

Inflation Preview | December 2025

Nigeria | Macroeconomic Update | Inflation Outlook and Price Dynamics



DECEMBER 2025 FORECAST

11.5%

Expected YoY Inflation

NOVEMBER 2025

14.45%

Year-on-Year Inflation
8th consecutive decline ↓

SHORT-TERM PRESSURE

1.22%

Month-on-Month (Nov)

Global & Regional Signals

- Oil prices declined
Brent \$63 → \$61/bbl
- Energy price index eased
84.0 → 82.9
- Rice prices rose seasonally
Thailand 25%: \$362 → \$414/mt
- Food price index rose marginally
109.0 → 109.5
- Fertiliser prices softened
Urea \$409.3 → \$392.5

Domestic Price Developments

- Dangote Refinery cut PMS price
N910 → N739 per litre
- Transport & Logistic cost easing
- Harvest effects fading
- Food price relatively stable
- FX relatively stable

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Global commodity prices and imported inflation outlook

Global commodity price trends also remained broadly supportive of disinflation into December 2025. According to the World Bank's Pink Sheet, average crude oil prices declined to \$60.9 per barrel in December from \$62.3 per barrel in November, while Brent crude eased to \$62.7 per barrel from \$63.6 per barrel over the same period. Consistent with this, the World Bank Energy Price Index fell to 82.9 in December from 84.0 in November (2010 = 100), reinforcing easing fuel and transport cost pressures globally. Food commodity prices were more mixed. Global rice prices recorded a seasonal uptick, with Thailand 25% broken rice rising to about \$414 per metric tonne in December from \$362 per metric tonne in November. In contrast, wheat prices remained subdued, with U.S. hard red winter wheat averaging about \$242.8 per metric tonne in December, broadly stable and well below November level. Global sugar prices also remained weak, with world sugar prices holding around \$0.32 per kg in December, reflecting ample supply conditions.

Input costs were similarly supportive. Fertiliser prices eased,

Global and regional inflation backdrop

Globally, inflation trended downward across most economies in 2025. Euro Area inflation eased to around 2 percent in December, while the UK's annual inflation rate slowed to 3.2 percent in November 2025, driven by lower food prices and Black Friday discounts. In the United States, headline inflation moderated to 2.7 percent in November, the lowest reading since July.

Across Africa, disinflation also gained momentum. Ghana's inflation slowed for the twelfth consecutive month, easing to 5.4 percent year-on-year in December from 6.3 percent in November, underscoring improving price dynamics across parts of the continent. The decline was driven mainly by a slowdown in food and non-alcoholic beverages prices.

with urea prices in Eastern Europe falling to about \$392.5 per metric tonne in December from \$409.3 per metric tonne in November, helping to limit cost pressures along the agricultural value chain.

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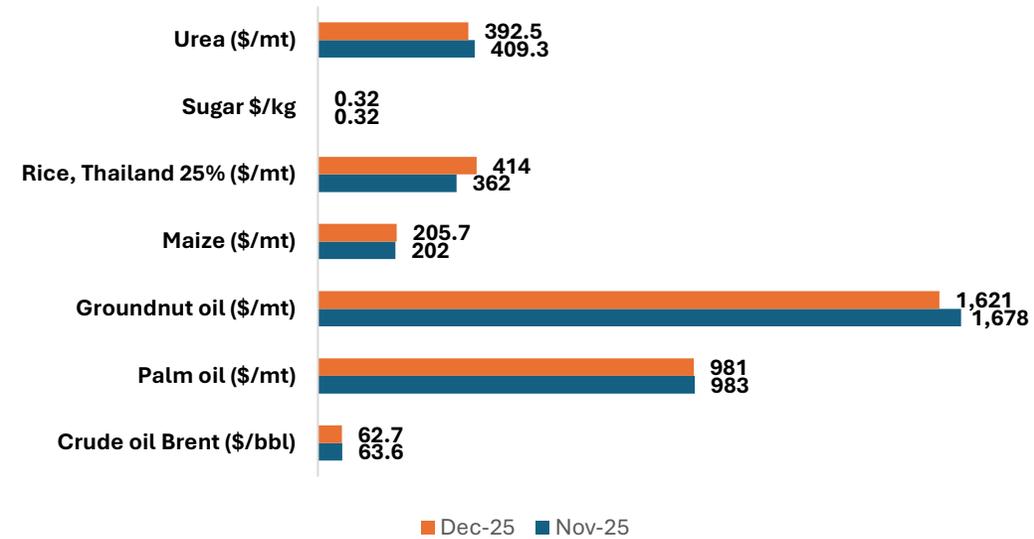
Implication for Nigeria's December 2025 inflation

Combined with relative exchange-rate stability which hovered around N1,452/\$ in December 2025, global developments point to limited imported inflation pressure for Nigeria in December 2025. Lower global energy prices support softer domestic fuel and transport costs, while subdued prices for most food commodities, despite higher rice prices, help contain external food inflation pressures.

Domestically, price dynamics also turned more supportive. Dangote Refinery reduced its PMS price to about N739 per litre in December from roughly N910 previously, reflecting improved local supply conditions and lower crude prices. According to the National Bureau of Statistics (NBS), average PMS prices stood at N1,061.35 per litre in November, pointing to the possibility of some moderation when December figures are published.

These developments are expected to ease transport and logistics costs, with positive spillovers to services and food distribution. As a result, headline inflation is expected to moderate further to around 11.5 percent year-on-year in December, even as short-term price pressures persist in selected food items, particularly grains, as harvest-season effects fade.

Prices of globally selected commodities (\$)



Inflation trend in 2025 (%)

