

CENTRAL BANK OF NIGERIA ECONOMIC REPORT

Second 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. Current and past editions of the Report are available for free download from the CBN website: www.cbn.gov.ng. All inquiries regarding the Report should be directed to the Director, Research Department, Central Bank of Nigeria, P.M.B. 187, Garki, Abuja, Nigeria.

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SUMMARY

Global economic activity strengthened in Q22026, as reflected in the increase in the composite Purchasing Managers' Index (PMI) to 52.00, from 51.00 in the preceding quarter. The expansion was driven primarily by the continued recovery in manufacturing and services activities across major economies. Global financial markets also rebounded, supported by growing investor optimism regarding the prospects of a de-escalation of geopolitical tensions in the Middle East, sustained investments in artificial intelligence (AI)-related ventures, and stronger-than-expected corporate earnings. Meanwhile, the average spot price of the Bonny Light crude oil (34.9° API) increased by 31.14 per cent to US$108.45 per barrel, reflecting tighter global oil market conditions arising from deeper production cuts by major oil-producing countries, which further widened the supply deficit.

On the domestic front, the real gross domestic product (GDP) grew by 4.43 per cent in Q22026, compared with 3.89 per cent in Q12026. The growth performance was driven largely by the continued resilience of the non-oil sector, which remained the principal source of economic expansion. Although crude oil production improved during the quarter, supported by sustained investment in infrastructure and maintenance of oil installations, the contribution of the oil sector to overall growth remained modest. Inflation rose marginally to 15.91 per cent from 15.38 per cent in the preceding quarter, driven mainly by higher energy and commodity prices associated with the US-Israel-Iran conflict, which heightened imported inflationary pressures and increased production costs.

Provisional data indicated that federation revenue increased by 13.36 per cent in Q22026, driven largely by a 52.94 per cent increase in oil receipts. The improvement in revenue performance consequently enhanced statutory allocations to the three tiers of government. Nigeria's consolidated public debt stood at ₦166.79 trillion (31.78% of GDP) as of end-June 2026. Despite the increase in the debt stock, the debt-to-GDP ratio remained below the national debt ceiling of 60 per cent and the International Monetary Fund (IMF) threshold of 70.00 per cent for Market Access Countries, suggesting continued debt sustainability.

Broad money (M3) expanded at end-June 2026, driven primarily by growth in net domestic assets. Sectoral credit allocation and consumer lending also increased, consistent with the prevailing monetary conditions. Banking system liquidity improved during the review period, resulting in heightened activity at the Standing Deposit Facility (SDF) window, while short-term interest rates remained within the Monetary Policy Rate (MPR) corridor. Overall, the banking system remained resilient and stable, as reflected in the sustained strength of key financial soundness indicators. The Nigerian capital market maintained its bullish momentum during the review period, supported by improved investor sentiment,

strong earnings performance by blue-chip companies, portfolio rebalancing, and a more favourable macroeconomic environment.

Despite heightened geopolitical tensions, the external sector remained resilient, recording a surplus in the current account balance. External reserves increased to US$51.39 billion at end-June 2026, from US$48.35 billion at end-March 2026, providing import cover of 10.65 months of goods and services, and substantially above the international benchmark of three months. The naira also maintained its appreciation against the US dollar, supported by relative stability in the Nigerian Foreign Exchange Market (NFEM).

1.0 GLOBAL ECONOMIC DEVELOPMENTS

Global economic activity improved in Q22026, supported by continued expansion in the manufacturing and services sectors. However, the lingering US-Iran conflict disrupted the global disinflation trend, resulting in mixed inflation outcomes across economies.

1.1 Global Economic Activity

Global economic activity improved in Q22026, as the composite Purchasing Managers' Index (PMI) expanded, driven by growth in the manufacturing and services sectors. The global composite PMI rose to 52.00, from 51.00 in the preceding quarter. Similarly, the manufacturing and services PMIs increased to 53.00 and 51.70, respectively, reflecting broad-based expansions in output, new orders, and financial activity.

Economic Activity in Advanced Economies

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

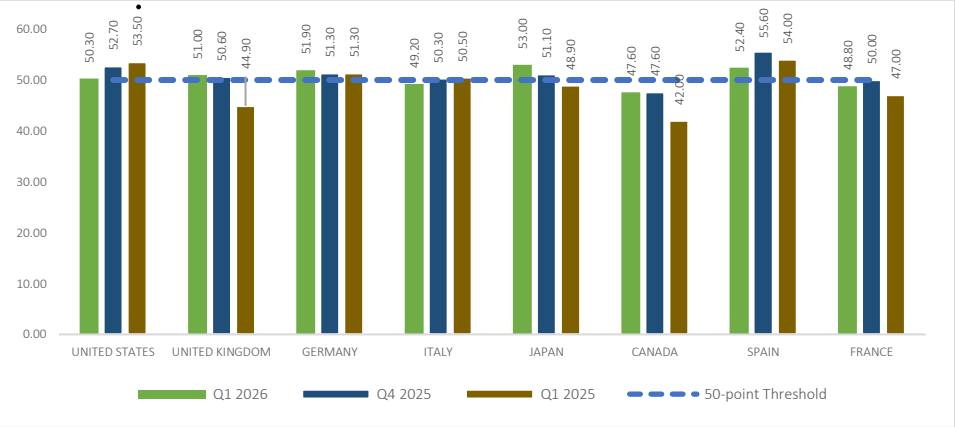
	Q22025	Q12026	Q22026
Composite (Output)	51.23	51.00	52.00
Manufacturing	49.87	51.40	53.00
Services (Business Activity)	51.53	50.80	51.70

Source: JP Morgan

Economic activity across the advanced economies (AEs) was mixed, reflecting varying degrees of exposures to the Middle East conflict. In the United States and the United Kingdom, the composite PMI strengthened to 51.90 and 52.50, from 50.30 and 51.00, respectively, in the preceding quarter, supported by improved manufacturing output and resilient private demand. In Spain, robust tourism activity and strong domestic consumption lifted the PMI to 53.30, from 52.40. Italy also recorded an expansion in economic activity, with the PMI rising to 50.80, from 49.20, driven by a resurgence in services and tourism-related demand. In Japan, the PMI moderated slightly to 52.80 from 53.00 in the preceding quarter, reflecting higher new orders in manufacturing despite subdued growth in the services sector.

In contrast, economic activity in Germany contracted, with the PMI declining to 49.50 from 51.90 in the preceding quarter, owing to softer demand, elevated prices, and tighter financial conditions, partly reflecting spillover effects from the Middle East conflict. In Canada, economic activity remained in contraction, although the PMI edged up to 47.90, from 47.60, underpinned by subdued services activity. Similarly, France's, PMI fell further to 47.20, from 48.80, reflecting persistent weakness in new orders and exports, as well as continued uncertainty surrounding the domestic political and fiscal environment.

Figure 1: PMIs in Selected Advanced Economies



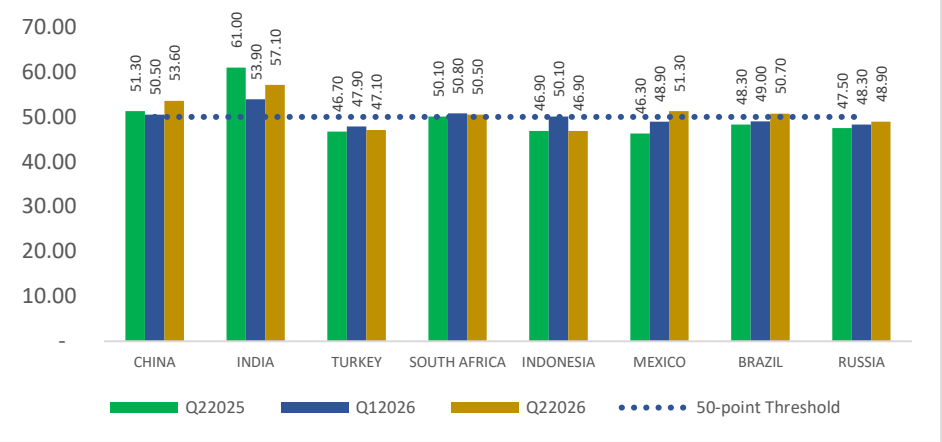
Source: Refinitiv/Trading Economics/Various countries' websites

Economic activity in EMDEs

The pace of economic activity across Emerging Market and Developing Economies (EMDEs) remained uneven, reflecting country-specific developments. In China, the PMI strengthened to 53.60 in Q22026 from 50.50 in the previous quarter, supported by resilient high-end technology exports driven by the AI investment boom, government stimulus measures, and easing Sino-US trade tensions. In India, the PMI remained robust, rising to 57.10, from 53.90, underpinned by strong new export orders and resilient domestic demand in the services sector. Mexico's PMI rebounded to 51.30 in Q22026, from 48.90, reflecting a stabilisation in demand. Similarly, Brazil's PMI increased to 50.70, from 49.00 in the preceding quarter, indicating a return to expansion by a rebound in the services In South Africa, the PMI stood at 50.50, remaining in expansionary territory, albeit at a slower pace than the 50.80 recorded in the preceding quarter, supported by favourable labour market conditions strong labour market conditions and improved services sector performance.

In contrast, Indonesia's PMI declined to 46.90, from 50.10, reflecting weaker demand, following increases in factory-gate prices. Russia's PMI edged up to 48.90 from 48.30, but remained in contractionary territory, as subdued domestic and external demand continued to weigh on economic activity despite modest improvement in manufacturing output. In Turkey, PMI fell further to 47.10, from 47.90, as heightened market uncertainty associated with the Middle East conflict adversely affected new orders and export demand.

Figure 2: PMI in Selected Emerging Markets and Developing Economies



Source: Refinitiv/Trading Economics/Various countries' websites
Note: South Africa, Turkey, Indonesia and Mexico PMIs data were based on manufacturing PMI

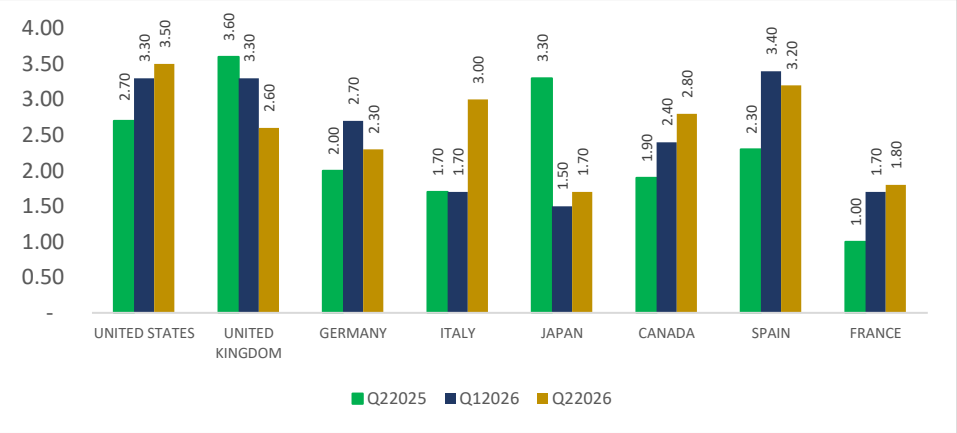
1.2 Global Inflation

Global Inflation

The lingering Middle East conflict continued to exert upward pressure on global prices, renewing inflation concerns across many economies. Inflation increased in the US to 3.50 and 2.80 per cent, respectively, from 3.30 and 2.40 per cent in the preceding quarter. The rise in prices reflected the pass-through effects of higher global energy associated with the prolonged conflict in the Middle East. Similarly, inflation in Italy accelerated to 3.00 per cent from 1.70 per cent, driven by rising energy and services costs. In France, inflation edged up marginally to 1.80 per cent, from 1.70 per cent, reflecting increases in energy, food, and tobacco prices. Inflation also rose in Japan to 1.70 per cent from 1.50 per cent, owing to higher import and energy costs, alongside persistent food price pressures.

Conversely, price pressures eased in the UK, Germany, and Spain. In the UK, inflation declined to 2.60 per cent from 3.30 per cent, largely due to easing food prices. Germany's inflation rate also moderated to 2.30 per cent from 2.70 per cent, reflecting broad-based moderation in food prices across the euro area. Similarly, inflation in Spain eased marginally to 3.20 per cent from 3.40 per cent, supported by softer input cost pressures in the services sector.

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

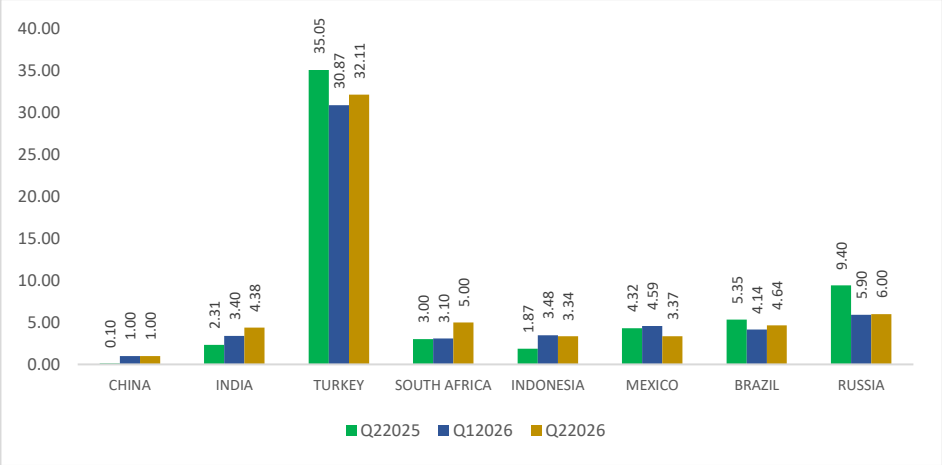


Source: Trading Economics

Among the EMDEs, price pressures were largely driven by geopolitical shocks. Inflation in South Africa surged to 5.00 per cent from 3.10 per cent driven by higher transport and electricity costs. Inflation also accelerated in India to 4.38 per cent from 3.40 per cent, exceeding the Reserve Bank of India's 4.00 per cent target, owing to soaring food and energy prices. In Turkey, inflation rose to 32.11 per cent from 30.87 per cent as underlying price pressures persisted. Similarly, in Brazil, higher residential electricity tariffs and transportation costs pushed inflation up to 4.64 per cent from 4.14 per cent. In Russia, higher wages and rising domestic prices increased inflation to 6.00 per cent in Q22026 from 5.90 per cent.

Consumer prices, however, moderated in Mexico to 3.37 per cent from 4.59 per cent, supported by lower agricultural produce prices. Headline inflation also declined in Indonesia to 3.34 per cent from 3.48 per cent, reflecting softer food price pressures. In China, inflation remained unchanged at 1.00 per cent, as persistent factory-gate deflation and weaknesses in the property market continued to weigh on domestic demand.

Figure 4: Inflation in Selected EMDEs (per cent)



Source: Trading Economics

1.3 Global Financial Markets

1.3.1 Global Financial Conditions

Global equity markets rebounded across most economies in Q2 2026, reflecting improved investor sentiment amid the de-escalation of tensions in the Middle East, strong corporate earnings, and increased investments in artificial intelligence (AI).

Equity markets in the advanced economies (AEs) recorded broad-based gains during the quarter. In the United States, the S&P 500 and NASDAQ-100 advanced by 12.69 and 17.67 per cent, respectively, compared with declines of 4.63 and 5.98 per cent in the preceding quarter. The rally was driven largely by strong corporate earnings, renewed enthusiasm for AI and semiconductor-related investments, moderating inflation, and growing expectations of policy rate cut. In the United Kingdom, the FTSE 100 rose by 2.01 per cent, supported by resilient corporate earnings and improved global investor sentiment.

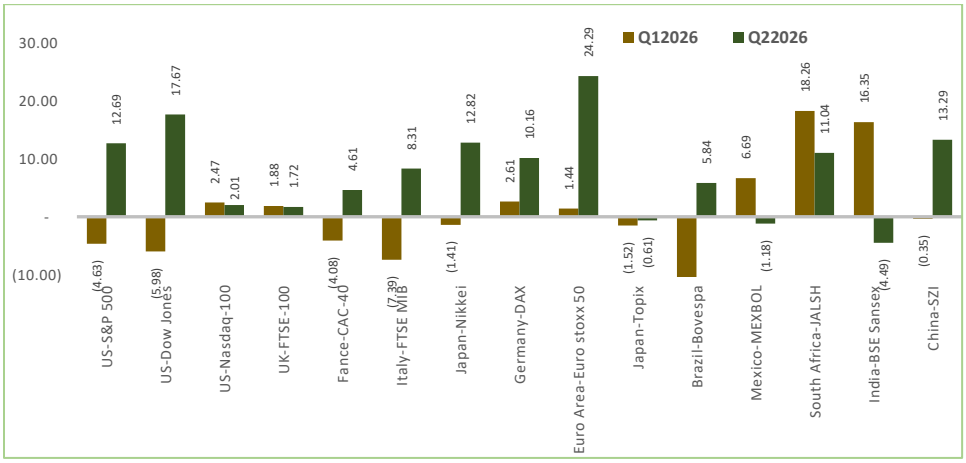
Similarly, equity markets in the Euro area strengthened during the review period. The German DAX gained 8.31 per cent, while the French CAC 40 and Euro Stoxx 50 appreciated by 4.61 per cent and 1.72 per cent, respectively. The gains reflected improved investor confidence, driven by optimism surrounding the resolution of the US-Iran conflict, strong performance in technology and industrial stocks, and expectation of lower inflation. The Italian FTSE MIB also advanced by 12.82 per cent, underpinned by broad-based gains in the financial and industrial sectors and improved investor risk appetite.

In Japan, the TOPIX and NIKKEI indices rose by 10.16 and 24.29 per cent, respectively. The strong performance was driven by AI and semiconductor-related stocks, continued corporate governance reforms, robust business sentiment, and a weaker yen, which enhanced the earnings prospects of export-oriented firms.

Equity market performance across emerging market and developing economies (EMDEs) was mixed in Q2 2026. In China, the Shenzhen Index increased by 13.29 per cent, supported by expectations of further policy stimulus, stronger AI-related industrial activity, and improved sentiment toward technology and growth-oriented sectors, despite persistent weakness in the property market. In India, the BSE Sensex gained 5.84 per cent, recovering from the sharp decline in the preceding quarter, as investor confidence improved, on the back of a resilient domestic economy and renewed foreign portfolio inflows. The Egyptian EGX30 rose by 11.04 per cent, supported by ongoing economic reform, strengthening investor confidence, and increased interest in emerging market assets.

