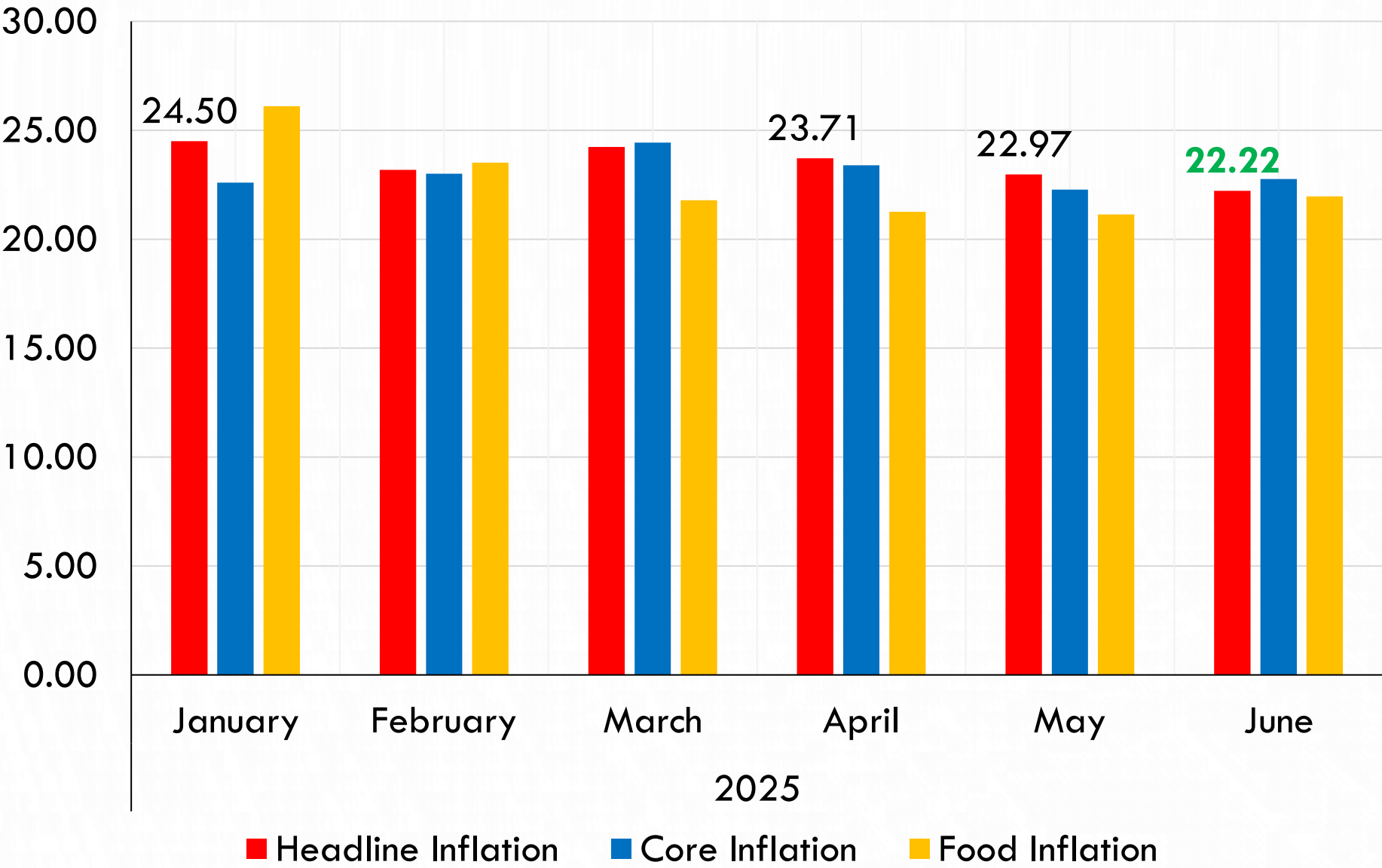
