

# COWRY RESEARCH ANALYSTS'

## FLASHNOTE:

### NIGERIA'S INFLATION REPORT-

### NOVEMBER 2025



Cowry Research





## Nigeria's Inflation Cools to 14.45% in November 2025 as Disinflation Streak Holds Ground.....

Nigeria's inflation story continued to improve in November 2025, with the latest Consumer Price Index from the National Bureau of Statistics showing headline inflation easing further to 14.45% year-on-year from 16.05% in October. This marks the eighth consecutive month of deceleration since the CPI rebasing earlier in the year, reinforcing the narrative of gradually moderating price pressures across the economy.

The sustained slowdown reflects notable easing in both food and core inflation, supported by calmer foreign exchange conditions and the lagged impact of tight monetary policy. The elevated Monetary Policy Rate at 27% and constrained liquidity levels appear to be gaining traction in tempering demand-side pressures. Excluding a brief uptick in March, headline inflation has trended downward consistently since the start of the year, averaging 21.03% versus 33.03% in the same period of 2024.

However, month-on-month dynamics tell a more nuanced story. Headline inflation accelerated to 1.22% in November from 0.93% in October, pointing to renewed short-term price volatility. This pickup was largely driven by energy-related pressures, with the energy index rising by 1.08% month-on-month, up from 0.50% previously, reflecting higher fuel and cooking gas costs.

Food prices also edged higher, as the farm produce index increased by 0.79% after remaining flat in October. Services inflation climbed to 1.82% from 1.54%, while the goods sub-index rose to 0.79% from 0.63%, underscoring lingering cost pressures across key consumption segments.

Food inflation on a year-on-year basis printed at 11.08% in November 2025, a sharp 28.85 percentage-point decline from 39.93% in November 2024. This steep moderation is largely attributable to base-year effects following the CPI rebasing.

On a month-on-month basis, however, food inflation rebounded to 1.13%, reversing two consecutive months of deflation, including a -0.37% reading in October.

Price increases were driven by higher costs of items such as dried tomatoes, cassava tubers, shelled periwinkle, ground pepper, eggs, crayfish, unshelled egusi, oxtail and fresh onions, highlighting persistent vulnerabilities in food supply chains due to logistics bottlenecks, seasonal weather disruptions and security challenges in major producing regions.

Elsewhere, the core inflation, which strips out volatile food and energy components, continued its downward trajectory. The core index eased to 18.04% year-on-year in November 2025, down from 28.75% a year earlier, representing a significant 10.71 percentage-point decline.