In contrast, the Mexican MEXBOL declined by 1.18 per cent, compared with a gain of 6.69 per cent in the preceding quarter, reflecting profit-taking activities and moderating investor enthusiasm for near-shoring-related stocks. Similarly, Brazil's BOVESPA fell by 4.49 per cent, as investors reassessed valuations following strong gains in the previous quarter and responded to uncertainties regarding domestic policy and interest rate outlook. South Africa's JSE All Share Index (JALSH) also declined marginally (JALSH) also declined marginally by 0.61 per cent, reflecting persistent concerns about growth and infrastructure constraints.

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



Source: Reuters Refinitiv Eikon & MarketWatch

Yields on 10-year government bonds generally declined across the advanced economies (AEs) and most emerging market and developing economies (EMDEs) during the review quarter, reflecting easing inflationary pressures and improved expectations of monetary policy accommodation. In the US and the euro area, 10-year government bond yield fell to 3.51 and 2.51 per cent, respectively, from 4.31 per cent and 3.01 per cent in Q12026, as lower inflation expectations and anticipated policy easing reduced long-term borrowing costs. Similarly, yields in Japan and Italy declined to 1.68 per cent and 2.91 per cent, respectively, from 2.36 per cent and 3.92 per cent in the preceding quarter. In Japan, investors reassessed

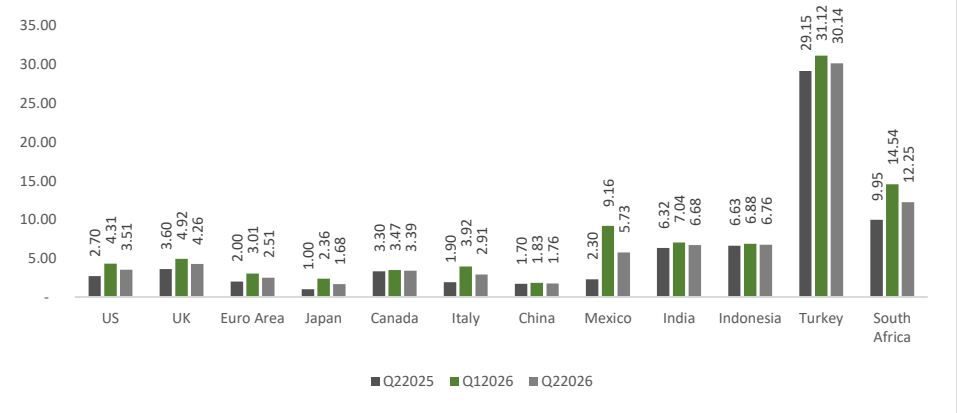
the pace of monetary policy tightening, amid concerns about slower economic growth and the Bank of Japan's efforts to contain bond market volatility.

In Italy, lower yields reflected easing fiscal concerns, as well as expectations of lower inflation and policy rates across the Euro area. In Canada, the 10-year government bond yield yields declined marginally to 3.39 per cent from 3.47 per cent in the preceding quarter, supported by moderating inflation and expectations of a less restrictive monetary policy stance. Similarly, yields in the United Kingdom fell to 4.26 per cent from 4.92 per cent, driven by lower inflation expectations and stronger investor confidence in the prospect of future interest rate cuts, which boosted demand for government securities.

Among the EMDEs, yields generally trended downward. In China, the 10-year government bond yield edged down to 1.76 per cent from 1.83 per cent in the preceding quarter, reflecting weak domestic demand and expectations of continued policy support. In Mexico, yields fell sharply to 5.73 per cent, from 9.16 per cent, supported by improved investor sentiment, reduced external financing pressures, and lower US Treasury yields. Similarly, yields in India and Indonesia declined to 6.68 per cent and 6.76 per cent, respectively, from 7.04 per cent and 6.88 per cent in the preceding quarter, as easing inflation concerns improved market expectations regarding domestic borrowing costs.

In South Africa, yields declined to 12.25 per cent from 14.54 per cent in the preceding quarter, reflecting improved inflation expectations following the adoption of a lower inflation target and growing expectations of policy easing. Likewise, yields in Turkey fell to 30.14 per cent from 31.12 per cent, supported by improved investor confidence in macroeconomic stabilisation efforts and expectations of a gradual moderation in inflationary pressures, which contributed to lower risk premia on long-term government securities.

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



Source: Reuters Refinitiv Eikon & Trading Economics

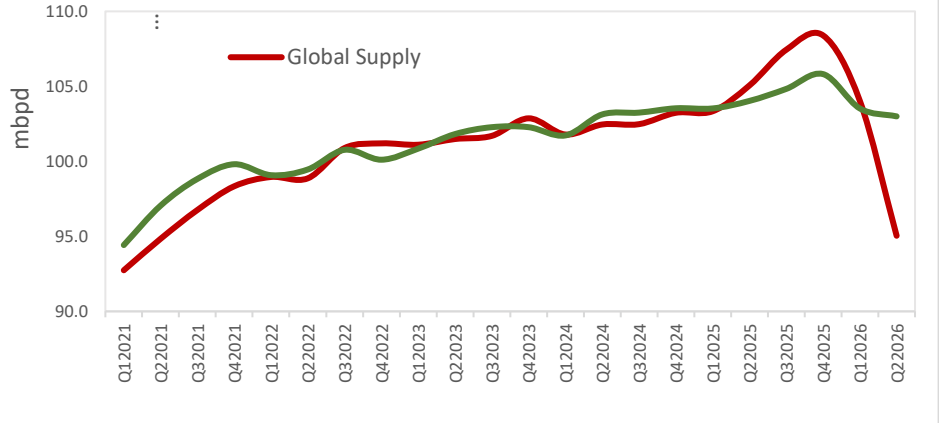
1.4 Global Commodity Markets

World Crude Supply and Demand

Global crude oil supply declined further in Q2 2026, widening the supply deficit relative to demand. Total crude oil supply, including Natural Gas Liquids (NGLs), fell by 8.68 per cent to 95.04 million barrels per day (mbpd), from 104.04 mbpd in the preceding quarter, owing to significant production disruptions among OPEC member countries. OPEC supply decreased by 21.45 per cent to 25.25 mbpd, from 32.15 mbpd in Q1 2026, reflecting output losses in Iraq, Saudi Arabia, Kuwait, the United Arab Emirates (UAE), and Qatar. Similarly, non-OPEC supply declined by 2.63 per cent to 70.00 mbpd, from 71.89 mbpd, due to lower production in the US, Brazil, and Europe.

Global oil demand also contracted by 0.53 per cent to 103.00 mbpd, compared with the level in the preceding quarter, largely due to slower demand growth in non-OECD countries. Demand in non-OECD countries fell by 0.34 per cent to 57.74 mbpd, reflecting weaker economic activity in China and other Asian economies. Likewise, demand in OECD countries declined by 0.44 per cent to 45.38 mbpd, from 45.58 mbpd in Q1 2026, as elevated oil prices dampened consumption.

Figure 7: Global Crude Supply and Demand



Source: Energy Information Administration (EIA)

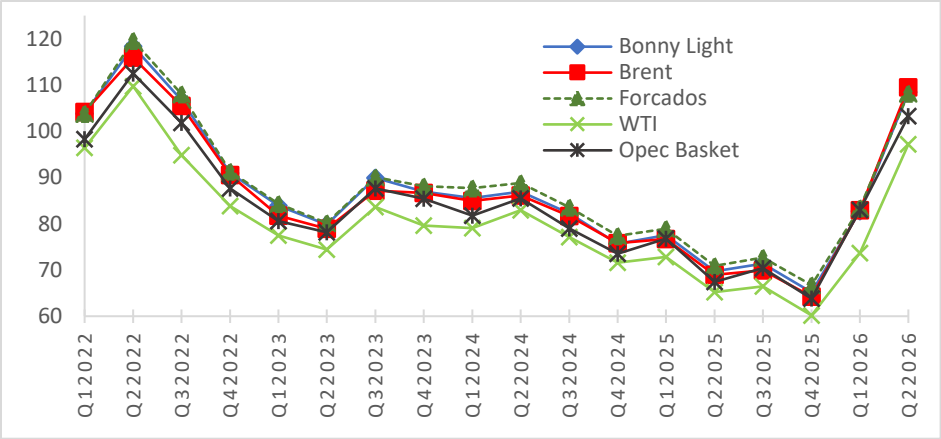
Crude Oil Prices

Crude oil spot prices trended upward in Q2 2026, driven primarily by supply disruptions associated with the Middle East conflict. The average spot price of Nigeria's reference crude, the Bonny Light (34.9° API), increased by 31.14 per cent to US$108.45 per barrel (pb), from US$82.69 pb in the preceding quarter. Similarly, the prices of Brent Forcados, Forcados West Texas Intermediate (WTI), and OPEC Reference Basket rose to US$109.49 pb, US$108.15 pb, US$97.21 pb, and the US$103.28 pb, respectively.

Heightened geopolitical tensions arising from the US-Israel-Iran conflict continued to disrupt global oil supply channels, constraining crude oil availability and exerting upward pressure on international prices. The sustained increase in oil prices has significant implications for Nigeria, particularly through its effects on external

reserves accumulation, government revenue and the pass-through to domestic energy and consumer prices.

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

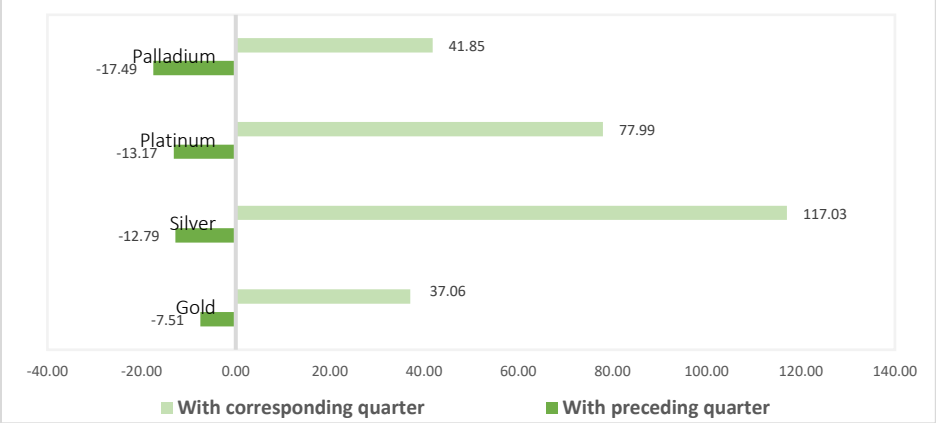


Source: Refinitiv Eikon (Reuters)

Other Mineral Commodities

Precious metals recorded significant sell-offs in Q22026, marking the sharpest decline in more than a decade. The average spot prices of gold fell by 7.51 per cent to US$ 4,506.41 per ounce (oz), while silver declined by 12.79 per cent to US$73.16/oz. Similarly, the average prices of platinum and palladium decreased by 13.17 per cent and 17.49 per cent, respectively, to US$1,911.22/oz and US$1,403.63/oz. The downturn was driven primarily by strengthening of the US dollar and a sharp reversal in safe-haven demand, which reduced investors' appetite for precious metals.

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



Source: Refinitiv Eikon (Reuters)

Agricultural Commodity Prices

The all-commodity price index increased by 3.34 per cent to 128.54 in Q2 2026, from 124.39 in the preceding quarter. The rise was driven by higher prices of most monitored agricultural export commodities, particularly cotton, which recorded the largest increase of 17.25 per cent. Rubber and wheat also increased by 13.83 and 11.17 per cent, respectively. These increases were attributable to elevated input and transportation costs, persistent supply constraints, and geopolitical uncertainties affecting global commodity markets. Other commodities that recorded price gains during the quarter palm oil (7.62%), soya beans (3.59%), groundnut (1.52%) and cocoa (1.32%). In contrast, coffee price declined by 8.87 per cent, largely reflecting, improved global supply conditions and weaker demand during the quarter. On a year-on-year basis, however, the all-commodity price index declined by 11.39 per cent relative to the corresponding quarter of 2025

Table 2: Selected Agricultural Export Commodities Q22026 (in dollars; Jan. 2010=100)

Commodity	Q22025	Q12026	Q22026	% Change	
				(1) & (3)	(2) & (3)
	1	2	3	4	5
All Commodities	**145.07**	**124.39**	**128.54**	**-11.39**	**3.34**
Cocoa	241.52	111.59	113.06	-53.19	**1.32**
Cotton	101.06	97.21	113.98	12.79	**17.25**
Coffee	323.46	261.14	237.97	-26.43	**-8.87**
Wheat	120.39	129.80	144.31	19.87	**11.17**
Rubber	55.11	62.82	71.51	29.76	**13.83**
Groundnut	110.53	102.39	103.95	-5.96	**1.52**
Palm Oil	113.83	126.48	136.12	19.59	**7.62**
Soya Beans	94.64	103.73	107.46	13.54	**3.59**

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

1.5 Monetary Policy Stance

Global monetary policy stance remained largely cautious, due to uncertainties around the US-Iran war. The US Fed maintained its policy rate at 3.50-3.75 per cent in Q22026, following its assessment of the impact of the Middle East conflict. The Bank of Canada (BoC) also maintained its benchmark overnight rate at 2.25 per cent during the quarter, citing weak domestic economic activity and continued uncertainty surrounding the US-Canada trade impasse. Similarly, the Bank of England (BoE) retained its policy rate at 3.75 per cent, due to concerns about second-round price and wage effects arising from elevated energy prices.

The European Central Bank (ECB), however, increased its policy rate by 25 basis points during the review period to reinforce its commitment to price stability and ensure that inflation converges sustainably to its 2.0 per cent medium-term target.

The Bank of Japan raised its policy rate by 25 basis points to 1.00 per cent, reflecting evolving macroeconomic conditions while remaining mindful of risks arising from the Middle East conflict.

In EMDEs, policy responses were mixed. The Reserve Bank of India, People's Bank of China and the Central Bank of Turkey maintained their policy rates at 5.25, 3.00, and 37.00 per cent, respectively, as they sought to balance inflation containment with growth considerations. Conversely, Bank Indonesia and the South African Reserve Bank increased their policy rates by 100 and 25 basis points to 5.75 and 7.00 per cent, respectively, to support currency stability and contain inflationary pressures. Similarly, the Central Bank of Brazil and the Bank of Russia reduced rates by 50 and 75 basis points, respectively, bringing both rates to 14.25 apiece, in support of economic activity while remaining vigilant to elevated inflation risks. The Bank of Mexico also reduced its benchmark rate by 25 basis points to 6.50 per cent, to stimulate growth.

Table 3: Central Bank Policy Rates (per cent)

Country	Q22025	Q32025	Q42025	Q12026	Q22026
US	4.25-4.50	4.00-4.25	3.50–3.75	3.50–3.75	3.50–3.75
Canada	2.75	2.50	2.25	2.25	2.25
Euro area	2.15	2.15	2.15	2.15	2.40
UK	4.25	4.00	3.75	3.75	3.75
Japan	0.50	0.50	0.75	0.75	1.00
Brazil	15.00	15.00	15.00	14.75	14.25
Russia	20.00	17.00	16.00	15.00	14.25
India	5.50	5.50	5.25	5.25	5.25
China	3.00	3.00	3.00	3.00	3.00
South Africa	7.25	7.00	6.75	6.75	7.00
Mexico	8.00	7.50	7.00	6.75	6.50
Indonesia	5.50	4.75	4.75	4.75	5.75
Turkey	46.00	40.50	38.00	37.00	37.00

Source: Various Central Banks' websites

2.0 DOMESTIC ECONOMIC DEVELOPMENTS

2.1 Real Sector Developments

Economic activity strengthened in Q22026, driven by strong growth in information and communication technology (ICT), agriculture, real estate, trade, and financial services. Ongoing policy reforms, increased infrastructure investment, and sustained macroeconomic stability continued to support business confidence and boost productive activities. Headline inflation increased in Q22026, relative to the preceding quarter, driven mainly by higher energy prices associated with geopolitical tensions in the Middle East. Nevertheless, underlying inflation showed signs of moderation, reflecting exchange rate stability, supportive fiscal measures, and sustained tight monetary policy stance.

2.1.1 Domestic Output

The economy maintained a strong growth trajectory in the second quarter of 2026, supported mainly by expansion in the ICT, crop production, and real estate activities. Real GDP grew by 4.43 per cent to ₦53.47 trillion, compared with 3.89 and 4.23 per cent, in the preceding and corresponding quarters, respectively. The growth was driven, largely, by strong performance in the agriculture and services sectors, which compensated for the moderate expansion in industry.

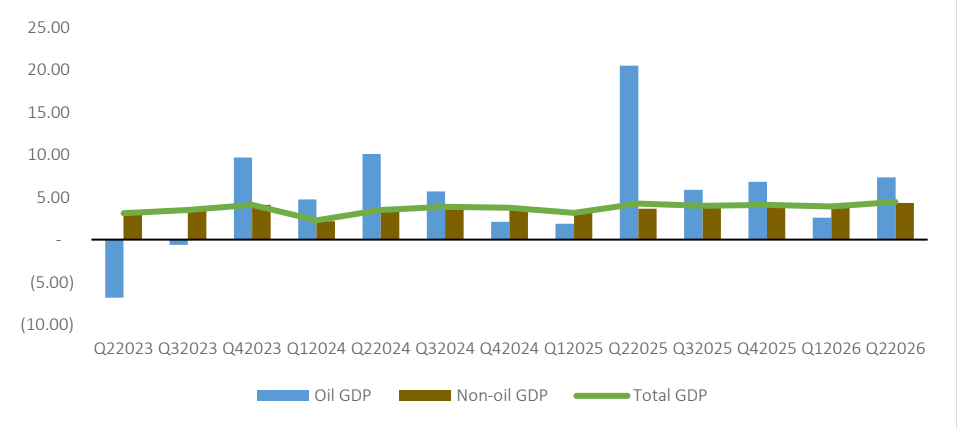
In nominal terms, the GDP increased by 18.43 per cent (year-on-year) to ₦119.29 trillion, reflecting the combined effects of higher output and elevated price levels. The GDP deflator rose to 223.09 in Q22026, from 196.73 in Q22025, indicating persistent inflationary pressures, despite improvements in real economic activity.

i. Oil and Non-Oil Sector Performance

The oil sector grew by 7.31 per cent, compared with 2.57 and 20.46 per cent in the preceding and corresponding quarters, respectively. The growth was on account of higher domestic crude oil production and elevated international oil prices arising from supply chain disruptions associated with the US- Iran conflict. The spot price of Bonny Light rose by 31.14 per cent to US$108.45 per barrel in Q22026 from US$82.69 per barrel in the preceding quarter. Similarly, domestic crude oil production increased to 1.70 million barrels per day (mbpd) in Q22026 from 1.55 mbpd in Q12026.

