

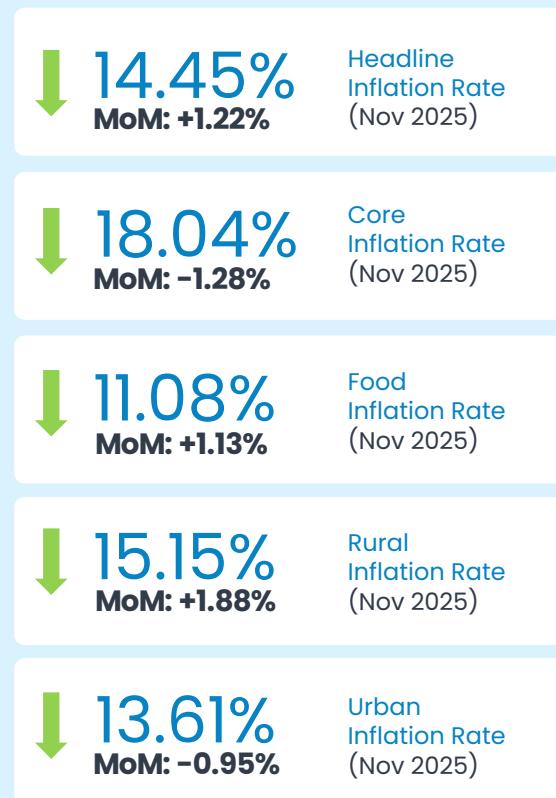


November Inflation: State Focus

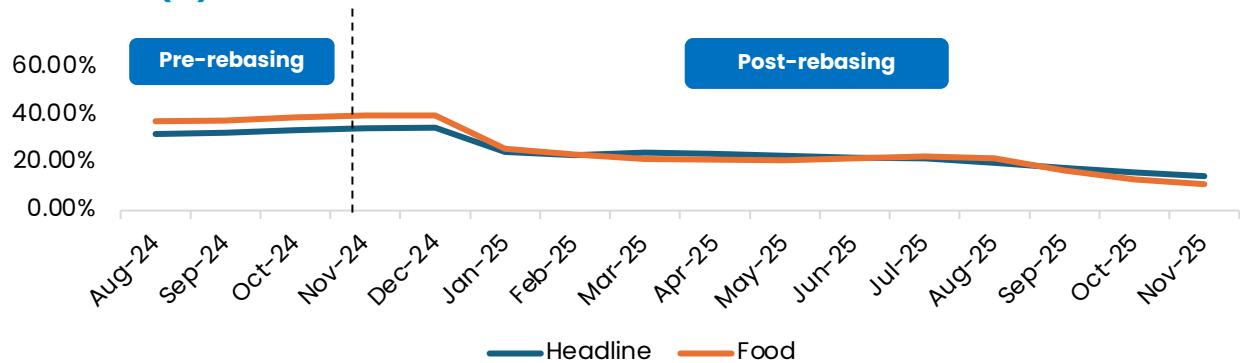
Disinflation Persists at 14.45% Despite FX Pressure

Highlights

- Nigeria's inflation downward trajectory persisted in November, with headline inflation dropping to 14.45% from 16.05% in October 2025, marking the eighth straight moderation in 2025. However, the decline appears largely driven by statistical rebasing as the Naira depreciated by 173bps/ N25.01k to N1,446.74/\$ on November 28, 2025, from N1,421.73/\$ on October 31, 2025, which would typically have exerted upward pressure on prices.
- On a month-on-month basis, inflation showed a different dynamics, with headline and food inflation accelerating to 1.22% and 1.13% respectively, from 0.93% and -0.37% in October. This divergence highlights renewed cost pressures, particularly from exchange rate pass-through and supply-side frictions, which contrast with the headline YoY moderation driven by base effects.
- Core inflation moderated marginally to 18.04% in November from 18.69% in October but remained elevated, underscoring persistent pressures in energy, housing, transport, and services.
- Since September 2025, food inflation has moderated faster than headline inflation, reflecting seasonal harvest effects; however, the recent uptick in monthly food prices suggests this relief may be temporary, raising concerns about the durability of the current disinflation path.



