

The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) held its 300th meeting on May 19–20, 2025, and unanimously decided to retain all monetary policy parameters unchanged. This marks the second consecutive hold on the Monetary Policy Rate (MPR) in 2025, following six consecutive hikes in 2024.

Below is a summary of the outcome and rationale behind the committee's resolution:

- **Monetary Policy Rate (MPR) retained at 27.50%:** The benchmark interest rate was maintained to allow the committee better understanding of near-term economic developments and to sustain stability amid improving macroeconomic indicators.
- **Asymmetric Corridor unchanged:** The Standing Deposit Facility (SDF) remains at 26.50%, and the Standing Lending Facility (SLF) borrowing rate stays at 32.50%, maintaining the +500/-100 basis points corridor around the MPR.
- **Cash Reserve Ratio (CRR) steady:** 50.00% for Deposit Money Banks (DMBs) and 16.00% for Merchant Banks, consistent with previous settings.
- **Liquidity Ratio (LR) unchanged at 30.00%:** This ensures banks retain sufficient liquidity to meet short-term obligations..

The MPC's decision was influenced by recent improvements in key economic indicators. In April 2025, headline inflation fell to 23.71% year-on-year, down from 24.23% in March, while month-on-month inflation dropped sharply from 3.9% to 1.86%. Food inflation also eased slightly to 21.26% from 21.79%, supported by government measures to enhance food supply and farming security.

CBN Governor Olayemi Cardoso noted the committee's approval of ongoing reforms, citing stronger FX reserves and rising investor confidence. The MPC also confirmed banking sector stability, with significant progress in the N500 billion recapitalization effort—several banks have already met the new requirements ahead of schedule.

Stressing the need for vigilance, the MPC urged continued monitoring of domestic and global risks. It called for sustained security efforts to safeguard farmers and boost food production, crucial for inflation control. The next meeting is set for July 21–22, 2025, where policies will be reviewed based on economic conditions.

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