

Access Quarterly



Q4 2025 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 displayed notable resilience throughout 2025, navigating a complex operating environment characterised by restrictive trade policies, persistent geopolitical tensions and heightened policy uncertainty. Despite recurring trade frictions and episodic geopolitical disruptions, global economic fundamentals remained broadly intact. Growth was supported by relatively accommodative financial conditions, resilient private consumption and sustained investment momentum, particularly within technology intensive and productivity enhancing sectors. Although global expansion exceeded earlier pessimistic projections, overall growth remained moderate and uneven across regions, with fiscal support in key economies and steady expansion in global trade providing partial offsets to prevailing headwinds.

By the fourth quarter of 2025, growth momentum moderated as emerging oil surpluses exerted downward pressure on energy prices, while geopolitical uncertainties continued to weigh on sentiment, especially in energy dependent economies. Advanced economies benefited from continued monetary easing, which supported consumption and private investment, although tightening fiscal space in some regions constrained further acceleration. In emerging markets, improving financial conditions, selective policy support and enhanced access to capital markets helped cushion external pressures, sustaining relative macroeconomic stability despite ongoing global uncertainty.

Global trade expanded in 2025, with total merchandise and services trade estimated to have exceeded 35 trillion dollars, according to the United Nations Conference on Trade and Development, representing an increase of about 2.2 trillion dollars,

or about 7%, compared to 2024. Although overall performance remained solid, momentum softened from late Q3 into Q4 due to weaker global demand and heightened policy uncertainty. Merchandise trade volumes increased by 2% in Q3, while services trade grew by about 4%, supported by travel, transport and digital services. Emerging markets, particularly in East and South Asia, drove export growth, while advanced economies faced weaker external demand and uneven goods import performance. Elevated tariff uncertainty and persistent geopolitical tensions remain key downside risks, with forecasts pointing to slower trade growth in 2026 despite the strong gains recorded in 2025.

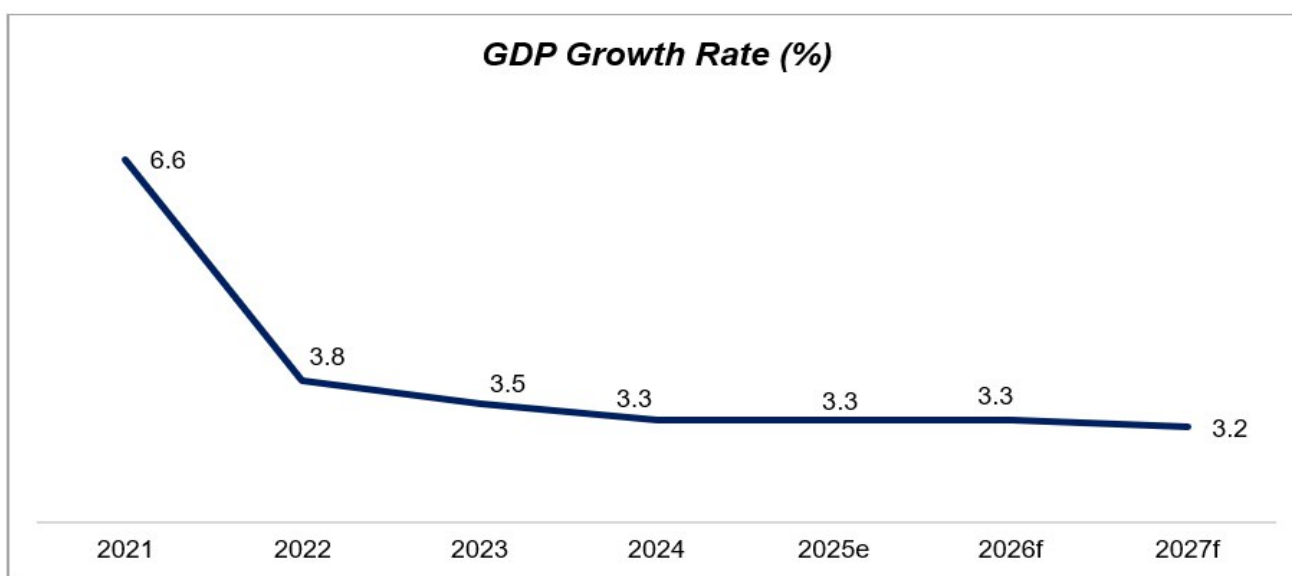
Global business activity moderated modestly toward the end of 2025 but remained firmly in expansionary territory. The Global Composite PMI eased to 52.0 in December from 52.7 in November, signalling a slower pace of growth across both manufacturing and services as demand conditions softened. The deceleration reflected weaker new orders and more cautious business sentiment, driven by lingering policy uncertainty and tighter financial conditions in select regions.

Commodity markets remained under downward pressure in Q4 2025, led by a sustained decline in energy prices amid ample supply and softer demand growth. The OPEC crude oil reference basket weakened over the quarter, falling from \$65.82 per barrel at the start of Q4 to \$61.01 as of December 31st, 2025, representing a decline of 7.31%. The price softening reflected a loosening supply-demand balance, driven by higher OPEC+ output, alongside rising non-OPEC production, particularly from the United States and Brazil, which continued to add barrels to the global market.



According to the International Monetary Fund, global economic growth is projected at 3.3% in 2026 and 3.2% in 2027. These projections reflect stronger than anticipated resilience in economic activity, as businesses and economies continue to adjust to earlier trade tensions, supported by sustained investment, particularly in technology and artificial intelligence, alongside more

accommodative financial conditions. Notwithstanding this resilience, the Fund cautioned that downside risks persist, stemming from moderating external demand, entrenched structural constraints across several emerging markets, and ongoing policy and geopolitical uncertainties that could weigh on the medium-term growth outlook.



Source: IMF f – Forecast



UNITED STATES/EURO AREA



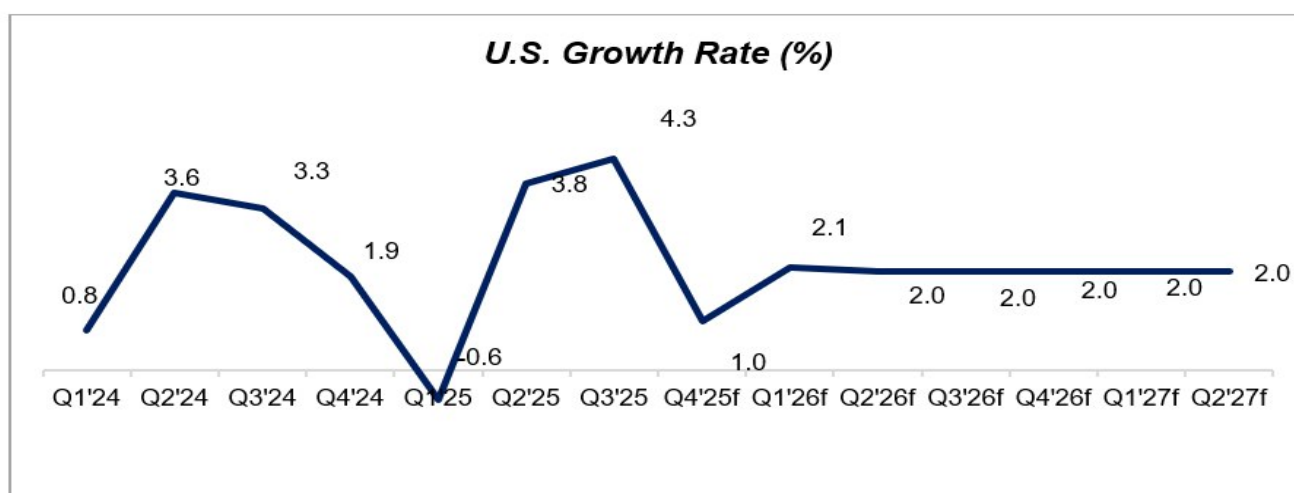
United States

According to the Bureau of Economic Analysis, the U.S. economy remained resilient in Q3 2025, with real GDP expanding at an annualised rate of 4.3%, the strongest pace in nearly two years. Growth was driven by robust consumer spending, stronger exports and improved government outlays, following expansion of 3.8% in Q2 and a rebound from the 0.6% contraction in Q1. Net exports contributed positively as imports declined, while investment remained mixed, with softer business outlays partly offsetting overall growth, underscoring sustained domestic demand amid global uncertainty.

Inflationary pressures remained elevated but stable toward the end of 2025. Headline consumer price inflation stood at 2.7% year on year in December, unchanged from November following earlier disruptions linked to the federal government shutdown. Monthly inflation rose by 0.3%, while core inflation eased to 2.6% year on year, its lowest level since 2021. Shelter costs remained the main source of price stickiness, even as energy price growth moderated and food prices showed mixed trends. In response, the U.S. Federal Reserve

adopted a more accommodative stance in Q4 2025, delivering two consecutive 25 basis point rate cuts at the November and December meetings of the Federal Open Market Committee, lowering the federal funds target range to 3.50% to 3.75%, while retaining a cautious policy tone.

Labour market conditions softened during the quarter, with non-farm payroll growth slowing sharply and December recording a net gain of just 50,000 jobs, the weakest annual hiring outcome outside a recession since 2003. The unemployment rate edged down to 4.4% from 4.5%, partly reflecting labour force exits, and remained at its highest level since 2021 amid rising structural frictions. Meanwhile, a prolonged federal government shutdown through October and early November weighed on confidence, curtailed federal spending and delayed key data releases, with the Congressional Budget Office estimating meaningful output losses in Q4. Fiscal risks remained elevated as federal debt surpassed 38 trillion dollars, intensifying concerns around fiscal sustainability, rising interest costs and investor confidence.



Source: Bloomberg

f – Forecast



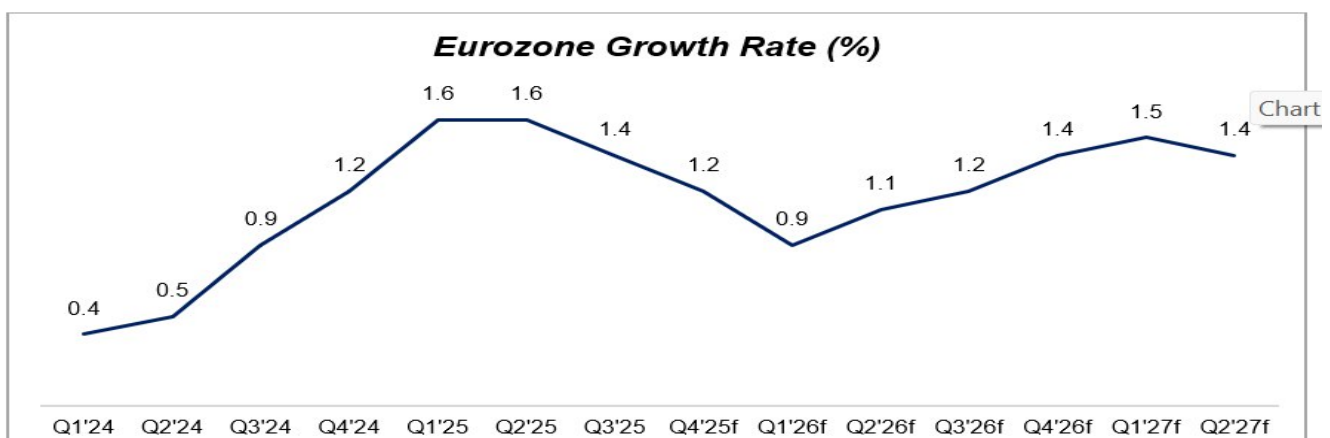
Euro Zone

Euro area growth strengthened modestly in Q3 2025, with real GDP rising by 0.3% quarter on quarter, according to Eurostat, up from 0.1% in Q2. On a year-on-year basis, GDP expanded by 1.4%, slightly below the prior quarter, signalling resilience despite trade uncertainty and geopolitical headwinds. Growth was driven by a rebound in fixed investment, which increased by 0.9%, alongside stronger government spending and sustained household consumption, partly offset by weaker net exports. Performance across member states remained uneven, with Spain and France recording stronger growth, the Netherlands supported by domestic demand, Germany stagnating amid weaker external demand, and Italy posting modest or flat growth due to contracting industrial output.

