

# Access Quarterly



Q1 2026 Edition





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# GLOBAL ECONOMY



# GLOBAL ECONOMY

## Section 0.1

### Global Economy: Fragile Recovery Amid Policy Realignments and Market Uncertainty

The global economy has entered another period of strain, triggered by the outbreak of conflict in the Middle East at the close of February 2026. This development arrived at a time when the global economic landscape had begun to regain a measure of balance. Over the preceding year, pressures arising from trade restrictions and elevated uncertainty had been tempered by a combination of technology led investment, favourable financial conditions supported by a softer United States dollar and policy settings that remained broadly supportive across major economies. The renewed hostilities now threaten to unsettle this fragile equilibrium, with immediate consequences for commodity markets, inflation expectations, and financial conditions across jurisdictions.

In response to the complexity of the current environment, the International Monetary Fund has adopted a revised analytical approach in its latest World Economic Outlook. Rather than relying on a conventional baseline, the Fund presents a reference forecast that reflects the fluid nature of current developments. This framework assumes that the conflict remains contained in duration, scale and geographic reach, with associated disruptions easing by the middle of 2026, broadly aligned with prevailing signals from commodity futures markets.

Under this reference scenario, global growth is projected at 3.1% in 2026 and 3.2% in 2027. This marks a moderation from the estimated 3.4% recorded over 2024 and 2025 and suggests a medium-term trajectory that settles below the long run average of 3.7% observed between 2000 and 2019. The figures point to an expansion that continues, yet at a pace that reflects structural constraints and renewed external shocks.

Price dynamics are expected to follow a less favourable path. Global headline inflation is projected to reach 4.4% in 2026 before easing to

3.7% in 2027, indicating a clear upward adjustment relative to earlier expectations. Absent the current conflict, growth projections would have been stronger. Pre conflict assumptions pointed to a modest upward revision for 2026, with output expected to reach 3.4%. The present downgrade therefore captures the economic cost of the crisis, even as stronger than anticipated data in recent months and some easing in tariff measures provide partial support.

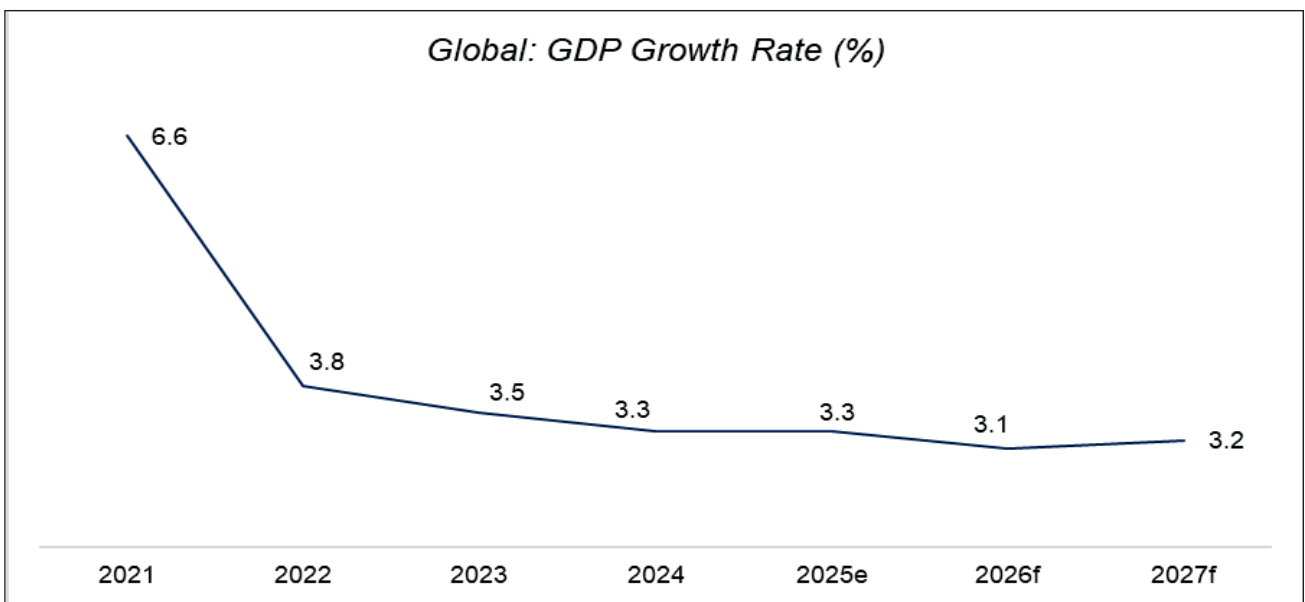
Trade activity at the start of 2026 displayed notable resilience, with both goods and services contributing positively to global flows. However, the outlook for the remainder of the year is less encouraging. Escalating geopolitical tensions, particularly in the Middle East, alongside disruptions in critical shipping corridors such as the Strait of Hormuz, are expected to restrain momentum. Higher energy prices, rising trade costs linked to tariffs and regulatory adjustments, and a gradual weakening of multilateral trade cooperation add further pressure. While demand linked to artificial intelligence, digital infrastructure and green investment offers areas of strength, these segments are unlikely to fully counterbalance the broader drag. That said, continued expansion in intra-regional and South-South trade, especially across developing economies, provides a degree of stability. Even so, the balance of risks to global trade remains tilted to the downside.

Business activity reflects a similar pattern. At the start of the year, global output growth moderated but remained in expansionary territory. The Global Composite Purchasing Managers Index eased to 51.3 in March 2026 from 51.8 in February, indicating that activity continues to expand, albeit at a slower pace. The loss of momentum is most evident in the services sector within advanced economies, including the United Kingdom and parts of the euro area, where rising costs and geopolitical concerns have begun to weigh on demand and corporate sentiment.



Commodity markets reacted swiftly to recent developments, with price movements reflecting the severity of supply disruptions. Toward the end of the first quarter of 2026, oil prices surged following significant constraints on global supply arising from the closure of the Strait of Hormuz amid heightened tensions involving the United States, Israel, and Iran. As a critical artery for global energy

flows, any disruption to this corridor carries immediate and far-reaching consequences for supply availability and pricing. Against this backdrop, crude prices rose sharply, with the OPEC Reference Basket reaching an 18-year high of US\$146.05 per barrel on March 19, 2026, before moderating to US\$123.21 per barrel at the close of the quarter, compared with US\$61.01 in the preceding quarter.



Source: IMF



# UNITED STATES/EURO AREA



## United States

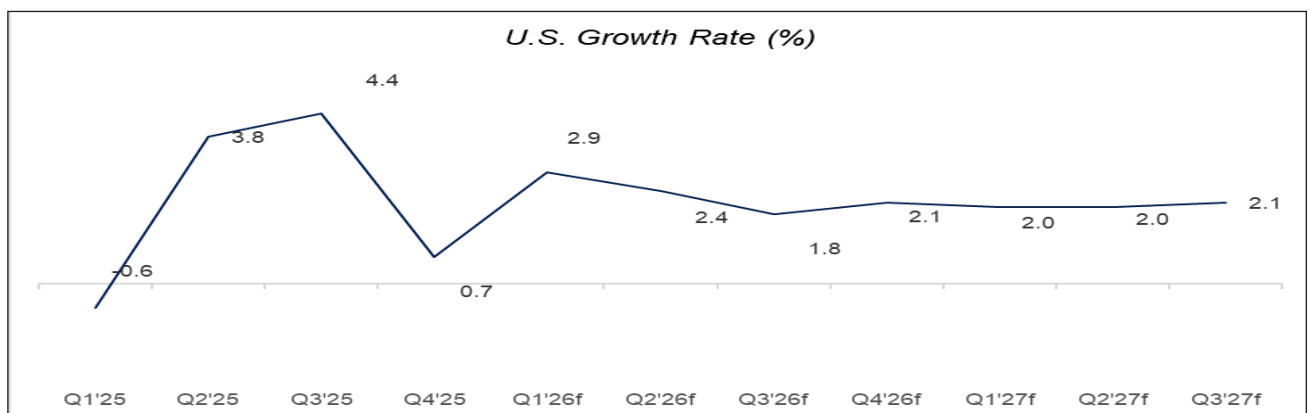
Economic activity in the United States lost considerable momentum in the fourth quarter of 2025, with real GDP expanding at an annualised rate of 0.5%. This represents a marked deceleration from the 4.4% recorded in the preceding quarter and signals a clear shift in the pace of expansion. The slowdown was driven largely by a combination of supply side constraints that emerged during the period, limiting output despite otherwise supportive fundamentals. Gains in productivity and the accelerated adoption of artificial intelligence continued to provide underlying strength; however, their contribution was constrained by the scale and timing of the disruptions. As a result, economic performance in the quarter fell short of levels that would typically be associated with such structural tailwinds.

Inflation dynamics shifted notably at the close of the first quarter of 2026. Following a period of easing price pressures earlier in the year, headline inflation rose to 3.3% in March from 2.4% in the previous month. The increase was closely linked to geopolitical developments involving the United States, Israel and Iran, which led to the closure of the Strait of Hormuz. The resulting rise in energy costs, particularly gasoline and crude oil, exerted upward pressure on consumer prices.

In response to evolving inflation risks, the Federal Reserve maintained a cautious policy stance during the first quarter of 2026, keeping the policy rate unchanged at 3.75%. This approach reflects a preference for preserving price stability amid renewed cost pressures while assessing the durability of economic activity.

Business conditions, however, showed signs of resilience. The Composite Purchasing Managers Index rose to 52.2 in March from 51.6 in February, indicating continued expansion in private sector activity. The improvement was supported by stronger output and an increase in new orders, pointing to steady domestic demand despite the broader uncertainties.

Labour market conditions presented a more nuanced picture. The unemployment rate edged down to 4.3% in March from 4.4% in the previous month, reflecting a modest improvement in job matching alongside increased participation in the labour force. While this suggests a degree of underlying stability, the broader trend indicates a gradual easing in labour market tightness as the pace of hiring adjusts to slower economic growth.



Source: Bloomberg

f – Forecast



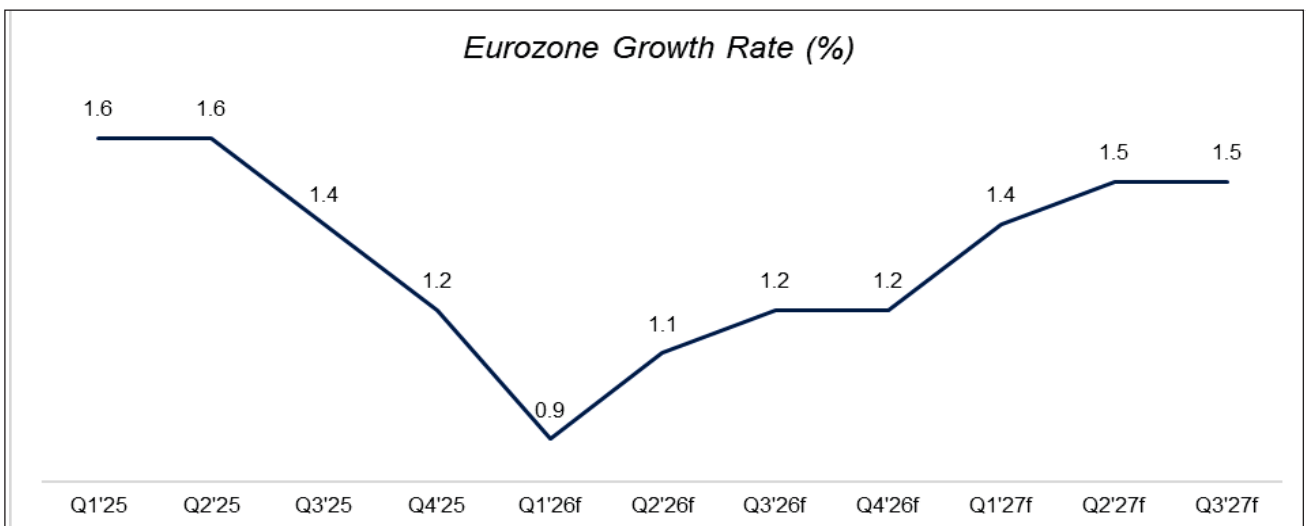
## Euro Zone

Economic activity across the Euro Area eased in the fourth quarter of 2025, with real GDP expanding by 1.2% on a year-on-year basis, compared with 1.4% in the preceding quarter. On a quarter-on-quarter basis, growth moderated to 0.2% from 0.4%, pointing to a clear loss of pace. The expansion was supported mainly by steady private consumption and increased public sector investment. However, the outlook for early 2026 has weakened, as rising geopolitical tensions in the Middle East are expected to weigh on both household spending and business investment through higher energy costs and elevated uncertainty. Performance across member states remained uneven, with Malta and Cyprus recording stronger outcomes, largely driven by firm domestic demand conditions.

