FMDA
FINANCIAL MARKETS
DEALERS ASSOCIATION

Pre-MPC Analysis

November 2026

308th Monetary Policy Committee meeting, 23–24 November

FMDA Research

Global developments: the world is still tightening

Central bank	Policy rate	Latest decision	Move
US Fed	3.75–4.00%	Oct 28 · held, 10–2 (two wanted a hike)	Hold
Bank of England	4.00%	Nov 5 · raised 25bps (CPI 3.5%)	**+25bps**
ECB	2.50% (DFR)	Oct 29 · held (CPI 3.8% in Sept)	Hold
Bank of Japan	1.25%	Oct 30 · held, 8–1	Hold

350bps

The gap between Nigeria's MPR and the top of the Fed range has narrowed from 22.50 points at the September MPC to 19.00 now. The CBN cut 350bps; the Fed has not moved since its September 16 hike. A thinner premium for portfolio investors.

Brent crude

$90.33

per barrel, live quote on Nov 20

WTI: $81.59

- Oil has eased to about $90 a barrel, which lowers the imported-inflation risk and eases pressure on the external side.
- No major central bank has cut since September. A 25bp Fed hike in December is fully priced, and the 10-year Treasury yields 4.97%.

Sources: central banks; Reuters via 5paisa (oil, Nov 20); Investing.com (10-year yield, Nov 20); CME FedWatch (Nov 12). DFR = deposit facility rate.

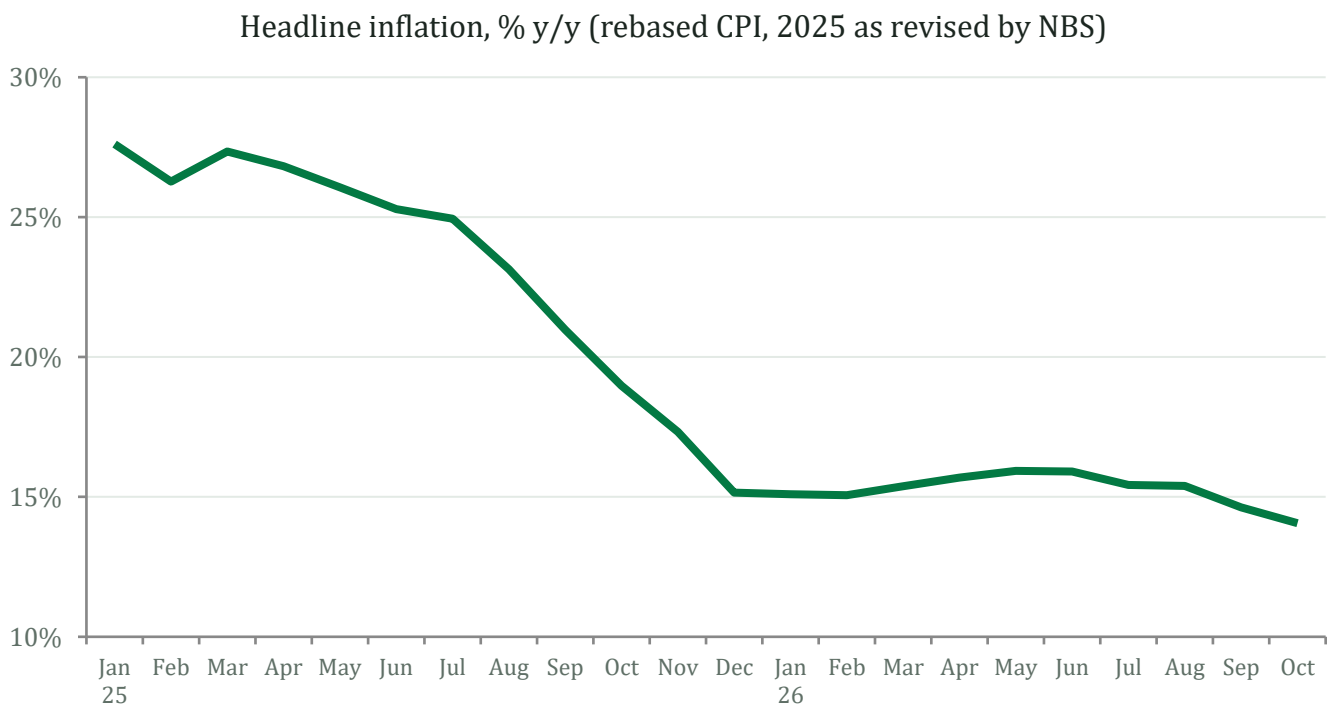
Nigeria: inflation eases, the external side softens

