



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
THIRD QUARTER 2019***

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.

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1.0 Summary¹

The Bank maintained its Monetary Policy stance in the review period, as the Monetary Policy Rate remained at 13.50 per cent. Broad money supply (M_3), on quarter-on-quarter basis, grew by 1.0 per cent to ₦35,245.17 billion at end-August 2019, compared with the growth of 3.2 per cent at end-June 2019. The development reflected the respective growth of 6.0 per cent and 7.3 per cent in aggregate credit (net) and other assets (net) of the banking system, which more than offset the 15.0 per cent decline in net foreign assets. Over the level at end-December 2018, broad money supply (M_3) grew by 5.7 per cent at end-August 2019, compared with the growth of 4.6 per cent at end-June 2019. The development was due, wholly, to the 24.4 per cent growth in net domestic credit of the banking system. Narrow money supply (M_1), on quarter-on-quarter basis, grew by 0.8 per cent to ₦11,245.42 billion at end-August 2019, compared with the growth of 2.0 per cent at end-June 2019.

Developments in banks' deposit and lending rates were mixed in the review quarter. With the exception of the 6-month deposit rate, which rose by 0.04 percentage point to 10.26 per cent, all other deposit rates of various maturities fell from a range of 3.68 – 10.37 per cent in the preceding quarter to 3.18 – 10.12 per cent in the third quarter of 2019. The average term deposit rate fell by 0.28 percentage point to 8.45 per cent in the third quarter of 2019, compared with 8.73 per cent in the second quarter of 2019, while the average savings deposit rate rose by 0.92 percentage point to 5.27 per cent at end-September 2019. The average maximum lending rate was 31.05 per cent, while the average prime lending rate stood at 15.55 per cent at end-September 2019. Consequently, the spread between the weighted average term deposit and maximum lending rates widened by 0.29 percentage point to 22.60 percentage points at end-September 2019. Similarly, the margin between the average savings deposit and maximum lending rates widened by 0.01 percentage point to 27.12 percentage points in the review quarter. The weighted average interbank call rate rose by 3.23 percentage points to 11.61 per cent at end-September 2019. The total value of money market assets outstanding rose by 2.9 per cent to ₦12,595.30 billion, at end-September 2019, compared with the level at end-June 2019. The development was attributed, largely to the rise in the FGN Bonds outstanding in the review quarter. Developments on the Nigerian Stock Exchange (NSE) were mixed.

Federally collected revenue, at ₦2,700.20 billion in the third quarter of

¹ The Second Quarter 2019 data on monetary aggregates, government spending and foreign exchange flows were provisional.

2019, fell below the provisional quarterly budget by 28.2 per cent, but was higher than the receipts in the preceding quarter by 18.3 per cent. The development, relative to the budget estimate, was due, largely, to the shortfall in receipts from oil revenue, component in the review quarter. Federal Government retained revenue in the review quarter, was ₦1,026.95 billion, while total estimated expenditure amounted to ₦1,406.63 billion, resulting in an estimated fiscal deficit of ₦379.68 billion.

Agricultural activities in the review quarter were dominated by harvesting of farm produce. In the livestock sub-sector, farmers continued the breeding of poultry and cattle nation-wide. The end-period headline inflation, on year-on-year and 12-month moving average bases, for the third quarter of 2019, were estimated at 11.24 per cent and 11.27 per cent, respectively.

Foreign exchange inflow and outflow through the CBN amounted to US\$11.69 billion and US\$15.30 billion, respectively, resulting in a net outflow of US\$3.61 billion. Foreign exchange sales by the CBN to authorised dealers amounted to US\$10.11 billion in the third quarter of 2019. The average exchange rate of the naira vis-à-vis the US dollar appreciated by 0.01 per cent and 0.12 per cent to ₦306.93/US\$ and ₦359.557/US\$ at the inter-bank and the BDC segments, respectively. It, however, depreciated by 0.4 per cent to ₦362.20/US\$ at the "Investors" and "Exporters" (I&E) Window. At US\$40.90 billion, the gross external reserves fell by 8.6 per cent below the level at end-June 2019.

World crude oil demand and supply were estimated at 100.63 mbd and 99.26 mbd, respectively, in the third quarter of 2019, compared with 99.08 mbd and 98.58 mbd demanded and supplied in the second quarter of 2019. Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at an average of 1.91 mbd in the review quarter, compared with 1.86 mbd in the preceding quarter. The average price of Nigeria's reference crude, the Bonny Light (37^o API), was US\$65.21 per barrel in the third quarter of 2019, compared with US\$71.32 per barrel in the second quarter of 2019. The development was due largely to tightened crude oil supply in the global oil market.

Major international developments of importance to the domestic economy in the review quarter included: The Federal Ministry of Foreign Affairs (FMFA) convened the first preparatory Inter-Ministerial Committee meeting for the 74th session of the United Nations General Assembly (UNGA), scheduled for September 2019, in New York; and the Technical Committee (TC) of the West African Institute for Financial and Economic Management (WAIFEM), held an extra-ordinary meeting, focused on the Restructuring of the WAIFEM, at Conakry, Guinea from August 14-15, 2019.

2.0 Financial Sector Developments²

The Bank maintained its monetary policy stance in the review period, as the Monetary Policy Rate remained at 13.50 per cent. Over the level at end-June 2019, broad money supply (M_3), grew by 1.0 per cent at end-August 2019, reflecting 6.0 per cent and 7.3 per cent increase in aggregate credit (net) and other assets (net) of the banking system, respectively. Narrow money supply (M_1) rose by 0.8 per cent, due, largely, to the 0.1 per cent and 0.9 per cent increase in its currency outside banks and demand deposits components, respectively. The value of money market assets outstanding rose above the level in the preceding quarter. Activities on the Nigerian Stock Exchange (NSE) indicated mixed developments during the third quarter of 2019.

2.1 Monetary and Credit Developments

The Bank maintained its monetary policy stance in the review period, as the Monetary Policy Rate remained at 13.50 per cent. The key monetary aggregates trended upward at end-August 2019. Broad money supply (M_3), on quarter-on-quarter basis, grew by 1.0 per cent to ₦35,245.17 billion at end-August 2019, compared with the growth of 3.2 per cent at end-June 2019. The development reflected, largely, the respective growth of 6.0 per cent and 7.3 per cent in aggregate credit (net) and other assets (net) of the banking system, which were more than offset the 15.0 per cent decline in net foreign assets.

Growth in monetary aggregates was significant in the review period.

Relative to the level at end-December 2018, broad money supply (M_3) grew by 5.7 per cent at end-August 2019, compared with the growth of 4.6 per cent at end-June 2019. The development was due, wholly, to the 24.4 per cent growth in net domestic credit of the banking system.

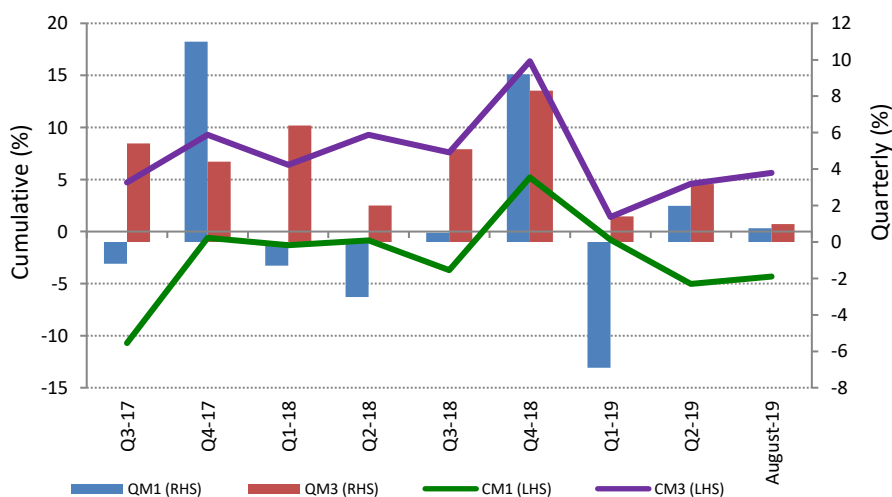
Narrow money supply (M_1), on quarter-on-quarter basis, grew by 0.8 per cent to ₦11,245.42 billion at end-August 2019, compared with the growth of 2.0 per cent at end-June 2019. The development reflected, significantly, the 0.1 per cent and 0.9 per cent increase in currency outside banks and demand deposits, respectively. Over the level at end-December 2018, M_1 fell by 4.3 per cent at end-August 2019, compared with the

² The monetary aggregate numbers used for the third quarter 2019 report are provisional.

decline of 5.0 per cent at end-June 2019.

At end-August 2019, quasi-money, on quarter-on-quarter basis, fell by 2.4 per cent to ₦16,341.00 billion, in contrast to the growth of 5.3 per cent at end-June 2019. The development was attributed to the fall in time and savings deposits of banks. Relative to the level at end-December 2018, quasi-money grew by 6.7 per cent at end-August 2019, compared with the growth of 9.3 per cent at end-June 2019 (Figure 1, Table 1).

Figure 1: Growth Rate of Narrow Money (M₁) and Broad Money (M₃)³



Source: CBN

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

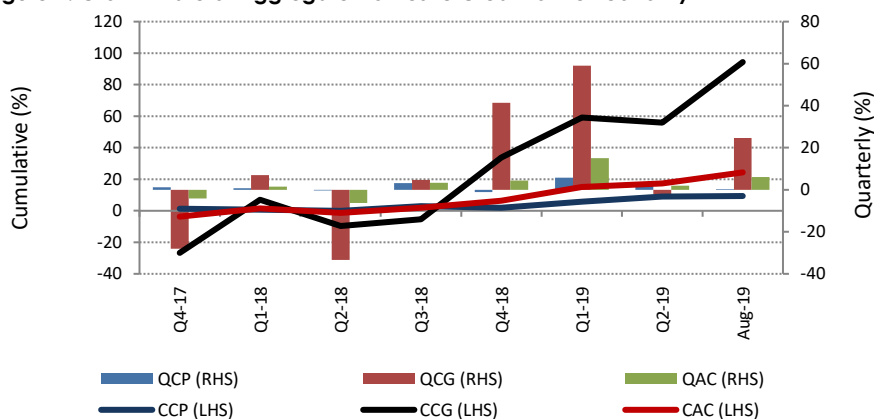
Aggregate credit to the domestic economy (net), on quarter-on-quarter basis, grew by 6.0 per cent to ₦34,291.10 billion, compared with the growth of 1.9 per cent at end-June 2019. The growth was due, largely, to the 24.7 per cent and 0.3 per cent growth in claims on the Federal Government and claims on the private sector, respectively. Relative to the level at end-December 2018, aggregate credit to the domestic economy (net), grew by 24.4 per cent at end-August 2019, compared with 17.3 per cent at end-June 2019.

³ QM1 and QM2 represent quarter-on-quarter changes, while CM1 and CM2 represent cumulative changes (year-to-date) in narrow and broad money supply, respectively.

Net claims on the Federal Government grew by 24.7 per cent to ₦9,456.33 billion at end-August 2019, in contrast to the decline of 2.1 per cent at end-June 2019. The development reflected, largely, the increased holding of government securities by the CBN and commercial banks. Relative to the level at end-December 2018, claims on the Federal Government grew by 94.3 per cent at end-August 2019, compared with the growth of 55.8 per cent at end-June 2019.

On quarter-on-quarter basis, banking system's credit to the private sector rose by 0.3 per cent to ₦24,834.77 billion at end-August 2019, compared with the growth of 3.2 per cent at end-June 2019. The development was attributed, wholly, to the 1.0 per cent increase in claims on the core private sector. Over the level at end-December 2018, banking system's credit to the private sector increased by 9.4 per cent at end-August 2019, compared with the 9.0 per cent increase at end-June 2019, (Figure 2, Table 1).

Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy⁴



Source: CBN

Foreign assets (net) of the banking system fell by 15.0 per cent to ₦15,702.07 billion at end-August 2019, in contrast to the growth of 9.8 per cent recorded at end-June 2019. The fall in NFA, relative to the level in the preceding quarter, was as a

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

⁴ QCP, QCG and QAC represent quarter-on-quarter changes, while CCP, CCG and CAC represent cumulative changes (year-to-date) in credit to the private sector, credit to the government and aggregate domestic credit, respectively.

result of the decline in foreign asset holdings of the banking system. Over the level at end-December 2018, net foreign assets of the banking system fell by 14.7 per cent at end-August 2019, in contrast to the growth of 0.4 per cent at end-June 2019.

At end-August 2019, other assets (net) of the banking system rose by 7.3 per cent to negative ₦14,747.99 billion, compared with the growth of 8.1 per cent at end-June. The development was on the account of the increase in the unclassified assets of the CBN. Over the level at end-December 2018, other assets (net) of the banking system fell by 16.9 per cent at end-August 2019, compared with the decline of 26.1 per cent at end-June 2019.

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

	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Aug-19
Domestic Credit (Net)	-6.3	3.3	4.4	15.1	1.9	6.0
<i>Claims on Federal Government (Net)</i>	-33.4	4.7	41.4	59.1	-2.1	24.7
<i>Claims on Private Sector</i>	-0.4	3.1	-1.1	5.7	3.2	0.3
<i>Claims on Other Private Sector</i>	0.1	5.3	-0.3	5.6	3.7	1.0
Foreign Assets (Net)	12.4	2.6	-2.2	-8.6	9.8	-15.0
Other Assets (Net)	-0.4	-1.3	-12.3	-16.7	8.1	-7.3
Broad Money Supply (M3)	0.8	5.1	8.1	1.4	3.2	1.0
Quasi-Money	5.4	4.9	3.5	3.8	5.3	-2.4
Narrow Money Supply (M1)	-3.0	0.5	9.3	-6.9	2.0	0.8
<i>Memorandum Items:</i>						
Reserve Money (RM)	-5.9	7.0	4.9	1.6	11.6	-13.7

Source: CBN

*figures are provisional

2.2 Currency-in-circulation and Deposits at the CBN

Currency-in-circulation (CIC) at end-August 2019, rose by 0.1 per cent to ₦2,018.8 billion, in contrast to the decline of 7.3 per cent at end-June 2019. The development, relative to the preceding quarter, reflected, mainly, the increase in its currency outside banks and demand deposit components.

Total deposits at the CBN amounted to ₦14,084.1 billion at end-August 2019, indicating a decline of 12.1 per cent below the level at end-June 2019. The fall was attributed to 18.4 per cent, 9.3 per cent and 5.8 per cent decline in the deposits of the commercial banks, the Federal Government and the private

sector, respectively. Of the total deposits at the CBN, the shares of the Federal Government, banks and private sector deposits were 44.3 per cent, 35.2 per cent and 20.5 per cent, respectively.

Reserve money fell by 13.7 per cent to ₦6,977.8 billion at end-August 2019, in contrast to the increase of 11.6 per cent at end-June 2018. The development reflected the fall in banks' deposits with the CBN.

Reserve money (RM) fell in the review period.

2.3 Money Market Developments

Developments in the money market were mixed, as liquidity fluctuated during the review quarter. Activities that boosted liquidity were mainly inflow from repayment of matured CBN bills, maturing Federal Government (FGN) Bonds and Nigerian Treasury Bills (NTBs), as well as fiscal disbursements to the three tiers of Government, while provisioning and settlement of foreign exchange purchases, auctioning of CBN bills, FGN Bonds and Nigerian Treasury Bills (NTBs) moderated liquidity.

Liquidity in the money market fluctuated in the review period.

Total value of money market assets outstanding in the third quarter of 2019 stood at ₦12,595.30 billion, showing an increase of 2.9 per cent, compared with the increase of 3.0 per cent at the end of the second quarter of 2019. The development was attributed, wholly, to the 3.7 per cent increase in FGN Bonds outstanding during the review quarter.

2.3.1 Interest Rates Developments

Interest rates moved in tandem with the level of banking system liquidity during the review period. Developments in the banks' deposit and lending rates were mixed in the third quarter of 2019. The 6-month maturity deposit rate rose from 10.22 per cent at end-June 2019 to 10.26 per cent at end-September 2019. All other rates of various maturities, however, fell from a range of 3.68 – 10.37 per cent at end-June 2019 to a range of 3.18 – 10.12 per cent at end-September 2019. The average term deposit rate fell by 0.28 percentage point to 8.45 per cent at the end of the review quarter.

Interest rates moved in tandem with the level of banking system liquidity in the money market during the review period.

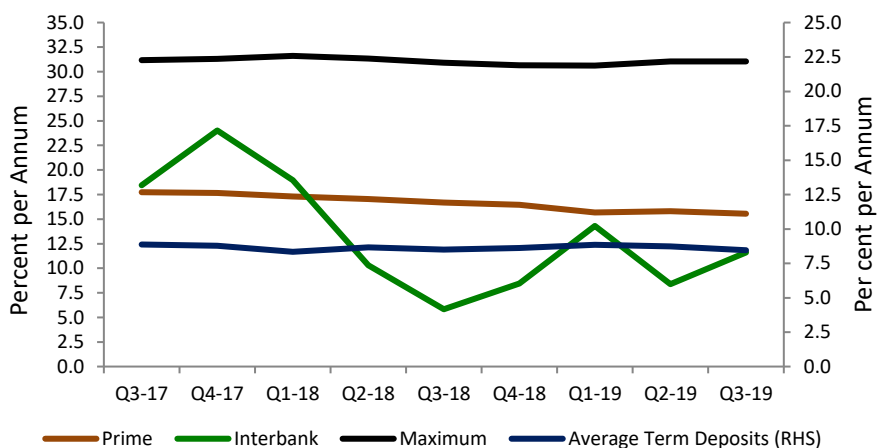
The weighted average prime lending rate fell by 0.25 percentage point to 15.55 per cent, while the weighted average maximum lending rate rose by 0.01 percentage point to 31.05 per cent at end-September 2019. Consequently, the

spread between the weighted average term deposit and maximum lending rates widened by 0.29 percentage point to 22.60 percentage points at the end of the review quarter. Similarly, the margin between the average savings and maximum lending rates widened by 0.01 percentage point to 27.12 percentage points at end-September 2019.

Inter-bank call rate rose in Q3 2019

At the inter-bank segment, the weighted average inter-bank call rate, which stood at 8.38 per cent at end-June 2019, rose by 2.23 percentage points to 11.61 per cent at end-September 2019. Similarly, the Nigeria inter-bank offered rate (NIBOR), for the 30-day tenor, rose from 12.10 per cent in the preceding quarter to 13.44 per cent at end-September 2019. Also, the weighted average rate at the Open-Buy-Back (OBB) segment rose by 2.25 percentage points to 10.96 per cent (Figure 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)



Source: CBN

Table 2: Selected Interest Rates (Per cent, Averages)

	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
Average Term Deposits	8.87	8.77	8.34	8.66	8.51	8.61	8.86	8.73	8.45
Prime Lending	17.74	17.66	17.31	17.03	16.69	16.45	15.67	15.80	15.55
Interbank	18.45	24.02	18.98	10.29	5.83	8.45	14.32	8.38	11.61
Maximum Lending	31.18	31.30	31.61	31.34	30.93	30.66	30.62	31.04	31.05

Source: CBN

2.3.2 Commercial Paper (CP)

Commercial Paper (CP) outstanding held by banks stood at ₦40.18 billion at the end of the third quarter of 2019, showing a decrease of 2.5 per cent below the ₦41.20 billion recorded at the end of the preceding quarter. The development was due, largely, to the decrease in investments in CP by merchant banks during the review quarter. Thus, CP constituted 0.32 per cent of the total value of money market assets outstanding during the review period, compared with 0.28 per cent in the second quarter of 2019.

2.3.3 Bankers' Acceptances (BAs)

Bankers' Acceptances (BAs) outstanding stood at ₦1.87 billion in the third quarter of 2019, showing a decline of 47.32 per cent below the ₦3.55 billion recorded at the end of the preceding quarter. The development was attributed, wholly, to a fall in investment in BAs by commercial banks during the review period. Consequently, BAs accounted for 0.02 per cent of the total value of money market assets outstanding at the end of the third quarter of 2019, compared with 0.06 per cent at the end of the second quarter of 2019.

Banks' holdings of BAs declined in Q3 of 2019.

2.3.4 Open Market Operations

The Bank intervened through direct Open Market Operations (OMO) auctions, to influence liquidity in the system during the third quarter of 2019. The tenors to maturity of the instruments ranged from 84 days to 364 days. Total amount offered, subscribed to and allotted, stood at ₦3,435.00 billion, ₦5,944.96 billion and ₦2,627.27 billion, respectively. The bid rates ranged from 11.20 per cent to 15.50 per cent, while the stop rates ranged from 10.00 per cent to 13.50 per cent. Repayment of

matured CBN bills amounted to ₦3,450.98 billion, translating to a net injection of ₦823.71 billion.

2.3.5 Primary Market

At the Government securities market, NTBs of 91- 182- and 364-day tenors, amounting to ₦1,000.51 billion, ₦2,434.83 billion and ₦1,000.51 billion were offered, subscribed to and allotted, respectively, at the auctions held in the third quarter of 2019 on behalf of the Debt Management Office (DMO). Total subscription and allotment at the 91-day auction, were ₦158.03 billion and ₦80.62 billion, respectively. The bid rates ranged from 9.00 per cent to 17.00 per cent, while the stop rates ranged from 9.74 per cent to 11.10 per cent.

For the 182-day auction, total subscription and allotment were ₦233.18 billion and ₦124.42 billion, respectively. The bid rates ranged from 10.00 per cent to 15.00 per cent, while the stop rates ranged from 10.00 per cent to 11.80 per cent. Total subscription and allotment at the 364-day auction were ₦1,653.44 billion and ₦706.61 billion, respectively, with bid rates ranging from 10.50 per cent to 14.82 per cent, while stop rates ranged from 11.14 per cent to 13.30 per cent.

2.3.6 Bonds Market

Tranches of the 5-, 10-, and 30-year FGN Bonds were re-opened and offered for sale in the review period. The term to maturity of the bonds ranged from 3 years 7 months to 29 years 7 months. Total amount offered, subscribed to, and allotted were ₦400.00 billion, ₦557.01 billion and ₦200.82 billion, respectively. In addition, ₦91.10 billion was allotted on a non-competitive basis. There was no maturity and repayment during the review period. The bid rates on all tenors ranged from 12.70 per cent to 15.78 per cent, while the marginal rates ranged from 13.35 per cent to 14.64 per cent. The auctions were impressive, due to renewed investors' confidence in the market.

2.3.7 CBN Standing Facilities

The banks continued to access the CBN's Standing Facilities to square up their positions either by borrowing from the standing lending facility (SLF) or depositing their excess liquidity at the standing deposit facility (SDF) of the CBN at the end of each business day.

Tranches of FGN Bonds of various maturities were offered for sale in the Q3 of 2019.

Total request for the Standing Lending Facility (SLF), inclusive of direct SLF and Intra-day lending facilities (ILF) that were converted to overnight repo during the review quarter, stood at ₦6,203.28 billion, compared with ₦3,624.08 billion in the preceding quarter. Daily average transaction value amounted to ₦100.05 billion in 62 transaction days, with total interest earned at ₦4.21 billion, compared with the daily average of ₦62.48 billion in 58 transaction days, with a total of ₦2.63 billion, as interest earned at the end of the preceding quarter.

Total standing deposit facility (SDF) granted during the review period was ₦2,081.14 billion, with daily average of ₦33.08 billion, compared with ₦4,983.88 billion, in the second quarter of 2019. The cost incurred on SDF in the review quarter amounted to ₦0.63 billion, compared with ₦1.67 billion in the preceding quarter.