Price developments shifted upward in the first quarter of 2026, with headline inflation rising to 2.5% in March from 1.9% in the previous month, moving above the target of the European Central Bank. Energy prices were the principal driver, increasing by 4.9% after a contraction of 3.1% in February. This rise was partly balanced by a

moderation in services inflation and in the prices of food, alcohol and tobacco. Core inflation edged lower to 2.3% from 2.4%, indicating that underlying demand pressures remained contained. Among the larger economies, inflation increased in Germany, France, Spain and the Netherlands, while Italy recorded relative stability at 1.5%. The overall movement reflects the transmission of geopolitical tensions into energy markets and, in turn, into consumer prices across the region. In response, the European Central Bank has maintained a cautious monetary policy stance.

Business activity showed signs of strain as the first quarter progressed. The Composite Purchasing Managers Index declined to 50.7 in March from 51.9 in February, marking its lowest level in nine months and indicating a slowdown in expansion. Rising input costs, linked in part to developments in the Middle East, weighed on output across sectors. At the country level, Spain recorded the strongest growth, while France and Italy moved into contraction, highlighting the uneven nature of economic conditions within the bloc.



Source: Bloomberg

f – Forecast

# BRICS+



In the first quarter of 2026, the BRICS economies encountered a more complex operating environment, shaped by heightened uncertainty linked to developments in the Middle East. The sharp increase in global energy prices, alongside disruptions to trade routes, placed uneven pressure across the bloc. Energy importing members, particularly India and China, faced the greatest strain due to their reliance on crude oil and liquefied natural gas flows through the Strait of Hormuz. This exposure translated into higher import bills, tighter corporate margins and emerging downside risks to growth, highlighting the sensitivity of these economies to external geopolitical developments despite their expanding influence in the global economy.

India maintained its position as the fastest growing economy within the bloc, supported by robust domestic consumption, strong services activity and sustained infrastructure investment. In China, growth remained moderate, constrained by persistent weakness in the property sector and subdued household demand, although policy measures helped to stabilise overall activity. Brazil recorded modest expansion, with agricultural output and commodity exports providing support amid softer domestic demand and tighter financial

conditions. Russia continued to benefit from elevated energy revenues and increased fiscal spending linked to ongoing geopolitical tensions, even as sanctions continued to shape its external environment. South Africa, by contrast, faced ongoing structural constraints, including energy supply challenges and weak investment, which limited its growth prospects.

The effects of the Middle East conflict were not uniform across the bloc. Oil exporting economies such as Russia, and to a lesser extent Brazil, experienced gains from higher energy prices, while import dependent economies including India, China and South Africa faced rising production costs and increased inflationary pressure. Trade flows were also affected, with disruptions along key shipping corridors contributing to higher logistics costs and delivery delays.

While the BRICS economies displayed a degree of resilience in the first quarter of 2026, divergence in growth and inflation trends became more pronounced. The near term outlook remains closely tied to geopolitical developments, particularly the trajectory of the Middle East conflict and its implications for global energy markets and trade flows.



## Brazil

Brazil's economic performance in the fourth quarter of 2025 reflected limited momentum, with real GDP expanding by 1.8% on a year-on-year basis, unchanged from the preceding quarter. The composition of growth points to a reliance on external demand, as exports of agricultural produce and commodities provided the primary source of support. Domestic demand, however, remained constrained. Elevated interest rates continued to weigh on household consumption and private sector investment, with capital

formation particularly subdued amid tight financial conditions and cautious corporate decision making. Public expenditure offered only marginal support, leaving overall activity on a modest trajectory.

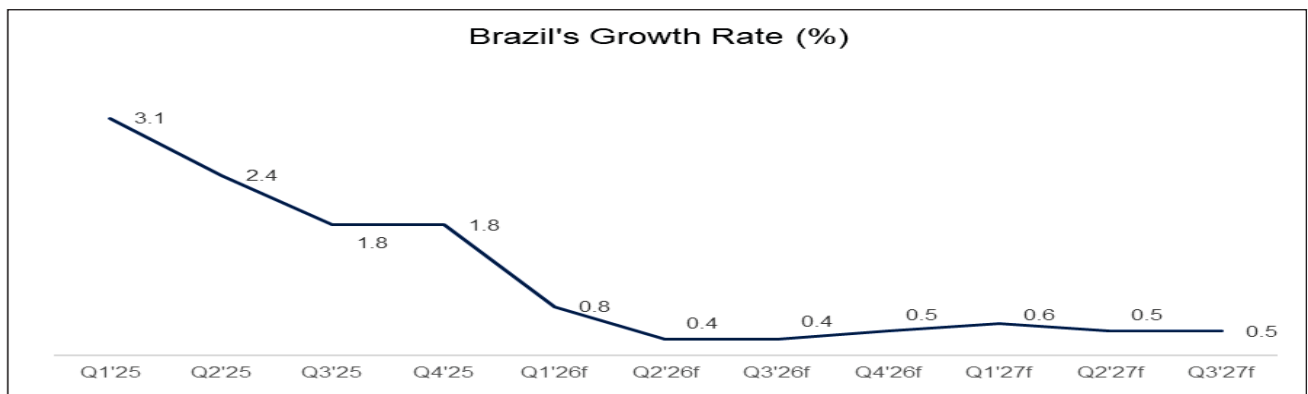
Price developments over the first quarter of 2026 followed a mixed path. Inflation eased at the start of the quarter before rising again in March, driven largely by higher energy costs linked to global oil market conditions. Headline inflation increased to



4.14% from 3.81% in February, having previously stood at 4.44% in January and 4.26% in December 2025. Despite this movement, inflation remained within the target range of the Central Bank of Brazil, set between 1.5% and 4.5%. Core inflation, however, remained elevated at around 5%, pointing to persistent underlying price pressures.

Private sector activity showed little forward

movement toward the end of the quarter. The Composite Purchasing Managers Index declined to 49.9 in March from 51.3 in February, placing it just below the neutral threshold of 50. This indicates that output across the private sector broadly stalled following modest growth in the previous month, reflecting the combined effect of weak domestic demand and tighter financial conditions.



Source: Bloomberg

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## Russia

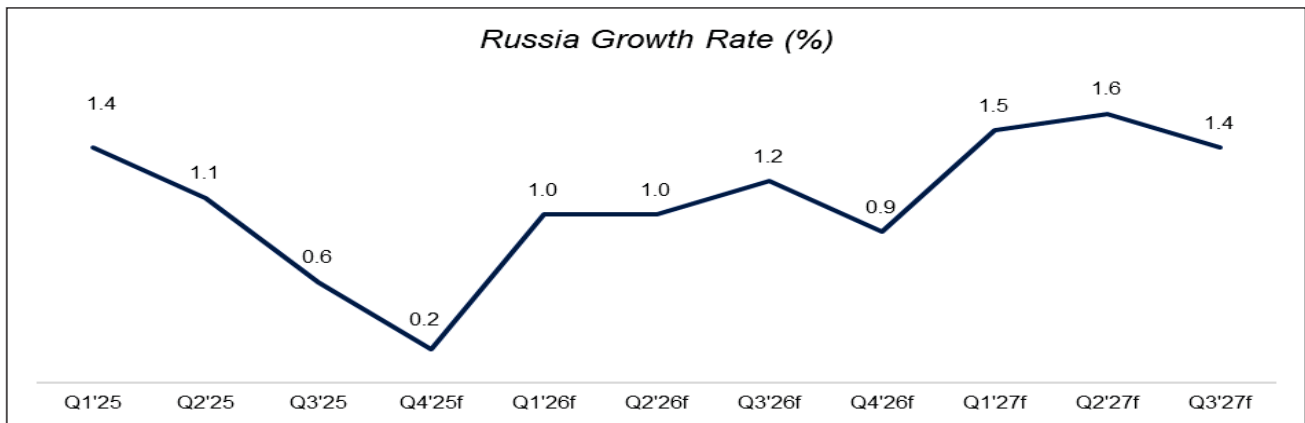
Russia's economic performance showed a modest improvement in the fourth quarter of 2025, although the broader recovery remained fragile against the backdrop of the ongoing conflict with Ukraine, sustained geopolitical pressures, international sanctions and tighter financial conditions. Real GDP expanded by 1.0% on a year-on-year basis, compared with 0.8% in the preceding quarter, pointing to some degree of stabilisation but still limited momentum. Activity remained uneven across sectors, with defence related production providing support, while most civilian segments continued to face subdued demand and constrained output. This pattern highlights the narrow base of current growth and the strain within the wider economy. For the full year, GDP growth stood at 1.0%, a sharp moderation from 4.9% recorded in 2024.

Inflation showed a slight easing during the first quarter of 2026, though it remained well above the 4% target of the Bank of Russia, limiting the scope for a faster pace of monetary adjustment. Headline inflation edged down to 5.9% in both February and March from 6.0% in January. This movement reflects a combination of structural price pressures and the lingering effects of the recent increase in value added tax. Food and beverage prices recorded some moderation, while services inflation remained elevated. In response, the central bank reduced its key policy rate by 50 basis points to 15% in March 2026. At the same time, it indicated a more measured approach going forward, citing ongoing inflation risks, including those linked to higher global energy prices arising from developments in the Middle East.



Private sector activity softened as the quarter progressed. After modest expansion at the start of the period, conditions weakened toward the end of the quarter. The Composite Purchasing Managers Index declined to 48.8 in March from 50.8 in February, falling below the neutral threshold of 50

and signalling a contraction in overall business activity for the first time since September 2025. This shift points to growing pressure on firms as demand conditions remain uneven and operating costs continue to rise.



Source: Bloomberg

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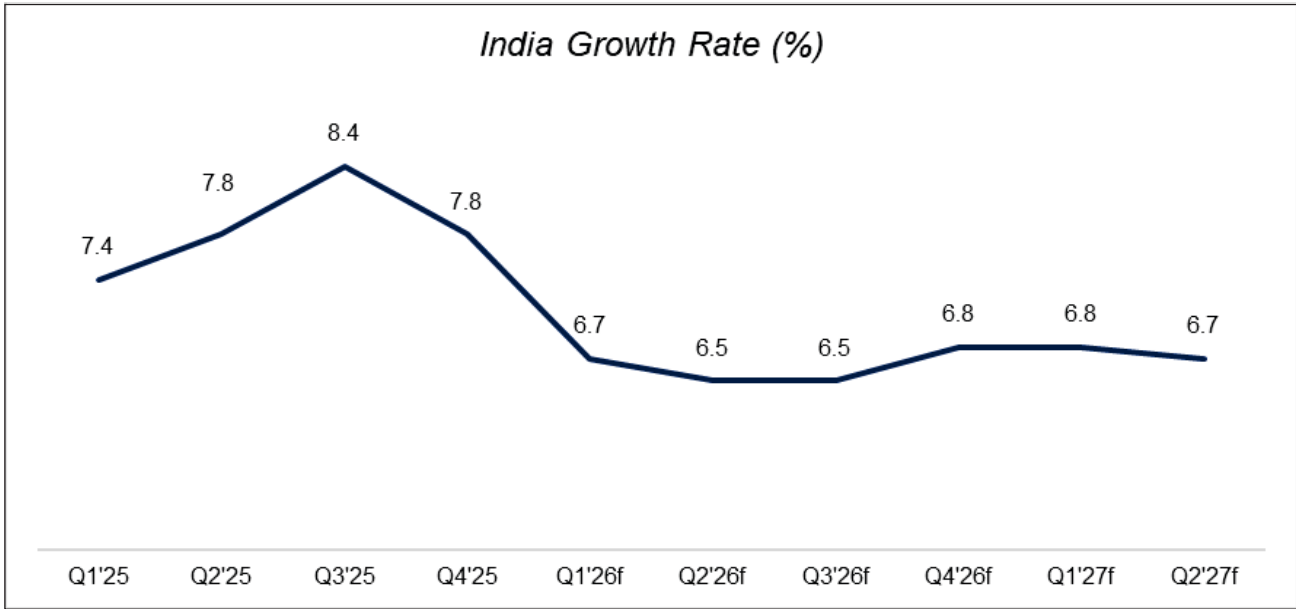
## India

India's economic performance remained strong in the December quarter of 2025, with real GDP expanding by 7.8% on a year-on-year basis, compared with 8.4% in the preceding quarter. Despite this slight moderation, India remained the fastest growing economy among the G20. Growth was driven by firm domestic demand, particularly private consumption, supported by higher public spending and adjustments to the Goods and Services Tax framework. External pressures, including elevated tariffs from the United States, weighed on performance, while softer government spending, weaker investment, and a negative contribution from net exports also moderated the pace of expansion.