The non-oil sector grew by 4.31 per cent in real terms in Q22026, compared with 3.94 and 3.64 per cent in Q12026 and Q22025, respectively. The growth was driven primarily by the agriculture, information and communication, trade, real estate, financial institutions, construction, and manufacturing sectors.

Figure 10: Real GDP Growth Rate, y-o-y

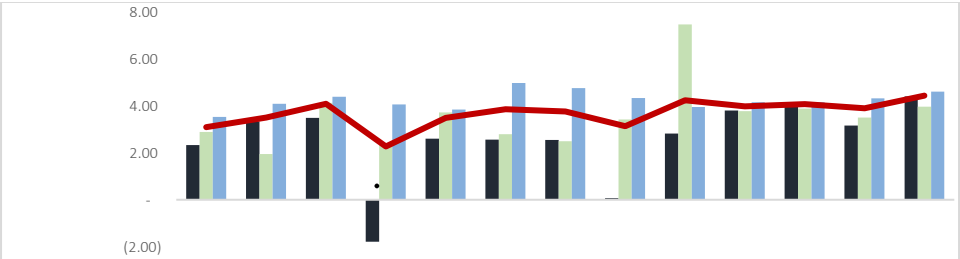


Source: National Bureau of Statistics

ii. Sectoral Performance

The agriculture, industry and services sectors sustained growth in Q22026. The services sector continued to lead real output growth, expanding by 4.60 per cent in Q22026, against 4.31 and 3.94 per cent in Q12026 and Q22025, respectively. It contributed 2.60 percentage points (or 56.62%) to real output growth in Q22026.

Figure 11: Sectoral Growth Rate of Real GDP (per cent)



	Q22023	Q32023	Q42023	Q12024	Q22024	Q32024	Q42024	Q12025	Q22025	Q32025	Q42025	Q12026	Q22026
Agriculture	2.33	3.33	3.48	(1.79)	2.60	2.55	2.54	0.07	2.82	3.79	4.00	3.15	4.39
Industry	2.88	1.94	4.12	2.35	3.72	2.78	2.49	3.42	7.46	3.77	3.88	3.50	3.96
Services	3.52	4.08	4.39	4.06	3.83	4.97	4.75	4.33	3.94	4.15	4.15	4.31	4.60
Total GDP	3.09	3.50	4.08	2.27	3.48	3.86	3.76	3.13	4.23	3.98	4.07	3.89	4.43

Source: National Bureau of Statistics

Within the services sector, the Information and Communications Technology (ICT) sub-sector recorded the highest growth, expanding by 9.62 per cent in Q22026, although lower than 10.98 per cent recorded in Q12026.The sub-sector contributed 1.08 percentage points to the overall growth. The performance of the sub-sector was driven by the continued expansion in broadband infrastructure, particularly the deployment of over 90,000 kilometres of fibre-optic cables nationwide. The expansion also reflected in the increase in telecommunications subscriptions to192.23 million in Q22026, compared with 185.72 million in Q12026.

The real estate sub-sector grew by 3.76 per cent, contributing 0.48 percentage point to the overall growth, reflecting sustained investor confidence and increase activity in property development. The trade sub-sector grew by 2.40 per cent in Q22026, compared with 2.08 per cent in the preceding quarter, driven by stronger domestic economic activity, and improved consumer and business spending. The finance and insurance sub-sector expanded by 9.29 in Q22026 up from 8.54 per cent in Q12026, supported by the recapitalisation of the financial institutions. In addition, increased underwriting capacity, product expansion within the insurance industry, and the sustained adoption and integration of financial technology (FinTech) supported growth in the sector.

Similarly, the agriculture sector grew by 4.39 per cent in Q22026, compared with 3.15 per cent in Q12026 and 2.82 per cent in Q22025. Within the sector, crop production expanded by 3.66 per cent and contributed 1.15 percentage points to the overall GDP growth. The stronger performance of agriculture reflected sustained investment and supportive fiscal measures, including import waivers on selected agricultural products and machinery. The livestock sub-sector grew by 6.92 per cent and contributed 0.41 percentage point to the overall GDP growth, supported by continued implementation of livestock commercialisation initiatives and increased investment in the industry. The forestry and fishing sub-sectors also expanded by 4.88 and 2.16 per cent, respectively, driven by increased demand and investment activities.

The industry sector grew by 3.96 per cent in Q22026, compared with 3.50 and 7.46 per cent in the preceding and corresponding quarters, respectively, contributing 0.69 percentage point to overall GDP growth. This performance was consistent with the 3.39 per cent expansion recorded in the Index of Industrial Production (IIP) and was driven by sustained investment in mining & quarrying, manufacturing, and construction activities.

Table 4: Industrial Performance Indices, year-on-year change

Period	IIP		IMANP		IMINP		IEP	
	Index	%change	Index	%change	Index	%change	Index	%change
Q22025	85.83	8.01	86.75	1.60	71.06	20.86	201.32	11.24
Q32025	74.66	2.08	83.21	1.01	54.17	3.46	120.34	4.92
Q42025	92.94	3.69	100.79	1.13	75.83	8.90	138..60	5.17
Q12026	100.35	2.45	116.64	1.89	71.45	4.99	134.76	(4.59)
Q22026	88.75	3.39	89.57	3.24	75.59	6.37	191.55	(4.85)

Source: Central Bank of Nigeria

Note: IIP refers to index of industrial production; IMANP refers to index of manufacturing production; IMINP refers to the index of mining production; and IEP refers to index of electricity production

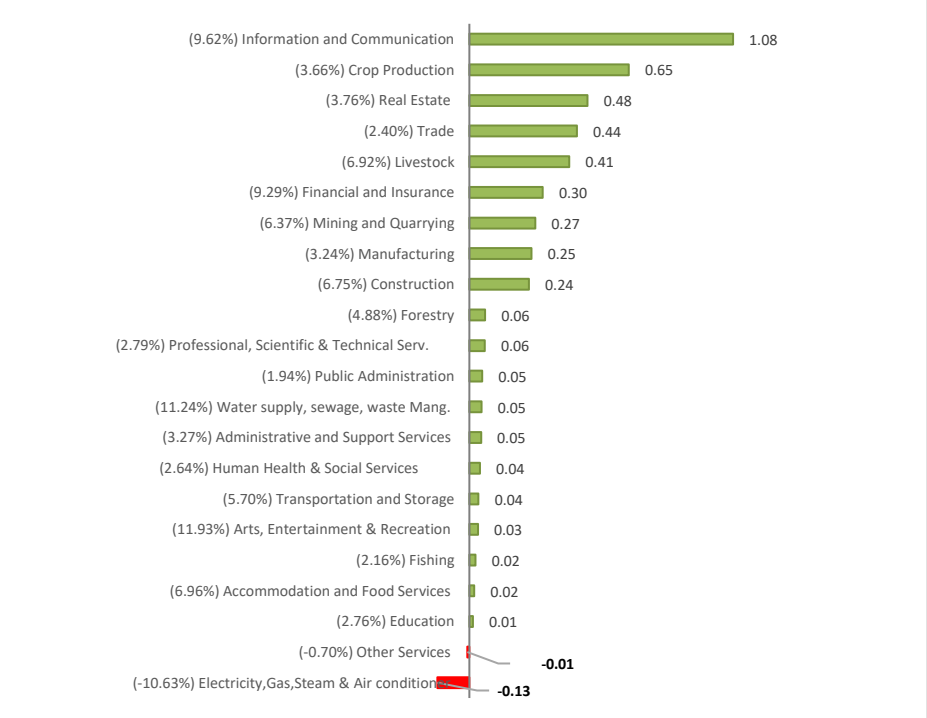
Specifically, the mining & quarrying sub-sector which includes the oil sector, grew by 6.37 per cent in Q22026 compared with 1.89 per cent in Q12026, and

contributing 0.27 percentage point to overall real GDP output. Improved crude oil production further supported the sub-sector's growth performance. This performance was mirrored in the index of mining production, which increased by 6.37 per cent, compared with 4.99 per cent in Q12026.

The manufacturing sub-sector expanded by 3.24 per cent in Q22026, marginally lower than the 3.29 per cent recorded in Q12026. Growth was supported by increased cement production and sustained demand from the construction sector. Supporting this outcome, the index of manufacturing production increased by 3.24 per cent, compared with 1.89 per cent in Q12026, indicating continued resilience in manufacturing activity during the review period. Provisional data also showed a marginal improvement in average manufacturing capacity utilisation to 62.88 per cent, from 62.85 per cent in Q12026.

Overall, 20 of the 22 sub-sectors of the economy recorded positive growth in Q22026, while only 2 sub-sectors contracted.

Figure 12: Sub-sector performance and contribution to GDP growth (%)



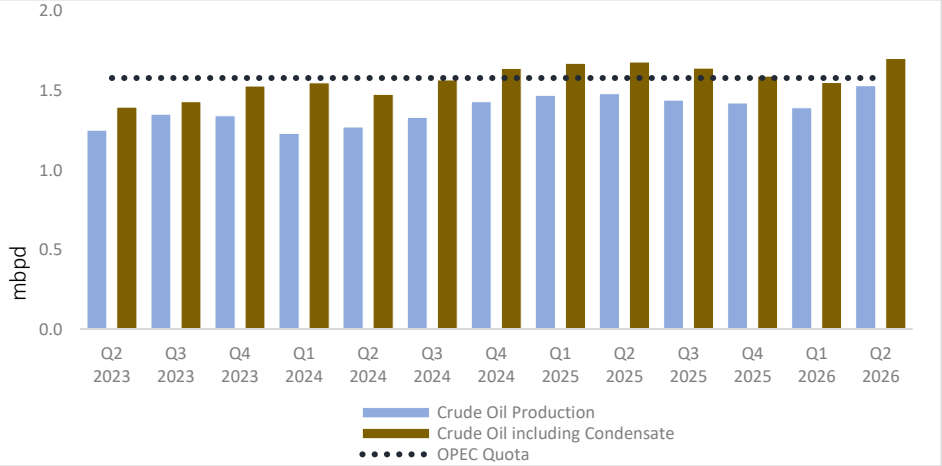
Source: National Bureau of Statistics

Crude Oil Production

Crude oil production improved in Q22026, supported by routine maintenance of oil installations and ongoing investments in upstream operations. Total crude oil production, including condensates, increased by 9.68 per cent to 1.70 million barrels per day (mbpd), from 1.55 mbpd in the preceding quarter. Excluding blended and unblended condensates, crude oil production stood at 1.53 mbpd, representing a 10.07 per cent increase over the level recorded in the preceding

quarter. The outcome was supported by the completion of the Assa-Rumuekpe project and the 28-inch TNP Turnaround Maintenance (TAM) which enhanced production and evacuation capacity at the Bonny and Forcados fields/terminals.

Figure 13: Nigeria's Crude Oil Production and OPEC Quota



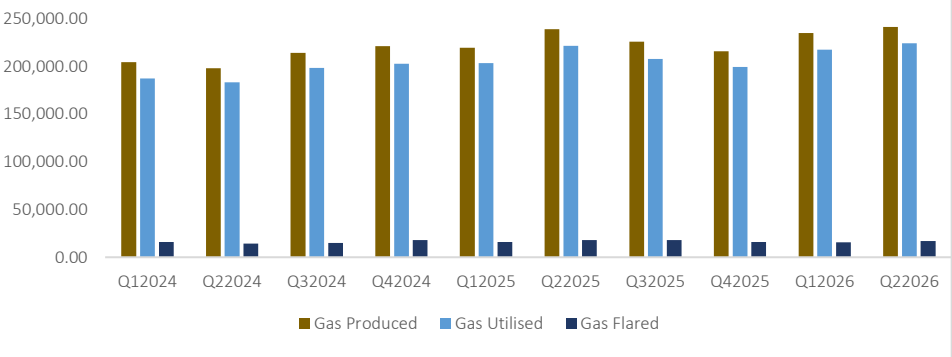
Source: Nigerian Upstream Petroleum Regulatory Commission (NUPRC)

Domestic Gas Production

Gas production rose in Q22026, buoyed by higher non-associated gas output, as upstream operations benefited from improved infrastructure and easing operational constraints. Average natural gas production, comprising associated and non-associated gas, increased by 2.68 per cent to 240,847.49 million standard cubic feet (mmscf) in Q22026, from 234,565.13 mmscf in the preceding quarter.

The increase was driven largely by non-associated gas production, which rose to 122,965.76 mmscf from 116,214.12 mmscf in the preceding quarter, reflecting improved performance across key producing assets. In contrast, associated gas production declined marginally to 117,881.73 mmscf from 118,351.00 mmscf in Q12026. Gas flaring also increased to 16,932.97 mmscf from 15,608.91 mmscf over the same period, indicating continued challenges in gas capture and utilisation.

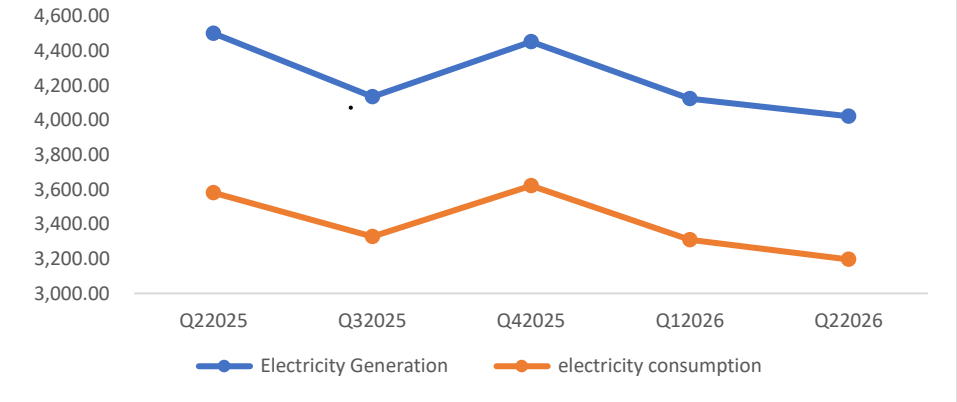
Figure 14: Gas Production, Utilisation and Flared (Billion mscf)



Source: Nigerian Upstream Petroleum Regulatory Commission (NUPRC)

Average electricity generation in Q22026 stood at 4,022.40 MW, representing a decline of 2.48 per cent from 4,129.49 MW in Q12026. Similarly, average electricity consumption declined by 3.45 per cent to 3,195.81 MW, from 3,309.90 MW in the preceding quarter.

Figure 15: Electricity Generation and consumption (MW/h)



Source: Nigerian Electricity Regulatory Commission (NERC)

Box 1: Prices of Selected Domestic Agricultural Commodities

Prices of most monitored domestic agricultural commodities declined in the first quarter of 2026, due largely to improved supply conditions and easing market pressures. *The decline 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 pressure and seasonal supply constraints.*

Prices of Selected Domestic Agricultural Commodities in Q22026

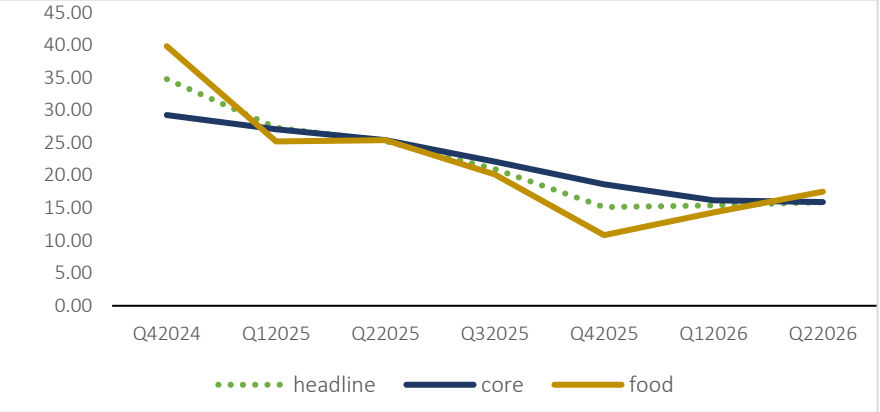
Food Items		Q22025	Q12026	Q22026	% Change	% Change
	Unit	1/a	2/a	3/b	(1) & (3)	(2) & (3)
Agric eggs medium size	*30 pieces*	*6246.88*	*6019.38*	*6154.12*	*-1.48*	*2.24*
Beans: brown	*1kg*	*2378.18*	*1298.57*	*1803.83*	*-24.15*	*38.91*
Beans: white black eye	"	*2055.96*	*1247.23*	*1637.11*	*-20.37*	*31.26*
Gari white	"	*1328.36*	*788.05*	*1038.79*	*-21.80*	*31.82*
Gari yellow	"	*1419.11*	*839.10*	*1101.49*	*-22.38*	*31.27*
Groundnut oil: 1 bottle	"	*3248.41*	*3082.12*	*3174.81*	*-2.27*	*3.01*
Irish potato	"	*2025.21*	*2008.92*	*2051.35*	*1.29*	*2.11*
Maize grain white	"	*1214.84*	*794.56*	*996.22*	*-18.00*	*25.38*
Onion bulb	"	*1556.65*	*1137.17*	*1321.37*	*-15.11*	*16.20*
Palm oil: 1 bottle	"	*2500.20*	*2382.21*	*2447.52*	*-2.11*	*2.74*
Rice local	"	*2458.82*	*1977.43*	*2011.62*	*-18.19*	*1.73*
Sweet potato	"	*1007.59*	*885.01*	*843.30*	*-16.31*	*-4.71*
Tomato	"	*1357.02*	*1781.52*	*1091.62*	*-19.56*	*-38.73*
Vegetable oil: 1 bottle	"	*3373.71*	*2840.93*	*3560.91*	*5.55*	*25.34*
Wheat flour: pre-packaged	*2kg*	*4173.71*	*3650.78*	*3882.58*	*-6.98*	*6.35*
Yam tuber	*1kg*	*2359.73*	*2106.48*	*2344.65*	*-0.64*	*11.31*

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

2.1.2 Inflation

Inflation pressure persisted in Q22026, driven largely by higher food prices amid elevated energy and agricultural input costs. Headline inflation (year-on-year) increased to 15.91 per cent in Q22026, from 15.38 per cent in the preceding quarter. The uptick in inflation reflected the impact of higher energy prices associated with geopolitical tensions in the Middle East, which increased transportation and logistics costs and exerted upward pressure on food prices.

