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FLASHNOTE:

**NIGERIA'S INFLATION REPORT-
APRIL 2026**



Cowry Research



Pangs of Sticky Inflation Intensify as Price Pressures Persist, Nigeria Logs 15.69% in April . . .

The latest Consumer Price Index (CPI) report released by the National Bureau of Statistics showed that Nigeria's headline inflation sustained its upward reversal for two straight months to April 2026, rising to 15.69% year-on-year from 15.38% recorded in March, and represents a 0.31 percentage-point increase. This development marks a renewed uptick in inflation after eleven consecutive months of disinflationary trends.

The recent uptick in inflationary pressures was mainly driven by cost-push factors. A key contributor was the surge in global crude oil prices, triggered by the closure of the Strait of Hormuz in early March, which disrupted major supply routes and pushed up global energy costs. This increase fed directly into higher fuel prices, thereby raising production and transportation expenses across the economy.

Furthermore, ongoing insecurity in major food-producing regions continued to limit agricultural output, disrupt supply chains, and exert sustained pressure on food prices. At the same time, elevated PMS prices triggered increases in logistics and distribution costs, amplifying inflationary pressures across both food and core inflation components.

On a month-on-month basis, headline inflation moderated to 2.13% in April 2026, representing a 2.05 percentage-point decline from the level recorded in March 2026. This suggests that although prices continued to rise, the pace of increase slowed relative to the previous month. The moderation was largely influenced by movements within the food basket, which remains the largest contributor to Nigeria's inflation structure.

Compared with April 2025, when headline inflation stood at 26.82%, the current reading of 15.69% reflects a significant year-on-year decline in overall price levels.

Food inflation printed at 16.06% year-on-year in April 2026, compared with 24.68% recorded in the corresponding period of 2025. On a month-on-month basis, food inflation eased to 3.63%, down by 0.54 percentage points from 4.17% in March 2026. The moderation was primarily driven by price movements in key food items such as millet, yam flour, fresh ginger, beef, garri, yam tubers, fresh pepper, crayfish, cassava tubers, beans, Irish potatoes, fresh tomatoes, wheat grain, soybeans, guinea corn, plantain, and carrots.

Other sub-sectors, including restaurants and accommodation (0.37%), transportation (0.12%), and housing utilities (0.23%), also contributed to movements in the general price level during the period.

Meanwhile, core inflation, which excludes food and energy prices, stood at 15.86% year-on-year in April 2026, representing a sharp decline of 10.19 percentage points from 26.05% recorded in April 2025. On a month-on-month basis, core inflation slowed to 1.03% in April from 4.03% in March 2026, indicating relatively softer underlying price pressures across non-food components of the inflation basket.

At the state level, inflationary trends remained mixed. Year-on-year headline inflation was highest in Sokoto (25.74%), Bauchi (22.52%), and Zamfara (22.03%), while Edo (5.91%), Borno (6.72%), and Jigawa (7.04%) recorded the slowest increases. On a month-on-month basis, inflation accelerated most strongly in Niger (5.66%), Kano (4.50%), and Plateau (4.39%), whereas Bayelsa (0.64%), Enugu (0.98%), and Rivers (1.02%) recorded the weakest price growth during the month.

