

ACCESS **QUARTERLY**

Q3 2025



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Table of Contents

Section 1

GLOBAL ECONOMY	Pg3
1.1 United States	Pg4
1.2 Euro Area	Pg5
1.3 BRICS	Pg5
1.4 Africa	Pg8

Section 2

THE NIGERIAN ECONOMY	Pg13
2.1 GDP Growth	Pg 14
2.2 Inflation	Pg 15
2.3 Monetary Policy	Pg 15
2.4 Unemployment	Pg16
2.5 Misery Index	Pg16
2.6 External Reserves	Pg17
2.7 Oil Price & Production	Pg17
2.8 External Trade	Pg18
2.9 Total Public Debt	Pg18
2.10 Exchange Rate	Pg19
2.11 Money Market	Pg19
2.12 The Stock Market	Pg20
2.13 Portfolio Investment-NGX	Pg20
2.14 Capital Importation	Pg21
2.15 Purchasing Managers' Index (PMI)	Pg22
2.16 Credit Ratings	Pg22
2.17 Socio-Economic Landscape	Pg24
2.18 Financial Sector Developments	Pg24

Section 3

OUTLOOK FOR Q4 2025	Pg24
3.1 GDP Growth	Pg24
3.2 Foreign Exchange	Pg24
3.3 Crude Oil	Pg25
3.4 Monetary Policy	Pg25
3.5 Foreign Reserves	Pg25
3.6 Inflation	Pg25

Section 0.1

GLOBAL ECONOMY

Global Economy: Fragile Recovery Amid Policy Realignments and Market Uncertainty

Global economic activity in the third quarter of 2025 remained fragile and uneven, shaped by the interaction of heightened protectionism, evolving fiscal policies and ongoing structural adjustments. Fiscal expansion across advanced economies has provided temporary support to output; however, it has also intensified concerns about debt sustainability, fiscal discipline and cross-border spillover effects. Concurrently, the reduction in development aid and tightening immigration policies have begun to constrain medium-term growth prospects, particularly in low- and middle-income economies.

Trade tensions and tariff-related disruptions continued to weigh on global supply chains and investor sentiment. Export-oriented economies such as Canada and Switzerland recorded slower growth, reflecting weaker external demand and investment. China has partially offset these headwinds through a mix of currency depreciation, targeted fiscal stimulus, and stronger regional trade integration. Within the euro area, Germany's fiscal expansion has provided modest support to growth. Meanwhile, emerging and developing economies displayed relative resilience, aided by a softer U.S. dollar, improved policy credibility and generally easier financial conditions.

Nonetheless, risks to the global outlook remain firmly skewed to the downside. Persistent policy uncertainty, tightening financial conditions, and fiscal vulnerabilities continue to undermine confidence and investment appetite. Potential corrections in technology valuations - particularly within sectors driven by the AI boom - pose risks to financial markets, while climate-related disruptions and geopolitical flashpoints further threaten macroeconomic stability. Sustained recovery will require credible fiscal management, decisive structural reforms, and enhanced global policy coordination.

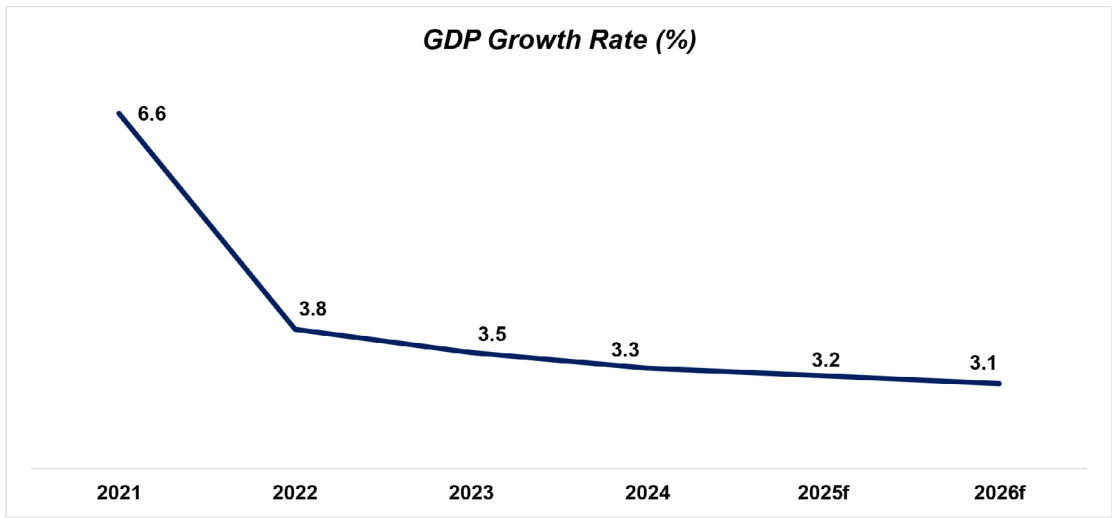
Against this backdrop, the U.S. Federal Reserve implemented its first policy rate cut of the year in September 2025, reducing the target range by 25 basis points to 4.00 - 4.25%. The decision reflected slowing economic momentum and the need to ease restrictive financial conditions. The Fed projects GDP growth of 1.6% in 2025 and 1.8% in 2026. However, it maintained a cautious policy stance, noting that lingering inflationary pressures and a resilient labour market may limit the pace and extent of further monetary easing.

Global business activity moderated slightly during the quarter. The Global Composite PMI declined to 52.4 in September from 52.9 in August, signalling a slower, though still positive, pace of expansion. The deceleration reflected weaker demand in both manufacturing and services, largely due to continuing trade and geopolitical disruptions. Growth across Europe remained uneven - Germany's PMI registered a modest expansion at 52.0, while France slipped deeper into contraction territory at 48.1. In Asia, China's Composite PMI edged higher to 50.6, suggesting marginal improvement but persistent softness in domestic demand.

Commodity markets mirrored the broader uncertainty, with energy prices exhibiting heightened volatility. The OPEC crude oil reference basket averaged \$71.00 per barrel at the start of the quarter before declining to \$68.35 by quarter's end. Early gains were driven by renewed tensions in the Middle East and temporary supply constraints, while the subsequent decline reflected weaker global demand and rising inventory levels.

Despite these challenges, the IMF's October 2025 World Economic Outlook presented a slightly more optimistic global assessment. The Fund revised its growth forecast upward to 3.2% in 2025 and 3.1% in 2026, compared to 3.0% and 3.1% in the July update. The improvement reflects resilient household consumption in advanced economies, easing supply constraints, and gradual recovery in emerging markets. However, the IMF cautioned that persistent geopolitical fragmentation, elevated sovereign debt and uneven disinflation continue to pose significant downside risks, potentially constraining fiscal space and delaying the pace of global recovery.

In summary, the third quarter of 2025 underscored a fragile global equilibrium, characterized by shifting policy dynamics, market volatility and divergent growth trajectories. While resilience in consumption and services has supported output, the interplay of trade disruptions, fiscal uncertainty and cautious monetary adjustments continues to restrain recovery momentum. Policymakers face a delicate balancing act - sustaining growth without compromising price stability or fiscal credibility.



Source: IMF
f – Forecast

UNITED STATES/EURO AREA



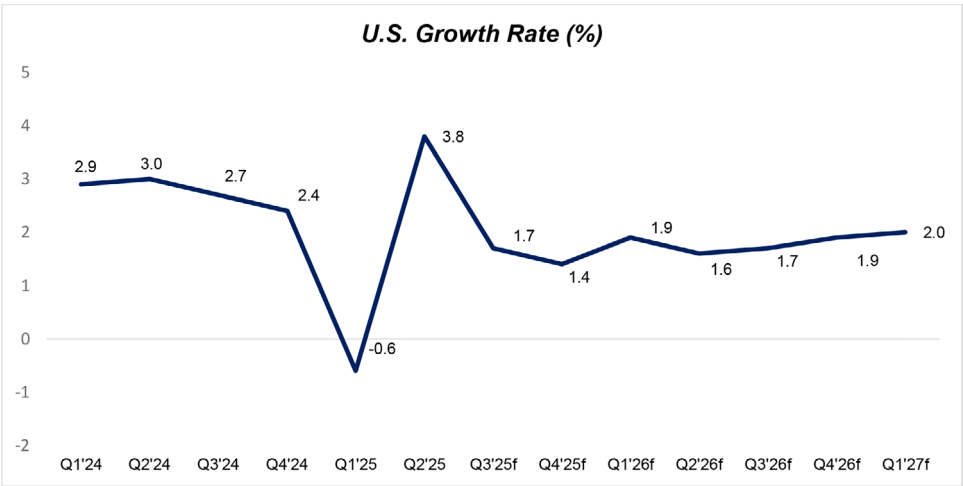
According to the third estimate by the U.S. Bureau of Economic Analysis (BEA), real GDP grew at an annualized rate of 3.8% in Q2 2025, rebounding from a 0.6% contraction in Q1. The recovery highlights the resilience of domestic demand despite a challenging global backdrop, driven mainly by strong consumer spending and a decline in imports. However, gains were tempered by weak business investment, sluggish exports, and negative contributions from private inventories and residential construction - reflecting cautious corporate sentiment and ongoing housing market adjustments. Firms remain conservative in capital deployment amid tighter financial conditions and persistent trade uncertainty, pointing to a more moderate growth trajectory ahead.

Inflationary pressures persisted in August 2025, with headline CPI rising 2.9% year-on-year, the highest since January. The increase was driven by higher prices for food, vehicles, and a modest rebound in energy costs, while shelter inflation remained the strongest upward contributor, pushing monthly CPI up 0.4%. Core inflation held steady at 3.1% year-on-year, with core CPI up 0.3% month-on-month, underscoring sticky underlying price dynamics. Although the Federal Reserve cut its policy rate in September, it emphasized that further easing would remain data-dependent to keep inflation expectations firmly anchored.

The labour market remains robust, though cracks are emerging. The unemployment rate rose slightly to 4.3% in August, from 4.2% in July - the highest level since 2021 - reflecting increased labour force participation and a modest slowdown in job-matching. Long-term unemployment (27 weeks or more) held steady at 1.9 million, about 25.7% of total unemployed, signalling persistent structural frictions.

A new risk layer has emerged with the ongoing federal government shutdown. The U.S. entered a funding lapse at midnight on 1 October 2025, now lasting into its third week. The shutdown is already weighing on growth with broader spillovers to consumer and business confidence. With hundreds of thousands of federal workers furloughed and critical agencies operating at reduced capacity, political resolution remains a key uncertainty for the economic outlook.

In sum, the U.S. economy is in a phase of cyclical rebound, underpinned by resilient consumption and the labour market. Yet business investment remains muted, inflation remains above the comfort zone and the government shutdown adds an unusual and material downside risk. The policy stance remains deliberately cautious: supporting growth while guarding credibility and price stability.