Inflationary pressures eased further toward the end of 2025, with headline inflation falling below the European Central Bank target for the first time since May. Headline inflation declined to 1.9% in December from 2.1% in November and 2.2% in September, driven by softer energy contributions and moderating services prices. Core inflation eased to 2.3%, its lowest level in four months,

although persistent wage dynamics and services sector stickiness continued to constrain faster disinflation. Regional inflation patterns remained uneven, with more moderate rates in Germany, France and Spain and higher readings in parts of southern Europe, including Italy.

Monetary policy remained unchanged during the quarter, with the ECB maintaining its three key policy rates at the December 2025 Governing Council meeting, marking the fourth consecutive hold. The deposit facility rate was kept at 2.00%, the main refinancing operations rate at 2.15% and the marginal lending facility at 2.40%, reflecting confidence in medium term inflation convergence toward 2% amid resilient activity and upgraded growth projections. Private sector activity remained in expansion through Q4 2025, although momentum moderated toward year end, with the euro area Composite PMI easing to 51.5 in December from higher levels in October and November. Despite this slowdown, the Q4 average of 52.3 marked the strongest quarterly performance since Q2 2023.



Source: Bloomberg

f – Forecast



BRICS economies, including expanded membership with Indonesia, Egypt, Ethiopia, Iran and the UAE, remained a key driver of global growth in Q4 2025, accounting for an estimated 40% of incremental global GDP growth based on IMF aligned assessments. This reinforced the bloc's growing influence in global demand, trade flows and multipolar realignment, despite elevated trade uncertainty linked to tariff risks and geopolitical tensions. Strong performance in Asia, particularly India and China, offset slower momentum in commodity dependent members such as Brazil, Russia and South Africa, while new members enhanced resilience through diversified energy, trade and infrastructure linkages.

India consolidated its position as the bloc's primary growth engine, supported by robust domestic demand, strong services activity and easing inflation, sustaining momentum into Q4. China recorded moderate but stabilising growth, with GDP expanding by 4.5% year on year in Q4, the slowest pace in three years, even as full year growth met the official 5% target. Brazil experienced a

moderation in activity as household spending and public investment softened, though agriculture, utilities and commodity exports provided partial buffers amid currency volatility. Russia's growth remained constrained by sanctions, labour shortages, elevated defence spending and external frictions, while South Africa's recovery continued to be weighed down by power shortages, weak confidence and structural constraints.

Inflation dynamics across the bloc remained uneven. China faced mild deflationary pressures driven by weak consumer demand and excess capacity, while Brazil and Russia contended with elevated inflation stemming from currency volatility, energy costs and fiscal pressures, necessitating tight monetary conditions. India's inflation eased further toward the target range of the Reserve Bank of India, supported by stable commodity prices, while South Africa recorded moderate inflation amid persistent cost of living pressures.



Brazil

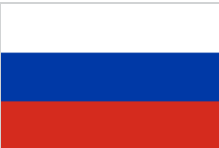
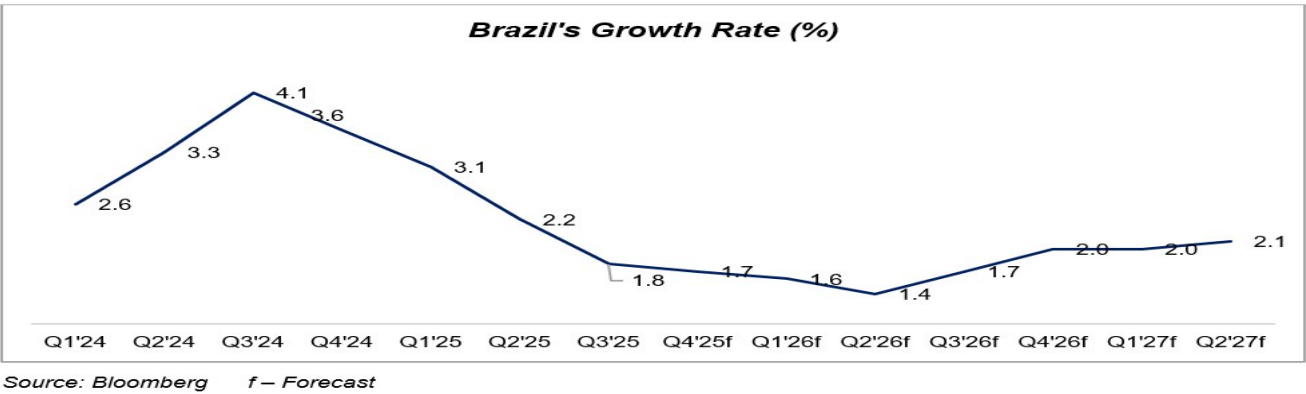
Brazil's economic activity continued to decelerate in Q3 2025, with real GDP growth slowing to 1.8% year on year from 2.2% in Q2, reflecting the prolonged impact of restrictive monetary conditions, with the Selic rate at 15%, and cooling domestic demand. Household consumption and services weakened amid elevated borrowing costs and a gradual softening in labour market conditions, while agricultural output edged lower following earlier strong harvests. In contrast, industrial activity recorded a modest rebound and gross fixed capital formation remained a relatively bright spot.

Inflationary pressures eased toward the end of 2025 but remained above the central bank's target range, reinforcing a cautious policy stance by the Banco Central do Brasil. Headline inflation, as measured by the IPCA, slowed to 4.26% in December from 4.46% in November and 4.68% in October, marking the lowest year end reading since 2018 and moving inflation closer to the upper bound of the 1.5% to 4.5% target range. Housing, education and personal expenses continued to exert upward pressure, although food and beverage price growth decelerated sharply, driving the overall moderation.



Private sector activity showed tentative signs of recovery in Q4 2025 following an extended period of weakness. The Brazil Composite PMI rose to 52.1 in December from 49.6 in November, signalling the first expansion in private sector output in nine months. The improvement was led by stronger

services activity, with new orders increasing for a second consecutive month, while manufacturing remained in contraction. Input cost and selling price inflation eased to the slowest pace in several months, pointing to moderating cost pressures across the production pipeline.



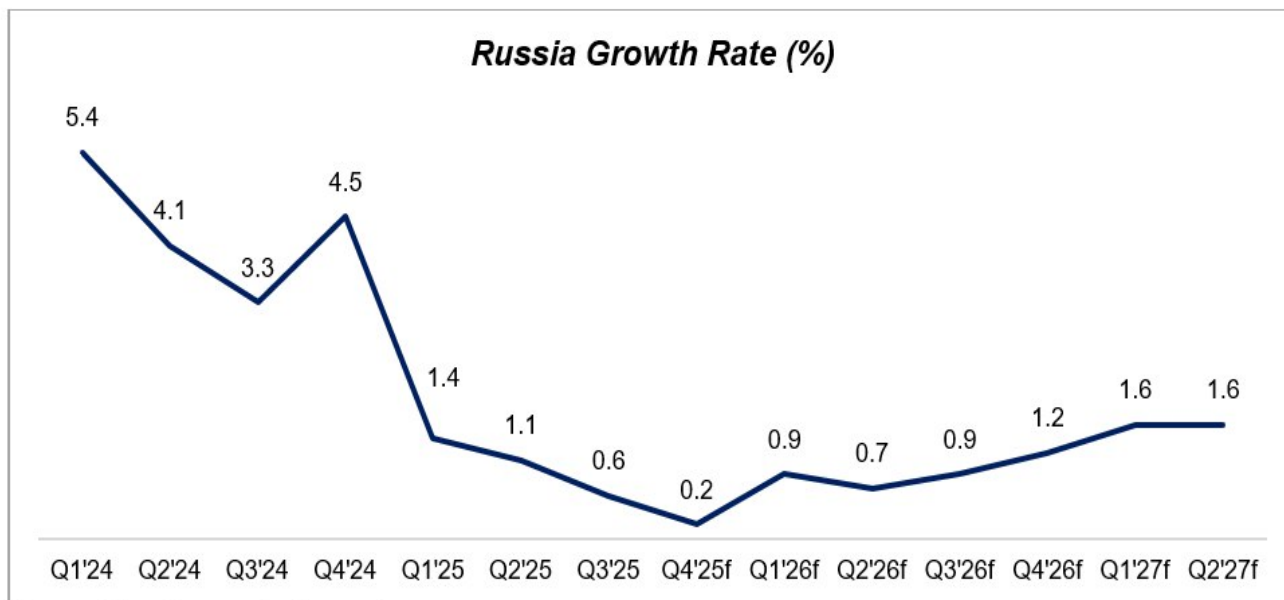
Russia

Russia's economic growth weakened further in Q3 2025, highlighting a fragile recovery amid the ongoing war with Ukraine, sustained geopolitical pressures, international sanctions and tightening financial conditions. Real GDP expanded by 0.6% year on year, down from 1.1% in Q2, indicating a marked deceleration in activity. Output remained subdued across most civilian sectors, with limited growth in food processing and light manufacturing, while segments such as refining and transport experienced contractionary pressures, underscoring uneven and weakening economic momentum.

Inflation eased further toward the end of 2025 but remained above the 4% target of the Bank of Russia, constraining scope for rapid policy easing. Headline CPI inflation declined to 5.6% year on year in December from 6.6% in November, marking one of the lowest readings over two years. Disinflation was supported by weaker domestic demand, tight monetary conditions and broad-based

moderation across food, non-food goods and services prices. Nonetheless, price pressures persisted in services and selected consumer goods due to structural constraints and cost pass through effects. In response, the central bank reduced its policy rate by 50 basis points to 16% in December, while reaffirming that monetary conditions would remain restrictive until inflation is firmly on a path toward target.

Private sector activity showed tentative signs of stabilisation late in 2025, although growth remained fragile. The Composite PMI stood at 50.0 in December, indicating broadly stagnant output. Services activity expanded modestly, with the Services PMI rising to 52.3, while manufacturing remained in contraction at 48.1 amid weak new orders and subdued production. This divergence highlights the role of services in supporting activity, even as tight credit conditions, soft demand and external constraints continued to weigh on the broader recovery.



Source: Bloomberg f – Forecast



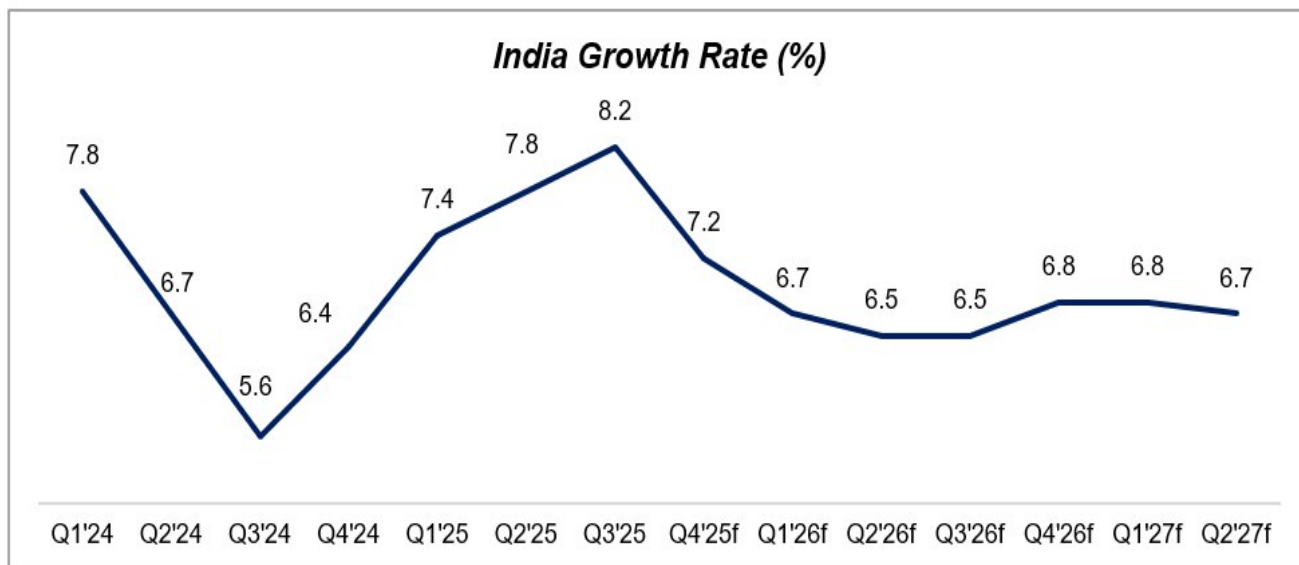
India

India's economy maintained strong momentum into Q2 of FY 2025 - 2026, with real GDP expanding by 8.2% year on year in the July to September 2025 period, up from 7.8% in Q1 and marking the fastest growth since the March quarter of 2024. The performance highlighted the economy's resilience to the 50% tariffs imposed by the United States in August. Growth was broad based, led by strong expansion in services at 9.2% and manufacturing at 9.1%, alongside solid activity in construction and other secondary sectors. Private consumption and investment remained key growth drivers, while exports and government spending also contributed positively, although agricultural output and utilities recorded more modest growth amid subdued rural demand.

