CENTRAL BANK OF NIGERIA ECONOMIC REPORT

First Quarter 2026

ABOUT THE REPORT

The Central Bank of Nigeria (CBN) Economic Report presents 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 developments that impact on 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 4
1.3 Global Financial Markets 5
1.4 Global Commodity Markets 8
1.5 Monetary Policy Stance 10
2.0 DOMESTIC ECONOMIC DEVELOPMENTS 13
2.1 Real Sector Developments 13
2.1.1 Domestic Output 13
2.1.2 Inflation 20
2.1.3 Socio-Economic Developments 23
2.2 Fiscal Sector Developments 24
2.2.1 Federation Account Operations 24
2.3 Monetary and Financial Developments 30
2.3.1 Monetary Developments 30
2.3.2 Sectoral Utilisation of Credit 33
2.3.3 Financial Developments 34
2.3.4 Financial Soundness Indicators 43
2.4 External Sector Developments 44
2.4.1 Current and Capital Account 44
2.4.2 Financial Account 49
2.4.3 External Debt 49
2.4.4 International Investment Position (IIP) 50
2.4.5 External Reserves 50
2.4.6 Foreign Exchange Flows through the Economy 51
2.4.7 Exchange Rate Movement 52
3.0 ECONOMIC OUTLOOK 53
3.1 Global Outlook 53
3.2 Domestic Outlook 53

Tables

Table 1: Global Composite Purchasing Managers' Index (PMI) 2
Table 2: Selected Agricultural Export Commodities Q12026 10
Table 3: Central Bank Policy Rates (per cent) 11
Table 4: Selected EMEs Currency Rates to the US dollar 12
Table 5: Index of Industrial Production 15
Table 6:Index of Electricity Production 16
Table 7: Federation Revenue and Distribution (₦ Billion) 26
Table 8: Money and Credit Growth (per cent) 32
Table 9: Sectoral Credit Allocation 33
Table 10: Nigerian Exchange Limited Sectoral Indices 40
Table 11: Listings, De-listings, and Suspensions on the NGX 42
Table 12: Services Payment (US$ Billion) 46
Table 13: Services Receipt (US$ Billion) 47

Figures

Figure 1: PMIs in Selected Advanced Economies 3
Figure 2: PMI in Selected EMDEs. 3
Figure 3: Inflation in Selected Advanced Economies (per cent) 4
Figure 4: Inflation in Selected EMDEs (per cent) 5
Figure 5: Growth Rate in Key Global Stocks (per cent) 6
Figure 6: 10-year Government Bond Yields for Selected Countries 7
Figure 7: Total Global Crude Supply and Demand 8
Figure 8: Quarterly Crude Oil Prices (US$ pb) 9
Figure 9: Price Changes in Selected Metals (per cent) 9
Figure 10: Selected EMEs Currency Values to the US dollar 12
Figure 11: Real GDP Growth Rate (year-on-year) 13
Figure 12: Sectoral Growth Rate of Real GDP 14
Figure 13: GDP Growth Rate and Contribution (%) in Q12026 17
Figure 14: Nigeria's Crude Oil Production and OPEC Quota 17
Figure 15: Gas Production, Utilisation and Flared (Billion mscf) 18
Figure 16: Headline Inflation (year-on-year) 20
Figure 17: Monthly Inflation Momentum 20
Figure 18: Inflation Pervasiveness (per cent) 21
Figure 19: Urban and Rural inflation (per cent) 22
Figure 20: Headline and Food Inflation across States 22
Figure 21: Federally Collected Revenue (₦ Billion) 24
Figure 22: Contribution to Federation Revenue 25
Figure 23: Top-5 Recipients of Federation Allocation (₦ Billion) 27
Figure 24: Bottom-5 Recipients of Federation Allocation (₦ Billion) 27
Figure 25: FGN External and Domestic Debt Compositions 28
Figure 26: Composition of Domestic Debt Stock by Instrument 29
Figure 27: Composition of External Debt Stock 29
Figure 28: Reserve Money and Money Multiplier 30
Figure 29: Reserve Money Growth Over end-December 31
Figure 30: Consumer Credit Outstanding 34

Figure 31: Average Banking System Liquidity (₦ Trillion) 34
Figure 32: Transactions at the Standing Facilities Window 35
Figure 33: Open Market Operations (₦ Trillion) 36
Figure 34: Primary Market NTBs (₦ Trillion) 36
Figure 35: Primary Market Auctions of FGN Bonds (₦ Trillion) 37
Figure 36: Developments in Short-term Interest Rates (per cent) 37
Figure 37: Average Term Deposit and Lending Rates (per cent) 38
Figure 38: Aggregate Market Capitalisation and All-Share Index 39
Figure 39: Q-on-Q Changes in Sectoral Indices in per cent 40
Figure 40: Volume and Value of Traded Securities 41
Figure 41: Key Financial Soundness Indicators 43
Figure 42: Current Account Balance (US$ Billion) 44
Figure 43: Sectoral Decomposition of Merchandise Import 45
Figure 44: Share of Service Out-Payments 46
Figure 45: Share of Services Receipts 47
Figure 46: Primary Income Balance 48
Figure 47: Secondary Income Balance (US$ Billion) 48
Figure 48: External Reserves and Months of Import Cover 50
Figure 49: FX Transactions through the Economy (US$ Billion) 51
Figure 50: Turnover in the NFEM 52

SUMMARY

Global economic activity expanded in the first quarter of 2026, albeit at a slower pace. Global composite purchasing managers' index (PMI) stood at 51.00, compared with 52.00, owing to slowdown in manufacturing and services activities. Financial markets softened amid declines in selected US technology stocks, heightened geopolitical tensions in the Middle East, weaker growth prospects in advanced economies, and increased investor risk aversion toward emerging and developing markets. Meanwhile, the average spot price of the Bonny Light (34.9° API) rose by 26.86 per cent to US$82.69 per barrel from US$65.18 per barrel in the preceding quarter.

The domestic economy remained resilient, with real GDP growth reaching 3.89 per cent in Q1 2026, compared with 4.07 per cent in the preceding quarter, supported by improved performance in the non-oil sector. Crude oil production, however, declined due to operational challenges at major terminals. Inflation rose marginally to 15.38 per cent from 15.15 per cent, driven largely by higher food prices associated with the pass-through from energy prices.

Provisional data showed that federation revenue increased by 2.55 per cent in Q1 2026, owing to a 23.91 per cent rise in non-oil receipts. Nevertheless, allocations to the three tiers of government declined due to a 29.17 per cent contraction in oil revenue. Consolidated public debt stood at ₦159.27 trillion (36.94% of GDP) as at Q4 2025 and was below the national debt ceiling of 60.00 per cent and the 70.00 per cent benchmark for Market Access Countries.

Broad money supply (M3) contracted, mainly due to a decline in net foreign assets. Although overall credit expanded, weaker consumer lending moderated deposit growth. Short-term interest rates remained within the monetary policy corridor and reflected liquidity conditions in the banking system. The Nigerian capital market sustained its bullish trend, supported by investor confidence, strong corporate earnings, portfolio rebalancing, and favourable macroeconomic conditions. The financial sector remained stable and resilient, as reflected in key prudential indicators.

Despite heightened geopolitical tensions, the external sector remained resilient, and recorded surpluses in both the current account and overall balance of payments. External reserves as of end-March 2026, stood at US$48.35 billion, and exceeded the international benchmark of three months' import cover. The naira appreciated at the Nigerian Foreign Exchange Market (NFEM), as the market continued to experience stability.

1.0 GLOBAL ECONOMIC DEVELOPMENTS

Global economic activity expanded in the first quarter of 2026, albeit at a slower pace, as weaker services sector performance moderated the continued resilience of manufacturing activity. Inflation dynamics reflected the combined effects of restrictive monetary policy, easing energy prices, and persistent domestic cost pressures. Most central banks maintained a cautious policy stance in the period under review amid uncertainty from escalation of the Middle East conflict. Global financial markets were under pressure from the combined effects of decline in some US technology stocks, escalating geopolitical tensions, downward revisions of growth prospects of advanced economies, among others.

1.1 Global Economic Activity

Global composite purchasing managers' index (PMI) declined to 51.00 from 52.00, owing to a slowdown in the manufacturing and services sectors. Among the advanced economies, the pace of activity was mixed. In the US, PMI moderated to 50.30, from 52.70 in the preceding quarter, indicating positive but slower activity in services. In contrast, economic activity picked up in the UK, with PMI increasing to 51.00 from 50.60 in Q42025, driven by domestic demand. Germany's PMI also rose to 51.90 from 51.30 in Q42025, following improvements in new business inflows and export demand.

Economic Activity in Advanced Economies

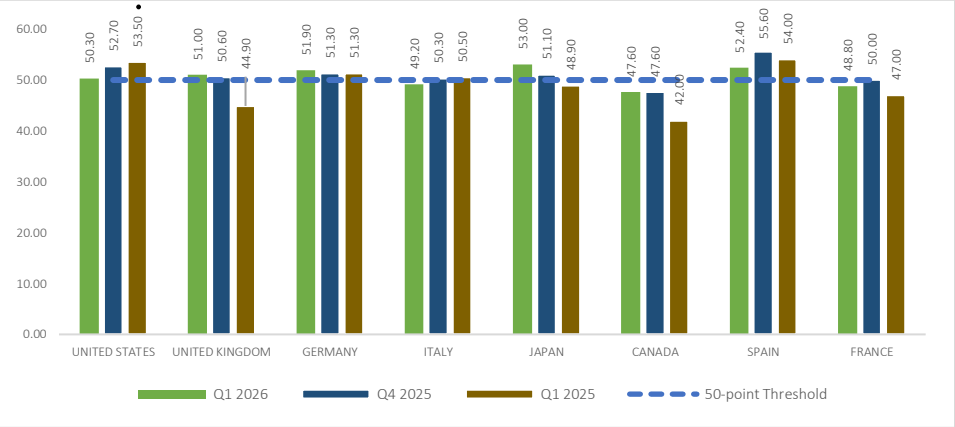
Table 1: Global Composite Purchasing Managers' Index (PMI)

Composite (Output)	51.80	52.00	51.00
Manufacturing	50.33	50.90	51.40
Services (Business Activity)	52.13	52.40	50.80

Source: JP Morgan

The PMI in Canada remained in contraction territory at 47.60, and broadly unchanged from the preceding quarter, driven, primarily, by slow pace of activity in the services sector, while manufacturing activity showed signs of stabilisation. In Italy, the PMI contracted to 49.20 from an expansion of 50.30, on account of decline in services, and lower output and new business orders. Similarly, business activity in France weakened, as the composite PMI fell to 48.80 from 50.00 in the preceding quarter. The decline was attributed to subdued demand and decline in output and new export orders.

Figure 1: PMIs in Selected Advanced Economies



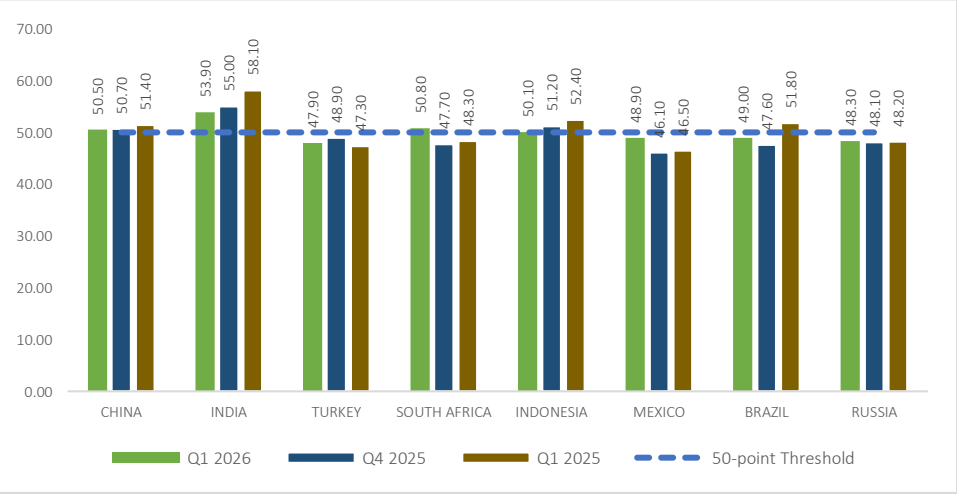
Source: Trading Economics/Various countries' websites.

Economic activity in EMDEs

Expectation about economic activity was also mixed among EMDEs. In India, PMI was at 53.90, compared with 55.00 in the preceding quarter. Expansion in economic activity was supported by robust domestic demand and services activity. The PMI in China declined slightly to 50.50, from 50.70. The borderline expansion was supported by manufacturing activity and policy measures. Indonesia's PMI also remained in the expansion region at 50.10, though lower than the 51.20 in Q42025, reflecting softening momentum.

The PMIs of Brazil (49.00), Mexico (48.90), and Russia (48.30) remained below the 50-point threshold but improved relative to levels in the preceding quarter, as cost pressures and demand showed signs of easing. South Africa recorded a rebound in PMI to 50.80 from a contraction of 47.70, due to improvement in output and easing supply constraints.

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

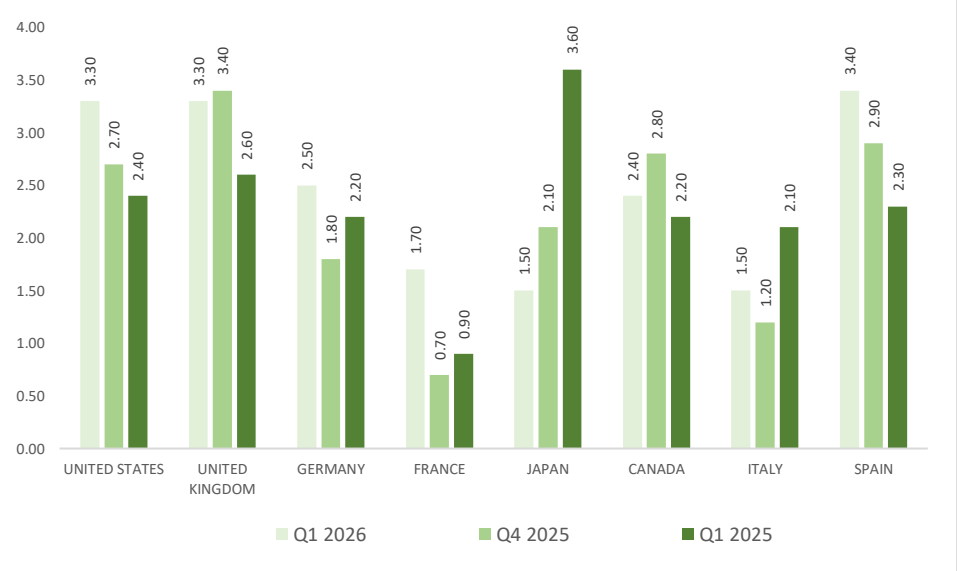
Global Inflation

Inflation across AEs was mixed in Q12026, reflecting the combined effects of tight monetary policy and easing energy prices, as well as persistent domestic cost pressures. Inflation in the US rose to 3.30 per cent, from 2.70 per cent in the preceding quarter, due to strong wage growth and elevated services cost.

In contrast, inflation in the euro area ranged between 1.50 and 3.40 per cent. Italy recorded the lowest inflation rate at 1.50 per cent, followed by France (1.70%). The low inflation in both countries reflected subdued domestic demand and limited pass-through of energy prices. In Germany and Spain, inflation stood at 2.50 and 3.40 per cent, respectively.

In the UK, price pressures moderated to 3.30 per cent from 3.40 per cent in the preceding quarter, due largely to decline in clothing prices. In Japan, inflation declined to 1.50 per cent from 2.10 per cent, owing to decline in imported inflation, weak services inflation, and limited wage-price transmission. Similarly, inflation in Canada moderated to 2.40 per cent from 2.80 per cent in the preceding quarter, supported by weaker demand conditions, tighter monetary policy, and easing cost pressures.

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



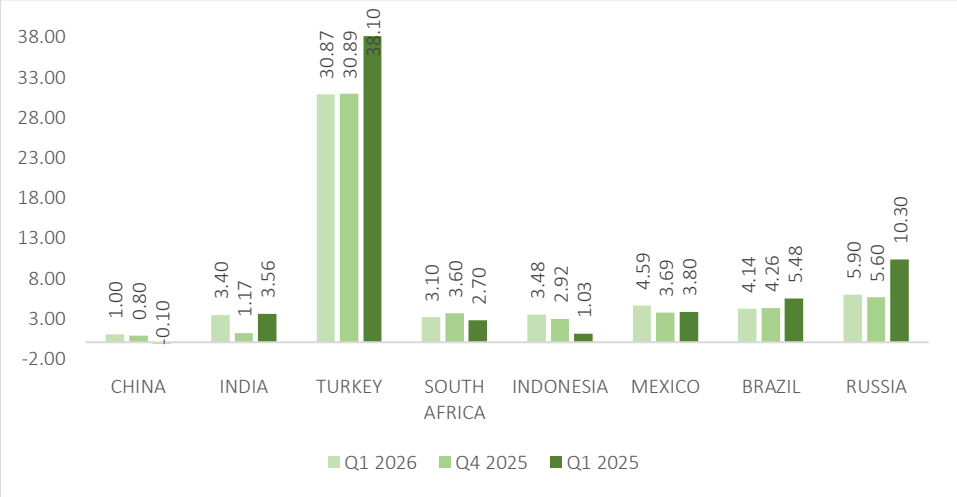
Source: Trading Economics

Inflation in EMDEs remained largely on disinflation path, with exception to a few economies. In China, inflation remained low and stable at 1.00 per cent, on account of subdued domestic demand and modest price pressures. In Turkey, although inflation was elevated at 30.87 per cent, it declined moderately when compared with 30.89 per cent in the preceding period. The moderation was associated with tighter monetary conditions, slower food and energy price increases, and base effect.

Brazil recorded a disinflation to 4.14 per cent from 4.26 per cent in Q42025, following tighter monetary policy and easing cost pressures. In South Africa, inflation moderated to 3.10 per cent from 3.60 per cent, reflecting weaker domestic demand, improved supply conditions, and the lagged effects of monetary tightening.

Inflation, however, rose in India to 3.40 per cent from 1.17 per cent, following strong domestic demand and rising food prices. In Mexico, inflation also increased to 4.59 per cent from 3.69 per cent in the preceding quarter, due majorly to exchange rate pass- through to domestic prices. Similarly, price pressures edged up in Russia to 5.90 per cent from 5.60 per cent, reflecting impact of subsisting sanctions, exchange rate pressures, and supply disruptions.

Figure 4: Inflation in Selected EMDEs (per cent)



Source: Trading Economics

1.3 Global Financial Markets

1.3.1 Global Financial Conditions

Equities fell in most economies, largely reflecting heightened geopolitical tensions following the escalation of the US-Israel-Iran conflict, rising energy prices, and monetary policy outlook. Stocks across AEs depreciated in Q12026, as the US NASDAQ 100 declined by 5.98 per cent. Similarly, the S&P 500 and Dow Jones fell by 4.63 and 3.58 per cent, respectively. The losses were driven, largely, by fall in large cap technology stocks, weaker investors' sentiment, following renewed hostilities in the Middle East, rising sovereign bond yields, and expectations of monetary easing.

