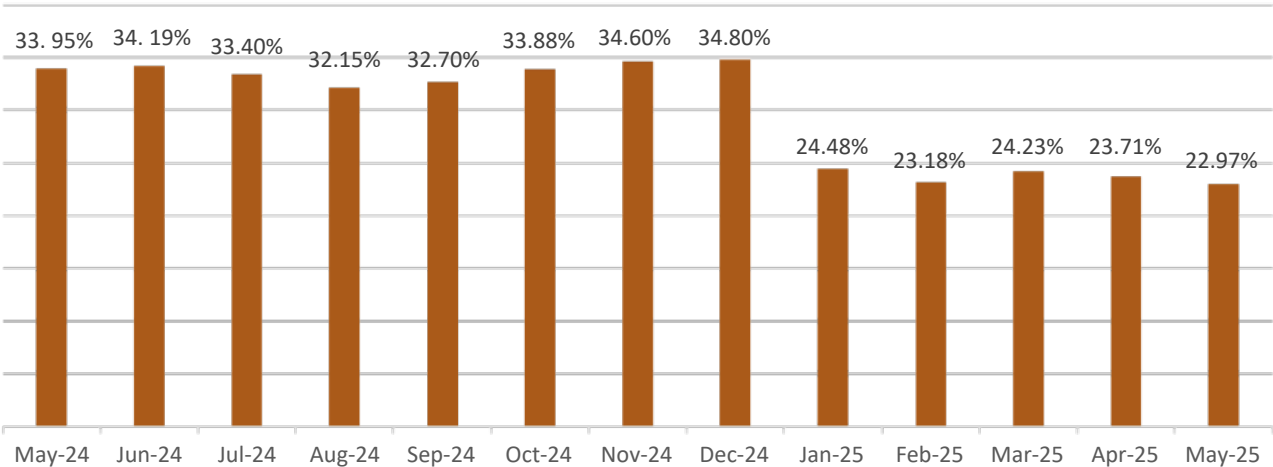
Inflation Report: May 2025

*Inflation Softens to 22.97% in May -
Disinflation Regain Grounds*

Key Note

- Nigeria’s headline inflation eased to 22.97% y/y in May (from 24.23% in April), driven by declines in food inflation (21.14%) and core inflation (22.28%), while monthly inflation slowed to 1.53% from 1.86%.
- Key drivers of inflation were Food and Non-Alcoholic Beverages (9.20%), Restaurants and Accommodation Services (2.97%), and Transport (2.45%). On the opposite end, Alcoholic Beverages, Tobacco & Narcotics (0.09%) and Recreation, Sport & Culture (0.07%) contributed minimally to the overall price level.

Figure 1: YOY Inflation Rate



Source: NBS, CertariResearch

- Food and core inflation showed mixed trends in May 2025: While annual food inflation slightly declined to 21.14% (from 21.26% in April), the monthly food inflation rose to 2.19%, reflecting short-term pressures. Conversely, core inflation eased both annually to 22.28% (from 23.39%) and monthly to 1.10% (down from 1.34%), signaling a broad-based softening in underlying price pressures excluding seasonal and energy-related items.

	May	April	Trend
Headline Inflation	22.97	23.71	↓
Food Inflation	21.14	21.26	↓
Core Inflation	22.28	23.39	↓
Urban Inflation	23.14	24.29	↓
Rural Inflation	22.70	22.83	↓

- Nigeria has recorded four inflation declines in the past five months, with April and May marking a renewed disinflationary trend after March disrupted January – February’s easing. A third consecutive drop in June’s inflation due just before the 301st MPC meeting would be pivotal in justifying a potential rate cut, especially as it could offset concerns about rising crude prices by showing that their inflationary impact is already priced in.

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