



INFLATION

FORECAST

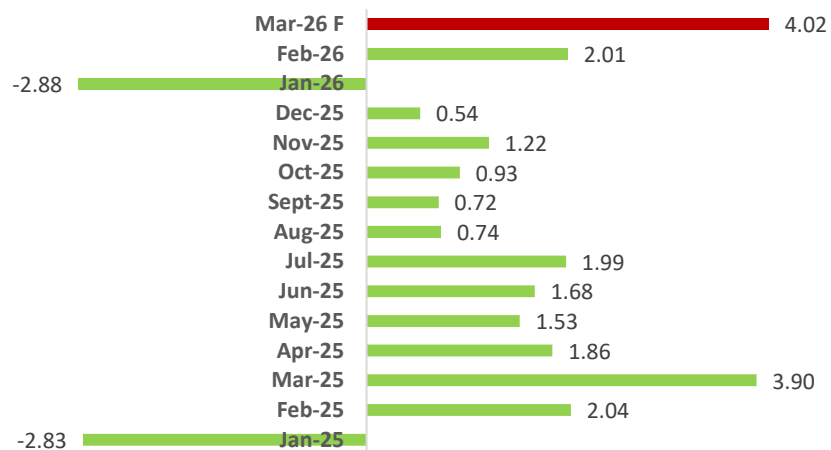


Month-on-Month Inflation Trend

Year-on-Year Inflation Trend

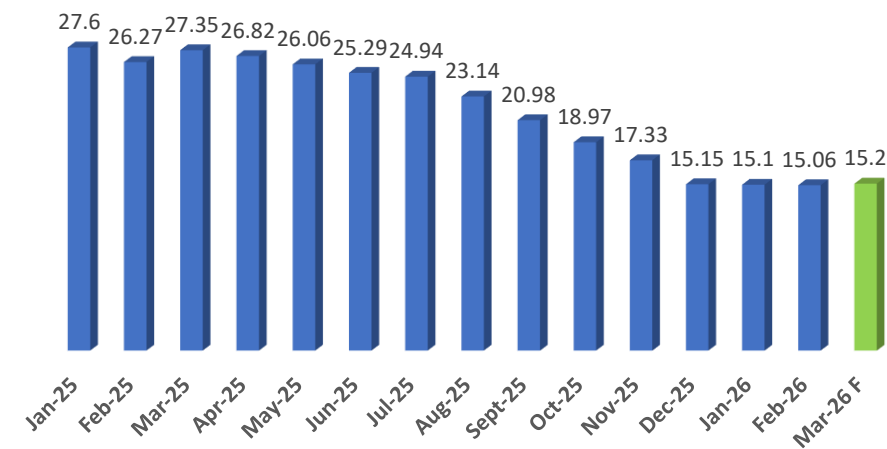


MoM inflation trend (%)



Source: NBS, FMDA

YoY Inflationary Trend (%)



Source: NBS, FMDA



Domestic Commodity Prices for March 2026



Commodity	Feb. 2026	March. 2026	% ▲
Gari_fao	835.66	859.68	2.87%
Maize_fao	973	993.41	2.10%
Millet	1467.99	1479.46	0.78%
Rice_fao	1821.57	1862.18	2.23%
Sorghum_fao	564.4	567.09	0.48%
Yam	3495.67	3634.93	3.98%
food_price_index	3.48	3.51	0.86%

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.

Nigeria Inflation Forecast - March 2026

Global & regional inflation backdrop

- Inflation trends were mixed across major economies in March 2026. Inflation accelerated in the United States to 3.3 percent from 2.4 percent, while the Euro Area rose to 2.5 percent from 1.9 percent, reflecting renewed price pressures. The uptick is partly linked to heightened Middle East tensions, which have driven energy prices higher, increasing production and transport costs globally.
- In contrast, inflation eased in China (1.0% from 1.3%) and Ghana (3.2% from 3.3%), while Kenya recorded a slight increase to 4.4% from 4.3%. Overall, 67 percent of tracked countries recorded higher inflation in March, up from 47 percent in February, indicating a broad-based increase in global price pressures.

Global Commodity Prices & Imported Inflation Outlook

- Global commodity prices increased further in March, driven largely by rising energy costs linked to the escalation of geopolitical tensions in the Middle East. The FAO Food Price Index rose by 2.4 percent, marking the second consecutive monthly increase.
- Energy prices recorded a sharp increase during the period. According to the World Bank Pink Sheet, Brent crude rose significantly to \$103.7 per barrel in March, from \$71.1 in February, reflecting supply disruptions and heightened geopolitical risks. The rise in energy prices has begun to transmit into global food markets. Key commodities such as wheat increased to \$275.9/mt from \$257.6/mt, while maize prices edged up to \$212.7/mt from \$209.6/mt, reflecting higher production and transportation costs.
- Overall, the combined increase in energy and food prices suggests elevated imported inflation pressures, with energy costs acting as the primary transmission channel into global and domestic price dynamics..

Implication for Nigeria's March 2026 Inflation

- In line with global developments, domestic food prices increased further in March, according to the World Bank food market survey. Prices of key staples such as yam, gari, rice and maize rose during the month, with the food price index increasing by 0.86 percent month-on-month, up from 0.56 percent in February, indicating stronger food inflation pressures.
- Energy costs also increased significantly during the period. Average PMS prices rose from N1,051.47 in February to between N1,200 and N1,300 in March, reflecting the impact of higher global oil prices. This suggests elevated transport and distribution costs, which are expected to transmit into broader consumer prices.
- Exchange rate dynamics further amplified inflationary pressures. The naira depreciated by 1.80 percent to N1,379.98/\$ in March, weakening its ability to cushion imported cost pressures.
- Overall, the combination of higher domestic food prices, rising fuel costs, and exchange rate depreciation suggests stronger month-on-month inflation pressures in March, with cost pressures becoming more broad-based compared to February..

Our Position

On a month-on-month basis, inflationary pressures accelerated sharply in March, with headline inflation expected to increase by 4.02 percent, up from 2.01 percent in February. This indicates a significant intensification of price pressures, driven by sustained increases in domestic food prices, sharp rises in fuel costs, and exchange rate depreciation during the period. On a year-on-year basis, headline inflation is projected to edge higher to around 15.20 percent, reflecting the strong monthly price increase in March, which outweighed favourable base effects from the corresponding period in 2025.



THANK YOU

Disclaimer

This report is prepared for informational purposes only by the Financial Markets Dealers Association (FMDA). The information contained herein is based on sources believed to be reliable; however, no representation or warranty, express or implied, is made as to its accuracy, completeness, or correctness. Opinions expressed are those of the authors and are subject to change without notice. FMDA and its affiliates accept no liability whatsoever for any direct or consequential loss arising from the use of this material or its contents.