CENTRAL BANK OF NIGERIA

ECONOMIC REPORT THIRD QUARTER 2018

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

1.0 Summary 1
2.0 Financial Sector Developments 3
2.1 Monetary and Credit Developments 3
2.2 Currency-in-circulation (CIC) and Deposits at the CBN 7
2.3 Money Market Developments 7
2.3.1 Interest Rate Developments 8
2.3.2 Commercial Papers (CPs) 9
2.3.3 Bankers' Acceptances (BAs) 9
2.3.4 Open Market Operations 10
2.3.5 Primary Market 10
2.3.6 Bonds Market 10
2.3.7 CBN Standing Facilities 11
2.4 Deposit Money Banks' Activities 11
2.5 Capital Market Developments 12
2.5.1 Secondary Market 12
2.5.2 New Issues Market 13
2.5.3 Market Capitalisation 13
2.5.4 NSE All-Share Index 14
3.0 Fiscal Operations 15
3.1 Federation Account Operations 15
3.2 The Fiscal Operations of the Three Tiers of Government 18
3.2.1 The Federal Government 18
3.2.2 Statutory Allocations to State Governments 20
3.2.3 Statutory Allocations to Local Government Councils 20
4.0 Domestic Economic Conditions 21
4.1 Agricultural Sector 21
4.2 Agricultural Credit Guarrantee Scheme Operations 21
4.3 Commercial Agricultural Credit Scheme Operations 22
4.4 Industrial Production 22
4.5 Petroleum Sector 24

4.6 Consumer Prices 26
5.0 External Sector Developments 29
5.1 Foreign Exchange Flows 29
5.2 Non-Oil Export Earnings by Exporters 31
5.3 Sectoral Utilisation of Foreign Exchange 31
5.4 Foreign Exchange Market Developments 32
5.5 Gross External Reserves 35
6.0 Global Economic Conditions.. 37
6.1 Global Output 37
6.2 Global Inflation 38
6.3 Global Commodity Demand and Prices 38
6.4 International Financial Markets 39
6.5 Other International Economic Development and Meetings 40

Text Tables

Table 1: Growth in Monetary and Credit Aggregates 7
Table 2: Selected Interest Rates (Percent, Averages) 9
Table 3: Traded Securities on the Nigerian Stock Exchange (NSE) 13
Table 4: New and Supplementary Listings 13
Table 5: Market Capitalisation and All Share Index (ASI) 14
Table 6: Gross Federation Account Revenue 16
Table 7: Components of Gross Oil Revenue 16
Table 8: Components of Gross Non-Oil Revenue 17
Table 9: Summary of Federally-Collected Revenue Deductions and Transfers 18
Table 10: Federal Government Fiscal Operations 19
Table 11: Disbursement of Credit Under the Commercial Agriculture Credit Scheme 22
Table 12: Index of Industrial Production and Manufacturing Capacity Utilisation Rate 24
Table 13: Average Crude Oil Prices in the International Oil Market 25
Table 14: Consumer Price Index (November 2009 = 100) 27
Table 15: Headline Inflation Rate 27
Table 16: Foreign Exchange Flows Through the CBN 30
Table 17: Demand for and Supply of Foreign Exchange 33
Table 18: Exchange Rate Movements and Exchange Rate Premium 34
Table 19: Gross External Reserves 36

Appendix Tables

Table A1: Money and Credit Aggregates 45
Table A2: Money and Credit Aggregates (Growth Rates) 46
Table A3: Federal Government Fiscal Operations 47

Figures

Figure 1: Growth Rate of Narrow Money (M_1) and Broad Money (M_2) 4
Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy 6
Figure 3: Selected DMBs Interest Rates (Average) 9
Figure 4: Volume and Value of Traded Securities 13
Figure 5: Market Capitalisation and All-Share Index 14
Figure 6: Components of Gross Federally-Collected Revenue 15
Figure 7: Gross Oil Revenue and Its Components 16
Figure 8: Gross Non-Oil Revenue and Its Components 17
Figure 9: Federal Government Retained Revenue 19
Figure 10: Federal Government Expenditure 20
Figure 11: Capacity Utilisation Rate 23
Figure 12: Index of Industrial Production (1990=100) 24
Figure 13: Trends in Crude Oil Prices 25
Figure 14: Consumer Price Index 26
Figure 15: Inflation Rate 27
Figure 16: Foreign Exchange Flows Through the CBN 30
Figure 17: Sectoral Utilisation of Foreign Exchange 32
Figure 18: Demand for and Supply of Foreign Exchange 33
Figure 19: Average Exchange Rate Movements 34
Figure 20: Exchange Rate Premium 35
Figure 21: Gross External Reserves 36

1.0 Summary[1]

The Bank maintained a non-expansionary monetary policy stance in August 2018, aimed at further curbing inflationary pressure. Broad money supply (M_3), on quarter-on-quarter basis, fell by 2.4 per cent to ₦33,607.64 billion at end-August 2018, in contrast to the growth of 2.0 per cent at end-June 2018. The development reflected, mainly, the 3.4 per cent decrease in domestic credit (net) of the banking system. Over the level at end-December 2017, broad money supply, (M_3), grew by 7.9 per cent, due to 18.6 per cent and 6.2 per cent increase in foreign assets (net) and other assets (net) of the banking system, respectively. On quarter-on-quarter basis, narrow money supply (M_1), fell by 6.9 per cent, due, to 2.3 per cent and 7.7 per cent decrease in its currency outside banks and demand deposits components, respectively.

Developments in banks' deposit rates were mixed, while lending rates trended downwards in the review quarter. With the exception of the 1-month and 12-months deposit rates, which rose by 0.28 and 0.07 percentage point to 9.12 per cent and 10.07 per cent, respectively, all other deposit rates of various maturities fell from a range 3.75 – 10.67 per cent to 3.65 – 9.85 per cent at end-September 2018. The average savings rate remain unchanged at 4.07 per cent, same as at the end of the second quarter of 2018, while the average term deposit rate fell by 0.20 percentage points to 8.52 per cent at end of the review quarter. The average prime and maximum lending rates declined by 0.46 percentage point and 0.48 percentage point to 16.70 per cent and 30.95 per cent, respectively.

Consequently, the spread between the weighted average term deposits and maximum lending rates, narrowed by 0.28 percentage points to 22.43 percentage points at end-September 2018. Likewise, the spread between the weighted average savings and the maximum lending rates, narrowed by 0.48 percentage points to 26.87 percentage points. The weighted average inter-bank call rate fell by 7.02 percentage points to 5.92 per cent at end-September 2018.

The total value of money market assets outstanding increased by 1.4 per cent to ₦11,848.96 billion, at end-September 2018. The development was attributed to the increase in commercial papers, banker's acceptance and FGN Bonds in the review quarter. Developments on the Nigerian Stock Exchange (NSE) were generally bearish.

---

[1] Data on monetary aggregates, government spending and foreign exchange flows are provisional and subject to changes

Federally-collected revenue, at ₦2,524.59 billion, in the third quarter of 2018, was 24.0 per cent lower than the proportionate budget estimate, but was 8.9 per cent above the receipts in the preceding quarter. The development relative to budget estimate was due to the shortfall in receipts from bth oil and non-oil revenue in the review quarter. Federal Government estimated retained revenue and total expenditure were ₦950.61 billion and ₦1,050.94 billion, respectively, resulting in an estimated deficit of ₦100.33 billion in the third quarter of 2018.

Despite the few cases of flash flooding, which affected farmlands in parts of the country, agricultural activities were generally boosted in the third quarter of 2018, as a result of widespread rainfall across the country. Farming activities were dominated by harvesting of early maturing crops and breeding of poultry birds in anticipation of end of year sales. The end-period inflation, on year-on-year and 12-month moving average bases for the review period were estimated at 11.28 per cent and 13.16 per cent, respectively.

Foreign exchange inflow and outflow through the CBN amounted to US$12.95 billion and US$16.93 billion, respectively, resulting in a net outflow of US$3.98 billion. Foreign exchange sales by the CBN to the authorised dealers amounted to US$11.88 billion. The average exchange rate of the naira vis-à-vis the US dollar depreciated to ₦306.03/US$ and ₦362.42/US$ at the inter-bank segment and the Investors' and Exporters' (I&E) Window respectively, while at the BDC segment, it appreciated to ₦359.21/US$ in the review quarter. The external reserves decreased by 9.6 per cent to US$42.61 billion as at September 28, 2018.

World crude oil demand and supply were estimated at 99.38 mbd and 99.09 mbd, respectively, in the third quarter of 2018. Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at an average of 1.84 mbd or 169.28 million barrels (mb) in the review quarter. The average price of Nigeria's reference crude, the Bonny Light (37^0 API), was US$76.36 per barrel, compared with US$75.43 per barrel in the second quarter of 2018.

Major international developments of importance to the domestic economy in the review quarter included: the international Monetary Fund's (IMF) Mid-Year Staff Consultations with Nigeria held from June 27- July 9, 2018; the Afreximbank Annual Meetings (AAM), held in Abuja, Nigeria from July 11 – 14, 2018; and the 2018 Mid-Year Statutory Meetings of the West African Monetary Zone (WAMZ), West African Monetary Agency (WAMA) and the West African Institute for Financial and Economic Management (WAIFEM) held in Abuja, Nigeria from September 6 – 14, 2018.

2.0 Financial Sector Developments[2]

Over the level at end-June 2018, broad money supply (M_3), fell by 2.4 per cent, reflecting the 3.4 per cent decrease in domestic credit (net) of the banking system. Narrow money supply (M_1) fell by 6.9 per cent due to decrease in both currency outside banks and demand deposits components. Developments in banks' deposit rates were mixed, while the lending rates trended downward in the review quarter. The value of money market assets outstanding rose above the level in the preceding quarter. Activities on the Nigerian Stock Exchange (NSE) were generally bearish in the third quarter of 2018.

2.1 Monetary and Credit Developments

Grwoth in key monetary aggregates were moderate in the review period.

The Bank's Monetary policy stance remained, largely, non-expansionary in the review period. Consequently, broad money supply (M_3), on quarter-on-quarter basis, fell by 2.4 per cent to ₦33,607.64 billion as at end-August, 2018, in contrast to the growth of 2.0 per cent and 5.2 per cent at end-June 2018 and the corresponding period of 2017, respectively. The development reflected the 3.4 per cent contraction in domestic credit (net), which more than offset the respective increase of 0.6 per cent in foreign assets (net) and other assets (net) of the banking system. Similarly, narrow money supply (M_1) fell by 6.9 per cent, relative to the level at end-June 2018 and reflected the 2.3 per cent and 7.7 per cent decrease in currency outside banks and demand deposits, respectively.

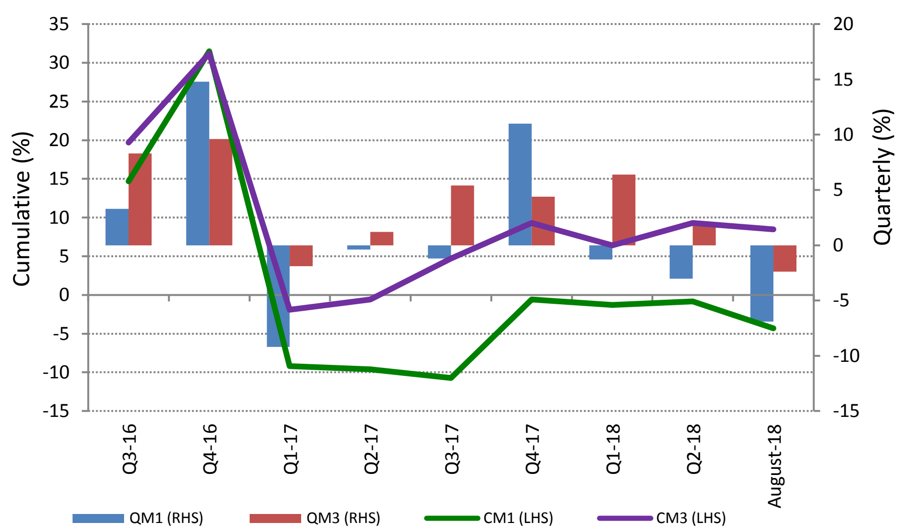
Over the level at end-December 2017, broad money supply, (M_3), grew by 7.9 per cent at end-August 2018, compared with the growth of 8.5 per cent and 3.5 per cent at end of the second quarter of 2018 and the corresponding period of 2017, respectively. The development reflected the increase of 18.6 per cent and 6.2 per cent in foreign assets (net) and other assets (net) of the banking system, respectively.

Over the level at end-December 2017, narrow money supply (M_1) fell by 6.5 per cent, compared with the 4.3 per cent decline at the end of the preceding quarter. This reflected the decline in both its currency outside banks and demand deposits components.

[2] All monetary aggregate numbers are provisional and subject to revision

At end-August 2018, quasi-money rose by 3.4 per cent to ₦14,411.19 billion, compared with the increase of 5.4 per cent and 1.4 per cent at end-June 2018 and the corresponding period of 2017, respectively. The development reflected the increase in time and savings deposits of commercial banks. Relative to the level at end-December 2017, quasi-money grew by 11.2 per cent at end-August 2018, compared with the increase of 8.9 per cent at end of the second quarter of 2018, but in contrast to the decline of 2.9 per cent at the end of the corresponding period of 2017. The development was due to the increase in time and savings deposits of banks (Figure 1, Table 1).

