CENTRAL BANK OF NIGERIA

ECONOMIC REPORT FIRST QUARTER 2015

The Central Bank of Nigeria Quarterly 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.

Subscription to the Quarterly Economic Report is available without charge to institutions, corporations, embassies and development agencies. Individuals, on written request, can obtain any particular issue without a charge. Please direct all inquiries on the publication to the Director of Research, Central Bank of Nigeria, P.M.B. 187, Garki, Abuja, Nigeria.

The Quarterly Reports can also be freely downloaded from the CBN website: www.cbn.gov.ng

Contents

Text Tables

Appendix Tables

Figures

1.0 Summary

Provisional data indicated that growth in the key monetary aggregate decelerated in the first quarter of 2015. Over the level at the end of the preceding quarter, broad money supply, (M2), grew by 1.1 per cent, compared with 12.6 per cent at the end of the preceding quarter. The slow growth relative to the preceding quarter was attributed to the decline of 15.7 and 7.9 per cent in foreign assets (net) and other assets (net), respectively, which dampened the 10.0 per cent increase in domestic credit (net).

Available data indicated mixed developments in banks' deposit and lending rates during the first quarter of 2015. The spread between the weighted average term deposit and maximum lending rates widened by 0.31 percentage points to 17.52 percentage points at the end of the first quarter of 2015. Similarly, the margin between the average savings deposit and the maximum lending rates, widened by 0.37 percentage point to 22.73 percentage points. The weighted average inter-bank call rate fell by 0.52 percentage points to 15.43 per cent in the first quarter of 2015, reflecting the liquidity condition in the inter-bank funds market.

Provisional data indicated that the value of money market assets outstanding at the end of the first quarter of 2015 increased by 8.4 per cent to ₦8,307.52 billion, compared with the increase of 3.5 per cent at the end of the preceding quarter. The development was attributed to the 12.9 per cent increase in FGN Bonds outstanding. Available data indicated that developments in the Nigerian Stock Exchange (NSE) were bearish during the first quarter of 2015.

Total federally-collected revenue stood at ₦1,812.87 billion, representing a decline of 33.3 and 18.0 per cent below the proportionate 2014 quarterly budget estimate and receipts in the preceding quarter, respectively. At ₦1,210.77 billion, oil receipts, which constituted 66.8 per cent of the total, fell below the proportionate 2014 quaterly budget estimate by 32.4 and 17.4 per cent, respectively. The fall in oil receipts was attributed, largely, to a decline in receipts from PPT and Royalties owing to the decline in crude oil prices.

Non-oil receipts, at ₦602.10 billion, was lower than the provisional 2014 quaterly budget estimate and the receipts in the preceding quarter by 35.1 and 19.1 per cent, respectively. Federal Government retained revenue was ₦751.36 billion, while total expenditure was ₦560.31 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated surplus of ₦191.05 billion in the first quarter of

2015, compared with the provisional 2014 quarterly budget deficit of ₦241.05 billion.

Activities in the agricultural sector were dominated by harvesting of tree crops, tending of irrigation-fed vegetable and clearing of land for 2015 wet season farming. Nigeria's crude oil production, including condensates and natural gas liquids, averaged at 1.89 million barrels per day (mbd) or 170.1 million barrels for the quarter. Crude oil export stood at 1.44 mbd or 129.6 million barrels for the quarter, while deliveries to the refineries for domestic consumption remained at 0.45 mbd or 40.5 million barrels. The average price of Nigeria's reference crude, the Bonny Light (37^0 API), declined by 27.0 per cent below the level in the preceding quarter.

The end-period headline inflation rate (year-on-year) was 8.5 per cent, compared with the 8.0 and 7.8 per cent recorded at the end of the preceding quarter and the corresponding quarter of 2014, respectively. Inflation rate on a twelve-month moving average basis was 8.2 per cent, compared with 8.0 per cent in the preceding quarter.

Provisional data indicated that foreign exchange inflow and outflow through the Central Bank of Nigeria (CBN) amounted to US$7.51 billion and US$12.35 billion, respectively, resulting in a net outflow of US$4.84 billion. Foreign exchange sales by the CBN to the authorized dealers amounted to US$10.54 billion, compared with US$12.74 billion in the preceding quarter. The average exchange rate of the naira vis-à-vis the US dollar at the rDAS window was ₦169.68 per US dollar, compared with ₦162.33 per US dollar in the preceding quarter. Relative to their respective levels in the preceding quarter, the naira depreciated by 14.9 and 9.9 per cent at both the bureau-de-change and inter-bank segments of the market.

The Januray 2015 International Monetary Fund (IMF) World Economic Outlook (WEO) Update projected global growth at 3.5 per cent in 2015. This represented a downward revision of 0.3 per cent from the projected level in October 2014, reflecting a reassessment of prospects in China, Russia, the euro area, and Japan as well as weak activity in some major oil exporting countries.

World crude oil demand and supply were estimated at 91.41 and 94.09 mbd, respectively, in the first quarter of 2015. Low demand for crude was attributed to weakened industrial activity and reduced refinery margins in many parts of the world, while increased production majorly from Saudi Arabia and Iraq accounted for the increase in global supply. The OPEC Reference Basket price of eleven selected crude streams stood at US$50.30 per barrel in the *first quarter of 2015, compared with US$73.36/b recorded in the preceding quarter. The prices of the Bonny Light, UK Brent, the West Texas Intermediate and the Forcados, also exhibited similar trends.*

Other major international economic developments and meetings of importance to the domestic economy during the review period included: the extraordinary meeting of the Committee of Governors of the West African Monetary Zone (WAMZ) held at Abuja, Nigeria on January 22, 2015. The 24th African Union Summit held in Addis Ababa, Ethiopia from January 23 - 31, 2015 under the theme "Women's Empowerment Year and Africa Development Towards Agenda 2063". Also, the 8th Joint Annual Meetings of the African Union Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration and the ECA Conference of African Ministers of Finance, Planning and Economic Development took place in Addis Ababa, Ethiopia from March 25 - 31, 2015.

2.0 Financial Sector Developments

2.1 Monetary and Credit Developments

Provisional data indicated that growth in the key monetary aggregate decelerated at the end of the first quarter of 2015. Developments in banks' deposit and lending rates were mixed during the review quarter. The value of money market assets outstanding increased, due largely, to the increase in FGN Bonds. Developments in the Nigerian Stock Exchange (NSE) were bearish.

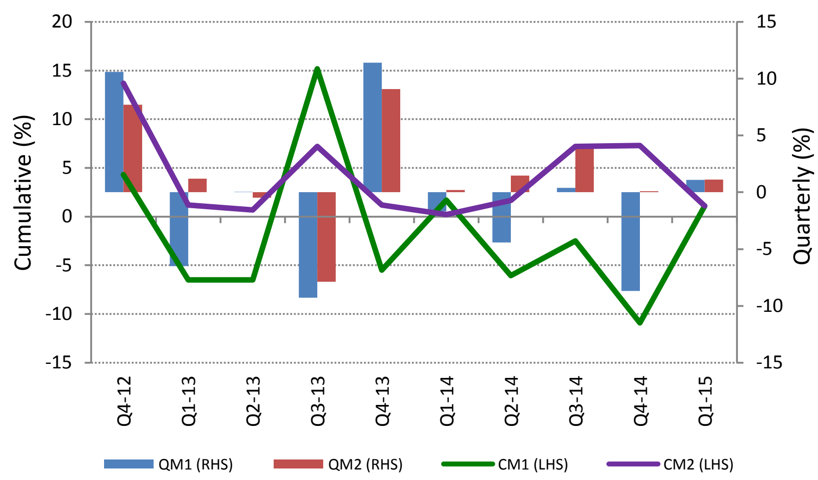
Growth in key monetary aggregate decelerated during Q1 2015.

Provisional data indicated that growth in the key monetary aggregate decelerated at the end of the first quarter of 2015. Relative to the level at the end of the fourth quarter of 2014, Broad money supply, (M_2), quarter-on-quarter, grew by 1.1 per cent to ₦19,142.5 billion at end-March 2015, compared with the growth of 12.6 and 13.0 per cent at the end of the preceding quarter and the corresponding quarter of 2014, respectively. The slow growth relative to the preceding quarter was attributed to the the decline of 15.7 and 7.9 per cent in foreign assets (net) and other assets (net), respectively, which dampened the 10.0 per cent growth in aggrgate credit.

Narrow money supply (M_1), at ₦6,994.1 billion, rose by 1.1 per cent, at the end of the review quarter, compared with the growth of 0.9 and 8.3 per cent at the end of the preceding and corresponding period of 2014, respectively. The development, relative to the fourth quarter of 2014, was attributed to the increase of 2.4 and 0.7 per cent in its currency outside bank and demand deposit components, respectively.

Quasi-money rose by 1.2 per cent to ₦12,148.4 billion at the end of the first quarter of 2015, compared with the growth of 20.6 and 16.9 per cent at the end of the fourth quarter and the corresponding quarter of 2014, respectively. The development was attributed to the increase in time and savings deposits with banks (Fig. 1, Table 1).

Figure 1: Growth Rate of Narrow Money (M_1) and Broad Money (M_2)[1]



At ₦20,757.6 billion, aggregate banking system's credit (net) to the domestic economy grew by 10.0 per cent to N20,757.6 billion at the end of the first quarter of 2015, compared with the growth of 17.3 and 24.5 per cent at the end of the fourth quarter and the corresponding quarter of 2014, respectively. The development relative to the level at the end of the fourth quarter of 2014 reflected the growth of 187.6 and 2.6 per cent in net claims on the Federal Government and net credit to the private sector, respectively.

Banking system credit to the Federal Government rose by 187.6 per cent at the end of the first quarter of 2015.

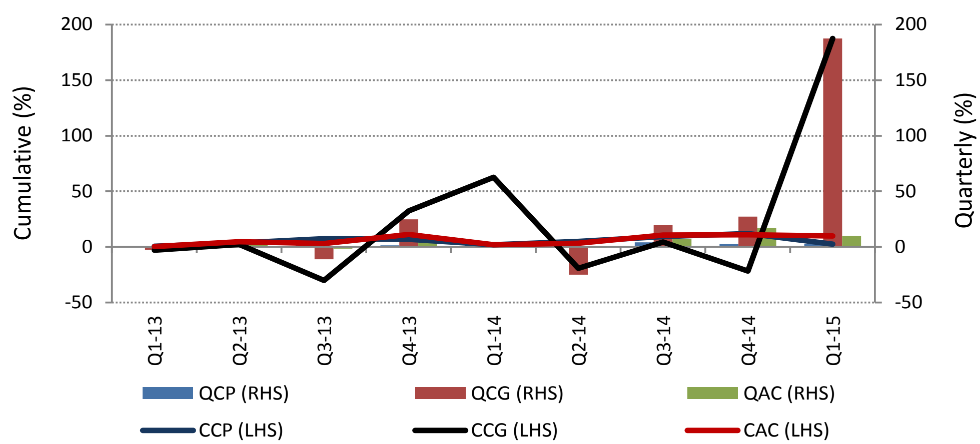
Banking system's credit (net) to the Federal Government, at the end of the review quarter, rose by 187.6 per cent to negative ₦2,178.4 billion, compared with the growth of 147.8 and 199.6 per cent at the end of the fourth quarter and the corresponding quarter of 2014, respectively. The development relative to the fourth quarter of 2014 was due to the surge in banking system's holding of Federal Government securities, especially Federal Government bonds and treasury bills, which increased by 104.9 and 3.9 per cent, respectively.

At the end of the first quarter of 2015, banking system's credit

[1] QM1 and QM2 represent quarter-on-quarter changes, while CM1 and CM2 represent cumulative changes (year-to-date).

to the private sector grew by 2.6 per cent to ₦18,579.2 billion, compared with the growth of 2.5 and 1.6 per cent at the end of the fourth quarter and the corresponding quarter of 2014, respectively. The development relative to the level at the end of the preceding quarter was attributed to the 2.6 and 1.3 per cent growth in claims on the core private sector and the state and local governments, respectively (Fig. 2, Table 1).

Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy[2]



Foreign assets (net) of the banking system declined at the end of the review quarter.

At ₦5,985.6 billion, foreign assets (net) of the banking system fell by 15.7 per cent at the end of the first quarter of 2015, compared with the decline of 8.4 and 23.7 per cent at the end of the fourth quarter and the corresponding quarter of 2014, respectively. The development relative to the fourth quarter of 2014 was attributed, largely, to the 16.2 and 11.1 per cent fall in foreign assets holdings by the CBN and the commercial banks, respectively.

Other assets (net) of the banking system declined by 7.9 per cent to negative ₦7,600.7 billion at the end of the review quarter, compared with the decline of 0.1 per cent at the end of the preceding quarter, but was in contrast to the 7.0 per cent growth recorded at the end of the corresponding quarter of 2014. The development was attributed to the

[2] QCP, QCG and QAC represent quarter-on-quarter 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).

decline in unclassified assets of the DMB's during the review period.

Table 1: Growth in Monetary and Credit Aggregates (Per cent) Over Preceding Quarter

	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
Domestic Credit (Net)	3.2	-0.5	11.1	2.1	-1.1	7.2	17.3	9.9
Claims on Federal Government (Net)	0.9	-25.5	48.1	2.4	-24.8	19.7	-27.3	187.6
Claims on Private Sector	2.8	3.7	0.5	1.7	1.1	4.1	2.6	2.6
Claims on Other Private Sector	3.0	3.6	1.2	1.9	1.3	4.4	2.7	0.8
Foreign Assets (Net)	-5.4	-2.6	-3.0	-10.6	1.1	-1.1	-5.1	-15.7
Other Assets (Net)	0.6	-13.8	-3.1	7.9	4.5	-5.4	5.4	-7.9
Broad Money Supply (M2)	0.5	-7.9	9.2	0.2	1.5	4.0	0.1	1.1
Quasi-Money	-0.9	-6.7	7.3	1.8	6.1	6.6	6.2	0.1
Narrow Money Supply (M1)	0.0	-9.3	11.7	-1.7	-4.4	0.4	-8.7	1.1
Memorandum Items:								
Reserve Money (RM)	-17.3	43.7	9.5	-9.4	6.2	3.3	20.7	-0.5

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

At ₦1,818.4 billion, currency-in-circulation rose by 1.1 per cent at the end of the first quarter, compared with the increase of 16.2 and 15.5 per cent at the end of the fourth quarter and the corresponding quarter of 2014, respectively. The development relative to the fourth quarter of 2014 was attributed, largely, to the 2.3 per cent increase in currency outside bank.

Total deposits at the CBN fell by 12.3 per cent to ₦6,867.3 billion, in contrast to the increase of 10.0 per cent at the end of the fourth quarter of 2014. The development reflected, largely, the decline of 37.1 and 24.1per cent in private sector deposits and Federal Government deposits, respectively. Of the total deposits, the shares of the Federal Government, banks and ''Others'' were ₦2,602.7 billion (37.9 per cent), ₦4,118.7 billion (60.0 per cent) and ₦145.9 billion (2.1 per cent), respectively.

Reserve money (RM) fell at the end of the first quarter of 2015.

Reserve money (RM), at ₦5,937.1 billion, fell by 0.5 per cent, in contrast to the 20.7 per cent increase recorded at the end of the fourth quarter of 2014. The development, relative to the level at the end of the fourth quarter of 2014, was attributed to the decline of 1.2 per cent in its demand deposit component.

2.3 Money Market Developments

Money market rates were relatively stable during the review period.

Major indicators in the money market were influenced by liquidity condition in the review period. Short term money market rates stabilized around the Monetary Policy Rate although with some spikes due to major withdrawals, including the execution of the Nigerian National Petroleum Company (NNPC) mandate. The market was able to achieve some level of stability, especially at the foreign exchange segment with improved confidence by market players. Open market operations remained the main instrument of monetary policy during the period.

Provisional data indicated that the total value of money market assets outstanding at the end of the first quarter of 2015 stood at ₦8,307.5 billion, showing an increase of 8.4 per cent, compared with the increase of 3.5 per cent at the end of the fourth quarter of 2014. The development was attributed, largely, to the 12.9 per cent increase in the FGN Bonds outstanding.

2.3.1 Interest Rate Developments

The spread between the weighted – average term deposit and maximum lending rates widened at the end of the first quarter.

Available data indicated mixed developments in banks' deposit and lending rates during the first quarter of 2015. All rates on deposits of various maturities rose from a range of 3.44 – 9.99 per cent in the fourth quarter of 2014 to 3.57 – 9.7 per cent in the first quarter of 2015. At 8.54 per cent, the average term deposit rate fell by 0.06 percentage point below its level in the fourth quarter of 2014. The maximum and prime lending rates, however, rose by 0.50 and 0.56 percentage point to 26.30 and 16.84 per cent, respectively, compared with the level at the end of the fourth quarter of 2014. Consequently, the spread between the weighted average term deposit and maximum lending rates widened by 0.31 percentage point to 17.52 percentage points at the end of the first quarter of 2015. The spread between the average savings deposit and the maximum lending rates, also, widened by 0.37 percentage point to 22.73 percentage points, compared with 22.36 percentage point in the fourth quarter of 2014. With the headline inflation rate at 8.5 per cent at end-March 2015, most deposit and lending rates were positive in real terms except for the average savings and 7-

days deposits.

Interbank call rate fell in Q1 2015.

At the interbank funds segment, the weighted average inter-bank call rate, which stood at 15.95 per cent at the end of the preceding quarter, fell by 0.52 percentage point to 15.43 per cent in the first quarter of 2015, reflecting the liquidity condition in the banking system. However, the weighted average rate at the Open-Buy-Back (OBB) segment rose by 2.82 percentage points to 17.61 per cent. The Nigeria Inter-bank Offered Rate (NIBOR) for the 7-day tenor rose to 12.16 per cent, above the 11.53 per cent in the preceding quarter. Similarly, the 30-day tenor rose from 13.13 per cent in the preceding quarater to 14.90 per cent in the first quarter of 2015 (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

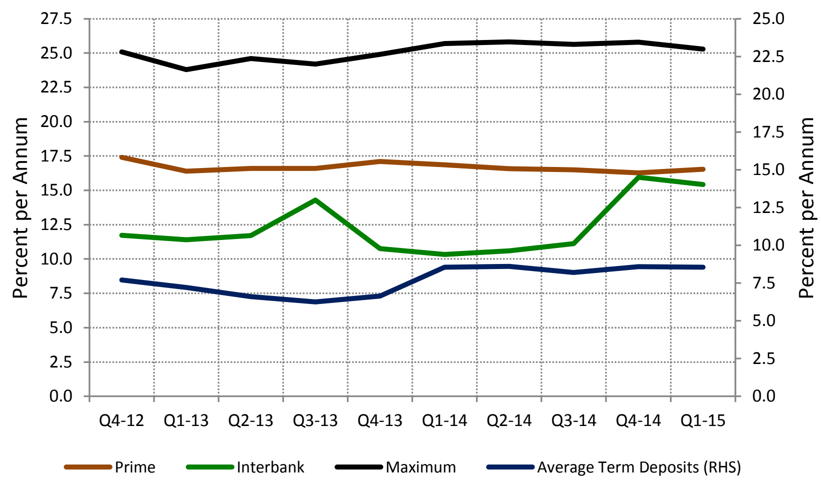


Table 2: Selected Interest Rates (Percent, Averages)

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
Average Term Deposits	7.2	6.6	6.3	6.6	8.6	8.6	8.2	8.6	8.5
Prime Lending	16.4	16.6	16.6	17.1	16.9	16.6	16.5	16.3	16.8
Interbank	11.4	11.7	14.3	10.5	10.3	10.6	11.1	16.0	15.4
Maximum Lending	23.8	24.6	24.2	24.9	25.7	25.8	25.6	25.8	26.3

2.3.2 Commercial Paper (CP)

Investment in CP by banks fell in the first quarter of 2015.

Commercial Paper (CP) outstanding held by DMBs fell by 7.5 per cent to ₦9.1 billion at the end of the first quarter of 2015, compared with ₦9.8 billion at the end of the preceding quarter. The development was due to the fall in investment in

CP by the commercial banks during the review quarter. Thus, CP constituted 0.11 per cent of the total value of money market assets during the review period, compared with 0.13 per cent at the end of the preceding quarter.

2.3.3 *Bankers' Acceptances (BAs)*

At the end of the review quarter, the value of BAs outstanding declined by 43.3 per cent to ₦20.8 billion, compared with ₦36.6 billion at the end of the preceding quarter. The development was attributed to the decline in investment in BAs by the DMBs during the quarter. Consequently, BAs accounted for 0.25 per cent of the total value of money market assets outstanding at the end of the first quarter of 2015, compared with 0.48 per cent at the end of the preceding quarter.

DMBs' holdings of BAs declined during Q1 of 2015.

2.3.4 *Open Market Operations*

In the Open Market Operations (OMO), bills with tenors ranging from 133 - 203 days were used for liquidity management in the first quarter of 2015. Total sales was ₦2,057.07 billion and subscription was ₦2,597.12 billion. The bid rates ranged from 13.90 – 16.00 per cent, while the stop rates were between 14.20 – 14.85 per cent. Matured bills amounting to ₦1,849.24 billion were repaid, translating to a net withdrawal of ₦207.82 billion in the review period.

2.3.5 *Primary Market*

At the primary market segment, NTBs of 91-, 182- and 364-day tenors were offered. Total amount offered, allotted and subscribed to were ₦1,141.30 billion, ₦2,555.14 billion and ₦1,141.30 billion, respectively. At the 91-day segment, total subscription and allotment were ₦217.98 billion and ₦188.21 billion, respectively, with bid rates ranging from 9.00 to 15.00 per cent, while the stop rates were from 10.75 – 11.20 per cent. For the 182-day segment, total subscription and allotment amounted to ₦480.63 billion and ₦244.89 billion, respectively. The bid rates ranged from 9.50 –16.49 per cent, while the stop rates were between 13.70 -14.85 per cent. At the 364-day segment, total subscription and allotment were ₦1,856.53 billion and ₦708.20 billion, respectively, with bid rates ranging from 10.90 – 19.98 per cent, while stop rates ranged from 14.30 – 15.89 per cent.

Subscription for FGN Bonds of various maturities increased during the first quarter of 2015.

2.3.6 *Bonds Market*

A new tranche of 5-year FGN Bond and the existing tranches of FGN Bonds of 5-, 10- and 20-year tenors were reopened during the review period. The total amount offered, subscribed to and allotted were ₦258.0 billion, ₦372.26 billion and ₦239.50 billion, respectively. The marginal rates for the 5-year bond ranged from 15.20 - 16.49 per cent, the 10-year bond yields range from 15.42 - 16.84 per cent, while the 20-year was from 15.47-16.99 per cent to 13.10 –14.20 per cent for all the tenors, compared with marginal rates between 12.00 - 15.49 percent for all the tenors in the preceding quarter.

2.3.7 *CBN Standing Facilities*

Total request for the standing lending facility (SLF) granted during the review period was ₦1,644.07 billion (inclusive of intra-day liquidity facility converted to overnight repo), compared with ₦1,395.97 billion in the fourth quarter of 2014 and ₦3,169.26 billion in the corresponding quarter of 2014, respectively.

Total standing deposit facility (SDF) granted during the review period was ₦4,741.61 billion, while the cost incurred stood at ₦2.26 billion, compared with the request of ₦10,986.01 billion and total cost of ₦4.002 billion in the preceding quarter of 2014.

2.4 Deposit Money Banks' Activities

At 35.1 per cent, liquidity ratio in Q1 2015 was 8.4 percentage points above the stipulated minimum ratio, while the Loan-to-deposit ratio was below the prescribed maximum of 80 per cent.

