

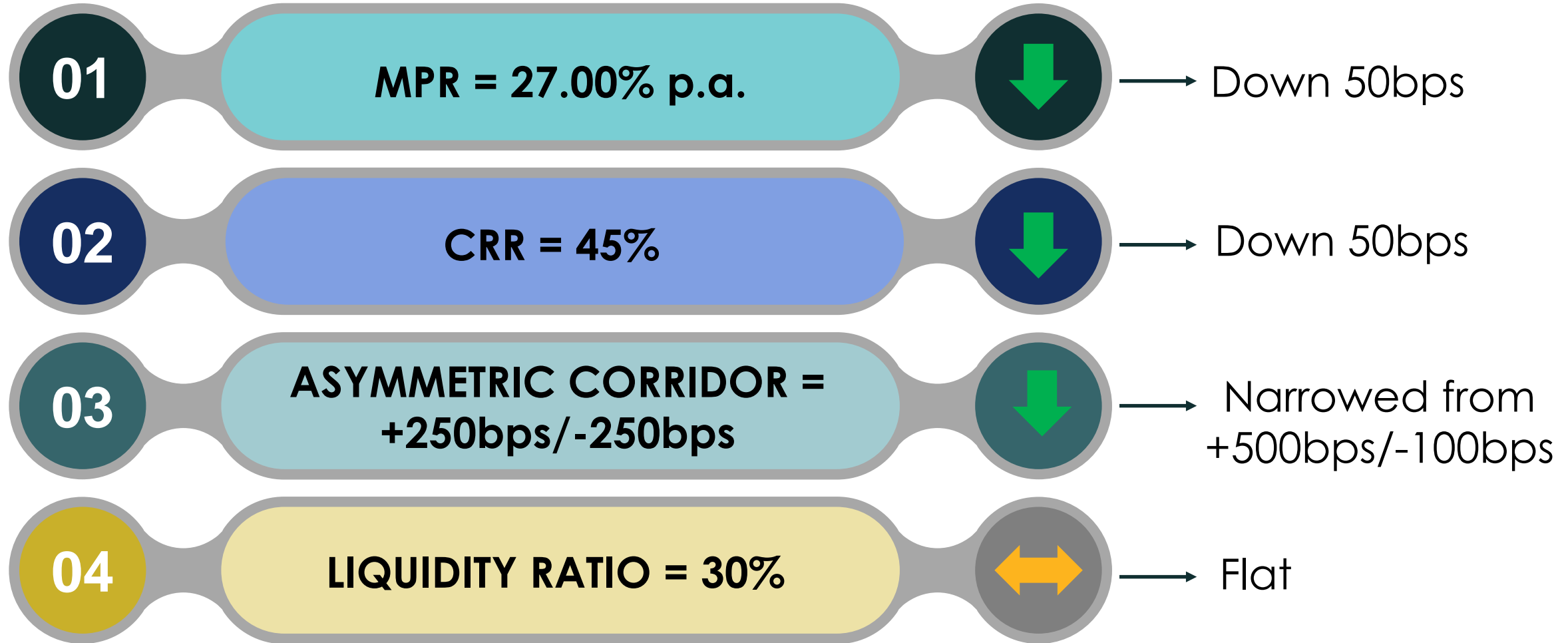
CBN FINALLY SLASHES POLICY RATE



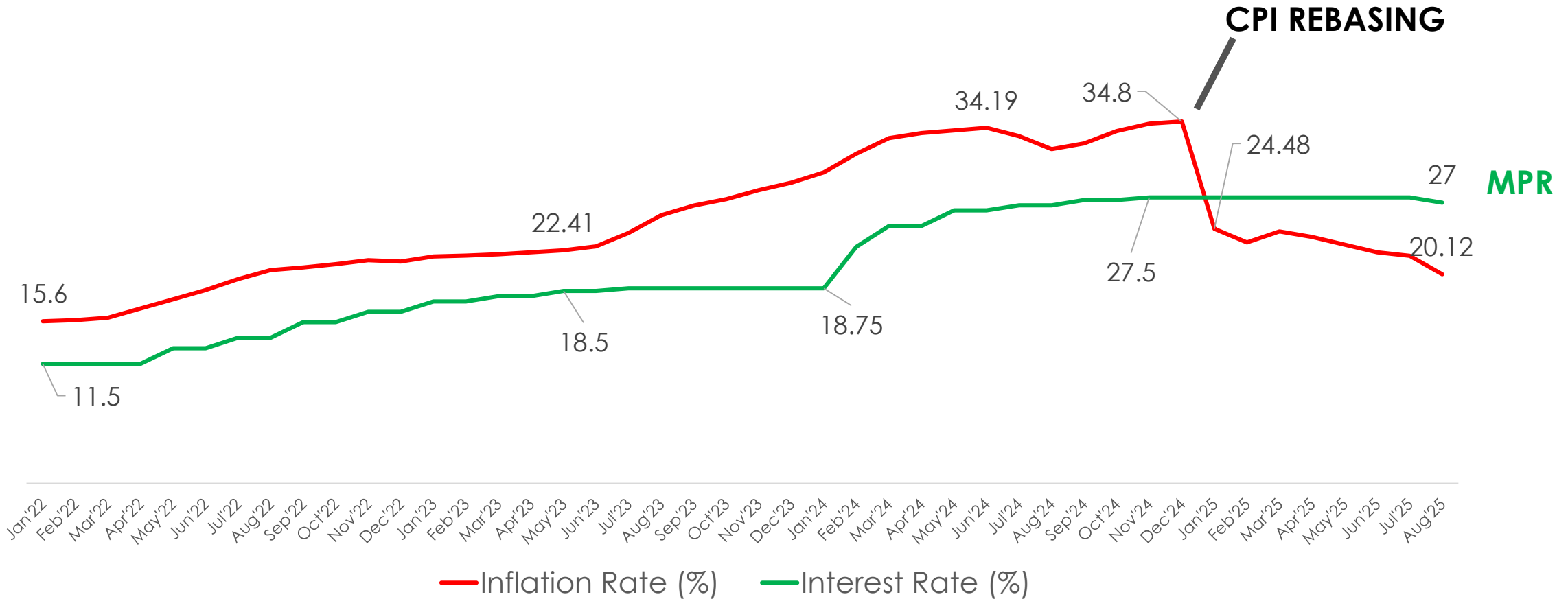
FIRST TIME SINCE 2020



DECISIONS







WHY THE CUT & WHY NOW?



Interest rates are high while Inflation is declining

YOUR POCKET, PURSE & PRICE

	2020	2024	2025	% change
 Rice (50kg)	₦28,000	↑ ₦120,000	₦80,000	33.33% ↓
 Garri (50kg)	₦13,500	↑ ₦38,000	₦25,000	20% ↓
 PMS (petrol)	₦145	↑ ₦1,100	₦865	21.36% ↓
 Exchange rate (parallel)	₦440/\$	↑ ₦1,700/\$	₦1,520/\$	11.84% ↓

“Inflation is taxation without legislation” - Milton Friedman

ARGENTINA (1970s - 1990)



Chronic high inflation
Multiple currency changes

GERMANY (1921 - 1923)



Hyperinflation & Loss of Savings Escalated to War