Figure 16: Headline Inflation (year-on-year)

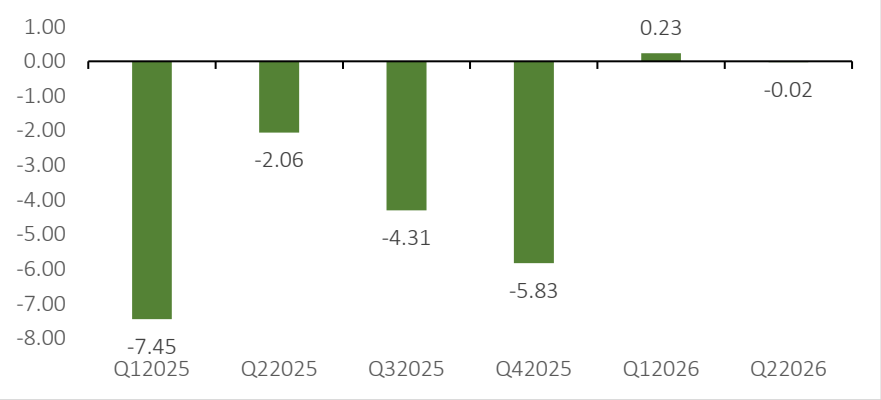


Source: National Bureau of Statistics

Inflation Momentum

Although headline inflation edged higher in Q22026, its quarterly momentum slowed, with the increase in inflation moderating to 0.02 percentage point, compared with an acceleration of 0.23 percentage point in Q12026. The moderation in inflation momentum reflected the sustained stability in the foreign exchange market, which helped contain imported inflationary pressures.

Figure 17: Monthly Inflation Momentum (percentage points)

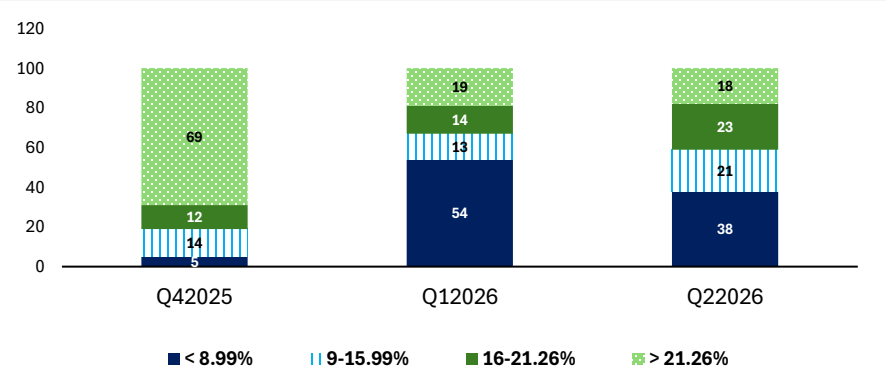


Source: Central Bank of Nigeria and National Bureau of Statistics

Inflation Pervasiveness

Inflation was less pervasive in Q22026, as only 18.00 per cent of items in the CPI basket recorded inflation rates above their historical average, compared with 19.00 per cent in Q12026. This was below the historical benchmark of 21.26 per cent observed between 2020 and May 2026)[1].

Figure 18: Inflation Pervasiveness (per cent)



Source: National Bureau of Statistics

Core inflation moderated to 15.92 per cent in Q22026 from 16.21 per cent in the preceding quarter, underscoring the impact of sustained contractionary stance of the Bank, and stability in the foreign exchange market. The naira exchanged at an average of ₦1,365.95/US$ in Q22026, compared with ₦1,384.48/US$ in Q12026.

Food Inflation

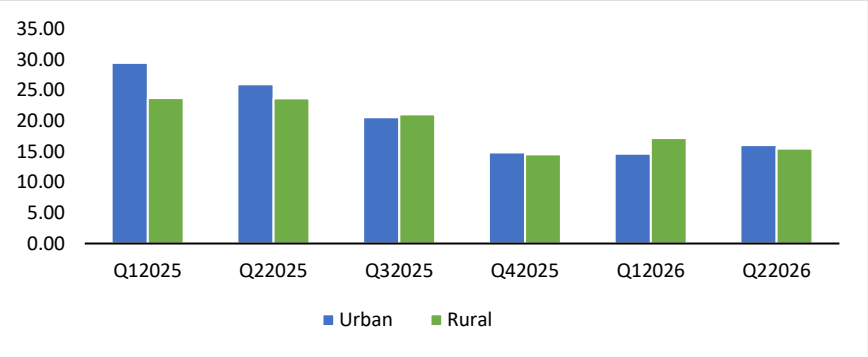
Food inflation (year-on-year) rose to 17.52 per cent from 14.31 per cent in Q12026, owing to higher energy prices, which increased transportation and logistics costs associated with the movement of farm produce. Furthermore, a marked increase in fertiliser prices, a major input in agricultural production, exacerbated food price pressures.

Urban and Rural Inflation

Urban inflation increased to 16.08 per cent from 14.64 per cent in the preceding quarter, driven by elevated energy costs. In contrast, rural inflation moderated to 15.48 per cent from 17.22 per cent in Q12026, reflecting differences in regional price developments and supply conditions.

[1] Pervasiveness is measured by the number of headline CPI items that are within specific inflation range. It reflects the extent to which rising prices are affecting the cost of living. Historically, inflation in Nigeria has averaged 21.26 per cent from 2020– May 2026. Inflation is said to be more pervasive if there is a higher number of items with inflation above the historical average. The CPI items are therefore categorised into four groups, namely; percentage of items registering inflation of less than 8.99 per cent, between 9 per cent and 15.99 per cent, between 16 per cent and 21.26 per cent, and also inflation above 21.26 per cent.

Figure 19: Urban and Rural inflation (per cent)

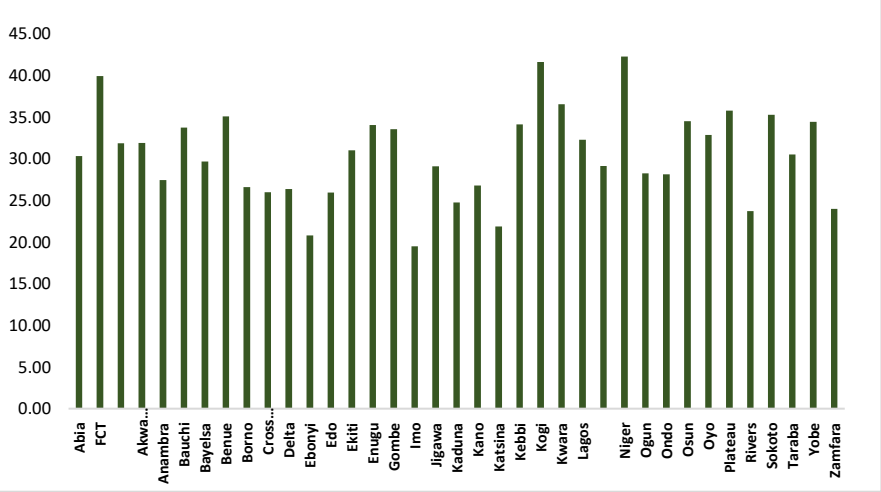


Source: National Bureau of Statistics

State Level Inflation

Headline inflation varied significantly across states, with Niger state recording the highest inflation of 42.23 per cent. This was followed by Kogi State and the Federal Capital Territory (FCT), with inflation rates of 41.59 per cent and 39.91 per cent, respectively.

Figure 20: Headline Inflation in States in Q22026 (per cent)



Source: National Bureau of Statistics

2.1.3 Socio-Economic Developments

Security

The Senate considered a Bill for the establishment of State Police aimed at strengthening local intelligence gathering, rapid response capabilities, and community-level accountability in support of national security. If enacted, the legislation could improve security conditions, support agricultural and agro-processing activities, enhance rural livelihoods, contribute to food price stability, and strengthen investor confidence.

Transportation

As part of ongoing efforts to strengthen transport infrastructure, the Federal Executive Council (FEC) approved 27 road projects valued at over ₦3.94 trillion across 15 states. The projects span Adamawa, Benue, Cross River, Ebonyi, Ekiti, Kogi, Kwara, Lagos, Niger, Ondo, Osun, Oyo, Plateau, Taraba, and Yobe states.

Health

The FEC also approved the upgrade of the Snakebite Treatment and Research Hospital in Kaltungo, Gombe State, into the National Snakebite Research and Medical Centre. The Centre is expected to provide specialised care for snakebite victims, undertake research into snakebite epidemiology, prevention, diagnosis and treatment, ensure sustainable access to quality anti venom and develop specialist clinical services to improve patient outcomes. In addition, the FEC approved health sector interventions valued at ₦93.90 billion to combat tuberculosis, strengthen blood donation services, and expand access to reproductive healthcare.

2.2 Fiscal Sector Developments

Summary

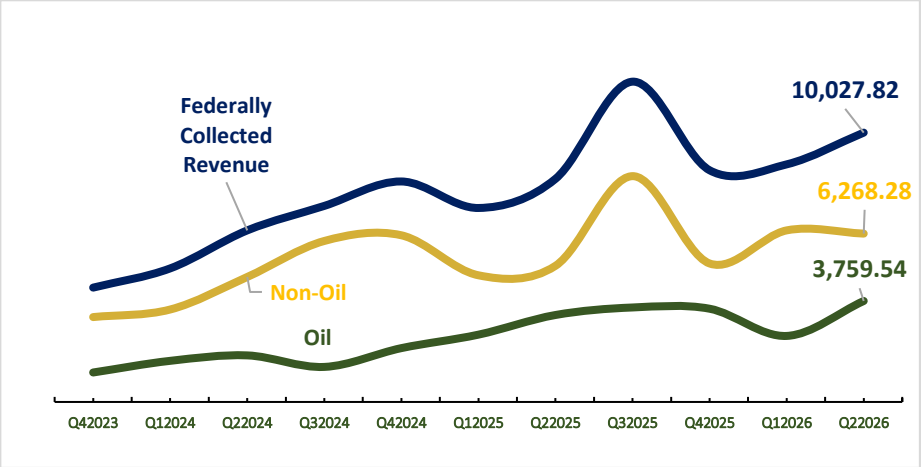
Provisional data indicated improved revenue performance in Q2 2026, relative to the preceding quarter, as federally collected revenue increased largely on account of higher oil receipts. Consequently, disbursements to the federating units increased by 14.41 per cent. Consolidated public debt stood at ₦159.35 trillion representing 30.36 per cent of GDPat end-March 2026 and remained well within established sustainability thresholds..

2.2.1 Federation Account Operations

Federation Revenue

Gross federation earnings increased relative to the preceding quarter, due, primarily to higher oil-related revenue. At ₦10.03 trillion, provisional gross federation revenue was 13.36 per cent higher than the level recorded in the preceding quarter. The increase reflected a substantial 52.94 per cent rise in oil revenue. Although non-oil revenue declined by 1.87 per cent, it remained the the dominant source of the federation receipts, accounting for 62.51 per cent of total revenue, while oil revenue contributed the remaining 37.49 per cent.

Figure 21: Federally Collected Revenue (₦ Billion)

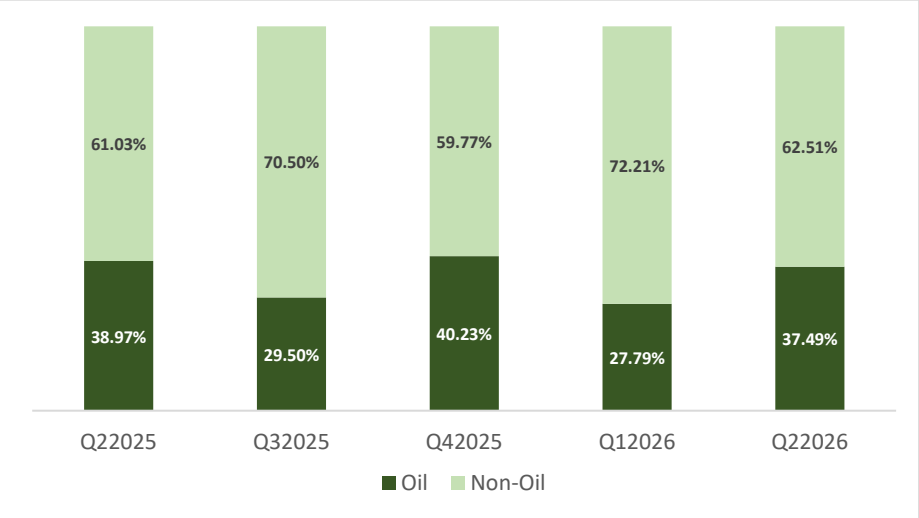


Source: Office of the Accountant General of the Federation and Federal Ministry of Finance

Non-oil revenue declined by 1.87 per cent to ₦6.27 trillion in Q22026, compared with the preceding quarter, due mainly to lower receipts from Value Added Tax (VAT) and customs and excise duties, which fell by 16.91 per cent and 5.64 per cent, respectively. Nevertheless, VAT remained the largest contributor to non-oil revenue, accounting for ₦2.21 trillion or35.33per cent of total non-oil revenue. This was followed by corporate tax at₦2.08 trillion (33.21%), and FGN Independent Revenue at ₦1.07 trillion (17.14%), while other revenue sources accounted for the balance.

Oil revenue increased to ₦3.76 trillion in Q22026, representing a 52.94 per cent increase compared with the level recorded in Q12026. The increase was driven primarily by a 517.11 per cent rise in crude oil and gas export receipts. Oil revenue was further supported by substantial increases in upstream Company Income Tax (CIT), Petroleum Profit Tax (PPT), and royalties, which rose by 74.25 per cent, 56.54 per cent, and 49.92 per cent, respectively. Royalties remained the largest component of oil revenue, contributing ₦2.45 trillion or 65.08per cent of total oil receipts during the review period. This was followed by PPT ₦0.68 trillion (18.16%), and upstream CIT at₦0.48 trillion (12.85%).

Figure 22: Contribution to Federation Revenue



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

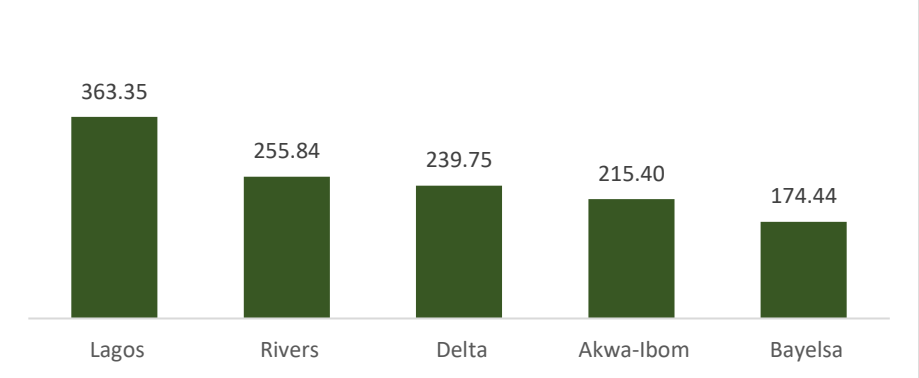
Table 5: Federation Revenue and Distribution (₦ Billion)

	Q22025	Q12026	Q22026	*Budget
Federally Collected Revenue	***8,307.04***	***8,846.18***	***10,027.82***	***18,250.12***
Oil	***3,237.39***	***2,458.18***	***3,759.54***	***9,351.10***
Crude Oil & Gas Exports	*109.10*	*15.18*	*93.68*	*585.22*
PPT	*797.52*	*436.12*	*682.69*	*5,107.74*
Royalties	*1,657.86*	*1,631.87*	*2,446.56*	*2,707.58*
Domestic Crude Oil/Gas Sales	*0.00*	*1.97*	*2.65*	*0.00*
Others	*672.91*	*373.04*	*533.96*	*950.56*
Non-oil	***5,069.65***	***6,388.00***	***6,268.28***	***8,899.02***
Corporate Tax	*1,659.81*	*1,745.02*	*2,081.72*	*3,106.72*
Customs & Excise Duties	*1,000.93*	*941.56*	*888.43*	*1,296.43*
Value-Added Tax (VAT)	*2,022.70*	*2,665.57*	*2,214.71*	*2,489.57*
Independent Revenue of Fed. Govt.	*282.10*	*981.12*	*1,074.64*	*1,315.43*
*Others***	*104.11*	*54.73*	*8.79*	*690.88*
Total Deductions/Transfers	***3,665.40***	***3,120.94***	***3,884.14***	***3,557.18***
Federally Collected Revenue Less Deductions & Transfers***	***4,641.64***	***5,725.24***	***6,143.69***	***14,692.94***
plus:				
Additional Revenue	***278.23***	***38.11***	***450.00***	***114.02***
Excess Crude Revenue	*0.00*	*0.00*	*450.00*	*0.00*
Non-oil Excess Revenue/ EMTL	*91.50*	*38.11*	*0.00*	*114.02*
Exchange Gain	*186.73*	*0.00*	*0.00*	*0.00*
Total Distributed Balance	***4,919.87***	***5,763.35***	***6,593.69***	***14,806.95***
Federal Government	***1,632.01***	***1,853.82***	***2,395.19***	***6,128.54***
Statutory	*1,349.48*	*1,564.61*	*2,200.06*	*5,897.90*
VAT	*282.53*	*289.21*	*195.13*	*230.63*
State Government	***1,665.03***	***2,125.28***	***2,189.10***	***4,316.91***
Statutory	*723.26*	*809.74*	*1,115.90*	*3,048.42*
VAT	*941.77*	*1,315.54*	*1,073.20*	*1,268.49*
13% Derivation	***409.23***	***297.22***	***466.14***	***1,212.52***
Local Government	***1,213.60***	***1,487.03***	***1,543.26***	***3,148.98***
Statutory	*554.36*	*622.93*	*860.31*	*2,341.77*
VAT	*659.24*	*864.10*	*682.94*	*807.22*

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.