Inflation remained low and stable toward the end of 2025, with headline CPI edging up to 1.66% in December from 0.71% in November, remaining well below the 2% to 6% target range of the Reserve Bank of India. The marginal increase reflected modest rises in food and personal care

prices, while overall price pressures remained contained and core inflation stayed moderate. Against this backdrop, the RBI cut its policy repo rate by 25 basis points to 5.25% in December 2025, revised its FY 2025 to 2026 inflation forecast down to 2%, and raised its growth projection to 7.3%, signalling confidence in domestic demand conditions.

Private sector activity remained firmly expansionary in Q4 2025, although growth moderated slightly. The India Composite PMI eased to 58.9 in December, its slowest pace since early 2025 but still indicative of strong expansion. Manufacturing PMI declined to 55.0 amid softer demand conditions, while services PMI eased to 58.0, marking the slowest growth in 11 months. Overall, the PMI readings point to a mild moderation in momentum, while confirming continued broad-based strength in private sector activity.



Source: Bloomberg f – Forecast



China

China's economic growth moderated over the course of 2025, with data from the National Bureau of Statistics showing GDP growth of 4.8% year on year in Q3 and a further slowdown to 4.5% in Q4, the weakest quarterly pace in three years. Full-year growth reached 5.0%, meeting the official target. The moderation reflected softer domestic demand and investment, while exports continued to provide support and the services sector remained relatively resilient. Structural headwinds persisted, particularly from property sector adjustments and subdued consumption, although policy measures helped stabilise output and employment. High-tech manufacturing and innovation-led sectors continued to outperform, underscoring ongoing structural rebalancing despite pressures to strengthen broader demand.

Inflation conditions improved modestly toward the end of 2025, moving away from earlier deflationary trends. Headline CPI rose to 0.8% year on year in December, up from 0.7% in November, marking the highest reading since early 2023. The increase was

driven mainly by higher food prices, including fresh vegetables and fruit, while overall price pressures remained contained. Core inflation stayed broadly stable at around 1.2% year on year, pointing to tentative stabilisation in underlying demand. Nevertheless, full-year inflation remained subdued relative to policy objectives, reflecting ongoing domestic demand softness and persistent deflationary pressures at the producer level.

Business activity showed tentative improvement by year end. The manufacturing PMI returned to expansion at 50.1 in December from 49.9 in November, while the composite PMI rose to 50.7 from 49.7, signalling modest expansion in overall private-sector activity. The improvement reflected firmer production and new order dynamics following earlier contractions. However, services activity remained uneven, with the services PMI at around 49.7, indicating continued strain in parts of the sector amid soft consumer sentiment and weakening external demand.



Source: Bloomberg f – Forecast



South Africa

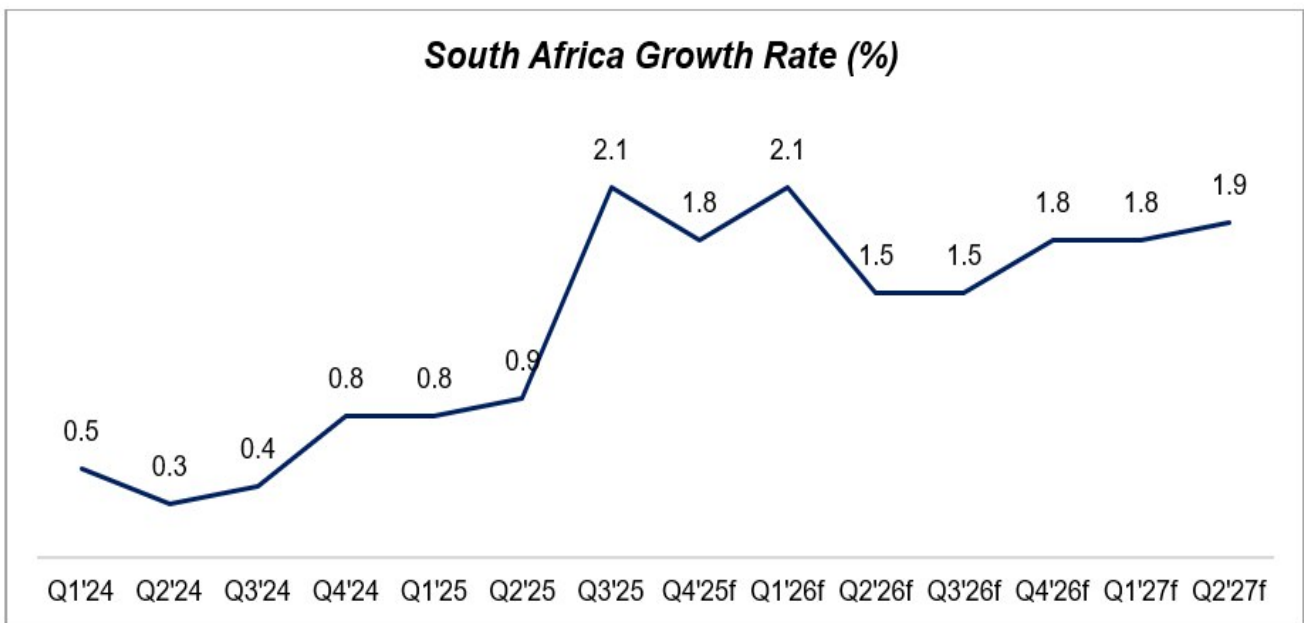
South Africa's economy expanded by 2.1% year-on-year in Q3 2025, up from a revised 0.9% in Q2, though the recovery remained fragile and uneven. On a quarter-on-quarter basis, GDP increased by 0.5%, supported by broad-based gains in trade, mining, agriculture and services, while utilities continued to weigh on activity. Household consumption and fixed investment provided some demand support, but structural constraints, including energy shortages, infrastructure bottlenecks and weak external demand, continued to limit growth. Private investment remained subdued and manufacturing recorded only modest expansion, underscoring persistent weakness in domestic growth drivers.

Inflationary pressures remained moderate toward the end of 2025. Headline inflation edged up slightly to 3.6% in December from 3.5% in November, while core inflation stood at 3.3%, remaining within the target range of the South African Reserve Bank. The uptick in inflation was driven mainly by housing, utilities, food and non-beverages, as well as insurance and financial services. Average inflation for 2025 stood at 3.2%, the lowest level in 21 years, reflecting generally contained price pressures despite ongoing cost challenges.



Private sector activity weakened further toward year end. The composite PMI declined to 47.7 in December from 49.0 in November, signalling a deeper contraction in business activity. The deterioration reflected softer demand, declining new orders and reduced output, as firms scaled back

purchases and inventories amid weak client spending. Manufacturing conditions remained particularly weak, with factory PMIs well below the expansion threshold, while services and other sectors also softened, pointing to deteriorating private sector momentum.



Source: Bloomberg f – Forecast



AFRICA



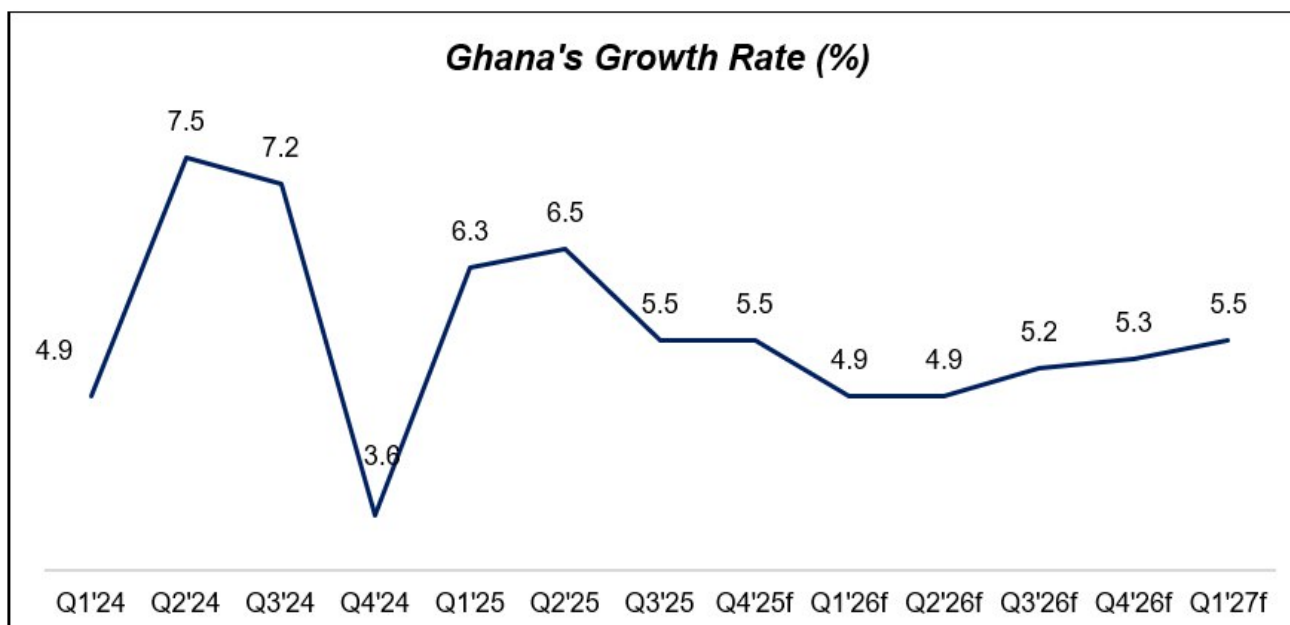
Ghana

Ghana's economy maintained solid growth in Q3 2025, with real GDP expanding by 5.5% year-on-year, albeit at a slower pace than the upwardly revised 6.5% recorded in the previous quarter. Growth was driven by strong performance in agriculture, which expanded by 8.6% and services, which grew by 7.6%, supporting overall resilience. In contrast, industrial growth remained subdued at 0.8%, constrained by weakness in hydrocarbons and other mining activities. On the demand side, private consumption and non-oil activity continued to underpin growth, highlighting sustained momentum outside the oil sector despite global uncertainties.

Inflationary pressures eased further toward the end of 2025, reinforcing macroeconomic stability. Headline inflation declined to 5.4% year on year in

December from 6.3% in November, marking the twelfth consecutive month of disinflation and the lowest level since the CPI rebasing in 2021. The moderation reflected a broad-based easing in price pressures, driven primarily by lower food inflation and softer non-food price growth.

Monetary policy remained supportive as the Bank of Ghana reduced its benchmark policy rate by a further 350 basis points to 18% in November 2025, marking the third consecutive rate cut during the year on the back of an improving macroeconomic outlook and expectations of continued disinflation. Private sector activity also strengthened, with the Composite PMI rising to 51.1 in December from 50.1 in November, signalling a firmer expansion in business activity.