Figure 1: Growth Rate of Narrow Money (M_1) and Broad Money (M_3)[3]



Source: CBN

Aggregate credit to the domestic economy, on quarter-on-quarter basis fell by 3.4 per cent to ₦24,848.63 billion at end-August 2018, compared with the decline of 6.3 per cent and 0.1 per cent at the end of the preceding quarter and the corresponding period of 2017, respectively. The development reflected, wholly, the 32.2 per cent decrease in net claims on the Federal Government. Over the level at end-December

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

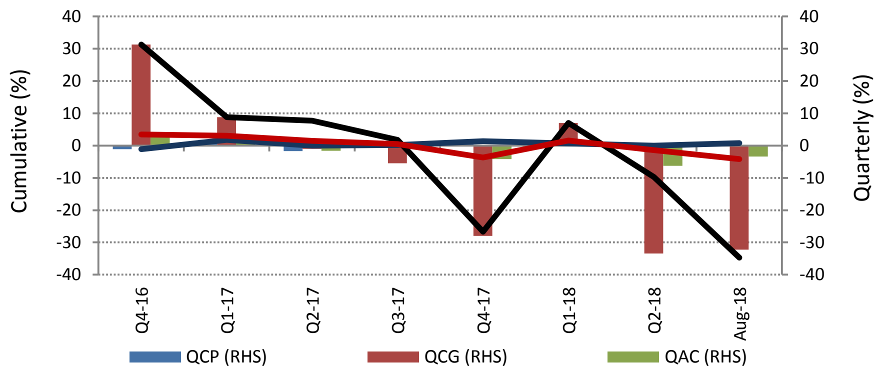
2017, aggregate credit to the domestic economy fell by 4.2 per cent, compared with the decline of 1.4 per cent and 0.1 per cent at end-June 2018 and the corresponding period of 2017, respectively. The development reflected, mainly, the decline in net claims on the Federal Government.

Banking system's credit to the Federal Government fell in the review period.

Net claims on the Federal Government, at end-August 2018, fell by 32.2 per cent to ₦2,378.39 billion, compared with the decrease of 33.4 per cent at the end of the preceding quarter. The development was due, wholly, to the significant fall in loans to the Federal Government by CBN during the review period. Over the level at end-December 2017, net claims on the Federal Government fell by 34.7 per cent at end-August 2018, compared with the decline of 9.7 per cent and 1.1 per cent at the end of the second quarter of 2018 and corresponding period of 2017, respectively. The development was due, wholly, to the decline in the banking system's holdings of Government securities.

On quarter-on-quarter basis, banking system's credit to the private sector grew by 1.2 per cent to ₦22,470.24 billion at end-August 2018, in contrast to the decline of 0.4 per cent and 0.1 per cent at the end of the preceding quarter and the corresponding period of 2017, respectively. The development was due to the 1.7 per cent and 0.7 per cent increase in claims on the core private sector and claims on state and local governments, respectively. Over the level at end-December 2017, banking system's credit to the private sector grew by 0.8 per cent, in constrat to the decline of 0.04 per cent at end of the second quarter of 2018. The development was due to the rise in claims on the core private sector and claims on state and local governments, respectively (Figure 2,Table 1).

Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy[4]



Source: CBN

Foreign assets (net) of the banking system grew at the end of the review period.

Foreign assets (net) of the banking system grew by 0.6 per cent to ₦18,411.93 billion at end-August 2018, compared with the respective growth of 12.4 per cent and 14.0 per cent at the end of the preceding quarter and the corresponding period of 2017. The development was attributed to the 14.4 per cent and 0.4 per cent increase in foreign asset holdings of banks and the CBN, respectively. Over the level at end-December 2017, foreign assets (net) of the banking system grew by 18.6 per cent at end-August 2018, compared with the growth of 18.2 per cent and 6.4 per cent at end-June 2018 and the corresponding period of 2017, respectively. This reflected the 18.9 per cent and 8.3 per cent increase in the foreign assets holdings of CBN and banks, respectively.

At end-August 2018, other assets (net) of the banking system grew by 0.6 per cent to negative ₦9,652.92 billion. This was in contrast to the decline of 3.6 per cent and 3.8 per cent at the end of the second quarter of 2018 and the corresponding period of 2017, respectively. The development was attributed to the increase in unclassified assets of DMB's. Over the level at end- December 2017, other assets (net) of the banking system grew by 6.2 per cent, compared with the respective increase of 2.0 per cent and 5.9 per cent at the end of the second quarter of 2018 and the corresponding period of 2017.

[4] 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

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

	Aug-17	Sep-17	Dec-17	Mar-18	Jun-18	Aug-18
Domestic Credit (Net)	-0.1	0.5	3.5	5.3	-6.3	-3.4
Claims on Federal Government (Net)	0.3	1.8	-25.3	35.4	-33.4	-32.2
Claims on Private Sector	-0.1	0.2	1.4	0.3	-0.4	1.2
Claims on Other Private Sector	-0.1	-1.1	-1.2	-1.2	0.1	1.7
Foreign Assets (Net)	14.0	9.9	69.6	5.1	12.4	0.6
Other Assets (Net)	-3.8	4.2	-37.2	-1.6	-3.6	0.6
Broad Money Supply (M3)	5.2	4.7	9.3	6.4	2.0	-2.4
Quasi-Money	1.4	-3.5	5.2	3.3	5.4	3.4
Narrow Money Supply (M1)	-3.6	-10.7	-0.9	-1.3	-3.0	-6.9
Memorandum Items:						
Reserve Money (RM)	-0.3	-4.9	10.9	4.2	-5.9	-1.2

Source: CBN

**figures are provisional*

2.2 Currency-in-circulation and Deposits at the CBN

Currency-in-circulation (CIC) at end-August 2018, rose by 1.8 per cent to ₦1,928.74 billion over the level at the end of the second quarter of 2018, compared with the decline of 6.8 per cent at end-June 2018. The development relative to the preceding quarter reflected, mainly, the increase in its currency outside banks component.

Total deposits at the CBN amounted to ₦15,099.50 billion at end-August 2018, indicating a 11.6 per cent increase above the level at end-June 2018. The development was as a result of the rise in the deposits of the Federal Government and banks, while deposits of the private sector declined. Of the total deposits at the CBN, the shares of the Federal Government, banks and private sector deposits were 49.4 per cent, 31.5 per cent and 19.1 per cent, respectively.

Reserve money rose by 3.2 per cent to ₦6,688.52 billion at end-August 2018, in contrast with the decline of 5.9 per cent at end-June 2018. The development reflected the increase in total bank reserves.

Reserve money (RM) rose at the end of the review period.

2.3 Money Market Developments

The money market was generally stable in the third quarter of 2018. Liquidity was buoyed by inflow from fiscal injections, Federal Government (FGN) Bonds, Nigerian Treasury Bills (NTBs) and Central Bank of Nigeria (CBN) bills. Withdrawals arising from CBN interventions through Open Market Operations

The money market was relatively stable during the review period .

(OMO), however, moderated liquidity. In addition, settlement for the sales of Government securities and foreign exchange impacted on market liquidity. Overall, banks continued to access the intra-day and standing facilities window to meet their short-term liquidity needs during the review quarter.

Total value of money market assets outstanding at the end of the third quarter of 2018 was ₦11,848.96 billion, showing an increase of 1.36 per cent, in contrast to 3.02 per cent fall, at the end of the second quarter of 2018. The development was attributed to the significant increase in commercial papers, banker's acceptance and FGN Bond, outstanding during the review quarter.

2.3.1 Interest Rate Developments

Banks' lending rates trended downwards, while deposit rates exhibited mixed developments.

Developments in banks' deposit rates were mixed, while lending rates trended downwards in the third quarter of 2018. With the exception of 1-month deposit rates and 12-month deposit rates, which rose by 0.28 and 0.07 percentage point to 9.12 per cent and 10.07 per cent, respectively, all other deposits rates of various maturities fell from a range of 3.75 – 10.67 per cent to 3.65 – 9.85 per cent at end-September 2018. The average savings rate remain unchanged at 4.07 per cent, same as at the end of the second quarter of 2018, while the average term deposit rate fell by 0.20 percentage point to 8.52 per cent at end-September 2018.

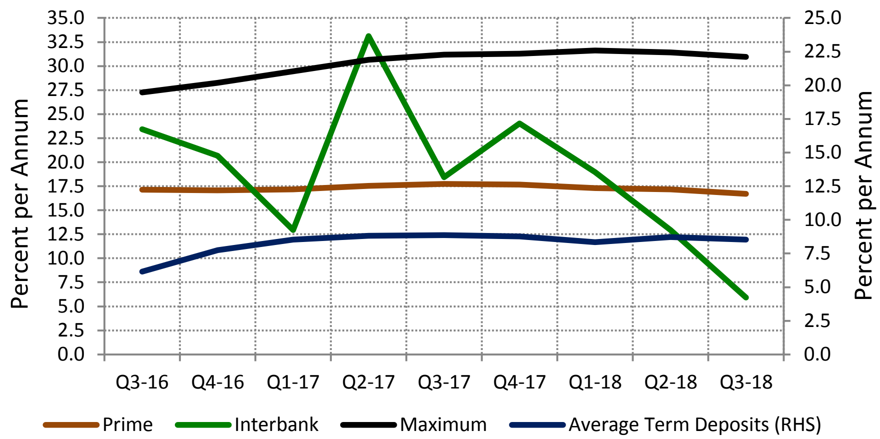
The average prime and maximum lending rates declined by 0.46 percentage point and 0.48 percentage point to 16.70 per cent and 30.95 per cent, respectively, at end-Spetmebr 2018. Consequently, the spread between the weighted average term deposit and maximum lending rates narrowed by 0.28 percentage point to 22.43 per cent at end-September 2018. Similarly, the spread between the average savings and the maximum lending rates narrowed by 0.48 percentage point to 26.87 per cent. With the headline inflation at 11.28 per cent at end-September 2018, all deposit rates were negative in real terms, while lending rates were positive.

Inter-bank call rate fell in Q3 2018.

At the inter-bank funds segment, the weighted average inter-bank call rate, which stood at 12.94 per cent at end-June 2018, fell by 7.02 percentage points to 5.92 per cent at end-September 2018. Similarly, the Nigeria inter-bank offered rate

(NIBOR) for the 30-day tenor fell from 13.03 per cent at end-June 2018 to 12.66 per cent at end-September 2018. Also, the weighted average rate at the Open-Buy-Back (OBB) segment fell by 1.32 percentage points to 9.31 per cent at the end of the review quarter (Figure 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)



Source: CBN

Table 2: Selected Interest Rates (Percent, Averages)

	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18
Average Term Deposits	6.16	7.75	8.52	8.82	8.87	8.77	8.34	8.72	8.52
Prime Lending	17.14	17.08	17.16	17.54	17.74	17.66	17.31	17.16	16.70
Interbank	23.42	20.67	12.95	33.11	18.45	24.02	18.98	12.94	5.92
Maximum Lending	27.25	28.26	29.44	30.67	31.18	31.30	31.61	31.43	30.95

Source: CBN

2.3.2 Commercial Paper (CP)

Commercial Paper (CP) outstanding held by banks amounted to ₦23.33 billion in the third quarter, compared with ₦6.29 billion at end-June 2018. The development was due to the increase in investments in CP by the merchant banks during the review quarter. Thus, CP constituted 0.20 per cent of the total value of money market assets outstanding during the review period, compared with 0.05 per cent in the preceding quarter.

Banks' holdings of BAs increased in Q3 of 2018.

2.3.3 *Bankers' Acceptances (BAs)*

Bankers' Acceptances (BAs) outstanding stood at ₦10.77 billion in the third quarter of 2018, compared with ₦3.31 billion at the end of the second quarter of 2018. The development was attributed to investments in BAs by commercial banks during the review quarter. Consequently, BAs accounted for 0.09 per cent of the total value of money market assets outstanding at end-September 2018, compared with 0.03 per cent at the end of the preceding quarter.

2.3.4 *Open Market Operations*

The Bank sustained its intervention through direct Open Market Operation (OMO) auction during the review quarter. The tenors to maturity of the instruments ranged from 49 days to 364 days. Total amount offered, subscribed to and allotted were ₦7,000.00 billion, ₦3,869.65 billion, and ₦3,327.51 billion, respectively. The bid rates ranged from 10.0000 per cent to 15.5000 per cent, while the stop rates ranged from 10.0000 per cent to 13.5000 per cent. Repayment of matured CBN bills amounted to ₦4,997.52 billion, translating to a net injection of ₦1,670.01 billion.

2.3.5 *Primary Market*

At the Government securities market, NTBs of 91- 182- and 364-day tenors, amounting to ₦1,123.33 billion, ₦1,555.00 billion and ₦983.77 billion were offered, subscribed to and allotted, respectively, at the auctions held in the third quarter of 2018, on behalf of the Debt Management Office (DMO). Total subscription and allotment at the 91-day auction, were ₦73.11 billion and ₦59.07 billion, respectively. The bid rates ranged from 9.6500 per cent to 14.0000 per cent, while the stop rates ranged from 10.0000 per cent to 11.0000 per cent.