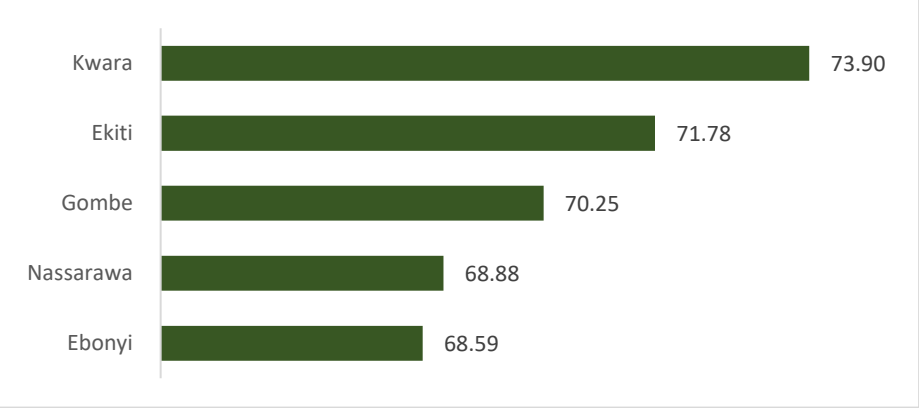
Following statutory deductions, transfers, and other adjustments to the gross federation revenue of ₦10.03 trillion, a net sum of ₦6.59 trillion was distributed among the three tiers of government. From the amount distributed, the Federal government received ₦2.40 trillion, while states and local governments received ₦2.19 trillion and ₦1.54 trillion, respectively. Additionally, ₦0.47 trillion was disbursed to oil-producing states as 13.0 per cent. Derivation Fund. Overall, net disbursement to the three tiers of government increased by 14.41 per cent, relative to the preceding quarter.

Figure 23: Top Five Recipients of Federation Allocation in Q22026 (₦ Billion)



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

Figure 24: Bottom-Five Recipients of Federation Allocation in Q22026 (₦ Billion)



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

Allocations to states were based on revenue generation effort, resource endowment, and population, among other indices. Based on these criteria, Lagos state received the highest allocation of ₦363.35 billion, followed by Rivers (₦255.84 billion), Delta (₦239.75 billion), Akwa-Ibom (₦215.40 billion), and Bayelsa (₦174.44 billion) states. Ebonyi state received the lowest allocation, at ₦68.59 billion, followed by Nasarawa (₦68.88 billion), Gombe (₦70.25 billion), Ekiti (₦71.78 billion), and Kwara (₦73.90 billion) states.

Public Debt

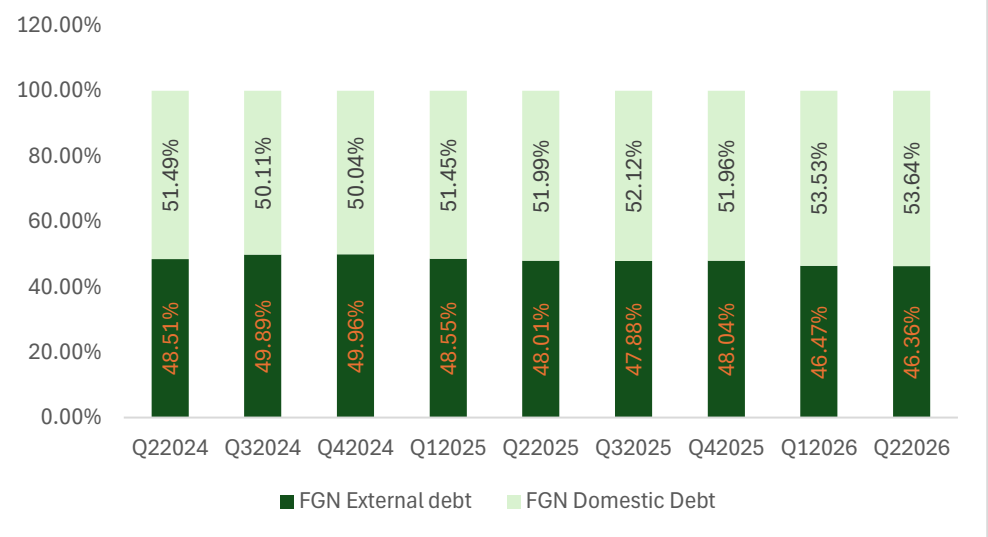
The consolidated public debt stock remained below the national ceiling and the IMF benchmark for Market-Access Countries of 60.00 and 70.00 per cent of GDP, respectively. At end-June 2026, consolidated public debt outstanding stood at ₦166.79 trillion (31.78% of GDP), indicating a 4.67 per cent increase compared with the level at end-March 2026, due to new borrowings. A breakdown showed that domestic debt accounted for 54.91 per cent, while external debt constituted 45.09 per cent. Of the consolidated public debt stock, FGN owed ₦162.20 trillion (97.25%), 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 ₦87.00 trillion (53.64%), while external debt amounted to ₦75.20 trillion (46.36%). Of the domestic debt, FGN bonds at ₦64.84 trillion maintained dominance (74.53%), followed by treasury bills (22.39%), and others (3.08%). A breakdown of the external debt stock showed that multilateral loans constituted the largest share of 45.42 per cent, while commercial and bilateral loans constituted 42.47 and 12.12 per cent, of the total, respectively.

Debt Service

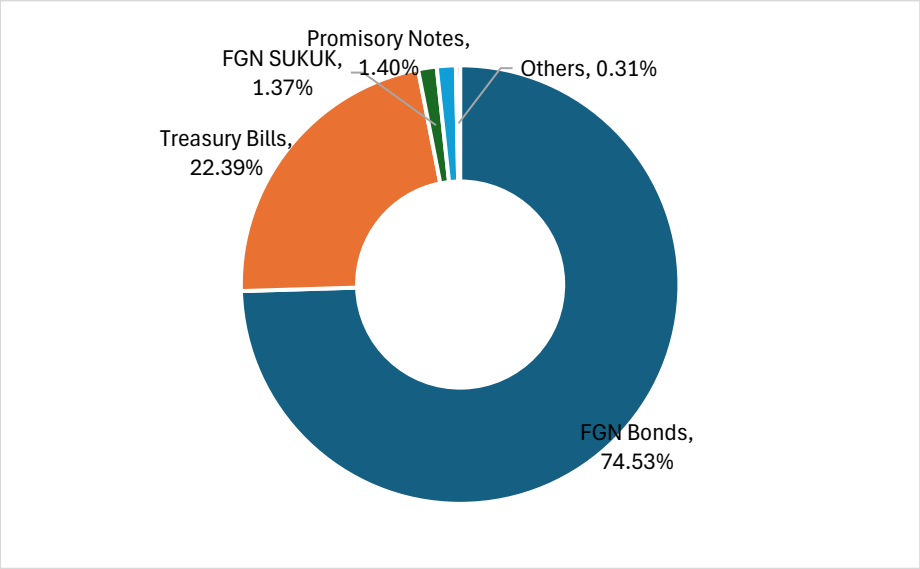
Total debt service at end-June 2026 decreased by 25.25 per cent to ₦3.33 trillion, from ₦4.46 trillion at end-March 2026, reflecting lower interest and amortisation payments during the period. A breakdown showed that domestic debt service constituted 64.31 per cent, while external debt service accounted for 35.68 per cent.

Figure 25: FGN External and Domestic Debt Compositions



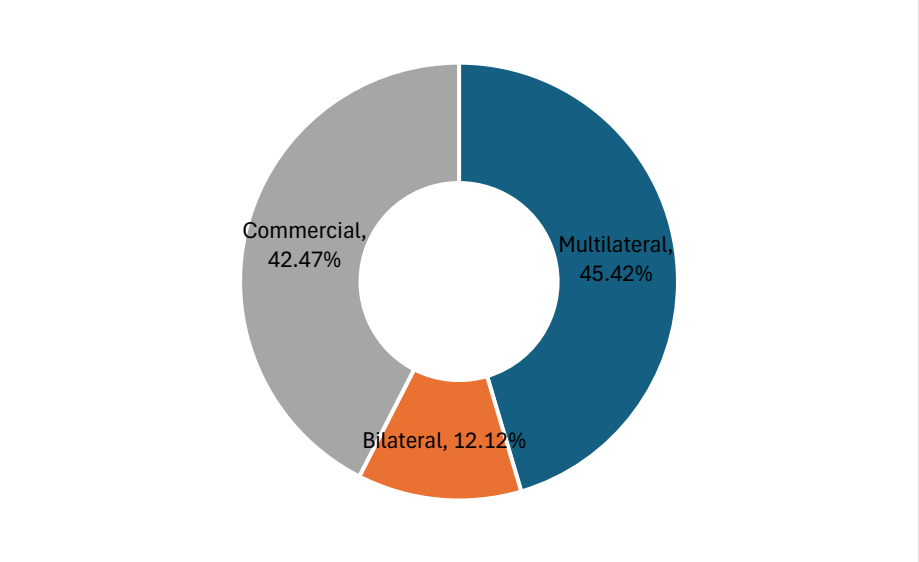
Source: Debt Management Office

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

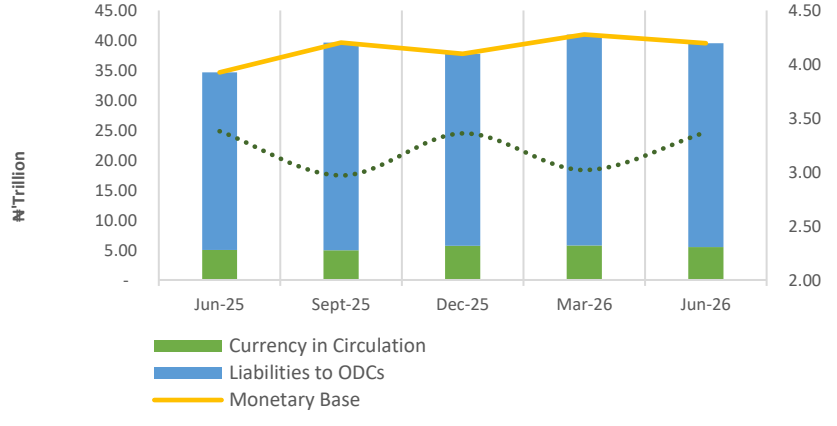
Broad money (M3) expanded at end-June 2026, driven primarily by growth in net domestic assets. Sectoral credit allocation and consumer lending increased,, consistent with the expansion in broad money. Banking system liquidity increased, leading to higher activity at the Standing Deposit Facility (SDF) window, while the short-term interest rates remained within the monetary policy corridor. The banking sector remained resilient and stable, as reflected in the performance of key prudential and financial soundness indicators. The Nigerian capital market sustained its bullish momentum, supported by positive investor sentiment, strong earnings from blue-chip companies, portfolio rebalancing, rising bond prices, and improved macroeconomic environment.

2.3.1 Monetary Developments

Reserve Money

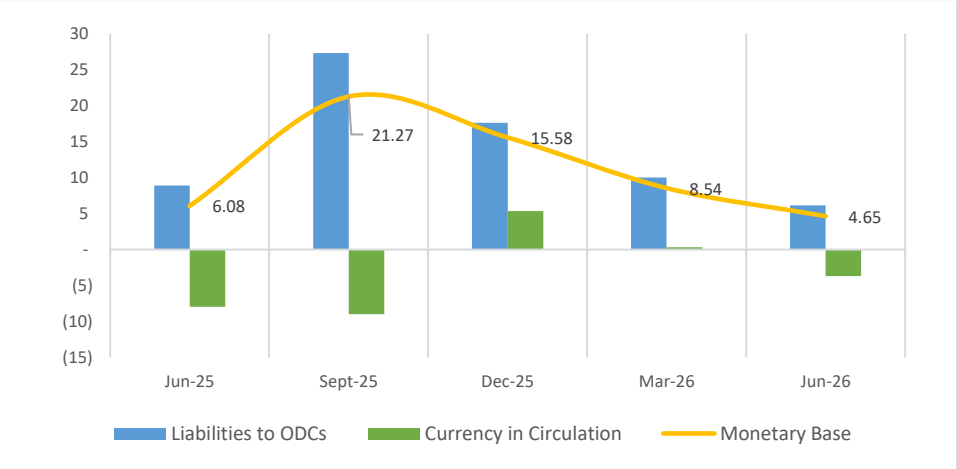
At end-June 2026, the monetary base expanded, driven mainly by an increase in liabilities to Other Depository Corporations (ODCs). Relative to end-December 2025, the monetary base increased by 4.65 per cent (9.29%, annualised) to ₦39.52 trillion. The increase was attributed to a 6.13 per cent rise in liabilities to ODCs, which more than offset the 3.66 per cent decline in currency in circulation (CIC).

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

The money multiplier ncreased to 3.37 from 3.02 in the preceding quarter, contributing to the expansion of broad money (M3) by 5.09 per cent to ₦133.27 trillion, compared with a contraction of 2.40 per cent in Q12026. Similarly, M1 and M2 increased by 1.52 and 5.09 per cent respectively, to ₦44.71 trillion and ₦133.26 trillion, compared with contractions of 0.44per cent and 2.40 per cent, respectively, in the preceding quarter.

Table 6: Money and Credit Growth over preceding December in per cent

Monetary Aggregates	Jun-2025	Dec-2025	Mar-26	Jun-2026	2026 Target	Contribution to M3 Growth (Jun-26)
Net Foreign Assets	**29.74**	**(3.39)**	**(23.64)**	**(4.58)**	**-**	**(1.12)**
Claims on Non-residents	7.89	1.94	(1.14)	10.73	-	7.67
Liabilities to Non-residents	(4.39)	4.93	10.50	18.64	-	8.78
Net Domestic Assets	**(6.89)**	**17.87**	**4.43**	**8.20**	**-**	**6.20**
Domestic Claims	**(7.01)**	**25.33**	**(8.35)**	**(8.78)**	**-**	**(9.13)**
Net Claims on Central Government	**(20.18)**	**38.50**	**8.10**	**(1.63)**	**-**	**(0.48)**
Claims on Central Government	0.09	5.99	1.50	7.61	-	3.35
Liabilities to Central Government	21.61	(28.51)	(12.07)	26.60	-	3.83
Claims on Other Sectors	**(2.43)**	**20.75**	**(14.91)**	**(11.64)**	**-**	**(8.65)**
Claims on Other Financial Corporations	(4.48)	5.18	(6.09)	(6.75)	-	(0.89)
Claims on State and Local Government	(10.10)	6.18	4.11	9.84	-	0.34
Claims on Public Nonfinancial Corporations	15.74	468.19	(73.59)	(73.20)	-	(12.31)
Claims on Private Sector	(2.51)	(4.53)	4.80	10.32	-	4.22
Total Monetary Assets (M_3)	**3.44**	**11.87**	**(2.40)**	**5.09**	**11.47**	**5.09**
Currency Outside Depository Corporations	(12.32)	4.62	(3.47)	(8.20)	-	(0.35)
Transferable Deposits	4.99	14.82	(0.02)	2.87	-	0.87
Narrow Money (M_1)	**2.71**	**13.47**	**(0.44)**	**1.49**	**-**	**0.53**
Other Deposits	3.83	11.06	(3.45)	6.99	-	4.56
Broad Money (M_2)	**3.44**	**11.88**	**(2.40)**	**5.09**	**-**	**5.09**
Securities Other than Shares	(37.85)	(44.47)	0.05	0.10	-	0.00
Total Monetary Liabilities(M_3)	**3.44**	**11.87**	**(2.40)**	**5.09**	**11.47**	**5.09**

Source: Central Bank of Nigeria

On the asset side, the expansion in broad money (M3) was driven primarily by an 8.20 per cent increase in net domestic product (NDA), which more than offset the 4.58 per cent decline in net foreign assets (NFA). NDA contributed 6.20 percentage points to M3 growth, offsetting the negative contribution of 1.12 percentage points from NFA. The increase in NDA reflected a reduction in the negative balance of Other Items Net (OIN), relative to its position at end-December 2025, which more than compensated for contractions in net claims on the central government and claims on other sectors. The decline in NFA was attributable to an 18.64 per cent increase in liabilities to non-residents.

On the liability side, the expansion in M3 was driven by increases in other deposits (6.99%), transferable deposits (2.87%) and securities other-than-shares (0.10%). Other deposits and transferable deposits contributed 4.56 percentage points and 0.87 percentage points, respectively, to M3 growth. Currency outside depository corporations (CODCs), however, declined by 8.20 per cent, and dragged the in M3 growth by 0.35 percentage point.

2.3.2 Sectoral Utilisation of Credit

Sectoral Credit Utilisation

Total credit by ODCs to the economy increased by 5.12 per cent to ₦62.79 trillion from ₦59.74 trillion at end-March 2026. The increase reflects continued credit expansion within the economy despite the Bank's tight monetary policy stance. The agriculture sector recorded the strongest growth in credit, increasing by 7.77 per cent quarter-on-quarter to ₦4.16 trillion. Credit to the services and industry sectors also rose by 5.15 per cent and 4.59 per cent, respectively, to ₦36.97 trillion and ₦21.66 trillion. Further analysis showed that the services sector accounted for the largest share of total credit at 58.88 per cent, followed by industry at 34.50 per cent and agriculture at 6.63 per cent.

