



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
FEBRUARY 2015***

The Central Bank of Nigeria Economic Report is designed for the dissemination of financial and economic information on the Nigerian economy on current basis. The Report analyses developments in the financial, fiscal, real and external sectors of the economy, as well as international economic issues of interest. The Report is directed at a wide spectrum of readers including economists and financial analysts in government and the private sector, as well as general readers.

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Contents

1.0	Summary.....	1
2.0	Financial Sector Developments	5
2.1	Monetary and Credit Developments	5
2.2	Currency-in-circulation (CIC) and Deposits at the CBN.....	8
2.3	Money Market Developments	9
2.3.1	<i>Interest Rate Developments</i>	9
2.3.2	<i>Commercial Paper (CP)</i>	10
2.3.3	<i>Bankers' Acceptances (BAs)</i>	11
2.3.4	<i>Open Market Operations</i>	11
2.3.5	<i>Primary Market</i>	11
2.3.6	<i>Bonds Market</i>	12
2.3.7	<i>CBN Standing Facilities</i>	12
2.4	Deposit Money Banks' Activities.....	12
2.5	Discount Houses' Activities	13
2.6	Capital Market Developments	14
2.6.1	<i>Secondary Market</i>	14
2.6.2	<i>Over-the-Counter (OTC) Bonds Market</i>	15
2.6.3	<i>New Issues Market</i>	15
2.6.4	<i>Market Capitalization</i>	15
2.6.5	<i>NSE All-Share Index</i>	15
3.0	Fiscal Operations	17
3.1	Federation Account Operations.....	17
3.2	The Fiscal Operations of the Three Tiers of Government.....	20
3.2.1	<i>The Federal Government</i>	20
3.2.2	<i>Statutory Allocations to State Governments</i>	22
3.2.3	<i>Statutory Allocations to Local Government Councils</i>	23
4.0	Domestic Economic Condition	25
4.1	Agricultural Sector	25
4.2	Petroleum Sector	27
4.3	Consumer Prices	28

5.0	External Sector Developments	31
5.1	Foreign Exchange Flows	31
5.2	Non-Oil Export Earnings by Exporters.....	33
5.3	Sectoral Utilisation of Foreign Exchange	33
5.4	Foreign Exchange Market Developments	34
5.5	Gross External Reserves.....	37
6.0	Other International Economic Developments and Meetings	39

Text Tables

Table 1: Growth in Monetary and Credit Aggregates.....	7
Table 2: Selected Interest Rates	10
Table 3: Traded Securities on the Nigerian Stock Exchange.....	15
Table 4: Supplementary Listing on the Nigerian Stock Exchange.....	15
Table 5: Market Capitalization and All Share Index.....	16
Table 6: Gross Federation Account Revenue	17
Table 7: Components of Gross Oil Revenue	18
Table 8: Components of Gross Non-Oil Revenue.....	19
Table 9: Federal Government Fiscal Operations.....	21
Table 10: Disbursement of Credit Under the Commercial Agriculture Credit Scheme (CACs)	26
Table 11: Average Crude Oil Prices in the International Oil Market.....	28
Table 12: Consumer Price Index.....	30
Table 13: Headline Inflation Rate	30
Table 14: Foreign Exchange Flows Through the CBN	32
Table 15: Demand for and Supply of Foreign Exchange	35
Table 16: Exchange Rate Movements and Exchange Rate Premium	36
Table 17: Gross External Reserves.....	37

Appendix Tables

Table A1: Money and Credit Aggregates.....	43
Table A2: Money and Credit Aggregates Growth Rates.....	44
Table A3: Federal Government Fiscal Operations	45

Figures

Figure 1: Growth Rate of Narrow Money (M_1) and Broad Money (M_2).....	6
Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy	7
Figure 3: Selected DMBs Interest Rates (Average).....	10
Figure 4: Volume and Value of Traded Securities	14
Figure 5: Market Capitalization and All-Share Index	16
Figure 6: Components of Gross Federally-Collected Revenue	17
Figure 7: Gross Oil Revenue and Its Components	18
Figure 8: Gross Non-Oil Revenue and Its Components.....	19
Figure 9: Federal Government Retained Revenue	21
Figure 10: Federal Government Expenditure.....	22
Figure 11: Trends in Crude Oil Prices.....	28
Figure 12: Consumer Price Index.....	29
Figure 13: Inflation Rate	30
Figure 14: Foreign Exchange Flows Through the CBN	32
Figure 15: Sectoral Utilisation of Foreign Exchange	34
Figure 16: Demand for and Supply of Foreign Exchange	35
Figure 17: Average Exchange Rate Movements	36
Figure 18: Exchange Rate Premium	36
Figure 19: Gross External Reserves	37

1.0 Summary

Growth in the key monetary aggregate further decelerated at the end of February 2015. On month-on-month basis, broad money (M_2) declined by 1.6 per cent, compared with the 0.1 per cent decline recorded at the end of the preceding month. The development relative to the level at the end of the preceding month was due, to the 6.4 and 4.3 per cent fall in foreign assets (net) and other assets (net) of the banking system, respectively. Similarly, narrow money supply (M_1) fell by 5.1 per cent, compared with the level at the end of the preceding month, due, to the 6.6 and 4.7 per cent decline in its currency and demand deposit components, respectively. Over the level at end-December 2014, (M_2), broad money supply fell by 1.70 per cent. Reserve money (RM) rose by 4.1 per cent from its level in the preceding month.

Available data indicated that interest rates generally rose during the review month. All other deposit rates of various maturities rose from a range of 3.57 – 10.79 per cent. The average prime lending and maximum lending rates trended upward during the review month. The spread between the weighted average term deposit and maximum lending rates declined by 0.23 percentage point to 17.08 percentage points at the end of February 2015. Similarly, the margin between the average savings deposit and maximum lending rates widened by 0.25 percentage point to 22.74 percentage points at the end of the review month. The weighted average inter-bank call rate rose to 12.90 per cent above 7.49 per cent in the preceding month, reflecting the liquidity condition in the inter-bank funds market.

Provisional data indicated that the total value of money market assets outstanding in February 2015 stood at ₦7,868.2 billion, showing an increase of 1.1 per cent, compared with the increase of 1.5 per cent at the end of the preceding month. The development was attributed, to the 46.7 and 1.6 per cent increase in Bankers' Acceptance and FGN Bonds outstanding, respectively. Developments in the Nigerian Stock Exchange (NSE) were mixed during the review month.

Federally-collected revenue (gross) in February 2015 was estimated at ₦560.84 billion, showing decline of 38.1 and 21.1 per cent below the receipts in the preceding month and the corresponding period of 2014, respectively. At ₦359.73 billion, oil receipts (gross), which constituted 64.1 per cent of the

total revenue, was lower than the receipts in the preceding month and the corresponding period of 2014, by 39.8 and 26.0 per cent, respectively. The fall in oil receipts relative to the level in the preceding month, was attributed to the decline in revenue from crude oil and gas exports, occasioned by the drop in the price of crude oil in the international market.

Non-oil receipts (gross), at ₦201.12 billion or 35.9 per cent of the total, was 35.0 and 10.4 per cent lower than the receipts in the preceding month and the corresponding month of 2014, respectively. The development reflected, largely, the fall in receipts from National Information Technology Development Fund (NITDEF) and independent revenue of the Federal Government. Federal Government estimated retained revenue in February 2015 was ₦224.89 billion, while total estimated expenditure was ₦363.68 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦138.79 billion.

The dominant agricultural activities in February 2015 included: harvesting of tree crops, irrigation-fed vegetable and cereal production as well as clearing of land for the 2015 cropping season. Crude oil production, including condensates and natural gas liquids in February 2015 was estimated at 1.90 million barrels per day (mbd) or 53.2 million barrels for the month. Crude oil export was estimated at 1.45 million barrels per day (mbd) or 40.6 million barrels during the month. The average price of Nigeria's reference crude, the Bonny Light (37° API), was estimated at US\$59.24 per barrel, indicating an increase of 21.9 per cent above the level in the preceding month.

The end-period headline inflation rate (year-on-year), in February 2015, was 8.4 per cent, compared with 8.2 per cent in the preceding month. Similarly, inflation rate on a twelve-month moving average basis remained at 8.1 per cent, same as in the previous month.

Foreign exchange inflow and outflow through the CBN in February 2015 was US\$1.90 billion and US\$4.30 billion, respectively, and resulted in a net outflow of US\$2.40 billion. Foreign exchange sales by the CBN to the authorized dealers amounted to US\$3.58 billion, showing an increase of 5.2 per cent above the level in the preceding month.

Relative to the level in the preceding month, the average naira exchange rate vis-à-vis the US dollar remained the

same at the rDAS segment, but depreciated at both the bureau-de-change and interbank segments of the market. Non-oil export receipts declined by 33.1 per cent below the level in the preceding month. The development was attributed, largely, to the significant decline in export earnings from the industrial sector.

World crude oil output in February 2015 was estimated at an average of 93.57 million barrels per day (mbd), while demand was at 91.35 million barrels per day (mbd), compared with 93.15 and 91.21 mbd supplied and demanded, respectively, in the preceding month.

There were no other major international economic developments and meetings of importance to the domestic economy during the review period.

2.0 *Financial Sector Developments*

2.1 Monetary and Credit Developments

Broad money supply (M₂) fell at the end of the review month. Available data indicated mixed developments in banks' deposit and lending rates. The value of money market assets outstanding increased, owing, largely, to the rise in FGN Bonds and Bankers Acceptance during the review period. Developments in the Nigerian Stock Exchange (NSE) were mixed during the review month.

Money supply (M₂) declined on month-on-month basis at end-February 2015.

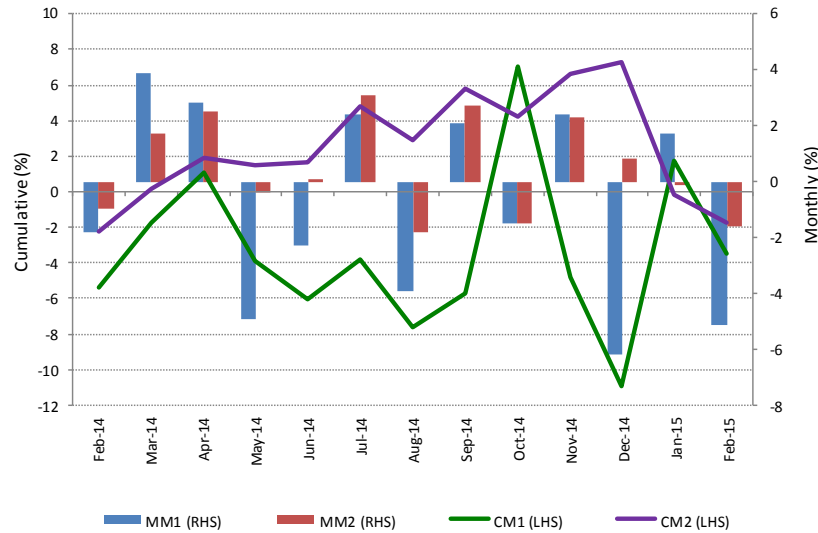
Provisional data indicated that money supply fell at end-February 2015. Relative to the level at the end of the preceding month, broad money supply (M₂), at ₦16,546.3 billion, declined by 1.6 per cent, compared with the decline of 0.1 per cent at the end of January 2015. The development on a month-on-month basis, reflected the 6.4 and 4.3 per cent decrease in foreign assets (net) and other assets (net) of the banking system, respectively, which more than offset the increase of 2.6 per cent in domestic credit (net) of the banking system. Over the level at end-December 2014, broad money supply (M₂) fell by 1.7 per cent.

