



NIGERIA

ECONOMIC

UPDATE

**Weekly
Snapshot**

CBN Retains MPR at 26.5%

The Central Bank of Nigeria (CBN) in its [306th Monetary Policy Committee \(MPC\) meeting](#), held on 20 and 21 July 2026, decided to retain the Monetary Policy Rate (MPR) at 26.5%, the Standing Facilities Corridor around the MPR at +50/-450 basis points, the Cash Reserve Requirement (CRR) for Deposit Money Banks at 45%, for Merchant Banks at 16%, and non TSA public sector deposits at 75%. The Committee maintained a cautious monetary policy stance, despite a marginal moderation in headline inflation in June 2026, citing global uncertainties due to renewed hostilities in the Middle East. The MPC noted the risk of pass through to domestic inflation from spillovers to global energy prices due to the conflict, while acknowledging the Nigerian economy's resilience to external shocks. By retaining the MPR, the CBN signalled continued restraint on liquidity and credit growth to consolidate disinflation and exchange rate stability, even though this may keep lending rates high in the near term. By holding the policy rate, the CBN signalled that it is waiting for clearer signs of price stability before easing rates. To further bolster the economy against external shocks, alongside maintaining stable prices, the CBN should boost external reserves by improving FX market transparency and liquidity to reduce volatility, strengthen prudential supervision to ensure banks maintain adequate capital and liquidity buffers, and coordinate with fiscal authorities to align monetary and fiscal actions in support of macroeconomic stability. Furthermore, targeted grants for local production are needed to reduce production costs and, in turn, lower prices.

Naira at ₦1373 per US Dollar, Depreciates Slightly in July 2026

According to the [Nigerian Foreign Exchange Market \(NFEM\)](#), the Naira depreciated marginally in July 2026, moving from an average of ₦1,366.99 per US dollar in June 2026 to ₦1,373.48 per dollar as of 30 July 2026, a month-on-month decline of 0.47%. In July, the exchange rate remained relatively stable, fluctuating within a narrow band of approximately ₦1,362 to ₦1,383 per US dollar. Despite heightened volatility in global markets stemming from Middle East tensions, this modest depreciation highlights the Naira's resilience to external shocks, a point highlighted by the CBN in its 306th Monetary Policy Committee (MPC) communique. This fundamental signal of resilience is expected to bolster investor confidence and attract foreign investment. To further strengthen the macroeconomy, policymakers should prioritise measures that enhance foreign exchange supply, particularly by boosting export capacity and attracting stable capital inflows. Key actions include targeted investments in export-enabling infrastructure, such as roads, ports, and storage facilities; sustained support for domestic manufacturing to reduce import dependence; and maintaining transparency in foreign exchange market operations and ensuring timely access to foreign currency.

Gross Reserves Hit the US\$52 Billion Mark in July 2026

According to the [Central Bank of Nigeria \(CBN\)](#), on 20 July 2026, national gross reserves reached US\$52.02 billion, surpassing the US\$52 billion mark and hitting a 17 year high. The last time the reserves reached US\$52 billion was on 14 January 2009, when it stood at US\$52.75 billion. Beginning at US\$51.53 billion on July 3 (first July reserves record from CBN), the reserves climbed continuously day after day. By July 20, reserves peaked and reached an impressive milestone of US\$52.02 billion. As expected, the exchange rate remained relatively stable in July 2026, trading between ₦ 1,362 and ₦1,383 per US dollar at the Nigerian Foreign Exchange Market (NFEM) as of 27 July 2026, with reserves providing a temporary buffer for the naira. This reserve profile bolsters national creditworthiness, enhances international investor confidence, and enhances support against external economic shocks. Renewed conflict in the Middle East pushed oil prices higher, which likely helped drive the recent uptick in Nigeria's reserves given the country's oil-exporting status. To sustain reserve growth further, the government should diversify external inflows, including through expanding non-oil export capacity, address insecurity to attract investment, and ensuring reserves are supported by sustainable, long-term drivers rather than temporary shocks.

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	April 26'	May 26'
Headline Inflation (%)	15.69	15.93
Food Sub-Index (%)	3.63	2.98
Core Sub-Index (%)	1.03	1.94
External Reserves (End Period) (US\$ Billion)	48.36	49.58
Official Rate Approx. (N/US\$)	1,374.94	1,373.25
BDC Rate Approx. (N/US\$)	1,474	1,373
Manufacturing PMI	52.4	54.1
Non-Manufacturing PMI	48.8	49.3
Average Crude Oil Price (US\$/Barrel)	108.79	114.55
Petrol (PMS-N/litre)	1,531.93	NA
Diesel (AGO -N/Litre)	2,474.69	NA
Kerosene (HHK -N/Litre)	2,976.94	NA
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	8,706.93	NA
MPR (%)	26.50	26.50
CRR of Deposit Money Banks (%)	45	45
T-Bill Rate (%)	15.95	15.95
Savings Deposit Rate (%)	7.34	7.24
Prime Lending Rate (%)	18.87	19.10
Maximum Lending Rate (%)	35.17	34.78
Narrow Money (N'Trillion)	44.62	43.76
Broad Money (N'Trillion)	124.99	129.21
Net Domestic Credit (N'Trillion)	120.18	121.42
Credit to the Government (Net) (N'Trillion)	39.60	40.38
Credit to the Private Sector (N'Trillion)	80.59	81.04
Currency in Circulation (N'Trillion)	5.65	5.69
FAAC (N'Trillion)	2.63	NA

1. CBN Retains MPR at 26.5% report from:

<https://www.cbn.gov.ng/Out/2026/CCD/MPC%20Communique%20No.%20163%20July%2021%202026.pdf>

2. Naira at ₦1373 per US Dollar, Depreciates Slightly in July 2026 report from:

<https://www.cbn.gov.ng/rates/ExchRateByCurrency.html>

3. Gross Reserves Hit the US\$52 Billion Mark in July 2026 report from:

<https://www.cbn.gov.ng/IntOps/Reserve.html>