

M2 grows 1.38% in September as CBN Bills in M3 surge to N5.60 trillion; credit to government rebounds while private credit eases

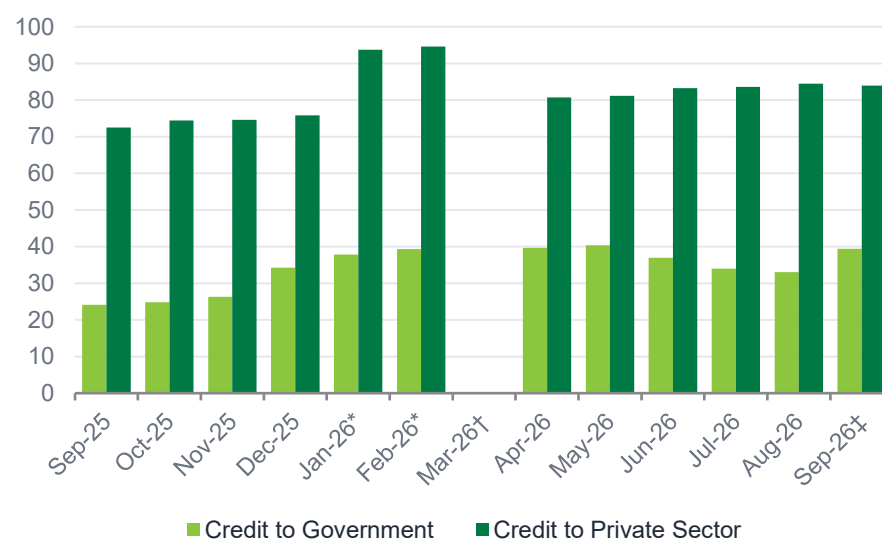
Key Highlights

- **Money Supply (M3)** ▲ rose 5.40% m/m to N146.60trn (Aug: N139.09trn); N5.60trn of it is CBN Bills.
- **Money Supply (M2)** ▲ rose 1.38% to N141.00trn, the like-for-like measure; +19.72% y/y.
- **Net Foreign Assets** ▼ fell 13.57% to N30.90trn, from N35.75trn in August.
- **Net Domestic Assets** ▲ rose 11.97% to N115.70trn, from N103.34trn.
- **Credit to Government** ▲ jumped 19.26% to N39.40trn, ending three months of decline.
- **Private Sector Credit** ▼ eased 0.64% to N83.93trn (Aug: N84.47trn); +15.73% y/y.
- **Currency Outside Banks** ▲ rose 1.00% to N4.92trn, from N4.87trn.
- **Currency in Circulation** ▲ rose 1.50% to N5.52trn, from N5.44trn.
- **Bank Reserves** ▼ eased 0.08% to N36.04trn, from N36.07trn.
- **Base Money** ▲ rose 0.13% to N41.56trn; +4.88% y/y.

Why M3 now grows faster than M2

CBN Bills held by the non-bank public reached N8trn in 2017–19, but fell to about N10bn after the CBN barred local individuals and corporates from OMO in October 2019, leaving only banks and foreign investors. M3 and M2 therefore grew alike until August 2026. With OMO reopened to local investors in August 2026, the bills jumped to N5.60trn, adding 4.0 points to M3 growth (5.40% vs 1.38% for M2).

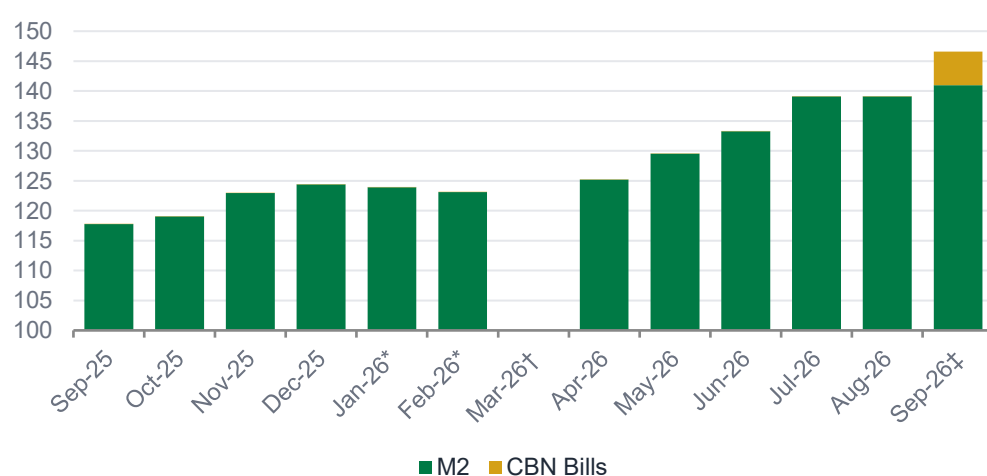
Net Domestic Credit (N'trn)



