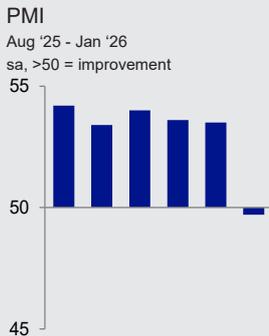


Stanbic IBTC Bank Nigeria PMI®

New orders broadly stable at start of 2026

49.7

NIGERIA PMI
JAN '26



Little change in new orders in January

Growth of output and purchasing eases

Employment continues to rise slightly

Nigerian companies faced a muted start to 2026. A broad stagnation of new orders led to much slower rises in output and purchasing activity. More positively, employment continued to increase at a broadly similar pace to that seen at the end of 2025. Meanwhile, faster rises in purchase prices and staff costs led companies to increase their selling charges at the sharpest pace in four months.

The headline figure derived from the survey is the Purchasing Managers' Index™ (PMI®). Readings above 50.0 signal an improvement in business conditions on the previous month, while readings below 50.0 show a deterioration.

The headline PMI dipped to 49.7 in January, well down from December's reading of 53.5 and ticking below the 50.0 no-change mark. Nevertheless, by posting close to the neutral threshold, the latest figure signalled broadly stable business conditions at the start

of the year.

The picture illustrated by the headline index was in line with the data for output and new orders, both of which were little changed in January.

While some companies reported increased customer numbers, this was cancelled out by other firms that mentioned demand weakness, meaning that new orders stagnated following a 14-month sequence of growth. In turn, output rose only marginally.

In both cases, however, sector data showed that weakness at the start of the year was centred on wholesale & retail companies. Meanwhile, growth was recorded in agriculture, manufacturing and services.

Purchasing activity and stocks of inputs also increased at much slower rates than in December, in line with a stagnation of new orders.

The rate of job creation was broadly

Stanbic IBTC Bank Nigeria PMI
sa, >50 = improvement since previous month



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- Business expectations
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in line with that seen in the previous month, meanwhile, remaining slight. Staffing levels have now increased in each of the past eight months.

A combination of rising employment and broadly stable new orders meant that companies were able to reduce their backlogs of work for the first time in three months, and to the largest degree since March 2025.

Purchase prices increased sharply in January amid widespread reports from panellists of higher raw material costs. The pace of inflation ticked up to a three-month high.

Staff costs also rose at a faster pace, and one that was the most marked

since July last year. Respondents indicated that they had raised wages in order to motivate employees and help them with higher living costs.

The rate of output price inflation quickened to a four-month high amid widespread reports of higher purchase costs being passed through to customers. That said, the pace of inflation remained among the weakest since the COVID-19 pandemic.

Business sentiment dipped, but companies remained confident that output will rise over the coming year. Optimism was linked to planned expansions, greater stock holdings and hopes for higher new orders.