Available data indicated that the total assets and liabilities of the commercial banks stood at ₦28,587.23 billion at the end of the first quarter of 2015, representing an increase of 4.3 per cent over the level at the end of the preceding quarter. Funds were sourced, largely, from increase in capital accounts, claims on the private sector and the central government. The funds were used, mainly, for acquisition of unclassified assets, reduction in unclassfified liabilities and accretion to reserves.

At ₦17, 279.9 billion, banks' credit to the domestic economy, rose by 4.38 per cent, compared with the level at the end of the preceding quarter. The development was attributed to the increase in claims on the Federal Government and the private sector in the review quater.

Central Bank's credit to the commercial banks rose by 12.1 per cent to ₦288.2 billion at the end of the review quarter, reflecting increase in CBN loans and advances to banks over the level at the end of the preceding quarter. Total specified liquid assets of the banks stood at ₦6,314.4 billion, representing 35.1 per cent of their total current liabilities. At that level, the liquidity ratio fell by 0.1 percentage point below the level in the preceding quarter, but was 8.4 percentage point above the stipulated minimum ratio of 30.0 per cent. The loans-to-deposit ratio, at 66.2 per cent, was 2.6 percentage points above the level at the end of the preceding quarter, but was 13.8 percentage points below the prescribed maximum ratio of 80.0 per cent.

2.5 Discount Houses' Activities

Total assets/liabilities of the discount houses stood at ₦109.4 billion at the end of the first quarter of 2015, indicating a decline of 18.2 and 21.6 per cent below the levels at the end of the preceding quarter and the corresponding quarter of 2014, respectively. The decline in assets relative to the level at the end of the fourth quarter of 2014 was accounted for, mainly, by the significant fall of 25.6 per cent in claims on the Federal Government, which more than offset the effect of 4.3 per cent increase in claims on banks. Correspondingly, the decline in total liabilities was attributed to the 57.4 and 46.9 per cent decline in capital and reserves and borrowings, respectively which more than offset the effects of the increase in other liabilities and money-at-call .

Discount houses' investment in Federal Government securities declined by 12.5 per cent to ₦50.4 billion and represented 63.9 per cent of their total deposit liabilities. At this level, discount houses' investment was 3.9 percentage points above the prescribed minimum level of 60.0 per cent for fiscal 2014. Total borrowings by the discount houses was ₦27.4 billion, while their capital and reserves stood at ₦13.4 billion. This resulted in a gearing ratio of 2:1, compared with the stipulated maximum of 50:1 for the fiscal year.

2.6 Capital Market Developments

2.6.1 Secondary Market

Available data indicated that developments in the Nigerian

Stock Exchange (NSE) were bearish during the first quarter of 2015. Total volume and value of traded securities fell by 10.3 and 11.9 per cent to 25.9 billion shares and ₦279.1 billion, respectively, in 261,116 deals, in the review period, compared with 28.9 billion shares and ₦316.9 billion in 279,274 deals recorded in the fourth quarter of 2014. The Financial Services sector (measured by volume) led the activity chart with 20.6 billion shares valued at ₦144.8 billion traded in 160,155 deals; thus, contributing 79.5 and 51.8 per cent to total equities turnover volume and value, respectively, compared with 21.8 billion shares, valued at ₦173.2 billion in 149,100 deals recorded in the preceding quarter. The banking sub-sector of the financial services sector was the most active subsector during the review quarter.

Figure 4: Volume and Value of Traded Securities

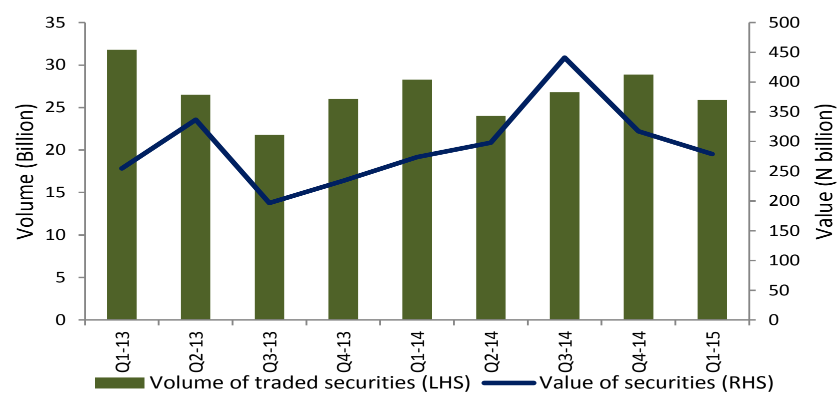


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
Volume (Billion)	31.84	26.5	21.8	26.0	28.3	24.0	26.8	28.9	25.9
Value (₦ Billion)	254.98	336.59	196.8	234.0	273.9	298.19	441.25	316.99	279.1

2.6.2 *New Issues Market*

There were two (2) new and five (5) supplementary listings in the review month (see table 4 below).

Table:4 New and Supplementary Listing on the Nigerian Stock Exchange First Quarter 2015

S/N	Company	Additional Shares (Units)	Reasons	Listing
1	Evans Medical Plc	245.87 Million Ordinary shares	Rights Issue	Supplementary
2	Transcorp Hotels Plc	7.6 Billion Shares	New	New
3	Union Dicon Salt Plc	41 million Shares	Special Placement.	Supplementary
4	Mansard Insurance Plc0	500 Million Shares	Share Option Plan	Supplementary
5	Allan Gray Africa Fund	43,024 Units	Memorandum Listing	New
6	Sterling Bank Plc	7.197 Billion Ordinary Shares	Specail Placement	Supplementary
7	Lafarge Africa Plc	1.402 Billion Ordinary shares	Scheme shares allotment	supplementary

2.6.3 Market Capitalization

Aggregate market capitalization for all listed securities (Equities and Bonds) stood at ₦16.3 trillion at the end of the review quarter, indicating a decline of 3.7 per cent below the level in the preceding quarter. Similarly, market capitalization for the listed equities fell by 6.6 per cent below the level in the preceding quarter to close at ₦10.7 trillion at the end of the review quarter. Listed equities accounted for 66.0 per cent of the aggregate market capitalization, compared with 68.1 per cent at the end of the preceding quarter.

Total market capitalization and All-Share Index declined during Q1 2015.

2.6.4 NSE All-Share Index

The All-Share Index, which opened at 34,657.15 at the beginning of the quarter, closed at 31,744.82, representing a decline of 8.4 per cent below the level at the end of preceding quarter. At end-March 2015, with the exception of the NSE Banking and NSE AseM indices, which rose to 364.16 and 1,214.94 over their respective levels at the end of the preceding quarter, all the other five sectoral indices fell below their levels in the preceding quarter. The NSE Insurance, NSE Consumer Goods, NSE Oil/Gas, NSE Lotus Islamic indices and NSE Industrial declined by 3.4, 11.0, 0.01, 7.7, and 9.8 per cent, to close at 144.57, 804.55, 380.06, 2,072.21 and 1,929.46, respectively, at the end of the review period.

Figure 5: Market Capitalization and All-Share Index

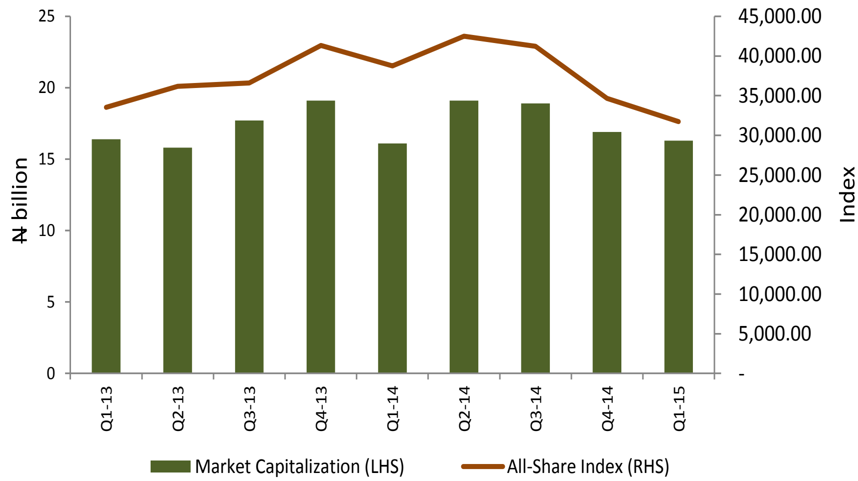


Table 5: Market Capitalization and All Share Index (NSE)

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
Market Capitalization (₦ trillion)	16.40	15.80	17.73	19.10	16.10	19.10	18.90	16.90	16.30
All-Share Index (Equities)	33,536.25	36,164.31	36,585.08	41,329.19	38,748.01	42,482.48	41,210.10	34,657.15	31,744.82

3.0 Fiscal Operations

3.1 Federation Account Operations

Available data showed that total federally-collected revenue during the first quarter of 2015 stood at ₦1,812.87 billion, reflecting a decline of 33.3 and 18.0 per cent, compared with the levels in the provisional 2014 quarterly budget estimate[3] and receipts in the preceding quarter, respectively. The development relative to the budget estimate was attributed to the decline in oil and non-oil revenue during the review period (Fig. 6, Table 6).

Gross federally - collected revenue declined by 18.0 per cent below the level in the preceding quarter.

Figure 6: Components of Gross Federally Collected Revenue

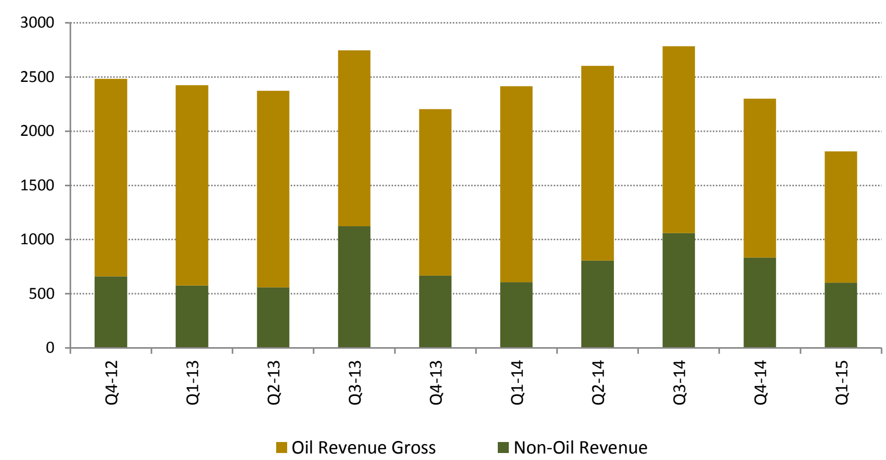


Table 6: Gross Federation Account Revenue (₦ billion)

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
Federally-collected revenue (Gross)	2440.76	2365.74	2748.74	2204.55	2495.74	2613.30	2783.46	2210.81	1812.87
Oil Revenue	1834.27	1813.77	1622.79	1538.40	1808.86	1795.53	1723.11	1466.22	1210.77
Non-Oil Revenue	606.48	551.98	1125.95	666.15	686.88	817.77	1060.30	744.58	602.21

At ₦1,210.77 billion, gross oil receipts, which constituted 66.8 per cent of the total, fell by 32.4 and 17.4 per cent below the provisional 2014 quarterly budget estimate and receipts in the preceding quarter, respectively. The decline in oil revenue

[3] 2014 Approved Budget Estimate was used

relative to the budget estimate was attributed, mainly, to the fall in receipts from PPT and Royalties, owing to the fall in crude oil prices during the review quarter (Fig. 7, Table 7).

