CENTRAL BANK OF NIGERIA ECONOMIC REPORT

February 2026

ABOUT THE REPORT

The Central Bank of Nigeria (CBN) Economic Report presents economic developments in Nigeria, for dissemination to the public. The Report provides insights on current developments in the real, fiscal, financial, and external sectors of the Nigerian economy, as well as, on global issues 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 download of the Report, including current and past issues are available 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.

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SUMMARY

Global economic activity strengthened further in February 2026, supported by sustained expansion across the manufacturing and services sectors in both advanced economies (AEs) and emerging markets and developing economies (EMDEs). The global composite Purchasing Managers' Index (PMI) increased to 53.30 in February, from 52.50 in the preceding month, reflecting robust growth in output and new orders. Inflation pathways across both economic blocs were broadly mixed, with food and energy dictating price dynamics. At the global financial market, equities recorded positive returns, with non-US stocks outperforming US equities, underscored by a shift in risk sentiment.

Domestic economic activity also increased in February, owing to improved macroeconomic conditions and business sentiments. The composite PMI rose to 56.40, from 55.70 in January, indicating a faster pace of expansion. The growth underpinned sentiments of rising consumer confidence. The disinflationary trend in the economy persisted in February, as the prevailing policy posture and stability in the foreign exchange market, continued to ease price pressures. Headline inflation (year on year) slowed to 15.06 per cent from 15.10 per cent.

On the fiscal side, provisional data indicated improved revenue performance, largely on account of higher non-oil receipts, which reflected early gains from the 2025 tax reforms. Monetary conditions eased in February, following the relaxation of the policy rate amid cooling inflation, with money supply (M3) declining for the second consecutive month. The Bank's liquidity management resulted in a net withdrawal; however, banking system liquidity rose, contributing to lower interbank rates. Overall, the banking sector remained stable and resilient, with key prudential indicators within regulatory limits. The narrative of a broadly positive macroeconomic outcome in February was buttressed by the bullish momentum in the capital market, aided by improved fundamentals, investor confidence, and corporate earnings.

Despite heightened geopolitical risks and trade tensions, the external sector recorded a higher trade surplus and capital inflows, due largely to lower import bills and increased capital transfers. Foreign reserves rose to US$50.12 billion from US$48.88 billion in January and could finance up to 9.61 months of imports of goods and services, well above the international benchmark of three months. At the foreign exchange market, the naira strengthened, averaging ₦1,355.34/US$, compared with ₦1,386.55/US$ in January.

1.0 GLOBAL ECONOMIC DEVELOPMENTS

Summary

Global economic activity intensified in February 2026, underpinned by sustained expansion in the manufacturing and services sectors across both advanced economies (AEs) and emerging markets and developing economies (EMDEs). The development reflected broad-based improvement in output and new orders. Global inflation dynamics remained uneven across regions, with food and energy prices increasing price pressures. The global equity markets recorded gains, with non-US stocks outperforming US equities amid a rotation away from large-capitalisation technology stocks, signalling a shift in global investor sentiment.

1.1 Global Economic Activity

Global Economic Activity

Global economic conditions further strengthened in the review period, underpinned by continued expansion in the manufacturing and services sectors. The global composite Purchasing Managers' Index (PMI) increased further to 53.30 in February 2026, from 52.50 in the preceding month, signalling a strong momentum in global economic activity. The improvement was driven by robust growth in output and new orders, reflecting increased activity across the manufacturing and services sectors.

Manufacturing activity improved notably, with the sector's PMI rising to 53.10 from 51.80. The expansion was supported by higher employment levels and stronger business optimism, indicating firmer demand conditions and improving production outlook. Similarly, the services sector PMI advanced to 53.40, from 52.70 in January, owing to continued expansion in financial services, growth in new orders, and improved business sentiment.

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

	Dec-25	Jan-26	Feb-26
Composite	52.00	52.50	53.30
Manufacturing	50.90	51.80	53.10
Services (Business Activity)	52.40	52.70	53.40

Source: *J.P. Morgan*

Note: Index above 50 indicates expansion

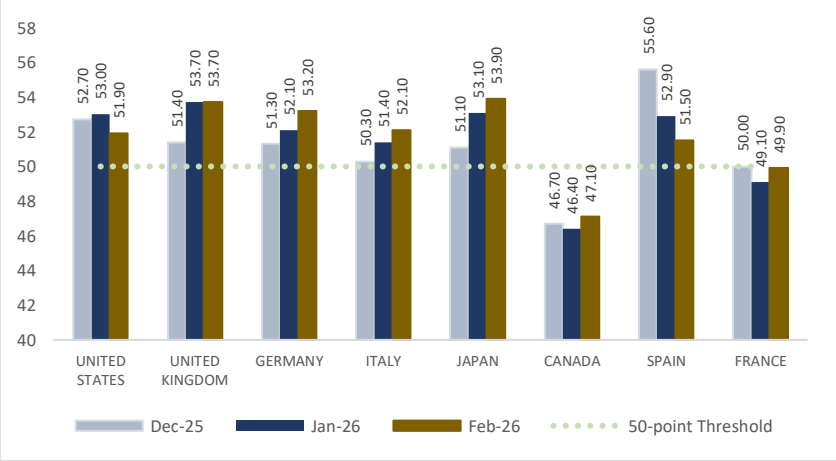
Economic Activity in AEs

Economic activity strengthened across most advanced economies (AEs), supported by continued expansion in both the manufacturing and services sectors. In the euro area, PMIs in Germany and Italy rose to 53.20 and 52.10, respectively, from 52.10 and 51.40 in January, driven by increased demand and higher new orders. Similarly, Japan's PMI increased to 53.90 from 53.10 in the preceding month, reflecting gains in output, new orders, and employment. In the UK, the PMI was unchanged at 53.70, buoyed by stronger private-sector and manufacturing activity, partly offset by declining employment and elevated input costs.

By contrast, economic momentum moderated in a few AEs. In the US and Spain, PMIs declined to 51.90 and 51.50, respectively, from 53.00 and 52.90 in January. The moderation reflected weaker new orders, slower services sector activity, and higher input costs. Additionally, subdued export demand in the US and a contraction in manufacturing output in Spain weighed on overall business conditions.

Business activity in France and Canada remained below the expansion threshold, with PMIs at 49.90 and 47.10, respectively. Nonetheless, both economies recorded improvements relative to January levels of 49.10 and 46.40, reflecting a moderation in the pace of contraction in the services sector, expansion in manufacturing output, and easing input cost pressures.

Figure 1: PMIs of Selected Advanced Economies



Source: Trading Economics/Various Country Websites

Economic Activity in EMDEs

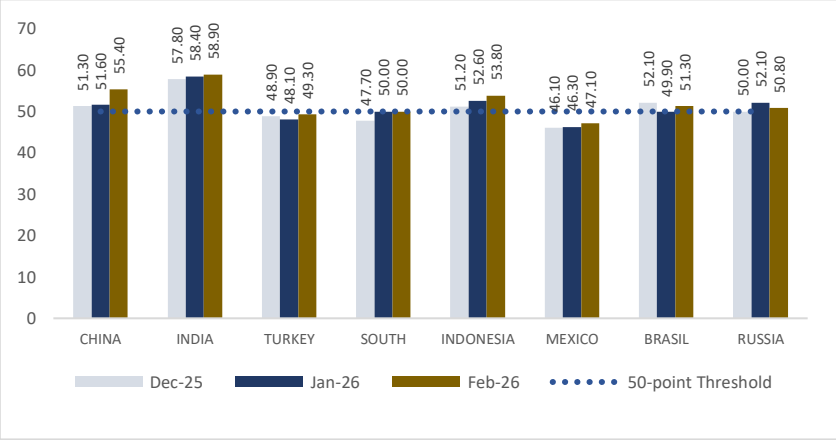
Economic activity strengthened across several emerging markets in February 2026, reflecting improvements in demand and output. India and China recorded further expansion, as their PMI rose to 58.90 and 55.40, respectively, from 58.40 and 51.60 in January. The expansion was driven by increased new orders and rising output across sectors. In China, stronger export demand furthered business activity, while in India, acceleration was supported by faster job creation, and robust gains in manufacturing output and sales. Similarly, Indonesia's PMI rose to 53.80 from 52.60, underpinned by increased domestic demand, new orders, output & employment, and a gradual recovery in export activity.

In Latin America and Africa, performance was mixed. Brazil's PMI rebounded into the expansionary territory at 51.30, from a contractionary 49.90 in January, supported by higher business activity and employment in the services sector. In contrast, South Africa's PMI remained unchanged at 50.00, as modest improvements in employment were offset by weak new orders, resulting in stagnant overall business conditions.

Economic momentum softened in parts of Eastern Europe. Russia's PMI moderated to 50.80 from 52.10 in the preceding month, reflecting slower activity in the services sector, contraction in manufacturing output, weaker new orders, and declining employment.

In Turkey and Mexico, economic activity remained constrained, as PMI stood below the expansion threshold at 49.30 and 47.10, respectively, though improved relative to 48.10 and 46.30 in the preceding month. The marginal improvement reflected a slower pace of decline in new orders, output, and employment, and stabilisation in purchasing activity in both economies.

Figure 2: PMIs in Selected Emerging Markets and Developing Economies



Source: *Trading Economics/Various Country Websites*

Note: PMI for Turkey, Indonesia and Mexico was based on Manufacturing PMI

1.2 Global Inflation

Inflation pathways were mixed in the review period, with price pressures generally easing in AEs, but rising in EMDEs, with energy and food prices driving price dynamics. In several advanced economies, inflation moderated mainly on account of lower food and energy prices. In Canada and Germany, headline inflation decelerated to 1.80 and 1.90 per cent, respectively, from 2.30 and 2.10 per cent in the preceding month. Disinflation in Canada was further supported by softer price increases in recreation and education, household items, and shelter. Japan's inflation also eased to 1.30 per cent from 1.50 per cent, underlined by moderation in energy and food prices.

Inflation was, however, unchanged in the US and the UK, at 2.40 and 3.00 per cent, respectively. In both economies, higher energy prices were largely offset by declines in the prices of used vehicle and food, and shelter costs. In the UK, upward pressures from clothing, housing, and utility costs were offset by lower transport, food, and services prices.

In parts of the euro area, price pressures accelerated. Inflation in France and Italy rose to 0.90 and 1.50 per cent, respectively, from 0.30 and 1.00 per cent in January. The uptick reflected higher food, tobacco, and transportation prices, in addition to rising energy prices in France and increased cost of recreational services in Italy.

Table 3: Inflation in Selected Economies

Country	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Change	Remark
	(A)	(B)	(C)	(D)	(E)	(E-D)	
Advanced Economies (AEs)							
US	N/A	2.7	2.7	2.4	2.4	0.0	Unchanged
UK	3.6	3.2	3.4	3.0	3.0	0.0	Unchanged
Germany	2.3	2.3	1.8	2.1	1.9	-0.2	Decelerated
Italy	1.2	1.1	1.2	1.0	1.5	0.5	Accelerated
Japan	3	2.9	2.1	1.5	1.3	-0.2	Decelerated
Canada	2.2	2.2	2.4	2.3	1.8	-0.5	Decelerated
France	0.9	0.9	0.8	0.3	0.9	0.6	Accelerated
Emerging Markets and Developing Economies (EMDEs)							
China	0.2	0.7	0.8	0.2	1.3	1.1	Accelerated
India	0.3	0.7	1.3	2.7	3.2	0.5	Accelerated
Turkey	32.9	31.1	30.9	30.7	31.5	0.9	Accelerated
South Africa	3.6	3.5	3.6	3.5	3.0	-0.5	Decelerated
Indonesia	2.9	2.7	2.9	3.6	4.8	1.2	Accelerated
Mexico	3.6	3.8	3.7	3.8	4.0	0.2	Accelerated
Brazil	4.7	4.5	4.3	4.4	3.8	-0.6	Decelerated
Russia	7.7	6.6	5.6	6.0	5.9	-0.1	Decelerated

Source: Trading Economics

Inflation pressures intensified across many EMDEs in February 2026, driven largely by rising food prices. In China and India, inflation rose to 1.30 per cent and 3.21 per cent, respectively, from 0.20 and 2.74 per cent in January. Seasonal demand pressures associated with the Chinese New Year drove the uptick in China, while elevated services costs underlined price pressures in India. Similarly, inflation accelerated in Indonesia and Mexico, rising to 4.76 and 4.02 per cent, respectively, from 3.55 and 3.79 per cent in January. Discontinuation of electricity subsidies and higher housing costs fanned price pressures in Indonesia, while elevated services costs contributed to inflation in Mexico. Inflation also edged up in Turkey to 31.53 from 30.65 per cent, owing to higher prices of food, alcoholic beverages and tobacco, and healthcare services.

Price pressures, however, moderated in some EMDEs. In South Africa and Brazil, inflation declined to 3.00 and 3.81 per cent, respectively, from 3.50 and 4.44 per cent in January. The decline in South Africa was driven by lower transport and food prices, and easing food and housing costs in Brazil. Similarly, inflation slowed in Russia to 5.90 per cent from 6.00 per cent, supported by disinflation in food and non-food items.

1.3 Global Financial Market Developments

Global equity markets recorded positive returns in February, with non-US equities edging US markets, as investors increasingly rotated away from large-cap technology stocks. In AEs, European equities recorded notable gains, with the Euro Stoxx 50 and German DAX rising by 3.20 and 5.59 per cent, respectively. These developments reflected improving regional economic prospects and sustained portfolio rebalancing away from US equities. In the UK, the FTSE 100 advanced by 6.72 per cent, supported by broad-based gains across healthcare, basic materials, utilities, and telecommunications stocks.

Equity markets in Japan recorded strong performance, as the Nikkei and TOPIX indices surged by 10.37 and 10.44 per cent, respectively. The rally was driven by heightened investor confidence following the landslide victory of the Liberal Democratic Party in the House of Representatives election, which strengthened expectations for political stability and the continuation of pro-growth policies. In contrast, US equities weakened during the review period, with the S&P 500 and NASDAQ declining by 0.87 and 2.32 per cent, respectively. The downturn mainly reflected investor concerns about the profitability and sustainability of heavy capital spending on AI-related investments.

Equity markets in most EMDEs also delivered positive returns. In South Africa, the JSE All Share Index (JALSH) gained 7.01 per cent, underpinned by rising gold prices. Similarly, the Mexican MEXBOL and Brazilian BOVESPA rose by 5.63 and 4.09 per cent, respectively, supported by higher commodity prices and improving domestic sentiment. In China, the Shenzhen index advanced by 2.98 per cent, driven by a stronger yuan and continued fiscal support. BSE Sensex in India, however, declined by 1.19 per cent, weighed down by sell-offs in IT services stocks amid concerns over margin pressures on AI stocks and announcements of higher government borrowing, which dampened investor sentiment.