Similarly, equity markets in the euro area weakened with the German Dax, French CAC 40, and Euro Stoxx 50 declining by 7.39, 4.08, and 3.83 per cent, respectively.

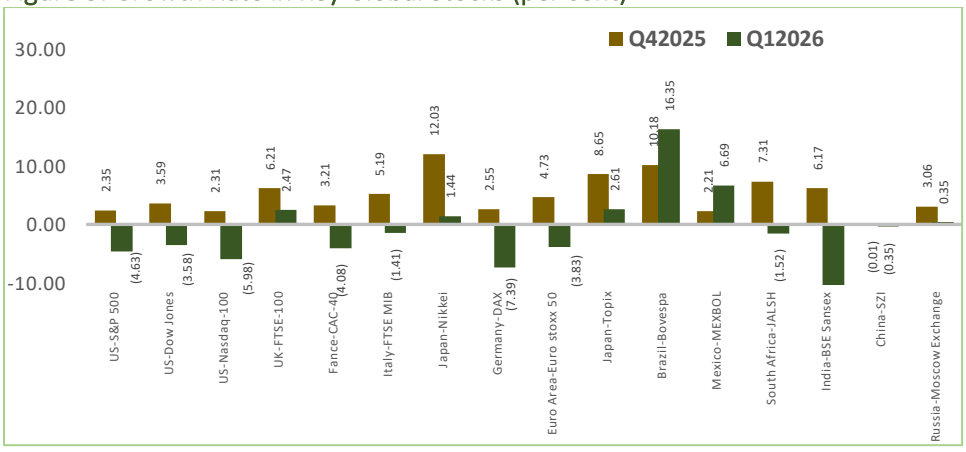
The depreciation reflected subdued economic activity, lower industrial output, and energy price shocks. The Italian FTSE MIB depreciated by 1.41 per cent, as geopolitical uncertainties dented investor confidence.

In Japan, however, TOPIX and NIKKEI indices rallied by 2.61 and 1.44 per cent, respectively, supported by corporate governance reforms, stable domestic demand, and higher investors' appetite in generative artificial intelligence, and defence stocks. The UK FTSE 100 appreciated by 2.47 per cent, supported by heavy weighting in energy, mining, and defence stocks, which benefited from elevated commodity prices.

Equities recorded mixed performances in EMDEs in Q12026. In Brazil, the BOVESPA appreciated by 16.35 per cent, due to rising commodity prices, and optimism about policy easing. Similarly, the MEXBOL gained 6.69 per cent, due to increased investor interest in near shoring related industries in Mexico, benefiting from supply chain realignment around North America. The Russian MOEX grew by 0.35 per cent, as gains in energy related stocks offset the impact of the Russia-Ukraine war.

The Indian BSE SENSEX and Chinese SZI, however, lost 15.57 and 0.35 per cent, respectively, owing to profit-taking, following strong gains in the preceding period, concerns over elevated equity valuations, foreign portfolio outflows and heightened global risk aversion. Depreciation in the SZI was largely attributed to persistent structural weaknesses in the property market and concerns over slowing growth in corporate earnings amid rising global uncertainty. Similarly, the South African JALSH lost 1.52 per cent, reflecting the adverse effects of higher oil prices, and weaker currency and investor sentiment.

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



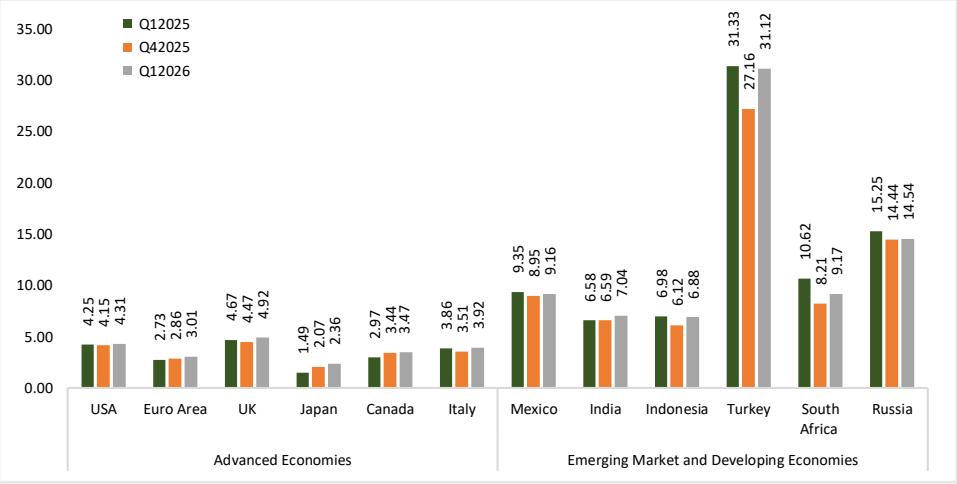
Source: Reuters Refinitiv Eikon & MarketWatch

Yields on 10-year government bonds rose in AEs and EMDEs in the review period. The 10-year bond yields in the US and euro area rose to 4.31 and 3.01 per cent, respectively, from 4.15 and 2.86 per cent in the preceding quarter, due to the Middle East crisis induced energy shock, which caused investors to revise expectations about near-term interest rate cuts. Similarly, yields in Japan and Italy increased to 2.36 and 3.92 per cent, respectively, from 2.07 and 3.51 per cent in Q4 2025. In Japan, the rise reflected heightened inflation concerns arising from higher global energy prices and the depreciation of the yen, which affected import costs and inflation pressures. In Italy, the rise in yield was associated with election-related fiscal uncertainty and concerns about fiscal sustainability. In Canada, yield edged up to 3.47 per cent, from 3.44 per cent, as markets repriced inflation and interest rate risks, following energy shock triggered by the Middle East crisis. Sovereign yields also rose in the UK to 4.92 per cent, from 4.77 per cent, as investors revised expectations about rate cuts amid price pressures and elevated government borrowing needs.

In Mexico and Russia, yields increased to 9.16 and 14.54 per cent, respectively, from 8.95 and 14.44 per cent. The development in Mexico was due, mainly, to spillovers from higher US yields, while the rise in Russia reflected elevated geopolitical risk and inflation-related risk premia. Yields in India and Indonesia also rose to 7.04 and 6.88 per cent, respectively, from 6.59 and 6.12 per cent, due to high government debt.

In South Africa, yield rose to 9.17 per cent, from 8.21 per cent in the preceding quarter, supported by depreciation in the rand. Similarly, yield in Turkey increased to 31.12 per cent, from 27.16 per cent, driven by higher domestic borrowing need and increased bond supply, which weakened demand for long term securities.

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



Source: Reuters Refinitiv Eikon & Trading Economics

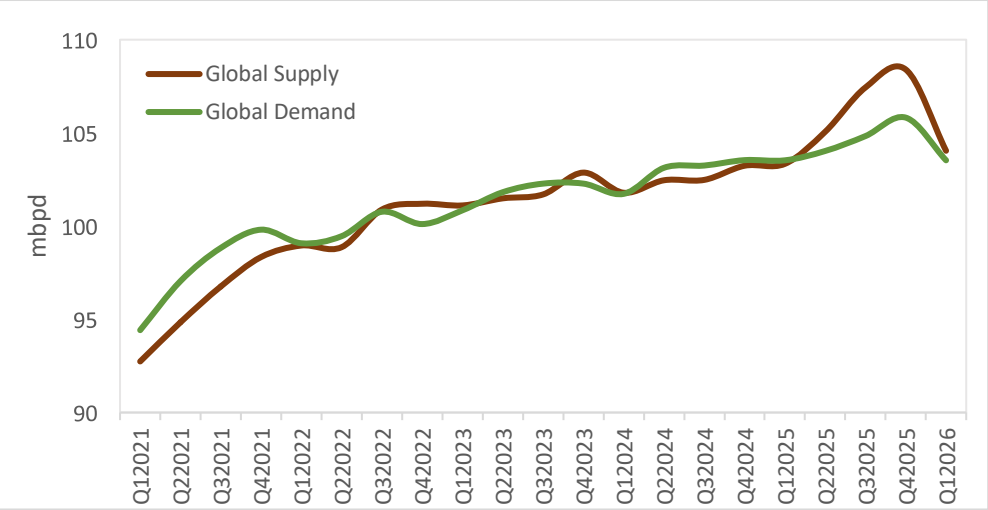
1.4 Global Commodity Markets

World Crude Supply and Demand

The disproportionate decline in global crude oil supply, relative to demand, further narrowed supply gap in Q12026. Oil supply, including Natural Gas Liquids (NGLs), fell by 3.98 per cent to 104.04 mbpd, compared with 108.35 mbpd in the preceding quarter, owing to lower production in non-OPEC countries, which fell by 2.54 per cent to 71.89 mbpd from 73.76 mbpd. Supply from OPEC+ reduced by 7.05 per cent to 32.15 mbpd, from 34.59 mbpd in Q42025.

A lower decline of 1.06 per cent to 103.53 mbpd was however recorded in global oil demand, owing to reduction in demand in non-OECD countries. Demand in non-OECD countries fell by 1.11 per cent to 57.94 mbpd, due to lower economic activity in the US, China, and other Asian countries. Similarly, demand in OECD countries also declined by 0.99 per cent to 45.58 mbpd, compared with 46.04 mbpd in Q42025

Figure 7: Total Global Crude Supply and Demand



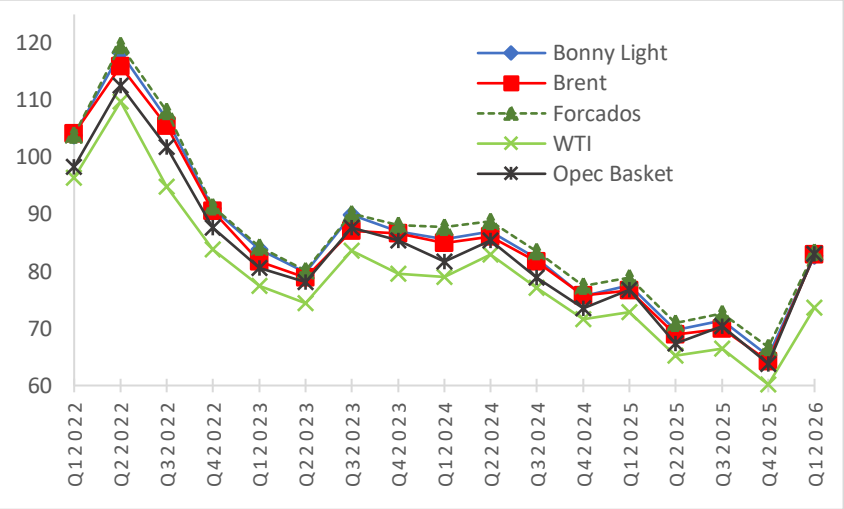
Source: Energy Information Administration (EIA)

Crude Oil Prices

Crude oil spot prices increased, following supply constraints caused by heightened tensions in the Middle East. The average spot price of Nigeria's reference crude, the Bonny Light (34.9° API), rose by 26.86 per cent to US$82.69 per barrel (pb) in Q12026, from US$65.18 pb in the preceding quarter. The prices of Brent (US$82.91 pb), Forcados (US$83.42 pb), WTI (US$73.68 pb), and the OPEC Reference Basket (US$83.00 pb) also increased.

The higher prices could enhance the federation's revenue, but pass-through to domestic prices, increasing inflationary pressure prices.

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

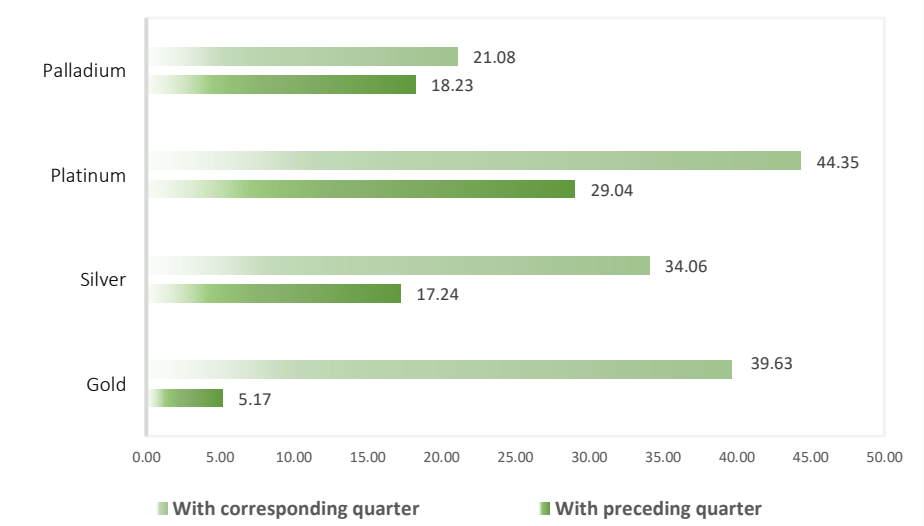


Source: Refinitiv Eikon (Reuters)

Other Mineral Commodities

The average spot prices of precious metals increased, driven by stronger demand, expectations of lower real interest rates, and ongoing geopolitical risks. The average spot prices (per ounce) of gold rose by 17.36 per cent to US$ 4,872.34, Silver (52.03%) to US$83.89, platinum (30.21%) to US$2,201.03, and palladium (15.47%) to US$1,701.25 in Q1 2026, from the levels in the preceding quarter. The increase in gold prices reflected portfolio diversification and sustained central-bank demand.

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



Source: Refinitiv Eikon (Reuters)

Agricultural Commodity Prices

The all-commodity price index of agriculture fell by 5.32 per cent to 124.36 in the first quarter of 2026, relative to 131.36 in the preceding quarter. The decline was driven, primarily, by the significant decline in the prices of cocoa (31.98%) and coffee (11.53%), despite increases in the prices of most of the monitored commodities. The decrease in the prices of cocoa and coffee, reflected, largely, improved supply conditions in major producing countries, coupled with subdued demand. The prices of rubber, wheat, soya beans, palm oil, groundnut, and cotton, however, increased due to rising input costs, geopolitical risks, biofuel demand and supply constraints.

Table 2: Selected Agricultural Export Commodities Q12026 (in dollars; Jan. 2010=100)

				(1) & (3)	(2) & (3)
	1	2	3	4	5
All Commodities	**160.96**	**131.36**	**124.36**	**-22.74**	**-5.32**
Cocoa	271.28	164.06	111.59	-58.87	**-31.98**
Cotton	100.68	96.98	97.21	-3.44	**0.24**
Coffee	364.88	295.16	261.14	-28.43	**-11.53**
Wheat	128.25	119.20	129.79	1.20	**8.89**
Rubber	64.94	56.63	62.82	-3.26	**10.92**
Groundnut	135.48	99.79	102.39	-24.42	**2.60**
Palm Oil	128.59	120.43	126.26	-1.81	**4.83**
Soya Beans	93.61	98.62	103.73	10.81	**5.18**

Sources: World Bank Pink Sheet
Note: Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities for the first quarter of 2026 (in dollars; Jan. 2010=100)

1.5 Monetary Policy Stance

Most central banks maintained a cautious monetary policy stance in Q12026 amid heightened geopolitical uncertainty, following the escalation of the war in the Middle East. The US Fed maintained its target range at 3.50 – 3.75 per cent, considering inflation risk and the Middle East conflict. The Bank of Canada also retained its policy rate at 2.25 per cent, on account of moderating inflation, slowing economic growth, and the decision to evaluate the effects of past tightening on output and prices. Similarly, the European Central Bank and the Bank of England paused rates, as policymakers continued to assess uncertainty in the energy market. The Bank of Japan also maintained rate at 0.75 per cent, over uncertainty from the Middle East conflict.

Consistent with central banks in AEs, most EMDEs held their policy rates steady in the review period. The People's Bank of China (PBoC) kept policy rates at 3.00 per cent to balance the oil-induced cost pressures. The Reserve Banks of India and

South Africa also maintained policy rates over heightened inflation risks stemming from the Middle East crisis. In Indonesia, the policy rates were unchanged to support exchange rate stability and keep inflation within target. Brazil and Mexico, however, cautiously eased, cutting rates by 25 basis points apiece, to counterbalance moderating growth and inflation risk. In the vein, Turkey and Russia lowered policy rates by 100 bps each, on account of declining inflation expectations in both economies.

Table 3: Central Bank Policy Rates (per cent)

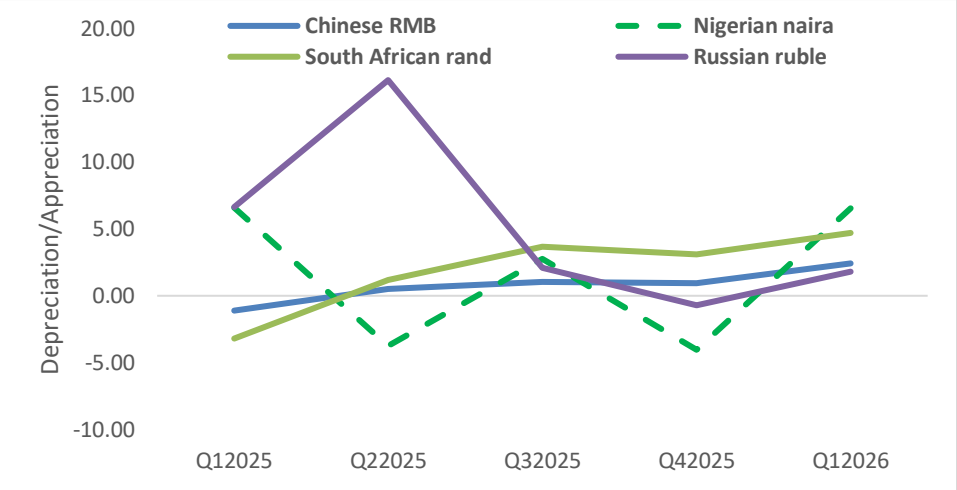
US	4.25-4.50	4.25-4.50	4.00-4.25	3.50–3.75	3.50–3.75
Canada	2.75	2.75	2.50	2.25	2.25
Euro Area	2.65	2.15	2.15	2.15	2.15
UK	4.50	4.25	4.00	3.75	3.75
Japan	0.50	0.50	0.50	0.75	0.75
Brazil	14.25	15.00	15.00	15.00	14.75
Russia	21.00	20.00	17.00	16.00	15.00
India	6.25	5.50	5.50	5.25	5.25
China	3.10	3.00	3.00	3.00	3.00
South Africa	7.75	7.25	7.00	6.75	6.75
Mexico	9.00	8.00	7.50	7.00	6.75
Indonesia	5.75	5.50	4.75	4.75	4.75
Turkey	42.50	46.00	40.50	38.00	37.00

Source: Various Central Banks' websites

Emerging Market Currencies

In Q12026, the Chinese renminbi and South African rand appreciated by 2.42 and 4.70 per cent, respectively, compared with the preceding quarter. The appreciation of the Chinese renminbi was due mainly to expectations that the US Supreme Court ruling against President Donald Trump's tariffs in February 2026 would bolster Chinese exports. Similarly, the South African rand strengthened during the quarter, supported by rising precious metal prices, as well as signs of an improving economic outlook. The Russian ruble also appreciated by 1.82 per cent supported by sustained foreign exchange earnings from energy exports.

