

STATART INTELLIGENCE SERIES · WHITE PAPER

Pricing in Chaos

How Nigerian businesses are rebuilding their pricing models

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Executive summary

The question. The naira has had its best year in a long time. It ended 2025 at N1,435.75/\$ at the official window and was N1,361.84/\$ on 23 October 2026, about 5% stronger, after touching N1,329/\$ on 1 September, its strongest close since May 2024 ([NAN](#); [WithinNigeria](#); [Nairametrics](#)). Yet in September, Nigerian firms raised selling prices at the fastest pace in 3 months ([S&P Global](#)). This paper asks why prices kept rising after the naira firmed, and how a Nigerian business should set prices for 2027.

The short answer. The naira stopped being the main cost driver in 2026. Oil took its place. Brent averaged \$62.54 a barrel in December 2025 and \$124.74 in October 2026 to date, so a barrel cost about 89% more in naira even after the naira's gain (STATART calculation from [countryeconomy.com](#) spot data and CBN rates). Fuel feeds transport, transport feeds almost everything, and Nigerian firms are also using the calmer currency to rebuild margins that the 2023 to 2025 devaluation destroyed. Prices that were set on the way up are not coming back down on their own.

What the evidence shows.

- **Fuel moves both ways, and mostly up.** Dangote's petrol gantry price went from N799 a litre on 26 January to N1,348 in Lagos on 15 October, up about 69% ([ThisDay via AllAfrica](#); [Legit](#)). Diesel reached N1,850 at the gantry in September ([Legit](#)).
- **Cement rose about a third and has barely retreated.** A 50kg bag cost N9,300 to N9,700 in January and N12,600 to N13,100 in Abuja in mid-October. The competition regulator, the FCCPC, opened a probe in August into whether those prices reflect costs ([Nairametrics](#); [Legit](#)).
- **Brewers raised list prices in March and grew revenue about 9%, below inflation** ([Food Business MEA](#); [Arise](#)). Beer is running into the ceiling of what drinkers will pay.
- **Packaged food and home care are rebuilding margin, not chasing volume.** Unilever Nigeria's gross margin rose to 46.4% in the 9 months to September from 41.2% a year earlier ([Nairametrics](#)), while across the market units grew more than 8% in Q1 2026 and value less than 1% ([Worldpanel by Numerator](#)). The money is being made per unit, through pack size and mix.
- **Telecoms took 1 big regulated reset and now grows on usage.** Data tariffs doubled in January 2025, and MTN Nigeria's data revenue rose 38.4% in H1 2026 on 25.8% more traffic ([TechCabal](#); [IT Edge News](#)).

The decision. Stop pricing off the naira alone. Price off your own cost stack. Split your costs into the share that follows the dollar, the share that follows fuel, and the share that follows Nigerian wages and local inputs. Index each part to a public number, review monthly, and reprice only when the cost index moves outside a band you have announced. Commit to moving the price down as well as up when the index falls. Chapter 6 gives the rule with a worked example, and chapter 8 sets out the moves by role.

Our main calls. We put **75%** odds on the Stanbic IBTC PMI reporting rising selling prices in every monthly release from October 2026 to March 2027, and **30%** odds that Dangote's Lagos petrol price is below N1,200 a litre on 31 March 2027. Our central 2027 scenario, "Sticky costs", gets **50%**. The full register is in chapter 7.

How we built this paper. This is a desk review. It draws on the CBN's official exchange rate data, the S&P Global and Stanbic IBTC PMI, NBS inflation data, the IMF's 2026 Article IV report, oil price series, company results and announcements, and FCCPC statements. STATART did not run fieldwork for this

edition, and no figure in it comes from a STATART survey. Every number is labelled as data, STATART calculation, or STATART judgement. Appendix B sets out data notes.

1. The question, and why it matters now

Most Nigerian finance teams spent 2023, 2024 and 2025 learning one lesson: when the naira falls, raise prices fast or lose the business. By the end of 2024 the official rate had reached N1,535/\$ ([Blueprint](#)). Pricing models across the country were rebuilt around a single input, the dollar.

2026 broke that model in an awkward way. The dollar got cheaper, yet costs kept rising. An importer paying in dollars saw the naira cost of each shipment fall about 5%. Anyone running a diesel generator saw the gantry price reach N1,850 a litre. A builder in Abuja paid about a third more for a bag of cement than in January. All of them are now setting 2027 prices off very different signals.

Four groups need an answer before 31 December:

- **Chief financial officers and treasurers** setting 2027 budgets, price lists and distributor terms.
- **Founders and SME owners** who sell to Nigerian households and cannot afford a price war or a lost customer.
- **Importers and distributors** whose margins depend on timing price changes to FX moves.
- **Investors and lenders** reading 2026 results and trying to tell price-led growth from real growth.

What we mean by "chaos"

In this paper "chaos" has a narrow meaning: the main driver of a firm's costs changes faster than its pricing model can adapt. It does not mean prices are random. In 2026 they followed fuel, local wages and market power more than the exchange rate, and most pricing models were not built to read those signals.

The four tests this paper is built to pass

1. Every number comes from a source we opened and can show you.
2. Evidence for an effect postdates its cause. A September price that was set before a July cost change is an early reading, not a verdict.
3. Any rule we recommend comes with a worked example, not a rule of thumb.
4. Every probability says how we set it and what would move it.