Comment

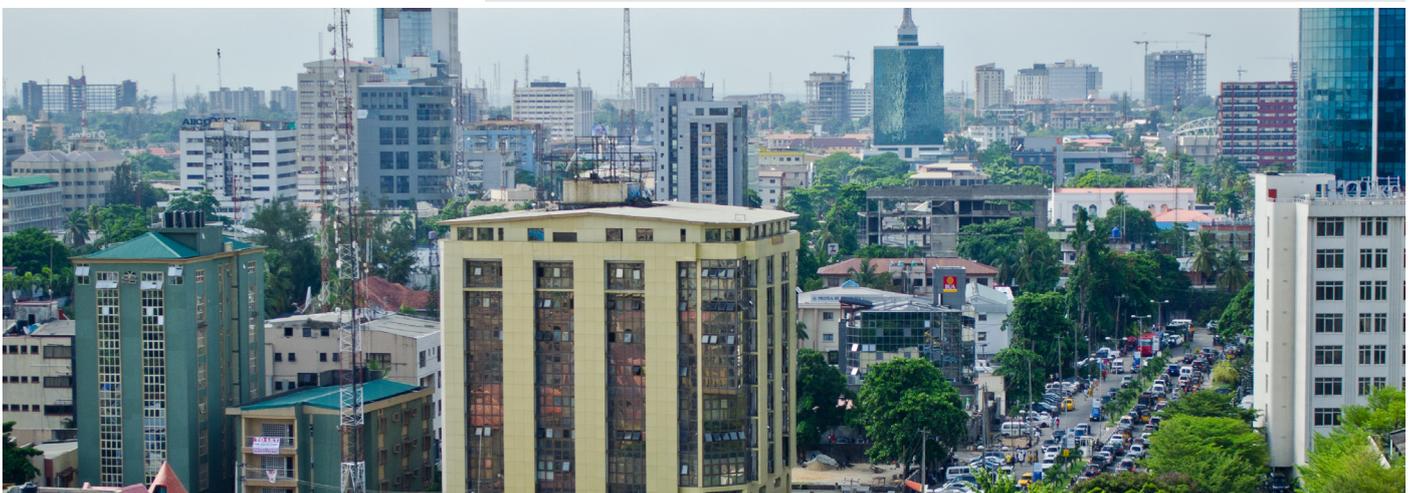
Muyiwa Oni, Head of Equity Research West Africa at Stanbic IBTC Bank commented:

"After 13 months of consecutive reading above the 50 point no-change mark, Nigeria's private sector activity deteriorated to 49.7 points in January from 53.5 in December. This is as new orders stagnated following a 14-month sequence of growth – likely linked to the weak demand that usually occurs in the start of the year after the festive-induced spending in December of the prior year. Historical data in the past six years also confirms this, where headline PMI in January was lower than December of the prior year except for January 2024. Indeed, the weak business activity was more pronounced in the wholesale & retail which was deep below the 50-point growth threshold on a seasonally adjusted basis, while agriculture, services and manufacturing activity witnessed growth in the period as they were all above 50.0 points.

"Nonetheless, this is the first time in the history of the PMI survey (since 2014) that January headline PMI will be below the 50-point psychological threshold, thereby likely signaling deeper issue asides quiet activity that usually occurs in January after festive-induced

improvements in December. Elsewhere, output prices increased markedly to a four-month high in January, with the companies linking this to higher purchase costs.

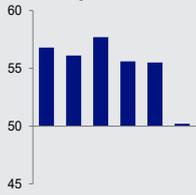
"Despite the negative surprise in the PMI numbers in January, we still see the Nigerian economy growing by 4.1% y/y in 2026 as we expect demand to pick up in subsequent months after the lull seen at the beginning of the year. Notably, the government has been visible in infrastructure, livestock development, easing trade constraints, and attracting investments in oil & gas and manufacturing. Aside from that, the Dangote refinery is expected to continue to have forward-linkage impact on other sectors of the economy. Additionally, likely lower interest rates in line with lower inflation and exchange rate stabilization should support private consumption and business investments in 2026. Because of these factors, we see more sectors contributing to real GDP growth rate in 2026 compared to 2025, likely translating to an improvement in the quality of lives of the citizens compared to the last two years when the citizens witnessed the full negative impact of the government's flagship reforms."



Output and demand

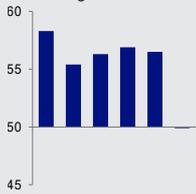
Output Index

Aug '25 - Jan '26
sa, >50 = growth



New Orders Index

Aug '25 - Jan '26
sa, >50 = growth



Output

Business activity increased only marginally in Nigeria's private sector during January, with the rate of expansion slowing sharply to the weakest in the current 14-month growth sequence. The softer increase in output reflected a broad stagnation of new order volumes at the start of the year.

Sector data suggested that weakness was seen in the wholesale & retail category, with growth recorded elsewhere.

New orders

New orders were broadly unchanged in the opening month of 2026, ending a period of expansion stretching back to November 2024. Although some respondents signalled a rise in customer numbers, this was cancelled out by others who reported a drop in demand. As was the case with business activity, the wholesale & retail sector underperformed the other monitored categories.

