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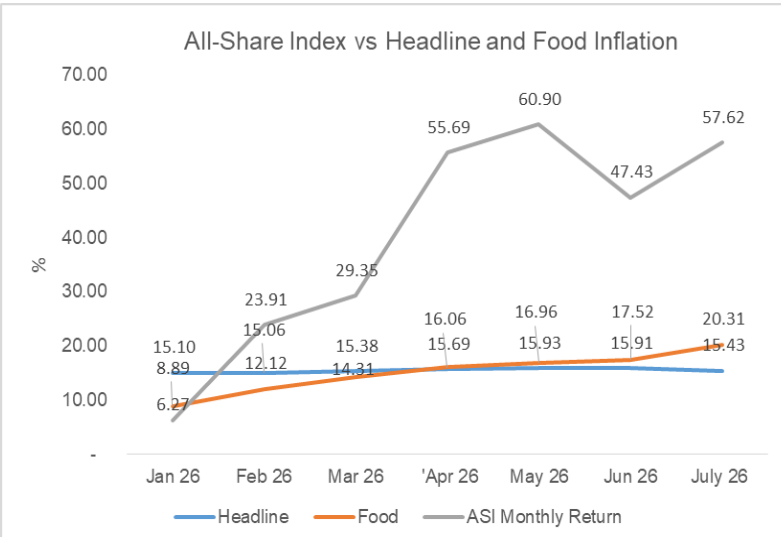
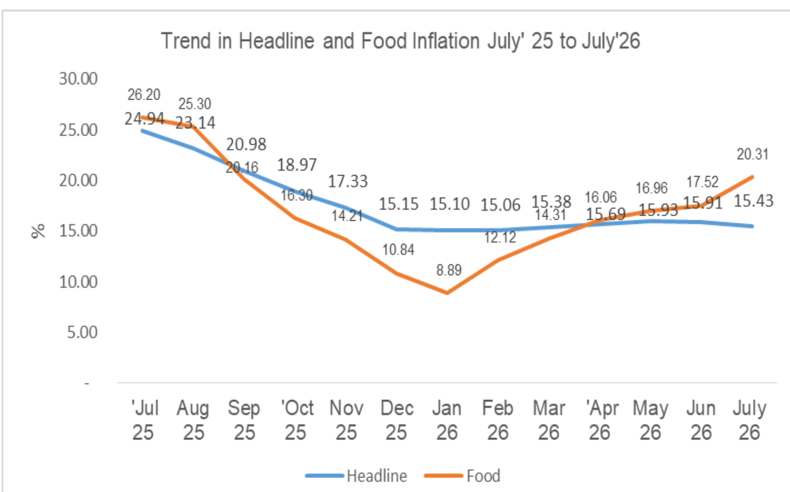
Macroeconomic Report on Inflation | July 2026

Inflationary Pressures Moderate in July to 15.43%

Nigeria's headline inflation declined to 15.43% in July, down from 15.91% in June,

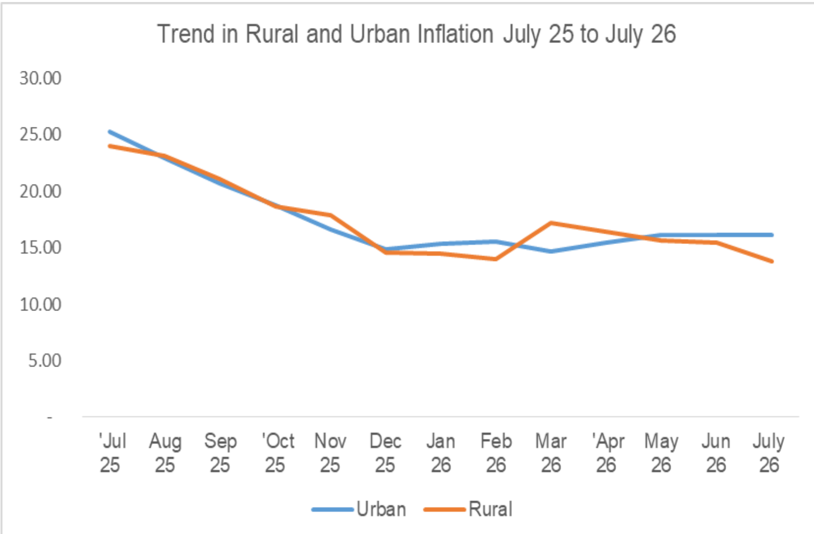


confirming that the policies implemented by the Central Bank of Nigeria (CBN) are beginning to make the desired impact on price stability. It should be recalled that at the 306th Monetary Policy Committee (MPC) meeting of the CBN between July 20 and 21, 2026, the CBN retained Monetary Policy Rate (MPR) at 26.5%; Standing Facilities Corridor around the MPR at +50 /-450 basis points, Cash Reserve Requirement (CRR) for Deposit Money Banks at 45.00%; Merchant Banks at 16.00%, and non-TSA public sector deposits at 75.00%.