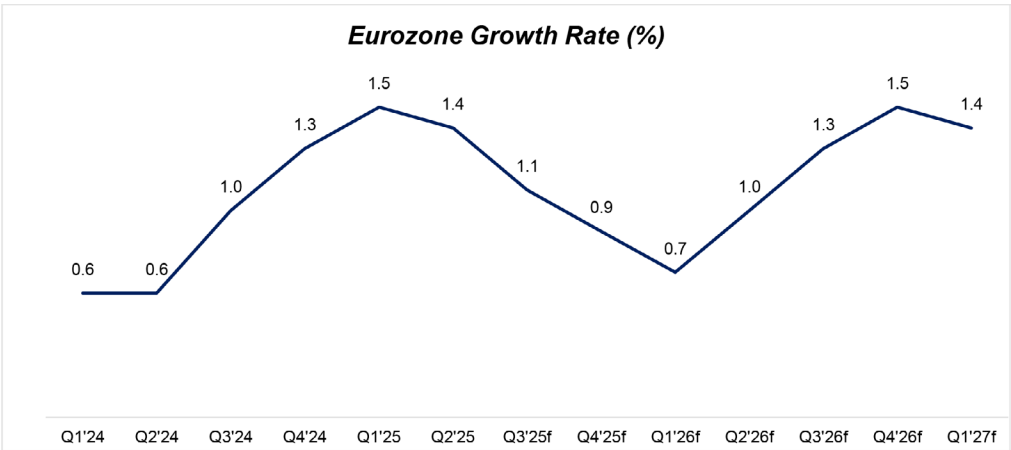
Source: Bloomberg
f – Forecast



Euro area growth remained steady in Q2 2025, with real GDP rising by 1.4% year-on year, only slightly below the 1.5% pace in Q1, according to Eurostat's third estimate. The region's resilience was underpinned by robust household consumption and public spending, which offset weaker business investment and external demand. Growth patterns were mixed: Germany's economy stalled on account of weak industrial output and muted private investment, while Spain grew by 2.8%, supported by strong services and tourism. The Netherlands expanded by 1.5% on firm domestic demand, whereas France and Italy grew by 0.8% and 0.4%, respectively, amid softer consumption. Ireland's exceptional 18.0% expansion, driven by multinational activity, lifted the regional average.

Inflation inched up to 2.2% in September 2025, from 2.0% in August, as energy prices declined more slowly and services inflation stayed high. Core inflation remained at 2.3%, sustained by rising wages and service costs. Moderate price increases in Germany and Italy underscored uneven inflation dynamics. While headline inflation is near the ECB's 2% target, persistent core pressures indicate underlying price stickiness. The ECB is likely to keep rates unchanged, monitoring wage growth and external conditions.

The Eurozone Composite PMI rose to 51.2 in September from 51.0 in August - its highest in nine months- signalling modest but fragile expansion. Growth was services-led, while manufacturing contracted amid weak exports and softer industrial activity. Easing cost pressures and improving domestic demand lifted business confidence, though hiring remained subdued. Overall, the data indicate a gradual, services-driven recovery, constrained by tight financial conditions, uneven inflation, and limited external demand.



Source: Bloomberg
f – Forecast

BRICS⁺



BRICS economies remain a cornerstone of global growth in 2025, contributing over two thirds of global expansion, according to the IMF. Strong momentum in India and China continues to offset slower recoveries in Brazil, Russia and South Africa, reinforcing the bloc's growing influence in shaping global demand and trade flows. Despite high borrowing costs and subdued external trade, BRICS countries are driving a gradual realignment of global economic power toward emerging markets.

India remains the growth anchor of the BRICS bloc, driven by robust domestic demand, a vibrant services sector, and easing inflationary pressures that continue to support investment and private consumption. China's economy maintains moderate momentum, sustained by resilient services activity, targeted fiscal measures, and infrastructure spending. However, industrial production has softened due to weak external demand and ongoing property-sector adjustments, even as policy support has helped stabilize output and employment.

Elsewhere across the bloc, growth has moderated, with Brazil experiencing a slowdown as household spending and public investment ease, though agriculture and utilities continue to provide support. Russia's expansion remains constrained by sanctions, labour shortages, and high defense-related expenditure, while South Africa's recovery is dampened by persistent power shortages and fragile investor confidence. Collectively, these trends highlight a divergent recovery trajectory, with domestic demand strength in Asia offsetting weaker conditions across other BRICS members.

Inflation dynamics remain uneven across BRICS economies. China faces mild deflationary pressure, driven by weak consumer demand and excess capacity. In contrast, Brazil and Russia contend with elevated inflation, fueled by currency volatility, high energy costs, and fiscal imbalances, prompting tight monetary stances. India's inflation has eased toward the RBI's comfort zone, supported by stable food and fuel prices, while South Africa continues to face moderate price growth amid cost-of-living constraints.



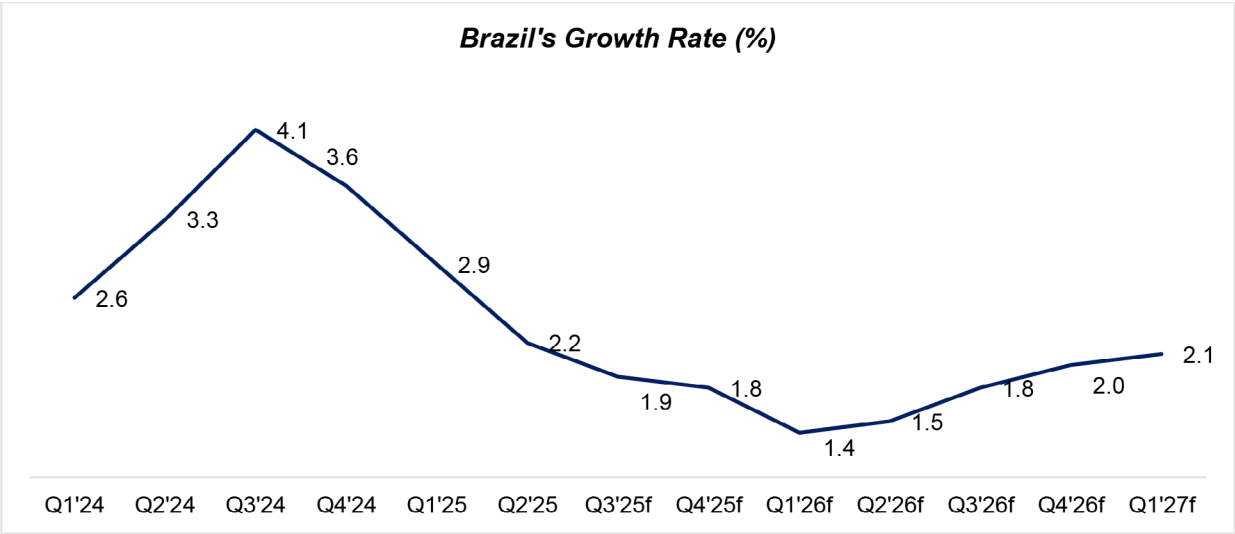
Brazil

Brazil's economic activity decelerated through the third quarter of 2025, reflecting the cumulative effects of restrictive monetary policy, weakening investment appetite, and persistent inflationary pressures. Real GDP growth slowed to 2.2% year-on-year in Q2 2025, down from 2.9% in the preceding quarter, as momentum eased following a robust start to the year. The moderation signalled a transition toward more balanced growth dynamics, with services activity softening while industrial output rebounded from a 0.1% contraction in Q1 to 0.8% growth in Q2, buoyed by transport, manufacturing, and financial services.

However, household consumption lost pace amid elevated borrowing costs and a gradual cooling of the labour market, while fixed investment declined under tighter credit conditions and heightened uncertainty. Agricultural output also edged lower after last year's exceptional harvest, constraining overall expansion.

Inflationary pressures remained stubbornly elevated in September 2025, with headline inflation rising marginally to 5.17% from 5.13% in August, driven primarily by increases in housing and transport costs, including electricity tariff adjustments and higher fuel prices. Although food inflation continued to ease, the pace of moderation slowed, providing limited relief to consumers. With inflation persisting well above the Central Bank's 3% target, policymakers have maintained the Selic rate at a near two-decade high of 15% to anchor expectations and curb price pressures.

Reflecting these challenges, private sector activity weakened further in September, as the Composite PMI declined to 46.0 from 48.8 in August, its lowest level since 2021. The broad-based contraction across manufacturing and services underscores intensifying headwinds from tight financial conditions, sluggish domestic demand and softer external trade.



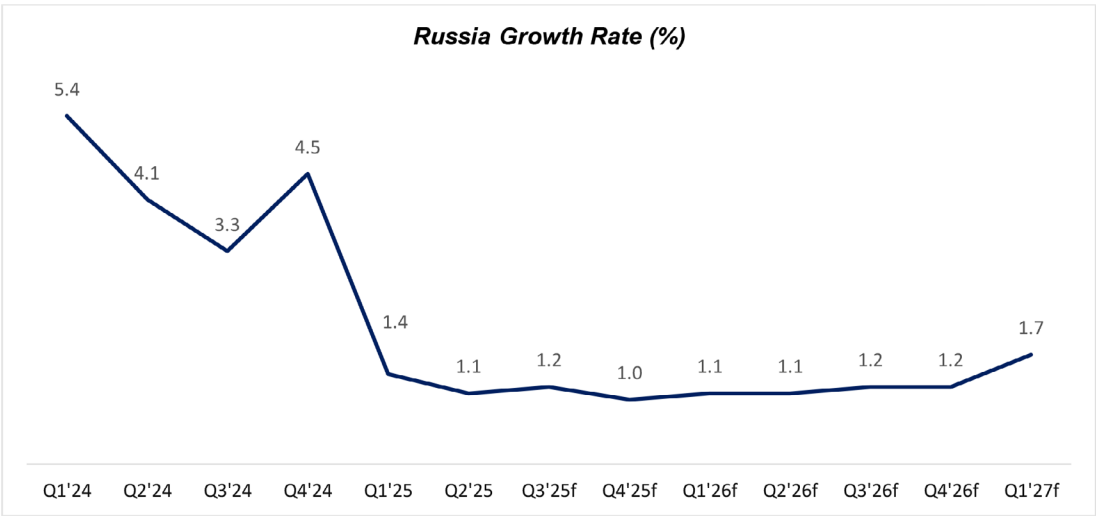
Source: Bloomberg f – Forecast



Russia’s economy grew by 1.1% year-on-year in Q2 2025, down from 1.4% in the previous quarter, signaling a fragile recovery amid tighter financial conditions and ongoing geopolitical pressures. Weaker industrial output, subdued investment and lingering sanctions on trade and capital flows continued to weigh on growth, though fiscal spending and steady energy exports provided partial support.