Table 2: Stock Indices in Selected Economies

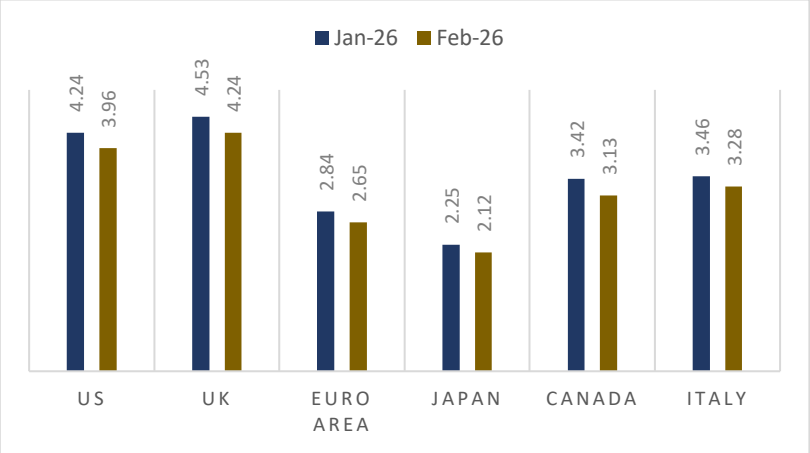
Indices	End-Jan 2025	End-Feb 2026	Changes (%)
US S&P 500	6,939.03	6,878.88	-0.87
US Nasdaq-100	25,552.39	24,960.04	-2.32
UK FTSE-100	10,223.54	10,910.55	6.72
Euro Stoxx 50	5,947.81	6,138.41	3.2
French CAC 40	8,126.53	8,580.75	5.59
German DAX	24,538.81	25,284.26	3.04
Italian FTSE MIB	45,527.42	47,209.89	3.7
Japanese TOPIX	3,566.32	3,938.68	10.44
Japanese Nikkei	53,322.85	58,850.27	10.37
South African JALSH	120,045.73	128,455.68	7.01
Indian BSE Sansex	82,269.78	81,287.19	-1.19
Mexican MEXBOL	67,598.95	71,405.77	5.63
Egyptian EGX30	47,785.93	49,212.83	2.99
Brazilian BOVESPA	181,363.90	188,786.98	4.09
Chinese Shenzhen	2683.73	2763.59	2.98

Source: Reuters

Sovereign bond yields declined across AEs in February, largely reflecting shifting expectations about the future path of monetary policy amid easing inflationary pressures. In the US, the 10-year Treasury yield fell by 28 basis points to 3.96 per cent, driven by increased anticipation of Federal Reserve rate cuts, softer labour-market indicators, and a broad risk-off sentiment. Japan recorded a similar decline, with the 10-year government bond yield easing to 2.12 per cent from 2.25 per cent in January, supported by softer-than-expected inflation and expectations of tighter fiscal conditions.

In the UK, gilt yields declined to 4.24 per cent from 4.53 per cent, reflecting expectations of near-term monetary easing and heightened demand for safe-haven assets. Yields also trended lower across the euro area, as the European Central Bank maintained its policy stance amid multi-year low inflation. Canadian government bond yields also eased, driven by moderating inflation expectations.

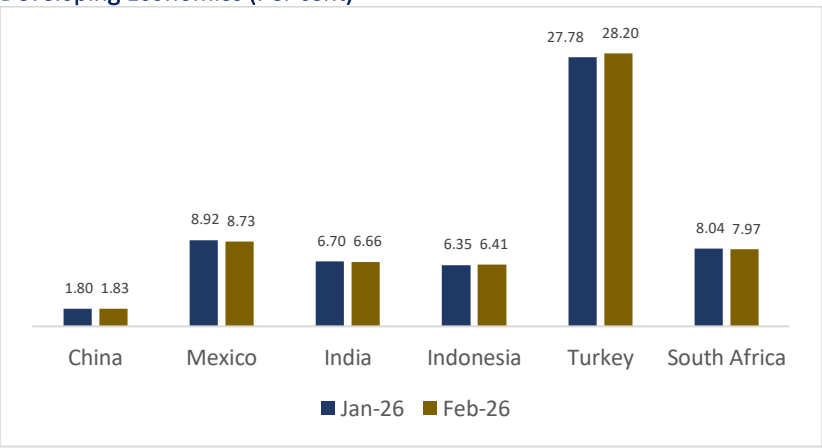
Figure 4: 10-Year Government Bond Yields in AEs (per cent)



Source: Reuters

Trends in sovereign bond yields EMDEs were mixed, reflecting country-specific macroeconomic conditions and outlooks. In India, the 10-year bond yield declined to 6.66 per cent from 6.70 per cent in January, supported by strong demand for state government debt securities. Similarly, yields in South Africa eased to 7.97 per cent from 8.04 per cent, amid improving fiscal prospects and expectations of potential credit rating upgrades, as public debt stabilised. Conversely, yields in China and Indonesia increased to 1.83 and 6.41 per cent, respectively, as investors remained cautious ahead of the Chinese New Year. In Turkey, sovereign yields rose to 28.20 per cent, reflecting persistently high inflation and continued currency volatility.

Figure 5: 10-Year Government Bond Yields for Emerging Markets and Developing Economies (Per cent)



Source: Reuters

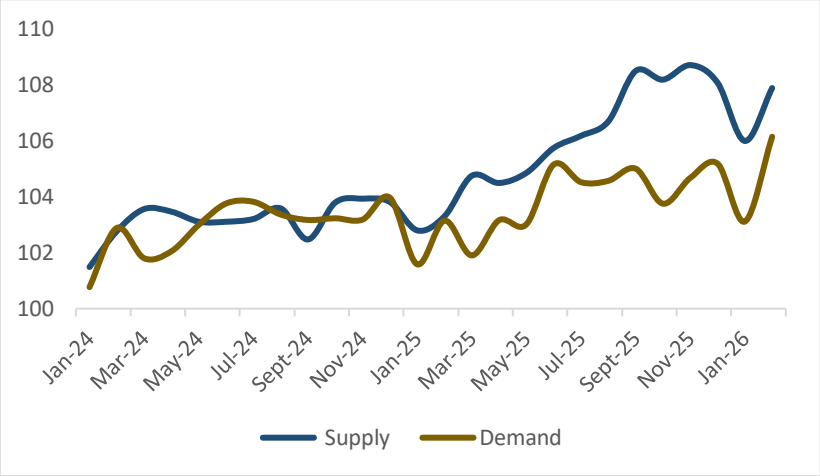
1.4 Global Commodity Market

Global crude oil supply and demand expanded in February, amid increased global economic activity and higher production. Total global crude oil supply, including natural gas liquids (NGLs), increased by 1.78 per cent to 107.88 million barrels per day (mbpd), from 105.99 mbpd in January. The increase was driven by higher output from both OPEC and non-OPEC producers. OPEC production rose by 1.97 per cent to 35.16 mbpd from 34.48 mbpd, following increased output in Algeria, Congo (Brazzaville), Iran, Kuwait, Saudi Arabia, the UAE, and Venezuela. Similarly, non-OPEC supply grew by 1.69 per cent to 72.72 mbpd, supported by higher production in Argentina, Brazil, the UK, Kazakhstan, and Angola.

Global Crude Supply and Demand

On the demand side, global crude oil consumption, including NGLs, rose by 2.94 per cent to 106.14 mbpd, from 103.11 mbpd. The increase was underpinned by stronger global economic activity, particularly in China, Japan, the UK, and Canada.

Figure 6: Global Crude Oil Supply and Demand

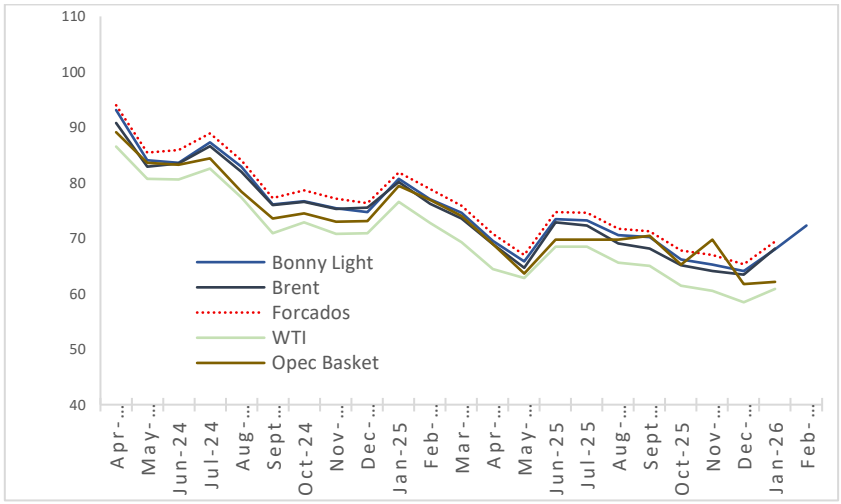


Source: Energy Information Administration

Global crude oil prices increased, relative to January, driven largely by heightened market concerns over escalating geopolitical tensions in the Middle East. The average spot price of the Bonny Light rose by 6.29 per cent to US$72.33 per barrel in February, from US$68.05 per barrel. The intensifying tensions raised fears of supply disruptions, prompting traders and investors to price in tighter oil market conditions. In tandem, other major crude benchmarks also increased during the period. Brent crude averaged US$73.34 per barrel, while Forcados crude traded at US$73.72 per barrel. West Texas Intermediate (WTI) and the OPEC Reference Basket averaged US$65.07 and US$67.90 per barrel, respectively.

Crude Oil Prices

Figure 7: Monthly Crude Oil Prices (US$ per barrel)



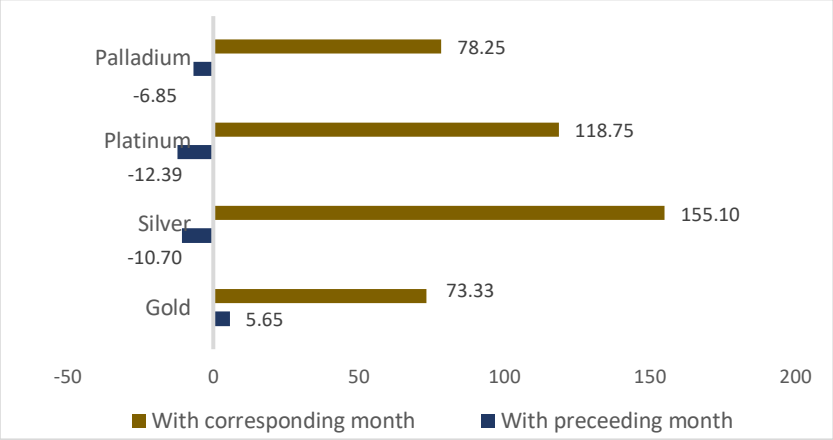
Source: Refinitiv Eikon (Reuters)

Other Mineral Commodities

The average prices of most monitored precious metals declined during the review period, with the exception of gold, reflecting divergent demand conditions across commodities. Silver and platinum prices fell by 10.70 and 12.39 per cent to US$81.99 and US$2,131.88 per ounce, respectively, from US$91.81 and US$2,431.28 per ounce in the preceding month. Palladium prices also weakened, declining by 6.85 per cent to US$1,721.72 per ounce from US$1,848.34 in January. The broad-based declines were driven largely by lower industrial demand, particularly from the automotive and electronics sectors.

In contrast, gold prices strengthened by 5.65 per cent to US$5,019.44 per ounce. The increase reflected higher safe-haven demand amid escalating geopolitical tensions and portfolio diversification by major central banks. The upward movement was further supported by declining US real yields, driven by expectations of monetary policy easing by the Fed.

Figure 8: Price Changes in Selected Metals (per cent)



Source: Refinitiv Eikon (Thomson Reuters)

Agricultural Commodity Prices

The all-commodity price index of monitored global agricultural commodities declined in February, relative to the preceding month. The all-commodity price index declined from 126.94 to 122.24 in February, largely influenced by lower prices of cocoa and coffee arising from improved supply from key producing regions and rising global inventories, amid slowing demand pressures. The prices of soya beans, rubber, palm oil, wheat, and groundnut, however, rose, due largely to seasonality in production. This is in addition to global market pressures, and elevated logistics and energy costs.

Table 3: Indices of Ave. World Prices of Nigeria's Major Agric. Exports in February 2026 (Dollar Based) (Jan. 2010=100)

Commodity	Feb. 25	Jan. 26	Feb. 26	% Change	
				(1) & (3)	(2) & (3)
	1	2	3	4	5
All Commodities	**164.3**	**126.94**	**122.21**	**-25.62**	**-3.73**
Cocoa	279.58	141.06	101.76	-63.6	-27.86
Cotton	100.87	96.23	95.68	-5.14	-0.56
Coffee	376.21	274.71	256.46	-31.83	-6.64
Wheat	131.52	124.21	128.01	-2.67	3.06
Rubber	66.02	60.68	63.42	-3.93	4.51
Groundnut	137.21	100.31	102.56	-25.25	2.24
Palm Oil	128.45	120.92	125.36	-2.41	3.68
Soya Beans	94.56	97.39	104.39	10.4	7.18

Source: World Bank Pink Sheet

2.0 DOMESTIC ECONOMIC DEVELOPMENTS

2.1 Real Sector

Summary

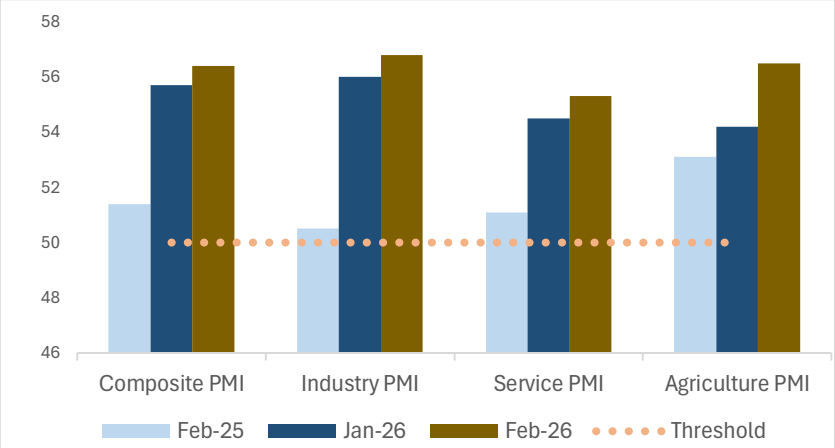
The domestic economy continued to strengthen in February 2026, supported by sustained expansion in business activity across key sectors and improving confidence. Crude oil production declined, owing to disruptions in key terminals. Inflation pressures, continued to moderate, reflecting the impact of the prevailing monetary policy stance, and continued stability in the foreign exchange market.

2.1.1 Economic Conditions

Purchasing Managers' Index

Business activity strengthened in February 2026, supported by improvements in most macroeconomic indicators and business sentiment across sectors of the economy. The Composite purchasing managers' index (PMI) climbed to 56.40, compared with 55.70 in the preceding month. The expansion was driven by sustained activity in industry, services, and agriculture, underscoring stronger business sentiment and rising consumer confidence.

Figure 9: Domestic Purchasing Managers Index



Source: Central Bank of Nigeria

Sectoral analysis showed that the industry PMI rose to 56.80 in February, compared with 56.00 in the preceding month, due to higher output, new orders, and employment. The improvements highlighted increased production activity and stronger labour engagement within the sector during the review period.

The services sector PMI also strengthened to 55.30, compared with 54.50 in January, signalling sustained expansion. The expansion was supported by increased output, new orders, employment, and inventories, underscored by improved business conditions and stronger operational activity. Similarly, the agriculture sector PMI rose

to 56.50, up from 54.20, supported by stronger crop production, favourable seasonal conditions, and increased demand for agricultural output.