2.4 Banks' Activities

The total assets and liabilities of commercial banks stood at ₦39,587.71 billion at end-August 2019, representing a 0.1 per cent fall below the level at end-June 2019. Funds were sourced, largely, from increased foreign liabilities, realisation of foreign assets and reduction of claims on the Central Bank of Nigeria. The funds were used, mainly, to reduce unclassified liabilities, settlement of time savings and foreign currency deposits and increased claims on the private sector.

At ₦21,819.01 billion, banks' credit to the domestic economy, at end-August 2019, showed an increase of 3.5 per cent, compared with the level at end-June 2019. The development reflected, largely, the 3.7 per cent and 3.4 per cent rise in claims on the Federal Government and the private sector, respectively, in the review period.

Total specified liquid assets of the commercial banks was ₦13,778.50 billion at end-August 2019, representing 59.4 per cent of the total current liabilities. At that level, the liquidity ratio was 5.5 percentage points and 29.4 percentage points above the level at end-June 2019 and the stipulated minimum ratio of 30.0 per cent, respectively. The loans-to-deposit ratio, at 61.1 per cent, was 3.5 percentage points higher than the level at end-June 2019, but 18.9 percentage points lower than the

Liquidity ratio was above the prescribed minimum, while the Loan-to-deposit ratio was below the prescribed maximum in August 2019.

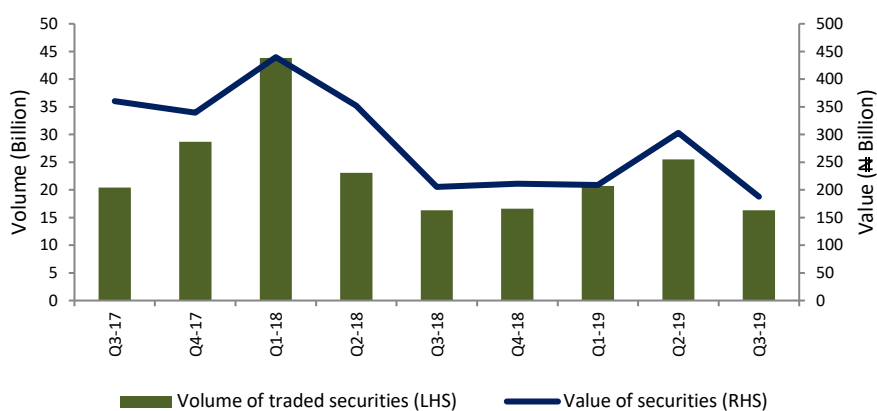
prescribed maximum of 80.0 per cent.

2.5 Capital Market Developments

2.5.1 Secondary Market

Activities on the Nigerian Stock Exchange (NSE) were mixed during the third quarter of 2019, as the All Share Index (ASI) fell, while the aggregate market capitalisation rose at the end of the review period. The turnover volume and value of traded securities declined by 36.0 per cent and 38.1 per cent to 16.3 billion shares and ₦187.7 billion, respectively, in 218,415 deals, compared with 25.5 billion shares worth ₦303.0 billion in 240,990 deals, recorded in the second quarter of 2019. Developments in the market were driven, largely, by the cross-border listing of 3.8 billion ordinary shares of Airtel Africa Plc, and sell-offs by investors, despite a generally positive half-year corporate earnings (Figure 4, Table 3).

Figure 4 : Volume and Value of Traded Securities



Source: NSE

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

	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
Volume (Billion)	20.4	28.7	43.8	23.1	16.3	18.9	20.7	25.5	16.3
Value (₦ Billion)	360.4	339.4	439.7	359	205	211.2	208.7	303	187.7

Source: NSE

2.5.2 New Issues Market/Supplementary Listings

There was one (1) new equity listing and two (2) supplementary listings during the review period (Table 4).

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

S/N	Company	Additional Shares (Units)	Reasons	Listing
1	Fidson Healthcare Plc	0.59 billion Ordinary Shares	Additional Shares	Supplementary
2	Airtel Africa Plc	3.76 billion Ordinary Shares	Entire Shares Issued	New Listing
3	Stanbic IBTC Holdings Plc	232.90 billion Ordinary Shares	Additional Shares	Supplementary

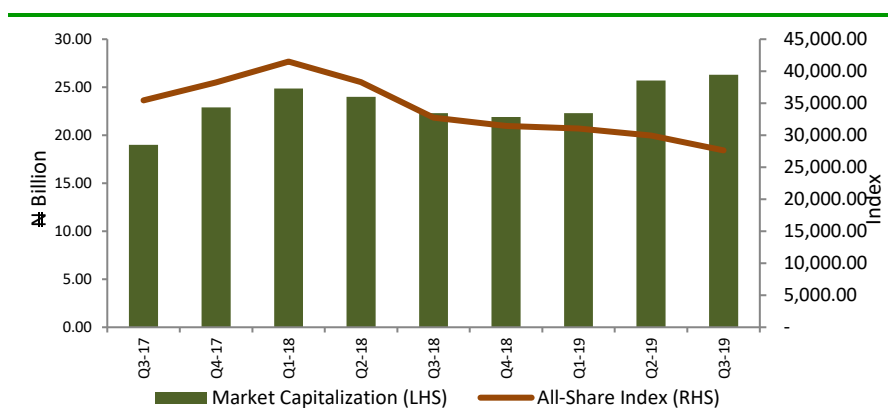
2.5.3 Market Capitalisation

The aggregate market capitalisation for all listed securities (equities and debts) rose by 2.3 per cent to ₦26.3 trillion at the end of the third quarter of 2019, compared with ₦25.7 trillion at end-June 2019. Similarly, market capitalisation for the equities segment rose by 2.0 per cent to ₦13.5 trillion and constituted 51.3 per cent of the aggregate market capitalisation, compared with ₦13.2 trillion and 51.3 per cent at end-June 2019.

2.5.4 NSE All-Share Index

The All-Share Index, which opened at 29,966.87 at the beginning of the quarter, declined by 7.8 per cent to close at 27,630.56 at end-September 2019. All the sectoral indices also witnessed decline in the review period. Specifically, the NSE-Premium, NSE-Lotus, NSE-Oil and Gas, NSE-Consumer Goods, NSE-Industrial, NSE-Pension, NSE-Banking, NSE-AseM and NSE-Insurance indices fell by 5.2 per cent, 8.9 per cent, 5.5 per cent, 8.8 per cent, 0.4 per cent, 6.1 per cent, 6.2 per cent, 1.0 per cent and 6.3 per cent, to 2,271.74, 1,789.82, 239.35, 567.41, 1,083.31, 993.24, 343.99, 774.30 and 116.00, respectively, at end-September 2019.

Figure 5: Market Capitalisation and All-Share Index



Source: NSE

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

	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
Market Capitalisation (N trillion)	19.6	22.9	24.869	23.9	22.3	21.9	22.3	25.7	26.3
All-Share Index (Equities)	35,439.98	38,243.19	41,504.51	38,278.55	32,766.37	31,430.50	31,041.42	29,966.87	27,630.56

Source: NSE

3.0 Fiscal Operations⁵

Federally-collected revenue in the third quarter of 2019, fell below the quarterly budget by 28.2 per cent, but rose above receipts in the preceding quarter by 18.3 per cent. Federal Government retained revenue in the review quarter was ₦1,026.95 billion, while total estimated expenditure amounted to ₦1,406.63 billion, resulting in an estimated fiscal deficits of ₦379.68 billion.

3.1 Federation Account Operations

At ₦2,700.20 billion, federally-collected revenue in the third quarter of 2019, was lower than the quarterly budget⁶ of ₦3,758.77 billion by 28.2 per cent. It, however, rose by 18.3 per cent above receipts in the preceding quarter. The decline in federally-collected revenue (gross), relative to the quarterly budget, was attributed, largely, to shortfalls in receipts from oil revenue in the review period (Figure 6, Table 6).

Gross federally-collected revenue fell by 28.2 per cent below the quarterly budget.

Figure 6: Components of Gross Federally-Collected Revenue

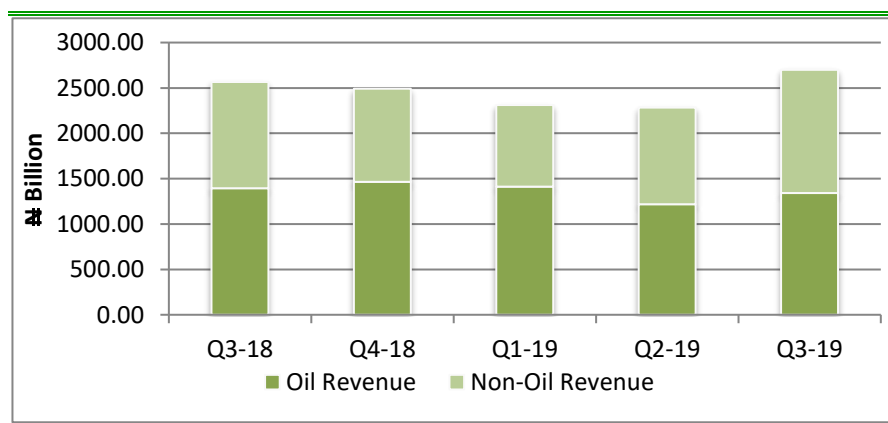


Table 6: Gross Federation Account Revenue (₦ Billion)*

	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
Federally-collected revenue (Gross)	2,564.28	2,489.66	2,309.78	2,281.74	2,700.20
Oil Revenue	1,394.19	1,465.31	1,413.74	1,219.19	1,340.08
Non-Oil Revenue	1,170.09	1,024.35	896.04	1,062.55	1,360.12

Source: Federal Ministry of Finance

*Figures are provisional

⁵ Figures on government revenue and expenditure for the second quarter of 2019 were provisional and subject to changes

⁶ The quarterly budget was derived from the 2019 approved budget.

Gross oil revenue, at ₦1,340.08 billion or 49.6 per cent of the total receipts, was below the quarterly budget by 44.6 per cent, but was above the receipt in the preceding quarter by 9.9 per cent. The decline in oil revenue, relative to the quarterly budget, was due, largely, to shortfalls in all the components of oil revenue, except Domestic Crude Oil and Gas sales (Figure 7, Table 7).

Figure 7 : Gross Oil Revenue and Its Components

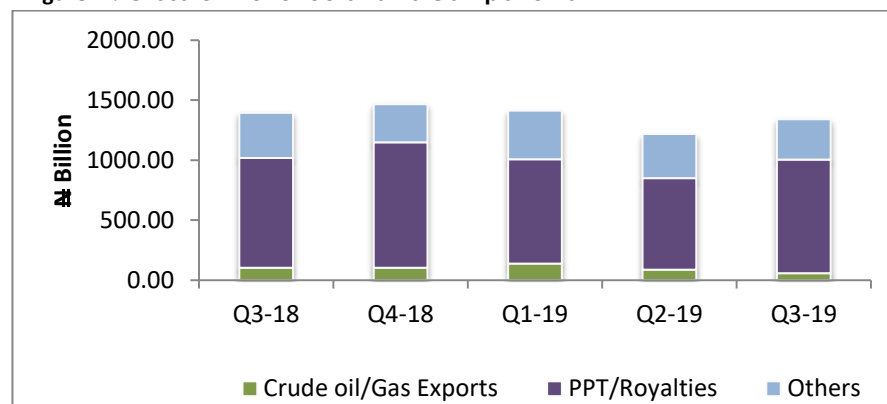


Table 7: Components of Gross Oil Revenue (₦ Billion)

	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
Oil Revenue Gross	1,394.19	1,465.31	1,413.74	1,219.19	1,340.08
Crude oil/Gas Exports	104.49	103.62	137.09	86.98	57.28
PPT/Royalties	914.56	1,044.17	871.36	763.97	947.53
Others	375.14	317.52	405.29	368.25	335.26

Source: Federal Ministry of Finance

* Figures are provisional

Non-oil revenue (gross), at ₦1,360.12 billion, rose above the quarterly budget of ₦1,341.72 billion by 1.4 per cent. It, similarly, rose above the level in the preceding quarter by 28.0 per cent. The higher non-oil revenue, relative to the quarterly budget, was as a result of increased receipts from Corporate Taxes, and improvements in the collection of the Nigeria Customs Service (NCS) (Figure 8, Table 8).

