



CENTRAL BANK OF NIGERIA ECONOMIC REPORT

**Second Quarter
2025**

ABOUT THE REPORT

The Central Bank of Nigeria (CBN) Economic Report present developments in the Nigeria economy, for dissemination to the public. The Report, which is published on a monthly and quarterly basis, provides insights on current developments in the real, fiscal, financial, and external sectors of the Nigerian economy, as well as global development that impact the domestic economy. In addition, it reflects the policy initiatives of the CBN in pursuit of its mandate.

The Report is targeted at a wide range of readers, including economists, policymakers, financial analysts in the government and private sectors, and the public. Free downloads of the Report, including current and past issues can be obtained from the CBN website: www.cbn.gov.ng. All inquiries concerning the Report should be directed to the Director, Research Department, Central Bank of Nigeria, P.M.B. 187, Garki, Abuja, Nigeria.

Content

ABOUT THE REPORT	i
SUMMARY	1
1.0 GLOBAL ECONOMIC DEVELOPMENTS	2
1.1 Global Economic Activity	2
1.2 Global Inflation	5
1.3 Global Financial Markets	7
1.4 Global Commodity Markets	9
1.5 Monetary Policy Stance	12
2.0 DOMESTIC ECONOMIC DEVELOPMENTS	14
2.1 Real Sector Developments	14
2.1.1 Sectoral Performance	15
2.1.2 Inflation	21
2.1.3 Socio-Economic Developments	23
2.2 Fiscal Sector Developments	23
2.2.1 Federation Account Operations	23
2.3.1 Monetary Developments	29
2.3.2 Sectoral Utilisation of Credit	32
2.3.3 Financial Developments	33
2.4 External Sector Developments	43
2.4.1 Current and Capital Account	43
2.4.2 Financial Account	47
2.4.3 External Debt	48
2.4.4 International Investment Position (IIP)	48
2.4.5 External Reserves	49
2.4.6 Foreign Exchange Flows through the Economy	49
2.4.7 Exchange Rate Movement	51
3.0 ECONOMIC OUTLOOK	52
3.1 Global Outlook	52
3.2 Domestic Outlook	52

Tables

Table 1: Global Composite Purchasing Managers' Index (PMI)	3
Table 2: Selected Agricultural Export Commodities Q22025.....	12
Table 3: Central Bank Policy Rates (per cent).....	13
Table 4: Index of Industrial Production.....	16
Table 5: Index of Mining Production	17
Table 6: Index of Manufacturing Production	17
Table 7: Index of Electricity Production.....	19
Table 8: Federation Revenue and Distribution (₦ Billion).....	25
Table 9: Money and Credit Growth over preceding December (%)..	31
Table 10: Sectoral Credit Allocation.....	32
Table 11: Nigerian Exchange Limited Sectoral Indices.....	39
Table 12: Listings, De-listings, and Suspensions on the Nigerian Exchange Limited.....	41
Table 14: Selected EMEs Currency Rates to the US dollar.....	51

Figures

Figure 1: PMIs in Selected Advanced Economies	4
Figure 2: PMI in Selected Emerging Markets and Developing Economies	5
Figure 3: Inflation in Selected Advanced Economies (per cent)	6
Figure 4: Inflation in Selected EMDEs (per cent)	7
Figure 5: Growth Rate of Key Global Stocks (per cent).....	8
Figure 6: 10-year Government Bond Yields for Selected Countries...	9
Figure 7: Total Global Crude Oil Supply and Demand	10
Figure 8: Quarterly Crude Oil Prices (US\$ pb).....	10
Figure 9: Price Changes in Selected Metals (per cent)	11
Figure 10: Real GDP Growth Rate (Y-on-Y), Q22022-Q22025	14
Figure 11: Sectoral Growth Rate of Real GDP, Q22022- Q22025 ...	15
Figure 12: Selected Top Subsectors with Contribution to GDP Growth and Growth Rates (%) in Q22025	18
Figure 13: Subsector with Negative Contribution to GDP Growth and Growth Rate (%) in Q22025.....	18
Figure 14: Nigeria's Crude Oil Production and OPEC Quota.....	19
Figure 15: Headline, Food and Core Inflation (y-o-y)	21
Figure 16: Inflation Momentum.....	21
Figure 17: Food and Headline Inflation across States in Q22025	22
Figure 18: Federally Collected Revenue (₦ Billion)	24
Figure 19: Contribution to Federation Revenue	24

Figure 20: Top Five Recipients of Federation Allocation in Q22025	26
Figure 21: Bottom-Five Recipients of Federation Allocation in Q22025 (₦Billion)	26
Figure 22: FGN External and Domestic Debt Compositions (₦Billion)	27
Figure 23: Composition of Domestic Debt Stock by Instrument	28
Figure 24: Composition of External Debt Stock	28
Figure 25: Developments in Reserve Money and Money Multiplier.....	29
Figure 26: Reserve Money Growth Over end-December.....	30
Figure 27: Consumer Credit Outstanding.....	33
Figure 28: Average Banking System Liquidity (₦ Trillion).....	33
Figure 29: Transactions at the Standing Facilities Window.....	34
Figure 30: Open Market Operations (₦ Trillion)	34
Figure 31: Primary Market NTBs (₦ Trillion)	35
Figure 32: Primary Market Auctions of FGN Bonds (₦ Trillion).....	35
Figure 33: Developments in Short-term Interest Rates.....	36
Figure 34: Average Term Deposit and Lending Rates.....	37
Figure 35: Aggregate Market Capitalisation and All-Share Index	38
Figure 36: Quarter-on-Quarter Changes in Sectoral Indices.....	39
Figure 37: Volume and Value of Traded Securities	40
Figure 38: Key Financial Soundness Indicators.....	42
Figure 39: Current Account Balance (US\$ Billion).....	43
Figure 40: Classification of Imports.....	44
Figure 41: Share of Service Out-Payments.....	45
Figure 42: Share of Services Receipts.....	46
Figure 43: Primary Income Balance	46
Figure 44: Secondary Income Balance (US\$ Billion).....	47
Figure 45: External Reserves and Months of Import Cover.....	49
Figure 46: Foreign Exchange Transactions through the Economy... ..	50
Figure 47: Turnover in the NFEM.....	50
Figure 48: Selected EMEs Currency Values to the US dollar.....	51

Box Information

Box 1: Prices of Monitored Domestic Agric. Commodities	20
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SUMMARY

The global economy performance was tepid in the second quarter of 2025, on account of softer demand conditions. The global composite purchasing managers' index (PMI) declined to 51.23 from 51.80 index points in the preceding quarter, as the pace of economic activity remained uneven for advanced economies (AEs) and emerging market and developing economies (EMDEs). Inflation outcomes were also mixed across regions but indicated widespread deceleration in price pressures.

The domestic economy growth quickened in Q22025, expanding by 4.23 per cent, compared with 3.13 and 3.48 per cent in Q12025 and Q22024, respectively. Headline inflation pressures continued to wane in the second quarter, easing to 22.22 per cent in June 2025. On the fiscal front, federation revenue increased by 15.02 per cent, relative to Q12025, signalling improvement in fiscal conditions. Public debt stock (33.10% of GDP) settled below the IMF-prescribed threshold of 70.00 per cent for Market-Access Countries.

Monetary expansion was moderate during the review quarter, in line with the tight monetary policy stance. The liquidity management operations of the Central Bank of Nigeria resulted in a net withdrawal, with money market rates remaining within the policy corridor. The Nigerian capital market maintained its bullish run, as investor confidence and stable macroeconomic environment spurred strong buy orders. Key indicators revealed sustained soundness and resilience of the financial system.

The external sector improved in Q22025 despite subsisting geopolitical tensions and global trade uncertainties. A lower deficit was recorded in the overall balance of payments, buoyed by narrower deficits in the services and primary income accounts, and reduction in other investment liabilities. The country's external reserves stood at US\$37.81 billion and could finance 8.07 months of imports for goods and services or 12.25 months for goods only. The average exchange rate at the Nigerian Foreign Exchange Market (NFEM) was ₦1,581.06/US\$, compared with ₦1,521.56/US\$ in Q12025.

1.0 GLOBAL ECONOMIC DEVELOPMENTS

Global economic activity expanded in Q22025, albeit at a slower pace, and was uneven between advanced economies (AEs) and emerging markets and developing economies (EMDEs). Inflation eased across advanced economies (AEs) and in most EMDEs, following a reduction in food and energy prices. Global equity markets were largely bullish, while bond yields remained within a lower range, reflecting the impact of monetary policy easing and lingering trade policy uncertainties.

1.1 Global Economic Activity

The expansion of economic activity moderated in Q22025, owing to the decline in manufacturing activity and softer demand. The global composite purchasing managers' index (PMI) fell to 51.23 from 51.80 in Q12025 but remained within the expansion region. The slower pace of expansion was attributed, largely, to lower activities in the manufacturing and services sectors, as global demand weakened. The manufacturing sector, contracted to 49.87 from 50.33 in the preceding quarter, due in part to fragile demand and slower inventory replenishment. Decline in new business and export orders slowed the services PMI to 51.53 from 52.13 in Q12025.

*Global Economic
Activity*

Table 1: Global Composite Purchasing Managers' Index (PMI)

	Q22024	Q12025	Q22025
Composite (Output)	52.90	51.80	51.23
Employment Level	51.30	50.37	50.47
New Business Orders	52.00	51.80	50.93
New Export Business Orders	49.60	49.80	48.20
Future Output	62.10	61.53	59.50
Input Prices	56.30	57.07	57.13
Output Prices	52.80	52.67	53.27
Manufacturing	50.90	50.33	49.87
Services (Business Activity)	53.10	52.13	51.53
New Business	52.40	52.10	51.30
New Export Business	50.60	50.20	48.43
Future Activity	63.10	61.53	59.63
Employment	51.50	50.87	50.80
Outstanding Business	50.00	49.27	50.13
Input Prices	56.70	57.77	57.87
Prices Charged	53.00	52.90	53.50

Source: JP Morgan

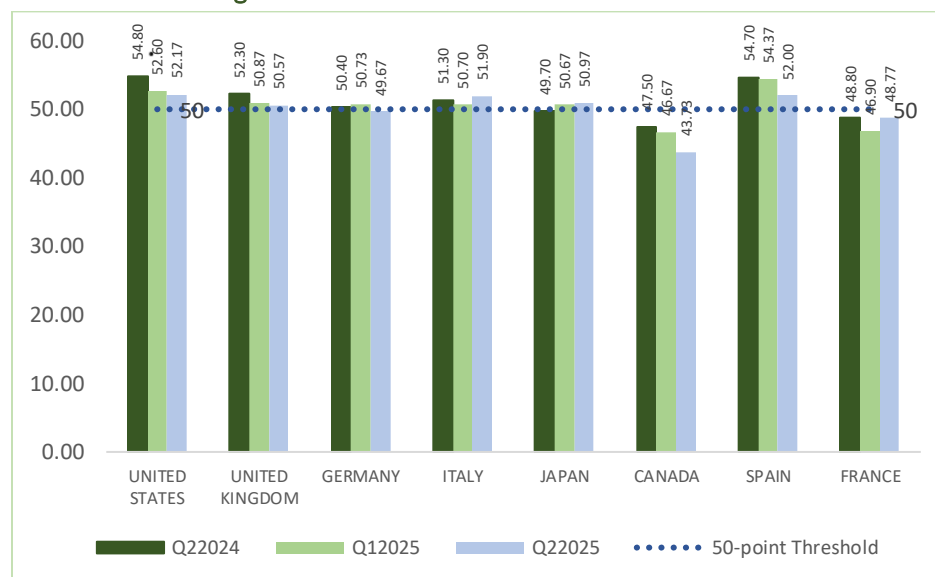
The pace of economic activity varied in advanced economies, reflecting distinct recovery patterns in the manufacturing and services sectors. In Italy the PMI expanded to 51.90 in Q22025 from 50.70, buoyed by improved domestic demand, easing inflation pressure, and higher manufacturing exports. Similarly, Japan sustained its recovery, with the PMI increasing to 50.97 from 50.67 and 49.70 in the preceding and corresponding quarters. The expansion was supported by continued uptick in new orders and a stable employment environment.

In the US, the PMI remained robust at 52.17, but lower than 52.60 in Q12025, amid weaker domestic demand, higher cost pressures, and emerging policy uncertainties. Similarly, the UK recorded a slower expansion at 50.57, compared with 50.87 in Q12025, as domestic and external demand weakened and business confidence faltered. PMI also slowed in Spain to 52.00 from 54.37 in the preceding quarter, due to cooling demand in the services sector and lower new orders.

France recorded a PMI of 48.77, compared with 46.90 in the preceding quarter, as the slack in new orders, job losses, and fragile business confidence lingered.

In contrast, the PMI in Germany, at 49.77, dropped to a contraction at 49.67, from an expansion of 50.73 in Q12025, due to slackening services activity softening demand. Canada recorded further contraction in PMI to 43.73 from 46.10 in the preceding quarter, reflecting job losses, lower domestic orders, and high input costs in the manufacturing sector.

Figure 1: PMIs in Selected Advanced Economies



Source: Trading Economics/Various countries' websites.

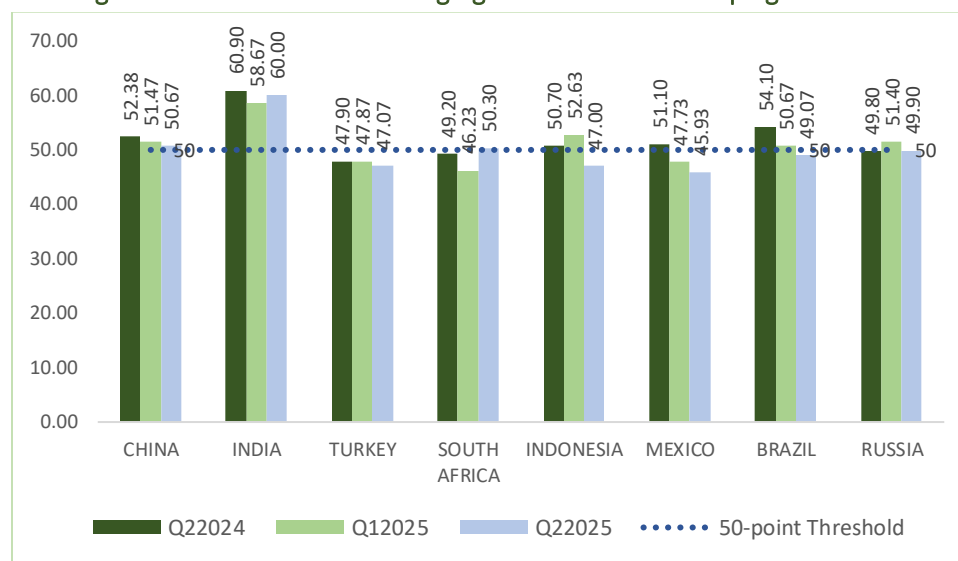
Economic activity slowed in most EMDEs in Q22025. Purchasing managers' indexes (PMIs in Indonesia and Turkey weakened to 47.00 and 47.07 in Q22025, respectively, from 52.63 and 47.87 in the preceding quarter. The contraction in Indonesia reflected lower export demand and manufacturing output, and uncertainty in fiscal policy associated with its election cycle. The development in Turkey followed elevated inflation pressure and soft domestic demand. The PMI also dropped in Brazil to 49.07 from 50.67 in the preceding quarter, owing to rising financing costs, weak domestic orders, and inflation concerns. In Russia, the Index contracted to 49.90 from 51.40, following reduced exports, geopolitical tensions, cautious consumer spending, and tighter credit conditions.

Similarly, economic activity in Mexico further slowed, as indicated by a PMI of 45.93, compared with 47.73 in Q12025. The downturn was due to weaker demand from the US, rising logistics costs, and reduced production in the automotive and electronics industries. In China, the PMI declined to 50.67 from 51.47, due to reduction in new orders and softer external demand. In contrast, India's PMI increased to 60.00 from 58.67, supported by robust growth in the services sector, strong domestic demand, and sustained rise in new export orders. Similarly, South Africa's PMI rebounded to 50.30 from a contraction of 46.23 in Q12025. The

*Economic activity in
EMDEs*

improvement was explained to easing supply constraints and modest recovery in new business.

Figure 2: PMI in Selected Emerging Markets and Developing Economies



Source: Trading Economics/Various countries' websites.

Note: South Africa, Turkey, Indonesia and Mexico PMIs data were based on manufacturing PMI.

1.2 Global Inflation

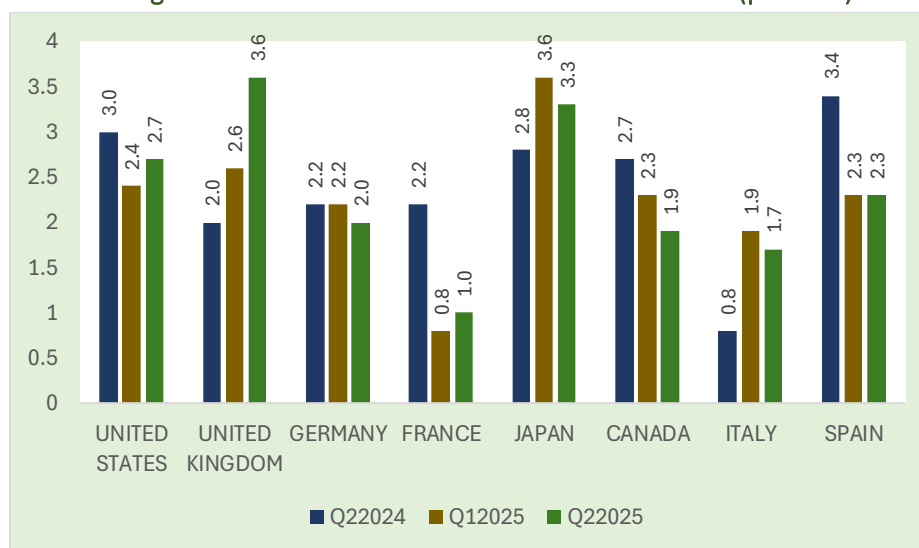
Global inflation trend was mixed in Q22025, influenced by volatile energy prices, base effects, and policy shifts. In the UK and the US, inflation rose to 2.70 and 3.60 per cent, respectively, from 2.60 and 2.40 per cent in the preceding quarter. Price pressures in the UK were associated with higher housing, energy and services costs. In the US, they were attributed to rising shelter costs and consumer spending. Inflation ticked up in France to 1.00 per cent, from 0.80 per cent in Q12025, due to seasonal fluctuations in the cost of transportation and education services.

Germany and Japan recorded disinflations to 2.00 and 3.30 per cent from 2.20 and 3.60 per cent, respectively, on account of benign food and energy prices. In Canada, inflation declined to 1.90 per cent, from 2.30 per cent, underscoring softer food and gasoline prices, and shelter cost. Disinflation was also recorded in Italy to 1.70 per cent from 1.90 per cent, as food and energy prices moderated.