Table 4: Composite, Industry, Services and Agriculture PMI

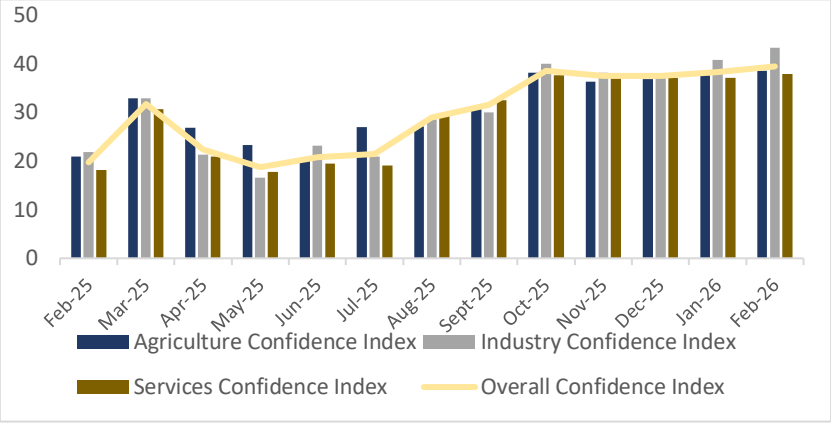
Components	Jan- 26	26-Feb
Composite PMI	**55.7**	**56.4**
Output	*56.5*	*57.6*
New Orders	*54.5*	*56.8*
Employment Level	*53.7*	*54.2*
Raw Material Inventory	*53.7*	*54.6*
Supplier Delivery Time	*60.4*	*58*
Industry Sector PMI	**56**	**56.8**
Production Level	*57.2*	*59.6*
New Orders	*55*	*56.3*
Supplier Delivery Time	*60.4*	*58*
Employment Level	*52.8*	*54.4*
Raw Material Inventory	*55.5*	*54.4*
Services Sector PMI	**54.5**	**55.3**
Business Activity	*56.5*	*56.4*
New Orders	*54.5*	*56.7*
Employment Level	*54.7*	*54.1*
Inventory	*52.5*	*54*
Agricultural Sector PMI	**54.2**	**56.5**
New Orders	*54.1*	*57.6*
Employment Level	*52.1*	*54.2*
Inventories	*54.3*	*56.3*
Output	*55.8*	*57.9*

Source: Central Bank of Nigeria

Business Confidence Index

Business confidence strengthened in the review period, on account of improving macroeconomic environment and growth outlook. The business confidence index rose to 39.40, from 38.20 in January. The index also improved in the industry and services sectors to 43.70 and 37.80, respectively, compared with 40.70 and 37.00 in the preceding month. In the agriculture sector, it advanced to 38.50 from 37.60.

Figure 10: Business Confidence Index



Source: Central Bank of Nigeria

Box 1: Prices of Monitored Domestic Agricultural Commodities

Prices of majority of the monitored domestic agricultural commodities decreased in February 2026, largely on account of improved supply conditions and easing market pressures. The price decreases ranged from 0.44 per cent for agric. egg and vegetable oil, apiece, to 14.44 per cent for beans (brown), indicating improved availability across major markets. However, the prices of rice (local), Irish potato, and yam tubers increased during the review period, driven by sustained demand pressures and supply constraints.

Domestic Prices of Selected Agricultural Commodity Prices February 2026

Food Items		Feb. 2025	Jan. 2026	Feb. 2026	% Change	%
	Unit	1/a	2/a	3/b	(1) & (3)	(2
Agric eggs medium size	*1kg*	*5976.12*	*5923.16*	*5897.06*	*-1.32*	
Beans: brown, sold loose	*"*	*2465.96*	*1262.43*	*1080.17*	*-56.20*	
Beans: white, black eye, sold loose	*"*	*2114.33*	*1209.91*	*1068.73*	*-49.45*	
Gari white, sold loose	*"*	*1277.25*	*771.98*	*743.08*	*-41.82*	
Gari yellow, sold loose	*"*	*1378.15*	*821.91*	*783.79*	*-43.13*	
Groundnut oil: 1 bottle, specify bottle	*"*	*3039.83*	*3068.07*	*2914.52*	*-4.12*	
Irish potato	*"*	*1756.41*	*1973.45*	*2122.84*	*20.86*	
Maize grain white, sold loose	*"*	*1169.32*	*784.59*	*751.07*	*-35.77*	
Onion bulb	*"*	*1372.04*	*1123.26*	*1004.14*	*-26.81*	
Palm oil: 1 bottle, specify bottle	*"*	*2384.15*	*2366.28*	*2291.94*	*-3.87*	
Rice local, sold loose	*"*	*2088.82*	*2197.01*	*2408.92*	*15.32*	
Sweet potato	*"*	*823.30*	*744.65*	*705.86*	*-14.26*	
Tomato	*"*	*1111.14*	*1024.65*	*895.63*	*-19.40*	
Vegetable oil: 1 bottle, specify bottle	*"*	*3090.51*	*3220.95*	*3206.77*	*3.76*	
Wheat flour: prepackaged (Golden Penny)	*2kg*	*3890.80*	*3641.16*	*3538.68*	*-9.05*	
Yam tuber	*1kg*	*2022.03*	*2065.76*	*2081.87*	*2.96*	

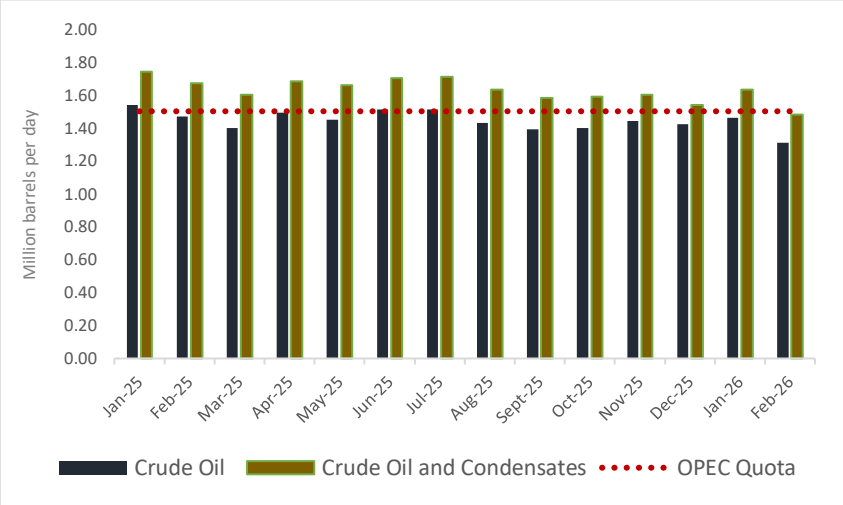
Data Sources: (a) National Bureau of Statistics (b) Staff Estimates

2.1.3 Domestic Crude Oil Production

Domestic crude oil production fell in February 2026, following scheduled maintenance at some key terminals in the Niger Delta region. Crude oil volumes, excluding condensates, fell by 10.27 per cent to 1.31 million barrels per day (mbpd) in February 2026, compared with 1.46 mbpd in the preceding month. Production levels declined across major export streams and terminals, including Bonga, Forcados, Anyala Madu (CJ Blend), Nembe, Escravos, and Tulja-Okwuibome. Nigeria's production level represented 88.0 per cent of its OPEC quota of 1.50 mbpd.

Total crude oil production, including blended and unblended condensates, also fell by 9.20 per cent to 1.48 mbpd in February 2026, compared with 1.63 mbpd in the preceding month. Blended and unblended condensates declined to 48,740 bpd and 121,519 bpd, respectively, from 51,845 bpd and 116,373 bpd in January 2026.

Figure 11: Nigeria's Crude Oil Production and OPEC Quota



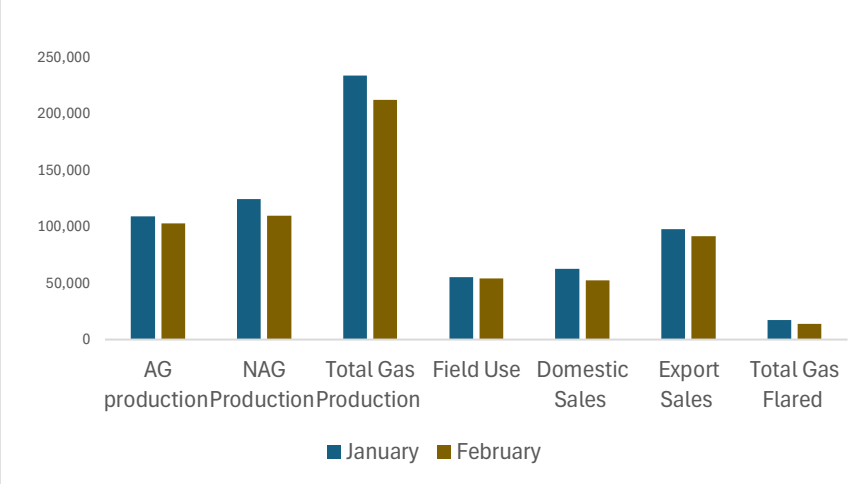
Source: Nigerian Upstream Petroleum Regulatory Commission

2.1.4 Domestic Gas Production

Domestic Gas Production

Total gas output fell in February, reflecting declines in both associated and non-associated gas production. Total gas production (associated and non-associated) decreased by 9.12 per cent to 212,615.22 million standard cubic feet (mmscf) in February 2026, compared with 233,961.47 mmscf in the preceding month. Both associated gas and non-associated gas production declined to 102,957.87 mmscf and 109,657.35 mmscf, respectively, from 109,376.04 mmscf and 124,585.43 mmscf in the preceding month. The decline was primarily driven by unscheduled maintenance at key terminals. Gas flaring declined by 17.95 per cent to 14,085.55 mmscf, compared with 17,166.08 mmscf in January, reflecting improved gas utilisation.

Figure 12: Domestic Gas production (MMSCF) Jan – Feb 2026



Source: Nigerian Upstream Petroleum Regulatory Commission

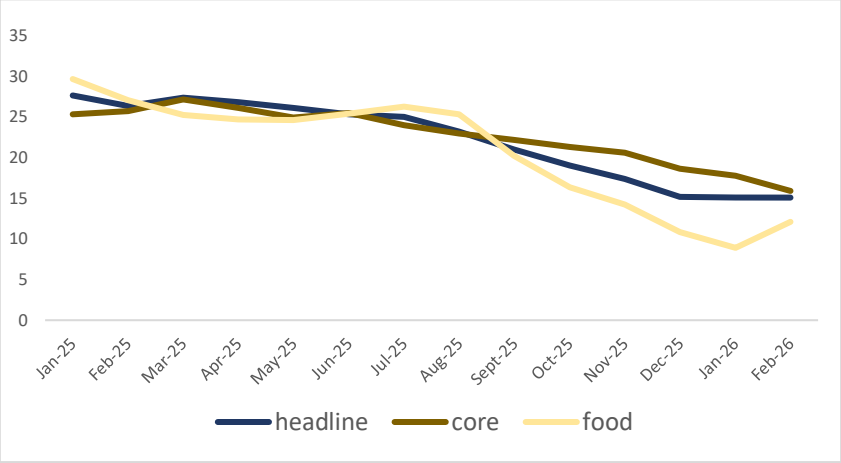
2.1.2 Inflation

Headline Inflation

The disinflationary trend in the economy was sustained in February, driven by prevailing monetary policy stance and stability in the foreign exchange market. Headline inflation (year-on-year) slightly declined to 15.06 per cent, from 15.10 per cent in January. This moderation was supported by declines in services inflation and imported food inflation, which fell to 17.90 per cent and 6.40 per cent, respectively, from 22.17 per cent and 7.62 per cent in the preceding month.

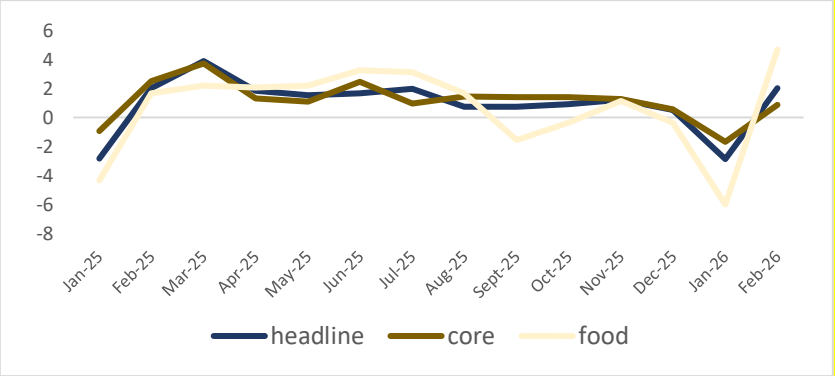
However, on a month-on-month basis, headline inflation rose to 2.01 per cent, from a contraction of 2.88 per cent in January 2026, due to higher energy cost and increased food demand associated with the Ramadan period.

Figure 13: Headline Inflation (Year-on-Year)



Source: National Bureau of Statistics

Figure 2: Headline Inflation (Month-on-Month)

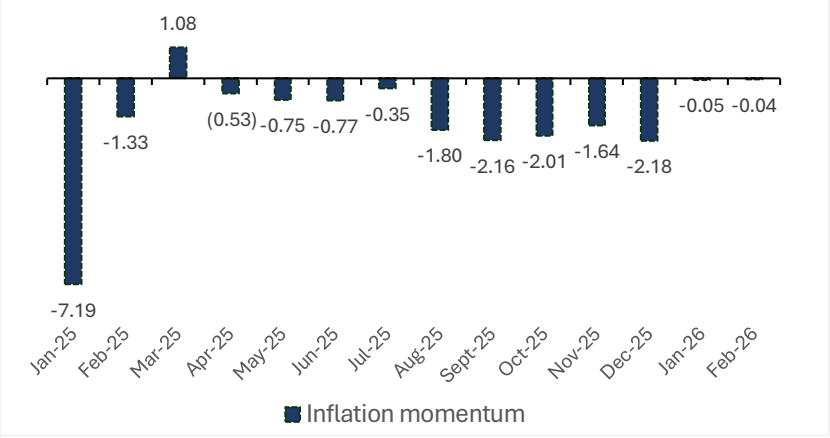


Source: National Bureau of Statistics

Inflation Momentum

Inflation momentum continued to decelerate (y-on-y), albeit at a slower pace of 0.04 percentage point, compared with 0.05 percentage point in January.

Figure 14: Inflation Momentum

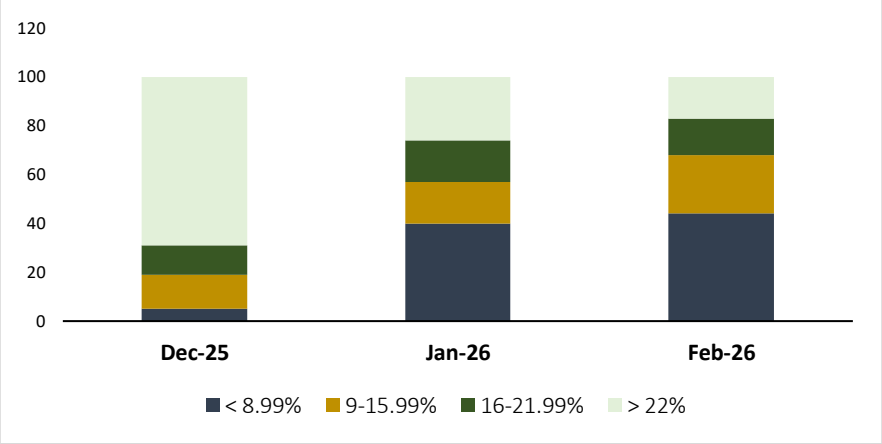


Source: Staff Computation

Inflation Pervasiveness

Recent evidence indicated that inflation was less pervasive in February as only 17.00 per cent (relative to 26.00 per cent in January 2026) of items within the CPI basket were above the historical average of 21.57 per cent (2020- Feb.2026) [1]. It implies that 83.00 per cent of items in the CPI basket were moderating.

