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FLASHNOTE:

NIGERIA'S INFLATION REPORT- FEBRUARY 2026



Cowry Research

Pangs of Inflation Ease Further as Nigeria's Headline Rate Slows to 15.06% in February

The latest Consumer Price Index (CPI) report released by the National Bureau of Statistics shows that Nigeria's headline inflation eased further in February 2026, moderating to 15.06% year-on-year from 15.10% recorded in January, representing a 0.04 percentage-point decline. This marks the eleventh consecutive month of disinflation, reinforcing expectations that price pressures across the economy are easing faster than previously anticipated.

February's inflation reading is the lowest level recorded since late 2021, reflecting improved stability in the foreign exchange market, easing energy costs, and favourable base effects following the CPI rebasing exercise conducted in 2025.

On a month-on-month basis, headline inflation stood at 2.01% in February 2026, representing a 4.89 percentage-point increase compared with the -2.88% recorded in January 2026. This indicates that the pace of increase in the average price level during February was higher than the rate observed in January. Much of this movement was driven by the food basket, which remains the most heavily weighted component of Nigeria's inflation structure.

Compared with February 2025, when headline inflation stood at 26.27%, the current rate of 15.06% represents a substantial 11.21 percentage-point decline, underscoring the strength of the disinflation trend over the past year.

Looking at the major drivers of the headline index, food inflation moderated significantly, slowing to 12.12% year-on-year in February 2026, representing a sharp 14.86 percentage-point decline from 26.98% recorded in February 2025. However, month-on-month food inflation reading printed at 4.69%, rising by 10.70 percentage points from -6.02% in January 2026. The increase was largely driven by

higher average prices of key food items such as beans, carrots, okazi leaf, cassava tubers, crayfish, millet flour, yam flour, snails, dried ogbono (apon), and cowpeas, among others.

Other sub-sectors including restaurants and accommodation (1.95%), transportation (1.61%), and housing utilities (1.27%) also contributed to movements in the overall price level during the month.

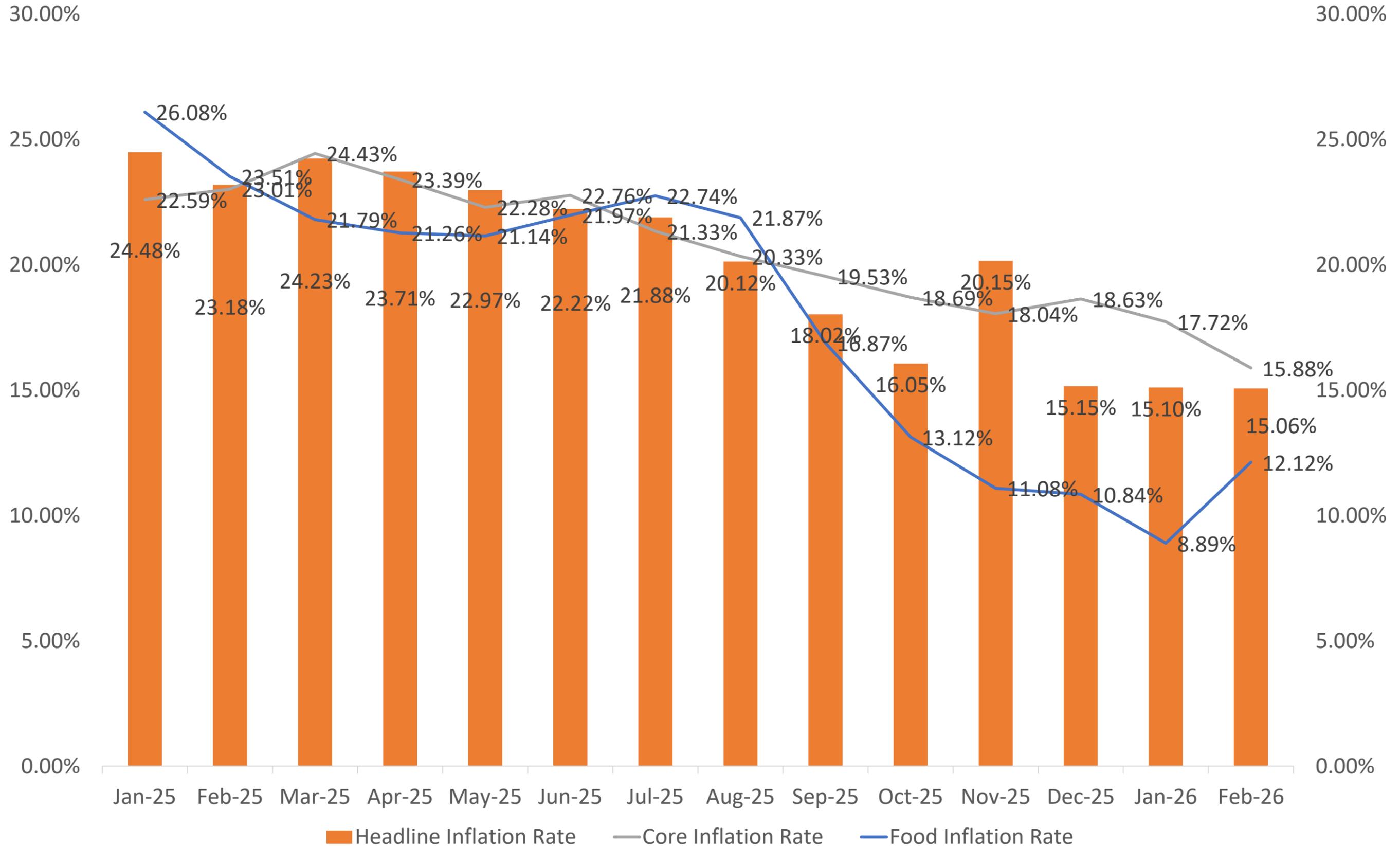
Meanwhile, core inflation, which excludes food and energy, declined to 15.88% year-on-year in February 2026, representing a significant 9.78 percentage-point drop from 25.66% recorded in January 2025. On a month-on-month basis, core inflation stood at 0.89% in February, increasing by 2.58 percentage points compared with -1.69% in January 2026, suggesting mild underlying price pressures across non-food components of the inflation basket.