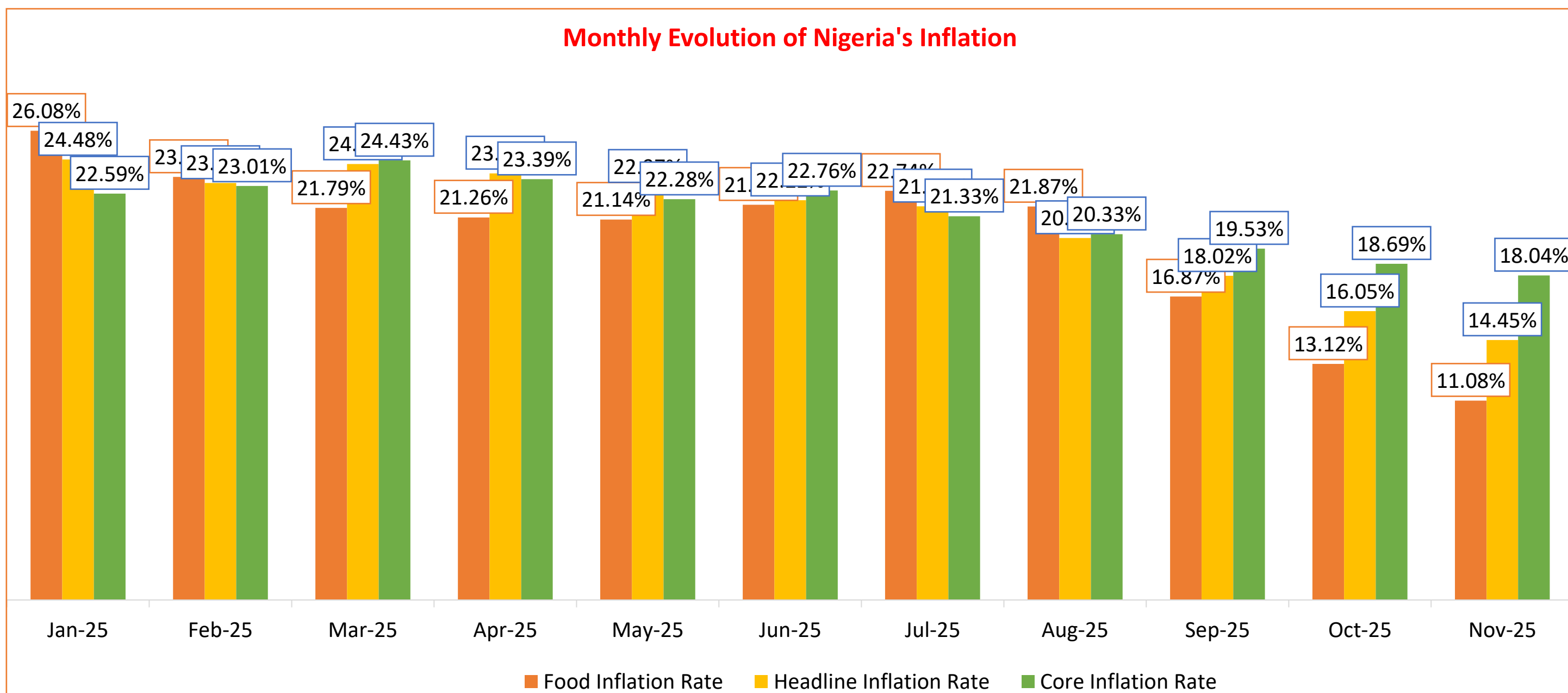
This trend signals a gradual normalization of underlying inflation and points to improving medium-term macroeconomic stability. On a month-on-month basis, core inflation slowed to 1.28% from 1.42% in October, indicating softer underlying price momentum.

Inflation pressures varied widely across states. On a year-on-year basis, Rivers recorded the highest headline inflation at 17.78%, followed by Ogun at 17.65% and Ekiti at 16.77%. In contrast, Plateau at 9.13%, Kebbi at 10.32% and Katsina at 10.60% posted the slowest increases.

Month-on-month readings showed sharp spikes in Bayelsa at 6.58%, Gombe at 5.11% and Edo at 4.45%, while Plateau (-2.54%), Delta (-2.38%) and Kaduna (-2.24%) recorded outright declines.

Food inflation patterns were equally uneven. Year-on-year food inflation was highest in Kogi at 17.83%, Ogun at 16.52% and Rivers at 16.11%, while Imo at 3.52%, Katsina at 3.65% and Akwa Ibom at 4.52% recorded the slowest increases.

On a month-on-month basis, food inflation surged in Yobe at 9.52%, Katsina at 6.61% and Ondo at 6.04%, but declined sharply in Imo (-6.49%), Nasarawa (-5.48%) and Enugu (-2.54%).



Source: National Bureau of Statistics, Cowry Research

Overall, Cowry Research notes that the headline inflation trajectory remains firmly disinflationary, underpinned by base effects and the impact of tight monetary conditions aimed at restricting excess liquidity amid an elevated policy rate at a record 27%.

While the food index has benefited from seasonal factors and improved supply conditions, food remains the most fragile component of the inflation basket, with structural challenges continuing to cap the pace of relief for households.

Core inflation is expected to ease further, albeit gradually, as cost pressures from transport, housing and essential services remain sticky. Energy prices have been volatile, but their relatively small weight in Nigeria's CPI limits their ability to significantly distort the headline figure.

Looking ahead, we expect some reversal of the disinflation trend in December 2025, driven by festive-season spending, and renewed FX demand pressures linked to Christmas-related imports. But may be offset by expectation for potential adjustments to PMS pump prices in December 2025.

These pressures are likely to show up more clearly in month-on-month readings, even as improved food supply dynamics and favourable base effects provide partial offsets.

Cowry Research therefore projects headline inflation to edge up to 14.72% in December 2025, bringing the annual average inflation rate to 20.50%, underscoring that while progress has been made, short-term inflation risks remain very much alive.

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