Figure 15: Inflation Pervasiveness



Source: National Bureau of Statistics

Core Inflation

Core inflation fell to 15.88 per cent in February 2026, from 17.72 per cent in the preceding month. The decrease was on account of the sustained stability in the foreign exchange market. However, higher cost of transport and other business inputs drove the month-on-month core inflation, as it rose to 0.89 per cent, from a deflation of 1.69 per cent in the preceding month.

Food Inflation

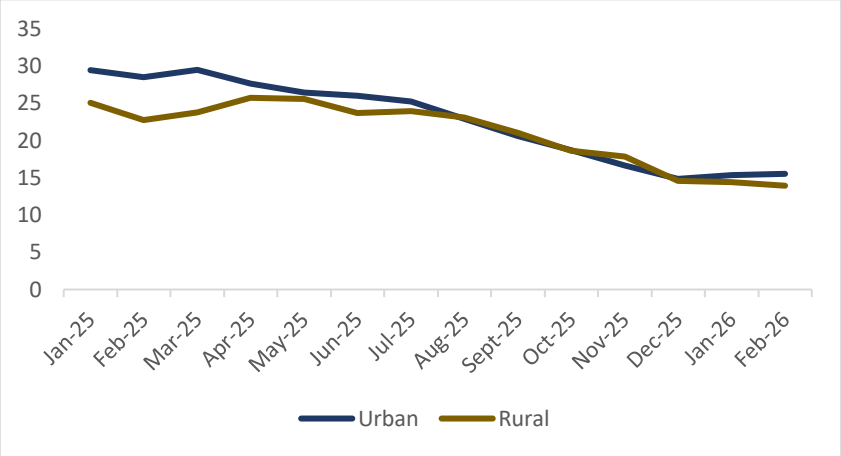
Food inflation surged to 12.12 per cent, from 8.89 per cent in the preceding month, owing to higher transportation and logistics cost in the review period. Also, on a month-on-month basis, food inflation rose to 4.69 per cent, from a contraction of 6.02 per cent in January.

Urban and Rural Inflation

Urban and rural inflation slowed to 15.33 and 13.93 per cent from 15.36 and 14.44 per cent in January, both owing to relative stability in the foreign exchange market.

1 Following the rebasing exercise in 2025, which led to a pause in analysis of how pervasive inflation was par time, it is reintroduced, having tracked enough data points of over a year.

Figure 16: Urban and Rural inflation

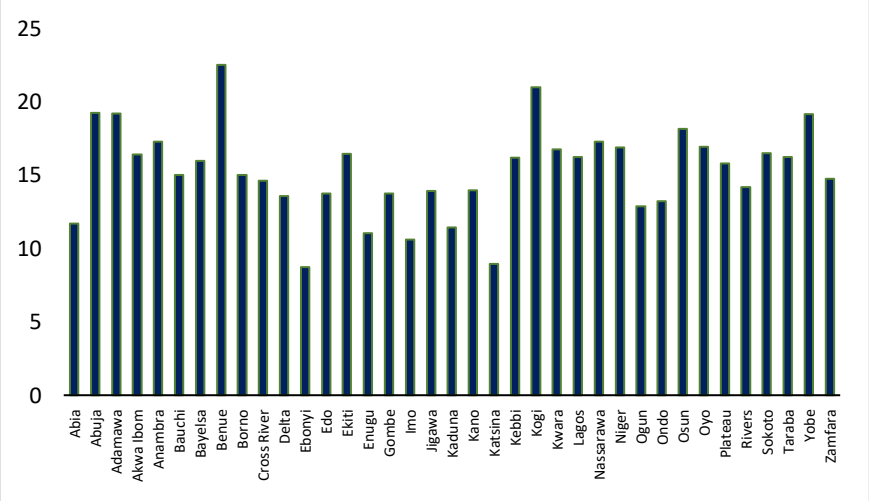


Source: National Bureau of Statistics

State Level Inflation

Inflation continued to persist across states in the country, including the FCT (17.34%). Consequently, Kogi (23.57%), Benue (22.85%) and the Anambra (22.09%) had the highest rise of headline inflation, owing to higher energy cost. However, Katsina (7.78%), Imo (11.66%) and Ebonyi (11.71%) states recorded the slowest rise in prices in the month under review, due to stable naira and subsidised inputs.

Figure 17: Headline Inflation across States in February 2026



Source: National Bureau of Statistics

2.2 FISCAL SECTOR DEVELOPMENTS

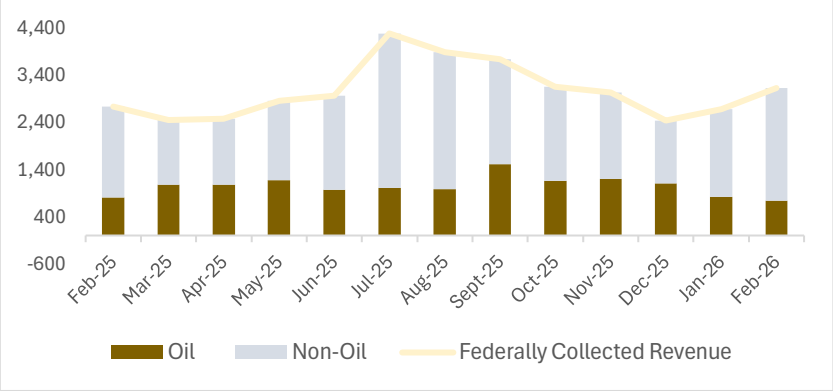
Provisional data for February 2026 showed improvement in revenue performance. Federally collected revenue increased compared with the preceding month, driven by non-oil receipts, which continued to dominate total federation revenue. In contrast, oil revenue decreased owing to lower receipts from petroleum profit tax and royalties. Disbursements to the federating units declined relative to the preceding month.

2.2.1 Federation Account Operations

Federation Revenue

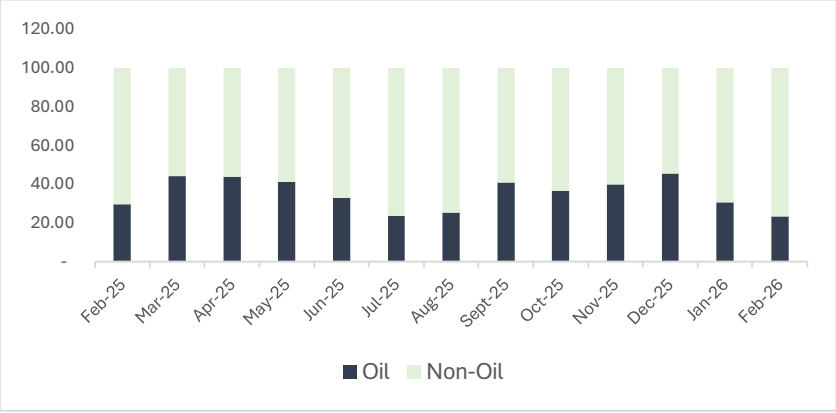
Gross federation revenue increased, driven by higher collections from non-oil sources. At ₦3.14 trillion, the provisional gross Federation Account receipt was 16.94 per cent above the level in the preceding month. Non-oil revenue sources continued to dominate federation receipts, accounting for 76.57 per cent, while oil revenue sources constituted the balance.

Figure 18: Federally Collected Revenue (₦ Billion)



Source: Office of the Accountant General of the Federation (OAGF) and Federal Ministry of Finance (FMoF)

Figure 19: Oil and Non-Oil Contributions to Federation Revenue (Percent)

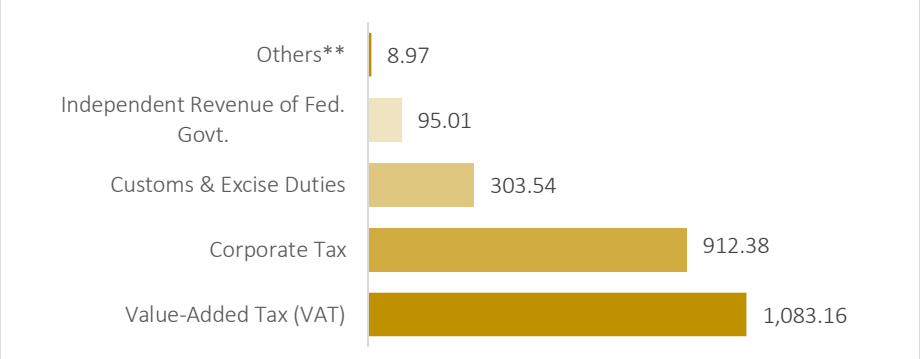


Source: Office of the Accountant General of the Federation (OAGF) and Federal Ministry of Finance (FMoF)

Non-oil revenue reached ₦2.40 trillion, a 28.85 per cent increase above collections in January 2026, driven mainly by corporate taxes and value-added tax (VAT), which rose by 94.00 and 18.51 per cent, respectively. Conversely, customs & excise duties and other revenue[2] declined by 11.49 and 79.06 per cent, respectively. VAT dominated non-oil receipts at ₦1.08 trillion (45.07%), followed by corporate taxes with ₦0.91 trillion (37.97%), and independent revenue at ₦0.10 trillion (3.95%).

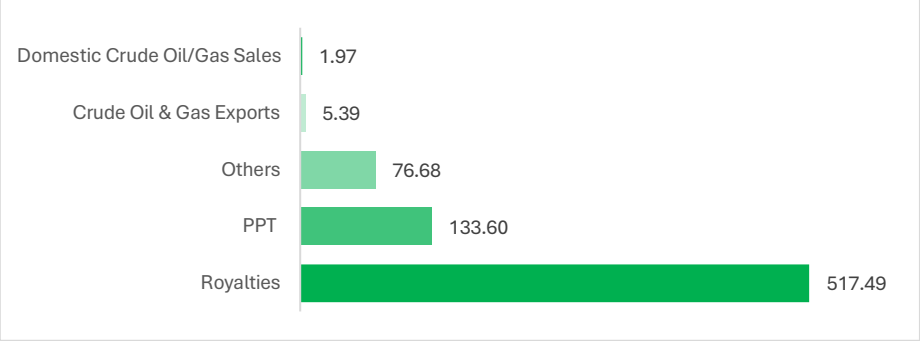
Oil revenue, at ₦0.74 trillion, declined by 10.18 per cent, compared with the level in the preceding month, owing to lower receipts from petroleum profit tax (PPT) and royalties, which declined by 6.26 per cent and 3.95 per cent, respectively.

Figure 20: Drivers of Non-Oil Revenue (₦ Billion)



Source: Office of the Accountant General of the Federation and Budget Office of the Federation
Note: Others** include 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.

Figure 21: Drivers of Oil Revenue (₦ Billion)



Source: Office of the Accountant General of the Federation and Budget Office of the Federation.
Note: Others include CIT upstream and other oil revenues.

[2] Other revenue refers to 'others', comprising 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.

Table 5: Federally Collected Revenue and Distribution to the Three tiers of Government (₦ Billion)

	Feb-25 1/	Jan-26 1/	Feb-26 1/	*Budget
Federally Collected Revenue	**2,736.56**	**2,683.48**	**3,138.19**	**6,506.42**
Oil	813.21	818.49	735.13	3,835.03
Crude Oil & Gas Exports	*51.33*	*9.79*	*5.39*	*0*
PPT	*67.49*	*142.52*	*133.6*	*2,033.80*
Royalties	*519.57*	*538.79*	*517.49*	*1,144.18*
Domestic Crude Oil/Gas Sales	*0*	*0*	*1.97*	*163.4*
Others	*174.82*	*127.39*	*76.68*	*493.65*
Non-oil	***1,923.35***	***1,864.99***	***2,403.06***	***2,671.39***
Corporate Tax	*634.65*	*470.31*	*912.38*	*777.48*
Customs & Excise Duties	*400.34*	*342.94*	*303.54*	*516.45*
Value-Added Tax (VAT)	*771.89*	*913.96*	*1,083.16*	*625.13*
Independent Revenue of Fed. Govt.	*92.13*	*94.94*	*95.01*	*438.47*
Others	*24.34*	*42.84*	*8.97*	*313.86*
Total Deductions/Transfers**	1,554.70	752.27	1,238.19	905.98
Federally Collected Revenue Less Deductions & Transfers	1,181.86	1,931.21	1,900.00	5,600.44
plus:				
Additional Revenue	294.95	38.11	0	19.07
Excess Crude/Solid Mineral Revenue	*0*	*0*	*0*	*0*
Non-oil Excess Revenue/ EMTL	*15.92*	*38.11*	*0*	*19.07*
Exchange Gain	*279.03*	*0*	*0*	*0*
Total Distributed Balance	**1,476.81**	**1,969.32**	**1,900.00**	**5,619.51**
Federal Government	***456.32***	***653.5***	***525.23***	***2,734.96***
Statutory	*348.5*	*526.52*	*424.91*	*2,648.09*
VAT	*107.82*	*126.98*	*100.32*	*86.87*
State Government	***542.9***	***706.47***	***767.29***	***1,087.82***
Statutory	*183.51*	*283.22*	*215.52*	*798.26*
VAT	*359.39*	*423.25*	*551.77*	*289.56*
13% Derivation	***85.1***	***96.08***	***90.19***	***552.97***
Local Government	***392.49***	***513.27***	***517.29***	***1,243.76***
Statutory	*140.92*	*216.99*	*166.16*	*1,041.07*
VAT	*251.57*	*296.28*	*351.13*	*202.69*

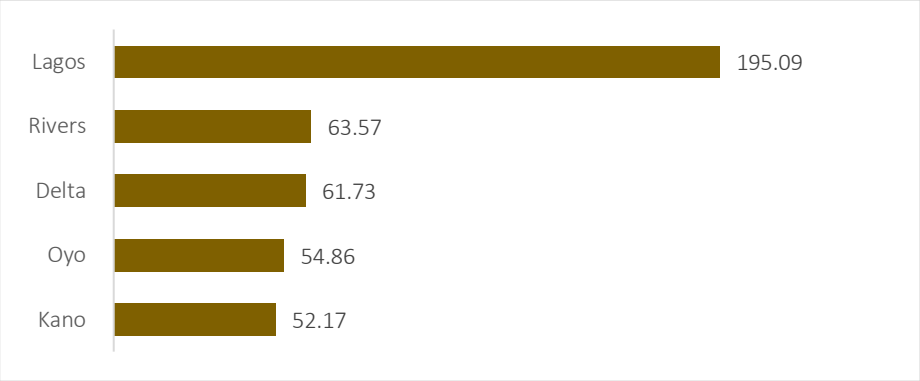
Source: Office of the Accountant General of the Federation and Budget Office of the Federation.

Note: * Budget is based on the 2025 Appropriation Act.

** Deductions include cost of revenue collections, transfers and JVC cash calls. Transfers entail provisions for FGN Independent revenue and other non-federation revenue. 1/ Provisional.

