# January Inflation: State Focus

## Inflation Easing Becomes Widespread

## Highlights

- Nigeria's disinflation slowed in January, with headline inflation declining by 5bps to 15.10% from 15.15% in December, significantly below the average 113bps monthly decline recorded in 2025. The slowdown in the pace of disinflation reflects the rebasing effect fade off associated with the revised CPI despite the strong naira appreciation and relatively stable energy prices.
- Improved food supplies in the country accelerated Food inflation moderation to a single digit of 8.89% in January compared to 10.84% in December, the lowest reading under the updated CPI framework. Positively, all monthly inflation parameters had a contraction in January showing a broad-based easing in price levels.
- Core inflation is yet to experience a corresponding rapid moderation, settling at 17.72% in January from 18.63% in December 2025. However, the month-on-month index shifted from 0.58% to -1.69%, indicating outright contraction in underlying price components and reinforcing the narrative of broad-based easing across structural inflation drivers.

**15.10%** Headline Inflation Rate **(Jan 2026)**
**MoM: -2.88%**

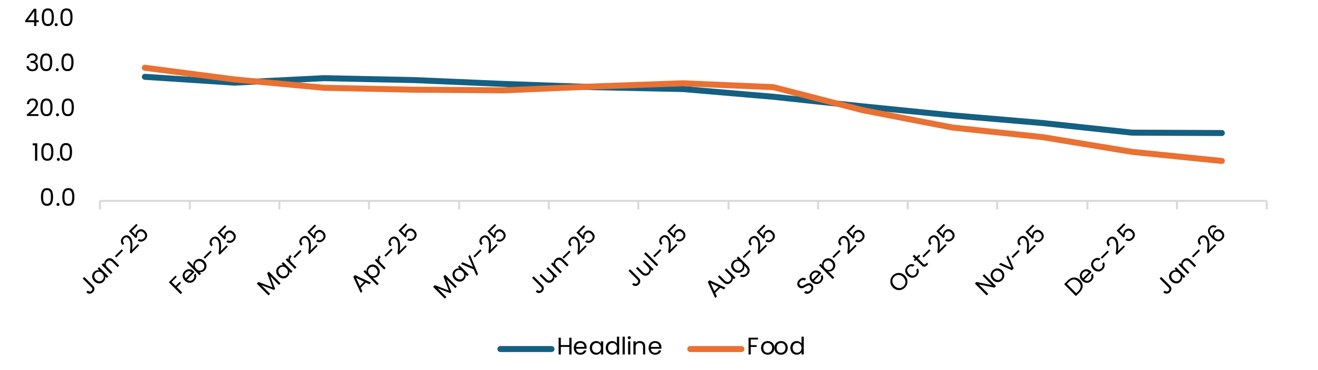
**17.72%** Core Inflation Rate **(Jan 2026)**
**MoM: -1.69%**

**8.89%** Food Inflation Rate **(Jan 2026)**
**MoM: -6.02%**

**14.44%** Rural Inflation Rate **(Jan 2026)**
**MoM: -3.29%**

**15.36%** Urban Inflation Rate **(Jan 2026)**
**MoM: -2.72%**

## CPI Trend (%)




Source: Team Analysis, CBN, NBS
Date: 17/02/2026

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# January Inflation: State Focus
## South-East Leads Price Moderation

## Highlights

- South East displaced North West as the region with the slowest inflation in January 2026, recording 11.9% headline (all-items) and 4.3% food inflation while North Central faces the highest price pressure given the incessant insecurity attacks.
- At the state level, Ebonyi posted the lowest year-on-year readings in both all-items (8.72%) and food inflation (1.69%), while Imo recorded the highest month-on-month increase in all-items inflation (1.93%) and food inflation contracting (-1.26%) over the same period.
- Conversely, Benue (22.48%) and Kogi (19.84%) recorded the highest year-on-year all-items and food inflation rates respectively, highlighting persistent regional price disparities. On a month-on-month basis, Cross River recorded the sharpest decline in all-items inflation
- (-6.34%), while Yobe posted the slowest food price contraction at -11.88%.
- Improved FX stability lowering the landing cost of imported food items and agro-inputs, has further supported the moderation in food inflation across states, although the durability of this trend remains contingent on domestic supply conditions and eradication of insecurity attacks