Figure 8: Gross Non-Oil Revenue and Its Components

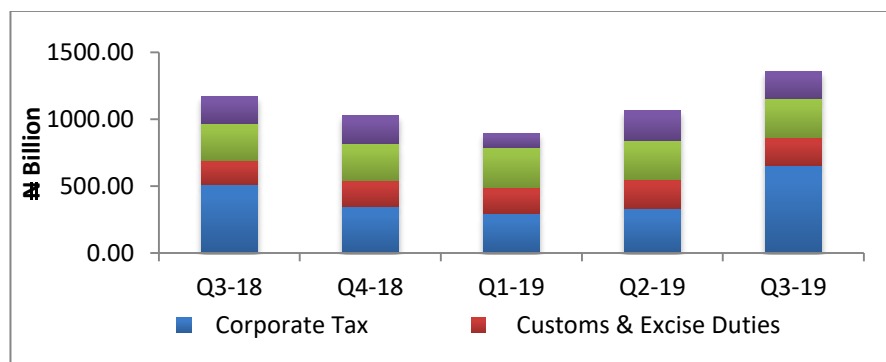


Table 8: Components of Gross Non-Oil Revenue (₦ Billion)*

	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
Non-Oil Revenue	1,170.09	1,024.35	896.04	1062.55	1,360.12
Value-Added Tax (VAT)	279.69	276.41	301.62	295.49	290.87
Corporate Tax	510.79	347.15	297.21	332.61	651.43
Customs & Excise Duties	181.06	196.37	190.96	214.93	210.77
Others/1	198.55	204.43	106.26	219.52	207.05

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

* Figures are provisional

After the statutory deductions and transfers of ₦443.68 billion and ₦486.29 billion, respectively, a net sum of ₦1,770.23 billion was retained in the Federation Account for distribution. Of this amount, the Federal Government got ₦866.79 billion, State and Local governments received ₦439.65 billion and ₦338.95 billion, respectively, while the balance of ₦124.85 billion was transferred to the 13.0% Derivation Fund for distribution among the oil-producing states.

In addition, the Federal Government received ₦41.89 billion, while the State and Local governments got ₦139.62 billion and ₦97.73 billion, respectively, from the VAT Pool Account.

The sum of ₦1,770.23 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 (₦ Billion)*

	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Total Deductions 1/	396.91	288.34	435.51	292.68	443.68
Oil Revenue Deductions	352.61	245.80	394.20	248.66	379.68
Non-Oil Revenue Deductions	44.30	42.54	41.31	44.02	64.00
Total Transfers	467.05	469.78	395.81	503.20	486.29
Federal Govt. Ind. Revenue	85.54	90.03	38.80	148.73	115.91
VAT Pool Account	268.50	265.35	289.55	283.67	279.24
Others 2/	113.00	114.40	67.46	70.80	91.14
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

* Figures are provisional

The sum of ₦1.75 billion was drawn-down on the Non-oil Excess Revenue Account and distributed as follows: Federal Government, ₦0.92 billion; State governments, ₦0.47 billion; and Local governments, ₦0.36 billion. The sum of ₦3.02 billion was also shared as Exchange Gain in the following proportion: Federal Government, ₦1.44 billion; State governments, ₦0.74 billion; Local governments, ₦0.56 billion; and 13.0% Derivation Fund, ₦0.28 billion.

Thus, the total statutory and VAT revenue allocation to the three tiers of government in the third quarter of 2019, amounted to ₦2,054.24 billion, compared with the quarterly budget of ₦3,272.00 billion.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

Provisional data on Federal Government finances indicated that the Federal Government retained revenue for the third quarter of 2019 amounted to ₦1,026.95 billion. This was below the quarterly budget by 51.5 per cent, but was above the receipt in the preceding quarter by 8.7 per cent. Of the total revenue, Federation Account accounted for 84.4 per cent, while Federal Government Independent Revenue, VAT, Non-oil Excess and Exchange Gain, accounted for 11.3 per cent, 4.1 per cent, 0.14 per cent, and 0.09 per cent, respectively (Figure 9).

At ₦1,026.95 billion, the estimated FGN retained revenue was lower than the quarterly budget by 51.5 per cent.

Figure 9: Federal Government Retained Revenue

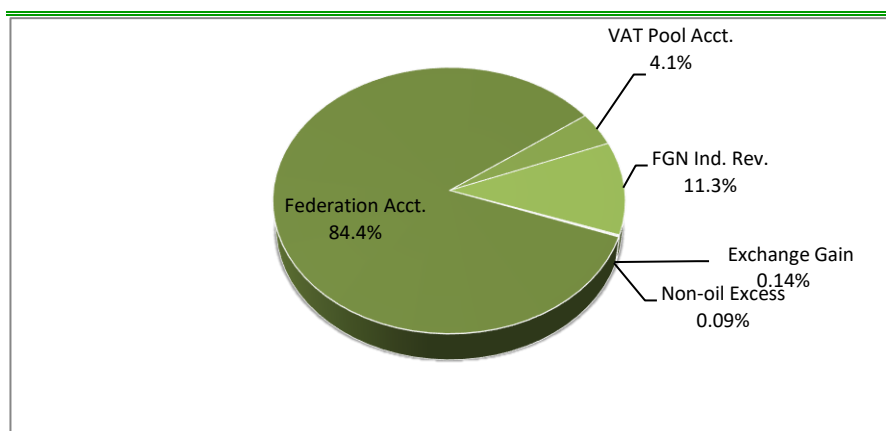


Table 10: Federal Government Fiscal Operations (₦ Billion)*

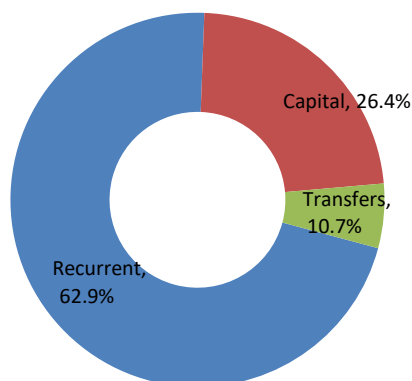
	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
Retained Revenue	1,035.72	1,144.47	798.82	944.58	1,026.95
Expenditure	1,939.90	2,017.63	1,197.04	1,579.88	1,406.63
Current Surplus(+)/Deficit(-)	(564.73)	(213.89)	(56.10)	(89.80)	142.16
Primary Surplus(+)/Deficit(-)	(163.20)	(526.02)	(64.83)	(238.86)	(29.09)
Overall Balance: Surplus(+)/Deficit(-)	(904.19)	(873.16)	(398.22)	(635.30)	(379.69)

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

*Figures are provisional

The estimated Federal Government expenditure for the third quarter of 2019, at ₦1,406.63 billion, was below the level in the preceding quarter and the quarterly budget of ₦2,595.94 billion by 11.0 per cent and 45.8 per cent, respectively. A breakdown of the total expenditure showed that the recurrent component accounted for 62.9 per cent, while capital and statutory transfers accounted for 26.4 per cent and 10.7 per cent, respectively (Figure 10). A further breakdown of the recurrent expenditure showed that the non-debt component explained 60.4 per cent, while debt service payments was 39.6 per cent.

Figure 10: Federal Government Expenditure



The fiscal operations of the FG resulted in an estimated overall deficits of ₦379.68 billion in Q3 2019.

Thus, the fiscal operations of the Federal Government resulted in an estimated deficits of ₦379.68 billion, compared with the proportionate quarterly budget deficit of ₦479.62 billion.

3.2.2 Statutory Allocations to State Governments

At ₦705.60 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 quarterly budget by 40.1 per cent.

A breakdown showed that receipts from the Federation Account were ₦565.98 billion (80.2%), while the share from VAT pool account stood at ₦139.62 billion (19.8%). The receipts from the Federation and VAT Pool Accounts fell below the quarterly budget by 41.8 and 31.8 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 2019 stood at ₦437.61 billion. This was below the quarterly budget by 35.1 per cent. Of the total amount, allocation from the Federation Account was ₦339.87 billion (77.7%), while the VAT Pool Account stood at ₦97.73 billion (22.3%).

4.0 Domestic Economic Conditions

Agricultural activities in the review quarter were dominated by harvesting of farm produce. In the livestock sub-sector, farmers continued the breeding of poultry and cattle nation-wide. The end-period headline inflation, on year-on-year and 12-month moving average bases for the third quarter of 2019, stood at 11.24 per cent and 11.27 per cent, respectively.

4.1 Agricultural Sector

In the third quarter of 2019, agricultural activities intensified, due, largely, to increased rainfall experienced in most parts of the country. However, a few cases of flooding were recorded in some parts of the country, which destroyed farm produce. Farming activities were centred majorly on the harvest of agricultural produce during the quarter.

In a bid to curb the farmers/herders clash and ensure a well-integrated meat/dairy industry, a pilot phase of the Livestock Transformation Plan was flagged off in Adamawa, Benue, Kaduna, Plateau, Nasarawa, Taraba and Zamfara states. The Plan was targeted at supporting the development of the country's livestock sub-sector.

4.2 Agricultural Credit Guarantee Scheme

A total of ₦1,214.2 million loan was guaranteed to 9,752 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in the third quarter of 2019. This represented an increase of 41.7 per cent above the level in the preceding quarter, but was 14.6 per cent below the level in the corresponding quarter of 2018. Sub-sectorial analysis showed that food crops received the largest share of ₦595.5 million (49.0 per cent) guaranteed to 5,436 beneficiaries, mixed crops got ₦221.8 million (18.3 per cent) guaranteed to 2,472 beneficiaries, while livestock had ₦174.5 million (14.4 per cent) guaranteed to 690 beneficiaries. Cash crops, fisheries and 'Others' got ₦106.5 million (8.8 per cent), ₦84.4 million (6.9 per cent) and ₦31.5 million (2.6 per cent), guaranteed to 629, 321 and 204 beneficiaries, respectively.

Analysis by state, showed that 34 states and the Federal Capital Territory benefited from the Scheme in the review quarter, with the highest and lowest sums of ₦142.9 million (11.8 per cent) and ₦2.6 million (0.2 per cent) guaranteed to Adamawa and

Jigawa states, respectively.

4.3 Commercial Agricultural Credit Scheme (CACS)

At end-September 2019, the total amount released, since inception by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement, amounted to ₦610.4 billion for 593 projects, while total amount repaid since inception stood at ₦368.0 billion at end-June 2019, compared with ₦338.4 billion (Table 11).

Table 11: Disbursement and Repayment of Credit under the Commercial Agriculture Credit Scheme (CACS) as at September 18, 2019

S/N	Participating Banks	Total No. of Projects	Amount Disbursed (N billion)	Amount Repaid (N bi
1	UBA Plc	52	83.53	55.0
2	Zenith Bank	76	123.91	79.5
3	First Bank of Nigeria Plc	104	52.99	44.2
4	Unity Bank Plc	30	29.80	13.0
5	Union Bank Plc	40	28.96	21.3
6	Stanbic IBTC Plc	46	28.10	19.2
7	Sterling Bank	43	72.43	26.7
8	Access Bank Plc	26	36.66	29.6
9	Fidelity Bank Plc	17	23.67	13.8
10	Polaris Bank Limited	10	13.77	11.7
11	FCMB Plc.	29	18.53	9.6
12	Ecobank	10	6.38	6.4
13	GTBank	29	39.85	20.3
14	Diamond Bank Plc	23	4.85	4.0
15	Heritage Bank	14	6.81	2.4
16	Citibank Plc	2	3.00	3.0
17	Keystone Bank	22	30.05	6.9
18	WEMA Bank Plc	14	3.24	1.3
19	Jaiz Bank Plc	3	2.05	0.0
20	Suntrust Bank Ltd	3	1.85	0.3
	TOTAL	593	610.43	368.02

4.4 Industrial Production⁷

Data from the Nigeria Bureau of Statistics (NBS) indicated that the industrial sector showed an improvement in the third quarter of 2019, on account of expansion in manufacturing activities, due to marginal increase in employment, electricity consumption, crude oil exploration, output and new orders in the sub-sector. Consequently, industrial production in the review quarter indicated a marginal increase over the level in the preceding quarter. At 108.5 (2010=100), the estimated index of industrial production rose by 0.7 per cent above the level in the preceding quarter. The increase reflected improved activities in manufacturing, mining and electricity generation

Industrial activities improved in the review quarter, due to a marginal increase in employment, output and new orders.