Source: Bloomberg

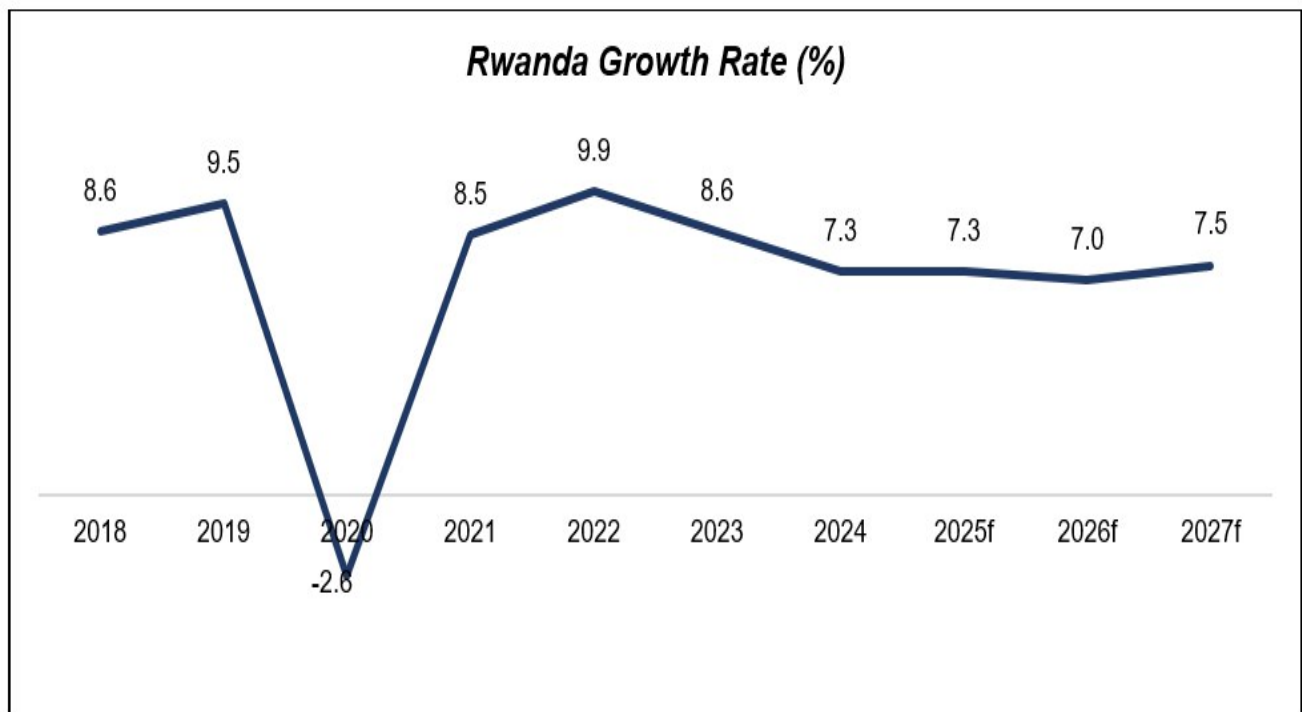
f – Forecast



Rwanda

Rwanda's economy accelerated sharply in Q3 2025, with real GDP expanding by 11.8% year-on-year, the strongest pace since Q4 2023 and a significant increase from 7.8% in Q2. The robust performance reflected broad-based sectoral strength, with industrial output rising by 17%, driven by mining, construction and manufacturing. Services activity expanded by around 10%, supported by strong growth in wholesale and retail trade, transport, information and communication, and financial services. Agricultural output also recorded solid growth of 10%, underpinned by higher export crop production and gains in livestock and fishing.

Inflationary pressures edged higher toward the end of 2025 following a period of moderation. Headline inflation rose for the first time in six months to 5.2% in December, up from 5.1% in November. The uptick was driven largely by a rebound in food prices, which increased by 1.0% after contracting by 1.1% in the previous month, marking the first deflation in a year. Food price pressures were led by sharp increases in bread and cereals and meat, contributing to the modest acceleration in overall inflation.



Source: IMF f – Forecast



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THE NIGERIAN ECONOMY



THE NIGERIAN ECONOMY

Nigeria

Nigeria's economy demonstrated notable resilience and improving macroeconomic stability in Q3 2025, supported by sustained fiscal and monetary policy coordination, easing inflationary pressures and a more stable foreign exchange environment. Greater alignment across policy measures helped reinforce investor confidence, improve foreign exchange liquidity and lay the groundwork for a more durable and balanced growth trajectory.

At its November 2025 meeting, the Central Bank of Nigeria Monetary Policy Committee maintained the Monetary Policy Rate at 27.0%, reflecting a cautious stance aimed at allowing earlier tightening measures to further transmit across the economy. This was complemented by an increase in the Cash Reserve Ratio on non-Treasury Single Account deposits to 75% and a widening of the asymmetric corridor to +50 and minus 450 basis points, reinforcing liquidity tightening, strengthening monetary transmission and limiting speculative foreign exchange activity. Against this backdrop, foreign exchange conditions remained relatively stable in Q4 2025, with the naira opening the quarter at 1,455 per US dollar in early October and appreciating modestly to 1,439.93 per US dollar by end December, supported by targeted CBN interventions and improved foreign exchange inflows from both foreign portfolio investors and domestic market participants.

Economic growth moderated modestly but remained resilient. According to the National Bureau of Statistics, real GDP growth eased to 3.98% in Q3 2025 from 4.23% in Q2, while remaining above the 3.86% recorded in Q3 2024. The Central Bank of Nigeria estimates full year growth at 3.89% in 2025, while the International Monetary Fund projects comparable expansion of about 4.2%. These projections are underpinned by

improving oil output, ongoing structural, renewed investment in energy infrastructure, stronger investor confidence and more supportive fiscal conditions.

Inflation continued its downward trajectory through Q4 2025, with headline inflation easing sharply to 15.15% year on year in December from 17.33% in November, marking the twelfth consecutive monthly decline and bringing inflation below the Federal Government's 2025 projection and close to multiyear lows. Both core and food inflation moderated, although marginal month-on-month price increases persisted, reflecting seasonal effects and lingering supply side pressures.

On the fiscal and external fronts, macroeconomic fundamentals continued to strengthen as reforms advanced and financing strategies became more deliberate. In December 2025, President Bola Tinubu presented the N58.18 trillion 2026 Appropriation Bill to the National Assembly, anchored on projected revenues of N34.33 trillion, capital expenditure of N26.08 trillion, and debt service allocations of N15.52 trillion. The budget implies a fiscal deficit of N23.85 trillion, reflecting a calibrated balance between growth supportive spending and fiscal discipline, equivalent to about 4.28% of GDP, indicating conservative macroeconomic assumptions and a calibrated balance between growth supporting expenditure and fiscal discipline. Together with ongoing improvements in tax administration and revenue mobilisation, these developments highlight Nigeria's commitment to strengthening fiscal sustainability.



Nigeria's Economy at a Glance – Q4 2025

Real GDP rose to 3.98% in Q3 2025 compared to 4.23% in Q2 2025

Oil prices declined to \$61.01/b in Dec 2025 down from \$69.20/b posted in Sept 2025

Exchange rate appreciated to ₦1,439.93 /\$ in December 2025 from ₦1,479.44/\$ in September 2025

The ASI surged to 155,613.03 points in Dec 2025 from 142,710.48 points in Sept 2025

Reserves rose to \$45.50bn in Dec 2025 from \$42.35bn in Sept 2025

Inflation eased to 15.15% in December 2025 compared to 20.98 in September 2025

Composite PMI rose to 57.6 points in Dec 2025 from 52.3 points in Sept 2025

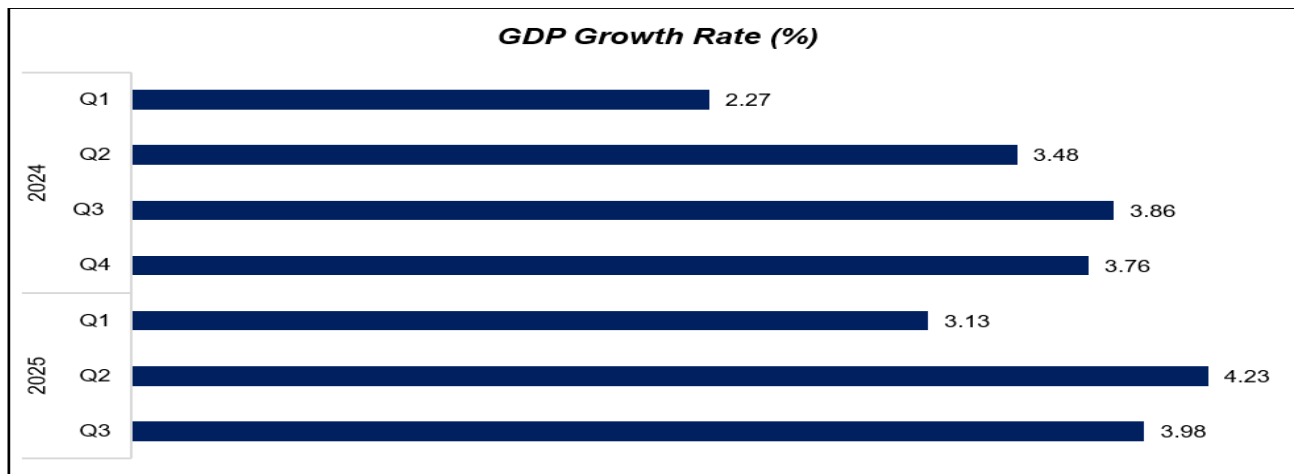
In Nov 2025, the Central Bank lowered the Monetary Policy Rate to 27% a decline from 27.5% in November 2024

Oil production improved to 1.44 mbpd in December from 1.39 mbpd in Sept 2025

2.1. GDP Growth

Nigeria's economy expanded by 3.98% year-on-year in Q3 2025, reflecting a sustained recovery and broad-based resilience across key sectors. Growth remained stronger than the 3.86% recorded in Q3 2024, although it moderated slightly from the 4.23% expansion in Q2 2025. According to the National Bureau of Statistics, agricultural output grew by 3.79%, improving from 2.55% in the corresponding quarter of 2024, supported by stronger crop production. The industrial sector expanded by 3.77%, up from

2.78% a year earlier, reflecting improved manufacturing and extractive activity, while the services sector recorded growth of 4.15%, easing from 4.97% in Q3 2024 but remaining the largest contributor to overall output. The non-oil sector also strengthened, expanding by 3.91%, up from 3.79% in Q2 2024, reflecting a gradual improvement in domestic activity and business sentiment amid a more stable macroeconomic environment.



Source: NBS

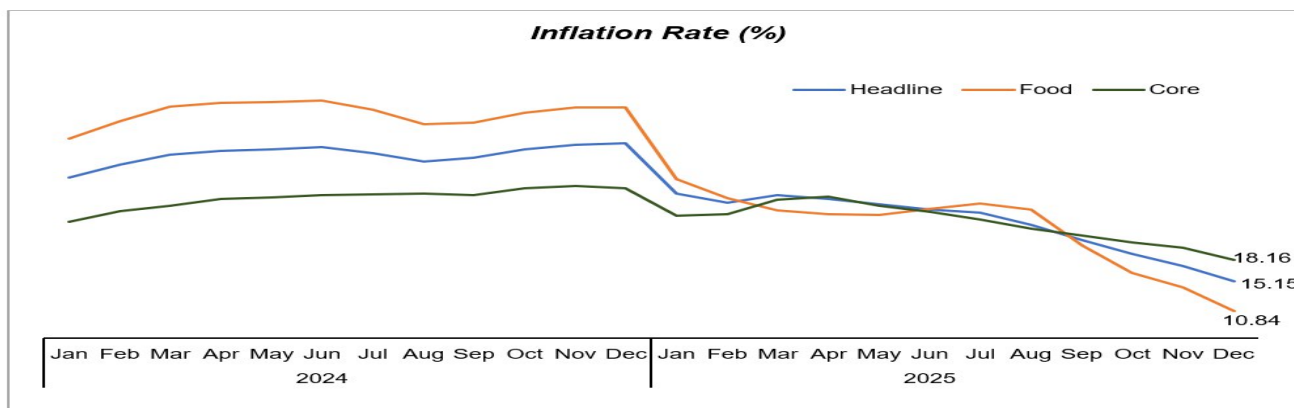
2.2. Inflation

Nigeria's disinflationary trend strengthened in Q4 2025, supported by the effects of CPI rebasing, favourable base effects, improved foreign exchange stability and strong harvest outcomes amid enhanced macroeconomic stability and policy credibility. Headline inflation declined for the tenth consecutive month, easing to 15.15% in December from 17.33% in November and 18.97% in October, underscoring a sustained moderation in price pressures.

