

Stanbic IBTC Bank Nigeria PMI[®]

New orders return to growth as selling price inflation eases to lowest in over six years

Key findings

Marked rise in business activity amid renewed order growth

Slowest increase in output prices since January 2020

Employment up for ninth month running

The Nigerian private sector returned to growth in February, following a muted start to 2026. A renewed rise in new orders fed through to an accelerated increase in business activity. Employment, input buying and inventories were also up midway through the opening quarter of the year.

Meanwhile, an improvement in the strength of the currency helped lead to an easing of inflationary pressures, with both purchase costs and output prices rising at the slowest rates in just over six years.

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.

After dipping below the 50.0 no-change mark in January, the headline PMI recovered from the reading of 49.7 to 53.2 in February. As such, the latest data pointed to a solid monthly improvement in the health of the private sector. Except for January's blip, business conditions have improved continuously since December 2024.

New orders returned to growth in February, with anecdotal evidence pointing to improving customer demand and better product affordability.

The rise in new business, higher customer numbers and new product offerings helped lead to a rejuvenation in growth of output, which increased markedly and at the fastest pace in four months. All four monitored sectors saw activity rise as wholesale & retail posted a renewed expansion.

Higher new orders led firms to expand their staffing levels again, and at the fastest pace since last October. Employment has now increased in nine consecutive months.

Despite sustained job creation, however, backlogs of work increased at the fastest pace since May 2020. Panellists linked rising outstanding business to delayed client payments, shortages of staff and materials, and power supply issues.

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sa, >50 = improvement since previous month



Sources: Stanbic IBTC Bank, S&P Global PMI.
Data were collected 10-25 February 2026.

Comment

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

"After the dip seen in January, Nigerian private sector returned to growth, with the headline PMI settling higher at 53.2 points in February from 49.7 in January. This was in line with higher customer demand, which drove higher new product offerings at competitive pricing. Accordingly, output (55.8 vs January: 50.2) regained momentum in February while new orders (55.5 vs January: 49.9) also increased markedly in the month. Notably, the wholesale & retail sector, which had dipped in January, returned to growth, thereby ensuring that all the four monitored sectors by the survey increased in February. Elsewhere, local currency appreciation helped to support softer input and output prices in February, as the naira has been trading below 1400 against the USD consistently since 29 January. Strengthening external account, higher offshore FX flows, and improvement in remittances continue to support higher FX supplies with the CBN also stepping in by buying USD in the FX market to moderate the pace of local currency appreciation.

The Nigerian economy is on track to grow by 3.86% y/y in Q1:26 and we still see real GDP growth at 4.1% y/y in 2026. 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."

A desire to keep up with order requirements meant that companies expanded their purchasing activity and inventory holdings markedly in February. Suppliers' delivery times continued to shorten, however, amid prompt payments and improved traffic conditions.

A stronger currency led to a marked easing in the pace of purchase cost inflation in February. The latest rise in purchase prices was the weakest in just over six years. Where inflation was recorded, panellists linked this to higher prices for animal feed and raw materials. Meanwhile, cost-of-living payments to workers meant that staff costs continued to rise.

With the rate of purchase cost inflation softening, firms also raised their output prices at a much weaker pace. Here too, the rate of inflation was the weakest since January 2020.

Advertising efforts and business expansion plans were central to positive expectations for output over the next 12 months. Sentiment picked up in February, but remained relatively muted.

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.

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. www.spglobal.com/marketintelligence/en/mi/products/pmi

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