Table 7: Sectoral Credit Allocation

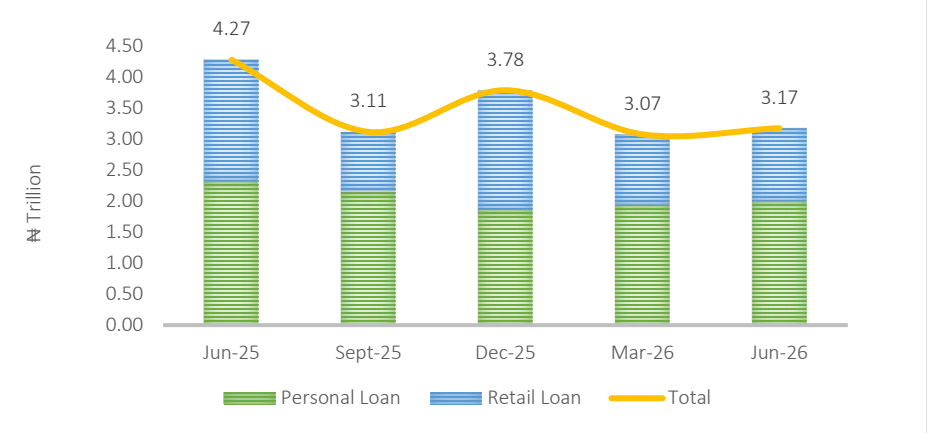
Sectors	Allocation (₦ trillion)			Share in Total (%)		
	Jun 2025	Mar 2025	Jun 2026	Jun 2025	Mar 2025	Jun 2026
Agriculture	***3.19***	***3.86***	***4.16***	***5.48***	***6.46***	***6.63***
Industry	***22.56***	***20.71***	***21.66***	***38.79***	***34.67***	***34.50***
Manufacturing	*7.09*	*5.77*	*5.19*	*12.19*	*9.66*	*8.27*
Oil & Gas	*12.32*	*10.58*	*11.92*	*21.18*	*17.71*	*18.98*
Services	***32.41***	***35.16***	***36.97***	***55.73***	***58.86***	***58.88***
Finance, Insurance & Capital Market	*9.47*	*9.80*	*10.25*	*16.28*	*16.41*	*16.32*
Trade/General Commerce	*3.86*	*6.29*	*6.30*	*6.64*	*10.53*	*10.03*

Source: Central Bank of Nigeria

Consumer Credit

Consumer credit outstanding increased by 3.26 per cent to ₦3.17 trillion, from ₦3.07 trillion in the preceding quarter. The increase reflected growth in both retail and personal loans, which rose by by 4.10 per cent and 3.03 per cent, respectively, to ₦1.99 trillion and ₦1.18 trillion at end-June 2026 Personal loans accounted for the larger share of consumer credit at 62.87 per cent, while retail loans constituted the remaining 37.13 per cent.

Figure 30: Consumer Credit Outstanding



Source: Central Bank of Nigeria

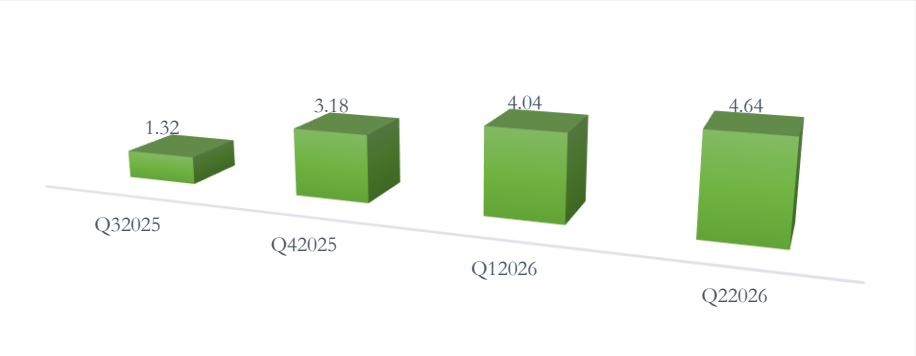
2.3.3 Financial Developments

2.3.3.1 Money Market Developments

Industry Liquidity Condition

Fiscal operations and the repayment of maturing Nigeria Treasury Bills (NTBs) influenced banking system liquidity in Q22026. Average net banking system liquidity increased by 14.85 per cent to ₦4.64 trillion from ₦4.04 trillion in Q1 2026. The increase in system liquidity was driven largely by coupon payments on FGN bonds, the redemption of maturing NTBs and disbursements to the three tiers of government.

Figure 31: Average Banking System Liquidity (₦ Trillion)

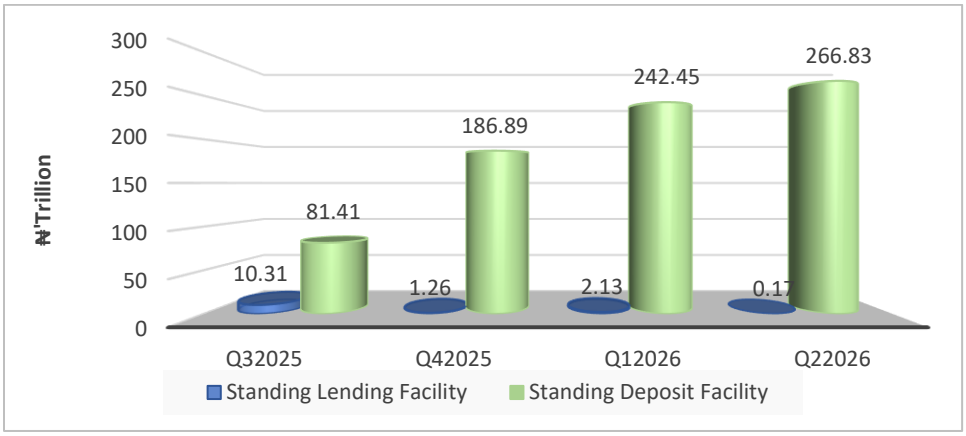


Source: Central Bank of Nigeria

Activities at the standing facilities window mirrored the prevailing liquidity conditions, with increased transactions at the Standing Deposit Facility (SDF) and a decline in activity at the Standing Lending Facility (SLF) window. Placements at the SDF window increased by 10.06 per cent to ₦266.83 trillion, with a daily average of ₦4.52 trillion. In contrast, utilisation of the standing lending facility window declined by 92.02 per cent to ₦0.17 trillion, comprising ₦0.02 trillion in direct SLF transactions and ₦0.15 trillion through the Intra-Day Lending Facility (ILF).

At end-June 2026, the Monetary Policy Rate (MPR) remained at 26.50 per cent. the asymmetric standing facilities corridor was maintained at +50/-450 basis points around the MPR, placing the SLF and SDF rates at 27.00 per cent and 22.00 per cent, respectively. Cash Reserve Ratio (CRR) for Deposit Money Banks (DMBs) and merchant banks was maintained at 45.0 per cent and 16 per cent, respectively, while CRR for non-TSA public sector deposit was retained at 75 per cent. Similarly, the liquidity ratio (LR) was retained at 30 per cent.

Figure 32: Transactions at the Standing Facilities Window ₦ Trillion

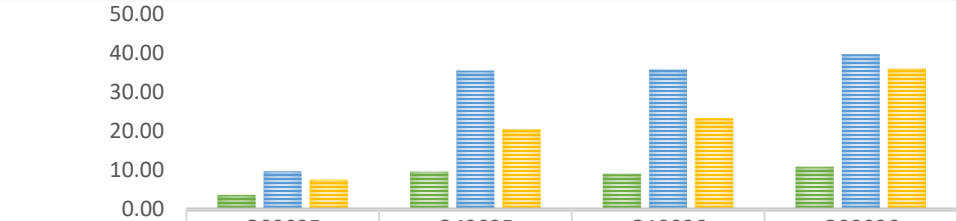


Source: Central Bank of Nigeria

OMO Operations

Open Market Operations (OMO) bills remained the dominant the Bank's primary instrument for liquidity management during the review period. Total CBN bills offered, subscribed, and allotted amounted to ₦10.80 trillion, ₦39.69 trillion, and ₦36.01 trillion, respectively, compared with ₦9.00 trillion, ₦35.62 trillion, and ₦23.29 trillion, in the preceding quarter. Average bid and stop rates stood at 20.90 per cent (±1.10) and 20.85 per cent (±1.05), respectively.

Figure 33: Open Market Operations (₦ Trillion)

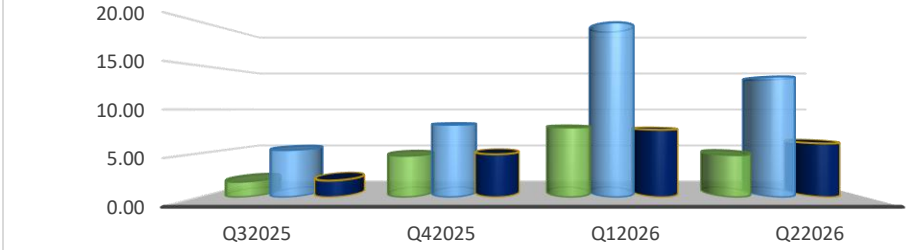


	Q32025	Q42025	Q12026	Q22026
Offer	3.70	9.60	9.00	10.80
Subscription	9.77	35.38	35.62	39.69
Allotment	7.63	20.54	23.29	36.01

Source: Central Bank of Nigeria

Demand for Nigerian Treasury Bills (NTBs) remained strong in Q2 2026, supported by attractive yields and positive expectations regarding macroeconomic conditions. Total NTBs offered, subscribed, and allotted across the 91-day, 182-day, and 364-day tenors amounted to ₦4.80 trillion, ₦13.75 trillion, and ₦6.13 trillion, respectively, compared with ₦7.95 trillion, ₦19.91 trillion, and ₦7.69 trillion, in the preceding quarter. The average bid and stop rates were 18.50 per cent (±3.50 percentage points) and 17.98 per cent (±2.03 percentage points), respectively.

Figure 34: Primary Market NTBs (₦ Trillion)

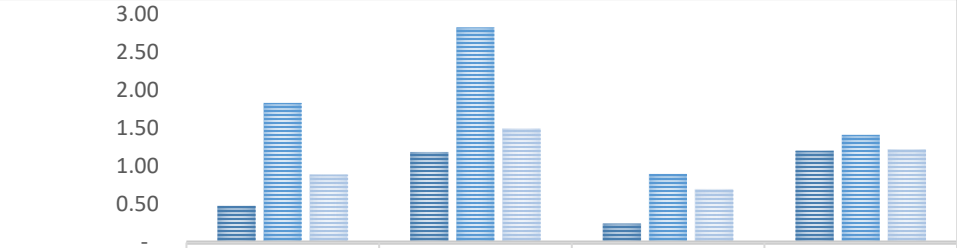


	Q32025	Q42025	Q12026	Q22026
Offer	1.76	4.72	7.95	4.80
Subscription	5.37	8.26	19.91	13.75
Allotment	1.90	4.90	7.69	6.13

Source: Central Bank of Nigeria

Total FGN bond offered, subscribed, and allotted stood at ₦2.50 trillion, ₦2.88 trillion, and ₦2.11 trillion, respectively, compared with ₦2.45 trillion, ₦5.52 trillion, and ₦2.65 trillion recorded in Q12026. The bid and marginal rates averaged 18.30 (±4.30) and 17.33 (±1.03) per cent, respectively.

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



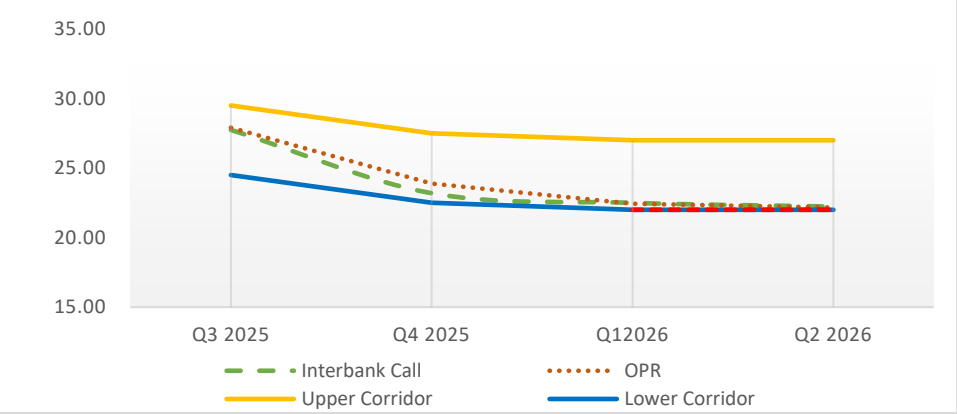
	Q32025	Q42025	Q12026	Q22026
Offer	0.48	1.18	0.25	1.20
Subscription	1.83	2.82	0.90	1.41
Allotment	0.89	1.49	0.70	1.22

Source: Central Bank of Nigeria

Interest Rate Developments

Money market rates remained relatively stable during the review quarter and broadly reflected prevailing liquidity conditions in the banking system. Short-term interbank rates reflected improving liquidity conditions in the banking system, while lending rates remained relatively rigid downward despite easing funding conditions. The average Nigerian Overnight Financing Rate (NOFR)[2] remained unchanged at 22.00 per cent during the quarter. The Open Repo Rate (OPR), which averaged 22.44 per cent in the first quarter, declined marginally to 22.16 per cent, reflecting improved liquidity conditions within the banking system. The inter-bank call rate averaged 22.23 per cent during the review period. The OPR remained within the monetary policy corridor throughout the review period, signalling effective liquidity management by the Bank.

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

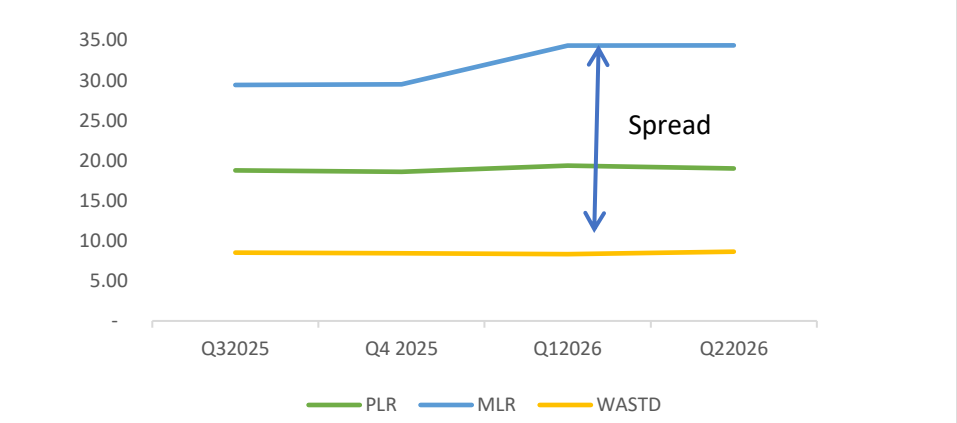


Source: Central Bank of Nigeria
Note: OPR = Open Repo rate which was formally referred to as Open Buy Back (OBB) rate

2 The Nigerian Overnight Financing Rate (NOFR) is Nigeria's official overnight risk-free benchmark interest rate, introduced by the Central Bank of Nigeria (CBN) in collaboration with the Financial Markets Dealers Association (FMDA) in 2026. It reflects the cost of obtaining overnight secured Naira funding in the interbank market and is based on actual transactions rather than quoted estimates.

Within the deposit and lending rates segment, the weighted average savings and term deposit (WASTD) rate increased by 0.31 percentage point (pp) to 8.64 per cent, from 8.33 per cent in the preceding quarter. Average prime and maximum lending rates stood at 19.01 per cent and 34.37 per cent. respectively, compared with 19.37 and 34.34 per cent in the preceding quarter. Consequently, the interest rate spread narrowed to 25.73 percentage points from 26.01 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 sustained its bullish run, driven by investor optimism, strong earnings from blue-chip corporates, active portfolio rebalancing, and favourable macroeconomic fundamentals. The rally was reinforced by solid earnings releases, elevated investor risk appetite, and broad participation from both retail and institutional investors. Consequently, aggregate market capitalisation rose by 14.42 per cent to ₦203.11 trillion, from ₦177.52 trillion in Q12026.

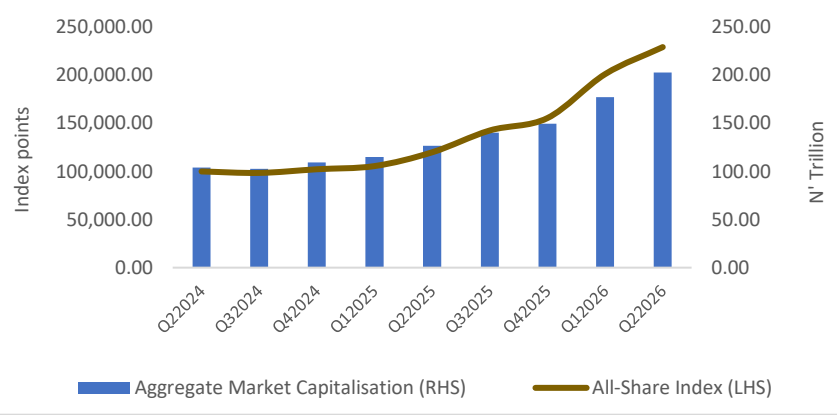
Equities and bond market capitalisation advanced by 13.94 and 15.96 per cent to ₦147.22 trillion and ₦55.83 trillion, respectively. The growth in equities was fuelled by strong earnings releases and improved liquidity, while the debt market expansion reflected yield-chasing flows into sovereign instruments. However, the Exchange Traded Funds (ETFs) segment contracted by 62.80 per cent, underscoring investor rotation away from diversified index-tracking products into targeted exposures across equities and fixed-income asset classes. Market structure analysis further revealed that equities retained dominance, accounting

for 72.48 per cent of total market capitalisation, while debt and ETFs contributed 27.49 and 0.03 per cent, respectively.

NGX All- Share Index

The All-Share Index (ASI) rose by 13.98 per cent to close at 229,419.18 index points, mirroring the strong upward trajectory in market capitalisation.

Figure 38: Aggregate Market Capitalisation and All-Share Index



Source: Nigerian Exchange (NGX) Limited

Sectoral indices across the Nigerian equities market sustained the bullish momentum, reflecting strong market breadth with many gainers and one loser. The NGXGROWTH Index led the change, surging by 45.27 per cent, followed by NGXAFRHDYI (20.84%) and NGXPENBRD (18.15%). Other notable performers included NGXMAINBOARD (+16.39%), NGXPENSION (+15.98%), and NGXOILGAS (+15.82%), highlighting sectoral rotation into growth, pension, and energy counters. Conversely, the NGXINS index retreated by 10.82 per cent, signalling weaker risk appetite and subdued investor confidence in the insurance sector relative to the broader market.

