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**FLASHNOTE:  
NIGERIA'S INFLATION REPORT-  
MARCH 2026**



**Cowry Research**

## Headline Inflation Reverses Sharply to 15.38% in March as Geopolitical Risks Bite.....

The latest Consumer Price Index (CPI) report released by the National Bureau of Statistics shows that Nigeria's headline inflation took a reversal in March 2026, surging to 15.38% year-on-year (15.24% our estimate) from 15.06% recorded in February, representing a 0.32 percentage-point increase. This marks an upward movement in the inflation trend after eleven consecutive months of disinflation.

This reversal was driven by a confluence of cost-push pressures, including elevated global oil prices following the closure of the Strait of Hormuz since early March, which has significantly disrupted crude supply routes and amplified energy costs across markets. The resulting increase in fuel prices has had a direct pass-through effect on production and transportation expenses.

Compounding this, persistent insecurity challenge across major food-producing regions has constrained agricultural output, disrupted supply chains, and heightened food inflation. At the same time, the upward adjustment in PMS prices has further escalated logistics and distribution costs, reinforcing broad-based price pressures across both food and core inflation components.

On a month-on-month basis, headline inflation stood at 4.18% in March 2026, representing a 2.17 percentage-point increase compared with the 2.01% recorded in February 2026. This indicates that the pace of increase in the average price level during March was higher than the rate observed in February. Much of this movement was driven by the food basket, which remains the most heavily weighted component of Nigeria's inflation structure.

Compared with March 2025, when headline inflation stood at 27.35%, the current rate of 15.38% shows a significant decline over the year, though the marginal month-on-month increase from February 2026 signals a reversal of the prior disinflation trend.

Looking at the major drivers of the headline index, food inflation stood at 14.31% on a year-on-year basis, compared with 25.22% in the same month of the preceding year. On a month-on-month basis, however, food inflation printed at 4.17%, down by 0.52 percentage points from 4.69% in February 2026. This decrease was largely driven by changes in the average prices of products such as yam, ginger, cassava tuber, groundnuts (shelled), Irish potatoes, dried ungrounded ogbono (Apon), fresh tomatoes, and cassava flour, among others.

Other sub-sectors including restaurants and accommodation (0.95%), transportation (0.43%), and housing utilities (0.35%) also contributed to movements in the overall price level during the month.