CPI Trend (%)



Source: Team Analysis, CBN, NBS
Date: 16/12/2025

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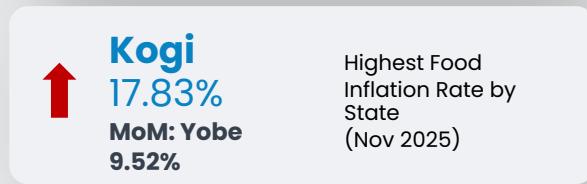
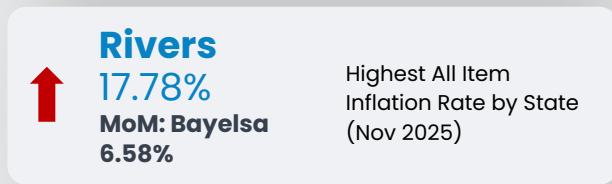
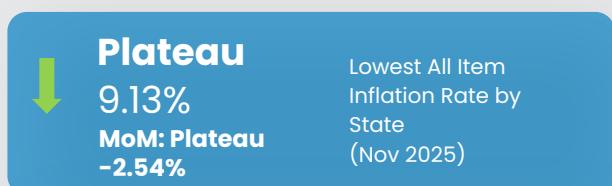
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November Inflation: State Focus

SouthWest Faces the Slowest Price Level Moderation

Highlights

- The NorthWest emerged as the region with the slowest increase in both food and headline inflation in November, taking over from the NorthEast, which held this position in October and September.
- Plateau recorded the slowest all-items inflation in November for both annual and month basis despite the multiple insecurity attacks in the state during the period. However, Plateau's Food inflation reflect price pressure at 5.9% and 10.1% for monthly and annual basis.
- Kogi overtook Ogun as the state with the highest food inflation in November at 17.83%, while Rivers recorded the highest headline inflation at 17.78%. On a month-on-month basis, Bayelsa and Yobe registered the fastest increases in both food and all-items inflation, whereas Imo posted the slowest food inflation on both annual and monthly measures.
- The pace of disinflation appears unusually rapid given persistent insecurity across parts of the northern region, raising questions around the underlying drivers and sustainability of the observed moderation.



INFLATION BY REGION	FOOD	ALL ITEMS
South West	12.97%	15.75%
South East	8.88%	13.78%
South South	11.93%	14.93%
North West	8.53%	12.23%
North East	9.67%	12.73%
North Central	12.28%	14.38%

Source: Team Analysis, CBN, NBS.



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November Inflation: State Focus

Disinflation Spreads Nationwide

Commentary

Nigeria's disinflation has become the new normal, leaning on statistical rebasing to achieve an eight consecutive decline by November 2025 at 14.45%. The moderation reflected broadly at the state level, with no state posting an all-items and Food inflation rate above the 20% mark in November. Three states specifically Rivers, Ogun, and Kogi had Food inflation above 15% while 16 states had single-digit food inflation. This reflects increased food supplies through freer border and increased harvests in Q4 2025. All-item inflation across states reflect price pressure with 13 states recording above 15% and one state (Plateau) had single-digit.

Monthly data shows that eleven (11) states experienced a decline in inflation, an improvement from ten (10) in October, while declines in food inflation were recorded in ten states (fewer than the 16 recorded in October). This suggests a moderation in the pace of food price increases, likely influenced by seasonal supply effects and pre-festive demand dynamics, even as all-items inflation remains stickier due to sustained core pressures.

At the extremes, Kogi recorded the highest food inflation at 17.83%, displacing Ogun, while Rivers posted the highest all-items inflation at 17.78%, replacing Ekiti as the most pressured state in October.

We expect disinflation to persist in December, leveraging naira appreciation and rebasing, however, festive seasonal demand and insecurity escalation can slow moderation pace.

Barring any major shocks to the economy in December, we expect headline inflation to further decline by 50bps-75 bps and average headline inflation to settle between 20.2% and 21.02%.

In October, Plateau recorded the slowest rise in all-item inflation, taking over from Bauchi in October, while Imo posted the lowest food inflation. This rotation in low-inflation states suggests that price moderation is becoming more widespread across the country, rather than concentrated in specific regions.

Looking ahead, disinflation is likely to persist in December, largely supported by favourable base effects, as headline inflation peaked at 34.80% in December 2024. Additional tailwinds include expected naira appreciation driven by higher remittance inflows during the festive period and lower fuel costs following Dangote Refinery's reduction of the ex-depot petrol price to ₦699 per litre on December 12, 2025. However, festive-related demand pressures and concerns around Nigeria's reported 70% revenue shortfall in 2025 could temper the pace of inflation moderation.

