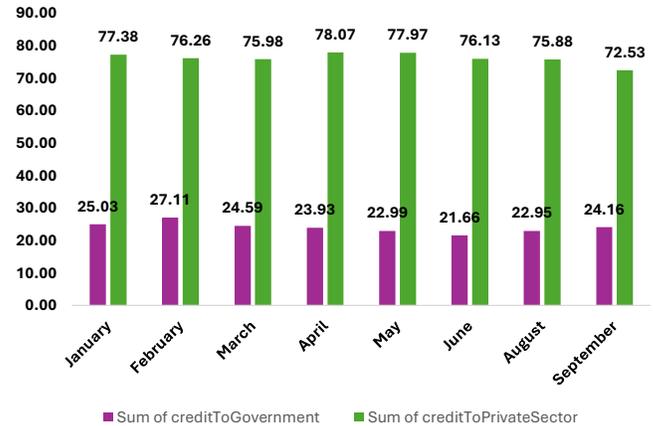


Money supply contracted by 1.6% in September despite policy easing moves

Key Highlights on Money Supply, Credit, and Liquidity Indicators

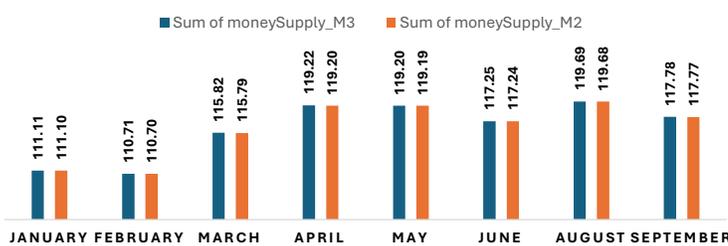
- ✓ Broad Money Supply (M3) declined by 1.6% month-on-month to N117.78 trillion from N119.69 trillion in August, indicating moderate liquidity tightening in the system.
- ✓ Money Supply (M2) also dipped slightly to N117.77 trillion from 119.68 trillion in August.
- ✓ Net Foreign Assets (NFA) rose marginally to N41.66 trillion (from N41.59 trillion in August), reflecting a relatively stable FX position.
- ✓ Net Domestic Assets (NDA) declined to N76.12 trillion (from N78.11 trillion), driven by reduced credit growth.
- ✓ Credit to Government increased to N24.16 trillion, while Credit to the Private Sector fell to N72.53 trillion, suggesting tighter lending conditions.
- ✓ Base Money rose to N39.62 trillion, a 11% increase from August, largely on account of higher bank reserves.
- ✓ Currency in Circulation rose marginally to N4.95 trillion in September (from N4.92 trillion in August), while Currency Outside Banks inched up slightly to N4.47 trillion (from N4.45 trillion).
- ✓ Demand Deposits fell from N34.93 trillion in August to N34.64 trillion in September, a 0.8% decline. That's consistent with the mild contraction in broad money (M3 and M2).
- ✓ Bank Reserves rose from N30.76 trillion in August to N34.67 trillion in September, that's a 12.7% month-on-month increase. This suggests a build-up in reserve balances, possibly due to CBN's liquidity mop-up operations

Net Domestic Credit (N'Trillion)

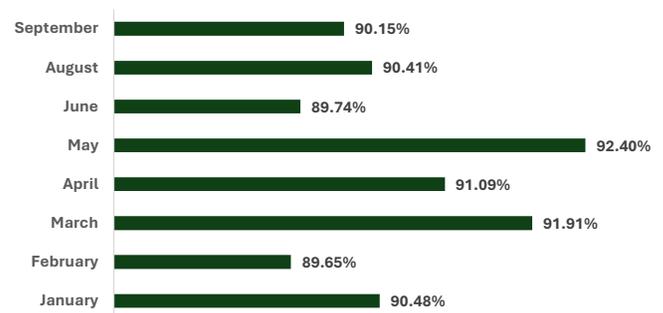


Period (2025)	Net Foreign Assets	Net Domestic Assets
June	N41.47 trn	N75.78 trn
August	N41.59 trn ▲	N78.11 trn ▲
September	N41.66 trn ▲	N76.12 trn ▼

TREND OF MONEY SUPPLY IN 2025 (N'TRILLION)



Money outside of Banks (%)



Implication

- The mild decline in broad money supply in September likely reflects pre-policy conditions, as the recent MPR cut from 27.5% to 27.0% and reduction in the Cash Reserve Ratio (CRR) occurred late in the month and may not yet be fully captured in the data.
- The liquidity build-up in bank reserves suggests an early response to easing measures, but a more visible impact on money supply and credit conditions is expected from October onward.
- The sustained rise in credit to government amid slower private sector lending indicates that crowding-out effect remain, though lower policy rates could gradually improve credit appetite and reduce funding costs in coming months.