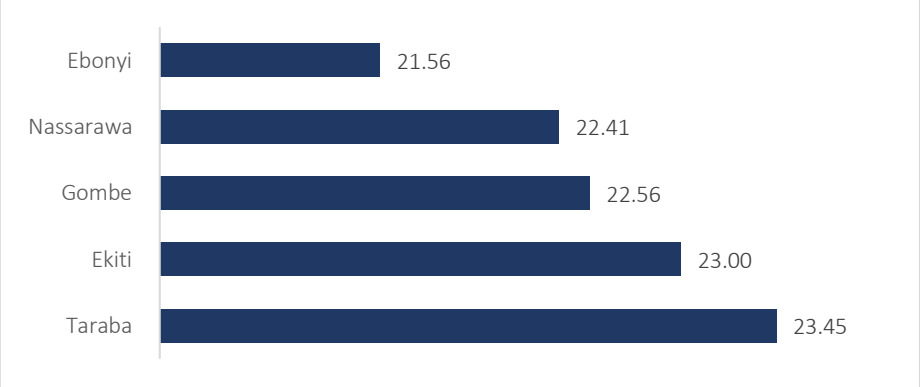
From the gross federation receipt of ₦3.14 trillion, a net sum of ₦1.90 trillion was distributed to the three tiers of government after statutory deductions, transfers, and additional revenue adjustments. The Federal government received ₦0.52 trillion, states (₦0.77 trillion) and local governments (₦0.52 trillion), while ₦0.09 trillion was disbursed to oil-producing states under the 13% Derivation Fund. Net disbursement to the three tiers of government declined by 3.52 per cent compared with the level in the preceding month.

Figure 22: Top Five Recipients of Federation Allocation (₦ Billion)



Source: Office of the Accountant General of the Federation and Budget Office of the Federation

Figure 23: Bottom Five Recipients of Federation Allocation (₦ Billion)



Source: Office of the Accountant General of the Federation and Budget Office of the Federation

Lagos State was the highest recipient, with ₦195.09 billion, followed by Rivers (₦63.57 billion), Delta (₦61.73 billion), Oyo (₦54.86 billion), and Kano (₦52.17 billion). Conversely, Ebonyi state received the lowest allocation of ₦21.56 billion, followed by Nasarawa (₦22.41 billion), Gombe (₦22.56 billion), Ekiti (₦23.00 billion), and Taraba (₦23.45 billion). Allocations to states were based on contribution to federation revenue, resource endowment, population, among others.

2.3 MONETARY AND FINANCIAL DEVELOPMENTS

Summary

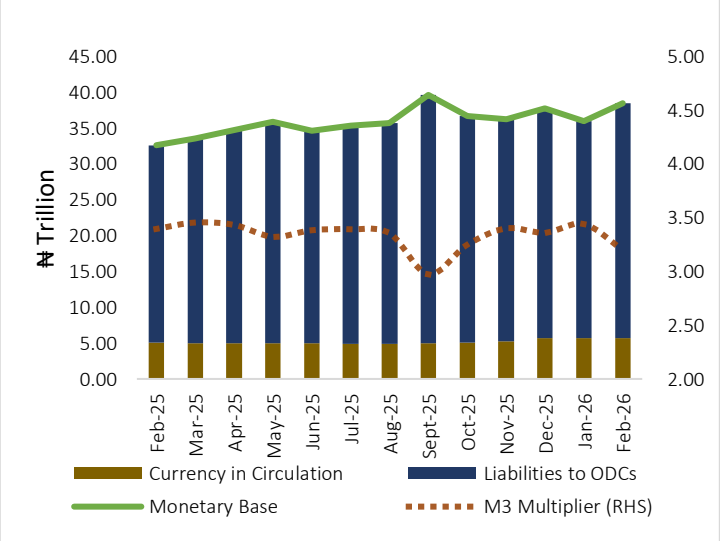
The Bank eased its policy stance amid moderating inflation pressures in February 2026. Consistent with this stance, the contraction in broad money supply (M3) moderated, reflecting a gradual improvement in underlying monetary conditions. Consequently, liquidity conditions in the banking system strengthened, contributing to a decline in interbank rates. The capital market sustained its bullish momentum, supported by improved macroeconomic fundamentals, increased investor confidence and stronger corporate earnings. Overall, the banking system remained stable and resilient, as most prudential indicators remained within regulatory thresholds.

2.3.1 Monetary Developments

Monetary Base

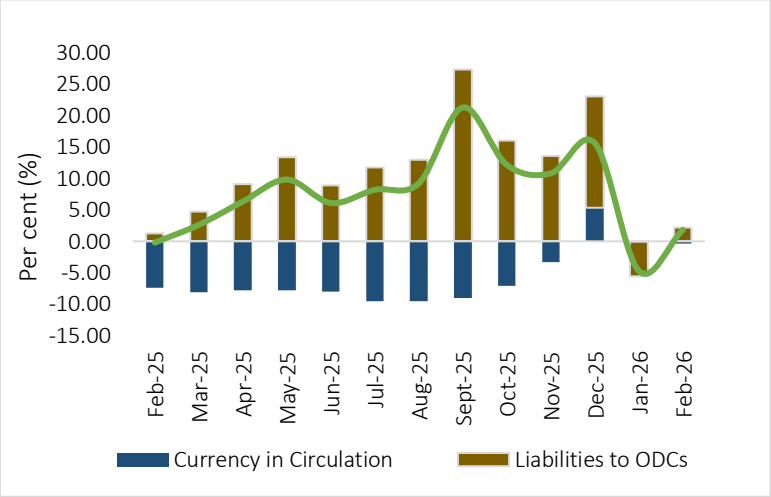
In February 2026, monetary base rebound from the contraction in the preceding month, driven by the growth in liabilities to other depository corporations (ODCs). The monetary base grew by 1.83 per cent (10.98% on an annualised basis) to ₦38.45 trillion, compared with the growth of 15.58 per cent at end-December 2025. The development reflected a 2.22 per cent increase in liabilities to ODCs, induced by a 30.82 per cent increase in transferable deposits of the ODCs.

Figure 24: Developments in Monetary Base and Money Multiplier



Source: Central Bank of Nigeria

Figure 25: Growth in Monetary Base over Preceding December



Source: Central Bank of Nigeria

Driven by a moderation in the money multiplier to 3.20, from 3.44 in the preceding month, the contraction in broad money supply (M3) widened to 2.92 per cent, compared with a contraction of 2.26 per cent in the preceding month. Consequently, M3 stood at ₦123.12 trillion, from ₦123.95 trillion and ₦126.82 trillion in January 2026 and December 2025, respectively.

On the asset side, the contraction in money supply was driven, primarily, by a 17.19 per cent decline in net foreign assets (NFA), despite a 1.68 per cent increase in net domestic assets (NDA). The contraction in NFA was attributed to a 12.11 per cent rise in liabilities to non-residents, which outweighed the 2.12 per cent increase in claims on non-residents.

The expansion in NDA reflected increases in net claims on the central government and claims on other sectors by 4.71 and 0.42 per cent, respectively. The growth in claims on other sectors was underpinned by increases of 2.31 per cent in claims on the private sector and 0.54 per cent in claims on public nonfinancial corporations. Notably, the increase in private sector credit marked a second consecutive recovery from the contraction of 4.53 per cent in December 2025, an improvement from the 0.52 per cent growth observed in January 2026, signalling a gradual strengthening in credit conditions and an improving outlook for growth recovery.

In terms of contribution, NFA exerted a negative impact of 4.19 percentage points on M3 growth, while NDA added 1.27 percentage point.

Table 6: Money and Credit Growth over preceding December (%)

Monetary Aggregates	Feb-25	Dec-25	Jan-26	Feb-26		
				Actual	Annualised Growth	Contribution to M3 Growth
Net Foreign Assets	1.79	(3.39)	(12.28)	(17.19)	(103.15)	(4.19)
Claims on non-residents	(1.39)	1.94	3.61	2.12	12.73	1.52
Liabilities to non-residents	(3.17)	4.22	11.82	12.11	72.63	5.70
Net Domestic Assets	(3.95)	17.87	0.96	1.68	10.06	1.27
Domestic Claims	(1.71)	25.33	(0.15)	1.64	9.86	1.71
Net Claims on Central Government	(0.10)	38.50	(0.74)	4.71	28.27	1.40
Claims on Central Government	0.88	5.99	2.79	5.90	35.42	2.60
Liabilities to Central Government	1.92	(28.51)	6.99	8.35	50.12	1.20
Claims on Other Sectors	(2.26)	20.75	(0.50)	0.42	2.51	0.31
Claims on Other Financial Corporations	(254)	5.18	(4.64)	(4.86)	(29.13)	(0.64)
Claims on State and Local Government	4.46	6.18	3.18	(2.51)	(15.04)	(0.09)
Claims on Public Nonfinancial Corporations	(3.96)	468.19	(0.51)	0.54	3.21	0.09
Claims on Private Sector	(2.58)	(4.53)	0.52	2.31	13.88	0.95
Monetary Assets (M_3)	Monetary Assets (M_3)	(2.33)	11.87	(2.26)	(2.92)	(17.50)
Currency Outside Depository Corporations	(11.89)	4.62	(2.02)	(3.24)	(19.42)	(0.14)
Transferable Deposits	(1.46)	14.82	(2.75)	(0.86)	(5.17)	0.26
Narrow Money (M_1)	(2.84)	13.47	(2.67)	(1.15)	(6.90)	(0.40)
Other Deposits	(2.06)	11.06	(2.05)	(3.86)	(23.14)	(2.52)
Broad Money (M_2)	(2.33)	11.88	(2.26)	(2.92)	(17.50)	(2.92)
Securities Other than Shares	(38.01)	(44.47)	0.02	0.04	0.24	0.00
Monetary Liabilities (M_3)	(2.33)	11.87	(2.26)	(2.92)	(17.50)	(2.92)

Source: Central Bank of Nigeria.
Note: February 2026 numbers are provisional.

On the liability side, the contraction in M3 was driven largely by declines in other deposits and currency outside depository corporations (CODCs), which fell by 3.86 and 3.24 per cent, respectively. Transferable deposits also declined marginally by 0.86 per cent but exerted a negative effect of 0.26 percentage. Specifically, CODCs and other

deposits exerted negative effects on M3 growth, reducing it by 0.12 and 1.71 percentage points, respectively, while transferable deposits provided a positive contribution of 0.16 percentage points.

2.3.2 Sectoral Credit Utilisation and Consumer Credit

Sectoral Credit Utilisation

Total credit to the economy increased by 0.82 per cent to ₦57.88 trillion at end-February 2026, from ₦57.41 trillion in the preceding month, mirroring the gradual improvement in monetary conditions. The growth was broad-based, as indicated by increases in credit to the agriculture (2.70%), industry (1.05%), and services (0.46%) sectors. The services sector maintained dominance, accounting for 56.78 per cent of total credit, followed by industry (36.64 %) and agriculture (6.58 %) sectors.

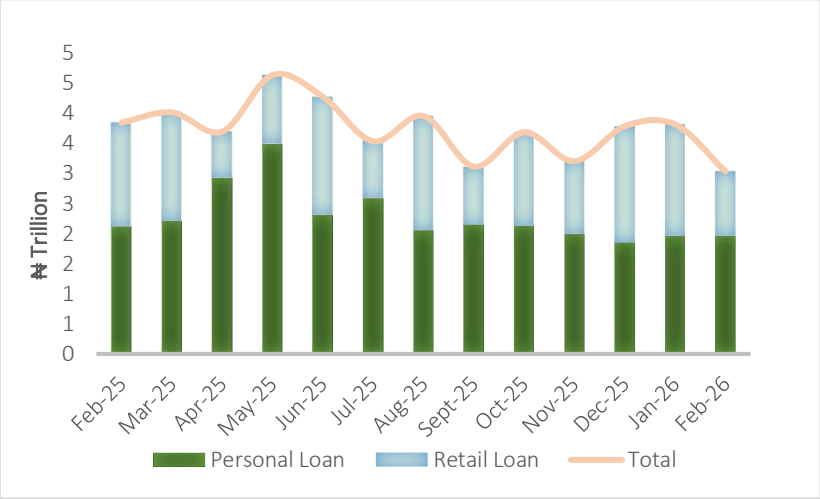
Table 7: Sectoral Credit Utilisation

SECTORS	Credit (₦ trillion)			% Change	Share in Total (%)		
	A	B	C	C&B	Feb-25	Jan-26	Feb-26
	Feb-25	Jan-26	Feb-26				
Agriculture	**2.66**	**3.71**	**3.81**	**2.70**	**4.32**	**6.47**	**6.58**
Industry	**27.93**	**20.99**	**21.21**	**1.05**	**45.37**	**36.55**	**36.64**
of which:							
Manufacturing	10.88	6.57	6.37	-3.04	17.68	11.45	11
Power & Energy	1.1	1.3	1.59	22.31	1.95	2.27	2.75
Construction	2.49	2.14	2.44	14.02	4.04	3.72	4.22
Services	**30.97**	**32.71**	**32.86**	**0.46**	**50.31**	**56.98**	**56.78**
of which:							
Finance, Insurance & Capital Market	6.21	9.03	9.16	1.44	10.09	15.73	15.83
Trade/General Commerce	4.91	4.67	5.54	18.63	7.97	8.14	9.58
TOTAL	**61.56**	**57.41**	**57.88**	**0.82**	**100.00**	**100.00**	**100.00**

Source: Central Bank of Nigeria.

Consumer credit outstanding to households declined by 20.48 per cent to ₦3.03 trillion, from ₦3.81 trillion in the preceding month. The contraction was driven by reductions in both retail and personal loans by 41.85 and 0.40 per cent, respectively. The observed decline in the stock of consumer credit, suggests the possibility of repayments outpacing new credit extensions. In terms of composition, personal loans sustained dominance, accounting for 64.58 per cent of the total consumer credit, while retail loans constituted the balance

Figure 26: Consumer Credit Outstanding



Source: Central Bank of Nigeria

2.3.3 Financial Developments

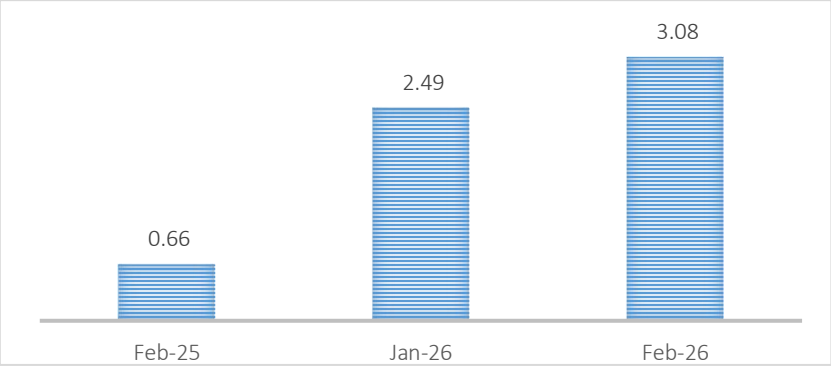
2.3.3.1 Money Market Developments

Average banking system liquidity increased during the review period.

Banking system liquidity & Standing Facility Windows

The average liquidity in the banking system stood at ₦3.08 trillion, a 23.69 per cent increase from ₦2.49 trillion in January, driven largely by fiscal injections and maturing Nigerian Treasury Bills (NTBs) and Federal Government of Nigeria (FGN) Bonds. Remita transactions and foreign exchange sales also contributed to the increase in liquidity.

