Weekly Snapshot

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Oil Price and Production Drop by 7.8% and 2.2% Respectively in May 2025

According to the Organisation of Petroleum Exporting Countries (OPEC) monthly report, the global price of crude oil decreased by 7.8% month-on-month in May 2025. The report showed that the OPEC Reference Basket (ORB) value fell by $5.36 to an average of $63.62 per barrel, down from $68.98 in April 2025. Nigeria's Bonny Light crude also declined by 5.8%, from $68.48 per barrel in April 2025 to $64.55 per barrel in May. Lower Bonny Light prices could reduce oil revenue, thus constraining the government's ability to implement public spending plans. The report also revealed that Nigeria's average daily crude oil production (based on direct communication) dropped month-on-month by 2.22%, from 1.486 million barrels per day (bpd) to 1.453 million bpd in May 2025. Moreover, oil production was 3.13% below OPEC's 1.5 million bpd quota and a significant 30.8% short of the country's 2025 target of 2.1 million bpd. To address these developments, the Nigerian government should focus on increasing oil production by repairing critical infrastructure, enhancing efficiency, and supporting upstream investments such as exploration and drilling to meet production targets. Furthermore, due to the volatility of the sector, the government should strengthen efforts to diversify the economy by investing in strategic sectors like agriculture, manufacturing, and the digital economy to reduce dependence on oil.

Foreign reserves plummets, hits a new low of $37.21 billion in June 2025- Lowest Level So Far in 2025

Movement in Foreign Reserves data from the Central Bank of Nigeria (CBN) revealed that Nigeria's gross foreign reserves stood at $37.21 billion at the end of June 2025, marking the lowest level recorded so far in 2025. This value represents a 3.5% month-on-month decline from $38.45 billion reported at the end of May 26 of the same year, and a 9.07% drop from the year's peak of $40.92 billion recorded on January 6. The decline in foreign reserves points to reduced foreign exchange inflows from crude oil exports and capital repatriation by foreign investors. As external reserves are critical buffers for exchange rate stability and economic resilience, their continued depletion threatens Nigeria's ability to defend the Naira against foreign exchange market volatility. The shrinking reserves also pose risks to macroeconomic stability by limiting the government's capacity to meet external obligations and maintain investor confidence. To reverse this trend, policy interventions are imperative. These include boosting foreign exchange inflows through expanding non-oil export earnings and enhancing the overall business environment to attract and retain capital within the economy. Such measures are vital to safeguarding Nigeria's external financial position and ensuring sustainable economic growth. Furthermore, the government should implement strict fiscal discipline by prioritising essential foreign exchange demand expenditures and cutting non-critical imports to conserve reserves and stabilise the naira.

Highlights of the May 2025 Business Expectations Survey Report

The Central Bank of Nigeria's (CBN) May 2025 Business Expectations Survey (BES) report revealed a promising outlook for Nigeria's economy, with an overall business confidence index at 18.7 index points. This reflects broad-based optimism among firms, driven by favourable expectations for increased business activity in the coming months. Firms expressed growing confidence in the macroeconomic environment, with sentiment scores rising to 23.8 index points for June, 34.5 points for August, and 41.1 points for November 2025. Sectoral analysis further underscores this positive trend, as industry, agriculture, and services sector reported optimistic outlooks of 42.2, 41.0, and 40.5 index points, respectively, for November. Notably, the mining and quarrying: electricity, gas, and water supply sector plans the highest expansion for June 2025, signalling robust growth potential. However, despite this optimism, businesses continue to face significant challenges, including insecurity, high interest rates, and high taxes. These challenges could potentially hinder future growth, thus requiring urgent policy interventions to improve the ease of doing business. Addressing these issues through business-friendly interest rates, enhanced security, and effective implementation of the new tax bills aimed at reducing the tax burden on SMEs is critical to sustaining economic momentum and fostering a more conducive environment for investment and growth.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'24Q3	'24Q4
GDP Growth Rate (%)	3.46	3.84
Oil GDP Growth Rate (%)	5.17	1.48
Non-oil GDP Growth Rate (%)	3.37	3.96
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US $ Million)	103.82	NA
Portfolio Investment (US $Millions)	88.31	NA
Other Investment (US $Million)	249.53	NA
External Debt (FGN & States- N'Trillion)	69.23	56.02
Domestic Debt (FGN + States & FCT N'Trillion)	68.89	61.58
Manufacturing Capacity Utilization (%)	60.70	61.90
Imports (N'Billion)	14.67	16.56
Exports (N'Billion)	20.48	20.01
Total trade (N'Billion)	35.16	36.60
Trade balance (N'Billion)	5.81	3.42
Crude oil Export (N'Billion)	13.40	13.78
Non-Crude Oil Export (N'Billion)	7.08	6.23
Non-Oils Export (N'Billion)	2.50	2.84
Monthly Indicators	**March 25'**	**April 25'**
Headline Inflation (%)	23.71	23.71
Food Sub-Index (%)	39.93	21.26
Core Sub-Index (%)	28.75	23.39
External Reserves (End Period) (US$ Billion)	38.38	37.93
Official Rate Approx. (N/US$)	1,538.2	1,599.4
BDC Rate Approx. (N/US$)	481.60	481.21
Manufacturing PMI	51.50	51.80
Non-Manufacturing PMI	51.50	51.80
Average Crude Oil Price (US$/Barrel)	74.55	NA
Petrol (PMS-N/litre)	1,245.80	1,239.93
Diesel (AGO -N/Litre)	1,599.30	1,722.45
Kerosene (HHK -N/Litre)	2,113.34	2,219.69
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	7,322.49	7,885.60
MPR (%)	27.50	27.50
CRR of Deposit Money Banks (%)	50.00	50.00
T-Bill Rate (%)	17.41	NA
Savings Deposit Rate (%)	7.50	NA
Prime Lending (%)	17.96	NA
Maximum Lending (%)	30.19	NA
Narrow Money (N'Trillion)	38.55	41.01
Broad Money (N'Trillion)	114.20	119.08
Net Domestic Credit (N'Trillion)	102.13	101.46
Credit to the Government (Net) (N'Trillion)	25.86	23.55
Credit to the Private Sector (N'Trillion)	76.27	77.91
Currency in Circulation (N'Trillion)	5.00	5.01
FAAC (N'Trillion)	NA	1.68

NA: Not Available

1.Oil Price and Production Drop by 7.8% and 2.2% Respectively in May 2025 report from; https://momr.opec.org/pdf-download/

2. Foreign reserves plummets, hits a new low of $37.21 billion in June 2025- Lowest Level So Far in 2025 report from https://www.cbn.gov.ng/IntOps/Reserve.html

3. Highlights of the May 2025 Business Expectations Survey Report Retrieve From; https://www.cbn.gov.ng/Out/2025/STD/MAY 2025 BUSINESS EXPECTATIONS SURVEY.pdf