

Inflation eased to 14.63% in September as food and rent declines offset an energy spike

▼ **14.63%**

Headline inflation, y/y

Aug: 15.39%

▼ **0.06%**

Headline inflation, m/m

Aug: 0.71%

▲ **19.59%**

Food inflation, y/y

Aug: 19.57%

▼ **12.95%**

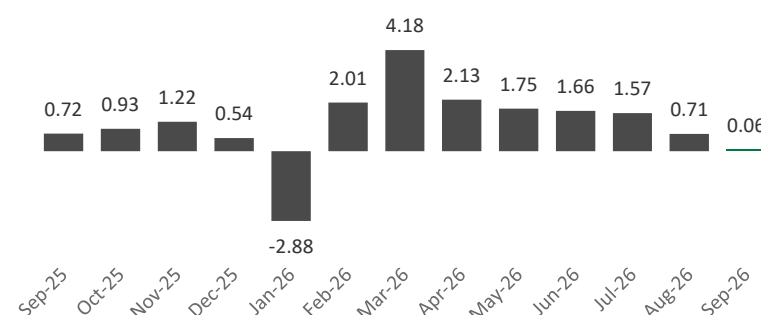
Core inflation, y/y

Aug: 13.29%

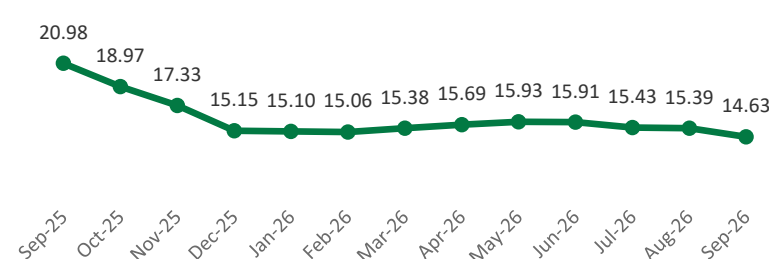
Key highlights

- Headline inflation eased to 14.63% year-on-year in September 2026 from 15.39% in August, the lowest rate in the rebased CPI series.
- Month-on-month inflation slowed sharply to 0.06% from 0.71%, as a 2.89% fall in farm produce prices and a 4.78% drop in rent offset a 5.31% jump in the Energy Index.
- Food inflation was broadly unchanged at 19.59% year-on-year (19.57% in August). Food prices fell 1.55% month-on-month, reversing a 1.02% rise in August. The NBS attributed the decline to changes in the prices of guinea corn flour, maize flour, local rice, eggs, onions, palm oil, green beans, Irish potatoes, okra, tomatoes, dried green peas and plantain.
- Core inflation eased to 12.95% year-on-year from 13.29%, but rose 1.11% month-on-month after a 0.06% decline in August, suggesting higher energy costs are feeding into underlying prices.

Month-on-month inflation (%)

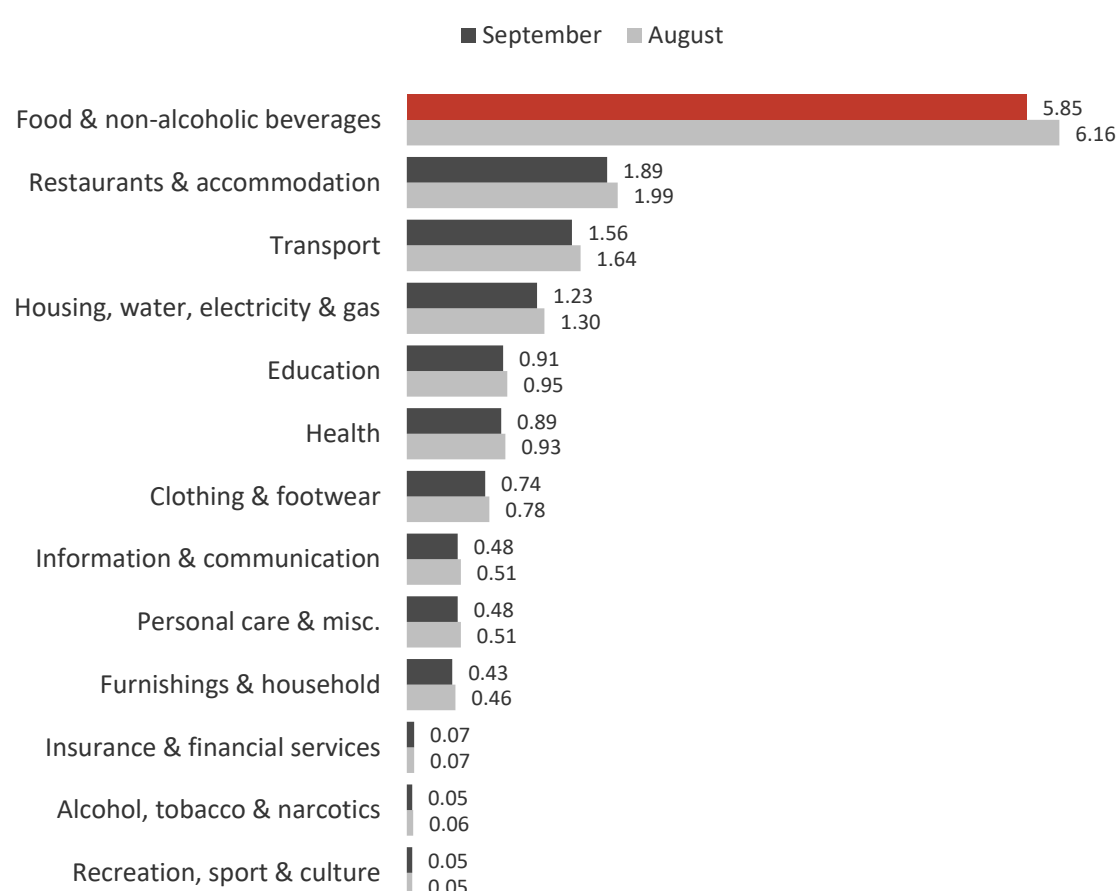


Year-on-year inflation (%)



What drove headline inflation in September

Contribution to headline y/y inflation (percentage points)



Food accounted for 0.31 pp of the 0.78 pp decline in headline inflation. No division contributed more than in August; food still contributed 5.85 pp, 40% of the headline.

Analysts' projections

	FMDA forecast	NBS actual
m/m	0.95%	0.06%
y/y	15.65%	14.63%

FMDA's September forecast overstated inflation: we projected 0.95% month-on-month and 15.65% year-on-year, against outturns of 0.06% and 14.63%.

We correctly anticipated the energy shock, with the Energy Index up 5.31% and transport up 1.50% month-on-month. However, we underestimated the harvest-driven fall in farm produce prices (-2.89%), which the World Bank food price survey had signalled, and did not anticipate a 4.78% decline in rent following August's sharp rise.

Going forward

Headline inflation is likely to ease further in October. The October 2025 base is relatively high, so the annual rate falls unless monthly inflation exceeds that pace.

Early World Bank data for October point to further declines in staple food prices, and diesel prices were cut to N1,700/litre on 7 October. Upside risks include a renewed rise in global crude prices and a rebound in rent after September's decline.