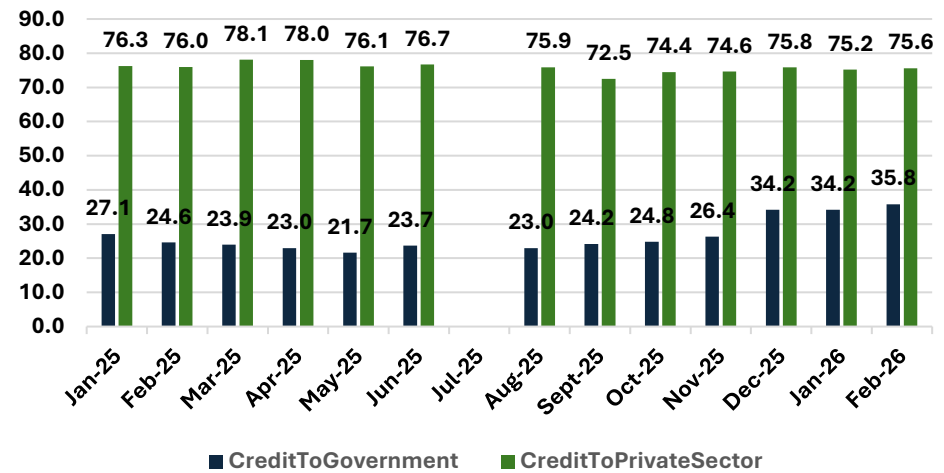


Money supply declined for a second consecutive month in 2026, falling by 0.17% in February, even as CBN liquidity mop-up moderated

Key Highlights on Money Supply, Credit, and Liquidity Indicators

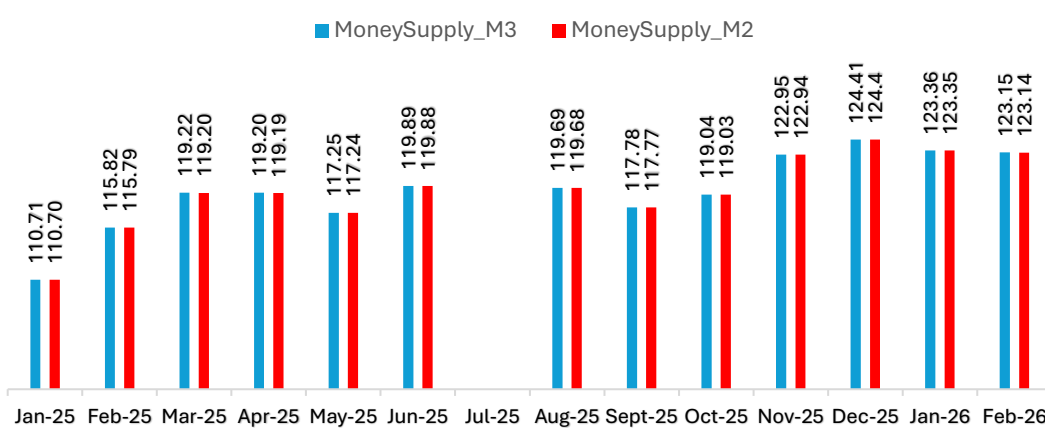
- Money Supply (M3) declined by 0.17% m/m to N123.15 trillion in February (January: N123.36 trillion), indicating a slight moderation in liquidity conditions.
- Money Supply (M2) also declined marginally to N123.14 trillion, from N123.35 trillion in January.
- Net Foreign Assets (NFA) declined by 4.06% to N28.41 trillion, from N29.61 trillion, suggesting continued pressure on external buffers.
- Net Domestic Assets (NDA) increased by 1.05% to N94.74 trillion, supported by expansion in domestic credit.
- Credit to Government increased by 4.64% to N35.77 trillion, reflecting renewed government borrowing activity.
- Private Sector Credit rose modestly by 0.51% to N75.62 trillion, indicating a gradual improvement in lending conditions.
- Currency Outside Banks (COB) declined slightly by 0.06% to N5.21 trillion, from N5.21 trillion in January.
- Currency in Circulation (CIC) remained unchanged at N5.73 trillion, indicating stable currency levels.
- Bank Reserves remained unchanged at N30.26 trillion, reflecting stable reserve balances in the banking system.

Net Domestic Credit (N'Trillion)

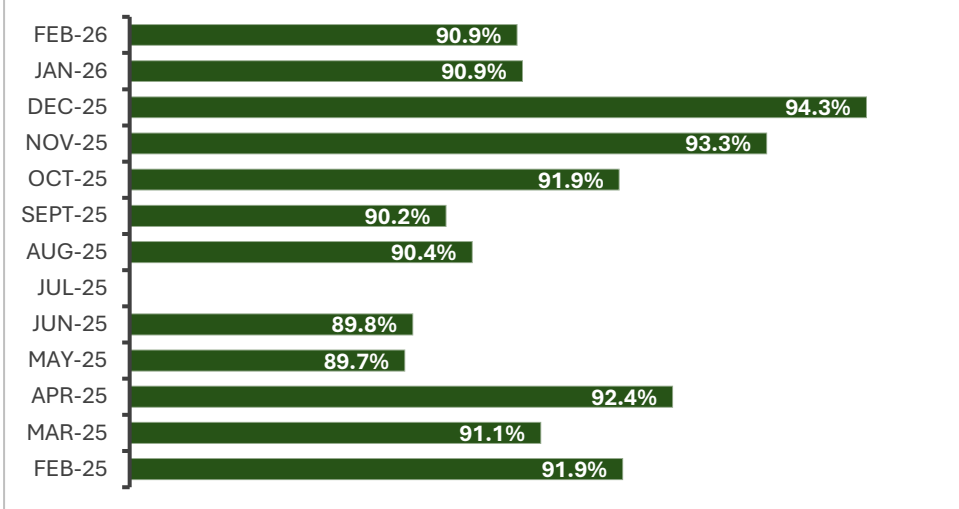


Period	Net Foreign Assets	Net Domestic Assets
September '25	N41.66 trn ▲	N76.12 trn ▼
October '25	N34.8 trn ▼	N84.23 trn ▲
November '25	N37.4 trn ▲	N85.6 trn ▲
December '25	N31.51 trn ▼	N92.90 ▲
January '26	N29.61 trn ▼	N93.76 ▲
February '26	N28.41 trn ▼	N94.74 ▲

TREND OF MONEY SUPPLY IN 2025 (N'TRILLION)



Money outside of Banks (%)



Forward Note

Liquidity conditions remained relatively tight in February, although the pace of liquidity sterilisation moderated. Data indicates that the CBN mopped up approximately N6.28 trillion in February, representing a 53.21% decline from January, but still 39.51% higher than the level recorded in the same period of 2025. This suggests that while liquidity withdrawal slowed, monetary conditions remained restrictive overall. As noted in our previous report, the Monetary Policy Committee's decision to reduce the MPR from 27% to 26.5% signals a gradual shift toward policy easing. However, the full impact of this adjustment is expected to become more evident from March onward, as market rates continue to adjust. Notably, credit to the government expanded significantly faster than private sector credit, increasing by about N1.6 trillion between January and February, compared to N400 billion for the private sector, reinforcing ongoing crowding-out pressures. Going forward, the interaction between moderating liquidity sterilisation, policy easing, and sustained government borrowing will be critical in shaping liquidity conditions and the trajectory of private sector credit in the coming months.