

Ascenix Consulting

Inflation Report

July 2025

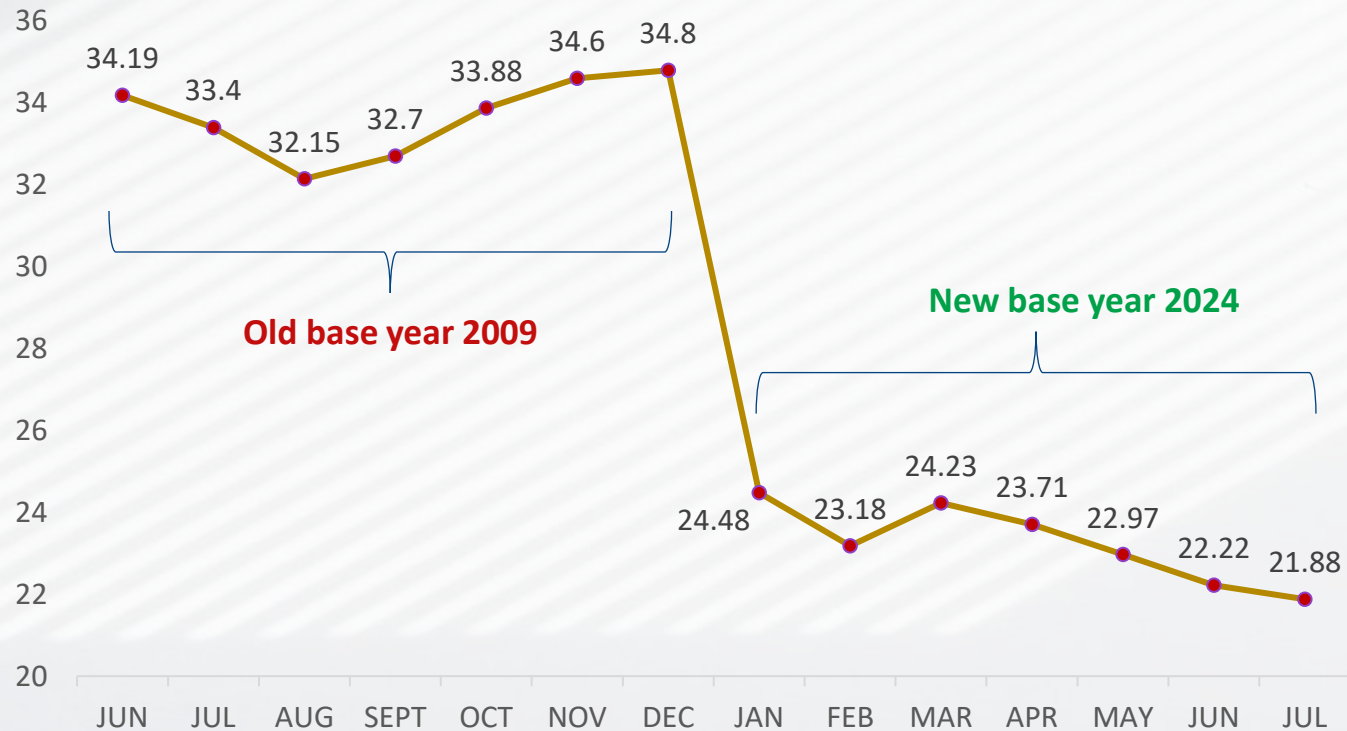


CONSUMER PRICE INDEX PERFORMANCE

Nigeria uses the Consumer Price Index to measure Inflation. It grew in July by **21.88%** year-on-year a **34 Basis Point (BPS)** lower than the June rate which was **22.22%**. This is the **fourth decline after the first spike of 105BPS between February and March 2025 post rebasing**.

The Month-on-Month rate increased **by 31bps from 1.68% to 1.99%**.

