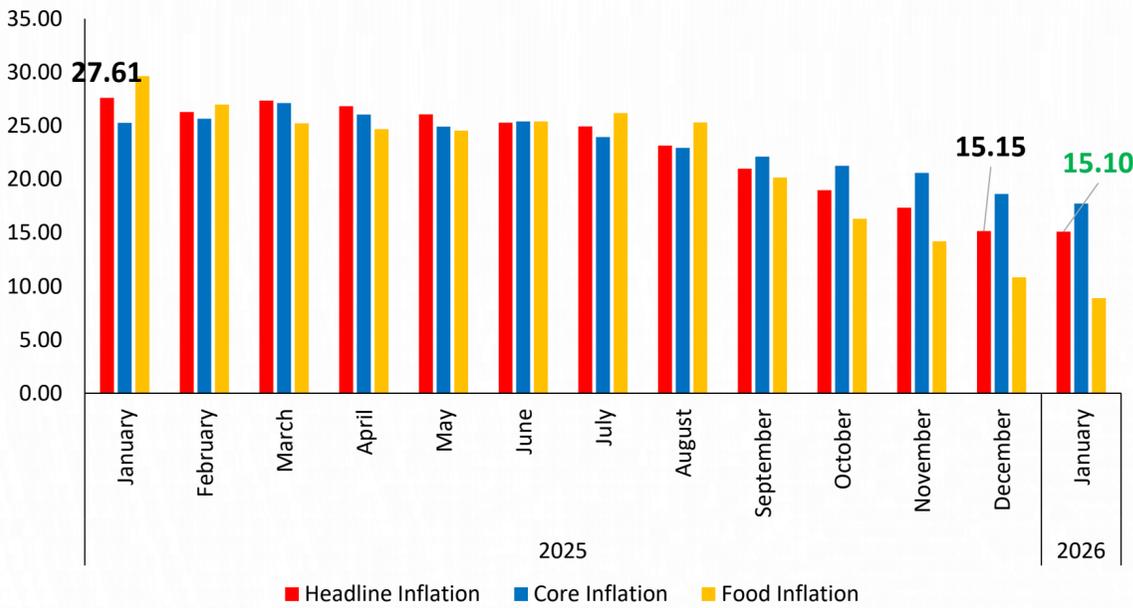


# INFLATION REPORT JANUARY 2026

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



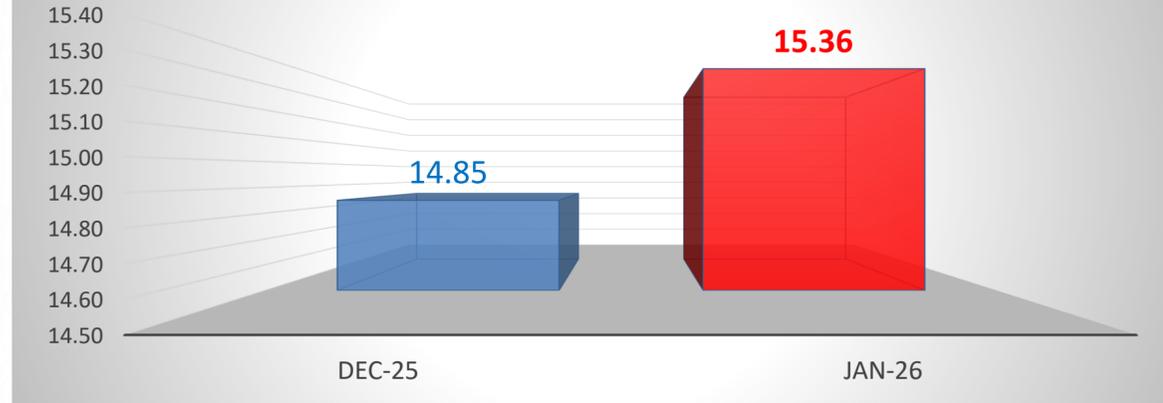
**Headline inflation moderates to 15.10% year-on-year in January 2026 as against 15.15% rate in December 2025, representing a 0.05% decrease, and a 12.51% fall when compared to the 27.61% recorded in January 2025.**

Furthermore, on a month-on-month (m/m) basis, Headline inflation rate was -2.88% in January 2026, which is 3.42% lower than 0.54% recorded in December 2025.