Price pressures increased in the first quarter of 2026. Headline inflation rose to 3.21% in February

from 2.74% in January and further to 3.40% in March, the highest level in eleven months. The increase was driven mainly by food prices, while risks remain tilted upward due to higher energy costs linked to tensions around the Strait of Hormuz. In response, the Reserve Bank of India maintained the policy rate at 5.25%, reflecting concerns over currency pressures and imported inflation.

Private sector activity remained firmly in expansionary territory during the quarter, although the pace of growth moderated. The Composite Purchasing Managers Index eased to 57.0 in March, its lowest level in nearly three and a half years, yet still indicative of strong and sustained expansion in business activity.



Source: Bloomberg

f – Forecast



## China

China's economic expansion moderated through 2025, with data from the National Bureau of Statistics of China showing growth of 4.8% on a year-on-year basis in the third quarter and a further easing to 4.5% in the fourth quarter, the weakest pace in three years. Full year growth reached 5.0%, in line with the official target. The slowdown reflects softer domestic demand and investment, while exports and services provided some support. Structural pressures persisted, particularly within the property sector and household consumption, although policy measures helped sustain output and employment. High technology manufacturing and innovation driven sectors continued to outperform, indicating gradual economic rebalancing.

Price trends showed a modest pickup in the first quarter of 2026, moving away from near zero levels,

partly supported by seasonal demand linked to the Lunar New Year. Headline inflation rose to 1.3% in February from 0.2% in January before easing to 1.0% in March. Underlying price pressures remained subdued, reflecting weak demand and excess capacity. The pattern points to a mild recovery in consumer prices, supported by seasonal factors, early policy actions and higher global energy prices, though the improvement remains fragile.

Business activity improved slightly during the quarter. The Composite Purchasing Managers Index rose to 50.5 from 49.5, returning to expansionary territory. The increase was driven by stronger production and a recovery in new orders, indicating some stabilisation in private sector conditions at the start of the year.



Source: Bloomberg

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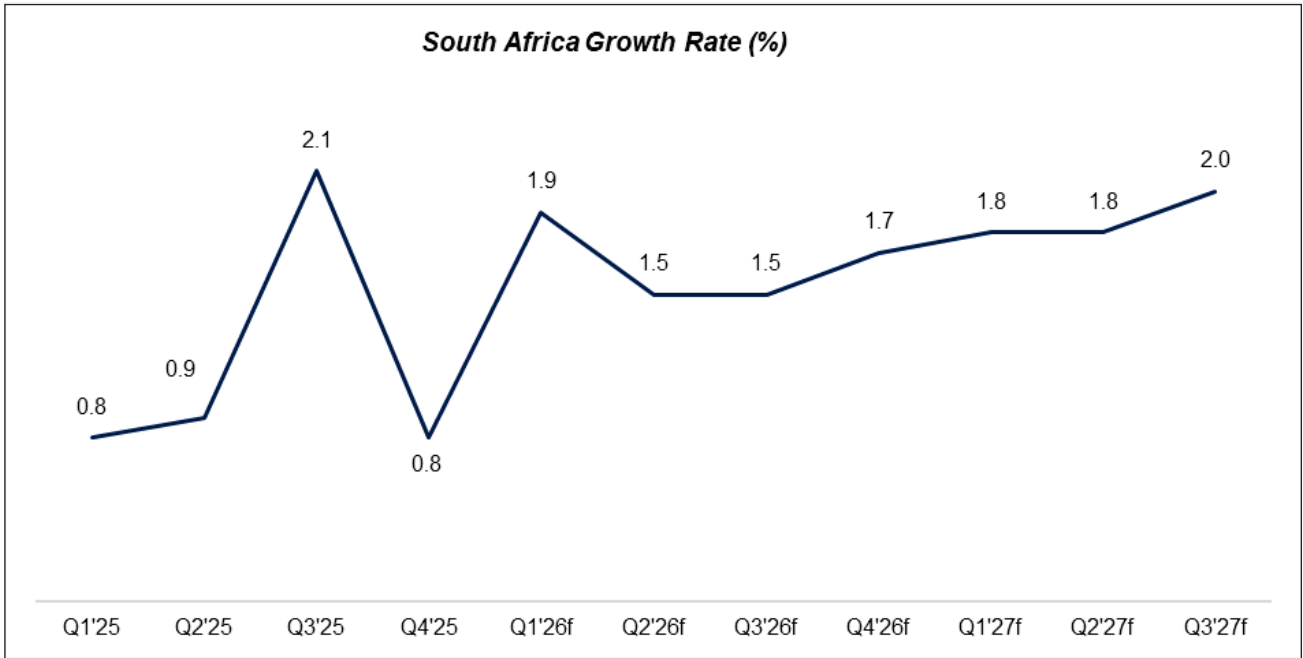
## South Africa

South Africa's economic performance weakened in the fourth quarter of 2025, with real GDP expanding by 0.8% on a year-on-year basis, down from a revised 2.1% in the preceding quarter. The slowdown reflects reduced momentum, although sectors such as finance, real estate and business services, agriculture and trade provided some support. Household consumption and fixed investment contributed modestly, while net exports and inventory changes weighed on growth amid subdued global demand. Full year growth stood at 1.1%, the highest since 2022.

Inflation remained contained in the first quarter of 2026, with a slight increase toward the end of the period. Headline inflation rose to 3.1% in March

from 3.0% in February, remaining close to the 3% midpoint target of the South African Reserve Bank within its 3% to 6% range. Core inflation edged up to 3.2% from 3.0%, while monthly inflation accelerated to 0.6% from 0.4%. The increase reflects the early impact of global cost pressures linked to developments in the Middle East.

Private sector activity improved modestly, with the Composite Purchasing Managers Index rising to 50.8 in March from 50.0 in February, indicating a return to expansion. The improvement was supported by domestic activity, though emerging pressures from weaker exports, supply delays, and rising energy and import costs may constrain the pace of recovery.



Source: Bloomberg

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# AFRICA



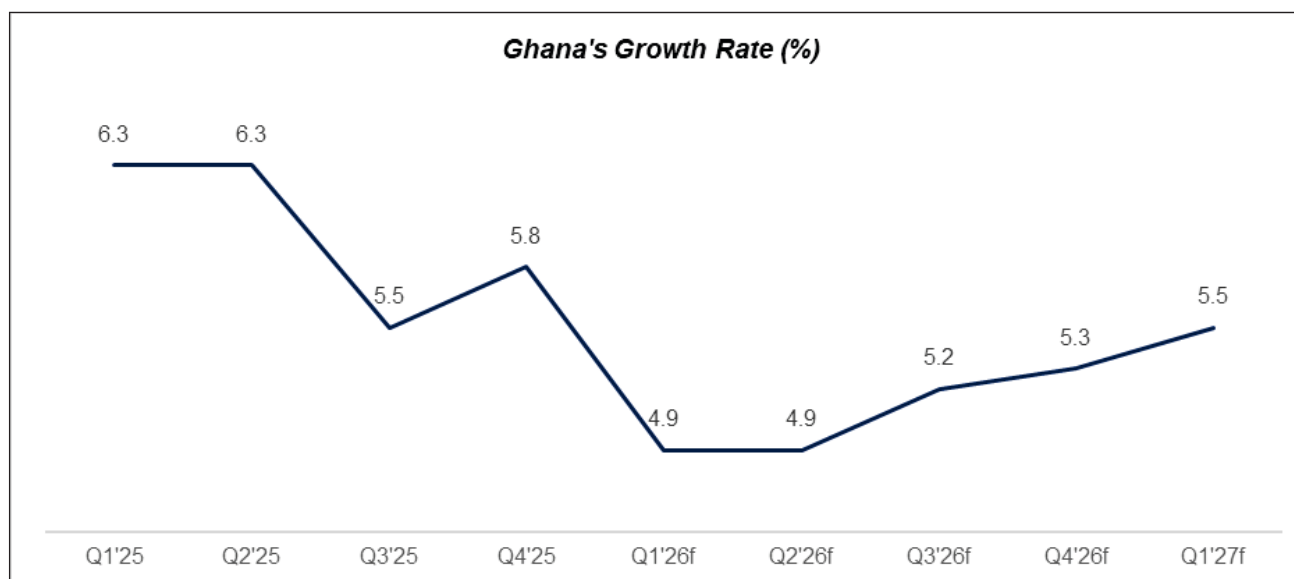
## Ghana

Ghana's economic performance strengthened in the fourth quarter of 2025, with real GDP expanding by 5.8%, up from 5.5% in the preceding quarter. Growth was driven mainly by the non-oil sector, reflecting a gradual shift in the structure of the economy. Services expanded by 8.6%, supported by information and communication technology, trade, transport and financial services, while agriculture grew by 5.3%. The industrial sector recorded modest growth of 1.9%, constrained by a contraction in oil and gas activity. Overall, the growth pattern points to increasing diversification.

Price developments improved further into 2026. Headline inflation eased to 3.2% in March from 3.3% in February, the lowest level since the Consumer Price Index rebasing in 2021. The moderation reflects easing price pressures across

key components, indicating a more stable environment. In response, the Bank of Ghana reduced its policy rate by a cumulative 400 basis points in 2026, signalling more accommodative conditions. However, risks remain, particularly from potential increases in global oil prices which could raise domestic costs.

Business activity improved during the first quarter of 2026, with the Composite Purchasing Managers Index rising to 51.4 in March from 49.2 in the previous month, indicating a return to expansion. While this suggests a recovery in private sector conditions, the outlook remains subject to uncertainty, as higher input costs linked to developments in the Middle East may place pressure on operating margins and moderate the pace of expansion.



Source: Bloomberg

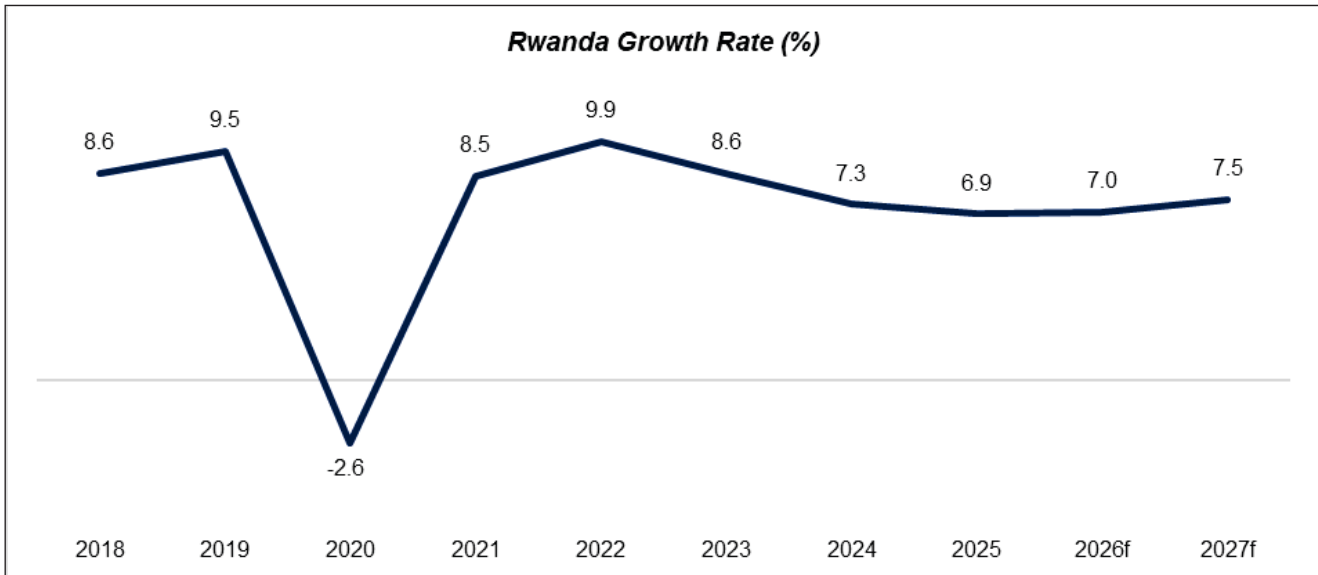
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## Rwanda

Economic activity in Rwanda remained strong in the final quarter of 2025, with real GDP expanding by 11.2% on a year-on-year basis, compared with 11.8% in the preceding quarter. Growth was led by the services sector, which expanded by 9%, supported by wholesale and retail trade, transportation, and information and communication. Industrial output also recorded solid performance, rising by 11% on the back of increased activity in mining, construction and manufacturing. The agricultural sector grew by 7%, driven by higher production of export crops, particularly coffee and tea.

