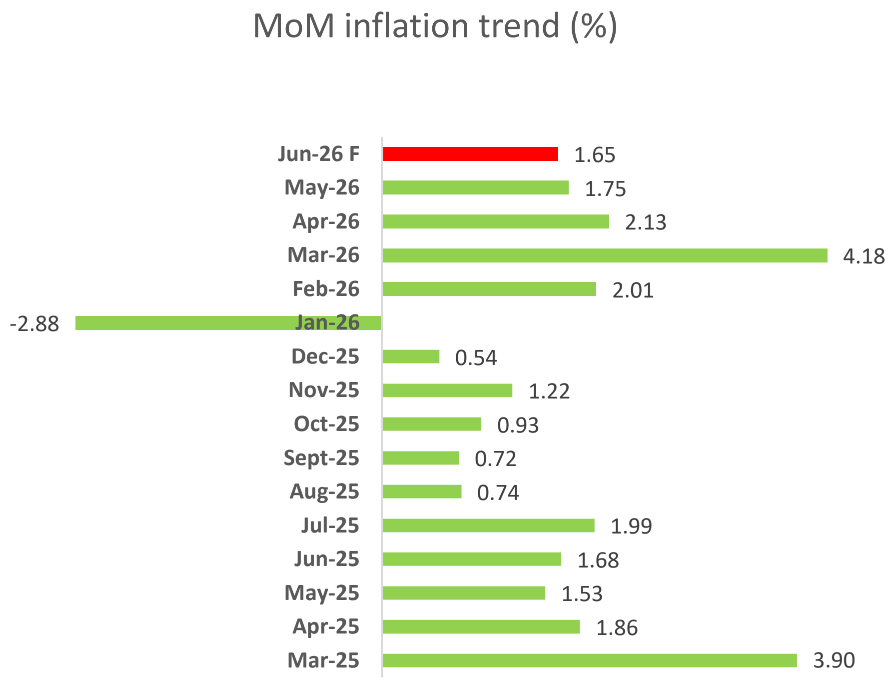
FMDA

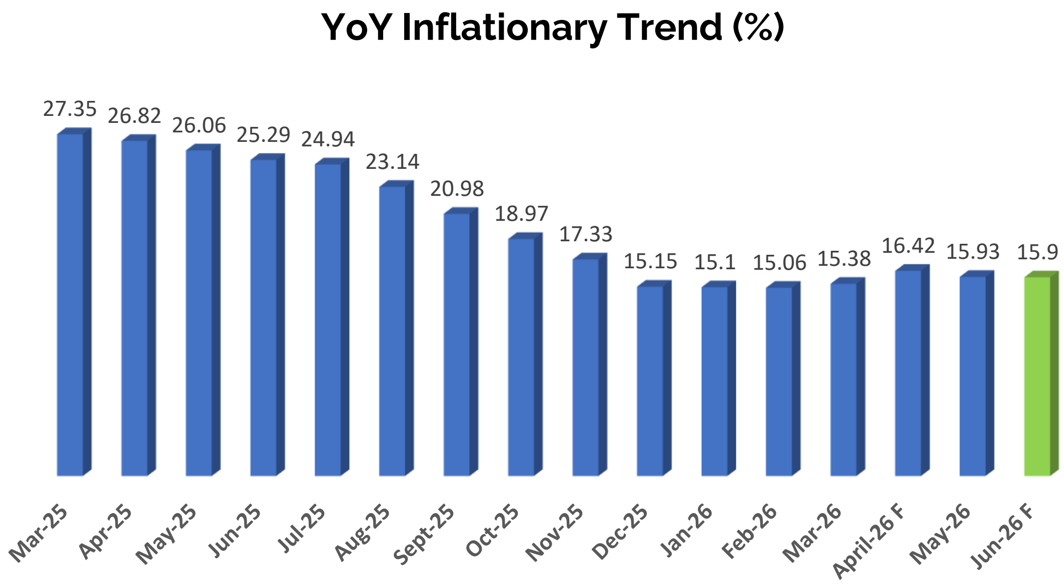
INFLATION FORECAST

Month-on-Month Inflation Trend



Source: NBS, FMDA

Year-on-Year Inflation Trend



Source: NBS, FMDA

Domestic Commodity Prices for June 2026

Commodity	May 2026	June 2026	% ▲
fish	941.11	922.94	-1.93%
gari_fao	954.68	963.31	0.90%
groundnuts	3,524.05	3,577.18	1.51%
maize_fao	1,014.91	1,006.82	-0.80%
maize_flour	1,674.48	1,687.89	0.80%
meat_beef	5,452.97	5,602.10	2.73%
milk	4,102.40	4,036.91	-1.60%
millet	1,721.58	1,760.70	2.27%
onions	543.60	524.81	-3.46%
rice	4,702.61	4,987.75	6.06%
sorghum_fao	654.82	651.38	-0.53%
yam	3,108.25	2,919.32	-6.08%
food_price_index	3.85	3.68	-4.36%

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 - June 2026

Global & regional inflation backdrop

- Global inflationary pressures moderated further in June 2026 as lower energy prices eased cost pressures across several economies. In the Euro Area, inflation declined to 2.8 percent from 3.2 percent in May, reflecting the temporary easing in global oil prices following the ceasefire between the United States and Iran. Inflation also declined in Kenya to 6.4 percent from 6.7 percent, while Egypt eased to 14.3 percent from 14.6 percent.
- Inflation trends remained mixed elsewhere. India's inflation increased to 4.38 percent from 3.93 percent, while South Korea edged higher to 3.2 percent from 3.1 percent. Overall, 59 percent of tracked countries recorded lower inflation in June, suggesting that global inflationary pressures softened during the month despite renewed geopolitical tensions toward month-end.

Global Commodity Prices & Imported Inflation

- Global food prices eased modestly in June, with the FAO Food Price Index declining by 0.3 percent to 130.3 points. Lower prices for cereals, sugar and dairy products more than offset increases in vegetable oils and meat.

- The FAO attributed the moderation to improved global grain supplies, softer energy prices and reduced tensions around the Strait of Hormuz.

