CSEA
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Weekly Snapshot

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Crude Oil Prices Surge to Over US$100 in March 2026 Amid Middle East Tensions

Crude oil prices in early 2026 have shown significant volatility, driven by both market fundamentals and rising geopolitical tensions in the Middle East. Data from the Central Bank of Nigeria indicate that prices fluctuated between US$60 and US$75 per barrel from January to February before surging to above US$100 per barrel on 9th March, 2026 and have remained above US$90 per barrel since then. The sharp increase was largely linked to the conflict involving the United States, Israel, and Iran, particularly concerns over threats to energy infrastructure and shipping routes in the Strait of Hormuz, through which roughly 20% of global seaborne crude oil passes. Fears of potential supply disruptions prompted a surge in prices as markets incorporated geopolitical risk. However, subsequent indications of possible de-escalation and discussions of strategic petroleum reserve releases led to a partial price correction. Overall, the volatility reflects risk-driven market dynamics rather than strong demand pressures, as earlier trends of moderate global consumption growth and steady production had supported relatively stable prices. For Nigeria, a major oil exporter, such price movements present mixed outcomes: higher prices increase potential oil revenues, but sharp fluctuations complicate fiscal planning and budget implementation. In addition, volatile oil prices can influence foreign exchange markets and contribute to imported cost pressures that may feed into domestic inflation. In response, policymakers should focus on strengthening fiscal buffers, improving oil sector productivity to capitalise on favourable price periods, and coordinating monetary policy to manage inflation expectations.

Nigeria’s PMI Signals Sustained Private Sector Expansion Amid Emerging Cost Pressures

The Central Bank of Nigeria’s Purchasing Managers’ Index (PMI) report for February 2026 indicates continued expansion in Nigeria’s private sector activity. The composite PMI rose to 56.4 points, remaining above the 50-point threshold that separates expansion from contraction and marking the fifteenth consecutive month of growth in aggregate economic activity. Sectoral performance suggests a broad-based recovery across key segments of the economy. The industry PMI stood at 56.8 points, indicating stronger momentum in manufacturing industries. Similarly, the services sector PMI reached 55.3 points, extending expansion for the thirteenth consecutive month. Additionally, the agriculture PMI was recorded at 56.5 points, marking the nineteenth consecutive month of growth. Despite these positive output trends, the report noted a slight increase in both input and output price indices, suggesting that cost pressures remain across sectors of the economy. The spread of growth across the industry, services, and agricultural sectors indicates a more balanced and structurally distributed recovery, which is good for employment generation and supply resilience. However, rising input and output costs point to persistent inflationary pressures, potentially driven by exchange-rate pass-through, logistics challenges, and energy costs. To sustain growth, policymakers should prioritise reducing production costs, particularly by improving energy supply, strengthening logistics infrastructure, and ensuring stable access to foreign exchange for productive sectors.

Nigeria's Oil Production Drops to 1.314 mpbd Below OPEC Quota

According to the OPEC Monthly Oil Market report for March 2026, Nigeria’s crude oil production averaged 1.314 million barrels per day (mbpd) in February 2026, down from 1.459 mbpd in January and below its OPEC quota of 1.5 mbpd. This marks the seventh consecutive month since August 2025 that the country has failed to meet its assigned quota. The shortfall reflects persistent operational challenges in the oil sector, including security concerns, pipeline vandalism, oil theft, and infrastructural constraints that limit production capacity. As Nigeria’s budget and foreign exchange inflows remain heavily dependent on oil earnings, continued underperformance reduces export volumes and potential revenue, particularly during periods of favourable global oil prices. Addressing this trend requires strengthening security in oil-producing regions, increasing investment in upstream infrastructure, and improving regulatory efficiency to attract greater investor participation.

ECONOMIC SNAPSHOT		
Quarterly Indicators	**'25Q2**	**'25Q3**
GDP Growth Rate (%)	4.23	3.98
Oil GDP Growth Rate (%)	20.46	5.84
Non-oil GDP Growth Rate (%)	3.64	3.91
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US $ Million)	142.67	296.25
Portfolio Investment (US $Millions)	4200.03	4,853.96
Other Investment (US $Million)	777.8	864.57
External Debt (FGN & States- N'Trillion)	71.84	71.48
Domestic Debt (FGN + States & FCT N'Trillion)	80.55	81.82
Manufacturing Capacity Utilization (%)	57.5	NA
Imports (N'Billion)	15.29	16.12
Exports (N'Billion)	22.75	22.81
Total trade (N'Billion)	38.037	38.93
Total trade (N'Billion)	7.46	6.69
Trade balance (N'Billion)	11.97	12.81
Crude oil Export (N'Billion)	10.78	10.01
Non-Crude Oil Export (N'Billion)	3.05	2.99
Monthly Indicators	**November 25'**	**December 25'**
Headline Inflation (%)	14.45	15.15
Food Sub-Index (%)	11.08	10.84
Core Sub-Index (%)	18.04	18.63
External Reserves (End Period) (US$ Billion)	44.67	45.5
Official Rate Approx. (N/US$)	1446	1459.03
BDC Rate Approx. (N/US$)	1470	1495
Manufacturing PMI	54.2	57
Non-Manufacturing PMI	56.8	56.4
Average Crude Oil Price (US$/Barrel)	65.22	63.71
Petrol (PMS-N/litre)	1061.35	1048.63
Diesel (AGO -N/Litre)	1409.61	1401.63
Kerosene (HHK -N/Litre)	2608.69	2605.26
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	5425.78	5360.43
MPR (%)	27	27
CRR of Deposit Money Banks (%)	45	45
T-Bill Rate (%)	15.3	15.38
Savings Deposit Rate (%)	7.43	7.42
Prime Lending Rate (%)	18.89	18.02
Maximum Lending Rate (%)	29.69	29.32
Narrow Money (N'Trillion)	40.53	42.14
Broad Money (N'Trillion)	122.95	124.41
Net Domestic Credit (N'Trillion)	100.984	110.05
Credit to the Government (Net) (N'Trillion)	26.35	34.22
Credit to the Private Sector (N'Trillion)	74.63	75.83
Currency in Circulation (N'Trillion)	5.262	5.73
FAAC (N'Trillion)	1.928	2.343

NA: Not Available

1. Crude Oil Prices Surge to Over US$100 in March 2026 Amid Middle East Tensions report from:
https://www.cbn.gov.ng/rates/DailyCrude.html

2. Nigeria's PMI Signals Sustained Private Sector Expansion Amid Emerging Cost Pressures report from:
https://www.cbn.gov.ng/Out/2026/STD/Feb 2026 PMI Report.pdf

3. Nigeria's Oil Production Drops to 1.314 mpbd Below OPEC Quota report from;
https://www.opec.org/monthly-oil-market-report.html