



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
THIRD QUARTER 2017***

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.....	6
2.3	Money Market Developments	7
2.3.1	Interest Rate Developments	7
2.3.2	Commercial Papers (CPs)	8
2.3.3	Bankers' Acceptances (BAs).....	9
2.3.4	Open Market Operations	9
2.3.5	Primary Market	9
2.3.6	Bonds Market.....	9
2.3.7	CBN Standing Facilities.....	10
2.4	Deposit Money Banks' Activities.....	10
2.5	Capital Market Developments	11
2.5.1	Secondary Market.....	11
2.5.2	New Issues Market.....	12
2.5.3	Market Capitalisation.....	12
2.5.4	NSE All-Share Index.....	12
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 Guarantee Scheme Operations.....	21
4.3	Commercial Agricultural Credit Scheme Operations	22
4.4	Industrial Production	23
4.5	Petroleum Sector	25

4.6	Consumer Prices	27
5.0	External Sector Developments	31
5.1	Foreign Exchange Flows	31
5.2	Non-Oil Export Earnings by Exporters.....	33
5.3	Sectoral Utilisation of Foreign Exchange	33
5.4	Foreign Exchange Market Developments	34
5.5	Gross External Reserves.....	37
6.0	Global Economic Conditions.....	39
6.1	Global Output.....	39
6.2	Global Inflation.....	39
6.3	Global Commodity Demand and Prices	40
6.4	International Financial Markets.....	40
6.5	Other International Economic Development and Meetings.....	41

Text Tables

Table 1: Growth in Monetary and Credit Aggregates.....	6
Table 2: Selected Interest Rates (Percent, Averages).....	8
Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)	12
Table 4: New and Supplementary Listings.....	12
Table 5: Market Capitalisation and All Share Index (ASI)	13
Table 6: Gross Federation Account Revenue.....	15
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	20
Table 11: Disbursement of Credit Under the Commercial Agriculture Credit Scheme	23
Table 12: Index of Industrial Production and Manufacturing Capacity Utilisation Rate	25
Table 13: Average Crude Oil Prices in the International Oil Market.....	27
Table 14: Consumer Price Index (November 2009 = 100)	28
Table 15: Headline Inflation Rate	29
Table 16: Foreign Exchange Flows Through the CBN	32
Table 17: Demand for and Supply of Foreign Exchange	35
Table 18: Exchange Rate Movements and Exchange Rate Premium	36
Table 19: Gross External Reserves.....	37

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	5
Figure 3: Selected DMBs Interest Rates (Average)	8
Figure 4: Volume and Value of Traded Securities	11
Figure 5: Market Capitalisation and All-Share Index	13
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.....	24
Figure 12: Index of Industrial Production (1990=100)	25
Figure 13: Trends in Crude Oil Prices.....	26
Figure 14: Consumer Price Index.....	28
Figure 15: Inflation Rate	29
Figure 16: Foreign Exchange Flows Through the CBN	32
Figure 17: Sectoral Utilisation of Foreign Exchange	34
Figure 18: Demand for and Supply of Foreign Exchange	35
Figure 19: Average Exchange Rate Movements	36
Figure 20: Exchange Rate Premium	36
Figure 21: Gross External Reserves	37

1.0 Summary¹

Growth in the monetary aggregates, on quarter-on-quarter basis, decelerated in the third quarter of 2017. Broad money supply (M_2) fell by 0.1 per cent below the level at end-June 2017, on account of decline in domestic credit (net) and other asset (net). Similarly, narrow money supply (M_1) fell by 1.2 per cent, on quarter-on-quarter basis, due to contraction in its currency and demand deposit components. Over the level at end-December 2016, broad money supply (M_2) and narrow money supply (M_1), fell by 6.9 and 10.7 per cent, respectively.

Banks' lending rates trended upward, while deposit rates showed mixed developments in the review quarter. With the exception of the average savings and term deposit as well as the 12 month and over 12 month deposit rates which fell below the levels at end-June 2017, all other deposit rates rose at the end of the review quarter. The prime and maximum lending rates rose above the levels in the preceding quarter. Consequently, the spread between the weighted average term deposit and maximum lending rates widened to 22.27 percentage points at end-June 2017. Similarly, the margin between the average savings and the maximum lending rates widened by 0.37 percentage point to 26.76 percentage points. The weighted average inter-bank call rate fell to 18.45 per cent from 33.11 per cent in the preceding quarter.

The total value of money market assets outstanding at the end of the third quarter of 2017 stood at ₦12,025.33 billion, showing an increase of 3.0 per cent, in contrast to 0.6 per cent decline at end-June 2017. The development reflected increase in Commercial Paper, Federal Government of Nigeria (FGN) Bonds and Nigerian Treasury Bills (NTBs) outstanding in the review quarter. Transactions on the Nigerian Stock Exchange (NSE) indicated mixed developments.

Federally-collected revenue, at ₦2,299.37 billion in the third quarter of 2017, was lower than the quarterly budget estimate by 16.7 per cent, but was 46.1 per cent above the receipts in the preceding quarter. The development reflected the shortfall in both oil and non-oil revenue in the review quarter. Federal Government estimated retained revenue and total expenditure were ₦957.22 billion and ₦1,358.98 billion, respectively, resulting in an estimated deficit of ₦401.76 billion in the third quarter of 2017.

There was improvement in agricultural activities due to widespread

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

rainfall in the review quarter. Farmers in the Southern part of the country were mostly engaged in harvesting of maize and yam, while harvesting of potatoes, maize and groundnuts dominated in the Central and Northern states. In the livestock sub-sector, farmers engaged in the poultry and migration of cattles from the Northern states to other regions in search of green pastures. The end-period inflation, on year-on-year and 12-month moving average basis for the third quarter of 2017 were 15.98 per cent and 17.2 per cent, respectively.

World crude oil demand and supply were estimated at 97.49 mbd and 96.43 mbd, respectively, in the third quarter of 2017. Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at an average of 1.83 million barrels per day (mbd) or 168.36 million barrels (mb) for the third quarter of 2017. Crude oil export was estimated at 1.38 mbd, while deliveries to the refineries for domestic consumption stood at 0.45 mbd or 41.40 million barrels in the review quarter. The average price of Nigeria's reference crude, the Bonny Light (37^o API), was US\$52.92 per barrel, compared with US\$50.21 per barrel in the preceding quarter.

Foreign exchange inflow and outflow through the CBN amounted to US\$11.98 billion and US\$9.34 billion, respectively, resulting in a net inflow of US\$2.64 billion. Foreign exchange sales by the CBN to the authorised dealers amounted to US\$6.49 billion. The average exchange rate of the naira vis-à-vis the US dollar at the investor and exporter window appreciated by 4.0 per cent to ₦362.48/US\$, while the rate at the inter-bank segment depreciated marginally by 0.01 per cent to ₦305.81/US\$ at end-September 2017. The external reserves increased by 9.3 per cent to US\$33.16 billion at the end-September 2017.

Major international economic developments and meetings of importance to the domestic economy in the review period included: meeting of the African Caucus, comprising African Governors of the International Monetary Fund and the World Bank Group held in Gaborone, Botswana from August 2 – 4, 2017 and the 40th Ordinary meeting of the Assembly of Governors of the Association of African Central Banks (AACB), hosted by the South Africa Reserve Bank (SARB) on August 16, 2017 at its Head Office in Pretoria, South Africa.

2.0 Financial Sector Developments

On quarter-on-quarter basis, broad money supply (M₂), fell by 0.1 per cent below the level at end-June 2017, reflecting the fall in domestic credit (net) and other asset (net) of the banking system. Similarly, narrow money supply (M₁) fell by 1.2 per cent relative to the level in the preceding quarter. Banks' lending rates trended upward, while deposit rates showed mixed developments. The value of money market assets outstanding rose in the review quarter. Developments on the the Nigerian Stock Exchange (NSE) indicated mixed outcomes.

2.1 Monetary and Credit Developments

Growth in the major monetary aggregates decelerated in the third quarter of 2017, reflecting the Bank's tight monetary policy stance. On Quarter-on-quarter basis, broad money supply (M₂), fell by 0.1 per cent to ₦21,953.99 billion, compared with the decline of 1.5 per cent at the end of the preceding quarter. The development reflected the 0.9 and 0.2 per cent decline in domestic credit (net) and other asset (net) of the banking system, respectively, which more than offset the 18.7 per cent increase in foreign assets (net) of the banking system.

Key monetary aggregates fell in Q3 of 2017.

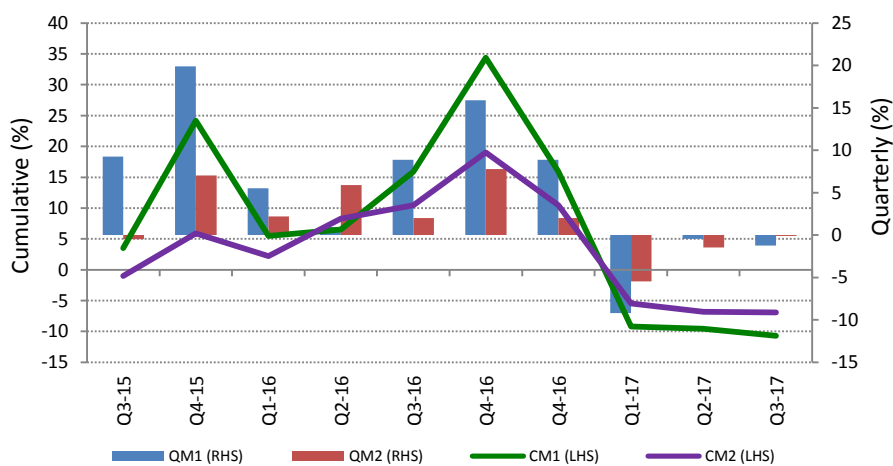
Narrow money supply (M₁), at ₦10,064.25 billion, equally fell by 1.2 per cent at end-September 2017, compared with 0.4 per cent decline at the end of preceding quarter. The fall in M₁, relative to the preceeding quarter, reflected the decline of 2.8 per cent and 1.0 per cent in currency outside banks and demand deposits of the banking system, respectively.

Over the level at end-December 2016, aggregate credit and foreign assets (net) of the banking system increased by 0.5 and 10.0 per cent, respectively, while other assets (net) declined by 21.5 per cent. Consequently, broad money supply, M₂ fell by 6.9 per cent, compared with the 6.8 per cent decline at the end of the preceding quarter. Narrow money supply (M₁), also fell by 10.7 per cent, reflecting the respective decline of 21.2 and 8.7 per cent in its currency and demand deposit components.

Quasi-money, at ₦11,889.75 billion, rose by 0.8 per cent in the review quarter, in contrast to the decline of 2.3 per cent in the preceding quarter. The development relative to the

preceeding quarter was due to the fall in foreign currency deposits in banks. Over the level at end-December 2016, quasi money fell by 3.5 per cent, compared with the decline of 4.3 per cent at the end of the preceding quarter (Fig. 1, Table 1).

Figure 1: Growth Rate of Narrow Money (M₁) and Broad Money (M₂)²



Source: CBN

Aggregate credit (net) to the economy, which stood at ₦26,985.31 billion, declined by 0.9 per cent at the end of the review quarter, compared with the decline of 1.6 per cent at end-June 2017. The development relative to the preceding quarter, reflected the 5.5 per cent decline in claims on the Federal Government, which more than offset the 0.2 per cent increase in claims on the private sector. Over the level at end-December 2016, aggregate credit (net) grew by 0.5 per cent, due to the growth in both net claims on the Federal Government and claims on the private sector.