December Outlook

Headwinds

- Declining Global Oil prices could reduce FX earnings and fiscal revenue
- Insecurity attacks
- CBN monetary tightening
- Increased festive demand can drive higher price level
- US partial travel restriction can weaken foreign investors sentiment.

Tailwinds

- Increasing external reserves (rose by 1.94% to \$43.17bn on October 30, 2025)
- Naira appreciation and stability
- \$2.35 billion Eurobond inflow boosts FX liquidity and eases near-term debt pressures

Source: Team Analysis, CBN, NBS.

Date: 15/12/2025

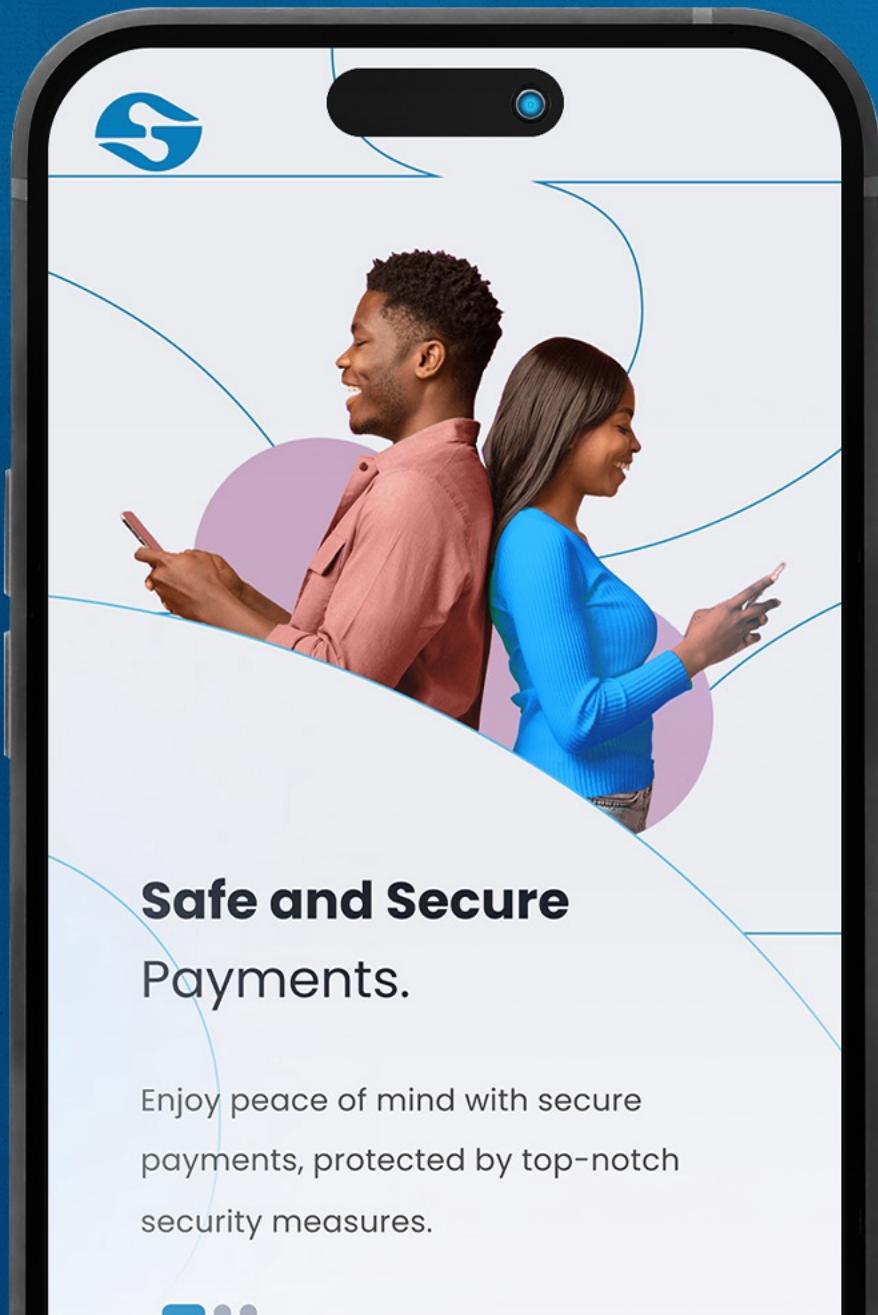


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