CSEA
CENTRE FOR THE STUDY OF THE ECONOMIES OF AFRICA

Weekly Snapshot

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Diesel Prices Decline by 9.32% in January 2026

The National Bureau of Statistics' Automotive Gas Oil Price Watch report indicates that the average retail price of diesel paid by consumers stood at ₦1,361.57 per litre in January 2026. This represents a 9.32% year-on-year decline compared with ₦1,501.58 recorded in January 2025, and a 2.86% decrease relative to ₦1,401.63 in December 2025. Sustained moderation in diesel prices is likely to ease the cost burden on businesses that use diesel extensively for transportation, manufacturing, and power generation. State-by-state analysis reveals notable variations in retail prices across the country. Lagos State recorded the highest average price at ₦1,560.82, followed by Akwa Ibom at ₦1,558.52, and Borno at ₦1,480.00. In contrast, Kogi, Ogun and Zamfara States reported the lowest average prices, at ₦1,200.00, ₦1,230.52, and ₦1,242.82, respectively. Zonal data further show that the North-East recorded the highest average price at ₦1,430.96, while the South-East posted the lowest at ₦1,288.20. The decline in diesel prices suggests improving supply conditions and relative market stability. Lower diesel costs may help to reduce operational expenses for firms, particularly small and medium-sized enterprises that depend on self-generated power. To consolidate these gains, the government should continue to strengthen domestic production capacity and enhance regulatory oversight of regional pricing mechanisms.

CBN Cuts MPR to 26.5%

The Central Bank of Nigeria's Monetary Policy Committee at its 304th meeting held on February 23–24, 2026, adopted a cautiously accommodative stance in response to improving macroeconomic conditions. The Committee reduced the Monetary Policy Rate by 50 basis points to 26.5%, signalling measured confidence in the ongoing disinflation process. At the same time, it retained the asymmetric corridor around the MPR at +50/-450 basis points and left the Cash Reserve Requirement unchanged at 45% for Deposit Money Banks, 16% for Merchant Banks, and 75% for non-TSA public sector deposits. The decision reflects a balanced risk assessment. Inflationary pressure has moderated in recent months, supported by the transmission effects of previous monetary tightening, stability in the foreign exchange market and improved domestic food supply. By lowering the benchmark rate while maintaining tight liquidity conditions through elevated reserve requirements, the Committee aims to stimulate credit expansion without undermining price stability and the gains from the foreign exchange market. The implication is a gradual recalibration rather than an aggressive policy pivot. Borrowing costs may ease at the margin, encouraging private sector investment and consumption, yet overall financial conditions remain prudently managed. To consolidate these gains, monetary authorities should continue a data-driven approach, closely monitoring inflation expectations and capital flows.

Premium Motor Spirit Price falls by 1.32% in January 2026

The National Bureau of Statistics' Premium Motor Spirit Price Watch report for January 2026 revealed that the average retail price of petrol stood at ₦1,034.76 during the month under review. This represents a 17.77% year-on-year decrease from ₦1,258.34 recorded in January 2025, and a 1.32% decline relative to ₦1,048.63 recorded in December 2025. The reduction in fuel prices reflects increased domestic production from the Dangote Refinery and enhanced market competition following the removal of the fuel subsidy. State-level analysis reveals considerable variation in retail prices across the country. Cross River State recorded the highest average price at ₦1,171.77, followed by Rivers at ₦1,160.92 and Nasarawa at ₦1,149.13. In contrast, Ekiti, Enugu and Kaduna States reported the lowest average prices at ₦946.90, ₦946.92. and ₦947, respectively. At the zonal level, the South-South recorded the highest average price at ₦1,076.04, while the South-West posted the lowest at ₦1,009.30. The decline in PMS prices suggests improved fuel supply conditions and distribution efficiency, with potential positive spillover effects on transport and production costs nationwide. Nevertheless, persistent interstate price disparities point to underlying logistical constraints in certain regions. To sustain price stability, the government should continue to strengthen domestic refining capacity, improve transport and storage infrastructure, and enhance market monitoring to reduce regional imbalances.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'25Q1	'25Q2
GDP Growth Rate (%)	3.13	4.23
Oil GDP Growth Rate (%)	1.87	20.46
Non-oil GDP Growth Rate (%)	3.19	3.64
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US $ Million)	126.29	NA
Portfolio Investment (US $Millions)	5204.61	NA
Other Investment (US $Million)	311.17	NA
External Debt (FGN & States- N'Trillion)	70.63	74.89
Domestic Debt (FGN + States & FCT N'Trillion)	78.75	70.63
Manufacturing Capacity Utilization (%)	62.4	62.6
Imports (N'Billion)	15.43	15.29
Exports (N'Billion)	20.598	22.75
Total trade (N'Billion)	36.025	38.037
Total trade (N'Billion)	5.17	7.46
Trade balance (N'Billion)	12.95	11.97
Crude oil Export (N'Billion)	7.64	10.78
Non-Crude Oil Export (N'Billion)	3.17	4.23
Monthly Indicators	September 25'	October 25'
Headline Inflation (%)	18.02	16.05
Food Sub-Index (%)	16.87	13.12
Core Sub-Index (%)	19.53	18.69
External Reserves (End Period) (US$ Billion)	42.4	43.17
Official Rate Approx. (N/US$)	1475	1422
BDC Rate Approx. (N/US$)	1485	1480
Manufacturing PMI	51.4	54.2
Non-Manufacturing PMI	54.7	55.6
Average Crude Oil Price (US$/Barrel)	70.2	66.5
Petrol (PMS-N/litre)	NA	NA
Diesel (AGO -N/Litre)	NA	NA
Kerosene (HHK -N/Litre)	1867.1	NA
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	6395.82	NA
MPR (%)	27	27
CRR of Deposit Money Banks (%)	45	45
T-Bill Rate (%)	15.17	15.07
Savings Deposit Rate (%)	7.32	7.43
Prime Lending Rate (%)	11.9	18.89
Maximum Lending Rate (%)	29.84	29.56
Narrow Money (N'Trillion)	39.11	39.35
Broad Money (N'Trillion)	117.78	119.037
Net Domestic Credit (N'Trillion)	96.685	99.199
Credit to the Government (Net) (N'Trillion)	24.16	24.79
Credit to the Private Sector (N'Trillion)	72.53	74.41
Currency in Circulation (N'Trillion)	4.95	5.056
FAAC (N'Trillion)	2.103	2.094

NA: Not Available

1. Diesel Prices Decline by 9.32% in January 2026 report from:
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2. CBN Cuts MPR to 26.5% report from:
https://www.cbn.gov.ng/Out/2026/CCD/MPC Communique No. 161 February 24 2026 .pdf

3. Inflation Eases to 15.10% in January 2026 report from;
..\..\..\Local\Temp\2fa15167-2d8c-4b94-9283-17d4684f8023_PMS_Report_JANUARY_2026.zip.023\PMS Report JANUARY 2026.pdf