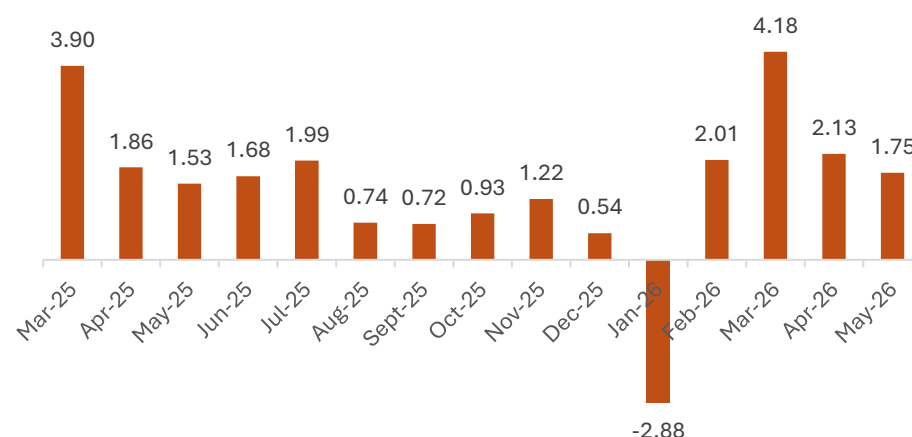


Inflation accelerated to 15.93% in May, as energy cost dominate the scene

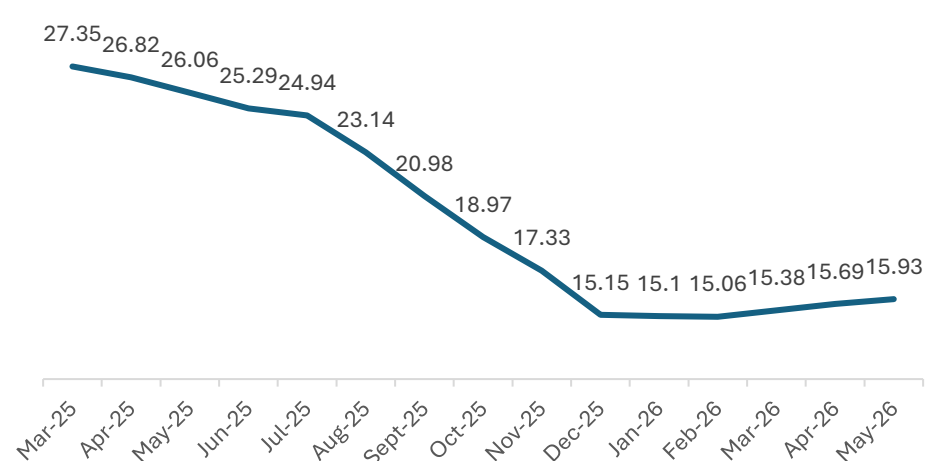
Key Highlights on Inflation figure in May 2026

- Nigeria's headline inflation increased to 15.93% year-on-year in May 2026, from 15.69% in April, marking the third consecutive monthly increase in the annual inflation rate.
- Month-on-month inflation, however, declined in line with to 1.75%, from 2.13% in April, suggesting that while inflationary pressures remained elevated, the pace of price acceleration moderated during the month.
- Food inflation remained elevated, with food prices increasing to 16.96% year-on-year, driven by higher prices of key commodities such as Onions (Fresh), Maize (Corn) grains, Melon (Egusi), Water Yam, Cassava Flour, Crayfish, Pepper (Fresh), Tomatoes (Fresh), Wheat Grain, Cassava Tuber, Yam Tuber, Sweet Potatoes, Ginger (Fresh), Plantain, Cow Pea,, according to NBS data.
- Core inflation also pickup up on a month-on-month basis to 1.94%, from 1.03% in April. This indicates that inflationary pressures remain broad-based beyond food and continue to reflect lingering energy-related cost pressures.

Inflation trend MoM (%)



Nigeria Inflationary trend (%)



Top six (6) drivers of May month on month inflation decline

Category	April CPI	May CPI	MoM change
Food	135.8	139.8	+2.98%
Services	140.8	144.8	+2.84%
Food And Non-Alcoholic Beverages	134.5	138.2	+2.82%
Imported food	127.4	130.3	+2.27%
Housing, Water, Electricity, Gas And Other Fuels	140.3	143.5	+2.26%
Recreation, Sport And Culture	113.4	115.4	+1.72%

Analysts' Projections and Interpretation

FMDA's May inflation forecast achieved an accuracy rate of approximately 94 percent, with headline inflation settling at 15.93 percent, compared with the FMDA projection of 15.02 percent. Similarly, month-on-month inflation increased by 1.75 percent, above the FMDA expectation of 0.78 percent, indicating that inflationary pressures remained stronger than anticipated during the month.

The upside surprise was driven largely by food-related pressures, with food inflation rising to 16.96 percent year-on-year. According to NBS data, higher prices of onions, maize, melon, water yam, cassava flour, pepper, tomatoes, wheat grain, cassava tuber and yam tuber contributed significantly to food inflation during the month.

Beyond food, imported food inflation and services-related costs remained elevated, reflecting the impact of higher global grain prices and lingering pass-through effects from earlier energy shocks.

Going Forward

Going forward, inflationary pressures are expected to ease gradually. The peace agreement between the United States and Iran has contributed to a sharp decline in global oil prices, with crude oil prices falling to around \$78 per barrel. In addition, Dangote Refinery's recent reduction of PMS prices by N75 is expected to ease transportation and production costs.

Combined with relatively stable food prices and favourable base effects, these developments could support a moderation in both month-on-month and year-on-year inflation in the coming months.