

# INFLATION WATCH

A Publication of United Capital Research

October 02, 2026

## Inflation Projected at 15.32% in September, Will Disinflation Continue?

**Bottomline:** United Capital Research forecasts headline inflation will ease to 15.32% in September 2026 from 15.39% in August. Lower food prices should support price moderation, alongside Naira appreciation. However, higher Premium Motor Spirit (PMS) and Bonny Light prices remain key upside risks. Overall, disinflation is expected to continue.



## Consumer Prices Moderated Broadly in September 2026

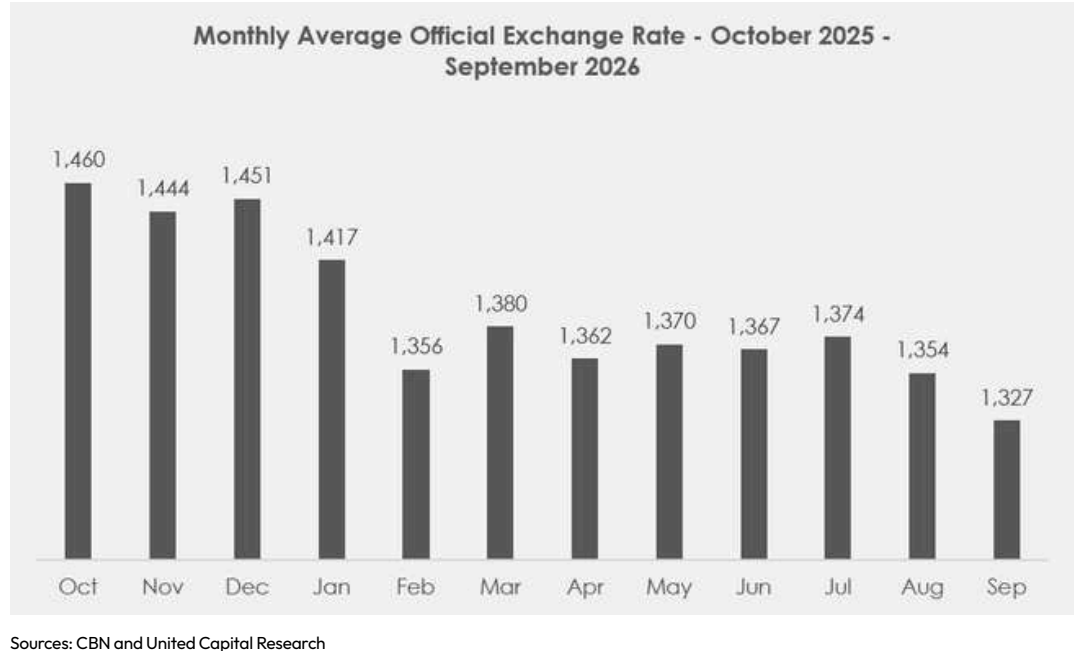
The United Capital Research’s survey showed broad food-price moderation in September 2026 compared with August. Garri (Ijebu) recorded the largest decline, falling by 26.5%. Medium-sized yam declined by 13.5%, while tomatoes fell by 9.5%. Imported long-grain rice declined by 3.6%. Imported short-grain rice fell by 2.7%, while Nigerian manufactured rice declined by 2.0%. Beans (Oloyin), measured by paint, eased by 1.2%. Beans (Drum) however, increased marginally by 0.1%.

## Higher Bonny Light and PMS Prices Remain Upside Risks

The average price of Bonny Light crude oil increased by 22.1% in September 2026 compared with August. Similarly, the average PMS pump price rose by 9.7% to ₦1,343 per litre from ₦1,223 per litre, exerting upward pressure on consumer prices. However, the moderation in food prices and the appreciation of the Naira helped cushion the inflationary impact of higher PMS prices. This mitigate the overall increase in the inflation rate.

## Exchange Rate Appreciated Further, Supporting Price Moderation

The Naira appreciated against the US Dollar in September 2026. The monthly average official exchange rate strengthened by 2.0% to US\$/₦1,327.31 from US\$/₦1,354.03 in August. On a month-end basis, the Naira appreciated by 0.3%. It closed at US\$/₦1,329.16 on September 30 versus US\$/₦1,332.94 on August 31. The strengthening of the Naira mitigated the inflationary pass-through impact of higher PMS prices, thereby easing pressure on overall consumer prices.



## Policy Implications

The moderating inflation rate is generally bullish for fixed income securities and equities. For fixed income investors, it supports lower yields, higher bond prices, and stronger real returns. For equities, it reduces financing costs, strengthens consumer purchasing power, improves corporate profitability, and supports higher market valuations. In Nigeria, sustained disinflation could trigger a gradual re-rating of both the bond and equity markets, enhancing overall investment returns.

### DISCLAIMER

United Capital Plc Research (UCR) 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 UCR neither guarantees its accuracy nor completeness as the sole investment guidance for the readership. Therefore, neither United Capital (UCAP) nor any of its associates 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. Please note this report is a proprietary work of UCR and should not be reproduced (in any form) without the prior written consent of Management. UCAP is registered with the Securities and Exchange Commission and its subsidiary, United Capital Securities Limited is a dealing member of the Nigerian Stock Exchange. For enquiries, contact United Capital Plc, 3rd Floor, Afriland Towers, 97/105 Broad Street, Lagos. ©United Capital Plc 2021.

### CONTACT US

- |                                                                                                                                 |                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| ■ Research:<br><a href="mailto:Research@unitedcapitalplcgroup.com">Research@unitedcapitalplcgroup.com</a>                       | ■ Trustees:<br><a href="mailto:Trustees@unitedcapitalplcgroup.com">Trustees@unitedcapitalplcgroup.com</a>                              |
| ■ Securities Trading:<br><a href="mailto:Securities@unitedcapitalplcgroup.com">Securities@unitedcapitalplcgroup.com</a>         | ■ Investment Banking:<br><a href="mailto:InvestmentBanking@unitedcapitalplcgroup.com">InvestmentBanking@unitedcapitalplcgroup.com</a>  |
| ■ Asset Management:<br><a href="mailto:Assetmanagement@unitedcapitalplcgroup.com">Assetmanagement@unitedcapitalplcgroup.com</a> | ■ Investors Relations:<br><a href="mailto:InvestorRelations@unitedcapitalplcgroup.com">InvestorRelations@unitedcapitalplcgroup.com</a> |