



Monetary Policy Committee (MPC) Briefing

Summary of Decisions & Economic Outlook from the 303rd Meeting

November 2025

Policy Held Steady as Tightening Measures Yield Positive Results



1. The Decision

The MPC has voted to **maintain the Monetary Policy Rate (MPR) at 27.0%** to allow the full impact of previous tightening to permeate the economy and **solidify recent gains** against inflation.



2. The Vindication

Seven consecutive months of **decelerating inflation**, accelerating GDP growth, and a significant increase in external reserves **validate the Committee's decisive policy stance** over the past year.



3. The Vigilance

The hold signifies a period of **vigilant observation**, ensuring these positive trends are **sustained** amidst a recovering but uncertain global economic landscape.

The Monetary Policy Stance: November 2025



Monetary Policy Rate (MPR)

RETAINED

27.00%



Standing Facility Corridor

ADJUSTED

**+50 / -450 basis
points around the MPR**



Cash Reserve Requirement (CRR)

RETAINED

45.0% (Deposit Money Banks),
16.0% (Merchant Banks),
75.0% (Non-TSA Public Deposits)



Liquidity Ratio

RETAINED

30.00%

The Rationale: Sustaining Momentum and Allowing for Full Policy Transmission

The Committee's decision is underpinned by the need to sustain the significant progress achieved in moderating inflation.

Lagged Impact

The steady deceleration in prices suggests that previous tight policy measures are working as intended. Maintaining the current stance allows these effects to continue transmitting through the real economy.

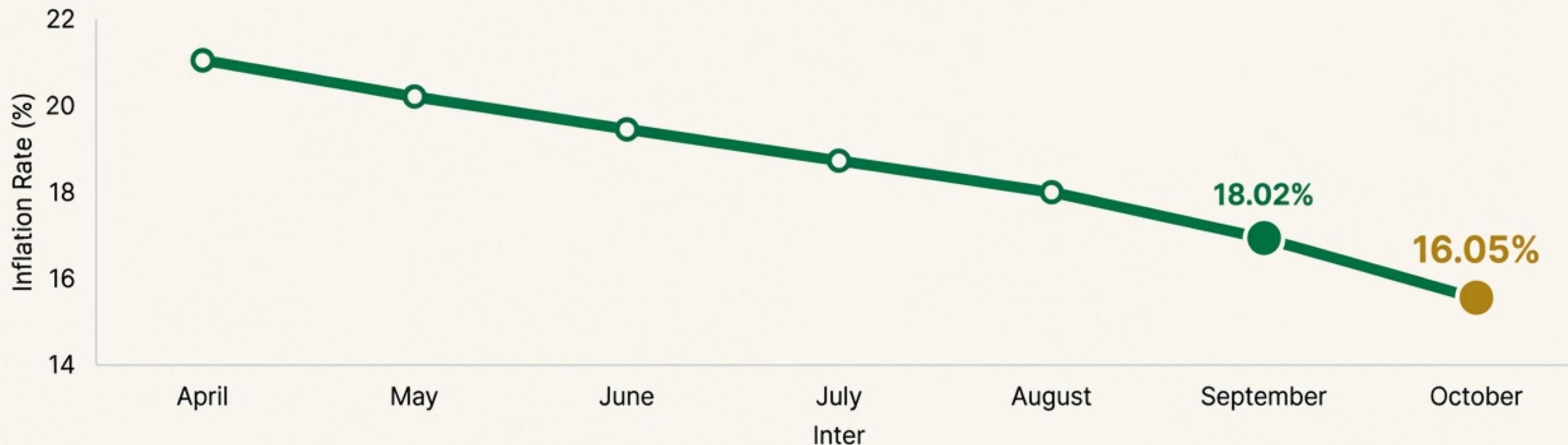
Data-Driven Vigilance

Amidst lingering global uncertainties, a pause allows the Committee to assess incoming data and confirm that the disinflationary trend is firmly entrenched before considering future actions.

The Committee was, therefore, of the view that the steady deceleration in inflation... suggests that the lagged impact of previous tight policy measures is expected to continue in the near term.