2. 2026: a firmer naira and a dearer barrel

The naira had its best year since at least 2018

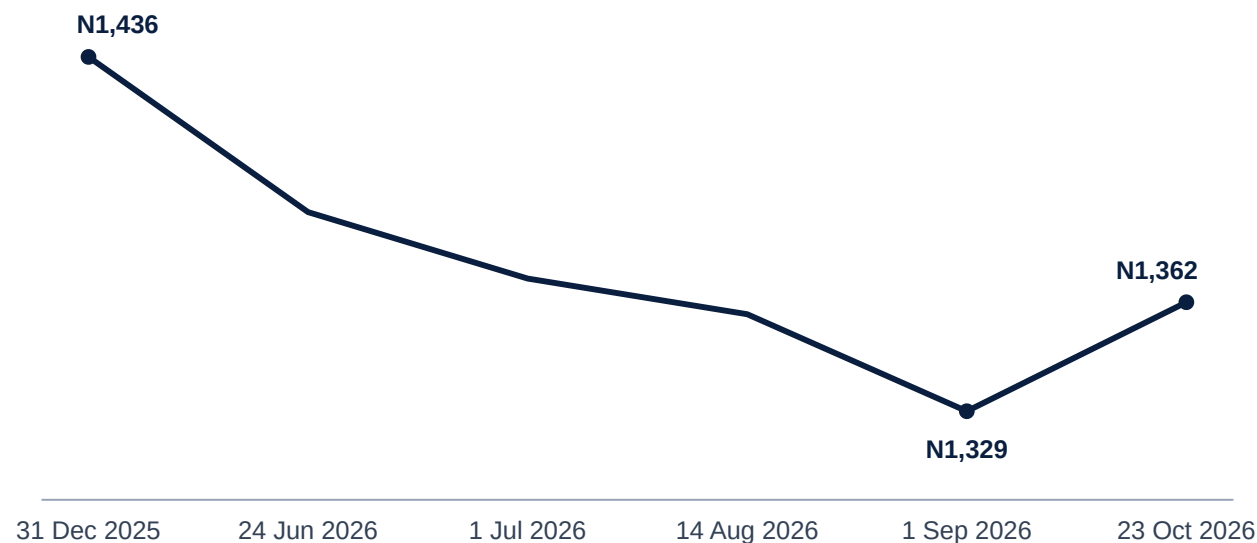
The official rate ended 2025 at N1,435.75/\$ according to CBN data reported by NAN; [Blueprint](#) reported a close of N1,429 the same day ([NAN](#); [Blueprint](#)). We use the CBN figure reported by NAN as the start point.

The path through 2026 was not smooth. The naira traded as weak as N1,389 on 24 June and closed at N1,369 on 1 July ([Nairametrics](#)). It then rallied from N1,358.25 on 14 August to N1,329 on 1 September, its first close below N1,330 since 2024 ([Nairametrics](#)). Bloomberg, reported by Daba Finance, called it the naira's best annual gain in at least 8 years, at about 8% by early September ([Daba Finance](#)).

October gave some of it back. The weighted average was N1,361.84 on 23 October, with the close at about N1,370 ([WithinNigeria](#); [Arbiterz](#)).

The naira firmed in 2026, then gave a little back

Official rate, naira per US dollar (lower means a stronger naira)



Source: CBN data via NAN, Nairametrics and WithinNigeria. Selected dates only; 23 Oct is the weighted average. Chart: STATART Insights and Analytics

Behind the rally sat real dollars. Reserves rose from \$45.57bn at the start of 2026 to \$53.8bn at the end of August ([Nairametrics](#)) and stood at \$55.16bn on 22 October ([Arbiterz](#)). Formal diaspora remittances reached \$3.8bn in the first 7 months of 2026, up 50.2% on a year earlier ([Daba Finance](#)).

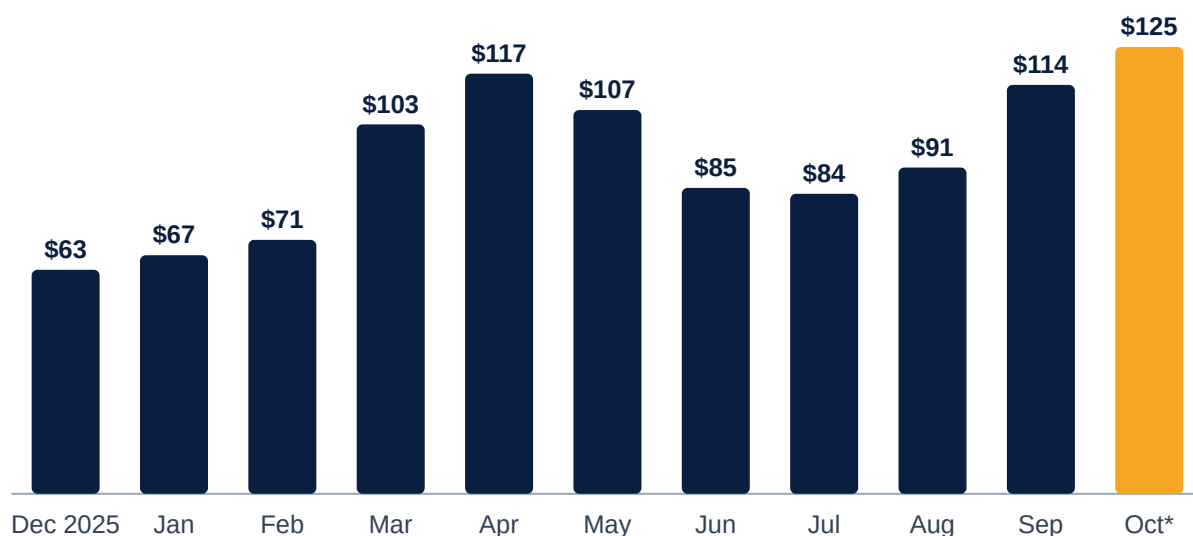
What the firmer naira should have done. In a pricing model built on the dollar, a 5% stronger naira cuts the naira cost of imported inputs by about 5%. If imported inputs make up 30% of a product's cost, costs fall by about 1.5% (STATART arithmetic). That is a small number. It is the first reason prices did not fall: even a good year for the naira only moves a typical cost base by a point or two.

