March, 2026

NIGERIA MACRO-ECONOMIC SNAPSHOT

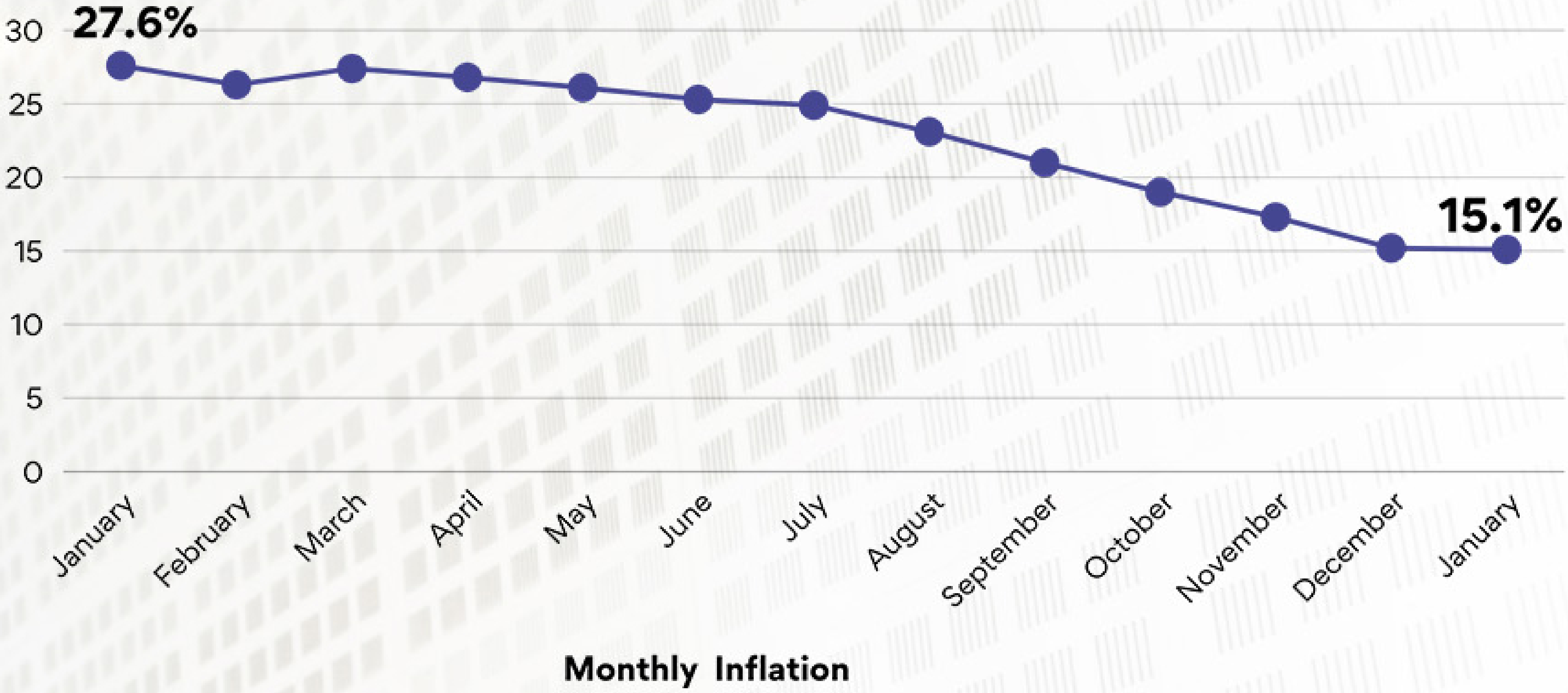
CSEA
Centre for the Study of the Economies of Africa

Signals of Stability:

Nigeria's GDP Growth, Inflation Moderation, and Financial Liquidity Trends

www.cseaafrica.org

Inflation Rate



Nigeria's headline inflation rate over the twelve-month period under review shows a steady decline in price pressures across the economy. Inflation stood at 27.6% in January 2025, fluctuated lightly in the early months, and then began a consistent downward trend through the rest of the year. By the end of the final quarter of 2025, inflation had fallen to 19.0% in October, 17.3% in November, and 15.1% in December, before remaining at 15.1% in January 2026. These changes represent a significant fall in headline inflation rate this year compared to thesame period of last year. Overalll, the sustained decline sugests improving price stability in the economy, reflecting slower increases in the average price level of goods and services consumed my households.

