Inflation Report October 2025

Nigeria's Inflation drops to 16.05% in October 2025 as Inflation Continues its "Disinflationary Streak"

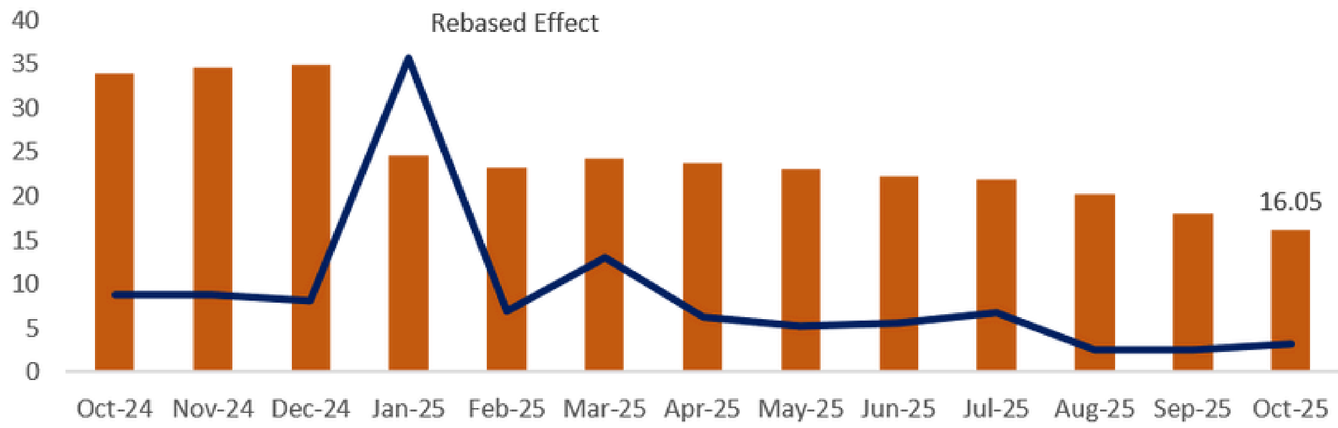
The National Bureau of Statistics (NBS) reported that Nigeria's headline inflation rate decreased by **197 basis points** to **16.05%** year-on-year (y/y) in October 2025, down from **18.02%** y/y in September 2025.

MONTH	HEADLINE INFLATION	FOOD INFLATION	CORE INFLATION
September	18.02 %	16.87 %	19.53 %
October	16.05 % ▼	13.12 % ▼	18.69 % ▼

This marks the seventh consecutive month of easing and underscores an ongoing slowdown in price pressures. The Year-on-Year rate differential for the same period under review fell by **17.8%** which reflects a substantial relief from prior inflationary peaks

The Consumer Price Index (CPI) edged up to **128.9 points** in October from **127.7** the previous month, signaling a modest 1.2-point rise in overall price levels. Month-on-month inflation rose slightly to **0.93%**, up from September's **0.72%**, indicating that while prices advanced, the broader annual rate of increase continued to decelerate significantly.

Figure 1: Nigeria Inflation Rate



In October 2025, Nigeria's food inflation slowed to **13.12%** Year-on-Year, down from **39.16%** in October 2024. This sharp moderation reflects the effects of CPI rebasing for more accurate trend tracking and the ongoing harvest season. On a month-on-month basis, food prices declined by **0.37%**, influenced by mixed movements in onions, fruits, vegetables and meats, while overall staple prices remained subdued. The 12-month average ended October 2025 at **21.96%**, significantly below last year's **38.12%**, highlighting sustained disinflation in the food sector.

Core inflation, which excludes volatile agricultural and energy prices, eased to **18.69%** Year-on-Year, down from **28.37%** in October 2024. Month-on-month, core prices edged **1.41%**, essentially stable from September's **1.42%**. The 12-month average stood at 21.78%, around 4 percentage points lower than last year, reflecting gradual stabilization in underlying price pressures, supported by CPI rebasing and moderating non-food/non-energy costs.

Despite the overall disinflation trend, imported food prices rose 3.3% month-on-month in September, up from 1.28% in August, even as the naira appreciated **3.67% to ₦1,475.35 per US dollar**. This divergence highlights ongoing external pressures along the import supply chain, including logistics costs and delayed exchange rate pass-through. Globally, the FAO Food Price Index fell to 128.8 in September, led by declines in cereals, dairy, sugar, and vegetable oils.

WHAT THIS MEANS FOR INVESTORS

Nigeria's headline inflation fell to **16.05%** YoY in October, marking the **seventh month of disinflation** and supporting expectations of CBN rate cuts that could ease borrowing costs and boost bond markets. The economy remains two-speed: food inflation eased to 13.12%, benefiting agribusiness and consumer staples, while core inflation stayed high at 18.69%, reflecting service-sector pressures.

The MPC meeting on **November 24–25** is expected to take a measured approach toward looser policy, aiming to stabilize the naira and support recovery, creating selective opportunities in growth assets while cautioning against overexposure to import-reliant sectors amid global volatility.