



NIGERIA

ECONOMIC

UPDATE

**Weekly
Snapshot**

CBN OMO Sterilises Maturing Liquidity Amid Surging Investor Demand

According to [official auction notices](#) from the [Central Bank of Nigeria \(CBN\)](#) for September 29, 2026, the apex bank launched a ₦2.5 trillion Open Market Operations (OMO) auction across three tenors to sterilise a ₦2.433 trillion OMO repayment maturing on 29 September 2026. This near one-for-one liquidity match occurred against a backdrop of mounting system liquidity, with commercial bank placements at the Standing Deposit Facility (SDF) expanding by 6.4% in four days to reach ₦6.278 trillion. Meanwhile, strong demand across maturities helped long-term stop rates cool to 17.29%, down from 18.99%. These matched OMO auctions help prevent excess bank reserves from pressuring the foreign exchange market or driving consumer price inflation after the MPC reset its benchmark rate to 23 %. Extending OMO maturities into mid-2027 anchors short-term money market rates and commits excess liquidity over an extended horizon. However, heavy reliance on high-yield OMO instruments highlights persistent structural liquidity in the banking system and elevates the central bank's future debt-servicing obligations. Therefore, the Central Bank must fine-tune liquidity mop-up operations and money market yields to avoid crowding out private-sector credit. Simultaneously, monetary authorities should optimise the Standing Deposit Facility corridor to incentivise banks to allocate excess funds towards productive real-sector investments rather than passive central bank deposits. Ultimately, proactive and transparent open market operations remain essential for effective money supply control, Naira stability, and investor confidence.

Economic Recovery Accelerates as September PMI Rises to 53.0 Points

According to the Central Bank of Nigeria Purchasing Managers' [Index](#) report for September 2026, the composite PMI rose to 53 points from 52.7 points in August 2026, marking four consecutive months of economic expansion. The improvement was supported by growth in the industry sector at 52 points, the services sector at 53.2 points, and the agricultural sector at 53.1 points. Output levels and new orders expanded to 53.9 points and 53.7 points, respectively, while the employment index rose to 51.5 points. However, input prices and purchase costs remained significantly high across major business sectors due to high transport logistics and energy costs. Consequently, the rise in the composite PMI points to strengthening private sector output and rising business confidence following improved macroeconomic stability. The expansion in new orders and employment levels indicates that commercial enterprises are expanding production capacity to meet growing consumer demand. Nevertheless, persistent input cost inflation continues to squeeze operating margins, particularly for small and medium enterprises facing high energy and freight expenses. Therefore, policymakers must maintain structural support for critical supply chains and energy infrastructure to relieve cost pressures on manufacturing and service firms. Apart from these measures, fiscal authorities should accelerate targeted interventions to lower transportation and logistics expenses across key industrial corridors. Ultimately, sustaining positive purchasing managers' sentiment is vital to driving real sector growth, expanding employment, and reinforcing broader economic recovery.