**Ebonyi**
8.72%
**MoM: Cross-River -6.34%**
Lowest All Item Inflation Rate by State (Jan 2026)

**Ebonyi**
1.69%
**MoM: Yobe -11.88%**
Lowest Food Inflation Rate by State (Jan 2026)

**Benue**
22.48%
**MoM: Imo 1.93%**
Highest All Item Inflation Rate by State (Jan 2026)

**Kogi**
19.84%
**MoM: Imo -1.26%**
Highest Food Inflation Rate by State (Jan 2026)

| INFLATION BY REGION | FOOD | ALL ITEMS |
|---|---|---|
| South West | 8.0% | 15.6% |
| South East | 4.3% | 11.9% |
| South South | 8.5.% | 14.7% |
| North West | 9.6% | 13.7% |
| North East | 10.3% | 19.1% |
| North Central | 14.0% | 18.5% |

Source: Team Analysis, CBN, NBS.

# February Inflation: State Focus
## Inflation Easing Becomes Widespread

## Commentary

Several factors underpinned inflation moderation in January 2026. A strong naira appreciation of 355 basis points, stable energy prices, improved food supply conditions, and normalized post festive demand collectively eased price pressures, offsetting the absence of prior rebasing related statistical effects that had previously amplified the disinflation trend.

The moderation was broadly reflected across states, although the North Central region recorded a slower pace of decline amid heightened insecurity that disrupted supply chains. Notably, no state recorded all item or food inflation above the 20 percent threshold for the third consecutive month. Food inflation showed significant improvement, with 22 states posting single digit rates, up from 13 in December 2025, while 14 states recorded double digit readings within the 10 to 19 percent range. In contrast, all item inflation remained relatively sticky, with 34 states recording rates above 10 percent compared to 24 in December. Only two states, Ebonyi and Katsina, achieved single digit all item inflation.

Monthly dynamics further confirm improving breadth in price moderation. All 36 states recorded month on month declines in food inflation, up from 27 states in December, while all item inflation eased in 33 states compared to 16 previously. This synchronized decline underscores strengthening disinflation momentum beyond food components alone.

Looking ahead to February, inflation is expected to maintain a gradual downward trajectory, with price dynamics increasingly driven by macroeconomic fundamentals rather than statistical base effects. Continued moderation in energy costs, supported by competitive PMS pricing between the Dangote Refinery and fuel importers, should help compress logistics and distribution costs. Meanwhile, relative exchange rate stability continues to ease imported food and input prices, reinforcing disinflation within the broader consumer basket.

However, downside risks remain. Persistent insecurity across key agricultural corridors and elevated geopolitical uncertainties continue to pose latent threats to supply chains and external trade flows. Nonetheless, ongoing supply side improvements and softer demand conditions are expected to anchor inflation on a gradual but steady downward path in the near term.

Given the sustained moderation in price pressures and relative naira stability, we anticipate that the CBN may consider at least a 25bps rate cut at its next Monetary Policy Committee meeting on the 23rd of February 2026.

### February Outlook

**Headwinds**

- Declining Global Oil prices could reduce FX earnings and fiscal revenue
- Heightened Insecurity attacks
- US partial travel restriction can weaken foreign investors sentiment.
- Higher fiscal deficit

**Tailwinds**

- Increasing external reserves (rose by 1.71% to $46.28bn on January 30, 2026)
- Naira appreciation and stability
- GDP growth of 3.98% in Q3 2025
- Anticipated CBN monetary easing

Source: Team Analysis, CBN, NBS.