Price pressures was, however, unchanged at 2.3 per cent in Spain, reflecting the decline in energy costs, counterbalanced by rising costs of leisure, hospitality, and transportation services.

Global Inflation

Figure 3: Inflation in Selected Advanced Economies (per cent)

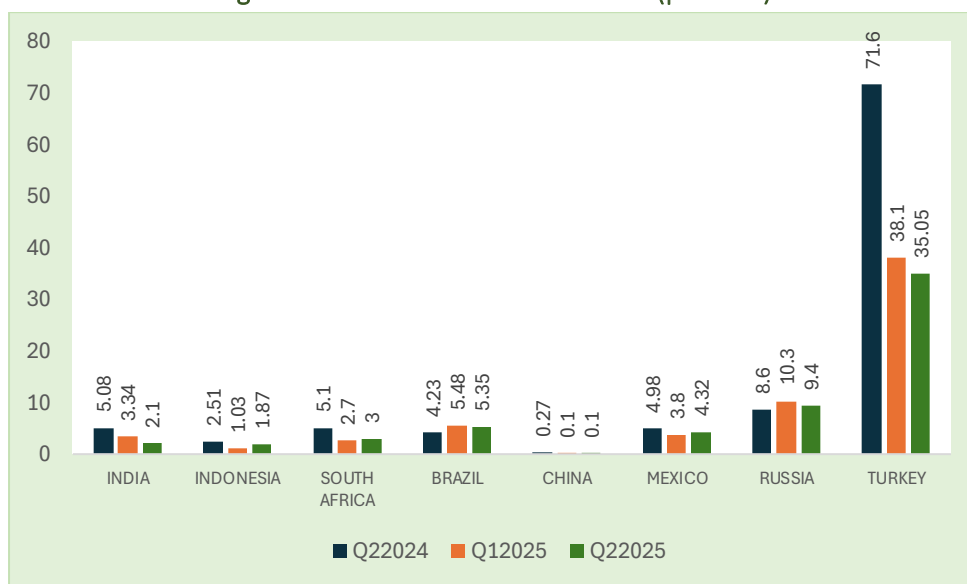


Source: Trading Economics

Price pressures were broadly mixed in EMDEs, owing to base effects, food price dynamics, currency pressures, and policy adjustments. In India and Turkey, inflation moderated to 2.10 and 35.05 per cent, respectively, from 3.34 and 38.10 per cent in Q12025. Lower food prices and positive sentiment around agricultural output influenced price dynamics in India, while declining food prices, and tight monetary policy eased price pressures in Turkey. Likewise, inflation decelerated in Brazil and Russia to 5.35 and 9.40 per cent, respectively, from 5.48 and 10.30 per cent, on account of lower gasoline prices in Brazil and dampened demand in Russia.

However, inflation rose in Indonesia and South Africa to 1.87 and 3.00 per cent, respectively, from 1.03 and 2.70 per cent in the preceding quarter. The increase in Indonesia was due to expiration of discounted electricity tariff and end-of-season adjustments, while higher services and goods prices, especially in fuel and agricultural products, drove up prices in South Africa. Inflation in Mexico rose to 4.32 per cent from 3.80 per cent, on the back of stronger domestic demand. In China, it remained tepid at 0.10 per cent due to weak demand, moderate food and services prices and low wage pressures.

Figure 4: Inflation in Selected EMDEs (per cent)



Source: Trading Economics

1.3 Global Financial Markets

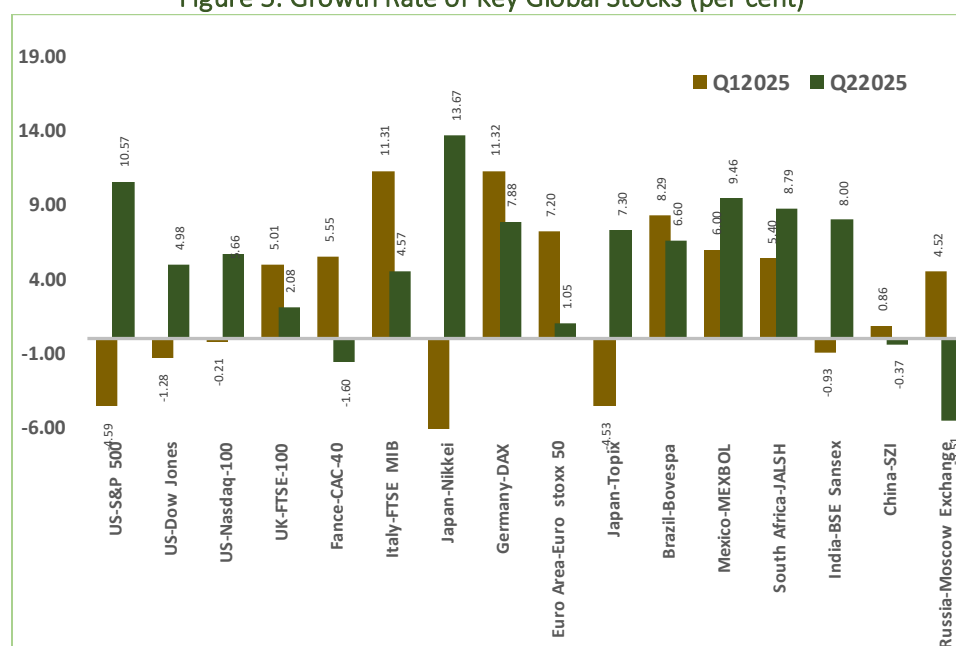
1.3.1 Global Financial Conditions

Equities markets were bullish in many economies, and bond yields remained at the lower rangebound, as monetary policy eased and trade policy uncertainties persisted. Stocks across the AEs ended the quarter on a bullish note, following a temporary pause in reciprocal tariffs. In the US, the S&P 500, NASDAQ 100, and Dow Jones rebounded, due to tariff pause, strong corporate earnings, and renewed investor sentiment. The UK FTSE 100 extended its positive run in the UK, gaining 2.08 per cent, supported by interest rate cuts, fading recession fears, and favourable performance in major stocks lifted market conditions. The Japanese NIKKEI and TOPIX indices also appreciated by 13.67 and 7.30 per cent, respectively, owing to the US-China trade negotiations and easing global recession fears. Eurozone stocks also recorded strong gains, as the German DAX, Italy FTSE MIB and EURO STOXX 50 appreciated. The bullish stance was led by industrials and real estate sectors, amid consensus by the North Atlantic Treaty Organisation (NATO) to raise defence spending. The French CAC 40, however, depreciated by 1.60 per, as tensions in the Middle East weighed investor sentiment.

In the EMDEs most equities markets were bullish in Q22025, supported by a weaker US dollar. The Mexican MEXBOL and Brazilian BOVESPA extended their positive performance, with returns of 9.46 and 6.60 per cent, respectively. Gains in the MEXBOL were associated with the pause of the US tariff policy, while appreciation of the BOVESPA was attributed to increased foreign capital inflow, as investors reassessed exposure to the US, following Moody's downgrade of US

sovereign debt from AAA to Aa1. Similarly, the South African JALSH appreciated by 8.79 per cent, supported by broad-based growth in corporate income. The Indian BSE SENSEX gained 8.00 per cent in the review quarter, driven by positive domestic economic data and robust performance of blue-chip companies. The Russian MOEX and Chinese SZI, however, dipped by 5.51 and 0.37 per cent, respectively, reflecting dampened investor sentiment in both economies.

Figure 5: Growth Rate of Key Global Stocks (per cent)



Source: Reuters Refinitiv Eikon & MarketWatch

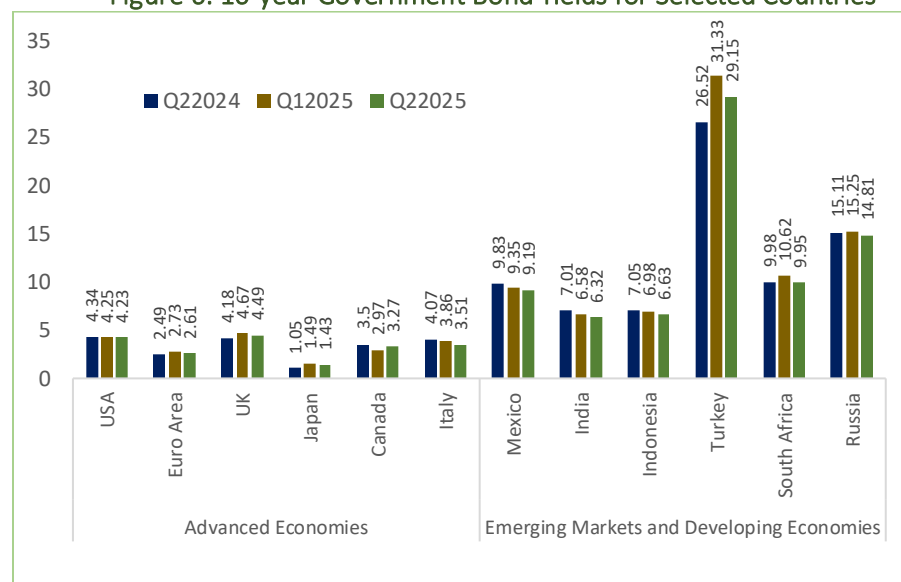
Long-term bond yields fell in most AEs and EMDEs in the review period, due to accommodative monetary policy stance. In the AEs, the 10-year bond yields in the US and the UK declined to 4.23 and 4.49 per cent, respectively, from 4.25 and 4.67 per cent in the preceding quarter. The lower yields in the US were underpinned by growing concerns around fiscal policy and the downgrade of US sovereign debt. In the UK, accommodative monetary policy necessitated portfolio rebalancing, as softer UK labour market data favoured rate cuts and suppressed yields.

Similarly, returns on sovereign bonds in the Euro area declined to 2.61 per cent, from 2.73 per cent, buoyed by easing monetary conditions. Yields also fell to 3.51 in Italy and 1.43 per cent in Japan, from 3.86 and 1.49 per cent respectively, as trade policy uncertainties and moderating domestic growth in both economies weighed on investors' sentiment. In Canada, however, yield rose to 3.27 per cent, from 2.97 per cent, as Bank of Canada held its policy rate.

Among EMDEs, Turkey and Russia recorded lower yields of 29.15 and 14.81 per cent, respectively, from 31.33 and 15.25 per cent in the preceding quarter. The decline in Turkey reflected the effects of US tariffs and lingering geopolitical

tension, while easing monetary stance impacted yields in Russia. Returns on sovereign yields in Indonesia and India declined to 6.63 and 6.32 per cent, respectively, from 6.98 and 6.58 per cent in the preceding quarter, due also to accommodative monetary policy and tariff uncertainties. In Mexico, yield on sovereign bonds fell by 9.19 per cent, from 9.35 per cent, in response to the Banxico's rate-cutting cycle, as investors remained cautious. South Africa also recorded lower yield of 9.95 per cent, from 10.62 per cent in the preceding quarter, following policy rate cut, supported by a favourable inflation outlook.

Figure 6: 10-year Government Bond Yields for Selected Countries



Source: Reuters Refinitiv Eikon & Trading Economics

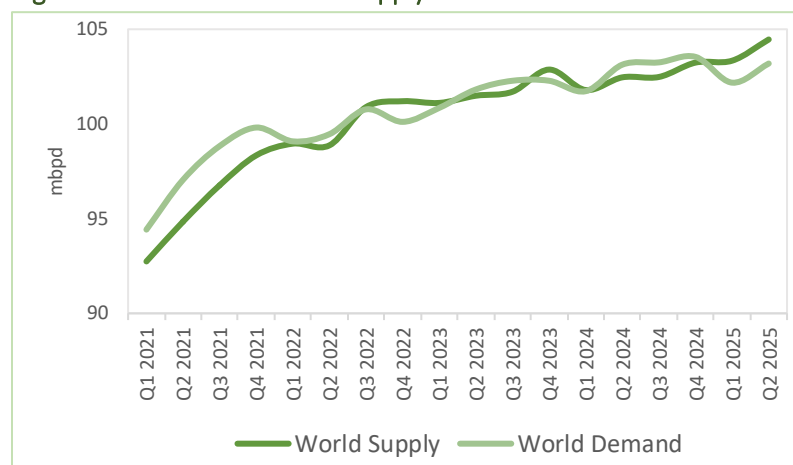
1.4 Global Commodity Markets

World crude oil supply slightly exceeded demand in Q22025. Global crude oil supply, including Natural Gas Liquids (NGLs), rose by 1.08 per cent to 104.46 mbpd, compared with 103.34 mbpd in the preceding quarter. The increase was driven by higher production in both OPEC+ and non-OPEC countries. Supply by OPEC+ countries rose by 0.89 per cent to 32.96 mbpd from 32.67 mbpd, attributed to increased supplies from Iraq, Libya, Venezuela, Saudi Arabia and United Arab Emirates (UAE). Non-OPEC supply ticked up by 1.15 per cent to 71.50 mbpd, from 70.69 mbpd, due to higher supplies from the US, Mexico, Brazil and Angola.

Global crude oil demand, including natural gas liquids, increased by 0.99 per cent to 103.19 mbpd, from 102.18 mbpd. The growth was driven by the 2.11 per cent increase in non-OECD countries, which increased by to 58.12 mbpd, driven, mainly, by uptick in economic activity in China and other Asian countries. In contrast, demand in OECD countries declined by 0.40 per cent to 45.08 mbpd, compared with 45.26 mbpd in the preceding quarter.

World Crude Supply and Demand

Figure 7: Total Global Crude Supply and Demand

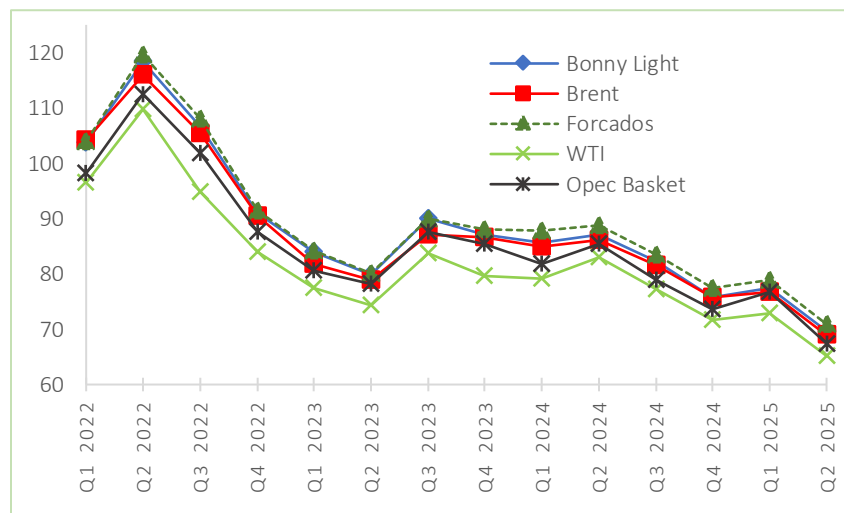


Source: Energy Information Administration (EIA)

Crude Oil Prices

Crude oil spot prices fell in Q22025, driven, mainly, by increased crude oil supply and growing stockpiles. The average spot price of Bonny Light (34.9° API) fell by 10.11 per cent to US\$69.68 per barrel (pb) in Q22025, from US\$77.52 pb in the preceding quarter. The prices of Brent, at US\$68.92 pb, Forcados (US\$70.90 pb), WTI (US\$65.18 pb) and OPEC Reference Basket (US\$67.41 pb) also dropped.

Figure 8: Quarterly Crude Oil Prices (US\$ pb)

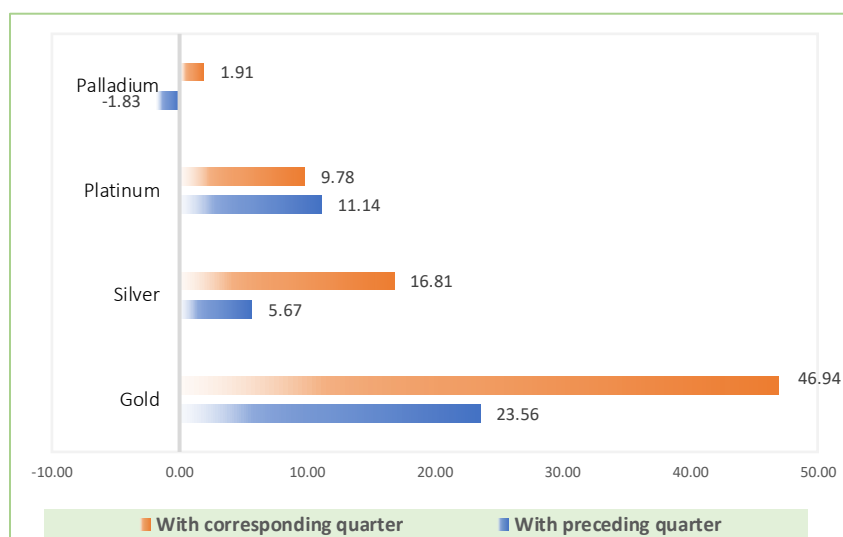


Source: Refinitiv Eikon (Reuters)

Other Mineral
Commodities

The average spot prices of precious metals rose, driven by demand for gold. The average spot prices of gold rose by 14.88 per cent to US\$3,287.80 per ounce, silver (5.67%) to US\$33.71, platinum (11.13%) to US\$1,073.77 and palladium (3.31%) to US\$989.51 per ounce, from the levels in the preceding quarter. The rise in gold prices was attributed, primarily, to increased demand by central banks and weaker US dollar amid US trade policy uncertainties. Increase in the prices of silver and platinum was associated with improved industrial activity, while higher investor demand drove up the price of palladium.

Figure 9: Price Changes in Selected Metals (per cent)



Source: Refinitiv Eikon (Reuters)

Agricultural
Commodity Prices

The prices of most of the monitored global agricultural commodities trended downward in Q22025, reflecting improved supply conditions and moderating demand. The all-commodity price index of monitored agricultural commodities fell by 9.54 per cent to 143.54, from 158.69 in the preceding quarter. Reduction in the prices of groundnuts, rubber, palm oil, coffee, cocoa, and wheat, owing to output recovery and improved supply, influenced the direction of the index. Improved crop outlook, easing logistics disruptions, and weaker demand contributed to the decline in prices. Conversely, the prices of soya beans and cotton rose during the quarter, driven by robust export demand, lower output in key producing regions, and high production costs.

