

The highly anticipated Monetary Policy Committee (MPC) meeting, the first since July 2023 and the inaugural session under the leadership of Dr. Olayemi Cardoso following his appointment as the Governor of the Central Bank of Nigeria (CBN), convened on the 26th and 27th of February 2024. During this pivotal meeting, the 12-member MPC made significant policy decisions, including a substantial increase in the benchmark interest rate and the adoption of other hawkish measures. Below is the summary of the committee's decisions:

- MPR increased by 400bps from 18.75% to 22.75%
- CRR increased to 45.00% from 32.50%
- Asymmetric corridor adjusted to +100/-700 basis points from +100/-300 around the MPR
- Liquidity ratio retained at 30.00%

Dr. Olayemi Cardoso reported that the committee members deliberated on the decision to either maintain or increase the interest rate. The Governor acknowledged that previous rate hikes have had a mitigating effect on inflation, albeit not reaching the desired level. Additionally, concerns regarding the foreign exchange market, alongside recent liquidity reforms, were taken into account.

During the question and answer segment, the Governor emphasized the Central Bank of Nigeria's commitment to fostering a robust regulatory framework. Furthermore, an update was provided on the clearance of FX backlogs, with an additional \$0.4 billion cleared out of the approximately \$2.2 billion outstanding backlogs.

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