

INFLATION REPORT DECEMBER 2025

Nigeria’s Inflation drops to 15.15% in December 2025: Inflation Continues its Disinflationary Streak

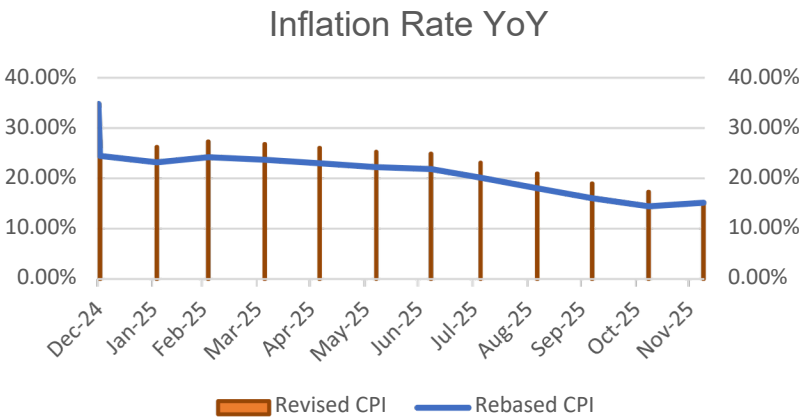
Headline Inflation – 15.15% ▼ Core inflation - 18.63% ▼ Food Inflation – 10.84% ▼

The National Bureau of Statistics (NBS) reported that Nigeria’s headline inflation rate declined to 15.15% year-on-year (y/y) in December 2025, down from the revised November 2025 figure of 17.33% y/y , a moderation of 218 basis points (2.18 percentage points). This marked the ninth consecutive month of easing price pressures. Compared to December 2024’s 34.80%, the rate fell substantially, while food inflation eased to 10.84% y/y (from 39.17% in December 2024) and core inflation stood at 18.63% y/y (from 28.52% in December 2024).

The Consumer Price Index (CPI) rose modestly to 131.2 points from 130.5 points in November. Month-on-month (M/M) headline inflation slowed sharply to 0.54% (from 1.22%), food M/M inflation was 0.42% (from 1.13%), and core M/M inflation eased to 0.61% (from 1.28%).

Following a methodological review (including a new base period and updated weighting), the NBS revised November 2025 headline inflation upward to 17.33% y/y from the initial 14.45%. The December moderation reinforces the ongoing slowdown in price pressures, though the revision reflects adjustments for greater accuracy rather than a sudden drop in actual costs.

Figure 1: Nigeria Inflation Rate



Source: NBS, Certari Research

OUR VIEW

- Nigeria's food inflation rate dropped to 10.84% year-on-year in December 2025, down 29.00 percentage points from 39.84% in December 2024, primarily due to CPI rebasing for improved trend accuracy and ongoing harvest season effects. Month-on-month, it declined to -0.36%, a 1.49 percentage point decrease from November's 1.13% (indicating a shift from price rise to decline), influenced by reductions in items such as tomatoes, garri, eggs, potatoes, carrots, millet, vegetables, and onions, even as some staples showed mixed movements. The 12-month average ending December 2025 was 22.00%, approximately 16.12 percentage points below the prior year's 38.12%, highlighting sustained disinflation in food prices.
- Following the methodological review, November 2025 food inflation was revised upward to 14.21% y/y. Nigeria's core inflation rate, which strips out volatile agricultural and energy prices, fell to 18.63% year-on-year in December 2025, a 10.65 percentage point decline from 29.28% in December 2024. Month-on-month, it softened to 0.58%, down 0.70 percentage points from November's 1.28%. The 12-month average ending December 2025 was 23.49%, around 5 percentage points below the prior year's levels, indicating gradual stabilization in underlying price pressures.
- This continues the disinflation trend, supported by the recent CPI rebasing and moderating non-food/non-energy costs. November 2025 core inflation was revised upward to 20.59% y/y. Despite the overall disinflationary trend in Nigeria's economy, imported food inflation eased slightly to 2.9% month-on-month in December 2025, down from 3.3% in November. The moderation points to easing external pressures along the import value chain, including reduced logistics costs and faster pass-through of exchange rate improvements to retail prices, aligning with the broader slowdown in food price pressures.

WHAT THIS MEANS FOR INVESTORS

Nigeria’s headline inflation eased to 15.15% YoY in December 2025 (down from the revised November figure of 17.33%), marking nine consecutive months of decline and raising expectations for CBN interest rate reductions in February 2026. Lower rates could reduce borrowing expenses, fuel gains in bonds, and benefit fixed-income portfolios as the yield curve steepens.

The economy shows divergence: food inflation fell sharply to 10.84% YoY, providing uplift for agricultural and consumer goods stocks, while elevated core inflation at 18.63% pressures services, potentially eroding broader market valuations and profit margins in non-resource industries. Looking back at November MPC's decision to maintain rates, the CBN signals readiness for gradual easing to support naira stability and economic rebound. Investors may find value in growth-focused sectors, but should limit exposure to import-dependent areas given ongoing global commodity fluctuations.

Disclaimer
The analyst(s) has (have) produced this report independently of the organization(s) covered in this report, and (has) done so using publicly-available information. Information used in the preparation of this report is believed to be accurate at the time of circulation to recipients, though not verified independently. No liability is accepted for errors nor omissions of fact, nor is any warranty given for the reasonableness, accuracy or completeness of the information presented. Market information may have been gathered from different sources, including official and government sources, and processed in arriving at the opinion(s) expressed in this report. This report is intended as background information for clients of Certari Asset Management Limited, and clients of its subsidiaries and affiliates, and is not to be read as a solicitation, approval, or advice to make investment decisions.