Date: 17/02/2026

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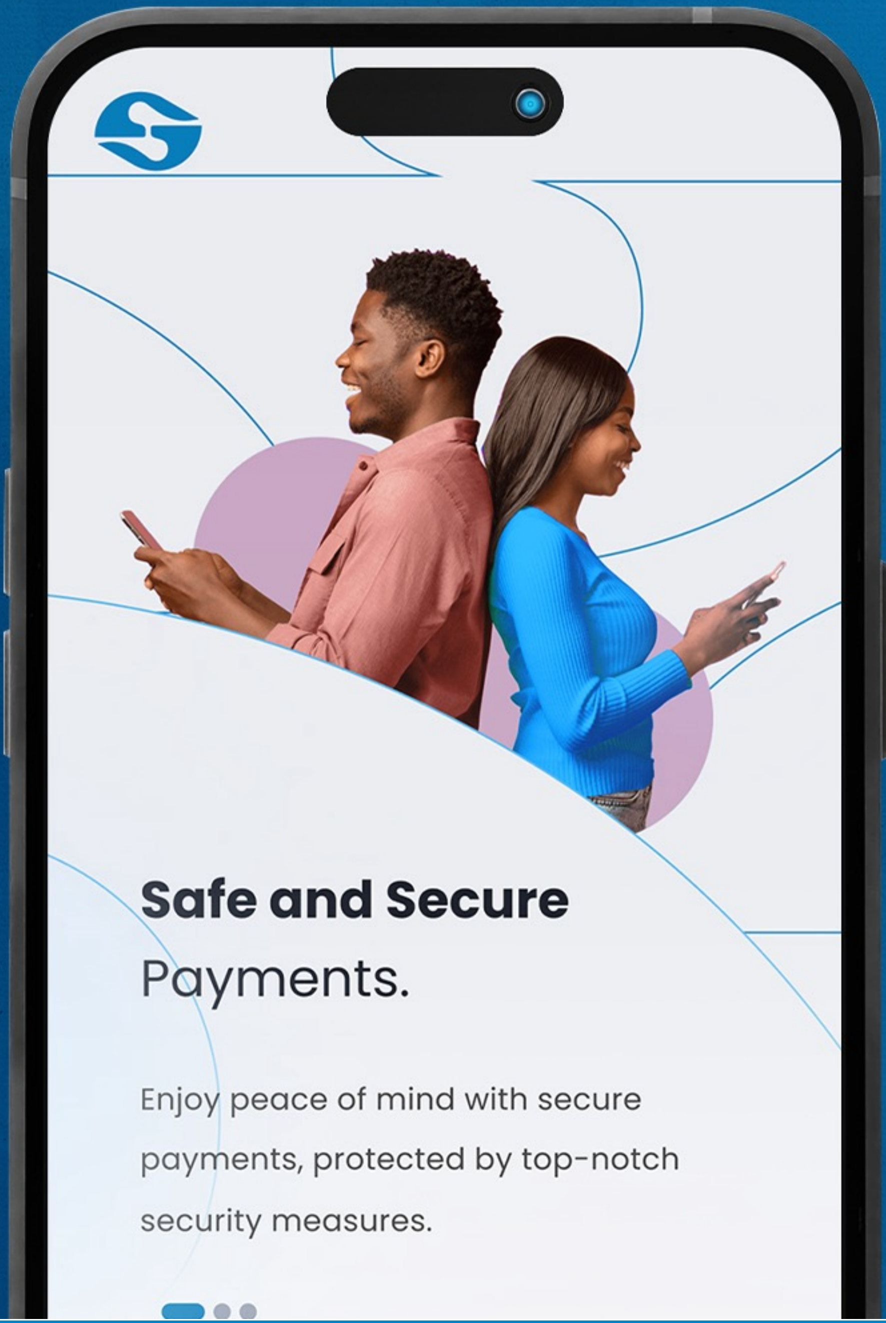


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