For the 182-day auction, total subscription and allotment were ₦198.75 billion and ₦191.23 billion, respectively. The bid rates ranged from 10.0000 per cent to 14.4000 per cent, while the stop rates ranged from 10.4000 per cent to 12.3000 per cent. Total subscription and allotment at the 364-day auction were ₦1,283.13 billion and ₦733.47 billion, respectively. The bill rates ranged from 10.7500 per cent to 20.0000 per cent, while stop rates ranged from 11.3000 per cent to 13.5000 per cent. The bid to cover ratio was 1.58.

2.3.6 *Bonds Market*

Tranches of FGN Bonds of various maturities were reopened for sale in the Q3 of 2018.

Tranches of the 5- 7- and 10-year FGN Bonds were re-opened for sale in the third quarter of 2018. The term to maturity of the bonds ranged from 4 years, 7 months to 9 years, 7 months. Total amount offered, subscribed to and allotted were ₦270.00 billion, ₦356.31 billion and ₦203.34 billion, respectively. The bid rates on all tenors ranged from 12.5000 per cent to 16.5000 per cent, while the marginal rates were from 13.6900 per cent to 15.2459 per cent. The bid to cover ratio was 1.75. Allotment on non-competitive basis amounted to ₦70.4 billion.

2.3.7 *CBN Standing Facilities*

The banks continued to access the CBN's Standing Facilities window to square up their positions either by borrowing from the standing lending facility (SLF) window or depositing excess reserves at the standing deposit facility (SDF) window of the CBN at the end of each business day. Total request for the Standing Lending Facility (SLF) inclusive of Intra-day lending facilities (ILF) that was converted to overnight repo during the review quarter stood at ₦956.64 billion, compared with ₦3,960.24 billion in the preceding quarter. Daily average transaction value amounted to ₦19.13 billion in 50 transaction-days, with total interest earned at ₦3.07 billion.

Total standing deposit facility (SDF) granted during the review period was ₦5,556.63 billion, with daily average of ₦91.09 billion, in contrast to ₦5,988.06 billion, in the second quarter of 2018. The cost incurred on SDF in the review quater amounted to ₦1.99 billion, compared with ₦2.15 billion in the preceding quarter.

2.4 Deposit Money Banks' Activities

The total assets and liabilities of the commercial banks stood at ₦36,267.61 billion at end-August 2018, representing 0.8 per cent increase over the level at end-June 2018. The funds were sourced, largely, from mobilisaion of unclassified and foreign liabilities, and realisation of claims on Central Bank. The funds were used, mainly, for payment of matured demand deposits, accretion to reserves and extension of credit to the private sector.

At ₦19,306.46 billion, banks' credit to the domestic economy, at end-August 2018 showed an increase of 1.0 per cent above the level at end-June 2018. The development reflected, the rise in claims on both the Federal Government and the private sector in the review period.

Liquidity ratio was above the prescribed minimum, while the Loan-to-deposit ratio was below the prescribed maximum in August of 2018.

Total specified liquid assets of the banks was ₦11,264.34 billion at end-August 2018, representing 54.5 per cent of the total current liabilities. At that level, the liquidity ratio was 2.0 percentage points and 24.5 percentage points above the levels at end-June 2018 and the stipulated minimum ratio of 30.0 per cent, respectively. The loans-to-deposit ratio, at 65.89 per cent, was 1.29 percentage points higher than the level at end-June 2018 but was 14.11 percentage points below the prescribed maximum of 80.0 per cent.

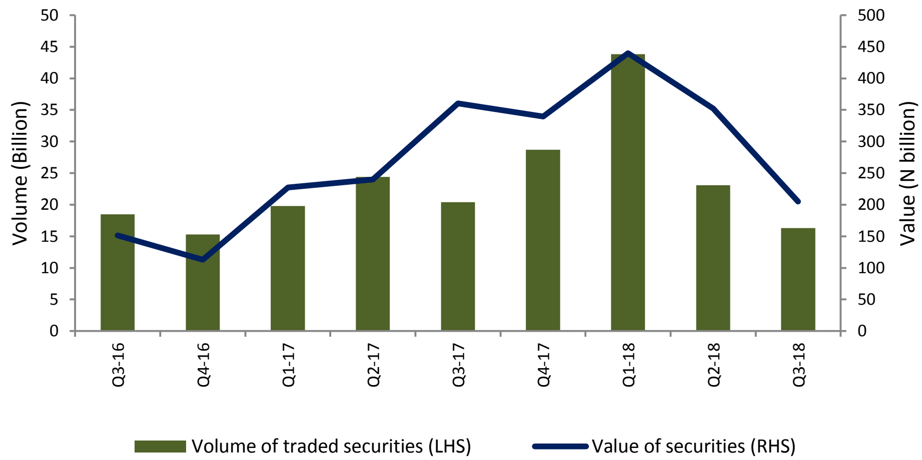
2.5 Capital Market Developments

2.5.1 Secondary Market

Despite the impressive rally in the first half of 2018, gradual normalisation of monetary policy in the advanced economies, particularly in the United States, continued to be a major threat to stability of the capital market. Market sentiments remained uncertain, leading to heightened volatility, as gradual outflow of portfolio investments and investors' strong profit-taking persisted. Consequently, developments on the Nigerian Stock Exchange (NSE) was bearish during the third quarter of 2018. Aggregate volume and value of traded securities fell by 29.5 per cent and 42.9 per cent to 16.3 billion shares and ₦205.0 billion in 216,568 deals, respectively, compared with 23.1 billion shares and ₦359.2 billion in 277,811 deals, in the second quarter of 2018.

Activities in the Financial Services sector (measured by volume) led the chart with 11.6 billion shares valued at ₦125.4 billion and traded in 123,868 deals, compared with 16.0 billion shares valued at ₦178.9 billion and traded in 136,315 deals in the second quarter of 2018. This constituted 71.3 per cent and 61.2 per cent of the total volume and value of traded securities, compared with 69.3 per cent and 49.8 per cent, respectively, in the second quarter of 2018. The banking sub-sector (measured by volume) was the most active in the review quarter.

Figure 4: Volume and Value of Traded Securities



Source: NSE

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

	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18
Volume (Billion)	18.5	15.3	20	24.4	20.4	28.7	43.8	23	16.3
Value (₦ Billion)	151.4	112.8	227	240	360.4	339.4	439.7	359	205

Source: NSE

2.5.2 New Issues Market/Supplementary Listings

There was one (1) new and one (1) supplementary equity listing in the third quarter of 2018.

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

S/N	Company	Additional Shares (Units)	Reasons	Listing
1	Notore Chemical & Industries Plc	1,612,066,200	Ordinary Shares	New Listing
2	Stanbic IBTC Holdings Plc	64,208,713	Dividend	Suppllementary

Source: NSE

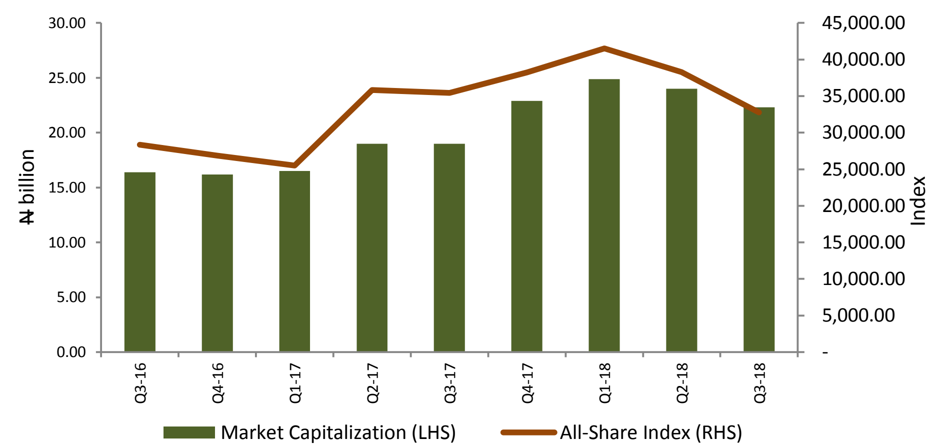
2.5.3 Market Capitalisation

Heightened volatility, on account of the general uncertainties, and persistent profit-taking dampened the performance of quoted securities on the Nigeria Stock Exchange during the review period. The aggregate market capitalisation of all listed securities (Equities and Debts) fell by 6.8 per cent from ₦23.9 trillion at end-June 2018 to ₦22.3 trillion at end-September, 2018. Similarly, market capitalisation of the equities segment fell by 13.9 per cent to ₦11.9 trillion and constituted 53.6 per cent of the aggregate market capitalisation, compared with ₦13.7 trillion and 57.8 per cent at end-June 2018.

2.5.4 NSE All-Share Index

Developments in the sectoral indices reflected decline in the performance of quoted stocks on the Exchange in the review period. The All-Share Index fell by 14.4 per cent to close at 32,766.37 at end-September 2018, below the level at end-June 2018. Similarly, all sectoral indices fell below the levels in the third quarter of 2018. Listed companies in the industrial sub-sector recorded the most loss, as the NSE-Industrial index fell significantly by 23.9 per cent to 1,528.69, followed by NSE-Consumer Goods, and NSE-Pension indices which declined by 18.3 per cent and 17.7 per cent, to their respective values of 758.36 and 1226.16 at end-September 2018. Similarly, the NSE-Insurance, NSE-AseM, NSE-Lotus, NSE-Banking, NSE-Premium and NSE-Oil and Gas, fell by 16.7 per cent, 15.9 per cent, 13.8 per cent, 13.6 per cent, 13.4 per cent and 10.9 per cent to 125.27, 797.69, 2,262.98, 411.25, 2,355.35 and 287.69 at end-September 2018, respectively.

Figure 5: Market Capitalisation and All-Share Index



Source: NSE

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

	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18
Market Capitalization (₦ trillion)	16.39	16.2	16.5	19	19.6	22.9	24.869	23.9	22.3
All-Share Index (Equities)	28,335.40	26,874.62	25,516.34	33,117.48	35,439.98	38,243.19	41,504.51	38,278.55	32,766.37

Source: NSE

3.0 Fiscal Operations[5]

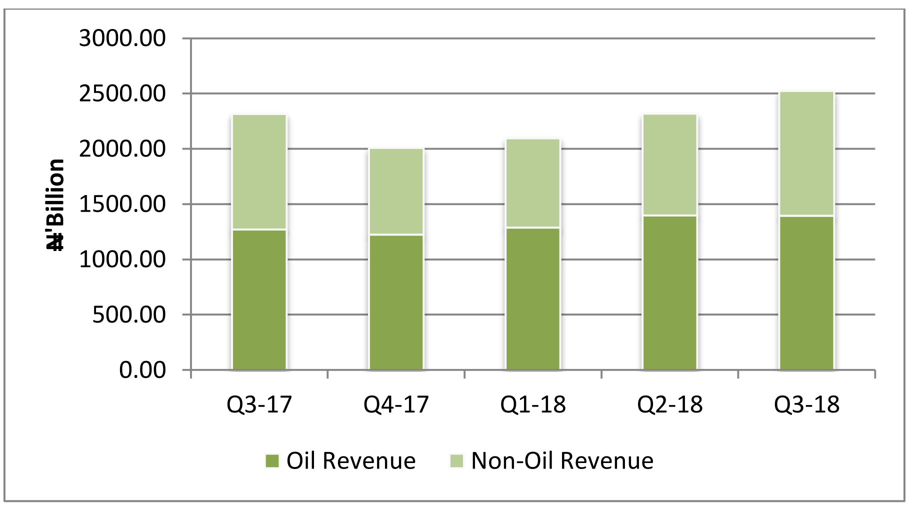
Federally collected revenue in the third quarter of 2018 fell below the proportionate quarterly budget estimate by 24.0 per cent, but rose above the receipt in the preceding quarter by 8.9 per cent. Federal Government retained revenue for the review quarter was ₦950.61 billion, while total estimated expenditure amounted to ₦1,050.94 billion, resulting in an estimated deficit of ₦100.33 billion.

3.1 Federation Account Operations

At ₦2,524.59 billion, federally-collected revenue in the third quarter of 2018, was lower than the proportionate quarterly budget estimate of ₦3,321.36 billion by 24.0 per cent. It, however, rose above the receipts in the preceding quarter by 8.9 per cent. The decline in federally-collected revenue (gross) relative to the proportionate quarterly budget estimate was attributed to the shortfall in both oil and non-oil revenue components in the review period (Figure 6, Table 6).

Gross federally - collected revenue fell by 24.0 per cent below the proportionate budget estimate.

Figure 6: Components of Gross Federally Collected Revenue



5 All figures on government revenue and expenditure are provisional and subject to changes\

Table 6: Gross Federation Account Revenue (₦ Billion)

	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18
Federally-collected revenue (Gross)	2,315.84	2,008.87	2,083.66	2,318.25	2,524.59
Oil Revenue	1,270.62	1,226.04	1,288.06	1,398.06	1,394.19
Non-Oil Revenue	1,045.22	782.83	795.60	920.19	1,130.39

Source:Federal Ministry of Finance
* *All figures are provisional*

Gross oil receipt, at ₦1,394.19 billion or 55.2 per cent of the total revenue, was below the proportionate quarterly budget estimate by 27.4 per cent. It also fell marginally below the receipts in the second quarter of 2018 by 0.3 per cent. Despite the increase in crude oil price, oil revenue declined relative to the proportionate budget owing to shortfalls in crude oil production and exports, arising from leakages and shut-ins/shut-downs at some NNPC terminals (Figure 7, Table 7).