Food inflation, the largest component of the consumer basket, decelerated sharply to a multi-year low, falling to 10.84% in December from 14.21% in November and 16.30% in October, compared with 39.84% in December 2024. The

slowdown was driven by improved agricultural supply, bumper harvests and lower prices for key staples including tomatoes, garri, eggs, potatoes, onions, beans and vegetables. On a month-on-month basis, food prices recorded deflation of 0.36% in December, further reinforcing the disinflationary momentum.

Core inflation, which excludes food and energy, also moderated steadily, declining to 18.63% in December from 20.59% in November and 21.25% in October. The easing reflected softer underlying price pressures across housing, transport, utilities and services, supported by subdued demand conditions and greater foreign exchange stability.



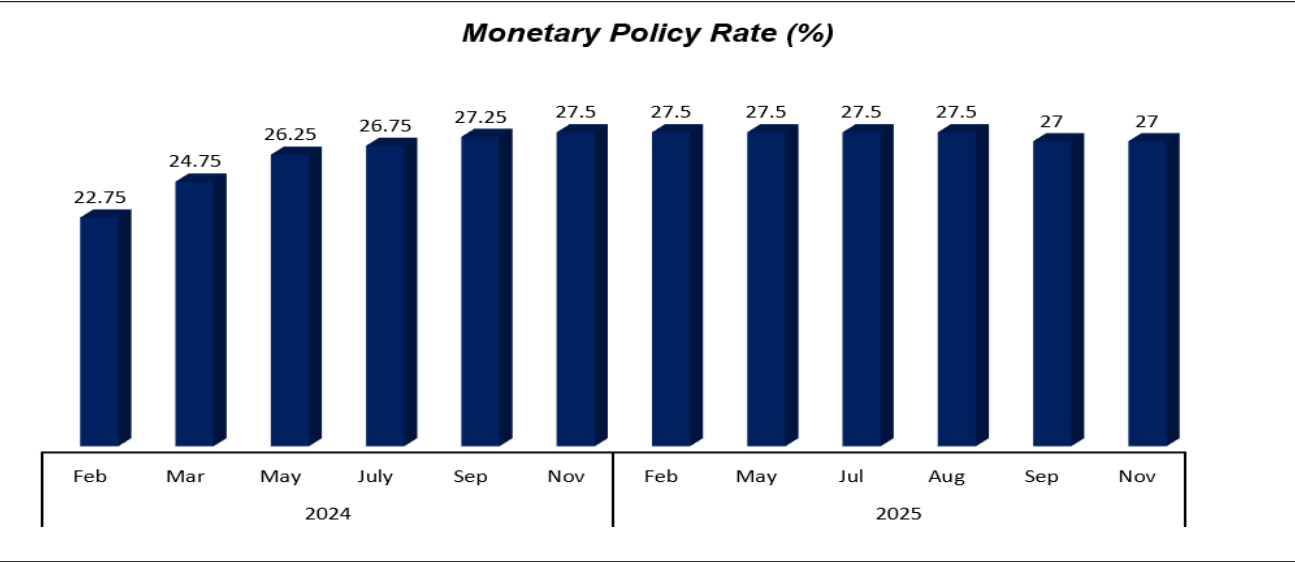
Source: NBS



2.3 Monetary Policy

CBN held its MPR steady at 27.0% during its last meeting of 2025, which was held in November, following a 50-basis point reduction in September. The decision to pause further easing was aimed at consolidating progress towards low and stable inflation, while sustaining macroeconomic stability. The MPC voted to maintain its policy stance, as prevailing conditions did not yet justify a rate cut. The Committee noted that inflationary pressures had eased, supported by tight monetary policy and a more stable exchange rate, but stressed the need

for continued policy vigilance. In addition to retaining the key policy rate, the CBN left all other monetary parameters unchanged, while adjusting the asymmetric corridor around the MPR to +50/-450 basis points, from +250/-250 basis points previously. This adjustment underscores the Bank's intent to maintain flexibility in liquidity management, thereby ensuring adequate support for price and exchange rate stability.

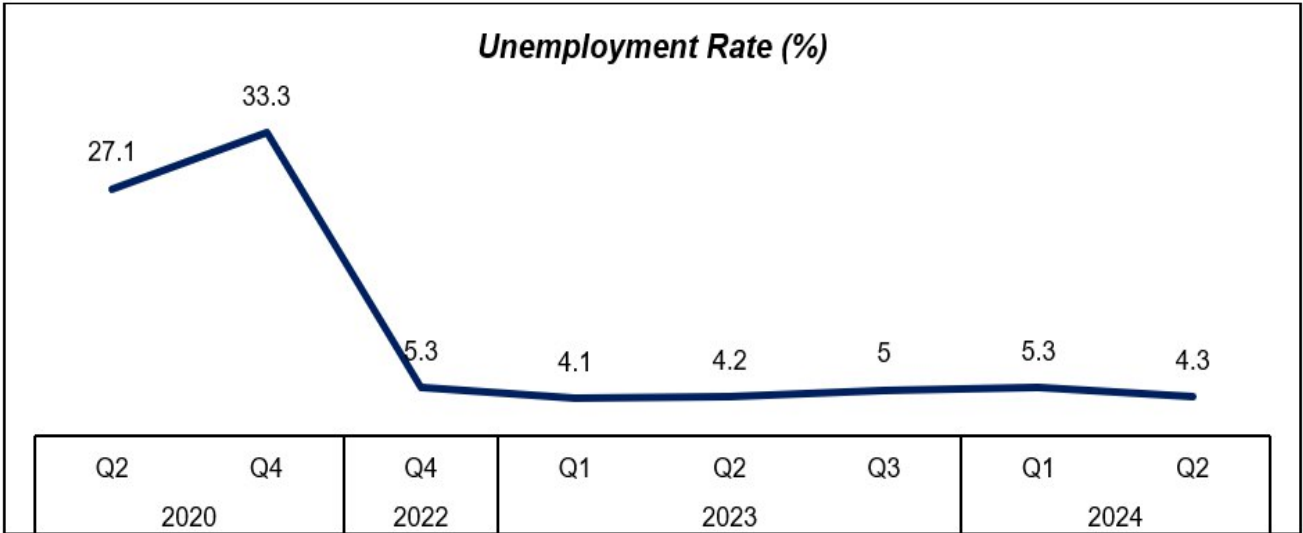
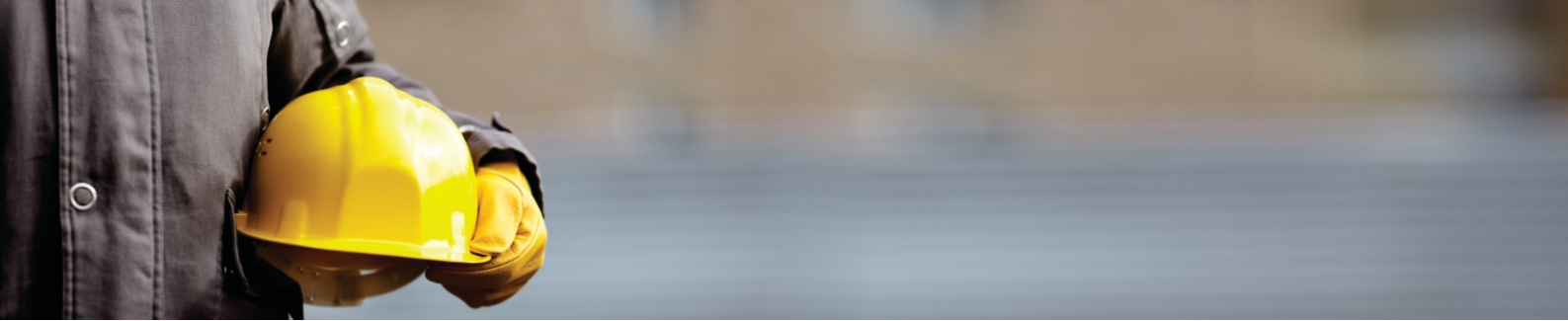


Source: NBS

2.4 Unemployment

Based on the available data, Nigeria's labour market indicators point to an improvement in Q2 2024. According to the National Bureau of Statistics Nigeria Labour Force Statistics report, the unemployment rate declined to 4.9% in Q2 2024 from 5.3% in Q1. Youth unemployment also eased to 6.5% from 8.4% in the preceding quarter,

indicating improved employment outcomes for younger cohorts. In addition, time-related underemployment, which measures the share of employed people willing and available to work additional hours, declined to 9.2% from 10.6%, suggesting reduced labour market slack and more efficient utilisation of labour.

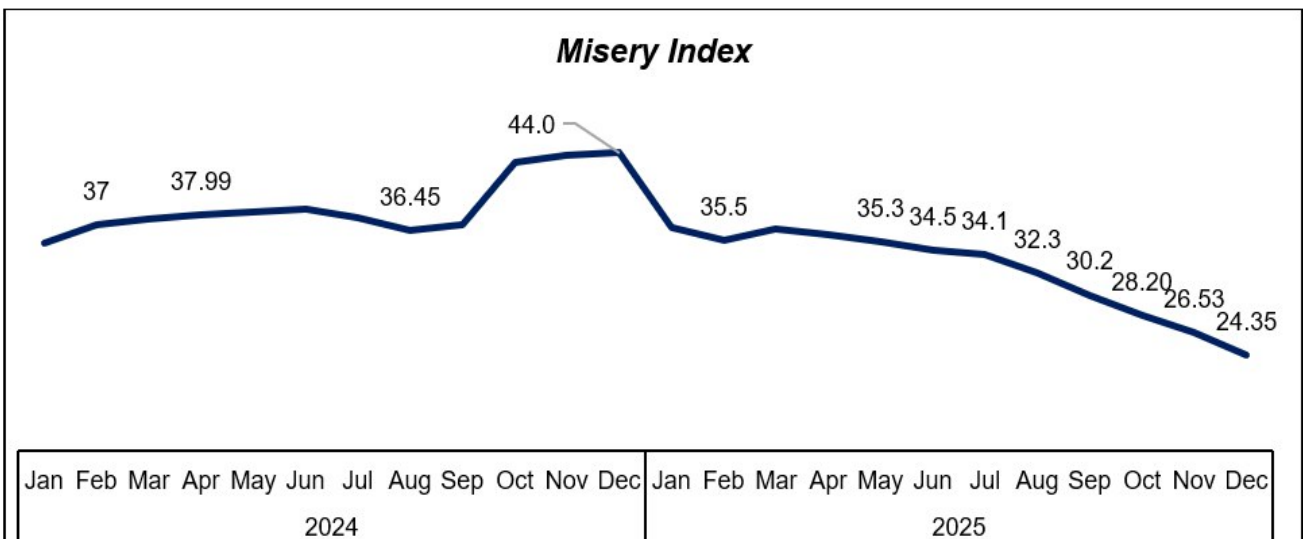


Source: NBS

2.5 Misery Index

Nigeria's macroeconomic environment strengthened notably in Q4 2025, as the Misery Index, which combines inflation and unemployment indicators, declined to 24.35% in December from 33.2% in the corresponding period of 2024. This improvement reflects the

favourable impact of the rebased Consumer Price Index, alongside a broad-based moderation in price pressures, following a methodological review by the National Bureau of Statistics designed to more accurately capture prevailing household consumption patterns.