Oil went the other way, by much more

By early March, war involving Iran, the US and Israel had halted flows through the Strait of Hormuz, and Brent jumped about 18% in a single day to \$109.4 on 9 March ([Gulf News](#)). Prices eased in mid-year and then climbed again. On 26 October, Brent was \$115.41, up 75% on a year earlier and 13% on a month earlier ([Fortune](#)).

Brent doubled between December and October

Dated Brent spot, monthly average, \$ per barrel



Source: countryeconomy.com. October to 23 Oct. Spot prices run above the futures price quoted in the text. Chart: STATART Insights and Analytics

Put the two together. In December 2025 a barrel of Brent at the monthly average spot price cost about N89,800. In October 2026 to date it cost about N169,900. That is 89% more naira per barrel (STATART calculation: monthly average spot price times the official rate at 31 December 2025 and 23 October 2026).

That is the core of the puzzle. The naira gave importers a 5% discount on the dollar. Oil took back far more than that on the single input that touches every truck, generator and factory in the country.

Inflation fell, but the part firms control did not

Headline inflation fell to 14.63% in September from 15.39% in August, its 4th straight fall. Underneath, the picture split. Food prices fell 1.55% in the month as the harvest came in, but core prices, which strip out farm produce and energy, rose 1.11% in September after a 0.06% dip in August ([Voice of Nigeria](#), [NBS data](#)). Core inflation was 12.95% on the year.

A 1.11% monthly rise compounds to about 14% a year, above the published annual core rate ([Nairametrics analysis](#)). Transport fares, rents, school fees and manufactured goods all rose. That is what a pricing manager sees: the harvest pulled the headline down, while the prices of things firms make and services they sell kept climbing.

The IMF saw the oil risk early. Its June 2026 Article IV report noted that the naira was up about 10% on the year in March, yet projected inflation would tick up to 17% by end-2026 because of higher global fuel and food prices ([IMF Country Report 26/125](#)). Inflation has so far come in below that path, helped by food. Core has not.

What the PMI says firms did

The Stanbic IBTC Bank Nigeria PMI, compiled by S&P Global and endorsed by the NBS, rose to 56.4 in September from 54.3 in August, the strongest reading since February 2022 ([S&P Global](#)). New orders

rose for an 8th straight month.

On prices, the September survey reported:

- **Purchase prices** rose sharply, at a 3-month high, driven mainly by fuel, with animal feed, foodstuffs and other raw materials also cited.
- **Staff costs** rose faster, as firms helped workers cope with living costs ([The Details News](#)).
- **Selling prices** rose at the fastest pace since June, as firms passed costs on ([S&P Global; Business Post](#)).

Demand was strong enough to carry those increases. That matters for 2027. Firms raise prices when costs rise and customers keep buying. Both conditions held in September.

3. The evidence: what happened to prices, sector by sector

We looked for sectors where we could verify both the price and the cost story from at least one primary or company source. Five passed.

Sector	Price signal in 2026	Main cost driver	Direction
Fuel	Petrol gantry N799 (Jan) to N1,348 (Oct), about +69%	Crude price, refinery supply	Both ways, mostly up
Cement	50kg bag N9,300 to N9,700 (Jan) to N12,600 to N13,100 (Oct), about +33% to +38%	Energy, haulage, market structure	Up, small retreat
Beer	List price rises in March; revenue +9% in H1	Inputs, energy, tax	Up, volume pushback
Packaged food, home care	Value growth below unit growth; margins up	Inputs, FX, pack mix	Price per unit down, margin up
Telecoms	1 regulated doubling (Jan 2025), then stable	Regulation, network costs	One step, then volume

Sources: see sections below. Changes are STATART calculations from the reported prices.