Inflation eased but remained well above target, aligning with the Bank of Russia’s forecast. Headline inflation slowed to 8.0% in September 2025 from 8.1% in August, the lowest since April 2024. Food inflation declined to 9.5%, while non-food and services inflation held at 3.9% and 11.1%, respectively. Core inflation eased to 7.7%, with monthly prices up 0.3%. Persistent price pressures above the 4% target continue to limit policy flexibility despite recent rate cuts.

Private sector activity contracted further, with the Composite PMI falling to 46.6 in September - the lowest since 2022 and the fourth straight month of decline. Weakness across manufacturing and services underscores the strain from tight credit, muted demand and external constraints, highlighting a fragile outlook for the remainder of 2025.



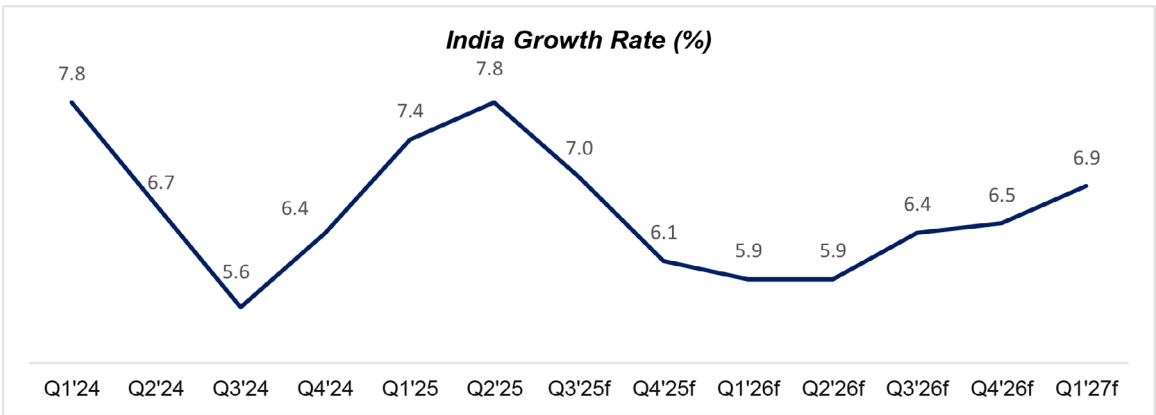
Source: Bloomberg
f – Forecast



India’s economy maintained strong momentum in Q1 FY2025–26 (April–June 2025), expanding by 7.8% year-on-year, up from 7.4% in the previous quarter and 6.5% a year earlier. Growth was driven by robust services activity (9.3%), alongside solid gains in manufacturing (7.7%) and construction (7.6%), reflecting sustained domestic and infrastructure investment. Agriculture grew by 3.7%, while mining (-3.1%) and utilities (0.5%) softened. On the demand side, private consumption rose 7% and government spending increased 9.7%, highlighting firm domestic demand.

Inflation eased sharply, bolstering macroeconomic stability. Headline consumer inflation fell to 1.54% in September 2025, the lowest since 2017, from 2.07% in August. The decline was led by a 2.3% drop in food prices, supported by favorable harvests and improved supply conditions, while fuel and clothing prices also moderated.

In response, the Reserve Bank of India (RBI) kept the repo rate at 5.5% during its October 2025 meeting, maintaining an accommodative stance to balance growth and price stability. Reflecting optimism in the domestic outlook, the RBI raised its FY2025–26 growth forecast to 6.8% and lowered inflation projections to 2.6%, both within its target range. Meanwhile, the Composite PMI eased slightly to 61.0 in September from 63.2 in August, signaling a modest slowdown yet remaining firmly in expansionary territory. Both manufacturing (57.7) and services (60.9) softened on weaker new orders and export demand, though easing input costs aligned with the disinflation trend.



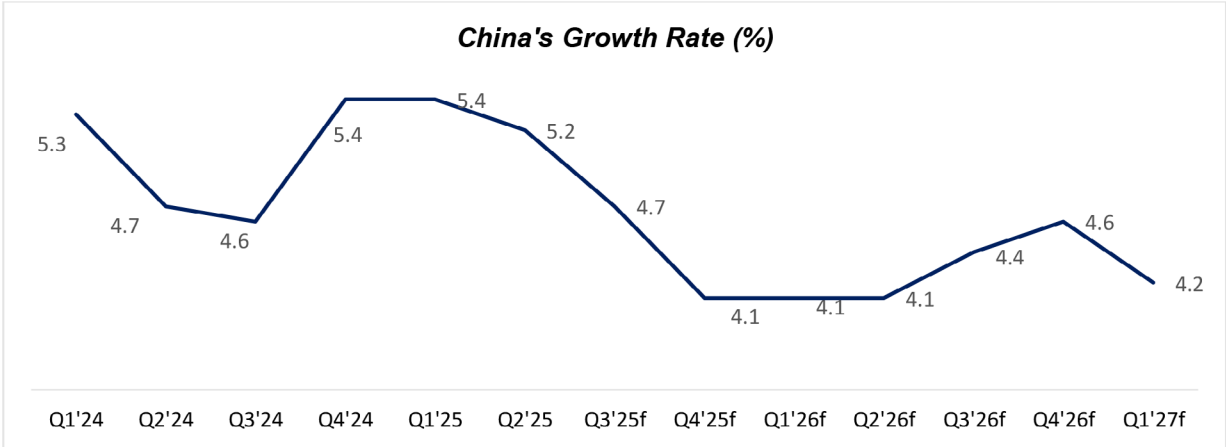
Source: Bloomberg f – Forecast



China’s economy expanded by 5.2% year-on-year in Q2 2025, down slightly from 5.4% in Q1, reflecting weaker consumer momentum and softening investment. Growth was supported by robust industrial output and solid export performance, while services, digital industries, and financial services remained resilient. Final consumption contributed more than half of total growth, with investment and net exports adding modestly. Momentum in high-tech manufacturing and innovation-driven sectors continued to underpin the country’s gradual structural transformation toward sustainable long-term growth.

Inflation remained subdued, with consumer prices falling 0.3% year-on-year in September 2025, extending deflationary trends. Food prices declined 4.4%, led by lower pork prices amid ample supply and weak demand, while non-food inflation rose to 0.7% on higher housing, healthcare and education costs. Core inflation inched up to 1.0%, its highest in 19 months, indicating some stabilization in underlying demand.

Labour market conditions softened, as the unemployment rate edged up to 5.3% in August, the highest since February, reflecting pressures in both urban and migrant labour segments. Nonetheless, private sector activity strengthened, with the Composite PMI rising to 52.5 in September, the highest since mid-2024 and the fourth consecutive month of expansion. Broad-based gains across manufacturing and services and a rebound in new export orders highlight tentative signs of recovery, though overall momentum remains uneven amid deflationary headwinds and fragile consumer confidence.



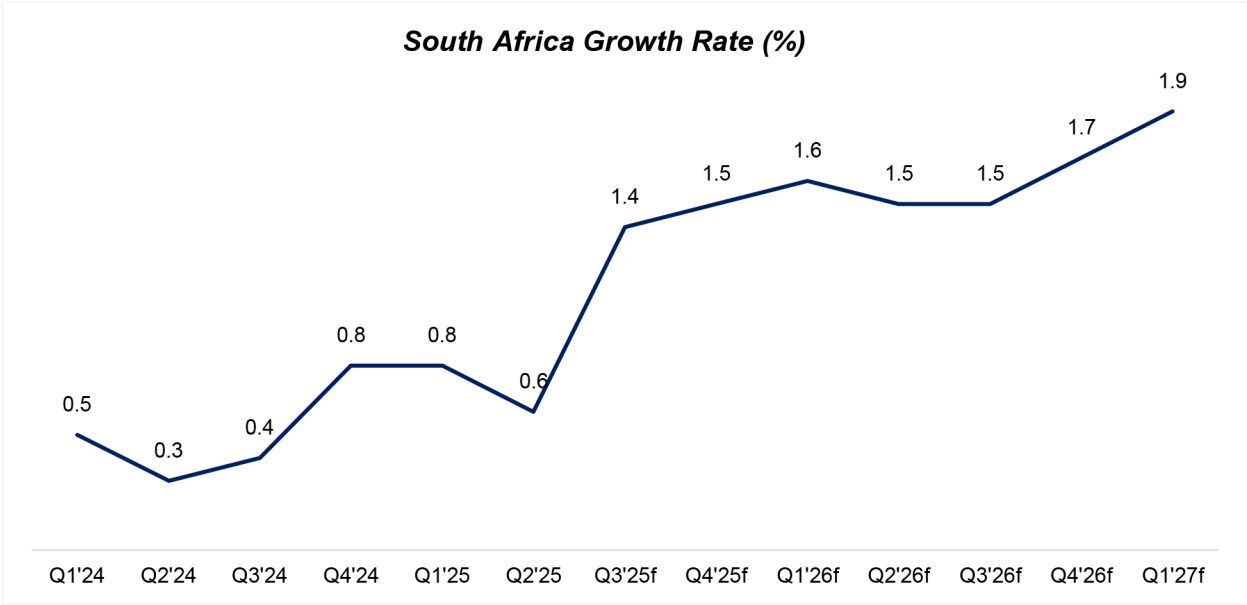
Source: Bloomberg f – Forecast



South Africa's economy expanded by 0.6% year-on-year in Q2 2025, down from 0.8% in the previous quarter, highlighting a fragile and uneven recovery amid persistent structural bottlenecks. The slowdown reflected continued power supply disruptions, subdued private investment and weaker external demand from key partners such as China and the Eurozone. Modest gains in manufacturing and services were offset by contractions in mining and agriculture, while high unemployment, infrastructure gaps and regulatory uncertainty continued to weigh on overall performance.

Inflationary pressures eased further, with headline inflation slowing to 3.3% in August 2025 from 3.5% in July - below market expectations. The decline was driven by lower food prices (5.2%) and a deeper fall in fuel costs (-5.7%), partly offset by a slight rise in core inflation to 3.1%, the highest since March.

Meanwhile, private sector activity showed tentative improvement, as the Composite PMI edged up to 50.2 in September from 50.1 in August, signaling a modest but sustained expansion. Stronger manufacturing output and lower input costs supported the upturn, though employment levels and business sentiment remained muted, underscoring the delicate balance in South Africa's near-term growth outlook.