Output Index

sa, >50 = growth since previous month



New Orders Index

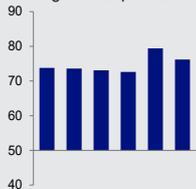
sa, >50 = growth since previous month



Business expectations

Future Output Index

Aug '25 - Jan '26
>50 = growth expected



Plans to hold greater volumes of stock, expand operations and secure new orders were among the factors supporting confidence in the year-ahead outlook for business activity in January. That said, confidence dipped slightly from that seen in December and remained muted in the context of the series history.

Future Output Index

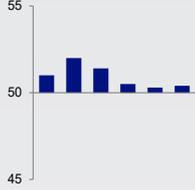
>50 = growth expected over next 12 months



Employment and capacity

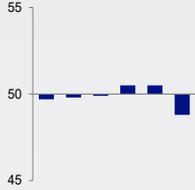
Employment Index

Aug '25 - Jan '26
sa, >50 = growth



Backlogs of Work Index

Aug '25 - Jan '26
sa, >50 = growth



Employment

January data pointed to a slight rise in employment at Nigerian companies, thereby extending the current sequence of increasing workforce numbers to eight months. The rate of job creation was broadly in line with that seen at the end of 2025. Where staffing levels rose, panellists linked this to efforts to expand business activity and keep on top of workloads.

Three of the four monitored sectors posted rises in employment, the exception being services.

Backlogs of work

A combination of rising employment and a lack of growth in new orders in January meant that Nigerian companies were able to reduce their volumes of outstanding business at the start of 2026, thereby ending a two-month sequence of accumulation. Although modest, the drop in backlogs was the most marked in ten months.