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

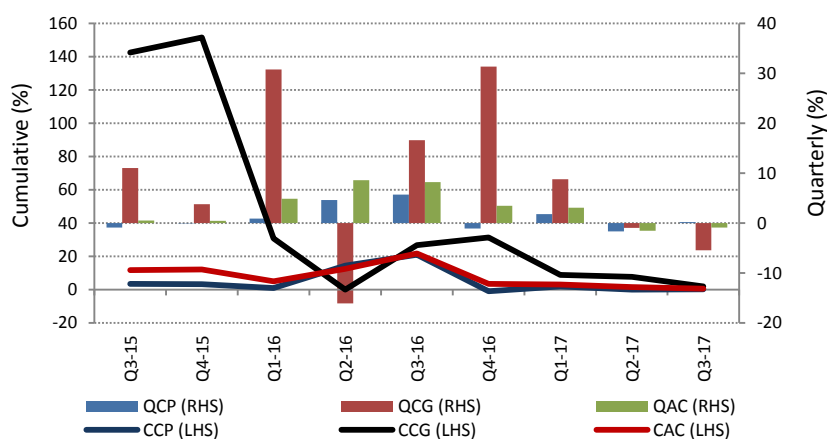
Banking system's net claims on the Federal Government, at the end of the third quarter of 2017 stood at ₦4,963.41 billion. This indicated 5.5 per cent decline in the review quarter, compared with the decline of 1.0 per cent at the end of second quarter 2017. The development was attributed,

² QM1 and QM2 represent quarter-on-quarter changes, while CM1 and CM2 represent cumulative changes (year-to-date).

largely, to the increase in banks' holding of government securities. Over the level at end-December 2016, claims on the Federal Government rose by 1.8 per cent, reflecting increase in outstanding government securities held by banks.

Banking system's credit to the private sector grew marginally by 0.2 per cent, on quarter-on-quarter basis, to ₦22,021.89 billion, in contrast to 1.7 per cent decline in the preceding quarter. The development was attributed to the 6.5 per cent increase in claims on state and local governments, which outweigh the decline in claims on the core private sector. Over the level at end-December 2016, banking system's credit to the private sector grew by 0.2 per cent, compared with 0.02 per cent growth at the end of the preceding quarter (Fig. 2, Table 1).

Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy³



Source: CBN

On quarter-on-quarter basis, foreign Asset (Net) of the banking system grew by 18.7 per cent to ₦10,050.49 billion at end-September 2017, compared with the growth of 11.0 per cent in the preceding quarter. The development was due to the increase in foreign asset holdings of the CBN and banks. Over the level at end-December 2016, foreign assets of the Banking System (net) increased by 9.9 per cent in the third quarter of 2017, as against the decline of 7.5 per cent at the end of the second quarter. The growth was due, wholly, to the increase

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

³ 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

of 12.3 per cent in the foreign assets holdings of the CBN.

Other assets (net) of the banking system, on quarter-on-quarter basis, fell by 9.9 per cent to negative ₦15,081.81 billion at end-September 2017, compared with the fall of 5.6 per cent at end-June 2017. The development reflected the fall in other assets of the CBN and banks. Over the level at end-December 2016, other assets (net) of the banking system fell by 21.5 per cent, compared with the decline of 10.5 per cent at the end of the preceding quarter.

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

	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17
Domestic Credit (Net)	0.4	4.9	8.6	8.2	1.5	0.9	-1.6	-0.9
Claims on Federal Government (Net)	3.8	30.7	-16.3	26.6	32.8	3.7	-1.0	-5.5
Claims on Private Sector	-0.1	0.9	13.6	5.7	-3.3	0.3	-1.7	0.2
Claims on Other Private Sector	-0.2	-0.4	13.0	6.0	-2.8	0.0	-1.1	-0.2
Foreign Assets (Net)	11.2	-1.8	13.1	9.0	18.2	-16.6	11.0	18.7
Other Assets (Net)	8.2	7.1	-24.6	-22.5	-3.6	-4.7	-5.6	-9.9
Broad Money Supply (M2)	7.0	2.2	7.9	2.0	6.2	-5.8	-1.5	-0.1
Quasi-Money	-1.0	-0.3	9.9	-3.0	1.1	-2.0	-2.3	0.8
Narrow Money Supply (M1)	19.9	5.5	5.3	8.9	12.6	-10.1	-0.4	-0.7
<i>Memorandum Items:</i>								
Reserve Money (RM)	0.4	-0.9	-7.6	6.1	0.6	-3.4	-2.8	1.5

Source: CBN

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

At ₦1,781.05 billion, currency-in-circulation fell by 4.9 per cent, below the level in the second quarter of 2017. The development reflected the decline in both its currency outside banks and demand deposit components.

Total deposits at the CBN amounted to ₦12,257.76 billion, indicating 6.7 per cent increase over the level at the end of the second quarter of 2017. The development was as a result of the rise in the deposits of banks, Federal Government and the private sector in the review quarter. Of the total deposits at CBN, the shares of the Federal Government, Banks and 'Others' were ₦5,853.80 (48.0 per cent), ₦3,778.75 billion (31.0 per cent) and ₦2,625.21 billion (21.0 per cent), respectively.

Reserve money (RM) rose at the end of the third quarter of 2017.

Reserve money (RM) rose by 1.5 per cent to ₦5,559.79 billion at end-September 2017, above the level at end-June 2017. The development was as a result of the growth in banks' reserve at the CBN which more than offset the decline in

currency-in-circulation.

2.3 Money Market Developments

There was relative stability in the financial market during the third quarter of 2017. Though withdrawals arising from CBN foreign exchange interventions and Open Market Operations (OMO) exerted pressure on liquidity, inflow from fiscal injections and maturing CBN bills boosted liquidity in the market. Accordingly, money market rates moved in tandem with the trend of liquidity in the financial market.

The financial market was relatively stable during the review period.

Total value of money market assets outstanding at the end of the third quarter of 2017 was ₦12,025.33 billion, showing an increase of 3.0 per cent, in contrast to the decline of 0.6 per cent at the end of the preceding quarter. The development was attributed to the respective increase of 29.6, 6.0, and 2.0 per cent in Commercial Paper, FGN Bonds and Nigera Treasury Bills outstanding in the review quarter.

2.3.1 Interest Rate Developments

Developments in banks' deposit and lending rates were mixed in the third quarter of 2017. With the exception of the average savings and term deposit as well as the 12 month and over 12 month deposit rates which fell by 0.05 per cent, 0.04 per cent, 0.98 per cent and 0.60 per cent, respectively, all other deposits rates of various maturities rose from a range of 4.13 - 10.63 per cent at end-June 2017 to a range of 4.30-11.30 per cent in the review quarter. At 4.08 and 8.79 per cent at end-September 2017, the average savings and term deposit rates declined by 0.05 and 0.04 percentage point below the levels at the end of the second quarter of 2017.

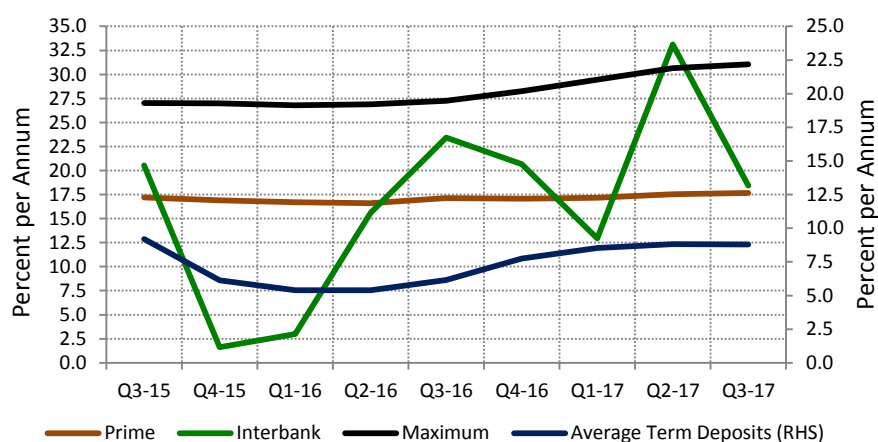
Banks' deposit rates showed mixed developments while lending rates trended upward in the third quarter of 2017.

The average prime and maximum lending rates rose by 0.12 and 0.39 percentage point to 17.66 and 31.06 per cent, respectively. Consequently, the spread between the weighted average term deposit and maximum lending rates widened by 0.40 percentage point to 22.27 percentage points at the end of the third quarter of 2017. Similarly, the margin between the average savings and the maximum lending rates widened by 0.37 percentage point to 26.76 percentage points. With inflation at 15.98 per cent at end-September 2017, all deposit rates were negative in real terms, while lending rates were positive in real terms.

Interbank call rate fell in 3 2017.

At the inter-bank funds segment, the weighted average inter-bank call rate, which stood at 33.11 per cent at end-June 2017, fell by 14.66 percentage points to 18.11 per cent in the third quarter of 2017. The development reflected the relative liquidity ease in the banking system in the review quarter vis-à-vis the condition in the preceding quarter. The Nigeria inter-bank offered rate (NIBOR) for the 30-day tenor fell from 38.93 per cent in the preceding quarter to 22.15 per cent in the third quarter of 2017. Similarly, the weighted average rate at the Open-Buy-Back (OBB) segment fell by 14.91 percentage points to 25.06 per cent (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)



Source: CBN

Table 2: Selected Interest Rates (Percent, Averages)

	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Average Term Deposits	9.2	6.1	5.4	5.4	6.2	7.8	8.5	8.8	8.8
Prime Lending	17.2	16.9	16.7	16.6	17.1	17.1	17.2	17.5	17.7
Interbank	20.5	1.6	3.0	15.6	23.4	20.7	13.0	33.1	18.5
Maximum Lending	27.0	27.0	26.8	26.9	27.3	28.3	29.4	30.7	31.1

Source: CBN

2.3.2 Commercial Paper (CP)

Commercial Paper (CP) outstanding held by banks rose by 29.6 per cent to ₦0.57 billion at the end of the third quarter of 2017, above ₦0.44 billion at end-June 2017. The development was due to the rise in investment in CP by the merchant banks during the review period. Thus, CP constituted 0.005 per cent of the total value of money market assets outstanding,

compared with 0.004 per cent at the end of the preceding quarter.

2.3.3 Bankers' Acceptances (BAs)

Bankers' Acceptances (BAs), which stood at ₦26.81 billion at end-September 2017, was 34.7 per cent below the level in the preceding quarter. The development reflected the decline in investment in BAs by the banks during the review quarter. Consequently, BAs accounted for 0.2 per cent of the total value of money market assets outstanding, at the end of the third quarter of 2017, compared with 0.4 per cent at the end of the preceding quarter.

banks' holdings of BAs decreased in Q3 of 2017.

2.3.4 Open Market Operations

The Bank intervened through direct Open Market Operations (OMO) auctions conducted from July 1 to September 26, 2017. The tenors to maturity of the instruments ranged from 79 to 364-day. Total amount offered was ₦3,733.54 billion, while total subscription and allotment were ₦3,048.49 billion and ₦2,924.71 billion, respectively. The bid rates ranged from 16.00 to 18.55 per cent, while the stop rates ranged from 17.20 to 18.55 per cent. Repayment of matured CBN bills was ₦1,754.37 billion, translating to a net withdrawal of ₦1,170.34 billion.

2.3.5 Primary Market

At the Government securities market, NTBs and long-term (FGN Bonds) debt instruments were issued at the primary market on behalf of the Debt Management Office (DMO). NTBs of 91- 182- and 364-day tenors, amounting to ₦1,181.71 billion, ₦1,872.31 billion and ₦1,256.70 billion were offered, subscribed to and allotted, respectively, in the third quarter of 2017.

2.3.6 Bonds Market

Tranches of the 5-, 10- and 20-year FGN Bonds were offered for sale in the third quarter of 2017. The term to maturity of the bonds ranged from 3 years 10 months to 19 years 9 months. Total amount offered, subscribed to and allotted was ₦405.00 billion, ₦587.66 billion and ₦405.79 billion, respectively. There was no allotment on non-competitive basis, while ₦120.00 billion FGN bond was repaid on maturity. The bid rate on all tenors ranged from 15.00 to 17.50 per cent, while the marginal rates for all the tenors ranged from 15.90 to 16.90 per cent. The bid-to-cover ratio was 1.00, while the auction was

Subscription for FGN Bonds of various maturities were reopened during the third quarter of 2017.

oversubscribed by 19.00 per cent.

2.3.7 CBN Standing Facilities

The banks continued to access the Bank's Standing Facilities window to square up their positions either by borrowing from the standing lending facility (SLF) or depositing excess reserves at the standing deposit facility (SDF) of the CBN at the end of each business day. Activities at the CBN standing facility window showed more patronage at the SLF window. Applicable rates for the SLF and SDF stood at 16.00 per cent and 9.00 per cent, respectively.