On month-on-month basis, narrow money supply (M₁), fell by 5.1 per cent at the end of February 2015 to ₦6,046.8 billion, compared with a decline of 0.6 per cent at the end of the corresponding period of 2014, but contrasted with an increase of 1.7 per cent at the end of the preceding month. The development was attributed to the respective decline of 6.6 and 4.7 per cent in its currency and demand deposits components. Relative to the end-December 2014, M₁ declined by 3.5 per cent, due largely to the 9.8 and 1.8 per cent fall in currency and its demand deposits, respectively (Fig. 1, Table 1).

Quasi-money on a month-on-month basis, grew by 0.6 per cent to ₦10,499.51 billion, in contrast to the 1.2 and 0.3 per cent decline at the end of the preceding month and the corresponding period of 2014, respectively. The development, relative to the

preceding month reflected, largely, the increase in time and savings deposits with banks.

Figure 1: Growth of Narrow Money (M1) and Broad Money (M2)¹



At ₦17,724.5 billion, aggregate banking system credit (net) to the domestic economy at end-February 2015 rose by 2.6 per cent, on month-on-month basis, compared with the growth of 7.1 and 0.6 per cent at the end of the preceding month and the corresponding period of 2014, respectively. The development reflected, largely, the 2.5 per cent increase in (net) claims on the private sector.

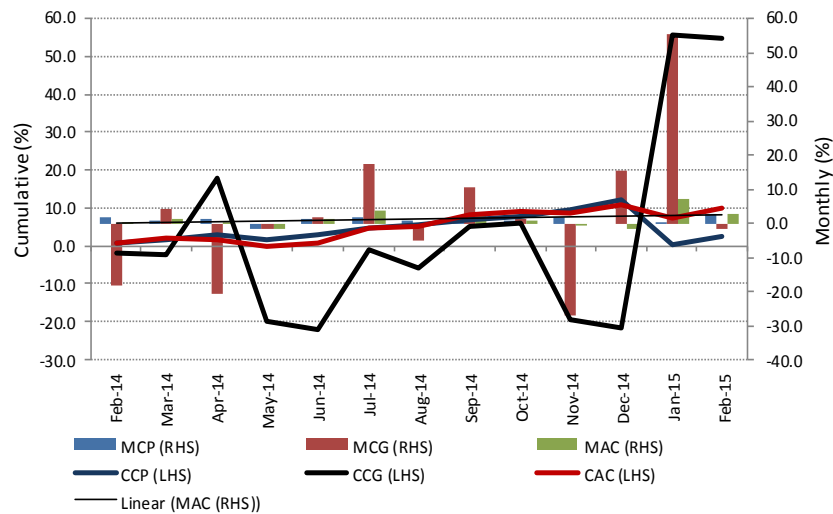
Banking system's credit (net) to the Federal Government, on month-on-month basis, fell by 1.6 per cent to negative ₦914.1 billion, compared with the decline of 48.9 per cent at the end of the corresponding month of 2014, but was in contrast to the 55.4 per cent increase at the end of the preceding month. The development reflected, largely, the decline in banking system's holdings of government securities.

At ₦18,638.6 billion, banking system's credit to the

¹ MM1 and MM2 represent month-on-month changes, while CM1 and CM2 represent cumulative changes (year-to-date).

private sector increased by 2.5 per cent, compared with the growth of 0.2 per cent at the end of the preceding month. The development reflected, wholly, the 2.6 and 0.6 per cent rise in credit to the core private sector and claims on State and Local Governments, respectively (Fig. 2, Table 1).

Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy²



At ₦6,023.4 billion, foreign assets (net) of the banking system fell by 6.4 per cent at end-February 2015, compared with the decline of 12.5 per cent at the end of the preceding month. The development was attributed, largely, to the 10.2 per cent decline in the CBN foreign asset (net) holdings.

Foreign assets (net) of the banking system fell on month-on-month basis at end February 2015.

Other assets (net) of the banking system, on a month-on-month basis, declined by 4.3 per cent to negative ₦7,201.6 billion, compared with the decline of 3.8 per cent recorded at the end of the preceding month. The development reflected, largely, the fall in unclassified assets of the commercial banks in the review period.

² MCP, MCG and MAC represent month-on-month changes in credit to private sector, credit to government (net) and aggregate credit (net) to the domestic economy, respectively, while CCP, CCG and CAC, represent the cumulative changes (year-to-date).

Table 1: Growth in Monetary and Credit Aggregates (over preceding month - Percent)

	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Domestic Credit (Net)	0.4	1.2	-0.4	-1.8	1.1	3.9	0.4	2.7	0.9	-0.3	-1.5	7.1	2.6
<i>Claims on Federal Government (Net)</i>	-18.4	4.3	-20.9	-1.6	1.6	17.2	-4.9	10.4	1.0	-27.2	-15.4	55.4	1.6
<i>Claims on Private Sector</i>	1.8	0.7	1.4	-1.5	1.2	1.7	0.8	1.5	0.7	1.8	0.1	0.2	2.5
<i>Claims on Other Private Sector</i>	2.2	0.7	1.5	-1.6	1.4	1.7	0.9	1.7	0.6	2.1	0.1	0.3	2.6
Foreign Assets (Net)	-8.3	0.7	1.4	-0.3	0.0	4.4	-4.8	-0.5	-9.1	3.8	2.4	-12.5	-1.6
Other Assets (Net)	6.1	2.0	3.3	3.3	-2.1	-6.3	0.3	0.7	4.1	2.3	3.1	-3.8	-4.3
Broad Money Supply (M2)	-1.0	2.5	1.7	-0.4	0.1	3.1	-1.8	2.7	-1.5	2.3	0.8	-0.1	-1.6
Quasi-Money	-0.3	1.4	0.9	3.1	1.9	3.6	-0.3	3.2	-1.5	2.2	5.5	-1.2	0.6
Narrow Money Supply (M1)	-1.8	3.9	2.8	-4.9	-2.3	2.4	-3.9	2.1	-1.5	2.4	-6.2	1.7	-5.1
Reserve Money (RM)	-2.7	-4.2	5.2	-3.7	-7.4	0.9	-0.8	3.2	4.0	-0.2	16.3	-8.2	4.1

2.2 Currency-in-Circulation (CIC) and Deposits at the CBN

At ₦1,622.7 billion, currency-in-circulation fell by 2.4 per cent in the review month, compared with the decline of 7.6 per cent at the end of the preceding month. The development reflected the 6.6 and 4.7 per cent decline in its currency outside bank and demand deposit components.

Total deposits at the CBN amounted to ₦6,532.5 billion, indicating a decline of 1.8 per cent below the level at the end of the preceding month. The development reflected, largely, the fall in Private Sector and Federal Government deposits, which more than offset the increase in deposit by deposit money banks (DMB's) by 7.0 per cent. Of the total deposits, the percentage shares of the Federal Government, banks and private sector were 36.0, 62.4 and 1.6 per cent, respectively.

Reserve money (RM) rose during the review month.

Reserve money (RM) rose by 4.1 per cent to ₦5,701.7 billion at the end of the review month, reflecting the trends in banks' reserves with the CBN.

2.3 Money Market Developments

In the review period, key policy rates were retained: MPR at 13.00 per cent with the corridor at +/-200 basis points; private sector CRR at 20.00 per cent; public sector CRR at 75.00 per cent; and Liquidity Ratio (LR) at 30.00 per cent. Other monetary policy actions in the review month included special auctions, regular interbank intervention, moral suasion and the eventual closure of the rDAS/WDAS foreign exchange official window on February 18, 2015. Consequently, all demand for foreign exchanges were, thereafter channeled to the interbank foreign exchange window. FGN Bonds and NTBs were issued at the primary market on behalf of the Debt Management Office (DMO) during the review period.

Provisional data indicated that the total value of money market assets outstanding in February 2015 stood at ₦7,868.2 billion, showing an increase of 1.1 per cent, compared with the increase of 1.5 per cent at the end of the preceding month. The development was attributed to the 46.7 and 1.6 per cent increase in Bankers' Acceptance and FGN Bonds outstanding, respectively.

2.3.1 Interest Rate Developments

Available data indicated that banks' deposit and lending rates trended upwards in the review month. All deposit rates of various maturities rose from a range of 3.48 – 10.10 per cent to 3.57 – 10.79 per cent at end-February 2015. At 9.24 per cent, the average term deposit rate rose by 0.58 percentage point above the level in the preceding month. Similarly, the average maximum and prime lending rates rose by 0.03 and 0.34 percentage points to 16.89 and 26.31 per cent respectively. Consequently, the spread between the weighted average term deposit and maximum lending rates narrowed from 17.31 percentage points to 17.08 percentage points in February 2015. The spread between the average savings deposit and maximum lending rates, however, widened from 22.49

Developments in interest rates trended upward in February 2015.

percentage points to 22.74 percentage points at the end of the review month.

At the inter-bank call segment, the weighted average rate, which stood at 7.49 per cent in the preceding month, rose by 5.41 percentage points to 12.90 in the review month. Similarly, the weighted average rate, at the open-buy-back (OBB) segment, rose from 8.65 per cent in January 2015 to 13.02 per cent in the review month. The Nigeria inter-bank offered rate (NIBOR) for the 30-day tenor rose to 13.85 per cent at the end of the review period from 13.65 per cent in the preceding month. With the headline inflation rate at 8.4 per cent at end-February 2015, most rates were positive in real terms with the exception of the average savings and 7-day deposit rates (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

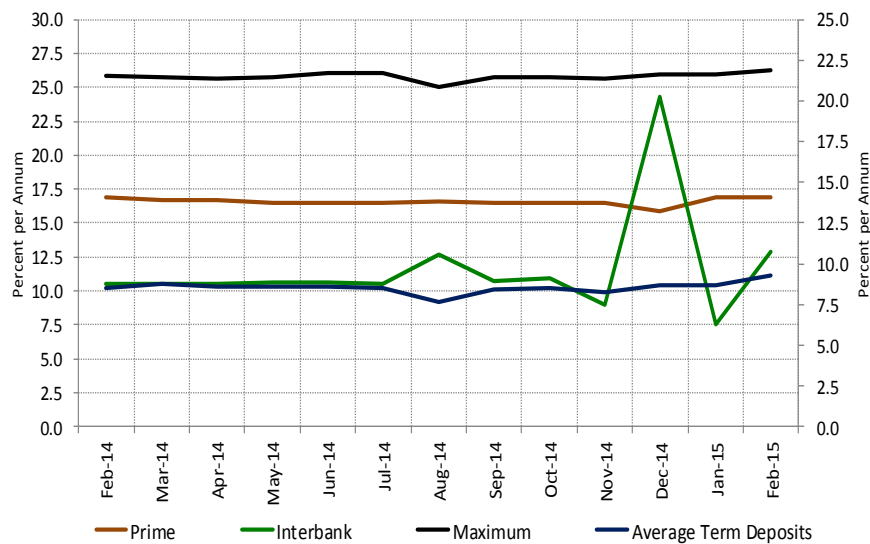


Table 2: Selected Interest Rates (Percent, Averages)

	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Average Term Deposits	8.49	8.73	8.69	8.66	8.57	8.47	7.68	8.46	8.48	8.21	8.65	8.66	9.24
Prime Lending	16.93	16.69	16.7	16.5	16.5	16.44	16.6	16.44	16.48	16.5	15.88	16.86	16.89
Interbank	10.5	10.5	10.5	10.63	10.63	10.5	12.72	10.73	10.98	8.98	24.3	7.49	12.9
Maximum Lending	25.83	25.8	25.63	25.76	26.07	26.07	25.07	25.77	25.75	25.74	25.91	25.97	26.31

2.3.2 Commercial Paper (CP)

The value of outstanding Commercial Paper (CP) held by banks fell by 1.1 per cent to ₦10.05 billion at the end of February 2015, compared with ₦10.16 billion at the end of the preceding month. The development was due to the decline in investments in CPs by the commercial banks during the review month. Thus, CP constituted 0.1 per cent of the total value of money market assets outstanding at the end of the review month, same as at the end of the preceding month.

