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Attention: News Editors/Gentlemen of the Press

MONETARY POLICY RATE RETAINED AT 27.0 PER CENT

The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) held its 303rd meeting on November 24 and 25, 2025. The Committee reviewed key developments in the global and domestic economies, including the risks to the outlook. All the twelve (12) members of the Committee were in attendance.

Decision of the MPC

The Committee decided by a majority vote, to maintain the current monetary policy stance with an adjustment to the corridor as follows:

1. Retain the Monetary Policy Rate (MPR) at 27.0 per cent.
2. Adjust the Standing Facility corridor around the MPR at +50/-450 basis points.
3. Retain the Cash Reserve Requirement (CRR) for Deposit Money Banks at 45.00 per cent, Merchant Banks at 16.00 per cent, and 75.00 per cent for non-TSA public sector deposits.
4. Keep the Liquidity Ratio unchanged at 30.00 per cent.

The Committee's decision was underpinned by the need to sustain the progress made so far towards achieving low and stable inflation. The MPC reaffirmed its commitment to a data-driven assessment of developments and outlook to guide future policy decisions.

Considerations

The Committee welcomed the continued deceleration in headline inflation (year-on-year) in October 2025, for the 7th consecutive month. This favourable development resulted from several factors, including sustained monetary policy tightening, stable exchange rate, increased capital inflows, and surplus current account balance. In addition, the relative stability in the price of Premium Motor Spirit (PMS) and improved food supply, supported the pace of disinflation. However, headline inflation remains high at double digit requiring sustained efforts toward moderating it further.

The Committee was, therefore, of the view that the steady deceleration in inflation across the three measures (headline, core and food) in October 2025, suggests that the lagged impact of previous tight policy measures is expected to continue in the near term. Thus, maintaining the current stance of policy, amidst lingering global uncertainties, would allow the effect of previous policy rate hikes to sufficiently transmit to the real economy and further reduce prices.

Members noted the robust performance of the external sector, evidenced by the surplus current account balance and steady accretion to reserves, which have contributed to stability in the exchange rate and moderation in inflation. The MPC also commended the collaborative effort of both the fiscal and monetary authorities, which led to the recent upgrade of Nigeria's sovereign credit rating by major rating agencies, and the delisting of the country from the FATF grey list. Members acknowledged that these positive developments would further boost investor confidence and improve capital flows to the economy.

The Committee noted with satisfaction, the sustained resilience of the banking system, with most financial soundness indicators remaining within regulatory thresholds. Members also acknowledged the substantial progress in the ongoing recapitalization programme, with sixteen (16) banks achieving full compliance with the revised capital requirements. The Committee, thus, urged the Bank to ensure a successful implementation and conclusion of the programme.

Price and Other Domestic Developments

Headline inflation (year-on-year) further declined to 16.05 per cent in October 2025, from 18.02 per cent in September, driven by a moderation in both food and core inflation. Food inflation fell significantly to 13.12 per cent in October 2025 from 16.87 per cent in the preceding month, reflecting improved domestic food supply, stable exchange rate and base effect. Similarly, core inflation slowed to 18.69 per cent (year-on-year) in October 2025, from 19.53 per cent in the preceding month, owing largely to a decline in the price of furnishing & household maintenance.

Real Gross Domestic Product (GDP) for the second quarter of 2025 sustained its positive trajectory, evidenced by the growth rate of 4.23 per cent (year-on-year), compared with 3.13 per cent in the first quarter of 2025. In addition, the Purchasing Manager's Index increased significantly to 56.4 points in November 2025, the highest in the last five years, pointing to a more positive growth outlook for the third and fourth quarters of 2025.

Gross external reserves increased by 9.19 per cent, reaching a high of US\$46.70 billion on November 14, 2025, from US\$42.77 billion at end-September 2025, sufficient to cover 10.3 months of import for goods and services.

Global Developments

Global output is projected to recover in the near to medium term, underpinned by improved trade negotiations, accommodative monetary policy especially in Advanced Economies and easing geopolitical tension. However, headwinds to the outlook include the potential for increasing protectionism, geoeconomic fragmentation and likely resurgence of trade tensions between the US and its major trading partners.

Global inflation is expected to maintain a steady decline through 2026, on the back of the combined impact of past monetary tightening, gradual stabilization of the global supply

chain and softening commodity prices. Inflation is, however, projected to remain above pre-Pandemic levels in the near term.

Outlook

The Committee's forecast indicates a sustained disinflation in the near term, to be largely driven by the lagged impact of previous monetary policy tightening measures, supported by the continued stability in the foreign exchange market. In addition, the ongoing seasonal harvest cycle is expected to boost local food supply, and further moderate food prices. The MPC reaffirmed its commitment to evidence-based policy approach towards achieving the Bank's mandate of price and financial system stability.

The next meeting of the Committee is scheduled for Monday, 23rd and Tuesday, 24th February 2026.

Thank you.

Olayemi Cardoso

Governor,
Central Bank of Nigeria
November 25, 2025.