Figure 27: Average Banking System Liquidity (₦ Trillion)

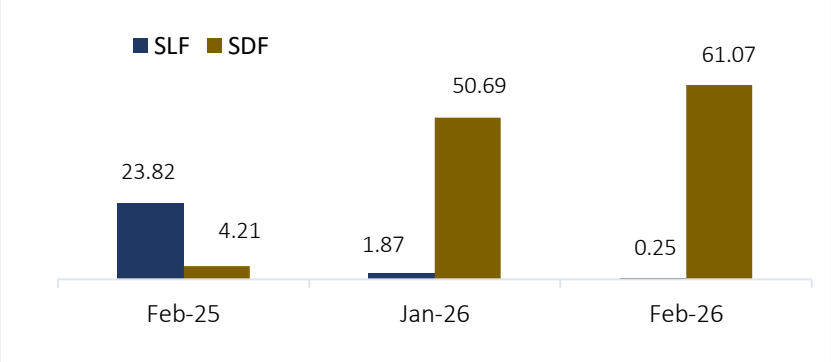


Source: Central Bank of Nigeria

The rise in banking system liquidity was noticeable in the activities at the standing facility windows. Placements in the Standing Deposit Facility (SDF) window increased to ₦61.07 trillion, with a daily average of ₦3.05 trillion, from ₦50.69 trillion with a daily average of ₦2.41 trillion in the preceding month. Total requests at the Standing Lending Facility (SLF) window, however, declined to 0.25 trillion with a daily

average of ₦0.04 trillion, compared with ₦1.87 trillion with a daily average of ₦0.16 trillion in the preceding month.

Figure 28: Transactions at the Standing Facility Windows (₦ Trillion)

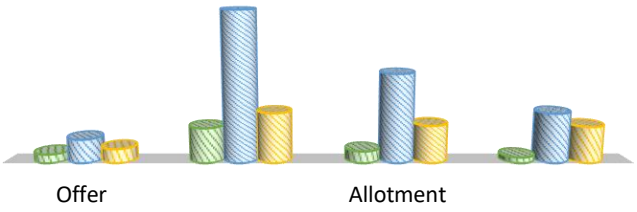


Source: Central Bank of Nigeria

Open Market Operations

The Bank conducted Open Market Operations (OMO) during the month under review to manage liquidity conditions in the banking system. Instruments with maturities ranging from 6 to 167 days were auctioned. A total of ₦1.80 trillion, ₦6.35 trillion and ₦4.77 trillion CBN Bills were offered, subscribed and allotted, respectively, at an average stop rate of 20.42(±1.97) per cent. In the preceding period, offerings, subscriptions and allotments stood at ₦3.00 trillion, ₦19.03 trillion, and ₦11.24 trillion, respectively, at an average stop rate of 18.30(±1.10) per cent. Matured CBN Bills within the period amounted to ₦4.62 trillion, resulting in a net withdrawal of ₦0.15 trillion.

Figure 23: Open Market Operations (₦ Trillion)

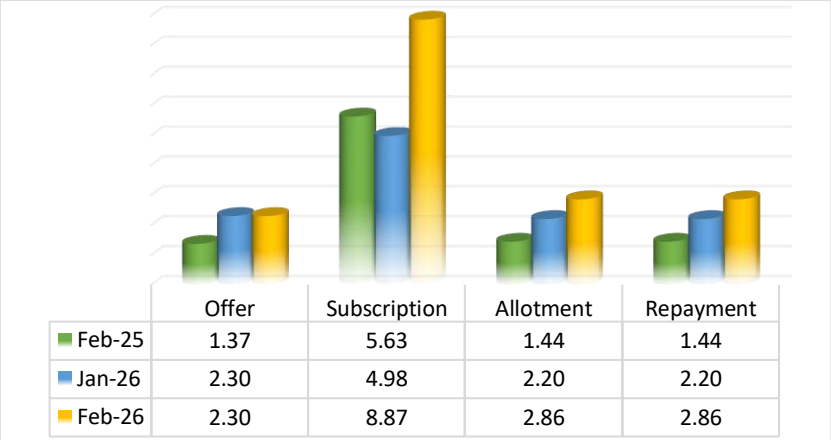


	Offer	Subscription	Allotment	Repayment
Feb-25	1.10	4.45	1.50	0.73
Jan-26	3.00	19.03	11.24	6.29
Feb-26	1.80	6.35	4.77	4.62

Source: Central Bank of Nigeria

The Government sustained its financing programme through sovereign debt operations with the issuance of NTBs and FGN Bonds. NTBs worth ₦2.30 trillion, ₦8.87 trillion, and ₦2.86 trillion were offered, subscribed, and allotted, respectively, across the 91-, 182-, and 364-day tenors, compared with ₦2.30 trillion, ₦4.98 trillion, and ₦2.20 trillion in the preceding month. Average stop rates across tenors decreased to 16.40(±0.60) per cent, from 17.10(±1.26) per cent in January.

Figure 29: Primary Market NTBs (₦ Trillion)

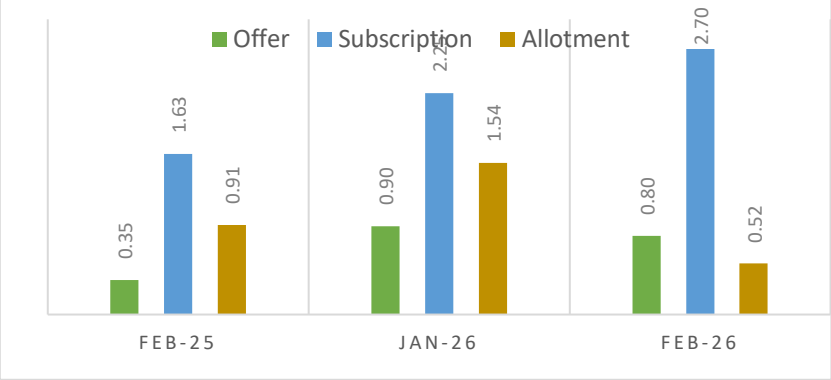


	Offer	Subscription	Allotment	Repayment
Feb-25	1.37	5.63	1.44	1.44
Jan-26	2.30	4.98	2.20	2.20
Feb-26	2.30	8.87	2.86	2.86

Source: Central Bank of Nigeria

At the FGN bonds segment, 7-, 9- and 10-year tranches were reopened during the review period, with maturities ranging between 6 years, 4 months to 8 years. The amount offered, subscribed, and allotted stood at ₦0.80 trillion, ₦2.70 trillion, and ₦0.52 trillion, respectively, compared with ₦0.90 trillion, ₦2.25 trillion, and ₦1.54 trillion in the preceding month. The range of marginal rates decreased to 16.23 (±0.43) per cent, from 17.16(±1.32) per cent in the preceding month.

Figure 25: Primary Auctions of FGN Bond (₦ Trillion)

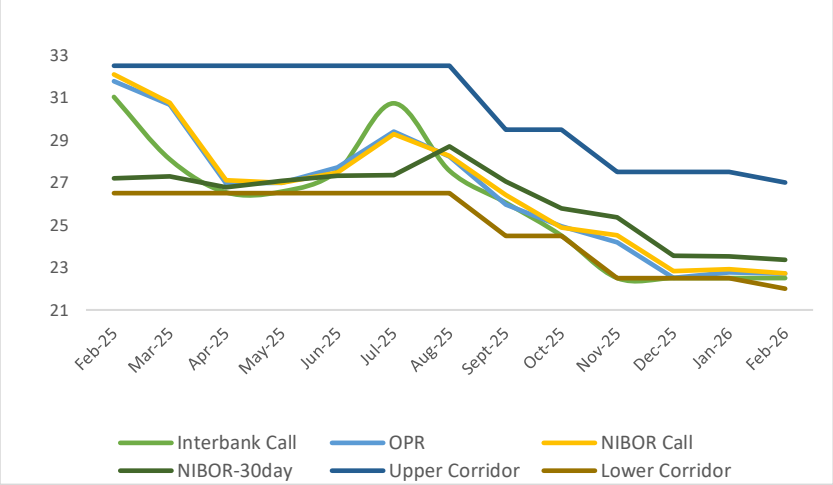


Source: Central Bank of Nigeria

Interest Rate Development

Money market rates broadly reflected the prevailing liquidity conditions in the review period. The open repurchase rate (OPR) fell slightly to 22.72 from 22.78 per cent in January 2025. Similarly, the Nigeria Interbank Offered Rate (NIBOR) Call and NIBOR 30-day decreased to 22.72 and 23.36 per cent, respectively, from 22.91 and 23.52 per cent in the preceding month. However, the average interbank call rate remained unchanged at 22.50 per cent. Overall, money market rates were anchored within the Bank's policy corridor.

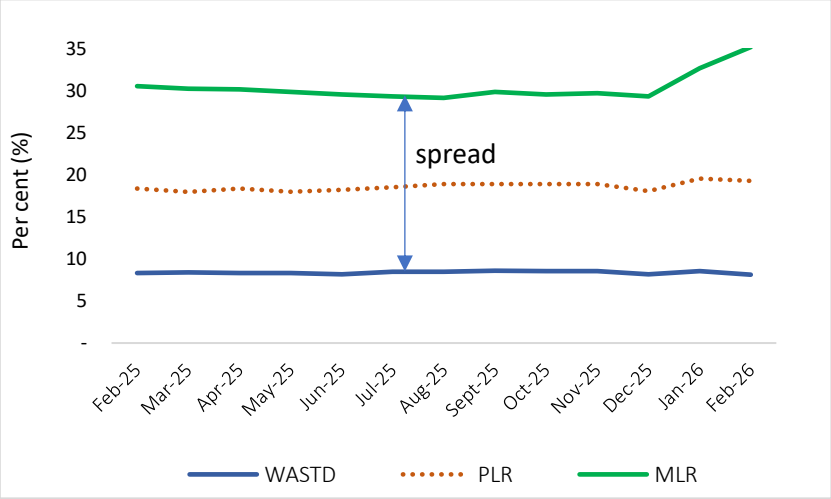
Figure 30: Developments in Short-term Interest Rates (Per cent)



Source: Central Bank of Nigeria.

The average prime lending rate (PLR) declined by 0.25 percentage points to 19.29 per cent, from 19.54 per cent in the preceding month. However, the average maximum lending rate (MLR) rose by 2.49 percentage points to 35.17 per cent, from 32.68 per cent, while the weighted average savings and term deposit (WASTD) rate fell to 8.12 per cent from 8.52 per cent. Thus, the spread between the WASTD and the MLR widened to 27.05 percentage points, compared with 24.16 percentage points in January 2026.

Figure 31: Trend in Average Term Deposit and Lending Rates



Source: Central Bank of Nigeria

2.3.3.2 Capital Market Developments

Market Capitalisation

The capital market extended its bullish momentum in the review period, driven by the prevailing risk-on sentiment, as investors rotated out of sovereign bonds into equities, buoyed by improved macroeconomic fundamentals and stronger corporate earnings. Aggregate market capitalisation rose by 9.91 per cent to ₦170.94 trillion from ₦155.53 trillion in the preceding period. The rally was underpinned by sustained investor sentiment, robust corporate earnings, and PenCom's upward revision of equity investment limits for pension funds, which unlocked fresh liquidity into fundamentally strong counters.

Relative to the preceding period, equities advanced by 16.45 per cent, breaching the ₦123.00 trillion mark to close at ₦123.21 trillion. Conversely, the debt segment contracted by 31.30 per cent to ₦47.65 trillion, reflecting portfolio rotation into riskier assets. Similarly, exchange traded funds (ETFs) declined by 31.30 per cent to ₦0.08 trillion, underscoring waning appetite.

Market composition analysis reaffirmed equities' dominance of market capitalisation, at 72.08 per cent, while debt and ETFs accounted for 27.87 and 0.05 per cent, respectively. This underscored a strong risk-on sentiment, with investors reallocating capital into equities amid a stable macro backdrop.

NGX All- Share Index

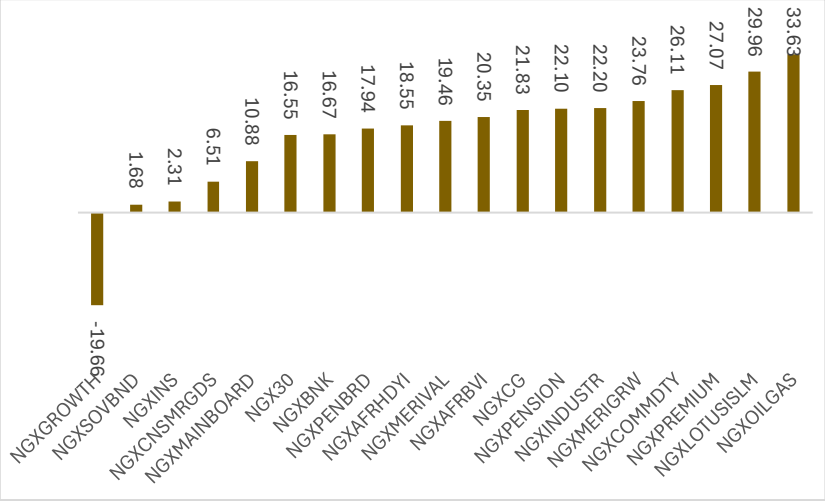
The all-share index (ASI) increased by 16.60 per cent to 192,826.78 from 165,370.40, at end-January 2026. The rally was driven by broad-based sectoral demand, signalling sustained buy-side sentiments and strategic bargain hunting.

Figure 32: Aggregate Market Capitalisation and All-Share Index

Source: Nigerian Exchange (NGX) Limited

Sectoral performance broadly mirrored the market's bullish momentum, with most indices closing in green territory. Market breadth remained positive across segments, underscoring strong liquidity inflows and sustained investor optimism. The NGXOILGAS index led the gainers with a 33.63 per cent increase, due largely to elevated crude oil prices. This was followed by NGXLOTUSISLM (29.96%), NGXPREMIUM (27.07%), and NGXCOMMDTY (26.11%). Conversely, the NGXGROWTH index declined by 19.66 per cent, as investors favoured blue-chip counters offering higher dividend yields and resilient earnings streams. The divergence reflected a pronounced risk-on bias concentrated in fundamentally strong sectors, while speculative segments lagged due to cautious positioning.

Figure 33: Month-on-Month Change in Sectoral Indices (Per cent)



Source: Nigerian Exchange (NGX) Limited

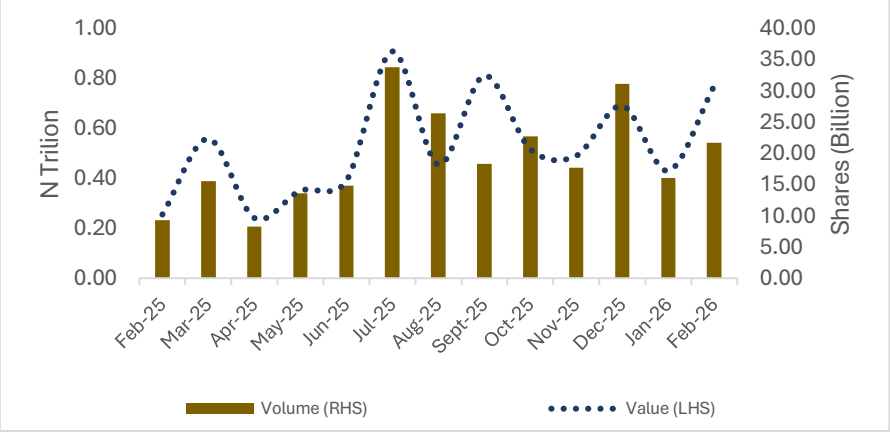
Table 8: Sectoral Indices on the Nigerian Exchange Limited

Sectoral Indices	Jan-26	Feb-26	Change (%)
NGXGROWTH	42,752.36	34,345.51	-19.66
NGXSOVBND	683.48	694.94	1.68
NGXINS	1,329.16	1,359.91	2.31
NGXCNSMRGDS	4,103.12	4,370.24	6.51
NGXMAINBOARD	7,859.87	8,714.84	10.88
NGX30	5,978.92	6,968.65	16.55
NGXBNK	1,621.77	1,892.07	16.67
NGXPENBRD	3,099.40	3,655.50	17.94
NGXAFRHDYI	23,983.85	28,433.95	18.55
NGXMERIVAL	14,497.18	17,318.37	19.46
NGXAFRBVI	3,646.16	4,388.01	20.35
NGXCG	4,537.24	5,527.59	21.83
NGXPENSION	7701.37	9403.34	22.1
NGXINDUSTR	5,985.87	7,314.57	22.2
NGXMERIGRW	11,281.63	13,962.12	23.76
NGXCOMMDTY	1283.42	1618.57	26.11
NGXPREMIUM	16,887.29	21,459.05	27.07
NGXLOTUSISLM	14,888.71	19,349.85	29.96
NGXOILGAS	3,038.79	4,060.73	33.63

Source: Nigerian Exchange (NGX) Limited

Trading activity on the Exchange remained bullish, with transaction volume and value expanding by 35.04 and 78.94 per cent to 21.67 billion shares and ₦0.77 trillion, respectively, compared with the preceding period. Similarly, deal counts grew by 22.87 per cent to 1,242,565, reflecting improved market participation and strong demand by institutional and retail investors due to attractive earnings.