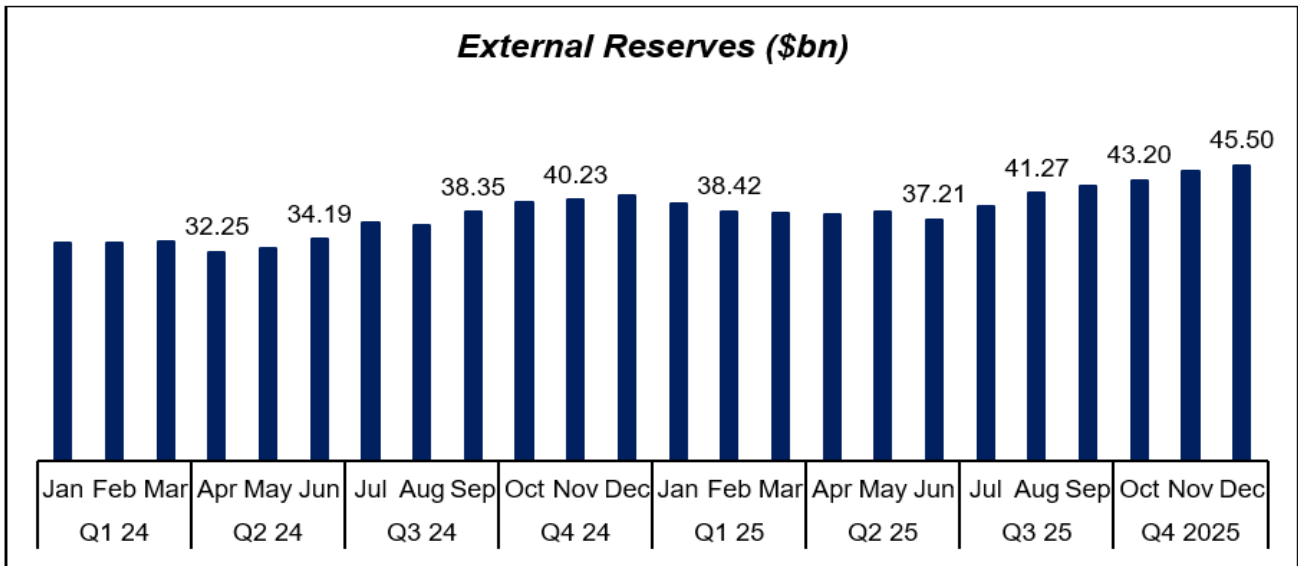
Source: NBS



2.6 External Reserves

Nigeria's external reserves strengthened markedly in Q4 2025, rising to US\$45.50 billion at end December, a 7.44% increase from US\$43.25 billion in Q3 2025, reflecting a notable pickup in foreign exchange inflows during the quarter. The improvement was driven by stronger oil export receipts amid improved production and pricing dynamics, a rebound in portfolio inflows following

enhanced market confidence, and resilient diaspora remittances. These inflows were further supported by ongoing foreign exchange market reforms implemented by the Central Bank of Nigeria, which improved price discovery, liquidity conditions and investor participation, thereby reinforcing reserve accumulation and strengthening external buffers.



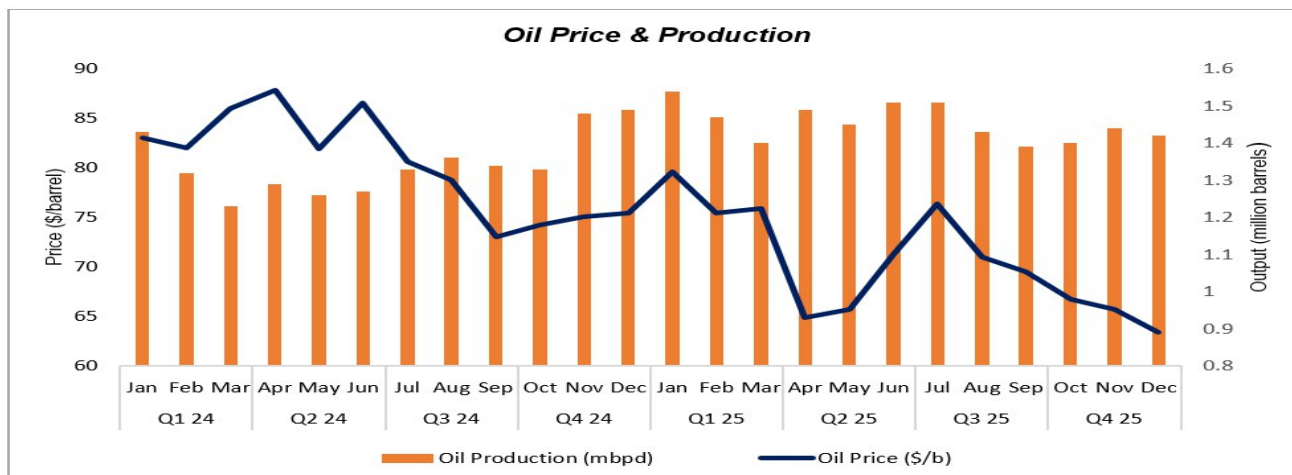
Source: CBN

2.7 Oil Price & Production

Crude oil prices exhibited mild volatility toward the end of Q4 2025 but remained relatively firm overall. Price support reflected stronger seasonal demand, supply management within the OPEC+ framework and improved market sentiment, despite rising non-OPEC+ output, particularly from the United States. Against this backdrop, Brent crude averaged US\$70.41 per barrel in December 2025, up from US\$69.2 per barrel in Q3 2025.

Nigeria's crude oil production improved modestly toward the end of the quarter, rising to 1.42 million

barrels per day in December 2025 from 1.39 million barrels per day at the end of Q3. Including condensates of approximately 122,385 barrels per day, total liquids production increased to about 1.54 million barrels per day. The uptick reflects a gradual recovery in upstream operations, supported by improved security conditions, enhanced asset reliability and ongoing efforts to stabilise and sustain production levels.



Sources: CBN, NUPRC

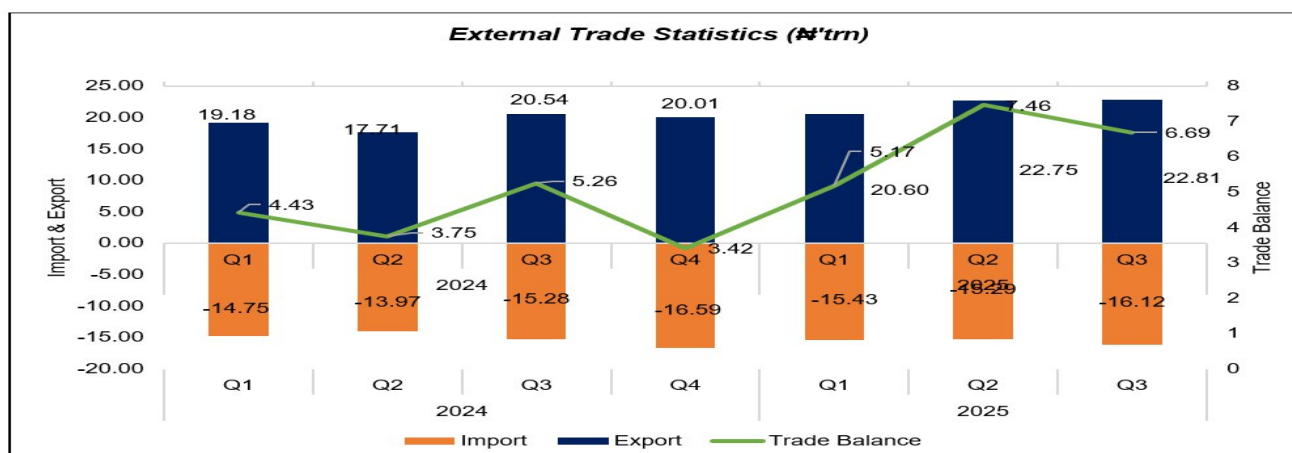
2.8 External Trade

Nigeria recorded steady growth in external merchandise trade in Q3 2025 while maintaining a positive trade balance, albeit with a moderation in surplus size. According to the National Bureau of Statistics, the trade surplus narrowed to N6.69 trillion from N7.46 trillion in Q2 2025, reflecting sustained strength in export earnings, particularly from crude oil and other key commodities, alongside rising import demand that tempered surplus expansion during the quarter.

Total merchandise trade stood at N38.94 trillion in Q3 2025, representing an 8.71% increase compared with N35.82 trillion recorded in the corresponding quarter of 2024 and a 2.36% rise relative to N38.04 trillion in Q2 2025. Exports

accounted for 58.59% of total trade, amounting to N22.81 trillion, reflecting an 11.08% year on year increase from N20.54 trillion in Q3 2024 and a marginal 0.28% quarter on quarter increase from Q2 2025.

Crude oil exports remained the dominant component, valued at N12.81 trillion, accounting for 52.14% of total exports. Non-oil exports, comprising agriculture, solid minerals and manufactured goods, stood at N10.01 trillion, representing 43.9% of export earnings. This composition underscores Nigeria's continued reliance on hydrocarbon exports, alongside gradual but uneven progress toward broadening and diversifying the export base.



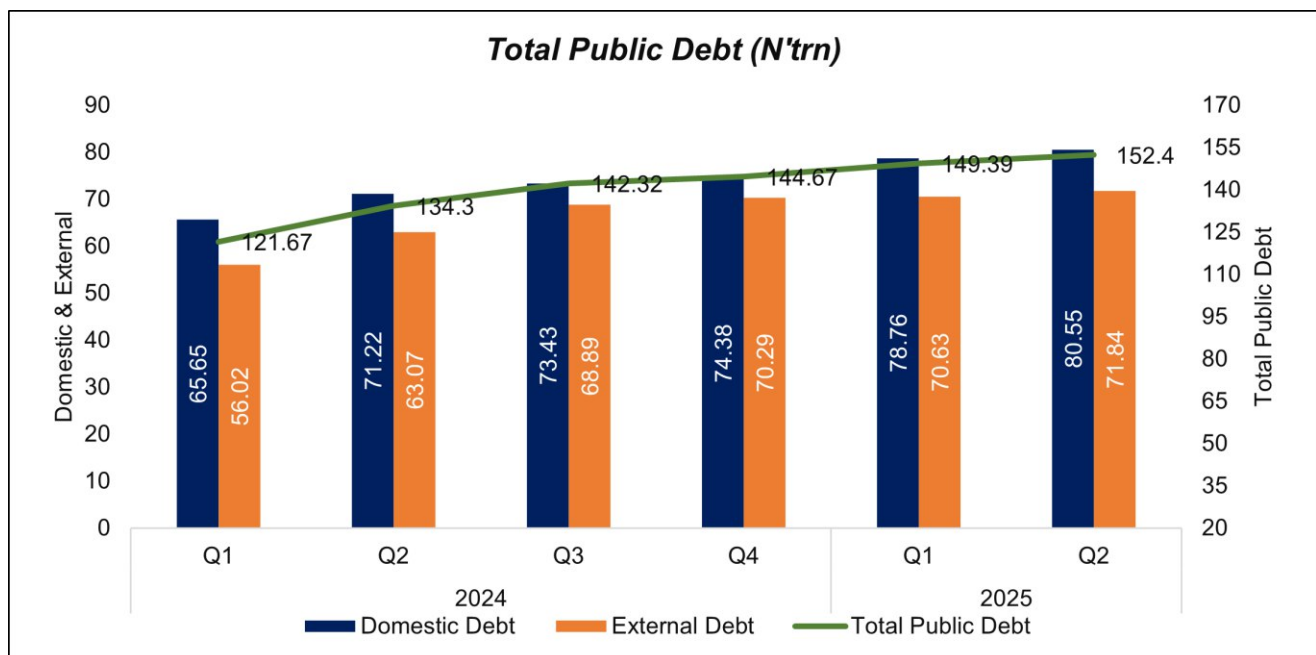
Source: NBS



2.9 Total Public Debt

According to the Debt Management Office, Nigeria's total public debt stock increased modestly by 2.01% in Q2 2025 to N152.40 trillion (99.66 billion dollars), from 149.39 trillion (97.24 billion dollars) in Q1 2025. The increase was driven largely by additional domestic borrowing and disbursements from existing multilateral and

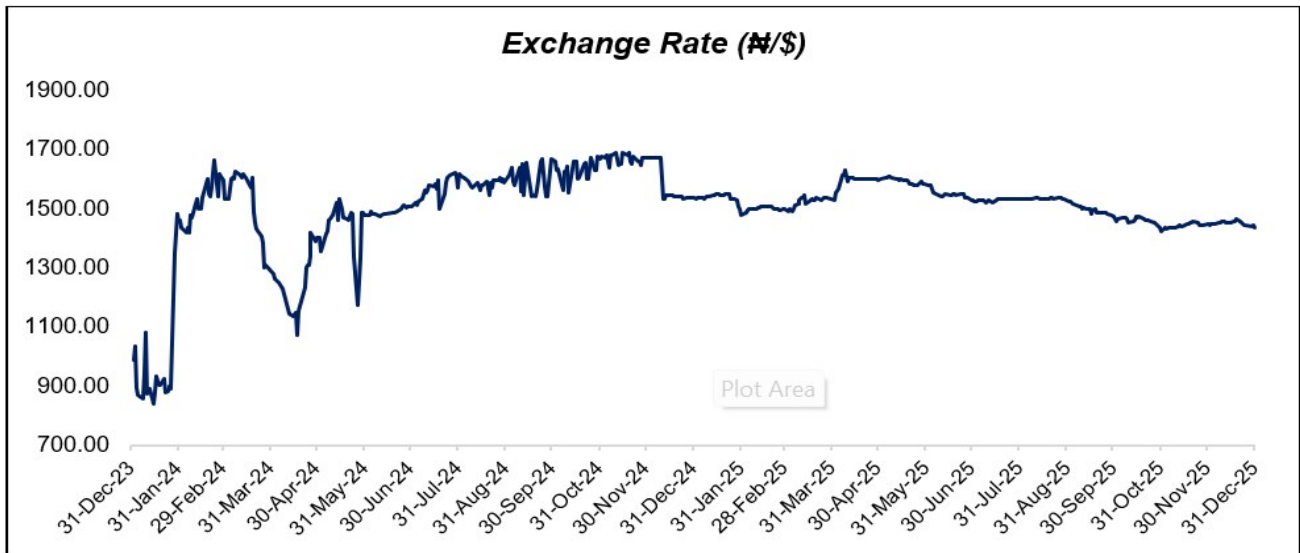
bilateral financing facilities. Overall debt composition remained broadly balanced, with domestic debt at N80.55 trillion, accounting for 52.86% of total obligations and external debt at N71.84 trillion, representing 47.14%, highlighting a near even split between domestic and external liabilities.