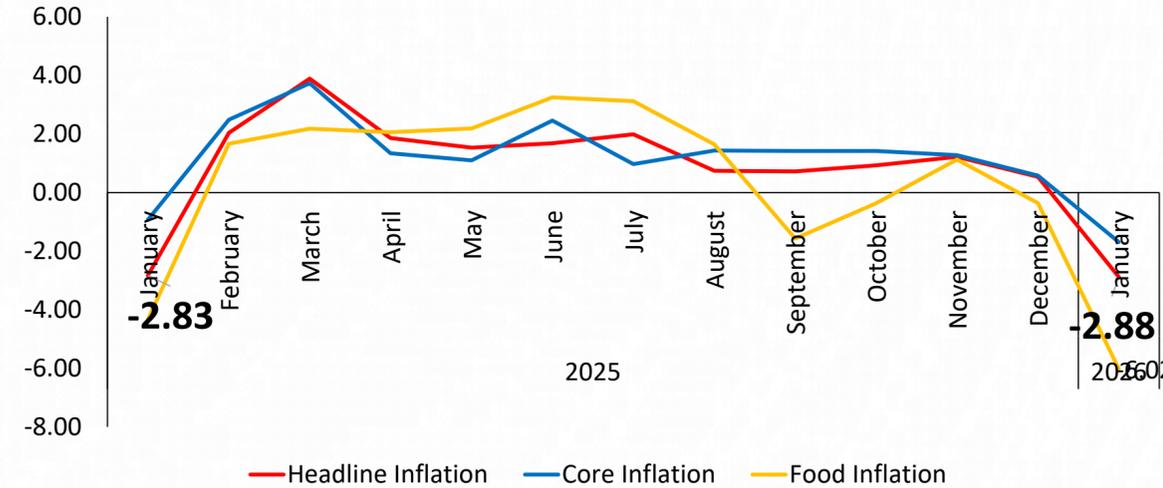
**Food inflation** stood at -6.02% in January m/m, which was 5.66% lower when compared to 0.36% recorded in December 2025. The **Core Inflation** rate dropped to -1.69% m/m in January 2026, which was down by 2.27% when compared to 0.58% recorded in December 2025.

On the other hand, the **Urban inflation** rate was stated at 15.36% y/y, representing an increase of 0.51% compared to 14.85% computed in December 2025. The **rural inflation** rate in January was also stated at 14.44%, which is -0.16% lower compared to 14.60% recorded in the previous month.

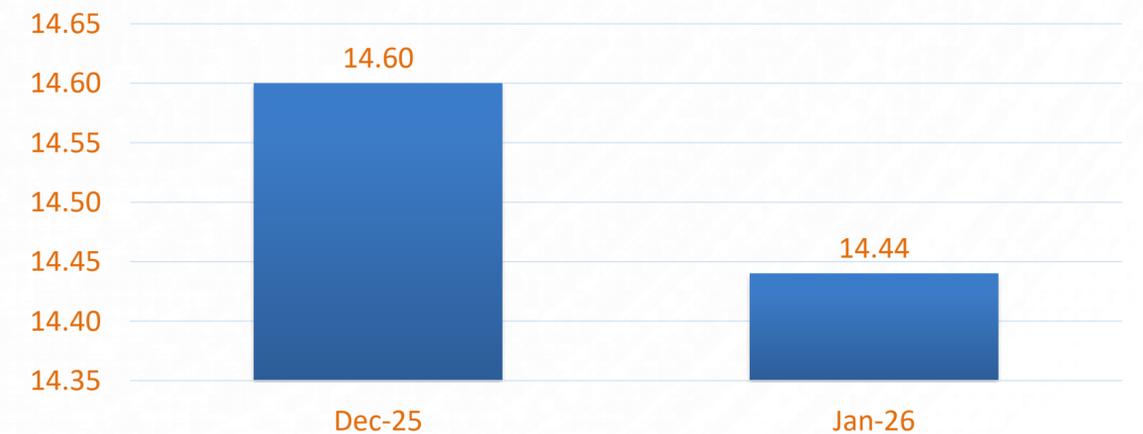
Urban Inflation y/y



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



Rural Inflation y/y



## Our Review:

Headline inflation moderated to 15.10% in January 2026, continuing the disinflationary trajectory, and marking a significant decline compared to its position in January 2025, driven by sharp declines in both food & core components, as well as the base effect.

Food inflation fell remarkably while core inflation eased, both reflecting price moderation, fueled by a combination of seasonal factors, strategic policy shifts, and currency performance.

However, urban inflation edged higher while rural inflation moderated, thereby highlighting mixed price movements across regions. Looking ahead, we expect the disinflationary momentum to continue, although the government agencies may remain cautious amid uneven urban price pressures.