⁷ Indices are staff estimates and subject to changes and revision

and consumption.

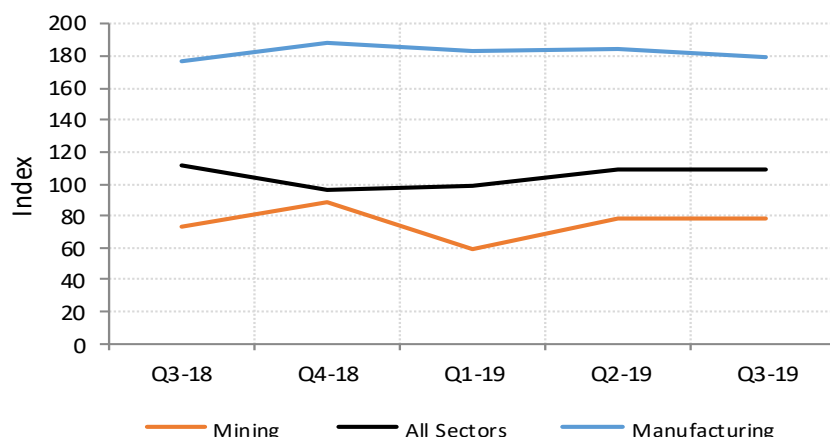
The estimated index of manufacturing production, at 179.7 (2010=100), increased by 2.3 per cent, in the third quarter of 2019, compared with the level in the preceding quarter. The improvement was due, largely, to continued expansion in consumer demand and moderated input prices (Figure 11).

The estimated index of mining production, at 77.9 (2010=100), rose marginally by 0.3 per cent in the third quarter of 2019, compared with the level attained in the second quarter of 2019. The increase reflected the improvement in crude oil and gas production (Figure 11, Table 12).

Electricity generation improved during the review quarter. At 4,144.4 MW/h, average estimated electricity generation rose by 4.8 per cent, compared with the level at the end of the second quarter of 2019. The increase was attributed, majorly, to improvements in gas supply to thermal stations, as well as, increase in water level at the hydro stations.

At 3,855.1 MW/h, average estimated electricity consumption increased by 17.4 per cent, compared with the level attained in the preceding quarter. The increase was attributed, significantly, to improvements in transmission networks resulting from rising investments in transmissions infrastructures.

Average electricity generation and consumption improved in the review quarter.

Figure 11 : Indices of Industrial Production (2010=100) ⁸

Source: Staff Estimate

Table 12: Indices of Industrial Production

	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
All Sectors (1990=100)	111.70	95.80	108.62	109.10	108.50
Manufacturing	176.1	188.6	183.7	184.2	179.7
Mining	73.7	89.1	77.5	78.2	77.9

Source: Staff Estimate

4.5 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, averaged 1.89 mbd in the review quarter. This represented an increase of 1.6 per cent, compared with 1.86 mbd produced in the preceding quarter. The increase in production was attributed to the re-opening of some major oil installations earlier shutdown, including the contributions from the start-up of the new Total Egina field. Allocation of crude oil for domestic consumption was 0.45 mbd or 41.4 million barrels in the review period.

The average spot price of Nigeria's reference crude oil, the Bonny Light (37° API) fell from US\$71.32/b in the second quarter of 2019, to US\$65.21/b in the third quarter of 2019. This represented a decrease of 8.6 per cent and 14.7 per cent

Crude oil and natural gas production increased in the third quarter of 2019.

Crude oil export increased in Q3 2019.

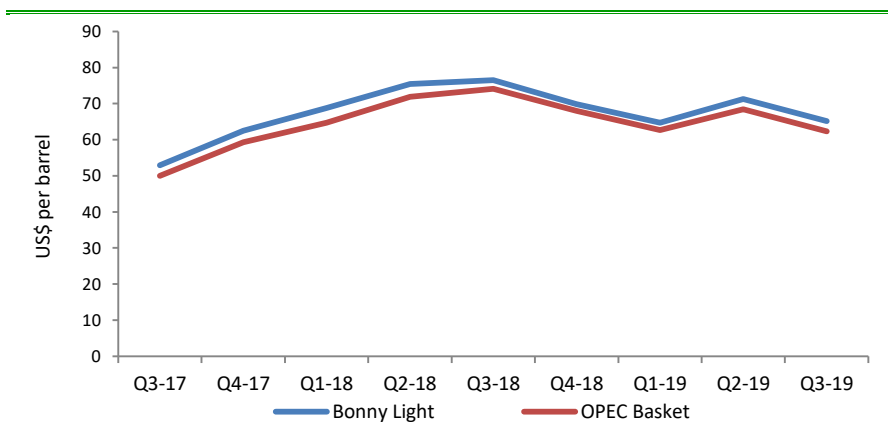
Average crude oil prices, including the Bonny Light (37° API) fell in the international crude oil market in Q3 2019.

⁸ Index measurement (2010=100) from first quarter 2015

below the levels in the preceding quarter and the corresponding period of 2018, respectively. The development was, due, largely, to tightened crude oil supply in the global oil market, majorly to high U.S crude stockpiles in the period and worries over escalating US-China trade dispute. The UK Brent at US\$63.42/b, Forcados at US\$65.28/b and WTI at US\$57.25/b, exhibited similar trends, as the Bonny Light.

The average price of the OPEC basket of the fifteen selected crude streams was US\$62.36/b in the third quarter of 2019, indicating a decrease of 8.8 per cent and 15.8 per cent, compared with the US\$62.72/b and US\$74.10/b in the preceding quarter and the corresponding quarter of 2018 (Figure 12, Table 13).

Figure 12: Trends in Crude Oil Prices



Source: Reuters

Table 13: Average Crude Oil Prices in the International Oil Market (US\$ Barrel)

	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
Bonny Light	52.92	62.48	68.55	75.43	76.5	69.89	64.75	71.3	65.21
OPEC Basket	49.97	59.35	64.76	71.88	74.10	67.98	62.72	68.40	62.36

Source: Reuters

The general price level increased in Q3 2019 below the level in the preceding quarter.

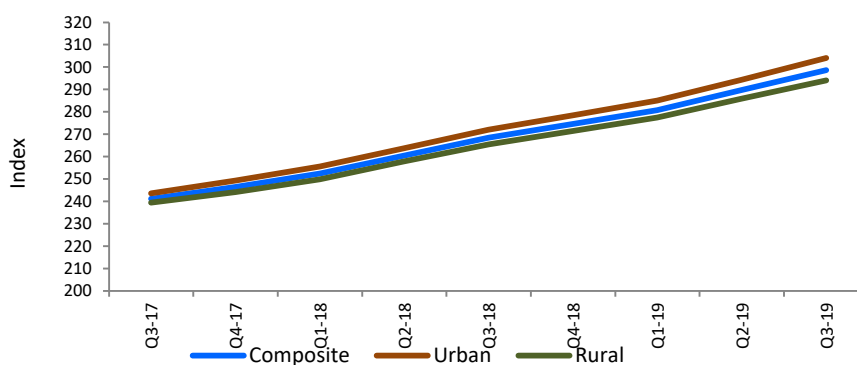
4.6 Consumer Prices⁹

The all-items composite Consumer Price Index (CPI), at end-September 2019, was estimated at 298.5 (November 2009=100), indicating a 3.0 per cent and 11.2 per cent increase over the levels in the second quarter of 2019 and the corresponding period of 2018, respectively. The development was attributed, largely, to increase in both food and non-food categories.

The urban All-items CPI (November 2009=100) stood at 304.1 at end-September 2019, representing 3.3 per cent and 11.8 per cent increase, compared with the levels at end-June 2019 and end-September 2018, respectively. The rural all-items CPI (November 2009=100), was 294.1 at end-September 2019, representing 2.9 per cent and 10.9 per cent increase, compared with the levels at the end of the preceding quarter and the corresponding period of 2018, respectively (Figure 13, Table 14).

The composite food index (with a weight of 50.7 per cent) was estimated at 328.1 per cent in the third quarter of 2019, compared with the 316.0 per cent and 289.0 per cent in the preceding quarter and the corresponding period of 2018, respectively.

Figure 13: Consumer Price Index



Source: NBS

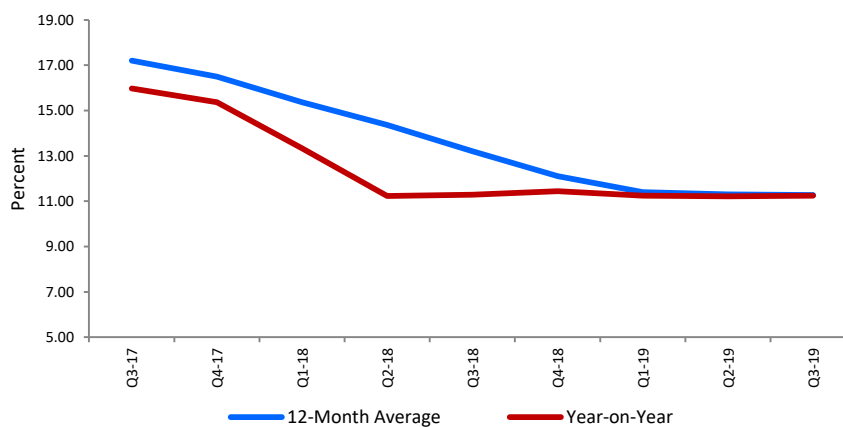
⁹ New CPI with November 2009 = 100, as base and new weight, based on the 2003/2004 Nigeria Living Standard Survey (NLSS), was released by the National Bureau of Statistics (NBS) on October 18, 2010.

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

	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
Composite	241.2	246.4	252.4	260.5	268.4	274.6	280.8	289.7	298.6
Urban	243.5	249.3	255.6	263.8	272	278.5	285	294.4	304.1
Rural	239.4	244.1	249.9	257.8	265.5	271.4	277.4	285.9	294.1

Headline inflation stood at 11.24 per cent at end-September 2019, compared with 11.22 per cent and 11.28 per cent at the end of the preceding quarter and the corresponding period of 2018, respectively. The 12-Month Moving Average (12MMA) inflation, for the third quarter of 2019, was 11.27 per cent, compared with 11.30 per cent and 13.16 per cent in the preceding quarter and the corresponding period of 2018, respectively (Figure 14, Table 15).

The headline inflation (y-o-y) stood at 11.24 per cent in Q3 2019.

Figure 14: Inflation Rate

Source: NBS

Table 15: Headline Inflation Rate (%)

	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
12-Month Moving Average	17.20	16.50	15.60	14.37	13.20	12.10	11.40	11.30	11.27
Year-on-Year	15.98	15.37	13.34	11.23	11.28	11.44	11.25	11.22	11.24

Source: NBS

5.0 External Sector Developments¹⁰

On quarter-on-quarter basis, foreign exchange inflow, through the CBN, fell by 6.7 per cent, while outflow through Bank rose by 22.0 per cent, relative to their levels in the second quarter of 2019. Total non-oil export proceeds received by banks fell by 11.7 per cent, compared with the level at end-June 2019. The average exchange rate at the 'Investors' and 'Exporters' window, the BDC and the Inter-bank segments of the market were ₦362.20/US\$, ₦359.14/US\$ and ₦306.93/US\$, respectively, in the review quarter. At US\$40.90 billion, the gross external reserves fell by 8.6 per cent, compared with the level at end-June 2019.