Figure 7: Gross Oil Revenue and Its Components

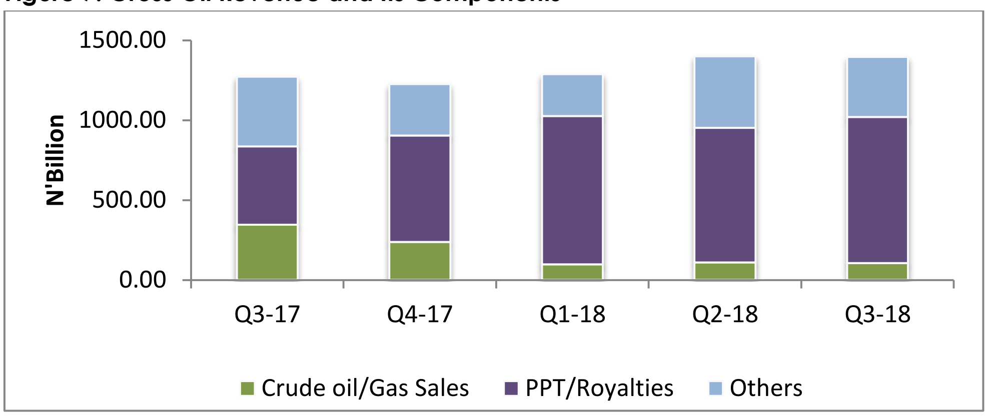


Table 7: Components of Gross Oil Revenue (₦ Billion)

	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18
Oil Revenue Gross	**1,270.62**	**1,226.04**	**1,288.06**	**1,398.06**	**1,394.19**
Crude oil/Gas Sales	345.53	236.69	98.21	109.32	104.49
PPT/Royalties	489.41	666.10	926.33	84103	914.56
Others	435.69	323.24	263.51	447.71	375.14

Source: Federal Ministry of Finance
* *All figures are provisional*

Non-oil revenue, at ₦1,130.39 billion or 44.8 per cent of total, was below the proportionate quarterly budget estimate of ₦1,400.74 billion by 19.3 per cent. It was, however, above the level in the preceding quarter by 22.8 per cent. The lower non-oil revenue relative to the proportionate quarterly budget estimate was due to the shortfalls in receipt from Federal Government Independent Revenue and VAT in the review period (Figure 8, Table 8).

Figure 8: Gross Non-Oil Revenue and Its Components

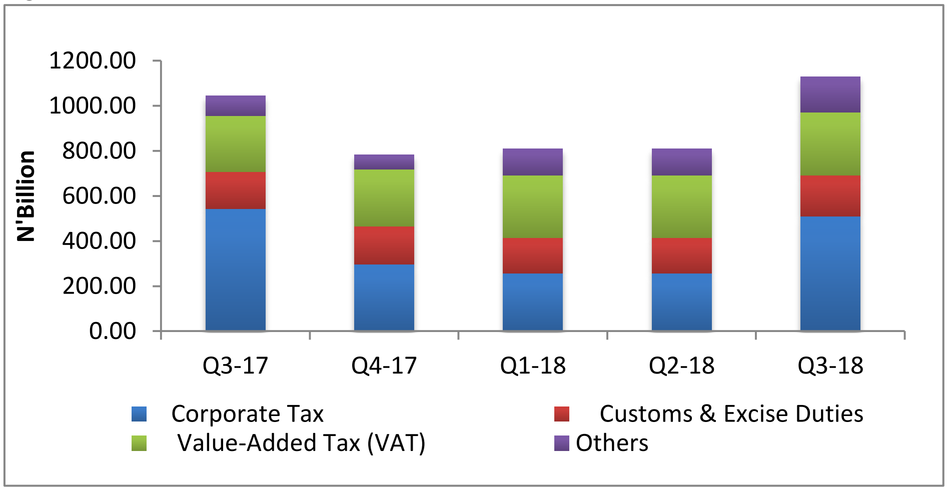


Table 8: Components of Gross Non-Oil Revenue (₦ Billion)

	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18
Non-Oil Revenue	**1,045.22**	**782.83**	**795.60**	**920.19**	**1,130.39**
Value-Added Tax (VAT)	248.89	253.46	277.26	264.00	279.69
Companies Income Tax & Other Taxes	543.40	297.56	256.86	315.14	510.79
Customs & Excise Duties	164.15	169.05	158.42	169.60	181.06
Others/1	88.78	62.76	103.06	171.45	158.85

1/Includes FGN Independent Revenue, Education Tax, NITDF & Customs Federation/Non-Federation Account Levies (Port, Sugar, ETLS, Steel, CISS & Cement Levies)
Source: Federal Ministry of finance
** All figures are provisional*

After statutory deductions and transfers of ₦396.91 billion and ₦427.36 billion, respectively, a net sum of ₦1,700.32 billion was retained in the Federation account. Of this amount, the Federal Government received ₦824.40 billion, while State and Local governments received ₦418.15 billion and ₦ 322.37 billion, respectively. The balance of ₦135.41 billion was transferred to the 13.0% Derivation Fund for distribution among the oil prodcuing states.

The sum of ₦ 1,700.32 billion of the gross federally-collected revenue was distributed among the three tiers of government and the 13.0% Derivation Fund for oil producing states.

Similarly, the Federal Government received ₦40.28 billion, while the State and Local governments received ₦134.25 billion and ₦93.98 billion, respectively, from the VAT Pool Account.

Table 9: Summary of Federally-Collected Revenue Deductions and Transfers (Naira Billion)*

	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
Total Deductions 1/	**523.70**	**376.63**	**117.24**	**287.28**	**396.91**
Oil Revenue Deductions	474.76	337.00	79.30	250.24	352.61
Non-Oil Revenue Deductions	48.94	39.63	37.93	37.04	44.30
Total Transfers	**327.72**	**306.08**	**369.52**	**424.89**	**427.36**
Federal Govt. Ind. Revenue	35.76	0.92	20.25	57.42	45.86
VAT Pool Account	238.93	243.32	266.45	253.44	268.50
Others 2/	53.02	61.84	82.81	114.03	113.00

1/ Refer to Table 1 for breakdown of deductions

2/ Includes Federation and Non-Federation Special Levies, Education Tax & NITDEF

Source: Office of the Accountant General of the Federation (OAGF) and Federal Ministry of Finance

** All figures are provisional*

The sum of ₦7.32 billion was also shared as non-oil excess revenue from which the Federal Government received ₦3.86 billion, while the State and Local governments received ₦1.96 billion and ₦1.51billion, respectively. In addition, Exchange Gain, amounting to ₦67.04 billion was shared as follows: Federal Government, ₦30.73 billion; State government, ₦15.58 billion; and Local government, ₦12.01 billion. The balance of ₦8.71 billion was transferred to the 13.0% Derivation Fund for distribution among the oil-producing states. Furthermore, the sum of ₦12.00 billion was shared as additional NNPC Revenue from which Federal, State and Local governments received ₦5.50 billion, ₦2.79 billion, and ₦2.15 billion, respectively. The balance of ₦1.56 was distributed among the oil-producing states.

Thus, the total statutory and VAT revenue allocation to the three tiers of government in the third quarter of 2018 amounted to ₦2,055.18 billion, compared with the proportionate quarterly budget estimate of ₦2,829.08 billion.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 *The Federal Government*

At ₦950.61 billion, the estimated FGN retained revenue was 49.7 per cent lower than the proportionate quarterly budget estimate .

Federal Government retained revenue for the third quarter of 2018 was estimated at ₦950.61 billion. This was below the proportionate quarterly budget estimate by 49.7 per cent, but exceeded receipts in the review quarter by 6.0 per cent. Of the total revenue, Federation Account accounted for 86.7 per cent, while Federal Government Independent Revenue, VAT, Exchange Gain, NNPC Refund and Excess Non-oil accounted for 4.8, 4.2, 3.2, 0.6 and 0.5 per cent, respectively (Figure 9).

Figure 9: Federal Government Retained Revenue

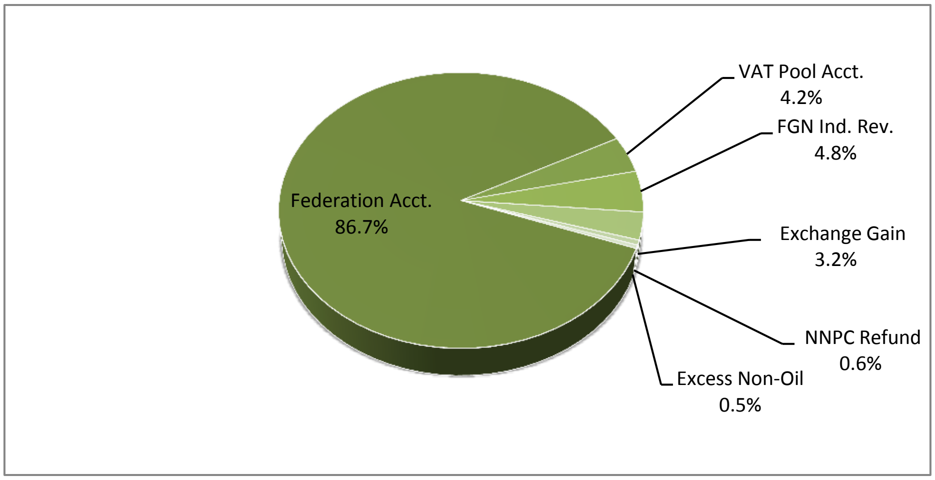


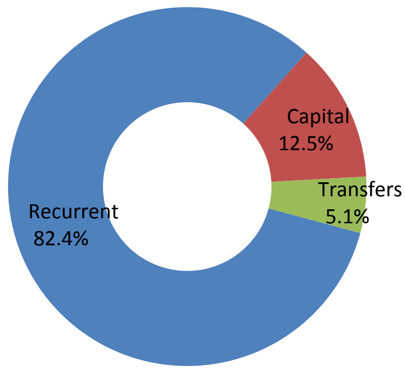
Table 10: Federal Government Fiscal Operations (₦ Billion)

	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18
Retained Revenue	990.21	1,265.75	902.64	896.74	950.61
Expenditure	1,652.00	1,956.77	1,599.76	988.91	1,050.94
Current Surplus(+)/Deficit(-)	(307.49)	(192.05)	(372.30)	41.16	84.39
Primary Surplus(+)/Deficit(-)	(48.58)	(272.74)	86.88	364.36	411.97
Overall Balance: Surplus(+)/Deficit(-)	(661.79)	(691.02)	(697.11)	(92.17)	(100.33)

Source: Fiscal Liquidity Assessment Committee (FLAC), Ministry of Finance & the Office of the Accountant General of the Federation
**All figures are provisional*

The estimated Federal Government expenditure for the third quarter of 2018 stood at ₦1,050.94 billion and was below the proportionate quarterly budget estimate of ₦2,376.93 billion by 55.8 per cent. It was, however, above the level in the preceding quarter by 6.3 per cent. A breakdown of the total expenditure showed that the recurrent component accounted for 82.4 per cent, while capital and statutory transfers accounted for 12.5 and 5.1 per cent, repectively. A further breakdown of the recurrent expenditure showed that the non-debt component accounted for 40.9 per cent, while debt service payments was 59.1 per cent (Figure 10).

Figure 10: Federal Government Expenditure



Fiscal operations of the FG resulted in an estimated deficit of ₦100.33 billion in Q3 2018.

Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦100.33 billion, compared with the proportionate quarterly budget deficit of ₦488.62 billion.

3.2.2 Statutory Allocations to State Governments

At ₦718.41 billion, the total allocation to state governments from the Federation Account, including the 13.0% Derivation Fund and the VAT Pool Account was lower than the proportionate quarterly budget estimate by 28.9 per cent. A breakdown showed that receipts from the Federation Account was ₦584.15 billion (81.3%), while the share from VAT pool account stood at ₦134.25 billion (18.7%). The receipts from both the Federation and VAT Pool Accounts fell below the proportionate budget estimate by 29.2 and 27.5 per cent, respectively.

3.2.3 Statutory Allocations to Local Government Councils

Total allocations to local governments from the Federation and VAT Pool Accounts in the third quarter of 2018 stood at ₦432.02 billion. This was below the proportionate quarterly budget estimate by 26.6 per cent. Of the total amount, allocation from the Federation Account was ₦338.04 billion (78.2%), while the VAT Pool Account stood at ₦93.98 billion (21.8%).

4.0 Domestic Economic Conditions

As a result of the widespread rainfall across the country, there was a boost in agricultural activities in the review quarter, involving harvest of, mainly, early maturing crops. In the livestock sub-sector, farmers continued with the breeding of poultry birds and fattening of cattle in anticipation of end of year sales. End-period inflation, on year-on-year and 12-month moving average bases for the third quarter of 2018 were estimated at 11.16 and 13.10 per cent, respectively.