Figure 7: Gross Oil Revenue and Its Components

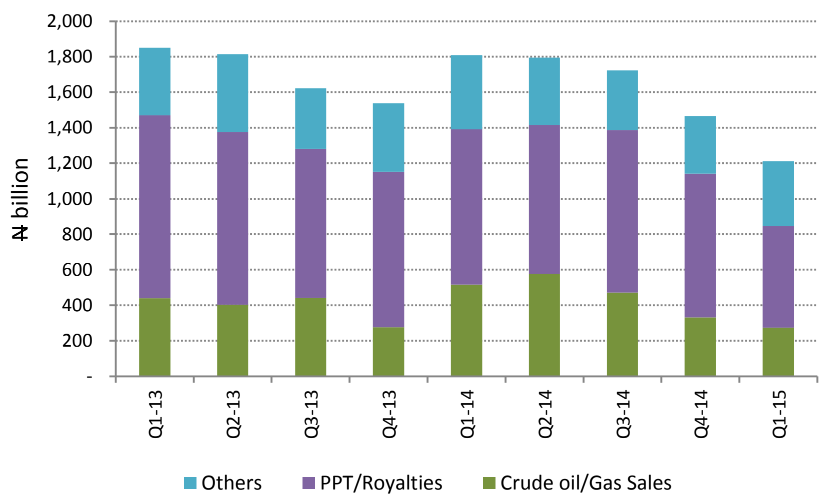


Table 7: Components of Gross Oil Revenue (₦ billion)

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
Oil Revenue	1834.27	1813.77	1622.79	1538.40	1808.86	1795.53	1723.11	1466.22	1210.77
Crude oil/Gas Sales	*439.14*	*403.80*	*440.09*	*275.93*	*516.63*	577.41	470.99	331.18	274.09
PPT/Royalties	*1030.23*	*973.06*	*840.37*	*875.30*	*874.47*	838.89	916.31	809.89	573.30
Others	*380.10*	*436.91*	*342.33*	*387.18*	*417.76*	*379.23*	*335.81*	325.15	363.38

Non-oil receipts (gross), at ₦602.10 billion (33.2 per cent of the total), was below the provisional 2014 budget estimate and receipts in the preceding quarter by 35.1and 19.1 per cent, respectively. The decline in non-oil revenue relative to the provisional budget estimate was due, largely, to the fall in receipts from all the components during the review quarter (Fig. 8, Table8).

Figure 8: Gross Non-Oil Revenue and its Components

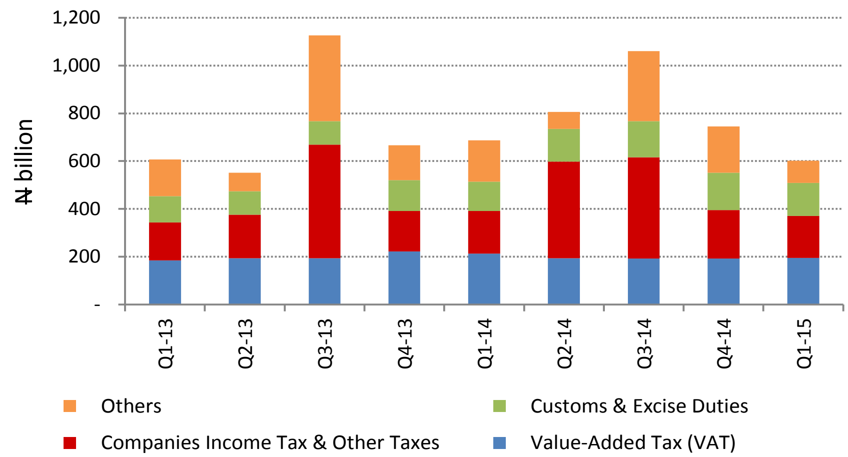


Table 8 Components of Gross Non-Oil Revenue (₦ billion)

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
Non-Oil Revenue	606.48	551.98	1125.95	666.15	686.27	817.77	1060.35	744.58	602.10
Value-Added Tax (VAT)	185.53	193.64	194.41	222.02	213.80	194.15	193.39	192.88	195.66
Companies Income Tax & Other Taxes	158.33	183.04	475.08	169.07	178.12	404.20	422.60	202.38	174.94
Customs & Excise Duties	109.94	97.26	97.44	128.95	121.63	136.28	151.53	156.80	138.08
Others/1	152.68	78.04	359.02	146.11	172.72	83.14	292.83	192.52	93.42

1/ Include FGN Independent Revenue, Education Tax, NITDF & Customs Federation/Non-Federation Account Levies (Port, Sugar, ETLS, Steel, CISS & Cement Levies)

Of the gross federally-collected revenue during the review quarter, the sum of ₦1,549.18 billion (net 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 ₦601.39 billion, while the state and local governments received ₦305.03 billion and ₦235.17 billion, respectively. The balance of ₦126.33 billion was allocated to the 13.0% Derivation Fund for distribution among the oil-producing states. Also, the Federal Government received ₦28.17 billion from the VAT Pool Account, while the state and local governments received ₦93.92 billion and ₦65.74 billion, respectively.

The sum of ₦1,549.18 billion out of the gross federally collected revenue was distributed among the three tiers of government and 13.0% Derivation Fund for oil producing states.

Furthermore, the sum of ₦15.63 billion, being distribution from Excess Crude Account was shared among the three tiers of governments as follows: Federal Government (₦7.16 billion), State Governments (₦3.63 billion), and local government

(₦2.80 billion) and 13% Derivation Fund (₦2.03 billion).

Thus, the total allocation to the three tiers of government in the first quarter of 2015 amounted to ₦1,616.44 billion, compared with the 2014 provisional quarterly budget estimate of ₦2,095.20 billion and ₦1,748.11 billion in the preceding quarter.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

Federal government estimated retained revenue was lower than the receipts in the 2014 provisional quarterly budget estimate.

At ₦751.36 billion, the estimated Federal Government retained revenue for the first quarter of 2015 was lower than both the provisional budget estimate and the receipts in the preceding quarter by 29.6 and 10.5 per cent, respectively. Of this amount, the Federal Government's share from the Federation Account, "Others", FGN Independent Revenue, VAT and Share of Excess Crude Account accounted for 80.0, 12.7, 2.5, 3.8, and 1.0 per cent, respectively (Fig. 9, Table 9).

Figure 9: Federal Government Retained Revenue

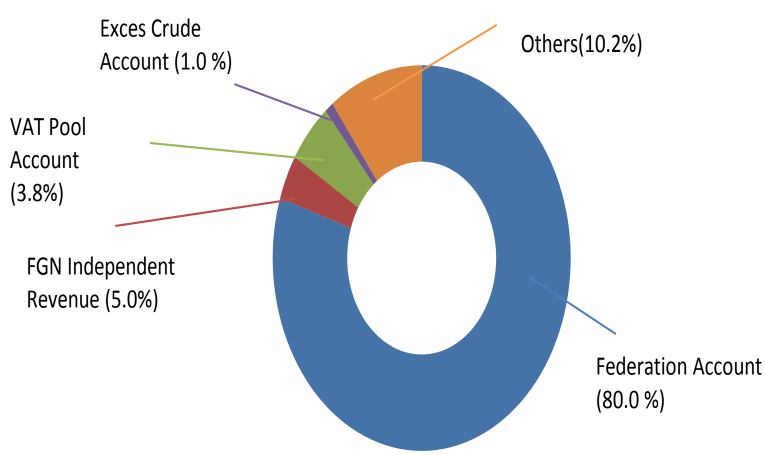


Table 9: Federal Government Fiscal Operations (₦ billion)

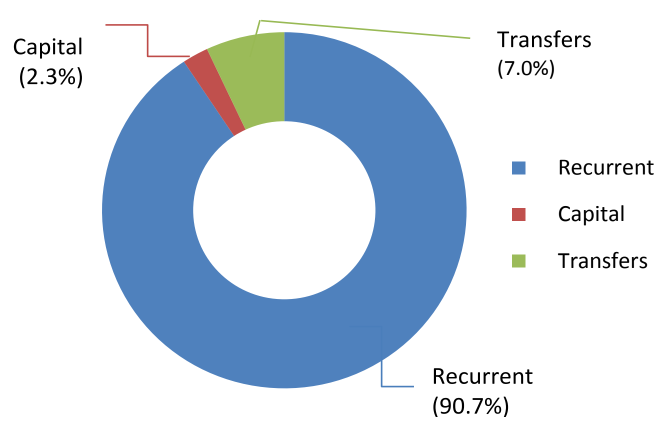
	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
Retained Revenue	1018.8	941.4	1174.4	897.3	912.1	864.2	1023.1	839.8	751.4
Expenditure	1108.9	1266.7	1276.7	1533.0	1114.8	1193.5	1166.6	1171.7	560.3
Overall Balance: Surplus(+)/Deficit(-)	-90.1	-325.3	-102.4	-635.7	-202.7	-329.4	-143.6	-331.9	191.1

Fiscal operations of the FG resulted in an estimated surplus of ₦191.05 billion in Q1 2015.

Total estimated expenditure for the first quarter of 2015 stood at ₦560.31 billion, indicating decline of 57.2 and 52.2 per cent, below the 2014 provisional quarterly budget estimate and the level in the preceding quarter, respectively. The development relative to the proportionate quarterly budget estimate was attributed, mainly, to the fall in both the capital and recurrent components during the period. A breakdown of the total expenditure showed that the recurrent component accounted for 90.7 per cent, while capital and statutory transfers segments accounted for 2.3 and 7.0 per cent, repectively (Fig. 10). A further breakdown of the recurrent expenditure showed that the non-debt component accounted for 54.0 per cent, while debt service payments accounted for the balance of 46.0 per cent.

Thus, the fiscal operations of the Federal Government resulted in a surplus of ₦191.05 billion, compared with the 2014 provisional quarterly budget deficit of ₦241.05.

Figure10: Federal Government Expenditure



3.2.2 Statutory Allocations to State Governments

Total allocation to state governments (including the Federation Account, 13.0% Derivation Fund and VAT) stood at ₦576.64 billion during the review quarter. This was 20.7 and 7.0 per cent lower than both the 2014 provisional budget estimate and the level in the preceding quarter, respectively. Further breakdown showed that receipts from the Federation Account was ₦482.72 billion (83.7 per cent), while VAT contributed ₦93.92 billion (16.3 per cent). The share of Federation Account was 8.5 and 14.9 per cent lower than the levels in the preceeding quarter and the corresponding quarter of 2014, respectively. Receipts from the VAT Pool Account was 1.4 per cent higher than the level in the preceding quarter, but fell by 8.5 per cent below the level in the corresponding period of 2014.

3.2.3 Statutory Allocations to Local Government Councils

Provisional allocations to local governments from the Federation and VAT Pool Accounts during the first quarter of 2015 stood at ₦326.30 billion. This was 23.7 and 6.9 per cent below the 2014 provisional budget estimate and the level in the preceding quarter, respectively. Of the total amount, allocation from the Federation Account was ₦260.56 billion (79.9 per cent), while VAT Pool Account accounted for the balance of ₦65.74 billion (20.1 per cent).

4.0 Domestic Economic Conditions

The dominant activities in the Agricultural sub-sector in the first quarter of 2015, were harvesting of tree crops, tending of irrigation-fed vegetables and preparation for the next planting season. In the livestock sub-sector, migration in search of pastures dominated, while income from the livestock sales remained low due to the effect of insurgent activities on livestock holdings and market disruption. Crude oil production was estimated at 1.89 million barrels per day (mbd) or 170.1 million barrels for the quarter. The end-period inflation rate for the first quarter of 2015, on year-on-year basis, was 8.5 per cent, compared with 8.0 and 7.8 per cent at the end of the preceding quarter and the corresponding quarter of 2014, respectively. The inflation rate on a 12-month moving average basis was 8.2 per cent, compared with 8.0 per cent at the end of the preceding quarter.

4.1 Agricultural Sector

Available data indicated that agricultural activities during the quarter remained moderate as farmers engaged in off-season cultivation and preparations for the next planting season. Major agricultural activities in the Southern states were harvesting of tree crops and clearing of land for 2015 wet season farming, while tending of irrigation-fed vegetable and cereal crops dominated in the Northern states. In the livestock sector, migration in search of pastures dominated. Income from livestock sales remained low, due to the effect of insurgent activities on livestock holdings and market disruption. The spread of the avian influenza outbreak across the country led to the loss of birds in 75 local government areas across the 18 states affected by the virus.