Total request for Standing Lending Facility (SLF) (including the Intra-day lending facilities (ILF) converted to overnight repo) amounted to ₦13,553.66 billion with interest earnings of ₦9.37 billion, compared with SLF of ₦14,554.94 billion and interest earned of ₦11.23 billion in the preceding quarter.

Total standing deposit facility (SDF) granted during the review quarter was ₦1,536.76 billion with a daily average of ₦30.74 billion, compared with ₦1,961.35 billion in the second quarter of 2017. Interest payment on SDF in the review quarter was ₦0.52 billion, compared with ₦0.78 billion at end-June 2017.

2.4 Deposit Money Banks' Activities

The total assets and liabilities of the commercial banks stood at ₦33,310.15 billion at end-september 2017 2017, representing 1.3 per cent increase over the level at end-June 2017. The funds were sourced, mainly, from unclassified liabilities and realisation of unclassified assets and claims on CBN. The funds were used, mainly, for accretion of reserves, acquisition of foreign assets and reduction of demand, time, savings and foreign currency deposits.

At ₦21,590.55 billion, banks' credit to the domestic economy, rose by 1.3 per cent, over the level at end-June 2017. The development reflected, mainly, the rise in claims on the private sector in the review quarter.

Total specified liquid assets of the banks stood at ₦7,245.92 billion, representing 39.8 per cent of the total current liabilities. At that level, the liquidity ratio contracted by 1.0 percentage point below the level at the end of the preceding quarter and was 9.8 percentage points above the stipulated minimum

Liquidity and Loan-to-deposit ratios were above the prescribed minimum and maximum, respectively, in Q3 of 2017

ratio of 30.0 per cent. The loans-to-deposit ratio, at 82.77 per cent, was 0.76 percentage points above the level at the end of the preceding quarter and 2.77 percentage points above the prescribed maximum of 80.0 per cent.

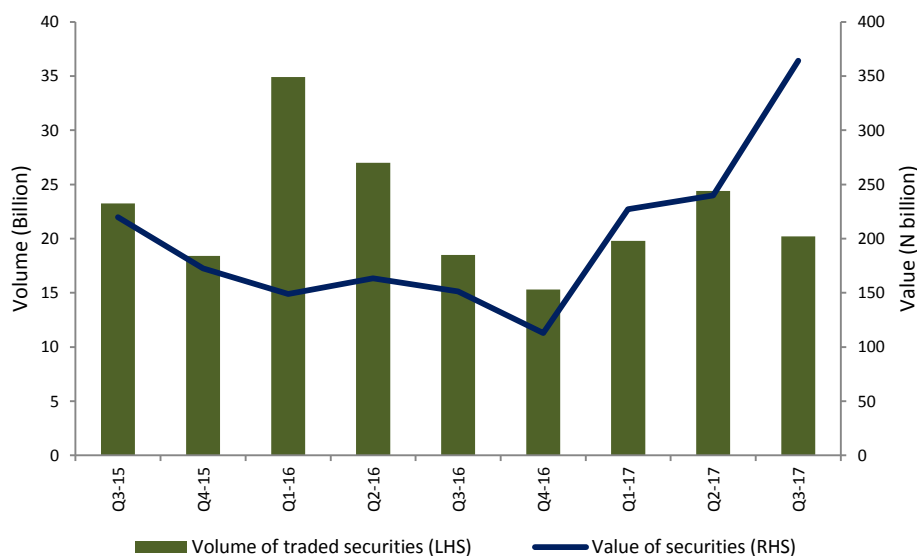
2.5 Capital Market Developments

2.5.1 Secondary Market

Developments in the major market indicators were mixed in the third quarter of 2017. The aggregate volume of traded securities fell by 17.2 per cent to 20.2 billion shares, while value of traded securities rose by 51.7 per cent to ₦364.1 billion in 253,041 deals, compared with 24.4 billion shares and ₦240.0 billion in 266,373 deals, recorded in the second quarter of 2017. The Financial Services Industry (measured by volume) led the activity chart with 19.6 billion shares valued at ₦148.3 billion, traded in 156,471 deals, compared with 19.6 billion shares valued at ₦148.3 billion and traded in 156,471 deals in the second quarter of 2017.

There were no Over-the-Counter (OTC) transactions in the review month.

Figure 4: Volume and Value of Traded Securities



Source: NSE

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

	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Volume (Billion)	23.26	18.4	34.9	27	18.5	15.3	19.8	24.4	20.2
Value (₦ Billion)	219.76	172.6	148.9	163.4	151.4	112.8	227.2	240.0	364.1

Source: NSE

2.5.2 New Issues Market/Supplementary Listings

There were five (5) supplementary equity listings in the review period.

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

S/N	Company	Additional Shares (Units)	Reasons	Listing
1	Lafarge Africa Plc	9.78 Million Ordinary Shares	Exchange for AshakaCem Sha	Supplementary
2	Livestock feeds PLC	1.0 billion Ordinary Shares	Additional Shares	Supplementary
3	Livestock feeds PLC	1.0 billion Ordinary Shares	Additional Shares	Supplementary
4	Nig. Enamelware plc	12,672,000 units	Bonus Issue	Supplementary
5	UACN Property Development CO. Ltd	879,645,796 units	Right Issue	Supplementary

Source: NSE

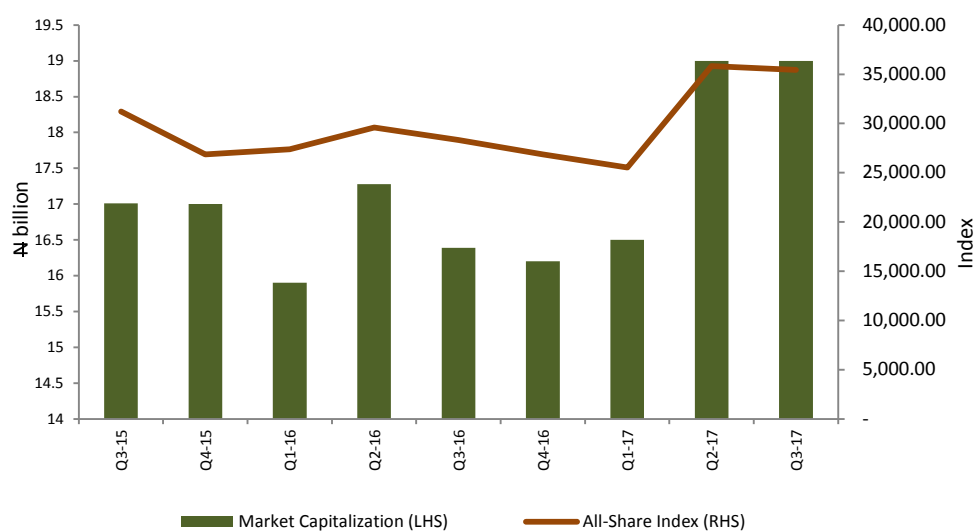
2.5.3 Market Capitalisation

The aggregate market capitalisation for all listed securities (Equities and Debts) rose by 3.2 per cent to ₦19.6 trillion at end-September, 2017 compared with ₦19.0 trillion at the end of the second quarter of 2017. Similarly, market capitalisation for the equity segment rose by 6.1 per cent to ₦12.2 trillion and constituted 62.2 per cent of the aggregate market capitalisation, compared with ₦11.5 trillion and 60.5 per cent at end-June 2017.

2.5.4 NSE All-Share Index

The All-Share Index, which opened at 33,117.48, rose by 7.01 per cent to close at 35,439.98 in the third quarter of 2017. Similarly, all the sectoral Indices finished lower during the review quarter with the exception of NSE Premium, NSE Banking, NSE Insurance, NSE Oil/Gas, NSE Lotus II and NSE Pension indices which appreciated by 0.94 per cent, 1.17 per cent, 0.61 per cent, 0.52 per cent, 0.03 per cent, and 0.24 per cent, respectively, to close at 2,323.19, 440.17, 139.73, 280.83, 2,228.44 and 1,221.61.

Figure 5: Market Capitalisation and All-Share Index



Source: NSE

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

	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Market Capitalization (₦ trillion)	17.01	17.00	15.88	17.28	16.39	16.20	16.50	19.00	19.60
All-Share Index (Equities)	31,217.77	26,871.24	27,385.69	29,597.79	28,335.40	26,874.62	25,516.34	33,117.48	35,439.98

Source: NSE

3.0 Fiscal Operations

Federally collected revenue in the third quarter of 2017 fell below the provisional quarterly budget estimate by 16.7 per cent, but was 46.1 per cent higher than the receipts in the second quarter of 2017. Federal Government provisional retained revenue for the review quarter was ₦957.22 billion, while total provisional expenditure was ₦1,358.98 billion, resulting in estimated deficit of ₦401.76 billion.

3.1 Federation Account Operations

Federally-collected revenue in the third quarter of 2017, at ₦2,299.37 billion, was lower than the proportionate quarterly budget estimate of ₦2,684.28 billion by 16.7 per cent. It, however, exceeded the receipts in the preceding quarter by 46.1 per cent. The decline in federally-collected revenue (gross) relative to the proportionate quarterly budget estimate⁴ was attributed to the shortfall in receipts from both oil and non-oil revenue during the review quarter (Fig. 6, Table 6).

Gross federally - collected revenue rose by 46.1 per cent above the level in the second quarter of 2017.

Figure 6: Components of Gross Federally Collected Revenue

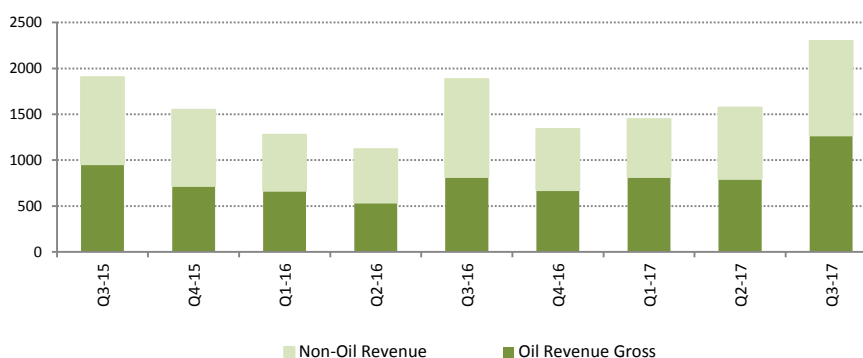


Table 6: Gross Federation Account Revenue (₦ Billion)

	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Federally-collected revenue (Gross)	1,911.71	1,547.96	1,276.38	1,118.56	1,882.26	1,434.49	1,446.14	1,573.88	2,299.37
Oil Revenue	949.45	830.81	666.13	537.19	817.48	673.10	817.48	795.55	1,270.62
Non-Oil Revenue	962.25	717.15	610.25	581.37	1,064.78	761.39	628.66	778.33	1,028.75

Source: Federal Ministry of Finance

⁴ The proportionate quarterly budget estimate is the 2017 approved budget.

Gross oil receipt at ₦1,270.62 billion or 55.3 per cent of the total revenue, was lower than the proportionate quarterly budget estimate by 6.2 per cent, but was above the receipts in the preceding quarter by 59.7 per cent. The decline in oil revenue relative to the proportionate quarterly budget estimate was due to the shortfall in receipts from crude oil/gas exports, owing to the decline in crude oil production, arising from leakages and shut-ins/shut-downs at some NNPC terminals, (Fig. 7, Table 7).