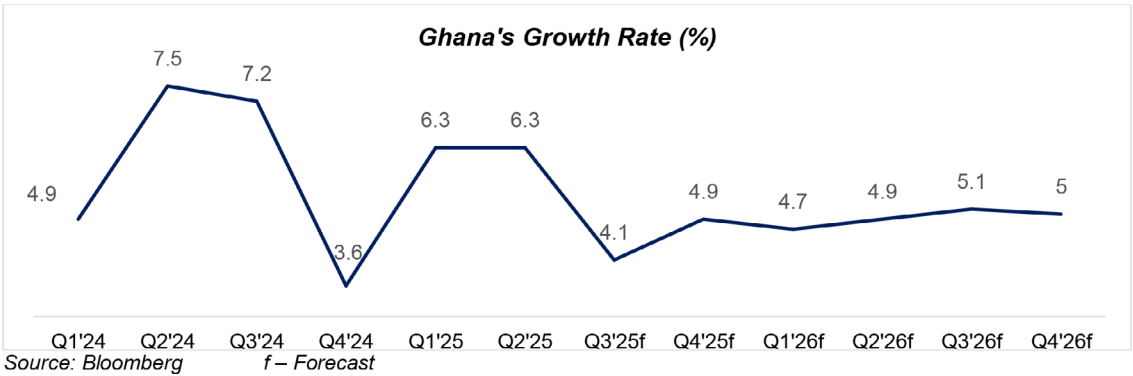
AFRICA



Ghana's economy maintained solid momentum in Q2 2025, with GDP expanding by 6.3% year-on-year, unchanged from the previous quarter and the fastest pace since late 2024. Growth was driven by a robust services sector, led by ICT, education, and finance, alongside steady gains in agriculture. However, industrial output remained weak, constrained by a sharp decline in oil and gas production. On the demand side, private consumption and investment continued to anchor growth, underscoring Ghana's resilient domestic fundamentals despite global uncertainty.

Inflationary pressures continued to ease, reinforcing macroeconomic stability. Headline inflation declined to 9.4% in September 2025 from 11.5% in August, supported by improved food supplies and a stable exchange rate that helped contain import costs. On a monthly basis, prices rose 0.9%, reflecting mild but persistent underlying pressures. The disinflation trend aligns with the Bank of Ghana's objective of restoring price stability while sustaining growth recovery.

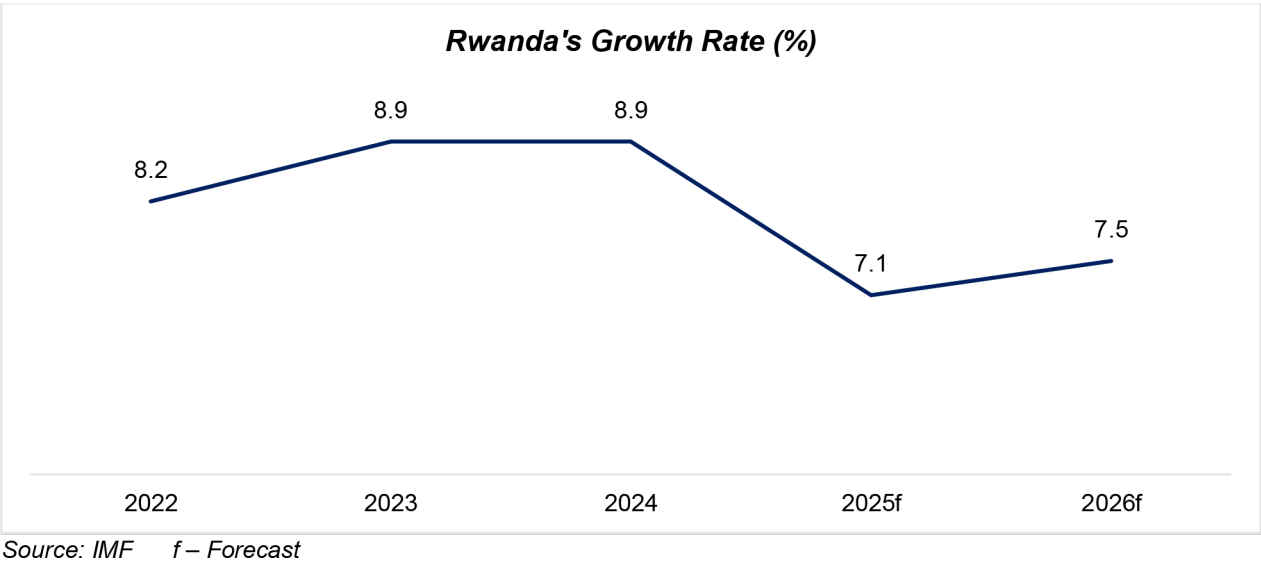
Meanwhile, private sector activity softened, as the Composite PMI slipped to 49.8 in September from 50.8 in August, dipping below the neutral 50.0 mark. The decline reflected weaker new orders and subdued client demand, prompting firms to adopt a more cautious approach to hiring and output expansion. Nonetheless, business confidence remained moderately positive, buoyed by expectations of stronger domestic demand and further inflation moderation in the near term.



Rwanda

Rwanda's economy expanded by 7.8% year-on-year in Q2 2025, the strongest pace since Q2 2024 and up from 6.5% in the previous quarter, reflecting broad-based sectoral gains and resilient domestic demand. The services sector, the main growth driver, rose by 9.0% (from 8%), supported by solid activity in trade, transport and hospitality, contributing 4.3 percentage points to total growth. Industrial output increased by 7.0%, buoyed by manufacturing and construction linked to ongoing infrastructure projects and private investment, while agriculture expanded by 8.0%, driven by a 42% surge in export crops and a 3.0% rise in food crops. According to the National Institute of Statistics of Rwanda, GDP at current prices reached FRW 5,798 billion, up from FRW 4,966 billion a year earlier.

Inflationary pressures continued to ease, with headline inflation falling for a third consecutive month to 6.2% in September 2025 from 6.4% in August, marking a six-month low. Price moderation was led by declines in food and non-alcoholic beverages (4% vs. 5%) and clothing and footwear (5.4% vs. 6.2%). However, costs rose in healthcare (62.5%), reflecting exchange rate weakness and heavy import dependence on medical supplies. Increases were also recorded in education, transport, housing, and hospitality services. On a monthly basis, consumer prices rose 1.3%, following a 0.7% increase in August.





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Section 2

THE NIGERIAN ECONOMY

Nigeria's economy exhibited notable resilience and improving macroeconomic stability in the third quarter of 2025, underpinned by sustained fiscal and monetary coordination, easing inflationary pressures and a more stable exchange rate environment. The alignment of policy measures has reinforced investor confidence, improved foreign exchange liquidity and set the foundation for a more durable growth trajectory.

In September 2025, the Central Bank of Nigeria (CBN) implemented its first policy rate adjustment of the year, cutting the Monetary Policy Rate (MPR) by 50 basis points to 27.0%. This cautious move marked the beginning of a measured shift toward monetary easing, following five consecutive months of moderating inflation and an appreciating naira. The decision, which came after three policy meetings of rate retention, reflected the authorities' confidence in the disinflation process and their commitment to supporting credit expansion and investment-led growth.

The foreign exchange market showed further signs of stability, with the naira trading within a managed range of ₦1,460 - ₦1,570 per US dollar throughout Q3 2025. This was sustained by targeted CBN interventions, improved FX supply from oil exports and remittances and renewed portfolio inflows, encouraged by enhanced market transparency and ongoing reform momentum in the foreign exchange regime.

Economic performance remained upbeat, with real GDP expanding by 4.23% year-on-year in Q2 2025, according to the National Bureau of Statistics (NBS). The CBN projects full-year growth at 4.17%, while the IMF and World Bank maintain slightly lower forecasts of 3.9% and 4.2%, respectively. Both institutions point to increasing oil output, structural reforms at the Nigerian National Petroleum Company Limited (NNPCL) and renewed private investment in energy and infrastructure as the primary drivers of medium-term expansion.

Inflationary pressures, while still elevated, have continued to moderate steadily. Headline inflation eased to 18.02% year-on-year in September 2025, reflecting improved FX market stability, gradual normalization of food supply chains and moderated import costs. However, core inflation remains under pressure from energy, transport and imported input costs, underscoring the need for continued policy vigilance to protect household purchasing power.

On the fiscal and external fronts, Nigeria's macroeconomic fundamentals are gradually strengthening. The government has intensified efforts to broaden the revenue base through improved tax administration and compliance, while pursuing strategic external financing to support fiscal sustainability. Plans are underway to raise approximately \$2.8 billion through a mix of sovereign sukuk issuance and international loans, complemented by a \$500 million budget-support facility from the African Development Bank (AfDB) to reinforce fiscal buffers and sustain the reform drive.

Overall, Nigeria's near-term outlook remains positive, anchored by policy consistency, reform implementation and strengthening investor sentiment. Nonetheless, risks persist from volatile global oil prices, domestic security challenges and lingering cost pressures, which could temper the pace of recovery if unaddressed. Continued progress in fiscal consolidation, diversification and structural reforms will be critical to sustaining macroeconomic stability and achieving inclusive growth over the medium term.

Nigeria’s Economy at a Glance – Q3 2025

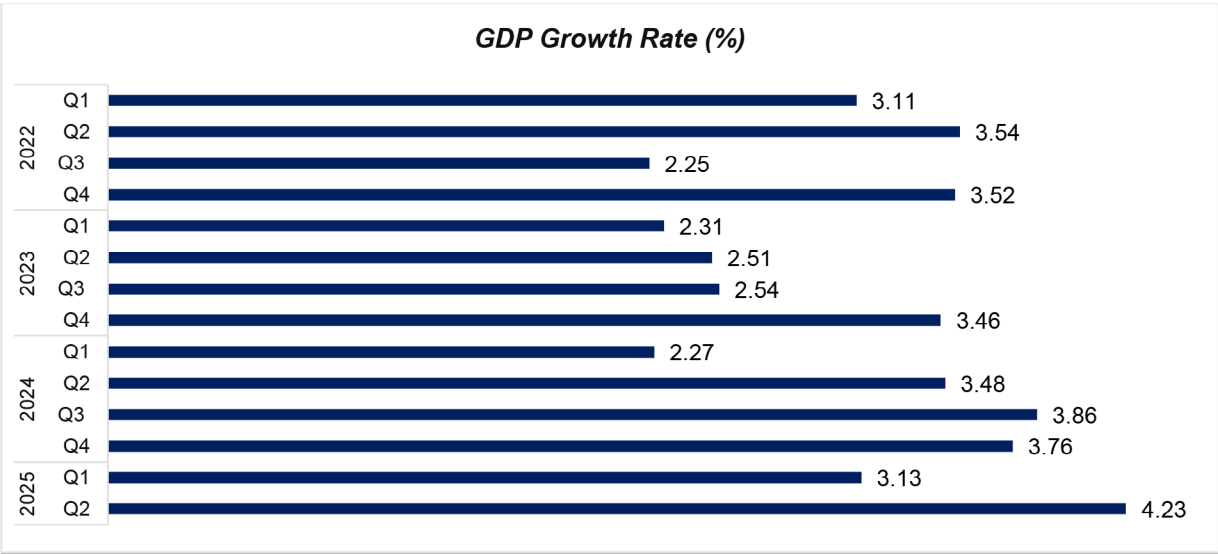
Real GDP rose to 4.23% in Q2 2025 compared to 3.13% in Q1 2025	Oil prices rose to \$69.20/b in Sept 2025 from \$68.35/b posted in June 2025	Exchange rate appreciated to ₦1,474.85/\$ in Sept 2025 from ₦1,529.21/\$ in June 2025
The ASI surged to 142,710.48 points in Sept 2025 from 119,978.57 points in June 2025	Reserves rose to \$42.35bn in Sept 2025 from \$37.21bn in June 2025	Inflation printed at 18.02% in September 2025 compared to 22.22% in June 2025
Composite PMI rose to 54.0 points in Sept 2025 from 52.3 points in June 2025	The MPR declined to 27.00% from 27.50% in July 2025	Oil production declined to 1.3mbpd in September 2025 from 1.51mbpd in June 2025

2.1. GDP Growth

Nigeria's economy expanded by 4.23% year-on-year in Q2 2025, accelerating from 3.48% in Q2 2024 and 3.13% in Q1 2025, reflecting renewed momentum following the re-basing of national accounts to a 2019 base year. The revision provides a more accurate reflection of current economic dynamics, with earlier GDP estimates adjusted for consistency. Growth remained broad-based across industry, agriculture, and services, underscoring domestic resilience and reform impact. The services sector continued to drive activity, expanding by 3.94% and accounting for 56.63% of total output, supported by strong performances in finance and telecommunications.