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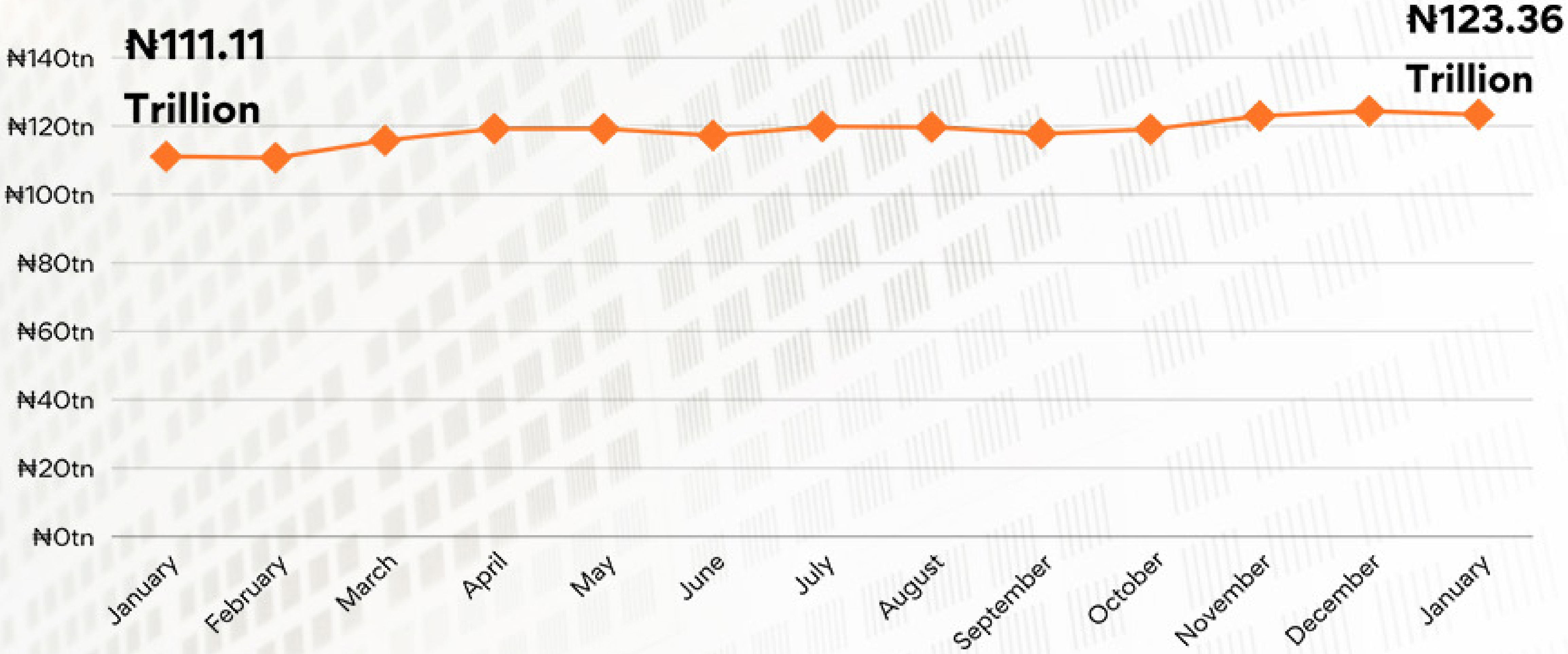
Money Supply (M3)- Broad Money



Monthly Money Supply

Nigeria's broad money supply (M3) in the year under review highlights a generally upward trend with mild fluctuations, indicating gradual expansion of liquidity within the financial system. Financial assets such as currency in circulation, demand deposits and other liquid instruments make up M3. Broad money supply stood at about ₦111.11 trillion in January 2025, before rising gradually through the year with minor month-on-month adjustments. Money supply in January stood at ₦123.36 trillion despite a slight month-on-month contraction of ₦124.41 trillion in December 2025, suggesting that while liquidity remains historicallly high, monetary conditions have recently tightened as the Central Bank of Nigeria makes efforts to manage inflationary pressures and financial stability.