CPI (%) BTW JULY 2024 & JULY 2025



22.22%

June YoY

1.68%

June MoM

21.88%

July YoY

1.99%

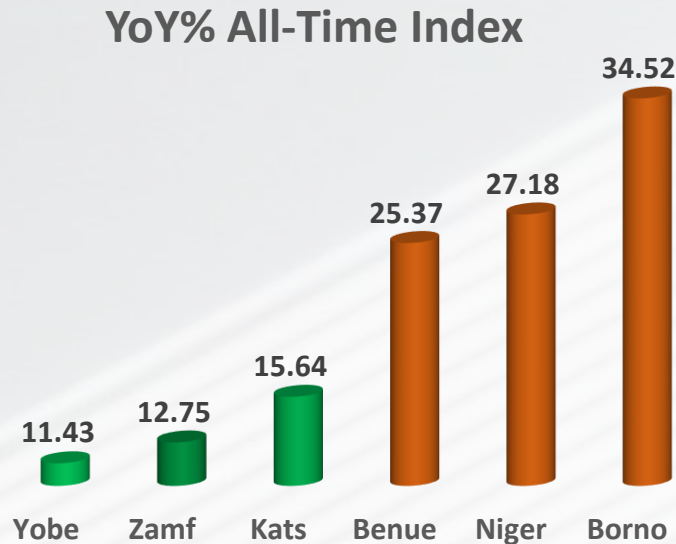
July MoM

Core Inflation

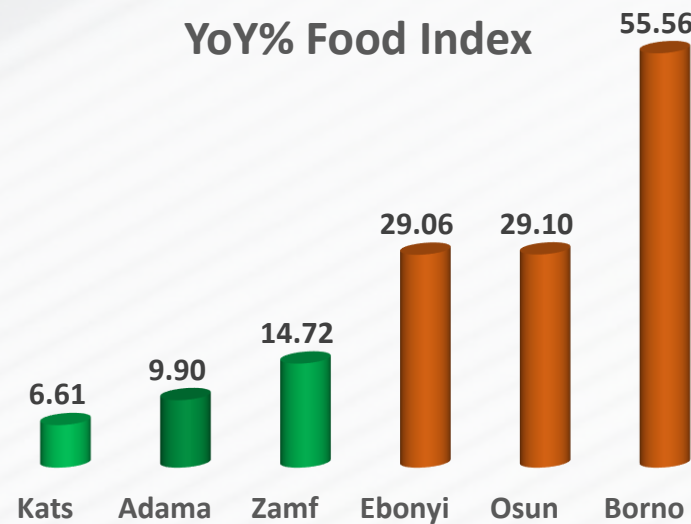
All items less farm produce, excluding the prices of volatile agricultural produce and energy was positioned at **21.33%** in **July 2025** a **143BPS** decrease from **22.76%** recognized for the previous month and a **614PS** decrease from **27.47%** recorded in the same month of the previous year 2024. On a month-on-month basis, the sub-index increased by **0.97%** in **July 2025** a decrease of **149BPS** from **2.46%** recorded the previous month. The average twelve-month annual inflation rate was positioned at **23.63%** for the twelve months ended July 2025 about **101BPS** lower than **24.65%** recorded in the same month of the previous year 2024.