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



Source: Nigeria Exchange (NGX) Limited

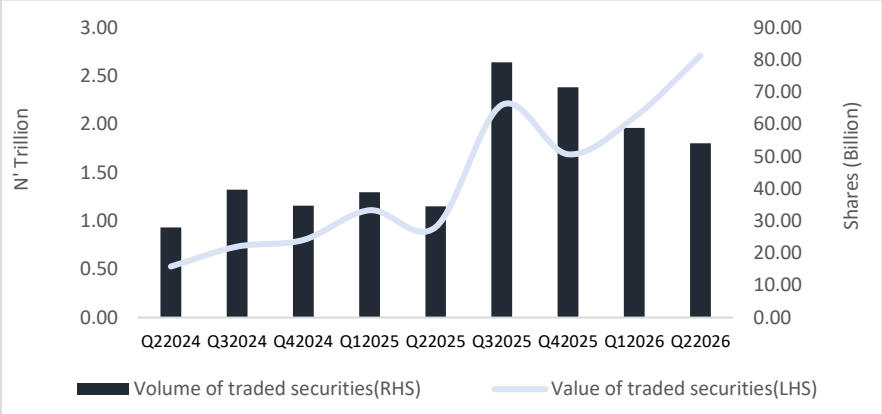
Table 8: Nigerian Exchange Limited Sectoral Indices

Sectoral Indices	Q1 2025	Q22026	Change (%)
NGXSOVBND	1,231.42	1,098.12	-10.82
NGXINS	674.16	674.67	0.08
NGXGROWTH	4,368.26	4,571.29	4.65
NGXCNSMRGDS	4,359.85	4,594.41	5.38
NGXBNK	5,486.35	5,810.03	5.90
NGXMAINBOARD	1,649.07	1,752.64	6.28
NGXAFRHDYI	14,163.14	15,628.24	10.34
NGX30	1,860.75	2,070.11	11.25
NGXCG	17,298.00	19,471.13	12.56
NGXPENBRD	21,786.42	24,708.02	13.41
NGXMERIVAL	7,305.26	8,326.29	13.98
NGXAFRBVI	20,044.53	23,118.32	15.33
NGXPENSION	8,775.98	10,162.54	15.80
NGXMERIGRW	4,385.20	5,079.06	15.82
NGXCOMMDTY	9,586.59	11,118.88	15.98
NGXPREMIUM	9,279.14	10,800.35	16.39
NGXLOTUSISLM	3,827.63	4,522.30	18.15
NGXINDUSTR	27,433.75	33,151.05	20.84
NGXOILGAS	29,396.50	42,705.74	45.27

Source: Nigerian Exchange (NGX) Limited

Trading dynamics on the Exchange were mixed, as transaction value, and deals increased, while volume decreased. Total value of traded securities grew by 30.92 per cent to ₦2.71 trillion in 3,882,283 deals, from ₦2.07 trillion in 3,610,205 in Q12026. In contrast, aggregate volume declined by 8.23 per cent to 54.07 billion shares from 58.92 billion shares. The development was driven by 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

During the review period, a total of 36 securities were listed on the Exchange, comprising 18 new listings and 18 supplementary listings. The issuances spanned equities, Federal Government securities, savings bonds, and corporate debt instruments, reflecting sustained primary market activity and broadening investment opportunities for market participants. Regulatory actions included one trading suspension and two delistings, underscoring the Exchange's commitment to market integrity, investor protection, and adherence to listing and corporate governance standards.

Table 9: Listings, De-listings, and Suspensions on the Nigerian Exchange Limited

Company/Security	Shares Unit	Remarks
Lasaco Assurance Plc	9,236,321,546	New listing
Dangote Sugar Refinery Plc.	8,097,918,827	New listing
Guinea Insurance Plc	5,295,200,000	New listing
VFD Group Plc	5,067,396,400	New listing
Universal Insurance Plc	2,666,666,667	New listing
Sunu Assurances Nigeria Plc	2,075,285,714	New listing
Champion Breweries Plc	931,712,324	New listing
Neimeth International Pharmaceuticals Plc	610,443,515	New listing
UAC of Nigeria Plc	54,032,000	New listing
FGN Bond	47,355,000	New listing
MeCure Industries Plc	13,457,456	New listing
Coleman Technical Industries Plc	6,046,099	New listing
14.777% FGS JUN 2029	3,802,183	New listing
14.525% FGS MAY 2029	3,189,173	New listing
14.082% FGNSB APR 2029	2,773,578	New listing
13.525% FGS MAY 2028	884,857	New listing
13.777% FGS JUN 2028	876,188	New listing
13.082% FGNSB APR 2028	864,961	New listing
Fidelity Bank Plc	12,974,000,000	Supplementary listing
17.95% FGN JUN 2032	3,609,773,217	Supplementary listing
19.89% FGN MAY 2033	2,929,906,476	Supplementary Listing
Sovereign Trust Insurance Plc	2,510,848,144	Supplementary listing
Ellah Lakes Plc	2,252,142,858	Supplementary listing
Access Holdings Plc	1,057,958,025	Supplementary Listing
22.60% FGN JAN 2035	1,056,748,076	Supplementary Listing
First HoldCo Plc	1,021,334,544	Supplementary listing
Eterna Plc	882,064,158	Supplementary listing
19.00% FGN FEB 2034	817,066,423	Supplementary Listing
Fidson Healthcare Plc	600,000,000	Supplementary listing
16.2499% FGN APR 2037	476,837,529	Supplementary listing
17.945% FGN AUG 2030	460,233,620	Supplementary listing
18.50% FGN FEB 2031	415,693,122	Supplementary Listing
Trans-Nationwide Express Plc	356,184,337	Supplementary listing
17.50% NBET JAN 2033	300,000,000	Supplementary listing
17.50% NBET JAN 2033 TRANCHE B	201,021,000	Supplementary listing
Chapel Hill Denham Management Limited (NIDF)	303,059	Supplementary listing
Fortis Global Insurance Plc	All	Suspended
DN Tyre and Rubber Plc	All	Delisted
Greif Nigeria Plc	All	Delisted

Source: Nigerian Exchange (NGX) Limited

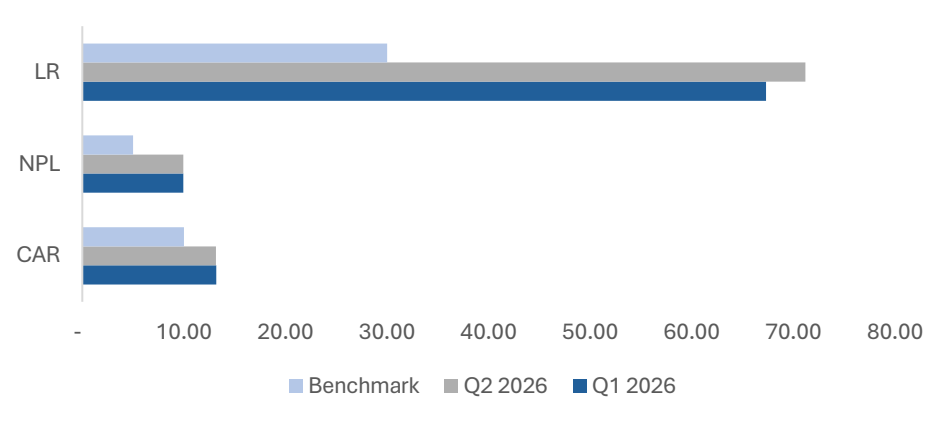
Notes: FGN = Federal Government of Nigeria; Plc = Public Limited Liability Company; FGNSB = Federal Government of Nigeria Savings Bond, N/A = Not available

2.3.4 Financial Soundness Indicators

The Nigerian banking sector remained resilient and stable, as reflected in key financial soundness indicators. The liquidity ratio (LR) increased by 3.86 percentage points to 71.18 per cent from 67.32 per cent in Q12026 and remained above the 30.00 per cent regulatory minimum threshold, underscoring the banking sector's capacity to meet maturing obligations and support credit intermediation.

The industry's capital adequacy ratio (CAR) declined marginally by 0.04 percentage point to 13.15 per cent from 13.19 per cent in the preceding quarter but remained above the 10.00 per cent minimum regulatory threshold, highlighting the sector's solvency and capacity to absorb shocks. Asset quality, measured by the non-performing loans (NPLs) ratio was unchanged at 9.94 per cent, but above the 5.00 per cent prudential benchmark. Overall, the banking sector remained sound and stable.

Figure 41: Key Financial Soundness Indicators



Source: Central Bank of Nigeria

2.4 External Sector Developments

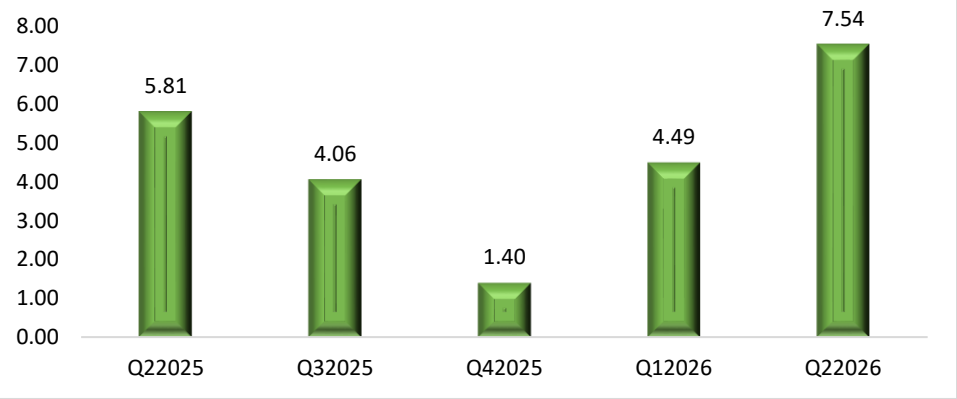
The performance of the external sector in Q22026 was shaped by heightened geopolitical tensions and elevated global uncertainty, particularly following developments in the Middle East, which exerted upward pressure on energy prices and weighed on international capital flows. Despite these headwinds, the external sector remained resilient, recording higher surpluses in both the current account and overall balance of payments. The financial account, however,recorded a lower net borrowing position compared with the preceding period. At US$51.39 billion, external reserves could cover 10.65 months of import of goods and services. The average exchange rate at the Nigerian Foreign Exchange Market (NFEM) appreciated to ₦1,365.95/US$, from ₦1,384.48/US$ in Q12026.

2.4.1 Current and Capital Account

Current and Capital Account

The current and capital accounts recorded a higher surplus, attributable to improvements in the goods and secondary income accounts. The surplus in the current and capital accounts rose to US$7.54 billion (8.50% of GDP), from US$4.49 billion (5.49% of GDP) in the preceding quarter.

Figure 42: Current Account Balance (US$ Billion)



Source: Central Bank of Nigeria

Merchandise Export

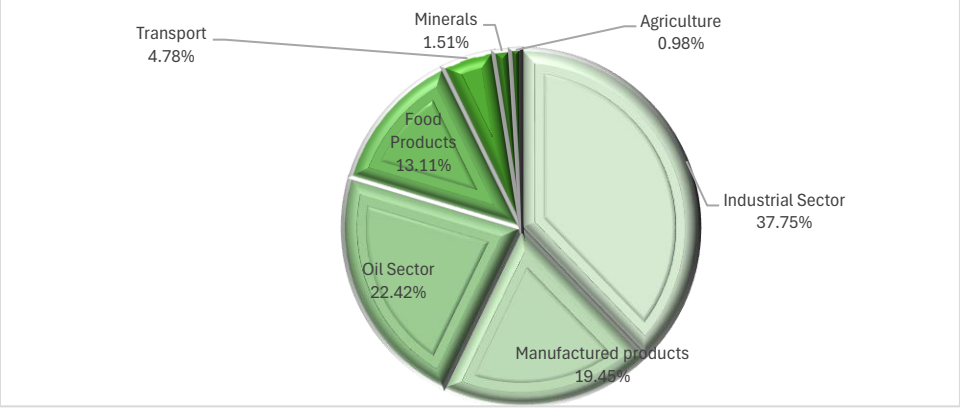
Merchandise export earnings increased, due mainly to higher commodity prices for both oil and non-oil products. Aggregate export earnings increased by 29.08 per cent to US$20.08 billion, from the level in Q12026. A breakdown showed that oil export earnings increased to US$16.96 billion, from US$13.07 billion in the preceding period. The development was attributed to higher crude oil production and prices, and increased exports of refined petroleum products. Similarly, non-oil export earnings rose to US$3.12 billion from US$2.49 billion in Q12026, driven mainly by higher commodity prices. Crude oil, gas, and refined petroleum products exports continued to dominate merchandise export, accounting for 84.47 per cent of total earnings, with non-oil export accounting for the balance.

Merchandise Import

Merchandise import bills increased, driven majorly by elevated global commodity prices. Merchandise import bills increased to US$9.96 billion, from US$9.60 billion in the preceding quarter, owing to higher import of non-oil products. Non-oil imports rose to US$8.73 billion from US$7.85 billion as global commodity prices rose, coupled with sustained demand for imported inputs and consumer goods. In contrast, import of oil products decreased to US$1.24 billion from US$1.75 billion, reflecting increased domestic refining capacity. Non-oil imports continued to dominate merchandise imports, accounting for 87.57 per cent of the total, 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 (37.75%), followed by oil sector (22.42%), manufactured products (19.45%), food products (13.11%), transport (4.78%), minerals (1.51%), and agriculture (0.98%).

Figure 43: Sectoral Decomposition of Merchandise Import



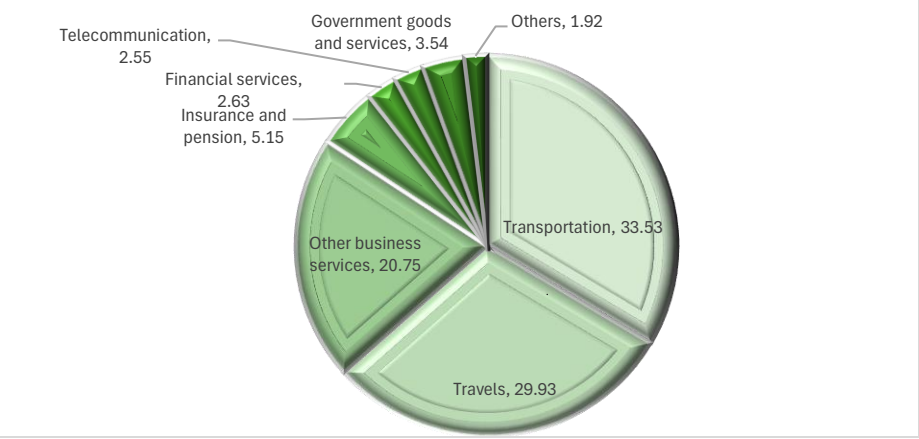
Source: Central Bank of Nigeria

Services

The deficit in the services account widened, due to higher out payments for transportation, travel and other business services, alongside lower services receipts. The deficit widened to US$4.67 billion, from US$3.71 billion in the preceding quarter, driven largely by higher payments, particularly for other business services. Total service payments rose by 18.29 per cent to US$5.84 billion in Q22026, due majorly to a 39.04 per cent increase in payments for other business services, reflecting higher payments for technical, trade-related and professional consulting services. This was reinforced by higher transport and travel services payments which rose by 9.47 10.12 per cent, respectively. The increased payment for transportation services was owing largely to higher sea freight charges, in line with the increase in merchandise imports, while that for travel services was on account of increased education and health-related travels. Analysis by share showed that other business services accounted for the largest payment at 30.98 per cent, followed by transportation (30.38%), travels (25.60%), and insurance & pension (4.36%). Government services accounted for 3.04 per

cent, telecommunications, computer and information services was 2.03 per cent, while financial services constituted 1.72 per cent. Other categories of service made up the balance.

Figure 44: Share of Service Out-Payments



Source: Central Bank of Nigeria.

Table 10: Services Payments (US$ Billion)

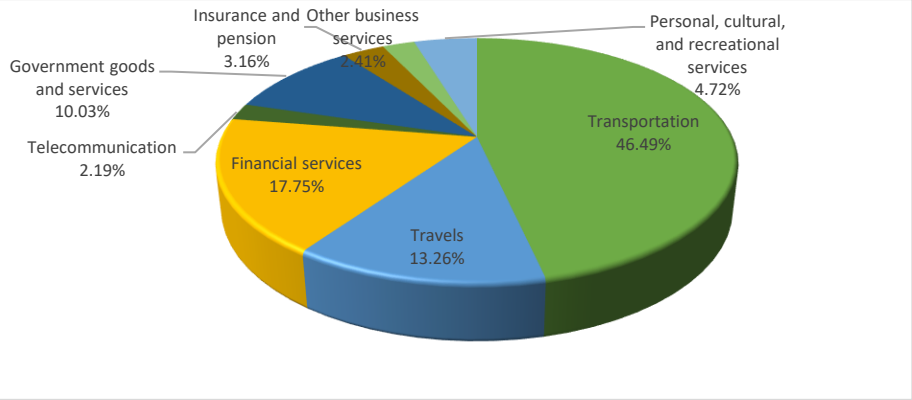
S/N	Services Type	Q22026	Q12026	Q22026
1	Transport	1.77	1.62	1.54
2	Travel	1.49	1.36	1.69
3	Insurance and Pensions	0.25	0.19	0.24
4	Financial	0.10	0.05	0.12
5	Telecommunication	0.12	0.13	0.09
6	Other business	1.81	1.30	0.88
7	Personal, cultural and recreational	0.03	0.04	0.00
8	Government goods and services	0.18	0.17	0.17

Source: Central Bank of Nigeria

Receipts from the export of services declined by 4.72 per cent to US$1.17 billion, attributed largely to lower receipts from government and travel services. Receipts from government services fell to US$0.07 billion, from US$0.13 billion in Q12026, while travel receipts declined to US$0.14 billion, from US$0.21 billion. Transport earnings also moderated to US$0.59 billion, from US$0.60 billion in the preceding quarter. In contrast, earnings from financial services increased to US$0.18 billion, from US$0.13 billion, reflecting higher fee and commission income on cross-border banking and capital market transactions.

A breakdown of services receipts showed that transport accounted for the largest share at 50.21 per cent, followed by financial (15.46%), travel (12.20%), personal, cultural & recreational services (5.92%), government goods & services (5.84%), other business (4.04%), and insurance & pension (3.88%). Telecommunications accounted for 2.45 per cent.

Figure 45: Share of Services Receipts in Q22026



Source: Central Bank of Nigeria.

