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Weekly Snapshot

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PMI Report Shows Mixed Sector Performance in August 2025

The Central Bank of Nigeria's (CBN) Purchasing Managers' Index (PMI) report for August 2025 showed that the composite PMI stood at 51.7 index points, indicating expansion in economic activities for the ninth consecutive month. The agricultural sector led with the highest expansion at 53.9 index points for the thirteenth consecutive month, largely driven by increased general farming activities (output). The services sector also recorded expansion at 51.9 index points for the seventh consecutive month, driven by increased business activities. On the contrary, the industry sector contracted to 49.1 index points, driven by declines across all sectoral indicators except delivery time. Moreover, the industry sector also recorded the widest gap between its input and output prices at 7.4 points, compared to 3.7 points in services. The gap between the industry's input and output prices indicates that firms are absorbing costs to stay competitive and retain customers despite margin pressures. Meanwhile, the industry's composite output index declined to 49.6 points in August from 52.7 in July, while new orders fell to 47.2 points from 49.3 in July. Employment levels also declined to 48.9 points from 50.4 in July, reflecting weakening business sentiment and reduced hiring capacity. To sustain growth, targeted support is needed to ease rising input costs in agriculture and address persistent cost pressures in industry. Furthermore, policies that incentivise the local production of critical inputs, such as fertiliser, energy, and industrial raw materials, will help reduce import dependence and stabilise costs. Strengthening access to affordable credit for small and medium enterprises (SMEs) across all sectors can also boost investment, sustain hiring, and enhance competitiveness.

Nigeria's Oil Output Falls Below Targets in August 2025

The Organisation of the Petroleum Exporting Countries' (OPEC) September Monthly Oil Market report indicated that Nigeria's average daily crude oil production (based on direct communication) for August fell by 4.8% (73,000 bpd) from 1.507 million barrels per day (bpd) in July to 1.434 million bpd in August 2025. Furthermore, Nigeria's oil production was 4.4% below OPEC's quota of 1.5 million bpd, and 30.3% below its target of 2.06 million bpd. These shortfalls show that Nigeria's oil sector still faces significant challenges, which are likely to result in the country earning less from oil exports than it planned in its budget. This could further weaken the country's foreign exchange inflows and exert fiscal pressures on the government's budget, thereby limiting funding for critical development projects and increasing reliance on borrowing. To address these challenges and increase oil output, Nigeria should attract investment to rehabilitate and expand its refining and production capacity. Additionally, the government should strengthen security in oil-producing areas to curb theft and pipeline vandalism. Furthermore, maintaining regulatory oversight and encouraging private sector participation in oil infrastructure could help stabilise production and improve productivity in the sector.

Exchange Rate Hits ₦1,500.92 per USD, Highest in Six Months

The Exchange Rates data from the Central Bank of Nigeria (CBN) revealed that the Naira appreciated to ₦1,500.92 per US Dollar in the official market on September 10, 2025. This marked the highest appreciation of the Naira since March 5, 2025 (approximately 6 months ago), when it stood at ₦1,500.8 per US Dollar. This appreciation coincides with a rapid increase in Nigeria's foreign reserves, which surged to a 44-month high of $41 billion on August 19, 2025. Since that date up until September 9, 2025, the country's reserves have increased by 1.5% (approximately $0.6 billion). The continued growth in reserves is a clear indicator of enhanced economic stability and has played a significant role in the recent appreciation of the local currency. To achieve greater stability for the Naira, there is a need to boost foreign reserves by increasing both oil and non-oil receipts, as well as reducing the country's overdependence on imports. Increasing oil receipts requires critical investments in infrastructure and effective measures to curb oil theft and vandalism. On the other hand, boosting non-oil receipts depends on strong export promotion strategies, such as providing tax incentives for exporters, improving key infrastructure (ports, electricity, and transportation), and digitising trade processes to enhance efficiency.

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 $Million)	249.53	NA
External Debt (FGN & States- N'Trillion)	69.23	56.02
Domestic Debt (FGN + States & FCT N'Trillion)	68.89	61.58
Manufacturing Capacity Utilization (%)	60.70	61.90
Imports (N'Billion)	14.67	16.56
Exports (N'Billion)	20.48	20.01
Total trade (N'Billion)	35.16	36.60
Total trade (N'Billion)	5.81	3.42
Trade balance (N'Billion)	13.40	13.78
Crude oil Export (N'Billion)	7.08	6.23
Non-Crude Oil Export (N'Billion)	2.50	2.84
Monthly Indicators	May 25'	June 25'
Headline Inflation (%)	22.97	22.22
Food Sub-Index (%)	21.14	21.97
Core Sub-Index (%)	22.28	22.76
External Reserves (End Period) (US$ Billion)	38.45	37.21
Official Rate Approx. (N/US$)	1,586.2	1549.8
BDC Rate Approx. (N/US$)	NA	NA
Manufacturing PMI	51.60	51.4
Non-Manufacturing PMI	51.70	51.3
Average Crude Oil Price (US$/Barrel)	65.90	73.50
Petrol (PMS-N/litre)	1,027.76	1,037.66
Diesel (AGO -N/Litre)	1,758.26	1,813.81
Kerosene (HHK -N/Litre)	2,175.29	2,192.63
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	8,167.43	8,323.95
MPR (%)	27.50	27.50
CRR of Deposit Money Banks (%)	50.00	50.00
T-Bill Rate (%)	19.07	17.90
Savings Deposit Rate (%)	7.53	7.52
Prime Lending Rate (%)	18.01	18.19
Maximum Lending Rate (%)	29.84	29.51
Narrow Money (N'Trillion)	40.38	39.92
Broad Money (N'Trillion)	119.01	117.50
Net Domestic Credit (N'Trillion)	102.90	99.86
Credit to the Government (Net) (N'Trillion)	25.07	23.73
Credit to the Private Sector (N'Trillion)	77.83	76.13
Currency in Circulation (N'Trillion)	5.01	5.0
FAAC (N'Trillion)	1.66	1.82

NA: Not Available

1. PMI Report Shows Mixed Sector Performance in August 2025 report from**:**
https://www.cbn.gov.ng/Out/2025/STD/August 2025 PMI Report.pdf

2. Nigeria's Oil Output Falls Below Targets in August 2025 report from:
https://momr.opec.org/pdf-download/

3 Exchange Rate Hits ₦1,500.92 per USD, Highest in Six Months retrieved from;
https://www.cbn.gov.ng/rates/ExchRateByCurrency.html