



## Nigeria | Economic Analysis | Inflation Trends

### ***Inflation declines to 23.18% y-o-y***

#### **Key Macroeconomic Indicators:**

**February Inflation: 23.18% (previous: 24.48 % in January 2025)**

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

The NBS published its most recent inflation report, indicating that the inflation rate of the economy declined from the previous month, settling at 23.18% for February 2025 following the rebasing of the inflation rate in January.

The inflation rate decreased by 1.30 percentage points, lower than the 24.48% recorded in January 2025, and 8.52 percentage points lower than the 31.70% registered in February 2024. Likewise, the food and core indices decreased to 23.51% and 23.01%, respectively.

**On a month-on-month (m/m) basis**, headline inflation stood at 2.04% in February 2025. The percentage change in the average CPI for the twelve months ending February 2025 over the average for the previous twelve-month period was 30.09%, showing a 3.91 percentage point increase compared to 26.18% recorded in February 2024.

Food inflation was recorded at 23.51% for the month, a 14.41 percentage point decrease from 37.92% in February 2024, primarily due to the change in the base year.

**On a month-on-month (m/m) basis**, food inflation stood at 1.67% in February 2025, compared to January 2025. The decline in m/m food inflation can be attributed to the decrease in the average prices of food items such as yam tubers, potatoes, soybeans, maize/cornmeal flour, cassava, and Bambara beans (dried), among others.

The average annual rate of food inflation for the twelve months ending February 2025 over the previous twelve-month average was 34.74%, which was 4.67 percentage points higher compared with the average annual rate recorded in February 2024 (30.07%).

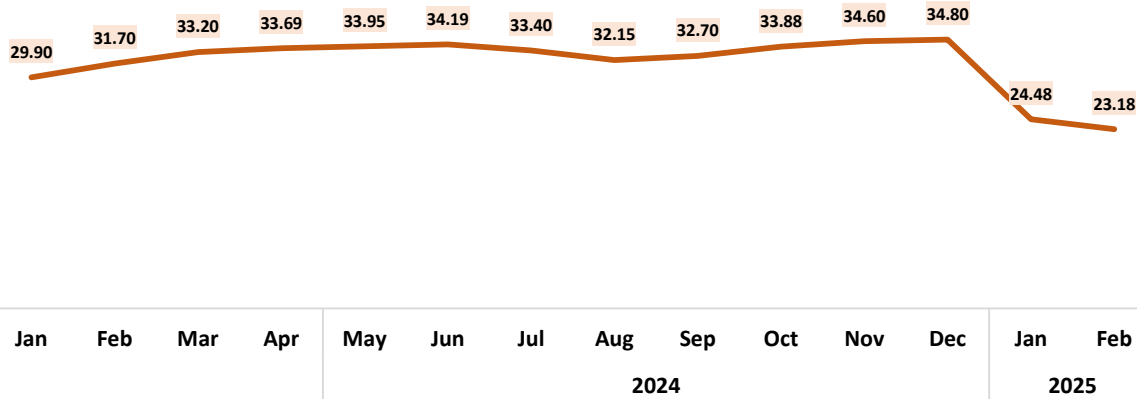
Core inflation stood at 23.01%, which is 2.12 percentage points lower than the previous month's rate of 25.13% recorded in February 2024. On a month-on-month (m/m) basis, core inflation was 2.52% in February 2025.

The average twelve-month annual inflation rate was 25.33% for the twelve months ending February 2025, which was 3.60 percentage points higher than the 21.72% recorded in February 2024.

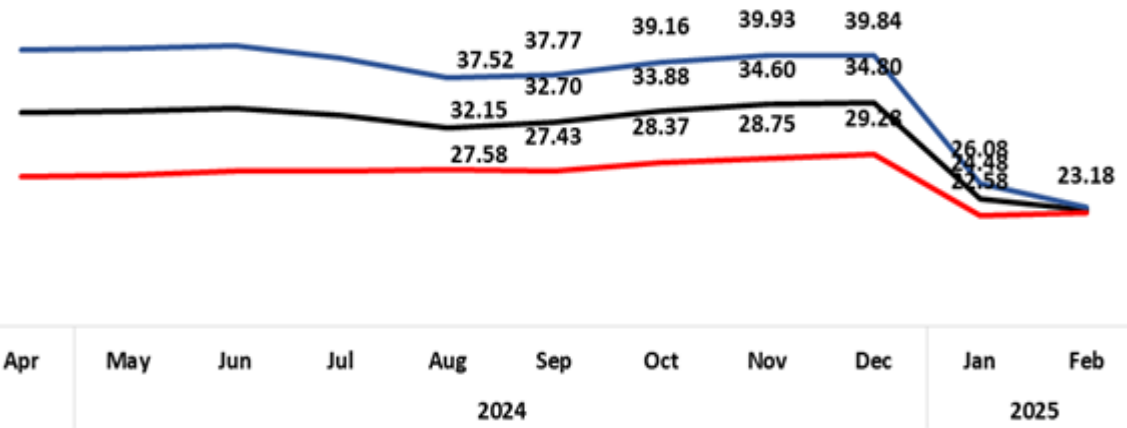


# Nigeria | Economic Analysis | Inflation Trends

## Inflation Rate



## CPI (Headline y-o-y) | CPI (Food y-o-y) | CPI (Core y-o-y)



Source: NBS, ASAM Research

### Outlook/Recommendation

The inflation rate has decreased, declining by 130 basis points (2.44%) in February 2025. We expect inflation to moderate in March 2025 if we continue to experience a decline in energy prices and food prices continue to decline.



## 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  
STOCKEXCHANGE)**

**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**