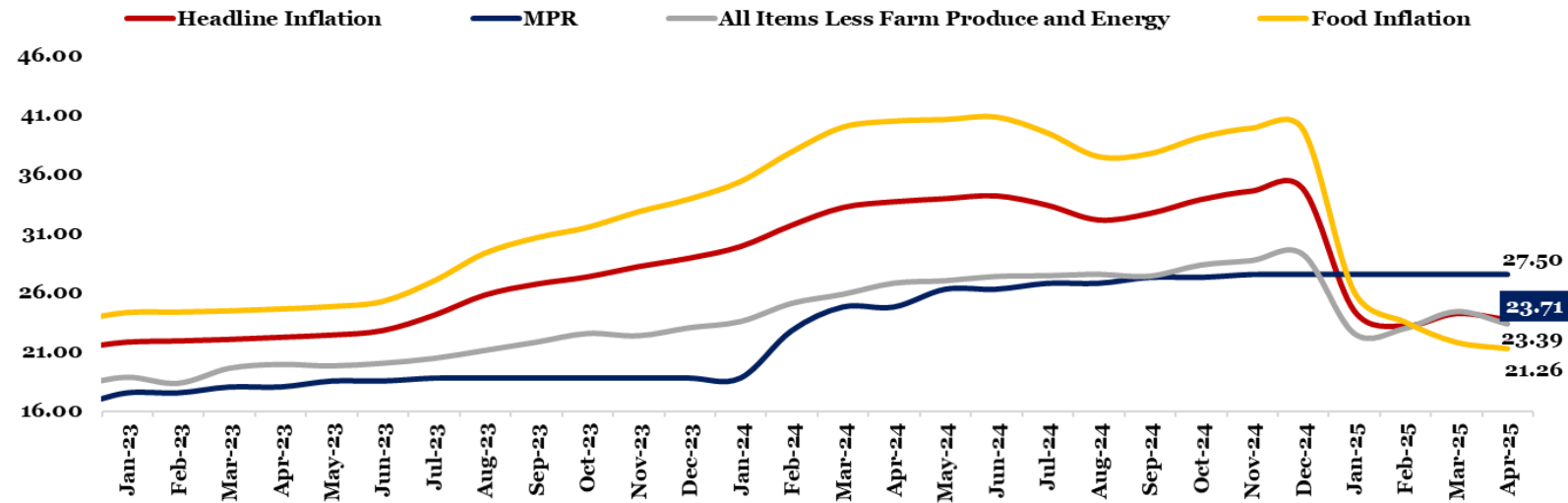




INFLATION WATCH – April 2025

Inflation Watch - Base Effect, Lower Food Costs Pull Nigeria's Inflation Down to 23.71%

Nigeria's headline inflation rate fell to 23.71% in April 2025, down from 24.23% in March, according to the National Bureau of Statistics (NBS). This 0.52 percentage point decline reflects a gradual easing of price pressures, driven primarily by reduced costs of staple foods. Food inflation dropped to 21.26% year-on-year (from 21.79% in March), with monthly food inflation easing slightly to 2.06% (from 2.18%). The year-on-year comparison revealed a 9.99% improvement over April 2024's 33.69%, partly due to the NBS rebasing the Consumer Price Index (CPI) to reflect updated spending patterns. The CPI itself rose to 119.52, a 2.18% monthly increase, signaling persistent but slower price growth. Core inflation (excluding volatile agricultural and energy costs) also showed improvement, declining to 23.39% annually (from 24.43% in March). On a monthly basis, core inflation moderated sharply to 1.34% (from 3.73%), indicating reduced underlying price pressure.



The CBN's May 20 policy meeting will likely balance easing inflation (projected to fall to 20.5% by Q3 2025) against persistent food-price pressures and supply-chain bottlenecks. While declining inflation may bolster consumer spending and investor sentiment, elevated costs continue straining households.

Important Disclaimers

This document has been issued and approved by AIICO Capital and is based on information from various sources that we believe are reliable. However, no representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction.

Investments discussed in this report may not be suitable for all investors. This report is provided solely for the information of AIICO Capital clients who are then expected to make their own investment decisions. AIICO Capital conducts designated investment business with market counter parties and customers and this document is directed only to such persons. AIICO Capital accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of AIICO Capital. Users of this report should bear in mind that investments can fluctuate in price and value. Past performance is not necessarily a guide to future performance.

AIICO Capital is regulated by the Securities and Exchange Commission, and is licensed to provide fund and portfolio management services in Nigeria.