



## Nigeria | Economic Analysis | Inflation Trends

### *Headline Inflation increase decelerates to 23.71%*

#### Key Macroeconomic Indicators:

April Inflation: 23.71% (previous: 24.23 % in March 2025)

MPR: 27.50%, GDP: 3.84% (2024 Q4)

The **Consumer Price Index (CPI)** rose to 119.52 in April 2025, reflecting a 2.18-point increase from the preceding month. In April 2025, the Headline inflation rate eased to 23.71% relative to the March 2025 headline inflation rate of 24.23%.

Looking at the movement, the April 2025 Headline inflation rate showed a decrease of 0.52% compared to the March 2025 Headline inflation rate. On a year-on-year basis, the Headline inflation rate was 9.99% lower than the rate recorded in April 2024 (33.69%). This shows that the Headline inflation rate (year-on-year basis) decreased in April 2025 compared to the same month in the preceding year (i.e., April 2024), though with a different base year, November 2009 = 100.

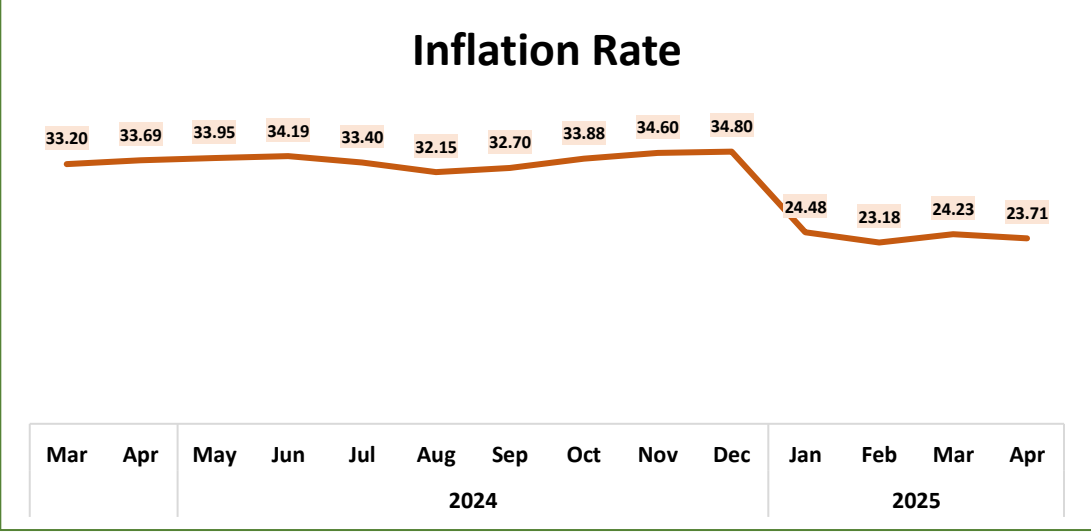
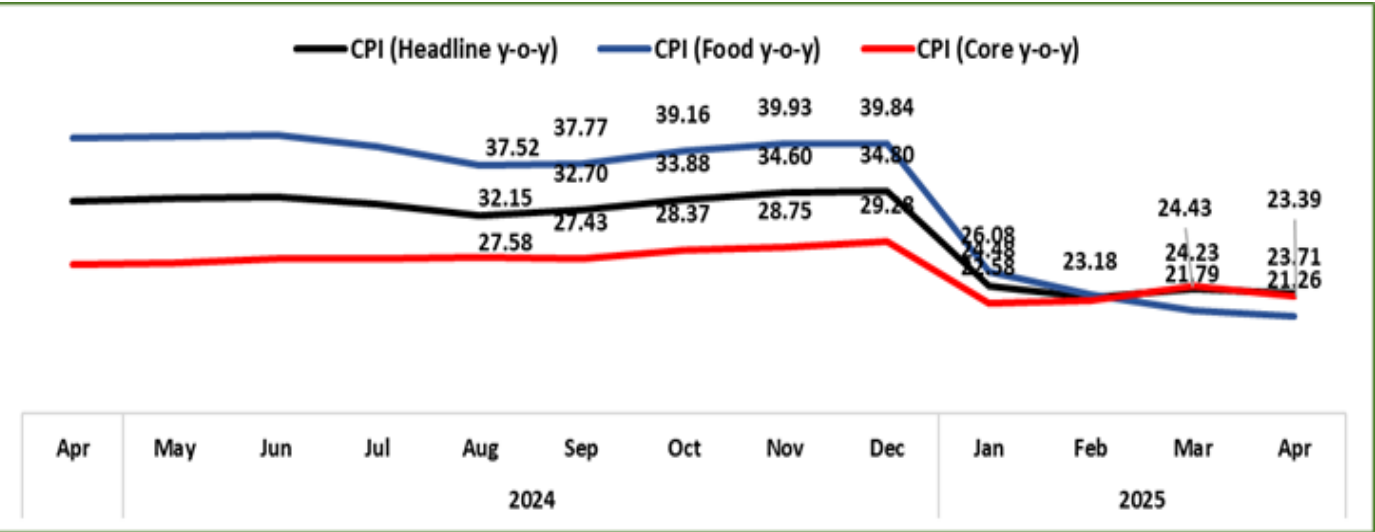
Furthermore, **on a month-on-month basis**, the Headline inflation rate in April 2025 was 1.86%, which was 2.04% lower than the rate recorded in March 2025 (3.90%). This means that in April 2025, the rate of increase in the average price level is lower than the rate of increase in the average price level in March 2025.