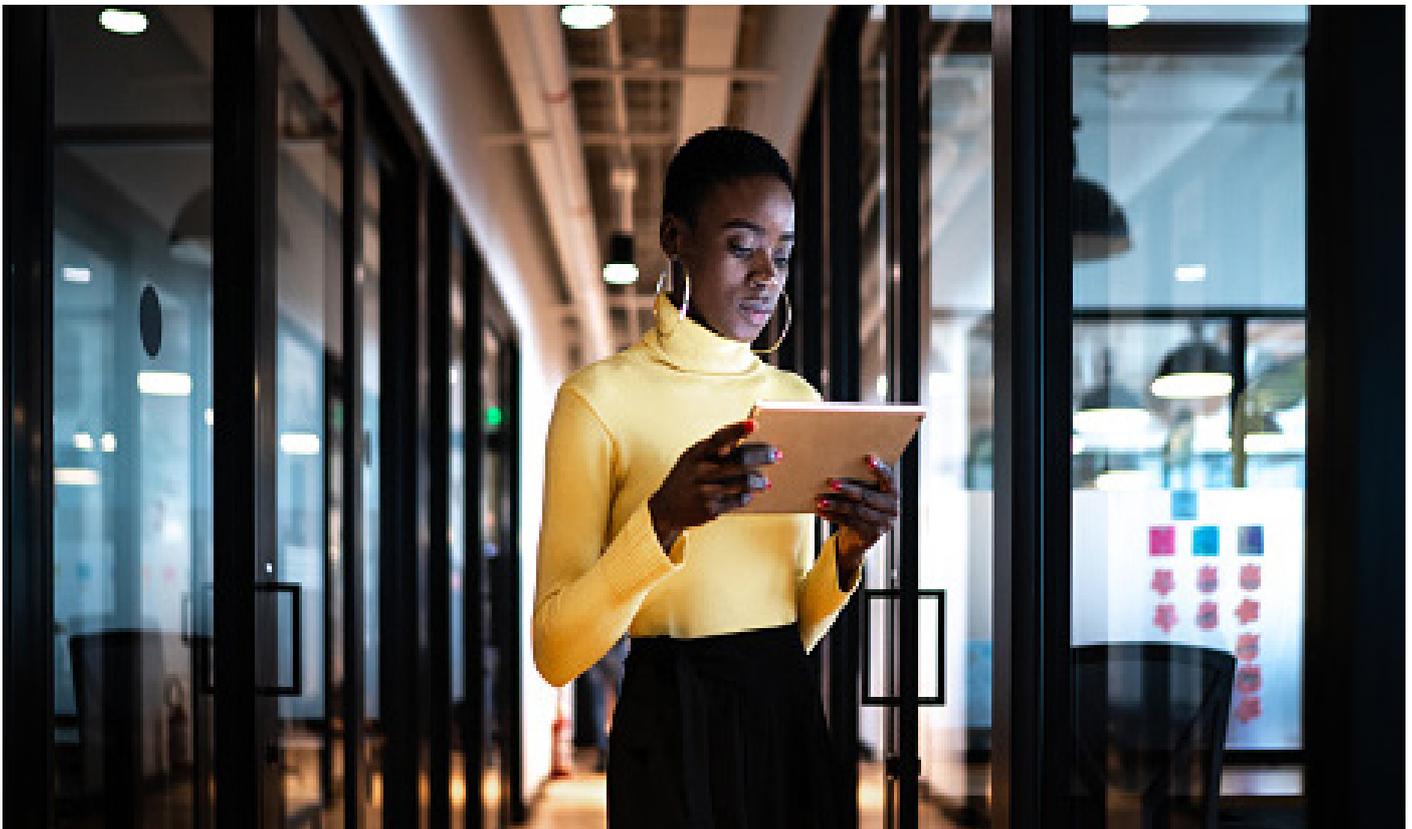
Employment Index

sa, >50 = growth since previous month



Backlogs of Work Index

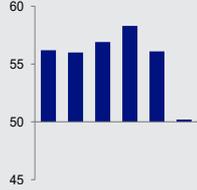
sa, >50 = growth since previous month



Purchasing and inventories

Quantity of Purchases Index

Aug '25 - Jan '26
sa, >50 = growth

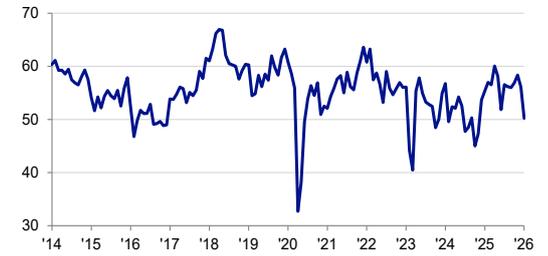


Quantity of purchases

After having increased sharply in the previous month, purchasing activity was up only marginally in January, with the rate of growth the least pronounced in the current 14-month sequence of expansion. The near-stalling of input buying was in line with the picture for new orders, and this was also true at the sector level as the slowdown was centred on the wholesale & retail category.

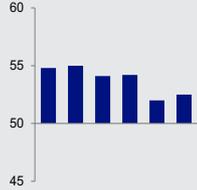
Quantity of Purchases Index

sa, >50 = growth since previous month



Suppliers' Delivery Times Index

Aug '25 - Jan '26
sa, >50 = faster times

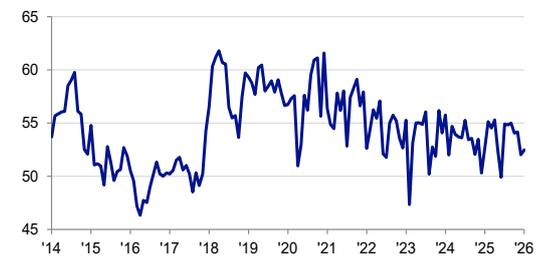


Suppliers' delivery times

Suppliers' delivery times shortened for the seventh consecutive month in January, and to a solid degree that was slightly more pronounced than that seen at the end of 2025. A number of firms reported that they had paid their vendors on time in order to secure prompt deliveries, while others mentioned competition among suppliers.