Figure 7: Gross Oil Revenue and Its Components

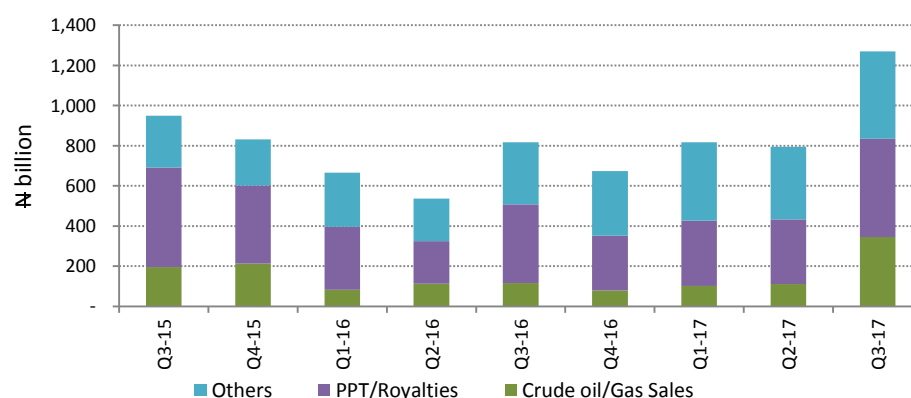


Table 7: Components of Gross Oil Revenue (₦ Billion)

	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Oil Revenue Gross	949.45	830.81	666.13	537.19	817.48	673.10	817.48	795.55	1,270.62
Crude oil/Gas Sale	196.29	212.86	82.43	112.54	115.95	78.63	101.33	111.84	345.53
PPT/Royalties	495.39	388.66	314.04	212.78	392.38	273.13	325.38	320.49	489.41
Others	257.78	229.28	269.66	211.86	309.15	321.34	390.78	363.22	435.69

Source: Federal Ministry of Finance

At ₦1,028.75 billion or 44.7 per cent of the total, non-oil receipts (gross) fell below the proportionate quarterly budget estimate of ₦1,335.41 billion by 29.8 per cent. It was, however, above the level in the preceding quarter by 32.2 per cent. The lower non-oil revenue relative to the proportionate quarterly budget estimate was due to the shortfall in most components of the non-oil revenue except Corporate tax, customs and excise duties and customs special levies (non-Federation Account component) during the review period (Fig. 8, Table 8).

Figure 8: Gross Non-Oil Revenue and its Components

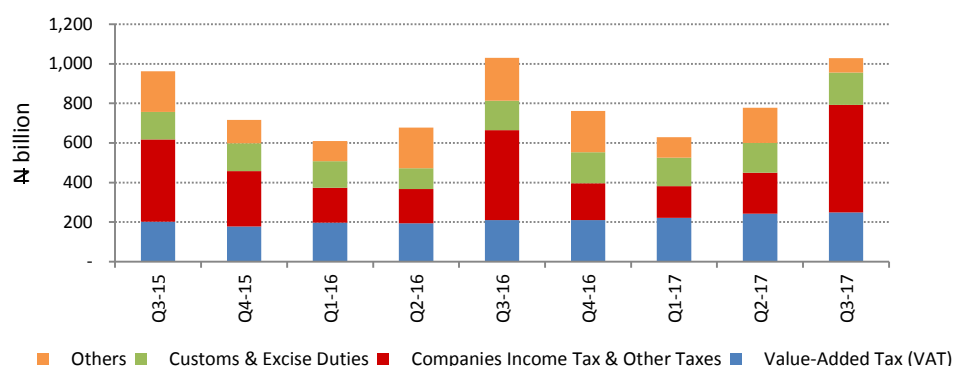


Table 8: Components of Gross Non-Oil Revenue (₦ Billion)

	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Non-Oil Revenue	962.25	717.15	610.25	581.37	1,064.78	761.39	628.66	778.33	1,028.75
Value-Added Tax (VAT)	202.11	177.78	196.57	194.61	210.35	209.47	222.00	243.31	248.89
Companies Income Tax & Other Taxes	415.67	279.13	176.26	171.71	453.74	186.73	158.95	206.38	543.40
Customs & Excise Duties	138.83	141.67	135.51	106.54	150.15	156.62	144.17	150.67	164.15
Others/1	205.64	118.57	101.91	108.51	250.54	208.58	103.54	177.98	72.31

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

A net sum of ₦1,464.42 billion was retained in the Federation Account from the gross federally-collected revenue after total statutory deductions of ₦523.70 billion and transfers of ₦311.25 billion. Of the ₦1,464.42 billion, the Federal Government received ₦716.95 billion, while the State and Local Governments got ₦363.65 billion and ₦280.36 billion, respectively. The balance of ₦103.46 billion was allocated to the 13.0% Derivation Fund for distribution among the oil-producing states.

In addition, the Federal Government received ₦35.84 billion, while the State and Local Governments received ₦119.47 billion and ₦83.63 billion, respectively, from the VAT Pool Account.

The sum of ₦1,464.42 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.

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

	Q1 2017	Quarterly Budget	Q2 2017	Q3 2017
Total Deductions 1/	393.37	128.07	318.36	523.70
Oil Revenue Deductions	361.22	76.25	270.38	474.76
Non-Oil Revenue Deductions	32.16	51.82	47.98	48.94
Total Transfers	372.46	699.74	359.23	311.25
Federal Govt. Ind. Revenue	77.71	201.89	72.33	19.29
VAT Pool Account	213.12	432.00	233.58	238.93
Others 2/	81.62	65.85	53.32	53.02
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

Thus, the total statutory and VAT revenue allocation to the three tiers of government in the third quarter of 2017 amounted to ₦1,703.35 billion, compared with the proportionate quarterly budget estimate of ₦2,350.72 billion and the sum of ₦1,296.85 billion received in the preceding quarter.

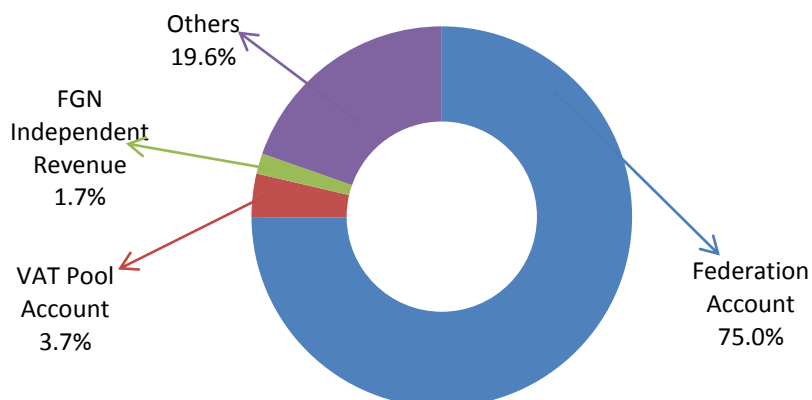
3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

At ₦957.22 billion, the estimated FGN retained revenue was lower than the proportionate quarterly budget estimate by 29.0 per cent.

Provisional data on Federal Government finances indicated that the Federal Government retained revenue for the third quarter of 2017 amounted to ₦957.22 billion. This was below the proportionate quarterly budget estimate by 40.9 per cent. It was, however, above the receipts in the preceding quarter by 42.0 per cent. Of the total revenue, Federation Account accounted for 74.9 per cent, while Federal Government Independent Revenue, VAT and Others accounted for 1.7, 3.7 and 19.6 per cent, respectively (Fig. 9).

Figure 9: Federal Government Retained Revenue

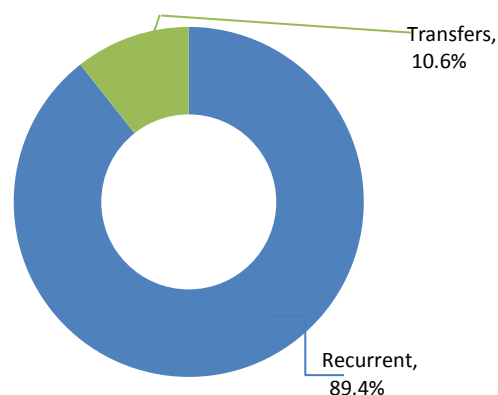


The estimated Federal Government expenditure for the third quarter of 2017 was ₦1,358.98 billion, and below the proportionate quarterly budget estimate of ₦1,937.98 billion by 42.6 per cent. It was, however, above the level in the preceeding quarter by 48.5 per cent. The decline relative to the proportionate quarterly budget estimate was attributed, mainly, to the decline in recurrent and absence of capital expenditures in the period. A breakdown of the total expenditure showed that the recurrent component accounted for 89.4 per cent, while the remaining 10.6 per cent went to statutory transfers. A further breakdown of the recurrent expenditure showed that the non-debt component accounted for 51.3 per cent, while debt service payments was 48.7 per cent.

Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦401.76 billion, compared with the the proportionate quarterly budget deficit of ₦589.19 billion.

Fiscal operations of the FG resulted in an estimated deficit of ₦401.76 billion in Q3 2017.

Figure 10: Federal Government Expenditure



Source: Fiscal Liquidity Assessment Committee (FLAC) & the Office of the Accountant General of the Federation

Table 10: Federal Government Fiscal Operations (₦ Billion)

	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Retained Revenue	1,044.92	802.63	587.92	722.37	1,000.03	977.38	552.29	674.07	957.22
Expenditure	1,176.17	1,538.46	1,140.24	1,381.51	1,301.02	1,658.21	924.67	914.91	1,358.98
Current Surplus(+)/Deficit(-)	31.20	(136.57)	(365.84)	(213.76)	(158.60)	(178.42)	(289.83)	(107.90)	(257.20)
Primary Surplus(+)/Deficit(-)	159.82	(522.58)	(187.51)	(414.43)	205.90	(412.31)	(119.88)	8.92	190.07
Overall Balance: Surplus(+)/Deficit(-)	(131.25)	(735.83)	(552.32)	(659.14)	(300.99)	(680.83)	(372.38)	(240.84)	(401.76)

Source: Fiscal Liquidity Assessment Committee (FLAC) & the Office of the Accountant General of the Federation

3.2.2 Statutory Allocations to State Governments

Total allocation to state governments from the Federation Account including the 13.0% Derivation Fund and the VAT Pool Account, was ₦586.58 billion in the review quarter. This was lower than the proportionate quarterly budget estimate by 30.9 per cent. A breakdown showed that the receipts from the Federation Account was ₦467.11 billion (79.6 per cent), while the share of VAT pool account stood at ₦119.47 billion (20.4 per cent). The receipts from both the Federation and VAT Pool Accounts fell below the proportionate budget estimate by 26.2 and 44.7 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 review quarter was ₦363.98 billion. This was below the proportionate quarterly budget estimate by 40.9 per cent. Of the total amount, allocation from the Federation Account was ₦280.36 billion (77.0 per cent), while the VAT Pool Account stood at ₦83.63 billion (23.0 per cent).

4.0 Domestic Economic Conditions

There was improvement in agricultural activities during the review quarter due to favourable weather conditions across the country. Harvest of maize, yam, rice and cassava dominated in the Southern States, while farmers in the Central and Northern States were mainly involved in the harvest of potatoes, maize and groundnut. In the livestock sub-sector, farmers engaged in the breeding of poultry and migration of cattle from the Northern States to other regions in search of green pastures.

4.1 Agricultural Sector

Analysis of the standardised precipitation index (SPI) indicated that weather condition in the third quarter of 2017 was favourable for farming. There was widespread rainfall, though with cases of flood in some parts of the country. In addition, the Federal Government continued to implement policies and programmes to improve agricultural production for increased export. The Nigeria Incentive Based Risk Sharing System for Agricultural Lending (NIRSAL) also signed a partnership agreement with two leading Moroccan agricultural insurance companies - 'Mutuelle Agricole Marocaine D'Assurances (MAMDA) and MAMDA Reassurance to broaden the range and coverage of agricultural insurance products in Nigeria.

Few cases of insurgency activities in Northern Borno, however, negatively impacted agricultural activities, functioning of markets and people's livelihood generally. Nevertheless, there was general improvement in agricultural activities in the review quarter. Farmers in the South were mainly involved in harvest of yam, maize, rice and cassava, while harvest of potatoes, maize and groundnuts dominated in the Central and Northern States. In the livestock sub-sector, farmers engaged in the breeding of poultry and migration of cattle from the Northern states to other regions in search of green pastures.

4.2 Agricultural Credit Guarantee Scheme

A total of ₦1,396.2 million was guaranteed to 10,009 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in the third quarter OF 2017. This represented a decline of 4.4 per cent and 37.9 per cent below the levels in the preceding quarter and the corresponding period of 2016, respectively.