5.1 Foreign Exchange Flows

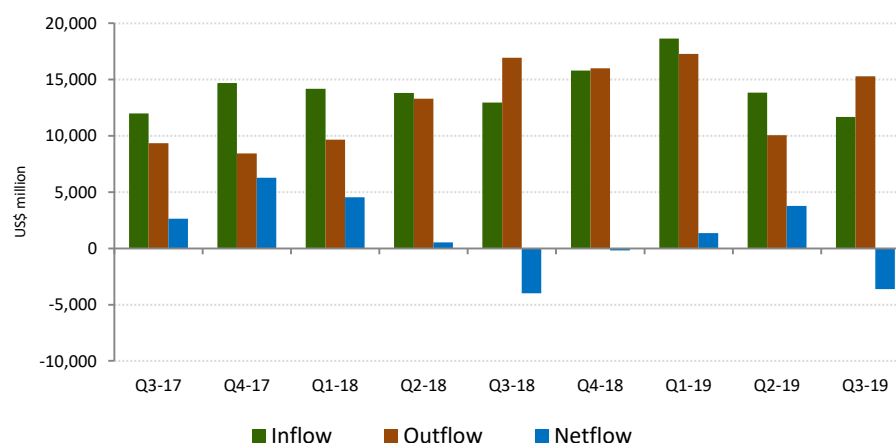
Aggregate foreign exchange inflow into the CBN amounted to US\$11.69 billion, showing decline of 6.7 per cent and 9.5 per cent, compared with the levels in the second quarter of 2019 and the corresponding period of 2018, respectively. The development, relative to the preceding quarter reflected, mainly, the fall in non-oil receipts.

Foreign exchange inflow into the CBN declined, while outflow from the Bank rose, resulting in a net outflow of US\$3.61 billion in Q3 of 2019.

Aggregate outflow from the CBN was US\$15.30 billion, indicating an increase of 22.0 per cent above the level in the second quarter of 2019, but a decline of 12.0 per cent, compared with level in the corresponding period of 2018. The rise in outflow, relative to the preceding quarter, reflected, mainly, increased intervention in the foreign exchange market and other official payments. Overall, foreign exchange flows, through the Bank in the review period, resulted in a net outflow of US\$3.61 billion, compared with net outflow of US\$0.02 billion and US\$4.47 billion in the preceding quarter and the corresponding period of 2018, respectively (Figure 15, Table 16).

¹⁰ Data on foreign exchange flows through the CBN and the Economy, as well as foreign exchange utilisation for the third quarter of 2019 are provisional and subject to change.

Figure 15: Foreign Exchange Flows through the CBN



Source: CBN

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

	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
Inflow	14,708.45	14,194.10	13,817.56	12,949.01	15,815.40	18,384.02	13,830.98	11,689.73
Outflow	8,444.27	9,651.78	13,296.38	16,931.36	16,002.49	16,302.16	10,066.75	15,302.72
Netflow	6,264.18	4,542.32	521.18	(3,982.36)	(187.09)	2,081.86	3,764.22	(3,612.99)

Source: CBN

Aggregate foreign exchange inflow into the economy amounted to US\$25.76 billion in the third quarter of 2019, indicating a decline of 5.7 per cent, compared with the level in the preceding quarter, but an increase of 4.3 per cent above the level in the corresponding period of 2018. The development was as a result of the 6.7 per cent and 5.0 per cent decline in inflow through the CBN and autonomous sources, respectively. Oil sector receipts, which accounted for US\$4.00 billion, rose by 4.9 per cent and 3.5 per cent above the levels at the end of the preceding quarter and the corresponding period of 2018, respectively.

Non-oil public sector inflow, at US\$7.71 billion (29.9 per cent of the total) in the review period, declined by 11.7 per cent and 15.1 per cent below the levels at the end of the second quarter of 2019 and the corresponding period of 2018, respectively. Autonomous inflow, at US\$14.07 billion in the third quarter of

Autonomous inflow into the economy fell by 5.0 per cent in Q3 2019.

2019, similarly, declined by 5.0 per cent, compared with the level at the end of the preceding quarter, but increased by 19.4 per cent above the level recorded at the end of the corresponding period of 2018. Inflow from autonomous sources accounted for 54.6 per cent of the total.

At US\$16.54 billion, aggregate foreign exchange outflow from the economy rose by 21.9 per cent above the level in the preceding quarter. It, however, fell by 9.4 per cent relative to the level in the corresponding period of 2018. The development, relative to the preceding quarter was driven, mainly, by 22.0 per cent rise in outflow from the CBN, over the level in the preceding quarter. Thus, foreign exchange flows through the economy, resulted in a net inflow of US\$9.22 billion in the review quarter, compared with US\$13.76 billion and US\$9.43 billion in the preceding quarter and the corresponding period of 2018, respectively.

5.2 Non-Oil Export Earnings by Exporters

Total non-oil export earnings received through the banks during the review period amounted to US\$1.62 billion, representing an increase of 1.2 per cent and 95.1 per cent relative to the levels at the end of the preceding quarter and corresponding period of 2018, respectively. The development, relative to the preceding quarter's level, was attributed, largely, to the 82.6 per cent, 82.4 per cent and 33.3 per cent increase in receipts from the agricultural, food products and transport sub-sectors, respectively. Sectoral analysis showed that proceeds from the industrial, manufacturing and minerals sub-sectors fell by 23.5 per cent, 21.1 per cent and 19.5 per cent, respectively. The decrease in the non-oil export receipts from manufactured products was driven, majorly, by plastics, footwear, soap and other detergents, furniture and wood, glass and glass products, drugs and pharmaceutical products, electronics and other manufactured products.

The shares of the various sectors in non-oil export proceeds were: agricultural products, 34.2 per cent; industrial sector, 27.6 per cent; minerals, 23.4 per cent; manufactured products, 9.5 per cent; and food products, 5.3 per cent.

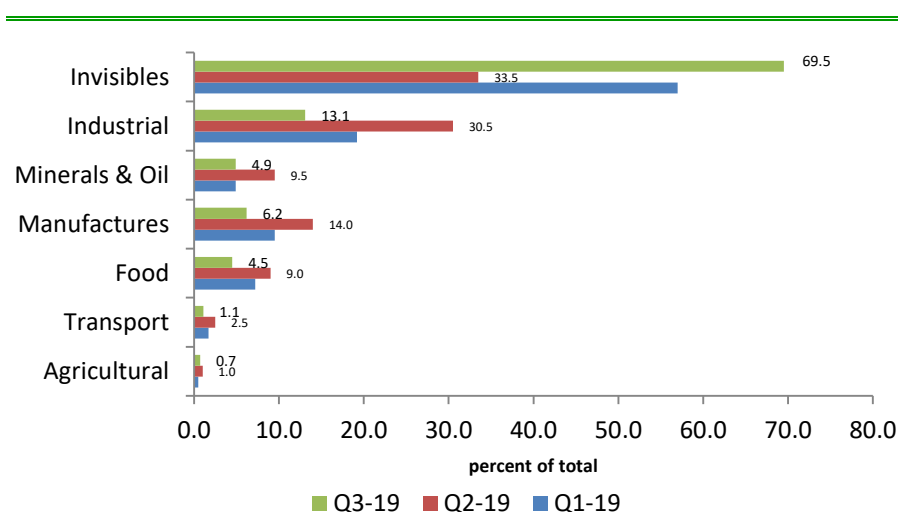
Total non-oil export earnings by exporters rose in Q3 2019.

The invisible sector accounted for the bulk of the total foreign exchange disbursed in Q3 2019.

5.3 Sectoral Utilisation of Foreign Exchange

Aggregate sectoral foreign exchange utilisation in the third quarter of 2019 stood at US\$13.26 billion, indicating an increase of 50.9 per cent and 10.8 per cent above the levels at the end of the second quarter of 2019 and the corresponding period of 2018, respectively. The invisible sector accounted for the bulk (69.5%) of total foreign exchange disbursed in the review quarter, followed by the industrial sector (13.1%). Others were: manufactured products, 6.2 per cent; minerals and oil, 4.9 per cent; food products, 4.5 per cent; transport, 1.1 per cent; and agricultural sector, 0.7 per cent (Figure 16).

Figure 16: Sectoral Utilisation of Foreign Exchange Source: CBN



Source: CBN

5.4 Foreign Exchange Market Developments

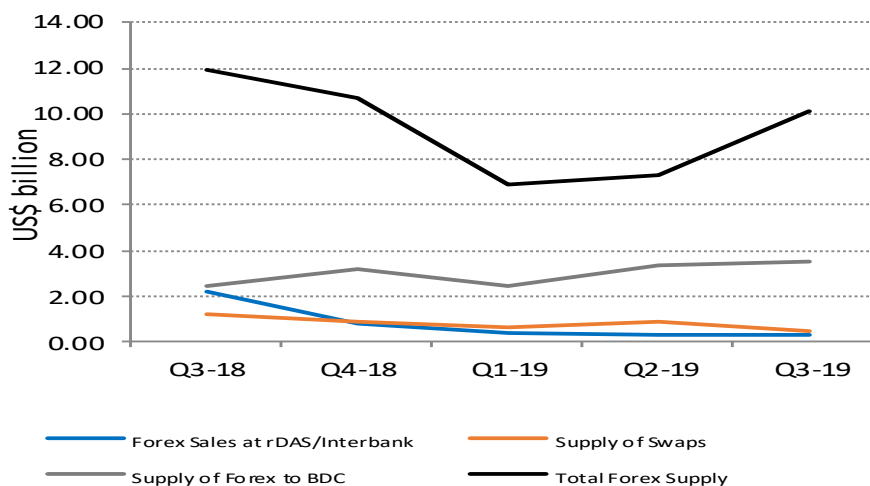
A total of US\$10.11 billion was sold by the CBN to authorised dealers in the third quarter of 2019. This represented 37.1 per cent increase, compared with the level in the second quarter of 2019. The development, relative to the preceding quarter, reflected, mainly, the significant rise in foreign exchange sales to the I&E window, swaps transactions and wholesale forwards in the review quarter.

Of the total, foreign exchange sales to the I&E window, swaps transaction, wholesale forwards intervention, SME intervention, sales to BDCs, interbank sales and SMIS intervention rose above their levels in the preceding quarter by 2,345.14 per cent, 36.1

Supply of foreign exchange to authorised dealers rose in Q3 2019.

per cent, 24.3 per cent, 12.5 per cent, 9.3 per cent, 6.9 per cent and 0.7 per cent, respectively, to US\$2.02 billion, US\$0.47 billion, US\$1.50 billion, US\$0.43 billion, US\$3.54 billion, US\$0.33 billion and US\$1.84 billion, respectively. Foreign exchange forwards disbursed at maturity recorded no transaction during the period under review (Figure 17, Table 17).