Figure 10: Selected EMEs Currency Values to the US dollar



Sources: Central Bank of Nigeria & Reuters

Table 4: Selected EMEs Currency Rates to the US dollar

Period	Chinese RMB/US$	Nigerian Naira/US$	South African Rand/US$	Russian Ruble/US$
Q12025	7.27	1,521.56	18.50	94.03
Q42025	7.09	1,451.47	17.11	79.87
Q12026	6.93	1,362.15	16.34	78.44

Sources: Central Bank of Nigeria & Reuters

2.0 DOMESTIC ECONOMIC DEVELOPMENTS

2.1 Real Sector Developments

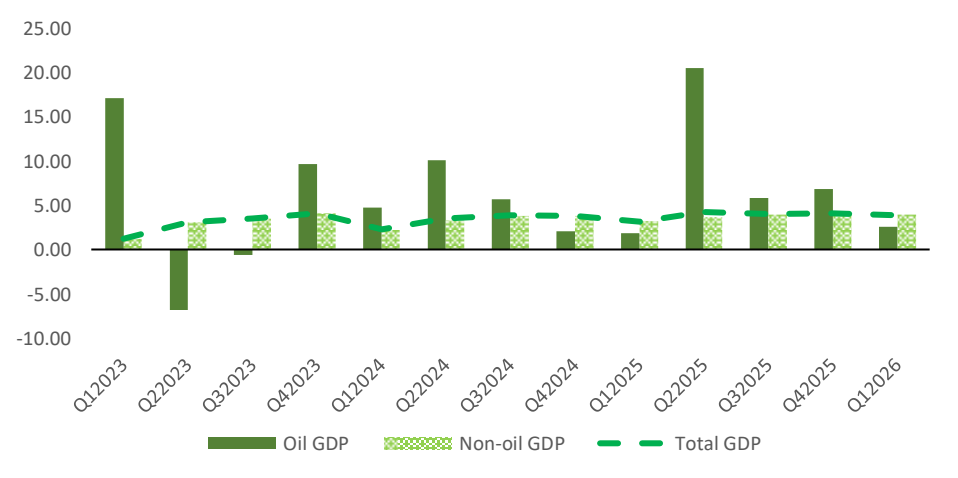
The economy grew in Q12026, resulting from the macroeconomic stability enabled by broad-based reforms in the domestic economy. Domestic crude oil production fell due to lingering operational challenges in key terminals. Inflation rose in the period under review, on account of higher energy and food costs.

2.1.1 Domestic Output

The economy sustained its growth momentum in Q12026, mirroring continued gains from a more stable macroeconomic environment attributed to broad-based reforms. Real GDP grew by 3.89 per cent in Q12026, compared with 4.07 and 3.13 per cent in the preceding and corresponding quarters, respectively. The growth was driven largely by strong non-oil sector performance, particularly services and agriculture. The 50-basis points policy rate cut in the period, coupled with the increasing capitalisation of banks, further supported growth.

The non-oil sector grew by 3.94 per cent in real terms in Q12026, compared with 3.19 and 3.99 per cent in the corresponding and preceding quarters, respectively, and contributed 3.79 percentage points to growth. Expansion in the non-oil sector was driven mainly by activities in information & communication, crop production, trade, manufacturing, financial & insurance, real estate and construction sub-sectors. The oil sector grew by 2.57 per cent, compared with 1.87 per cent in Q12025 and 6.79 per cent in Q42025, contributing 0.10 percentage point to overall growth. The sector's growth was mainly on account of higher crude oil prices that accompanied the US-Iran war.

Figure 11: Real GDP Growth Rate (Year-on-Year)

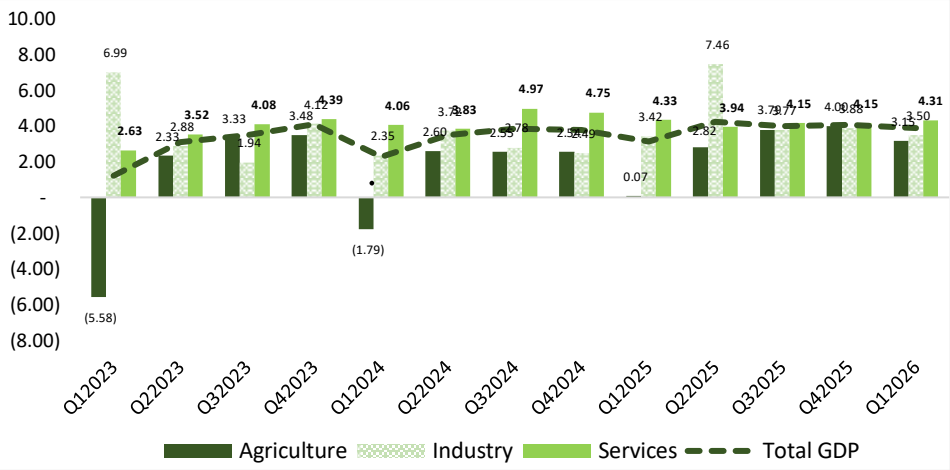


Source: National Bureau of Statistic

2.1.1.1 Sectoral Performance

The three main sectors of the economy, agriculture, industry and services, grew further in Q12026. The services sector grew by 4.31 per cent in Q12026, compared with the 4.14 and 4.33 per cent in preceding and corresponding quarters. It dominated other sectors, accounting for 57.73 per cent of aggregate GDP and contributed 2.48 percentage points to the overall growth.

Figure 12: Sectoral Growth Rate of Real GDP



Source: National Bureau of Statistics

Services

Within the services sector, the information and communications (ICT) sub-sector continued to dominate, with a 10.98 per cent growth in Q12026, compared with 7.55 and 7.40 per cent in the preceding and corresponding quarters, and contributed 1.16 percentage point to overall growth. The ongoing expansion of broadband infrastructure nationwide, which led to an increase in the number of telecom subscriptions to 185.72 million in Q12026 from 172.70 million in Q12025, boosted the performance of ICT. The trade sub-sector grew by 2.08 per cent, compared with 1.78 and 2.00 per cent in the corresponding and preceding quarters, respectively, supported by increased commercial activities linked to festivities during the period.

The finance and insurance sub-sector grew by 8.54 per cent, compared with 8.30 and 15.03 per cent in the preceding quarter and corresponding quarter. The growth was driven, primarily, by gains from the recapitalisation of banks. Other drivers included sustained digital transformation, higher returns on investment by insurance companies and the increased adoption of technology.

The real estate sub-sector grew by 2.29 per cent and contributed 0.31 percentage point to overall growth, following sustained adoption of smart home technologies, rise in PropTech, improved diaspora investment, as well as government initiatives to promote affordable housing and infrastructure development.

Agriculture

The agriculture sector grew by 3.15 per cent, compared with the 4.00 and 0.07 per cent growth achieved in Q42025 and Q12025, respectively. The crop, forestry, livestock, and fishing sub-sectors, maintained growth for four consecutive quarters. The crop production subsector grew by 3.39 per cent, although slower, relative to the 3.94 per cent growth recorded in the preceding quarter. The growth crop production was attributed to increased investment, following the import waiver on agricultural inputs and machinery.

The forestry and livestock subsectors grew by 4.14 and 2.20 per cent in Q12026, compared with 6.22 and 4.07 per cent in the preceding quarter. The fishing subsector also expanded by 1.72 per cent, below the 2.15 per cent in Q42025. The contributions were supported by increased timber production and demand for livestock and fish.

Industry

The industry sector grew by 3.50 per cent, compared with 3.88 and 3.42 per cent in the preceding and corresponding periods, contributing 0.67 percentage point to GDP growth. Sustained investment in infrastructure, particularly, in manufacturing, mining & quarrying, and construction supported industrial growth. The manufacturing sub-sector expanded by 3.29 per cent, compared with 1.13 per cent in the preceding quarter, reflecting, in part, a rise in manufacturing capacity utilisation to an estimated 62.85 per cent from 62.80 per cent, and increased domestic refining capacity.

The mining & quarrying subsector grew by 1.89 per cent, compared with 8.90 and 2.97 per cent in Q42024 and Q12025, respectively. The subsector contributed 0.08 percentage point to overall growth. The slower growth was due to the decline in crude oil production to 1.55 mbpd from 1.58 mbpd in Q42025, following pockets of insecurity in parts of the Niger Delta region.

The Index of Industrial Production (IIP) rose by 2.42 per cent year-on-year, mirroring development in the industrial sector.

Table 5: Index of Industrial Production

Q12025	97.95	2.77
Q22025	85.83	8.01
Q32025	74.66	2.08
Q42025	92.94	3.69
Q12026	100.32	2.42

Source: Central Bank of Nigeria
Note: IIP refers to index of industrial production

The construction subsector expanded by 6.38 per cent in the period under review, compared with 6.21 per cent in Q12025. The growth was on account of sustained investments in road infrastructure, including the Lagos-Calabar Coastal highway, the Sokoto-Badagry superhighway, the Abuja-Kaduna-Zaria-Kano road, the East-West road, and several rural access roads. The water supply, sewage, & waste management subsector also grew by 10.32 per cent in Q12026, compared with 9.43 per cent in the corresponding quarter.

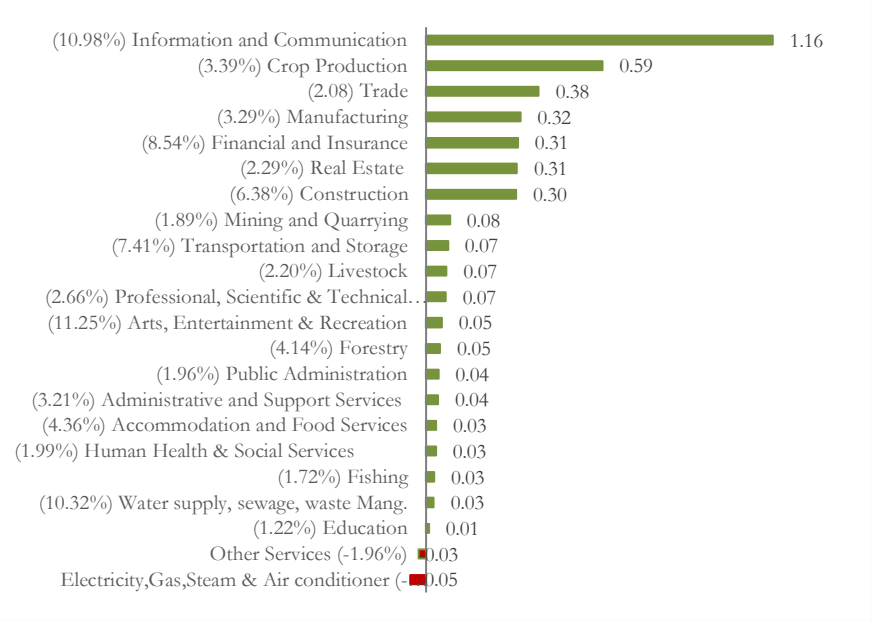
Conversely, the electricity, gas, steam & air conditioner subsector contracted by 15.30 per cent, against 4.26 and 18.65 per cent recorded in the preceding and corresponding quarters. The contraction was due to low electricity generation and poor distribution, underscoring the structural and operational challenges in the subsector. This development was reflected in the index of electricity production which fell by 4.59 per cent, year-on-year, compared with 5.17 per cent in Q42025. Overall, 20 out of the 22 subsectors in the economy grew in Q12026, while two contracted.

Table 6:Index of Electricity Production

Q12025	141.24	14.61
Q22025	201.32	11.24
Q32025	120.34	4.92
Q42024	138.60	5.17
Q12026	134.76	(4.59)

Source: Central Bank of Nigeria
Note: IEP refers to index of electricity production

Figure 13: GDP Growth rate and contribution of 22 subsectors (%) in Q12026

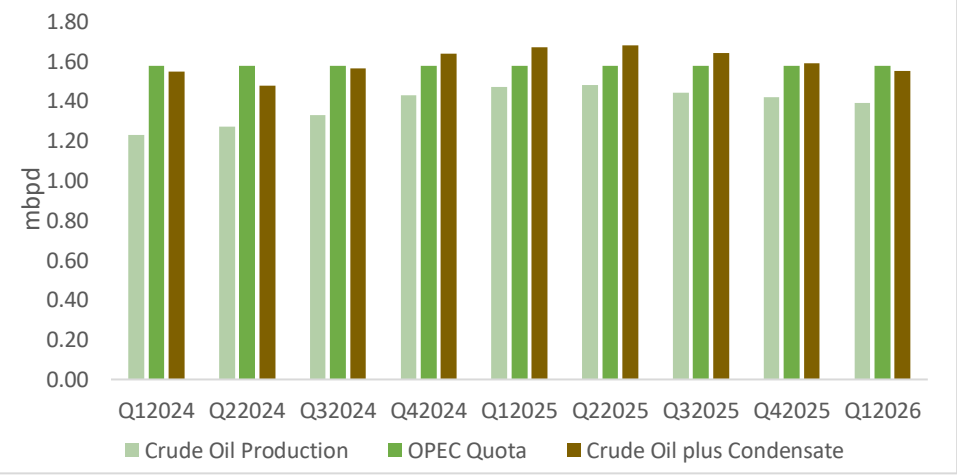


Source: National Bureau of Statistics

Crude Oil Production

Nigeria's crude oil output fell in Q12026, due to operational challenges at key terminals. Crude oil production, excluding blended and unblended condensates, decreased by 2.11 per cent to 1.39 mbpd, below the OPEC quota of 1.50 mbpd. Total crude production, including condensates, declined by 2.52 per cent to 1.55 mbpd, from 1.59 mbpd. The contraction was driven primarily by persistent structural and operational challenges at the Bonny, Escravos, Forcados, Tulja-Okwuibome, and Okoro terminals. Major field maintenance, especially in Bonga field in February and March and security concerns around the Forcados and Bonny pipelines, led to production deferments and shutdowns.

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



Source: Nigerian Upstream Petroleum Regulatory Commission (NUPRC)

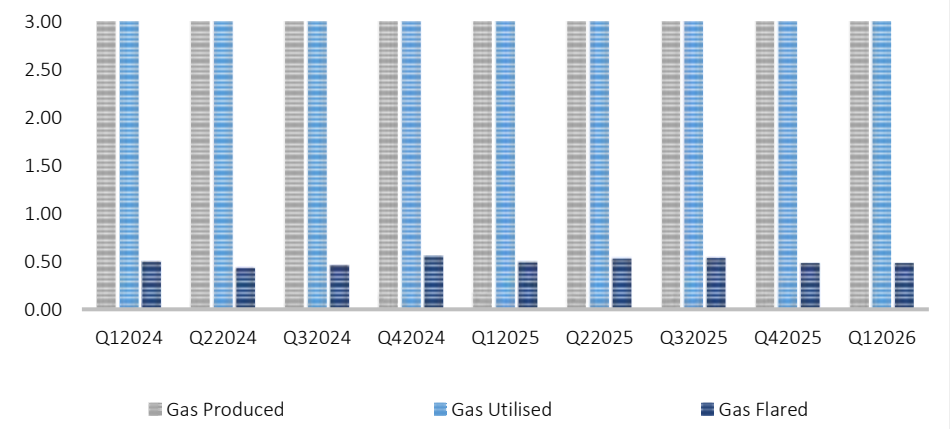
Domestic Gas Production

Total gas production rose in Q12026, buoyed by higher associated gas output, as upstream operations benefited from improved infrastructure and easing operational constraints. Aggregate gas production (associated and non-associated gas) increased by 6.34 per cent to 687,087.31 million standard cubic feet (mmscf), from 646,141.53 mmscf in Q42025.

Further analysis showed that associated gas production increased to 314,821.71 mmscf from 303,489.48 mmscf in the preceding quarter, reflecting improved operations in key producing assets. Non-associated gas output also increased to 354.166.91 mmscf, from 342,652.05 mmscf in Q42025, despite infrastructure bottlenecks in processing and evacuation.

Gas flaring remained minimal at 0.48 mmscf during the quarter, reflecting compliance with flaring regulations and improved gas utilisation. Growing output in both associated and non-associated gas indicates more robust feedstock for domestic power generation and fertiliser production.

Figure 15: Gas Production, Utilisation and Flared (Billion mscf)



Source: NUPRC Gas Production Report

Electricity Generation/ Consumption

Electricity production and consumption declined due, largely, to the shortfall in generation and distribution. This was exacerbated by operational and technical challenges in most generation plants. Thus, the average estimated electricity generation in Q12026 fell by 14.56 per cent to 4,245.55 MW/h from 4,969.29 MW/h in the Q42025. Similarly, the average estimated electricity consumption decreased by 17.64 per cent to 3,643.23 MW/h from 4,423.65 MW/h in preceding quarter.

Box 1: Prices of Selected Domestic Agricultural Commodities

The prices of most of the monitored domestic agricultural commodities declined in the first quarter of 2026, due, largely, to improved supply conditions and easing market pressures. The price decrease ranged from 0.82 per cent for vegetable oil to 14.39 per cent for beans (brown). However, the prices of Irish potato, yam tuber, and agric egg increased, driven by sustained demand pressures and seasonal supply constraints.

Prices of Selected Domestic Agricultural Commodities in Q12026

Food Items		Q12025	Q42025	Q12026	% Change	% Change
	Unit	1/a	2/a	3/b	(1) & (3)	(2) & (3)
Agric eggs medium size	*1kg*	*6508.27*	*5962.00*	*5988.93*	*-7.98*	*0.45*
Beans: brown, sold loose	*kg*	*2513.59*	*1519.22*	*1300.58*	*-48.26*	*-14.39*
Beans: white black eye, sold loose	*"*	*2151.10*	*1406.43*	*1247.54*	*-42.00*	*-11.30*
Gari white, sold loose	*"*	*1302.61*	*814.25*	*785.79*	*-39.68*	*-3.49*
Gari yellow, sold loose	*"*	*1397.92*	*882.88*	*834.78*	*-40.28*	*-5.45*
Groundnut oil: 1 bottle	*75cl*	*3066.13*	*3253.23*	*3069.33*	*0.10*	*-5.65*
Irish potato	*kg*	*1809.69*	*1725.62*	*2016.34*	*11.42*	*16.85*
Maize grain white, sold loose	*"*	*1205.47*	*849.16*	*790.45*	*-34.43*	*-6.91*
Onion bulb	*"*	*1391.50*	*1291.16*	*1122.33*	*-19.34*	*-13.08*
Palm oil: 1 bottle	*75cl*	*2408.49*	*2490.70*	*2370.21*	*-1.59*	*-4.84*
Rice local, sold loose	*kg*	*2133.15*	*1992.31*	*1928.95*	*-9.57*	*-3.18*
Sweet potato	*"*	*861.90*	*800.51*	*790.95*	*-8.23*	*-1.20*
Tomato	*"*	*1116.64*	*1189.77*	*1059.55*	*-5.11*	*-10.94*
Vegetable oil: 1 bottle	*75cl*	*3134.49*	*3247.01*	*3220.34*	*2.74*	*-0.82*
Wheat flour: prepackaged (Golden Penny)	*2kg*	*3950.80*	*3749.13*	*3646.30*	*-7.71*	*-2.74*
Yam tuber	*1kg*	*2051.50*	*2038.02*	*2102.26*	*2.47*	*3.15*

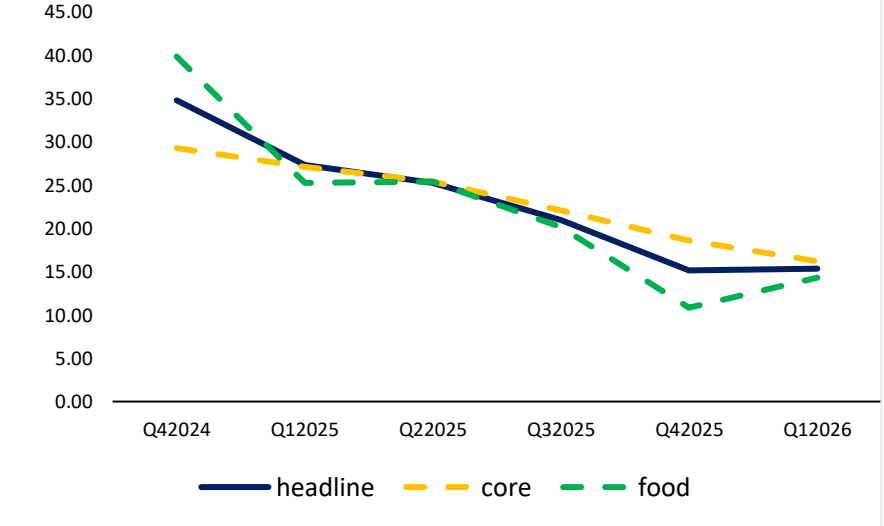
Sources: (a) National Bureau of Statistics (b) Staff Estimates

2.1.2 Inflation

Headline Inflation

Inflation inched up in Q12026, driven mainly by the effect of higher energy prices on transportation. Headline inflation (year-on-year) rose to 15.38 per cent in Q12026, from 15.15 per cent in the preceding quarter. The rise was largely attributed to increased transport and logistics costs, following the surge in crude oil prices. Also, seasonal effects exerted additional upward pressure on aggregate prices.