Figure 34: Volume and Value of Traded Equities on the Exchange



Source: Nigerian Exchange (NGX) Limited

Furthermore, the Exchange recorded eight new listings, underscoring sustained activity in the primary market. The suspension on one listed company was lifted, and another was suspended. These actions reflected firm enforcement of listing standards and sustained commitment to regulatory compliance, market integrity, and sound corporate governance.

Table 9: Listings on the Nigerian Exchange Limited

Company/Security	Shares Unit/Price	Remarks
FGN Roads Sukuk Company 1 Plc (19.75% FGN MAY 2032)	300,000,000 Units at ₦1,000 each	New listing
12.838% FGNSB DEC 2027	1,100,563 Units	New listing
13.838% FGNSB DEC 2028	3,083,297 Units	New listing
LFZC Funding SPV Plc:	16,105,794 Units at ₦1,000 each	New listing
Lagos State Government (5 Years 16% Fixed Rate Green Bond due 2030)	14,815,000 Units, at par.₦1,000 each	New listing
Lagos State Government (10 Years 16.25% Fixed Rate Bond Due 2035)	230,000,000 Units, at par.₦1,000 each	New listing
Dangote Cement Plc Series 1 Commercial Paper	19,946,649 Units at ₦1,000 each	New listing
Dangote Cement Plc Series 2 Commercial Paper	99,922,835 Units at ₦1,000 each	New listing
Fortis Global Insurance Plc	All units	Suspension Lifted
Zichis Agro Allied Industries Plc	All units	Suspended

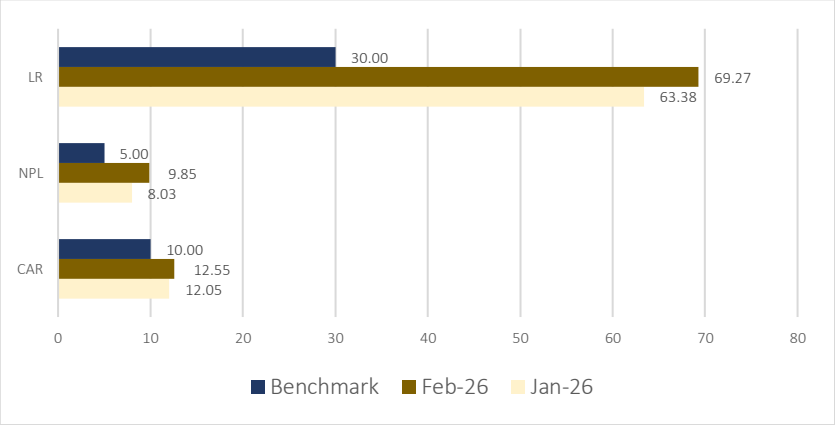
Source: Nigerian Exchange (NGX) Limited
Note: Plc = Public Limited Liability Company, FGNSB = Federal Government of Nigeria Savings Bond.

2.3.3.3 Financial Soundness Indicators

The Nigerian banking sector sustained strong systemic resilience, with most financial soundness indicators remaining within regulatory benchmarks. The industry liquidity ratio (LR) stood at 69.27 per cent, above the 30.00 per cent prudential threshold and 63.38 per cent recorded in the preceding period, highlighting strong capacity to meet short-term obligations and facilitate financial intermediation.

Similarly, the capital adequacy ratio (CAR) increased by 0.50 percentage point to 12.55 per cent relative to the level in the preceding period, remaining above the 10.00 per cent regulatory minimum, thereby reflecting robust solvency, and resilience against credit and market risks. Asset quality, however, weakened following the withdrawal of regulatory forbearance, as loan reclassification drove the non-performing loans (NPLs) ratio higher by 1.82 percentage points to 9.85 per cent, exceeding the 5.00 per cent prudential threshold.

Figure 35: Key Financial Soundness Indicators (Per cent)



Source: Central Bank of Nigeria

2.4 EXTERNAL SECTOR DEVELOPMENTS

The performance of the external sector in the review period was influenced by lingering geopolitical and trade tensions. Regardless, the sector recorded a favourable trade balance and sustained capital inflow. At the Nigerian Foreign Exchange Market (NFEM), the naira appreciated by 4.51 per cent to ₦1,355.34/US$, relative to the level in the preceding month. External reserves stood at US$50.12 billion at end-February 2026 and could cover 9.61 months of imports for goods and services.

Summary

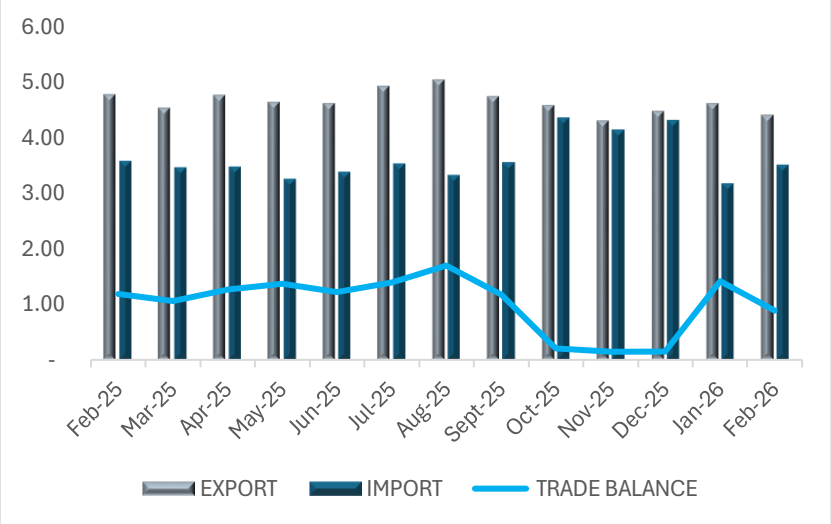
2.4.1 Trade Performance

Trade

The goods account recorded a lower trade surplus, due to an increase in import bills coupled with a decline in export earnings. The trade surplus fell to US$0.89 billion, from US$1.42 billion in the preceding month. The lower surplus was on account of the 10.34 per cent increase in import bills, as import of both oil and non-oil products rose. Import bills rose to US$3.52 billion from US$3.19 billion, while export earnings decreased to US$4.41 billion from US$4.61 billion in the preceding month.

Oil export accounted for 82.33 per cent of total export receipts, while non-oil export constituted the balance.[3] In terms of import, non-oil import accounted for 89.14 per cent, while oil import constituted the rest.

Figure 36: Export, Import, and Trade Balance (US$ Billion)



Source: Central Bank of Nigeria

[3] crude oil, gas, and refined petroleum products

Oil Export Earnings

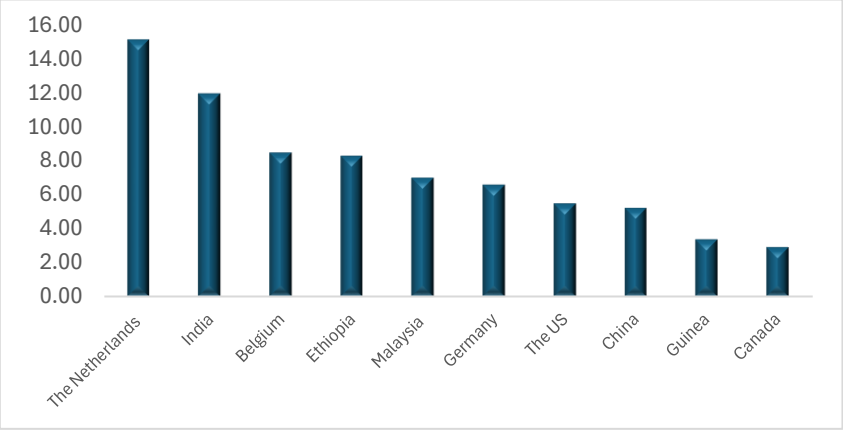
Oil earnings declined during the review period, reflecting lower domestic crude oil production. Export earnings from oil products fell marginally to US$3.63 billion from US$3.68 billion, as reduced oil rig counts constrained domestic crude oil output. Further disaggregation indicated that crude oil export earnings declined to US$2.18 billion from US$2.45 billion in the preceding month, following a moderation in crude oil production to 1.31 mbpd from 1.46 mbpd in January. In contrast, gas export earnings rose to US$0.94 billion from US$0.73 billion, while earnings from refined petroleum product exports increased to US$0.52 billion from US$0.49 billion in the preceding month.

Non-Oil Export Earnings

Non-oil export earnings declined during the review period, driven mainly by weaker agricultural export earnings. Earnings from the export of non-oil products fell to US$0.78 billion from US$0.94 billion in January, reflecting the moderation in global prices of key agricultural commodities during the period.

Analysis of non-oil export by destination showed the Netherlands as the leading destination, accounting for 15.08 per cent, followed by India (11.92%), Belgium (8.46%), Ethiopia (8.28%), and Malaysia (6.97%). Germany accounted for 6.57 per cent, the US (5.46%), China (5.21%), Ghana (3.37%), and Canada (2.93%). Other destinations accounted for the balance.

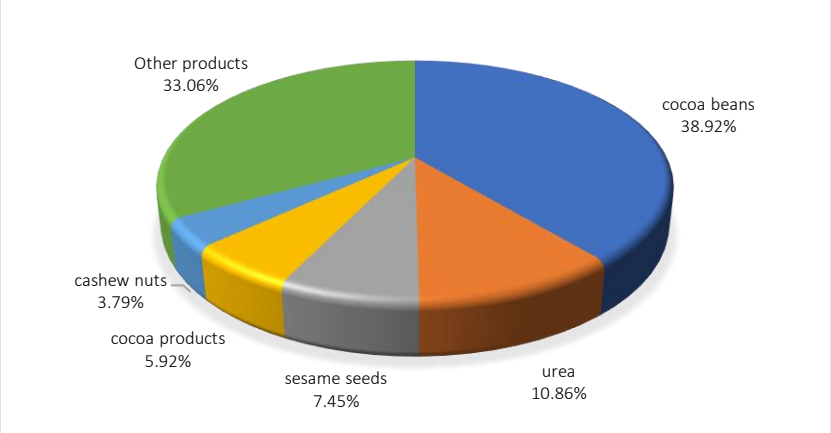
Figure 37: Non-Oil Export by Destination (Per cent)



Source: Central Bank of Nigeria

Analysis of non-oil export by product showed that cocoa beans accounted for the largest share at 38.92 per cent, followed by urea (10.86%), sesame seeds (7.45%), cocoa products (5.92%), and cashew nuts (3.79%). Other products accounted for the balance.

Figure 38: Non-Oil Export by Products



Source: Central Bank of Nigeria

Further analysis of non-oil export receipts showed that the top five exporters earned US$0.16 billion, representing 40.61 per cent of earnings by the top 100 non-oil exporters.

Table 10: Top Five non-oil Exporters

S/N	Exporter	Products	Per cent
1	Dangote Fertilizer Limited	Fertilizer	11.93
2	Outspan Nigeria Limited	Cotton lint and sesame seed	9.95
3	Sunbeth Global Concept Limited	Raw cocoa beans and cashew nuts	9.12
4	Tulip Cocoa Processing Limited	Cocoa cake and cocoa butter	5.09
5	Starlink Global & Ideal Limited	Raw cocoa beans and raw cashew nuts	4.52

Source: Central Bank of Nigeria

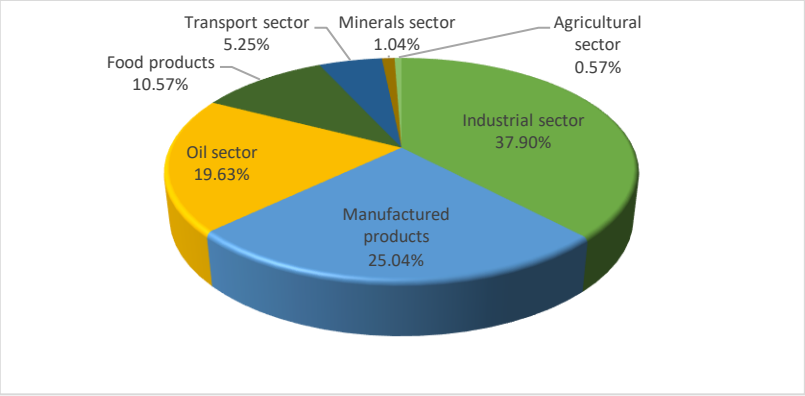
Import

Merchandise import bills increased, due mainly to higher imports of oil and non-oil products. Import bills rose to US$3.52 billion, from US$3.19 billion in the preceding month. A disaggregation indicated that non-oil import increased to US$3.13 billion from US$2.91 billion, due, largely, to the increase in the import of raw materials and machinery. Similarly, oil import rose to US$0.38 billion from US$0.28 billion in the preceding month, reflecting increased demand for petroleum products to supplement domestic supply.

Sectoral utilisation of foreign exchange

Analysis of foreign exchange utilisation for visible imports indicated that the industrial sector remained the dominant user, accounting for 37.90 per cent of total utilisation.

Figure 39: Sectoral utilisation of foreign exchange for visible imports

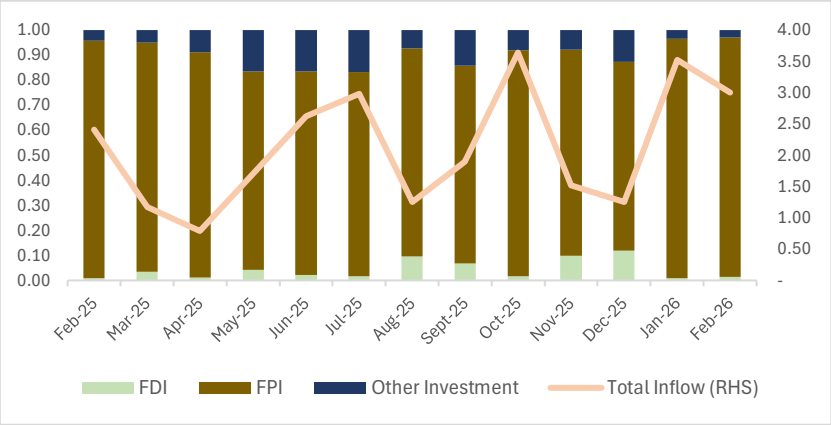


Source: Central Bank of Nigeria

Capital importation

Capital inflows moderated in the review period but remained high. Capital inflow fell to US$3.00 billion from US$3.52 billion in the preceding month. A disaggregation showed that foreign portfolio investment declined to US$2.87 billion from US$3.37 billion, due to lower purchase of bonds. Similarly, 'Other investment' fell to US$0.09 billion from US$0.12 billion, reflecting the decline in the inflow of loans. Direct investment, however, increased to US$0.04 billion from US$0.03 billion in the preceding period.