Table 2: Selected Agricultural Export Commodities Q22025
(in dollars; Jan. 2010=100)

Commodity	Q22024	Q12025	Q22025	% Change	
				(1) & (3)	(2) & (3)
	1	2	3	4	5
All Commodities	153.15	158.68	143.54	-6.27	-9.54
Cocoa	235.22	271.28	241.52	2.68	-10.97
Cotton	105.48	100.68	101.06	-4.19	0.38
Coffee	325.65	364.88	323.46	-0.67	-11.35
Wheat	129.03	128.25	120.39	-6.70	-6.13
Rubber	65.15	64.94	55.11	-15.41	-15.13
Groundnut	128.40	117.20	98.30	-23.44	-16.13
Palm Oil	137.83	128.59	113.83	-17.41	-11.48
Soya Beans	98.42	93.61	94.64	-3.84	1.10

Sources: World Bank Pink Sheet

Note: Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities for the Second Quarter of 2025 (in dollars; Jan. 2010=100)

1.5 Monetary Policy Stance

The stance of monetary policy was broadly accommodative in Q22025, on the back of cooling inflation. The US Fed maintained its policy rate within the target 4.25 – 4.50 per cent band, following rising concerns that the prevailing trade war could undermine the 2.00 per cent inflation target. Bank of Canada also maintained rate at 2.75 per cent, as inflation continued to moderate. Similarly, The Bank of Japan, held rate at 0.50 per cent, reflecting concerns over domestic growth. On the other hand, the European Central Bank (ECB) and Bank of England cut rates to 2.15 and 4.25 per cent, respectively, from 2.65 and 4.50 per cent in the preceding quarter.

Monetary policy was also largely dovish in EMDEs, as price pressures continued to ease. The Bank of Indonesia and the Reserve Bank of India cut rates by 25- and 75-basis-points, respectively, to 5.50 per cent, a-piece. The cuts were due to slowing inflation, trade policy uncertainties, and growth priorities. Based on similar considerations, the Bank of Russia and the Bank of Mexico also lowered rates to 20.00 and 8.00 per cent, respectively, from 21.00 and 9.00 per cent. The People's Bank of China and the South African Reserve Bank also eased with 10- and 50-basis points cuts to 3.00 and 7.25 per cent, respectively, predicated on optimism over ongoing trade negotiations and domestic growth priority. The Central Bank of the Republic of Turkey and the Central Bank of Brazil, however, raised rates to 46.00 and 15.00 per cent, respectively, from 42.50 and 14.25 per cent, in the preceding quarter, reflecting efforts to effectively tame inflation in these jurisdictions.

Table 3: Central Bank Policy Rates (per cent)

Country	Q22024	Q32024	Q42024	Q12025	Q22025
US	5.25-5.50	4.75-5.00	4.25-4.50	4.25-4.50	4.25-4.50
Canada	5.00	4.25	3.25	2.75	2.75
Euro Area	4.25	3.65	3.15	2.65	2.15
UK	5.25	5.00	4.75	4.50	4.25
Japan	0.10	0.25	0.25	0.50	0.50
Brazil	10.50	10.75	12.25	14.25	15.00
Russia	16.00	19.00	21.00	21.00	20.00
India	6.50	6.50	6.50	6.25	5.50
China	3.45	3.35	3.10	3.10	3.00
South Africa	8.25	8.00	7.75	7.75	7.25
Mexico	11.00	10.50	10.00	9.00	8.00
Indonesia	6.25	6.00	5.75	5.75	5.50
Turkey	50.00	50.00	45.00	42.50	46.00

Source: Various Central Banks' websites, Trading Economics.

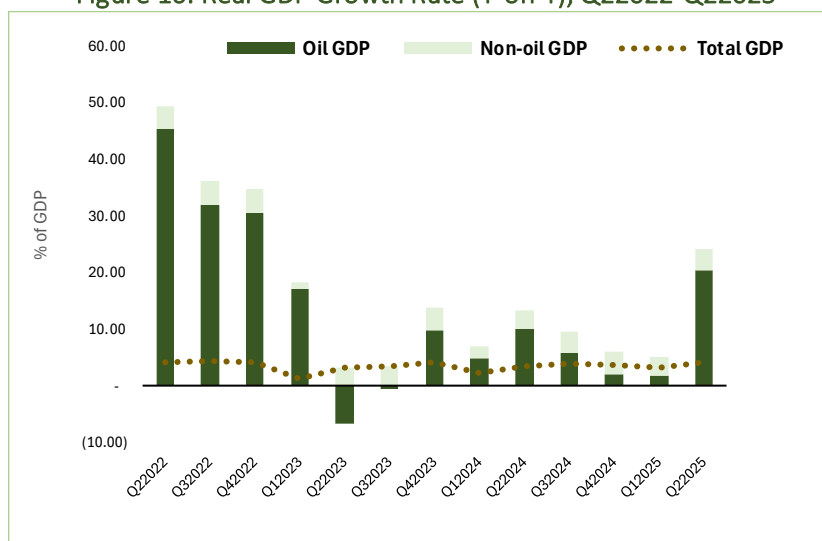
2.0 DOMESTIC ECONOMIC DEVELOPMENTS

Output in the domestic economy grew by 4.23 per cent, in real terms, in the second quarter of 2025, compared with 3.13 per cent in the preceding quarter. The growth was driven by higher outcomes in both oil and non-oil activities. The industrial sector was particularly active, reflecting increased activities in the manufacturing and mining subsectors. Inflation pressure continued to moderate in Q22025, reflecting the decline in the non-food component of the price basket.

2.1 Real Sector Developments

Growth in the domestic economy quickened to 4.23 per cent in Q22025, from 3.13 per cent in Q12025, driven by both oil and non-oil economies. The growth was supported by resilient consumer and infrastructural spending and crystallisation of reforms in the oil industry. The oil sector expanded by 20.46 per cent, compared with 1.87 per cent in Q12025, and contributed 0.72 percentage point to overall growth. In the non-oil sector output grew by 3.64 per cent, compared with 3.19 per cent in the preceding quarter, contributing 3.51 percentage points to overall growth. The sector's stronger performance was driven by activities in the information & communication and the crop production subsectors.

Figure 10: Real GDP Growth Rate (Y-on-Y), Q22022-Q22025

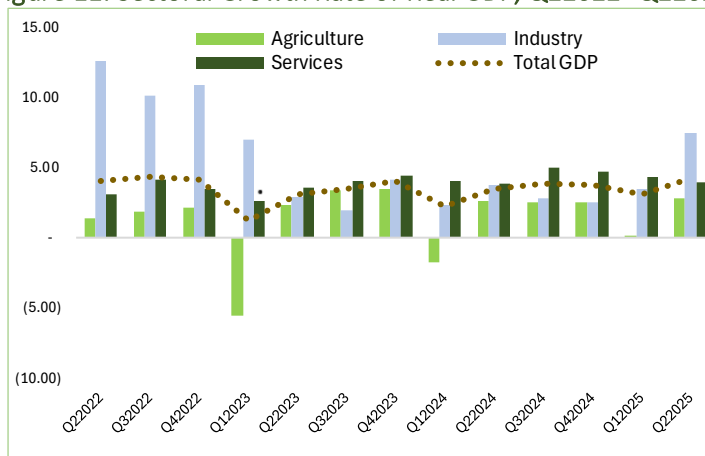


Source: National Bureau of Statistic

2.1.1 Sectoral Performance

Growth in the review period was strong in all three economic sectors: services, industry and agriculture. The services sector grew at a slower pace by 3.94 per cent in Q22025, compared with 4.33 per cent, though higher than the 3.83 per cent recorded in Q22024. Despite the slowdown, services accounted for 56.53 per cent of aggregate GDP and remained the most dominant sector, as it contributed 2.23 percentage points to overall growth. Agriculture and industry accounted for 26.16 and 0.75 per cent and contributed 17.31 and 1.25 percentage points to growth.

Figure 11: Sectoral Growth Rate of Real GDP, Q22022- Q22025



Source: National Bureau of Statistics

Within the services sector, the information and communications subsector (ICT) expanded the most by 6.61 per cent (contributing 0.72 percentage point to output growth). The expansion was on account of higher investment in the subsector, particularly, the recent investment of US\$1 billion in telecom infrastructure by telcos to boost telephony services. The real estate subsector recorded the second largest contribution to the services sector. The subsector grew by 3.79 per cent and contributed 0.49 percentage point to overall growth. The performance was buoyed by the adoption of smart home technologies, PropTech, diaspora investment, and public investment to provide affordable housing and infrastructure development.

Similarly, the finance & insurance subsector expanded by 16.13 per cent, compared with 15.03 per cent and 0.29 per cent in the preceding and corresponding periods, respectively. The growth reflected growth, higher interest income, accruals from increased use of digital services and gains from the banking sector recapitalisation policy. Uptick in general economic activities during the period supported the 1.29 per cent growth in the trade subsector growth, with a contribution of 0.24 percentage point to the overall growth in Q22025.

The expansion in the agriculture sector quickened by 2.82 per cent in the quarter under review, compared with growth of 0.07 and 2.60 per cent in the preceding and corresponding quarters. Crop production dominated expansion in the sector, growing by 3.32 per cent, albeit slower than the 3.71 per cent growth recorded in Q12025. The moderation underscored weather patterns, disruptions in logistics caused by disproportionate rainfalls, and shift in the planting-harvesting cycle. The forestry subsector expanded slower by 1.66 per cent, compared with 1.82 per cent in Q12025, while the livestock subsector recovered to a growth of 1.44 per cent, relative to the contraction of 16.89 per cent in the preceding period. The fishing also rebounded to a growth of 2.57 per cent after three consecutive quarters of contraction. The impressive performance of the agriculture sector was attributed to increased timber production for construction purposes, festivity-driven demand (Easter and Sallah), and availability of feeds.

With a robust growth of 7.46 per cent in Q22025, the industry sector contributed 1.25 percentage points to aggregate growth and exceeded the 3.42 per cent expansion in the preceding quarter. This outcome was corroborated by the expansion in estimated index of industrial production (IIP) which rose by 3.99 per cent on year-on-year (y-o-y) basis.

Table 4: Index of Industrial Production

Period	IIP	Y-on-Y Change
Q22024	95.71	4.15
Q32024	94.97	2.01
Q42024	93.33	1.76
Q12025	109.56	4.17
Q22025	99.53	3.99

Source: Central Bank of Nigeria

Note: IIP refers to index of industrial production

Growth in the industry sector was attributed to increased public sector investment in construction, mining & quarrying and the manufacturing activities. The mining & quarrying subsector led growth in the industrial sector, expanding by 20.86 per cent, from 2.97 per cent in Q12025, and contributing 0.76 percentage point to total growth. The robust growth reflected increased crude oil production and the increased private sector participation in the Nigerian oil industry, aided by the Petroleum Industry Act 2021.

Table 5: Index of Mining Production

Period	IMP	Y-on-Y Change
Q22024	53.44	7.74
Q32024	53.78	3.22
Q42024	45.51	2.22
Q12025	65.52	8.23
Q22025	57.28	7.19

Source: Central Bank of Nigeria

Note: IMP refers to the index of mining production

The observed improvement in mining activities was corroborated by the estimated index of mining production (IMP), which increased by 7.19 per cent (y-o-y).

The manufacturing subsector continued to expand in the review period, rising by 1.60 per cent, compared with 1.69 per cent in the preceding quarter. The performance was spurred by the relative exchange rate stability, increasing electricity supply, rising consumer demand, and positive business confidence. In congruence, the estimated index of manufacturing production rose by 1.77 per cent (y-o-y).

Table 6: Index of Manufacturing Production

Period	IMANP	Y-on-Y Change
Q22024	175.73	1.29
Q32024	185.16	0.90
Q42024	196.13	1.79
Q12025	211.38	1.44
Q22025	178.84	1.77

Source: Central Bank of Nigeria

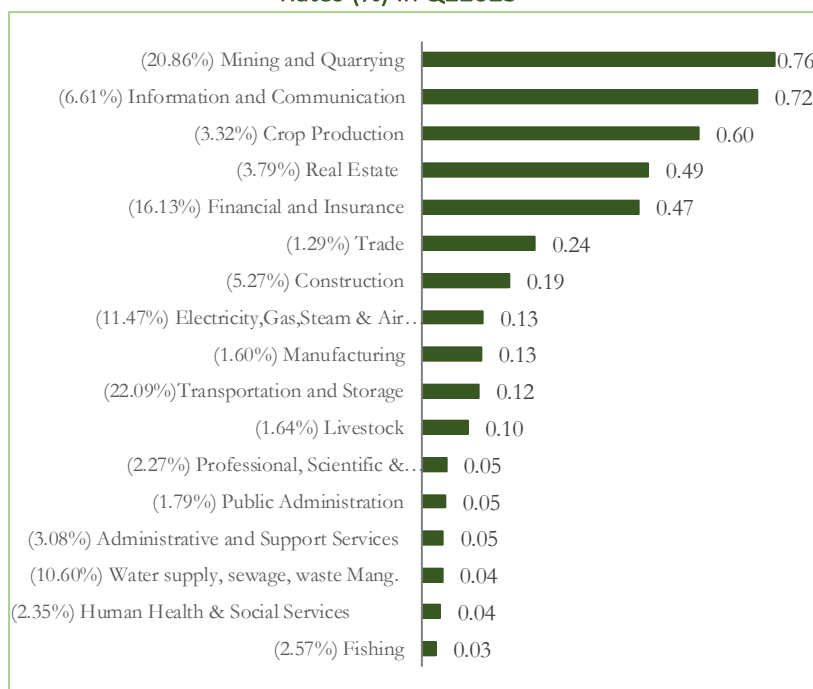
Note: IMANP refers to index of manufacturing production

Other subsectors of the industrial sector also expanded, as the construction subsector grew by 5.27 per cent, compared with 6.21 per cent in the preceding quarter. The electricity, gas, steam & air conditioner, and the water supply, sewage, & waste management subsectors expanded by 11.47 and 10.60 per cent, respectively, compared with 18.65 and 9.43 per cent in Q12025.

Capacity Utilisation

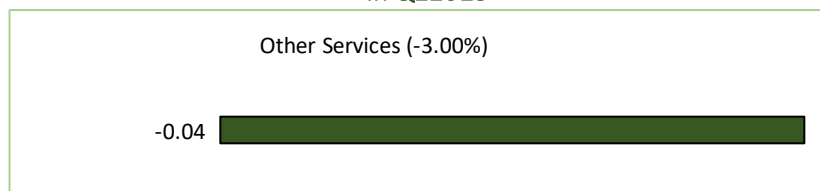
The estimated average manufacturing capacity utilisation rose by 0.20 percentage point to 62.60 per cent, from 62.40 per cent in the preceding quarter, indicating uptick in manufacturing activity.

Figure 12: Selected Top Subsectors with contribution to GDP Growth and Growth Rates (%) in Q22025



Source: National Bureau of Statistics

Figure 13: Subsector with Negative Contribution to GDP Growth and Growth Rate (%) in Q22025

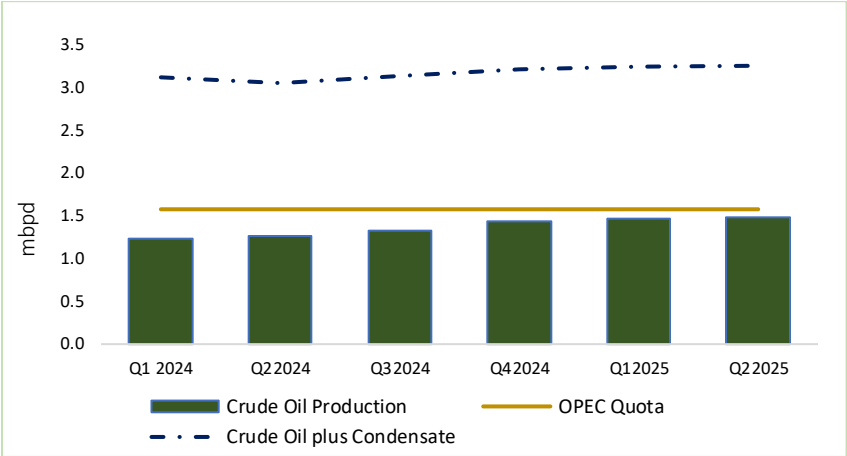


Source: National Bureau of Statistic

Crude Oil Production and Export

Nigeria's crude oil production rose in Q22025, following the completion of maintenance at the Trans-Niger Pipeline and enhanced security around oil infrastructure. Nigeria's average crude oil production, excluding condensates, rose to 1.48 mbpd from 1.47 mbpd in the preceding quarter, but remained below the country's OPEC quota of 1.50 mbpd. Total crude production, including blended and unblended condensates, increased by 0.60 per cent to 1.68 mbpd, from 1.67 mbpd. The growth was attributed to increased output from Bonny, Forcados, and Qua Iboe crude streams/terminals that followed the effective maintenance and security of major pipelines.

Figure 14: Nigeria’s Crude Oil Production and OPEC Quota



Source: Nigerian Upstream Petroleum Regulatory Commission (NUPRC)

Index of Electricity
production

The estimated index of electricity production increased by 3.53 per cent (y-o-y), to 430.05, compared with the level in the preceding quarter, due to continued efforts to improve electricity generation and transmission. The energy sector continued to benefit from sustained implementation of various power projects, including the Siemens project.

Table 7: Index of Electricity Production

Period	IEP	Y-on-Y Change
Q22024	415.40	6.79
Q32024	209.93	5.55
Q42024	257.17	-1.64
Q12025	145.24	2.96
Q22025	430.05	3.53

Source: Central Bank of Nigeria

Note: IEP refers to index of electricity production

Electricity Generation/
Consumption

Estimated electricity generation in Q22025 increased by 9.21 per cent to an average of 4,916.33 MW/h from 4,501.68 MW/h. Also, estimated electricity consumption at an average of 4,254.65 MW/h, represented an increased by 11.67 per cent, from 3,810.14 MW/h in the preceding period.

Box 1: Prices of Monitored Domestic Agricultural Commodities

The estimated prices of most of the monitored domestic agricultural commodities decreased in Q22025, compared with Q12025 and Q22024. The price changes ranged from 0.80 per cent for rice (agric.) to 39.34 per cent for beans (white). The development was driven, primarily, by improved supply of some of the staples, following the temporary suspension of retaliatory global tariffs. However, on account of seasonality, 9 of the 20 monitored commodities recorded price increases during the review, ranging from 3.62 per cent for agric. eggs to 23.95 per cent for onion bulb.