NNPCL Posts ₦7.2 Trillion Net Profit as Crude Production Peaks at 1.77 mbpd

According to the [2025 Audited Financial Statements](#) of the Nigerian National Petroleum Company Limited (NNPC Ltd), net profit after tax increased by 33% to ₦7.2 trillion, supporting declared dividends of ₦5.8 trillion and operating cash flows of ₦12.8 trillion. However, total revenue declined by 24%, from ₦45.1 trillion in 2024 to ₦34.5 trillion, reflecting lower international oil prices and reduced domestic white-product sales. Despite revenue compression, improved profitability can be traced to two main factors. First, peak crude oil and condensate production reached a five-year high of 1.77 million barrels per day, while gas production rose to a three-year high of 7.2 billion standard cubic feet per day. Higher production volumes helped cushion the impact of weaker oil prices and strengthened the underlying earnings capacity of the petroleum sector. Second, the termination of crude-for-service swaps contributed to higher tax, royalty and statutory remittances, which reached ₦22.3 trillion. Progress in gas infrastructure also strengthens the medium-term outlook. Projects such as the Ajaokuta–Kaduna–Kano (AKK) pipeline and the ANOH–OB3 metering station can improve the reliability of domestic gas supply and support industrial activity. Nevertheless, the decline in total revenue highlights Nigeria's continued exposure to fluctuations in international oil prices. Policy priorities should therefore focus on maintaining production gains while ensuring that domestic refiners receive adequate crude supplies without undermining NNPC Ltd's cash-flow position and foreign-exchange requirements. Expanding crude production to 2 million barrels per day by 2027 and 3 million barrels per day by 2030 would further strengthen export earnings, fiscal revenues and energy security. However, achieving these targets will require sustained investment in upstream infrastructure, stronger operational governance and the continued elimination of inefficient crude-oil arrangements.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'25Q4	'26Q1
GDP Growth Rate (%)	4.07	3.89
Oil GDP Growth Rate (%)	6.79	9.31
Non-oil GDP Growth Rate (%)	3.99	3.94
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US \$ Million)	357.8	135.1
Portfolio Investment (US \$Millions)	5,486.03	9,862.34
Other Investment (US \$Million)	599.65	374.48
External Debt (FGN & States- N'Trillion)	74,426,735	NA
Domestic Debt (FGN + States & FCT N'Trillion)	84,849,333	NA
Manufacturing Capacity Utilization (%)	NA	NA
Imports (N'Billion)	17.25	13.62
Exports (N'Billion)	18.96	21.17
Total trade (N'Billion)	36.21	34.79
Trade balance (N'Billion)	1.71	7.55
Crude oil Export (N'Billion)	9.702	NA
Non-Crude Oil Export (N'Billion)	9.26	NA
Non-Oils Export (N'Billion)	3.145	NA
Monthly Indicators	July 26'	Aug 26'
Headline Inflation (%)	15.43	15.39
Food Sub-Index (%)	5.56	1.02
Core Sub-Index (%)	0.15	-0.06
External Reserves (End Period) (US\$ Billion)	51.92	53.81
Official Rate Approx. (N/US\$)	1,368.22	1,332.93
BDC Rate Approx. (N/US\$)	1,388	1,405
Manufacturing PMI	49.2	50.8
Non-Manufacturing PMI	51.1	53.3
Average Crude Oil Price (US\$/Barrel)	84.81	94.64
Petrol (PMS-N/litre)	NA	NA
Diesel (AGO -N/Litre)	NA	NA
Kerosene (HHK -N/Litre)	NA	NA
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	NA	NA
MPR (%)	26.50	26.50
CRR of Deposit Money Banks (%)	45	45
T-Bill Rate (%)	17.70	17.59
Savings Deposit Rate (%)	7.36	7.46
Prime Lending Rate (%)	19.06	17.86
Maximum Lending Rate (%)	33.16	29.20
Narrow Money (N'Trillion)	43.70	43.26
Broad Money (N'Trillion)	138.77	139.37
Net Domestic Credit (N'Trillion)	117.35	117.25
Credit to the Government (Net) (N'Trillion)	33.92	32.70
Credit to the Private Sector (N'Trillion)	83.43	84.56
Currency in Circulation (N'Trillion)	5.38	5.44
FAAC (N'Trillion)	3.007	2.338

1. CBN OMO Sterilises Maturing Liquidity Amid Surging Investor Demand report from:
<https://www.cbn.gov.ng/rates/GovtSecuritiesDrillDown.html>
<https://www.cbn.gov.ng/rates/FinancialData.html>
2. Economic Recovery Accelerates as September PMI Rises to 53.0 Points report from:
https://www.cbn.gov.ng/Out/2026/STD/SEPT%202026%20PMI%20Report%20FINAL%20home_.pdf
3. NNPC Posts ₦7.2 Trillion Net Profit as Crude Production Peaks at 1.77 mbpd report from:
https://cms1977.nnpcgroup.com/uploads/NNPC_2025_ANNUAL_REPORT_FINAL_7c7d85f29d.pdf