14.06%
Headline inflation, Oct
Sept: 14.63%

$54.76bn
Gross reserves, Nov 17
About $0.5bn below Oct 27 peak

N1,377/$
Naira, NFEM, Nov 19
Sept close N1,329.50

53.2
CBN composite PMI, Oct
Sept: 53.0

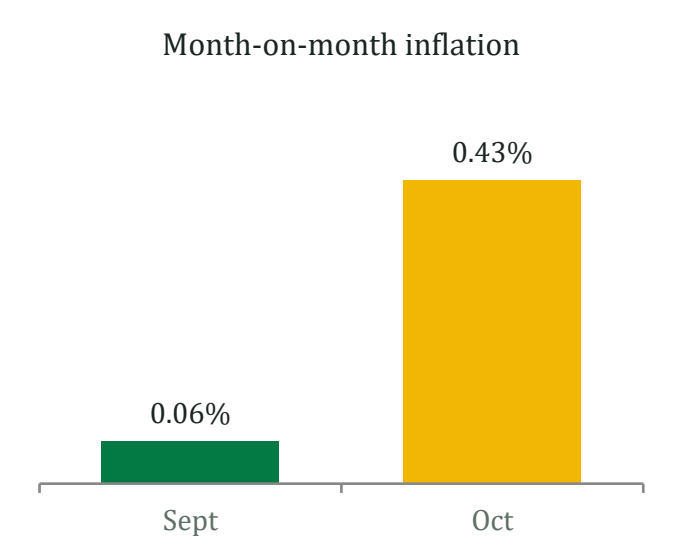


- Month-on-month inflation rose to 0.43% (Sept: 0.06%) on energy (+1.74%) and transport (+1.86%). Food is 19.13%, core 10.78%.
- The naira fell to N1,377/$ on Nov 19 from N1,363 the day before (about 1%), driven by seasonal dollar demand and FPI demand for FX. It is now about 3.4% weaker than at end-September. The parallel market is near N1,460–1,470.
- Weekly FX inflows fell to $808m from $2.48bn the week before, and reserves are about $0.5bn below the Oct 27 peak.
- Liquidity has tightened. The system balance fell to N4.47trn on Nov 20 from N7.37trn at end-October, as OMO sales outpaced repayments. NOFR fell to 20% from 22%, in line with the SDF.

Sources: NBS, CBN (NFEM rate, daily liquidity data), FMDA Research; BusinessDay, Nov 18 (FX inflows per Coronation Merchant Bank). Latest GDP: Q2 2026 at 4.43%.