Sub-sectoral analysis showed that food crops obtained the largest share of ₦856.3 million (61.3 per cent) guaranteed to 7,256 beneficiaries. Livestock got ₦159.6 million (11.4 per cent) guaranteed to 660 beneficiaries and cash crops had ₦122.3 million (8.8 per cent) guaranteed to 724 beneficiaries, while mixed crop received ₦91.8 million (6.6 per cent) guaranteed to 963 beneficiaries. The Fishery sub-sector received ₦83.6 million (6.0 per cent) guaranteed to 287 beneficiaries, while 'Others' received a total of ₦21.7 million (1.6 per cent) guaranteed to 119 beneficiaries.

Analysis by state showed that 33 states and the Federal Capital Territory benefited from the Scheme in the review period, with the highest and lowest sums of ₦124.9 million (9.4 per cent) and ₦0.3 million (0.02 per cent) guaranteed to Oyo and Bayelsa States, respectively.

4.3 Commercial Agricultural Credit Scheme (CACs)

The Bank approved the Paddy Aggregate Scheme (PAS) as a special window under the CACS in the third quarter of 2017. The Scheme is a working capital facility for integrated rice millers at 9.0 per cent interest rate and 6 months tenor. To further facilitate access by prospective beneficiaries, the single obligor limit under the CACS was also waived for beneficiaries under the Scheme.

At end-September 2017, total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACs) from inception to the participating banks for disbursement stood at ₦501.70 billion for 526 projects (Table 10).

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

S/N	Participating Banks	Amt Disbursed (₦ billion)	Number of Projects/State Governments
1	Access Bank Plc	36.66	26
2	Citibank Plc	3.00	2
3	Diamond Bank Plc	4.85	21
4	ECOBANK	6.38	10
5	FCMB Plc.	11.43	23
6	Fidelity Bank Plc	16.32	15
7	First Bank of Nigeria Plc	47.89	99
8	GTBank Plc	31.70	24
9	Heritage Bank Plc	6.82	14
10	Keystone Bank	4.05	9
11	Jaiz Bank Plc	0.00	1
12	Skye Bank Plc	13.77	10
13	Stanbic IBTC Bank	25.41	43
14	Sterling Bank Plc	63.68	38
15	Union Bank Nigeria PLC	26.24	36
16	United Bank for Africa (UBA) Plc	65.55	44
17	Unity Bank Plc	24.33	26
18	Wema Bank	2.12	12
19	Zenith Bank	109.66	71
20	Suntrust Bank Ltd	1.85	2
	TOTAL	501.70	526

4.4 Industrial Production

There was improvement in industrial sector activities in the third quarter of 2017. The development was attributed to sustained increased supply of foreign exchange and appreciation of naira which facilitated importation of raw materials and intermediate input as well as continued easing in inflationary pressures. The development stimulated new orders, and increased output and employment.

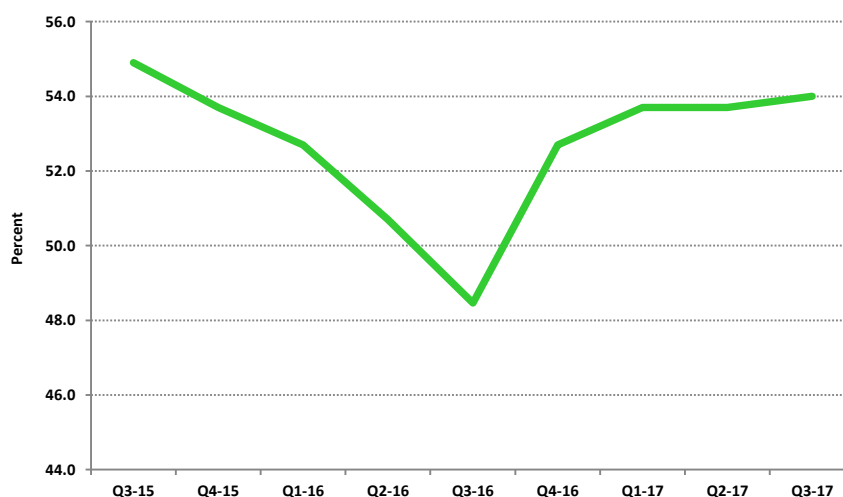
Consequently, at 106.8 (2010=100) in the review quarter, the estimated index of industrial production increased by 2.5 per cent over the level in the preceding quarter. The increase was attributed to improved activities in all sub-sectors during the period.

Industrial activities rose in the review quarter due to increased activities in all sub-sectors.

Industrial capacity utilisation stood at 54.0 percentage points in the review quarter.

The estimated index of manufacturing production in the third quarter of 2017, at 179.0 (2010=100), showed 2.5 and 2.7 per cent increase above the levels in the preceding quarter and the corresponding period of 2016, respectively. The capacity utilisation was estimated at 54.0 per cent showing an increase of 1.8 percentage points over the level in the preceding quarter. The improvement was due to increased consumer demand and moderation in input prices (Fig.11).

Figure11: Manufacturing Capacity Utilization Rate



Source: Staff Estimate

The index of mining production in the third quarter of 2017 at 83.05 (1990=100), rose by 10.0 per cent and 10.7 per cent, above the levels in the preceding quarter and the corresponding period of 2016, respectively. The development was attributed to increased crude oil and gas production.

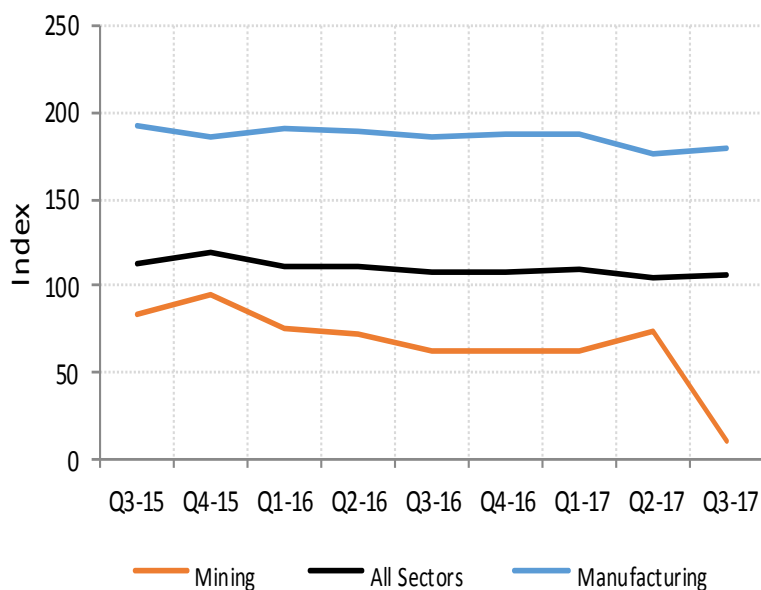
Average electricity generation and consumption rose during the review quarter.

Estimated average electricity generation in the third quarter of 2017 rose by 5.6 per cent to 3,875.3 MW/h, over the 3,556 MW/h attained in the preceding quarter. The increase was attributed to the improved gas supply to thermal stations and rising level of water in the hydro stations.

At 2,853.9 MW/h, average estimated electricity consumed fell marginally by 0.9 per cent, below the level in the preceding quarter. The decline was attributed to the rejection of 1000 mw per day by Discos and power losses on account of

inefficient transmission and distribution facilities (Figure 12, Table 11).

Figure 12: Index of Industrial Production (2010=100) ⁵



Source: Staff Estimate

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

	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
All Sectors (1990=100)	112.50	118.80	111.10	110.30	108.50	108.50	109.90	103.80	106.80
Manufacturing	191.8	185.5	190.2	188.9	186.6	186.7	187.9	176.9	179
Mining	83.1	94.5	75	72	62.7	62.3	63.1	73.5	10
Capacity Utilisation (%)	54.90	53.70	52.70	50.70	48.46	48.46	48.46	53.70	54.00

Source: Staff Estimate

4.5 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, averaged 1.83 mbd or 168.36 million barrels (mb) in the review quarter. This represented an increase of 0.17 mbd or 10.2 per cent, compared with 1.66 mbd or 151.06 mb recorded in the preceding quarter. The development was due to sustained peace in the oil production region.

Crude oil and natural gas production increased in the third quarter of 2017.

⁵ Index measurement (2010=100) from first quarter 2015

Crude oil export increased in Q3 2017.

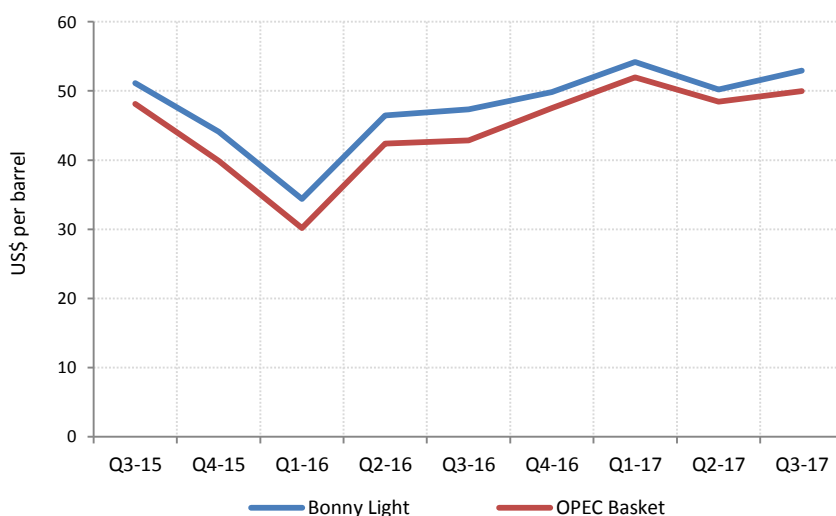
Crude oil export stood at 1.38 mbd or 126.96 mb, representing 14.0 per cent increase over 1.21 mbd or 110.11 mb in the preceding quarter. The development was due, mainly, to reduced activities of vandals in the Niger Delta region. Allocation of crude oil for domestic consumption was maintained at 0.45 mbd or 41.40 million barrels in the review quarter.

Average crude oil prices, including Nigeria's Bonny Light (37° API) rose in the international crude oil market in Q3 2017.

The average spot price of Nigeria's reference crude oil, the Bonny Light (37° API) rose from US\$50.21 per barrel in the second quarter of 2017 to US\$52.92 per barrel in the review quarter. This represented an increase of 5.4 per cent. The UK Brent at US\$52.51/b, the WTI at US\$47.39, and the Forcados at US\$53.09/b exhibited similar trends as the Bonny Light.

The average price of OPEC basket of fourteen selected crude streams was US\$49.97/b in the third quarter of 2017. This represented an increase of 3.1 per cent and 16.5 per cent relative to the average of US\$48.47/b and US\$42.90/b in the preceding quarter and the corresponding quarter of 2016, respectively (Figure 13, Table 12).

Figure 13: Trends in Crude Oil Prices



Source: Reuters

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

	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Bonny Light	51.15	44.08	34.39	46.44	47.33	49.84	54.17	50.21	52.92
OPEC Basket	48.14	39.9	30.16	42.38	42.86	47.52	51.95	48.47	49.97

Source: Reuters

4.6 Consumer Prices⁶

The all-items composite Consumer Price Index (CPI), at end-September 2017, was 241.2 (November 2009=100), indicating 2.99 per cent and 15.98 per cent increase above the levels in the preceding quarter and the corresponding quarter of 2016, respectively. The development was attributed to price increase across all Classification of Individual Consumption by Purpose (COICOP) functions and all-item levels. It was, however, the eighth consecutive decline in the year-on-year headline inflation since January 2017.