Prices of Selected Domestic Agricultural Commodities in Second Quarter 2025

Food Items		2024Q2/a	2025Q1/b	2025Q2/b	% Change	% Change
	Unit	1	2	3	(1) & (3)	(2) & (3)
<i>Agric. eggs medium size</i>	1kg	1,800.95	2,932.80	3,038.88	68.74	3.62
<i>Beans: brown, sold loose</i>	"	1,896.63	2,062.05	1,354.76	-28.57	-34.30
<i>Beans: white-black eye, sold loose</i>	"	1,771.73	1,863.72	1,130.60	-36.19	-39.34
<i>Gari white, sold loose</i>	"	1,034.01	1,143.52	1,077.11	4.17	-5.81
<i>Gari yellow, sold loose</i>	"	1,102.70	1,268.72	1,223.31	10.94	-3.58
<i>Groundnut oil: 1 bottle, specify bottle</i>	"	2,382.87	3,653.75	4,177.96	75.33	14.35
<i>Irish potato</i>	"	1,810.63	1,896.94	2,023.58	11.76	6.68
<i>Maize grain white, sold loose</i>	"	916.66	1,139.59	1,120.99	22.29	-1.63
<i>Maize grain yellow, sold loose</i>	"	9,27.07	1,154.16	1,144.40	23.44	-0.85
<i>Onion bulb</i>	"	1,245.17	2,417.43	2,996.46	140.65	23.95
<i>Palm oil: 1 bottle, specify bottle</i>	"	1,719.78	2,813.47	3,185.60	85.23	13.23
<i>Rice agric, sold loose</i>	"	1,612.45	2,027.20	2,010.94	24.71	-0.80
<i>Rice local, sold loose</i>	"	1,570.33	1,913.25	1,863.08	18.64	-2.62
<i>Rice, medium grained</i>	"	1,690.05	2,068.30	2,029.52	20.09	-1.88
<i>Rice, imported high quality, sold loose</i>	"	1,953.53	2,584.03	2,685.88	37.49	3.94
<i>Sweet potato</i>	"	948.87	907.89	871.02	-8.20	-4.06
<i>Tomato</i>	"	1,635.12	1,416.13	1,355.98	-17.07	-4.25
<i>Vegetable oil: 1 bottle, specify bottle</i>	"	2,238.11	3,794.40	4,489.28	100.58	18.31
<i>Wheat flour: prepackaged (Golden Penny)</i>	2kg	2,910.86	3,975.69	4,143.48	42.35	4.22
<i>Yam tuber</i>	1kg	1,491.43	2,045.69	2,270.76	52.25	11.00

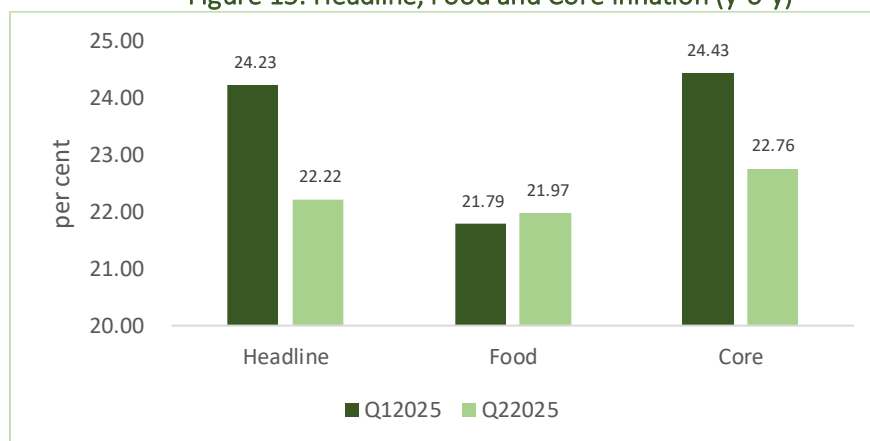
Sources: (a) National Bureau of Statistics (b) Staff Estimates

2.1.2 Inflation

Inflation pressure continued to ease in Q22025, as the rise in non-food prices moderated. Headline inflation (y-o-y) slowed to 22.22 per cent in June, from 24.23 per cent in the preceding quarter, due largely to the impact of tight monetary and sustained exchange rate stability.

*Headline
Inflation*

Figure 15: Headline, Food and Core Inflation (y-o-y)

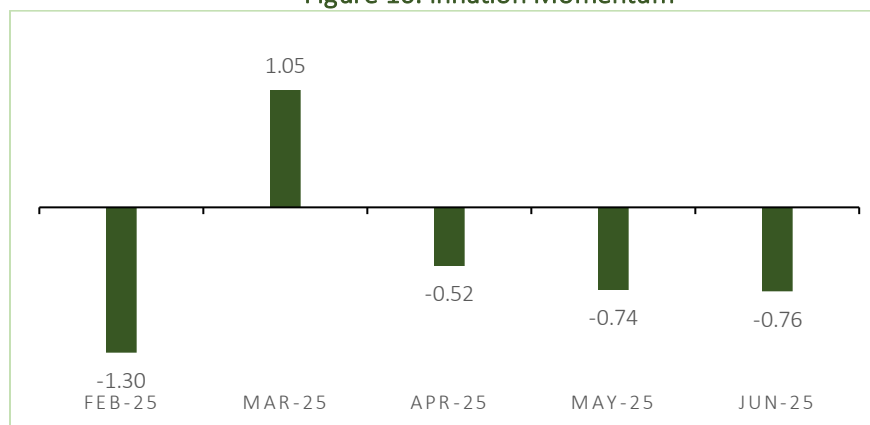


Source: National Bureau of Statistics

The momentum of inflation continued to increasingly decelerate. In June, inflation momentum declined by 0.76 percentage point, reflecting the impact of sustained monetary tightening, improved food supply conditions, and relative exchange rate stability.

*Inflation
Momentum*

Figure 16: Inflation Momentum



Source: Central Bank of Nigeria and National Bureau of Statistics

Core & Food Inflation

Core inflation eased to 22.76 per cent from 24.43 per cent, driven mainly by slower increases in the prices of housing, utilities, transport, and household equipment. The moderation reflected the impact of sustained monetary tightening, and relative exchange rate stability. Food inflation, however, rose slightly to 21.97 per cent, from 21.79 per cent, due to lingering insecurity in key food-producing regions, and elevated input prices.

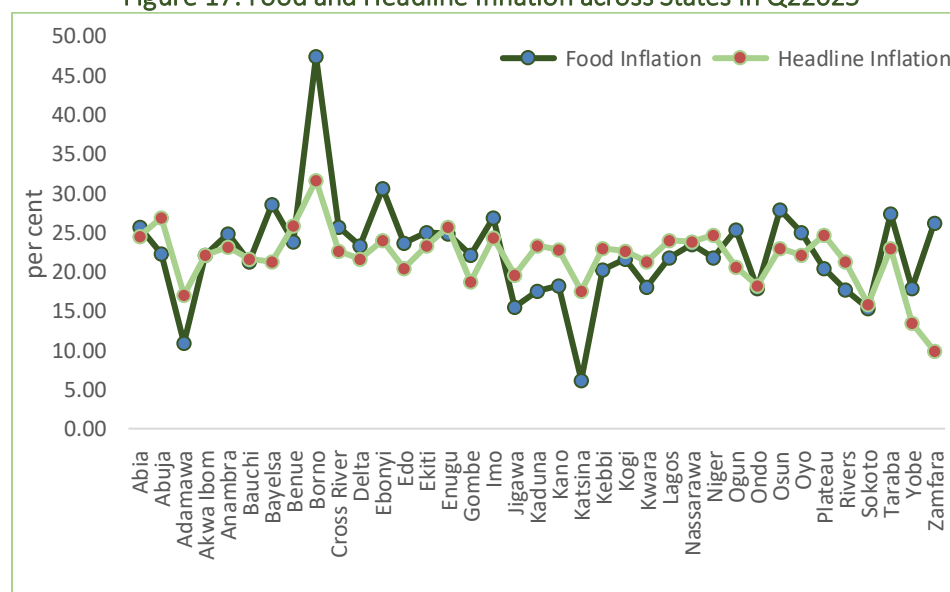
Urban/Rural Inflation

Urban inflation dropped to 22.72 per cent, from 26.12 per cent in the preceding quarter, underlining declining demand pressures, lower logistics costs, and lower exchange rate pass-through effects. The moderation was supported by favourable base effects and a gradual dissipation of initial policy shocks. Rural inflation also declined to 20.85 per cent from 20.89 per cent. The relatively slower pace of decline in rural inflation mirrors the persistence of food-related cost pressures.

State Level Inflation

Inflation varied across states in the federation, with Borno state recording the highest inflation among the states at 47.40 per cent, followed by Ebonyi and Bayelsa states at 30.62 and 28.64 per cent, respectively. Insecurity and structural challenges continued to drive inflation in these states. Conversely, Zamfara state had the lowest inflation rate at 9.90 per cent, followed by Yobe and Sokoto states 13.51 and 15.78 per cent, respectively, due primarily to weaker demand.

Figure 17: Food and Headline Inflation across States in Q22025



Source: National Bureau of Statistics

Housing & Infrastructure

2.1.3 Socio-Economic Developments

The Federal Executive Council (FEC) approved the revised National Urban Development Policy (NUDP) to address Nigeria's rapid urbanisation over the next decade. As a proactive, inclusive, and climate-resilient framework, the policy was designed to strengthen urban governance, enhance infrastructural development and improve the quality of life.

2.2 Fiscal Sector Developments

Summary

Federation revenue increased by 15.03 per cent in Q22025, signalling improvement in fiscal conditions. The increase was driven largely by higher non-oil receipts, which contributed 61.03 per cent to gross federation earnings in the review period. Revenue to the three tiers of government increased by 2.36 per cent, reflecting high statutory deductions, while the public debt stock (33.10% of GDP) was below the national debt ceiling of 40.00 and the IMF-prescribed threshold of 70.00 per cent for Market-Access Countries.

2.2.1 Federation Account Operations

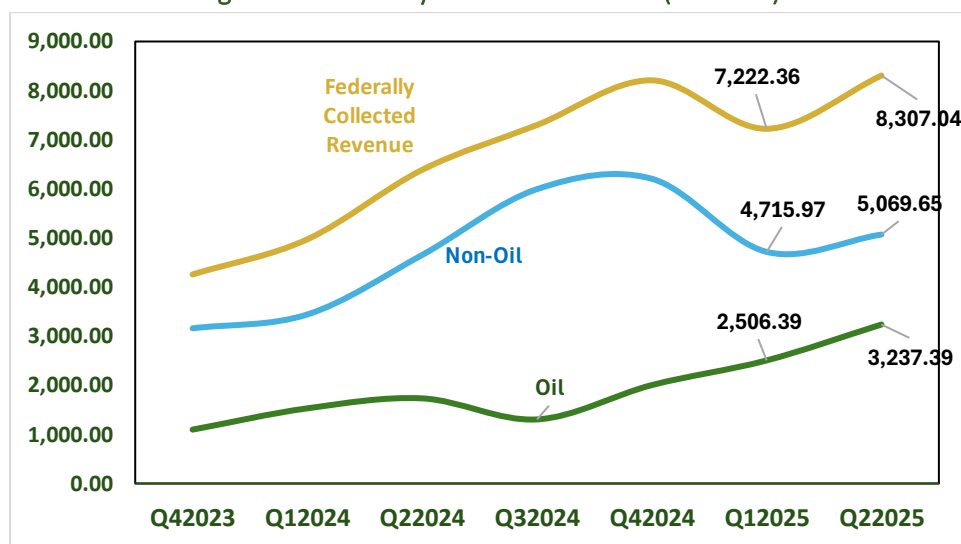
Federation Revenue

Receipts into the Federation Account increased in Q22025, owing to improved earnings from oil and non-oil sources. At ₦8.31 trillion, provisional gross Federation Account receipts was 15.02 per cent above earnings in Q12025, driven, majorly, by increased collections from corporate tax and petroleum profit tax (PPT). Non-oil revenue remained dominant, accounting for 61.03 per cent of gross federation revenue, while oil revenue constituted the balance.

Non-oil revenue, at ₦5.07 trillion, rose by 7.50 per cent from the level in the preceding quarter. The increase was attributed to higher collections from corporate tax and customs & excise duties, reflecting seasonality in the filing of tax returns by companies¹. Oil revenue rose by 29.17 per cent to ₦3.24 trillion, relative to Q12025, as higher crude oil production boosted receipts from petroleum profit tax, royalties, and related revenue sources.

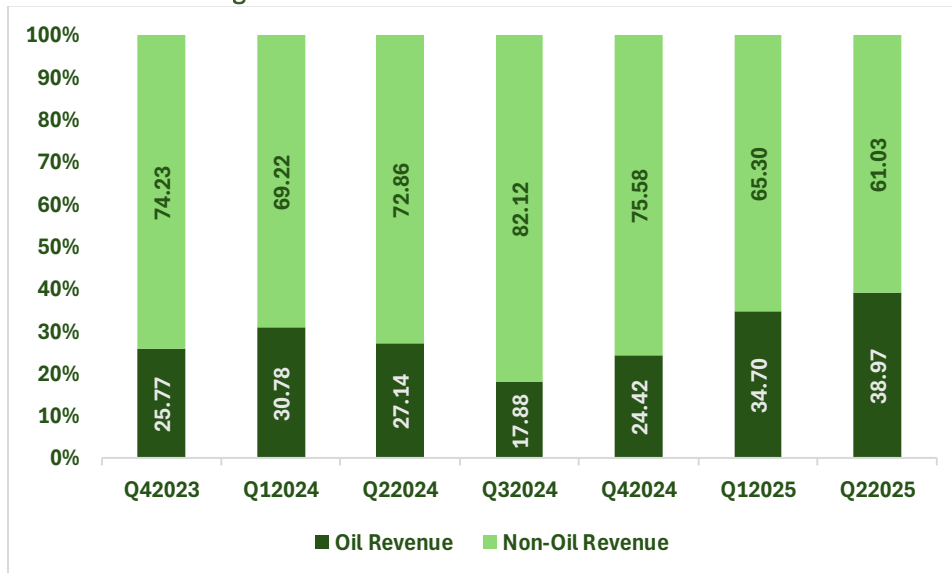
¹ Corporate tax is composed of company income tax, withholding tax and capital gain tax.

Figure 18: Federally Collected Revenue (₦ Billion)



Source: Office of the Accountant General of the Federation and Federal Ministry of Finance

Figure 19: Contribution to Federation Revenue



Source: Staff Estimates Based on data from the OAGF and FMoF

Table 8: Federation Revenue and Distribution (₦ Billion)

	Q22024	Q12025	Q22025	*Budget
Federally Collected Revenue	6,387.82	7,222.36	8,307.04	19,519.29
<i>Oil</i>	<i>1,733.50</i>	<i>2,506.39</i>	<i>3,237.39</i>	<i>11,505.11</i>
<i>Crude Oil & Gas Exports</i>	<i>9.49</i>	<i>103.82</i>	<i>109.10</i>	<i>0.00</i>
<i>PPT</i>	<i>445.34</i>	<i>353.95</i>	<i>797.52</i>	<i>6,101.41</i>
<i>Royalties</i>	<i>800.86</i>	<i>1,459.54</i>	<i>1,657.86</i>	<i>3,432.55</i>
<i>Domestic Crude Oil/Gas Sales</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>490.19</i>
<i>Others</i>	<i>477.82</i>	<i>589.08</i>	<i>672.91</i>	<i>1,480.96</i>
<i>Non-oil</i>	<i>4,654.32</i>	<i>4,715.97</i>	<i>5,069.65</i>	<i>8,014.18</i>
<i>Corporate Tax</i>	<i>895.24</i>	<i>1,233.69</i>	<i>1,659.81</i>	<i>2,332.44</i>
<i>Customs & Excise Duties</i>	<i>845.87</i>	<i>959.56</i>	<i>1,000.93</i>	<i>1,549.34</i>
<i>Value-Added Tax (VAT)</i>	<i>1,548.28</i>	<i>2,075.90</i>	<i>2,022.70</i>	<i>1,875.40</i>
<i>Independent Revenue of Fed. Govt.</i>	<i>1,306.21</i>	<i>319.25</i>	<i>282.10</i>	<i>1,315.42</i>
<i>Others**</i>	<i>58.72</i>	<i>127.57</i>	<i>104.11</i>	<i>941.58</i>
<i>Total Deductions/Transfers</i>	<i>4,192.91</i>	<i>3,325.79</i>	<i>3,665.40</i>	<i>2,717.94</i>
<i>Federally Collected Revenue Less Deductions & Transfers***</i>	<i>2,194.91</i>	<i>3,896.57</i>	<i>4,641.64</i>	<i>16,801.35</i>
<i>plus:</i>				
<i>Additional Revenue</i>	<i>1,279.78</i>	<i>909.86</i>	<i>278.23</i>	<i>57.21</i>
<i>Excess Crude Revenue</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<i>Non-oil Excess Revenue/ EMTL</i>	<i>47.92</i>	<i>478.93</i>	<i>91.50</i>	<i>57.21</i>
<i>Exchange Gain</i>	<i>1,231.86</i>	<i>430.93</i>	<i>186.73</i>	<i>0.00</i>
<i>Total Distributed Balance</i>	<i>3,474.69</i>	<i>4,806.43</i>	<i>4,919.87</i>	<i>16,858.56</i>
<i>Federal Government</i>	<i>1,102.11</i>	<i>1,507.46</i>	<i>1,632.01</i>	<i>8,204.89</i>
<i>Statutory</i>	<i>885.85</i>	<i>1,217.50</i>	<i>1,349.48</i>	<i>7,944.28</i>
<i>VAT</i>	<i>216.26</i>	<i>289.96</i>	<i>282.53</i>	<i>260.61</i>
<i>State Government</i>	<i>1,190.51</i>	<i>1,711.64</i>	<i>1,665.03</i>	<i>3,263.48</i>
<i>Statutory</i>	<i>469.63</i>	<i>745.10</i>	<i>723.26</i>	<i>2,394.79</i>
<i>VAT</i>	<i>720.88</i>	<i>966.54</i>	<i>941.77</i>	<i>868.69</i>
<i>13% Derivation</i>	<i>317.08</i>	<i>346.98</i>	<i>409.23</i>	<i>1,658.91</i>
<i>Local Government</i>	<i>864.99</i>	<i>1,240.34</i>	<i>1,213.60</i>	<i>3,731.28</i>
<i>Statutory</i>	<i>360.37</i>	<i>563.76</i>	<i>554.36</i>	<i>3,123.20</i>
<i>VAT</i>	<i>504.62</i>	<i>676.58</i>	<i>659.24</i>	<i>608.08</i>

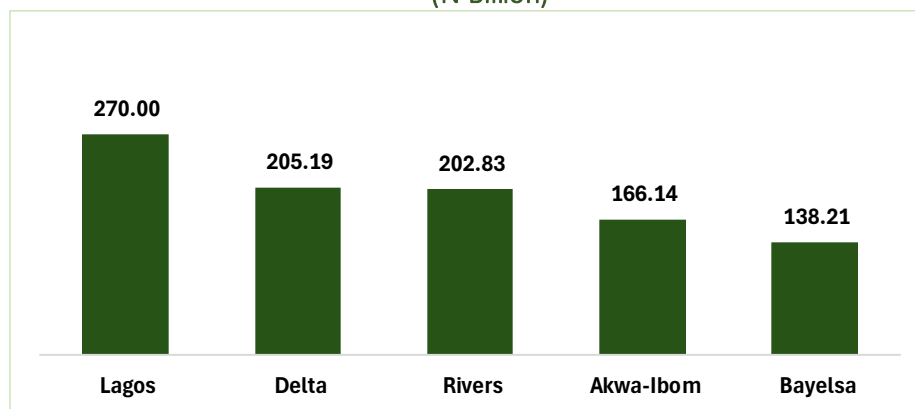
Source: Office of the Accountant General of the Federation.