2.3.3 Bankers' Acceptance (BA)

During the review period, the value of BA increased by 46.7 per cent to ₦60.62 billion, compared with ₦41.33 billion at the end of the preceding month. The development was attributed to the increase in investment in BA by the commercial banks during the review month. Consequently, BA accounted for 0.8 per cent of the total value of money market assets outstanding, at the end of February 2015, compared with 0.53 per cent at the end of the preceding month.

2.3.4 Open Market Operations

The Bank intervened four times in the money market through direct OMO auction. Four (4) maturities, ranging from 182 – 199 day tenors were traded in the review period. The amount offered, subscribed to and allotted were ₦160.00 billion, ₦279.28 billion and ₦217.33 billion, respectively. The bid rates ranged from 13.90 - 17.00 per cent, while the stop rates ranged from 14.50 - 14.84 per cent. CBN bills amounting to ₦529.95 billion matured and was repaid. Overall, all the

transactions translated to a net injection of ₦312.00 billion.

Relative to the levels in January 2015, amount offered, subscribed to and allotted were ₦470.00 billion, ₦1,657.29 and ₦1,295.88 billion, respectively, while the bid rates ranged from 14.00–18.00 per cent.

2.3.5 Primary Market

Nigerian Treasury Bills of 91-, 182- and 364-day tenors were auctioned at the primary market during the review period. On aggregate basis, the total amount offered, subscribed to and allotted stood at ₦334.83 billion, ₦716.28 billion and ₦334.83 billion, respectively, compared with ₦384.30 billion, ₦1,072.44 billion and ₦384.30 billion in January 2015. The bid-to-cover ratios were 1.17, 2.66 and 2.36 for the 91-, 182- and 364-day tenors, respectively. The high bid-to-cover ratio (>2.0) for the 182- and 364-day tenors indicated strong investors' preference for government bonds during the review period.

2.3.6 Bonds Market

Two FGN Bonds were reopened and a new issue floated during the review month.

FGN Bonds of two maturities were re-opened, while new issues were floated in the month of February 2015 and were traded with time-to-maturity of 9 years 1 month for the 10-year, and 19 years 5 months for the 20-year bonds (re-openings). Total amount offered, subscribed to and allotted for the re-opened bonds were ₦90.00 billion, ₦123.61 billion, and ₦76.50 billion, respectively. The bid rates on all the tranches ranged from 12.01 to 19.98 per cent. Amount offered, subscribed to and allotted for the new issues were ₦35.00 billion, ₦60.10 billion and ₦34.00 billion, respectively. In the preceding month, the 5-, 10 - and 20-year tenors were re-opened at marginal rates of 15.20, 15.43 and 15.48 per cent, respectively. The amount offered, subscribed to and allotted, were ₦72.00 billion, ₦129.50 billion and ₦72.00 billion, respectively.

2.3.7 CBN Standing Facilities

The Bank's Standing Facilities window remained open throughout the review period for DMBs, merchant banks and discount houses. The total request for the standing lending facility (SLF) in the month of February 2015 stood at ₦1,060.01 billion, consisting of ₦154.50 billion (direct SLF) and ₦905.51 billion (Intraday Lending Facility converted to overnight repo), reflecting a daily average of ₦66.25 billion for the 16 transaction days in the month, compared with a total request of ₦75.39 billion, with a daily average of ₦9.42 billion in 8 transaction days in January 2015.

Transactions at the Standing Deposit Facility (SDF) window amounted to ₦794.28 billion. This represented a daily average of ₦46.72 billion for the 17 working days in the month, reflecting a decline of 69.14 per cent below the level in the preceding month.

2.4 Deposit Money Banks' Activities

Available data indicated that total assets and liabilities of the commercial banks amounted to ₦28,486.3 billion, showing an increase of 2.9 per cent over the level at the end of January 2015. Funds were sourced mainly from unclassified liabilities; Central Government deposits and claims on the Central Bank. The funds were used, largely, for extension of credit to the private sector.

At ₦14,401.5 billion, banks' credit to the domestic economy rose by 1.7 per cent above the level in the preceding month. The development was attributed to the increase in claims on the private sector during the review month.

Banks' credit to the domestic economy rose by 1.7 per cent, compared with the level in the preceding month.

Total specified liquid assets of the commercial banks stood at ₦5,895.7 billion, representing 38.2 per cent of their total current liabilities. At that level, the liquidity ratio fell by 1.8 percentage points below the level in the preceding month and was 8.2 percentage points above the stipulated minimum ratio of 30.0 per cent. The loans-to-deposit ratio, at 66.3 per cent, was 1.8

percentage points above the level at the end of the preceding month, but was 13.7 percentage points below the prescribed maximum ratio of 80.0 per cent, respectively.

2.5 Discount Houses' Activities

Available data indicated that total assets and liabilities of the discount houses stood at ₦135.2 billion at end-February 2015, showing a decline of 20.4 per cent below the level at end-January 2015. The development was accounted for, largely, by the 80.2 and 10.9 per cent fall in claims on banks and federal government, respectively. Correspondingly, the decrease in total liabilities was attributed to the 76.1 and 14.0 per cent fall in borrowings and money-at-call.

Discount houses' investment in Federal Government securities stood at ₦51.98 billion and accounted for 52.7 per cent of their total deposit liabilities. Thus, investment in Federal Government Securities was 7.3 percentage points below the prescribed minimum level of 60.0 per cent. At that level, discount houses' investment on NTBs fell by 0.8 per cent below the level at the end of the preceding month. Total borrowing and amount owed by the discount houses was ₦29.37 billion, while their capital and reserves amounted to ₦29.6 billion. This resulted in a gearing ratio of 1.8:1, compared with the stipulated maximum target of 50:1 for fiscal 2015.

2.6 Capital Market Developments

2.6.1 Secondary Market

Available data showed that activities on the Nigerian Stock Exchange (NSE) in the month of February 2015 were mixed. The volume and value of traded equities fell by 3.5 and 2.8 per cent to 7.74 billion shares and ₦92.25 billion, respectively, in 84,640 deals, compared with 8.0 billion shares, valued at ₦94.86 billion, in 85,031 deals in the preceding month.

The Financial Sector (measured by volume) led the activity chart with 5.9 billion shares valued at ₦46.27 billion traded in 50,330 deals and, accounted for 76.2

per cent and 50.2 per cent of the total equity turnover volume and value, respectively, compared with 5.82 billion shares worth ₦44.23 billion traded in 48,354 deals, in the preceding month. The Banking sub-sector of the Financial Services sector (measured by turnover volume) was the most active during the month with 3.25 billion shares valued at ₦29.01 billion in 24,181 deals during the review period.

Figure 4: Volume and Value of Traded Securities

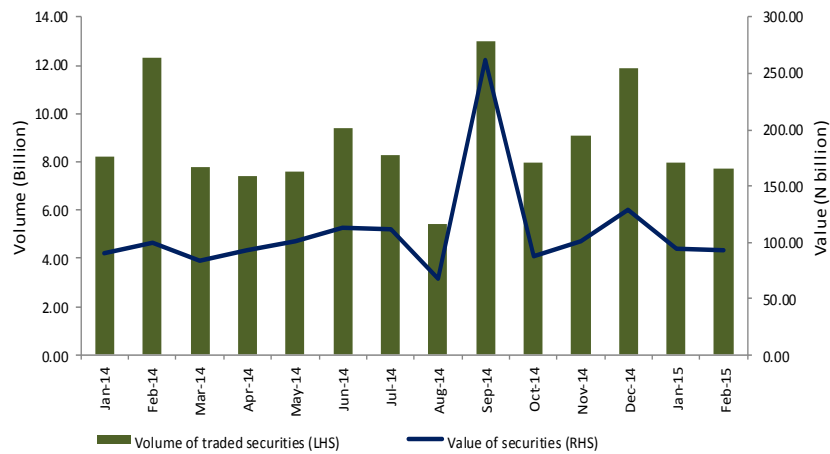


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Jan-15
Volume (Billion)	12.3	7.8	7.4	7.6	9.4	8.3	5.4	13.0	8.0	9.1	11.9	8.0	7.7
Value (N Billion)	99.4	83.6	92.6	100.9	112.8	112.0	67.8	261.4	87.6	100.4	129.0	94.9	92.7

2.6.2 Over-the-Counter (OTC) Bonds Market

There were no transactions in OTC in the review month.

2.6.3 New Issues Market

There was one Supplementary listing in the review month.

Table 4: Supplementary Listing on the Nigerian Stock Exchange

S/N	Company	Additional Shares (Units)	Reasons	Listing
1	Sterling Bank Plc	7,197,604,331.00	Special Placing	Supplementary

2.6.4 Market Capitalization

At ₦15.45 trillion, the aggregate market capitalization as at end-February, 2015 indicated an increase of 2.0 per cent, compared with ₦15.14 trillion at the end of the preceding month. Similarly, market capitalization for the equities segment rose by 2.3 per cent to ₦10.1 trillion, and constituted 65.2 per cent of the total, compared with ₦9.9 trillion and 65.1 cent at the end of the preceding month.

2.6.5 NSE All-Share Index

The All-Share Index, which opened at 29,562.07 at the beginning of the month, was 30,562.93 as at end-February, 2015 and represented an increase of 1.8 per cent above the level in the preceding month.

All other sectoral indices rose relative to their levels in the preceding period with the exception of the NSE Consumer Goods and the NSE ASeM indices which declined by 1.6 and 0.03 per cent, respectively. The NSE Banking, NSE Oil and Gas, NSE Lotus Islamic, NSE Insurance and NSE Industrial Goods indices rose by 10.0, 8.13, 7.53, 0.11 and 0.46 per cent to 327.72, 386.09, 2,094.81, 141.75 and 1,924.77, respectively, above their levels at the end of the preceding month.

Figure 5: Market Capitalization and All-Share Index

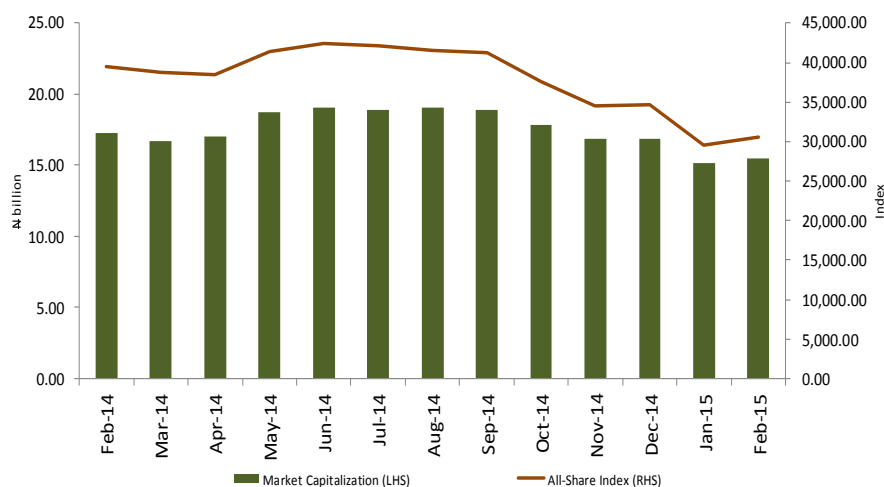


Table 5: Aggregate Market Capitalization and All Share Index (NSE)

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Aggregate Market Capitalization (₦ trillion)	18.9	19.1	18.91	17.8	16.9	16.9	15.14	15.45
All-Share Index	42,097.46	41,532.00	41,210.10	37,550.24	34,543.05	34,657.15	29,562.07	30,562.93

3.0 Fiscal Operations

3.1 Federation Account Operations

At ₦560.84 billion, estimated federally-collected revenue in February 2015, was lower than the provisional 2014 monthly budget estimate by 38.1 per cent. It was also lower than the receipt in the preceding month by 21.1 per cent. The decline in estimated federally-collected revenue (gross) relative to the monthly budget estimate was attributable largely to the shortfall in receipts from oil revenue during the review month (Fig. 6, Table 6).