HIGHEST & LOWEST STATES INDEX

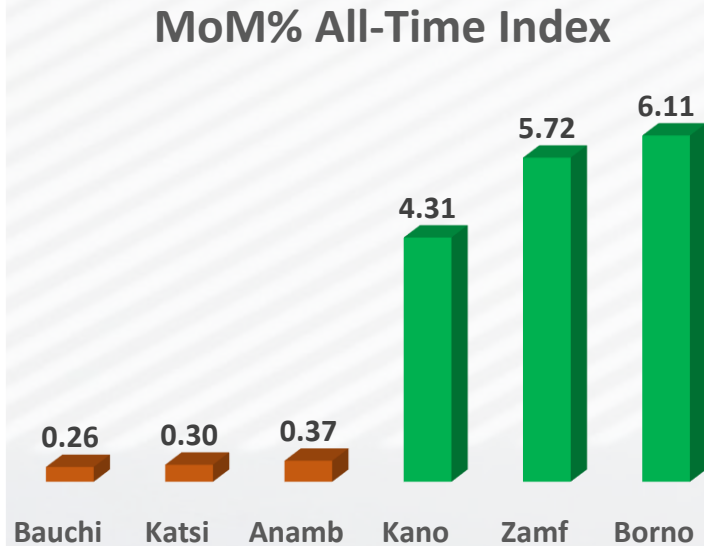
YoY% All-Time Index



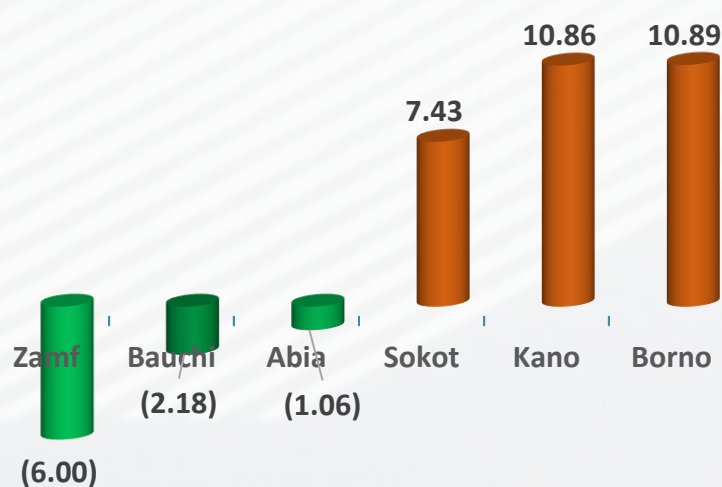
YoY% Food Index



MoM% All-Time Index



MoM% Food Index



States Inflation

- This measures the expenditure patterns which varies from States to States. The food index contributes the most to the overall index.
- Increased insecurity in the northern part of Nigeria and key states like Borno which had the highest year-on-year and month-on-month all time index and food index raises a serious concern for the North-East Block
- Nigeria export market players have been considering the choice of leveraging AfCFTA and other regions more friendly than the sudden hike in tariff and incidental cost of foreign trade.
- The unexpected rains in some part of Nigeria affected logistics and distribution of goods as there was more wastage and damage of goods in transit, flooding and reducing the quantity of goods received by the final consumer.
- There has been a little ease in operating costs for MSME across every part of the federation

MAJOR INDEX REFLECTIONS

Urban-Rural Index

Urban Inflation year-on-year rate increased by **22.01%** in July 2025 compared to **22.72%** recorded in the previous month. The rural rate increased by **21.08%** in July 2025 compared to **20.85%** recorded in the previous month. On a month-on-month basis, the urban rate increased by **1.86%** in July 2025 a decrease of **25BPS** compared to **2.11%** recorded in the previous month while the rural rate increased by **2.30%** an increase of **167BPS** compared to **0.63%** recorded in the previous month.

Food Index

The Composite Food Index increased by **22.74%** in July 2025 indicating an increase of **77BPS** compared to **21.97%** in the previous month. On a month-on-month basis, the food sub-index increased by **3.12%** in July 2025 **14BPS** lower than **3.25%** when compared with the previous month. The increase in food inflation is majorly driven by the increase in the average prices of Vegetable Oil, Beans (White), Rice (Nigerian Origin), Maize, Flour, Guinea Corn (Sorghum), Wheat Flour, Millet Whole Grain etc.

Observations

- Nigeria path to economy recovery is strengthening amid staggering waves as the CBN have consistently intervened to manage the and prevent further devaluation of the ₦/\$ beyond 1,600 in June 2025. As compared the PPP methodology, the Nigerian Naira is significantly undervalued.
- PMS and related cost of energy has appeared to be very stable without any significant disruptions despite the steady decline in the crude oil price below the 2025 appropriation act and fiscal plan.
- Food & Non-Alcoholic Beverages contributed the most to YoY increase in headline inflation at **8.75%**.
- Farm produce recognized the most increase at **17.26%** from **(13.3%)** in June 2025 to **3.96%** in July 2025.
- **The significant decline in the inflation rate is due to the rebase effect of values from 2009 to 2024**
- Increased confidence in the naira as it presents more carry trade opportunities in the short term.
- The Inflation for the next few months is expected to be below **22.0%**




Thank You

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We study markets, trends, and emerging best practices in every industry and region; locally and globally to map out solutions to our client's unique challenges.

We work with organizations in several stages and capacity depending on their need at the time of engagement.

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