Note* Includes Education Tax, Customs Special Levies (Federation Account), National Information Technology Development Fund, Customs Special Levies, Solid Minerals & Other Mining revenue, and other non-regular earnings. **Deductions include cost of revenue collections and JVC cash calls, while transfers entail provisions for FGN Independent revenue and other non-federation revenue. /1 Provisional.

From the gross receipts of ₦8.31 trillion, ₦3.67 trillion was deducted as statutory deductions and transfers, while ₦278.23 billion was added from non-oil excess and exchange gain revenue accounts. This resulted in a net balance of ₦4.92 trillion which was shared among the three tiers of government. The Federal, state, and local governments received ₦1.63 trillion, ₦1.67 trillion and ₦1.21 trillion, respectively, while the balance of ₦409.23 billion was allocated to the 13%

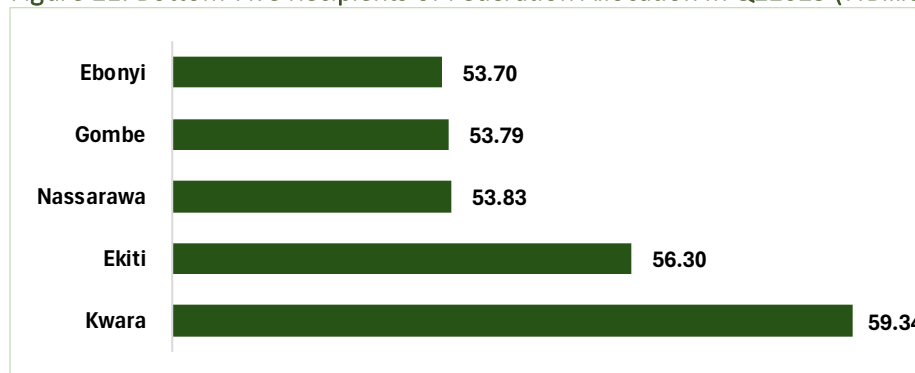
derivation fund to oil-producing states. The distribution was 2.36 per cent above sharing in the preceding quarter.

Figure 20: Top Five Recipients of Federation Allocation in Q22025
(₦ Billion)



Source: Office of the Accountant General of the Federation and Federal Ministry of Finance

Figure 21: Bottom-Five Recipients of Federation Allocation in Q22025 (₦Billion)



Source: Office of the Accountant General of the Federation and Federal Ministry of Finance

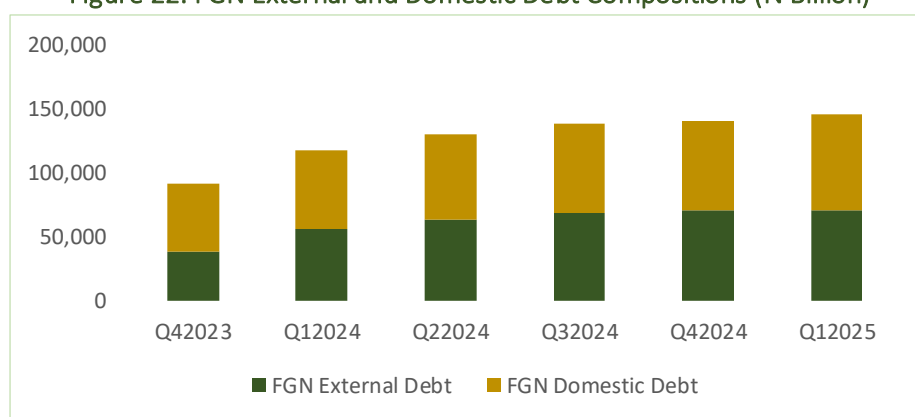
Revenue allocation to subnational governments revealed that Lagos topped the list with ₦0.27 trillion, followed by Delta (₦0.21 trillion), Rivers (₦0.20 trillion), Akwa Ibom (₦0.17 trillion), and Kano (₦0.14 trillion). On the other hand, Ebonyi (₦0.05 trillion), Gombe (₦0.05 trillion), Nasarawa (₦0.05 trillion), Ekiti (₦0.06 trillion), and Kwara (₦0.06 trillion) were the bottom recipients.

At end-March 2025, public debt stock was below the 70.00 per cent of GDP threshold for Market-Access Countries. Total public debt outstanding stood at ₦149,389.00 billion (33.10% of GDP), at end-March 2025, indicating 3.26 per cent increase relative to the level at end-December 2024, due to new borrowings. A breakdown of the consolidated public debt showed that domestic debt accounted for 51.46 per cent, while external debt constituted 48.54 per cent. Of the consolidated public debt stock, FGN owed ₦145.52 trillion (97.41%), while state governments owed the balance.

A disaggregation of the FGN debt showed that domestic debt was ₦70.63 trillion, constituting 48.54 per cent, while external debt constituted ₦74.89 trillion (51.46%). Further analysis of FGN domestic debt revealed that FGN Bonds maintained dominance, with 79.85 per cent, followed by treasury bills (16.95%), promissory notes (1.74%), and FGN Sukuk (1.32%), while ‘others’ constituted the balance². Of the total external debt stock, multilateral debt accounted for 48.80 per cent, commercial (38.08%) and bilateral loans (13.13%).

Debt service at end-March 2025 rose by 46.63 per cent to ₦4,.75 trillion, from ₦3.24 trillion at end-December 2024, owing to increased interest payments on both domestic and external borrowings. A breakdown showed that domestic debt service constituted 54.95 per cent, while external debt service accounted for 45.05 per cent.

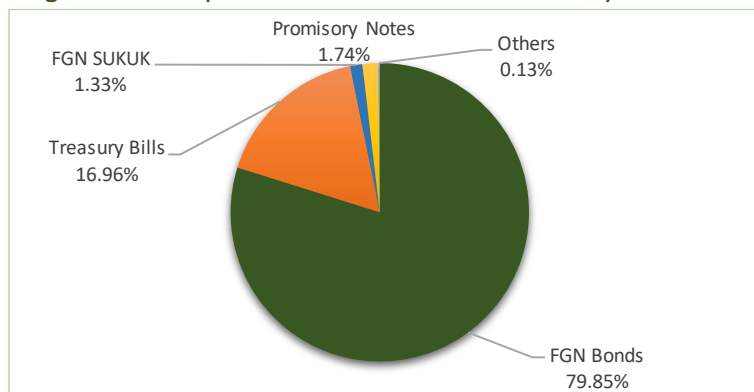
Figure 22: FGN External and Domestic Debt Compositions (₦ Billion)



Source: Debt Management Office

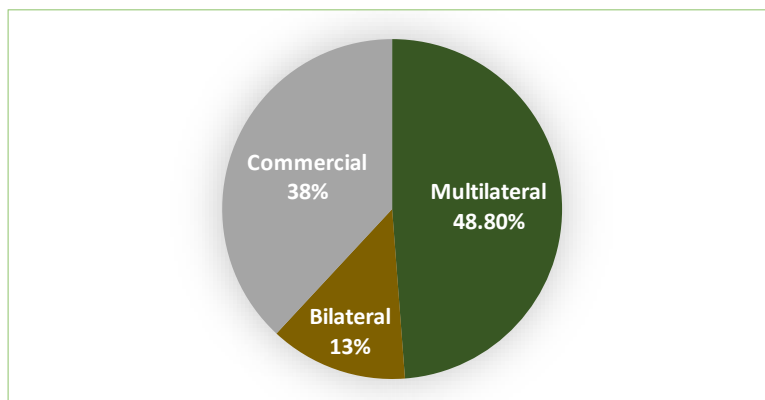
² Includes treasury bonds (0.00%), green bond (0.02%) and special FGN savings bond (0.07%).

Figure 23: Composition of Domestic Debt Stock by Instrument



Source: Debt Management Office

Figure 24: Composition of External Debt Stock



Source: Debt Management Office

2.3 Monetary and Financial Developments

Summary

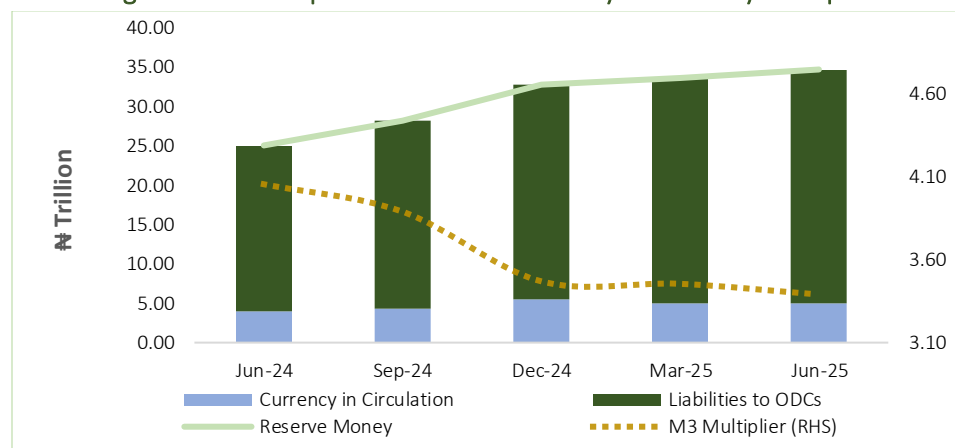
Broad money supply (M3) expanded moderately at end-June 2025, driven largely by higher net foreign assets (NFA). Credit to other sectors remained subdued, reflecting the impact of tight monetary conditions, as the Bank sustained efforts to rein in inflation. Activities increased in the fixed-income market, further tightening liquidity conditions in the banking system. Consequently, key money market rates trended upward, but remained within the policy corridor. Overall, the financial sector remained stable and resilient, as reflected by key prudential indicators. The Nigerian capital market continued its bullish run, driven by strong buy-side action, buoyed by investor confidence and relatively stable macroeconomic environment.

2.3.1 Monetary Developments

Reserve Money

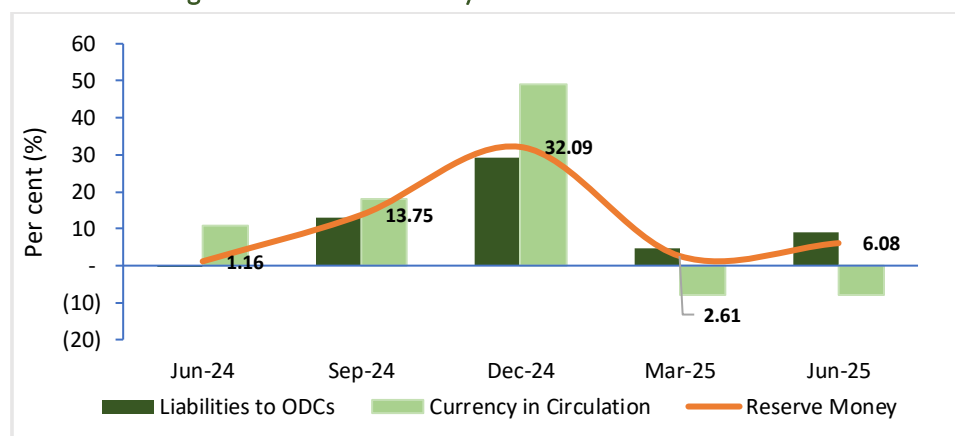
Reserve money expanded at end-June 2025, compared to its level at end-December 2024, driven wholly by increased liabilities to 'other depository corporations' (ODCs). Reserve money grew by 6.08 per cent to ₦34.66 trillion from ₦32.67 trillion at end-December 2024. The expansion was driven by 8.89 per cent growth in liabilities to ODCs, underpinned by notable growth in excess reserves (32.35%) and required reserves (8.23%). In contrast, currency-in-circulation (CIC) declined by 7.97 per cent, in congruence with the Bank's monetary policy stance.

Figure 25: Developments in Reserve Money and Money Multiplier



Source: Central Bank of Nigeria

Figure 26: Reserve Money Growth Over end-December



Source: Central Bank of Nigeria

Relative to the level at end-December 2024, broad money supply (M3) expanded by 3.44 per cent to ₦117.25 trillion at end-June 2025, from ₦115.82 trillion (2.17 per cent growth) in the preceding quarter. Similarly, M2 grew by 3.44 per cent to ₦117.24 trillion, while narrow money (M1) increased by 2.71 per cent to ₦39.86 trillion.

On the asset side, the modest expansion in M3 was largely attributed to higher net foreign assets (NFA), which contributed 8.39 percentage points to overall M3 growth, and offset the contraction in net domestic assets (NDA). Specifically, NFA rose by 29.74 per cent, followed the 7.89 per cent increase in claims on non-residents. In contrast, NDA declined by 6.89 per cent, reflecting the 20.18 and 2.43 per cent reduction in net claims on central government and claims on other sectors, respectively. Claims on other sectors was weighed by the decline in claims on the private sector (-2.51%), other financial corporations (-4.48%) and state and local government (-10.10%) amid tight monetary policy stance.

Table 9: Money and Credit Growth over preceding December (%)

	Jun-24	Dec-24	Mar-25	Jun-25	Annualised Jun-25	2025 Target	Contribution to M3 growth (Jun-25)
Net Foreign Assets	147.27	242.25	49.05	29.74	59.48	52.90	8.39
<i>Claims on Non-residents</i>	41.34	78.95	4.95	7.89	15.77	-	6.18
<i>Liabilities to Non-residents</i>	16.81	41.14	-19.82	-4.39	-8.77	-	-2.20
Net Domestic Assets	12.10	16.42	-16.24	-6.89	-13.79	-9.47	-4.95
Domestic Claims	1.08	9.45	-4.37	-7.01	-14.03	15.52	-6.51
Net Claims on Central Government	-28.66	-19.10	-9.40	-20.18	-40.37	8.81	-4.83
<i>Claims on Central Government</i>	-7.29	-5.90	-0.43	0.09	0.17	-	0.04
<i>Liabilities to Central Government</i>	24.63	13.83	9.09	21.61	43.21		4.87
Claims on Other Sectors	17.03	24.76	-2.62	-2.43	-4.86	17.86	-1.67
<i>Claims on Other Financial Corporations</i>	-9.05	15.10	-12.20	-4.48	-8.96	-	-0.63
<i>Claims on State and Local Government</i>	2.24	-2.67	4.00	-10.10	-20.20	-	-0.36
<i>Claims on Public Non-financial Corporations</i>	12.54	18.10	17.12	15.74	31.49	-	0.52
<i>Claims on Private Sector</i>	27.57	31.27	-1.68	-2.51	-5.02	-	-1.20
Total Monetary Assets (M₃)	28.02	43.03	2.17	3.44	6.87	8.12	3.44
<i>Currency Outside Depository Corporations</i>	10.39	49.25	-10.29	-12.32	-24.64	-	-0.56
<i>Transferable Deposits</i>	23.68	26.23	5.03	4.99	9.98	-	1.48
Narrow Money (M₁)	22.16	28.86	3.00	2.71	5.41	8.12	0.93
<i>Other Deposits</i>	32.73	53.00	1.73	3.83	7.66	-	2.52
Broad Money (M₂)	28.02	43.77	2.17	3.44	6.89	8.12	3.44
<i>Securities Other than Shares</i>	-97.46	-95.87	19.67	-37.85	-37.71	-	-0.01
Total Monetary Liabilities (M₃)	28.02	43.03	2.17	3.44	6.87	8.12	3.44

Source: Central Bank of Nigeria.

Note: The numbers for June 2025 are provisional.

Money Supply

On the liabilities side, the growth in M3 was primarily driven by increases in other deposits and transferable deposits. Other deposits grew by 3.83 per cent, contributing 2.52 percentage points to M3 growth, while transferable deposits rose by 4.99 per cent, adding 1.48 percentage points. Currency outside depository corporations (CODCs) and securities-other-than-shares, however, declined by 12.32 and 37.85 per cent, respectively. These contractions moderated M3 growth by 0.57 percentage point (-0.56 percentage point from CODCs and -0.01 percentage point from securities other than shares). The sustained decline in CODCs reflected continued moderation in cash-based transactions, indicative of the increasing adoption of electronic and digital payment channels.

2.3.2 Sectoral Utilisation of Credit

Sectoral Credit Utilisation

Total credit by ODCs to the economy declined by 1.62 per cent to ₦58.14 trillion, from ₦59.10 trillion at end-March 2025, as tight monetary conditions remained restrictive. Despite overall decline in sectoral credit, credit to the services and agriculture sectors rose by 5.23 and 0.69 per cent to ₦32.41 trillion and ₦3.19 trillion, respectively.

Further analysis indicated that the services sector accounted for the largest share of credit at 55.74 per cent, followed by industry (38.77%) and agriculture (5.49%).

Table 10: Sectoral Credit Allocation

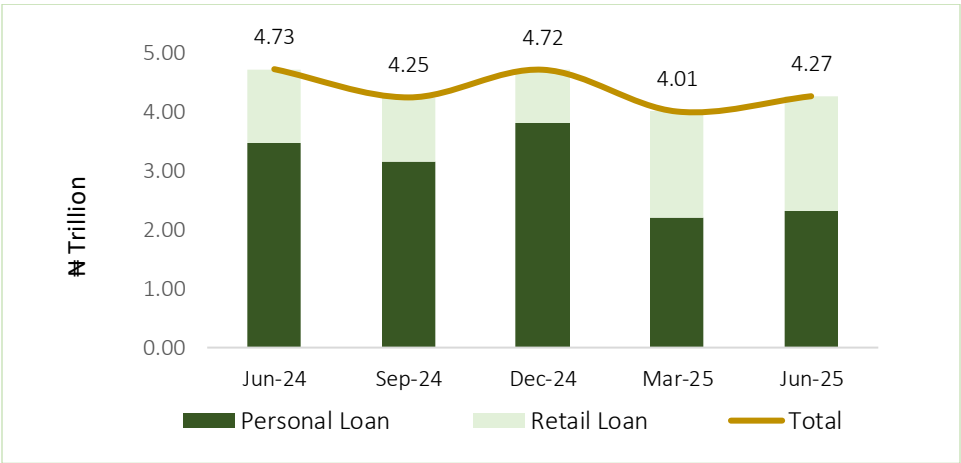
Sectors	Credit Allocation (₦ Trillion)			Share in Total (%)		
	Jun-24	Mar-25	Jun-25	Jun-24	Mar-25	Jun-25
Agriculture	2.44	3.17	3.19	4.38	5.36	5.49
Industry	24.57	25.13	22.54	44.10	42.52	38.77
<i>Manufacturing</i>	9.26	7.72	7.09	16.62	13.06	12.19
Services	28.70	30.80	32.41	51.52	52.12	55.74
<i>Finance, Insurance & Capital Market</i>	6.16	8.40	9.47	11.06	14.21	16.29
<i>Trade/General Commerce</i>	3.57	3.68	3.86	6.41	6.23	6.64
TOTAL	55.71	59.10	58.14	100.0	100.0	100.0

Source: Central Bank of Nigeria

Consumer Credit

Consumer credit outstanding expanded by 6.48 per cent to ₦4.27 trillion in the review period, relative to end-March 2025, due largely to increased loan demand during the Salah festivities. A disaggregation of the consumer credit portfolio revealed that personal loans accounted for 54.10 per cent, while retail loans made up the balance. Personal loan outstanding grew by 4.52 per cent to ₦2.31 trillion, while retail loans expanded by 8.89 per cent to ₦1.96 trillion, relative to levels at end-March 2025.