At ₦560.84 billion, Gross federally-collected revenue in the review month fell below the provisional 2014 monthly budget estimate by 38.1 per cent.

Figure 6: Components of Gross Federally-Collected Revenue

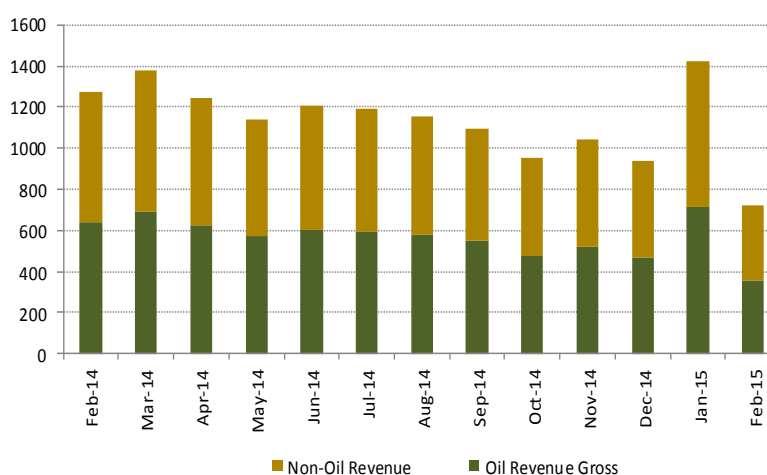


Table 6: Gross Federation Account Revenue (₦ billion)

	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Federally-collected revenue (Gross)	845.9	968.0	802.2	776.5	1034.6	1027.4	842.8	913.2	784.0	835.8	679.4	710.8	560.8
Oil Revenue	637.8	689.1	622.9	570.2	602.5	597.1	578.8	547.2	476.4	521.7	468.1	486.4	359.7
Non-Oil Revenue	208.2	278.9	179.3	206.4	432.1	430.3	264.0	366.0	307.7	314.0	211.3	224.3	201.1

At ₦359.73 billion or 64.1 per cent of the total revenue, gross oil receipt was lower than the 2014 monthly budget estimate by 39.8 per cent. It was also lower than the level in the preceding month by 26.0 per cent.

The decline in oil receipts relative to the provisional monthly budget estimate was attributable to the fall in receipts from crude oil and gas exports occasioned by the drop in the price of crude in the international oil market (Fig. 7, Table 7).

Figure 7: Gross Oil Revenue and Its Components

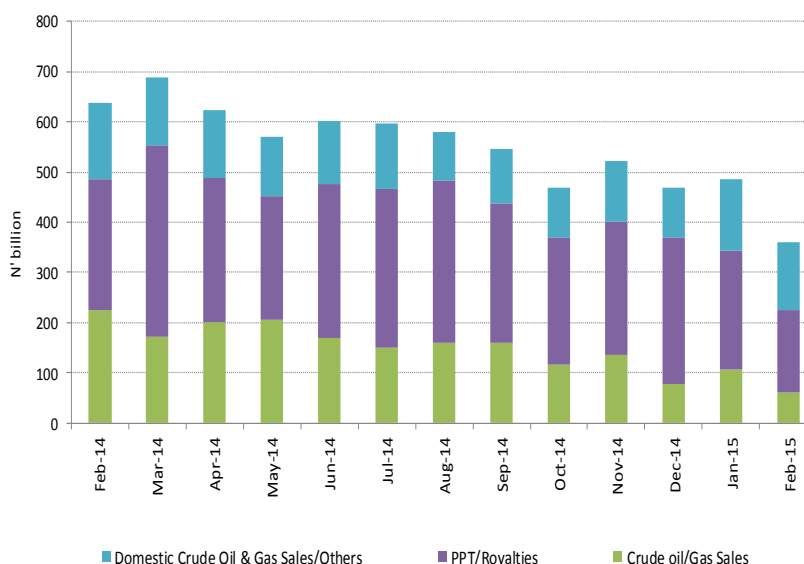
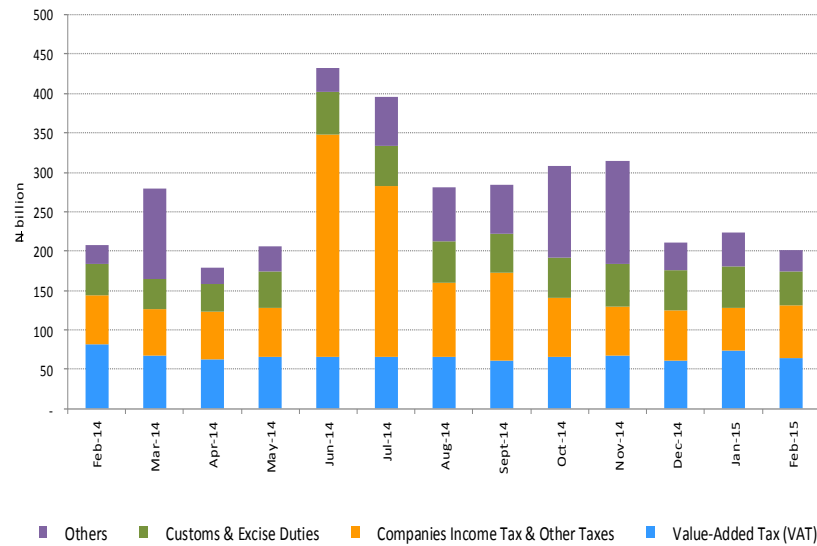


Table 7: Components of Gross Oil Revenue (N billion)

	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Oil Revenue	637.8	689.1	622.9	570.2	602.5	597.1	578.8	547.2	476.4	521.7	468.1	486.4	359.7
Crude oil/Gas Sales	224.0	173.1	202.0	204.7	170.7	150.3	160.3	160.4	117.8	134.7	78.7	107.1	60.3
Domestic crude oil/Gas sales	128.2	127.3	125.3	118.2	126.3	129.6	95.3	93.6	99.6	112.9	91.4	134.8	127.0
PPT/Royalties	262.2	380.5	286.8	246.9	305.2	317.0	321.9	277.4	251.9	266.8	291.2	236.1	165.8
Others	23.3	8.1	8.8	0.3	0.3	0.3	1.3	15.7	7.2	7.3	6.9	8.5	6.6

At ₦201.12 billion, non-oil receipts (gross) fell below the provisional 2014 monthly budget estimate by 35.0% and constituted 35.9% of total revenue.

At ₦201.12 billion or 35.9 per cent of the total revenue, gross non-oil receipts was below the provisional 2014 monthly budget estimate by 35.0 per cent. It was also below the receipts in the preceding month by 10.4 per cent. The decline in non-oil revenue relative to the provisional monthly budget estimate reflected, largely, the fall in receipts from National Information Technology Development Fund (NITDEF) and FG Independent Revenue (Fig. 8, Table 8).

Figure 8: Gross Non-Oil Revenue and its Components**Table 8: Components of Gross Non-Oil Revenue (₦ billion)**

	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Non-Oil Revenue	208.2	278.9	179.3	206.4	432.1	396.5	280.8	284.6	307.7	314.0	211.3	224.3	201.1
Value-Added Tax (VAT)	82.3	66.8	63.3	65.4	65.4	66.4	65.5	61.5	65.1	67.1	60.6	73.5	63.9
Companies Income Tax & Other Taxes	61.6	58.8	59.8	62.1	282.3	216.5	95.1	111.0	75.5	61.9	65.0	54.2	66.5
Customs & Excise Duties	39.7	38.8	34.6	47.2	54.5	51.1	51.8	48.7	51.9	54.8	50.2	53.6	44.2
Others	24.6	114.5	21.6	31.7	29.9	62.5	68.5	63.4	115.2	130.2	35.5	43.0	26.5

Of the gross federally-collected revenue, a net sum of ₦408.37 billion (excluding deductions and transfers) was transferred to the Federation Account for distribution among the three tiers of government and the 13.0% Derivation Fund. The Federal Government received ₦194.35 billion, while the state and local governments received ₦98.58 billion and ₦76.00 billion, respectively. The balance of ₦39.45 billion was distributed to the oil-producing states as 13.0% Derivation Fund.

From the VAT Pool Account, the Federal Government received ₦9.21 billion, while the state and local governments received ₦30.69 billion and ₦21.48 billion, respectively.

In addition, the sums of ₦8.57 billion and ₦5.20 billion were distributed as Exchange Gain and NNPC Additional Revenue among the three tiers of government and the 13.0% Derivation Fund as follows: the Federal Government received (₦3.93 billion and ₦2.38 billion), while the state and local governments received (₦1.99 billion and ₦1.21 billion), and (₦1.54 billion and ₦0.93 billion), respectively. The balance of (₦1.11 billion and ₦0.68 billion) was distributed to the oil-producing states as 13.0% Derivation Fund.

Furthermore, the sum of ₦6.33 billion was received by the Federal Government from the NNPC in respect of the 6th equal installment refund of indebtedness.

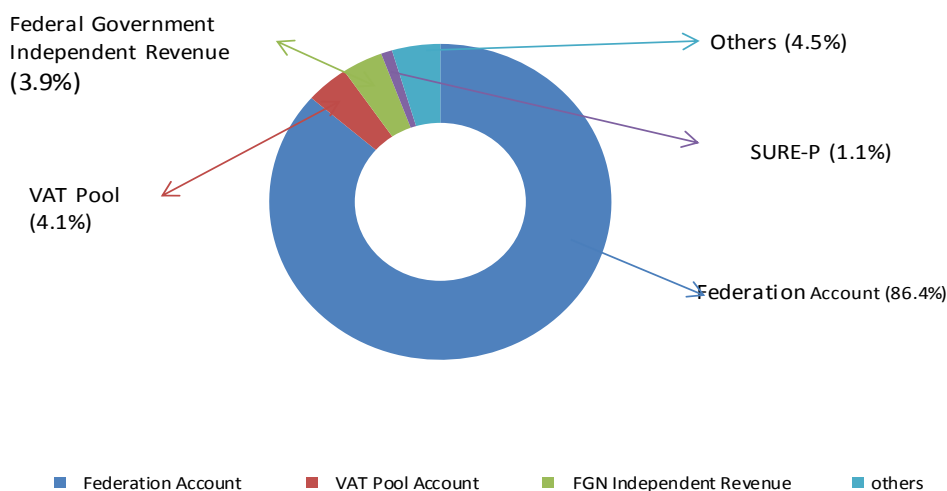
Overall, the total allocation to the three tiers of government from the Federation Account and VAT Pool Account in the review month amounted to ₦489.85 billion, compared with ₦568.79 billion in the preceding month.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

At ₦224.89 billion, the estimated Federal government retained revenue was below the provisional 2014 monthly budget estimate by 36.8%.