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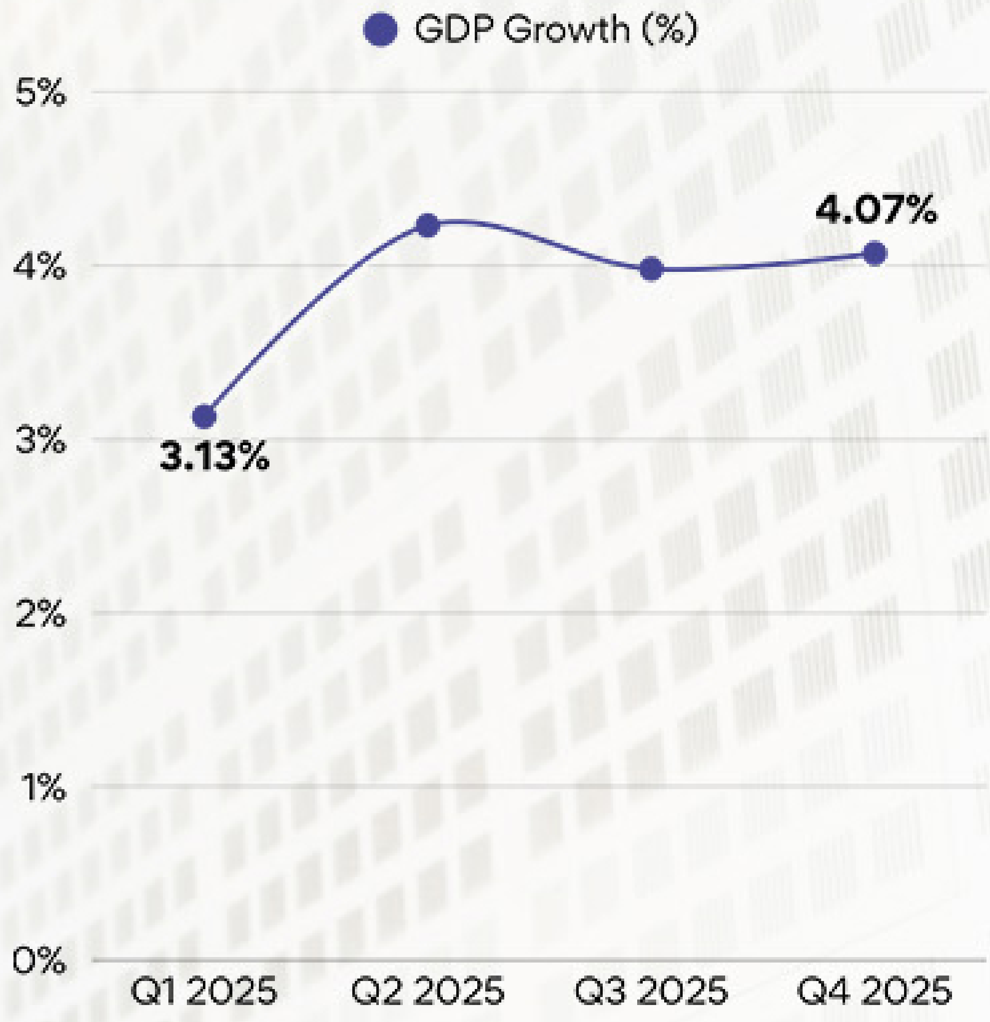
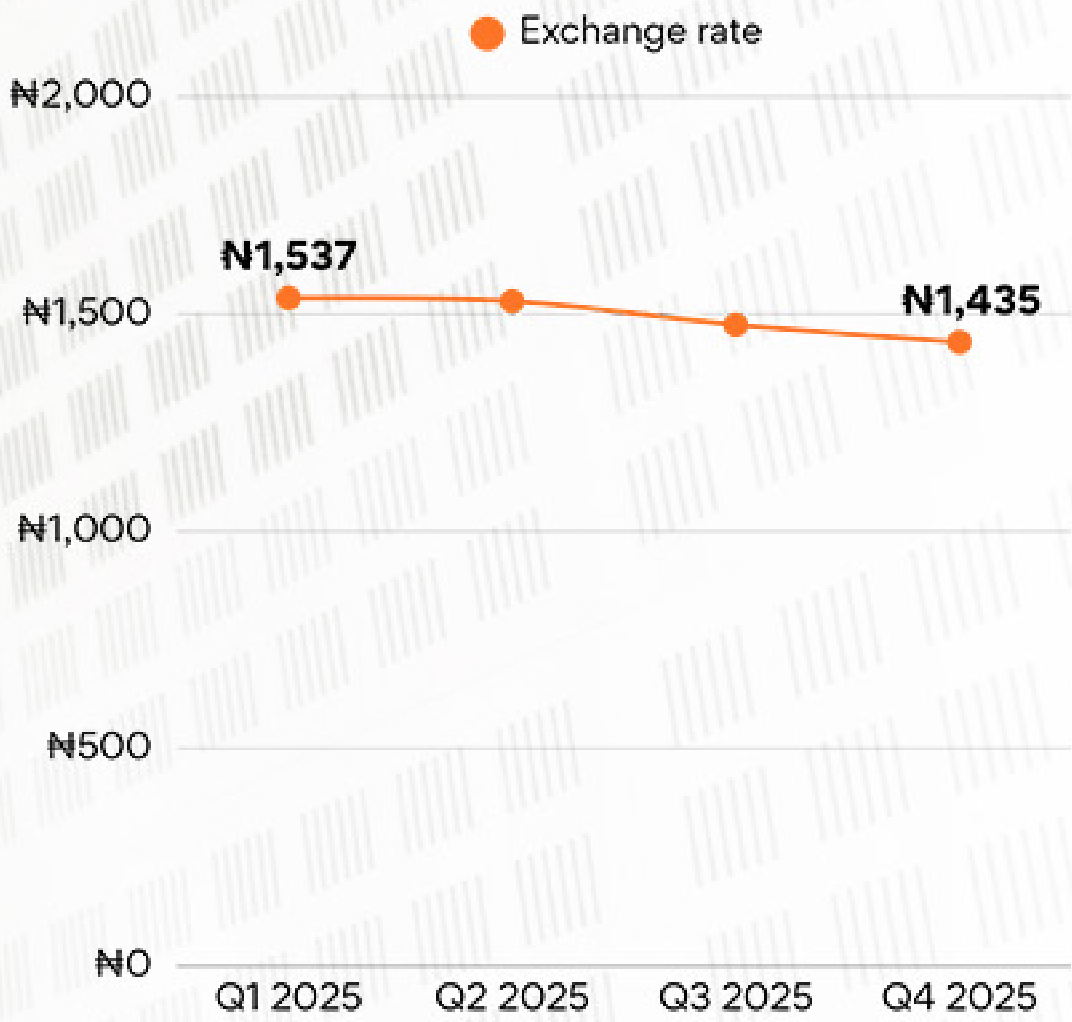
GDP Growth vs Exchange Rate