Price pressures increased in early 2026, with headline inflation rising to 7.9% in February from 7.5% in January. The increase was driven by higher prices of alcoholic beverages and tobacco, alongside gains in non-alcoholic beverages and services. In response, the National Bank of Rwanda raised its policy rate by 50 basis points to 7.25% to contain inflation and manage expectations.



Source: Bloomberg

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# THE NIGERIAN ECONOMY



# THE NIGERIAN ECONOMY

## Nigeria

Nigeria's economy maintained a stable trajectory in the first quarter of 2026, supported by improved coordination between fiscal and monetary authorities and the continued impact of earlier reform measures. The period reflected a phase of consolidation, with moderation in price pressures, greater stability in the foreign exchange market and a notable increase in external reserves. These developments strengthened investor sentiment, improved business confidence, and supported liquidity conditions across the financial system.

At its first meeting of the year, the Monetary Policy Committee cut the Monetary Policy Rate by 50 basis points to 26.5%, signalling support for economic activity amid easing inflation and improved macroeconomic stability. The standing facilities corridor was retained at +50 and -450 basis points around the new rate, while the Cash Reserve Ratio remained unchanged at 45% for deposit banks, 16% for merchant banks and 75% for public sector deposits outside the Treasury Single Account framework. These measures reflect a balanced approach to liquidity management and exchange rate stability.

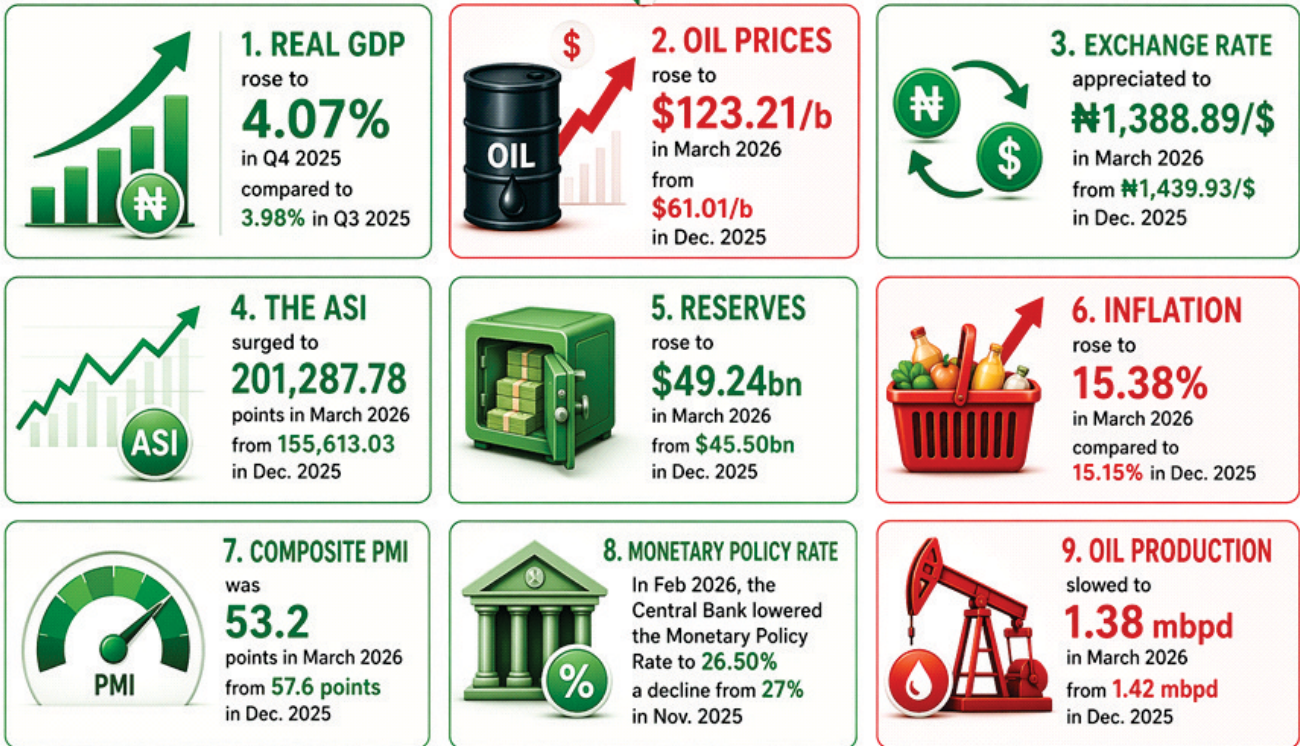
Foreign exchange conditions remained relatively steady during the quarter. The naira opened at 1,434.21 per US\$ in early January and appreciated to 1,388.89 by the end of March. This movement was supported by targeted interventions from the Central Bank, stronger foreign exchange inflows from oil receipts amid elevated global crude prices, increased remittances, improved non-oil export earnings and renewed participation from both foreign portfolio investors and domestic market participants.

However, developments in the Middle have begun to exert renewed pressure on domestic prices through higher global energy costs and supply disruptions. Headline inflation rose to 15.38% in March from 15.06% in the previous month, marking the first increase after eleven consecutive months of easing. Higher fuel prices have translated into increased transportation costs and rising production and distribution expenses, contributing to a broad-based increase in price levels across the economy.





## Nigeria: Macroeconomic Snapshot for Q1 2026

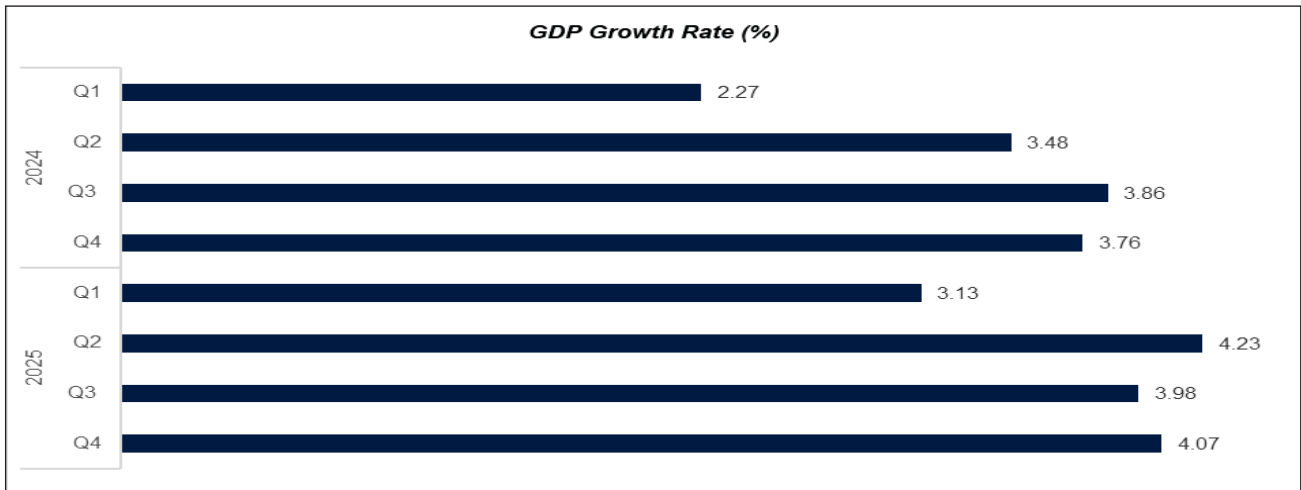


### 2.1. GDP Growth

Nigeria's economic performance strengthened in the fourth quarter of 2025, with real GDP expanding by 4.07% on a year-on-year basis, compared with 3.98% in the preceding quarter and 3.76% in the corresponding period of 2024, according to the National Bureau of Statistics. The expansion reflected growth across agriculture, industry, and services, indicating a more balanced pattern of economic activity.

The services sector, which remains the largest contributor to output, grew by 4.15%, while

agriculture expanded by 4.0%, marking a notable improvement from 2.54% recorded in the same period of 2024. Industrial activity increased by 3.88%, supported by gains in key segments. Within this, the oil sector grew by 6.79%, up from 5.84% in the third quarter, reflecting higher production levels compared with the previous year. For the full year, the economy expanded by 3.87% in 2025, compared with 3.38% in 2024. The outcome was supported by improved oil production and sustained performance in non-oil sectors.



Source: NBS

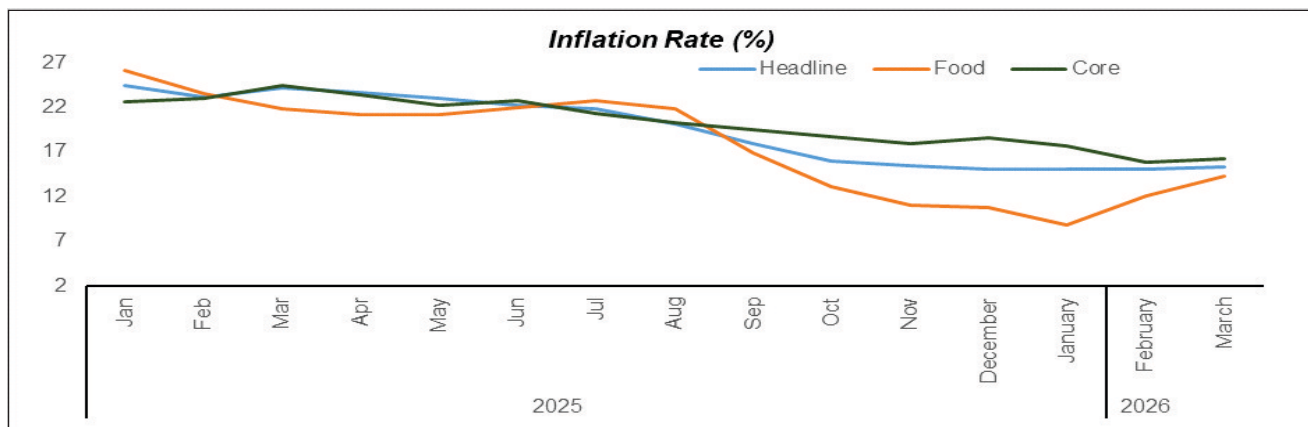
## 2.2. Inflation

The escalation of tensions in the Middle East has introduced renewed pressure on domestic prices, largely through higher global oil prices and associated supply disruptions. These external developments have interrupted the downward movement in inflation observed over the previous year. Headline inflation declined through most of the quarter, easing to 15.10% in January and 15.06% in February, before rising to 15.38% in March.

Food prices, which carry significant weight in the consumer basket, followed a more volatile path. Inflation in this category declined sharply to 8.89% in January, marking the first single digit reading in over a decade, before rising to 12.12% in February

and increasing further to 14.31% in March. On a month-on-month basis, food inflation moderated to 4.17% in March, suggesting some easing in the pace of price increases.

Core inflation, which excludes food and energy, showed a gradual decline before a modest increase toward the end of the quarter. It eased to 15.88% in February, before rising to 16.21% in March. The earlier moderation reflects softer price movements across housing, transport, utilities, and services, supported by subdued demand conditions and improved stability in the foreign exchange market.