At ₦224.89 billion, the estimated Federal Government retained revenue for February 2015 was below both the provisional 2014 monthly budget estimate and the receipts in the preceding month by 36.8 and 17.0 per cent, respectively. Of the total amount, the Federation Account constituted 86.4 per cent, while VAT Pool Accounts, FGN Independent Revenue, NNPC Refund, "others" and NNPC Additional Revenue accounted for 4.1, 3.9, 2.8, 1.7 and 1.1 per cent, respectively (Fig. 9, Table 9).

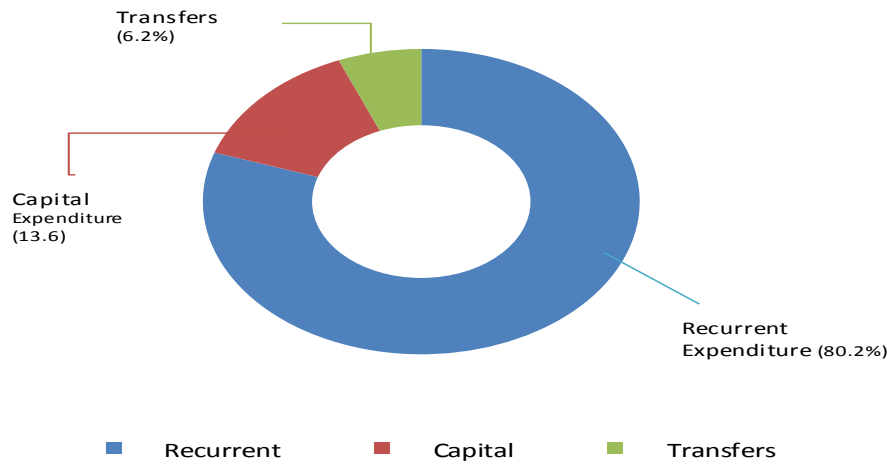
Figure 9: Sources of Federal Government Retained Revenue**Table 9: Federal Government Fiscal Operations (₦ billion)**

	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Retained Revenue	267.6	379.6	281.5	279.1	298.7	340.3	301.7	282.7	312.9	348.1	259.3	271.0	224.9
Expenditure	297.2	451.2	349.6	303.7	328.4	328.3	319.6	323.2	391.3	386.0	370.2	367.8	363.7
Overall Balance: (+)/(-)	-29.6	-71.6	-68.1	-24.6	-29.7	12.0	-17.9	-40.5	-78.4	-37.9	-110.9	-96.7	-138.8

At ₦363.68 billion, total estimated expenditure for February 2015 was lower than both the provisional 2014 monthly budget estimate and the level in the preceding month by 16.6 and 1.1 per cent, respectively. A breakdown of total expenditure showed that the recurrent expenditure accounted for 80.2 per cent, while the capital expenditure and transfer components accounted for the balance of 13.6 and 6.2 per cent, respectively. Non-debt obligations accounted for 73.2 per cent of the total recurrent expenditure, while debt service payments accounted for the balance of 26.8 per cent (Fig. 10).

Total estimated expenditure for February 2015 at ₦363.68 billion fell by 16.6 per cent, compared with the provisional 2014 monthly budget.

Figure 10: Federal Government Expenditure



Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦138.78 billion.

3.2.2 Statutory Allocations to State Governments

Total statutory allocation to the state governments stood at ₦173.71 billion in February 2015. This was 28.3 and 14.8 per cent below both the provisional 2014 monthly budget estimate and the level in the preceding month, respectively.

The breakdown showed that, at ₦143.02 billion or 82.3 per cent of the total, state governments' receipt from the Federation Account was below both the provisional 2014 monthly budget estimate and the level in the preceding month by 31.4 and 15.2 per cent, respectively.

At ₦30.69 billion or 17.7 per cent of the total, receipts from the VAT Pool Account was below both the provisional 2014 monthly budget estimate and the level in the preceding month by 9.9 and 13.0 per cent, respectively.

The fiscal operations of the FG resulted in an estimated Overall deficit of ₦138.78 billion.

3.2.3 *Statutory Allocations to Local Government Councils*

Total receipts by the local governments from the Federation Account and VAT Pool Account stood at ₦99.95 billion at end-February 2015. This was lower than both the provisional 2014 monthly budget estimate and the level in the preceding month by 29.9 and 13.5 per cent, respectively. Of this amount, receipts from the Federation Account was ₦78.47 billion (78.5 per cent of the total), while the VAT Pool Account accounted for ₦21.48 billion (21.5 per cent of the total).

4.0 Domestic Economic Conditions

The dominant agricultural activities in February 2015 were clearing of lands for the 2015 cropping season. The livestock sub-sector was involved in raising the stock of livestock to replace those sold during the festivities. Crude oil production was estimated at 1.90 million barrels per day (mbd) or 53.2 million barrels during the month. The end-period inflation rate for February 2015, on a year-on-year basis, was 8.4 per cent, compared with 8.2 per cent in the preceding month. The inflation rate on a 12-month moving average basis was 8.1 per cent, same as in the preceding month's level of 8.1 per cent.

4.1 Agricultural Sector

During the month of February 2015, the predominant agricultural activity across the country was preparation of land for early planting. Other activities in the Southern and Northern States included: harvesting of tree crops; irrigation-fed vegetable and cereal production, respectively. In the livestock sector, farmers were involved in raising the stock of livestock to replace those sold during the festivities. Though the incidence of insurgency subsided in February 2015, agricultural activities remained subdued in most areas of Southern Yobe and Borno States as well as Northern Adamawa State.

A total of ₦135.5 million was guaranteed to 5,008 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in February 2015. The amount represented an increase of 55.1 and 3.1 per cent above the levels in the preceding month and the corresponding period of 2014, respectively. Sub-sectoral analysis showed that food crops obtained the largest share of ₦877.3 million (77.3 per cent) guaranteed to 3,933 beneficiaries, livestock had ₦112.3 million (9.9 per cent) guaranteed to 306 beneficiaries, Fisheries sub-sector got ₦62.3 million (5.5 per cent) guaranteed to 185 beneficiaries, and mixed crop received ₦49.3 million (4.3 per cent) guaranteed to 255 beneficiaries. A total of ₦12.5 million (1.1 per cent) was guaranteed to 69 beneficiaries in the cash crop sub-

sector, while 'Others' received ₦21.7 million (1.9 per cent) guaranteed to 260 beneficiaries.

Analysis by state showed that 29 states and the Federal Capital Territory benefited from the Scheme in February 2015, with the highest and lowest sums of ₦254.5 million (22.4 per cent) and ₦1.8 million (0.16 per cent) guaranteed to Edo and Benue States, respectively.

At end-February 2015, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement stood at ₦272.36 billion for three hundred and fifty one (351) projects/promoters (Table 10).

At end-February 2015, the total amount released by the CBN under CACS to the participating banks for disbursement stood at ₦272.36 billion (for 351 projects).

Table 10: Disbursement of Credit under the Commercial Agriculture Credit Scheme (CACS) February 2015.

S/N	Participating Banks	Amount Disbursed (N billion)	Number of Projects/State Governments
1	UBA Plc	45.76	37
1	Zenith Bank	46.34	31
3	First Bank of Nigeria Plc	34.95	82
4	Unity Bank Plc	24.18	25
5	Union Bank Plc	18.17	21
6	Stanbic IBTC Plc	17.31	32
7	Sterling Bank	15.64	22
8	Access Bank Plc	12.63	15
9	Fidelity Bank Plc	10.85	8
10	Skye Bank Plc	9.69	7
11	FCMB Plc.	7.10	15
12	Ecobank	6.38	10
13	GTBank	7.80	10
14	Diamond Bank Plc	3.66	14
15	Heritage Bank	3.17	3
16	Citibank Plc	3.00	2
17	Keystone Bank	2.11	3
18	Mainstreet Bank Plc	2.00	1
19	WEMA Bank Plc	1.13	7
20	Enterprise Bank Plc	0.52	6
	TOTAL	272.4	351

4.2 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at an average of 1.90 million barrels per day (mbd) or 53.2 million barrels for the month. This was 0.05 mbd or 2.6 per cent below the average of 1.95 mbd or 60.45 million barrels produced in the preceding month.

Crude oil and natural gas production was estimated at an average of 1.90 million barrels per day.

Crude oil export was estimated at 1.45 mbd or 40.6 million barrels. This represented a decline of 3.3 per cent below the 1.50 mbd recorded in the preceding month. Deliveries to the refineries for domestic consumption remained at 0.45 mbd or 12.6 million barrels during the review month.

At an estimated average of US\$59.24 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API), rose further by 21.9 per cent above the level in the preceding month. The average prices of other competing crudes, namely the U.K Brent at US\$57.96 per barrel, the West Texas Intermediate at US\$50.67 per barrel; and the Forcados at US\$59.62 per barrel, also showed similar trends as the Bonny Light.

The average prices of Nigeria's reference crude, the Bonny Light, and all other competing crudes rose above their levels in the preceding month.

The average price of OPEC's basket of eleven crude streams, at US\$54.06 per barrel, indicated an increase of 21.8 per cent, but indicated showed a decline of 48.7 per cent below the average of US\$44.38 and US\$105.38 per barrel recorded in the preceding month and the corresponding period of 2014, respectively (Fig. 11, Table 11).

Figure 11: Trends in Crude Oil Prices

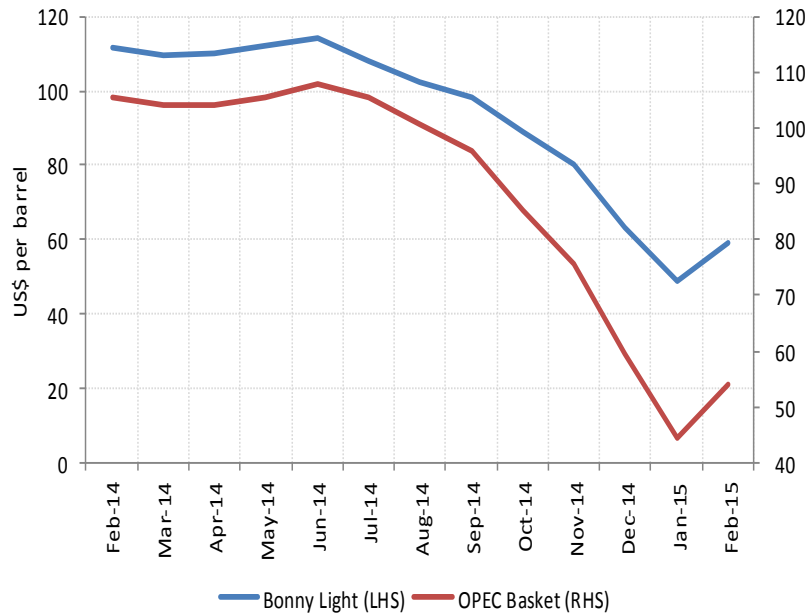


Table 11: Average Crude Oil Prices in the International Oil Market

	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Bonny Light	111.4	104.5	110.2	112.2	114.2	107.9	102.6	98.5	88.8	80.3	63.2	48.6	59.2
OPEC Basket	105.4	104.2	104.3	105.4	107.9	105.6	100.8	95.9	85.1	75.6	59.5	44.4	54.1

4.3 Consumer Prices

The general price level rose in February 2015, compared with the level in the preceding month.

Available data showed that the all-items composite Consumer Price Index (CPI) in February 2015 was 166.9 (November 2009=100), representing an increase of 0.7 and 8.4 per cent over the levels in the preceding month and the corresponding period of 2014, respectively. The development was attributed to the rise in the prices of food; non-alcoholic beverages; housing; water; electricity, gas, and other fuels; clothing and footwear; transport, furnishing, household equipment and maintenance; and education.

