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Weekly Snapshot

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PMI Signals Economic Expansion in December 2025

The Central Bank of Nigeria's (CBN) Purchasing Managers' Index (PMI) for December 2025 indicates that the composite PMI rose to 57.6 points, signalling an expansion in economic activity for the thirteenth consecutive month. Out of the 36 subsectors covered in the survey, 32 recorded expansions, indicating broad-based growth across the economy. This performance represents a stronger expansion compared to November 2025, when the PMI stood at 56.4 points. Sectoral data show that the agriculture sector led the expansion with a PMI of 58.5 points, as all five agricultural subsectors recorded growth during the review period. The industry sector followed with a PMI of 57.0 points, its highest reading since March 2020, with 14 out of 17 subsectors posting expansion. The Services sector also remained firmly in expansionary territory, recording a PMI of 56.4 points, with 13 of the 14 subsectors expanding while one remained unchanged. Key sub-indices further show the strength of economic activity. The Output index rose to 60.0 points, while New Orders and Employment indices stood at 58.7 points and 54.2 points, respectively, indicating sustained growth in production, demand, and job creation. To sustain and build on this momentum in 2026, targeted policy support is needed to ease input cost pressures across sectors. Priority measures include establishing subnational mechanisms to monitor and stabilise key input prices, particularly energy and logistics, and incentivising domestic production of critical inputs such as fertilisers and industrial raw materials. These steps would help reduce import dependence, stabilise costs, and support continued economic expansion.

Naira Strengthens by 7.4% in 2025

Data from the Nigerian Foreign Exchange Market (NFEM), published by the Central Bank of Nigeria (CBN), showed that the naira appreciated by 7.4% in 2025. The currency closed at ₦1,435.75 per US dollar on Wednesday, December 31, 2025, the final trading day of the year, compared with ₦1,541.36 per US dollar on January 2, marking the start of the year. Quarterly average exchange rate data further confirm this trend: the naira averaged ₦1,521.57 in the first quarter, ₦1,581.06 in the second quarter, ₦1,521.11 in the third quarter, and ₦1,451.66 in the fourth quarter. The currency recorded its strongest performance in the final quarter, when the average exchange rate remained below the ₦1,500 threshold. In Parallel, Nigeria's external reserves improved markedly, increasing by 11.3%, from $40.88 billion at the beginning of 2025 to $45.50 billion by December 31. This represents the highest reserve level since September 5, 2018, when reserves stood at $45.51 billion, highlighting a significant strengthening of the country's external position.To sustain Naira stability and support further appreciation, policy efforts should focus on expanding foreign exchange inflows while reducing import dependence. On the oil front, the economy requires targeted investments in production and transport infrastructure, along with stricter enforcement against oil theft and pipeline vandalism, to increase foreign exchange inflow from oil sales. At the same time, non-oil foreign exchange earnings can be enhanced through export promotion for local businesses by means such as tax incentives, improvements in critical infrastructure, particularly ports, electricity, and transportation, and the digitisation of trade processes to improve efficiency and reduce transaction costs.

CBN's OMO Auctions Attract ₦2.73 Trillion Subscriptions

Data from the Central Bank of Nigeria (CBN) on government securities indicates strong investor demand at the Bank's first Open Market Operations (OMO) auctions of 2026. The auctions, which offered 161-day and 210-day tenored bills, attracted total subscriptions of ₦2.727 trillion, signalling sustained appetite for Naira-denominated assets. Stop rates were set at 19.34% for the 161-day bills (₦259 billion) and 19.40% for the 210-day bills (₦2.45 trillion). The CBN fully allotted the longer-dated, 210-day bills, maturing in August 2026, signaling a continued hawkish monetary stance aimed at absorbing excess liquidity, containing inflationary pressures, and supporting naira stability. These policy actions are already yielding positive macroeconomic outcomes. Headline inflation has followed a downward trajectory, declining below 20% in September 2025 and easing further to 14.45% in November, from 16.05% in October. In parallel, the naira demonstrated resilience in 2025, appreciating by 7.4% against the US dollar and trading below ₦1,500 per US dollar by year-end. To consolidate these gains alongside the CBN's tight monetary policy, complementary structural measures are essential. Priority actions include increased investment in rural infrastructure, strengthening food supply chains, and providing targeted support to smallholder farmers, all of which are critical for achieving durable, broad-based price stability.

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. PMI Signals Economic Expansion in December 2025 report from:
https://www.cbn.gov.ng/Out/2025/STD/DEC 2025 PMI REPORT.pdf

2. Naira Strengthens by 7.4% in 2025 report from:
https://www.cbn.gov.ng/rates/ExchRateByCurrency.html

3. CBN's OMO Auctions Attract ₦2.73 Trillion Subscriptions report from
https://www.cbn.gov.ng/rates/GovtSecuritiesDrillDown.html?market=OMO