2.10 Exchange Rate

The Nigerian naira strengthened in Q4 2025 following several months of relative stability, trading within the N1,426.8 to N1,479.4 per US\$ range during the quarter. The appreciation was driven by improved foreign exchange liquidity, supported by renewed portfolio inflows, increased participation by offshore investors and stronger market confidence anchored on sustained policy consistency.

Improved external reserve buffers further reinforced foreign exchange market stability, enhancing the Central Bank of Nigeria's capacity to manage liquidity and maintain orderly market conditions. Consequently, the naira appreciated to N1,435.25 per US\$ at end Q4 2025, from N1,474.84 per US\$ at the close of the previous quarter, underscoring a period of relative exchange rate stability.

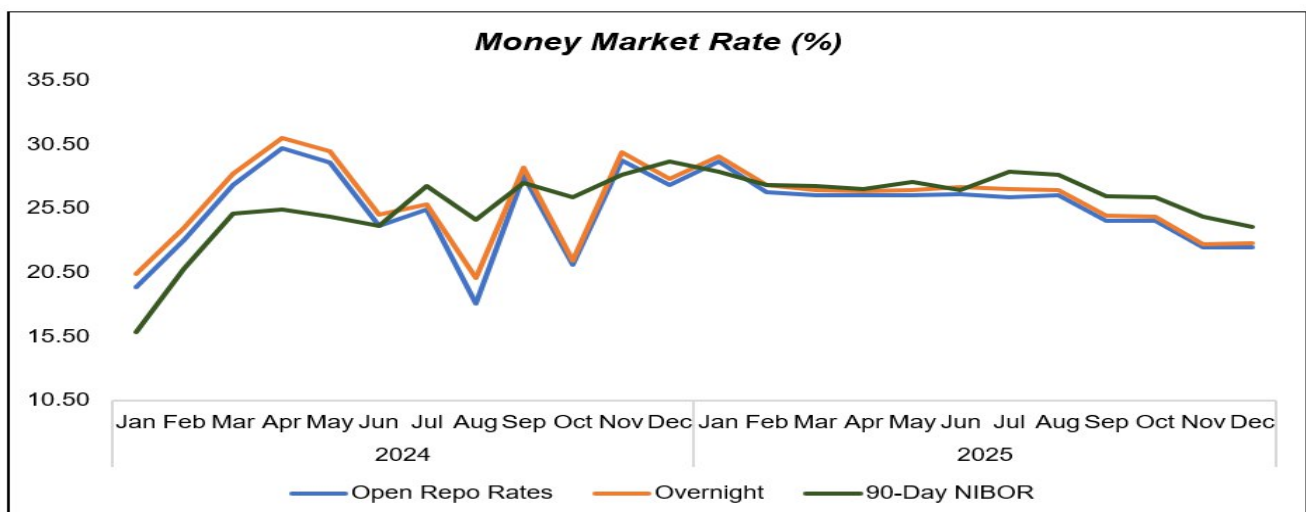


Source: FMDQ

2.11. The Money Market

Short term money market conditions eased in Q4 2025, reflecting improved system liquidity. Nigeria's Open Repo Rate and Overnight rate moderated to 22.50% and 22.75%, respectively, from 24.50% and 24.92% in the previous quarter. The decline in interbank rates was driven largely by liquidity inflows from Cash Reserve Ratio refunds, Federal Government bond coupon payments and Open Market Operation maturity inflows.

These liquidity injections alleviated funding pressures in the interbank market, resulting in a more accommodative short-term money market environment. Consistent with this trend, the 90-day Nigerian Interbank Offered Rate declined to 24.07% in Q4 2025 from 26.29% in the preceding quarter, underscoring liquidity driven moderation in market rates and improved funding conditions across the financial system.



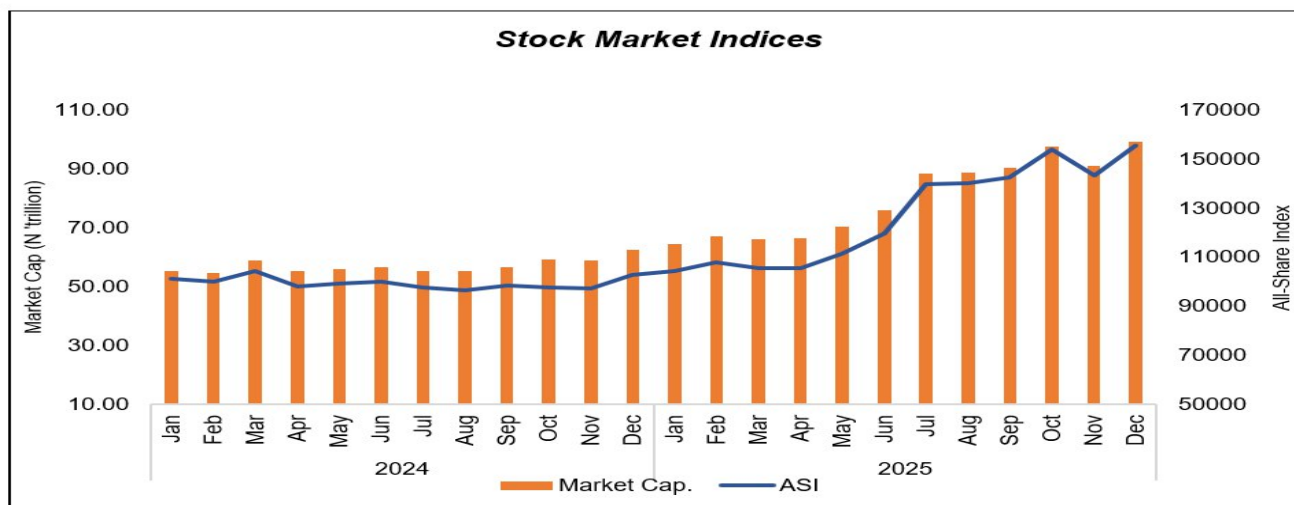
Source: FMDQ



2.12. The Stock Market

The Nigerian equities market sustained strong upward momentum in Q4 2025, with the benchmark All Share Index of the Nigerian Exchange rising by 12,902.55 points to close at 155,613.03 in December, compared with 142,710.48 in September. This represents a robust 9.04% quarter-on-quarter gain, reflecting sustained investor confidence, resilient corporate earnings performance and improving market sentiment.

In tandem, market capitalisation expanded significantly to N99.38 trillion at end December, up from N90.58 trillion in the previous quarter. The strong performance was driven by broad-based price appreciation in large capitalisation stocks, sustained institutional inflows, improved earnings expectations and renewed investor confidence supported by recent macroeconomic stabilisation and policy reforms.

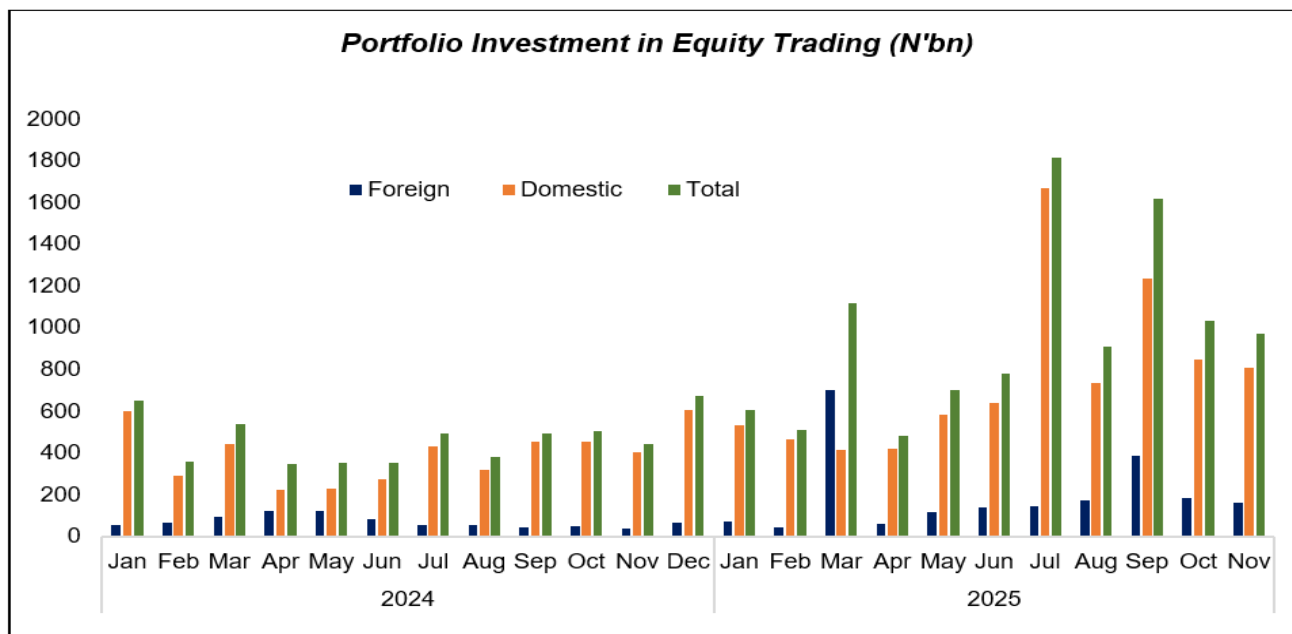


Source: NGX

2.13. Portfolio Investment – NGX

Nigerian Exchange, foreign investors accounted for 16.68% of total market turnover in November 2025, down from 18.07% in October. Foreign transactions declined by 13.17% month-on-month to N162.04 billion, marking a second consecutive monthly contraction from N186.62 billion in October. The foreign participation reflected cautious but emerging offshore interest, supported by improved foreign exchange stability and attractive yields, though still constrained by external risks and outweighed by strong domestic participation.

Meanwhile, activity across the broader financial markets strengthened. Data from the FMDQ showed that total turnover rose to N58.47 trillion in December 2025, representing a 7.01% month-on-month increase (N3.83 trillion) and a 38.69% year-on-year increase (N16.31 trillion) compared with December 2024. Foreign exchange and money market transactions dominated secondary market activity during the period, jointly accounting for 66.96% of total turnover, underscoring robust liquidity conditions and sustained depth in short term and FX markets.