The urban all-items CPI at end-January 2015 was 165.9 (November 2009=100), indicating an increase of 0.7 per cent, compared with the level in the preceding month. The rural all-items CPI for the month was 166.9 (November 2009=100), indicating an increase of 0.7 per

cent above the level in the preceding month (Fig. 12, Table 12).

The end-period inflation rate for the review month, on a year-on-year basis, was 8.4 per cent, compared with 8.2 per cent in the preceding month. The inflation rate at the end-February 2015 was 0.7 percentage point higher than the rate in the corresponding month of 2014. The inflation rate on a twelve-month moving average basis was 8.1 per cent, same as in the preceding month (Fig. 13, Table 13).

The year-on-year headline inflation rate was 8.4 per cent in February 2015, compared with 8.2 per cent in January 2015.

The composite food index was 171.1, indicating an increase of 0.8 per cent compared with the level in the preceding month. The development was accounted for by the relative contributions of some farm produce and processed food.

Figure.12: Consumer Price Index

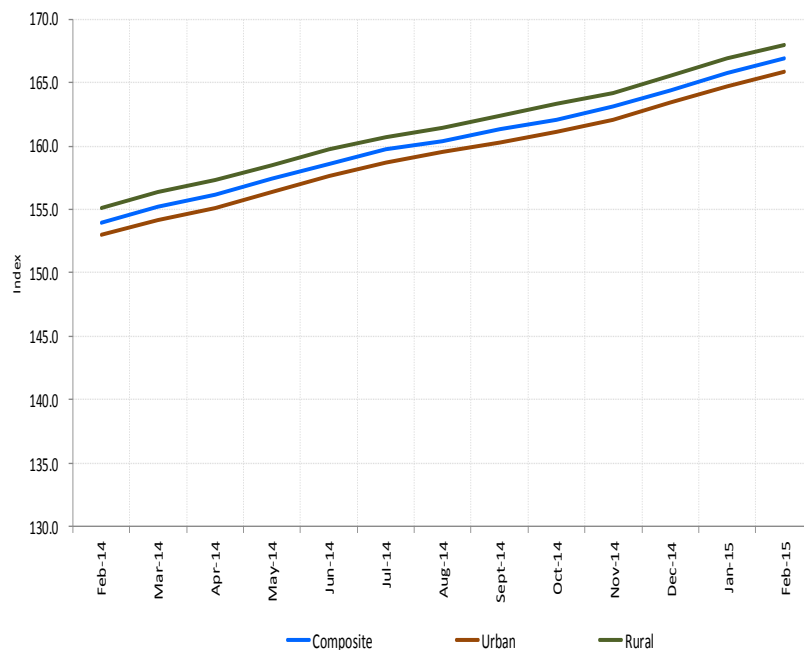


Table 12: Consumer Price Index (November 2009=100)

	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Composite	154.0	155.2	156.2	157.4	158.6	159.7	160.4	161.3	162.1	163.1	164.4	165.8	166.9
Urban	153	154.2	155.1	156.4	157.6	158.7	159.5	160.3	161.1	162.1	163.4	164.7	165.9
Rural	155.1	156.4	157.3	158.5	159.7	160.7	161.4	162.4	163.3	164.2	165.5	166.9	168.0
CPI - Food	156.5	158	159.3	160.6	161.9	163.1	164.0	165	165.8	166.8	168.4	169.8	171.1
CPI - Non Food	154.1	154.7	155.3	156.3	157.4	157.7	158.4	159.4	160.3	161.3	162.5	163.7	164.8

Figure 13: Inflation Rate

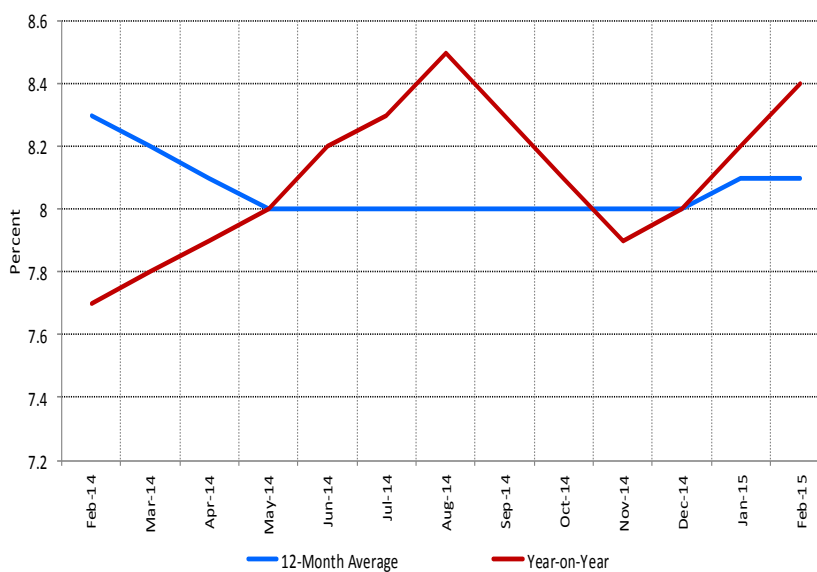


Table 13: Headline Inflation Rate (%)

	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
12-Month Average	8.3	8.2	8.1	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.1	8.1
Year-on-Year	7.7	7.8	7.9	8.0	8.2	8.3	8.5	8.3	8.1	7.9	8.0	8.2	8.4

5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow through the CBN fell by 35.2, while outflow indicated an increase of 4.4 per cent relative to their levels in the preceding month. Total non-oil export receipts by banks fell by 33.1 per cent below the level in the preceding month. The gross external reserves fell by 8.6 per cent below the preceding month's level. The average exchange rate of the naira, at ₦169.68 per US dollar at the retail Dutch Auction System (rDAS), remained the same as in January 2015.

5.1 Foreign Exchange Flows

Provisional data indicated that foreign exchange inflow and outflow through the CBN in the review month was US\$1.90 billion and US\$4.30 billion, respectively, resulting in a net outflow of US\$2.40 billion, compared with the net outflow of US\$1.19 billion and US\$3.82 billion in the preceding month and the corresponding period of 2014, respectively. Relative to the level at the end of the preceding month, inflow fell by 35.2 and 32.1 per cent below the levels in the preceding month and the corresponding period of 2014, respectively. The development was attributed to the decline in receipts from crude oil. Outflow rose by 4.4 per cent above the level in the preceding month, but indicated a decline of 35.0 per cent below the level in the corresponding period of 2014. The development owed, largely to the increased rDAS utilization following increase in inter-bank intervention sales by the Bank in the review period (Fig. 14, Table 14).

Foreign exchange inflow through the CBN declined by 35.2, while Outflow rose by 4.4 per cent in February 2015.

Figure 14: Foreign Exchange Flows through the CBN

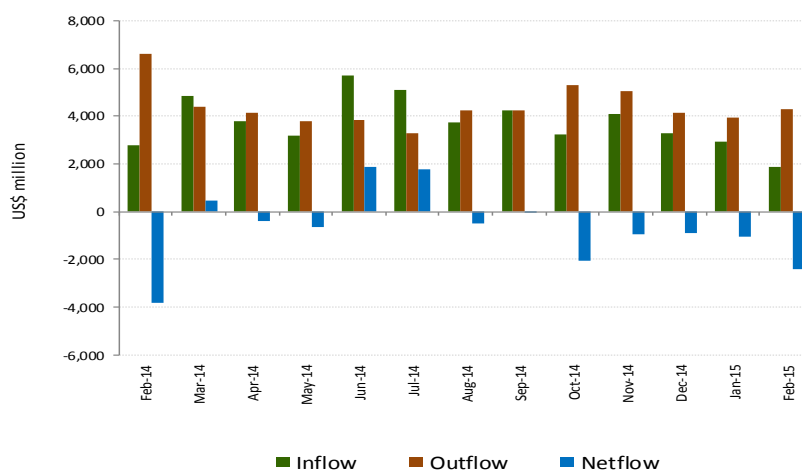


Table 14: Foreign Exchange Flows through the CBN (US\$ million)

	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Inflow	2,797.6	4,880.3	3,779.5	3,171.3	5,716.6	5,103.8	3,750.3	4,230.4	3,254.0	4,120.8	3,284.8	2,934.6	1,900.6
Outflow	6,613.0	4,407.7	4,155.8	4,819.2	3,831.3	3,299.9	4,258.5	4,250.6	5,401.0	5,060.2	4,164.4	3,965.5	4,301.3
Netflow	(3,815.4)	472.6	(376.3)	(1,647.9)	1,885.3	1,803.9	(508.2)	(20.2)	(2,147.0)	(939.3)	(879.6)	(1,030.9)	(2,400.7)

Provisional data on aggregate foreign exchange flow through the economy indicated that total inflow was US\$8.44 billion, representing a decline of 9.8 and 24.3 per cent below the levels at the end of the preceding month and the corresponding month of 2014, respectively. The development was driven, mainly, by the decline in receipts from crude oil sales, following the sharp fall in crude oil prices in the international market. Of the total inflow, receipts through the CBN and autonomous sources accounted for 22.5 and 77.5 per cent, respectively.

Autonomous inflows into the economy rose by 1.8 per cent in February 2015 relative to the preceding month.

Non-oil public sector inflow, at US\$0.81 billion (9.6 per cent of the total), rose by 23.2 and 461.0 per cent above the levels in the preceding month and the corresponding period of 2014, respectively. Autonomous inflow, which accounted for 77.5 per cent of the total, rose by 1.8 per cent above the level in the preceding month.

At US\$4.4 billion, aggregate foreign exchange outflow from the economy rose by 4.2 per cent above the level in the preceding month, and indicated a decline of 35.1 per cent below the level in the corresponding period of 2014. Thus, foreign exchange flows through the economy resulted in a net inflow of US\$4.06 billion in the review month, compared with US\$5.15 billion and US\$4.39 billion in the preceding month and the corresponding month of 2014, respectively.

5.2 Non-Oil Export Earnings by Exporters

Provisional data indicated that total non-oil export earnings, at US\$513.22 million, indicated a decline of 33.1 per cent below the level in the preceding month, but showed an increase of 20.4 per cent over the level in the corresponding period of 2014. The development reflected, largely, the 44.02 per cent fall in export receipts from industrial sectors. A breakdown by sectors showed that proceeds from industrial, agriculture, manufactured, food products, minerals and transport sector sub-sectors stood at US\$368.62 million, US\$83.58 million, US\$37.19 million, US\$13.38 million, US\$10.45 million and US\$0.07 million, respectively, during the review month.

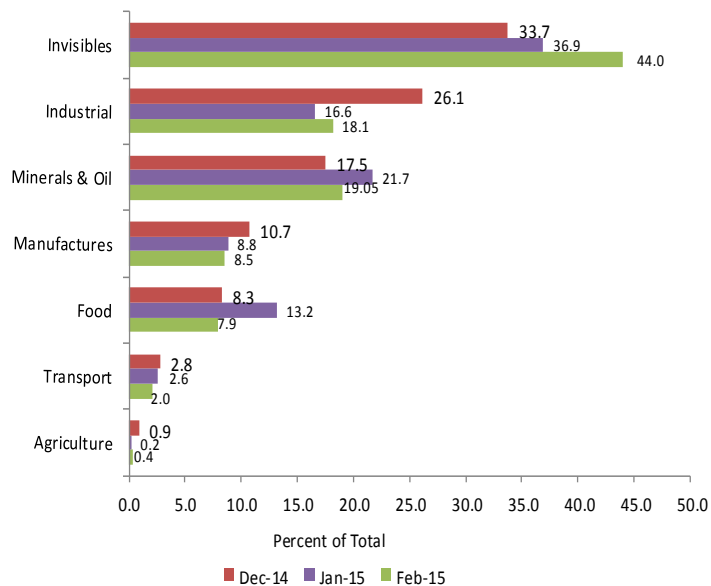
The shares of industrial, agriculture, manufactured, food products and minerals sub-sectors in non-oil export proceeds were 71.8, 16.3, 7.3, 2.6, and 2.0 per cent, respectively.