In the industrial sector, output improved notably, led by rebounds in coal mining, quarrying, and rail transport. Coal production rose 57.5% after four quarters of decline, driven by higher power demand, mine rehabilitation, and the push for energy diversification. The oil sector grew by 20.46% year-on-year, up sharply from 10.08% in Q2 2024, buoyed by improved security, pipeline repairs and stronger upstream compliance, which lifted GDP and fiscal revenues.

The non-oil sector also strengthened, expanding by 3.64% year-on-year from 3.26% in Q2 2024, reflecting gradual improvement in domestic activity and business sentiment under a more stable macroeconomic environment.

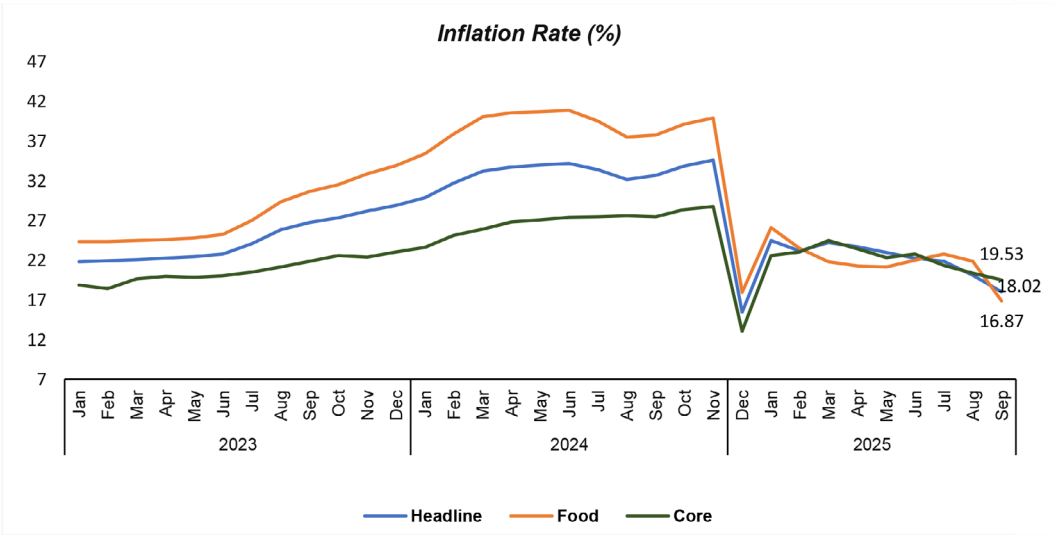


2.2 Inflation

Nigeria's inflation trajectory continued to ease in Q3 2025, reflecting the combined impact of CPI rebasing adjustments, favorable base effects, and a more stable macroeconomic environment that sustained the disinflation trend. Headline inflation declined for the sixth consecutive month, falling to 18.02% in September 2025 from 20.12% in August, supported by foreign exchange stability, the main harvest season and base effects from the CPI rebasing earlier in the year.

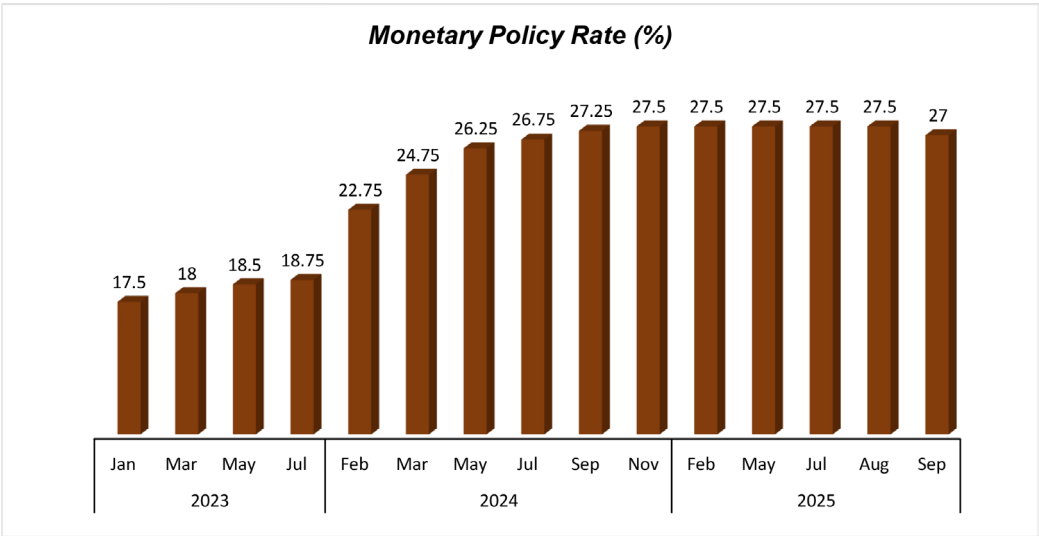
Food inflation, which carries the largest weight in the CPI basket, fell sharply to a five year low of 16.87% from 21.87% in August, reflecting improved agricultural supply conditions and enhanced food distribution channels. Likewise, core inflation - which excludes food and energy - moderated to 19.53% from 20.3% in July, signalling easing pressures in housing, transport and utilities.

Despite lingering risks from energy costs and global commodity price volatility, the overall inflation outlook remains positive. The sustained stability of the naira continues to anchor imported prices, while consistent macroeconomic policies are expected to reinforce the disinflation momentum and strengthen price stability in the coming months.



2.3 Monetary Policy

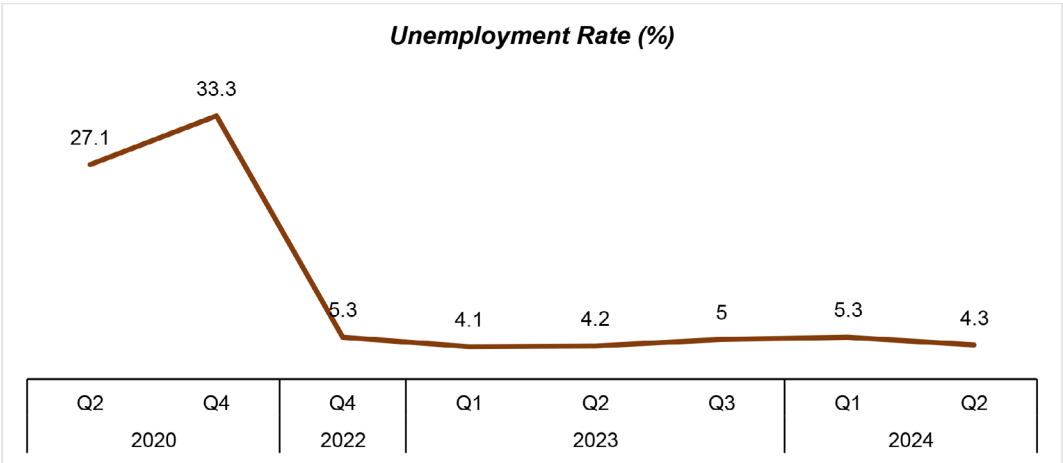
At its September 2025 meeting, the Central Bank of Nigeria's (CBN) Monetary Policy Committee (MPC) reduced the Monetary Policy Rate (MPR) by 50 basis points to 27%, marking its first-rate adjustment of the year after three consecutive holds. The move reflected confidence in Nigeria's sustained disinflation trend, a stronger naira, and expectations of further price moderation through 2025. To strengthen policy transmission and market efficiency, the MPC also adjusted the Standing Facilities corridor to +250/- 250 basis points around the MPR. In addition, the Committee reduced the Cash Reserve Ratio (CRR) for deposit money banks by 5%, while increasing the CRR on non-TSA public sector deposits to 75% to better manage liquidity amid rising fiscal inflows. Collectively, these measures are aimed at balancing growth support with price and financial stability objectives.



Source: NBS

2.4 Unemployment

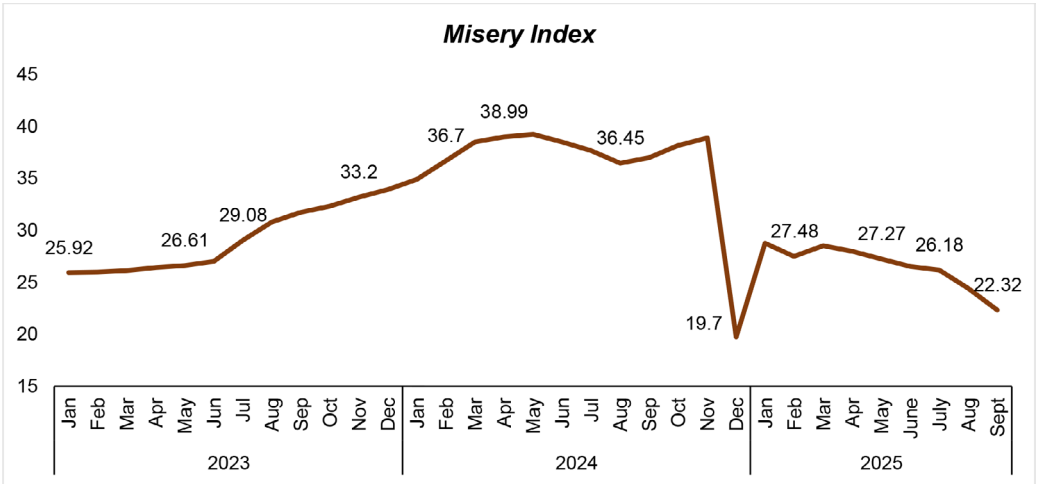
The Nigeria Labor Force Statistics report for Q2 2024 revealed that the unemployment rate decreased to 4.3%, down from 5.3% in Q1 2024. The youth unemployment rate decreased to 6.5% in Q2 2024, down from 8.4% in Q1 2024, reflecting a notable improvement in labor market conditions for this demographic. The report also highlighted that time-related underemployment, which measures the proportion of workers available for additional work hours, decreased to 9.2 per cent in Q2 2024 from 10.6 per cent in Q1 2024.