Source: NBS

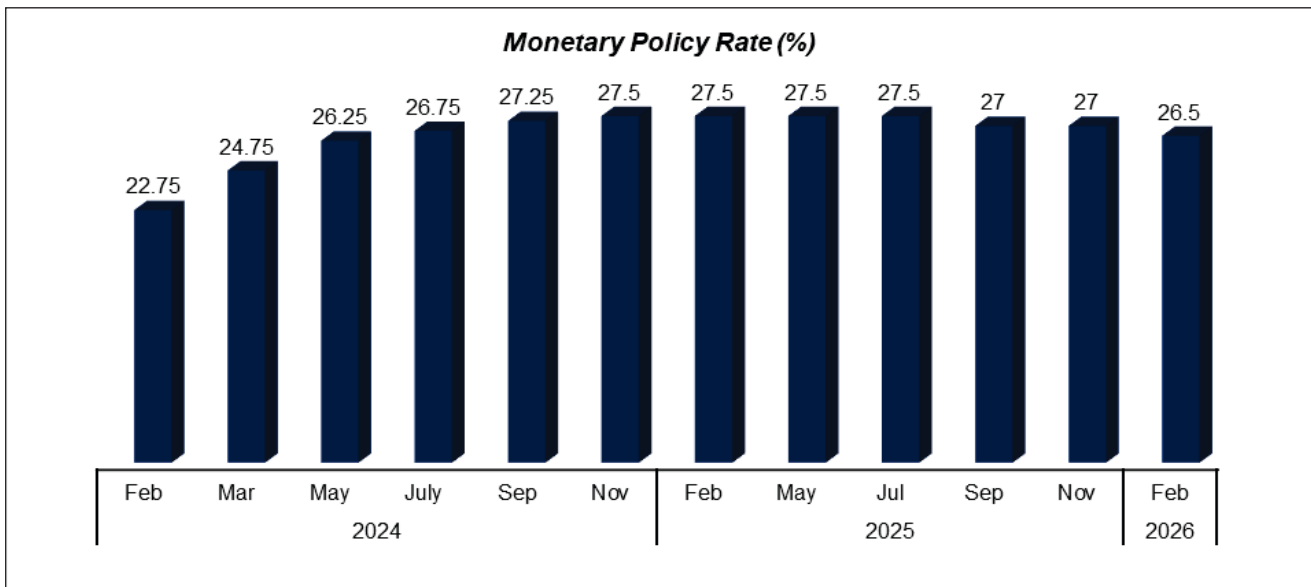


## 2.3 Monetary Policy

At its February 2026 meeting, the Monetary Policy Committee of the Central Bank of Nigeria reduced the Monetary Policy Rate by 50 basis points to 26.50%, signalling a measured adjustment in its policy stance following the previous decision in November. The move reflects an assessment that inflation condition had begun to improve, creating scope to provide limited support for economic activity while preserving overall stability.

The Committee observed that earlier policy actions, combined with greater stability in the

foreign exchange market, had contributed to a moderation in price pressures. At the same time, it noted that risks to the inflation outlook remain present, requiring a cautious and data guided approach to any further adjustments. In this context, the Committee chose to retain all other policy parameters, including the asymmetric corridor around the policy rate at +50 and -450 basis points, maintaining a balance between supporting liquidity conditions and safeguarding price stability.

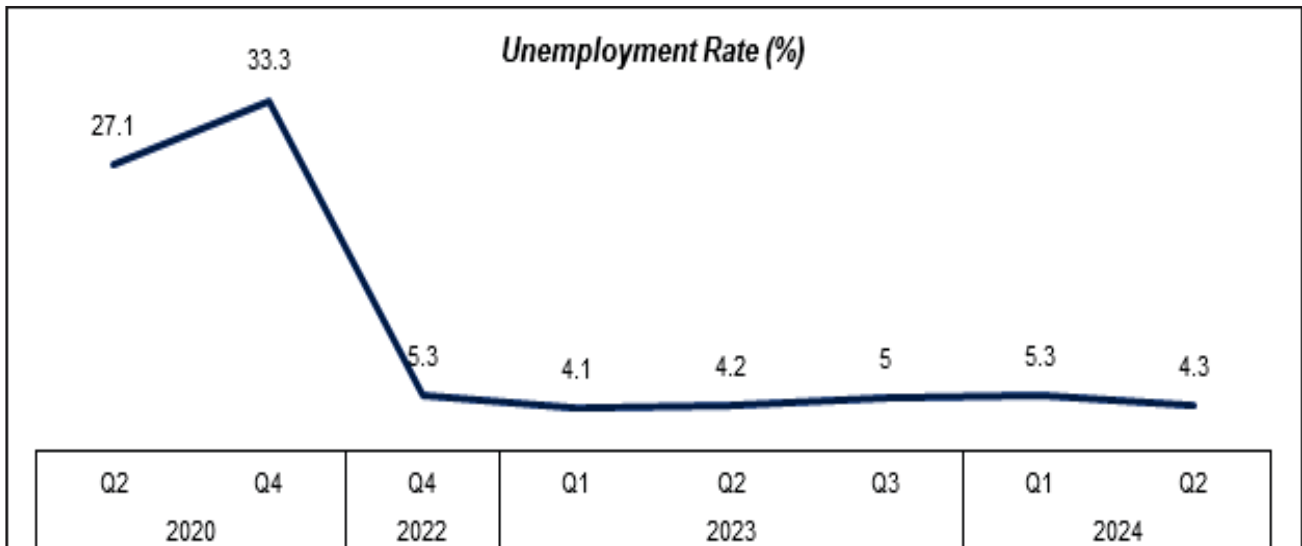
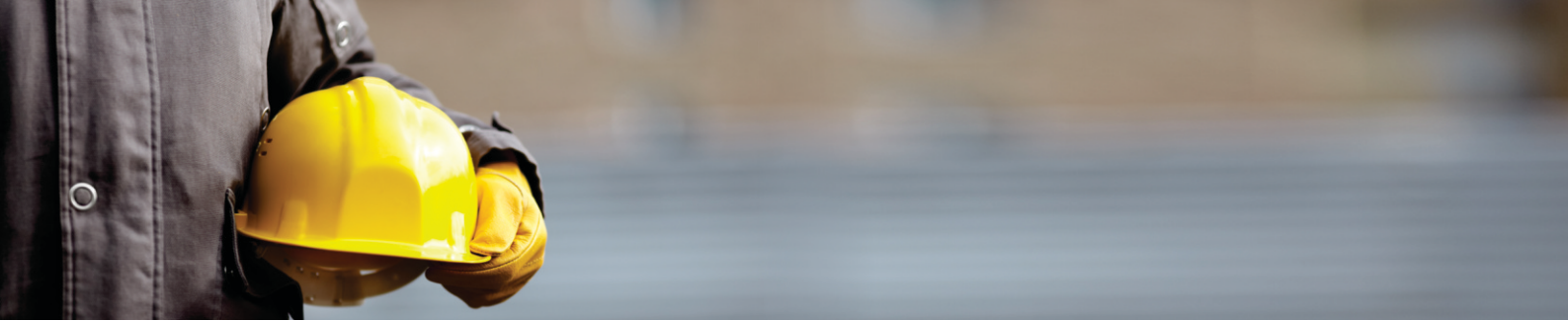


Source: NBS

## 2.4 Unemployment

According to the available Nigeria Labour Force Statistics report, the unemployment rate declined to 4.3% in the second quarter of 2024 from 5.3% in the first quarter of the year. The unemployment rate among young people fell to 6.5% from 8.4% in

the preceding quarter. In addition, time-related underemployment, which captures the share of employed individuals willing and available to work additional hours, declined to 9.2% from 10.6% in the first quarter.

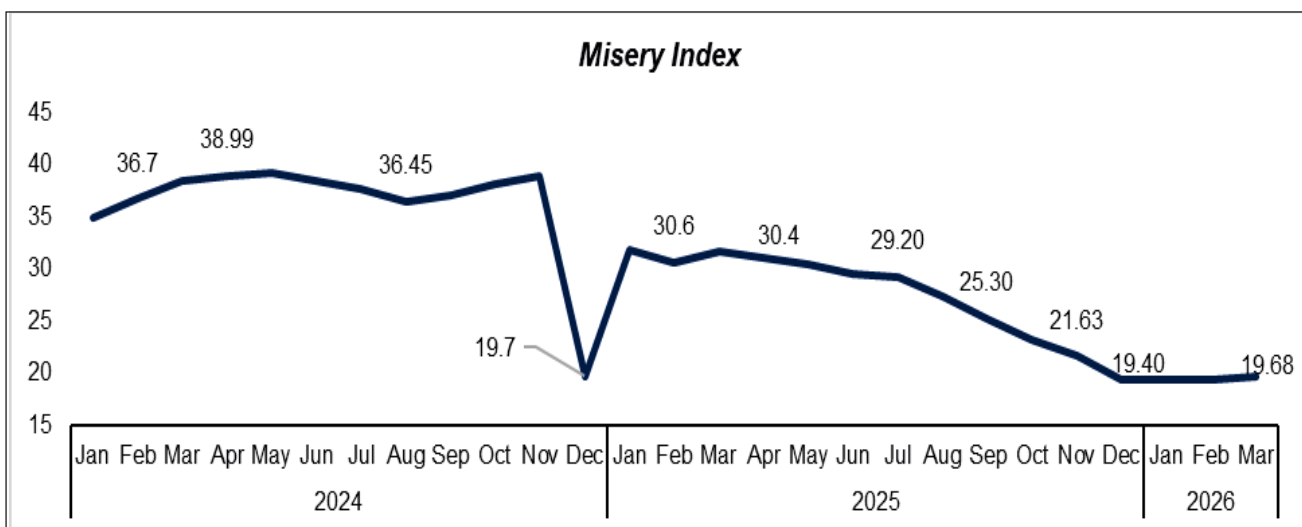


Source: NBS

## 2.5 Misery Index

Nigeria's macroeconomic environment showed continued improvement in Q1 2026, as the Misery Index which combines inflation and unemployment edged lower for most of the quarter before a mild uptick at the end of March which was mainly due to a slight acceleration in headline inflation. The index rose marginally to 19.68% in March 2026, down

from 19.40% recorded in January 2026. Tighter monetary policy by the Central Bank of Nigeria helped curb price pressures and supported naira stability. On the labour side, gradual improvements in economic activity, particularly in non-oil sectors such as services and trade, helped support job creation and ease unemployment pressures.



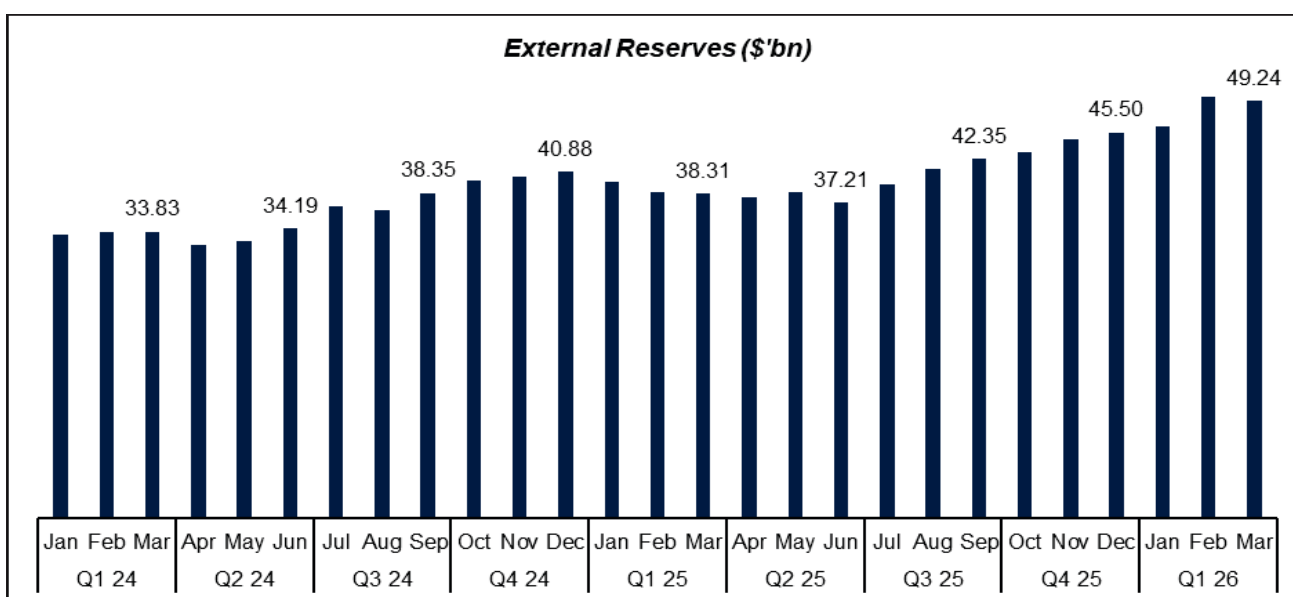
Source: NBS



## 2.6 External Reserves

Nigeria's external reserves strengthened in the first quarter of 2026, rising to US\$49.24 billion by the end of March from US\$45.50 billion in the preceding quarter. This represents an increase of 8.21% and reflects improved conditions in the external sector alongside stronger foreign exchange inflows. The expansion was driven largely by higher crude oil earnings, supported by stable

global prices and improved production levels. In addition, diaspora remittances provided a consistent inflow of foreign currency, contributing to the accumulation of reserves. Monetary conditions also played a role, as policy settings by the Central Bank of Nigeria supported inflows from foreign portfolio investors into domestic financial assets.