5.3 Sectoral Utilisation of Foreign Exchange

The invisible sector accounted for the bulk (43.95 per cent) of total foreign exchange disbursed in February 2015, followed by minerals and oil sector (19.05) per cent). Other beneficiary sectors, in a descending order included: industrial sector (18.14 per cent), manufactured product (8.53 per cent), food products (7.93 per cent), transport (2.03 per cent) and agricultural products (0.37 per cent) (Fig.15).

Total non-oil export earnings by exporters fell in February 2015, on account of decline in the earnings from industrial products.

The invisible sector accounted for the bulk of the total foreign exchange disbursed in February 2015.

Figure 15: Sectoral Utilisation of Foreign Exchange

5.4 Foreign Exchange Market Developments

Estimated aggregate demand for foreign exchange by authorized dealers under the retail Dutch Auction System (rDAS) and Bureau-de-change (BDC) was US\$3.88 billion in February 2015. This indicated a decline of 19.2 and 19.1 per cent below the levels in the preceding month and the corresponding month of 2014, respectively. Demand at the rDAS-spot and BDC segments amounted to US\$3.77 billion and US\$0.11 billion, respectively, compared with US\$4.70 billion and US\$0.11 billion in January 2015.

A total of US\$3.58 billion was sold by the CBN to authorized dealers during the period, reflecting an increase of 5.2 per cent above the level in the preceding month, but indicated a decline of 42.8 per cent below the level in the corresponding period of 2014. Of the aggregate sales, the rDAS-spot, inter-bank and BDC sales were US\$1.20 billion, US\$1.95 billion and US\$0.11 billion, respectively. Also, forward contracts valued at US\$0.32 billion was disbursed at maturity (Fig.16, Table 15).

Figure 16: Demand for and Supply of Foreign Exchange

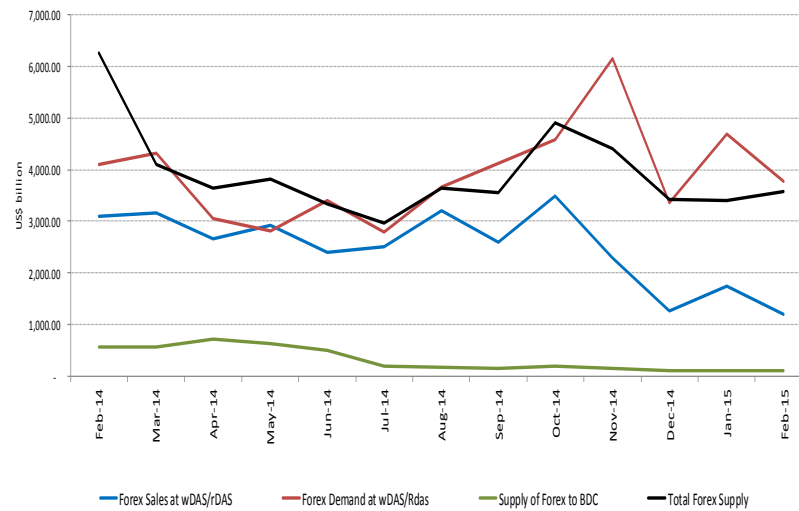


Table 15: Demand for and Supply of Foreign Exchange (US\$ billion)

	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Forex Sales at wDAS/rDAS	3,101.9	3,151.6	2,663.9	2,928.5	2,398.6	2,494.8	3,201.1	2,598.5	3,498.5	2,296.9	1,260.2	1,902.3	1,197.1
Forex Demand at rDAS/wDAS	4,096.5	4,300.0	3,045.5	2,805.7	3,401.4	2,784.9	3,661.4	4,132.3	4,570.6	6,148.8	3,364.9	4,698.8	3,773.5
Supply of Forex to BDC	567.1	561.0	712.8	619.8	501.2	184.9	169.0	143.2	178.9	145.7	110.4	110.4	110.4
Total Forex Supply	6,254.4	4,091.5	3,637.8	3,819.6	3,330.1	2,954.1	3,650.1	3,558.7	4,914.3	4,395.2	3,430.1	3,399.1	3,577.4

Under the rDAS, the average exchange rate of the naira vis-à-vis the US dollar, at ₦169.68 per US dollar remained same as in the preceding month, but indicated a 7.3 per cent depreciation below the level in the corresponding period of 2014. At the BDC segment, the average exchange rate depreciated by 9.1 and 20.5 per cent to ₦213.03 per US dollar, below the respective levels in the preceding month and the corresponding period of 2014. The average exchange rate at the inter-bank segment, at ₦194.48 per US dollar, indicated a depreciation of 6.7 and 15.9 per cent, relative to the respective levels in the preceding month and the corresponding period of 2014 (Figure 17, Table 16).

Consequently, the premium between the rDAS and

The Naira exchange rate vis-à-vis the US dollar, on average, remained unchanged at the rDAS segment but depreciated at the BDC and inter-bank segments of the market during the review period.

Bureau-de-change widened to 25.5 per cent from 7.6 per cent in the preceding month. The premium between the inter-bank and rDAS also widened to 14.6 per cent from 6.9 per cent in the preceding month (Figure 18).

Figure 17: Average Exchange Rate Movement

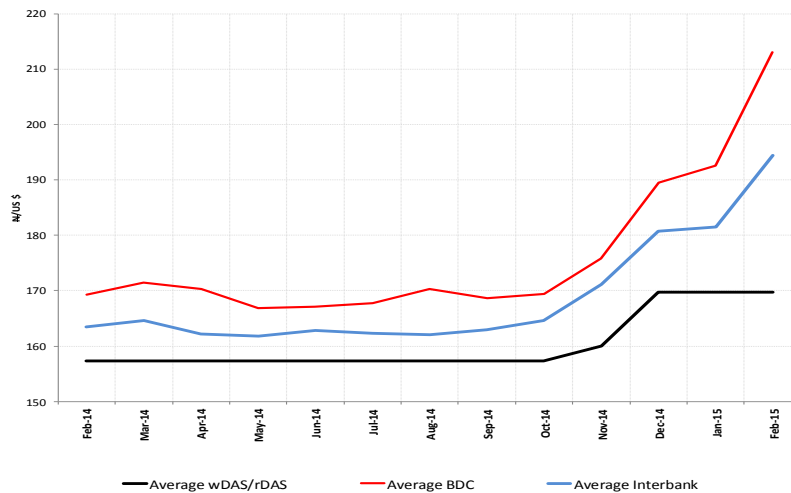
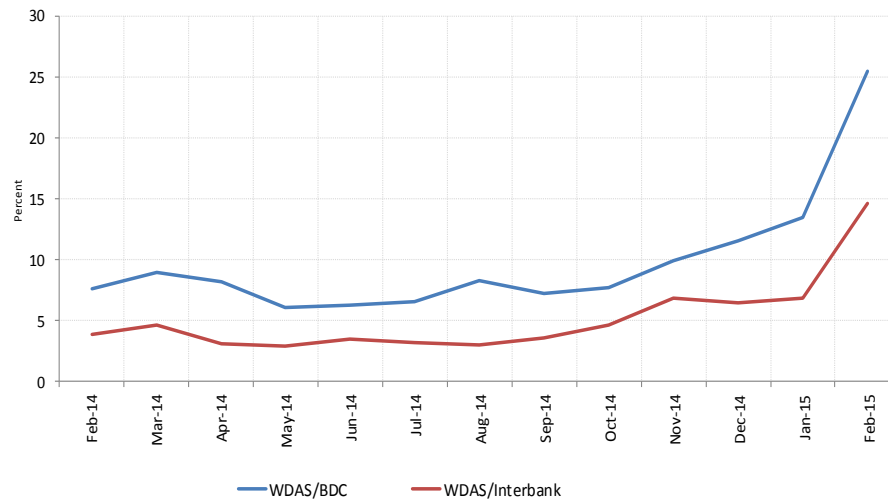


Table 16: Exchange Rate Movements and Exchange Rate Premium

	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Average Exchange Rate (N/\$)													
wDAS/rDAS	157.31	157.30	157.29	157.29	157.29	157.29	157.29	157.30	157.31	160.00	169.68	169.68	169.68
BDC	169.28	171.52	170.25	166.85	167.14	167.71	170.36	168.64	169.43	175.85	189.44	192.60	213.03
Interbank	163.49	164.62	162.19	161.86	162.82	162.25	161.99	162.93	164.64	171.10	180.74	181.46	194.48
Premium (%)													
rDAS/BDC	7.6	9.0	8.2	6.1	6.3	6.6	8.3	7.2	7.7	9.9	11.6	13.5	25.5
rDAS/Interbank	3.9	4.7	3.1	2.9	3.5	3.2	3	3.6	4.7	6.9	6.5	6.9	14.6

Figure 18: Exchange Rate Premium



5.5 Gross External Reserves

The gross external reserves at the end of February 2015 stood at US\$29.57 billion, indicating a decline of 8.6 and 19.9 per cent below the levels in the preceding month and the corresponding period of 2014, respectively. The development was attributed to the reduction in crude oil related receipts and rDAS utilisation. A breakdown of the reserves showed that the Federation Account portion (Excess Crude) was US\$2.26 billion (7.7 per cent), Federal Government holding was US\$2.18 billion (7.4 per cent) and CBN reserves stood at US\$25.13 billion (84.9 per cent), (Fig. 19, Table 17).

Gross external reserves declined in February 2015.

Figure 19: Gross External Reserves

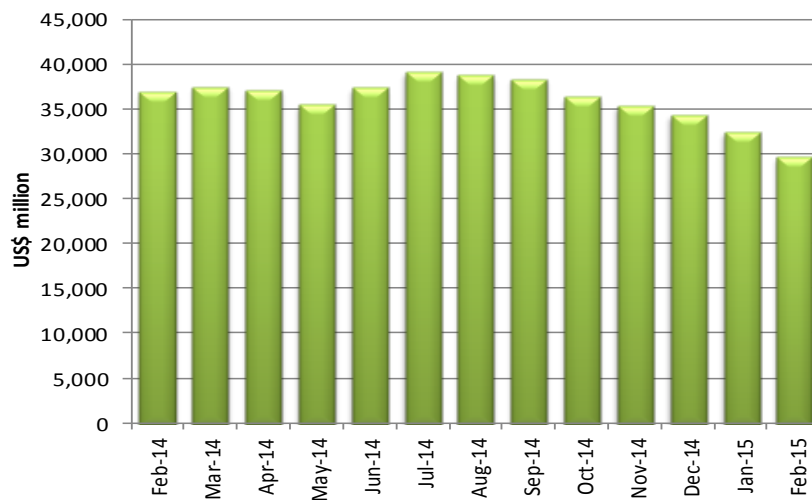


Table 17: Gross External Reserves (US\$ million)

Period	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
External Reserves	37,330.03	39,065.42	38,705.71	38,278.62	36,270.36	35,238.78	34,241.54	32,360.52	29,571.43

6.0 *Other International Economic Developments and Meetings*

World crude oil output in February 2015 was estimated at an average of 93.57 million barrels per day (mbd), while demand was at 91.35 million barrels per day (mbd), compared with 93.15 and 91.21 mbd supplied and demanded, respectively, in the preceding month. The decline in demand was attributed, mainly, to the rising demand for gasoline in the US, transportation fuels in China and India, as well as improved economic activities in OECD Europe during the review period.

