

MPC

HIGHLIGHT

MARCH
2023

The Monetary Policy Committee (MPC) concluded its 2-day meeting on March 21, 2023, and raised the benchmark interest rate by 50bps, from 17.50% to 18.00%.

Please see below, a summary of the committee's decisions:

- MPR increased to 18.00% from 17.50%
- CRR retained at 32.50%
- Liquidity ratio retained at 30.00%
- Asymmetric corridor maintained at -700/+100 basis points around the MPR

The CBN noted the decline in inflation, as reflected in the last CPI reading, but noted the high chances of fuel subsidy removal, which is more likely to filter into the inflation numbers in the coming months. Hence, reiterated the need to tighten further. Although, the CBN intend to moderately increase interest rate later on, due to the possible risk it could have on banks. However, assures the positivity on the health of the Nigeria banks. We expect the Monetary Policy Committee to stay on the course of rate hike, but at a slower pace in the subsequent meetings.