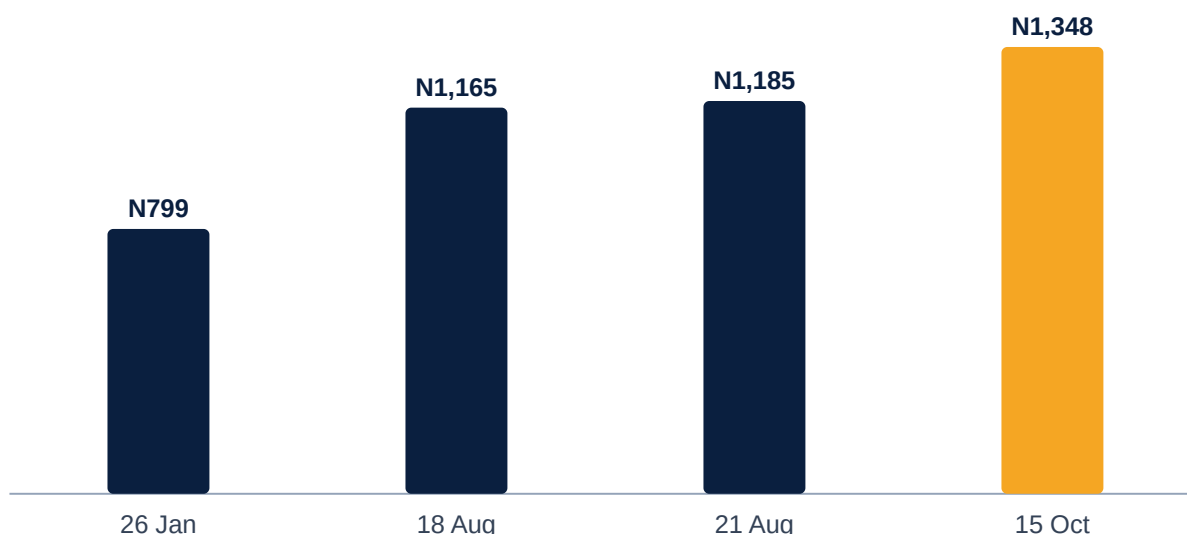
Fuel: the only price that moves every week

Fuel is the one market in Nigeria where prices now move in both directions, because Dangote's refinery reprices against crude and import parity. In late January Dangote raised its petrol gantry price from N699 to N799 a litre, calling the earlier price a festive-season measure ([ThisDay via AllAfrica](#)). By mid-August it was N1,165, raised to N1,185 on 21 August, still below the N1,218 landing cost that the marketers' association MEMAN estimated for imports ([Legit](#)). On 15 October Dangote's Lagos depot price was N1,348, with other Lagos depots between N1,344 and N1,350 ([Legit](#)).

Diesel, which runs most of Nigeria's trucks and back-up generators, cost N1,850 a litre at Dangote's gantry from 4 September, and N2,000 to N2,020 at Abuja pumps, up N220 to N300 on the previous range ([Legit](#)).

Petrol cost about 69% more in October than in January

Dangote petrol price, naira per litre



Source: ThisDay via AllAfrica; Legit. Gantry prices to August; Lagos depot price on 15 Oct. Chart: STATART Insights and Analytics

Why it matters for everyone else. Fuel is not only a cost for transport firms. Every distributor's delivery van, every factory's generator and every market trader's danfo fare carries it. The September PMI named fuel as the main driver of rising purchase costs.

Cement: up a third, with a regulator watching

Cement is the clearest case of prices that rose fast and are falling slowly. The FCCPC put the 50kg bag at N9,300 to N9,700 in January, N10,500 to N13,000 by mid-year and N13,000 to N15,000 in some places in July ([Nairametrics](#)). By 1 September, market quotes for the main brands had eased to about N12,000 ([Legit](#)). An online price list for Abuja on 15 October showed Dangote 3X at N13,100, BUA at N12,800 and HBM Elephant at N12,600 ([Legit](#), citing [Buildocrat](#)). From the midpoint of the January range, that is a rise of about 33% to 38% (STATART calculation).

The top 3 producers reported H1 2026 Nigerian revenue of N3.2trn, up 26.5%: Dangote Cement N1.8trn (+25.2%), BUA N728.9bn (+25.6%) and HBM Nigeria N678.4bn (+31.2%). Revenue grew faster than volume at all 3 ([Arise](#)).

The industry's explanation is energy, haulage and the cost of imported machinery and parts after the naira's fall ([Nairametrics](#)). The FCCPC's preliminary study pointed at something else. Nigeria has installed capacity above 60m to 65m tonnes a year against demand of 25m to 30m tonnes, 3 producers hold over 90% of capacity, and that surplus "has not produced the downward price pressure" a competitive market would show. The FCCPC cited a bag at \$5.40 in Nairobi and \$6.75 in Lomé, and in August it issued summons for records on pricing methods, capacity use and exports ([Nairametrics](#)).

We do not judge the FCCPC case here. For a pricing manager the lesson is narrower: in a concentrated market, a cost story that cites the naira's fall is harder to defend in a year when the naira rose. Regulators, customers and the press can now check.

Beer: the ceiling of what drinkers will pay

On 13 March Nigerian Breweries announced price rises on selected brands from 20 March, citing "increases in operational and input costs"; Guinness Nigeria followed from 27 March ([Food Business MEA](#)). Neither published the size of the increase.

The result shows the limit. In H1 2026 Nigerian Breweries' revenue rose about 9% to N803.7bn, Guinness Nigeria's 11.8% to N265bn, and International Breweries' was broadly flat at N342.1bn. Arise attributes the growth mainly to the March price rises and notes softer beer consumption ([Arise](#)). With headline inflation at 15.1% to 15.4% in February and March ([IMF](#)), revenue growth of 9% to 12% after a price rise means brewers sold less beer, cheaper beer, or both (STATART judgement; the brewers did not publish H1 volumes).