Figure 17: Supply of Foreign Exchange



Source: CBN

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

	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
Forex Sales at rDAS/Interbank	1.96	0.82	0.36	0.33	0.33
Supply of Swaps	1.40	0.13	0.66	0.09	0.47
Supply of Forex to BDC	2.51	2.98	2.44	3.33	3.54
Wholesale Forward	0.00	0.00	0.31	1.18	1.50
Supply to I & E	2.08	2.09	0.83	0.08	2.02
SMIS Intervention	0.00	0.00	0.70	1.93	1.84
SME Intervention	0.00	0.00	0.13	0.40	0.43
Disbursement at maturity	2.99	3.15	1.47	0.00	0.00
Total Forex Supply(BDC and rDAS)	10.94	9.18	6.90	7.33	10.11

Source: CBN

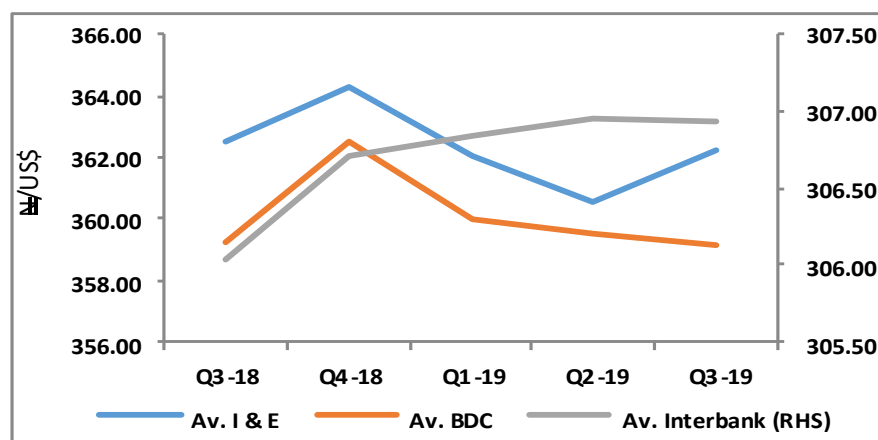
The CBN sustained its interventions at both the Inter-bank and the BDC segments of the foreign exchange market in the review quarter. Consequently, average exchange rate of the

The average naira exchange rate vis-à-vis the US appreciated at the inter-bank and the BDC segments, while it depreciated at the I&E Window in Q3 2019.

naira vis-à-vis the US dollar at the Inter-bank segment, appreciated by 0.01 per cent to ₦306.93/US\$, above the level in the preceding quarter. It, however, depreciated by 0.3 per cent, compared with the level recorded in the corresponding period of 2018. Conversely, at the BDC segment, the average exchange rate, appreciated by 0.1 per cent and 0.02 per cent to ₦359.14/US\$, relative to the level in the preceding quarter and the corresponding period of 2018, respectively. At ₦362.20/US\$, the average exchange rate at the “Investors” and “Exporters” (I&E) window depreciated by 0.4 per cent, relative to the level in the preceding quarter, but appreciated by 0.1 per cent, compared with the level in the corresponding period of 2018.

Consequently, the premium between the average inter-bank and BDC rates narrowed by 0.13 percentage point to 17.0 per cent, relative to the level in the preceding quarter. The premium between the average exchange rates at the “Investors” and “Exporters” window and the BDC segment widened by 0.6 percentage point to 0.9 per cent, in the review quarter, from 0.3 per cent at the end of the second quarter of 2019 (Figure 18, Table 18).

Figure 18: Average Exchange Rate Movements



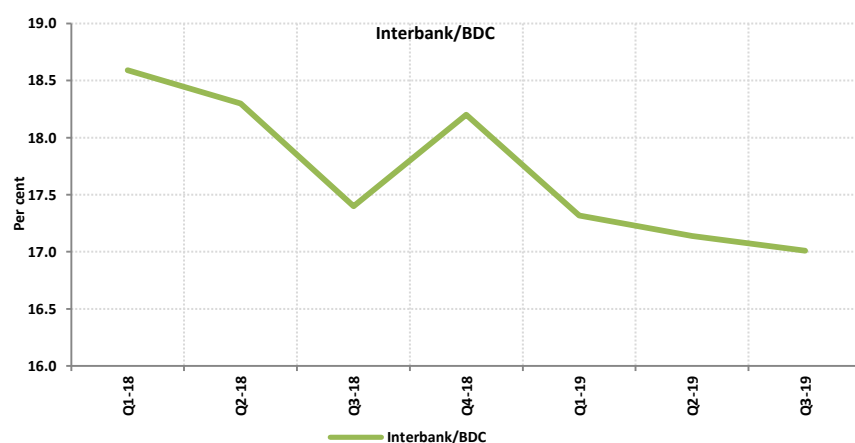
Source: CBN

Table 18: Exchange Rate Movements and Exchange Rate Premium

Average Exchange Rate (N/US\$)	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
Investors and Exporters Window	362.15	360.47	360.38	360.80	362.49	364.21	362.07	360.72	362.20
BDC	365.56	362.83	362.58	361.84	359.27	362.34	359.97	360.00	359.14
Interbank	305.81	305.96	305.81	305.77	306.03	306.70	306.84	306.95	306.93
Premium (%)									
I&E/Interbank	N/A	N/A	N/A	18.0	18.4	18.3	18.3	17.5	18.0
BDC/Interbank	19.30	19.50	18.59	18.30	17.40	0.50	0.80	17.14	17.00

Source: CBN

Figure 19: Exchange Rate Premium



Source: CBN

5.5 Gross Official External Reserves

Gross external reserves were US\$40.90 billion as at September 25, 2019. This indicated a decrease of 8.6 per cent, compared with the level in the second quarter of 2019. The external reserves position would cover 5.2 months of import of goods and services or 9.2 months of import of goods only, based on the estimated value of import for the second quarter of 2019. A breakdown of the external reserves by ownership showed that the share of Federation reserves was US\$0.27 billion (0.7 per cent); Federal Government reserves, US\$7.00 billion (17.1 per cent); and the CBN reserves, US\$33.62 billion (82.2 per cent) of the total (Figure 20, Table 19).

Gross external reserves fell in the third quarter of 2019.

Figure 20 : Gross Official External Reserves

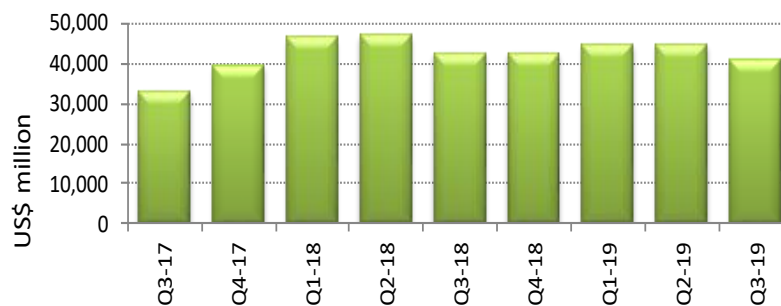


Table 19: Gross Official External Reserves (US\$ million)

	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
External Reserves	47,157.9	42,609.0	42,542.82	44,793.1	44,747.0	40,897.2

6.0 *Global Economic Outlooks*

6.1 *Global Output*

Global growth was projected at 3.2 per cent for the year 2019 and was estimated to improve to 3.5 per cent in 2020. This was 0.1 percentage point lower than in the projection in April World Economic Outlook (WEO) for both years. Growth forecast for China and Emerging Asia were revised downward, consistent with the impact of intensifying trade tensions and associated confidence effects.

The IMF's World Economic Outlook (WEO) released in April 2019, projected growth in major advanced economies to slowdown from 2.2 per cent in 2018 to 1.9 per cent and 1.7 per cent in 2019 and 2020, respectively. The estimated growth rate for 2019 was 0.1 percentage point, which was lower than the April 2019 WEO projection. In the United States, growth was projected to decline to 2.6 per cent in 2019. This was below the IMF forecast of April 2019 of 2.3 per cent. The downward revision of 2019 growth reflected the stronger-than-anticipated first quarter performance, as the headline number was strong on the back of robust exports and inventory accumulation. Domestic demand was, however, somewhat softer than expected, and imports weaker, reflecting the effect of tariffs. These developments point to slowing momentum over the rest of the year.

Meanwhile, growth in the euro area was projected to moderate from 1.9 per cent in 2018 to 1.3 per cent in 2019. It was, however, expected to improve to 1.6 per cent in the first half of 2020, 0.1 percentage point higher than in April 2018. Growth rates had declined for many European economies, notably Germany, where growth was revised downward, due to weaker-than-expected external demand, which also weighed on investment. Projections, however, remain unchanged for France, where fiscal measures were expected to support growth, and Italy, where the uncertain fiscal outlook was similar to April 2019 WEO projection, taking a toll on investment and domestic demand. In the United Kingdom, growth was projected at 1.4 per cent in 2018, 1.3 per cent in 2019 and 1.4 per cent in 2020, 0.1 per cent higher than the April

2019 WEO projection. Japan's economy is set to grow by 0.9 per cent in 2019, 0.1 percentage point lower than in the April 2019 WEO.

In emerging markets and developing economies, growth was projected at 4.7 per cent in 2020, from 4.1 per cent in 2019. The forecasts for 2019 and 2020 were 0.3 percentage point and 0.1 percentage point lower, respectively, than in April, reflecting downward revisions in all major regions. China's growth was projected to decline from 6.6 per cent in 2018 to 6.2 per cent in 2019, while India's growth was projected to increase from 6.8 per cent in 2018 to 7.0 per cent in 2019. In Brazil, growth was estimated to decline from 1.1 per cent in 2018 to 0.8 per cent in 2019.

Growth in sub-Saharan African economies was recovering, with the region's average growth projected to rise from 3.1 per cent in 2018 to 3.4 per cent and 3.6 per cent in 2019 and 2020, respectively. The increase was due, mainly, to the impact of recovering oil production and prices, agricultural diversification and growth in the financial sector. In South Africa for instance, growth is expected to move at a more subdued pace in 2019 than projected in the April WEO, following a very weak first quarter. The development reflected a larger-than-anticipated impact of strike activity, energy supply issues in mining, and weak agricultural production. Nigeria's growth was projected to increase from 1.9 per cent in 2018 to 2.3 per cent in 2019, as a result of the impact of recovering oil production and prices, agricultural diversification and growth in the financial sector.

6.2 Global Inflation

Preliminary data on global inflation for the third quarter of 2019 revealed mixed results. While some advanced and emerging market economies experienced decelerating inflation, others had increasing inflation. Among the advanced economies, inflation remain unchanged in the Eurozone at 1.0 per cent in August 2019, but increased in the United States to 1.8 per cent in July 2019, from 1.6 per cent in June 2019. Furthermore, inflation increased, marginally, in the United Kingdom to 2.1 per cent in July 2019 from 2.0 per cent in June 2019, but fell in Japan

to 0.5 per cent in July 2019, from 0.7 per cent in the preceding month.

In major emerging markets, there were mixed developments. The headline inflation in Brazil and India decreased to 3.2 per cent and 3.2 per cent in July 2019 from 3.4 per cent and 3.2 per cent, respectively, in June 2019. However, inflation in China rose to 2.8 per cent in July 2019 from 2.7 per cent in June 2019. In Ghana, inflation also increased to 9.4 per cent in July 2019 from 9.1 per cent in June 2019.

According to the IMF's World Economic Outlook (WEO) of April 2019, inflation was estimated at 1.6 per cent in 2019 for the advanced economy group, from 2.0 per cent in 2018. For the emerging markets and developing economies, inflation was expected to remain unchanged in 2019 from 4.8 per cent in 2018, reflecting pressures in a few economies, including relatively strong demand conditions and a modest increase in food inflation in India. In Sub-Saharan Africa, inflation was projected to remain at double digits for some large developing economies, though at a declining rate. However, the overall inflation in Sub-Saharan Africa was estimated to decelerate to 8.1 percent in 2019, from 8.5 percent in 2018.

6.3 Global Commodity Demand and Prices

Global crude oil supply in the review quarter was estimated at 69.23 mbd, representing an increase of 0.9 per cent above the level in the preceding quarter. World crude oil demand was projected at 100.63 mbd in the third quarter of 2019, indicating an increase of 1.6 per cent compared with the level in the second quarter of 2019. The rise in crude oil demand was driven, largely, by growing demand for September and October loading programmes, especially in Asia; tightening crude supply in Latin America, the Middle East and North Africa, due to planned and unplanned outages; and voluntary production adjustments from the OPEC and non-OPEC participating countries.

6.4 International Financial Markets

Developments in the international stock markets were mixed in the third quarter of 2019. In North America, the United States S&P 500, the Canadian S&P/TSX Composite index and Mexico

Bolsa indices increased by 1.2 per cent, 1.5 per cent and 0.5 per cent, respectively.

In South America, the Brazilian Bovespa Stock, Argentine Merval index and Colombian COLCAP indices increased by 3.9 per cent, 17.4 per cent and 1.6 per cent, respectively. In Europe, the FTSE 100, France CAC 40 and the German DAX indices increased by 3.0 per cent, 2.9 per cent and 3.7 per cent, respectively. In Asia, Japan's Nikkei 225, Shanghai Stock Exchange-A and the Indian BSE Sensex indices rose by 6.0 per cent, 0.8 per cent and 3.9 per cent, respectively, during the period.

