CSEA
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S&P Upgrades Nigeria’s Credit Rating from “B-” to “B”

On May 15, 2026, S&P Global Ratings upgraded Nigeria’s long-term sovereign credit rating to 'B' from 'B-' and affirmed its short-term 'B' ratings. The rating agency cited stronger macroeconomic fundamentals, including rising foreign exchange reserves, improving economic growth, and the government’s continued commitment to economic reforms. S&P also highlighted that increased oil production, higher Brent crude oil prices (now assumed at $100 per barrel for the remainder of 2026, revised upward from an earlier forecast of $85 per barrel), and expanded domestic refining have improved the balance of payment outcomes and boosted foreign exchange reserves. This rating upgrade has significant implications for both the financial sector and the broader economy. For the financial sector, it is expected to strengthen investor confidence, improve access to international capital markets, attract greater foreign investment, and generate positive spillover effects through enhanced creditworthiness and funding opportunities. For the economy, it could contribute to lower borrowing costs over time, support exchange rate stability, strengthen fiscal sustainability, enhance Nigeria’s international reputation among investors and development partners, and provide a boost to economic growth. Despite recent gains, near-term risks remain, including high inflation, fuel price pressures ahead of elections, a narrow tax base, and elevated debt servicing costs, though interest expenditure is projected to decline. To strengthen macroeconomic stability, the government should sustain the ongoing reforms, maintain prudent fiscal management, build foreign reserves, and improve the business environment to attract long-term capital inflows.

GDP Grows by 3.89% in Q1 2026

According to the National Bureau of Statistics (NBS), Nigerian Gross Domestic Product (GDP) Q1 2026 report, real GDP rose by 3.89 percent year-on-year in Q1 2026, up from 3.13 percent in Q1 2025. Sectoral performance during the quarter also improved relatively: agriculture grew by 3.15 percent (vs. 0.07 percent in Q1 2025); industry expanded by 3.50 percent (3.42 percent in Q1 2025); and services increased by 4.31 percent (4.33 percent in Q1 2025). The services sector accounted for the largest share of economic activity, at 57.73 percent of GDP in Q1 2026, up from 57.50 percent in Q1 2025. Nigeria's economic growth continued to be driven predominantly by the non-oil sector, which accounted for 96.08 percent of real GDP. The sector expanded by 3.94 percent in real terms, representing an improvement of 0.75 percentage points over the 3.19 percent growth recorded in the corresponding period of 2025. However, this growth was marginally lower than the 3.99 percent recorded in Q4 2025. The oil sector, by contrast, contributed 3.92 percent to real GDP in Q1 2026, up from 2.87 percent in Q4 2025, but still slightly below the 3.97 percent recorded in Q1 2025. In terms of performance, the sector grew by 2.57 percent year-on-year in Q1 2026, an increase of 0.70 percentage points compared to growth recorded in the corresponding quarter of 2025. On a quarter-on-quarter basis, the sector recorded a stronger growth rate of 9.31 percent, indicating a significant recovery in oil production and related activities. Despite this growth, the economy remains exposed to structural constraints which limit productivity and private-sector expansion.To sustain and accelerate economic growth, the government should deepen efforts to enhance productivity in the non-oil sector through targeted interventions and reforms, including strengthening macroeconomic stability by curbing inflationary pressures, maintaining exchange rate stability, and addressing longstanding structural constraints in critical sectors such as power, agriculture, transportation, and security.

PMS Price up 18.97% in April 2026

According to the National Bureau of Statistics (NBS) April 2026 premium motor spirit (petrol) price watch report, the average retail price of premium motor spirit (petrol) in April 2026 was ₦1,532.93, up 23.69 percent from ₦1,239.33 in April 2025. Month-on-month, the April average rose 18.97 percent from ₦1,288.54 in March 2026. By state, Yobe recorded the highest average retail price at ₦1,599.05, followed closely by Edo (₦1,595.74) and Bauchi (₦1,589.07). The lowest averages were in Niger (₦1,403.89), Sokoto (₦1,404.16), and Katsina (₦1,406.28). Regionally, the South-South zone had the highest average retail price at ₦1,566.76, while the North-West zone recorded the lowest at ₦1,508.81. While rising prices are expected in the wake of the U.S.-Israel-Iran conflict, the sharp increase underscores Nigeria’s continued vulnerability to external oil market shocks despite its status as a major oil-producing nation. Besides, the current increase in PMS prices could erode the gains from the recent moderation in inflationary pressures. It could also further weaken household purchasing power by increasing the prices of goods and services, including transport fares. Thus, strengthening economic resilience will require ensuring that domestic refineries operate at optimal capacity, establishing and maintaining a strategic petroleum reserve, and attracting greater investment into the oil sector through infrastructure improvements and sustained efforts to curb crude oil theft and pipeline vandalism. In addition, targeted social protection measures should be expanded to support vulnerable households and cushion the adverse welfare effects of the price shock.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'25Q3	'25Q4
GDP Growth Rate (%)	3.98	4.07
Oil GDP Growth Rate (%)	5.84	6.79
Non-oil GDP Growth Rate (%)	3.91	3.99
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US $ Million)	296.25	357.8
Portfolio Investment (US $Millions)	4,853.96	5,486.03
Other Investment (US $Million)	864.57	599.65
External Debt (FGN & States- N'Trillion)	71.48	NA
Domestic Debt (FGN + States & FCT N'Trillion)	81.82	NA
Manufacturing Capacity Utilization (%)	NA	NA
Imports (N'Billion)	16.12	17.25
Exports (N'Billion)	22.81	18.96
Total trade (N'Billion)	38.93	36.21
Trade balance (N'Billion)	6.69	1.71
Crude oil Export (N'Billion)	12.81	9.702
Non-Crude Oil Export (N'Billion)	10.01	9.26
Non-Oils Export (N'Billion)	2.99	3.145
Monthly Indicators	January 26'	February 26'
Headline Inflation (%)	15.15	15.06
Food Sub-Index (%)	10.84	12.12
Core Sub-Index (%)	18.63	15.88
External Reserves (End Period) (US$ Billion)	45.5	49.69
Official Rate Approx. (N/US$)	1459.03	1363.39
BDC Rate Approx. (N/US$)	1495	1369
Manufacturing PMI	49.7	53.2
Non-Manufacturing PMI	54.5	55.3
Average Crude Oil Price (US$/Barrel)	62.31	67.9
Petrol (PMS-N/litre)	1048.63	1051.47
Diesel (AGO -N/Litre)	1401.63	1420.17
Kerosene (HHK -N/Litre)	2605.26	NA
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	5360.43	NA
MPR (%)	27	26.5
CRR of Deposit Money Banks (%)	45	45
T-Bill Rate (%)	15.48	15.84
Savings Deposit Rate (%)	7.29	7.36
Prime Lending Rate (%)	19.54	19.29
Maximum Lending Rate (%)	32.68	35.17
Narrow Money (N'Trillion)	42.14	42.82
Broad Money (N'Trillion)	123.36	123.15
Net Domestic Credit (N'Trillion)	109.42	111.39
Credit to the Government (Net) (N'Trillion)	35.99	35.99
Credit to the Private Sector (N'Trillion)	75.24	75.62
Currency in Circulation (N'Trillion)	5.73	5.73
FAAC (N'Trillion)	NA	NA

NA: Not Available

1. S&P Upgrades Nigeria's Credit Rating from "B-" to "B" report from: https://www.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3563619

2. GDP Grows by 3.89% in Q1 2026 report from:
Q1_2026_GDP Report.pdf

3. PMS Price up 18.97% in April 2026 report from:
PMS Report APRIL 2026.pdf