ZIMBABWE (2007 - 2009)



Inflation peaked at 79.6bn%
Abandoned currency

DIFFERENT STROKES

Creeping Inflation

Walking Inflation

Galloping Inflation

Runaway Inflation

NIGERIA'S MACROECONOMIC SCORECARD

Variables	Q2 2025	Q3 2025	% Change
GDP growth(%)	3.13 (Q1'25)	4.23 (Q2'25)	1.10
Exchange rate, parallel	1,607.83	1516	6.06
Inflation (%)	22.22 (Jun'25)	20.12 (Aug'25)	-2.1
Brent Oil price (\$/bl)	66.60	67.59	1.39
Crude oil production (mbd)	1.48	1.47	-0.68
Gross External reserves (\$ bn)	37.21	42.03	12.95

5 GREEN

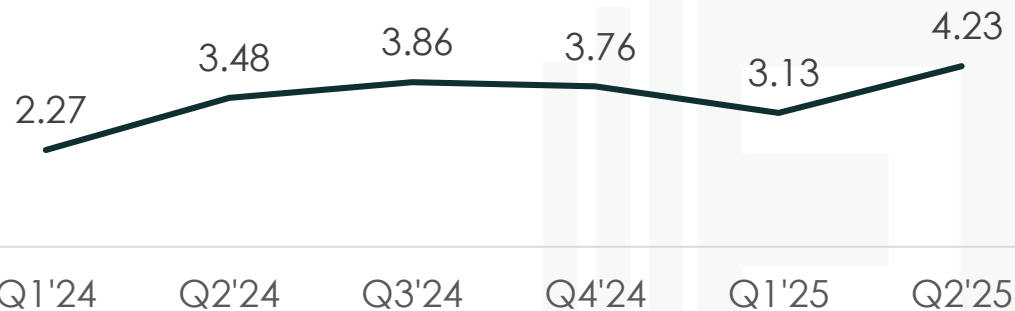
1 RED

Nigeria's macroeconomic environment supports monetary easing

POSITIVE ECONOMIC SENTIMENT

FISCAL

Nigeria's GDP Growth Rate (%)