A total of ₦2,761.1 million was guaranteed to 14,473 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in the first quarter of 2015. This amount was 24.5 per cent below the level in the preceding quarter, but was 5.6 per cent above the level in the corresponding period of 2014. A sub-sectoral analysis of the amount guaranteed showed that the share of food crops was ₦1,726.4 million (62.5 per cent) to 10,362 beneficiaries and livestock got ₦525.7 million (19.0 per cent) to 1,519 beneficiaries. The share of mixed crop was ₦244.1 million (8.8 per cent) to 1,243 beneficiaries, while Fisheries sub-sector received ₦118.4 million (4.3 per cent) for 400 beneficiaries.

'Others' received ₦116.9 million (4.2 per cent) for 677 beneficiaries. A total of ₦29.8 million (1.1 per cent) was guaranteed to 272 beneficiaries in the cash crop sub-sector.

Analysis by state showed that 33 states and the Federal Capital Territory benefited from the Scheme in the first quarter of 2015, with the highest and lowest sums of ₦314.5 million (11.4 per cent) and ₦2.3 million (0.1 per cent) guaranteed to Edo and Taraba States, respectively.

At end-March 2015, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement stood at ₦274.40 billion for 353 (three hundred and fifty three) projects (Table 10).

Table 10: Disbursement of Credit Under the Commercial Agriculture Credit Scheme (CACS)

S/N	Participating Banks	Amt Disbursed (₦ billion)	Number of Projects/State Governments
1	United Bank for Africa (UBA) Plc	45.8	37
2	Zenith Bank	48.3	32
3	First Bank of Nigeria Plc	35.0	83
4	Unity Bank Plc	24.2	25
5	Union Bank Nigeria PLC	18.2	21
6	Stanbic IBTC Bank	17.3	32
7	Sterling Bank Plc	15.6	22
8	Access Bank Plc	12.6	15
9	Fidelity Bank Plc	10.9	8
10	Skye Bank Plc	9.7	7
11	GTBank Plc	7.8	10
12	FCMB Plc.	7.1	15
13	ECOBANK	6.4	10
14	Heritage Bank Plc	3.1	3
15	Diamond Baqnk Plc	3.7	14
16	Citibank Plc	3.0	2
17	Keystone Bank	2.1	3
18	Mainstreet Bank	2.0	1
19	Wema Bank	1.1	7
20	Enterprise Bank	0.5	6
	TOTAL	274.4	**353**

4.2 Industrial Production

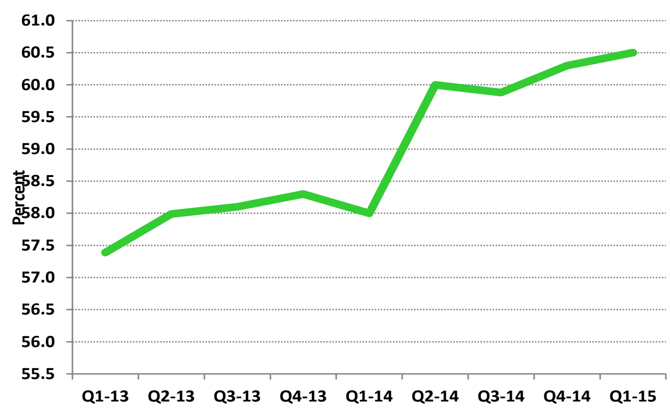
Industrial activities showed improvement during the first quarter of 2015 relative to the level in the preceding quarter. At 123.6 (2010=100), the estimated index of industrial production rose by 2.9 and 0.1 per cent above the levels in the preceding quarter and the corresponding quarter of 2014, respectively. The improved performance was attributed to increased activities in the manufacturing sub-sectors.

Industrial activities rose in the review quarter due to increase activities in the manufacturing sub-sector.

The estimated index of manufacturing production, at 191.2 (2010=100), showed an increase of 1.2 and 1.5 per cent, compared with the levels in the preceding quarter and the corresponding period of 2014, respectively. Capacity utilization, at 60.5 per cent, rose by 0.2 percentage point above the level in the preceding quarter. The development was attributed to increased investment in the food and beverages, textile and pharmaceutical sub-sectors (Fig.11).

Actual industrial capacity utilization rose by 0.2 percentage point during the review quarter.

Figure 11: Manufacturing Capacity Utilization Rate



At 101.1 (2010=100), the index of mining production declined by 0.1 and 4.9 per cent relative to the levels attained in the preceding quarter and the corresponding period of 2014, respectively. The decline in mining production during the review quarter, was accounted for by the fall in crude oil and gas production.

At 2,985 MW/h, estimated average electricity generation fell in the first quarter of 2015 by 5.2 per cent, compared with the level attained in the preceding quarter. The development was attributed to the effect of gas pipeline vandalism across the country.

Average electricity generation and consumption fell during the review quarter.

At 2,595 MW/h, estimated average electricity consumption declined by 13.8 per cent, compared with the level attained in the preceding quarter. The reduction in electricity consumption was attributed to the fall in power supply, occasioned by a decline in total power generation during the period (Fig. 12, Table 11).

Figure 12: Index of Industrial Production (1990=100)

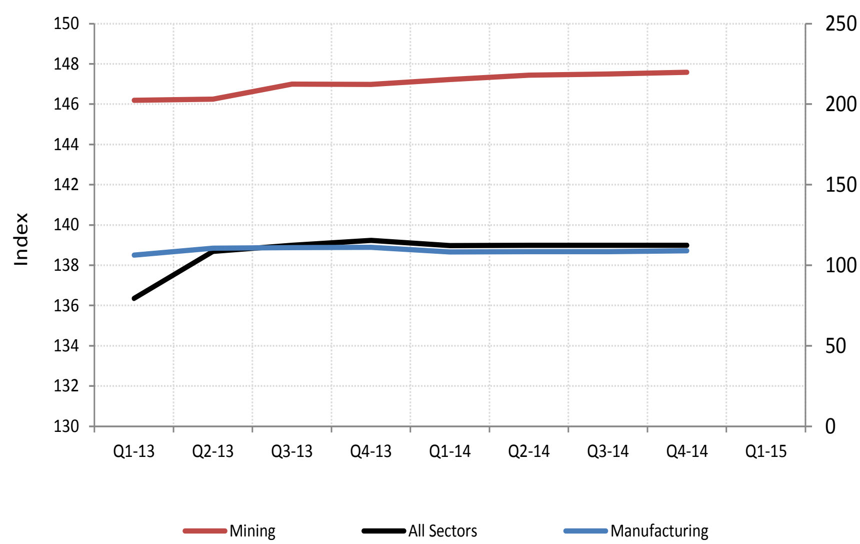


Table 11: Index of Industrial Production and Manufacturing Capacity Utilization Rate

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
All Sectors (1990=100)	136.4	138.7	139.0	139.2	138.98	139.00	139.00	123.60	139.45
Manufacturing	106.35	110.56	110.87	111.2	108.45	108.4	108.4	108.98	191.2
Mining	146.19	146.25	147	146.98	147.23	147.5	147.5	147.59	101.1
Capacity Utilization (%)	57.39	57.99	58.10	58.30	58.00	60.00	59.88	60.30	60.50

4.3 Petroleum Sector

Crude oil and natural gas production declined in the first quarter of 2015.

Nigeria's crude oil production, including condensates and natural gas liquids, averaged 1.89 mbd or 170.1 million barrels (mb) in the review quarter. This represented a decline of 0.08 mbd (4.1 per cent), compared with the 1.97 mbd or 181.24

million barrels produced in the fourth quarter of 2014. Crude oil export was estimated at 1.44 mbd or (129.6 million barrels), representing a decline of 5.3 per cent, compared with 1.52 mbd or 139.84 million barrels (mb) recorded in the fourth quarter of 2014. The development was attributed to the upsurge in sabotage activities leading to pipeline vandalism, which has continued to hinder crude oil production. Allocation of crude oil for domestic consumption was 0.45 mbd or 40.5 million barrels during the review quarter.

Crude oil export fell in Q1 2015.

At an estimated average of US$56.73 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API), fell by 27.0 per cent, compared with the level in the preceding quarter. The average prices of other competing crudes, namely the U.K Brent, the Forcados and the West Texas Intermediate also fell to US$55.58, US$57.07 and US$47.34 per barrel, compared with US$76.80, US$77.99 and US$73.21 per barrel, respectively, in the preceding quarter of 2014. At US$50.3 per barrel, the average price of OPEC's basket of eleven crude streams fell by 31.4 per cent, compared with the average of US$73.36/b and US$105.98/b recorded in the preceding quarter and the corresponding period of 2014, respectively. The development was largely due to crude inventory build-up in the US, a strong US dollar and a slowing oil demand growth, which has continued to put a downward pressure on crude oil prices (Fig. 13, Table 12).

Average crude oil prices, including Nigeria's Bony Light (37° API) fell in the international crude oil market in Q1 2015.

Figure13: Trends in Crude Oil Prices

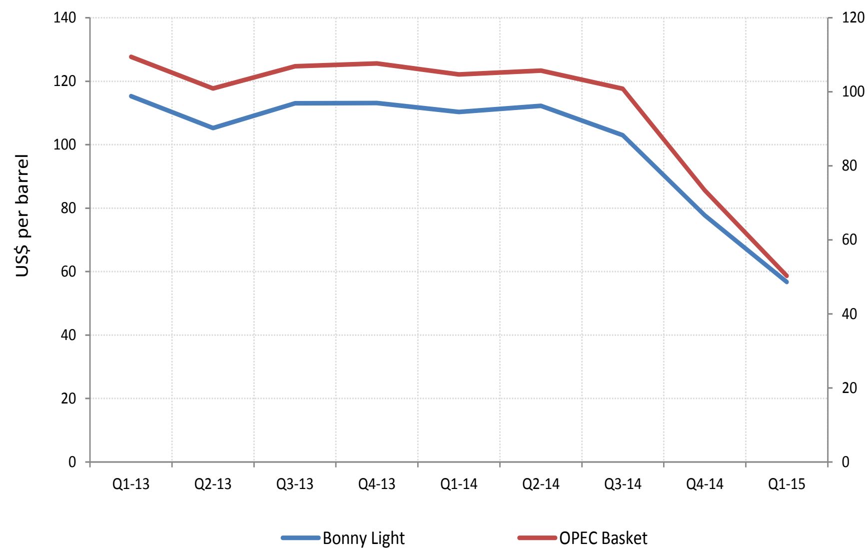


Table 12: Average Crude Oil Prices in the International Oil Market

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
Bonny Light	115.34	105.24	114.73	113.11	110.36	112.23	103.04	77.74	56.73
OPEC Basket	106.79	100.9	108.73	107.67	104.73	105.74	100.86	7.36	50.3

4.4 Consumer Prices[4]

The general price level rose in Q1 2015 on account of the increase in the prices of food items and non-alcoholic beverages.

Available data showed that the all-items composite Consumer Price Index (CPI) at the end of the first quarter of 2015 was 168.4 (November 2009=100), representing an increase of 2.4 and 8.6 per cent over the levels in the preceding quarter and the corresponding quarter of 2014, respectively. The development relative to the preceding quarter was driven largely by increase in the price of non-alcoholic beverages; housing; water; electricity, gas and other

[4] New CPI with November 2009 = 100 as base and new weight based on the 2003/2004 Nigeria Living Standard Survey (NLSS) was released by the National Bureau of Statistics (NBS) ON 18TH October 2010.

fuel; clothing and footwear; transport; education; furnishing, household equipment and maintenance; and health.

The urban all-items CPI at the end of the first quarter of 2015 was 167.4 (November 2009=100), indicating an increase of 2.4 and 8.5 per cent over the levels in the preceding quarter and the corresponding period of 2014, respectively. Similarly, the rural all-items CPI, at 169.5 (November 2009=100), represented an increase of 2.4 and 8.4 per cent over the levels in the preceding quarter and the corresponding period of 2014, respectively (Fig. 14, Table 13).