Figure 27: Consumer Credit Outstanding



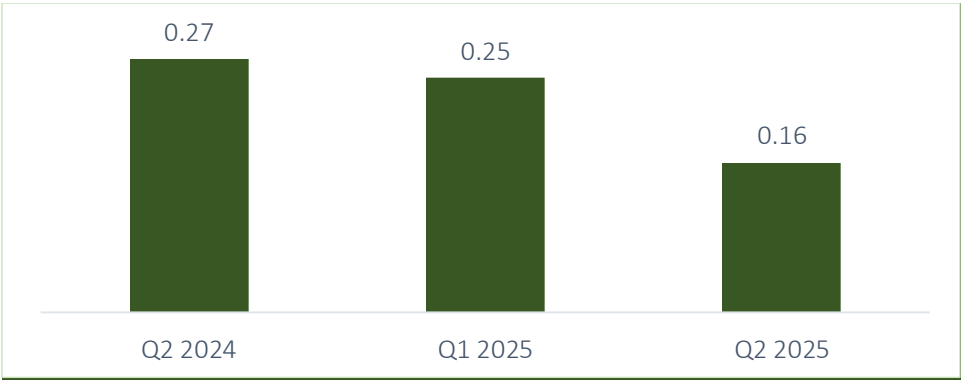
Source: Central Bank of Nigeria

2.3.3 Financial Developments

2.3.3.1 Money Market Development

Liquidity in the banking system reduced in Q22025, owing to robust auctions of OMO bills. Daily average liquidity in the banking system declined to ₦0.16 trillion from ₦0.25 trillion in Q12025. The reduction in system liquidity was driven primarily by net withdrawal in system’s liquidity through Nigerian Treasury Bills (NTBs), Open Market Operations (OMO) bills, Federal Government of Nigeria (FGN) bonds, and Cash Reserve Requirement (CRR) debits by the Bank.

Figure 28: Average Banking System Liquidity (₦ Trillion)



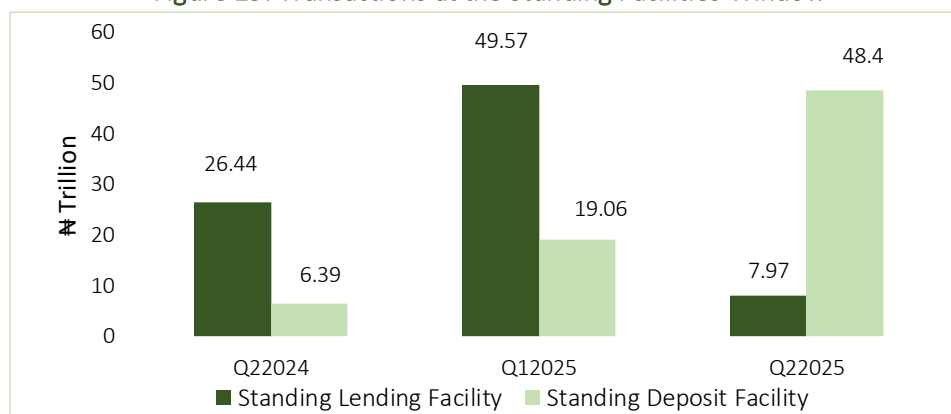
Source: Central Bank of Nigeria

Activities at the standing lending facility (SLF) window reduced significantly, compared with a reduction at the standing deposit facility (SDF) window. The value of transaction at the SLF window fell by 83.92 per cent to ₦7.97 trillion, while transactions at the SDF window rose by 153.93 per cent to ₦48.40 trillion.

Industry Liquidity
Condition

Applicable rates at the window remained unchanged at 32.50 per cent for the SLF (MPR+5%) and 26.50 per cent for the SDF (MPR-1%). Additionally, the interest rate on converted Intra-day Lending Facility (ILF) transactions to SLF was maintained at 37.50 per cent (MPR+10%).

Figure 29: Transactions at the Standing Facilities Window

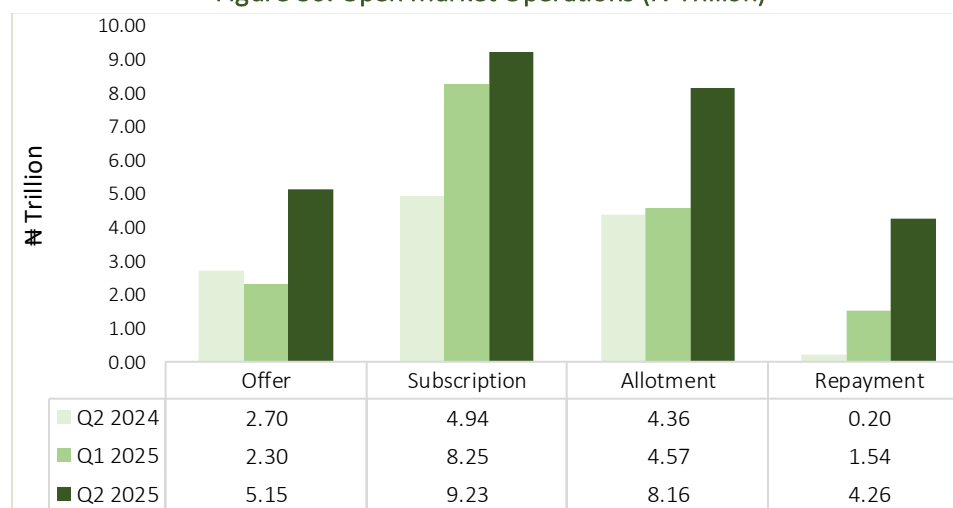


Source: Central Bank of Nigeria

OMO Operations

Issuance of Open Market Operations (OMO) bills increased during the review period. The total amount of CBN bills offered, subscribed, and allotted was ₦5.15 trillion, ₦9.23 trillion, and ₦8.16 trillion (tenors: 104 to 350 days), compared with ₦2.30 trillion, ₦8.25 trillion, and ₦4.57 trillion, respectively (tenors: 347 to 364 days) in Q1 2025. The bid rates averaged 23.32 (±2.93) per cent, while the stop rates averaged 23.68 (±1.31) per cent. A total of ₦4.26 trillion maturing CBN bills were repaid, resulting in a net liquidity withdrawal of ₦3.90 trillion.

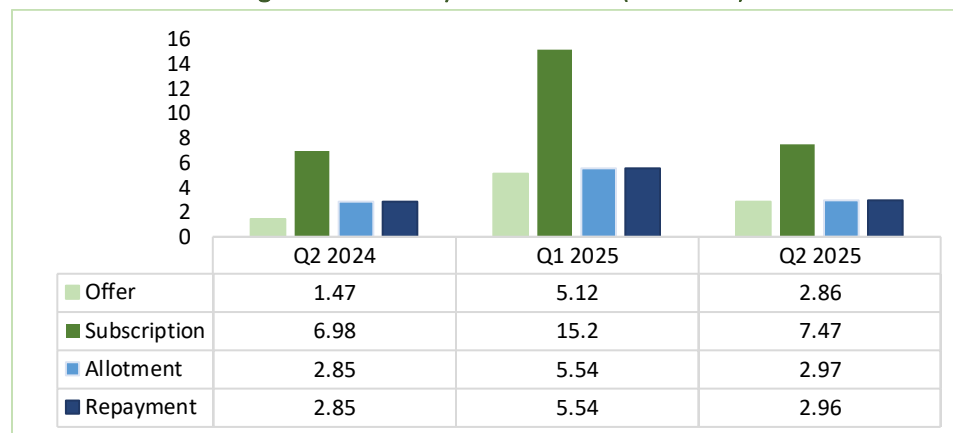
Figure 30: Open Market Operations (₦ Trillion)



Source: Central Bank of Nigeria

Subscriptions for both NTBs and FGN bonds declined, suggesting moderating banking system liquidity. Total NTBs (91-, 182- and 364-day tenors) offered, subscribed, and allotted amounted to ₦2.86 trillion, ₦7.47 trillion, and ₦2.97 trillion, respectively, compared with ₦5.12 trillion (offered), ₦15.20 trillion (subscribed), and ₦5.54 trillion (allotted) in the preceding quarter. The average stop rate decreased to 19.78 (±3.15) per cent from 21.81 (±4.81) per cent in Q12025.

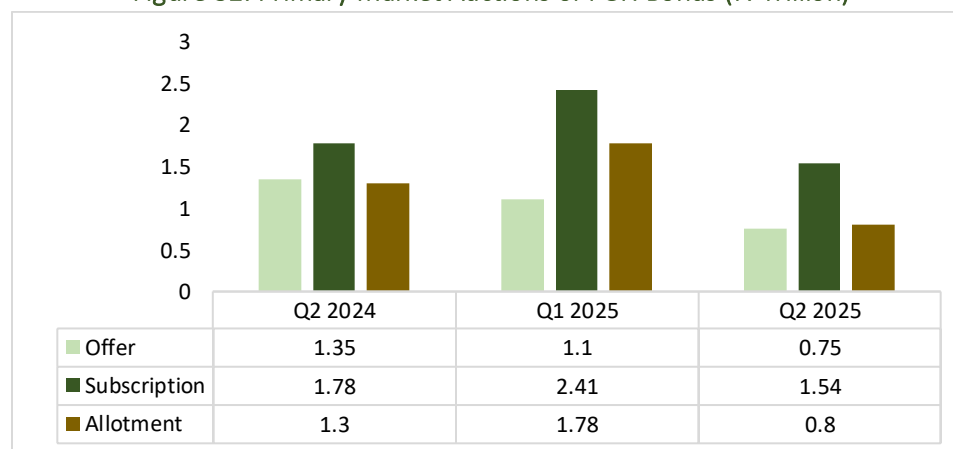
Figure 31: Primary Market NTBs (₦ Trillion)



Source: Central Bank of Nigeria

FGN bonds of 5-, 7-, and 9-year tranches were offered for sale during the review period. The total amount offered, subscribed and allotted declined to ₦0.75 trillion, ₦1.54 trillion, and ₦0.80 trillion, respectively, compared with ₦1.10 trillion, ₦2.41 trillion, and ₦1.78 trillion recorded in the preceding quarter. The average bid and marginal rates were 18.24 (± 3.24) and 18.87 (±1.72) per cent, compared with 22.00(±7.00) and 20.80(±1.80) per cent, respectively, in the preceding quarter.

Figure 32: Primary Market Auctions of FGN Bonds (₦ Trillion)

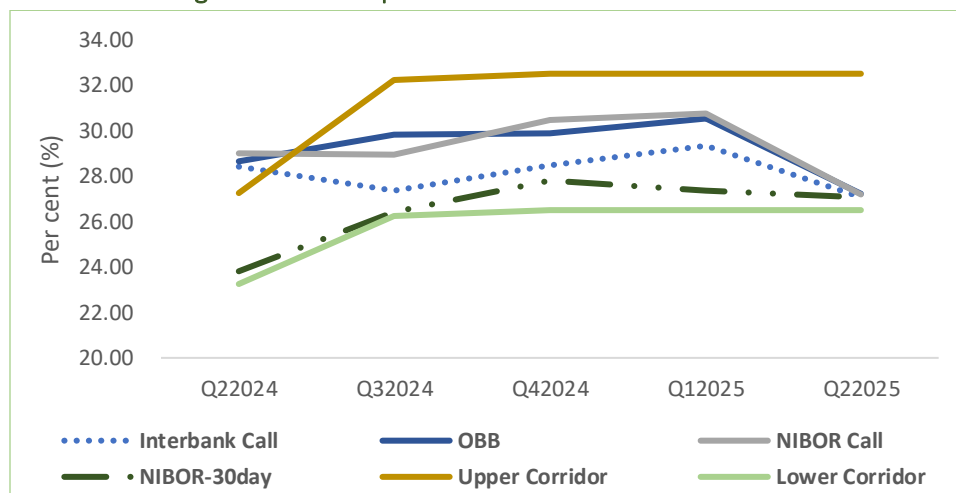


Source: Central Bank of Nigeria

Interest Rate Developments

Money market rates inched up but remained within the policy corridor. Driven by the relative decrease in banking system liquidity, the average interbank call rate (27.55%) and open repo (OPR) rate (27.70%), rose slightly by 0.98 and 0.72 percentage point (pp), respectively, relative to the levels in the preceding quarter. Similarly, the Nigeria Interbank Offered Rate (NIBOR) call and NIBOR 30-day rate increased to 27.47 and 27.33 per cent, respectively, from 26.98 and 27.08 per cent in Q12025. With the monetary policy rate (MPR) at 27.50 per cent and an asymmetric corridor of +500/-100 basis points (bps), money market rates were within the policy corridor.

Figure 33: Developments in Short-term Interest Rates

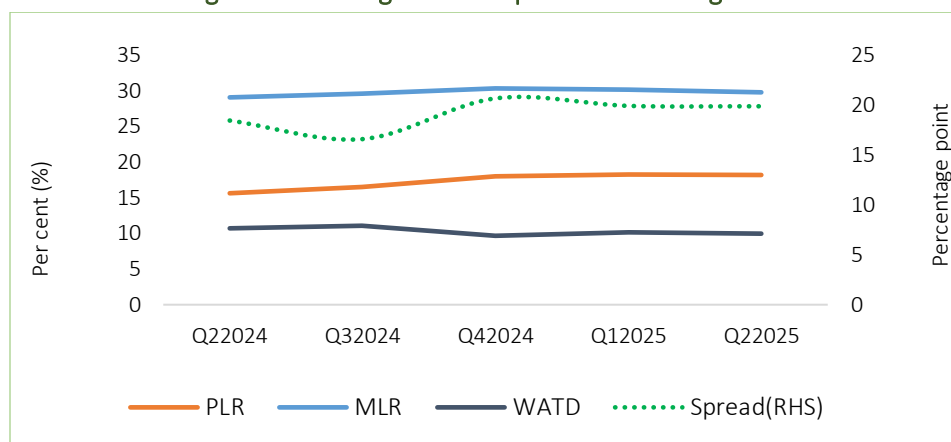


Source: Central Bank of Nigeria

Note: OPR = Open Repo rate which used to be Open Buy Back (OBB) rate

The average prime and maximum lending rates declined marginally by 0.09 and 0.34 pp to 18.18 and 29.82 per cent, while the weighted average term deposit (WAVTD) rate rose by 0.30 pp to 9.93 per cent. Consequently, the average spread between the WAVTD rate and maximum lending rate narrowed to 19.89 pps, from 19.93 pps.

Figure 34: Average Term Deposit and Lending Rates



Source: Central Bank of Nigeria.

Note: PLR= Prime lending rate; MLR= Maximum lending rate; WATD= Weighted Average term deposit rate.

2.3.3.2 Capital Market Developments

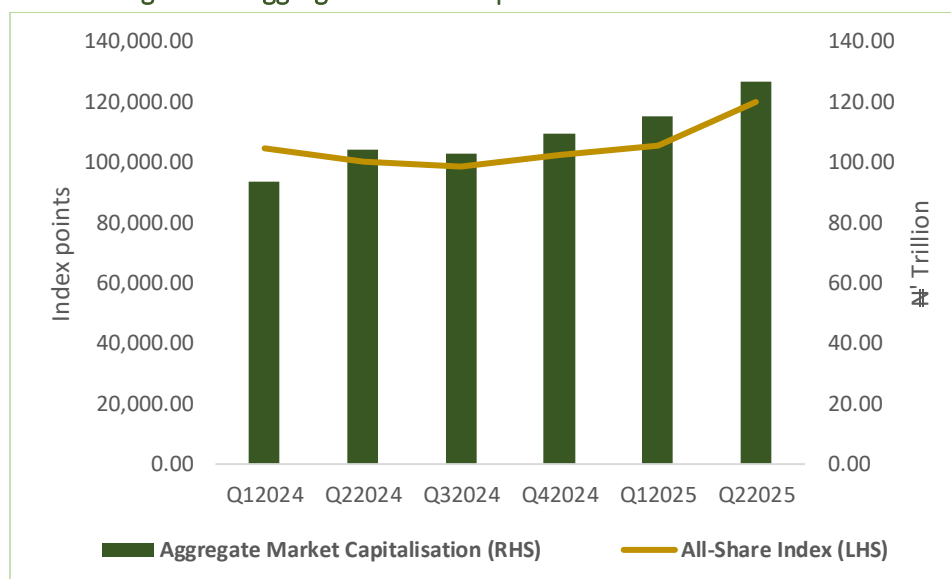
Market Capitalisation

The Nigerian capital market remained bullish, as relatively stable macroeconomic environment and a positive outlook for the second half of 2025 supported positive investor sentiment and persistent buy-side momentum. The Nigerian stock exchange sustained its gains in the second quarter of 2025, driven largely by strong performances in the equities and bonds markets. The momentum was indicative of robust corporate earnings, sustained investor confidence and increased participation, underlain by continued exchange rate stability and disinflation. Consequently, aggregate market capitalisation rose by 9.99 per cent to ₦126.73 trillion, from ₦115.22 trillion.

Activities in the equities and debt segments increased by 14.61 and 3.72 per cent, with closing values at ₦75.95 trillion and ₦50.75 trillion, respectively. Similarly, Exchange Traded Funds (ETFs) rose by 3.87 per cent to ₦25.79 billion. Further disaggregation showed that equities market accounted for 59.93 per cent of total capitalisation, while debt and ETFs constituted 40.05 and 0.02 per cent, respectively.