GDP Growth vs Exchange Rate Q1-Q4 2025

Nigeria's GDP growth and exchange rate movements in 2025 indicate relatively stable economic expansion alongside gradual currency appreciation. Real GDP growth rose from about 3.13% in Q1 2025 to roughly 4.23% in Q2, before moderating slightly to 3.98% in Q3 and 4.07% in Q4, suggesting that economic activity strengthened early in the year and remained broadly stable around the 4 percent range thereafter. Over the same period, the Naira stregthened gradually, with the exchange rate moving from about ₦1,537 per dollar in Q1 to roughly ₦1,435 per dollar by Q4 2025. The exchange rate figures were obtained from the Central Bank of Nigeria's official database, using the rate recorded on the last day of each quarter to ensure consistency. Taken together, the graphs suggests that economic growth remained steady through out the year, while the Naira improved modestly in value in the foreign exchange market.

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Key Takeaways/Analysis

Nigeria's macroeconomic indicators present a mixed but generally stable picture, with moderating inflation, expanding liquidity, and steady economic growth alongside a modest strengthening of the naira. Inflation trends show a clear easing over the period, declining from about 27.6 percent earlier in the year to around 15.1 percent by January 2026, indicating a gradual reduction in price pressures. At the same time, liquidity conditions have expanded, with Nigeria's broad money supply (M3) increasing from roughly ₦111.11 trillion to about ₦123.36 trillion by January 2026, reflecting continued growth in financial assets and overall monetary aggregates. Real GDP growth also remained relatively stable in 2025, rising from about 3.13 percent in Q1 to 4.07 percent in Q4, showing sustained expansion around the 4 percent range. Over the same period, the naira appreciated modestly, with the exchange rate moving from about ₦1,520 per dollar in Q1 to roughly ₦1,430 per dollar by Q4 2025. Overall, these indicators suggest an economy experienced easing inflation, increasing liquidity, steady output growth, a modest improvement in exchange rate conditions in 2025, and growth trends have continued into the new economic year.

DISCLAIMER

All estimates are to the nearest decimal point using the latest and most-readily-accessible data.

Sources: *CBN, NBS, NGX, OPEC, CSEA Research*

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