Table 11: Services Receipt (US$ Billion)

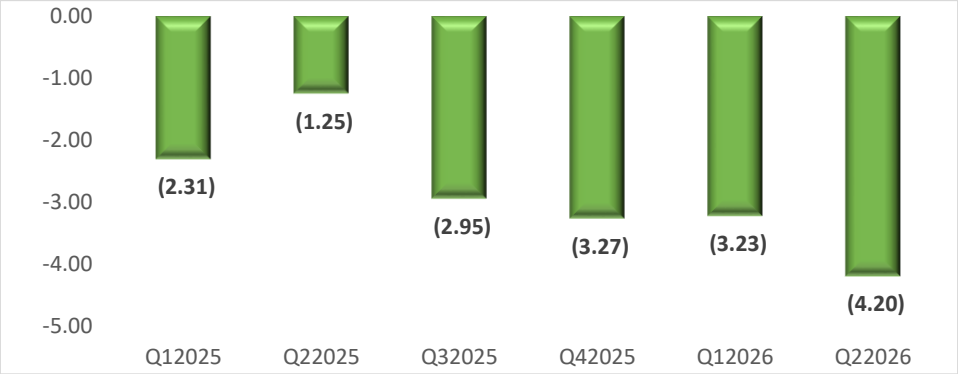
S/N	Services Type	Q22026	Q12026	Q22026
1	Transport	0.59	0.60	0.58
2	Travel	0.14	0.21	0.09
3	Insurance and Pensions	0.05	0.03	0.04
4	Financial	0.18	0.13	0.20
5	Telecommunication	0.03	0.03	0.02
6	Other business	0.05	0.04	0.03
7	Personal, cultural, and recreational	0.07	0.06	0.00
8	Government goods and services	0.07	0.13	0.12

Source: Central Bank of Nigeria

The deficit in the primary income account widened, due largely to higher interest payments on portfolio investment liabilities. The deficit in the primary income account increased to US$4.20 billion, from US$3.23 billion in the preceding quarter. A disaggregation indicated that the deficit in the investment income sub-account widened to US$4.50 billion, from US$3.47 billion in Q12026, driven mainly by higher deficit of US$2.49 billion in the portfolio investment income sub-account, an increase of 20.30 per cent from the level in the preceding period. Interest payments on short-term instruments held by non-resident investors rose to US$2.11 billion, from US$1.90 billion, while interest payments on long-term debt securities increased to US$0.48 billion, from US$0.19 billion. The deficit on direct investment income also widened, to US$1.82 billion from US$1.40 billion, reflecting higher reinvested earnings accruing to non-resident investors, at US$0.90 billion compared with US$0.78 billion, and lower earnings on residents' direct investment abroad, at US$0.11 billion compared with US$0.43 billion. Dividend payments to non-resident investors, however, moderated to US$1.02 billion, from US$1.04 billion. Income on reserve assets declined to US$0.53 billion, from US$0.57 billion. The deficit on other investment income also widened, to

US$0.71 billion, compared with US$0.63 billion in Q12026, reflecting higher interest payments on external loan liabilities. The surplus in the compensation of employees sub-account, however, rose to US$0.30 billion, from US$0.24 billion in the preceding quarter.

Figure 46: Primary Income Balance (US$ billion)



Source: Central Bank of Nigeria.

Secondary Income

The secondary income account recorded a higher surplus, driven by increased remittance inflow and government transfers. The surplus in the secondary income account rose to US$6.30 billion, from US$5.47 billion in Q12026, majorly on account of a 10.00 per cent increase in the inflow of diaspora remittances to US$5.82 billion. The improvement reflected sustained gains from the Bank's ongoing reforms, particularly the narrower spread between the official and parallel exchange rates, which reduced the incentive to route remittances through informal markets. General government transfers also rose to US$0.53 billion in Q22026, from US$0.22 billion in the previous quarter.

Figure 47: Secondary Income Balance (US$ Billion)



Source: Central Bank of Nigeria.

2.4.2 Financial Account

Financial Account

The financial account switched to a net lending position, from a net borrowing position in the preceding quarter, driven mainly by the increase in the acquisition of other investment and reserve assets. A net lending position of US$1.74 billion (1.96 per cent of GDP) was recorded, in contrast to a net borrowing of US$2.03 billion (2.48% of GDP) in Q12026.

Net Incurrence of Liabilities

A higher net incurrence of financial liabilities of US$10.84 billion was recorded, compared with US$8.36 billion in the preceding quarter, due mainly to the increase in other investment and portfolio investment liabilities. A disaggregation indicated that portfolio investment inflow rose to US$7.09 billion, from US$6.03 billion, owing to higher inflow into long-term general government debt securities. Other investment liabilities rose to US$2.75 billion, from US$1.36 billion in the preceding quarter, following higher loan drawdowns by the general government and other sectors, as well as increased currency and deposit liabilities of deposit-taking corporations. Direct investment liabilities also increased to US$1.15 billion, from US$1.03 billion, owing to the rise in reinvested earnings.

Net Acquisition of Assets

A higher net acquisition of financial assets valued at US$12.58 billion was recorded compared with US$6.33 billion in the preceding quarter, mainly on account of the increase in the acquisition of other investment assets which rose to US$7.96 billion, from US$3.54 billion, largely driven by the increase in holdings of foreign currency and deposits. Reserve assets also rose by US$3.51 billion, compared with US$2.38 billion in Q12026. Portfolio investment assets rose to US$0.70 billion, from US$0.26 billion in the preceding period, following higher acquisition of debt securities by deposit-taking corporations and other sectors. Acquisition of direct investment assets also increased to US$0.56 billion, from US$0.20 billion in the preceding quarter, driven mainly by equity investments by residents.

2.4.3 External Debt

External Debt

Nigeria's external debt stock at end-June 2026 stood at US$54.52 billion, representing 16.67 per cent of GDP, compared with US$51.90 billion at end-March 2026. The increase of US$2.62 billion was on account of the US$1.50 billion Total Return Swap with First Abu Dhabi Bank and US$0.90 billion in multilateral loans. By composition, multilateral loans, comprising mainly obligations to the World Bank Group and the African Development Bank (AfDB) Group, amounted to US$24.76 billion, constituting 45.42 per cent. Commercial borrowings (Eurobonds, syndicated and other) amounted to US$23.26 billion (42.47%), while bilateral loans at US$6.61 billion, represented the balance of 12.12 per cent.

Total external debt service payments in Q22026 stood at US$0.87 billion, compared with US$0.95 billion in Q12026. A breakdown indicated that interest payments amounted to US$0.49 billion (56.47%), while principal repayments stood at US$0.34 billion, representing 39.02 per cent. Other charges accounted

for the balance. A further disaggregation indicated that multilateral creditors were the major recipients of debt service payments, with total payments amounting to US$0.40 billion (46.42% of total debt service), of which the International Development Association accounted for US$0.20 billion. Payments on commercial debt instruments stood at US$0.33 billion (37.40%), comprising mainly Eurobond interest of US$0.22 billion, while payments to bilateral creditors amounted to US$0.14 billion (16.17%).

2.4.4 International Investment Position (IIP)

International Investment Position

The international investment position posted a lower net financial liability compared with the preceding quarter. The International Investment Position (IIP) recorded a lower net liability position of US$92.94 billion at end-June 2026, compared with US$94.68 billion at end-March 2026, a narrowing of US$1.74 billion (1.8 per cent).

The stock of financial assets rose by US$11.44 billion (8.5 per cent) to US$145.72 billion. Other assets increased by US$7.52 billion to US$68.70 billion, and reserve assets by US$3.04 billion to US$51.39 billion. Portfolio investment abroad rose by US$0.70 billion to US$6.51 billion.

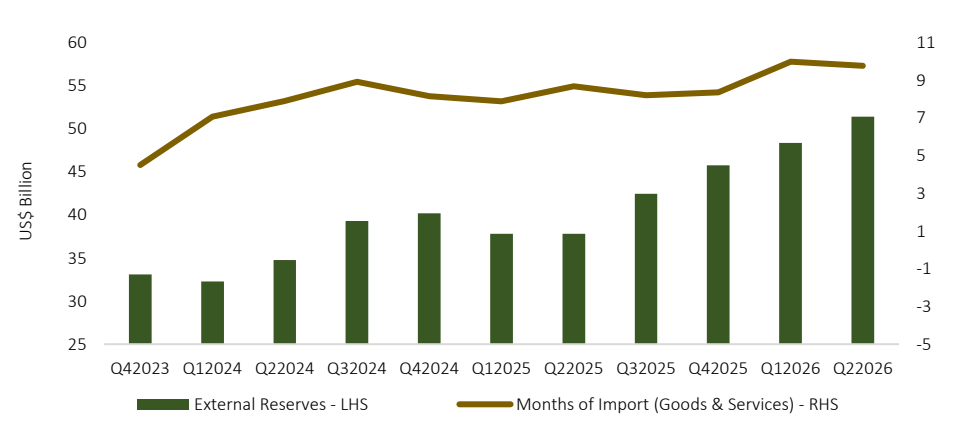
The stock of financial liabilities rose by US$9.71 billion (4.2 per cent) to US$238.66 billion. Portfolio investment liabilities accounted for most of the increase, rising by US$7.22 billion (12.4 per cent) to US$65.23 billion. Direct investment liabilities (US$93.86 billion) and other liabilities (US$79.57 billion) rose by US$1.10 billion and US$1.54 billion respectively.

External Reserves

2.4.5 External Reserves

The external reserves rose in the review period and remained adequately above the benchmark of 3 months of import cover. The external reserves stood at US$51.39 billion at end-June 2026, relative to US$48.35 billion at end-March 2026. This level of reserves could cover 9.76 months of imports for goods and services.

Figure 48: External Reserves and Months of Import Cover



Source: Central Bank of Nigeria

A breakdown of the external reserves by ownership showed that the shares of the CBN and the FGN stood at US$48.32 billion and US$3.07 billion, respectively, while the Federation accounted for the balance. A disaggregation showed the continued dominance of the US dollar (US$41.89 billion or 81.51%), followed by Special Drawing Rights (US$4.25 billion or 8.29%), Chinese yuan (US$3.63 billion or 7.06%), the euro (US$1.07 billion or 2.08%), and the British pound (US$0.55 billion or 1.06%). Other currencies accounted for the balance.

2.4.6 Foreign Exchange Flows through the Economy

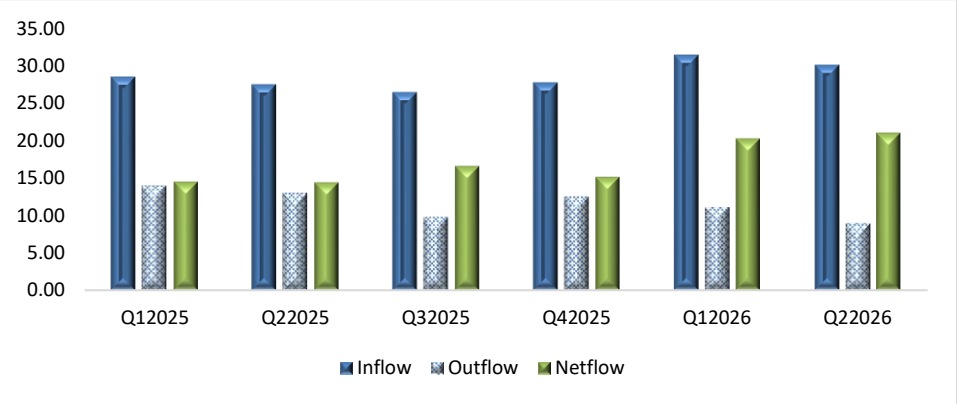
The economy recorded an increased net foreign exchange inflow, driven by a rise in inflow through autonomous sources. The economy recorded a higher net foreign exchange inflow of US$21.09 billion, compared with US$20.30 billion in the preceding quarter. Aggregate foreign exchange inflow decreased by 4.24 per cent to US$30.03 billion, from US$31.36 billion in Q12026. Similarly, foreign exchange outflow, at US$8.94 billion, declined by 19.17 per cent, relative to US$11.06 billion in the preceding quarter.

Foreign exchange inflow through the Bank decreased by 20.47 per cent to US$8.12 billion, from US$10.21 billion, while autonomous inflow rose by 3.59 per cent to US$21.91 billion, from US$21.15 billion in the preceding quarter.

Outflows through the Bank declined by 35.89 per cent to US$4.77 billion, from US$7.44 in Q12026, while outflow through autonomous sources increased by 15.51 per cent to US$4.17 billion, from US$3.61 billion in the preceding quarter.

Consequently, the autonomous sources recorded a net inflow of US$17.74 billion, from US$17.53 billion in the preceding quarter. A net inflow of US$3.35 billion was recorded through the Bank, compared with a net inflow of US$2.77 billion in Q12026.

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

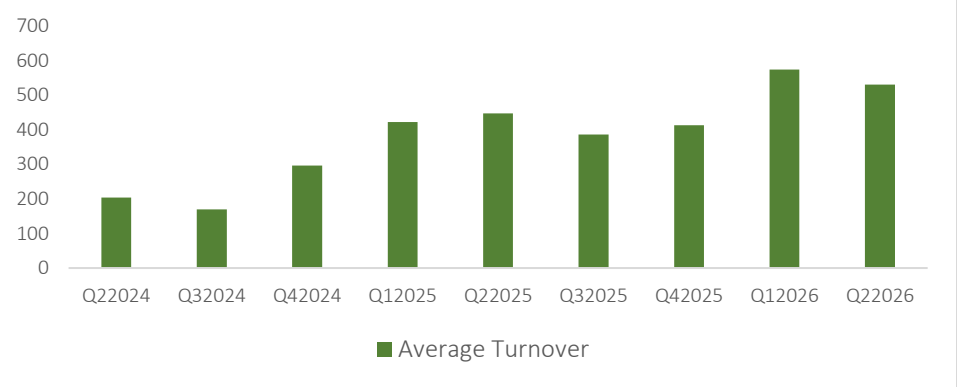


Source: Central Bank of Nigeria

The average turnover at the Nigerian Foreign Exchange Market (NFEM) decreased by 7.56 per cent to US$530.42 million, compared with US$573.81 million in Q12026.

Average Turnover

Figure 50: Turnover in the NFEM (US$ Million)



Source: Central Bank of Nigeria

2.4.7 Exchange Rate Movement

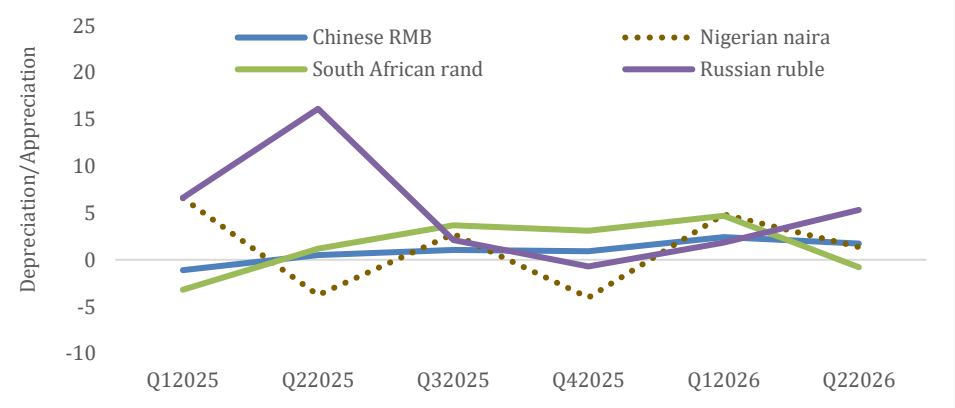
Average Exchange Rate

The average exchange rate of the naira per US dollar at the NFEM was ₦1,365.95/US$, compared with ₦1,384.48/US$ in Q12026. This represents a 1.36 per cent appreciation in the value of the naira during the review period.

Emerging Market Currencies

In Q22026, the Chinese renminbi, and Russian ruble, appreciated by 1.74 and 5.33 per cent, respectively, compared to the preceding quarter. The appreciation of the Chinese renminbi was supported by strong export earnings and a large current-account surplus, which increased demand for the RMB. Similarly, the Russian ruble strengthened during the quarter, largely driven by higher commodity-export revenues, increased foreign-currency sales by exporters and tight monetary policy. On the other hand, the South African rand depreciated by 0.79 per cent compared with the preceding period. This was largely due to global risk aversion associated with Middle East uncertainty and domestic concerns surrounding anti-immigration demonstrations.

Figure 51: Selected EMDEs Currency Values to the US dollar



Sources: Central Bank of Nigeria & Reuters

Table 12: Selected EMEs Currency Rates to the US dollar

Period	Chinese RMB/US$	Nigerian Naira/US$	South African Rand/US$	Russian Ruble/US$
Q22025	7.23	1,581.06	18.29	80.97
Q12026	6.93	1,384.48	16.34	78.44
Q22026	6.81	1,365.95	16.47	74.47

Sources: Central Bank of Nigeria & Reuters

3.0 ECONOMIC OUTLOOK

3.1 Global Outlook

Global economic growth is projected to moderate in 2026, driven mainly by the adverse effects of the Middle East crisis, and growing cross-country economic divergences. Global output growth is forecast at 3.10 per cent, compared with 3.40 per cent in 2025. In the advanced economies (AEs), growth is projected at 1.80 per cent, slightly lower than 1.90 per cent recorded in 2025. Similarly, growth in emerging market and developing economies (EMDEs) is expected to decline to 3.90 per cent from 4.40 per cent in the preceding year, with commodity-importing countries remaining particularly vulnerable to external shocks and higher energy costs.

Global inflation is projected to rise to 4.40 per cent in 2026, from 4.10 per cent in 2025, reflecting the inflationary effects of the Middle East crisis and heightened trade tensions. Inflation in the AEs is expected to increase to 2.90 per cent from [insert figure] per cent in 2025. Likewise, inflation in the EMDEs is projected to rise to 4.60 per cent, from 4.20 per cent in 2025. This projected increase reflects the pass-through of higher commodity and energy prices, supply-side disruptions, and rising inflation expectations.

3.2 Domestic Outlook

The domestic economy is projected to remain resilient, underpinned by continued improvements in both the oil and non-oil sectors. The favourable outlook is underpinned by the gains from the broad-based structural reforms of the government, aimed at improving the business environment, attracting investment and capital flows, enhancing government revenue mobilisation, and sustaining exchange rate stability. Furthermore, improved security conditions in oil-producing regions are expected to support higher crude oil production, thereby providing additional impetus to growth. Notwithstanding these positive developments, downside risks to the outlook persist, including security challenges, elevated production and input cost, and potential adverse external shocks.

Inflation is expected to moderate further over the medium term, supported by continued stability in the foreign exchange market, the lagged effect of earlier monetary policy tightening, the commencement of harvest activities, and greater policy coordination. However, risks stemming from the protracted Middle East conflict, global commodity price volatility, and other external shocks could weaken the disinflation process, undermining the inflation outlook.