Figure 16: Headline Inflation (year-no-year)

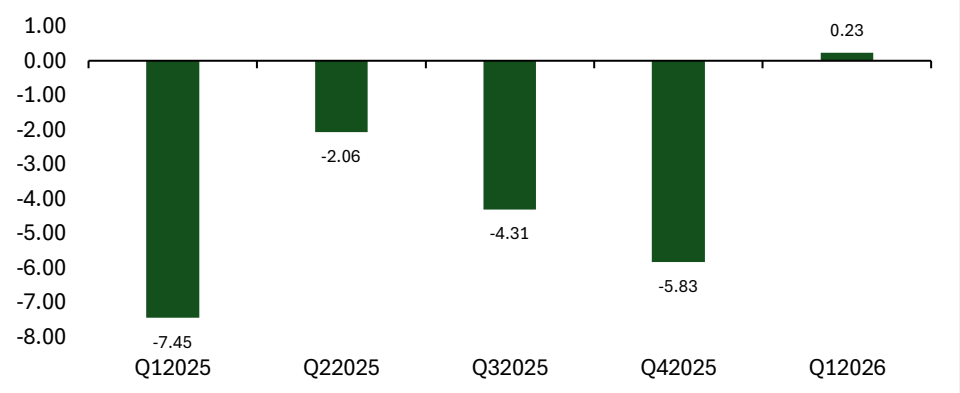


Source: National Bureau of Statistics

Inflation Momentum

Inflation momentum rose for the first time in four quarters by 0.23 percentage point in Q12026. This was on account of rising energy costs and farm produce.

Figure 17: Monthly Inflation Momentum

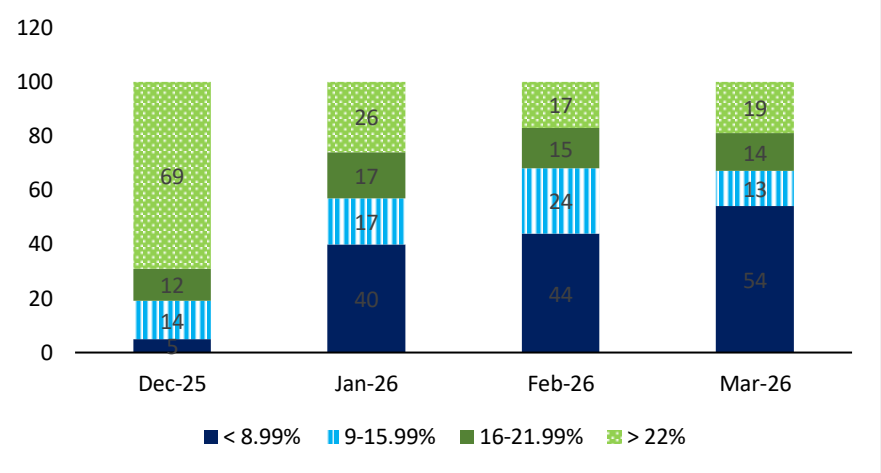


Source: Central Bank of Nigeria and National Bureau of Statistics

Inflation Pervasiveness

Statistical evidence revealed that inflation was less pervasive in Q12026, as only 19.00 per cent of items in the CPI basket, compared with 69.00 per cent in Q42025, exceeded the historical average of 21.57 per cent (January 2020- February 2026).

Figure 18: Inflation Pervasiveness (per cent)



Source: National Bureau of Statistics

Core Inflation

Core inflation moderated to 16.21 per cent from 18.63 per cent in the preceding quarter. The moderation was on account of sustained stability in the foreign exchange market, as the naira exchanged for ₦1,379.98/US$ on average in Q12026, compared with ₦1,553.73/US$ in Q42025. Furthermore, the lagged effect of Bank's contractionary policy stance of the Bank continued to moderate core inflation.

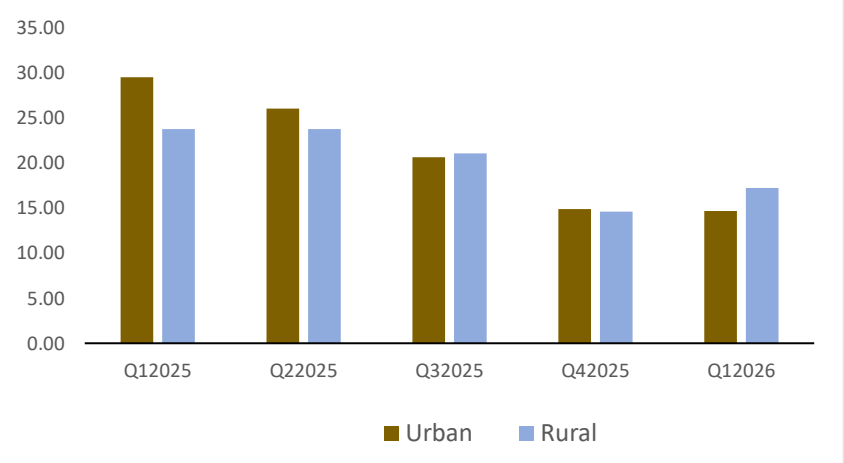
Food Inflation

Food inflation (year-on-year) rose to 14.31 per cent, from 10.84 per cent in Q42025, owing majorly to higher transport and logistics cost.

Urban and Rural Inflation

Urban inflation slowed to 14.64 per cent, from 14.85 per cent in the preceding quarter. However, rural inflation rose to 17.22 per cent, from 14.56 per cent in Q42025. Higher rural inflation was attributed to higher food prices, which was worsened by insecurity in agricultural zones, which disrupted the production of key staples.

Figure 19: Urban and Rural inflation (Per cent)

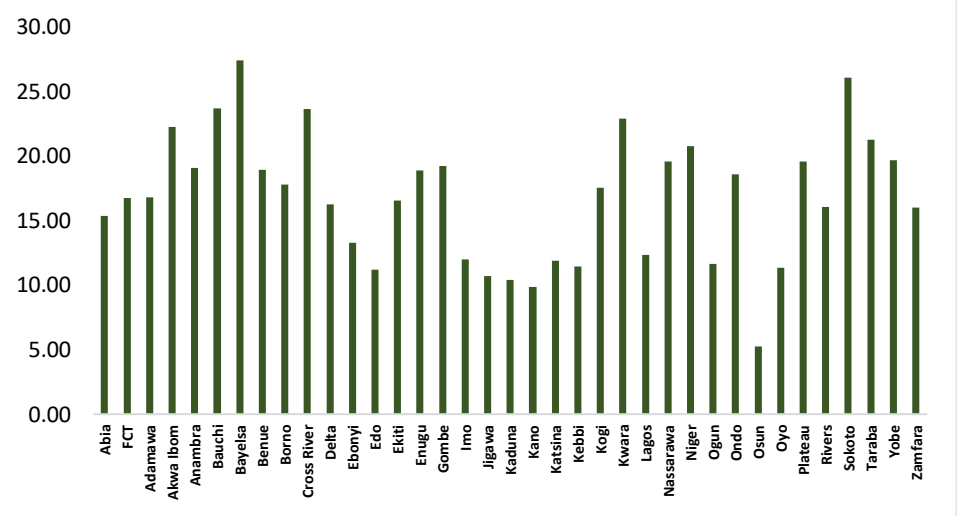


Source: National Bureau of Statistics

State Level Inflation

Headline inflation varied across states, with Bayelsa state recording the highest rate of inflation at 27.37 per cent, followed by Sokoto (26.03%), and Bauchi (23.67%). However, Osun (5.25%), Kano (9.85%) and Kaduna (10.38%) states recorded the slowest rise in prices in the quarter under review.

Figure 20: Headline and Food Inflation across States in March 2026 in Per cent



Source: National Bureau of Statistics

2.1.3 Socio-Economic Developments

Education

As part of efforts to enhance quality and promote sustainability across existing tertiary institutions, the Federal government introduced a six-year ban on the establishment of new universities, polytechnics and colleges of education. In addition, the Federal government approved ₦4.00 billion each for 10 selected universities of engineering and technology to rehabilitate workshops and acquire modern equipment. The institutions are expected to strengthen practical training and narrow the gap between theory and industry requirements.

Health

In its ongoing effort to curb the spread of HIV/AIDS and improve the treatment of cancer, the Federal government approved the sum of ₦9.99 billion for the procurement of antiretroviral (ARV) medicines for people living with HIV/AIDS and for the upgrade of cancer treatment facilities nationwide.

Transportation

To advance the infrastructural development priorities of the Renewed Hope Agenda, the Federal Executive Council (FEC) approved ₦5.6.00 billion for the design and cost assessment of a new Carter Bridge project in Lagos. The Council also approved several major road projects nationwide to enhance connectivity, strengthen transport infrastructure, and boost economic activities. These include the reconstruction of the Ibadan–Ife–Ilesa road (₦427.00 billion), the Kano–Kongolam road project (₦334.00 billion), the Keffi–Nasarawa–Abaji road rehabilitation project (₦203.00 billion), the reconstruction of the Abuja–Lokoja road (₦146.00 billion), and the Suleja–Minna road (₦91.00 billion).

In a bid to make domestic air travel more affordable and accessible, the Federal government launched a new consumer credit product, “Fly Now, Pay Later”. Under this initiative, eligible passengers can book domestic flights immediately and spread repayment over time through structured financing, thereby eliminating the upfront barrier that often delay essential trips.

2.2 Fiscal Sector Developments

Summary

Provisional data indicated that federation revenue in Q12026 was 2.55 per cent above the level in the preceding quarter. This was attributed to 23.91 per cent increase in non-oil receipts. However, allocation to the three tiers of government lower due to a 29.17 per cent decline in oil receipts. Consolidated public debt stood at ₦159.27 trillion (36.94% of GDP) as of Q42025 and was below the national debt ceiling of 60.00 per cent and the 70.00 per cent benchmark for Market-Access Countries.

2.2.1 Federation Account Operations

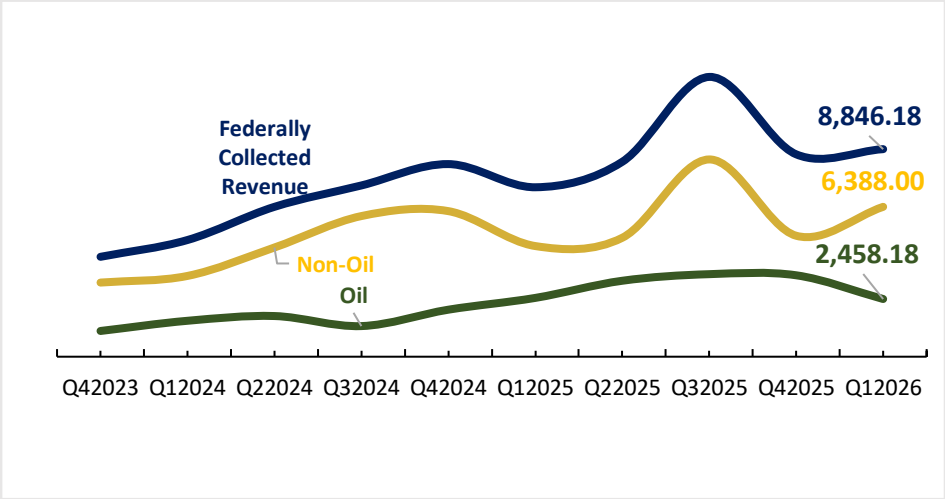
Federation Revenue

Gross federation earnings rose relative to the preceding quarter, primarily due to higher revenue from non-oil sources. Provisional data showed that inflow into the Federation Account rose to ₦8.85 trillion, a 2.55 per cent increase over the level in Q42025, supported by higher non-oil receipts.

Non-oil revenue rose by 23.91 per cent to ₦6.39 trillion, above the level in the preceding quarter. The increase was attributed to higher collections from VAT and corporate tax, reflecting improvement in compliance[1]. Non-oil revenue remained dominant, accounting for 72.21 per cent of gross federation revenue, while oil revenue constituted the balance.

At ₦2.46 trillion, oil revenue fell by 29.17 per cent, relative to the level in Q42025, due to lower receipts from petroleum profit tax, royalties, and other oil revenue sources.

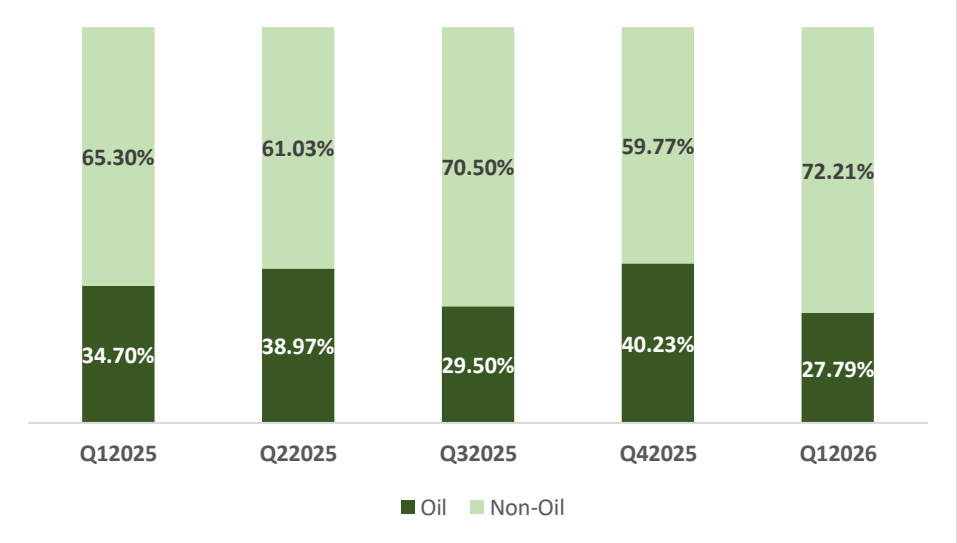
Figure 21: Federally Collected Revenue (₦ Billion)



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

[1] Corporate tax comprises company income tax, withholding tax and capital gains tax.

Figure 22: Contribution to Federation Revenue



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

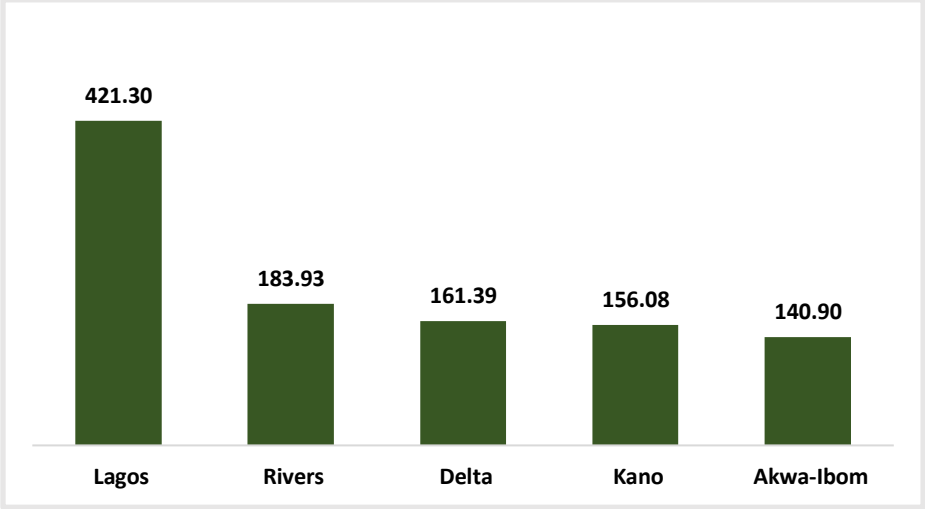
Table 7: Federation Revenue and Distribution (₦ Billion)

	Q12025	Q42025	Q12026	*Budget
Federally Collected Revenue	***7,222.36***	***8,626.15***	***8,846.18***	***19,519.29***
Oil	***2,506.39***	***3,470.67***	***2,458.18***	***11,505.11***
Crude Oil & Gas Exports	*103.82*	*169.81*	*15.18*	*0.00*
PPT	*353.95*	*827.31*	*436.12*	*6,101.41*
Royalties	*1,459.54*	*2,076.13*	*1,631.87*	*3,432.55*
Domestic Crude Oil/Gas Sales	*0.00*	*0.00*	*1.97*	*490.19*
Others	*589.08*	*397.43*	*373.04*	*1,480.96*
Non-oil	***4,715.97***	***5,155.48***	***6,388.00***	***8,014.18***
Corporate Tax	*1,233.69*	*1,552.70*	*1,745.02*	*2,332.44*
Customs & Excise Duties	*959.56*	*1,006.56*	*941.56*	*1,549.34*
Value-Added Tax (VAT)	*2,075.90*	*2,155.50*	*2,665.57*	*1,875.40*
Independent Revenue of Fed. Govt.	*319.25*	*284.83*	*981.12*	*1,315.42*
*Others***	*127.57*	*155.89*	*54.73*	*941.58*
Total Deductions/Transfers	***2,502.87***	***2,638.71***	***3,120.94***	***2,717.94***
Federally Collected Revenue Less Deductions & Transfers***	***4,719.49***	***5,987.44***	***5,725.24***	***16,801.35***
plus:				
Additional Revenue	***86.93***	***139.20***	***38.11***	***57.21***
Excess Crude Revenue	*0.00*	*0.00*	*0.00*	*0.00*
Non-oil Excess Revenue/ EMTL	*86.93*	*139.20*	*38.11*	*57.21*
Exchange Gain	*0.00*	*0.00*	*0.00*	*0.00*
Total Distributed Balance	***4,806.42***	***6,126.64***	***5,763.35***	***16,858.56***
Federal Government	***1,507.46***	***2,216.88***	***1,853.82***	***8,204.89***
Statutory	*1,217.50*	*1,921.57*	*1,564.61*	*7,944.28*
VAT	*289.96*	*295.31*	*289.21*	*260.61*
State Government	***1,711.64***	***2,018.02***	***2,125.28***	***3,263.48***
Statutory	*745.10*	*1,033.65*	*809.74*	*2,394.79*
VAT	*966.54*	*984.37*	*1315.54*	*868.69*
13% Derivation	***346.98***	***410.71***	***297.22***	***1,658.91***
Local Government	***1,240.34***	***1,481.03***	***1,487.03***	***3,731.28***
Statutory	*563.76*	*791.97*	*622.93*	*3,123.20*
VAT	*676.58*	*689.06*	*864.10*	*608.08*

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.