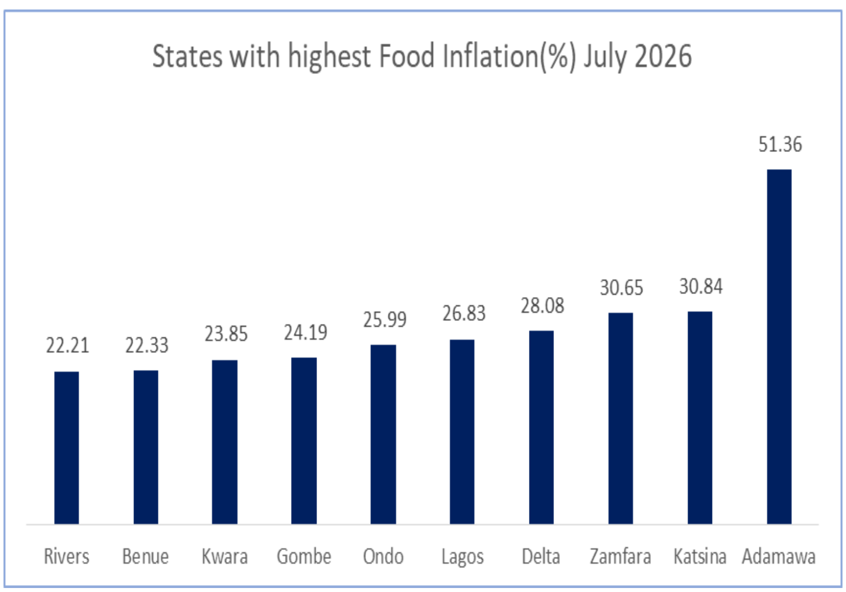
The All Items less Farm Produce inflation fell to 14.08% in July as against 15.41% in June. The All Items less Farm Produce and Energy (Core Inflation) fell to 14.97% in July in contrast to 15.92% in June. However, the odd one out is food inflation which rose to 20.31% in July, up from 17.52% in June.

The year-on-year trend reflected in the month-on-month inflationary pressures. The month-on-month headline inflation declined to 1.57% in July from 1.66% in June; month-on-month All Items less Farm Produce declined from 0.86% in June to negative 0.05% in July; Core inflation declined on a month-on-month basis from 15.92% in June to 14.97% in July. However, the month on month food inflation rose to 5.56% in July as against 3.75% in June.



Urban vs Rural Inflation

It is more expensive to live in the urban areas of Nigeria. From May to July 2026, urban inflation rose from 16.07% in May 2026 to 16.08% in June and further to 16.12% in July. On the other hand, rural inflation declined from 15.60% in May to 15.48% in June and further decreased to 13.77% in July.



States with Highest Headline Inflation

In July, inflation was highest in Adamawa State at 33.03%, followed by Yobe, 25.21%; Anambra, 23.99%; Delta, 22.57%, and Abia, 20.88%. The states with the least headline inflation include Nasarawa, 7.86%; Kebbi and Borno, 9.12% each; Ebonyi, 9.19%, and Jigawa, 10.01%.

States where food items are most expensive

Food items are most expensive in Adamawa with a food inflation rate of 51.36% in July as against the national average of 20.31%. Other states with higher food inflation than the national average include Katsina, 30.84%; Zamfara, 30.65%; Delta. 28.08% and Lagos, 26.83%. The upsurge in food inflation rate shows the damage insurgency has done to farming in Nigeria's rural areas.

On the other hand, food inflation is lowest in the following states: Osun, 12.92%; Ebonyi, 12.79%; Kebbi, 12.50%; Nasarawa, 6.88%, and Borno, -0.31%.

Market return continues to beat inflation

Nigeria's equity market return has consistently beaten both the headline and food inflation rates from February 2026 to date. Inflation erodes the purchasing power of savings and investments when returns fail to outpace the rise in prices. The consistency in market returns serves as a compensation to local and foreign investors. In July, ASI return was 37.31% more than food inflation, and 42.19% higher than the headline inflation.