CSEA
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Currency in Circulation Increases by 51.29%

According to Data from the Central Bank of Nigeria (CBN), Nigeria's money supply (M3) rose to N108.97 trillion in November 2024, marking a 0.89% month-on-month increase from N107.99 trillion in October but a significant 51.29% surge year-on-year from November 2023.[1] Similarly, money supply (M2) increased to N108.95 trillion, with narrow money (M1) growing 4.28% to N36.27 trillion, reflecting rising economic liquidity. Currency outside banks surged to N4.65 trillion, up from N4.29 trillion in October 2024, highlighting Nigeria's continued dependence on cash transactions due to declining trust in banking services and challenges in digital payment infrastructure. However, demand deposits increased by 3.69% to N31.62 trillion, signalling a gradual shift toward formal banking. Net domestic credit (NDC) expanded to N115.58 trillion, rising 1.87% from the previous month, driven by an increase in credit to the government (N39.62 trillion) and credit to the private sector (N75.96 trillion). This credit expansion supports economic activities but may fuel inflationary pressures if not matched by productive output. Meanwhile, net foreign assets (NFA) declined to N17.35 trillion, down from N20.79 trillion, indicating growing pressure on foreign reserves. Reserve money (base money) rose to N30.87 trillion, with currency in circulation increasing 7.24% to N4.88 trillion. Rising liquidity, alongside increasing credit, suggests potential inflation risks. To stabilize the economy, the CBN's Cashless Policy must be reinforced with improved digital banking infrastructure, reliable network services, and financial inclusion initiatives. Strengthening these areas will help balance monetary expansion with economic stability and inflation control. Also, monetary authorities should adopt targeted credit policies that channel funds into productive sectors to mitigate inflationary risks while sustaining economic growth.

Nigerian All-Share Index Rises

The Nigeria Exchange (NGX) weekly market report for the week ending February 14, 2025, reflected a positive performance. The NGX All-Share Index (ASI) appreciated by 2.00% to close at 108,053.95 points, up from the previous week's level. Similarly, the market capitalisation increased by 2.78% to N67.418 trillion, reinforcing strong investor confidence and sustained market momentum. Sectoral performance was mixed, as most indices recorded gains, except for the NGX Main Board, NGX Banking,

NGX AFR Bank Value, NGX AFR Div Yield, NGX MERI Growth, NGX Consumer Goods, and NGX Oil & Gas indices, which declined by 0.79%, 0.24%, 0.39%, 1.26%, 1.03%, 3.63%, and 2.30%, respectively. Meanwhile, the NGX Sovereign Bond index remained unchanged, indicating stability in that segment. The continued growth in the equity market suggests improving investor sentiment, likely driven by factors such as enhanced liquidity, corporate earnings expectations and favourable macroeconomic conditions. However, for long-term market stability and sustained growth, strengthening macroeconomic fundamentals is crucial. Key focus areas include exchange rate stability, sustainable debt management, corporate transparency, and improved financial data availability. Addressing these factors will further enhance investor confidence and support the positive trajectory of the Nigerian stock market

Nigeria's Business Confidence Index Increases in January 2025

Data from the Nigerian Economic Summit Group (NESG) Business Confidence Monitor (BCM) Index Shows Nigeria's BCM index rising to +5.69 in January 2025 from +0.77 in December 2024. This increase reflects higher commercial activity, though sectoral performance remained mixed.[3]Non-manufacturing (-4.64), services (-1.40), trade (-0.84), and manufacturing (-0.66) showed slight improvements but remained in negative territory. Agriculture (+10.85) remained positive but slowed from +13.93, reflecting uneven sectoral growth. Structural challenges persist, though some improvements were observed. The cost of doing business index fell to +47.58, signalling lower operational pressures, while access to credit improved to +31.98, driven by seasonal economic activity. However, high financing costs continue to constrain business expansion, limiting investment opportunities. Weak investment (-27.50) and falling price levels (-26.62) indicate sluggish demand and business caution, which could slow economic momentum. To sustain the recovery, policy interventions are needed to reduce borrowing costs and improve credit access for businesses, particularly SMEs. Investment incentives, such as tax relief and infrastructure support, would encourage business expansion. Additionally, boosting consumer demand through wage adjustments or social investment programs could help sustain revenue growth in key sectors. Exchange rate stability and macroeconomic predictability remain critical in building investor confidence

ECONOMIC SNAPSHOT	+	
Quarterly Indicators	'24Q2	'24Q3
GDP Growth Rate (%)	3.19	3.46
Oil GDP Growth Rate (%)	10.15	5.17
Non-oil GDP Growth Rate (%)	2.80	3.37
Unemployment Rate (%)	4.3	NA
Foreign Direct Investment (US $ Million)	29.83	NA
Portfolio Investment (US $Millions)	1404.70	NA
Other Investment (US $Million)	1169.97	NA
External Debt (FGN & States- N'Trillion)	NA	NA
Domestic Debt (FGN + States & FCT N'Trillion)	NA	NA
Manufacturing Capacity Utilization (%)	14.1	NA
Imports (N'Billion)	12.47	14,67
Exports (N'Billion)	19.41	20.48
Total trade (N'Billion)	31.89	35.16
Trade balance (N'Billion)	6.94	5.81
Crude oil Export (N'Billion)	14.55	13.40
Non-Crude Oil Export (N'Billion)	4.85	7.08
Non-Oils Export (N'Billion)	1.77	2.50
Monthly Indicators	November 24'	December 24'
Headline Inflation (%)	34.60	34.80
Food Sub-Index (%)	39.93	39.84
Core Sub-Index (%)	28.75	29.28
External Reserves (End Period) (US$ Billion)	40.23	40.88
Official Rate Approx. (N/US$)	1,670.78	1,553.73
BDC Rate Approx. (N/US$)	NA	NA
Manufacturing PMI	49.3	49.8
Non-Manufacturing PMI	47.4	52.1
Average Crude Oil Price (US$/Barrel)	75.44	74.72
Petrol (PMS-N/litre)	1,214.17	1,189.12
Diesel (AGO -N/Litre)	1,446.83	1,447.62
Kerosene (HHK -N/Litre)	2,042.93	2,056.38
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	7,088.16	7,177.27
MPR (%)	27.50	27.50
CRR (%)	50.00	50.00
T-Bill Rate (%)	18.00	18.00
Savings Deposit Rate (%)	6.56	7.51
Prime Lending (%)	18.39	18.56
Maximum Lending (%)	31.06	29.71
Narrow Money (N'Trillion)	36.27	NA
Broad Money (N'Trillion)	108.95	NA
Net Domestic Credit (N'Trillion)	115.58	NA
Credit to the Government (Net) (N'Trillion)	39.62	NA
Credit to the Private Sector (N'Trillion)	75.96	NA
Currency in Circulation (N'Trillion)	4.88	NA
FAAC (N'Trillion)	NA	NA

NA: Not Available

References

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3. Nigerian Economic Summit Group (NESG), Business Confidence Monitor for January 2025. Retrieved from: https://nesgroup.org/download_resource_documents/BCM%20January%202025%20Edition%20(1)_1739003155.pdf