Of the ₦8.85 trillion revenue collected in Q12026, ₦5.76 trillion was shared among the three tiers of government after accounting for statutory deductions and transfers. The Federal, state, and local governments received ₦1.85 trillion, ₦2.13 trillion and ₦1.49 trillion, respectively, while the balance of ₦0.30 trillion was allocated to the 13% derivation fund for oil-producing states. Net disbursement was 5.93 per cent lower than the level in the preceding quarter.

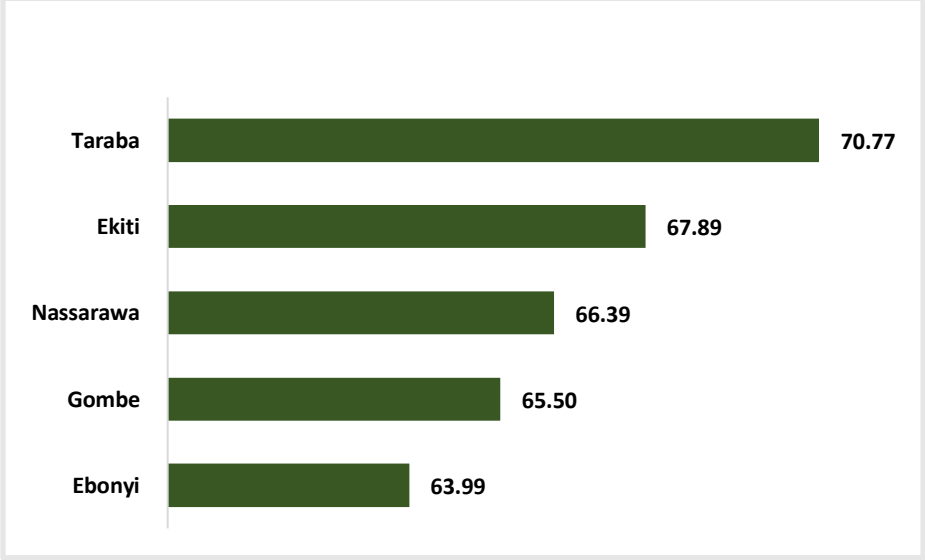
Figure 23: Top Five Recipients of Federation Allocation in Q12026 (₦ Billion)



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

Analysis of revenue allocation to subnational governments showed Lagos state as the highest recipient, followed by Rivers, Delta, Kano and Akwa Ibom states. Ebonyi received the lowest allocation, followed by Gombe, Nasarawa, Ekiti, and Taraba states. The variation in allocation was attributed to differences in the scale of economic activity, population, and resource endowment, among other indices.

Figure 24: Bottom-Five Recipients of Federation Allocation in Q12026 (₦ Billion)



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

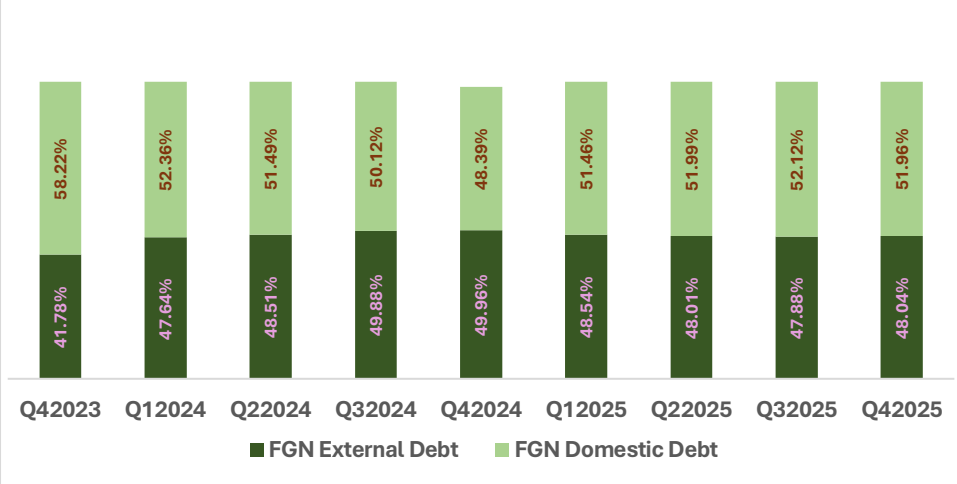
Public Debt

The consolidated public debt stock remained below the national ceiling and the IMF benchmark for Market-Access Countries of 60.00 and 70.00 per cent of GDP, respectively. At end-December 2025, consolidated public debt outstanding stood at ₦159.27 trillion (36.94% of GDP), indicating a 3.90 per cent increase, relative to end-September 2025, due to new borrowings. A breakdown showed that domestic debt accounted for 53.27 per cent, while external debt constituted 46.73 per cent. Of the consolidated public debt stock, FGN owed ₦154.92 trillion (97.26%), while state governments owed the balance. The dominance of domestic debt reflects planned domestic-external debt mix as enshrined in the 2024-2027 Medium-Term Debt Management Strategy (MTDS).

A disaggregation of the FGN debt stock showed that domestic debt stood at ₦80.49 trillion (51.96%), while external debt amounted to ₦74.43 trillion (48.04%). Of the domestic debt, FGN bonds at ₦63.63 trillion maintained its dominance (79.06%), followed by treasury bills (17.21%), and others (3.73%), respectively. A breakdown of the external debt stock showed that multilateral loans constituted the largest share of 45.99 per cent, while commercial and bilateral loans accounted for 41.04 and 12.97 per cent, of the total, respectively.

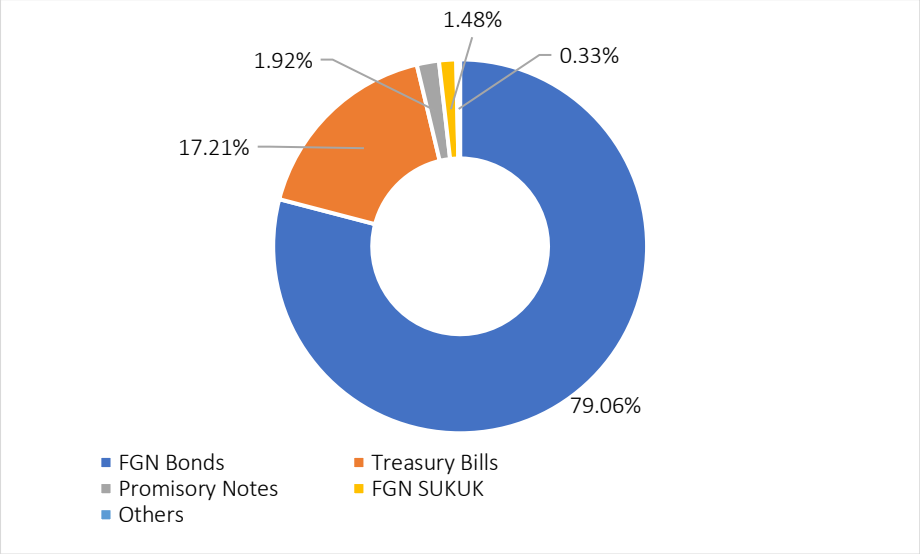
Total debt service at end-December 2025 increased by 37.29 per cent to ₦4.89 trillion, from ₦3.57 trillion at end-September 2025, reflecting higher interest and amortisation payments during the period. A breakdown showed that domestic debt service constituted 46.61 per cent, while external debt service accounted for 53.39 per cent, reflecting interest obligations due.

Figure 25: FGN External and Domestic Debt Compositions



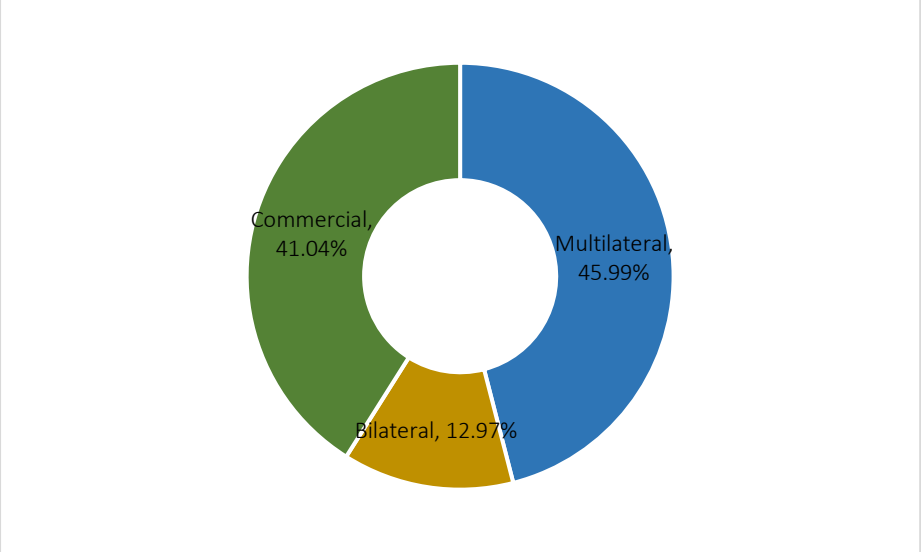
Source: Debt Management Office

Figure 26: Composition of Domestic Debt Stock by Instrument



Source: Debt Management Office

Figure 27: Composition of External Debt Stock



Source: Debt Management Office

2.3 Monetary and Financial Developments

Summary

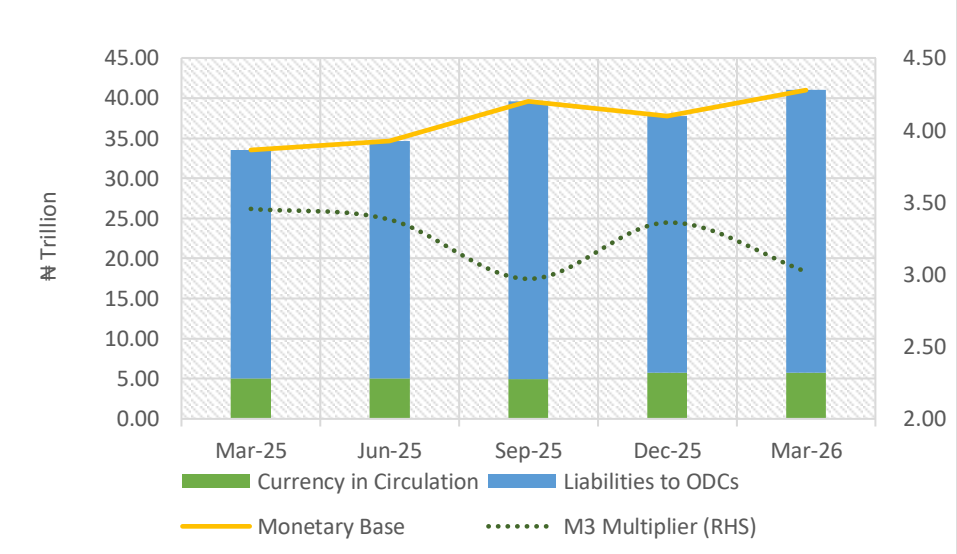
Broad money (M3) contracted at end-March 2026, driven by a decline in net foreign assets. Although total credit increased, the contraction in consumer credit constrained deposit creation. Despite an increase in banking system liquidity, short term interest rates remained within the policy corridor. The Nigerian capital market maintained a bullish momentum, underpinned by reform-driven investor confidence, robust corporate earnings from blue-chip corporates, portfolio rebalancing, and supportive macroeconomic fundamentals. Overall, the financial sector remained stable and resilient, as reflected in most of the key prudential indicators.

2.3.1 Monetary Developments

Reserve Money

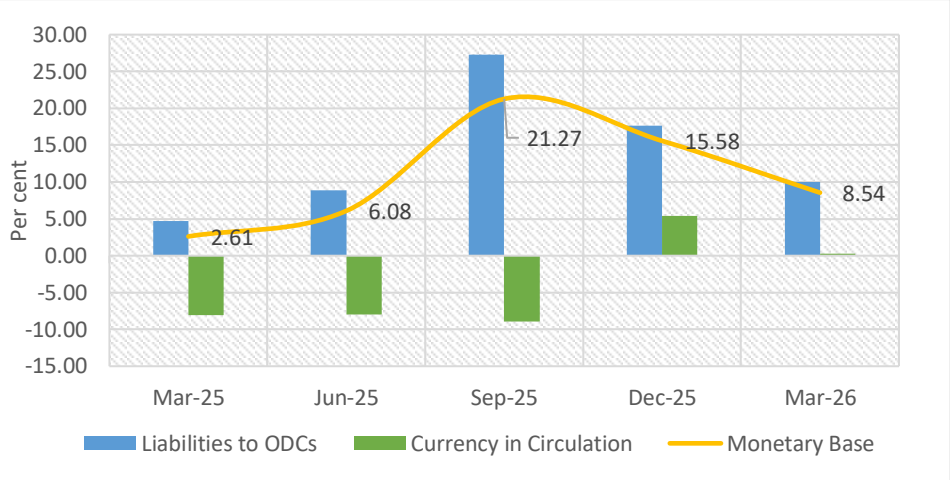
The Monetary base expanded at end-March 2026, buoyed largely by the rise in liabilities to Other Depository Corporations (ODCs). The expansion was at a slower pace, relative to the level at end-December 2025, and was driven by weaker expansion in currency-in-circulation (CIC) and liabilities to ODCs. Monetary base grew by 8.54 per cent (34.18%, annualised) to ₦40.99 trillion, compared with the 15.58 per cent expansion at end-December 2025. The moderation was as a result of the 10.02 and 0.30 per cent growth in liabilities to ODCs and CIC, respectively.

Figure 28: Developments in Reserve Money and Money Multiplier



Source: Central Bank of Nigeria

Figure 29: Reserve Money Growth Over end-December



Source: Central Bank of Nigeria

Money Supply

Broad money supply (M3) contracted by 2.40 per cent to ₦123.77 trillion, compared with the expansion of 11.87 per cent in the preceding quarter. With the contraction in broad money and expansion in the monetary base, the money multiplier fell to 3.02 from 3.36 in the preceding quarter.

Similarly, M2 and M1 contracted by 2.40 and 0.44 per cent respectively, to ₦123.76 trillion and ₦43.85 trillion, compared with expansion of 11.88 and 13.47 per cent in the preceding quarter.

Table 8: Money and Credit Growth over preceding December in per cent

Monetary Aggregates	Mar-2025	Dec-2025	Mar-2026	2026 Target	Contribution to M3 Growth (Mar-26)
Net Foreign Assets	**49.05**	**(3.39)**	**(23.64)**	**-**	**(5.76)**
Claims on Non-residents	4.95	1.94	(1.14)	-	(0.81)
Liabilities to Non-residents	(19.82)	4.93	10.50	-	4.94
Net Domestic Assets	**(16.24)**	**17.87**	**4.43**	**-**	**3.35**
Domestic Claims	**(4.37)**	**25.33**	**(8.35)**	**-**	**(8.68)**
Net Claims on Central Government	**(9.40)**	**38.50**	**8.10**	**-**	**2.40**
Claims on Central Government	(0.43)	5.99	1.50	-	0.66
Liabilities to Central Government	9.09	(28.51)	(12.07)	-	(1.74)
Claims on Other Sectors	**(2.62)**	**20.75**	**(14.91)**	**-**	**(11.08)**
Claims on Other Financial Corporations	(12.20)	5.18	(6.09)	-	(0.80)
Claims on State and Local Government	4.00	6.18	4.11	-	0.14
Claims on Public Nonfinancial Corporations	17.12	468.19	(73.59)	-	(12.38)
Claims on Private Sector	(1.68)	(4.53)	4.80	-	1.96
Total Monetary Assets (M_3)	**2.17**	**11.87**	**(2.40)**	**11.47**	**(2.40)**
Currency Outside Depository Corporations	(10.29)	4.62	(3.47)	-	(0.15)
Transferable Deposits	5.03	14.82	(0.02)	-	(0.01)
Narrow Money (M_1)	**3.00**	**13.47**	**(0.44)**	**-**	**(0.15)**
Other Deposits	1.73	11.06	(3.45)	-	(2.25)
Broad Money (M_2)	**2.17**	**11.88**	**(2.40)**	**-**	**(2.40)**
Securities Other than Shares	19.67	(44.47)	0.05	-	0.00
Total Monetary Liabilities(M_3)	**2.17**	**11.87**	**(2.40)**	**11.47**	**(2.38)**

Source: Central Bank of Nigeria.

On the asset side, the contraction in M3 was driven by the 23.64 per cent decrease in net foreign assets (NFA) which offset the 4.43 per cent growth in net domestic assets (NDA). The growth in NDA contributed 3.35 percentage points to overall growth in M3 which was outweighed by the negative impact of NFA. The contraction in NFA was due largely, to the rise in liabilities to non-residents by 10.50 per cent. Conversely, the growth in NDA was attributed to the growth in net claims on central government (8.10%) despite the contraction in claims on other sectors (14.91%).

On the liability side, the contraction in M3 was driven by declines in currency outside depository corporations (CODCs), transferable deposits and other deposits. CODCs, transferable deposit and other deposits fell by 3.47, 0.02 and

3.45 per cent, respectively, thereby exerting negative contributions of 0.15, 0.01 and 2.25 percentage points to M3 growth. Conversely, securities-other-than-shares increased marginally by 0.05 per cent with minimal impact on M3 growth.

2.3.2 Sectoral Utilisation of Credit

Sectoral Credit Utilisation

Total credit by ODCs to the economy increased by 5.95 per cent to ₦60.73 trillion, from ₦57.32 trillion at end-December 2025, reflecting easing monetary conditions. Credit to the agriculture and services sectors increased by 6.93 and 10.68 per cent, respectively to ₦3.86 trillion and ₦36.16 trillion, respectively. Further analysis indicated that the services sector accounted for the largest share of credit at 59.54 per cent, followed by industry (34.10%) and agriculture (6.36%).