4.1 Agricultural Sector

Agricultural activities were boosted in the third quarter of 2018, as a result of widespread rainfall across the country. There were, however, few cases of flash flooding, which affected farmlands in some parts of the country. Furthermore, incidences of farmers/herders clashes in some parts of Adamawa, Benue, and Borno States during the review period also affected agricultural activities adversely.

Farming activities in the country, during the quarter, involved mainly early harvest of yam, maize, rice, groundnut, potatoes cassava and other early maturing crops. In the livestock sub-sector, farmers continued with the breeding of poultry birds and fattening of cattle in anticipation of end of year sales.

4.2 Agricultural Credit Guarantee Scheme

A total of ₦1,422.4 million was guaranteed to 12,524 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in the third quarter of 2018. The amount represented an increase of 53.1 per cent and 6.5 per cent above the levels in the preceding quarter and the corresponding period of 2017, respectively. Sub-sectoral analysis showed that: food crops obtained the largest share (₦765.6 million or 53.8 per cent), guaranteed to 7,338 beneficiaries; mixed crop sub-sector (₦236.5 million or 16.6 per cent), guaranteed to 3,316 beneficiaries; livestock, (₦189.7 million or 13.3 per cent) guaranteed to 690 beneficiaries; and cash crop, ₦109.5 million (7.7 per cent), guaranteed to 665 beneficiaries. Fisheries had ₦98.0 million (6.9 per cent) guaranteed to 403 beneficiaries; and "others", ₦23.2 million (1.6 per cent), guaranteed to 112 beneficiaries.

Analysis by state showed that 33 states and the Federal Capital Territory benefited from the Scheme with the highest and lowest sums of ₦210.8 million (14.8 per cent) and ₦0.9 million (0.1 per cent) guaranteed to Adamawa and Bayelsa states, respectively.

4.3 Commercial Agricultural Credit Scheme (CACS)

At end-September 2018, total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) from inception to the participating banks for disbursement stood at ₦577.34 billion for 568 projects (Table 11). Of the total number of projects, 34 were in respect of state governments.

Table 11: Disbursement of Credit Under the Commercial Agriculture Credit Scheme (CACS)

S/N	Participating Banks	Amt Disbursed (₦ billion)	Number of Projects
1	Access Bank Plc	36.66	26
2	Citibank Plc	3.00	2
3	Diamond Baqnk Plc	4.85	21
4	ECOBANK	6.38	10
5	FCMB Plc.	15.53	26
6	Fidelity Bank Plc	21.67	17
7	First Bank of Nigeria Plc	42.89	99
8	GTBank Plc	39.85	29
9	Heritage Bank Plc	6.82	14
10	Keystone Bank	26.05	20
11	Jaiz Bank Plc	0.00	1
12	Skye Bank Plc	13.77	10
13	Stanbic IBTC Bank	27.66	45
14	Sterling Bank Plc	72.17	42
15	Union Bank Nigeria PLC	28.91	39
16	United Bank for Africa (UBA) Plc	81.06	50
17	Unity Bank Plc	25.18	27
18	Wema Bank	2.89	13
19	Zenith Bank	120.16	75
20	Suntrust Bank Ltd	1.85	2
	TOTAL	577.34	568

4.4 Industrial Production[6]

Industrial activities improved in the review quarter due to increased new orders and slowdown in input prices.

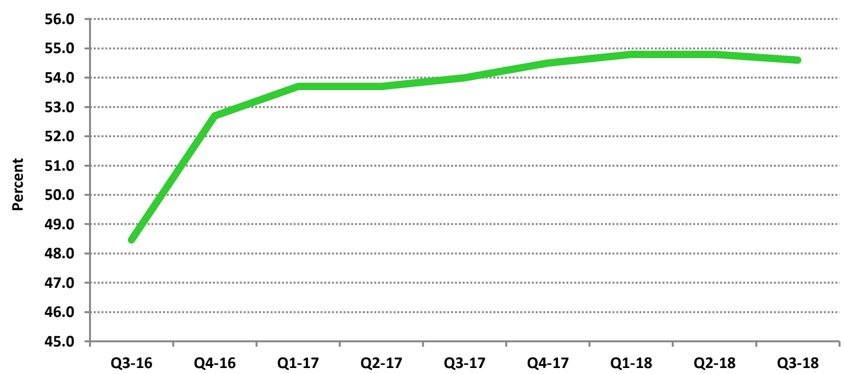
Activities in the industrial sector showed improvements during the third quarter of 2018, on account of expansion, and increased employment, output and new orders in the manufacturing sub-sector. Slowdown in prices of input also contributed to increased activities. Thus, industrial production in the review quarter indicated a marginal increase over the level in the preceding quarter. At 105.9 (2010=100), the estimated index of industrial production in the review quarter, rose by 0.6 per cent above the level in the preceding quarter. The increase reflected, mainly, improved activities in the manufacturing sub-sector.

[6] Indices are staff estimates and subject to changes and revision

The estimated index of manufacturing production in the third quarter of 2018, at 176.1 (2010=100), showed a marginal increase of 0.1 per cent, compared with the level in the preceding quarter. The improvement was due to increased production activities on account of new orders and lower input prices. Capacity utilisation in the sub-sector remained at 54.6 per cent, same as in the preceding quarter (Figure11).

Industrial capacity utilisation stood at 54.6 per cent in the review quarter.

Figure11: Manufacturing Capacity Utilization Rate



Source: Staff Estimate

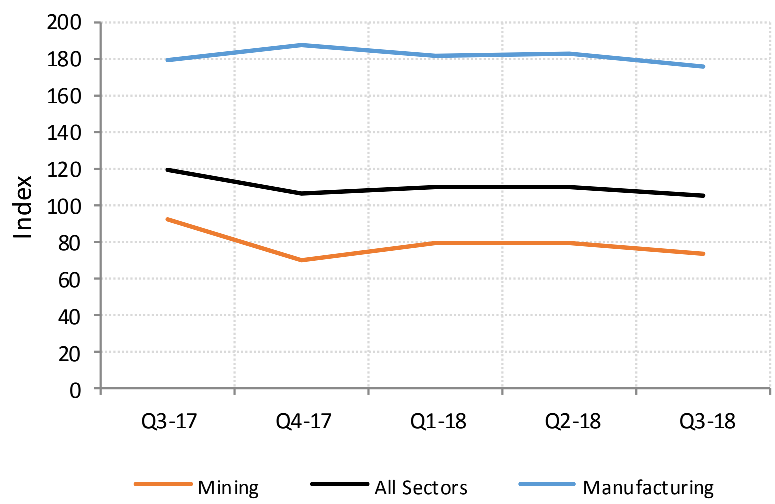
The estimated index of mining production in the third quarter of 2018, at 73.7 (2010=100), fell by 0.4 per cent, below the level at end-June 2018. The decline reflected the fall in crude oil and gas production (Figure 12, Table 12).

Electricity generation improved during the review quarter. At 3,358.0 mw/h, average estimated electricity generation rose by 3.32 per cent, compared with the level at the end of the second quarter of 2018. The increase was attributed to the increased gas supply to thermal stations and higher water level at the hydro stations.

Average electricity generation and consumption improved in the review quarter.

At 3,098.0 mw/h, average estimated electricity consumption rose by 1.74 per cent, above the level at end of the preceding quarter. The increase in electricity consumption was attributed to increased electricity generation.

Figure 12: Index of Industrial Production (2010=100) [7]



Source: Staff Estimate

Table 12: Index of Industrial Production and Manufacturing Capacity Utilisation Rate

	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18
All Sectors (1990=100)	**119.00**	**106.80**	**109.70**	**105.30**	**105.90**
Manufacturing	*179.21*	*188.22*	*182.3*	*175.9*	*176.1*
Mining	*92.93*	*69.63*	*79.8*	*74*	*73.7*
Capacity Utilisation (%)	*54.00*	*54.50*	*54.80*	*54.40*	*54.60*

Source: Staff Estimate

4.5 Petroleum Sector

Crude oil and natural gas production fell in the third quarter of 2018.

Nigeria's crude oil production, including condensates and natural gas liquids, averaged 1.84 mbd or 169.28 million barrels (mb) during the review quarter. This represented a marginal decline of 0.01 mbd or 0.5 per cent, compared with 1.85 mbd or 168.35 million barrels at the end of the second quarter of 2018. The estimated decline in production was attributed, largely, to the ongoing outages on the Trans-Ramos pipeline and the force majeure on exports of Bonny light.

Crude oil export fell in Q3 2018.

Crude oil export averaged 1.39 mbd or 128.8 mb, representing a decline of 0.7 per cent below 1.40 mbd or 127.4 mb in the preceding quarter. Allocation of crude oil for domestic consumption was 0.45 mbd or 40.95 million barrels during the period under review.

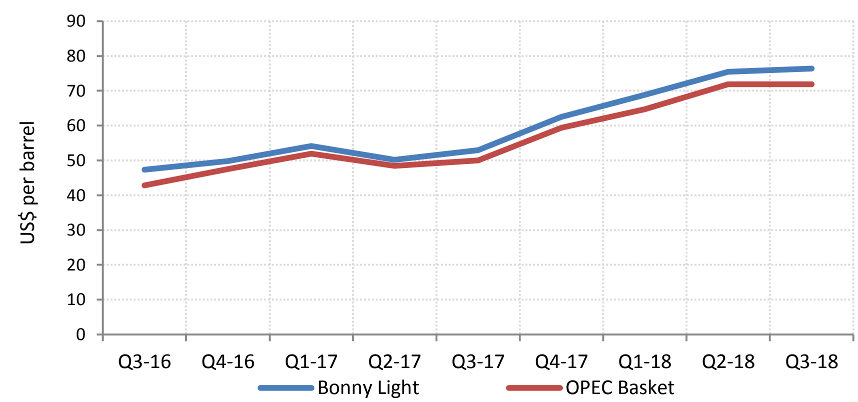
[7] Index measurement (2010=100) from first quarter 2015

With the exception of the WTI, the average prices of all other crude oil variants rose in the international crude oil market in Q3 2018,.

The average spot price of Nigeria's reference crude oil, the Bonny Light (37° API), rose to US$76.36/b in the third quarter 2018, from US$75.43/b in the preceding quarter. This represented quarter-on-quarter increase of 1.2 per cent. The rise in oil price was attributed to the escalating geopolitical tensions, particularly, news on Iran production outages, disruption of production in Libya and Saudi Arabia's suspension of crude oil shipments through its major shipping lane. The UK Brent at US$74.81/b and the Forcados at US$76.41/b exhibited similar trend as the Bonny Light. The WTI, however, fell to US$54.98/b from US$60.23/b in the second quarter of 2018.

The average price of OPEC basket of fifteen selected crude streams was US$74.00/b in the third quarter of 2018. This represented an increase of 2.9 per cent and 48.1 per cent, compared with US$71.88/b and US$49.97/b recorded in the second quarter of 2018 and the corresponding period of 2017, respectively (Figure 13, Table 13).

Figure13: Trends in Crude Oil Prices



Source: Reuters

Table 13: Average Crude Oil Prices in the International Oil Market

	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18
Bonny Light	47.33	49.84	54.17	50.21	52.92	62.48	68.55	75.43	76.36
OPEC Basket	42.86	47.52	51.95	48.47	49.97	59.35	64.76	71.88	74.00

Source: Reuters

4.6 Consumer Prices[8]

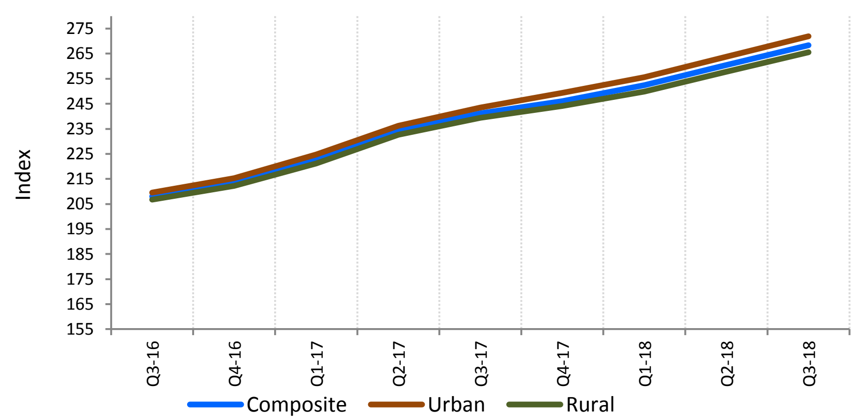
The general price level increased in Q3 2018 over the level in the preceding quarter.

The all-items composite Consumer Price Index (CPI), at end-September 2018, was at 268.4 (November 2009=100), indicating a 0.8 per cent and 11.28 per cent increase over the levels in the second quarter of 2018 and the corresponding period of 2017, respectively. The development was attributed to projected increase in both food and non-food categories.

The urban All-items CPI (November 2009=100) was 272.0 at end-September 2018, representing 3.1 per cent and 11.7 per cent increase, compared with the levels at end-June 2018 and end-September 2017, respectively. The rural all-items CPI (November 2009=100), was 265.5 at end-September 2018, representing 2.98 per cent and 10.92 per cent increase, compared with the levels at end-June 2018 and the corresponding period of 2017, respectively (Figure 14, Table 14).

