

Total FX inflows rose 19.3% YoY to \$29.06 bn in Q1 2025, but outflows climbed 34.6% YoY to \$13.91 bn, showing a faster pace of FX demand expansion.

Private market driving FX turnover. Autonomous inflows accounted for 71% of total FX inflows in Q1 2025 (\$20.74 bn out of \$29.06 bn), compared to 67% in Q1 2024, underscoring a market-led liquidity structure.

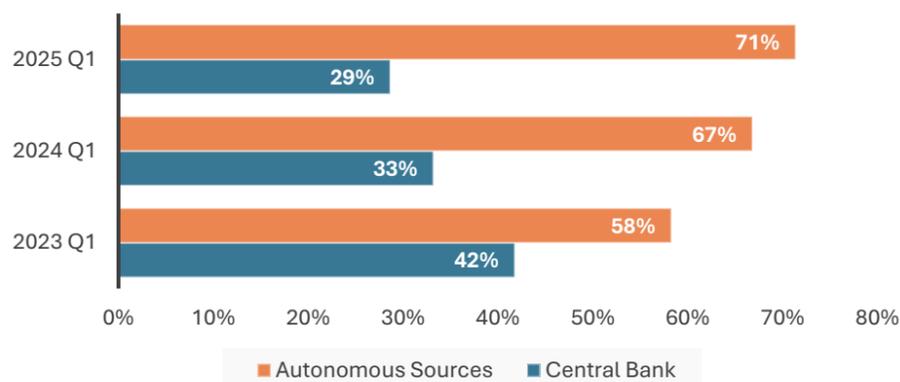
Financial services outflows outpacing trade-related demand. FX utilisation for financial services surged to \$4.14 bn, nearly double the industrial sector's \$2.31 bn and over 80% higher than all food and manufactured imports combined.

CBN FX sales to I&E, SME, Invisibles fell 26% y/y to US\$2.24bn

Period	Total FX sales	YoY % \triangle
2023 Q1	\$4.31 bn	-
2024 Q1	\$3.03 bn	-29.6 \blacktriangledown
2025 Q1	\$2.24 bn	-26.0% \blacktriangledown

The Central Bank of Nigeria (CBN) sold a total of \$2.24 billion to the I&E, SME, and Invisibles segments in Q1 2025, a 26% decline from \$3.03 billion in Q1 2024 and 48% lower than \$4.31 billion sold in Q1 2023.

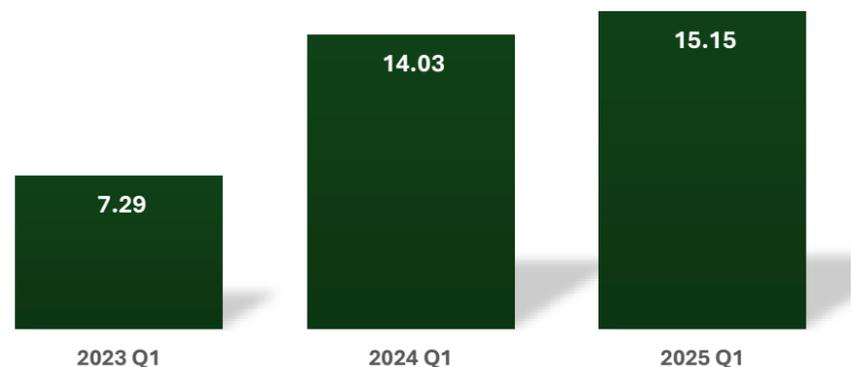
CBN vs Autonomous Market Position



This consistent drop reflects the CBN's policy shift toward limited intervention and greater reliance on market forces to determine exchange rates.

Such moderation in sales suggests a deliberate move to conserve external reserves and promote liquidity from autonomous sources.

Net flow through the Nigerian economy (\$ billion)



Flow Type	CBN	Autonomous Sources
Inflow (2025 Q1)	\$8.324 bn	\$20.739 bn
Outflow (2025 Q1)	\$10.538 bn	\$3.371 bn
Net Flow	-\$2.215 bn	\$17.369 bn

Key Highlights

Total FX inflows surged by 19.3% YoY, driven largely by autonomous sources, which contributed \$20.7 billion or 71% of total inflows.

Inflow through the CBN remained modest at \$8.32 billion, up slightly from \$8.09 billion in Q1 2024, indicating stable but restrained official activity.

Total outflows rose to \$13.91 billion, reflecting stronger repatriations and external payments during the period.

The economy still recorded a net positive flow of \$15.15 billion, underscoring increased FX availability overall despite lower CBN intervention.