Source: NGX

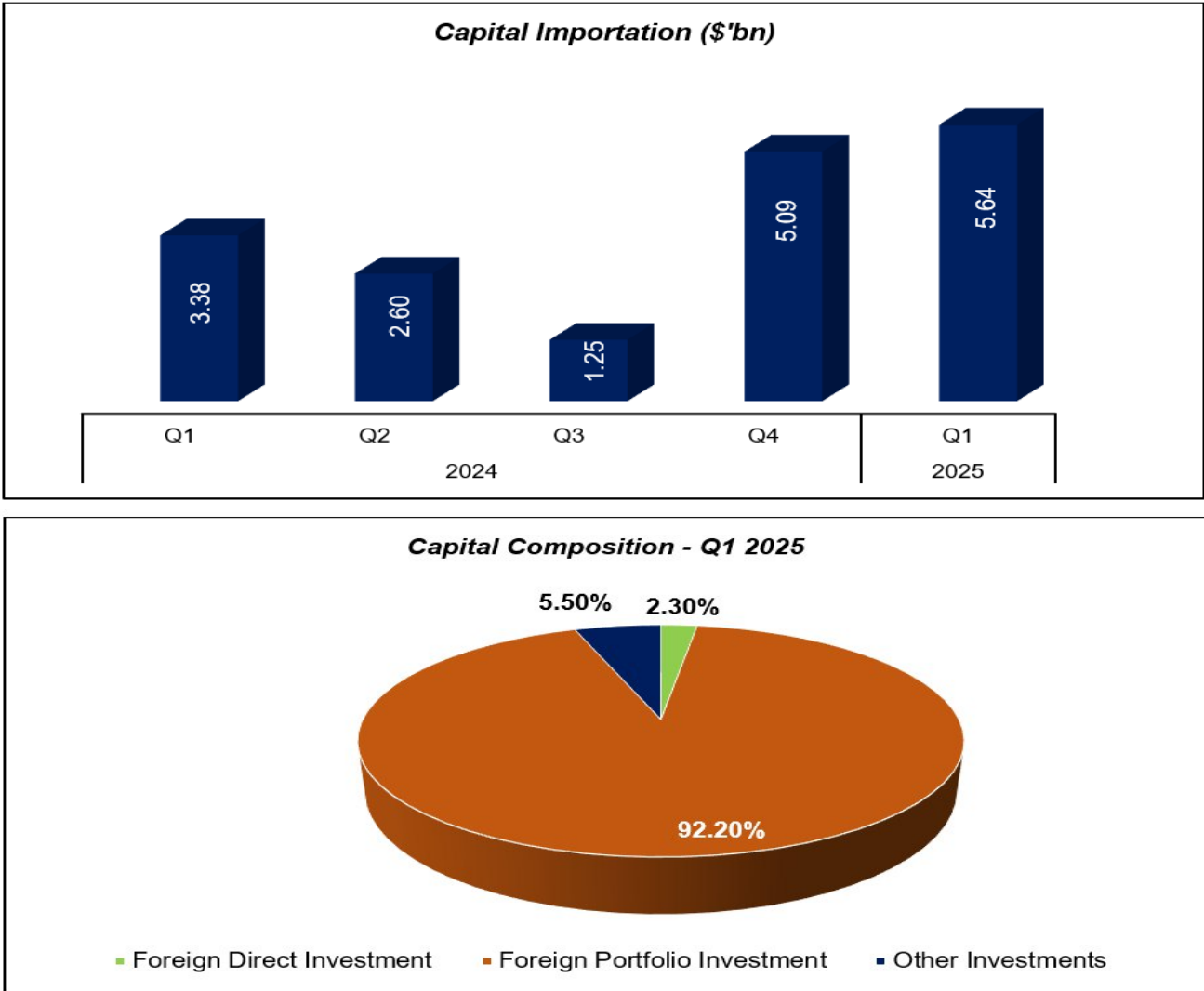
2.14. Capital Importation

Based on available data, Nigeria recorded a strong rebound in capital inflows in Q1 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 quarter-on-quarter basis, inflows grew by 10.9% from US\$5.09 billion in Q4 2024, reflecting renewed foreign investor confidence amid improving macroeconomic stability and market conditions.

Foreign Portfolio Investment remained the dominant source of inflows, accounting for US\$5.20 billion or 92.2% of the total, underscoring the continued appeal of Nigeria's financial markets to short term investors attracted by higher yields and a more transparent foreign exchange framework. Other Investments amounted to US\$0.31 billion (5.5%), while Foreign Direct

Investment remained subdued at US\$0.13 billion (2.3%), highlighting a cautious approach to long term commitments pending further progress on structural reforms.

Sectorally, the banking industry attracted the largest share of inflows at US\$3.13 billion (55.4%), supported by strong participation in financial instruments and recapitalisation related activities, followed by the broader financial sector with US\$2.10 billion (37.2%) and manufacturing with US\$129.92 million (2.3%). Geographically, inflows were concentrated in the Federal Capital Territory at US\$3.05 billion (54.1%) and Lagos at US\$2.56 billion (45.5%), reaffirming the dominance of Nigeria's primary financial and administrative hubs as key entry points for foreign capital.



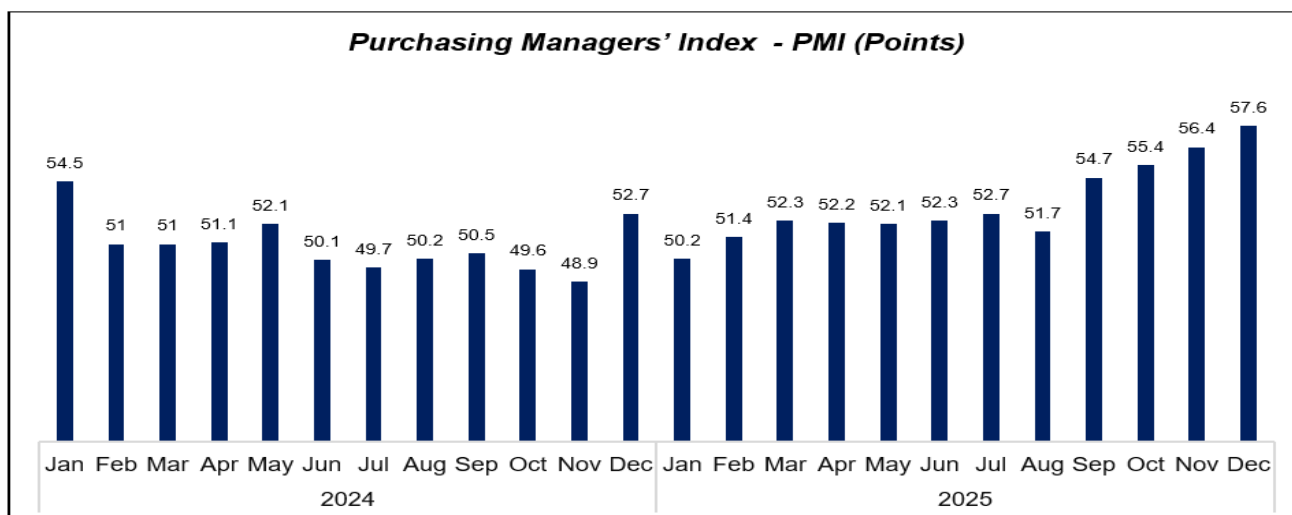
Source: NBS

2.15. Purchasing Managers' Index

Nigeria's Purchasing Managers' Index strengthened further in December 2025, rising to 57.6 points from 56.4 points in November, signalling a stronger and broad-based expansion in aggregate economic activity. This marked the thirteenth consecutive month of expansion and the strongest PMI reading recorded in 2025, underscoring sustained momentum across the economy.

The improvement reflected continued expansion across key employment generating sectors.

Agriculture remained robust at 58.5 points, industry strengthened to 57.0 points, while services stayed in expansionary territory at 51.9 points, indicating broad-based growth in output and business activity. Supporting this trend, 32 of the 36 subsectors monitored recorded expansions in production, new orders and employment, reinforcing a positive near-term growth outlook.



Source: CBN

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 on the national scale, 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 mobilisation and rising oil output supported by the Dangote Refinery, have collectively contributed to a more favourable external position and strengthened fiscal fundamentals.

2.17. Socio-Economic Landscape

Nigeria Enacts Landmark 2026 Tax Reforms to Boost Income and Stimulate Economic Activity

The Nigerian government has enacted a comprehensive tax reform package, described as the most far-reaching overhaul of the tax system since 1999, with implementation scheduled to commence on 1 January 2026. The reforms introduce a more progressive tax framework, exempting minimum wage earners, reducing tax rates for middle-income groups and increasing rates for higher-income earners. According to the Chairman of the Presidential Fiscal Policy and Tax Reforms Committee, the reforms are expected to significantly reduce the PAYE tax burden, with many workers either fully exempt or facing lower liabilities. In addition, a large segment of small businesses will be exempt from corporate income tax, value added tax and withholding tax, with implementation reportedly on schedule.

From a macroeconomic perspective, the reforms are expected to improve household disposable income and reduce operating costs for small and medium sized enterprises, thereby supporting consumption, investment and overall business activity. While the associated increase in demand could generate modest inflationary pressures, the progressive design of the reforms, including higher levies on top income earners, is expected to help moderate excess demand and preserve price stability over the medium term.



2.18. Financial Sector Developments

The banking sector recapitalisation programme initiated by the Central Bank of Nigeria in 2024 recorded significant progress in Q4 2025, marking a key milestone in strengthening financial system resilience. By late 2025, 16 banks had achieved full compliance with the new minimum capital requirements, including the N500 billion threshold for international banks, reflecting strong execution momentum across the sector.

Progress was driven by a combination of capital raising and consolidation strategies, including rights issues, public offers, private placements and selective mergers and acquisitions, undertaken ahead of the 31 March 2026 deadline. These actions have materially strengthened bank balance sheets, enhanced loss absorbing capacity and improved the overall stability and resilience of the banking sector, positioning it to better support credit growth and economic expansion over the medium term.

Introduction of N50 Stamp Duty on Electronic Transfers Under Nigeria's New Tax Act: Nigerian banks have commenced the deduction of a N50 stamp duty on electronic transfers of 10,000 and above, effective 1 January 2026, in line with the implementation of provisions under the newly enacted Tax Act. The measure formally reclassifies the former Electronic Money Transfer Levy as a stamp duty and applies it as a flat, one-off N50 charge on qualifying electronic transactions.





OUTLOOK FOR Q1 2026 NIGERIA



Section 3

OUTLOOK FOR Q1 2026 - Nigeria



GDP Growth

Nigeria's economic growth is projected to remain on an upward trajectory, with expansion expected to range between 3.8% and 4.5% in 2026, supported by the administration's growth-oriented policy reforms. These measures are strengthening macroeconomic stability, improving investor confidence and enhancing performance across key sectors. In addition, easing inflationary pressures and lower borrowing costs are expected to stimulate domestic demand and private sector investment, further reinforcing Nigeria's medium term growth momentum.



Foreign Exchange

The foreign exchange rate is projected to remain largely stable around the N1,400 per US dollar level in 2026. This outlook is supported by higher crude oil production, stronger export earnings and improved foreign exchange inflows, which are expected to enhance market stability, anchor exchange rate expectations and sustain investor confidence.



Crude Oil

Oil prices are projected to trade within US\$60 - US\$70 per barrel range in 2026, 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. These effects are expected to be partly offset by strengthening energy demand in emerging markets and renewed geopolitical risks in key producing regions, supporting relative price stability within the projected band.



Monetary Policy

The benchmark interest rate is projected to moderate to 20% - 22% by end 2026, reflecting the Central Bank of Nigeria's sustained efforts to contain inflation while supporting macroeconomic stability. This trajectory is consistent with the broader national growth strategy and the objective of progressing toward a US\$1 trillion GDP by 2030, underscoring a calibrated policy approach that balances price stability with longer term economic expansion.



Foreign Reserves

Nigeria's external reserves are projected to strengthen further, reaching US\$50.0 -US\$52.0 billion, supported by higher oil export receipts, sustained multilateral inflows and prudent foreign exchange management by the Central Bank of Nigeria.



Inflation

Inflation is projected to ease to 10%–12% by end 2026, signalling a period of relative price stability. The moderation is expected to be driven by favourable base effects and a sustained tight monetary policy stance. Together, these factors should help contain price pressures and provide some relief to households and businesses, even as underlying structural inflationary drivers continue to shape the broader economy.

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