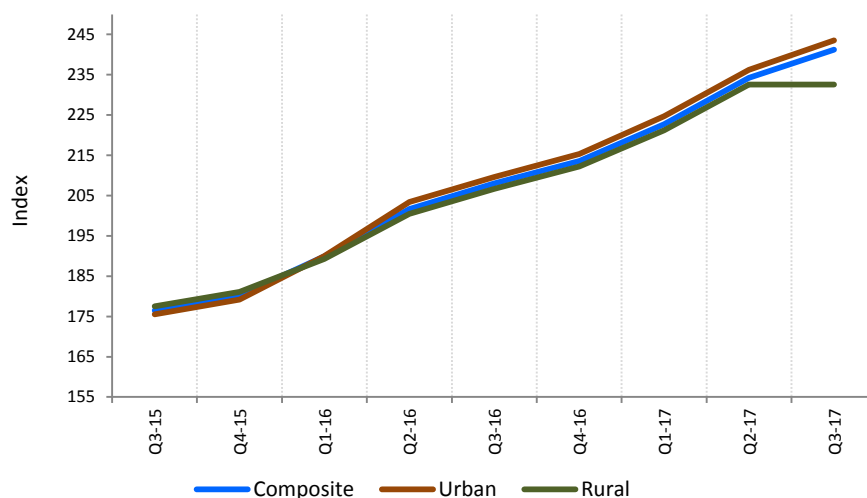
The urban all-items CPI at the end of the third quarter of 2017 was 243.5 (November 2009=100), indicating an increase of 3.1 per cent and 16.2 per cent, respectively, compared with the levels in the preceding quarter and the corresponding period of 2016. Similarly, the rural all-items CPI, at 239.4 (November 2009=100), represented increase of 2.9 per cent and 15.8 per cent, respectively, compared with the levels in the preceding quarter and the corresponding period of 2016 (Figure 14, Table 13).

The composite food index (with a weight of 50.7 per cent in the CPI basket) was 255.1 per cent, representing an increase of 3.6 per cent, over 246.3 per cent at the end of the preceding quarter. The rise in the index was driven, largely, by the increase in the prices of potatoes, yams and other tubers, milk cheese and eggs, bread and cereals, coffee tea and cocoa, soft drinks, fish, meat and oil and fats.

The general price level increased in Q3 2017 over the level in the preceding quarter.

⁶ 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.

Figure 14: Consumer Price Index



Source: NBS

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

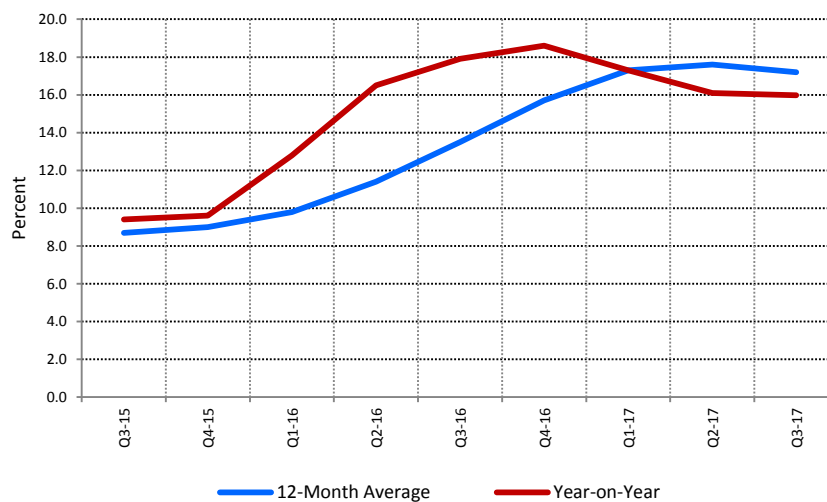
	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Composite	176.5	180.2	189.9	201.7	208	213.6	222.7	234.2	241.2
Urban	175.5	179.2	190.0	203.4	209.6	215.3	224.7	236.2	243.5
Rural	177.5	181.11	189.9	200.5	206.7	212.2	221.2	232.6	239.4

The headline inflation (y-o-y) stood at 15.98 per cent in Q3 2017.

Inflationary pressures maintained a declining trend in the third quarter of 2017, due mainly to easing non-food prices, favourable base effects over 2016 prices and reduced exchange rate pass-through on domestic prices. This followed sustained intervention by the CBN in the foreign exchange market, which stabilised the exchange rate. Consequently, headline inflation declined to 15.98 per cent from the 16.10 and 17.85 per cent in the preceding and the corresponding quarters of 2016, respectively. The pace of inflation was driven by contributions of solid fuels, bread and cereals, meat, liquid fuels, clothing and its accessories, and fish.

On a twelve-month moving average basis, inflation fell to 17.2 per cent in the third quarter of 2017, compared with 17.6 and 13.5 per cent in the preceding quarter and the corresponding period of 2016, respectively (Figure 15, Table 14).

Figure 15: Inflation Rate



Source: NBS

Table 15: Headline Inflation Rate (%)

	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
12-Month Moving Average	8.70	9.00	9.80	11.40	13.50	15.70	17.30	17.60	17.20
Year-on-Year	9.40	9.60	12.80	16.50	17.90	18.60	17.26	16.10	15.98

Source: NBS

5.0 External Sector Developments⁷

Foreign exchange inflow and outflow through the CBN in the third quarter of 2017 rose by 28.1 per cent and 3.3 per cent, respectively, over the levels in the preceding quarter. Total non-oil export receipts declined by 51.4 per cent, relative to the level in the second quarter of 2017. The average exchange rate at the inter-bank segment was ₦305.81/US\$, compared with ₦305.76/US\$ at the end of the second quarter of 2017. At US\$33.16 billion, the gross external reserves rose by 9.2 per cent, above the level at end-June 2017.

5.1 Foreign Exchange Flows

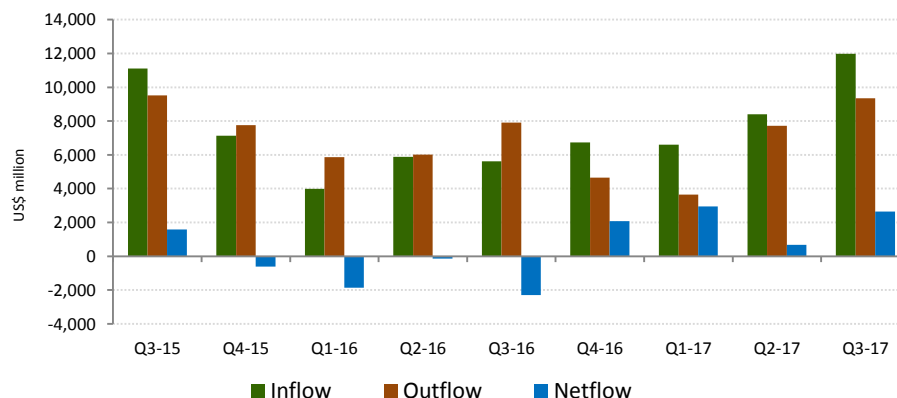
Low shale oil production in the US due to the damaging impacts of Hurricane Harvey and the decision of Organisation of Petroleum Exporting Countries (OPEC) to sustain the extension of crude oil supply cut led to increase in the price of crude oil at the international market. In addition, reduction in crude oil bunkering and pipeline vandalism in the oil producing regions of Nigeria resulted in increased domestic production. The development positively impacted crude oil sales and revenue in the review period. Consequently, foreign exchange inflow through the CBN in the third quarter of 2017, at US\$11.98 billion, indicated 28.1 and 113.3 per cent increase over the levels in the preceding quarter and the corresponding period of 2016, respectively. This reflected increase in oil and non-oil receipts in the reviewed quarter.

Aggregate outflow through the CBN, at US\$9.34 billion, increased by 3.3 per cent and 17.9 per cent above the levels in the preceding quarter and the corresponding period of 2016, respectively. The increase relative to the preceding quarter reflected the rise in payments for external debt service, third party MDA Transfers, other official payments, foreign exchange special payments and drawings on letters of credit. Of the total outflow through the CBN, disbursement for inter-bank utilisation accounted for 69.4 per cent, while the balance was accounted for by other payments. Overall, a net inflow of US\$2.64 billion was recorded in the review quarter, compared with US\$0.31 billion in the preceding quarter (Figure 16, Table 15).

Foreign exchange inflow and outflow through the CBN rose by 28.1 and 3.3 per cent, respectively, and resulted in a net inflow of US\$2.64 billion in Q3 of 2017.

⁷ Data on foreign exchange flows through the CBN and the Economy 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)

	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Inflow	7,135.41	3,942.89	5,875.18	5,613.01	6,726.01	6,597.73	8,404.37	11,984.05
Outflow	7,757.49	4,487.05	6,023.10	7,912.02	4,649.85	3,646.89	7,725.49	9,343.06
Netflow	(622.08)	(544.16)	(147.92)	(2,299.01)	2,076.16	2,950.84	678.88	2,640.99

Source: CBN

Autonomous inflow into the economy rose by 21.3 per cent in Q2 2017.

Aggregate foreign exchange inflow into the economy was US\$26.95 billion in the third quarter of 2017. This represented 35.7 per cent and 57.9 per cent increase over the levels in the preceding quarter and the corresponding quarter of 2016, respectively. The development reflected the respective rise of 42.4 per cent and 28.1 per cent in inflow through autonomous sources and the Bank, respectively, in the review period. Oil sector receipts, which accounted for 11.8 per cent of the total, stood at US\$3.17 billion, compared with US\$2.10 billion and US\$3.60 billion in the second quarter of 2017 and the corresponding period of 2016, respectively.

Non-oil public sector inflow, at US\$8.81 billion (32.7 per cent of the total), rose by 21.3 per cent and 336.1 per cent, above the levels at the end of the second quarter of 2017 and the corresponding period of 2016, respectively. Autonomous inflow, at US\$15.0 billion, rose by 42.9 per cent and 30.4 per cent, above the levels in the preceding quarter and the corresponding period of 2016, respectively. Inflow through autonomous sources accounted for 55.7 per cent of the total.

At US\$10.17 billion, aggregate foreign exchange outflow from the economy rose by 7.1 per cent and 19.3 per cent above the levels in the preceding quarter and the corresponding period of 2016, respectively. The development was driven, largely, by outflow through the CBN. Thus, foreign exchange flows through the economy resulted in a net inflow of US\$16.78 billion in the review quarter, compared with US\$10.37 billion and US\$8.55 billion in the second quarter of 2017 and the corresponding period of 2016, respectively.

5.2 Non-Oil Export Earnings by Exporters

Total non-oil export earnings received through the banks declined significantly by 51.4 per cent below the level in the second quarter of 2017 to US\$505.9 million in the review quarter. The development was due to the 86.9, 42.1 and 20.3 per cent fall in foreign exchange receipts from manufactured products, minerals and food products sub-sectors. A breakdown by sectors showed that proceeds from agricultural products, minerals, manufactured products, industrial sector and food products stood at US\$216.1 million, US\$97.6 million, US\$89.6 million, US\$83.7 million and US\$18.9 million, respectively. The transport sector recorded US\$20,440.00 in earnings during the review period.

Total non-oil export earnings by exporters declined during the third quarter of 2017.

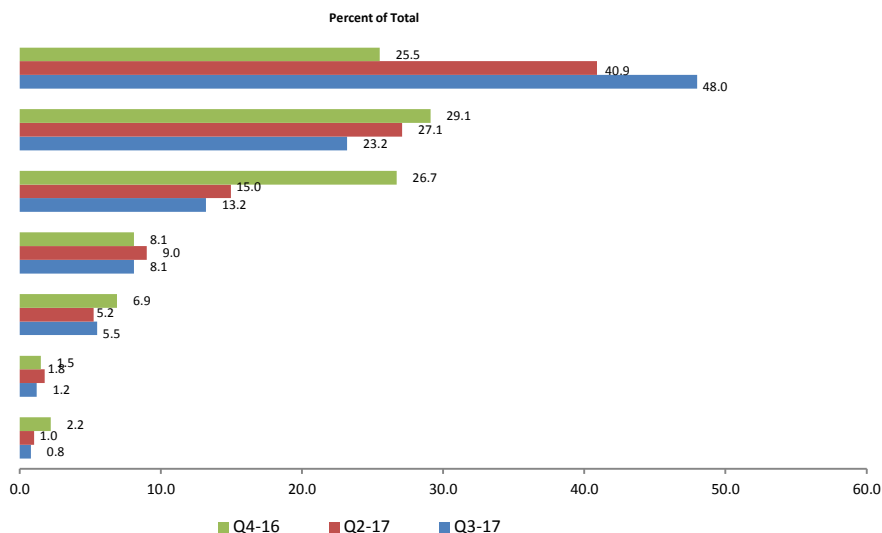
The percentage shares of agricultural products, minerals, manufactured products, industrial sector and food products in the total non-oil export proceeds were 42.7, 19.3, 17.7, 16.6 and 3.7 per cent, respectively.