The composite food index (with a weight of 50.7 per cent in the CPI basket) was 289.0 at end-September 2018, compared with 278.2 and 255.1, at the end of the preceding quarter and the corresponding period of 2017, respectively. The projected price increase was attributed to expected loss of farm produce as a result of floods witnessed in some states.

Figure 14: Consumer Price Index



Source: NBS

[8] 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 18[TH] October 2010. All values are staff estmates.

Table 14: Consumer Price Index (November 2009=100)

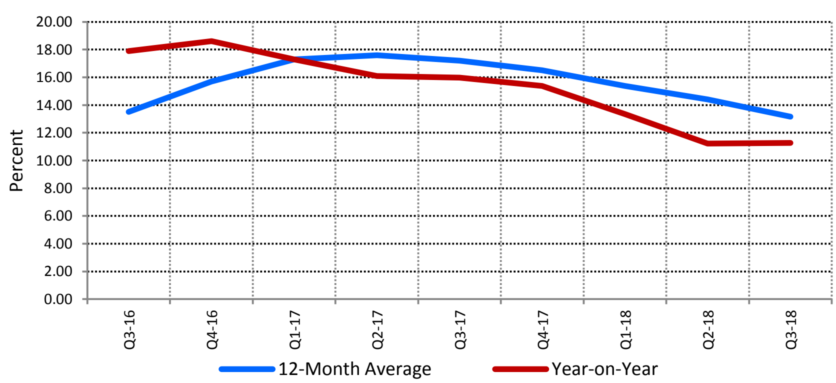
	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18
Composite	208	213.6	222.7	234.2	241.2	246.1	252.4	260.5	268.4
Urban	209.6	215.3	224.7	236.2	243.5	249.3	255.6	263.8	272.0
Rural	206.7	212.2	221.2	232.6	239.4	244.1	249.9	257.8	265.5

Headline inflation rose to 11.28 per cent at end-September 2018, compared with the 11.23 per cent and 15.98 per cent at the end of the preceding quarter and the corresponding period of 2017, respectively. This reflected the rise in prices of selected food items, fuel and lubricants for personal transport equipment and solid fuels, among others.

The headline inflation (y-o-y) was at 11.28 per cent in Q3 2018.

The Twelve-Month Moving Average (12MMA) inflation for september 2018 was estimated at 13.16 per cent, compared with 14.37 per cent and 17.17 per cent in the preceding quarter and corresponding period of 2017, respectively (Figure 15, Table 15).

Figure 15: Inflation Rate



Source: NBS

Table 15: Headline Inflation Rate (%)

	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18
12-Month Moving Average	13.50	15.70	17.30	17.60	17.20	16.50	15.60	14.40	13.16
Year-on-Year	17.90	18.60	17.26	16.10	15.98	15.37	13.34	11.23	11.28

Source: NBS

5.0 External Sector Developments[9]

Foreign exchange inflow through the CBN in the third quarter of 2018 fell by 6.3 per cent, while outflow rose by 27.4 per cent, relative to the levels in the second quarter of 2018. Total non-oil export proceeds received through banks rose by 25.5 per cent above the level at end-June 2018. The average exchange rate at the investors' and exporters' window, the BDC and the inter-bank segment of the foreign exchange market were ₦362.42/US$, ₦359.21/US$ and ₦306.03/US$, respectively, in the review quarter. At US$42.61 billion, the gross external reserves fell by 9.6 per cent, compared with the level at end-June 2018 .

5.1 Foreign Exchange Flows

Foreign exchange inflow through the CBN fell , while outflow increased, resulting in a net outflow of US$3.98 billion in Q3 of 2018.

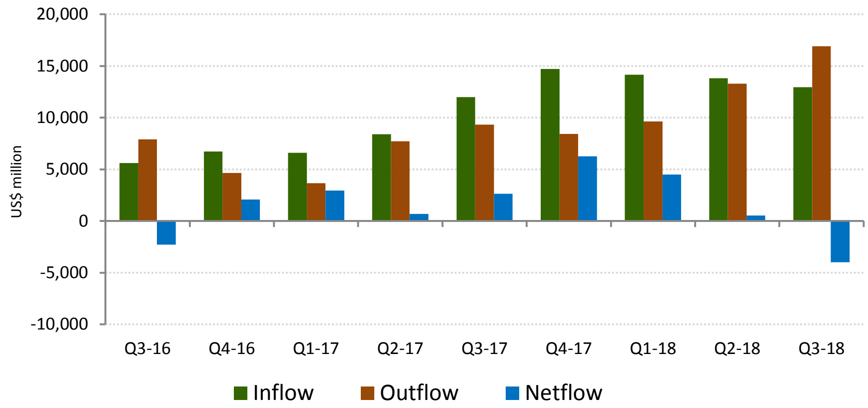
Despite the decline in dometsic oil production, there was improvement in foreign exchange revenue from oil export in the third quarter of 2018, on account of the favourable international price of crude oil. The development was, however, moderated by the significant decline in inflow from non-oil exports. Consequently, aggregate foreign exchange inflow through the CBN amounted to US$12.95 billion, indicating a 6.3 per cent decline below the level at end-June 2018. It, however, showed an increase of 8.1 per cent, over the level in the corresponding period of 2017. The decline, relative to the preceding quarter, reflected, mainly, the fall in inflow from non-oil sources.

Aggregate outflow through the CBN amounted to US$16.93 billion in the third quarter of 2018. This represented 27.4 per cent and 81.3 per cent increase, above US$13.29 billion and US$9.34 billion in the preceding quarter and the corresponding period of 2017, respectively. The increase in outflow relative to the preceding quarter was attributed to 32.2 per cent and 28.0 per cent increase in public sector payments and interventions in the foreign exchange market.

Overall, a net outflow of US$3.98 billion was recorded through the Bank, compared with US$0.53 billion and US$2.64 billion in the second quarter of 2018 and the corresponding period of 2017, respectively (Figure 16, Table 16).

[9] Data on foreign exchange flows through the CBN and the Economy, as well as foreign exchange utilisation are provisional and subject to change

Figure 16: Foreign Exchange Flows Through the CBN



Source: CBN

Table 16: Foreign Exchange Flows Through the CBN (US$ million)

	Q4-16	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18
Inflow	6,726.01	6,597.73	9,355.29	11,984.05	14,708.45	14,159.09	13,822.78	12,949.01
Outflow	4,649.85	3,646.89	9,048.62	9,343.06	8,444.27	9,652.66	13,290.53	16,931.36
Netflow	2,076.16	2,950.84	306.67	2,640.99	6,264.18	4,506.43	532.25	(3,982.36)

Source: CBN

Aggregate foreign exchange inflow into the economy amounted to US$26.01 billion at end-September 2018, indicating a decrease of 20.3 per cent and 3.7 per cent, compare to the levels in the second quarter of 2018 and the corresponding period of 2017, respectively. The development was as a result of the 6.3 per cent and 30.6 per cent decrease in inflow through Central Bnak of Nigeria and autonomous sources. Oil sector receipts, which accounted for 14.2 per cent of the total, was US$3.69 billion, compared with US$3.15 billion and US$3.17 billion in the preceding quarter and the corresponding period of 2017, respectively.

Autonomous inflow into the economy fell by 30.6 per cent in Q3 2018 .

Non-oil inflow, at US$9.26 billion (35.6 per cent of the total), fell by 13.3 per cent below the level at the end of 2018 second quarter, but rose by 5.1 per cent, over the level at the corresponding period of 2017. Autonomous inflow, at US$13.06 billion, fell by 30.6 per cent and 13.1 per cent below the levels at end of the preceding quarter of 2018 and the corresponding period of 2017, respectively. Inflow from autonomous sources accounted for 50.2 per cent of the total.

Aggregate foreign exchange outflow from the economy, at US$17.83 billion, rose by 25.6 per cent and 75.3 per cent, above the levels in the preceding quarter and the corresponding period of 2017, respectively. The development reflected, mainly, the rising outflow through the Bank. Thus, foreign exchange flows through the economy resulted in a net inflow of US$8.18 billion in the review quarter, compared with US$18.44 billion and US$16.85 billion in the second quarter of 2018 and the corresponding period of 2017, respectively.

5.2 Non-Oil Export Earnings by Exporters

Total non-oil export earnings by exporters rose in Q3 2018.

Total non-oil export earnings received through the banks amounted to US$1.49 billion at end-September 2018, representing an increase of 25.5 per cent and 193.5 per cent above the levels in the preceding quarter and the corresponding quarter in 2017, respectively. The development was due, mainly, to the respective increase of 92.9 per cent and 211.3 per cent in earnings from minerals and foods products sub-sectors. A breakdown by sectors showed that proceeds were: minerals, (US$790.86 million); agricultural sector, (US$271.52 million); manufactured products, (US$196.02 million); industrial sector, (US$165.02 million); food products, (US$71.54 million); and transport (US$0.015 million).

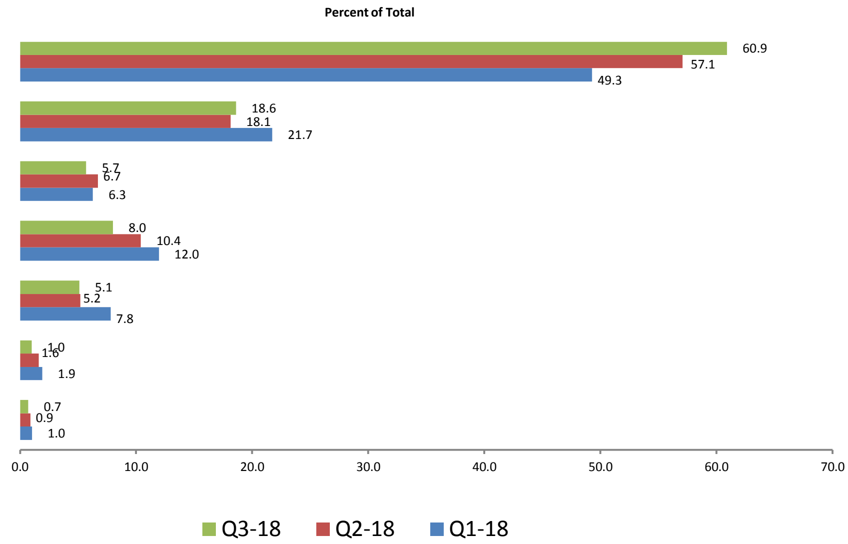
The percentage shares of minerals, agricultural products, manufactured products, industrial sector and food products in the total non-oil export proceeds were 52.9 per cent, 18.2 per cent, 13.1 per cent, 11.0 per cent and 4.8 per cent, respectively.

5.3 Sectoral Utilisation of Foreign Exchange

The invisible sector accounted for the bulk of the total foreign exchange disbursed in Q3 2018.

Aggregate sectoral foreign exchange utilisation in the third quarter of 2018 was estimated at US$11.16 billion, indicating a 10.7 per cent increase above the level in the preceding quarter. The invisible sector accounted for the bulk (60.9%) of total foreign exchange disbursed in the review quarter, followed by the industrial sector (18.6%). Others were: manufactured products, 8.0 per cent; minerals and oil, 5.6 per cent; food products, 5.1 per cent; transport, 1.0 per cent; and agricultural sector, 0.7 per cent (Figure17).

Figure17: Sectoral Utilisation of Foreign Exchange



Source: CBN

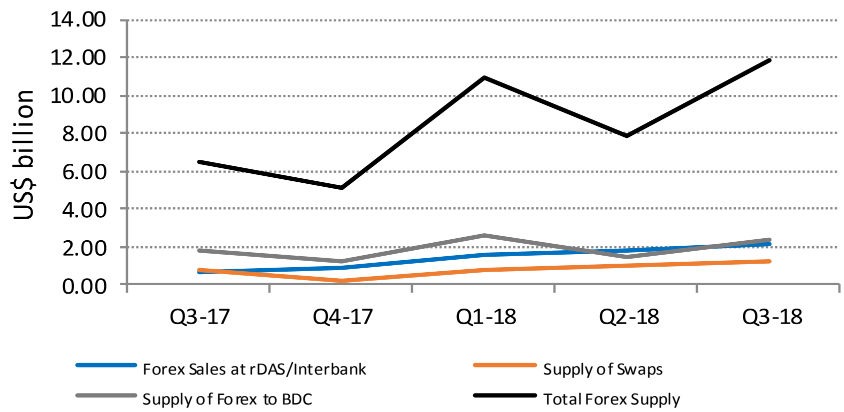
5.4 Foreign Exchange Market Developments

Supply for foreign exchange by authorized dealers rose in Q3 2018.

A total of US$11.88 billion was sold by the CBN to authorised dealers in the third quarter of 2018. This represented 24.0 per cent and 83.1 per cent increase above the levels in the preceding quarter and the corresponding period of 2017, respectively. The development, relative to the preceding quarter, was attributed to activities at the I&E window and increase in foreign exchange sales to BDCs in the review quarter.

