MONETARY POLICY COMMUNIQUE NO.165

Central Bank of Nigeria

Date: Tuesday, 24th November 2026

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Attention: News Editors/Gentlemen of the Press

MONETARY POLICY RATE RETAINED AT 23.00 PER CENT

The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) held its 308th meeting on November 23 and 24, 2026. The Committee reviewed prevailing global and domestic economic developments, identified key risks to the outlook, and evaluated their implications for price stability.

Ten (10) members of the Committee were in attendance.

Decisions of the MPC

The Committee decided as follows:

1. Retain the Monetary Policy Rate at 23.0 per cent.

2. Retain the Standing Facilities Corridor at +50/-300 basis points around the MPR.

3. Retain the Cash Reserve Requirement (CRR) for Deposit Money Banks at 45.00 per cent, Merchant Banks at 16.00 per cent, and non-TSA public sector deposits at 75.00 per cent.

The Committee noted the moderation in headline inflation for five consecutive months, reflecting the impact of sustained exchange rate stability and improved monetary policy transmission. However, given the prevailing headwinds which have slowed the pace of moderation in price pressures, Members were of the view that maintaining the current policy stance would further anchor inflation expectations and support the disinflation process.

Considerations

In reaching its decision, the Committee acknowledged the continued decline in headline inflation but remained mindful of lingering upside risks, particularly those arising from the ongoing Middle East conflict, which could sustain pressure on energy prices. In addition, the MPC observed that the anticipated increase in spending from the end-of-year festive season and election-related activities could impact aggregate demand with likely upward pressure on prices.

Nevertheless, the Committee judged that maintaining the current policy stance is appropriate to safeguard the gains of disinflation so far achieved, while remaining data-dependent and vigilant in taking further appropriate measures. In addition, the Committee expressed confidence that the continued exchange rate stability, and improved food supply associated with the harvest season, would further strengthen the disinflationary process.

The MPC welcomed the Memorandum of Understanding between the Central Bank of Nigeria and the Nigerian National Petroleum Company Limited, aimed at enhancing foreign exchange inflows, supporting energy project financing and improving macroeconomic stability. Members noted that its effective implementation would strengthen foreign exchange market liquidity, support further accretion to external reserves and enhance investor confidence in the Nigerian economy.

The MPC also acknowledged the robust external reserve position and improved remittance inflows, which are expected to further enhance the capacity of the economy to withstand external shocks.

The Committee noted the continued resilience of the banking system, underpinned by adequate capital buffers and improved risk management practices. Members thus encouraged the Bank to remain vigilant in its regulatory surveillance of the banking system.

Price and Other Domestic Developments

Headline inflation (year-on-year) declined further to 14.06 per cent in October 2026 from 14.63 per cent in September, driven by both food and core components.

Core inflation eased further to 10.78 per cent in October 2026, from 12.95 per cent in September, driven mainly by housing, education services, and insurance & financial services. This reflects the impact of the restrictive monetary policy stance and sustained stability in the foreign exchange market. Similarly, food inflation declined to 19.13 per cent from 19.59 per cent, as prices of processed food and farm produce moderated, following the commencement of the harvest season.

The composite Purchasing Managers' Index (PMI) sustained its expansion to 53.2 index points in October 2026, from 53.0 index points in September, driven by improved activity in the industrial, agricultural and services sectors.

Gross external reserves stood at US$54.02 billion as of November 17, 2026, sufficient to cover 10.26 months of import for goods and services.

Global Developments

Global growth is projected to moderate in 2026, before regaining momentum in 2027. The slowdown reflects the combined effects of elevated energy prices, persistent trade policy uncertainty, and diminishing fiscal space. Nonetheless, robust investment in artificial intelligence and other technology-related sectors, alongside its broad-based adoption, is expected to partly offset the impact of these headwinds.

Global price pressures continue to intensify in 2026 but are expected to ease progressively in 2027. Risks to the outlook, however, remain tilted to the upside, arising from persistent energy and supply chain disruptions, vulnerability to cyber attack, elevated commodity and freight costs as well as increasing global trade fragmentation.

Outlook

The outlook for the domestic economy remains positive for the rest of 2026 and into 2027, supported by improved crude oil production and sustained expansion in agriculture, services

and industrial activity. The continued expansion of the Composite Purchasing Managers' Index in October 2026 further signals positive growth momentum.

Disinflation is also expected to be sustained over the short-to-medium term, on the back of the restrictive stance of monetary policy, continued stability in the foreign exchange market, and improved food supply. Nevertheless, key risks to inflation outlook remain the continued disruption to global energy supplies and adverse weather conditions.

Overall, the Committee remained optimistic about the outlook for the domestic economy, supported by resilient output growth, moderating inflationary pressures, stronger external buffers, and continued soundness of the financial system. The MPC reaffirmed its commitment to closely monitor domestic and external developments and ensure that future policy decisions remain data-driven and consistent with the objective of maintaining price stability.

The next meeting of the Committee is scheduled for Monday, 22nd and Tuesday, 23rd February 2027.

Thank you.

Olayemi Cardoso

Governor,
Central Bank of Nigeria
November 24, 2026.