Table 9: Sectoral Credit Allocation

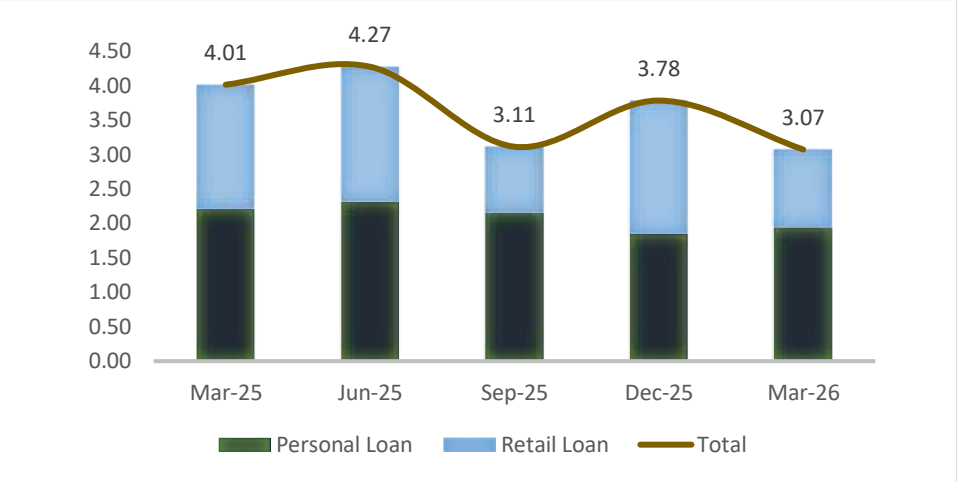
SECTORS	Allocation (₦ trillion)			Share in Total (%)		
	Mar 2025	Dec 2025	Mar 2026	Mar 2025	Dec 2025	Mar 2026
Agriculture	**3.17**	**3.61**	**3.86**	**5.36**	**6.30**	**6.36**
Industry	**25.13**	**21.04**	**20.71**	**42.52**	**36.71**	**34.10**
Manufacturing	7.72	6.61	5.77	13.06	11.53	9.50
Oil & Gas	13.89	10.59	10.58	23.50	18.48	17.42
Services	**30.80**	**32.67**	**36.16**	**52.12**	**57.00**	**59.54**
Finance, Insurance & Capital Market	8.40	9.24	9.80	14.21	16.12	16.14
Trade/General Commerce	3.68	4.59	6.29	6.23	8.01	10.36
TOTAL	**59.10**	**57.32**	**60.73**	**100.00**	**100.00**	**100.00**

Source: Central Bank of Nigeria

Consumer Credit

Consumer credit outstanding contracted by 18.78 per cent to ₦3.07 trillion, from ₦3.78 trillion in the preceding quarter, driven by the decline in retail loans, which dropped by 41.45 per cent, to ₦1.13 trillion from ₦1.93 trillion at end-December 2025. In terms of share, personal loans accounted for 63.11 per cent, while retail loans constituted the balance.

Figure 30: Consumer Credit Outstanding



Source: Central Bank of Nigeria

2.3.3 Financial Developments

2.3.3.1 Money Market Developments

Industry Liquidity Condition

Banking system liquidity rose in Q1 2026 due, largely, to fiscal operations. Average net banking system liquidity grew by 27.04 per cent to ₦4.04 trillion, from ₦3.18 trillion in Q42025. The increase in system liquidity was driven, largely, by coupon payments on FGN bonds, NTBs and disbursements to the three tiers of government.

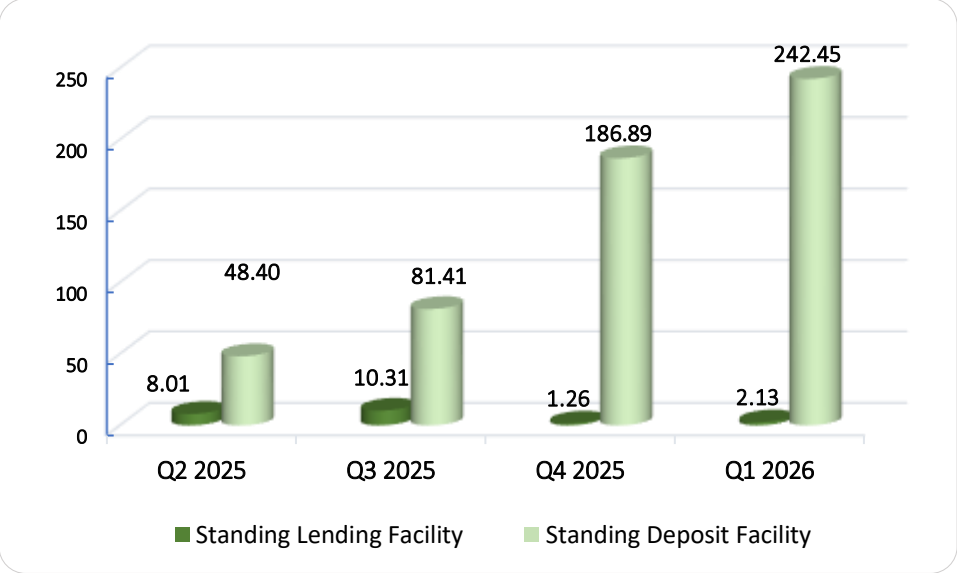
Figure 31: Average Banking System Liquidity (₦ Trillion)

Source: Central Bank of Nigeria

Activities at the standing facilities corridor reflected prevailing liquidity conditions, with increased transactions at both the standing deposit and lending facilities. Total placement at the standing deposit facility (SDF) window rose by 29.73 per cent to ₦242.45 trillion, with a daily average of ₦3.97 trillion, while demand at the standing lending facility (SLF) window increased by 69.05 per cent to ₦2.13 trillion, comprising ₦2.10 trillion in direct SLF and ₦0.13 trillion at the intra-day lending facility (ILF).

The Monetary Policy Committee (MPC), at its February 2026 meeting adjusted the MPR to 26.50 per cent from 27.00 per cent but maintained the standing facilities corridor at +50/-450 basis points, with the SLF and SDF rates at 27.00 and 22.00 per cent, respectively.

Figure 32: Transactions at the Standing Facilities Window

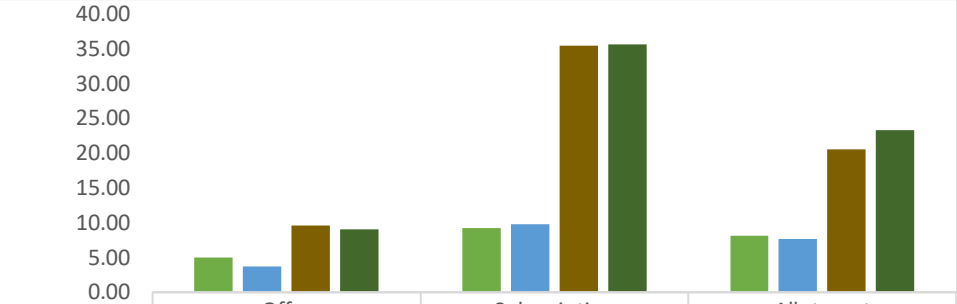


Source: Central Bank of Nigeria

OMO Operations

The Bank deployed Open Market Operations (OMO) bills to support liquidity management, with oversubscriptions, amid strong investor demand. The total amount of CBN bills offered, subscribed, and allotted were ₦9.00 trillion, ₦35.62 trillion, and ₦23.29 trillion, respectively, compared with ₦9.60 trillion, ₦35.58 trillion, and ₦20.54 trillion, in the preceding quarter. The bid rates averaged 20.52 (±3.48) per cent, while the stop rates averaged 17.29 per cent.

Figure 33: Open Market Operations (₦ Trillion)

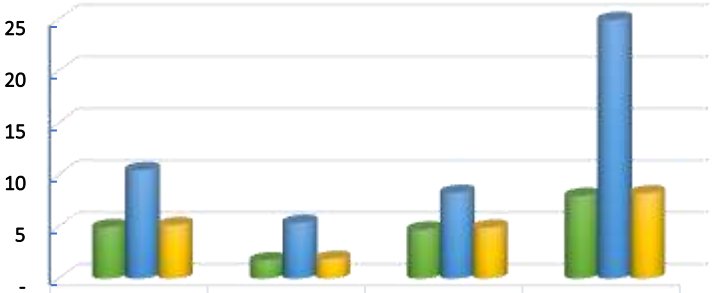


	Offer	Subscription	Allotment
Q2 2025	5.00	9.25	8.16
Q3 2025	3.70	9.77	7.63
Q4 2025	9.60	35.38	20.54
Q12026	9.00	35.62	23.29

Source: Central Bank of Nigeria

Strong demand for NTBs and FGN bonds in Q12026 were driven by attractive yields and favourable macroeconomic conditions. Total NTBs (91-, 182- and 364-day tenors) offered, subscribed, and allotted were ₦7.97 trillion, ₦24.93 trillion, and ₦8.22 trillion, respectively, compared with ₦4.72 trillion, ₦8.26 trillion, and ₦4.90 trillion, in the preceding quarter. The stop rates averaged 16.53 per cent, while the bid rates averaged 18.25(±3.75) per cent.

Figure 34: Primary Market NTBs (₦ Trillion)

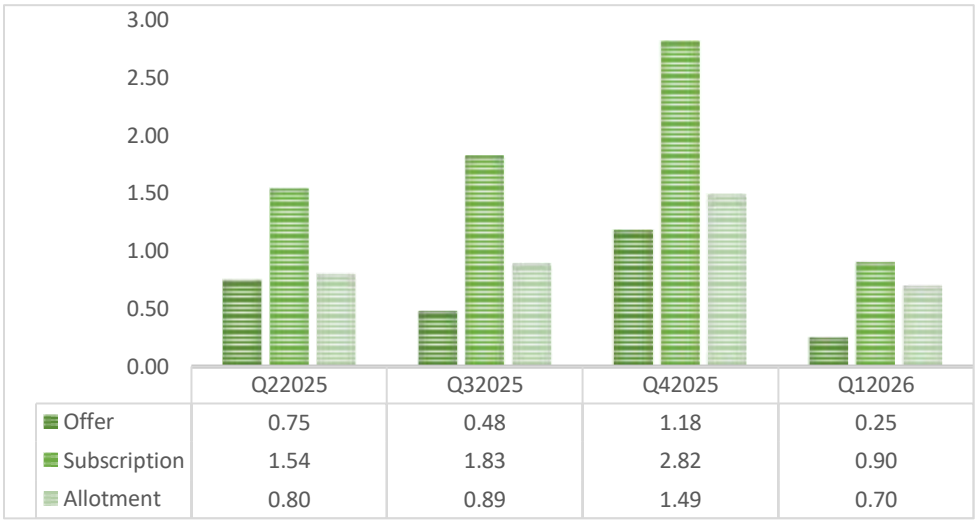


	Q22025	Q32025	Q42025	Q12026
Offer	4.95	1.76	4.72	7.97
Subscription	10.45	5.37	8.26	24.93
Allotment	5.15	1.90	4.90	8.22

Source: Central Bank of Nigeria

FGN bonds of 5-, 7-, 9- and 10- year tranches were offered during the quarter under review. The total amount offered, subscribed, and allotted stood at ₦0.25 trillion, ₦0.90 trillion, and ₦0.70 trillion, respectively, compared with ₦1.18 trillion, ₦2.82 trillion, and ₦1.49 trillion recorded in Q42025. The average bid and marginal rates were 19.95(±5.95) and 16.51(±1.01) per cent, respectively.

Figure 35: Primary Market Auctions of FGN Bonds (₦ Trillion)



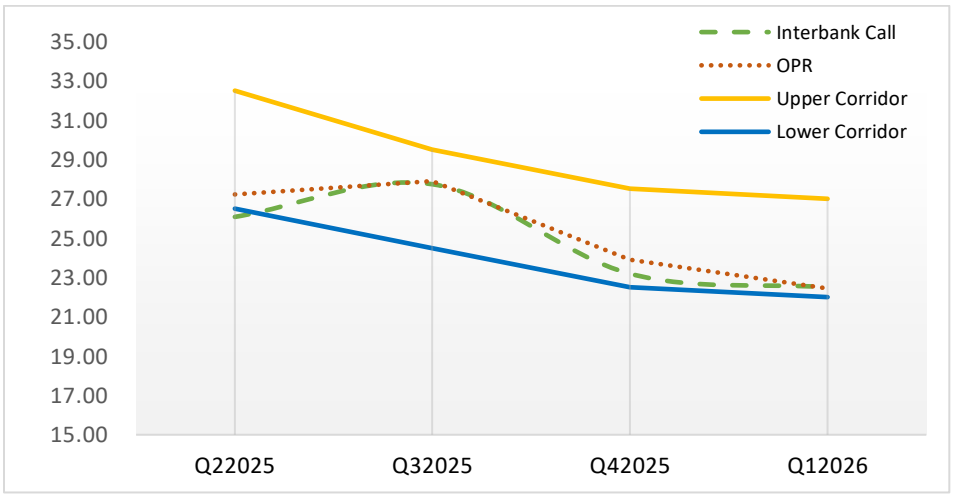
	Q22025	Q32025	Q42025	Q12026
Offer	0.75	0.48	1.18	0.25
Subscription	1.54	1.83	2.82	0.90
Allotment	0.80	0.89	1.49	0.70

Source: Central Bank of Nigeria

Interest Rate Developments

Money market rates were relatively stable and aligned with prevailing liquidity conditions in the review quarter. The average interbank call rate (22.50%) and open repo (OPR) rate (22.44%) declined by 0.69 and 1.45 percentage points (pp), respectively, relative to the levels in Q42025.

Figure 36: Developments in Short-term Interest Rates (per cent)

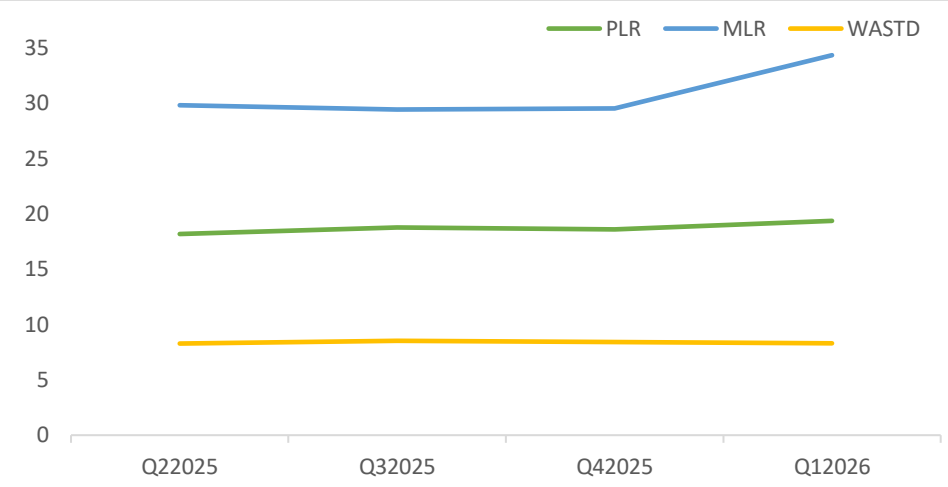


Source: Central Bank of Nigeria
Note: OPR = Open Repo rate which was formally referred to as Open Buy Back (OBB) rate

The average lending and deposit rates indicated diverse trend in the review quarter, as maximum lending rate (MLR) increased by 0.09 percentage point to 29.52 per cent, while the average prime lending rate (PLR) declined by 0.17 percentage points to 18.60 per cent. Weighted average savings & time/term deposit (WASTD) rate declined by 0.09 percentage point to 8.44 per cent from the level in the preceding quarter. Thus, the spread between the maximum lending

rate and the WASTD rate increased to 21.08, from 20.90 percentage points in the preceding quarter.

Figure 37: Average Term Deposit and Lending Rates (per cent)



Source: Central Bank of Nigeria.
Note: PLR= Prime lending rate; MXLR= Maximum lending rate; WATD= Weighted Average term deposit rate.

2.3.3.2 Capital Market Developments

Market Capitalisation

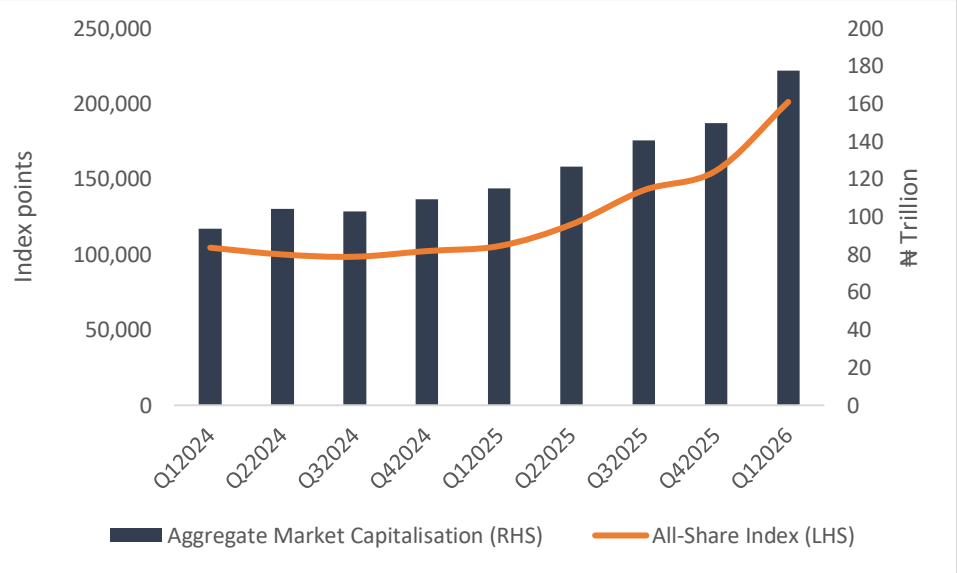
The Nigerian capital market maintained its bullish momentum in Q12026. Aggregate market capitalisation rose by 18.56 per cent to ₦177.52 trillion from ₦149.74 trillion in Q42025, driven largely by growth momentum in the equities and bond segments. The performance was driven by robust corporate earnings, sustained investor confidence, portfolio rebalancing and increased participation by retail and institutional investors.

Equities and Exchange Traded Funds (ETFs) market capitalisation rose by 30.28 and 291.17 per cent to ₦129.21 trillion and ₦0.17 trillion, respectively. The rally in ETFs reflected increasing demand for diversified instruments. However, the debt segment contracted by 4.68 per cent to ₦48.14 trillion, underscoring strategic asset rotation from fixed-income securities into higher-yielding equities. Equities accounted for 72.79 per cent of total market capitalisation, while debt and ETFs constituted 27.12 and 0.09 per cent, respectively.

NGX All- Share Index

The All-Share Index (ASI) grew by 29.35 per cent, surpassing the 200,000 psychological mark. The rally was driven by improved liquidity, and heightened value-hunting in the Stocks Worth Over One Trillion (SWOOT) basket, underpinned by robust corporate earnings and improved domestic macroeconomic landscape.

