



INFLATION

FORECAST

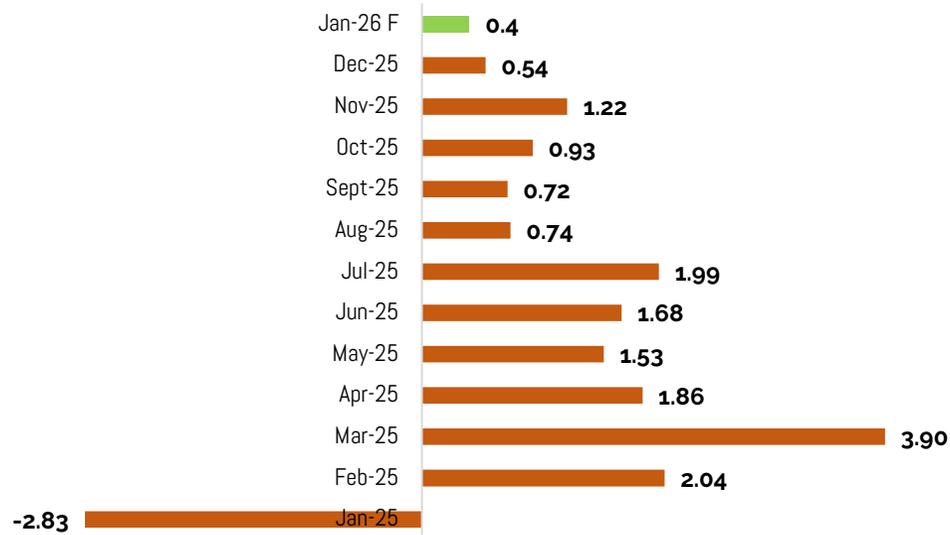


Month-on-Month Inflation Trend

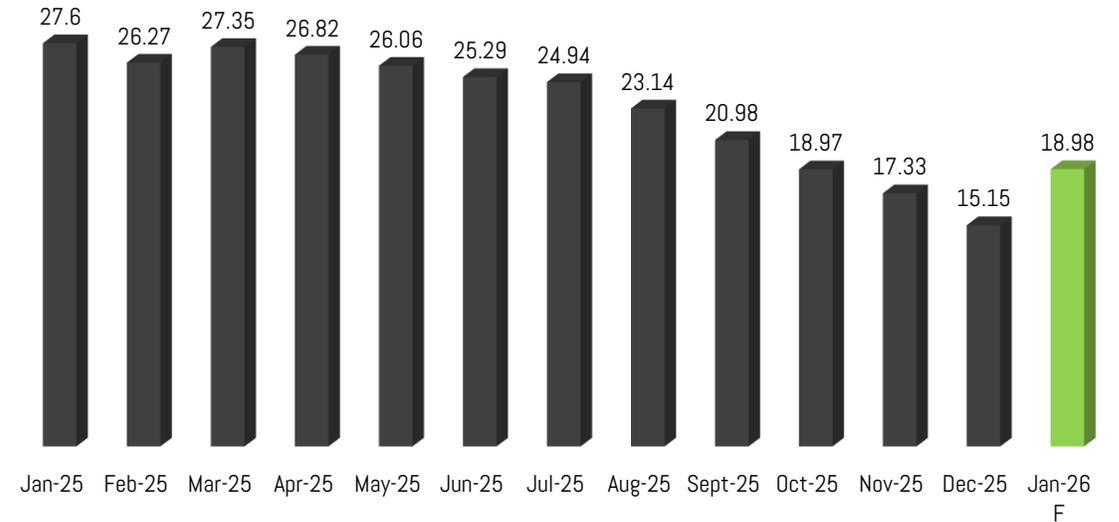
Year-on-Year Inflation Trend



MoM Inflationary Trend (%)



YoY Inflationary Trend (%)



Domestic Commodity Prices for January 2026



Source: World Bank, FAO.

Note: Prices are FAO-standardized market prices quoted per reference unit and are used strictly for month-on-month trend analysis, not retail price comparison.