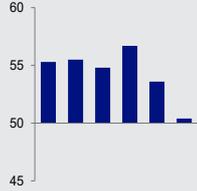
Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Stocks of Purchases Index

Aug '25 - Jan '26
sa, >50 = growth



Stocks of purchases

In line with the picture for purchasing activity, stocks of inputs increased only marginally in January and at the slowest pace in the current 14-month period of accumulation. Although some companies reportedly raised their stock holdings in order to keep on top of demand, others reported that a stagnation in new orders at the start of the year led them to scale back inventories.

Stocks of Purchases Index

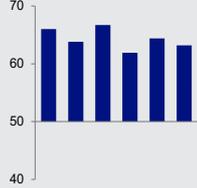
sa, >50 = growth since previous month



Prices

Input Prices Index

Aug '25 - Jan '26
sa, >50 = inflation



Input prices

January data pointed to a further sharp monthly increase in overall input prices in Nigeria's private sector. That said, the rate of inflation ticked down from December and was among the weakest in the past five years. Overall input costs rose at slower rates in the agriculture and wholesale & retail categories, but inflation quickened in manufacturing and services.

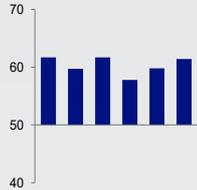
Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index

Aug '25 - Jan '26
sa, >50 = inflation



Purchase prices

The rate of purchase cost inflation quickened to a three-month high in January, but the latest increase remained relatively muted compared to the trend seen since the COVID-19 pandemic. Approximately one quarter of respondents signalled a rise in their purchase prices at the start of 2026, often linked to higher raw material costs.

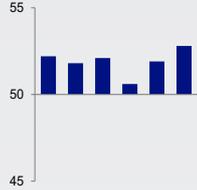
Purchase Prices Index

sa, >50 = inflation since previous month



Staff Costs Index

Aug '25 - Jan '26
sa, >50 = inflation



Staff costs

Increased wages as part of efforts to motivate workers and help them with a higher cost of living meant that staff costs rose again in January. Moreover, the pace of inflation was solid and the fastest in six months. Staff costs have now increased continuously on a monthly basis for just over five years.

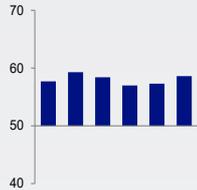
Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

Aug '25 - Jan '26
sa, >50 = inflation



Output prices

Nigerian companies continued to raise their selling prices markedly in January, with anecdotal evidence generally linking higher output prices to increased purchase costs. The pace of charge inflation quickened to a four-month high, but was still relatively muted in the context of the recent history of the survey.

Agriculture registered the sharpest rise in output prices, with the slowest increase in services.