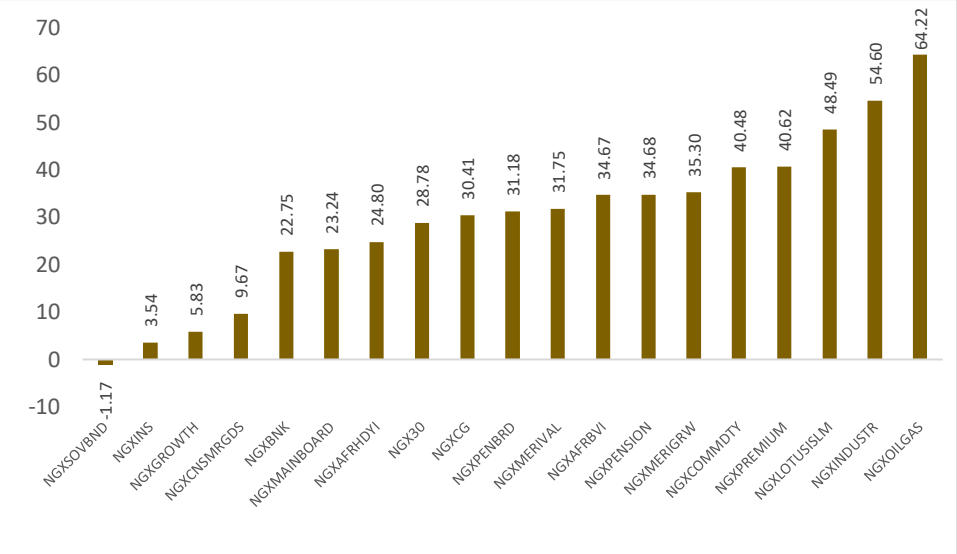
Figure 38: Aggregate Market Capitalisation and All-Share Index



Source: Nigerian Exchange (NGX) Limited

Sectoral indices across the equities market sustained broad-based bullish momentum, reflecting strong market breadth with the predominance of advancers and only one decliner. The NGXOILGAS index spearheaded the uptrend by 64.22 per cent, closely followed by NGXINDUSTR and NGXLOTUSISLM, which advanced by 54.60 per cent and 48.49 per cent, respectively. In contrast, the NGXSOVBND index declined by 1.17 per cent, highlighting investors' preference for equities relative to sovereign debt instruments.

Figure 39: Quarter-on-Quarter Changes in Sectoral Indices in Per cent



Source: Nigeria Exchange (NGX) Limited

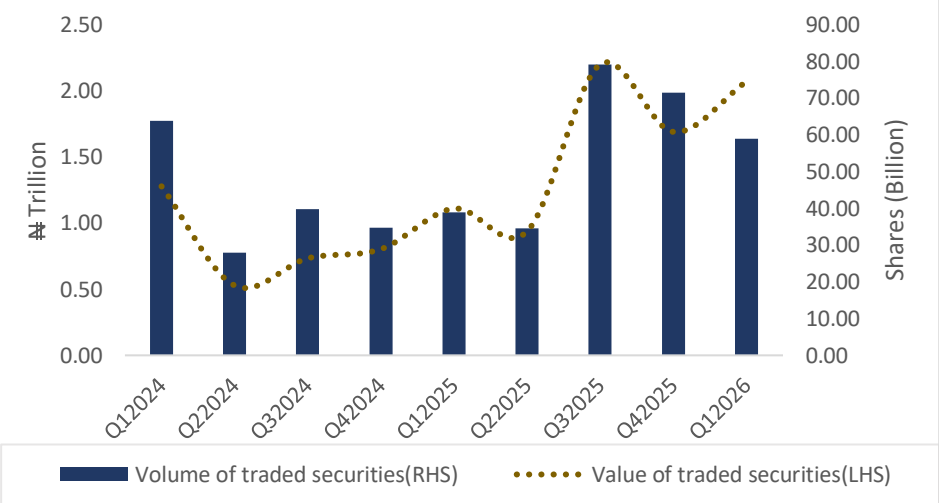
Table 10: Nigerian Exchange Limited Sectoral Indices

Sectoral Indices	Q4 2025	Q1 2026	Change (%)
NGXSOVBND	682.15	674.16	-1.17
NGXINS	1,189.32	1,231.42	3.54
NGXGROWTH	27,776.22	29,396.50	5.83
NGXCNSMRGDS	3,975.48	4,359.85	9.67
NGXBNK	1,515.85	1,860.75	22.75
NGXMAINBOARD	7,529.36	9,279.14	23.24
NGXAFRHDYI	21,981.77	27,433.75	24.80
NGX30	5,672.72	7,305.26	28.78
NGXCG	4,207.07	5,486.35	30.41
NGXPENBRD	2,917.84	3,827.63	31.18
NGXMERIVAL	13,129.52	17,298.00	31.75
NGXAFRBVI	3,243.63	4,368.26	34.67
NGXPENSION	7,118.07	9,586.59	34.68
NGXMERIGRW	10,468.25	14,163.14	35.30
NGXCOMMDTY	1,173.90	1,649.07	40.48
NGXPREMIUM	15,493.19	21,786.42	40.62
NGXLOTUSISLM	13,498.59	20,044.53	48.49
NGXINDUSTR	5,676.48	8,775.98	54.60
NGXOILGAS	2,670.24	4,385.20	64.22

Source: Nigerian Exchange (NGX) Limited

Trading dynamics on the Exchange were mixed, as transaction value grew by 22.49 per cent to ₦2.07 trillion, from ₦1.69 trillion in Q42025. Deal counts also rose by 117.33 per cent to 3,610,205, from 1,661,188 in the preceding quarter. In contrast, aggregate volume declined by 17.56 per cent to 58.92 billion shares from 71.47 billion shares. The divergence supports the value-hunting and quality-driven rotation, with investors concentrating capital in large-cap counters.

Figure 40: Volume and Value of Traded Securities



Source: Nigerian Exchange (NGX) Limited

A total of 20 securities were listed on the Exchange, comprising eight (8) primary listings and 12 supplementary issuances. In addition, there was one trading suspension, two reinstatements of previously suspended issuers, and one delisting, following the revocation of the issuer's operating license. These regulatory actions underscore the Exchange's commitment to market integrity, investor protection, and sound corporate governance practices.

Table 11: Listings, De-listings, and Suspensions on the Nigerian Exchange Limited

Company/Security	Shares Units/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: Dangote Cement Plc Series 1 Commercial Paper	19,946,649 Units at ₦1,000 each	New listing
Dangote Cement Plc: Dangote Cement Plc Series 2 Commercial Paper	99,922,835 Units at ₦1,000 each	New listing
Chapel Hill Denham Management Limited (NIDF)	296,464 units	Supplementary listing
Linkage Assurance Plc	12,320,000,000 ordinary shares of 50 Kobo at ₦1.32 Per Unit	Supplementary listing
Chapel Hill Denham Management Limited	68,158,000 Units of ₦100.00 Each at ₦103.00 Per Unit	Supplementary listing
Fidson Healthcare Plc	105,003,725 Ordinary Shares of 50 Kobo Each	Supplementary listing
Chapel Hill Denham Management Limited	1,588,617,222 Units of ₦100.00 Each at ₦103.00 per Unit	Supplementary listing
First HoldCo Plc	2,575,851,543 Ordinary Shares of 50 Kobo each	Supplementary listing
United Bank for Africa Plc	3,156,869,665 Ordinary Shares of 50 Kobo Each	Supplementary listing
Eterna Plc	978,108,485 Ordinary Shares of 50 Kobo each at ₦22.00 per share	Supplementary listing
Morison Industries Plc	266,838,125 Ordinary Shares of 50 Kobo each at ₦1.50 per share	Supplementary listing
Zichis Agro-Allied Industries Plc	600,000,000 Ordinary Shares of 50 Kobo each at ₦1.81 per share	Supplementary listing
Guaranty Trust Holding Company Plc	125,000,000 Ordinary Shares of 50 Kobo each at ₦80.00 per share	Supplementary listing
Presco Plc	166,666,667 Ordinary Shares of 50 Kobo Each	Supplementary listing
Fortis Global Insurance Plc	All units	Suspension Lifted
Premier Paints Plc	All units	Suspension Lifted
Zichis Agro Allied Industries Plc	All units	Suspended
ASO Savings and Loans Plc	All units	Delisted

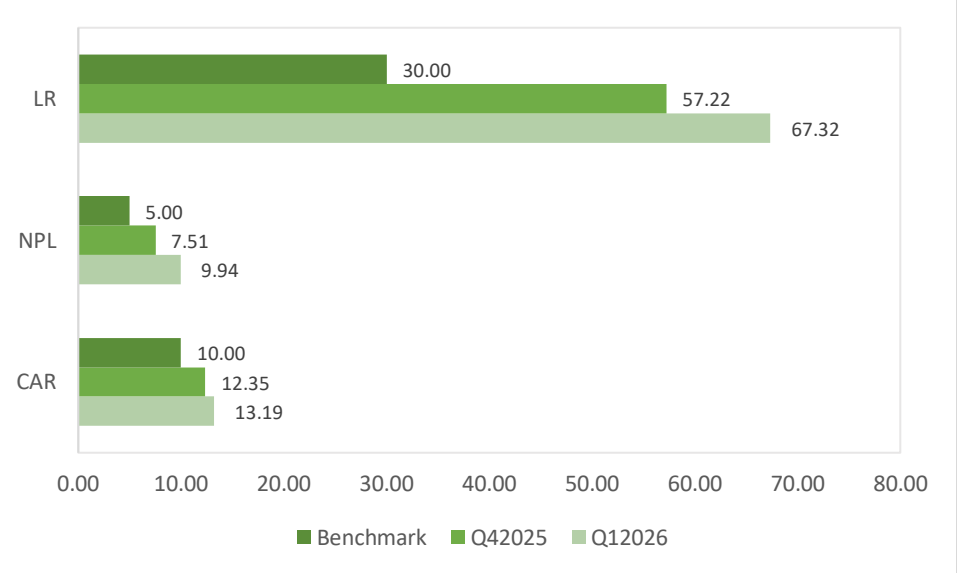
Source: Nigerian Exchange (NGX) Limited

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

2.3.4 Financial Soundness Indicators

The Nigerian banking sector remained resilient and stable, as reflected in the performance of key financial soundness indicators, most of which were within regulatory thresholds. The liquidity ratio (LR) stood at 67.32 per cent, above the 30.00 per cent regulatory minimum threshold and 57.22 per cent in Q42025, reflecting the banking sector's ability to meet maturing obligations while supporting credit intermediation. The industry capital adequacy ratio (CAR) rose by 0.84 percentage point to 13.19 per cent, relative to the level in the preceding quarter, and remained above the minimum threshold of 10.00 per cent, underscoring the sector's robust solvency capacity to absorb credit and market shocks. With the withdrawal of the Bank's long-standing COVID-19-related forbearance measures to promote transparency and accountability in the banking system, the non-performing loans (NPLs) ratio stood at 9.94 per cent, above the 5.00 per cent threshold.

Figure 41: Key Financial Soundness Indicators



Source: Central Bank of Nigeria

2.4 External Sector Developments

Summary

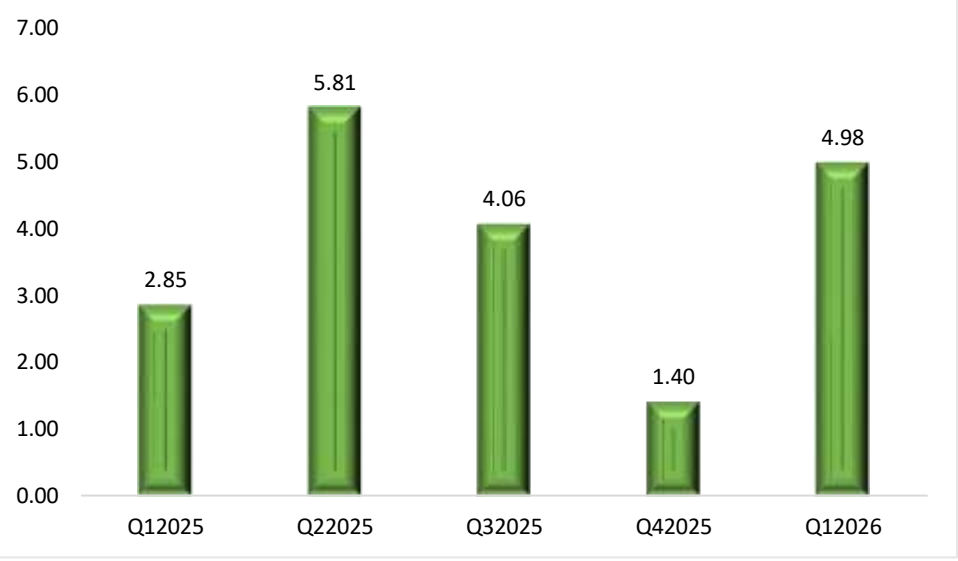
The performance of the external sector in Q12026 was shaped by rising geopolitical tensions that pushed up energy prices, and disrupted trade and capital flows. Notwithstanding, the external sector demonstrated considerable resilience, evidenced by sustained surpluses in both the overall balance and the current account. The financial account recorded a higher net borrowing position, compared with the preceding period. At US$48.35 billion, the external reserves exceeded the 3 months of imports international benchmark, while the exchange rate at the Nigerian Foreign Exchange Market (NFEM) appreciated.

2.4.1 Current and Capital Account

Current and Capital Account

The current and capital account recorded a higher surplus, driven by improved trade surplus and a lower deficit in the primary income account. The surplus in the current and capital accounts increased to US$4.98 billion (6.09% of GDP), compared with US$1.40 billion (1.61% of GDP) in the preceding quarter.

Figure 42: Current Account Balance (US$ Billion)



Source: Central Bank of Nigeria

Merchandise Export

Merchandise export earnings increased, due mainly to higher receipts from the export of oil and non-oil products. Aggregate export earnings increased by 15.96 per cent to US$15.49 billion, from the level in Q42025. A breakdown showed that oil export earnings increased by 18.47 per cent to US$13.01 billion, compared with the level in the preceding period. The development was attributed to higher crude oil prices and increased exports of refined petroleum products. Similarly, non-oil export earnings rose to US$2.49 billion from US$2.38 billion in Q42025, driven mainly by higher commodity prices. Crude oil, gas, and refined petroleum

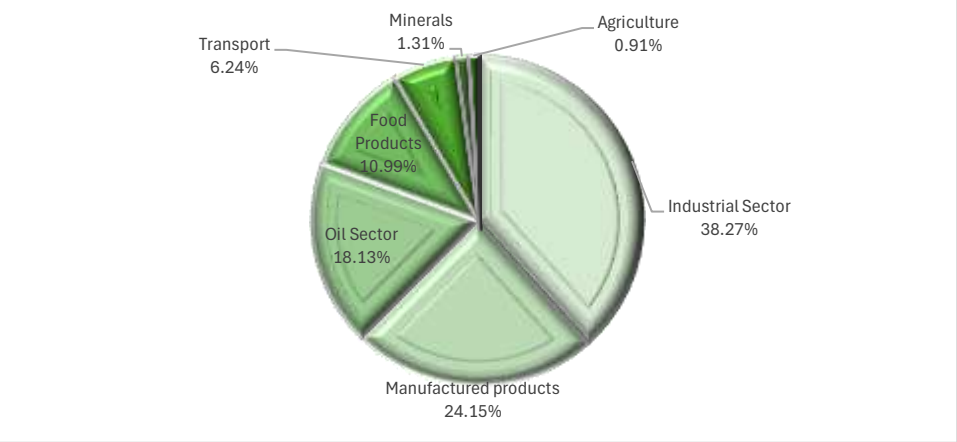
products exports continued to dominate merchandise export, accounting for 83.95 per cent of total earnings, with non-oil export accounting for the balance.

Merchandise Import

Merchandise import bills declined, due largely to an improvement in domestic refining capacity. Merchandise import bills declined to US$9.54 billion, from US$11.59 billion in the preceding quarter, owing to the decline in import of petroleum products to US$1.70 billion from US$2.82 billion in Q42025. The import of non-oil products also decreased to US$7.85 billion from US$8.77 billion. Non-oil imports continued to dominate merchandise imports, accounting for 82.23 per cent, while oil imports constituted the balance.

A sectoral decomposition of merchandise imports showed that the industrial sector, mainly raw materials and machinery, accounted for the largest share (38.27%), followed by manufactured products (24.15%), oil sector (18.13%), food products (10.99%), transport (6.24%), minerals (1.31%), and agriculture (0.91%).

Figure 43: Sectoral Decomposition of Merchandise Import

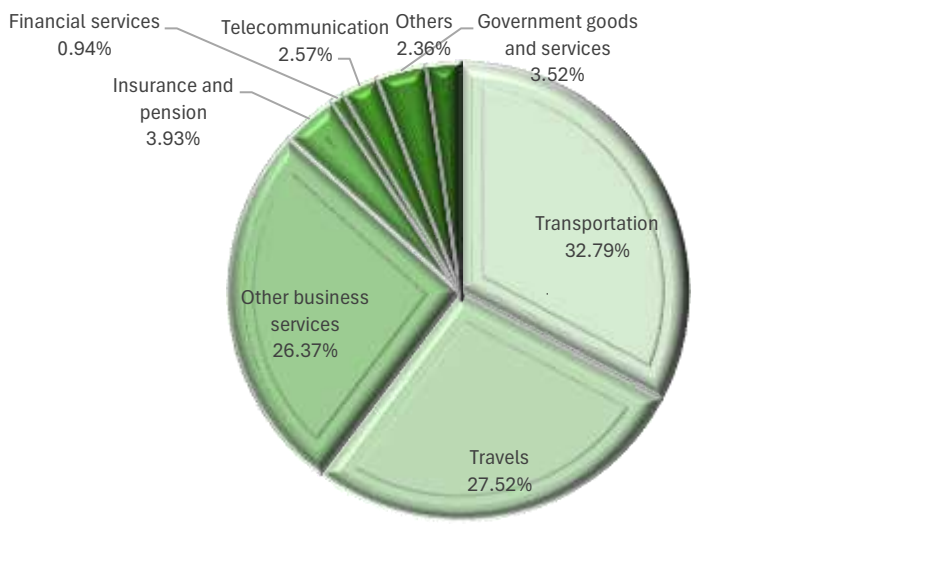


Source: Central Bank of Nigeria

Services

The deficit in the services account increased, due to higher out-payments for other business and travel services. The deficit rose to US$3.71 billion, from US$3.32 billion in the preceding quarter, driven largely by increased payments for other business and travel services. Total payment for services rose by 2.24 per cent to US$4.93 billion in Q12026. Analysis by share showed that transport accounted for the largest out-payment at 32.79 per cent, followed by travel (27.52%), other business (26.37%), and insurance & pension (3.93%). Government services accounted for 3.52 per cent, while telecommunications constituted 2.57 per cent. Other categories of service made up the balance.

Figure 44: Share of Service Out-Payments



Source: Central Bank of Nigeria.

