

At today's MPC meeting, the committee reaffirmed its hawkish stance by increasing the benchmark interest rate by 50 basis points to 27.25%. Despite the widely anticipated decision to maintain the current stance, in light of the recent lower inflation figures over the last two months, the Committee, led by the CBN governor, emphasized that the fight against rising inflation is ongoing. This led to a unanimous decision to tighten monetary policy further. Furthermore, the recent flooding in the northeastern part of the country and the spike in energy prices present significant risks for further spike in inflation.

Below are the key decisions made by the committee:

- Increased the Monetary Policy Rate (MPR) by 50 basis points to 27.25%.
- The Asymmetric corridor around the MPR has been retained, setting the Standing Deposit Facility (SDF) at 26.25% and the Standing Lending Facility (SLF) borrowing rate at 32.25%.
- The Cash Reserve Ratio (CRR) for Deposit Money Banks (DMBs) has been raised by 500 basis points to 50.00% and for Merchant banks by 200 basis points to 16.00%.
- The Liquidity Ratio (LR) remained at 30.00%.

The CBN governor also mentioned that the trends in the global and domestic economies will influence the policies to address inflation effectively. The next MPC meeting is set for November 25 and 26, 2024.

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