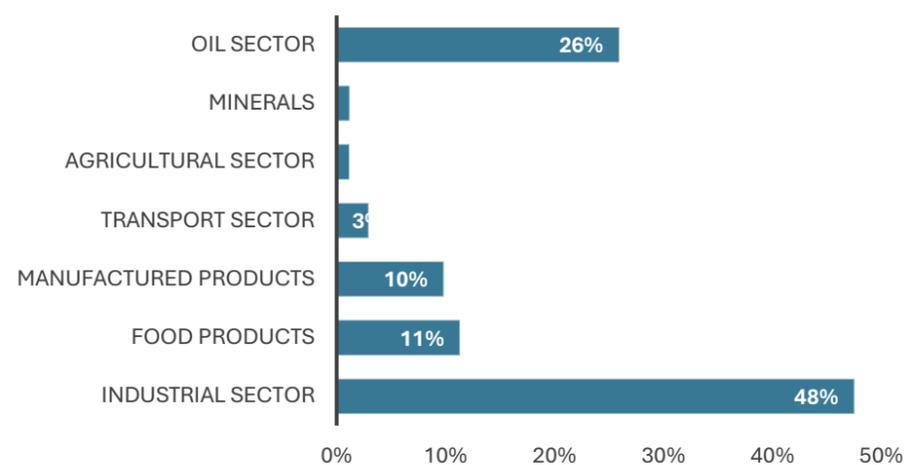
Implications

The growing share of autonomous inflows is a positive structural shift, signaling rising confidence in the FX market and improved export and remittance receipts. However, the widening outflows point to higher foreign obligations, especially from importers and investors taking profits out of the country.

Sectoral Utilization of Foreign Exchange

Category	2023 Q1	2024 Q1	2025 Q1
Import	\$4.94 bn	\$4.0 bn	\$4.85 bn
Invisible	\$2.58 bn	\$2.71 bn	\$4.49 bn
Total Utilisation	\$7.52 bn	\$6.71 bn	\$9.34 bn

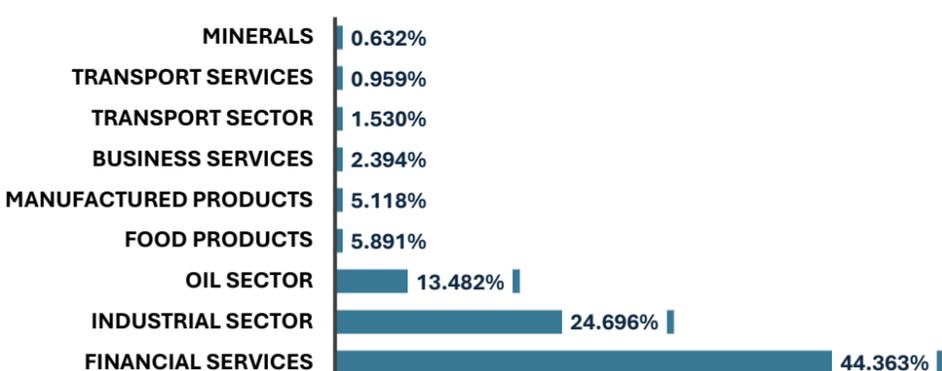
Share of import related FX demand in Q1 2025 (%)



Import (2025 Q1)	FX demand (\$)
Industrial Sector	\$2.31 bn
Food Products	\$550.09 m
Manufactured Products	\$477.95 m
Transport Sector	\$142.83 m
Agricultural Sector	\$57.20 m
Minerals	\$59.06 m
Oil Sector	\$1.23 bn
Total Import-related FX demand	\$4.85 bn

Invisibles (2025 Q1)	% share	FX demand
Business Services	4.984%	\$223.60 m
Communication Services	0.268%	\$12.01 m
Educational Services	0.305%	\$13.70 m
Financial Services	92.347%	\$4.14 bn
Health Related & Social Services	0.001%	\$59.04 k

Sectoral Share of Foreign Exchange Utilisation – Q1 2025 (%)



Observations

Import-related FX demand rose to \$4.85 billion, up 21.2% YoY, driven by higher industrial and oil sector needs.

Industrial sector led with \$2.31 billion (up 19% YoY).

Oil sector utilisation tripled to \$1.26 billion, indicating stronger petroleum import and service payments amid domestic refining shortfalls.

Food and manufactured products declined slightly, reflecting subdued consumer imports and tighter credit conditions.

Invisibles utilisation expanded sharply to \$4.49 billion, led by financial services, which surged from \$2.21 billion to \$4.14 billion, likely reflecting offshore service payments, correspondent banking transactions, and capital transfers.

Educational and communication services saw significant declines, aligning with tighter documentation scrutiny and reduced demand for tuition-related FX following stricter CBN monitoring.

Sectoral Breakdown (Q1 2025)

- ❑ Industrial sector: 24.7%
- ❑ Oil sector: 13.5%
- ❑ Financial services: 44.3% of invisibles
- ❑ Food and manufactured products: 11% combined

Market Outlook

FX activity in Q4 2025 is expected to remain moderately stable but liquidity-tight, as the CBN sustains a restrained intervention stance and relies more on autonomous inflows to meet market demand.

Expectations

FX supply will continue to be driven by export proceeds, remittances, and portfolio inflows, with limited direct CBN funding.

CBN interventions are likely to focus on stabilising volatility rather than defending any specific rate level.

Import-related demand could remain elevated as industrial and refined petroleum imports persist amid weak local production.