- Consistent with this trend, the World Bank Pink Sheet showed wheat prices declining to $286/mt from $303/mt, maize prices falling to $197.1/mt from $216.2/mt, while average crude oil prices dropped sharply to $81.7/bbl from $100.4/bbl in May.

- However, Thailand 5% rice prices increased further to $494/mt from $440/mt, suggesting that imported food pressures remained uneven across key staples.

Implication for Nigeria's June 2026 Inflation

- Domestic food prices moderated in June, according to the World Bank food market survey. The food price index declined by 4.36 percent, reflecting lower prices for yam, onions, fish, milk, rice, sorghum and maize, which more than offset increases in rice (FAO), beef, goat meat, millet, groundnuts, garri and maize flour.

- Exchange rate dynamics remained supportive of disinflation, with the naira appreciating marginally by 0.22 percent to an average of N1,366.99/$ in June from N1,370.00/$ in May, helping to ease imported cost pressures.

- Energy prices also softened during the month after Dangote Refinery reduced its ex-depot (ex-gantry) PMS price twice, bringing it down to N1,075 per litre in early June from N1,175 in May. This is expected to reduce transportation and production costs or at least keep it stable.

- Overall, easing food prices, a stronger naira and lower domestic fuel prices suggest that inflationary pressures moderated further in June, supporting a slower month-on-month increase in headline inflation.

Our Position

On a month-on-month basis, inflationary pressures are expected to moderate in June, with headline inflation projected to increase by 1.65 percent, compared with 1.75 percent in May. While lower domestic fuel prices, a stronger naira and easing food prices are expected to support disinflation, persistent increases in cooking gas prices and other household energy costs likely kept underlying inflationary pressures elevated.

On a year-on-year basis, headline inflation is projected to ease marginally to around 15.90 percent, reflecting favourable base effects and a slower pace of monthly price increases.

THANK YOU

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