Table 12: Services Payment (US$ Billion)

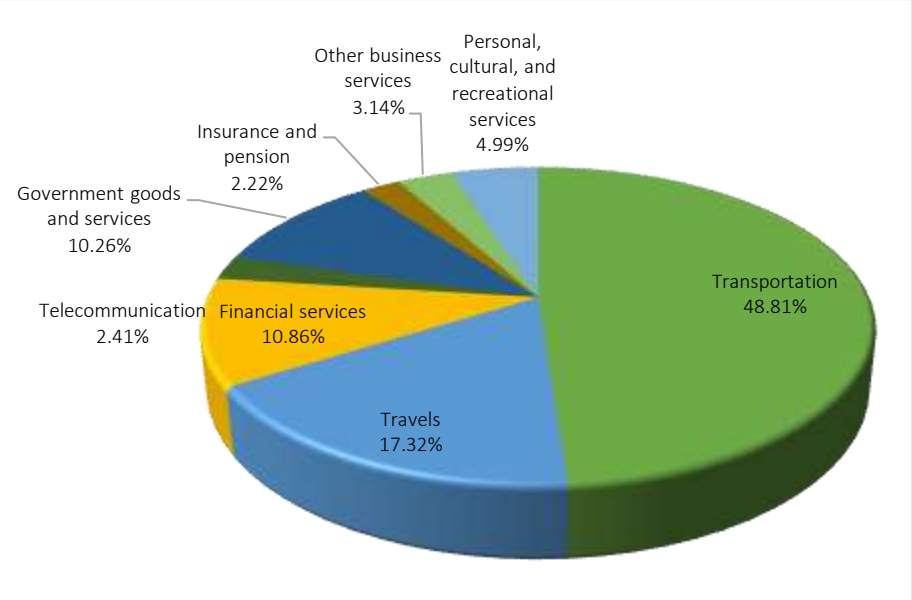
S/N	Services Type	Q12026	Q42025	Q12025
1	Transport	1.62	1.71	1.66
2	Travel	1.36	1.23	1.27
3	Insurance and Pensions	0.19	0.33	0.19
4	Financial	0.05	0.22	0.08
5	Telecommunication	0.13	0.10	0.16
6	Other business	1.30	0.94	1.08
7	Personal, cultural and recreational	0.04	0.03	0.00
8	Government goods and services	0.17	0.17	0.16

Source: Central Bank of Nigeria
Note: * represents estimate

Receipts from the export of services declined by 18.61 per cent to US$1.23 billion, attributed largely to lower income from financial and travel services. Earnings from financial and travel services fell to US$0.13 billion and US$0.21 billion, respectively, from US$0.38 billion and US$0.23 billion in Q42025.

A breakdown of services receipts showed that transport accounted for the largest share at 48.81 per cent, followed by travel (17.32%), financial (10.86), government goods & services (10.26%), personal, cultural & recreational services (4.99%), Other business (3.14%), and telecommunications (2.41%). Insurance & pension accounted for 2.22 per cent.

Figure 45: Share of Services Receipts



Source: Central Bank of Nigeria.

Table 13: Services Receipt (US$ Billion)

S/N	Services Type	Q12026*	Q42025	Q12025
1	Transport	0.59	0.59	0.55
2	Travel	0.18	0.23	0.09
3	Insurance and Pensions	0.04	0.05	0.04
4	Financial	0.29	0.38	0.10
5	Telecommunication	0.02	0.03	0.04
6	Other business	0.03	0.03	0.02
7	Personal, cultural, and recreational	0.06	0.06	0.06
8	Government goods and services	0.13	0.13	0.13

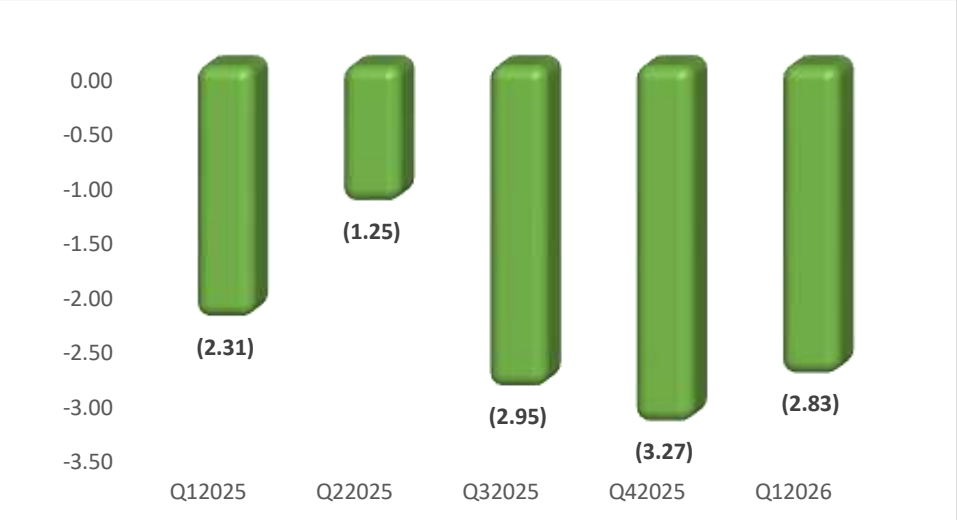
Source: Central Bank of Nigeria

Note: * represents estimate

Primary Income

The deficit in the primary income account narrowed, due largely to lower dividend claims by non-resident investors. The deficit decreased to US$2.83 billion, from US$3.27 billion in the preceding quarter. A disaggregation indicated that the deficit in the investment income sub-account declined to US$3.07 billion, from US$3.49 billion in Q42025, owing to reduction in dividends on direct investment liabilities and reinvested earnings. The surplus in the compensation of employees sub-account, however, increased to US$0.24 billion, from US$0.22 billion in the preceding quarter.

Figure 46: Primary Income Balance

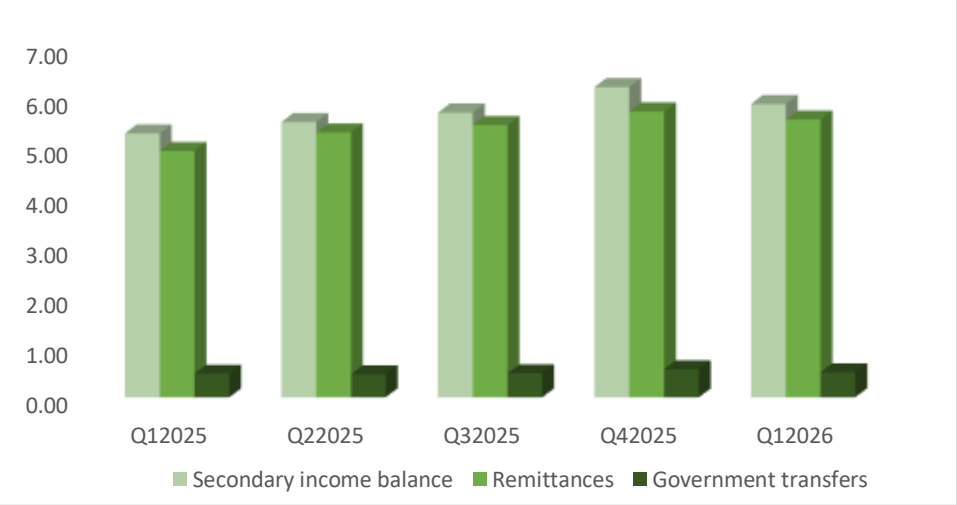


Source: Central Bank of Nigeria.

Secondary Income

The secondary income account recorded a lower surplus, driven by moderation in remittance inflow. The inflow of diaspora remittances decreased by 7.50 per cent to US$5.30 billion, which moderated the surplus in the secondary income account to US$5.57 billion, from US$6.21 billion in Q42025. General government aids and grants also declined to US$0.31 billion, from US$0.56 billion in the preceding quarter.

Figure 47: Secondary Income Balance (US$ Billion)



Source: Central Bank of Nigeria.

2.4.2 Financial Account

Financial Account

The financial account was in a net borrowing position, mainly on account of the inflow of portfolio investment liabilities. A net incurrence of financial liabilities of US$2.51 billion was recorded, compared with US$1.96 billion in Q42025.

A higher net incurrence of financial liabilities of US$7.22 billion was recorded, compared with US$4.77 billion in the preceding quarter, due to a higher inflow of portfolio investment liabilities. A disaggregation showed that inflow of portfolio investment rose to US$6.03 billion from US$5.27 billion, owing to higher purchase of equity securities. Other investment liabilities increased to US$0.22 billion above the level in the preceding quarter, following the placement of foreign currency and deposits in Nigerian banks. Direct investment liabilities declined by 7.09 per cent to US$1.03 billion, relative to the level in the preceding period, owing to lower inflow of reinvested earnings.

Net Acquisition of Assets

The economy recorded a higher net acquisition of financial assets worth US$4.72 billion, compared with US$2.81 billion in the preceding quarter, mainly on account of the increased acquisition of other investment assets. 'Other investment' assets rose significantly to US$1.93 billion in contrast to a disposal of US$0.77 billion, largely driven by increase in currency and deposits holdings especially by the private sector, which rose to US$1.56 billion from US$1.08 billion in Q42025. Portfolio investment assets also rose to US$0.26 billion, relative to US$0.17 billion in the preceding period, reflecting the increase in the acquisition of debt securities by deposit-taking corporations. Acquisition of direct investment assets, however, fell to US$0.20 billion from US$0.67 billion in the preceding quarter, following the decline in reinvested earnings by residents.

2.4.3 External Debt

External Debt

Nigeria's external debt stock at end-December 2025 stood at US$51.86 billion, representing 14.93 per cent of GDP. Analysis by composition showed that multilateral loans, comprising obligations to institutions such as the World Bank Group, the International Monetary Fund (IMF), and the African Development Bank (AfDB) Group, amounted to US$23.85 billion, constituting 45.99 per cent. Commercial borrowings (Eurobonds) accounted for US$18.55 billion (35.77%), bilateral loans from sovereign sources amounted to US$6.72 billion, representing 12.97 per cent, syndicated loans amounted to US$2.51 billion (4.84%), while others accounted for the balance.

Total external debt service payments as at end-December 2025 stood at US$1.80 billion. A breakdown indicated that principal repayments amounted to US$1.36 billion, representing 75.56 per cent. Interest payments constituted US$0.42 billion (23.33%), while other charges accounted for the balance. Further analysis indicated that commercial debt instruments were the major source of debt service payments, with principal payments on the instruments amounting to US$1.12 billion (62.22% of total principal payments). Payments to multilateral creditors

stood at US$0.20 billion (11.11%), while principal payments on bilateral debt obligations accounted for the balance.

2.4.4 International Investment Position (IIP)

International Investment Position

The international investment position posted a higher net financial liability of US$99.24 billion. The stock of financial assets rose to US$127.34 billion, from US$122.66 billion in the preceding quarter, driven mainly by the accretion to reserve assets. 'Direct investment' assets increased to US$18.73 billion, from US$18.53 billion in the preceding quarter. The stock of portfolio investment also increased to US$5.81 billion from US$5.55 billion. Similarly, the stock of other investment assets and reserve assets increased by 3.20 and 5.68 per cent to US$54.25 billion and US$48.35 billion, respectively, relative to the levels in the preceding quarter.

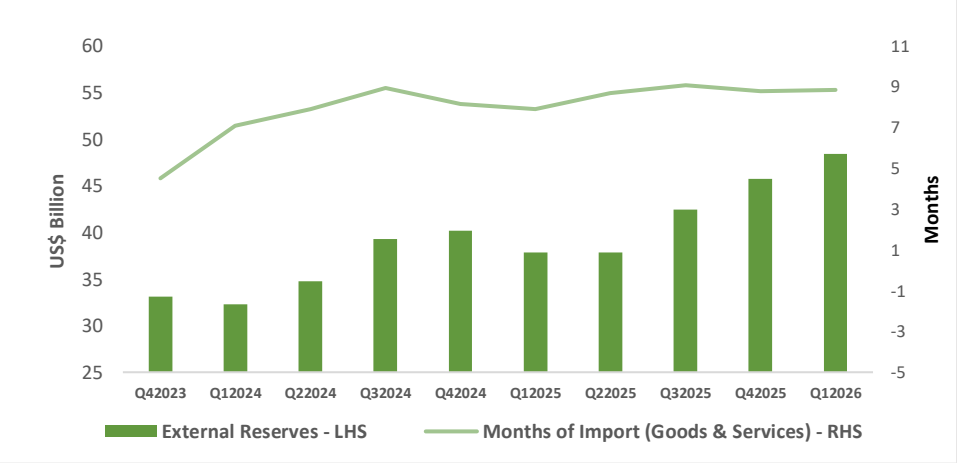
The stock of financial liabilities increased to US$226.58 billion, from US$220.82 billion in the preceding quarter, mainly on account of a 14.08 per cent increase in the stock of portfolio investment liabilities to US$58.01 billion. Other investment liabilities also rose to US$78.03 billion, from US$76.86 billion in the preceding quarter. Direct investment liabilities, however, fell to US$90.38 billion, from US$92.89 billion in the preceding quarter.

2.4.5 External Reserves

International Reserves

The external reserves rose in the review period and remained above the benchmark of 3 months of import cover. The reserves stood at US$48.35 billion at end-March 2026, relative to US$45.75 billion at end-December 2025. The level of reserves could cover 8.84 months of imports for goods and services.

Figure 48: External Reserves and Months of Import Cover



Source: Central Bank of Nigeria

Reserves Structure & Composition

A breakdown of the external reserves by ownership showed that the shares of the CBN and the FGN stood at US$45.94 billion and US$2.44 billion, respectively, while the Federation accounted for the balance. A disaggregation showed the continued dominance of the US dollar (US$38.79 billion or 80.23%), followed by Special Drawing Rights (US$4.27 billion or 8.83%), Chinese yuan (US$3.55 billion or 7.34%), the euro (US$1.19 billion or 2.45%), and the British pound (US$0.55 billion or 1.14%). Other currencies accounted for the balance.

2.4.6 Foreign Exchange Flows through the Economy

Foreign Exchange Flows

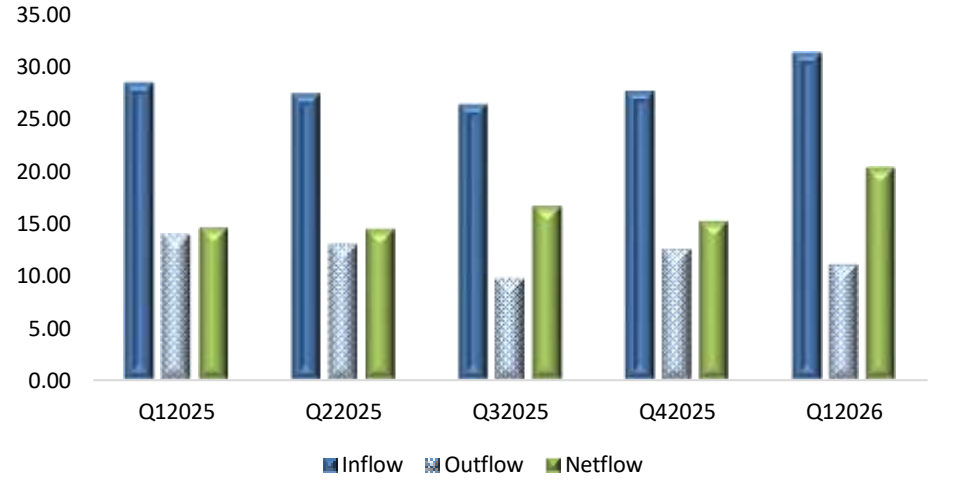
The economy recorded an increased net foreign exchange inflow, driven by a rise in inflow through autonomous sources. The economy recorded a higher net foreign exchange inflow of US$20.33 billion, compared with US$15.19 billion in the preceding quarter. Aggregate foreign exchange inflow increased by 13.26 per cent to US$31.34 billion, from US$27.67 billion. Foreign exchange outflow, at US$11.01 billion, declined by 11.78 per cent, relative to US$12.48 billion in the preceding quarter.

Foreign exchange inflow through the Bank decreased by 3.77 per cent to US$10.20 billion, from US$10.60 billion, while autonomous inflow rose by 23.90 per cent to US$21.15 billion, from US$17.07 billion in the preceding quarter.

Outflow through the Bank rose by 4.08 per cent to US$7.40 billion, from US$7.11 billion in Q42025, while outflow through autonomous sources decreased by 32.77 per cent to US$3.61 billion, from US$5.37 billion in the preceding quarter.

Consequently, the autonomous sources recorded a net inflow of US$17.53 billion from US$11.71 billion in the preceding quarter. A net inflow of US$2.80 billion was recorded through the Bank, compared with US$3.48 billion in Q42025.

Figure 49: Foreign Exchange Transactions through the Economy (US$ Billion)

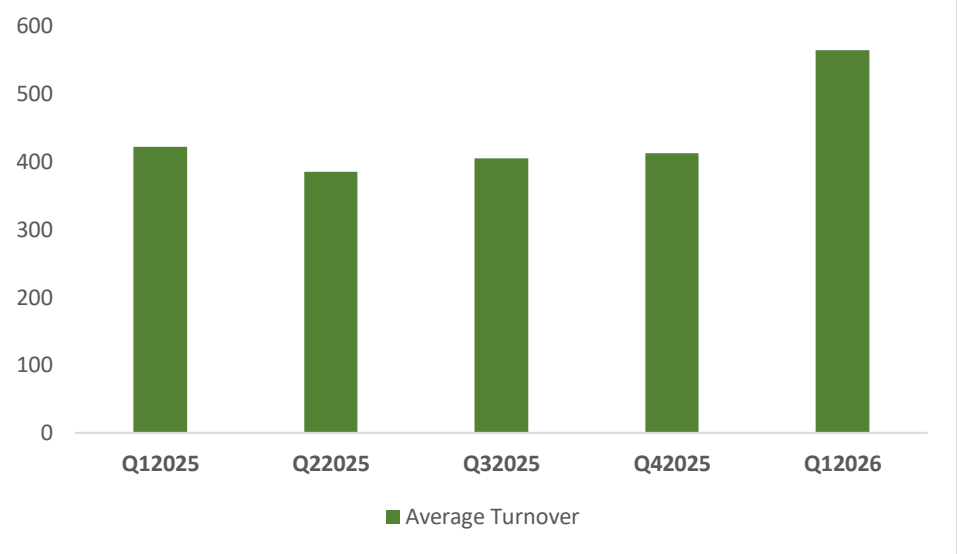


Source: Central Bank of Nigeria

Average Turnover

The average daily turnover at the Nigerian Foreign Exchange Market (NFEM) increased by 36.87 per cent to US$564.55 million, compared with US$412.48 million in Q42025, indicating increased trading activities in the market.

Figure 50: 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 ₦1,384.48/US$, compared with ₦1,451.72/US$ in Q42025. This represents a 4.86 per cent appreciation in the value of the naira during the review period.

3.0 ECONOMIC OUTLOOK

3.1 Global Outlook

Global economic growth is projected to remain resilient in 2026, underpinned by easing financial conditions and continued technology-driven investment, albeit amid uncertainties. Global output growth is forecast at 3.30 per cent, unchanged from 2025, while headline inflation is expected to moderate to 3.80 per cent, reflecting easing demand pressures and softer commodity prices.

In AEs, output is projected to expand by 1.80 per cent, compared with 1.9 per cent in 2025. Within the bloc, inflation is expected to decelerate to about 2.20 per cent, gradually converging to central banks' targets. In contrast, emerging market and developing economies (EMDEs) are projected to record stronger growth of about 4.20 per cent, supported by robust activity in Asia, although inflation remains relatively elevated at around 4.80 per cent.

3.2 Domestic Outlook

The domestic economy is projected to remain resilient, underpinned by improvement in oil and non-oil sectors. The economy is expected to improve on account of continued gains from broad-based structural reforms of the government, aimed at improving the business environment, increasing capital flows and government revenue, as well as stability in the exchange rate. Continued improvement in security across oil-producing regions is expected to increase crude oil output, while the policy rate cut by the Bank could add impetus to growth. However, risks to the outlook include security challenges, elevated input cost, and external shocks.

Inflation is expected to moderate further in the medium term. The inflation outlook is underpinned by continued stability in the foreign exchange and energy markets, the lagged effect of rate hikes, improved security conditions across major agricultural zones, and greater policy coordination. Nevertheless, potential risks including rising energy costs and external shocks remain.