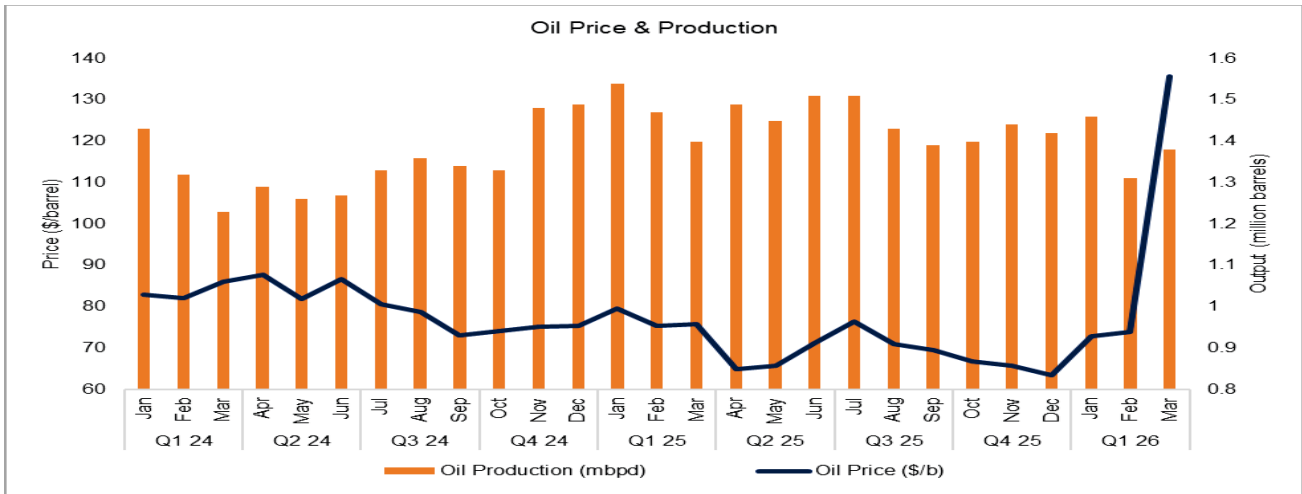
Source: NBS

## 2.7 Oil Price & Production

Crude oil prices recorded a strong upward movement in the first quarter of 2026, reversing the softer conditions observed at the start of the period. Brent crude opened the quarter at US\$62.13 per barrel and increased steadily as geopolitical risks intensified. The escalation of tensions in the Middle East, alongside disruptions to shipping through the Strait of Hormuz, drove prices sharply higher, with Brent reaching US\$135.62 per barrel by the end of March. The quarterly pattern reflects a clear upward trend, with March recording an average price of US\$104.78 per

barrel. Compared with US\$63.35 per barrel in December 2025, the increase represents a significant improvement in oil market conditions, supporting stronger export earnings for Nigeria.

Domestic production trends presented a mixed picture. Crude oil output declined to 1.38 million barrels per day in March from 1.42 million barrels per day at the end of the previous quarter. However, when condensates of approximately 163,251 barrels per day are included, total liquids production increased to 1.55 million barrels per day.



Sources: CBN, NUPRC

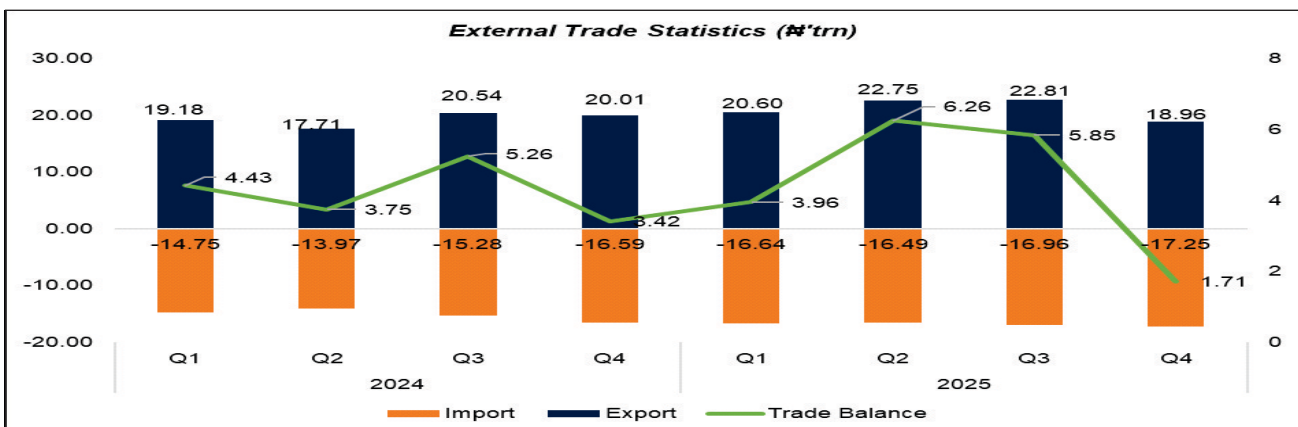
## 2.8 External Trade

Nigeria recorded a positive but narrower merchandise trade surplus in the fourth quarter of 2025, reflecting stronger import demand alongside a decline in crude oil export earnings. According to the National Bureau of Statistics, the trade surplus stood at 1.71 trillion, down from 5.86 trillion in the preceding quarter, indicating a significant shift in the trade balance.

Total merchandise trade amounted to 36.21 trillion, representing a decline of 1.07% compared with 36.60 trillion in the corresponding period of 2024 and an 8.94% reduction from 39.77 trillion in the previous quarter. Exports accounted for 52.36% of total trade, valued at 18.96 trillion, reflecting a decline of 5.25% on a year-on-year

basis and 16.88% relative to the previous quarter. The reduction was driven largely by weaker crude oil shipments. Crude oil exports fell to 9.70 trillion, accounting for 51.17% of total exports, representing declines of 29.60% compared with Q4 2024 and 24.24% from the preceding quarter.

Imports rose to 17.25 trillion, an increase of 3.98% on a year-on-year basis, supported by continued demand for refined petroleum products, vehicles, and other goods. While non-oil exports and other petroleum products provided some support, the continued reliance on crude oil remains a key constraint on export performance and the overall size of the trade surplus.



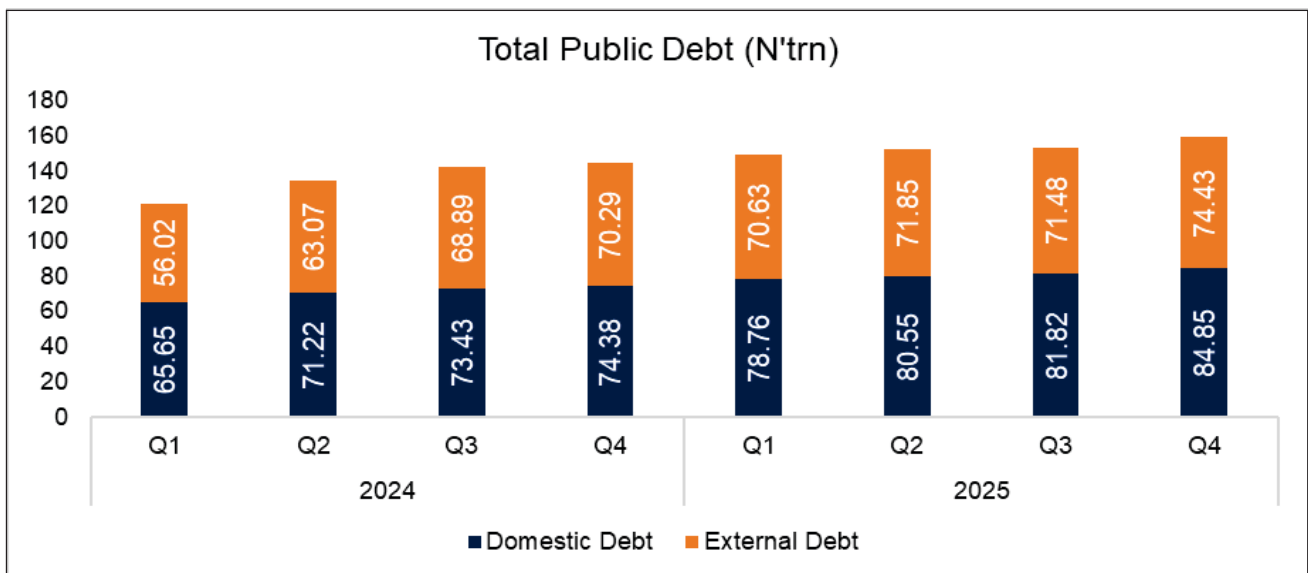
Source: NBS



## 2.9 Public Debt

According to the Debt Management Office, Nigeria's total public debt increased by 3.90% on a quarter-on-quarter basis in the fourth quarter of 2025, rising to 159.28 trillion, equivalent to US\$110.97 billion, from 153.29 trillion, equivalent to US\$103.94 billion, in the preceding quarter. The increase reflects new borrowings from both domestic and external sources, with domestic financing accounting for a larger share of the

expansion. Domestic debt stood at 84.85 trillion, equivalent to US\$59.12 billion, representing 53.27% of total public debt, while external debt amounted to 74.43 trillion, or US\$51.86 billion, accounting for 46.73%. The composition of the debt stock indicates a continued reliance on the domestic market to meet funding requirements, alongside the use of external borrowing as a complementary source of financing.



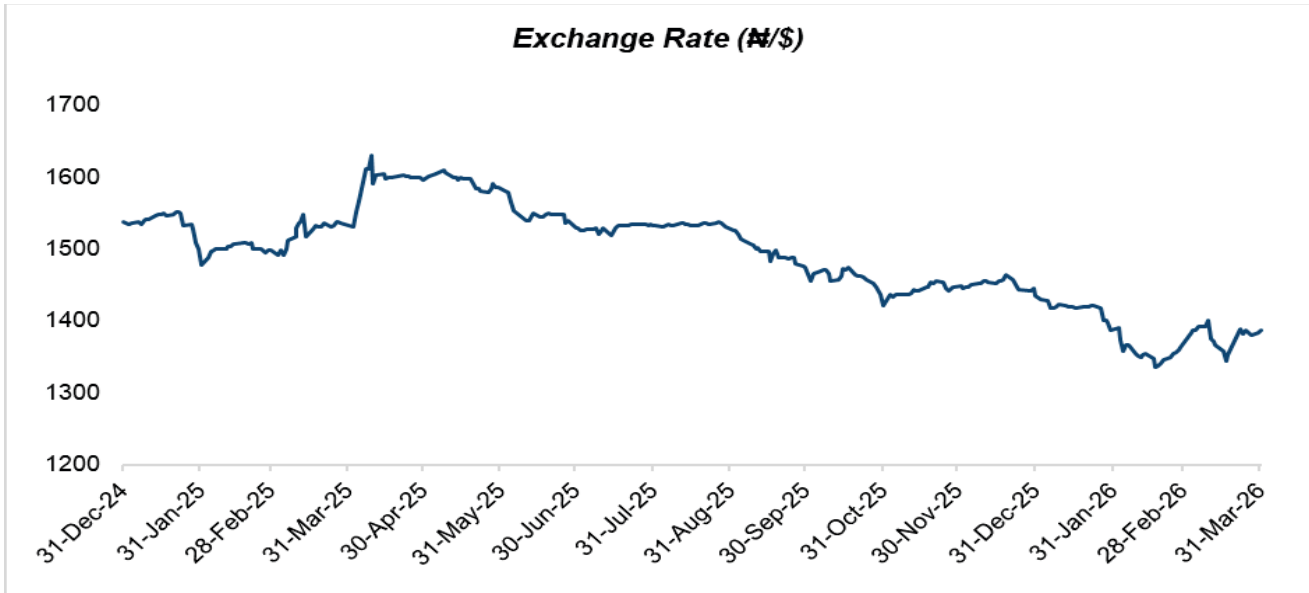
Source: DMO

## 2.10 Exchange Rate

The Nigerian naira strengthened during the first quarter of 2026, extending the period of relative stability observed in preceding months. The currency traded within a range of 1,434.21 to 1,336.67 per US\$ over the quarter, supported by improved conditions in the foreign exchange market. Strong portfolio and foreign capital inflows, attracted by elevated domestic interest rates and favourable returns on local assets, contributed to increased supply of foreign currency.

improvements in the foreign exchange auction framework and the continued application of a unified exchange rate system supported more efficient price formation and reduced speculative activity. On the demand side, lower requirements for foreign currency provided additional support. Reduced imports of refined petroleum products, following increased domestic refining capacity, helped moderate dollar demand.