Commodity	Dec. 2025	Jan. 2026	% ▲
Beans	1,777.95	1,850.04	4.05%
Egg	196.05	195.26	-0.40%
Fish tilapia	5,374.09	5,450.24	1.42%
Gari	786.88	783.3	-0.45%
Maize	945.87	925.35	-2.17%
Millet	1,572.09	1,563.72	-0.53%
Oil	2,160.15	2,159.5	-0.03%
Onions	255	278.55	9.24%
Rice	5,859.03	5,852.97	-0.10%
Yam	2,907.76	2,795.99	-3.84%
Wheat flour	3,625.25	3,625.65	0.01%
Potatoes	2,106.41	2,110.66	0.20%
Food price index	3.13	3.08	-1.60

Nigeria Inflation Forecast - January 2026

Global & Regional Inflation Backdrop

- Inflation pressures continued to ease across major economies at the start of 2026. Inflation in the Euro Area declined further to 1.7 percent in January, from 2.0 percent in December 2025, largely reflecting lower energy prices. In Africa, Ghana's consumer inflation slowed for the 13th consecutive month, easing to 3.8 percent year-on-year in January, from 5.4 percent in December, underscoring broad-based disinflationary trends across parts of the continent.

Global Commodity Prices & Imported Inflation Outlook

- Global food price signals were mixed in January. According to the Food and Agriculture Organization of the United Nations (FAO), world food commodity prices declined for the fifth consecutive month, driven by lower international quotations for dairy, sugar, and meat products. The FAO Food Price Index averaged 123.9 points in January, down from 124.4 points in December, suggesting easing external food price pressures.
- However, data from the World Bank's Pink Sheet point to residual upward pressure in selected food commodities, with the global food price index rising to 110.9 in January, from 109.4 in December 2025. The increase was driven largely by grains, reflecting seasonal supply tightness and weather-related factors in key producing regions.
- Energy prices increased at the start of 2026, pointing to renewed, though still moderate, imported cost pressures. According to the World Bank's Pink Sheet, the energy price index rose to 92.8 in January 2026, from 82.9 in December 2025, reflecting a modest rebound from late-2025 lows but remaining well below levels recorded earlier in the year

- Crude oil prices edged higher in January but stayed relatively subdued. The average crude oil price increased to \$63.7 per barrel in January, from \$60.9 per barrel in December, while Brent crude rose to \$66.8 per barrel, from \$62.7 per barrel over the same period. Despite the uptick, oil prices remain significantly below their 2024 and early-2025 averages, limiting upward pressure on global fuel and transport costs.

Implication for Nigeria's January 2026 Inflation

- In Nigeria, food price movements in January were mixed but broadly supportive of easing inflationary pressures. World Bank food market survey in January show that while prices of selected items such as beans and onions increased during the month, most staple food items, including maize, millet, rice, gari and yam, recorded price declines. As a result, the aggregate food price index fell by 1.60 percent on a month-on-month basis, reflecting improved domestic supply conditions, alongside limited pass-through from imported and energy-related costs.
- Energy price dynamics remain broadly supportive of contained inflation pressures. According to the National Bureau of Statistics (NBS), the average retail price of Premium Motor Spirit (PMS) declined by 11.81 percent year-on-year in December 2025, while month-on-month prices also fell by 1.20 percent. Similarly, Liquefied Petroleum Gas (LPG) prices recorded significant year-on-year declines, with the average cost of refilling a 5kg cylinder falling by 25.31 percent and a 12.5kg cylinder by 22.20 percent. Although rising crude oil prices towards the end of the period have begun to feed into petrol prices, December price data suggest that energy-related inflation pressures heading into January remain contained.
- With the naira gaining 2.46 percent in January to average N1,416, imported inflation is expected to remain subdued and muted.

OUR POSITION

On a month-on-month basis, inflationary pressures are expected to further ease in January, with headline prices rising by about 0.40 percent. For headline inflation to continue declining on a year-on-year basis, January would require an unusually large negative month-on-month print of nearly 3 percent, which appears inconsistent with prevailing price dynamics. Accordingly, headline inflation is expected to rise mechanically to around 18.98 percent year-on-year, reflecting base effects rather than renewed price acceleration.



THANK YOU

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