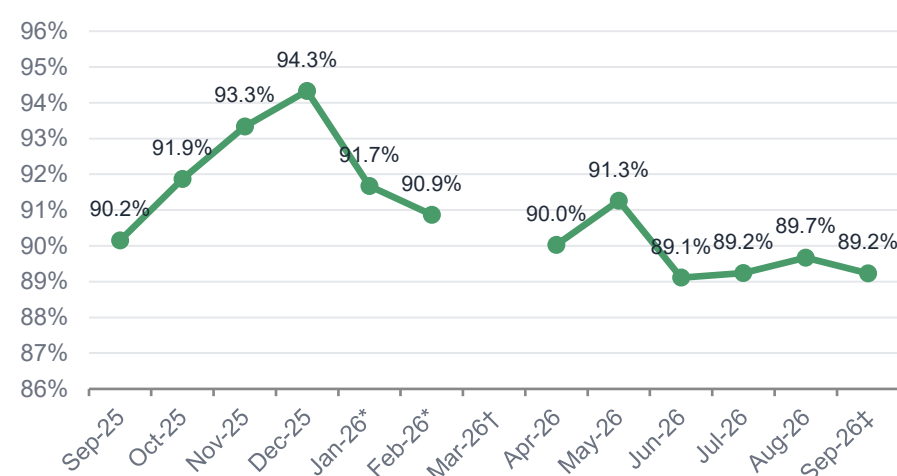
Period	Net Foreign Assets (N'trn)	Net Domestic Assets (N'trn)	M3 (N'trn)
Apr-26	23.82 ▼	101.36 ▲	125.19
May-26	27.00 ▲	102.54 ▲	129.54
Jun-26	28.83 ▲	104.43 ▲	133.27
Jul-26	37.61 ▲	101.49 ▼	139.10
Aug-26	35.75 ▼	103.34 ▲	139.09
Sep-26	30.90 ▼	115.70 ▲	146.60

Arrows: change vs previous published month (Apr-26 vs Feb-26; March not published).
Figures as revised by CBN.

Money Supply, M3 = M2 + CBN Bills (N'trn)



Currency Outside Banks, % of CIC



Analyst's Note

September's 5.40% rise in M3 was driven mainly by a N5.60 trillion surge in CBN Bills held by the non-bank public, the highest since December 2019, after the CBN reopened OMO auctions to individuals, corporates and non-bank institutions in August; bills held by the non-bank public count as money. On a like-for-like basis, M2 grew 1.38%. The CBN's net OMO sales of about N6.6 trillion in the month are consistent with local investors taking up most of the new bills. NFA fell 13.57% to N30.90 trillion even as gross reserves rose above \$54 billion, which points to higher foreign liabilities, possibly including non-resident holdings of OMO bills, alongside naira appreciation to about N1,321/\$ by end-September. Credit to government rebounded N6.36 trillion, well above the N2.74 trillion of net T-bill and bond issuance, suggesting the FGN drew down deposits built up between June and August. Private sector credit eased 0.64%: the 350bps MPR cut to 23% came late in the month, while OMO yields of 16–19% offered banks a high-return, risk-free alternative to lending. A firmer lending response is more likely in Q4 as OMO rates ease.

*.† March 2026 not published by CBN. ‡ M3 = M2 + CBN Bills held by the non-bank public, which rose from about N0.01trn to N5.60trn in Sept-2026; M2 is the comparable series. Apr–Jul 2026 figures as revised in the Sept-2026 CBN release.