Figure14: Consumer Price Index

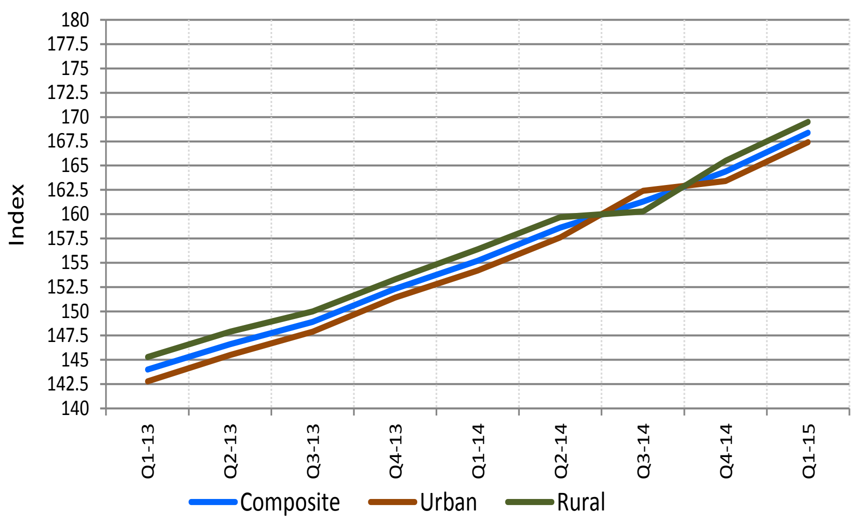


Table 13: Consumer Price Index (November 2009=100)

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
Composite	144	146.6	148.9	152.3	155.2	158.6	161.3	164.4	168.4
Urban	142.8	145.5	147.9	151.4	154.2	157.6	162.4	163.4	167.4
Rural	145.3	147.9	150	153.3	156.4	159.7	160.3	165.5	169.5

The inflation rate for the first quarter of 2015, on a year-on-year basis, stood at 8.5 per cent, compared with 8.0 per cent in the preceding quarter. This indicated 0.5 percentage point increase above the level in the preceding quarter. The inflation rate on a twelve-month moving average basis was 8.2 per cent, compared with 8.0 per cent recorded in the preceding quarter (Fig. 15, Table 14).

The headline inflation (y-o-y) stood at 8.5 per cent in Q1 2015.

Figure 15: Inflation Rate

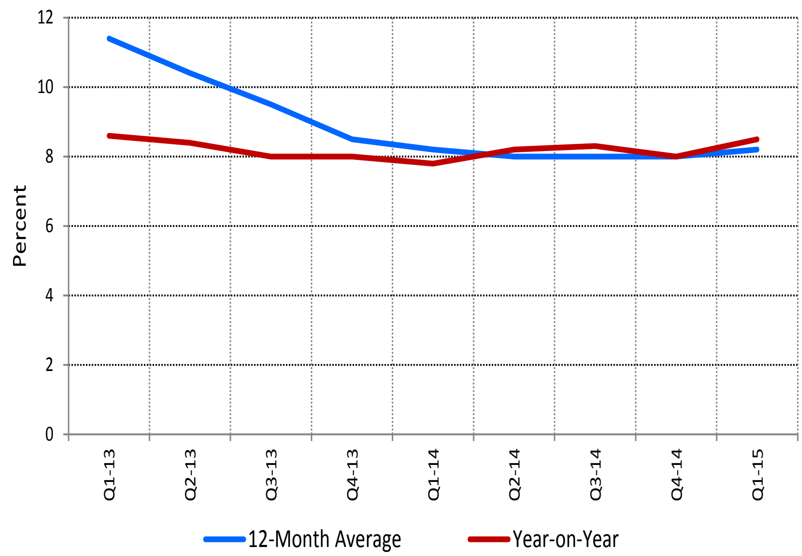


Table 14: Headline Inflation Rate (%)

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
12-Month Moving Average	11.4	10.4	9.5	8.5	8.2	8.0	8.0	8.0	8.2
Year-on-Year	8.6	8.4	8.0	8.0	7.8	8.2	8.3	8.0	8.5

5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow through the CBN in the first quarter of 2015 declined by 29.4 and 26.5 per cent below the levels in the preceding quarter and the corresponding quarter of 2014, respectively. Outflow through the Bank also fell by 15.0 and 21.3 per cent below the levels in the preceding quarter and the corresponding quarter of 2014, respectively. Total non-oil export receipts fell by 37.5 per cent below the level in the preceding quarter, but was 44.3 per cent above the level in the the corresponding quarter of 2014. Relative to the preceding quarter, the average naira exchange rate at the rDAS vis-à-vis the US dollar, depreciated by 4.3 per cent to ₦169.68 per dollar. At the BDC segment of the market, the average naira exchange rate, at ₦209.52 vis-à-vis the dollar, also depreciated by 14.9 per cent, relative to the level in the preceding quarter. Similarly, at the inter-bank segment, the average naira exchange rate, relative to the preceding quarter, depreciated to ₦191.00 per dollar. The gross external reserves fell by 14.3 per cent to US$29.35 billion, compared with its level at the end of the preceding quarter.

5.1 Foreign Exchange Flows

Provisional data indicated that foreign exchange inflows through the CBN in the first quarter of 2015 amounted to US$7.51 billion, representing a decline of 29.4 and 26.5 per cent below the levels in the preceding quarter and the corresponding period of 2014, respectively. The development was due to the fall in both its oil and non-oil components. Foreign exchange outflow amounted to US$12.35 billion, showing a decline of 15.0 and 21.3 per cent below the levels in the preceding quarter and the corresponding period of 2014, respectively. The decline in outflow, relative to the preceding quarter, was attributed, largely, to the fall in rDAS utilization and other official payments. The development resulted in a net outflow of US$4.84 billion, compared with the net outflow of US$3.89 and US$5.47 billion recorded in the preceding quarter and the corresponding period of 2014, respectively (Fig.16, Table 15).

Foreign exchange inflow and outflow through the CBN declined by 29.4 and 15.0 per cent, resulting in a net outflow of US$4.84 billion in Q1 of 2015.

Figure 16: Foreign Exchange Flows Through the CBN

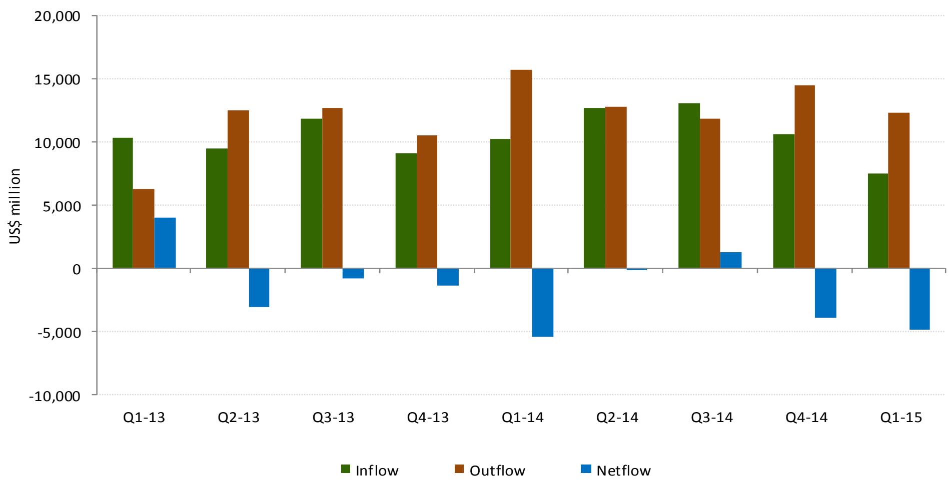


Table 15: Foreign Exchange Flows Through the CBN (US$ million)

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
Inflow	10,304.46	9,442.91	11,857.35	9,465.52	10,221.43	12,667.31	13,094.23	10,641.86	7,514.52
Outflow	6,313.04	12,542.53	12,667.33	10,789.61	15,695.66	12,806.25	11,804.98	14,527.35	12,354.60
Netflow	3,991.42	(3,099.62)	(809.98)	(1,324.09)	(5,474.23)	(138.94)	1,289.25	(3,885.49)	(4,840.08)

Provisonal data on aggregate foreign exchange flows through the economy indicated that total inflow amounted to US$26.87 billion, representing a decline of 28.0 and 26.6 per cent below the levels in the preceding quarter and the corresponding period of 2014, respectively. The development was attributed, largely, to the decline in receipts from crude oil sales and inflow through autonomous sources. Oil sector receipts, which accounted for 22.1 per cent of the total, stood at US$5.94 billion, compared with the US$7.64 billion and US$9.82 billion recorded in the preceding quarter and the corresponding period of 2014, respectively.

Autonomous inflows into the economy fell by 27.4 per cent in Q1 2015 .

Non-oil public sector inflow, at US$1.57 billion (5.8 per cent of the total), fell by 47.7 per cent below the level in the preceding quarter, but was 292.8 per cent above the level in the corresponding period of 2014. Autonomous inflow, which accounted for 72.1 per cent of the total, fell by 27.4 per cent, compared with the level in the preceding quarter.

At US$12.59 billion, aggregate foreign exchange outflow from the economy fell by 15.2 and 21.4 per cent below the levels in the preceding quarter and the corresponding period of 2014, respectively. The decline relative to the preceding quarter, was accounted for, mainly, by the fall in rDAS utilization, owing to the closure of the rDAS window by the CBN on Feberuary 18, 2015. Overall, a net inflow of US$14.28 billion was recorded in the first quarter of 2015, compared with US$22.45 billion and US$20.56 billion in the preceding quarter and the corresponding period of 2014, respectively.

5.2 Non-Oil Export Earnings by Exporters

Total non-oil export earnings by exporters fell during the first quarter of 2015.

Total non-oil export earnings by Nigerian exporters during the first quarter of 2015 stood at US$1,607.9 million, indicating a decline of 37.5 per cent below the level in the preceding quarter, but was an increase of 44.3 per cent above the level in the corresponding period of 2014. The development, relative to the preceding quarter, was attributed, mainly, to the significant fall in receipts from agricultural sector and manufactured products. A breakdown of the proceeds showed that industrial sector, manufactured products, agricultural products, food products and minerals earned US$1,199.2 million, US$151.9 million, US$150.7 million, US$72.4 million and US$33.7 million, respectively.

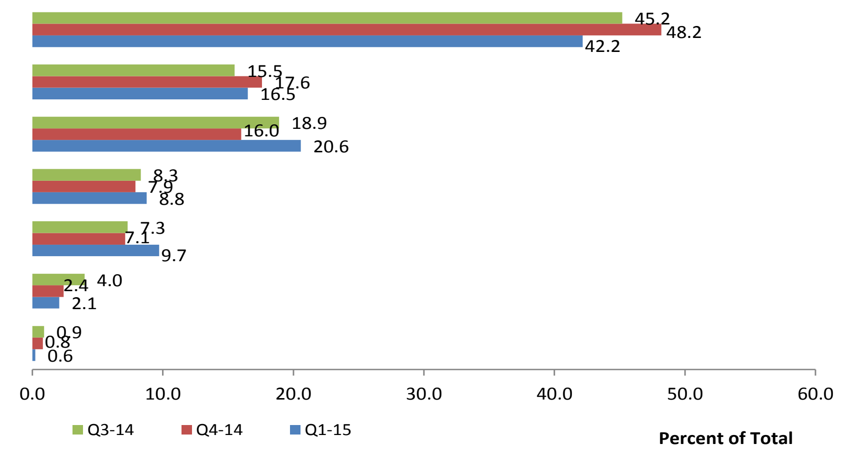
The shares of industrial sector, manufactured products, agricultural sector, food products and minerals in non-oil export proceeds were 74.6, 9.4, 9.4 4.5, and 2.1 per cent, respectively.

5.3 Sectoral Utilisation of Foreign Exchange

The invisible sector accounted for the bulk of the total foreign exchange disbursed during Q1 2015.

Available data indicated that the invisible sector accounted for the bulk (42.2 per cent) of total foreign exchange disbursed in the first quarter of 2015, followed by mineral and oil sector (20.0 per cent). Other beneficiary sectors in a descending order included: industrial sector (16.5 per cent), food products (9.7 per cent), manufactured products (9.0 per cent), transport sector (2.1 per cent) and agricultural products (0.5 per cent) (Fig.17).