There were no other major international economic developments and meetings of importance to the domestic economy during the review period.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Domestic Credit (Net)	15,602.1	15,668.5	16,095.6	16,297.3	16,379.9	16,129.5	17,278.4	17,724.5
<i>Claims on Federal Government (Net)</i>	(1,665.1)	(1,746.2)	(1,585.0)	(1,571.8)	(1,748.2)	(2,017.5)	(899.7)	(914.1)
Central Bank (Net)	(2,877.8)	(2,739.7)	(2,579.4)	(2,527.7)	(2,562.9)	(2,534.3)	(1,735.6)	(1,520.9)
Commercial Banks	1,151.5	921.5	937.3	877.6	737.5	456.7	783.5	606.8
Merchant Bank	61.9	72.8	57.9	79.1	77.9	61.1	53.5	47.6
Non Interest Banks	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(1.1)	(1.1)	(1.1)
<i>Claims on Private Sector</i>	17,267.3	17,414.7	17,680.6	17,869.1	18,128.1	18,147.0	18,178.1	18,638.6
Central Bank	4,695.2	4,697.1	4,697.8	4,950.4	4,884.0	4,851.4	4,851.1	4,843.9
Commercial Banks	12,512.1	12,655.3	12,921.8	12,857.1	13,175.0	13,210.1	13,244.9	13,701.9
Merchant Bank	43.7	45.4	42.5	41.4	48.6	63.7	60.4	70.3
Non Interest Banks	16.3	16.9	18.5	20.2	20.5	21.8	21.6	22.6
<i>Claims on Other Private Sector</i>	16,502.9	16,655.7	16,930.9	17,081.6	17,357.4	17,389.2	17,446.0	17,905.2
Central Bank	4,671.6	4,673.5	4,674.2	4,926.8	4,840.9	4,827.9	4,824.9	4,820.3
Commercial Banks	11,773.7	11,922.3	12,198.1	12,095.5	12,449.8	12,478.3	12,540.3	12,993.4
Merchant Bank	43.7	45.4	42.5	41.4	48.6	63.7	60.4	70.3
Non Interest Banks	13.9	14.5	16.1	17.8	18.1	19.4	20.3	21.2
<i>Claims on State and Local Governm</i>	740.7	735.4	726.2	763.9	727.6	734.2	706.0	709.8
Central Bank	-	-	-	-	-	-	-	-
Commercial Banks	738.3	733.0	723.8	761.5	725.2	731.8	704.6	708.5
Merchant Bank	-	-	-	-	-	-	-	-
Non Interest Banks	2.4	2.4	2.4	2.4	2.4	2.4	1.4	1.4
<i>Claims on Non-financial Public Ent</i>	23.6	23.6	23.6	23.6	23.6	23.6	26.2	23.6
Foreign Assets (Net)	8,175.2	7,791.7	7,751.7	7,061.2	7,183.4	7,358.2	6,436.0	6,023.4
Central Bank	6,667.0	6,438.9	6,436.3	5,979.4	6,117.4	6,388.6	5,704.0	5,123.1
Commercial Banks	1,514.3	1,359.7	1,320.2	1,087.2	1,066.5	972.8	737.6	907.0
Merchant Bank	(9.6)	(10.7)	(8.9)	(8.8)	(3.1)	(6.4)	(7.8)	(7.9)
Non Interest Banks	3.5	3.8	4.1	3.4	2.7	3.1	2.1	1.3
Other Assets (Net)	(7,108.1)	(7,084.8)	(7,032.8)	(6,800.5)	(6,840.2)	(6,654.4)	(6,903.2)	(7,201.6)
Total Monetary Assets (M2)	16,171.6	16,669.2	16,375.4	16,814.5	16,558.1	16,696.7	16,833.2	16,546.3
Quasi-Money 1/	9,679.9	9,647.9	9,953.8	9,803.9	10,018.4	10,566.6	10,437.9	10,480.4
Money Supply (M1)	6,745.4	6,481.8	6,616.4	6,519.1	6,678.2	6,266.7	6,373.3	1,233.2
<i>Currency Outside Banks</i>	1,237.0	1,214.9	1,243.2	1,185.6	1,231.0	1,366.7	1,320.3	1,622.7
<i>Demand Deposits 2/</i>	5,508.5	5,266.8	5,373.2	5,333.5	5,447.2	4,900.0	5,053.0	104.9
Total Monetary Liabilities (M2)	16,171.6	16,669.2	16,375.4	16,814.5	16,558.1	16,696.7	16,833.2	16,546.3
<i>Memorandum Items:</i>								
Reserve Money (RM)	4,767.1	4,729.3	4,882.7	5,076.8	5,068.6	5,964.7	5,475.5	5,701.7
<i>Currency in Circulation (CIC)</i>	1,568.2	1,501.5	1,548.3	1,534.0	1,577.9	1,798.0	1,661.7	1,622.7
<i>DMBs Demand Deposit with CBN</i>	3,225.9	3,198.9	3,227.8	3,542.8	3,490.7	4,166.8	3,813.9	4,079.0

1/ Quasi-money consist of Time, Savings and Foreign Currency Deposit at Deposit Money Banks excluding Takings from Discount Houses.

2/ Demand Deposits consist of State, Local and Parastatals Deposits at CBN, State, Local Government and Private Sector Deposits as well as Demand Deposits of non-financial Public Enterprises at Deposit Money Banks.

Table A2: Money and Credit Aggregates (Growth Rates)

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Growth Over Preceding December (%)								
Domestic Credit (Net)	7.3	7.8	10.7	12.1	12.7	11.0	7.1	9.9
<i>Claims on Federal Government (Net)</i>	-0.5	-5.4	4.3	5.1	-5.6	-21.8	55.4	54.7
<i>Claims on Private Sector</i>	6.6	7.6	9.2	10.4	12.0	12.1	0.2	2.7
<i>Claims on Other Private Sector</i>	7.2	8.2	10.0	11.0	12.9	13.0	0.3	3.0
<i>Claims on State and Local Government</i>	-4.9	-5.6	-6.8	-2.0	-6.6	-5.8	3.9	-3.3
<i>Claims on Non-financial Public Enterprises</i>								
Foreign Assets (Net)	-5.6	-10.0	-10.5	-18.4	-17.0	-15.0	-12.5	-18.1
Other Assets (Net)	5.3	5.6	6.3	9.4	8.5	11.3	-3.7	-8.2
Total Monetary Assets (M2)	6.2	4.4	7.2	5.5	6.4	7.3	-0.1	-1.7
Quasi-Money 1/	11.8	11.5	15.0	13.3	15.7	22.1	-1.2	-0.6
Money Supply (M1)	-0.6	-4.3	-2.4	-4.0	-5.0	-10.9	1.7	-3.5
<i>Currency Outside Banks</i>	-14.5	-16.0	-14.1	-18.1	-14.9	-5.5	-3.4	-9.8
<i>Demand Deposits 2/</i>	3.0	-1.3	0.6	-0.3	-2.5	-12.3	3.1	-1.8
Total Monetary Liabilities (M2)	6.2	4.4	7.2	5.5	6.4	7.3	-0.1	-1.7
<i>Memorandum Items:</i>								
Reserve Money (RM)	-5.1	-5.9	-2.9	1.1	0.8	17.2	-8.2	-4.4
<i>Currency in Circulation (CIC)</i>	-11.7	-15.5	-12.9	-13.7	-11.8	1.2	-7.6	-9.8
<i>DMBs Demand Deposit with CBN</i>	-1.5	0.7	2.5	9.0	7.2	25.7	-8.5	-2.1
Growth Over Preceding Month (%)								
Domestic Credit (Net)	4.0	0.4	2.7	1.3	0.5	-1.5	7.1	2.6
<i>Claims on Federal Government (Net)</i>	15.6	-4.9	9.2	0.8	-11.2	-15.4	55.4	-1.6
<i>Claims on Private Sector</i>	1.7	0.9	1.5	1.1	1.5	0.1	0.2	2.5
<i>Claims on Other Private Sector</i>	1.7	0.9	1.7	0.9	1.7	0.1	0.3	2.6
<i>Claims on State and Local Government</i>	1.0	-0.7	-1.3	5.2	-4.8	0.9	3.9	0.6
<i>Claims on Non-financial Public Enterprises</i>								
Foreign Assets (Net)	4.3	-4.7	-0.5	-8.9	1.7	2.4	-12.5	-6.4
Central Bank	5.1	-3.4	0.0	-7.1	2.3	4.4	-10.7	-10.2
Banks	1.0	-10.3	-2.8	-17.8	-1.5	-9.1	-24.5	23.0
Other Assets (Net)	-6.5	0.3	0.7	3.3	1.0	3.1	-3.8	-4.3
Total Monetary Assets (M2)	3.1	-1.8	2.7	-1.5	0.8	0.8	-0.1	-1.6
Quasi-Money 1/	3.6	-0.3	3.2	-1.5	2.2	5.5	-1.2	0.6
Money Supply (M1)	2.3	-3.7	2.0	-1.6	-1.1	-6.2	1.7	-5.1
<i>Currency Outside Banks</i>	6.4	-1.8	2.3	-4.6	3.9	11.0	-3.4	-6.6
<i>Demand Deposits 2/</i>	1.5	-4.2	1.9	-0.9	-2.2	-10.1	3.1	-4.7
Total Monetary Liabilities (M2)	3.1	-1.8	2.7	-1.5	0.8	0.8	-0.1	-1.6
<i>Memorandum Items:</i>								
Reserve Money (RM)	1.0	-0.9	3.2	4.1	-0.3	16.3	-8.2	4.1
<i>Currency in Circulation (CIC)</i>	4.7	-4.3	3.1	-0.9	2.9	13.9	-7.6	-2.4
<i>DMBs Demand Deposit with CBN</i>	-0.7	0.8	3.2	6.4	-1.6	17.3	-8.5	-8.5

Table A3: Federal Government Fiscal Operations (₦ billion)

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Retained Revenue	298.7	374.1	284.9	364.1	312.9	348.1	259.3	271.0	224.9
<i>Federation Account</i>	271.3	270.1	257.3	238.1	217.8	224.3	196.3	220.4	194.3
<i>VAT Pool Account</i>	9.4	9.6	9.4	8.9	9.4	9.7	8.7	10.6	9.2
<i>FGN Independent Revenue</i>	6.6	40.6	1.9	90.8	48.1	90.3	12.4	21.7	8.7
<i>Excess Crude</i>	0.0	0.0	0.0	0.0	1.3	0.0	0.0	7.2	2.4
<i>Others/SURE-P</i>	16.3	53.7	16.3	26.3	36.4	23.9	41.8	11.2	10.3
Expenditure	328.4	409.6	416.2	340.8	391.3	386.0	370.2	367.8	363.7
<i>Recurrent</i>	289.5	303.6	268.6	246.8	333.0	286.0	286.2	303.3	291.7
<i>Capital</i>	17.7	85.0	89.4	62.4	58.2	70.0	63.6	47.6	49.5
<i>Transfers</i>	21.2	21.0	58.2	31.6	0.0	30.0	20.5	16.8	22.4
Overall Balance: Surplus(+)/Deficit(-)	-29.7	-35.5	-131.3	23.3	-78.4	-37.9	-110.9	-96.8	-138.8