Nigerian Breweries still widened its gross margin by 2 points through what it calls "revenue management actions" ([Nigerian Breweries](#)). Tax pulled the other way: the 3 brewers' H1 tax bill rose about 58% to N112.87bn, with Nigerian Breweries' effective rate up to 40.5% from 33.1% ([Arise](#)). That is a cost pressure the exchange rate cannot fix.

Packaged food and home care: more units, less money per unit, better margins

Worldpanel by Numerator reported that in Q1 2026 Nigeria's FMCG units grew more than 8% while value grew less than 1%, with price per unit falling and food and beverages leading ([Worldpanel by Numerator](#)). Read with the company results, that looks like smaller packs and cheaper mixes rather than price cuts on the same product. Our [October paper on the Nigerian consumer](#) sets out that evidence in detail.

Margins tell the rest of the story:

- **Unilever Nigeria:** revenue up 18% to N184.0bn in the 9 months to September; gross margin 46.4%, up from 41.2%. Its managing director said demand "came under increased pressure" in Q3 as incomes stayed constrained ([Nairametrics](#)).
- **Nestle Nigeria:** H1 revenue up 12% to N650.76bn; gross profit N258.52bn, a margin of about 39.7% against about 38.7% a year earlier (STATART calculation from reported figures), "despite continuing inflationary pressures and higher input costs" ([Food Business MEA](#)).

Unilever grew revenue faster than inflation and Nestle a little slower, but both widened gross margins while their customers were under strain. They did it by pricing per pack, managing mix and holding costs, not by list-price rises alone.

Telecoms: one regulated reset, then growth on usage

Telecoms shows a different model. Regulators approved a doubling of data tariffs on 20 January 2025, taking the average price of 1GB from about N287.5 to about N575 ([TechCabal](#)). MTN Nigeria's revenue rose 54.93% in 2025 to N5.20trn.

In H1 2026 MTN's revenue rose 29.5% to N2.993trn, with data revenue up 38.4% on 25.8% more traffic and usage per subscriber up 15.2% to 14.8GB a month ([IT Edge News](#)). Growth now comes from more use, not from new tariff rises. The firmer naira also helped: the rate was near N1,380 at the end of H1 2026 against N1,530 a year earlier, which eased dollar-linked network costs.

What the 5 cases have in common

Two things. First, in every sector the 2026 cost story ran through energy and domestic costs, not the dollar. Second, the firms with the most pricing power used the calmer currency to rebuild margins, and the firms with the least (brewers facing tired drinkers) hit a ceiling. No sector in our set cut list prices because the naira firmed, outside fuel, where the price follows crude.

4. Why prices only seem to go one way

We see 6 mechanisms. They overlap, and their weight differs by sector.

Mechanism 1: The cost stack changed shape

A firm's cost base is a stack: imported inputs priced in dollars, energy and transport, local raw materials, wages, rent and overheads. In 2023 to 2025 the dollar layer swelled. In 2026 it shrank by about 5%, while the energy layer rose by tens of percent and local layers rose with core inflation (12.95% a year in September). A model that watches only the naira will miss most of what moved.

Mechanism 2: Margins are being rebuilt after the devaluation

Between 2023 and 2025, in our judgement, many firms could not raise prices as fast as the naira fell and absorbed FX losses instead. Nestle Nigeria, for one, returned to profit only in late 2024 after large FX losses ([Food Business MEA](#)). The margin gains at Unilever, Nestle and Nigerian Breweries in 2026 show firms using a calmer currency to recover ground (STATART judgement from the reported margins). That is rational, and it means a firmer naira is captured as margin first.

Mechanism 3: Firms do not trust the rally

Every Nigerian treasurer remembers how fast the naira fell. In 2026 the naira swung from N1,389 in late June to N1,329 in early September and back above N1,360 in late October. A firm that cuts prices in September and has to raise them again in November pays twice: once in lost margin, once in customer anger. So firms hold a buffer. This is a judgement, but it fits the PMI's report that selling prices rose even in a strong-naira month.

Mechanism 4: Market structure

Where a few firms supply most of the market, prices follow costs up more readily than down. Cement, with 3 producers holding over 90% of capacity and capacity at about twice demand, is the case the FCCPC is now testing ([Nairametrics](#)). The IMF has found the same asymmetry in Nigerian bank lending rates, which rise faster than they fall, as our [Rate-Cut Test paper](#) shows.

Mechanism 5: Tax and regulation added new costs

The brewers' H1 tax bill rose 58%, partly on new tax rates ([Arise](#); [Nigerian Breweries](#)). Costs like these have nothing to do with the exchange rate and do not reverse when it improves.

Mechanism 6: Changing a price is expensive in Nigeria

A price change means new price lists for distributors, new stickers for open-market traders, a fight with key accounts and, for consumer brands, a risk to the price point the shopper remembers. Brewers honoured fully funded orders at old prices before their March rises ([Food Business MEA](#)), which shows how much administration a single change takes. Because each change costs money, firms make fewer, larger moves, and they rarely spend that money to cut.

5. Five pricing models Nigerian firms are using now

From the 2026 evidence we see 5 working models. Most firms use one as a default and borrow from the others.

Model 1: Floating price (fuel)

How it works. The price follows a public cost benchmark (crude, import parity) and changes often, in both directions, by small amounts. Our sample alone records 3 changes by Dangote, a festive-season cut that was reversed in January, a N20 rise in August and a N6 rise in October, besides the climb from N799 to N1,165 in between.