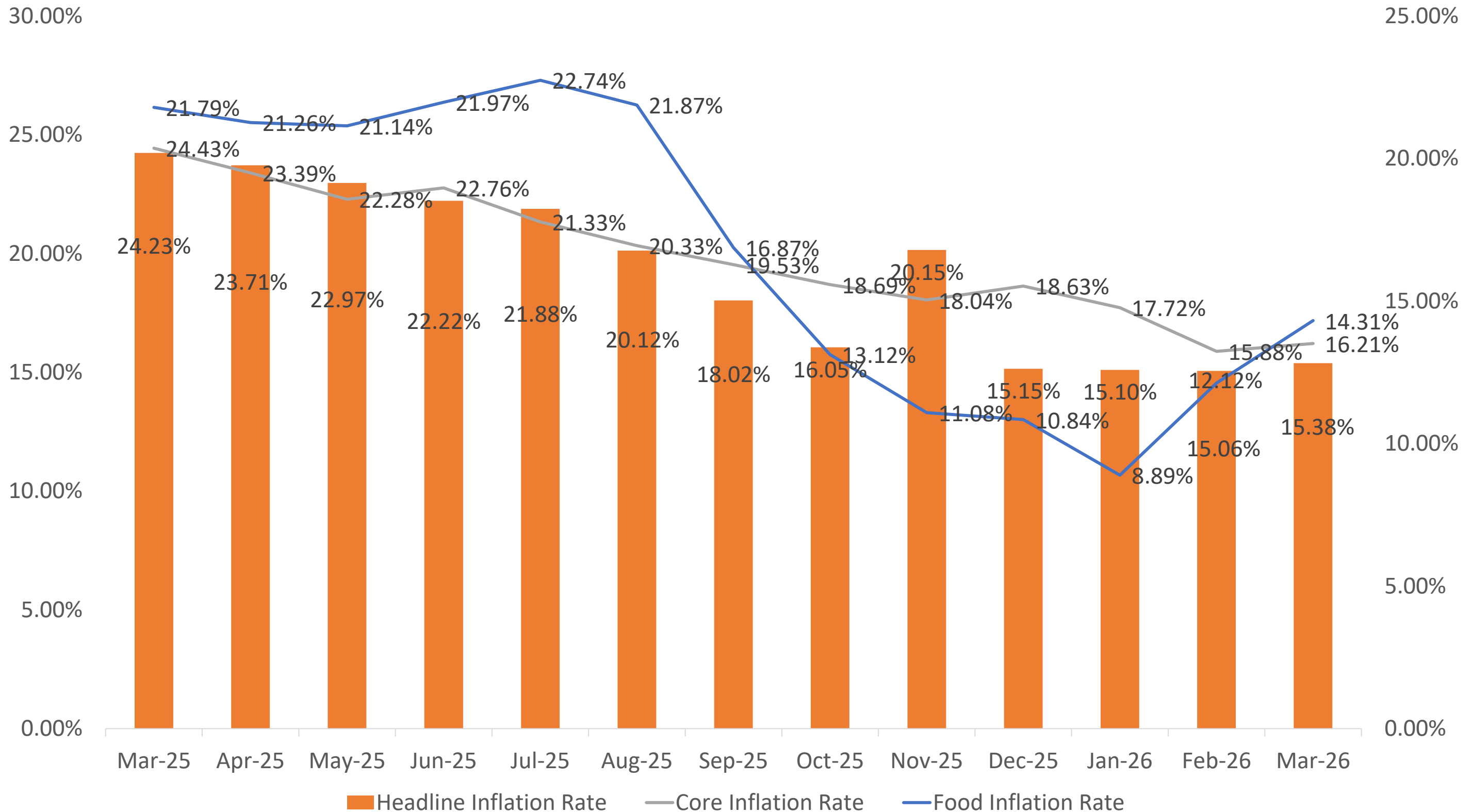
Meanwhile, core inflation, which excludes food and energy, stood at 16.21% year-on-year in March 2026, representing a significant 10.91 percentage-point drop from 27.12% recorded in March 2025. On a month-on-month basis, core inflation stood at 4.03% in March, increasing by 3.14 percentage points compared with 0.89% in February 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 Bayelsa (27.37%), Sokoto (26.03%), and Bauchi (23.67%), while Osun (5.25%), Kano (9.85%), and Kaduna (10.38%) recorded the lowest increases. On a month-on-month basis, inflation was strongest in Zamfara (10.77%), Bauchi (9.37%), and Sokoto (9.05%), while Lagos (-1.54%), Akwa Ibom (1.80%), and Rivers (1.89%) recorded outright price declines.

Food inflation also showed notable regional disparities. On a year-on-year basis, the highest increases were recorded in Bayelsa (33.35%), Sokoto (28.02%), and Adamawa (21.67%), while Kano (4.29%), Oyo (4.86%), and Katsina (7.48%) posted the mildest rises.

Month-on-month data showed food inflation was highest in Sokoto (11.78%), Niger (8.59%), and Gombe (8.10%), while the slowest food inflation was observed in Katsina (0.09%), Ogun (0.77%), and Adamawa (1.30%), suggesting localized supply improvements and seasonal harvest effects.

### Monthly Evolution of Nigeria's Inflation



Source: National Bureau of Statistics, Cowry Research

Looking ahead, Nigeria's headline inflation rate is projected to sustain its upward trajectory in the near term, with April 2026 expected to print higher at 15.97%. This outlook is anchored on persistent month-on-month increases in core inflation, reflecting entrenched underlying price pressures across key segments of the economy.

The inflationary momentum is further reinforced by ongoing geopolitical developments, which continue to disrupt global energy markets and supply chains. These dynamics are expected to translate into higher domestic energy costs, elevated logistics expenses, and renewed pressure on the foreign exchange market, ultimately eroding consumer purchasing power and deepening cost-of-living challenges.



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