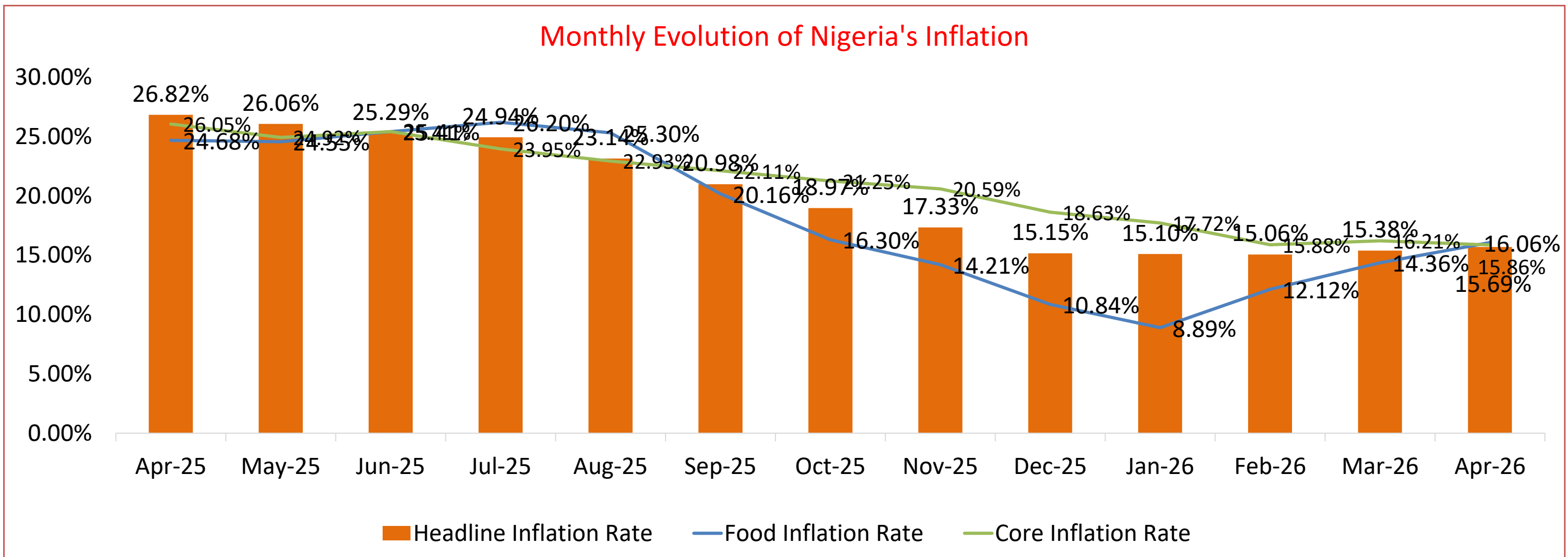
Food inflation also reflected notable regional disparities. On a year-on-year basis, the highest food inflation rates were recorded in Enugu (32.67%), Kwara (30.77%), and Adamawa (30.14%), while Borno (1.67%), Jigawa (6.17%), and Taraba (7.19%) posted the mildest increases.



Month-on-month data showed that food inflation was highest in Niger (8.53%), Bauchi (6.78%), and Kogi (6.72%), while Kebbi (0.23%), Katsina (0.47%), and Bayelsa (1.29%) recorded the slowest increases, suggesting localized supply improvements and the impact of seasonal harvest activities.

Other inflation sub-indices showed that price pressures remained elevated across major segments of the economy in April 2026. Farm produce inflation rose to 19.8% year-on-year, while the monthly reading accelerated to 6.0% from 4.6% in March, reflecting continued pressures from food supply disruptions and transportation costs. Similarly, the Energy Index recorded an annual increase of 4.6%, with monthly inflation rising further to 8.0% from 6.65% in the previous month amid higher fuel and logistics costs.

The Services Index printed 16.7% year-on-year, while monthly inflation moderated slightly to 2.1% from 2.6% in March. Likewise, the Goods sub-index stood at 15.7% annually, although the monthly increase eased to 3.2% from 5.5% recorded in the prior month, indicating slower price growth in some consumer goods categories. Meanwhile, imported food inflation settled at 10.5% year-on-year, with the monthly rate rising sharply to 4.4% in April from 1.1% in March, underscoring the impact of exchange rate pressures and rising import costs on domestic food prices.



Source: National Bureau of Statistics, Cowry Research

Nigeria's inflation outlook remains elevated in the near term as rising energy costs, transportation expenses, and persistent insecurity in food-producing regions continue to pressure both food and core inflation. Nonetheless, early signs of moderation are beginning to emerge, supported by slower month-on-month inflation readings, improved seasonal harvests, and easing consumer demand conditions.

If domestic supply conditions improve further and global oil prices stabilize, inflationary pressures could ease gradually in the coming months, although price levels are expected to remain relatively high in the short term. Consequently, Cowry Research projects headline inflation to increase further to 16.02% in May 2026.

The financial market reactions to the March inflation reading remained mixed as investors reassessed monetary policy expectations amid renewed geopolitical tensions in the Middle East and rising global energy prices.

The FGN bond yield curve remained inverted in April, with average bond yields closing at 16.09%, reflecting expectations of prolonged tight monetary conditions. In contrast, buying interest strengthened across the Treasury bills market, with average NTB yields moderating to 17.47% as investors increasingly rotated into short-duration instruments offering attractive real returns.

Investor sentiment within the Eurobond market also improved, with Nigeria's average Eurobond yield declining to 6.86% in April from 7.58% in March following easing global tensions after the extension of the US-Iran ceasefire agreement.

Attention now shifts to the upcoming Monetary Policy Committee meeting after the CBN reduced the Monetary Policy Rate by 50 basis points to 26.5% at its last meeting in February 2026 while retaining the CRR at 45% for commercial banks and the Liquidity Ratio at 30%.

We expect the MPC to maintain rates at current levels as it continues to monitor inflationary trends and global price developments.



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