Output Prices Index

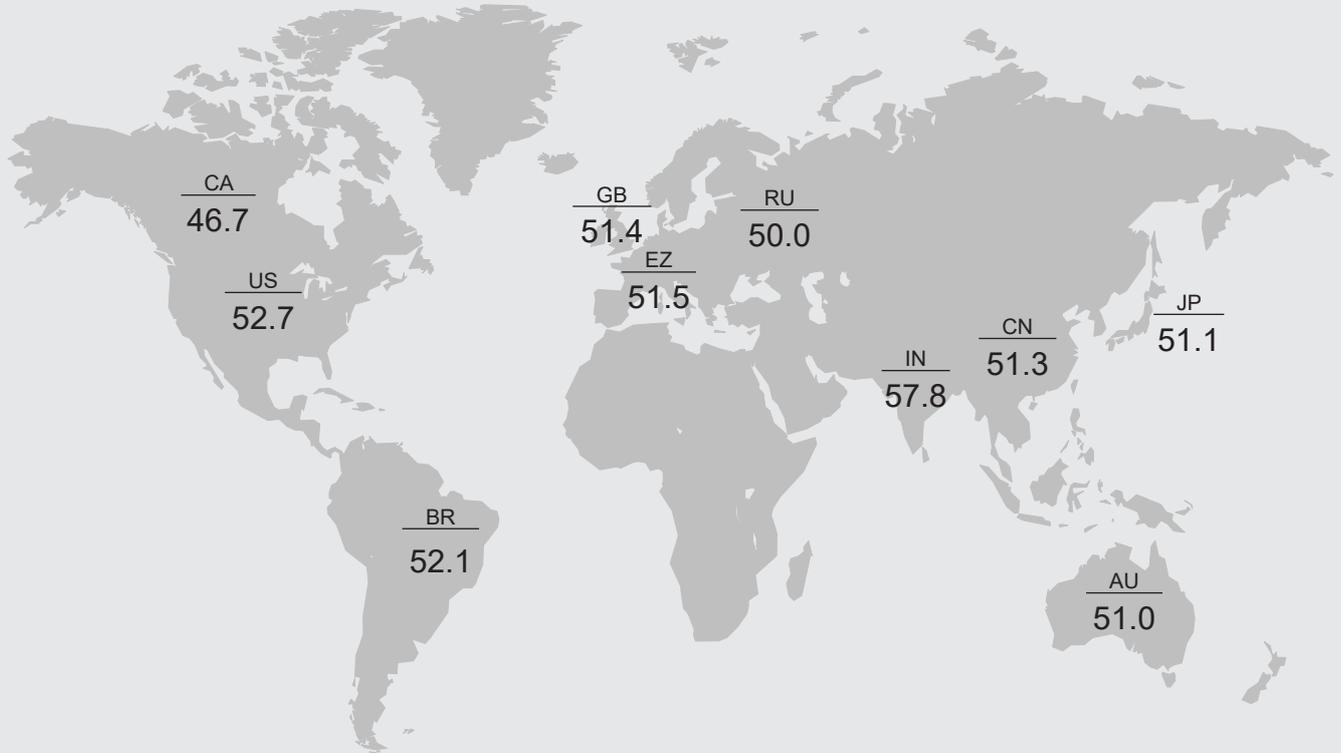
sa, >50 = inflation since previous month