Fits: commodities and near-commodities with a visible benchmark: fuel, gas, grains, steel, imported chemicals.

Risk: customers see every move and the seller is blamed for rises. It works only if the benchmark is public and the seller also cuts.

Model 2: Step pricing with notice (beer, many manufacturers)

How it works. One or 2 list-price resets a year, announced a week or 2 ahead, with existing funded orders honoured. Nigerian Breweries and Guinness both used it in March.

Fits: branded goods sold through distributors, where price lists drive the trade.

Risk: each step is large, so it lands as a shock on the shelf and invites switching. In 2026 the step outran what drinkers would pay.

Model 3: Fixed price points, flexible pack (packaged food, home care)

How it works. Hold the shelf price the shopper knows (N100, N200, N500) and change what it buys: grammage, pack format, mix. Units grow while value per unit falls, as Worldpanel's Q1 data shows.

Fits: fast-moving consumer goods bought with daily cash.

Risk: a pack that shrinks too far loses the shopper's trust, and that trust is what wins brand choice now. Our consumer paper covers this in detail.

Model 4: Regulated reset, then volume (telecoms, power, transport)

How it works. One large, approved tariff change, then growth from usage. MTN's data tariff doubled in January 2025; its 2026 growth came from traffic.

Fits: regulated services: telecoms, electricity, some transport.

Risk: the next reset depends on the regulator, not on the firm's costs, so costs must be managed between resets.

Model 5: Dealer pricing in a concentrated market (cement)

How it works. A few producers set ex-factory prices; dealers add margins that vary by city and season. The retail price ends up well above what production costs explain, by the FCCPC's preliminary reading.

Fits: bulky goods with high haulage costs and few producers.

Risk: regulatory. From August 2026 the FCCPC is asking for pricing methods in writing. A firm in this position needs a cost story it can document.

6. A pricing rule for 2027

Here is the rule we recommend. It works for any firm that can split its costs into a few blocks.

Step 1: Split the cost stack into 4 to 5 blocks

For most firms the blocks are: imported inputs priced in dollars; fuel and energy (diesel, petrol, gas, grid power); local raw materials; staff costs; rent and overheads.

Step 2: Tie each block to a public index

Block	Index to use	Where to find it	How often
Imported inputs	Official naira rate, plus your supplier's dollar price	CBN	Daily
Fuel and energy	Dangote and depot pump prices for the fuel you use	Press price trackers, NMDPRA	Weekly
Local raw materials	NBS core or food CPI, or the specific item in NBS price watches	NBS	Monthly
Staff costs	Your own payroll changes	Internal	Quarterly
Rent and overheads	NBS headline CPI	NBS	Monthly

Step 3: Compute a monthly cost index

The cost index is the weighted sum of the changes in each block since your last price change. It tells you how much your cost per unit has moved.

Worked example (illustrative, STATART assumptions)

Take a mid-sized Lagos manufacturer whose cost per unit splits like this: imported inputs 30%, fuel and energy 15%, local raw materials 25%, staff 20%, rent and overheads 10%. These weights are an assumption for the example, not data. Assume its prices were last set in January 2026.

Block	Weight	Change since January	Index used	Contribution
Imported inputs	30%	-5.1%	Naira, 31 Dec 2025 to 23 Oct 2026	-1.5 points
Fuel and energy	15%	+68.7%	Dangote petrol, 26 Jan to 15 Oct	+10.3 points
Local raw materials	25%	+12.95%	NBS core CPI, year to September	+3.2 points
Staff	20%	+10%	Assumed pay review	+2.0 points
Rent and overheads	10%	+14.63%	NBS headline CPI, year to September	+1.5 points
Total	100%			+15.5%

STATART calculation. The CPI changes are 12-month rates and cover a slightly longer period than the other rows; the staff row is an assumption. The petrol change overstates the effect for firms on grid power or gas.

The firmer naira took 1.5 points off this firm's costs. Fuel added 10.3 points. A model that watched only the naira would have told this firm to cut prices. Its costs actually rose about 15%.

Now run it backwards. Suppose petrol falls back to its January price in 2027, a fall of about 41% from N1,348 to N799. The fuel block shrinks from 25.3 points back to 15, so cost per unit falls by 10.3 points from 115.5, about 9% (STATART arithmetic). A firm that has promised to cut when costs fall needs to know in advance that a 41% fall in petrol means about a 9% cut in its price, not 41%.

Step 4: Set a band, and move only when the index leaves it

Do not reprice every month. Announce a band (we suggest 3% to 5% either side of the last price change, depending on how often your trade can absorb a new price list) and reprice only when the cost index moves outside it. In the example the index moved 15.5% in 10 months, nearly 4 times a 4% band, so the firm would have repriced in 3 or 4 steps rather than once.

Step 5: Commit to moving down as well as up

Write the rule into distributor terms and, where you can, tell customers. A firm that cuts when its index falls earns the right to raise when it rises. In concentrated markets, a documented two-way rule is also the best answer to a regulator asking how prices are set.

Step 6: Price the payment terms

With business lending rates close to 30%, by the Finance Minister's account ([Nairametrics, 17 October 2026](#)), 60 days of credit to a distributor costs about 5% of the invoice (STATART arithmetic: 30% times 60 divided by 365, about 4.9%). Many Nigerian firms give that away without pricing it. Charge for credit or give a cash discount, and treat it as part of the price.