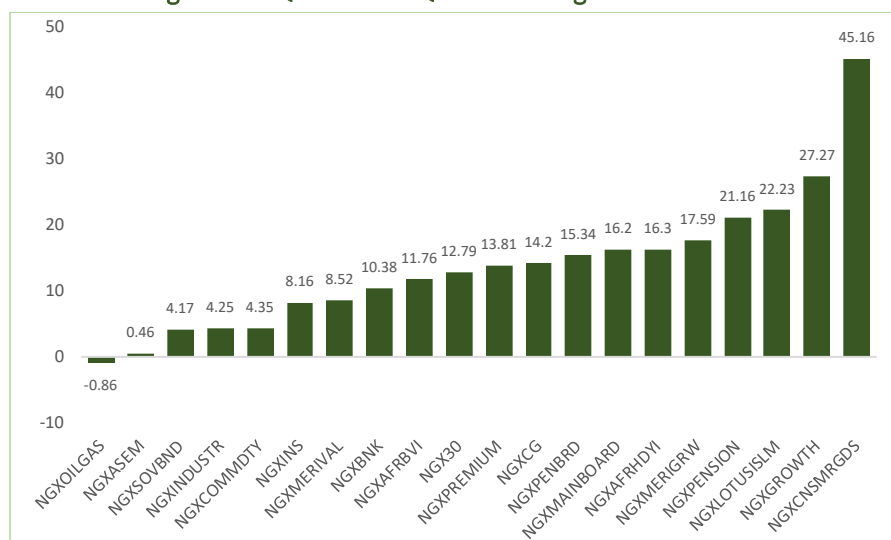
NGX All-Share Index

The All-Share Index (ASI) grew by 13.55 per cent to 119,978.57, from 105,660.64 in the preceding quarter. Broad-based sectoral demand, portfolio shifts from other asset classes, improved market liquidity and strategic bargain- and value-hunting activities in mid- to large-cap stocks propelled the ASI. The momentum was supported by positive macroeconomic tailwinds and improved corporate earnings.

Figure 35: Aggregate Market Capitalisation and All-Share Index


Source: Nigerian Exchange (NGX) Limited

Sectoral indices in the Nigerian equities market were predominantly bullish in the quarter, reflecting widespread positive sentiment, as advancers outpaced decliners. Consequently, the NGXCNSMRGDS led the rally, increasing by 45.16 per cent, followed by NGXGROWTH and NGXLOTUSISLM, which recorded gains of 27.27 and 22.23 per cent, respectively. The NGXOILGAS, however, lost 0.86 per cent.

Figure 36: Quarter-on-Quarter Changes in Sectoral Indices


Source: Nigeria Exchange (NGX) Limited

Table 11: Nigerian Exchange Limited Sectoral Indices

Sectoral Indices	Q1 2025	Q2 2025	Change (%)
NGXOILGAS	2,458.69	2,437.47	-0.86
NGXASEM	1,587.89	1,595.12	0.46
NGXSOVBND	626.86	653.01	4.17
NGXINDUSTR	3,489.87	3,638.15	4.25
NGXCOMMDTY	1,003.58	1,047.21	4.35
NGXINS	698.54	755.52	8.16
NGXMERIVAL	10,274.99	11,150.56	8.52
NGXBNK	1,159.99	1,280.41	10.38
NGXAFRBVI	2,646.53	2,957.78	11.76
NGX30	3,921.32	4,423.04	12.79
NGXPremium	10,171.85	11,576.85	13.81
NGXCG	3,009.51	3,436.94	14.20
NGXPENBRD	1,890.00	2,179.87	15.34
NGXMAINBOARD	5,068.04	5,888.97	16.20
NGXAFRHDYI	16,758.62	19,489.91	16.30
NGXMERIGRW	6,930.25	8,149.49	17.59
NGXPENSION	4,785.90	5,798.71	21.16
NGXLOTUSISLM	7,551.18	9,229.65	22.23
NGXGROWTH	7,401.79	9,420.18	27.27
NGXCNSMRGDS	1,815.85	2,635.86	45.16

Source: Nigerian Exchange (NGX) Limited

Trading activities on the Exchange fell in the review quarter, as the value of traded securities declined by 15.32 per cent to ₦0.94 trillion from ₦1.11 trillion in Q12025. Similarly, the volume of traded securities decreased by 11.06 per cent to

34.57 billion shares from 38.87 billion shares in the previous quarter. Conversely, the total number of deals increased by 19.86 per cent to 982,055 from 819,343 in Q12025.

Figure 37: Volume and Value of Traded Securities



Source: Nigerian Exchange (NGX) Limited

During the review quarter, a total of 20 securities were listed on the Exchange, comprising 10 new listings and 10 supplementary offerings. In addition, there were two suspensions, one reinstatement of a previously suspended issuer and three delisting. Overall, the total number of listings was lower than the 21 recorded in the preceding quarter.

Table 12: Listings, De-listings, and Suspensions on the Nigerian Exchange Limited

Company/Security	Shares Units/Price	Remarks
19.89% FGN MAY 2033	327,692,592 units	New listing
19.30% FGN APR 2029	95,986,501 units	New listing
Legend Internet Plc	2,000,000,000 units of ordinary shares of 50 Kobo each at ₦5.64 per share	New listing
16.635% FGS ³ MAR 2027	969,038,000 units	New listing
17.635% FGS MAR 2028	3,489,239,000 units	New listing
16.046% FGS APR 2027	1,135,475 units	New listing
17.046% FGS APR 2028	3,203,072 units	New listing
16.173% FGS MAY 2027	840,434 units	New listing
17.173% FGS MAY 2028	3,466,410 units	New listing
TSL SPV Plc	5,000,000 Units	New listing
Wema Bank Plc	14,286,785,417 units of ordinary shares of 50 Kobo each at N10.45 per share	Supplementary listing
First HoldCo Plc	5,982,548,799 units of ordinary shares of 50 Kobo each at N25.00 per share	Supplementary listing
Multi-Trex Integrated Foods Plc	1,719,576,719 units of Ordinary Shares of 50 Kobo each at ₦1.89 Per Share	Supplementary listing
19.30% FGN APR 2029	71,127,200 units	Supplementary listing
19.89% FGN MAY 2033	449,771,362 units	Supplementary listing
Chapel Hill Denham Nigeria Infrastructure Debt Fund (NIDF)	229,316 units	Supplementary listing
United Bank for Africa	6,839,884,274 Ordinary Shares of 50 Kobo each at ₦35.00 per share	Supplementary listing
Chams Holding Company Plc	2,348,030,000 units of Ordinary Shares of 50 Kobo each at ₦1.70 Per Share	Supplementary listing
Stanbic IBTC Holdings Plc	2,944,772,083 Ordinary Shares of 50 Kobo Each	Supplementary listing
Sterling Financial Holdings Company Plc	6,659,927,623 Ordinary Shares of 50 Kobo Each	Supplementary listing
Thomas Wyatt Nigeria Plc	All units	Suspension lifted
Golden Guinea Breweries Plc	All units	Suspended
Notore Chemical Industries Plc	All units	Suspended
Capital Oil Plc;	All units	Delisted
Goldlink Insurance Plc;	All units	Delisted
Medview Airline Plc	All units	Delisted

Source: Nigerian Exchange (NGX) Limited

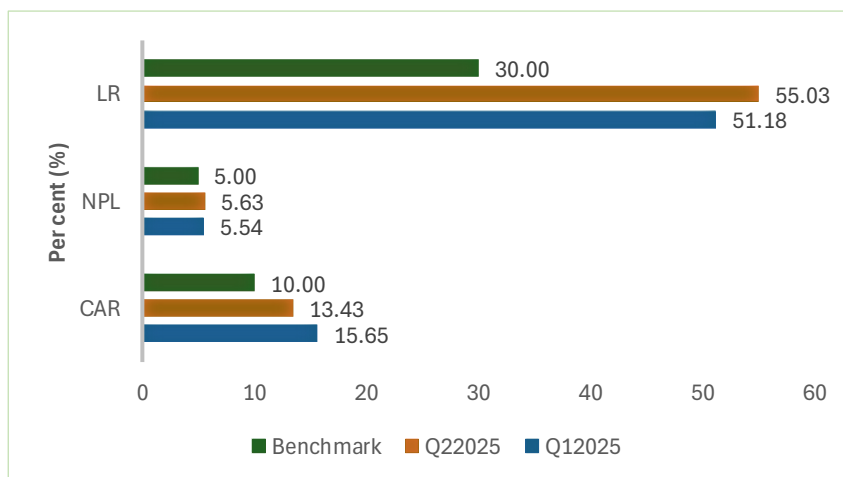
Notes: FGN = Federal Government of Nigeria; Plc = Public Limited Liability Company; N/A = Not available.

³ Federal Government of Nigeria (FGN) Savings Bond

2.3.3.3 Financial Soundness Indicators

The Nigerian banking sector remained resilient and stable as illustrated by key financial soundness indicators. Liquidity ratio (LR) stood at 55.03 per cent, significantly above the 30.00 per cent regulatory minimum, reflecting the banking sector's ability to meet maturing obligations and support credit intermediation. The industry's capital adequacy ratio (CAR) stood at 13.43 per cent and remained above the minimum threshold of 10.00 per cent, underscoring the sector's robust solvency and capacity to absorb credit and market shocks. The non-performing loans (NPLs) ratio edged up by 0.09 percentage point to 5.63 per cent, above the prudential limit of 5.00 per cent. Notwithstanding, the overall asset quality was broadly stable, reinforcing the resilience and robustness of the financial system.

Figure 38: Key Financial Soundness Indicators



Source: Central Bank of Nigeria

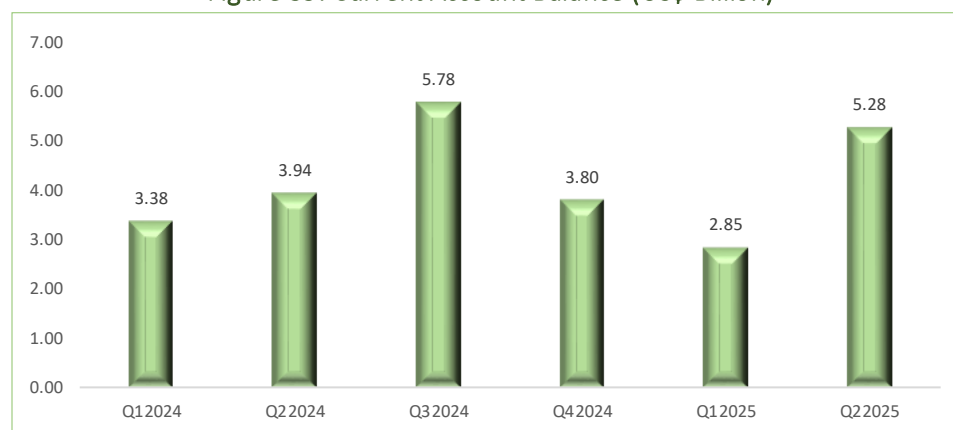
2.4 External Sector Developments

The performance of the external sector in Q22025 was influenced by the US tariffs policy which heightened global uncertainty and fuelled volatility in commodity prices. Despite these headwinds, deficit in the overall balance of payments reduced significantly, relative to the level in the preceding quarter. In the current account, the surplus balance increased, buoyed by higher trade surplus and remittances inflow. The financial account was, however, in a net borrowing position, against a net lending position in the preceding period. At US\$37.81 billion, the external reserves could cover 8.07 months of imports for goods and services or 12.25 months for goods only. At the Nigerian Foreign Exchange Market (NFEM), the average exchange rate showed relative stability at ₦1,581.06/US\$, compared with ₦1,521.56/US\$ in Q12025.

2.4.1 Current and Capital Account

The current and capital account recorded a higher surplus, as trade surplus and remittances inflow improved further. The surplus in the current and capital account rose to US\$5.28 billion (8.69% of GDP), compared with US\$2.85 billion (4.51% of GDP) in the preceding quarter. The development reflected the higher earnings from merchandise exports and increased inflow of diaspora remittances.

Figure 39: Current Account Balance (US\$ Billion)



Source: Central Bank of Nigeria

Export Performance

Earnings from merchandise exports rose in Q22025, due to higher proceeds from gas and refined petroleum products exports. Aggregate export earnings rose by 7.04 per cent to US\$14.90 billion, from US\$13.92 billion in Q12025. A breakdown showed that earnings from the export of crude oil, gas and refined petroleum products rose to US\$12.55 billion, from US\$11.52 billion, following improved export of gas and refined petroleum products. Non-oil exports, however, declined to US\$2.34 billion from US\$2.40 billion in Q12025, due largely to decline in agricultural exports, as global uncertainties weighed on commodity prices.

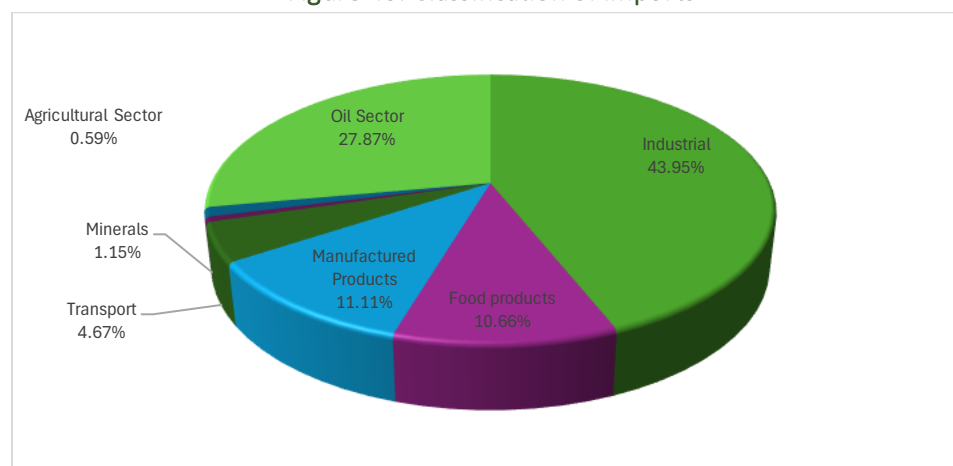
Merchandise Import

Crude oil, gas and refined petroleum products exports continued to dominate total merchandise export, accounting for 84.23 per cent of total earnings, with non-oil exports making up the balance.

Merchandise import bills moderated in the review period, due to reduction in oil and non-oil imports. Merchandise import bills fell to US\$9.26 billion, from US\$10.34 billion in Q12025. A disaggregation indicated that import of petroleum products decreased to US\$2.58 billion from US\$3.57 billion, as improvement in domestic refining capacity lowered reliance on oil import. Similarly, importation of non-oil products fell to US\$6.68 billion from US\$6.77 billion, owing largely to lower machinery and raw material imports. By share, non-oil imports constituted 72.14 per cent of total import, while oil constituted the balance.

In terms of foreign exchange utilisation, industrial sector, mainly raw materials and machinery, accounted for the largest share of merchandise imports, with 43.95 per cent. This was followed by the oil sector (27.87%) manufactured products (11.11%), food products (10.66%), transport (4.67%), minerals (1.15%), and agricultural products (0.59%).

Figure 40: Classification of Imports



Source: Central Bank of Nigeria

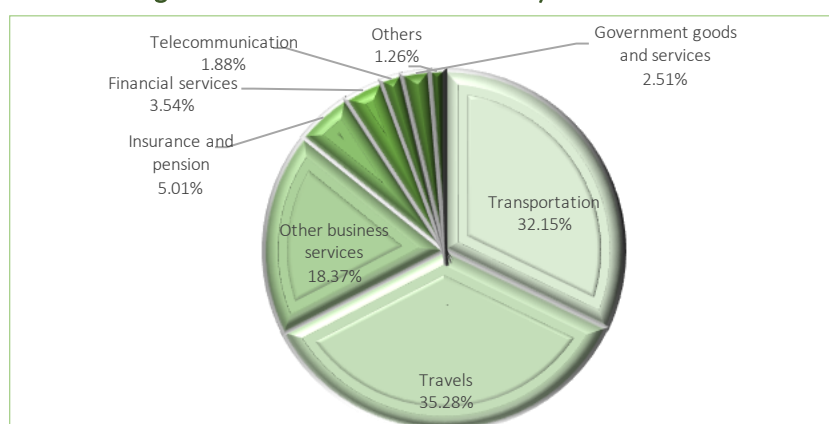
Services

In the services account, the deficit balance worsened, following increased out-payments for travels. The deficit expanded slightly to US\$3.71 billion, from US\$3.70 billion in the preceding quarter. Total payments for services increased by 3.01 per cent to US\$4.79 billion, driven by rise in travel demand from US\$1.27 billion to US\$1.69 billion. Payments for financial services also increased to US\$0.12 billion from US\$0.08 billion. A similar trend was observed for insurance & pension services and government goods & services where payments rose to US\$0.24 billion (5.01%), and US\$0.17 billion (3.54%), respectively.

Payments for transport services, however, declined by 6.67 per cent to US\$1.54 billion, while those for other business and telecommunication services fell by 18.52 and 43.75 per cent to US\$0.88 billion and US\$0.09 billion, respectively.

In terms of composition, travels had the largest share of 35.28 per cent of services out-payments. This was followed by transport (32.15), other business (18.37%), and insurance & pension services (5.01). Telecommunications services contributed 1.88 per cent, while financial and government services accounted for 3.54 and 2.51 per cent, respectively. The other categories of services accounted for the balance.

Figure 41: Share of Service Out-Payments

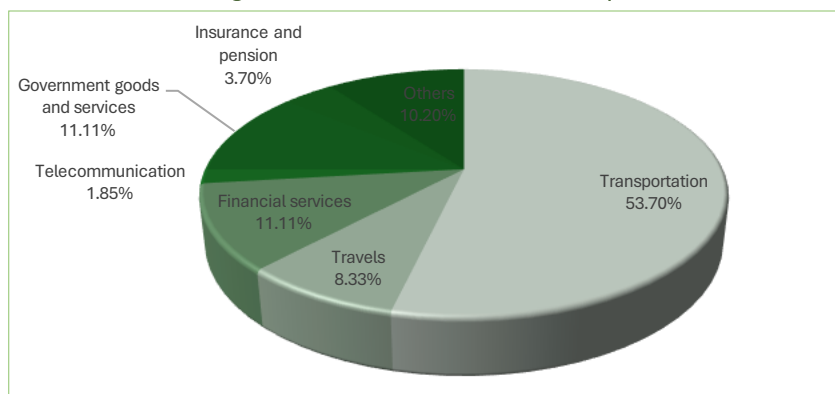


Source: Central Bank of Nigeria.

Receipts from the export of services increased by 13.68 per cent to US\$1.08 billion, reflecting increased receipts from financial and transport services. Receipts from financial services rose to US\$0.12 billion from US\$0.10 billion, while transport services increased by 5.45 per cent to US\$0.58 billion. Earnings from travels and other business services rose by 28.57 and 50 per cent, respectively to US\$0.09 billion and US\$0.03 billion. However, lower receipts were recorded for telecommunication services and government goods & services, both of which decreased by 50.00 and 7.69 per cent to US\$0.02 billion and US\$0.12 billion, respectively.

A disaggregation of services receipt indicated that transport accounted for the largest share, at 53.70 per cent, followed by financial services and government goods & services (11.11% apiece), travels (8.33%), and insurance and pension services (3.70%). Other categories of services accounted for the balance.