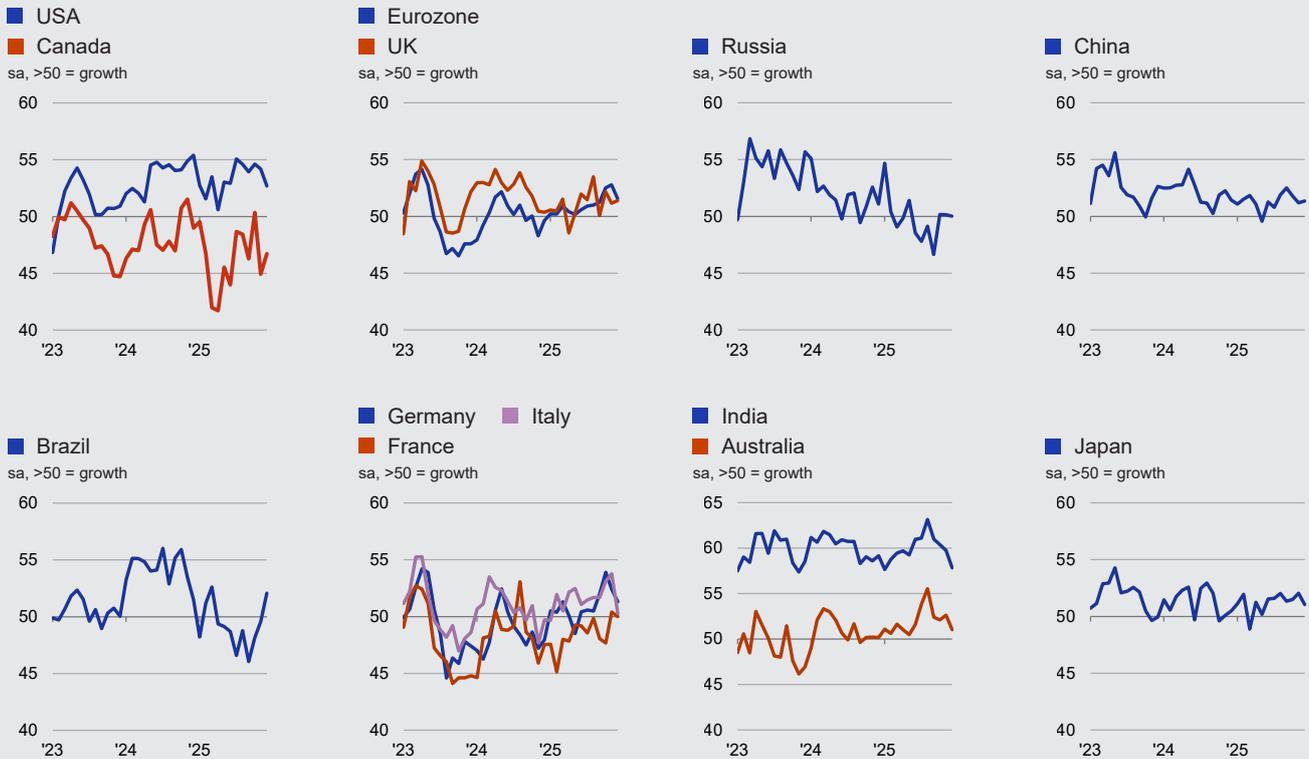
International PMI

Composite Output Index, Dec '25
sa, >50 = growth since previous month

The Composite Output Index is a GDP-weighted average of the Manufacturing Output Index and the Services Business Activity Index.



Composite Output Index



Survey methodology

The Stanbic IBTC Bank Nigeria PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. The sectors covered by the survey include agriculture, mining, manufacturing, construction, wholesale, retail and services. Data were first collected January 2014.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

Survey dates

Data were collected 12-28 January 2026.

Survey questions

Private sector

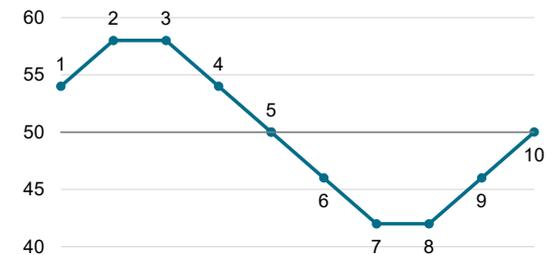
Output	Suppliers' Delivery Times
New Orders	Stocks Of Purchases
New Export Orders	Input Prices
Future Output	Purchase Prices
Employment	Staff Costs
Backlogs Of Work	Output Prices
Quantity Of Purchases	

Index calculation

$$\% \text{ "Higher"} + (\% \text{ "No change"})/2$$

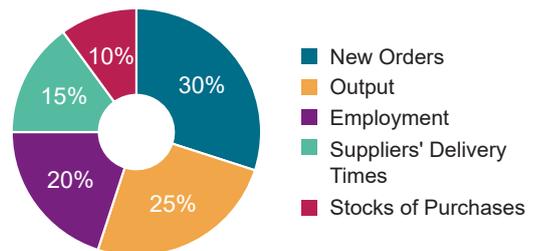
Index interpretation

50.0 = no change since previous month



- | | |
|--------------------------|----------------------------|
| 1 Growth | 6 Decline, from no change |
| 2 Growth, faster rate | 7 Decline, faster rate |
| 3 Growth, same rate | 8 Decline, same rate |
| 4 Growth, slower rate | 9 Decline, slower rate |
| 5 No change, from growth | 10 No change, from decline |

PMI component weights



Sector coverage

PMI data include responses from companies operating in sectors classified according to the following ISIC Rev.4 codes:

A	Agriculture, Forestry and Fishing	K	Financial and Insurance Activities
B	Mining and Quarrying	M	Professional, Scientific and Technical Activities
C	Manufacturing	N	Administrative and Support Service Activities
F	Construction	P	Education*
G	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	Q	Human Health and Social Work Activities*
H	Transportation and Storage	R	Arts, Entertainment and Recreation
I	Accommodation and Food Service Activities	S	Other Service Activities
J	Information and Communication		

*Private sector

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About PMI

Purchasing Managers' Index™ (PMI[®]) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.
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