7. Scenarios for 2027

We set 3 scenarios, defined by 2 public numbers that will be known by mid-2027: the average Brent price in Q2 2027 and the official naira rate on 30 June 2027.

Scenario	Odds	How it resolves (Brent = Q2 2027 average front-month futures price; naira = official close on 30 June 2027)	What happens to prices
A. Sticky costs	50%	Neither B nor C	Firms raise list prices 1 to 2 times; selling prices in the PMI keep rising; margins hold
B. Relief	25%	Brent below \$85 and naira stronger than N1,350	Costs fall; competition grows; firms with two-way rules gain share
C. Second squeeze	25%	Brent above \$115, or naira weaker than N1,450, or both	Fast pass-through returns; volume falls again; small packs gain

The 3 scenarios cover every outcome: C is checked first, then B, and everything else is A.

How we set the odds. Our anchor is the 2026 pattern: oil has spent most of the year above \$85 (7 of the 8 monthly averages from March to October 2026 were above \$85 on the spot series) and the naira has stayed in a N1,329 to N1,436 range. So the status quo, Scenario A, gets half the weight. We tilt B and C equal at 25% each because the risks are roughly balanced: the end of the Middle East disruption would pull oil down, but 2027 is an election year, and the Bloomberg report carried by Daba Finance lists election-period spending among the main risks to the naira ([Daba Finance](#)). A durable ceasefire would move 10 points from A to B. A naira close weaker than N1,450 in Q1 2027 would move 15 points from A to C.

Near-term calls we will be scored on

#	Claim	Odds	Resolves	How to check
1	The Stanbic IBTC PMI reports rising selling prices (output charges up on the month) in every release covering October 2026 to March 2027	75%	Early April 2027	S&P Global PMI releases
2	NBS core inflation, month on month, for October 2026 is above 1.0%	45%	Mid November 2026	NBS CPI release
3	Dangote's Lagos petrol price is below N1,200 a litre on 31 March 2027	30%	31 March 2027	Published depot price trackers
4	The official naira rate closes weaker than N1,400/\$ on 31 March 2027	35%	31 March 2027	CBN official rate
5	Dangote 3X 50kg cement is listed below N12,000 in Abuja on 31 March 2027	25%	31 March 2027	Published Abuja price lists

How we set the odds. (1) Selling prices rose in the August and September surveys, and the September release calls the rise the fastest since June, so the run is several months long; demand is strong and fuel is still rising. We cap at 75% because a single month of falling charges, for example after a sharp drop in oil, would resolve it "no". (2) September core was 1.11% after -0.06% in August; core has been volatile, so we sit just under even. (3) Petrol would need to fall about 11% from 15 October; that needs oil to fall, which is our Scenario B, but faster. (4) The naira was N1,361.84 on 23 October, and every official rate we recorded from 1 July onwards was stronger than N1,400; election spending is the main risk. (5) Cement has fallen back only N500 to N1,000 from its July peak; a cut below N12,000 probably needs an FCCPC outcome or lower energy costs.

8. Decisions for 2027

Chief financial officers and treasurers

1. **Rebuild the cost stack before you set the 2027 price list.** Use the 5 blocks in chapter 6 and your own weights. If fuel and energy are more than 10% of unit cost, the naira is no longer your main pricing input.
2. **Budget with the scenario table, not one number.** Run your margin at Scenario A, then check you survive C.
3. **Hedge what you can buy, budget what you cannot.** FX exposure can be bought forward through banks; diesel exposure mostly cannot. Fix a diesel budget per unit of output and treat the gap as a pricing trigger.
4. **Price credit.** At close to 30% lending rates, every 30 days of distributor credit costs about 2.5% of the invoice.

Founders and SME owners

1. **Know your 2 or 3 biggest cost blocks.** A small bakery is a fuel and flour business; a phone accessories shop is a dollar business. Price off the block that dominates.
2. **Move in small steps.** In our judgement, customers accept several small rises more readily than one large one, and the brewers' March step shows the cost of going big.
3. **Tell customers why, and cut when you can.** In a market that remembers 2023, the shop that cut prices when diesel fell will be trusted when it has to raise them.

Importers and distributors

1. **Separate the FX gain from the freight and fuel loss.** A 5% firmer naira does not mean a 5% lower landed cost if freight, port charges and inland haulage rose.
2. **Shorten price validity.** Quote for 7 to 14 days when fuel is moving fast, and say so on the invoice.

Brand owners and manufacturers

1. **Choose your model deliberately.** Floating, step, price point, regulated or dealer. Most firms drift into one; choose and write it down.
2. **If you are one of a few suppliers, document your pricing method.** The FCCPC's cement probe shows the questions regulators now ask.
3. **Watch the volume ceiling.** The brewers show what happens when a step outruns what customers will pay.

Investors and lenders

1. **Split 2026 revenue growth into price, volume and mix.** Revenue up 9% to 18% with inflation near 15% is not growth in real terms unless volume rose.
2. **Reward firms with documented, two-way pricing.** They carry less regulatory and customer risk.