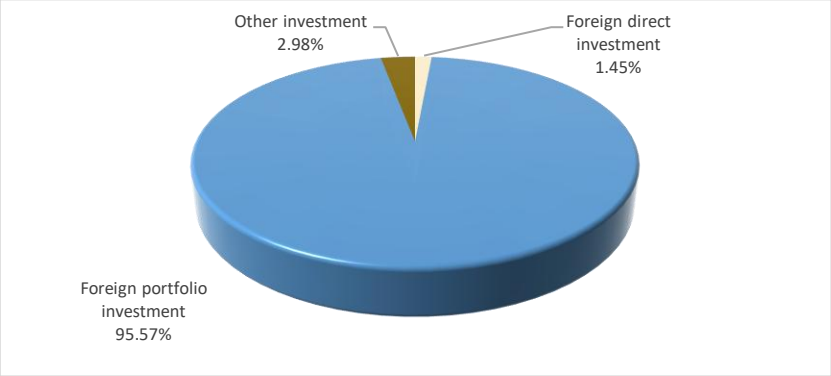
Figure 40: Capital Inflow (US$ Billion)



Source: Central Bank of Nigeria

Portfolio investment dominated total capital inflow, accounting for 95.57 per cent, while other investment and direct investment accounted for 2.98 and 1.45 per cent, respectively.

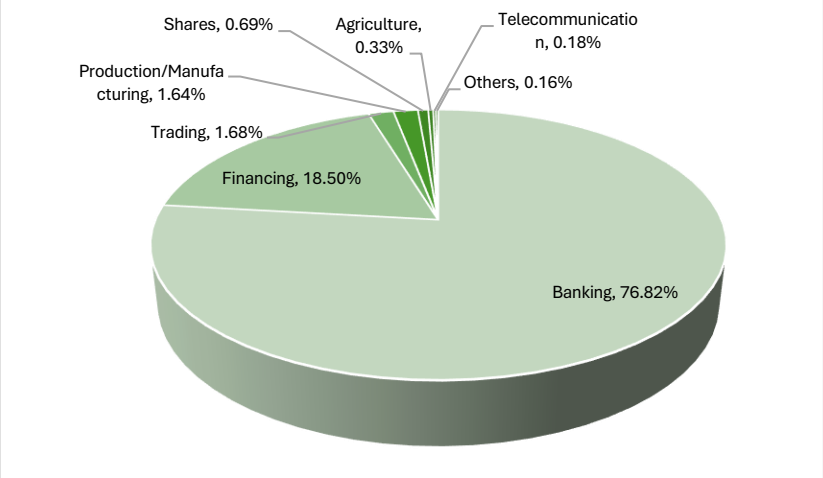
Figure 41: Capital Inflow by Share



Source: Central Bank of Nigeria

The banking sector remained the dominant recipient of capital, with 76.82 per cent share of total inflows. This was followed by financing (18.50%), trading (1.68%), production/manufacturing (1.64%), shares (0.69%), agriculture (0.33%), and telecommunication (0.18%). Other sectors constituted the balance.

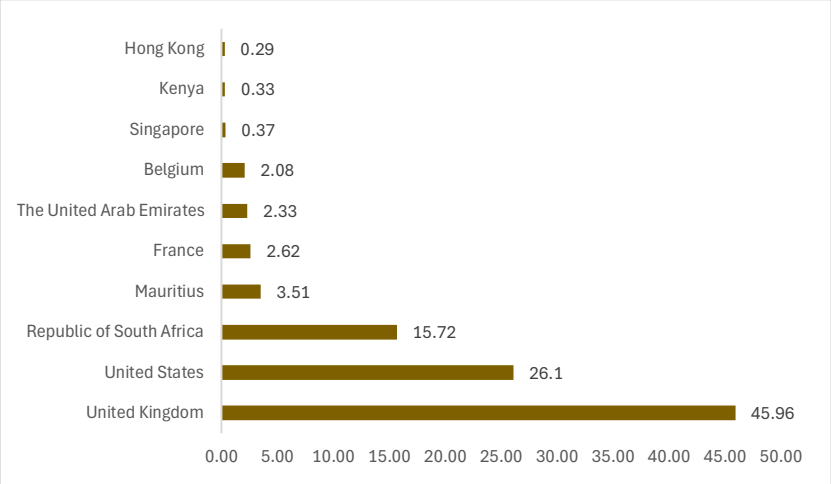
Figure 42: Capital Inflow by Nature of Business



Source: Central Bank of Nigeria

The UK was the major source of capital, accounting for 45.96 per cent of total inflow, followed by the US (26.10%), South Africa (15.72%), Mauritius (3.51%), and France (2.62%). Other major sources included the United Arab Emirates (2.33%) and Belgium (2.08%), with inflows from other countries constituting the balance.

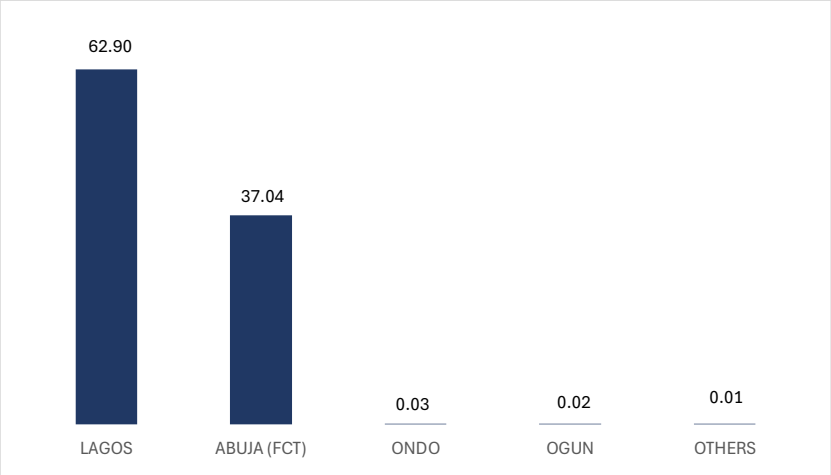
Figure 43: Capital Inflow by Originating Country (Per cent)



Source: Central Bank of Nigeria

Capital importation by destination showed Lagos state as the highest recipient, with a share of 62.90 per cent of the total inflow, followed by the Federal Capital Territory (37.04%), Ondo state (0.03%), and Ogun state (0.02%). Inflows into other states accounted for the balance.

Figure 44: Capital Inflow by States (Per cent)



Source: Central Bank of Nigeria

Capital outflow

Capital outflows increased, mainly on account of higher capital transfers in the review period. Total capital outflow rose to US$2.75 billion, from US$1.63 billion in the preceding month. The development was driven mainly by a 91.53 per cent increase in capital transfers to US$2.26 billion, relative to the level in the preceding month. Outflow through loan repayments also rose to US$0.48 billion from US$0.44 billion in January 2026. However, dividend repatriation declined by 0.28

per cent to US$0.01 billion, compared with the level in the preceding month. In terms of share, capital transfers accounted for 82.18 per cent of total capital outflows, loan repayments (17.45%), while repatriation of dividends constituted the balance.

Figure 45: Capital Outflow (US$ Billion)

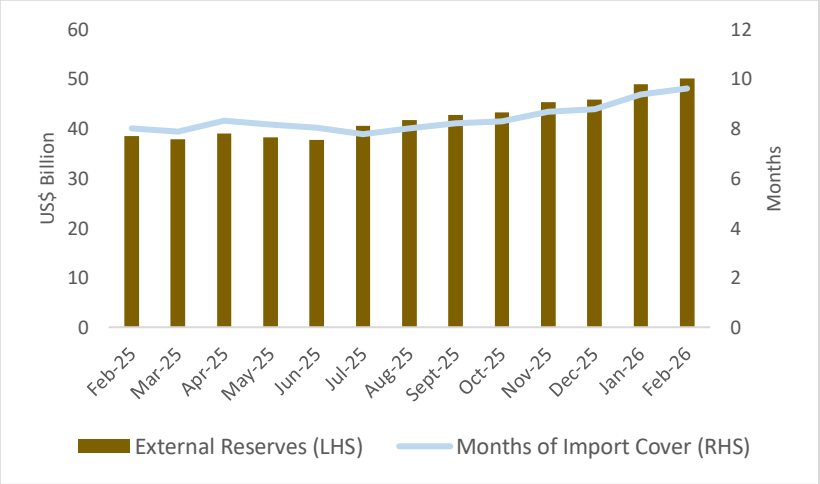
Source: Central Bank of Nigeria

The banking sector accounted for the largest share of capital outflow, at 46.40 per cent, followed by financing (36.45%), oil & gas (9.41%), telecommunication (4.89%), and production/manufacturing (1.25%). Outflow through other sectors accounted for the balance.

2.4.2 International Reserves

The external reserves exceeded the three months imports cover international benchmark. At end-February 2026, the external reserves stood at US$50.12 billion, from US$48.88 billion at end-January 2026, and could cover 9.61 months of import for goods and services.

Figure 46: External Reserves and Months of Import Cover



Source: Central Bank of Nigeria

2.4.3 Foreign Exchange Flows through the Economy

The economy recorded a net foreign exchange inflow in February.

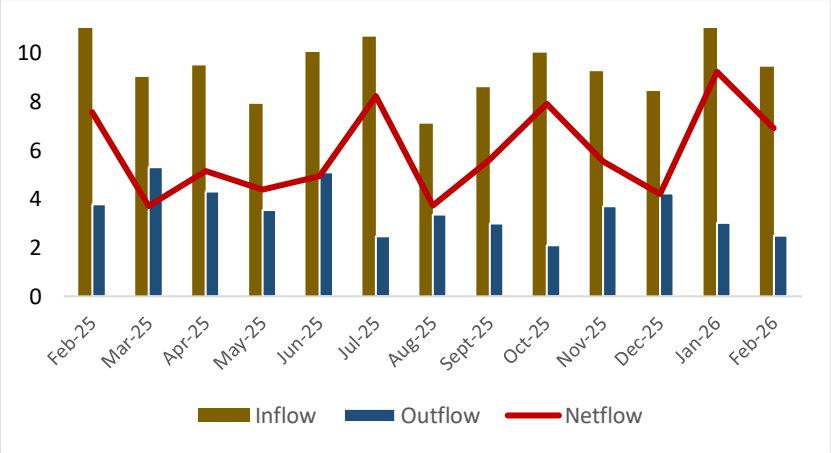
Foreign Exchange Flows through the Economy

Foreign exchange flows through the economy resulted in a net inflow of US$6.92 billion, compared with US$9.22 billion in January 2026. Aggregate foreign exchange inflow decreased to US$9.43 billion, from US$12.23 billion in January. Aggregate foreign exchange outflow also decreased to US$2.50 billion, from US$3.01 billion in the preceding month.

Foreign exchange inflow through the Bank fell to US$3.09 billion, from US$4.66 billion in January 2026. Similarly, autonomous inflow fell to US$6.34 billion, from US$7.57 billion. Outflow through the Bank rose to US$1.75 billion, from US$1.57 billion in the preceding month. In contrast, autonomous outflow decreased to US$0.75 billion, from US$1.44 billion.

Consequently, flows through the Bank and autonomous sources resulted in net inflows of US$1.34 billion and US$5.58 billion, respectively, compared with US$3.09 billion and US$6.14 billion in the preceding month.

Figure 47: Foreign Exchange Flows Through the Economy (US$ Billion)



Source: Central Bank of Nigeria

2.4.4 Exchange Rate Movement

Average Exchange Rate

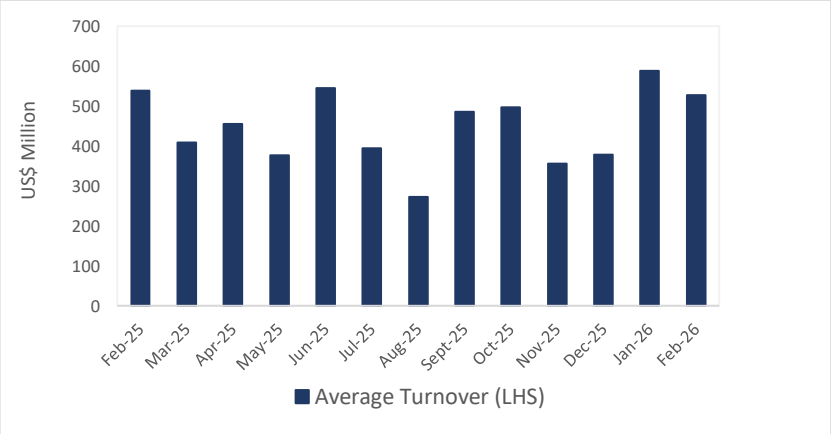
The naira continued to strengthen against the US dollar in the review period. The average exchange rate of the naira per US dollar was ₦1,355.34/US$, a 4.51 per cent appreciation, from ₦1,416.52/US$ in January 2026. The end-period NFEM rate was ₦1,363.40/US$, compared with ₦1,386.55/US$ in the preceding month.

2.4.5 Foreign Exchange Turnover

Foreign Exchange Turnover

The average foreign exchange turnover at the NFEM in February fell by 10.29 per cent to US$527.17 million from US$587.62 million in January.

Figure 48: Foreign Exchange Turnover



Source: Financial Markets Derivatives Quotations

3.0 ECONOMIC OUTLOOK

3.1 Global Outlook

The global economy is projected to grow by 3.30 per cent in 2026, from 3.00 per cent in 2025. The projection is hinged on sustained technology-driven investments, ongoing fiscal and monetary support in major economies, and resilience in private sector activity. Growth in AEs is projected at 1.80 per cent in 2026, compared with 1.70 per cent in 2025. In EMDEs output is expected to expand by 4.20 per cent, below the 4.40 per cent in 2025, reflecting moderating momentum. Notwithstanding the broadly positive outlook, a potential reassessment of technology sector valuations and productivity gains, and escalating geopolitical tensions, could weigh on investment flows and global trade dynamics, constituting downside risks.

Global inflation is expected to decline to 3.80 per cent in 2026, from 4.10 per cent in 2025, on account of the crystallisation of the effect of past monetary policy actions in major economies. However, inflationary risks remain, especially from geopolitical developments that could disrupt supply chains and elevate commodity prices.

3.2 Domestic Outlook

Outlook for the domestic economy is optimistic for 2026, supported by ongoing macroeconomic and structural reforms, improving investor sentiment, and gradual stabilisation in key macroeconomic indicators. Growth prospects are expected to be driven by continued expansion in the services sector, particularly telecommunications and financial services, as well as a recovery in agricultural output, contingent on improved security conditions and government interventions. However, downside risks persist, including worsening security challenges in food-producing regions, and vulnerability to global oil price shocks.

Headline inflation is projected to moderate in 2026, hinged on the lagged effects of earlier monetary policy actions, relative stability in the foreign exchange market, and anticipated improvements in food supply conditions. Nonetheless, inflation pressures could remain elevated in the near term, as structural constraints and high energy cost persist.