Figure17: Sectoral Utilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

Demand and supply of foreign exchange by authorized dealers fell during Q1 2015.

Foreign exchange demand by the authorized dealers in the review quarter was estimated at US$9.36 billion, indicating a decline of 36.8 and 44.4 per cent below the levels in the preceding quarter and the corresponding period of 2014, respectively. The development, relative to the preceding quarter was attributed, largely, to the closure of the rDAS window of the foreign exchange market. The sum of US$10.54 billion was sold by the CBN during the review quarter, indicating a decline of 17.3 and 26.7 per cent below the levels in the preceding quarter and the corresponding period of 2014, respectively (Fig. 18, Table 16).

Figure 18: Demand for and Supply of Foreign Exchange

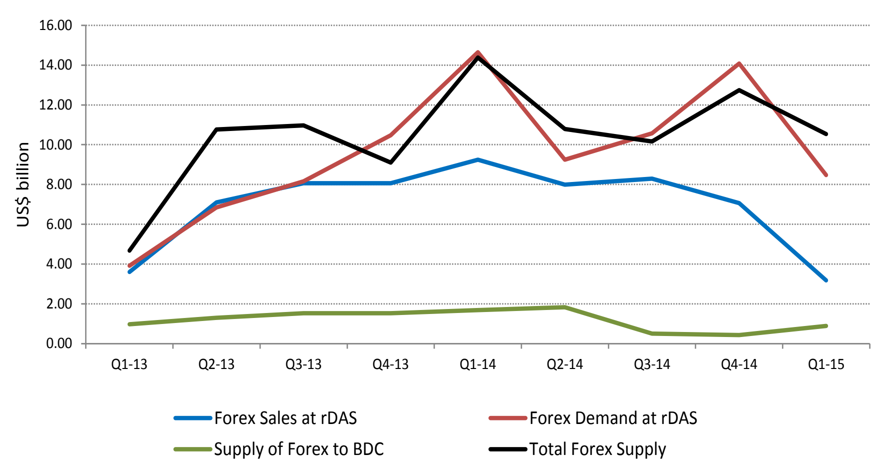


Table 16: Demand for and Supply of Foreign Exchange (US$ billion)

	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
Forex Sales at RDAS	8.06	7.07	9.24	7.99	8.29	7.06	3.18
Forex Demand at RDAS	8.06	10.47	14.65	9.25	10.58	14.08	8.47
Supply of Forex to BDC	1.51	1.53	1.68	1.83	0.50	0.43	0.89
Total Forex Supply(BDC and RDAS)	10.98	9.10	14.40	10.79	10.16	12.74	10.54

Under the rDAS, the average exchange rate of the naira vis-à-vis the US dollar, at ₦169.68 per US dollar, depreciated by 4.3 and 7.3 per cent relative to the levels in the preceding quarter and the corresponding period of 2014, respectively. At the bureau-de-change segment of the market, the naira traded at an average of ₦209.52 per US dollar, indicating a depreciation of 14.9 and 18.5 per cent relative to the levels in the preceding quarter and the corresponding period of 2014, respectively. Similarly, at the inter-bank segment, the naira exchanged at an average of ₦191.00 to the US dollar, indicating a depreciation of 9.9 and 14.8 per cent relative to the levels in the preceding quarter and the corresponding period of 2014, respectively (Fig. 19, Table 17).

The average naira exchange rate vis-à-vis the US dollar depreciated in all the segments of the foreign exchange market in Q1 2015.

The premium between the rDAS and the bureau-de-change rates widened to 23.5 per cent in the first quarter of 2015 from 9.8 and 8.6 per cent in the preceding quarter and the corresponding period of 2014, respectively. Simialrly, the premium between the rDAS and inter-bank widened to 12.6 per cent from 6.1 per cent in the preceding quarter (Fig. 20, Table 17).

The premium between the rDAS and the BDC rates, and between rDAS and the interbank widened in the review period.

Figure 19: Average Exchange Rate Movements

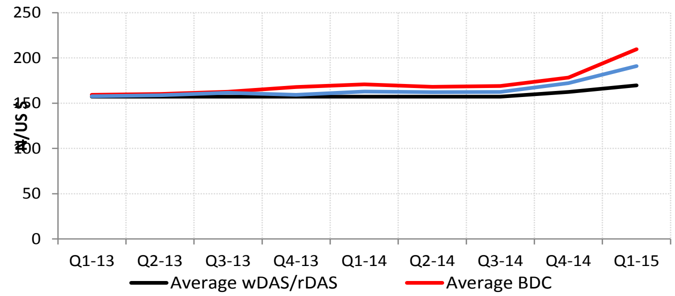
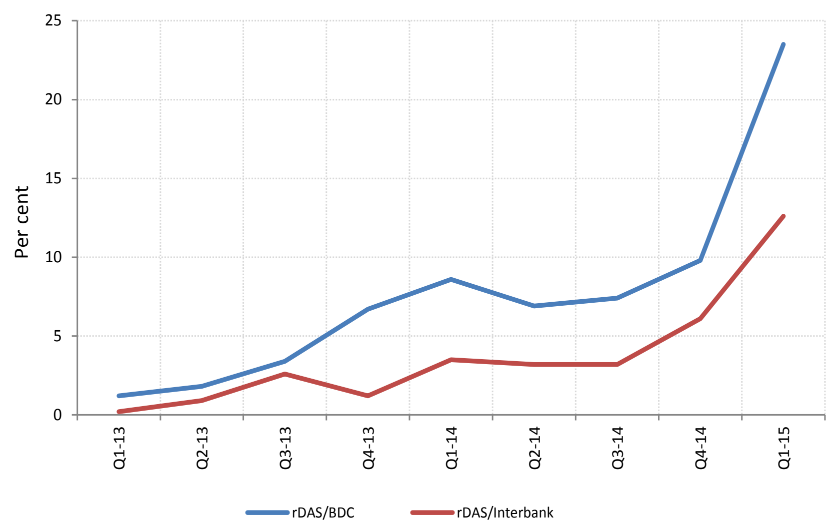


Table 17: Exchange Rate Movements and Exchange Rate Premium

Average Exchange Rate (₦/US$)	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
rDAS	*157.30*	*157.30*	*157.32*	*157.32*	*157.30*	*157.29*	*157.29*	*162.33*	*169.68*
BDC	*159.18*	*160.12*	*162.62*	*167.86*	*170.84*	*168.08*	*168.90*	*178.24*	*191.00*
Interbank	*157.57*	*158.75*	*161.43*	*159.22*	*162.78*	*162.29*	*162.39*	*172.16*	*209.52*
Premium (%)									
rDAS/BDC	*1.2*	*1.8*	*3.4*	*6.7*	*8.6*	*6.9*	*7.4*	*9.8*	*23.5*
RDAS/Interbank	*0.2*	*0.9*	*2.6*	*1.2*	*3.5*	*3.2*	*3.2*	*6.1*	*12.6*

Figure 20: Exchange Rate Premium



5.5 Gross External Reserves

Gross external reserves fell during the first quarter 2015.

Gross external reserves at the end of the first quarter of 2015 stood at US$29.36 billion, indicating a decline of 14.3 per cent, from the level recorded at the end of the preceding quarter. The development was attributed, mainly, to the dwindling oil receipts and demand pressure at the foreign exchange market. A breakdown of the reserves showed that CBN reserves stood at US$25.00 billion (85.1 per cent), Federation reserves, US$2.26 billion (7.7 per cent) and the Federal Government reserves, US$2.10 billion (7.2 per cent) (Fig. 21, Table 18).

Figure 21: Gross External Reserves

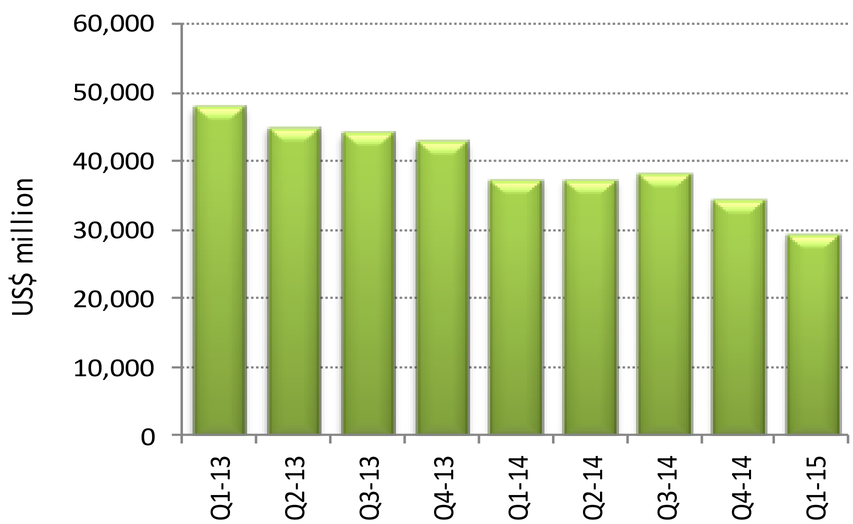


Table 18: Gross External Reserves (US$ million)

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
External Reserves	47,884.1	44,957.0	44,108.5	42,847.3	37,376.4	37,330.0	38,278.6	34,241.5	29,346.6

6.0 Global Economic Conditions

6.1 Global Output

The Januray 2015 International Monetary Fund (IMF) World Economic Outlook (WEO) Update projected global growth at 3.5 per cent in 2015. This represented a downward revision of 0.3 per cent from the projected level in October 2014, reflecting a reassessment of prospects in China, Russia, the euro area and Japan as well as weak activity in some major oil exporting countries.

Growth in advanced economies was projected to expand by 2.6 per cent in 2015 above the estimated growth rate of 1.8 per cent in 2014. Growth was projected to be driven by domestic demand supported by lower oil prices and continued support from an accommodative monetary policy stance. However, the continuous dollar appreciation was projected to reduce net exports. In the euro area, growth was estimated to expand by 1.2 per cent in 2015, while Japan was estimated to grow by 0.6 per cent in 2015.

In emerging market and developing economies, growth was projected to remain broadly stable at 4.3 per cent in 2015. The downward revision was attributed to slow growth in China and weak outlook in Russia.

6.2 Global Inflation

Global inflation softened recently, reflecting economic slack and declining crude oil prices that is slowly weakening commodity prices. Inflation in advanced economies remained low, reflecting the existence of output gaps and serious concern for deflation. Inflation, measured with the personal consumption expenditure deflator is protracted at 2.0 per cent in 2015 in the United States. Euro area inflation was estimated at 0.9 per cent on an annual basis in 2015 as recovery strengthens and output gaps slowly decline. Inflation in the euro area was expected to remain substantially below the European Central Bank (ECB)'s 2.0 per cent target until 2019 in view of their current policies.

In Japan, inflation was projected to increase gradually toward the Bank's 2.0 per cent target in the medium-term as output gap closes and inflation expectations rise. Inflation in emerging market and developing economies were projected to remain largely unchanged in 2015. The recent decline reflects to a large extent the softening of commodity prices, particularly food commodities, which has a high weight in the consumer price index baskets for these countries.

6.3 Global Commodity Demand and Prices

World crude oil demand was estimated at 91.41 mbd in the first quarter of 2015, representing a decline of 1.5 per cent compared with the 92.78 mbd recorded in the fourth quarter of 2014. World crude oil supply was estimated at an average of 94.09 mbd, representing an increase of 0.1 per cent above the level recorded in the preceding quarter. Decreased demand for crude was attributed to weakened industrial activity and reduced refinery margins in many parts of the world, while increased production majorly from Saudi Arabia and Iraq accounted for the increase in global supply.

The average price of OPEC Reference Basket of eleven selected crude streams stood at US$50.30 per barrel in the first quarter of 2015, representing a decline of 31.4 and 52.5 per cent below the US$73.36/b and US$105.98/b recorded in the fourth and corresponding quarters of 2014, respectively. The UK Brent at US$55.58/b, Forcados at US$57.07/b and the West Texas Intermediate (WTI) at US$47.34/b, exhibited a similar trend as the Bonny Light.