Evidence Point 1: Headline Inflation is in Sustained Decline

Headline Inflation (Year-on-Year), 2025



Key Takeaway

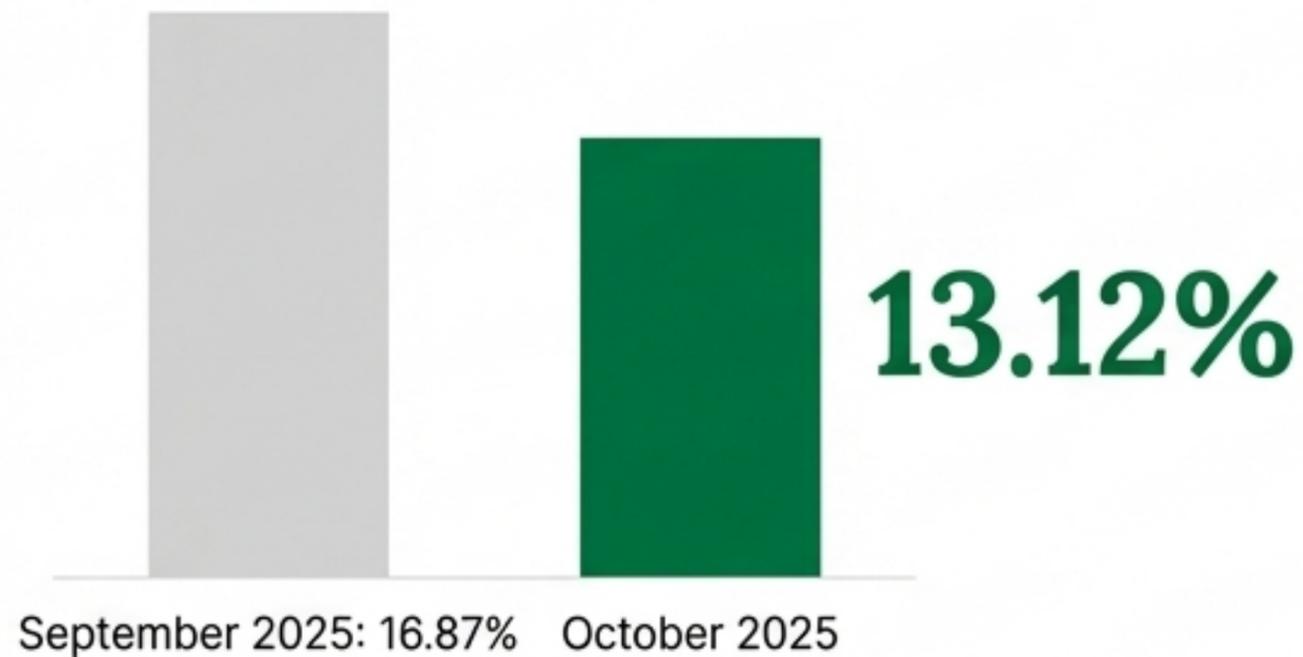
Headline inflation has decelerated for the 7th consecutive month, falling to **16.05%** in October 2025.

Driving Factors

-  Sustained monetary policy tightening
-  Stable exchange rate and increased capital inflows
-  Improved domestic food supply

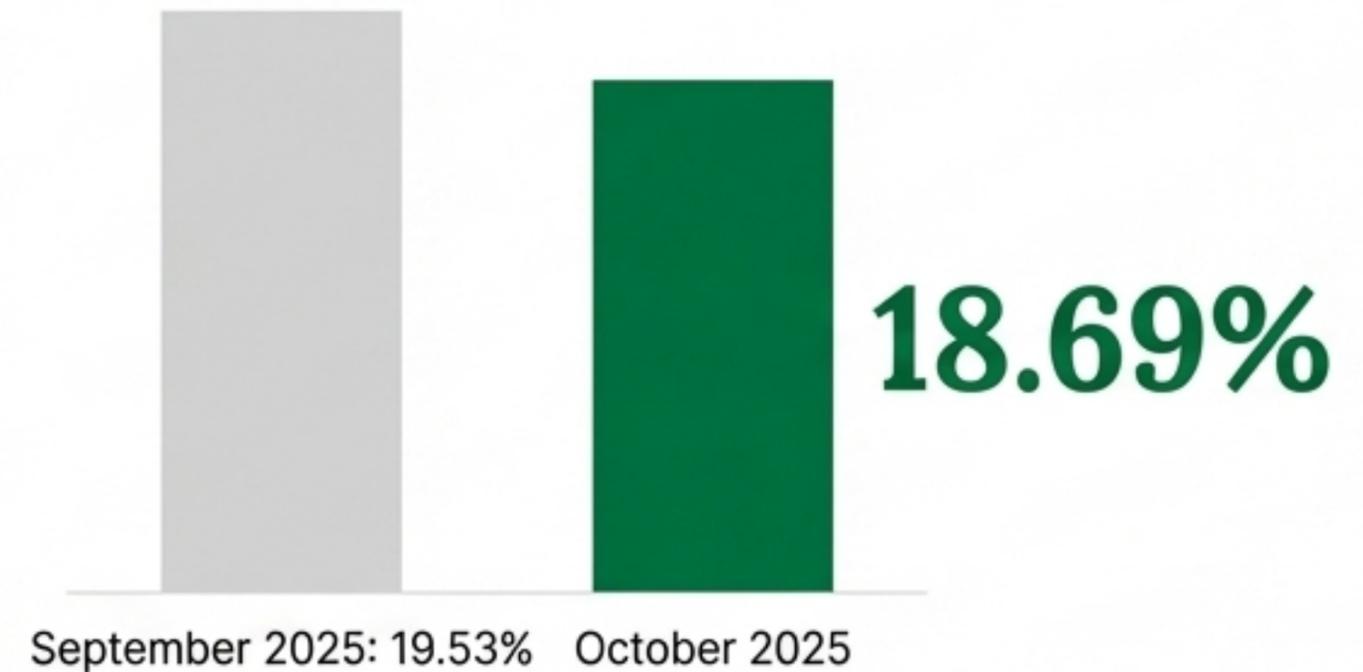
The Disinflation is Broad-Based, Driven by Both Food and Core Components