Source: NBS

2.5 Misery Index

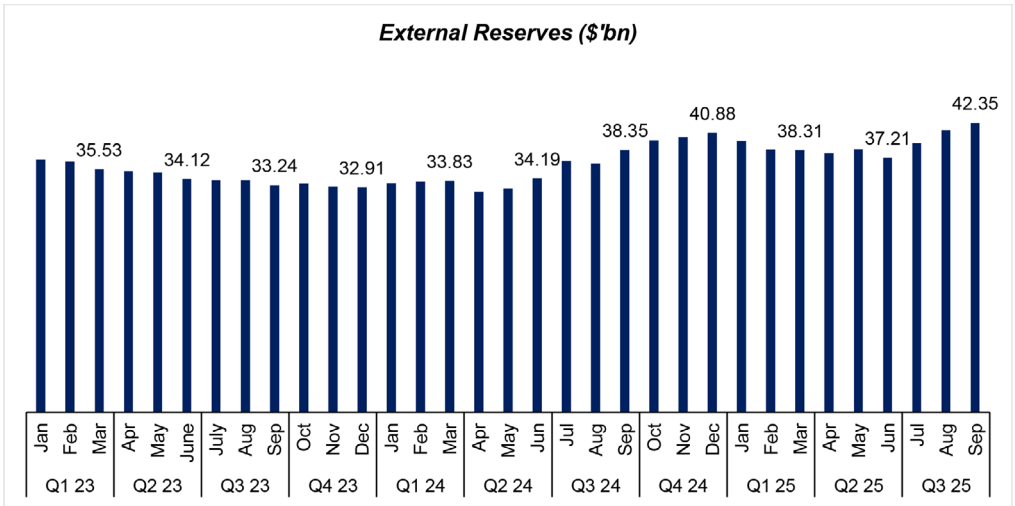
Nigeria's macroeconomic environment strengthened notably in Q3 2025, as the Misery Index - a composite indicator combining inflation and unemployment - fell by 420 basis points to 22.32% in September, from 26.52% in June. This improvement reflects the favorable impact of the rebased Consumer Price Index (CPI), which more accurately represents current consumption dynamics, alongside sustained disinflation and gradual stabilization in labour market conditions. The moderation in the index underscores a mild but steady recovery in household welfare, supported by improved policy coordination and a more stable macroeconomic framework.



Source: NBS

2.6 External Reserves

Nigeria's external reserves strengthened markedly, rising to \$42.35 billion at end-Q3 2025, a 13.8% increase from \$37.21 billion in Q2 2025. The buildup reflects improved foreign exchange inflows, supported by higher crude oil receipts amid increased domestic fuel production and renewed portfolio investment. This upward trend underscores stronger foreign exchange liquidity, which has eased pressure on the naira and enhanced the Central Bank's capacity to sustain currency stability. The growing reserves also provide a firmer buffer against external shocks, reinforcing investor confidence in Nigeria's external position and overall macroeconomic resilience.

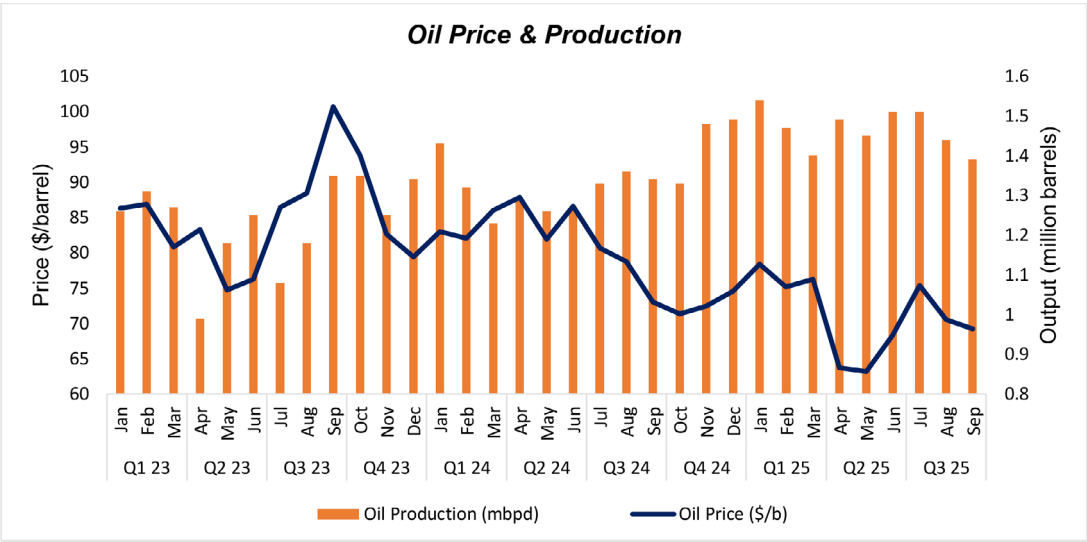


Source: CBN

2.7 Oil Price & Production

Crude oil prices showed mild volatility toward the end of Q3 2025, though remained relatively firm overall. The uptick reflected stronger seasonal demand, supply adjustments within OPEC+, and improved market sentiment despite rising non-OPEC+ production, particularly from the United States. Consequently, Brent crude averaged \$70.41 per barrel in September 2025, up from \$67.33 per barrel in Q2 2025.

Nigeria's crude oil production fell to 1.39 million barrels per day (mb/d) in September 2025, marking a second consecutive monthly decline and the lowest level since February 2024 (1.32 mb/d). However, including condensates of about 0.19 mb/d, total output stood at approximately 1.58 mb/d. While production challenges persist, ongoing reforms in the upstream sector and improved security around oil infrastructure are expected to support gradual output recovery in the coming months.



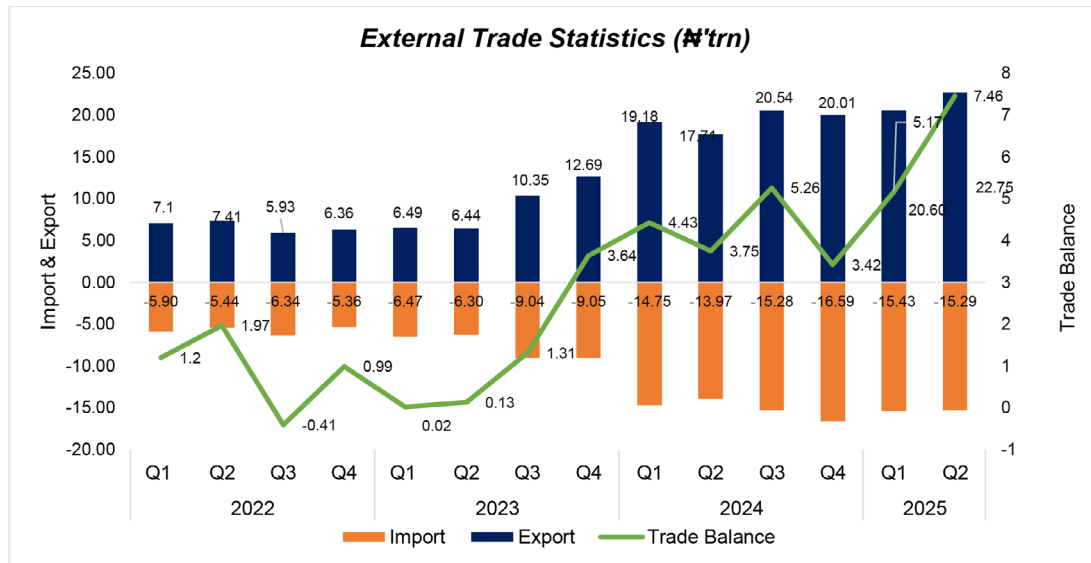
Sources: CBN, NUPRC

2.8 External Trade

Nigeria's trade position strengthened notably in Q2 2025, with the trade surplus widening to ₦7.46 trillion from ₦5.17 trillion in Q1 2025, according to the National Bureau of Statistics (NBS). The improvement reflected higher crude oil export receipts, reduced refined fuel imports and reforms in the foreign exchange market that enhanced trade settlement efficiency.

The total merchandise trade rose to ₦38.04 trillion, up 5.6% quarter-on-quarter and 20.1% year-on-year, underscoring the resilience of external trade amid global headwinds. Export earnings increased by 10.5% to ₦22.75 trillion, representing 59.8% of total trade, while imports declined marginally by 0.9% to ₦15.29 trillion, reflecting continued import substitution and gradual improvement in local production capacity.

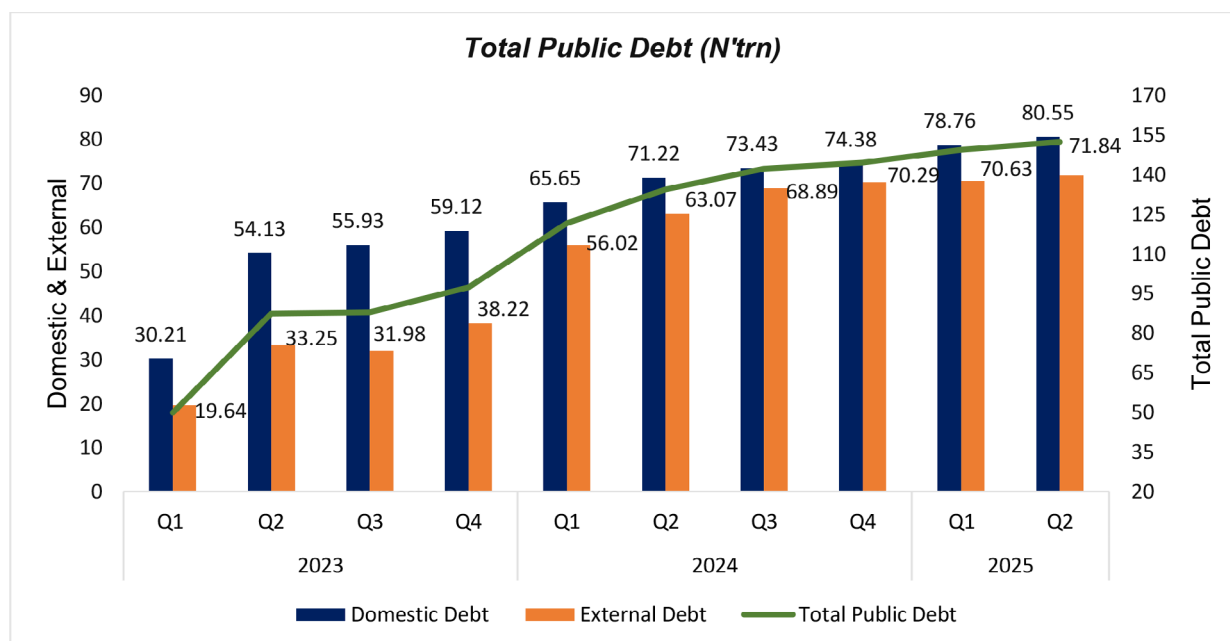
Crude oil exports remained dominant at ₦11.97 trillion (or 52.6% of total exports), while non-oil exports - comprising agriculture, solid minerals, and manufactured goods - expanded to ₦10.78 trillion (or 47.4%). This broad-based performance highlights steady progress in Nigeria's diversification agenda and the positive impact of industrial and export promotion reforms.