Of the total, foreign exchange forwards disbursed at maturity was US$3.24 billion (27.3 per cent); I&E window, US$2.84 billion (23.9 per cent); sales to BDCs, US$2.41 billion (20.3 per cent); interbank sales, US$2.16 billion (18.2 per cent); and swaps transactions, US$1.23 billion (10.3 per cent).

Figure 18: Supply of Foreign Exchange



Source: CBN

Table 17: Demand for and Supply of Foreign Exchange (US$ billion)

	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18
Forex Sales at rDAS/Interbank	*0.69*	*0.90*	*1.58*	*1.80*	*2.16*
Supply of Swaps	*0.72*	*0.19*	*0.74*	*1.04*	*1.23*
Supply of Forex to BDC	*1.77*	*1.19*	*2.55*	*1.50*	*2.41*
Forward	*3.31*	*2.80*	*6.11*	*3.47*	*3.24*
Total Forex Supply(BDC and rDAS)	*6.49*	*5.08*	*10.97*	*7.89*	*11.88*

Source: CBN

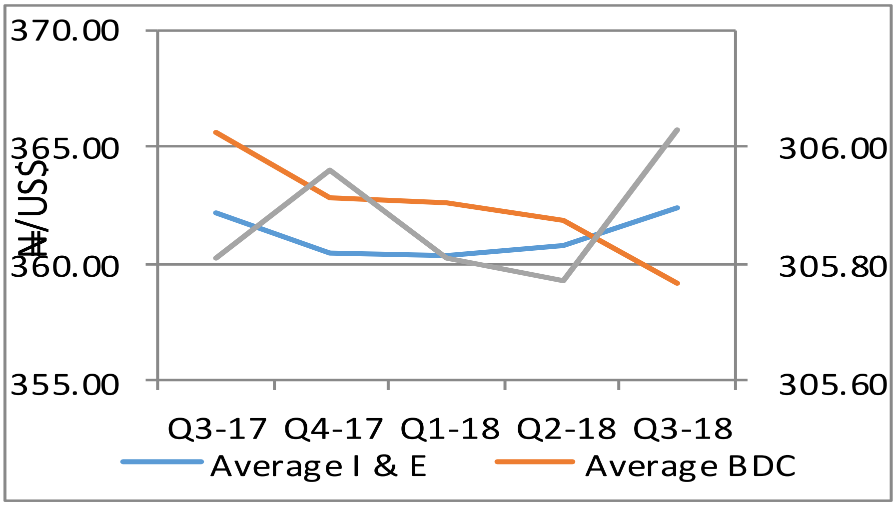
The average naira exchange rate vis-à-vis the US dollar depreciated at the inter-bank segment and I&E Window but appreciated at the BDC segment in Q3 2018.

The CBN sustained its interventions at both the inter-bank and the BDC segments of the foreign exchange market in the review quarter. However, the average exchange rate of the naira vis-à-vis the US dollar at the inter-bank segment depreciated by 0.1 per cent to ₦306.03/US$, relative to the level at end-June 2018. Similarly, at the Investors' and Exporters' (I&E) Window, the average exchange rate, depreciated by 0.4 per cent to ₦362.42/US$ at end-September 2018, relative to the level at the end of the preceding quarter.

At the BDC segment, the average exchange rate was ₦359.21/US$, representing 0.8 per cent and 1.8 per cent appreciation relative to the levels in the preceding quarter and the corresponding period of 2017, respectively.

Consequently, the premium between the average inter-bank and BDC rates narrowed to 17.4 percentage points in the review quarter, from 18.3 percentage points at the end of the second quarter of 2018. Similarly, the spread between the average exchange rates at the Investors' and Exporters' window and the BDC segment narrowed further to 1.0 per cent, from 2.5 per cent at the end of the preceding quarter (Figure 19, Table 18).

Figure 19: Average Exchange Rate Movements



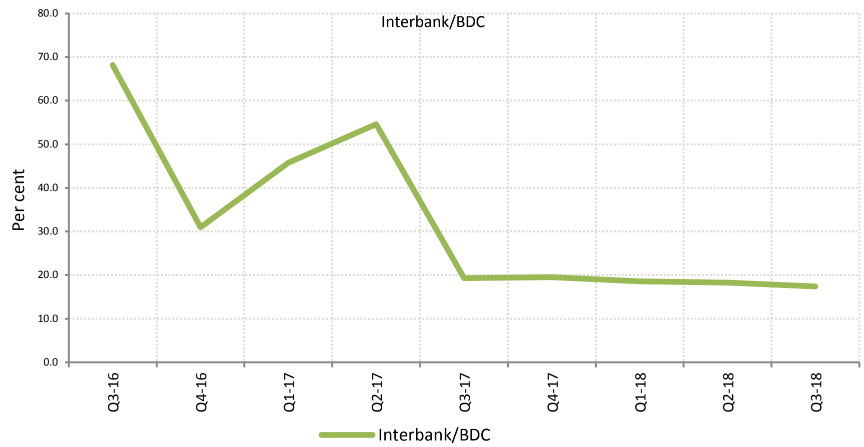
Source: CBN

Table 18: Exchange Rate Movements and Exchange Rate Premium

Average Exchange Rate (₦/US$)	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18
Investors and Exporters Window	N/A	N/A	N/A	376.81	362.15	360.47	360.38	360.80	362.42
BDC	397.24	445.03	472.49	379.05	365.56	362.83	362.63	361.84	359.21
Interbank	303.17	305.21	305.64	305.76	305.81	305.96	305.81	305.77	306.03
Premium (%)									
I&E/Interbank	N/A	N/A	N/A	N/A	N/A	N/A	N/A	18.0	18.4
BDC/Interbank	31.03	31.00	45.80	54.60	19.30	19.50	18.59	18.30	17.40

Source: CBN

Figure 20: Exchange Rate Premium



Source: CBN

5.5 Gross Official External Reserves

Gross external reserves fell during the third quarter of 2018.

Gross external reserves was US$42.61 billion at end-September 2018. This indicated a decrease of 9.6 per cent below the level in the second quarter of 2018. The external reserves position would cover 7.3 months of import of goods and services or 13.6 months of import of goods only, based on the estimated value of import for the third quarter of 2018. A breakdown of the official external reserves by ownership showed that CBN reserves stood at US$35.05 billion (82.3 per cent), Federal Government reserves, US$5.29 billion (12.4 per cent) and the Federation reserves, US$2.26 billion (5.3 per cent) (Figure 21, Table 19).

Figure 21: Gross Official External Reserves

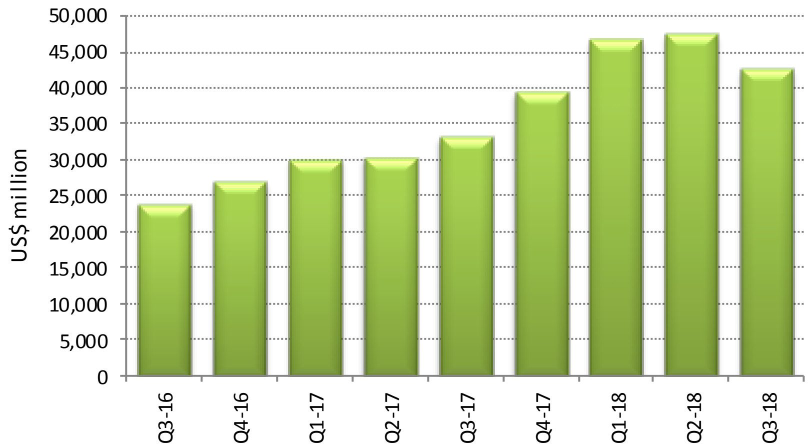


Table 19: Gross Official External Reserves (US$ million)

	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q2-18
External Reserves	30,341.0	33,159.7	39,353.5	46,730.5	47,157.9	42,607.3

6.0 Global Economic Conditions

6.1 Global Output

Global growth in the review period was uneven among emerging markets and developing economies, due to rising oil prices, higher yields in the United States, sentiment shifts on account of escalating trade tensions, and domestic political and policy uncertainty. The development resulted in reduced capital inflow, higher financing costs, and exchange rate pressures. Though rate of expansion appeared to have peaked in some major economies, countries with weaker fundamentals and higher political risks were the most affected, as growth became less synchronized. Consequently, the International Monetary Fund (IMF) World Economic Outlook for July 2018 estimated global growth at 3.9 per cent, respectively, for 2018 and 2019.

In the United States, near-term momentum strengthened in line with the IMF forecast, and the US dollar appreciation. Growth projections were revised downwards for the euro area, Japan, and the United Kingdom, reflecting negative surprises in early 2018.

Developments in the emerging markets were uneven amid rising oil prices, higher yields in the United States, escalating trade tensions, and market pressures on the currencies of some economies with weaker fundamentals. Consequently, growth projections were revised downwards for Argentina, Brazil, and India, while the outlook for some oil exporters strengthened.

The recovery in Sub-Saharan Africa was set to continue, supported by the rise in commodity prices. Growth for the region is estimated at 3.4 per cent for 2018 and projected to rise further to 3.8 per cent in 2019. The forecast reflected improved prospects for Nigeria’s economy, estimated to grow at 2.1 per cent in 2018 and 2.3 per cent in 2019, on the back of improved outlook for oil prices. Despite the weaker-than-expected first quarter outcome in South Africa, the economy was expected to recover over the remainder of 2018 and 2019, as confidence improves and private investments strenghtens, on accout of the new leadership.

6.2 Global Inflation

Developments in headline inflation were mixed in the third quarter of 2018. In advanced economies, inflation generally trended upward due to higher energy prices, though core inflation remained below central banks' targets.

In the Euro Area, inflation was estimated to increase to 2.1 per cent in September 2018, from 2.0 per cent in the second quarter of 2018. Similarly, inflation rose in the UK to 2.7 per cent at end-August 2018 from 2.4 per cent in the second quarter of 2018, while in the US, inflation declined to 2.7 per cent at end-August 2018, from 2.9 per cent in the second quarter of 2018.

In emerging markets and developing economies, inflation rates generally moderated, on account of dissipating past effects of depreciating currencies, though some economies experienced increase due to higher energy prices. Inflation in India eased to 3.7 per cent from 4.9 per cent in the second quarter of 2018. Similarly, inflation in Ghana declined from 10.0 per cent in the second quarter of 2018 to 9.9 per cent at end-August 2018. In Nigeria, however, inflation rose to 11.28 per cent due to increase in food inflation in the review quarter. Similarly, inflation in Brazil picked up to 4.5 per cent in September 2018, from 4.4 per cent in the second quarter of 2018 and in China, it rose to 2.3 per cent at end-August 2018 from 1.9 per cent in the second quarter of 2018.

6.3 Global Commodity Demand and Prices

Global crude oil supply in the review quarter was estimated at 99.09 mbd, representing 0.3 per cent increase above the level in the preceding quarter. World crude oil demand was estimated at an average of 99.38 mbd, indicating a 1.3 per cent increase above the level in the second quarter of 2018.

The average price of OPEC Reference Basket (ORB) of 15 selected crude streams was US$74.00/b in the third quarter of 2018, and represented 2.9 per cent increase over the level in the preceding quarter. The increase in oil price was attributed to supply disruptions around the globe, particularly, news on Iran production outages, Saudi Arabia's suspension of crude oil shipments through its major shipping lane and disturbances to production in Libya.

6.4 International Financial Markets

Developments in the international stock markets were generally mixed in the third quarter of 2018. In North America, the Mexican Bolsa and United States S&P 500 indices rose by 3.9 and 7.2 per cent, respectively, while the Canadian S&P/TSX Composite index fell by 1.3 per cent. In South America, the Argentine Merval and Brazilian Bovespa indices rose by 28.5 per cent and 9.0 per cent, respectively, while the Colombian COLCAP index fell by 4.5 per cent.

In Europe, the France CAC 40 increased by 3.2 per cent, while the UK FTSE 100 and German DAX indices decreased by 1.7 per cent and 0.5 per cent, respectively. Similarly, In Asia, Japan's Nikkei 225 and India's BSE Sensex indices increased by 8.1 per cent and 2.3 per cent, respectively, while the China's Shanghai Stock Exchange-A index decreased by 0.9 per cent.

In Africa, the Ghanaian GSE ASI increased by 0.1 per cent, while the Nigerian NSE All-Share, South African JSE All-Share index, Kenyan Nairobi NSE 20, and Egyptian EGX CASE 30 indices decreased by 14.4, 3.3, 12.5 and 10.5 per cent respectively, in the rveiw period.

In the foreign exchange market, most of the selected currencies depreciated against the US dollar due to a combination of: significant improvements in the US economic conditions and the reduced uncertainty around the dollar, on account of normalisation of monetary policy; higher treasury yields; improved employment figures; and output growth. In addition, capital flow reversals from Emerging Markets and Developing Economies (EMDEs) continued to exert pressure on the currencies of countries with fragile economic conditions. A summary of developments in the foreign exchange market were as follows:

- **Africa:** The Nigerian naira, South African rand, Egyptian pound and Ghanaian cedi all depreciated by 0.2 per cent, 2.9 per cent, 0.2 per cent and 2.4 per cent, respectively. The depreciation was attributed in part to declining external reserves and sustained capital reversals in response to higher yields in advanced countries and partly to reduced output growth. The Kenyan shilling, however, appreciated by 0.2 per cent, on account of increased foreign direct investments, diaspora remittances and inflows from export earnings.