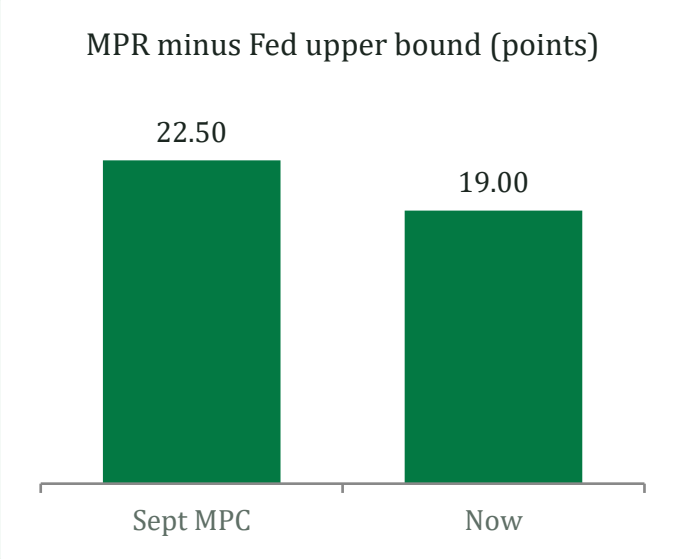
Concerns and considerations

1 Inflation is mixed



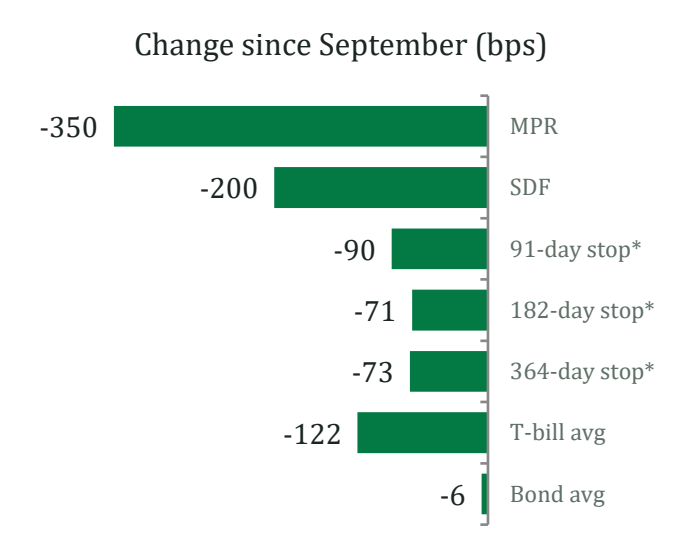
Annual inflation fell to 14.06%, but the monthly pace rebounded on energy and transport. The real policy rate of about 8.9 points leaves room to cut, so the call is finely balanced.

2 FX and flows



The naira slipped and reserves are off their peak. The Fed is expected to hike in December, which would narrow Nigeria's rate premium further, the outflow risk one MPC member flagged in September.

3 Transmission is uneven



The SDF at 20.00% anchors overnight rates: NOFR fell to 20% from 22% after the reset. Bills have repriced (average yield down 122bps) but bonds have not (down 6bps), and the 1-month bill yield rose to 20.46%. The 364-day stop held between 15.80% and 15.90%.

*Stop rates: Sep 9 to Nov 11 (discount rates; 364-day equivalent yield about 18.9%). Secondary averages (T-bills 1M–12M, bonds nine tenors): Sep 21 to Nov 19.

Our position: lean to hold at 23.00%

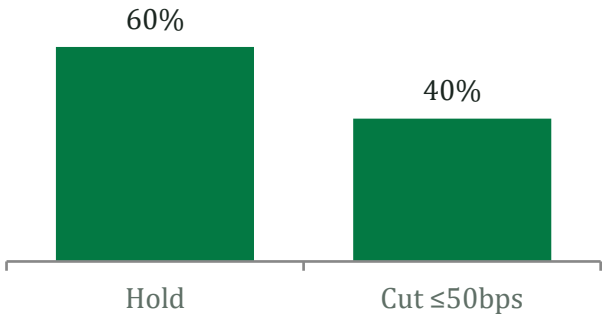
POLICY CALL

HOLD

60% probability

MPR 23.00% · corridor +50/−300bps

FMDA probability by outcome



Instrument	Rate
MPR	**23.00%**
SLF (MPR +50)	23.50%
SDF (MPR −300)	20.00%
CRR: DMBs / MBs / non-TSA	45 / 16 / 75%

Why we lean to hold

- The September cut brought the MPR down to where the market already was. A further cut would be a real easing decision.
- Monthly inflation rose in October, the naira is weaker, reserves are off their peak and the Fed is expected to hike in December.
- Bills repriced after September, but bonds are back at pre-cut yields. One member said the cut "is not a pivot to accommodative monetary policy".
- The case for a cut is real, inflation is down from 18.97% a year ago to 14.06% and the real policy rate is about 8.9 points.

Probabilities are FMDA's own estimates. A cut of up to 50bps becomes likelier if disinflation looks durable and the naira steadies.



www.fmda.com.ng

Disclaimer

This report is prepared for informational purposes only by the Financial Markets Dealers Association (FMDA). The information contained herein is based on sources believed to be reliable; however, no representation or warranty, express or implied, is made as to its accuracy, completeness, or correctness. Opinions expressed are those of the authors and are subject to change without notice. FMDA and its affiliates accept no liability whatsoever for any direct or consequential loss arising from the use of this material or its contents.

FMDA
FINANCIAL MARKETS DEALERS ASSOCIATION