Source: NBS

2.9 Total Public Debt

According to the Debt Management Office (DMO), Nigeria's total public debt stock increased marginally by 2.01% in the second quarter of 2025, reaching ₦152.40 trillion (\$99.66 billion) from ₦149.39 trillion (\$97.24 billion) recorded in Q1 2025. The increase was largely attributed to additional domestic borrowings and disbursements from existing multilateral and bilateral credit facilities. The debt composition indicates a near-even distribution between domestic and external obligations. Domestic debt accounted for ₦80.55 trillion (\$52.67 billion), representing 52.86% of the total debt stock, while external debt stood at ₦71.84 trillion (\$46.98 billion), making up the remaining 47.14%.

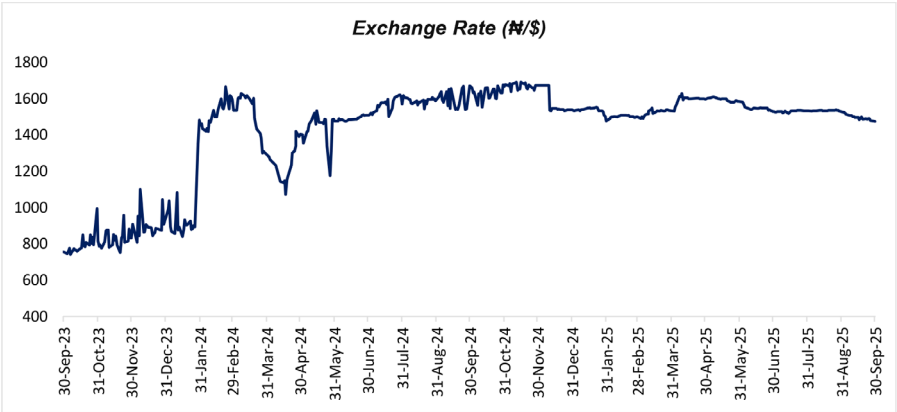


Source: DMO

2.10 Exchange Rate

The Nigerian naira appreciated in the third quarter of 2025 after several months of relative stability, trading within the ₦1,400 - ₦1,500 per US dollar band. The currency's strengthening reflected improved foreign exchange liquidity, supported by renewed portfolio inflows, higher participation from offshore investors and improved market confidence following sustained policy consistency.

Stronger external reserves also bolstered FX market stability, enhancing the Central Bank's capacity to manage liquidity and maintain orderly market conditions. As a result, the naira appreciated to ₦1,474.85 per US dollar at the end of Q3 2025, from ₦1,529.21 per US dollar at the close of the previous quarter, marking a period of renewed investor confidence and improved macroeconomic balance.

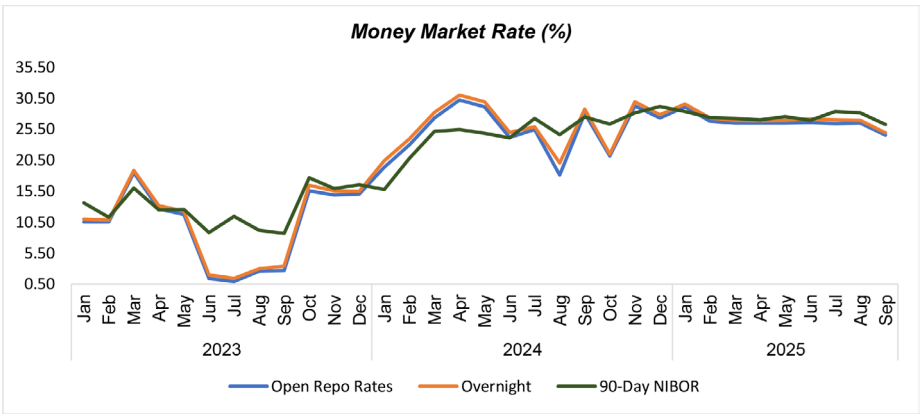


Source: FMDQ

2.11. Money Market

In Q3 2025, Nigeria's Open Repo Rate (OPR) and Overnight (ON) rate moderated to 24.50% and 24.92%, respectively, from 26.58% and 27.17% in the previous quarter. The decline in short-term rates reflected improved system liquidity, largely supported by Cash Reserve Ratio (CRR) refunds, FGN bond coupon payments, and Open Market Operation (OMO) maturity inflows.

These inflows eased funding pressures in the interbank market, resulting in a more accommodative short-term money market environment. In tandem, the 90-day Nigerian Interbank Offered Rate (NIBOR) edged lower to 26.47% from 26.91% in Q2 2025, underscoring the liquidity-driven moderation in market rates and improved funding conditions across the financial system.

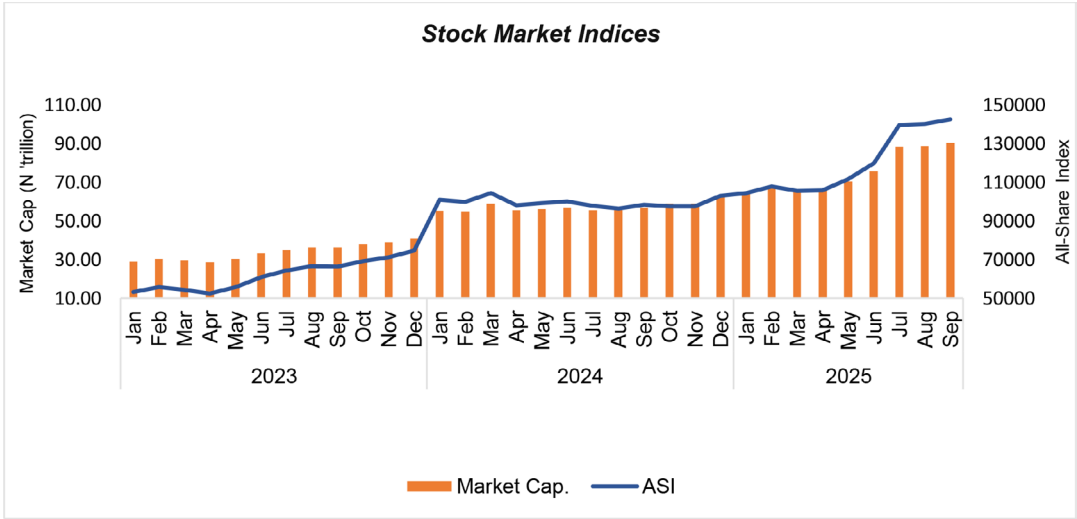


Source: FMDQ

2.12. The Stock Market

The Nigerian Exchange Group (NGX) sustained its upward momentum Q3, 2025, with the All-Share Index (ASI) surging by 22,731.91 points to close at 142,710.48 in September, compared with 119,978.57 in June. This translates to a strong 18.9% quarterly gain, underscoring renewed investor confidence, robust corporate earnings, and improved market sentiment.

Similarly, market capitalization expanded significantly to ₦90.58 trillion at the end of September, from ₦75.95 trillion in the previous quarter. The impressive performance was driven by heightened investor appetite for value stocks and broad-based sectoral participation, particularly across the oil and gas, consumer goods, industrials, and banking sectors. The sustained rally reflects the resilience of Nigeria’s equities market amid evolving macroeconomic conditions and deepening investor engagement in the capital market.

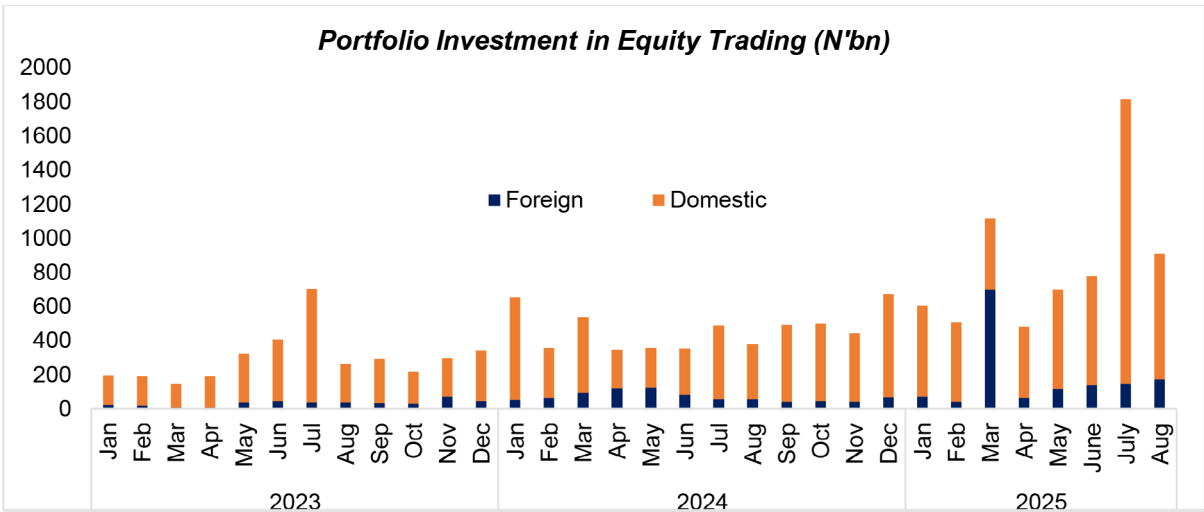


Source: NGX

2.13. Portfolio Investment – NGX

Total equity transactions on the Nigerian Exchange (NGX) increased to ₦908.38 billion in August 2025, up from ₦778.65 billion in June, reflecting sustained market momentum and renewed investor appetite. Domestic investors continued to dominate trading activity, accounting for roughly 62% more transaction value than their foreign counterparts, a testament to resilient local participation supported by favorable macroeconomic indicators and strong corporate performance.