- **North America:** The Canadian dollar and Mexican peso both appreciated by 1.7 per cent and 6.4 per cent, respectively. The improvement was attributed to the new tripartite trade deal among the U.S., Mexico and Canada. The new deal, called the "US-Mexico-Canada Agreement" (USMCA) replaced the North American Free Trade Agreement (NAFTA).

- **South America:** The Brazilian real, Argentine peso and Colombian peso depreciated by 4.3 per cent, 30.0 per cent and 1.4 per cent, respectively. The slide in the value of the currencies reflected the uncertainties around the Argentine economy and elections in Brazil.

- **Europe**: The British pound, the euro and the Russian ruble depreciated by 1.4 per cent, 0.7 per cent and 4.3 per cent, respectively. Also, the pound fell against the US$, as uncertainty surrounding BREXIT negotiations continued due to recent comments by the British Prime Minister. The euro depreciated, on account of the Italian government failing to arrive at a consensus on their 2019 budget and the ruble slipped further as additional sanctions by the US and other geopolitical tensions between the US and Russia adversely impacted the currency.

- **Asia:** The Japanese yen, Chinese yuan and Indian rupee depreciated by 2.6 per cent, 3.6 per cent and 5.6 per cent, respectively. The recent currency weakness, as was also observed in most Asian economies, was exacerbated by increased capital outflows due to rising US bond yields, coupled with the escalating trade conflict between the US and China.

6.5 Other International Economic Developments and Meetings

Other major international economic developments and meetings of importance to the domestic economy in the third quarter of 2018 included the International Monetary Fund (IMF) Mid-Year Staff Consultations with Nigeria, conducted from June 27 – July 9, 2018. The team reviewed developments in the various sectors, assessed the soundness of the economy and offered advice on future policy directions. At the end of the visit, the team noted that:

- Though international reserves remained stable, supported by some convergence in existing foreign exchange windows, higher oil prices and short-term portfolio inflows, recovery remained challenging;
- Reforms to improve the business environment including identification of priority investment projects were in progress;
- The implementation of the Power Sector Recovery Plan was advancing through a mini-grid policy and regulations on eligible customers and meter asset providers; and
- Increased oil exports would keep the current account in surplus and stabilise gross international reserves, notwithstanding the current pace of foreign portfolio outflows.

The Afreximbank Annual Meeting (AAM), with the theme: "Celebrating the past: Shaping the future", was held in Abuja, Nigeria from July 11 – 14, 2018. The meeting discussed the future transformation of trade and economic development in the continent, including the impact of the recently announced African Continental Free Trade Agreement (AfCFTA). High-level strategic seminars at the meeting focused on:

- How Africa can work with development partners to harness innovation and technology to achieve and accelerate trade, as well as, produce real growth and developmental transformation;
- How Africa will leverage recovery from the recent commodity price shock, to look at key options and strategies to put the Continent on a sustainable development path, powered by industrial development and regional value chains; and

- What opportunities are there in the African Continental Free Trade Agreement (AfCFTA), considering the possibility of Africa offering the largest free trade market.

In addition, the 2018 Mid-Year Statutory Meetings of the West African Monetary Zone (WAMZ), West African Monetary Agency (WAMA) and the West African Institute for Financial and Economic Management (WAIFEM) were held in Abuja, Nigeria from September 6 – 14, 2018.

Furthermore, the 41st Ordinary Meeting of the Assembly of Governors of the Association of African Central Bank (AACB) held on August 9, 2018, at the International congress Centre in Sharm El Sheikh, Egypt. The meeting was attended by thirty-five (35) central banks and the African Union Commission (AUC). It also marked the accession of Bank Al-Maghreb to the AACB, after Morocco was readmitted to the African Union.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Aug-17	Sep-17	Dec-17	Mar-18	Jun-18	Aug-18
		₦ billion				
Domestic Credit (Net)	**26,821.45**	**26,985.30**	**25,863.30**	**8,683.90**	**25,568.20**	**24,848.60**
Claims on Federal Government (Net)	4,824.23	4,963.40	3,640.93	4,930.75	3,286.30	2,378.40
Central Bank (Net)	(194.24)	(137.90)	(353.56)	1,643.93	23,409.80	(885.60)
Banks	5,018.47	5,101.30	3,994.49	3,286.82	3,262.90	3,263.90
Claims on Private Sector	21,997.22	22,021.90	22,290.66	22,363.23	22,281.90	22,470.20
Central Bank	5,580.61	5,532.60	5,870.69	6,258.21	6,420.40	6,427.70
Banks	16,416.61	16,489.30	15,515.56	15,129.61	15,861.50	16,042.50
Claims on Other Private Sector	20,684.45	20,737.40	20,718.30	20,466.19	20,489.00	20,808.20
Central Bank	4,974.44	4,967.10	5,202.74	5,336.57	5,599.80	5,723.90
Banks	15,710.30	15,770.30	15,515.56	15,129.60	14,889.20	15,084.30
Claims on State and Local Government	1,237.22	1,257.10	1,544.83	1,631.93	1,628.80	1,614.80
Central Bank	530.92	538.10	640.43	656.53	656.50	656.50
DMBs	706.30	719.00	904.40	975.40	972.30	958.20
Claims on Non-financial Public Enterprises		--	--	'--	'--	'--
Central Bank		--	--	'--	'--	'--
DMBs		--	'--	'--	'--	'--
Foreign Assets (Net)	9,732.99	10,050.50	15,520.76	16,316.80	18,337.50	18,411.90
Central Bank	9,620.45	9,870.20	15,134.60	15,918.20	17,844.10	17,993.80
DMBs and Non Interest Banks	112.54	180.30	386.10	398.70	493.50	418.10
Other Assets (Net)	(7,060.49)	**(7,190.60)**	**(10,294.80)**	**(10,463.70)**	**(10,091.00)**	**(9,652.90)**
Money Supply (M3)	**29,493.94**	**29,845.20**	**31,157.60**	**33,147.10**	**33,814.70**	**33,607.60**
Quasi-Money 1/	11,960.64	11,889.80	12,965.10	13,390.40	14,112.90	14,411.20
Money Supply (M1)	9,890.81	10,064.30	11,175.60	11,034.00	10,701.10	10,448.20
Currency Outside Banks	1,523.24	**1,435.30**	**1,782.70**	**1,668.40**	**1,519.90**	**1,541.60**
Demand Deposits 2/	8,367.57	*8,628.90*	*9,392.90*	*9,365.60*	*9,181.20*	*8,906.60*
Money Supply (M2)	21,851.45	*21,954.00*	*24,140.60*	*24,424.40*	*24,814.00*	*24,859.30*
CBN Bills held by Non-Bank Sectors	7,642.49	*7,891.30*	*7,016.90*	*8,722.70*	*9,000.70*	*8,748.30*
Money Supply (M3)	**29,493.94**	**29,845.20**	**31,157.60**	**33,147.10**	**33,814.70**	**33,607.60**
Memorandum Items:						
Reserve Money (RM)	5,486.80	*5,559.80*	*6,484.30*	*6,755.70*	*6,360.50*	*6,688.50*
Currency in Circulation (CIC)	1,868.74	*1,781.10*	*2,157.20*	*2,039.30*	*1,900.70*	*1,928.70*
Banks' Deposit with CBN	3,618.07	*3,778.70*	*4,327.10*	*4,716.40*	*4,459.80*	*4,759.80*

Source: CBN

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)

	Aug-17	Sep-17	Dec-17	Mar-18	Jun-18	Aug-18
	Percentage Change Over Preceding Quarter					
Domestic Credit (Net)	**-0.1**	*-0.9*	*-3.9*	***5.25***	*-6.32*	***-3.38***
Claims on Federal Government (Net)	**0.3**	*-5.47*	*-26.64*	***35.43***	*-33.35*	***-32.24***
Claims on Private Sector	**-0.1**	*0.16*	*1.22*	***0.33***	*-0.36*	***1.19***
Claims on Other Private Sector	**-0.1**	*-0.17*	*-0.09*	***-1.22***	*0.11*	***1.74***
Claims on State and Local Government	**3.8**	*6.51*	*22.89*	***5.64***	*-0.19*	***0.73***
Claims on Non-financial Public Enterprises						
Foreign Assets (Net)	**14.0**	*18.70*	*54.43*	***5.13***	*12.38*	***0.63***
Other Assets (Net)	**-3.8**	*-2.64*	*43.17*	***-1.64***	*-3.56*	***0.64***
Money Supply (M3)	**5.2**	**5.39**	**4.4**	**6.39**	**2.01**	**-2.37**
Quasi-Money 1/	**1.4**	*0.8*	*9.0*	***3.28***	*5.4*	***3.36***
Money Supply (M1)	**-3.6**	*1.24*	*11.04*	***-1.27***	*-3.02*	***-6.93***
Currency Outside Banks	**0.2**	*-2.83*	*24.2*	***-6.41***	*-8.9*	***-2.28***
Demand Deposits 2/	**-4.2**	*-0.97*	*8.85*	***-0.29***	*-1.97*	***-7.69***
Total Money Assets (M2)	**-0.9**	*-0.12*	*9.96*	***1.18***	*1.6*	***-1.23***
CBN Bills held by Non-Bank Sectors	**27.6**	*24.49*	*-11.08*	***24.31***	*3.19*	***-5.46***
Money Supply (M3)	**5.2**	**5.39**	**4.4**	**6.39**	**2.01**	**-2.37**
Memorandum Items:						
Reserve Money (RM)	**-0.3**	*1.45*	*16.63*	***4.19***	*-5.85*	***-1.17***
Currency in Circulation (CIC)	**-1.5**	*-4.9*	*21.12*	***-5.47***	*-6.8*	***-0.1***
DMBs Demand Deposit with CBN	**0.4**	*4.77*	*15.51*	**14.43**	*-2.53*	**6.73**
	Percentage Change Over Preceding December					
Domestic Credit (Net)	-0.1	*0.48*	*-3.45*	*5.25*	*-1.4*	*-4.18*
Claims on Federal Government (Net)	-1.1	*1.8*	*-25.32*	*35.43*	*-9.74*	*-34.68*
Claims on Private Sector	0.1	*0.18*	*1.4*	*0.33*	*-0.04*	*0.81*
Claims on Other Private Sector	-1.4	*-1.1*	*-1.19*	*-1.22*	*-1.11*	*0.43*
Claims on State and Local Governments	25.0	*27.04*	*56.12*	*5.64*	*5.44*	*4.53*
Claims on Non-financial Public Enterprises						
Foreign Asset (Net)	6.4	*9.85*	*69.63*	*5.13*	*18.15*	*18.63*
Other Asset (Net)	5.9	*4.2*	*-37.16*	*-1.64*	*1.98*	*6.23*
Money Supply (M3)	**3.48**	**4.71**	**9.32**	**6.39**	**8.53**	**7.86**
Quasi-Money 1/	-2.9	*-3.49*	*5.23*	*3.28*	*8.85*	*11.15*
Money Supply (M1)	-12.3	*-10.71*	*-0.85*	*-1.27*	*-4.25*	*-6.51*
Currency Outside Banks	-16.4	*-21.15*	*-2.07*	*-6.41*	*-14.74*	*-13.53*
Demand Deposits 2/	-11.5	*-8.7*	*-0.62*	*-0.29*	*-2.25*	*-5.18*
Money Supply (M2)	-7.4	*-6.94*	*2.33*	*1.18*	*2.79*	*2.98*
CBN Bills held by Non-Bank Sectors	55.7	*60.71*	*42.91*	*24.31*	*28.27*	*24.67*
Money Supply (M3)	**3.48**	**4.71**	**9.32**	**6.39**	**8.53**	**7.86**
Memorandum Items:						
Reserve Money (RM)	-6.2	*-4.93*	*10.88*	*4.19*	*-1.91*	*3.15*
Currency in Circulation (CIC)	-14.3	*-18.27*	*-1.01*	*-5.47*	*-11.89*	*-10.19*
DMBs Demand Deposit with CBN	-1.4	*3.0*	17.94	9.00	3.07	10.00

Source: CBN

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.
*All figures are provisional and subject to changes

Table A3: Federal Government Fiscal Operations (₦ billion)

	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18
Retained Revenue	**990.21**	**1,265.75**	**902.64**	**896.74**	**950.61**
Federation Account	716.95	637.73	758.47	767.48	824.40
VAT Pool Account	35.84	36.50	38.89	38.02	40.28
FGN Independent Revenue	35.76	0.92	20.25	57.42	45.86
Excess Crude	0.00	24.24	14.10	-	-
Others	201.65	566.36	70.93	33.82	40.08
Expenditure	**1,652.00**	**1,956.77**	**1,599.76**	**988.91**	**1,050.94**
Recurrent	1,297.70	1,457.80	1,274.94	855.57	866.22
Capital	236.90	384.92	262.77	79.96	131.62
Transfers	117.39	114.06	62.04	53.37	53.11
Overall Balance: Surplus(+)/Deficit(-)	**(661.79)**	**(691.02)**	**(697.11)**	**(92.17)**	**(100.33)**

**All figures are provisional and subject to changes*