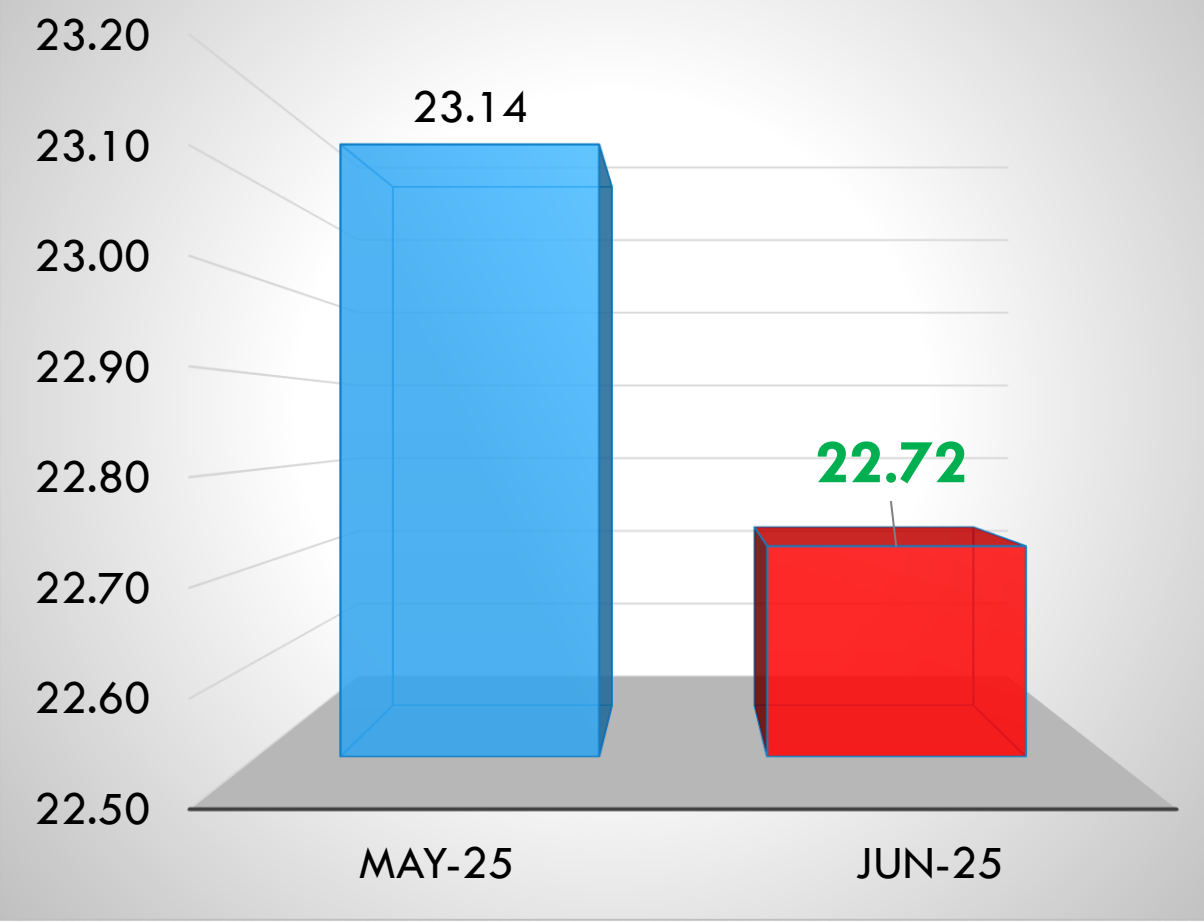