- GDP expands at 4.23% in Q2'25
- Highest quarterly growth since 2021
- Tax reforms & Subsidy removal bolstering revenues
- PMI up to 54.2 points in August

MONETARY

Country	Interest rate (September)	Inflation rate (August)
Nigeria	27%	20.12%
U.S	4.25%	2.9%
Difference	22.75	17.22

- Positive interest rate differential to spur capital inflow

RECENT INTEREST RATE DECISIONS

CUT

U.S. FED

- Cut by 25bps to 4.25%p.a.
- On Labor market weakness
- Inflation rose to 2.9% in Aug.

25bps

Bank of Ghana

- Cut by 350bps to 21.5%p.a.
- On sustained disinflation
- Inflation fell to 11.5% in Aug.

350bps

STATUS QUO

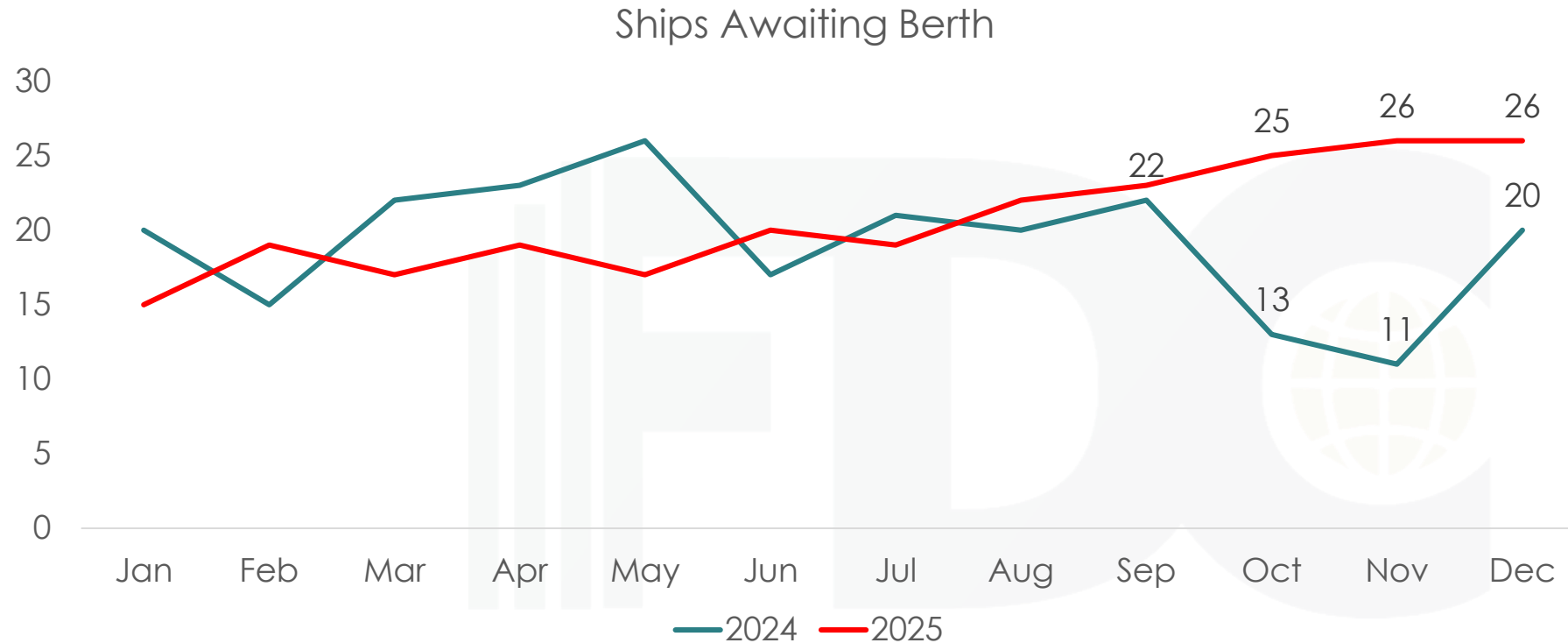
Bank of England

- Held at 4.0%p.a.
- As Inflation is above target (2%)
- Inflation flat at 3.8% in Aug.

