



INFLATION

FORECAST

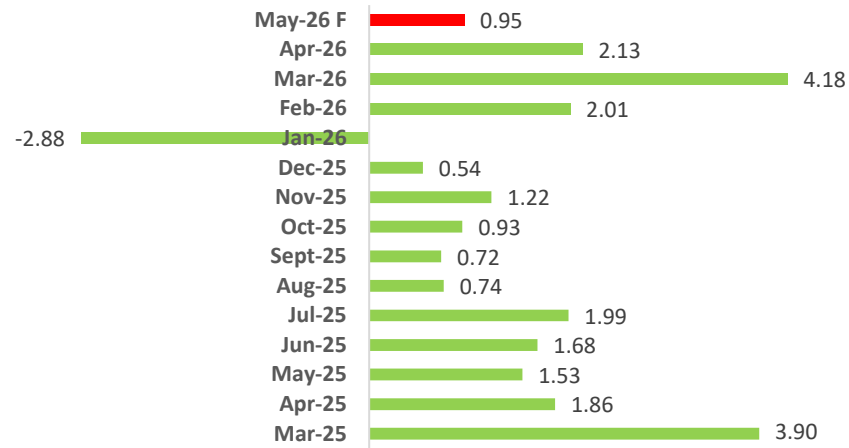


Month-on-Month Inflation Trend

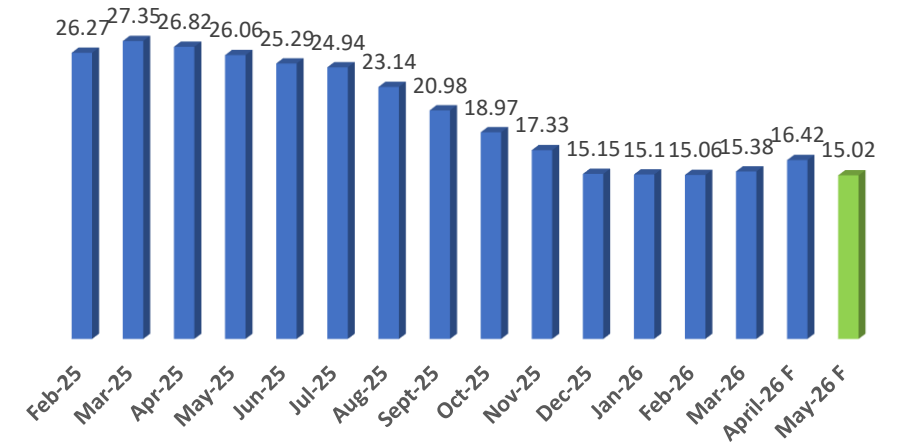
Year-on-Year Inflation Trend



MoM inflation trend (%)



YoY Inflationary Trend (%)



Source: NBS, FMDA

Source: NBS, FMDA



Domestic Commodity Prices for May 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	April 2026	May 2026	% ▲
beans	2,111.61	2,096.81	-0.70%
eggs	5,980.57	6,005.17	0.41%
fish	950.78	971.26	2.15%
gari_fao	975.22	979.46	0.43%
maize_fao	1,191.13	1,192.28	0.10%
maize_flour	1,330.43	1,330.16	-0.02%
meat_beef	6,069.60	6,145.56	1.25%
meat_goat	5,229.88	5,258.47	0.55%
milk	3,652.90	3,673.69	0.57%
onions	551.95	537.03	-2.70%
rice	5,032.42	5,021.29	-0.22%
yam	2,635.76	2,661.73	0.99%
food_price_index	3.92	3.92	0.00%

Nigeria Inflation

Forecast - May 2026

Global & regional inflation backdrop

- Inflation pressures remained elevated across major economies in May 2026. In the United States, inflation increased to 4.2 percent from 3.8 percent in April, while the Euro Area rose further to 3.2 percent from 3.0 percent. In contrast, inflation in China remained unchanged at 1.2 percent, reflecting subdued price pressures in Asia's largest economy.
- Across Africa, inflation trends were mixed but generally tilted to the upside. Kenya's inflation accelerated to 6.7 percent from 5.6 percent, while Ghana's inflation increased to 3.7 percent from 3.4 percent. Overall, 51 percent of tracked countries recorded higher inflation in May, down from 72 percent in April.

Global Commodity Prices & Imported Inflation

- Global food prices remained broadly elevated in May despite the FAO Food Price Index declining marginally by 0.2 percent. The FAO noted that rising energy and fertilizer costs, alongside uncertainty around the Strait of Hormuz, continue to pose upside risks to global food prices.
- According to the World Bank Pink Sheet, wheat prices increased to \$303/mt in May from \$282/mt in April, maize prices rose to \$216.2/mt from \$214.0/mt, while Thailand 5% rice prices climbed sharply to \$440/mt from \$403/mt. These developments suggest sustained imported food inflation pressures.
- Energy prices moderated during the month, with average crude oil prices easing to \$100.4/bbl from \$103.9/bbl in April. However, prices remain elevated relative to historical levels, implying continued pressure on global transportation and production costs.

Implication for Nigeria's May 2026 Inflation

- Domestic food prices were largely stable in May, according to the World Bank food market survey. The food price index remained unchanged at 3.92, reflecting mixed price movements across key staples. While fish, beef, yam and eggs recorded increases during the month, declines in beans, onions and rice helped moderate overall food inflation pressures.
- Exchange rate dynamics turned slightly inflationary during the period, with the naira depreciating by 0.64 percent to an average of N1,370.00/\$ in May from N1,361.22/\$ in April. This may increase imported cost pressures, particularly for food and manufacturing inputs.
- Energy costs remained an upside risk to inflation. Although official NMDPRA data for May are yet to be released, market prices suggest PMS traded largely between N1,400 and N1,500 per litre during the month, indicating continued pressure on transportation and production costs.
- Overall, stable food prices may help contain inflationary pressures in May. However, exchange rate depreciation and elevated fuel costs are expected to keep underlying inflation pressures firm.

Our Position

On a month-on-month basis, inflationary pressures are expected to moderate significantly in May, with headline inflation projected to increase by around 0.95 percent, compared with 2.13 percent in April. This reflects stable domestic food prices and the fading pass-through effects of the Middle East-induced energy shock that intensified in March. On a year-on-year basis, headline inflation is projected to decline further to around 15.02 percent, supported by favourable base effects and softer monthly price pressures despite mild exchange rate depreciation during the month.



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.