Policy measures by the Central Bank of Nigeria also played a central role. Enhanced transparency,



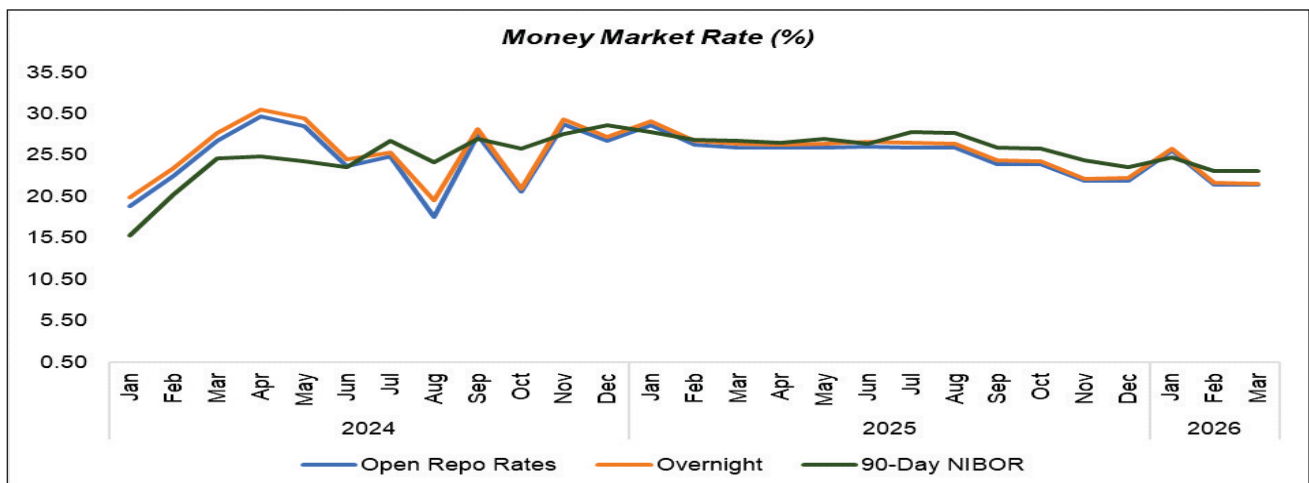
Source: FMDQ

## 2.11. The Money Market

Money market conditions eased during the first quarter of 2026, reflecting improved liquidity across the banking system. Nigeria's Open Repo Rate declined to 22.00%, while the Overnight rate eased to 22.06%, compared with 22.50% and 22.75% respectively at the end of 2025. The improvement was supported by inflows from maturing Open Market Operation bills and FAAC disbursements, which increased system liquidity. A reduction in the scale of liquidity absorption by the Central Bank of Nigeria also contributed to the

decline in short term rates.

Stable foreign exchange conditions and improved investor sentiment further eased funding pressures within the interbank market. As a result, the 90-day Nigerian Interbank Offered Rate declined to 23.64% in the first quarter of 2026 from 24.07% in the preceding quarter. The movement reflects improved liquidity conditions and more favourable funding dynamics across the financial system.



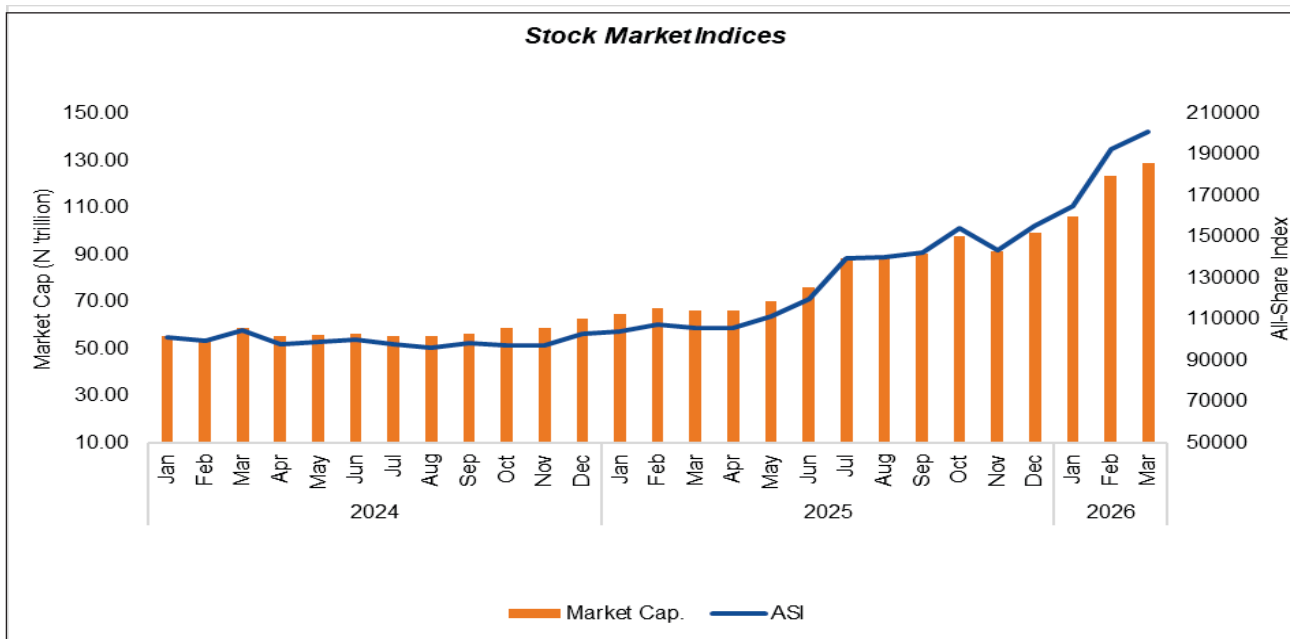
Source: FMDQ



## 2.12. The Stock Market

The Nigerian equities market recorded a strong performance in the first quarter of 2026, with the benchmark All Share Index of the Nigerian Exchange rising by 45,674.75 points to close at 201,287.78 in March, from 155,613.03 in December 2025. This represents a quarter-on-quarter increase of 29.35%, reflecting sustained upward movement in market valuations.

Market capitalisation increased to 129.21 trillion at the end of March, compared with 99.38 trillion in the previous quarter, indicating substantial gains across listed equities. The expansion was driven by price increases in large capitalisation stocks, supported by strong corporate earnings, continued participation by institutional investors, and improved sentiment across the market.



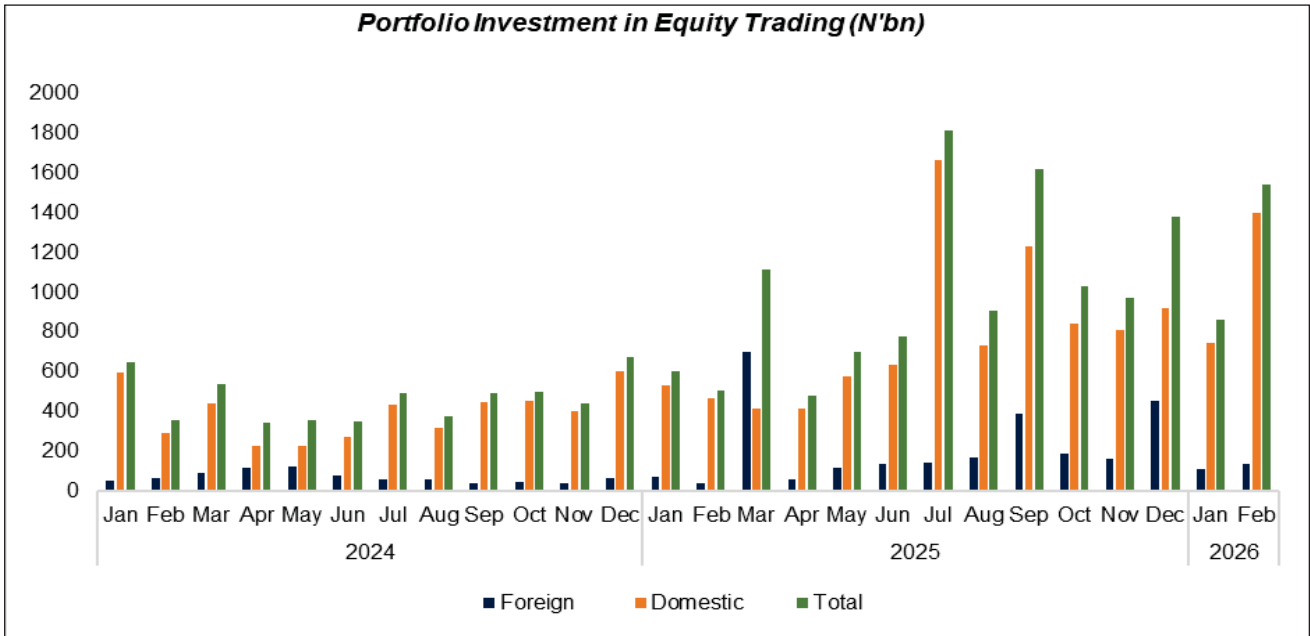
Source: NGX

## 2.13. Portfolio Investment – NGX

On the Nigerian Exchange Limited, foreign investors accounted for 9.01% of total market turnover in February 2026, compared with 13.24% in January. Despite the lower share, the value of foreign transactions increased by 21.81% month on month to 139.03 billion, from 114.14 billion in January. This pattern reflects strong momentum driven by domestic participation alongside a gradual return of offshore investors.

FMDQ Securities Exchange show that total turnover rose to 68.54 trillion in February 2026, representing a month-on-month increase of 12.81% and a year-on-year rise of 14.56% compared with February 2025. Transactions in foreign exchange and central bank bills dominated secondary market activity, accounting for 66.27% of total turnover, indicating the central role of liquidity conditions and currency market dynamics in shaping overall market activity.

Activity across the broader financial markets also strengthened during the period. Data from the



Source: NGX

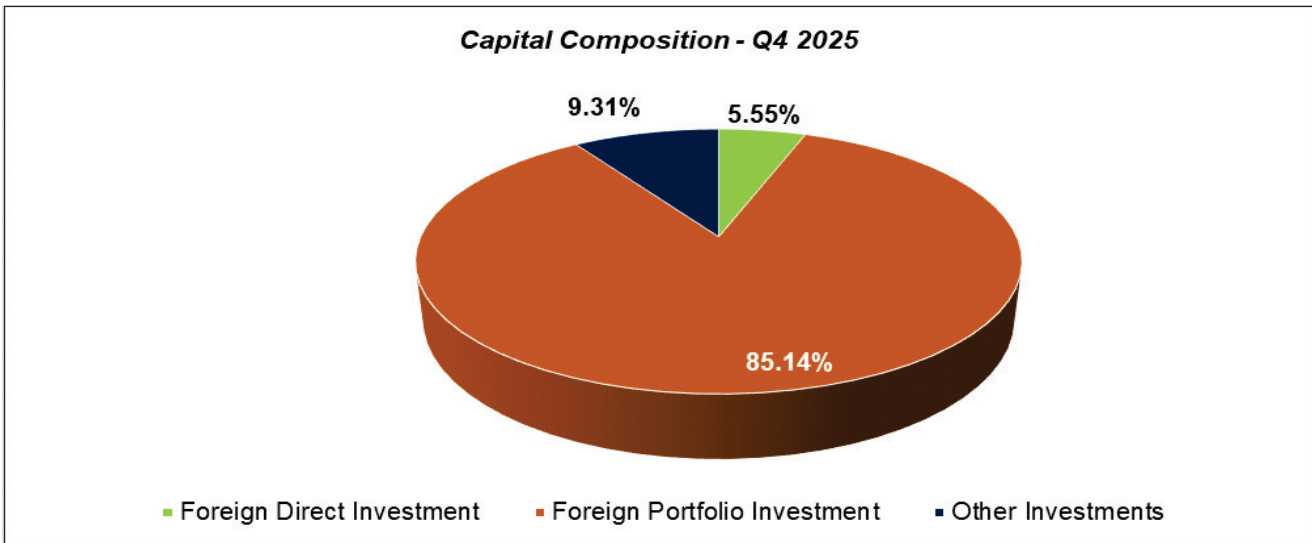
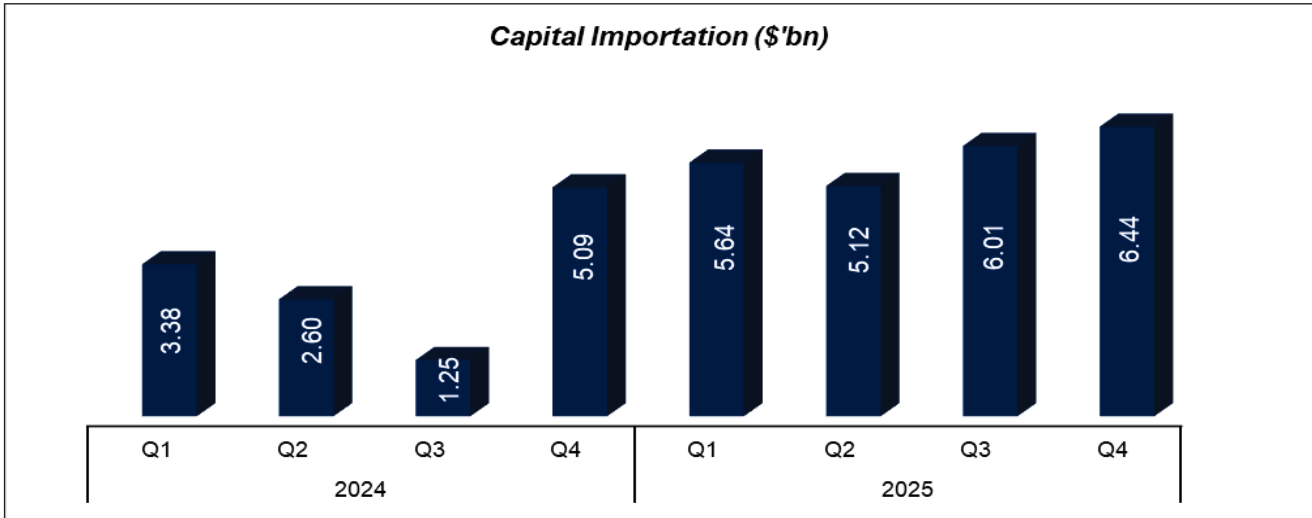
## 2.14. Capital Importation

