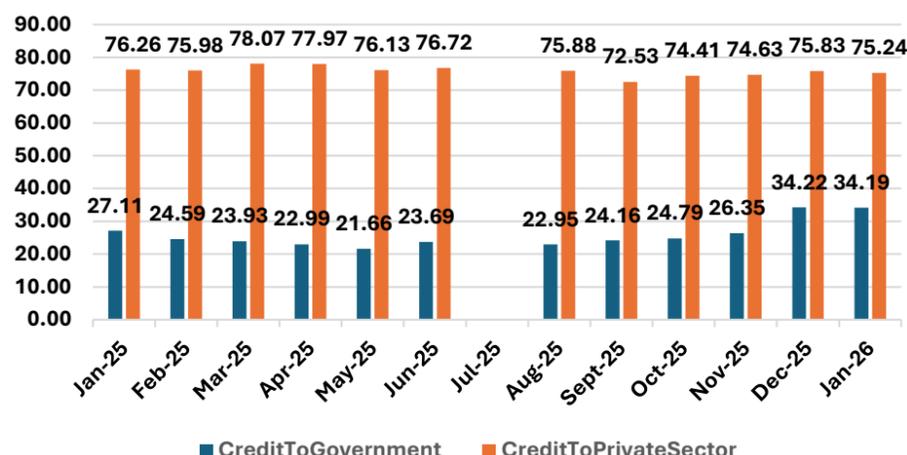


Money supply declined by 0.8% in January 2026 as the CBN mopped up N13.41 trillion in system liquidity at the start of the year.

Key Highlights on Money Supply, Credit, and Liquidity Indicators

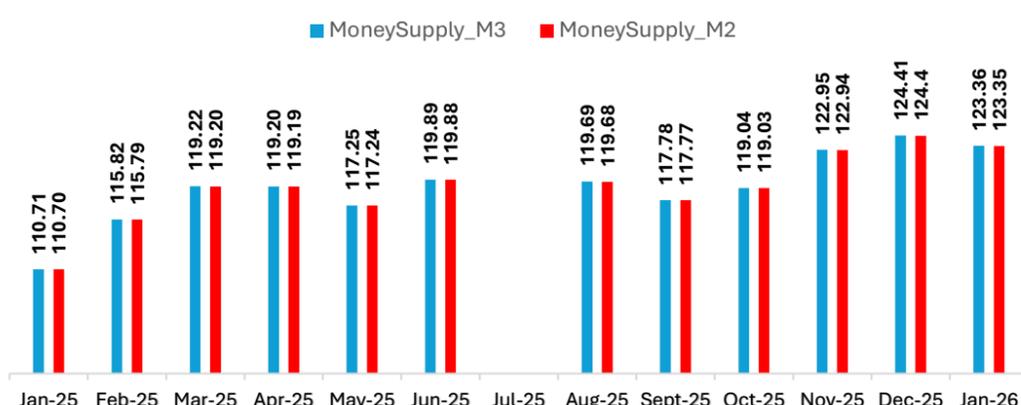
- Money Supply (M3) declined by 0.8% m/m to N123.36 trillion in January 2026 (December: N124.41 trillion), indicating a mild liquidity contraction at the start of the year.
- Money supply (M2) also fell slightly to N123.35 trillion, down from N124.40 trillion in December.
- Net Foreign Assets declined by 6.0% to N29.61 trillion in January from N31.51 trillion in December.
- Net Domestic Assets increased by 0.9% to N93.76 trillion, compared with N92.90 trillion in December, supported by domestic credit expansion.
- Credit to Government declined marginally by 0.1% to N34.19 trillion, from N34.22 trillion in December, suggesting a slight moderation in government borrowing after the sharp December increase.
- Private Sector Credit declined by 0.8% to N75.24 trillion, from N75.83 trillion in December, indicating a modest slowdown in private lending at the start of the year.
- Currency Outside Banks (COB) fell by 3.7% to N5.21 trillion from N5.41 trillion in December.
- Currency in Circulation declined slightly by 0.03% to N5.73 trillion, from N5.73 trillion in December, remaining broadly stable.
- Bank Reserves declined from N32.04 trillion in December to N30.26 trillion, representing a 5.5% m/m decrease, suggesting reduced reserve balances in the banking system.

Net Domestic Credit (N'Trillion)

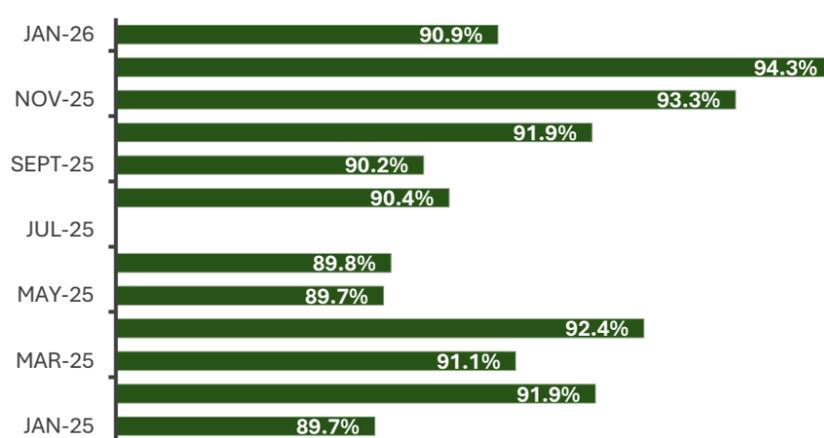


Period	Net Foreign Assets	Net Domestic Assets
August '25	N41.59 trn ▲	N78.11 trn ▲
September '25	N41.66 trn ▲	N76.12 trn ▼
October '25	N34.8 trn ▼	N84.23 trn ▲
November '25	N37.4 trn ▲	N85.6 trn ▲
December '25	N31.51 trn ▼	N92.90 ▲
January '26	N29.61 trn ▼	N93.76 ▲

TREND OF MONEY SUPPLY IN 2025 (N'TRILLION)



Money outside of Banks (%)



Forward Note

Liquidity conditions tightened at the start of the year following aggressive liquidity sterilisation by the Central Bank of Nigeria. Data indicates that the CBN mopped up about N13.41 trillion in January 2026, significantly higher than the N2.77 trillion absorbed during the same period in 2025, contributing to the mild contraction in money supply and reserve balances observed in January. However, the Monetary Policy Committee's decision on February 24 to reduce the Monetary Policy Rate from 27% to 26.5% signals a shift toward gradual policy easing. Early market reactions suggest that fixed income yields and interbank rates have already begun to adjust downward, reflecting improved liquidity expectations. The transmission of this policy adjustment may begin to influence credit conditions and lending activity in the coming months, particularly from March onward, as banks respond to lower funding costs and improving liquidity dynamics. This could support a gradual pickup in private sector credit growth, depending on the pace of fiscal borrowing and overall system liquidity.