5.3 Sectoral Utilisation of Foreign Exchange

The invisible sector accounted for the bulk (48.0 per cent) of total foreign exchange disbursed in the third quarter of 2017, followed by the industrial sector (23.3 per cent). The contributions of other sectors in a descending order were minerals and oil sector (13.2 per cent), manufactured products (8.1 per cent), food products (5.5 per cent), transport sector (1.1 per cent) and agricultural products (0.8 per cent) (Fig.17).

The invisible sector accounted for the bulk of the total foreign exchange disbursed during Q3 2017.

Figure17: Sectoral Utilisation of Foreign Exchange



Source: CBN

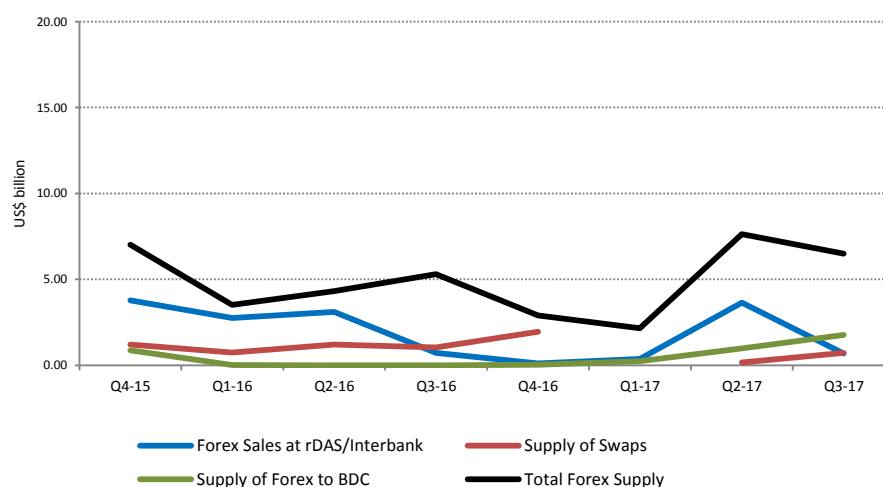
5.4 Foreign Exchange Market Developments⁸

Supply for foreign exchange by authorized dealers fell during Q3 2017.

A total of US\$6.49 billion was sold by the CBN to authorised dealers in the third quarter of 2017. This represented 15.1 per cent decline below the level in the second quarter of 2017. The development relative to the preceding quarter was as a result of the reduction in inter-bank sales. Of the total, foreign exchange forwards disbursed at maturity amounted to US\$3.31 billion or 51.0 per cent of the total. Interbank and BDC sales were US\$0.69 billion (10.6 per cent) and US\$1.77 billion (27.3 per cent), respectively, while Swap transactions was US\$0.72 billion or 11.1 per cent of the total (Figure 18, Table 16).

⁸ Market Closed (MC) - wDAS and rDAS window was closed in February 2015

Figure 18: Supply of Foreign Exchange



Source: CBN

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

	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Forex Sales at rDAS/Interbank	2.75	3.11	0.72	0.10	0.37	3.64	0.69
Supply of Swaps	0.74	1.20	1.04	1.96		0.17	0.72
Supply of Forex to BDC	0.02	0.00	0.00	0.04	0.24	0.98	1.77
Total Forex Supply(BDC and rDAS)	3.51	4.31	5.30	2.90	2.15	7.64	6.49

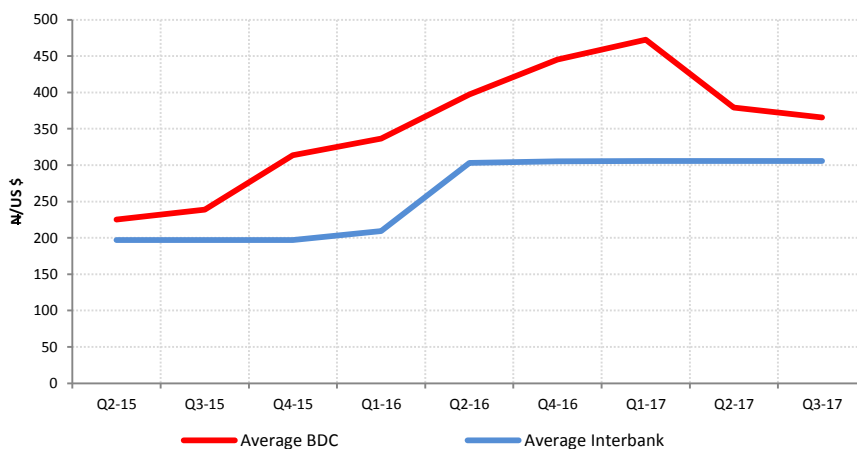
Source: CBN

Sustained interventions in the foreign exchange market and increased patronage at the Investors and Exporters window led to relative stability and marginal appreciation of the naira to dollar exchange rate at the I&E and BDC segments. The average exchange rate at the inter-bank segment was ₦305.81/US\$, compared with ₦305.76/US\$ at the end of the second quarter of 2017. This reflected depreciation of 0.01 and 0.9 per cent relative to the rates in the preceding quarter and the corresponding period of 2016, respectively.

The average naira exchange rate vis-à-vis the US dollar was ₦305.81/US\$ at the inter-bank segment in Q3 2017.

At the BDC segment, the average exchange rate of the naira to dollar, at ₦365.56/US\$, indicated 3.7 and 8.7 per cent appreciation relative to the rates in the preceding quarter and the corresponding period of 2016, respectively. Consequently, the premium between the average interbank/BDC rates narrowed by 0.4 percentage point to 19.2 per cent in third quarter 2017 (Figure 19, Table 17).

Figure 19: Average Exchange Rate Movements



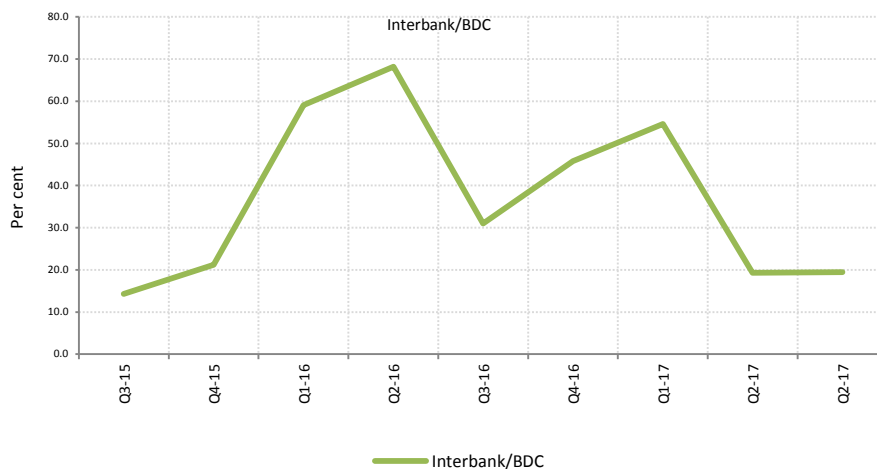
Source: CBN

Table 18: Exchange Rate Movements and Exchange Rate Premium

Average Exchange Rate (N/US\$)	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
rDAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BDC	225.21	238.69	313.49	336.67	397.24	445.03	472.49	379.05	365.56
Interbank	196.99	196.99	197.00	206.88	303.17	305.21	305.64	305.76	305.81
Premium (%)									
rDAS/BDC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
rDAS/Interbank	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BDC/Interbank	14.3	21.2	59.1	62.7	31.0	45.8	54.6	19.3	19.5

Source: CBN

Figure 20: Exchange Rate Premium



Source: CBN

5.5 Gross Official External Reserves

Gross external reserves at the end of the third quarter of 2017 was US\$33.16 billion. This indicated an increase of 9.3 per cent above the level in the second quarter of 2017. The increase relative to the preceding quarter reflected, mainly, the inflow from the FGN Eurobond proceeds and other official proceeds. A breakdown of the official external reserves showed that CBN reserves stood at US\$23.59 billion (71.1 per cent), Federation reserves, US\$2.38 billion (7.2 per cent) and the Federal Government reserves, US\$7.19 billion (21.7 per cent) (Figure 21, Table 18).

Gross external reserves rose during the third quarter of 2017.

Figure 21: Gross Official External Reserves

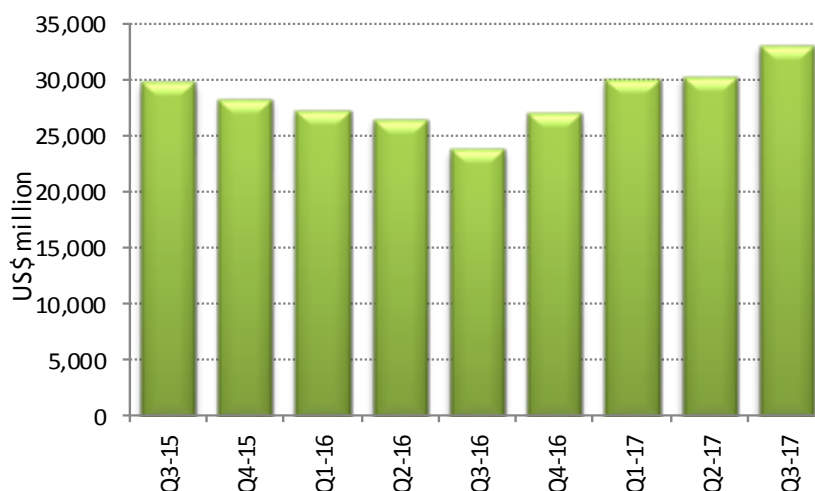


Table 19: Gross Official External Reserves (US\$ million)

	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
External Reserves	29,880.2	28,284.8	27,336.4	26,505.4	23,806.5	26,986.2	29,994.4	30,344.0	33,159.0

6.0 *Global Economic Conditions*

6.1 Global Output

Dynamic global trade and improved labour markets, coupled with fiscal stimulus and accommodative monetary policies in the major economies kept the global economy on the growth trajectory in the third quarter of 2017. Global purchasing manager indices and other high-frequency indicators for July and August 2017 suggested that growth momentum continued into the third quarter of 2017, with the global economy estimated to expand by 3.1 per cent.

Growth in the US economy was driven, largely, by strong consumer spending on durable goods. The euro area economy expanded at the fastest pace in over six years on the back of robust domestic demand. However, in the UK, uncertainty about implications of Brexit, together with eroded wages due to higher inflation, led to a slowdown in the economy. Japan's domestic economy propelled growth to a two-year high of 2.0 per cent in the second quarter of 2017. Among the key emerging market economies, China's economy continued to show strong resilience with growth remaining at its strongest level since the third quarter of 2015, as industrial output and retail sales picked up, while fixed-asset investment remained strong.

6.2 Global Inflation

Developments in global inflation were generally mixed in the third quarter of 2017. Rising energy and food prices led to increased inflation in most of the advanced economies. In the US and UK, inflation rose to 1.93 and 2.83 per cent, respectively. Although inflation remained below the 2.0 per cent target in the euro area, it, however, increased to 1.4 per cent in the third quarter, compared with 1.3 per cent in the preceding quarter.

In the major emerging markets, moderate energy prices along with stable economic conditions and stability in the foreign exchange markets exerted downward pressure on inflation. Inflation in Brazil, Russia, China and India declined to 3.8, 4.1, 1.4 and 2.6 per cent, respectively, in the third quarter of 2017. Similarly, inflation in developing economies generally trended downward due, largely, to stable foreign exchange markets.

6.3 Global Commodity Demand and Prices

Global crude oil supply in the review quarter was estimated at 96.4 mbd, representing an increase of 0.6 per cent above the level in the preceding quarter. Similarly, global crude oil demand was estimated at 97.50 mbd, indicating a 1.35 per cent increase above the level in the preceding quarter.