In the foreign exchange market, thirteen (13) of the sixteen (16) currencies surveyed depreciated against the US dollar, reflecting continued sluggish recovery of global output, decline in commodity prices and investor appetite for dollar-denominated assets. The movement in the regional currencies exchange rates are as follows:

- **Africa:** The Egyptian pound and the Ghanaian cedi appreciated against the US dollar by 2.2 per cent and 0.7 per cent, respectively, while the Nigerian naira, the South African rand, and Kenyan shilling depreciated by 0.03 per cent, 6.9 per cent, 1.4 per cent, respectively.
- **North America:** The Canadian dollar and Mexican peso depreciated against the U.S. dollar by 1.1 per cent and 2.38 per cent, respectively.
- **South America:** The Brazilian real appreciated against the U.S. dollar by 7.9 per cent, while the Argentine peso and Colombian peso depreciated by 26.2 per cent and 7.6 per cent, respectively.
- **Europe:** The Pound Sterling, Euro and Russian ruble depreciated against the US dollar by 3.2 per cent, 4.2 per cent and 2.5 per cent, respectively.
- **Asia:** The Japanese yen, Chinese Yuan and Indian rupee depreciated against the U.S. Dollar by 0.2 per cent, 3.9 per cent and 2.6 per cent, respectively.

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 2019 included: The Federal Ministry of Foreign Affairs (FMFA) convened the first preparatory Inter-Ministerial Committee meeting for the 74th session of the United Nations General Assembly (UNGA), scheduled for September 2019, in New York. The meeting held in July 2019 at the Rotunda Auditorium, Federal Ministry of Foreign Affairs, Abuja. The purpose of the meeting was to discuss the expectations of the Ministries, Departments and Agencies (MDAs) and Nigeria's participation at the 74th session of the United Nations General Assembly (UNGA) in New York.

The Technical Committee (TC) of the West African Institute for Financial and Economic Management (WAIFEM), held an extra-ordinary meeting, centred on the Restructuring of WAIFEM, at Conakry, Guinea from August 14 -15, 2019 under the Chairmanship of Dr. Moses K. Tule, Director, Monetary Policy Department, Central Bank of Nigeria. In attendance were Central Bank of The Gambia, Bank of Ghana, Central Bank of Liberia, Central Bank of Nigeria and Bank of Sierra Leone.

Furthermore, the 2019 mid-year statutory meetings of the West African Monetary Zone (WAMZ), West African Monetary Agency (WAMA) and WAIFEM held in Conakry, Republic of Guinea from August 16 – 23, 2019. The meetings took place as follows:

- Extra-ordinary Meeting of the Technical Committee of WAIFEM – Aug 14 -15, 2019;
- 35th Meeting of the TC of WAMA - Aug 18 -19, 2019;
- 40th Meeting of the TC of WAIFEM – Aug 19, 2019;
- 45th Meeting of the TC of WAMZ – Aug 20 -21, 2019;
- 37th Meeting of WAIFEM Board of Governors – Aug 22, 2019;
- 39th Meeting of the Committee of Governors of WAMZ – Aug 22, 2019;

- 54th Meeting of the Committee of Governors of WAMA – Aug 22, 2019; and
- 42nd Meeting of the Convergence Council – Aug 23, 2019.

The meetings had in attendance representatives from member central banks in the ECOWAS sub-region, Ministries of Finance, African Development Bank (AfDB), West African Bankers Association (WABA), amongst other observers, and was hosted by the Central Bank of the Republic of Guinea (BCRG).

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Aug-19
Domestic Credit (Net)	25,568.20	26,408.42	27,574.32	31,736.89	32,341.48	34,291.10
<i>Claims on Federal Government (Net)</i>	3,286.30	3,440.99	4,866.09	7,742.16	7,583.24	9,456.33
Central Bank (Net)	23,409.80	(91.46)	342.21	3,215.42	2,754.06	4,450.03
Banks	3,262.90	3,532.45	4,523.88	4,526.74	4,829.18	5,006.30
<i>Claims on Private Sector</i>	22,281.90	22,967.43	22,708.23	23,994.74	24,758.24	24,834.77
Central Bank	6,420.40	6,431.58	6,574.67	7,678.57	8,504.88	8,022.06
Banks	15,861.50	16,535.85	16,133.54	16,316.16	16,253.36	16,812.71
<i>Claims on Other Private Sector</i>	20,489.00	21,173.75	21,109.72	22,284.77	23,117.87	23,336.43
Central Bank	5,599.80	5,730.19	5,873.28	6,870.79	7,740.84	7,258.02
Banks	14,889.20	15,443.56	15,236.44	15,413.99	15,377.03	16,078.41
<i>Claims on State and Local Government</i>	1,628.80	1,341.87	1,553.64	1,618.85	1,595.81	1,453.77
Central Bank	656.50	656.53	656.53	716.67	719.47	719.47
Banks	972.30	685.34	897.11	902.18	876.33	734.29
<i>Claims on Non-financial Public Enterprises</i>						
Central Bank						
DMBs						
Foreign Assets (Net)	18,337.50	18,815.94	18,397.82	16,816.80	18,471.24	15,702.07
Central Bank	17,844.10	18,277.81	18,181.45	16,292.64	17,569.37	16,021.38
Banks	493.50	538.13	216.37	524.16	901.87	(319.31)
Other Assets (Net)	(10,091.00)	(14,373.29)	(12,612.88)	(14,722.61)	(15,908.67)	(14,747.99)
Money Supply (M3)	33,814.70	30,851.05	33,359.26	33,831.08	34,904.05	35,245.17
Quasi-Money 1/	14,112.90	14,802.98	15,316.02	15,890.94	16,737.58	16,341.00
Money Supply (M1)	10,701.10	10,757.68	11,752.56	10,943.88	11,161.25	11,245.42
<i>Currency Outside Banks</i>	1,519.90	1,601.88	1,912.98	1,780.61	1,650.87	1,653.26
<i>Demand Deposits 2/</i>	9,181.20	9,155.79	9,839.58	9,163.26	9,510.38	9,592.16
Money Supply (M2)	24,814.00	25,560.66	27,068.58	26,834.82	27,898.83	27,586.42
CBN Bills held by Non-Bank Sectors	9,000.70	5,290.39	6,290.67	6,996.26	7,005.22	7,658.74
Money Supply (M3)	33,814.70	30,851.05	33,359.25	33,831.07	34,904.05	35,245.17
<i>Memorandum Items:</i>						
Reserve Money (RM)	6,360.50	6,802.56	7,135.73	7,246.28	8,088.46	6,977.84
<i>Currency in Circulation (CIC)</i>	1,900.70	1,926.38	2,329.71	2,153.22	2,014.07	2,018.84
Banks' Deposit with CBN	4,459.80	4,876.17	4,806.02	5,093.06	6,074.39	4,958.99

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)*

	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Aug-19
	<i>Percentage Change Over Preceding Quarter</i>					
Domestic Credit (Net)	-6.32	3.3	4.4	15.1	1.9	6.0
<i>Claims on Federal Government (Net)</i>	-33.35	4.7	41.4	59.1	-2.1	24.7
<i>Claims on Private Sector</i>	-0.36	3.1	-1.1	5.7	3.2	0.3
<i>Claims on Other Private Sector</i>	0.11	5.3	-0.3	5.6	3.7	1.0
<i>Claims on State and Local Government</i>	-0.19	-17.6	15.8	4.2	-1.4	-8.9
<i>Claims on Non-financial Public Enterprises</i>						
Foreign Assets (Net)	12.38	2.6	-2.2	-8.6	9.8	-15.0
Other Assets (Net)	-3.56	-1.3	-12.3	16.7	8.1	-7.3
Money Supply (M3)	2.01	5.1	8.1	1.4	3.2	1.0
Quasi-Money 1/	5.4	4.9	3.5	3.8	5.3	-2.4
Money Supply (M1)	-3.02	0.5	9.3	-6.9	2.0	0.8
<i>Currency Outside Banks</i>	-8.9	5.4	19.4	-6.9	-7.3	0.1
<i>Demand Deposits 2/</i>	-1.97	-0.3	7.5	-6.9	3.8	0.9
Total Money Assets (M2)	1.6	3	5.9	-0.9	4.0	-1.1
CBN Bills held by Non-Bank Sectors	3.19	16.8	18.9	11.2	0.1	9.3
Money Supply (M3)	2.01	5.1	8.1	1.4	3.2	1.0
<i>Memorandum Items:</i>						
Reserve Money (RM)	-5.85	7	4.9	1.6	11.6	-13.7
<i>Currency in Circulation (CIC)</i>	-6.8	1.4	20.9	1.6	11.6	13.7
<i>DMBs Demand Deposit with CBN</i>	-2.53	9.3	-10.5	-7.6	6.5	0.2
	<i>Percentage Change Over Preceding December</i>					
Domestic Credit (Net)	-1.4	1.8	6.3	15.1	17.3	24.4
<i>Claims on Federal Government (Net)</i>	-9.74	-5.4	33.7	59.1	55.8	94.3
<i>Claims on Private Sector</i>	-0.04	3	1.9	5.7	9.0	9.4
<i>Claims on Other Private Sector</i>	-1.11	2.2	1.9	5.6	9.5	10.6
<i>Claims on State and Local Governments</i>	5.44	-13.1	0.6	4.2	2.7	-6.4
<i>Claims on Non-financial Public Enterprises</i>						
Foreign Asset (Net)	5.13	21.2	18.5	8.6	0.4	-14.7
Other Asset (Net)	-1.64	12.5	1.3	-16.7	-26.1	-16.9
Money Supply (M3)	6.39	7.6	16.4	1.4	4.6	5.7
Quasi-Money 1/	3.28	14.2	18.1	3.8	9.3	6.7
Money Supply (M1)	-1.27	-3.7	5.2	-6.9	-5.0	-4.3
<i>Currency Outside Banks</i>	-6.41	-10.1	7.3	-6.9	-13.7	-13.6
<i>Demand Deposits 2/</i>	-0.29	-2.5	4.8	-6.9	-3.4	-2.5
Money Supply (M2)	2.33	1.18	5.9	-0.9	3.1	1.9
CBN Bills held by Non-Bank Sectors	42.91	24.31	16.8	11.2	11.4	21.8
Money Supply (M3)	6.39	7.6	16.4	1.4	4.6	5.7
<i>Memorandum Items:</i>						
Reserve Money (RM)	-4.93	10.88	10.1	1.6	13.4	-2.2
<i>Currency in Circulation (CIC)</i>	-1.01	-5.47	8	-7.6	-13.6	-13.3
<i>DMBs Demand Deposit with CBN</i>	17.9	9	11.10	6.00	26.4	3.2

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.

Table A3: Federal Government Fiscal Operations (₦ billion) *

	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
Retained Revenue	1,035.72	1,144.47	798.82	944.58	1,026.95
<i>Federation Account</i>	824.40	828.66	709.03	716.29	866.79
<i>VAT Pool Account</i>	40.28	39.80	43.43	42.55	41.89
<i>FGN Independent Revenue</i>	85.54	90.03	38.80	148.73	115.91
<i>Excess oil</i>	5.50	-	-	36.33	-
<i>Excess non-oil</i>	3.86	2.32	6.40	-	0.92
<i>Exchange gain</i>	30.73	56.00	1.16	0.69	1.44
<i>Others</i>	45.42	127.66	-	-	-
Expenditure	1,939.90	2,017.63	1,197.04	1,579.88	1,406.63
<i>Recurrent</i>	1,600.45	1,358.36	854.92	1,034.38	884.79
<i>Capital</i>	225.34	545.15	275.55	493.48	371.65
<i>Transfers</i>	114.11	114.11	66.57	52.02	150.19
Overall Balance: Surplus(+)/Deficit(-)	(904.19)	(873.16)	(398.22)	(635.30)	(379.68)

*Third Quarter 2019 figures are provisional.

