

The Monetary Policy Committee (MPC) concluded its 2-day meeting today and raised the benchmark interest rate by 25bps to 18.75% and adjusted its asymmetric corridor to -300/+100 basis points around the MPR.

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

- MPR increased to 18.75% from 18.50%
- CRR retained at 32.50%
- Liquidity ratio retained at 30.00%
- Asymmetric corridor adjusted to -300/+100 basis points from -700/+100 around the MPR

The acting governor of the CBN, Folashodun Shonubi, stated that the members of the committee unanimously attested to the fact that previous rate hikes helped cushion the ravaging effect of the rising inflation rate. However, he also noted that the liquidity injections by the new government had its ripple impact on inflation. Hence, the members of the committee voted to either raise or hold the MPR.

Among the 11-man committee, 6 members voted to raise interest rate, of which 4 voted for 25bps while 2 voted for 50bps. 5 members voted to hold. In addition, all members voted to adjust the asymmetric corridor to +100/-300 around the MPR from +1--/-700, while holding other parameters constant.

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