Figure 42: Share of Services Receipts

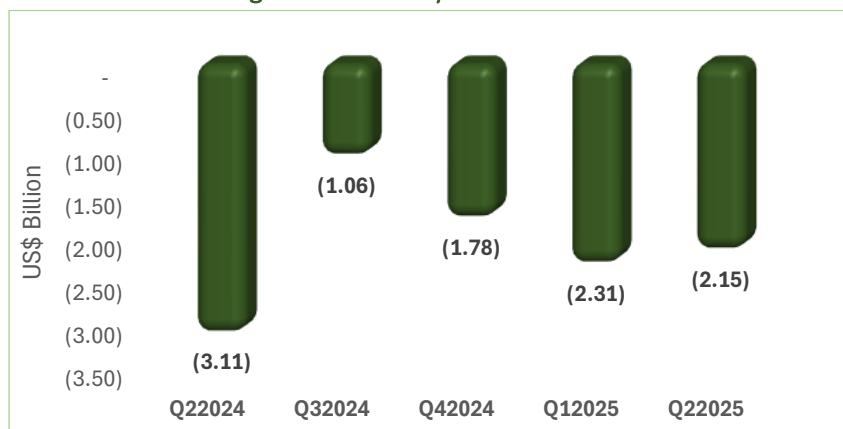


Source: Central Bank of Nigeria.

Primary Income

The primary income balance improved in Q22025, on account of lower interest payments on portfolio investments liabilities. The deficit in the primary income account narrowed to US\$2.16 billion, from US\$2.31 billion. Further analysis indicated that the deficit in the investment income sub-account narrowed to US\$2.24 billion from US\$2.37 billion in Q12025, owing to lower interest payments on portfolio investment liabilities. Surplus in the compensation of employees sub-account inched to US\$0.08 billion from US\$0.06 billion in the preceding quarter.

Figure 43: Primary Income Balance

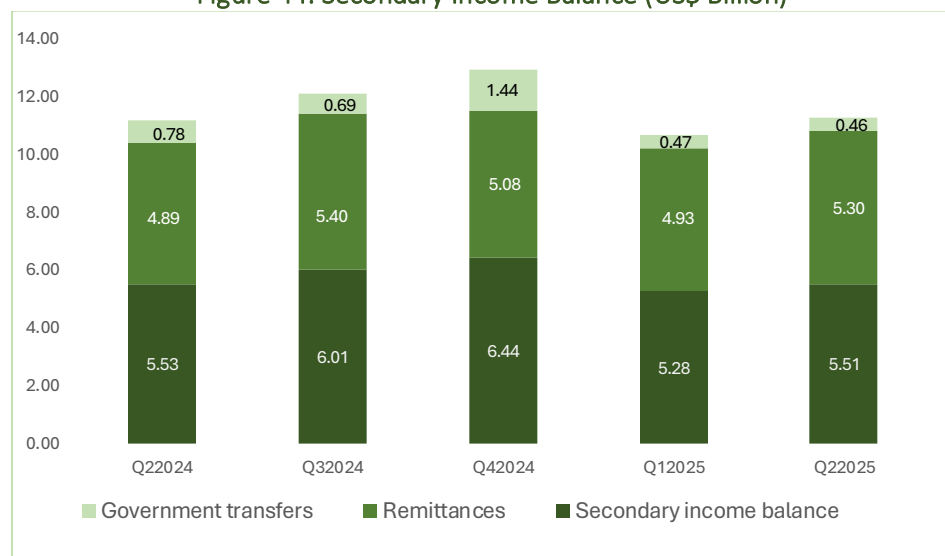


Source: Central Bank of Nigeria.

Secondary Income

A higher surplus was recorded in the secondary income account, driven by increased inflow of diaspora remittances. The surplus in the secondary income account rose by 4.31 per cent to US\$5.51 billion, compared with US\$5.29 billion in the preceding quarter. The development was driven by higher inflow of private sector transfers, particularly workers' remittances, which increased by 7.50 per cent to US\$5.30 billion. The higher inflow of remittances reflected the positive effect of the Bank's reforms aimed at bolstering non-resident transfers.

Figure 44: Secondary Income Balance (US\$ Billion)



Source: Central Bank of Nigeria.

2.4.2 Financial Account

Financial Account Developments

The financial account recorded a net borrowing position, on account of higher inflow of short-term debt securities. A net incurrence of financial liabilities of US\$3.21 billion was recorded, against to a net acquisition of financial assets of US\$8.68 billion in Q12025.

Net Incurrence of Liability

The economy recorded a net incurrence of financial liabilities of US\$5.44 billion, in contrast to a net reduction in liabilities of US\$9.26 billion in the preceding quarter. The development was driven primarily by inflow of portfolio debt securities. A disaggregation showed that portfolio investment liabilities posted a net inflow of US\$5.28 billion, against a net outflow of US\$5.03 billion in the preceding quarter. Similarly, other investment' liabilities recorded a net inflow of US\$0.07 billion, in contrast to a net outflow of US\$4.53 billion, due, largely, to placement of currency and deposit against a withdrawal in the preceding quarter. Foreign direct investment liabilities, however, fell to US\$0.09 billion, from US\$0.25 billion, attributed to higher inflow of equity and investment fund shares.

Net Acquisition of Assets

The economy recorded a net acquisition of financial assets worth US\$2.23 billion, compared to a disposal of US\$0.58 billion in the preceding quarter. The development was due to acquisition of foreign direct investment assets in the review period, against a disposal in Q12025. Direct investment assets increased to US\$0.99 billion, from a disposal of US\$0.55 billion in the preceding quarter. 'Other investment' assets recorded a lower acquisition of US\$2.16 billion, compared with US\$2.20 billion in the preceding quarter, reflecting the decline in the acquisition of loan liabilities. Portfolio investment assets, however, resulted in a disposal

worth US\$0.65 billion, in contrast to an acquisition of US\$0.48 billion in Q12025, following the disposal of listed equity securities by resident investors.

2.4.3 External Debt

External Debt

Nigeria's external debt stock at end-June 2025 stood at US\$46.98 billion, representing 19.32 per cent of Gross Domestic Product (GDP) relative to 21.52 per cent of GDP in the preceding quarter. Analysis of the composition of the external debt showed that multilateral loans - comprising obligations to institutions such as the World Bank Group, International Monetary Fund (IMF), and the African Development Bank (AfDB) Group - amounted to US\$23.19 billion, constituting 49.36 per cent of the total external debt. Commercial borrowings, (Eurobonds), accounted for US\$17.32 billion or 36.86 per cent, while bilateral loans from sovereign sources amounted to US\$6.20 billion, representing 13.21 per cent of the total.

Total external debt service obligations, as at end-March 2025 stood at US\$1.39 billion. A breakdown showed that principal repayments was US\$0.76 billion or 54.67 per cent of total debt service obligations, interest payments constituted 45.32 per cent (US\$0.63 billion), while other associated charges accounted for the balance. A further disaggregation of interest payments indicated that commercial debt instruments were the major source of debt service payments, with interest payments on Eurobonds amounting to US\$0.43 billion (68.25%), followed by multilateral creditor, which stood at US\$0.14 billion (22.22%). Interest payments on bilateral debt obligations accounted for the balance.

2.4.4 International Investment Position (IIP)

International Investment Position

The international investment position, at US\$61.43 billion, was a higher net financial liability. The stock of financial assets rose to US\$119.00 billion, from US\$117.52 billion in the preceding quarter, driven primarily by an increase in other investment assets. 'Other investment' assets increased to US\$58.51 billion from US\$56.37 billion in the preceding quarter. The stock of direct and portfolio investment assets decreased by 0.11 and 13.43 per cent to US\$18.30 billion and US\$4.19 billion, respectively, relative to the levels in the preceding quarter. Similarly, reserve assets fell to US\$37.81 billion from US\$37.82 billion in Q12025.

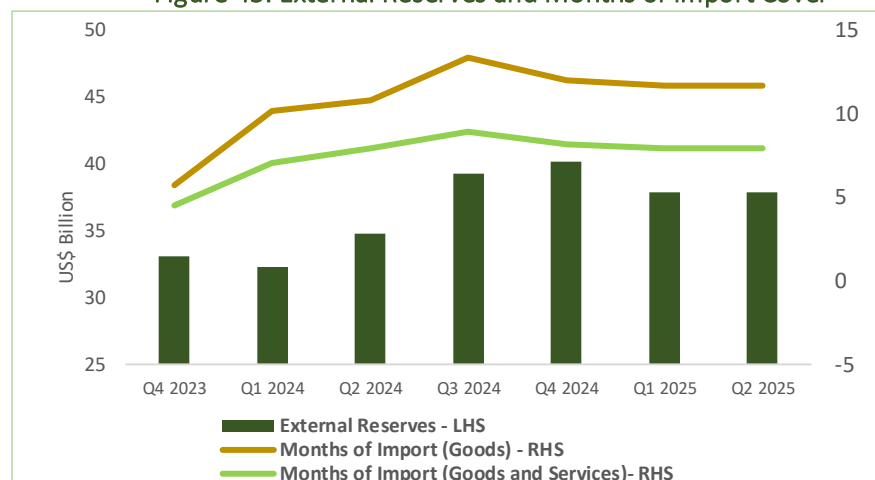
The stock of financial liabilities increased to US\$180.43 billion, from US\$176.34 billion due, mainly to a 15.79 per cent increase in portfolio investment liabilities to US\$40.62 billion. Other investment liabilities increased to US\$70.02 billion from US\$68.94 billion in the preceding quarter. Direct investment liabilities, however, decreased to US\$69.64 billion from US\$72.18 billion in Q12025.

2.4.5 External Reserves

International Reserves

The external reserves remained robust, steadily above the 3-month benchmark of import cover. The external reserves stood at US\$37.81 billion at end-June 2025, compared with US\$37.82 billion at end-March 2025. The reserves could cover 8.07 months of imports for goods and services or 12.25 months for goods only.

Figure 45: External Reserves and Months of Import Cover



Source: Central Bank of Nigeria

A breakdown of the external reserves by ownership showed that the shares of the CBN and the FGN stood at US\$32.95 billion and US\$4.86 billion, respectively, while the federation accounted for the balance. In terms of currency composition, the US dollar continued to dominate reserves (US\$28.93 billion or 76.51%), followed by Special Drawing Rights (US\$4.33 billion or 11.46%), Chinese yuan (US\$3.38 billion or 8.94%), the euro (US\$0.83 billion or 2.20%), and the British pound (US\$0.33 billion or 0.88%). Other currencies accounted for the balance.

Reserves Structure & Composition

2.4.6 Foreign Exchange Flows through the Economy

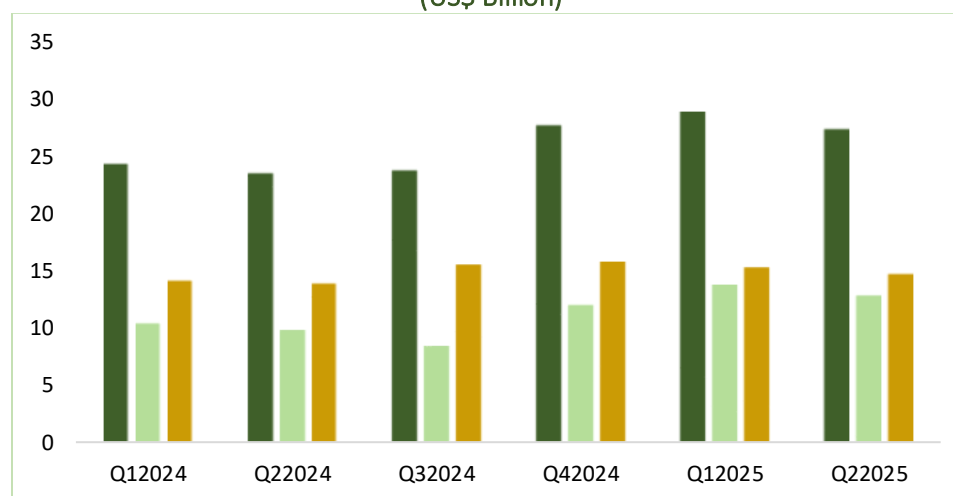
The economy recorded a decrease in net foreign exchange inflow, driven by a fall in inflow through autonomous sources. The economy recorded a lower net foreign exchange inflow of US\$14.57 billion, compared with US\$15.20 billion in the preceding quarter. Aggregate foreign exchange inflow decreased by 5.40 per cent to US\$27.41 billion, from US\$28.97 billion in Q12025. Foreign exchange outflow, at US\$12.83 billion, decreased by 6.81 per cent, relative to US\$13.77 billion in the preceding quarter.

Foreign exchange inflow through the Bank increased by 20.38 per cent to US\$10.02 billion, from US\$8.32 billion, while autonomous inflow fell by 15.79 per cent to US\$17.39 billion, from US\$20.65 billion in the preceding quarter.

Outflow through the Bank and autonomous sources decreased by 6.99 and 6.93 per cent to US\$9.82 billion and US\$3.01 billion, respectively, from US\$10.54 billion and US\$3.23 billion in the preceding quarter.

Consequently, the autonomous sources recorded a net inflow of US\$14.38 billion, from US\$17.41 billion in the preceding quarter. A net inflow of US\$195.65 million was recorded through the Bank, compared with a net outflow of US\$2.21 billion in Q12025.

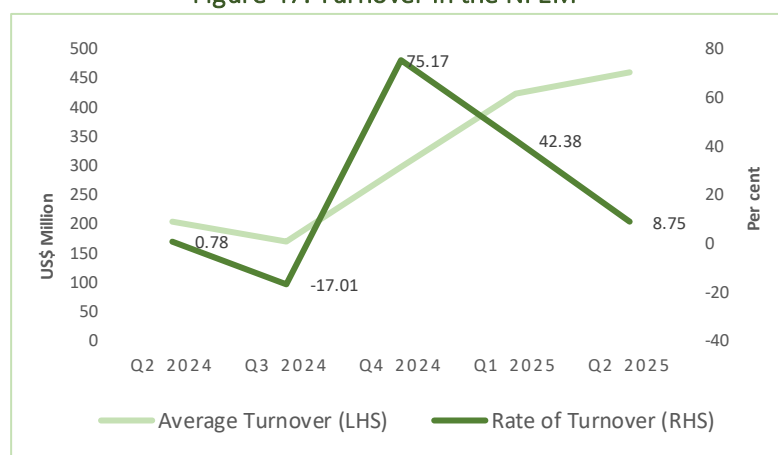
Figure 46: Foreign Exchange Transactions through the Economy (US\$ Billion)



Source: Central Bank of Nigeria

The average turnover at the Nigerian Foreign Exchange Market (NFEM) increased by 8.75 per cent to US\$459.04 million, compared with US\$422.09 million in Q12025, reflecting increased trading activities in the market, as the foreign exchange market reforms continued to boost confidence in the market.

Figure 47: Turnover in the NFEM



Source: Central Bank of Nigeria.

2.4.7 Exchange Rate Movement

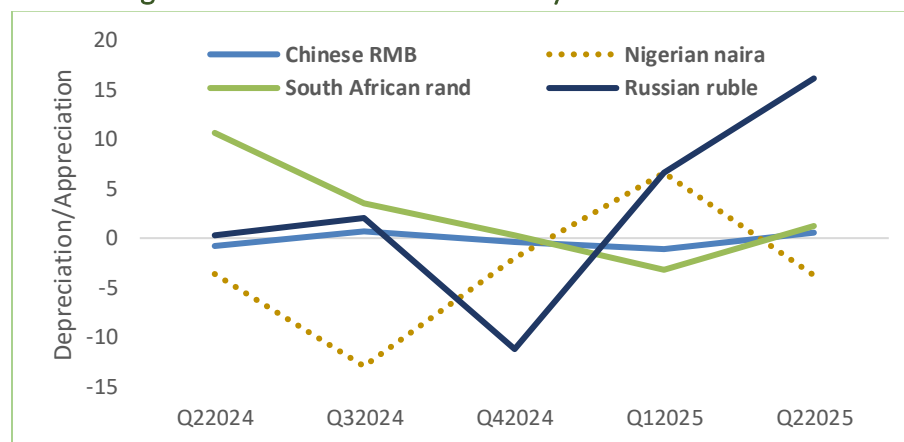
Average Exchange Rate

The average exchange rate of the naira per US dollar at the NFEM was ₦1,581.06/US\$, compared with ₦1,521.56/US\$ in Q12025. This represented a 3.76 per cent depreciation in the value of the naira during the review period.

Emerging Market Currencies

In Q22025, the Russian ruble and South African rand appreciated by 16.13 and 1.10 per cent, respectively. The Chinese renminbi also strengthened by 0.49 per cent, relative to the preceding quarter. Appreciation in the ruble was due, mainly, to tight capital controls and attractive yields. Improved trade surplus supported the rand's appreciation, while the renminbi benefited from increased exports.

Figure 48: Selected EMEs Currency Values to the US dollar



Sources: Central Bank of Nigeria & Reuters

Table 13: Selected EMEs Currency Rates to the US dollar

Period	Chinese RMB/US\$	Nigerian naira/US\$	South African rand/US\$	Russian ruble/US\$
Q22024	7.21	1,384.12	18.57	90.78
Q12025	7.27	1,521.56	18.50	94.03
Q22025	7.23	1,581.06	18.29	80.97

Sources: Central Bank of Nigeria & Reuters

3.0 ECONOMIC OUTLOOK

3.1 Global Outlook

The global economy is expected to slow in 2025 due to trade-related distortions.

Growth is projected at 3.00 per cent in 2025, compared with 3.30 per cent in 2024, reflecting the front-loading of tariffs and weaker US dollar. In AEs growth could slow to 1.50 per cent from 1.80 per cent, predicated on tariff-related uncertainties and cooling domestic demand in the US, as well as currency appreciation, offsetting gains from easing financial conditions in other AEs. Similarly, growth in EMDEs is expected to slow to 4.10 per cent in 2025 from 4.30 per cent in 2024, driven by trade-related distortions in China, India, Russia, Brazil and Mexico.

Global price pressures are anticipated to ease further, as demand cools, energy prices ease, and supply chains continue to normalise. Thus, inflation is projected to fall to 4.20 per cent in 2025, from 5.80 per cent in 2024.

3.2 Domestic Outlook

The domestic economy is expected to remain robust and resilient in the medium term. The outlook is predicated on the continued implementation of fiscal and structural reforms in the oil sector and foreign exchange market. The reforms are expected to bolster macroeconomic stability, improve investor confidence, and support domestic production. Improved security in oil-producing regions is expected to sustain higher crude oil output, while foreign exchange reforms are projected to continue to attract capital, further strengthening Nigeria's external position. Nevertheless, downside risks to the outlook include heightened security concerns, increased demand pressures in the foreign exchange market, and rising production costs, which could weigh on overall growth.

Nigeria's inflation is expected to moderate further in Q32025. The decline is predicated on the lagged effect of the Bank's contractionary policy stance, sustained FX market stability, base effects, and enhanced security in key agricultural regions. However, several factors such as expansionary money supply, higher PMS and electricity prices, import tariffs, and worsening insecurity in food-producing areas could pose risks to the outlook.