South African Reserve Bank

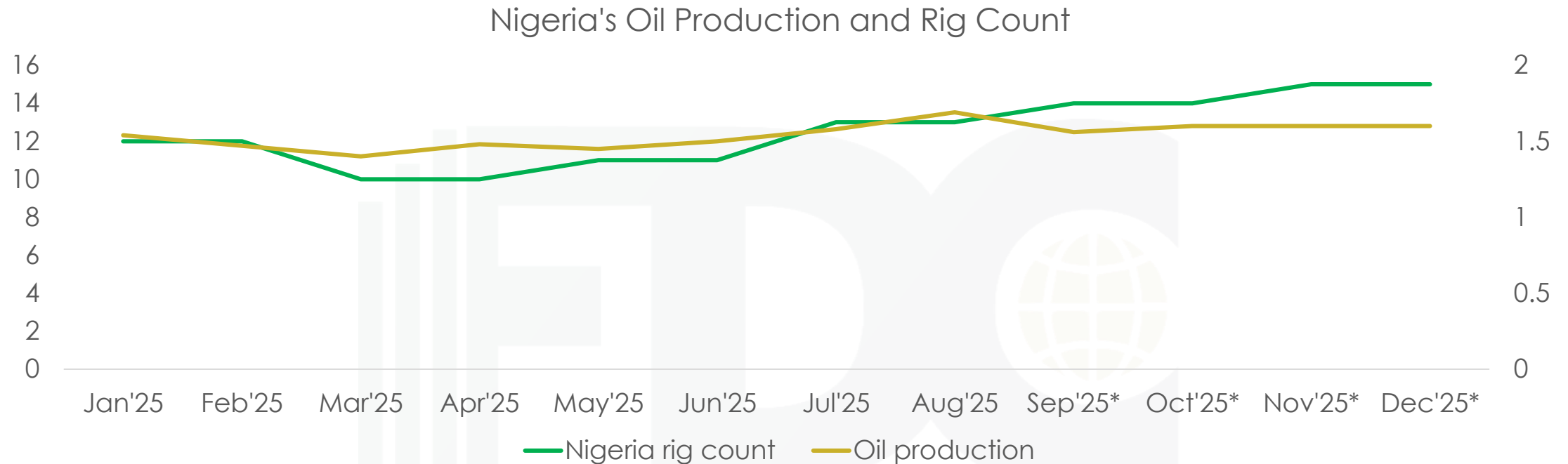
- Held at 7%p.a.
- On caution amid global uncertainty
- Inflation fell to 3.3% in Aug.

AFTER RATE CUTS – RISE IN SHIPS AWAITING BERTH



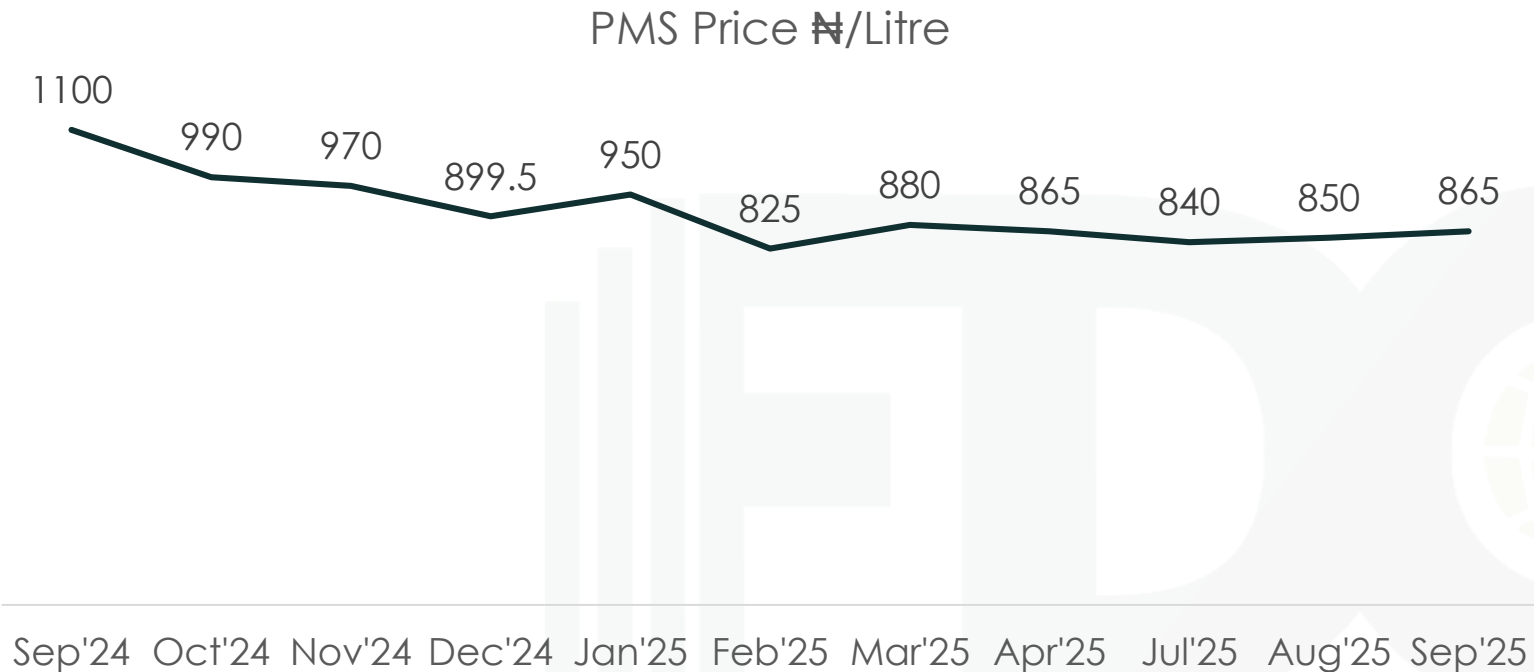
- Cheaper borrowing allows importers to finance more goods
- Higher economic activity fuels import demand and ship arrivals