Rebased Headline, Core and Food Inflation Movement (y/y)

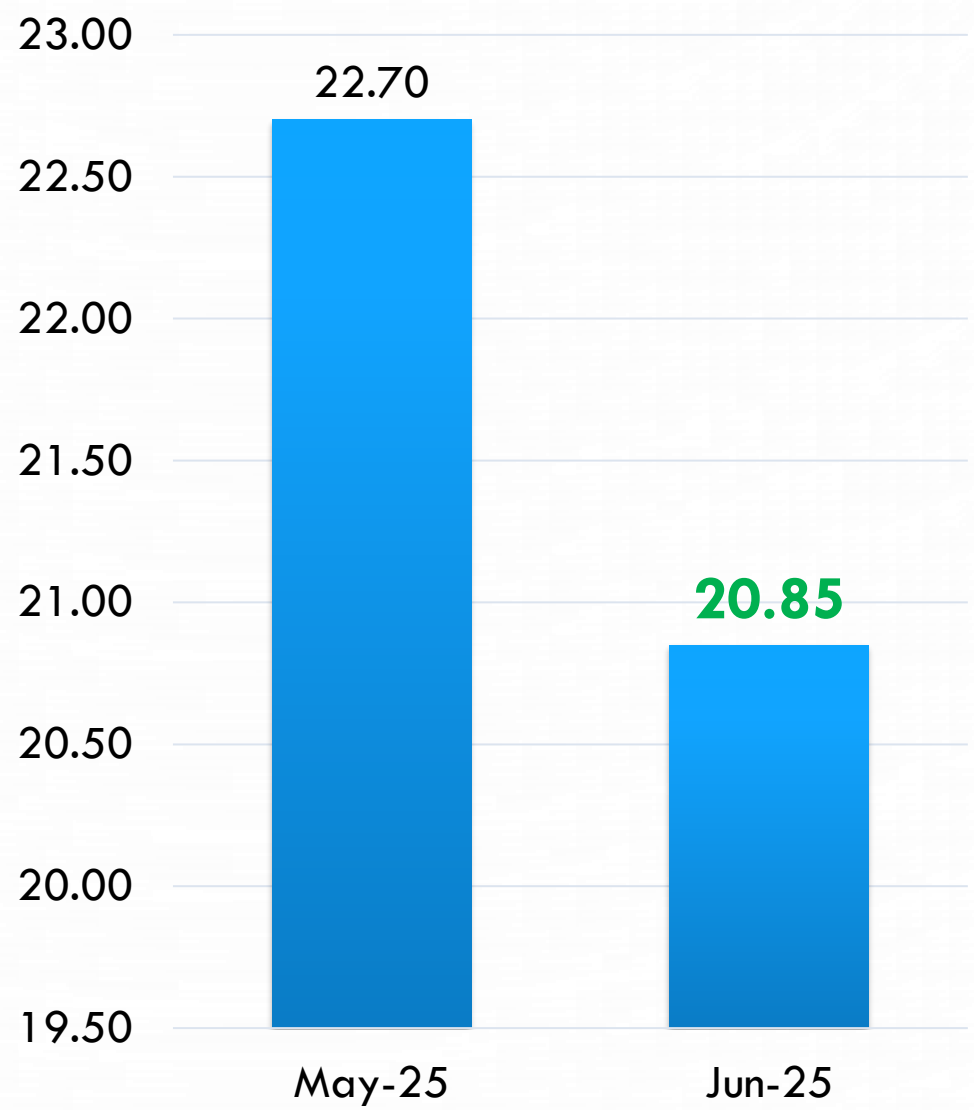


- Headline inflation rate in June 2025 stood at 22.22% year-on-year, from 22.97% in May 2025, representing a decrease of 0.75%. In tandem, it dipped by 11.97% when compared to the 34.19% recorded in June 2024, although with different base effect.
- However, on a month-on-month (m/m) basis, Headline inflation rate was 1.68% in June 2025, which was **(0.15%)** higher than 1.53% recorded in May 2025.
- Also, Food inflation was 3.25% in June m/m, which was +1.06% higher when compared to 2.19% recorded in May 2025. The Core Inflation rate also increased to 2.46% m/m in June 2025, which was up by +1.36% in comparison to 1.10% recorded in May.

