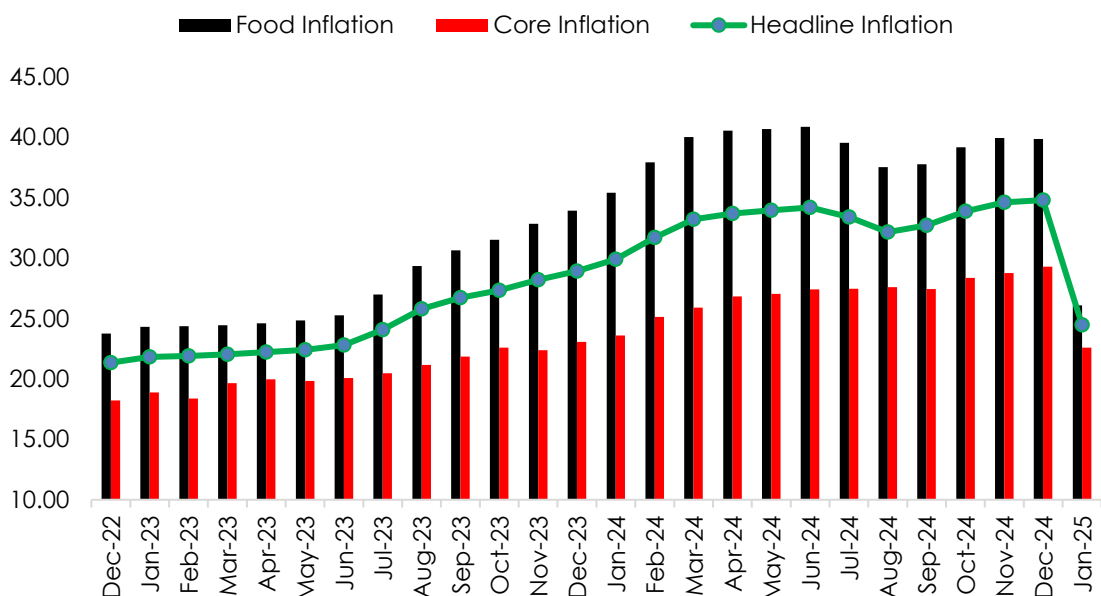


## CPI Rebasing Lowers Headline Inflation to 24.48% in January 2025

According to the National Bureau of Statistics (NBS), headline inflation declined to 24.48% in January 2025, down from 34.80% in December 2024. This decline follows the rebasing of the Consumer Price Index (CPI), which has led to a recalibration of inflationary trends in the country. The change comes after the NBS updated its methodology, adjusting the base year from 2009 to 2024, revising the weighting structure, and expanding the consumer basket to reflect household spending patterns.

Food inflation, a key driver of overall price levels, fell to 26.08% in January 2025, reflecting a year-on-year decline of 933bps from 35.41% in January 2024. The drop was primarily driven by the expansion of the consumer basket and the reweighting of expenditure categories, which moderated the impact of price increases on the index.

Core inflation, which excludes the prices of volatile agricultural produce and energy, declined to 22.59% in January 2025, compared to 29.28% in December 2024. This reflects a reduction in underlying inflationary pressures, potentially easing concerns around persistent cost-push factors. [Read more](#)



## **OUTLOOK**

Though there was a significant reduction in inflation rate, the general price level remain high due to the lagging effect of the fuel subsidy removal and other macroeconomic headwinds. The CBN may respond by holding rates to observe the inflationary trends in the coming months. In the fixed income market, the moderation in inflation rate could drive lower yields as investors adjust their expectations for future interest rate cuts. Meanwhile, the decline in CPI could provide an upside in the equities market.

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