Food Inflation (YoY)



Reason: Reflects improved domestic food supply, stable exchange rate, and base effects.

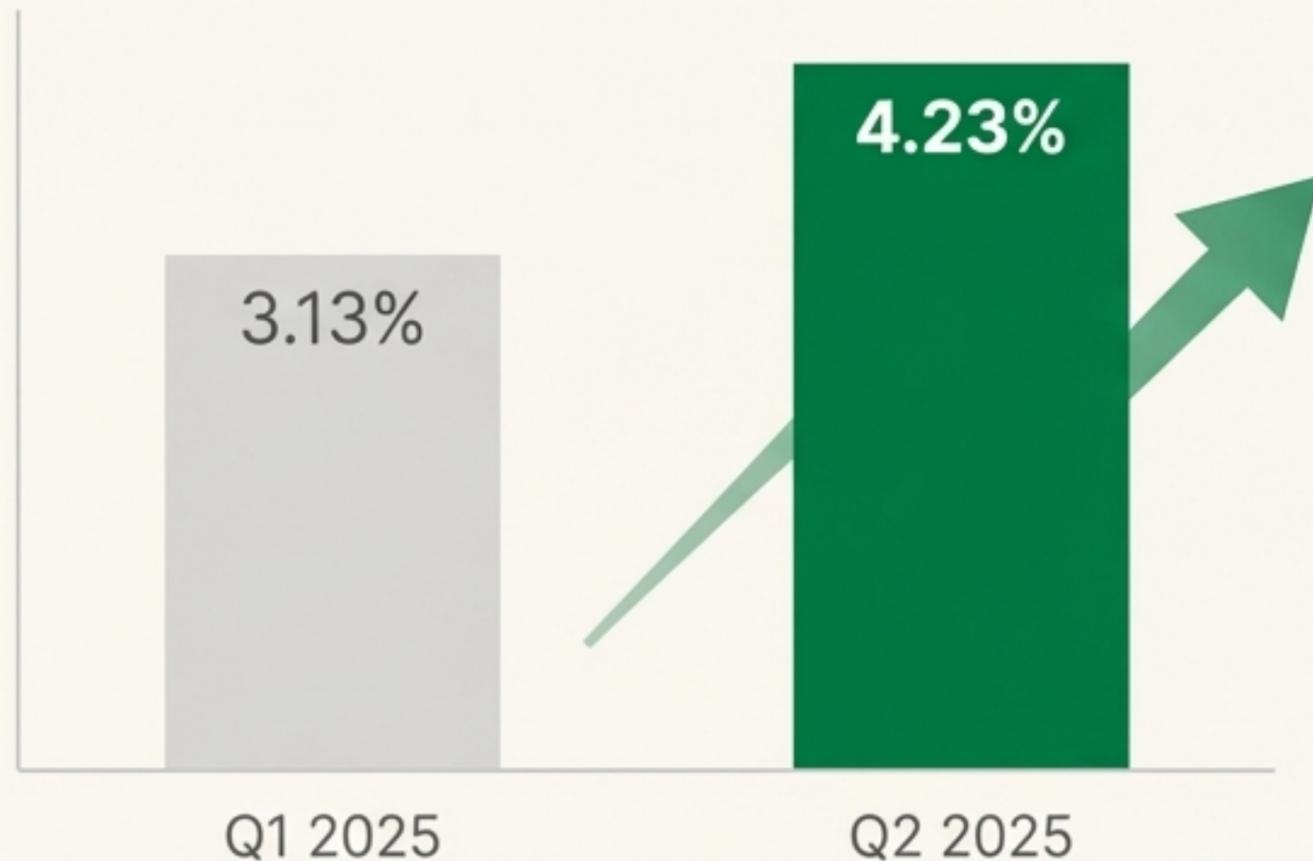
Core Inflation (YoY)



Reason: Largely due to a decline in the price of furnishing & household maintenance.