At the state level, inflation dynamics remained mixed. Year-on-year headline inflation was highest in Kogi (23.57%), Benue (22.85%), and Anambra (22.09%), while Katsina (7.78%), Imo (11.66%), and Ebonyi (11.71%) recorded the lowest increases. On a month-on-month basis, inflation was strongest in Enugu (5.92%), Ogun (4.39%), and Anambra (4.11%), while Zamfara (-2.14%), Bauchi (-1.23%), and Katsina (-1.06%) recorded outright price declines.

Food inflation also showed notable regional disparities. On a year-on-year basis, the highest increases were recorded in Kogi (26.91%), Adamawa (23.12%), and Benue (21.89%), while Katsina (5.09%), Bauchi (7.09%), and Imo (7.65%) posted the mildest rises. Month-on-month data showed food price declines in Bayelsa (-8.81%), Ebonyi (-8.51%), and Edo (-7.72%), while smaller declines or mild increases were observed in Katsina (-0.70%), Nasarawa (0.17%), and Kano (1.39%), suggesting localized supply improvements and seasonal harvest effects.



Monthly Evolution of Nigeria's Inflation



Source: National Bureau of Statistics, Cowry Research

Looking ahead, inflation is expected to remain relatively stable in the near term as improvements in foreign exchange stability, slightly lower energy costs, and the recent rebasing of the Consumer Price Index continue to support the downward trend in year-on-year inflation. However, the recent increase in month-on-month inflation, especially in food prices, shows that some price pressures are still present, mainly due to supply challenges and seasonal changes affecting key food items.

In addition, the ongoing conflict in the Middle East has pushed up global oil prices, leading to higher petrol (PMS) prices locally. This raises transportation, logistics, and energy costs, which eventually increases the cost of moving goods from farms and factories to markets and consumers.

As a result, although inflation may still appear lower compared to the same period last year, prices could rise slightly in the short term. Based on these factors, we expect Nigeria's headline inflation to increase modestly to 15.24% in March 2026.



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