Nigeria recorded continued growth in capital inflows in the fourth quarter of 2025, with total capital importation rising to US\$6.44 billion, representing an increase of 26.61% compared with US\$5.09 billion in the corresponding period of 2024. On a quarter-on-quarter basis, inflows grew by 7.13% from US\$6.01 billion in the third quarter, reflecting sustained foreign investor interest supported by ongoing macroeconomic reforms and attractive returns in domestic financial markets.

Foreign portfolio investment remained the primary source of inflows, accounting for US\$5.49 billion, or 85.14% of the total. This highlights the continued appeal of Nigeria's financial instruments, particularly money market securities and fixed income assets, to short term investors. Other investments amounted to US\$0.60 billion,

representing 9.31%, while foreign direct investment stood at US\$0.36 billion, or 5.55%, indicating that longer term investment remains relatively limited despite improvements in the broader investment environment.

On a sectoral basis, the banking industry attracted the largest share of inflows at US\$3.85 billion, equivalent to 59.75%, reflecting strong participation in financial assets and related transactions. By country of origin, inflows were led by the United Kingdom at US\$3.73 billion, accounting for 57.94%, followed by the United States at US\$0.84 billion, representing 13.00%. This performance contributed to a strong full-year 2025 total of approximately US\$23.21 billion, marking an 88.5% increase from 2024 and the highest annual level since 2019.

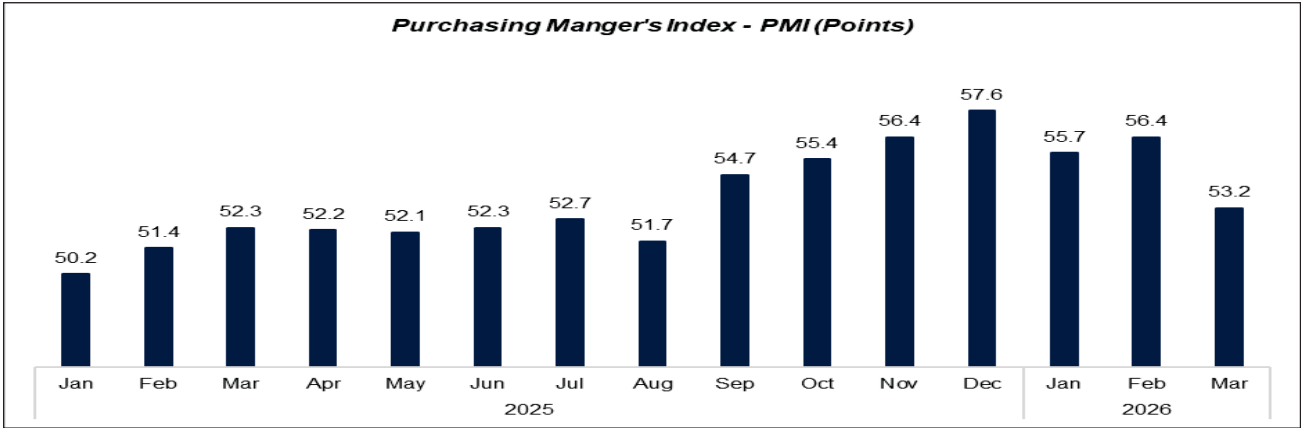


Source: NBS

## 2.15. Purchasing Managers' Index

Nigeria's Purchasing Managers' Index stood at 53.2 points in March 2026, a moderation from 56.4 points in the previous quarter signaling sustained expansion in aggregate economic activity. This marks the sixteenth consecutive month of expansion. While the PMI for March indicated expansion across all surveyed sectors, the pace of growth moderated compared with the previous month. The slowdown is largely attributable to lingering uncertainties from the Middle East conflict, rising input costs, and disruptions in global supply chains, which have increased production

expenses and tempered business optimism. The improvement reflected continued expansion across key employment generating sectors. Agriculture remained robust at 52.8 points, industry strengthened to 54.0 points, while services stayed in expansionary territory at 52.9 points, indicating broad-based expansion in output and business activity. Supporting this trend, 31 of the 36 subsectors reported expansion in economic activity during March 2026, with the Electrical Equipment subsector reporting the strongest growth.



Source: NGX

### 2.16. Credit Ratings

S&P Global Ratings affirmed Nigeria’s sovereign credit ratings at B-/B for foreign and local currency obligations and ng BBB+/ngA-2 long- and short-term Nigeria national scale ratings on the sovereign, while revising the outlook to positive from stable. The outlook upgrade reflects expectations that ongoing economic, fiscal and monetary reforms initiated since mid-2023 will strengthen macroeconomic resilience and support improved medium-term growth across both hydrocarbon and non-hydrocarbon sectors. Key policy measures, including foreign exchange market liberalisation, fuel subsidy removal, fiscal consolidation, enhanced revenue mobilization and rising oil output supported by the Dangote Refinery, have collectively contributed to a more favorable external position and strengthened fiscal fundamentals. Despite geopolitical uncertainties arising from the Middle East crisis, Nigeria’s economy has demonstrated a notable capacity to absorb external shocks, underlining its structural resilience and policy-driven stability.

### 2.17. Socio-Economic Landscape

Nigeria’s policy environment reflects a careful balance between the gains from ongoing structural reforms and emerging macroeconomic risks. The approval of a US\$500 million facility by the World Bank through the International Development Association, under the Nigeria Sustainable Agricultural Value Chains for Growth project, provides a credible medium-term pathway for moderating price pressures.

The programme is designed to address structural constraints within the agricultural sector, including low productivity, climate-related vulnerabilities and limited access to markets. By improving domestic food supply conditions, it is expected to ease pressures on food prices over time. However, the impact is likely to emerge gradually, reflecting the time required for effective implementation and transmission into broader economic outcomes.

At the same time, recent fiscal developments bring into focus a more immediate set of macroeconomic tradeoffs. The approval by the Nigerian Senate of President Bola Tinubu’s request for US\$6 billion in external borrowing, comprising US\$5 billion from First Abu Dhabi Bank and US\$1 billion from UK Export Finance, is intended to finance critical port infrastructure and enhance trade efficiency. While this provides much needed capital to address longstanding infrastructure gaps, it also introduces near term macroeconomic pressures. Increased external borrowing is likely to elevate debt sustainability risks and heighten exposure to external vulnerabilities, especially within an already fragile price environment.



## 2.18. Financial Sector Developments

### Banking Sector Hits Recapitalization Milestone with N4.66 Trillion Raised

The Central Bank of Nigeria's banking sector recapitalization programme, initiated in 2024, recorded strong progress by March 2026, with 33 banks meeting the revised minimum capital requirements and raising an estimated 4.65 trillion, including compliance with the 500 billion threshold for international banks. This marks a key milestone in strengthening the resilience and stability of Nigeria's financial system. This progress was driven by a mix of capital-raising and consolidation strategies, including rights issues, public offers, private placements and selective mergers and acquisitions, executed within the implementation window. Collectively, these actions have enhanced capital buffers, improved loss-absorbing capacity, and reinforced overall sector stability.

**CBN Introduces Risk-Based Comprehensive stress testing framework:** CBN has introduced a comprehensive stress testing framework effective April 1, 2026, to assess the resilience of banks' credit portfolios under adverse economic scenarios. Banks with identified capital shortfalls will be required to raise additional capital within an 18-month remediation window, pointing to a shift toward risk-based supervision. This ensures that recently strengthened capital buffers remain robust under stress conditions, further enhancing broad sector stability and capacity to support sustainable economic growth.

### Fiscal Position:

On the fiscal and external fronts, macroeconomic conditions improved in the first quarter of 2026, supported by ongoing reforms and a more structured financing framework aligned with the government's medium term fiscal strategy. The 2026 Appropriation Bill, initially presented by Bola Tinubu in December 2025 at 58.18 trillion, was revised upward and approved by the National Assembly at 68.3 trillion at the end of March 2026, reflecting increased fiscal commitments.

Total Federal Government revenue is projected at 34.33 trillion, including 4.98 trillion from government owned enterprises. In parallel, the Federal Executive Council approved a 54 trillion Medium Term Expenditure Framework for 2026 to 2028 and Fiscal Strategy Paper, setting out a forward looking fiscal plan anchored on higher oil production assumptions of 2.06 million barrels per day, with a base case of 1.8 million barrels per day and a target of 2.08 million barrels per day, alongside an oil price benchmark of US\$64.85 per barrel.

Despite these improvements, the fiscal position remains under pressure, with a projected deficit of about 20.1 trillion. Debt service obligations continue to absorb a substantial share of expected revenues, highlighting the need for sustained revenue growth and prudent expenditure management to maintain fiscal stability.



# OUTLOOK FOR Q4 2026 NIGERIA



### Section 3

# OUTLOOK FOR Q4 2026 - Nigeria

## GDP Growth

Nigeria's economic growth is projected to remain on an upward path, with expansion of 3.8% to 4.5% in 2026, supported by growth-oriented reforms that are improving stability, investor confidence and sector performance. Easing inflation and lower borrowing costs are expected to support demand and investment. However, risks from the Middle East crisis, particularly through higher energy prices and global uncertainty, could affect this outlook.

## Foreign Exchange

The naira is expected to remain broadly stable in 2026, trading within the 1,300 to 1,400 per US\$ range. This outlook is supported by higher crude oil production, stronger export earnings, and improved foreign exchange inflows, which are likely to enhance market liquidity, anchor expectations and sustain investor confidence, even as external pressures from global developments persist.

## Crude Oil

Oil prices are expected to hover around US\$70 to US\$80 per barrel in 2026, shaped by global supply and demand dynamics and ongoing geopolitical tensions in the Middle East, including risks to flows through the Strait of Hormuz. While supply constraints in some producing countries may place upward pressure on prices, planned output increases by OPEC+ and steady demand from emerging markets are expected to support relative stability within this range.

## Monetary Policy

The outlook for the Monetary Policy Rate points to a moderation to between 20% and 22% by the end of 2026, reflecting the Central Bank of Nigeria effort to balance inflation control with macroeconomic stability amid external pressures from the Middle East conflict. This path is consistent with the broader growth strategy and the objective of achieving a US\$1 trillion economy by 2030, indicating a measured approach that supports stability while sustaining economic expansion.

## Foreign Reserves

The outlook for Nigeria's external reserves remains positive, with levels projected to rise to between US\$51.0 billion and US\$53.0 billion, supported by higher oil export receipts and sustained multilateral inflows. While the Middle East conflict has increased global risk aversion, leading to some portfolio outflows and pressure on the naira, strong reserve buffers, attractive domestic yields, and prudent foreign exchange management by the Central Bank of Nigeria are expected to maintain relative stability. Nonetheless, the trajectory remains sensitive to global financial conditions and geopolitical developments.

## Inflation

Inflation is projected to ease to 12% to 14% by the end of 2026, supported by a tight monetary policy stance that moderates demand and stabilises expectations. This should help contain price pressures and provide some relief. However, the outlook remains vulnerable to the Middle East conflict, as higher oil prices and supply disruptions could raise domestic costs and slow disinflation.

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