NIGERIA'S RIG COUNT & OIL PRODUCTION TO RISE



- We expect Nigeria's oil rig count to rise to 15 by year end
- Due to stronger regulatory reforms
- Oil production is being sustained by stable security conditions and increased investment in local infrastructure

UNIFORM FUEL PRICING DUE TO DANGOTE'S CNG TRUCKS



- Dangote Refinery has reduced PMS prices 8 times in the last one year
- Price of petrol (PMS) has declined by 21% yoy to ₦865/litre
- With free distribution nationwide, PMS prices are expected to ease in the near term

DECEMBER TO CHEER, NOT TO FEAR

7 ITEMS – 3 PRICES UP, 4 DOWN

HIGHER PRICES



Chicken

1 Kg

Dec 2024: ₦4,500
Dec 2025*: ₦5,500

UP BY 22.22%



Pepper

50 kg

Dec 2024: ₦40,000
Dec 2025*: ₦50,000

UP BY 25%



Tomatoes

1 Basket

Dec 2024: ₦40,000
Dec 2025*: ₦65,000

UP BY 62.5%

LOWER PRICES



Rice

1 Bag

Dec 2024: ₦105,000
Dec 2025*: ₦87,000

DOWN BY 17.14%

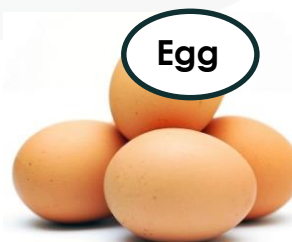


Garri

50kg

Dec 2024: ₦40,000
Dec 2025*: ₦25,000

DOWN BY 37.5%



Egg

1 Crate

Dec 2024: ₦6,000
Dec 2025*: ₦5,700

DOWN BY 5%



Wheat

10 Kg

Dec 2024: ₦14,500
Dec 2025*: ₦13,000

DOWN BY 10.34%

DETTY DETTY DECEMBER



2024

REVENUE

\$71.6mn

x2

IN 2025

REASONS

2025

\$143.2mn

- Favorable exchange rate
- Increase in concerts and events
- Growth in nightlife, restaurants, and retail sectors

WHAT TO LOOK OUT FOR THIS DECEMBER



Asake's concert: Mr Money African Tour (December 24)



Funke Akindele's movie: Behind the scenes (December 25)



Flytime Music Festival (December 22–25)



Shiro restaurant



Afrobeat Nights at Hard Rock Café restaurant

OUTLOOK

- Oil prices to trade between \$65-\$70pb, as geopolitical tensions cool
- Oil production to remain around current level (1.5mbpd)
- Naira to remain stable, trading between ~~₦~~1,500- ~~₦~~1,550/\$ (parallel)
- Headline inflation to fall towards 20% by December
- Stock market to rally by 3% to ~~₦~~92trn in November
- MPC to ease rates further in November by 50bps