The average price of OPEC Reference Basket (ORB) of 14 selected crude streams was US\$49.97 in the third quarter of 2017 and represented an increase of 3.1 per cent over the level in the preceding quarter. The development was attributed, mainly, to the sustained compliance by OPEC and Non-OPEC members with the crude oil supply cut for market rebalancing and the slowdown in US shale oil production.

6.4 International Financial Markets

Developments in the international stock markets were generally positive in the review period. In North America, major market indices showed improvement. The United States S&P 500, Canadian S&P/TSX Composite and the Mexican Bolsa indices rose by 4.0 per cent, 3.0 per cent and 1.0 per cent, respectively. Similarly, in Europe, the FTSE 100, CAC 40, DAX and MICEX indices rose by 0.8 per cent, 4.1 per cent, 4.1 per cent and 10.5 per cent, respectively, in the review quarter.

In South America, the Brazilian Bovespa, Argentine Merval and Colombian COLCAP indices rose by 21.6, 23.2 and 1.7 per cent, respectively. In Africa, the Egypt EGX CASE 30, Ghana GSE ASI indices, Kenya Nairobi NSE 20, Nigeria NSE All-Share and South Africa JSE All-Share indices increased by 4.3 per cent, 18.4 per cent, 4.0 per cent, 7.0 per cent and 7.7 per cent, respectively.

In the third quarter of 2017, developments in the international foreign exchange market were mixed. Most of the currencies reviewed appreciated against the U.S. dollar, while a few depreciated. This reflected the decline in financial markets expectations of a hike in the Federal Funds rate and anticipated monetary policy tightening by most central banks including the Bank of Canada. A summary of developments in the foreign exchange market in the review quarter are as follows:

- **Africa:** The Nigerian naira, Kenyan Shilling and Egyptian pound appreciated against the U.S. dollar by 0.05, 0.58 and 2.78 per cent, respectively, while the South African rand depreciated against the U.S. dollar by 3.90 per cent. The Ghanaian cedi, however, remained unchange against the U.S. dollar.
- **North America:** Against the US dollar, the Mexican peso depreciated by 0.71 per cent, while the Canadian dollar appreciated by 4.84 per cent in the review.
- **South America:** The Brazilian real and Colombian peso appreciated against the U.S. dollar by 4.75 and 3.59 per cent, respectively, while the Argentine peso depreciated against the U.S. dollar by 3.98 per cent.
- **Europe:** The British pound, Euro and Russian ruble appreciated against the U.S. dollar by 2.67, 4.76 and 2.42 per cent, respectively during the review period.
- **Asia:** The Japanese yen and Indian rupee depreciated against the U.S. dollar by 0.11, and 1.07 per cent, respectively, while the Chinese yuan appreciated against the U.S. dollar by 1.95 per cent

6.5 Other International Economic Developments and Meetings

Other major international economic developments and meetings of importance to the domestic economy during the third quarter of 2017 included meeting of the African Caucus comprising African Governors of the International Monetary Fund and the World Bank Group held in Gaborone, Botswana from August 2 – 4, 2017 with the theme “Economic Transformation and Job Creation: A Focus on Agriculture”. The meeting reviewed the significance of agriculture in Africa and the challenges confronting the continent's quest to achieve food sufficiency. The following suggestions were made at the meeting to promote growth potential and competitiveness in agriculture:

- Provision/availability of new technology to facilitate development of higher yielding and more resilient food crops that deliver bountiful harvests;

- Enhancement of electricity supply, irrigation, and improved infrastructure to link farmers to lucrative regional food markets;
- Need for sound policies that do not discriminate against the agricultural sector and will attract financing for the agricultural sector;
- Skills training to position the youth for Africa's transformation. Improving access to land and other productive assets, especially for poor women, would be pivotal to the development of agriculture and improvement of household welfare;
- Climate-smart agriculture, built on increasing productivity and incomes, enhancing resilience of livelihoods and ecosystems and reducing/removing greenhouse gas emissions from the atmosphere is a pathway towards development and food security; and
- Central banks should play a crucial role in creating the enabling environment for financial access while safeguarding financial stability. Governments have a responsibility to adopt laws and regulations that encourage both financial sector development and inclusion.

Furthermore, the 40th Ordinary meeting of the Assembly of Governors of the Association of African Central Banks (AACB) was hosted by the South Africa Reserve Bank (SARB) at the SARB Head Office in Pretoria, South Africa on August 16, 2017. The Meeting was preceded by the Technical Committee and Bureau Meetings and the Governors' Symposium held from August 12-15, 2017. Highlights of the Meeting included:

- Adoption of the reports of the 39th Ordinary Meeting of the AACB Assembly of Governors, held on August 19, 2016, in Abuja, Nigeria; and
- Review of the status of implementation of the African Monetary Cooperation Programme (AMCP) and adoption of the report by the Experts Group on the refinement of the convergence criteria and the time-lines for the creation of the African Central Bank.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17
	<i>N billion</i>				
Domestic Credit (Net)	26307.5	26649.0	27390.1	27236.4	26921.0
<i>Claims on Federal Government (Net)</i>	3662.0	4666.9	5270.5	5250.5	4963.4
Central Bank (Net)	-1129.3	-99.5	158.4	232.8	-137.9
Banks	4791.4	4766.4	5112.1	4821.7	4857.8
<i>Claims on Private Sector</i>	22645.5	21982.1	22119.6	21985.9	22021.9
Central Bank	5951.8	5298.3	5540.7	5692.3	5532.6
Banks	16693.8	16683.9	16579.0	16092.2	16272.2
<i>Claims on Other Private Sector</i>	21613.5	20967.0	21000.1	20772.7	20737.4
Central Bank	5605.8	4972.3	5131.2	5163.4	4967.1
Banks	16007.7	15994.7	15868.9	15413.8	15568.4
<i>Claims on State and Local Government</i>	686.1	989.5	1089.4	1180.3	1257.1
Central Bank	--	300.4	379.3	495.9	538.1
DMBs	686.1	689.2	710.1	678.4	703.8
<i>Claims on Non-financial Public Enterprises</i>	--	--	--	33.0	27.4
Central Bank	--	--	--	33.0	27.4
DMBs	--	--	--	--	--
Foreign Assets (Net)	7742.3	9149.7	7628.5	8468.1	10050.5
Central Bank	7791.1	8790.7	7624.2	8378.9	9870.2
DMBs and Non Interest Banks	-48.9	359.0	4.4	110.2	236.5
Other Assets (Net)	-11928.5	-12410.3	-12994.4	-13723.9	-15081.8
Total Monetary Assets (M2)	22121.3	23388.3	22024.3	21980.6	21954.0
Quasi-Money 1/	12184.1	12320.2	12069.7	11790.4	11889.8
Money Supply (M1)	9937.2	11068.1	9954.6	10190.2	10064.3
<i>Currency Outside Banks</i>	1477.4	1820.4	1661.0	1477.1	1435.3
<i>Demand Deposits 2/</i>	8459.8	9247.7	8293.6	8713.0	8628.9
Total Monetary Liabilities (M2)	22121.3	23388.3	22024.3	21980.6	21954.0
<u>Memorandum Items:</u>					
Reserve Money (RM)	6167.6	5847.9	5647.3	5480.2	5559.8
<i>Currency in Circulation (CIC)</i>	1794.3	2179.2	1983.6	1873.5	1781.1
Banks' Deposit with CBN	4373.3	3668.7	3663.7	3606.7	3778.7

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)

	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
	<i>Percentage Change Over Preceding Quarter</i>				
Domestic Credit (Net)	8.18	1.5	0.92	-1.6	-0.9
<i>Claims on Federal Government (Net)</i>	26.57	32.77	3.71	-1	-5.5
<i>Claims on Private Sector</i>	5.7	-3.33	0.27	-1.72	0.16
<i>Claims on Other Private Sector</i>	5.96	-2.75	0.01	-1.08	-0.17
<i>Claims on State and Local Government</i>	-2.05	18.77	5.27	8.35	6.51
<i>Claims on Non-financial Public Enterprises</i>					
Foreign Assets (Net)	8.96	18.18	-16.62	11.01	18.70
Other Assets (Net)	22.48	3.56	4.71	-5.57	-9.89
Total Monetary Assets (M2)	2.0	6.2	-5.8	-1.5	-0.1
Quasi-Money 1/	-3.0	1.1	-2.0	-2.3	-0.8
Money Supply (M1)	8.89	12.6	-10.06	-0.43	-1.24
<i>Currency Outside Banks</i>	7.12	23.21	-8.76	-11.07	-2.83
<i>Demand Deposits 2/</i>	9.2	10.72	-10.32	1.63	-0.97
Total Monetary Liabilities (M2)	2.0	6.2	-5.8	-1.5	-0.1
<i>Memorandum Items:</i>					
Reserve Money (RM)	14.81	12.52	-3.43	-2.79	1.3
<i>Currency in Circulation (CIC)</i>	6.5	21.45	-8.97	-5.55	-4.9
<i>DMBs Demand Deposit with CBN</i>	18.6	7.81	-0.14	-1.3	-1.3
	<i>Percentage Change Over Preceding December</i>				
Domestic Credit (Net)	21.82	23.3	2.78	1.41	0.48
<i>Claims on Federal Government (Net)</i>	26.57	61.37	12.93	7.69	1.8
<i>Claims on Private Sector</i>	20.97	17.42	0.63	0.02	0.18
<i>Claims on Other Private Sector</i>	19.35	15.78	0.16	-0.93	-1.1
<i>Claims on State and Local Governments</i>	17.52	69.14	10.09	19.28	27.04
<i>Claims on Non-financial Public Enterprises</i>					
Foreign Asset (Net)	36.95	61.81	-16.62	-7.45	9.85
Other Asset (Net)	-64.85	-71.51	-4.71	-10.54	-21.47
Total Monetary Assets (M2)	10.44	16.77	-5.83	-6.83	-6.94
Quasi-Money 1/	6.34	7.52	-2.03	-4.3	-3.5
Money Supply (M1)	15.93	29.12	-10.06	-9.59	-10.71
<i>Currency Outside Banks</i>	1.47	25.02	-8.76	-18.86	-21.15
<i>Demand Deposits 2/</i>	18.89	29.96	-10.32	-7.81	-8.7
Total Monetary Liabilities (M2)	10.44	16.77	-5.83	-6.83	-6.94
<i>Memorandum Items:</i>					
Reserve Money (RM)	6.1	0.61	-3.43	-6.13	-6.13
<i>Currency in Circulation (CIC)</i>	-3.43	17.29	-8.97	-14.03	-14.03
<i>DMBs Demand Deposit with CBN</i>	10.58	-7.23	-0.14	-1.44	-1.44

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 A3: Federal Government Fiscal Operations (₦ billion)

	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Retained Revenue	1044.92	802.63	587.92	722.37	1000.03	977.38	552.29	674.07	957.22
<i>Federation Account</i>	589.66	482.84	412.24	323.16	473.73	314.92	356.53	408.63	716.95
<i>VAT Pool Account</i>	29.10	25.60	28.31	28.02	30.29	30.16	31.97	35.04	35.84
<i>FGN Independent Revenue</i>	23.47	8.97	47.52	59.10	74.29	119.27	21.89	72.33	16.58
<i>Excess Crude</i>	0.00	0.00	0.00	0.00	16.04	109.31	56.78	19.56	0.00
<i>Others/SURE-P</i>	402.68	285.24	99.86	312.08	405.69	403.72	85.12	138.51	187.85
Expenditure	1176.17	1538.46	1140.24	1381.51	1301.02	1658.21	927.20	914.91	1358.98
<i>Recurrent</i>	1013.07	945.03	988.37	936.13	1158.63	1088.33	842.12	781.97	1214.42
<i>Capital</i>	72.31	463.18	127.74	332.38	54.54	389.28	2.53	50.60	0.00
<i>Transfers</i>	90.15	136.08	58.73	113.01	87.04	84.42	82.55	82.34	74.01
Overall Balance: Surplus(+)/Deficit(-)	-131.26	-735.83	-552.31	-659.14	-300.99	-680.83	-374.91	-240.84	-401.75