Evidence Point 2: Economic Growth is Accelerating

Real GDP Growth (Year-on-Year)



Purchasing Managers' Index (PMI)

56.4

November 2025 - The highest reading in the last five years.

Both historical data (GDP) and forward-looking indicators (PMI) point to a positive growth outlook for the remainder of 2025.

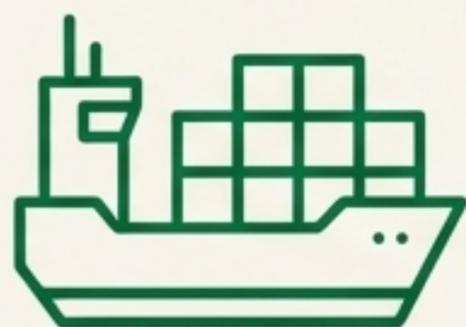
Evidence Point 3: The External Sector Shows Robust Performance

Gross External Reserves
US\$46.70 billion

as of 14 Nov 2025



+9.19%
increase since
end-Sept 2025
(from US\$42.77 billion)



Import Cover

The current reserve level is sufficient to cover **10.3 months** of imports for goods and services.

Underlying Drivers: This robust performance is supported by a surplus current account balance and has been a key contributor to the stability of the exchange rate.

Evidence Point 4: International Confidence is Returning



Sovereign Credit Rating Upgrade

Recent upgrades by major international rating agencies. A direct result of collaborative efforts between fiscal and monetary authorities. Signals improved creditworthiness and economic management.



FATF Grey List Delisting

Successful removal of Nigeria from the Financial Action Task Force (FATF) grey list. Demonstrates significant progress in combating money laundering and terrorist financing, enhancing the integrity of the financial system.

Overall Implication: These developments are expected to further boost investor confidence and improve capital flows to the economy.

Evidence Point 5: The Banking System Remains Resilient and Well-Regulated

The Committee noted with satisfaction the sustained resilience of the banking system, with most financial soundness indicators remaining within regulatory thresholds.

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Focus Area: Bank Recapitalisation Programme

- **Progress:** Substantial progress has been made in the ongoing programme.
- **Milestone: Sixteen (16)** banks have already achieved full compliance with the revised capital requirements.
- **MPC Directive:** The Committee has urged the Bank to ensure the successful implementation and conclusion of the programme.

Domestic Outlook: A Continued Path of Disinflation is Forecast

The Committee's forecast indicates sustained disinflation in the near term.

Key Drivers Supporting this Outlook



Monetary Policy Lags

The full impact of previous tightening measures will continue to moderate prices.



Foreign Exchange Stability

Continued stability in the FX market will reduce imported inflation.



Improved Food Supply

The ongoing seasonal harvest cycle is expected to boost local food availability and further moderate food prices.

The MPC reaffirms its commitment to an evidence-based policy approach to achieve its mandate of price and financial system stability.

Global Context: Cautious Optimism Amidst Lingering Headwinds

Global Output

- + Projected to recover in the near to medium term, aided by improved trade and accommodative policy in Advanced Economies.
- Risks: Potential for increasing protectionism, geoeconomic fragmentation, and renewed trade tensions.

Global Inflation

- + Expected to maintain a steady decline through 2026 due to past monetary tightening and stabilizing supply chains.
- Caveat: Inflation is projected to remain above pre-Pandemic levels in the near term.

A Confident Stance for a Stable Future

The decision to hold the MPR at 27.0% is a deliberate and strategic act of vigilance.

Vindication

Clear evidence—from decelerating inflation and accelerating growth to strengthening external buffers and returning international confidence—confirms the effectiveness of the MPC's policy measures to date.

Vigilance

The Committee will continue to monitor data closely, allowing the positive trends to mature while remaining prepared to act decisively to safeguard Nigeria's price and financial stability.

The Central Bank of Nigeria remains steadfast in its commitment to fostering a stable macroeconomic environment conducive to sustainable growth.