**On a month-on-month (m/m) basis**, the Food inflation rate in April 2025 was 2.06%, down by 0.12% compared to March 2025 (2.18%). The decrease can be attributed to the rate of decrease in the average prices of Maize (Corn) Flour, Wheat Grain, Okro Dried, Yam Flour, Soya Beans, Rice, Bambara beans, Brown Beans, etc. The average annual rate of Food inflation for the twelve months ending April 2025 over the previous twelve-month average was 31.43%, which was 1.31% points lower compared with the average annual rate of change recorded in April 2024 (32.74%).

**Core inflation**, which excludes the prices of volatile agricultural produces and energy stood at 23.39% in April 2025 on a year-on-year basis; it declined by 3.45% when compared to the 26.84% recorded in April 2024. On a month-on-month basis, the Core Inflation rate was 1.34% in April 2025, down by 2.39% compared to March 2025 (3.73%). The average twelve-month annual inflation rate was 24.91% for the twelve months ending April 2025, which was 2.07% points higher than the 22.84% recorded in April 2024.



Nigeria | Economic Analysis | Inflation Trends



Source: NBS, ASAM Research

Outlook/Recommendation

While the CPI continues to rise monthly, the slower pace of annual inflation suggests gradual easing of inflationary momentum. If current macroeconomic stability holds especially around FX rates and monetary tightening, we expect headline inflation to remain below 24% in May 2025. Nonetheless, risks persist from volatile food prices, global oil market movements, and possible exchange rate shocks.



## Nigeria | Economic Analysis | Inflation Trends

### Analyst Certification, Important Disclosure and Disclaimer

#### Analyst Certification

The research analysts who prepared this report certify as follows:

That all of the views expressed in this report articulate the research analyst(s) independent views/opinions regarding the companies, securities, industries or markets discussed in this report.

That the research analyst(s) compensation or remuneration is in no way connected (either directly or indirectly) to the specific recommendations, estimates or opinions expressed in this report.

#### Investment Rating Criteria and Disclosure

Arthur Steven Asset Management adopts a 3-tier recommendation system for assets under our coverage: Buy, Hold and Sell. These generic ratings are defined below;

**Buy:** Based on our valuation and subjective view (if any), the total return upside on the stock's current price is greater than our estimated cost of equity.

**Hold:** Based on our valuation and subjective view (if any), the total return upside on the stock's current price is less than the cost of equity, however, the expected total return on the stock is greater than or equal to the Standing Deposit Facility rate of the Central Bank of Nigeria (which is currently MPR – 27.50%). We consider this as the minimum return that may deserve our holding of a risk asset, like equity.

**Sell:** Based on our valuation and subjective view (if any), the total return upside on the stock's current price is less than the Standing Deposit Facility rate of the Central Bank of Nigeria (which is currently MPR – 27.25%). We consider this as the minimum return that may deserve our holding of a risk asset, like equity, especially as we consider the average 4.5% total transaction cost for an average retail investor.

#### Disclaimer

*Arthur Steven Asset Management (ASAM) notes are prepared with due care and diligence based on publicly available information as well as analysts' knowledge and opinion on the markets and companies covered; albeit ASAM neither guarantees its accuracy nor completeness as the sole investment guidance for the readership. Therefore, neither ASAM nor any of its associate or subsidiary companies and employees thereof can be held responsible for any loss suffered from the reliance on this report as it is not an offer to buy or sell securities herein discussed.*

#### ANALYST

**Abdulsalam Ayoade**

[abdulsalam.ayoade@arthursteven.com](mailto:abdulsalam.ayoade@arthursteven.com)

#### CONTACT

**Arthur Stevens AssetManagement Ltd.**

**(MEMBER OF THENIGERIAN STOCK EXCHANGE)**

**86, Raymond NjokuStreet, S.W. Ikoyi,  
Lagos**

**Website:** [www.arthursteven.com](http://www.arthursteven.com)

**Email:** [info@arthurstevenng.com](mailto:info@arthurstevenng.com)

**Tel: 09035996606;  
08091054142**