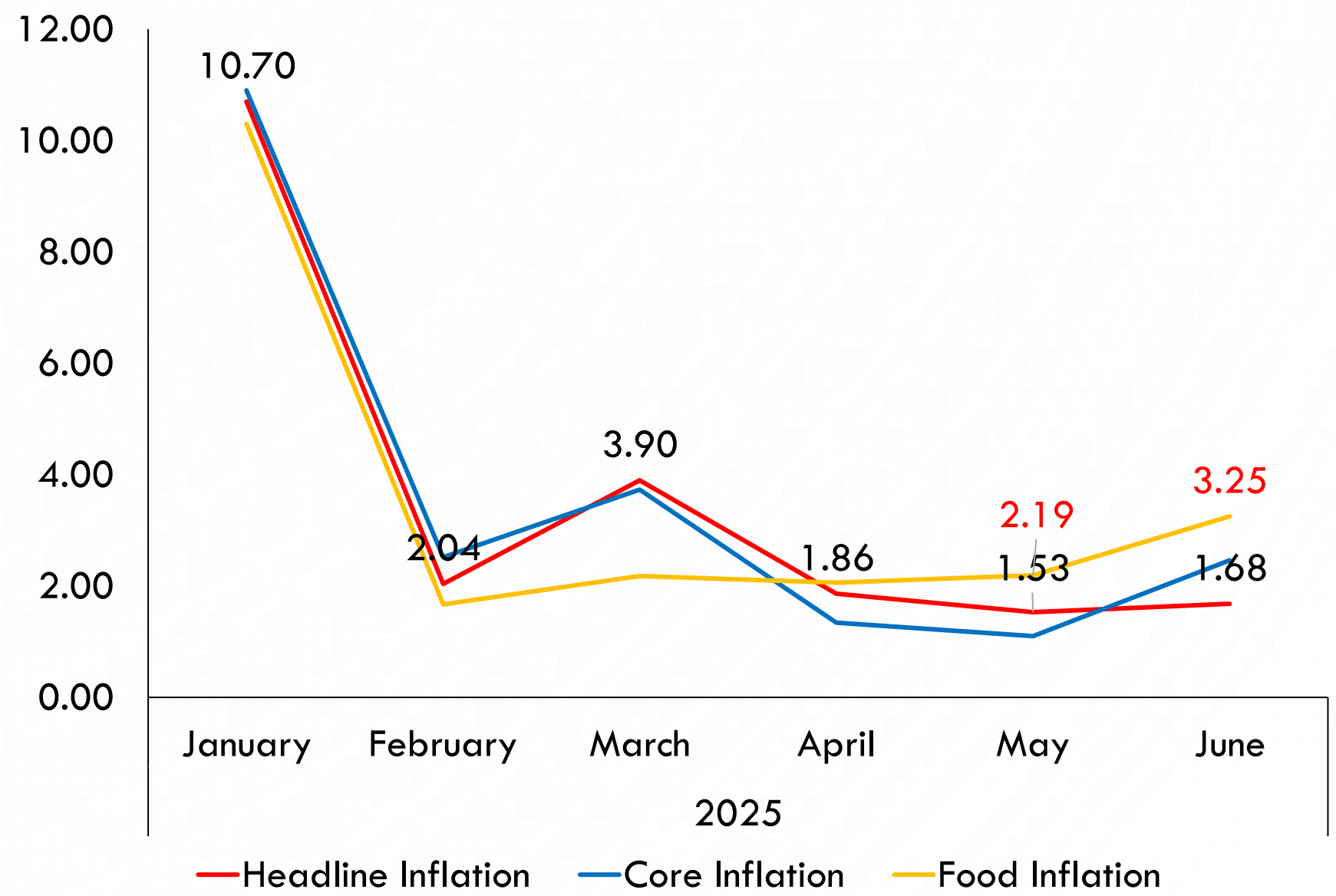
Urban Inflation y/y



Rural Inflation y/y



Headline, Core, and Food Inflation Trend (m/m)



Our Review

- Headline inflation continued its downward trajectory in June, marking its third consecutive decline since April. However, food and core inflation levels remain elevated, posing ongoing concerns for households and policymakers. The moderation in inflation can be attributed to a combination of monetary and fiscal interventions. Key among these were the rebasing of the CPI, which adopted 2024 as the new base year, the CBN aggressive monetary tightening that saw MPR raised to 27.5% through 2024. Additionally, the unification of the FX windows helped to narrow the spread between official and parallel market rates, enhancing FX market transparency and stability, implementation of targeted tax reforms, gradual stabilization of energy prices following removal of fuel subsidies and others.
- Looking ahead, we anticipate a further decline in headline inflation to around 22.00% in July, alongside a potential 50 basis point reduction in MPR by the CBN, if disinflationary pressures persist.