Furthermore, institutional investors maintained a clear lead over retail investors, outperforming by about 6%, signaling rising institutional confidence and strategic portfolio adjustments in response to evolving market dynamics. The consistent participation of both domestic and institutional players underscores the deepening sophistication and stability of Nigeria’s equity market.



Source: NGX

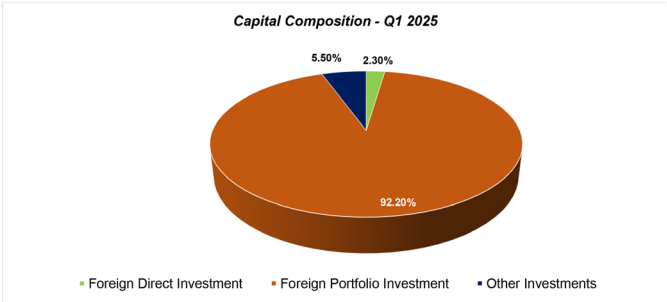
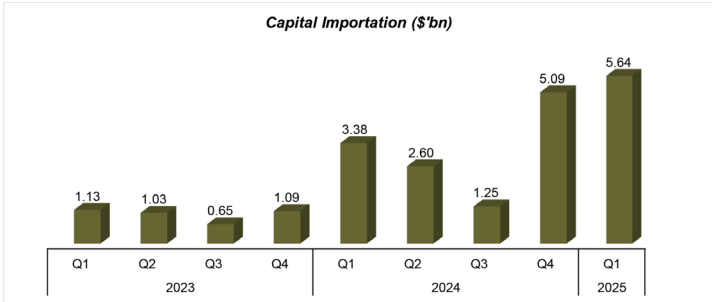
2.14. Capital Importation

Based on the available data, Nigeria recorded a strong rebound in capital inflows in the first quarter of 2025, with total capital importation rising to US\$5.64 billion, representing a 67.1% year-on-year increase from US\$3.38 billion in Q1 2024. On a quarterly basis, inflows grew by 10.9%, up from US\$5.09 billion in Q4 2024, reflecting renewed foreign investor confidence and improving macroeconomic stability.

Foreign Portfolio Investment (FPI) remained the dominant driver, accounting for US\$5.20 billion (92.2%) of total inflows, underscoring the sustained attractiveness of Nigeria's financial markets to short-term investors amid rising yields and a more transparent FX framework. Other Investments followed at US\$0.31 billion (5.5%), while Foreign Direct Investment (FDI) remained modest at US\$0.13 billion (2.3%), reflecting investors' cautious stance toward long-term commitments pending further structural reforms.

By sector, the banking industry attracted the highest inflows of US\$3.13 billion (55.4%), buoyed by strong participation in financial instruments and recapitalization-related activities. This was followed by the financing sector with US\$2.10 billion (37.2%), and manufacturing with US\$129.92 million (2.3%), highlighting the continued concentration of capital in financial intermediation and short-term opportunities.

From a geographical standpoint, the Federal Capital Territory (Abuja) emerged as the top destination for capital inflows, accounting for US\$3.05 billion (54.1%), while Lagos attracted US\$2.56 billion (45.5%). This pattern reaffirms the dominance of Nigeria's key financial and administrative hubs as primary channels for foreign capital inflows.



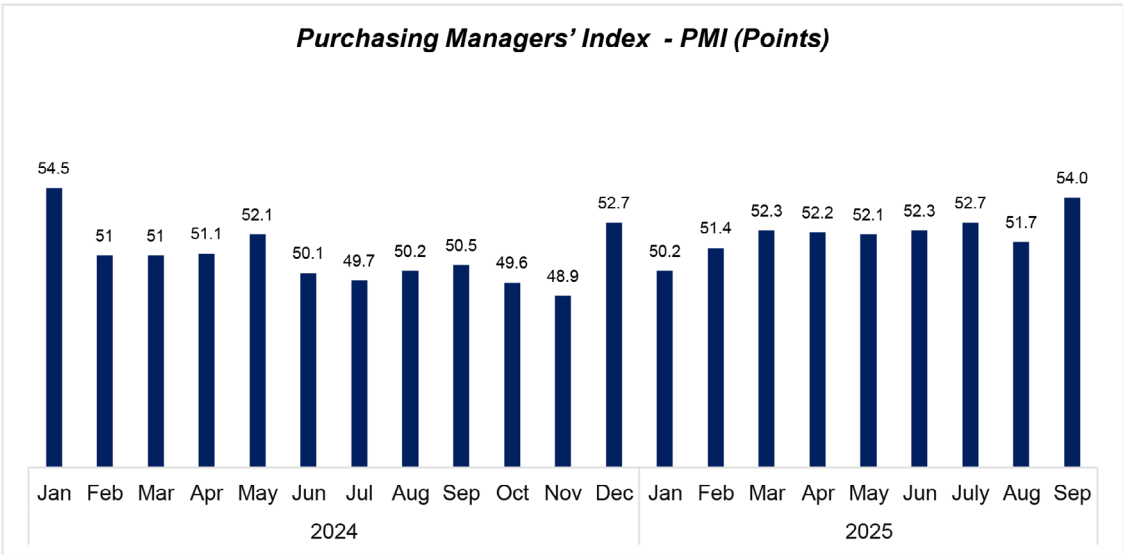
Source: NBS

2.15. Purchasing Managers' Index

Nigeria's Purchasing Managers' Index (PMI) strengthened to 54.0 points in September 2025, up from 51.7 points in August, indicating a faster and more broad-based expansion in economic activity. This marks the tenth consecutive month of growth, reflecting sustained momentum in business output and private sector resilience.

All three major components of the Composite PMI - Industry, Services, and Agriculture - recorded expansions, underscoring continued improvement across key sectors. The Industry PMI rose to 51.4 points on broad-based gains, Services improved to 54.7 points amid stronger business activity, while Agriculture advanced to 54.8 points, driven by higher new orders and output growth.

The expansions across sectors highlight a broad-based recovery and reinforce a positive near-term growth outlook. Further analysis of the 36 subsectors showed that 28 recorded expansion, led by Forestry, while only eight subsectors, including Nonmetallic Mineral Products, experienced mild contractions, with limited impact on the overall growth trajectory.



Source: CBN

2.16. Credit Ratings

Fitch Ratings affirmed Nigeria's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'B' with a Stable Outlook, citing improved macroeconomic stability and progress in key policy reforms. The agency noted enhanced FX liquidity and relative naira stability following market liberalization, alongside a disinflation trend supported by tighter monetary management and easing inflationary pressures. Rising external reserves, reaching USD 42 billion at end-September 2025, further strengthen Nigeria's external buffers.

Fitch also highlighted moderate public debt levels and ongoing fiscal reforms aimed at boosting non-oil revenue and improving fiscal sustainability. The Stable Outlook reflects Fitch's view that Nigeria's reform momentum, particularly in FX management, tax administration, and monetary policy, will sustain macroeconomic stability and support gradual improvement in credit fundamentals over the medium term.

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2.17. Socio-Economic Landscape

Nigeria Suspends FOB Levy: The Federal Government suspended the newly introduced 4% Free on Board (FOB) import levy. The suspension, announced by the Ministry of Finance after consultations with key stakeholders, is aimed at preventing cost escalation, inflationary pressures and operational strain on businesses. This decision provides an opportunity to redesign the levy framework to balance fiscal objectives with growth imperatives. Collectively, these actions highlight a coordinated policy shift toward stabilizing markets, easing business costs and reinforcing investor confidence.

2.18. Financial Sector Developments

CBN to Assume Control of Fixed Income Market: The Central Bank of Nigeria (CBN) has announced plans to take full operational control of the Nigerian Fixed Income Market beginning November 2025. The phased overhaul aims to enhance transparency, improve liquidity, and strengthen market efficiency within the country's financial ecosystem. Under the new framework, the CBN will directly oversee market operations, settlement processes, and regulatory supervision, aligning the fixed income market more closely with global best practices. This reform is expected to boost investor confidence, streamline monetary policy transmission and support the broader goal of deepening Nigeria's domestic capital markets.

CBN Issues New Guidelines for Agent Banking Operations: The Central Bank of Nigeria (CBN) introduced new regulations to enhance transparency and consumer protection in the fast-growing agent banking sector. The framework sets a ₦1.2 million daily transaction limit per agent and a ₦100,000 cash-out limit per customer, mandates the use of designated accounts and geo-fenced locations and from April 2026 enforces a single-principal rule requiring agents to work with only one financial institution. It also imposes stricter penalties, including fines of up to ₦20 million for ownership violations, to strengthen oversight, reduce fraud and boost public confidence in Nigeria's agent banking system.

Section 3

OUTLOOK FOR Q4 2025 - Nigeria



GDP Growth

Nigeria's economic growth is projected to remain on an upward path, ranging between 4.0% and 4.5% in Q4 2025, driven by the administration's growth-focused policy reforms. These measures are fostering macroeconomic stability, enhancing investor confidence and strengthening sectoral performance. In addition, easing inflationary pressures and declining borrowing costs are expected to boost domestic demand and private sector investment, further consolidating the country's medium-term growth momentum.



Foreign Exchange

The foreign exchange rate is projected to average between ₦1,400 and ₦1,500 per US dollar in Q4 2025, supported by higher crude oil production, stronger export earnings and improved foreign exchange inflows, which are expected to sustain market stability and enhance investor confidence.



Crude Oil

Oil prices are projected to remain within the \$60 – \$70 per barrel range in the fourth quarter of 2025, shaped by evolving global supply dynamics and geopolitical developments. The outlook reflects moderate downward pressure from higher OPEC+ output and lingering trade tensions weighing on global demand. However, these effects are expected to be partly offset by strengthening energy demand in emerging markets and renewed geopolitical risks in key producing regions, helping to sustain relative price stability within the projected band.



Monetary Policy

The benchmark interest rate is projected to moderate to between 24% and 26% by the end of 2025, as the Central Bank of Nigeria (CBN) sustains efforts to contain inflation and support macroeconomic stability. This outlook aligns with the broader national strategy to achieve sustainable growth and advance toward Nigeria's \$1 trillion GDP target by 2030, underscoring the CBN's balanced approach to price stability and long-term economic expansion.



Foreign Reserves

Nigeria's external reserves are projected to strengthen further, reaching between \$43.0 billion and \$45.0 billion, driven by higher oil receipts, sustained multilateral inflows, and prudent foreign exchange management by the Central Bank of Nigeria.



Inflation

Inflation is projected to ease to between 16.0% and 18.0% by end-2025, signaling a period of relative price stability. The moderation is expected to be driven by favorable base effects, a sustained tight monetary policy stance, and the recent rebasing of the Consumer Price Index (CPI). These dynamics should help contain price pressures and provide some relief to households and businesses, even as structural inflationary factors continue to influence the broader economy.

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