9. What would change our view, and what the data cannot tell you

What would move our odds

- **Oil.** A durable end to the Gulf disruption that took Brent below \$85 for a full quarter would make Scenario B the central case.
- **The naira.** A close weaker than N1,450 would push us towards Scenario C.
- **Core inflation.** Two months of core inflation below 1% month on month would weaken our view that firms keep raising prices.
- **The FCCPC.** A finding against cement makers, with remedies, would test how much of the cement price is cost and how much is market power.

What the data cannot tell you

- **We cannot see actual transaction prices.** Most firms publish revenue, not prices. The size of the March beer increases was never published. We infer price from revenue and volume where we can.
- **Volume data are thin.** None of the listed firms in our set split H1 2026 growth into price and volume in the sources we read.
- **NBS price watches are late.** The NBS food, energy and transport price watches had not been updated past May 2026 when we wrote this paper, so we use press price trackers for fuel and cement.
- **Oil series differ.** Spot (dated) Brent and the futures price quoted in the news can differ by \$10 or more in a volatile month. We use spot for monthly averages and futures for single dates, and label each.
- **The cost-stack weights are an example.** Every firm's weights are different. The worked example in chapter 6 shows the method, not a sector average.

Method in brief

We used official data (CBN, NBS, the IMF), the S&P Global PMI release, company results and announcements, FCCPC statements and published price trackers for fuel and cement. Where 2 outlets disagreed, we took the figure from the original publisher or flagged it. All changes and percentages not attributed to a source are STATART calculations from cited figures. All probabilities are STATART judgements.

Work with STATART

Every firm's cost stack is different, and the rule in chapter 6 is only as good as the indices behind it.

- **Local Market Data Subscriptions:** monthly tables of exchange rates, fuel and diesel prices, NBS inflation by component and key input prices, dated and sourced, ready to plug into your cost index.
- **Local Market Live Dashboards:** a live view of the indices that drive your costs, with your own bands and alerts.
- **Custom Products:** shelf-price audits and price tracking for your category in the markets you sell in, from Balogun to Kano.

Write to support@statartinsightsandanalytics.com to discuss your 2027 pricing.

Appendix A: Sources

1. Naira at end-2025: [NAN \(CBN data\)](#); [Blueprint](#)
2. Naira in June and July 2026: [Nairametrics](#), 2 July 2026
3. Naira on 1 September 2026, reserves: [Nairametrics](#), 2 September 2026
4. Naira's annual gain, remittances, risks: [Daba Finance](#), reporting [Bloomberg](#)
5. Naira in October 2026: [WithinNigeria](#); [Arbiterz](#)
6. Stanbic IBTC Bank Nigeria PMI, September 2026: [S&P Global](#); [Business Post](#); [The Details News](#); [Trading Economics](#)
7. NBS CPI, September 2026: [Voice of Nigeria](#); [Nairametrics analysis](#)
8. IMF, Nigeria 2026 Article IV, Country Report 26/125: [IMF](#)
9. Brent prices: [Fortune](#), 26 October 2026; [countryeconomy.com](#); [Gulf News](#), 9 March 2026
10. Petrol and diesel prices: [ThisDay via AllAfrica](#), January; [Legit](#), August; [Legit](#), September; [Legit](#), October
11. Cement: [Nairametrics on the FCCPC probe](#); [Arise](#), H1 results; [Legit](#), September; [Legit](#), October
12. Brewers: [Food Business MEA](#), March price notices; [Nigerian Breweries H1 2026](#); [Arise](#), revenue; [Arise](#), tax
13. Packaged food and home care: [Worldpanel by Numerator](#); [Nairametrics](#), [Unilever Nigeria 9M 2026](#); [Food Business MEA](#), [Nestle Nigeria H1 2026](#)
14. Telecoms: [TechCabal](#); [IT Edge News](#)
15. Lending rates: [Nairametrics](#), 17 October 2026
16. Related STATART papers: [The New Nigerian Consumer](#); [The Rate-Cut Test](#)

Appendix B: Data notes

- **Naira at end-2025.** Published figures for 31 December 2025 range from N1,429 to N1,435.75; we use the CBN figure of N1,435.75. Using N1,429 would make the 2026 gain about 4.7% instead of 5.1%; no conclusion changes.
- **Naira on 23 October.** N1,361.84 is the weighted average; the close that day was about N1,370.
- **Brent.** Monthly averages use dated (spot) Brent; single-day figures use the futures price. The two can differ by \$10 or more in a volatile month, so we use each only for what it measures.
- **Petrol prices.** The January figure is a gantry price and the October figure a Lagos depot price. They are close substitutes but not identical.
- **Cement prices.** January to July figures are the FCCPC's; September and October figures are market and Abuja list prices. Dealer prices vary by city.
- **Brewers.** The size of the March price rises was not published. Nigerian Breweries' release gives profit after tax growth of 5% alongside figures that imply more; we do not use its profit figures.
- **Calculations.** Nestle gross margins and all percentage changes not attributed to a source are STATART calculations. Core inflation of 1.11% a month compounds to 14.2% a year.

Corrections and version history

Version 1.1, 27 October 2026. Editorial revision: the data appendix is condensed into data notes. No figure, forecast or probability changed.

Version 1.0, 27 October 2026. First published version.

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Corrections policy. We correct errors of fact or method in a new version, list every change here and keep the forecast register unchanged unless a forecast itself was wrongly stated. Report errors to support@statartinsightsandanalytics.com.

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