6.4 International Financial Markets

The international stock market remained strengthened by US accommodative monetary policy, ECB asset repurchase programme and low global inflation. On the heels of falling oil prices, the US equity markets was boosted by strong consumer demand, lower US oil imports and accommodative monetary policy. In North America, the S&P/TSX Composite, Mexican Bolsa and S&P 500 indices recorded increase of 1.8, 1.3 and 0.4 per cent, respectively.

In South America, the Argentine Merval and Brazilian Bovespa indices rose by 43.6 and 2.3 per cent, respectively, while the Columbian IGBC General index fell by 13.8 per cent. In Europe, the DAX, CAC 40, MICEX and FTSE 100 indices posted 22.0, 17.8, 16.4 and 3.2 per cent gains, respectively. In Asia, China's Shanghai Stock Exchange-A, Japan's Nikkei 225 and India's BSE Sensex indices rose by 15.9, 10.1 and 1.7 per cent, respectively.

In Asia, the Bank of Japan (BOJ) continued on its record stimulus programme, which is adding about 80 trillion yen ($663 billion) to the money supply every year. China's economy witnessed a rise in Foreign Direct Investment (FDI), as investors largely avoided the troubled manufacturing sector and focused on the more resilient services industry.

In Africa, the South African JSE AS, Kenyan Nairobi NSE 20 and Egyptian EGX CSE 30 indices rose by 4.8, 2.7 and 2.3 per cent, respectively, while the Nigerian All-Share Index and Ghanaian GSE All-Share indices fell by 8.4 and 1.8 per cent, respectively.

6.5 Other International Economic Developments and Meetings

Other major international economic developments and meetings of importance to the domestic economy during the review period included: an extraordinary meeting of the Committee of Governors of the West African Monetary Zone (WAMZ) held in Abuja, Nigeria, on January 22, 2015. The Meeting was preceded by the Technical Committee meeting of the WAMZ on January 21, 2015. The Chairman and Governor, Central Bank of Nigeria, Mr. Godwin I. Emefiele convened the meeting to consider WAMI's 2015 Budget and the Report on the status of Implementation of the Restructuring of WAMI. Important decisions following deliberations at the meeting included, among others:

- Approval of WAMI's budget for 2015;
- Directive for the implementation of provident fund to support staff of WAMI;
- Allocation of Director positions at WAMI to Member Countries with two years rotation period; and
- Approval of the re-appointment of Director General of WAMI, Dr. Abwaku Englama, for another two-year period with effect from February 1, 2015.

The 24th African Union Summit was held in Addis Ababa, Ethiopia from January 23 to January 31, 2015, under the theme, "Women's Empowerment Year and Africa

Development Towards Agenda 2063". Following deliberations at the Summit, the African Development Bank (AfDB) expressed its support to the African Union (AU) in implementing Africa's commitments for an accelerated agricultural growth and transformation. The AfDB promised to implement along with other partners an innovative financial support for the implementation of the AU Strategy and Roadmap towards the realization of the 2014 Malabo commitments on agriculture and food security.

The 8th Joint Annual Meetings of the African Union Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration and the ECA Conference of African Ministers of Finance, Planning and Economic Development took place in Addis Ababa, Ethiopia from March 25 - 31, 2015. The theme of the Conference was, "Implementing Agenda 2063 - Planning, Mobilizing and Financing for Development". The 2015 edition of the Economic Report on Africa, "Industrializing through Trade", was launched during the Conference. The Report builds on the key messages of the previous editions of ERA focusing on industrialization and structural transformation, which further explores the question of how trade can serve as an instrument for accelerating industrialization and structural transformation in Africa.

Finally, the Caucus of Central Bank Governors meeting was held on the sideline of the Conference of Ministers' meeting. During the meeting, the Governors engaged in a structured dialogue on the identification of concrete follow-up measures on the outcomes of the Abuja 2014 meeting. They also discussed measures that would enhance the role of African Central Banks in financing industrial development for inclusive growth and sustainable development.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Jan-15
	₦ billion					
Domestic Credit (Net)	**14535.1**	**15040.7**	**15349.3**	**16095.6**	**18872.7**	**20757.6**
Claims on Federal Government (Net)	-1656.3	-1468.8	-1434.1	-1585.0	757.5	2178.4
Central Bank (Net)	-2289.1	-2101.6	-2097.3	-2579.4	-2534.3	-1371.5
Banks	632.8	632.8	663.2	994.4	3214.4	3453.5
Claims on Private Sector	16191.4	16509.5	16783.4	17680.6	18115.2	18579.2
Central Bank	4599.4	4917.5	4905.3	4697.8	4851.4	4849.2
Banks	11592.0	11592.0	11878.1	12982.8	13179.6	13631.1
Claims on Other Private Sector	15388.7	15707.8	16003.1	16930.9	18555.2	18012.4
Central Bank	4575.8	4893.9	4881.7	4674.2	4827.9	4825.6
Banks	10812.9	10813.5	11121.4	12256.7	12643.2	13087.9
Claims on State and Local Government	779.1	779.1	756.7	726.2	536.4	543.2
Central Bank	--	--	--	--	--	--
DMBs	779.1	779.1	756.7	726.2	536.4	543.2
Claims on Non-financial Public Enterprises	--	--	--	--	--	--
Central Bank	--	--	--	--	--	--
DMBs and Non Interest Banks	--	--	--	--	--	--
Foreign Assets (Net)	8658.6	8513.3	7613.1	7751.7	7098.1	5985.6
Central Bank	7043.9	6898.6	5949.9	6436.3	6388.6	5354.7
DMBs and Non Interest Banks	1614.7	1614.7	1663.2	1315.4	709.5	630.8
Other Assets (Net)	**-7504.8**	**-7885.0**	**-7262.7**	**-7032.8**	**-7043.1**	**-7600.7**
Total Monetary Assets (M2)	**15689.0**	**15688.9**	**15699.7**	**16814.5**	**18927.8**	**19142.5**
Quasi-Money 1/	8656.1	8656.1	8807.9	9953.8	12008.2	12148.4
Money Supply (M1)	7032.8	7012.8	6891.8	6860.6	6919.5	6994.1
Currency Outside Banks	**1446.7**	**1447.1**	**1226.6**	**1242.8**	**1437.4**	**1471.1**
Demand Deposits 2/	*5586.2*	*5565.5*	*5665.2*	*5617.8*	*5482.2*	*5523.0*
Total Monetary Liabilities (M2)	**15689.0**	**15688.9**	**15699.7**	**16814.5**	**18927.8**	**19142.5**
Memorandum Items:						
Reserve Money (RM)	*4649.9*	*5558.9*	*5036.8*	*4943.0*	*5964.8*	*5937.1*
Currency in Circulation (CIC)	*1474.1*	*1776.8*	*1574.4*	*1547.9*	*1798.0*	*1818.4*
Banks' Deposit with CBN	*1810.6*	*3782.1*	*3462.5*	*3395.1*	*4166.8*	*4118.7*

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

2/ Demand Deposit 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)

	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
	Percentage Change Over Preceding Quarter					
Domestic Credit (Net)	11.06	2.05	-1.14	7.24	0.21	9.99
Claims on Federal Government (Net)	48.1	2.36	-24.83	19.69	-27.29	187.57
Claims on Private Sector	-0.54	1.66	1.07	4.11	2.64	2.56
Claims on Other Private Sector	-1.19	1.89	1.27	4.35	2.71	2.6
Claims on State and Local Government	10.53	-2.88	-3.08	-0.99	1.11	1.28
Claims on Non-financial Public Enterprises						
Foreign Assets (Net)	-3.0	-10.6	1.1	-1.1	-5.1	-15.7
Other Assets (Net)	1.88	7.89	4.46	-5.38	5.38	-7.92
Total Monetary Assets (M2)	**9.2**	**0.2**	**1.5**	**4.0**	**0.1**	**1.1**
Quasi-Money 1/	7.28	1.75	6.05	6.56	6.16	1.17
Money Supply (M1)	11.75	-1.73	-4.42	0.44	-8.66	1.08
Currency Outside Banks	23.84	-15.24	-5.23	6.96	9.97	2.35
Demand Deposits 2/	8.99	1.79	-4.24	-0.89	-12.78	0.74
Total Monetary Liabilities (M2)	**9.2**	**0.2**	**1.5**	**4.0**	**0.1**	**1.1**
Memorandum Items:						
Reserve Money (RM)	9.47	-9.39	-6.23	3.27	20.67	0.46
Currency in Circulation (CIC)	20.51	-11.39	-4.9	3.42	16.15	1.14
DMBs Demand Deposit with CBN	4.34	-8.45	-6.83	3.21	22.73	22.73
	Percentage Change Over Preceding December					
Domestic Credit (Net)	14.47	2.05	0.88	10.74	10.97	9.99
Claims on Federal Government (Net)	32.5	-2.36	-21.89	4.3	-21.8	187.57
Claims on Private Sector	6.86	1.66	2.75	9.2	12.08	2.56
Claims on Other Private Sector	6.23	1.89	3.18	10.02	13	2.6
Claims on State and Local Governments	17.01	-2.88	-5.86	-6.8	-5.77	1.28
Claims on Non-financial Public Enterprises						
Foreign Asset (Net)	-4.26	-10.57	-9.63	-10.47	-15.02	-15.7
Other Asset (Net)	-19.92	-7.89	12	6.29	11.33	-7.92
Total Monetary Assets (M2)	**1.32**	**0.20**	**1.66**	**7.17**	**7.29**	**1.13**
Quasi-Money 1/	7.36	1.75	7.91	14.99	22.07	1.17
Money Supply (M1)	-5.23	-1.73	-6.07	-2.45	-10.89	1.08
Currency Outside Banks	11.16	-15.24	-19.67	-14.09	-5.53	2.35
Demand Deposits 2/	-8.72	1.79	-2.53	0.57	-12.28	0.74
Total Monetary Liabilities (M2)	**1.32**	**0.20**	**1.66**	**7.17**	**7.29**	**1.13**
Memorandum Items:						
Reserve Money (RM)	37.41	-9.39	-15	-2.89	17.18	0.46
Currency in Circulation (CIC)	8.87	-11.39	-15.7	-12.86	1.21	1.14
DMBs Demand Deposit with CBN	59.87	82.47	-14.7	2.45	25.74	25.74

1/ Quasi money consist of Time, Savings and Foreign Currency Deposit at Deposit Money Banks excluding Taking from Discount Houses.
2/ Demand Deposit 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 A3: Federal Government Fiscal Operations (₦ billion)

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15
Retained Revenue	**1018.80**	**941.37**	**1174.37**	**897.26**	**912.07**	**859.20**	**1023.05**	**839.78**	**751.36**
Federation Account	643.79	715.00	769.83	702.22	703.72	769.48	765.56	638.38	601.39
VAT Pool Account	26.72	27.88	27.99	31.97	30.79	27.96	27.85	27.77	28.17
FGN Independent Revenue	65.03	17.18	150.47	41.68	121.13	12.88	133.33	62.44	37.86
Excess Crude	0.00	70.93	0.00	70.90	0.00	0.00	0.00	1.27	1.27
Others/SURE-P	283.26	110.39	226.08	50.49	56.44	48.88	96.31	109.91	83.93
Expenditure	**1108.86**	**1266.70**	**1276.73**	**1533.00**	**1114.77**	**981.61**	**1166.60**	**1171.71**	**560.31**
Recurrent	811.56	902.83	809.28	1165.37	758.07	816.06	818.94	877.38	178.07
Capital	218.09	281.59	391.55	217.15	272.52	80.64	236.82	193.15	12.94
Transfers	79.21	82.28	75.91	150.47	84.19	84.91	85.47	101.18	39.09
Overall Balance: Surplus(+)/Deficit(-)	**-90.07**	**-325.33**	**-102.36**	**-635.74**	**-202.70**	**-122.41**	**-143.55**	**-331.93**	**191.05**