



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
NOVEMBER 2012***

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

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1.0 Summary

Growth in the key monetary aggregate was modest at the end of November 2012. On month-on-month basis, broad money (M_2) rose by 4.6 per cent, due, largely, to the 10.0 per cent rise in domestic credit (net) of the banking system. Relative to the level at end-December 2011, M_2 grew by 13.2 per cent, owing, largely, to the rise in domestic credit (net) and foreign assets (net) of the banking system. Narrow money (M_1) grew by 5.2 per cent, compared with the level at the end of the preceding month. Reserve money (RM) fell by 2.0 per cent below its level in the preceding month.

Available data indicated mixed developments in deposit rates. Both maximum and prime lending rates rose in November 2012. The spread between the weighted average term deposit and maximum lending rates narrowed slightly from 17.37 percentage points to 17.32 percentage points in November 2012. The margin between the average savings deposit and maximum lending rates, however, widened to 23.05 percentage points in the review month from 22.89 per cent in the preceding month. The weighted average inter-bank call rate rose to 11.86 per cent, from 11.42 per cent in the preceding month, reflecting the liquidity condition in the inter-bank funds market during the review month.

The value of money market assets outstanding at end-November 2012 was ₦6,148.81 billion, showing an increase of 0.8 per cent over the level at end-October 2012. The development was attributed to the 1.3 per cent increase in the value of FGN Bonds outstanding. Activities on the Nigerian Stock Exchange (NSE) indicated mixed developments in November 2012.

Gross federally-collected revenue in November 2012 was estimated at ₦841.56 billion, showing an increase of 4.2 and 3.8 per cent above the monthly budget estimate and the preceding month's level, respectively. At ₦630.95 billion, gross oil receipts exceeded both the monthly budget estimate and the preceding month's level by 14.1 and 4.0, respectively. This was attributed largely, to the rise in receipts from petroleum profit tax (PPT) and royalties.

Non-oil receipts, at ₦210.61 billion (25.0 per cent of the gross federally collected revenue), was 17.3 per cent lower than the monthly budget estimates, but exceeded the receipts in the preceding month by 3.2 per cent. The rise in non-oil revenue relative to the preceding month reflected, largely,

the rise in corporate tax and value added tax (VAT) collections. Federal Government estimated retained revenue in November 2012 was ₦245.44 billion, while total estimated expenditure was ₦397.01 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦151.56 billion, as against the estimated monthly budget deficit of ₦94.68 billion.

Agricultural activities in November 2012 were dominated by harvesting of crops and livestock in preparation for the end of the year festivities. Crude oil production, including condensates and natural gas liquids was estimated at 1.95 million barrels per day (mbd) or 58.5 million barrels for the month.

Crude oil export was estimated at 1.50 million barrels per day (mbd) or 45.0 million barrels during the month. The average price of Nigeria's reference crude, the Bonny Light (37° API), was estimated at US\$111.02 per barrel, indicating a decrease of 2.8 per cent, compared with the level in the preceding month.

The end-period headline inflation rate (year-on-year), in November 2012, was 12.3 per cent, 0.6 percentage point above the level in the preceding month. Inflation rate on a twelve-month moving average basis was 12.1 per cent, compared with 11.9 per cent in the preceding month.

Foreign exchange inflow and outflow through the CBN in November 2012 were US\$4.27 billion and US\$3.84 billion, respectively, resulting in a net inflow of US\$0.43 billion. Foreign exchange sales by the CBN to the authorized dealers amounted to US\$1.64 billion, showing an increase of 13.8 per cent over the level in the preceding month.

Relative to the level in the previous month, the average Naira exchange rate vis-à-vis the US dollar appreciated in the wDAS segments by 0.01 per cent, but depreciated in the inter-bank and bureau-de-change segments by 0.2 per cent apiece.

Non-oil export receipts declined by 30.50 per cent below the level in the preceding month. The development was attributed, largely, to the decline in agriculture, manufactured products and minerals sub-sectors.

World crude oil output in November 2012 stood at 90.47 million barrels per day (mbd), while demand was 90.01 million barrels per day (mbd), compared with 90.22 mbd and 89.52

mbd supplied and demanded, respectively, in the preceding month.

Other major international economic developments and meetings of relevance to the domestic economy during the month included: the G20 Finance Ministers and Central Bank Governors meeting held in Mexico City from November 4 – 5, 2012. The Meeting was convened to assess progress on the fulfillment of the mandates to promote robust growth and job creation as well as address the ongoing economic and financial challenges.

Also, the Executive Board of the International Monetary Fund (IMF) met on November 8, 2012. The Board considered the Fund's Work Programme for the next twelve months, among others.

In another development, the 12th meeting of the Special Implementation Committee (SIC) of the Nigeria- South Africa Bi-National Commission (BNC) was held in Abuja from November 19 – 20, 2012. The objective of the meeting was to further strengthen cooperation and enhance relations between the two countries, as well as review the implementation of decisions taken at the last meeting.

Finally, the 2nd meeting of the D-8 Heads of Central Bank with the theme "Enhancing Financial and Monetary Cooperation for Promoting Inclusive Economic Growth" was organized by the State Bank of Pakistan on the sidelines of the 2012 D-8 Summit hosted by the Islamic Republic of Pakistan from November 19 – 22, 2012. The objective of the meeting was to strengthen financial and banking relationship among member states.

2.0 Financial Sector Developments

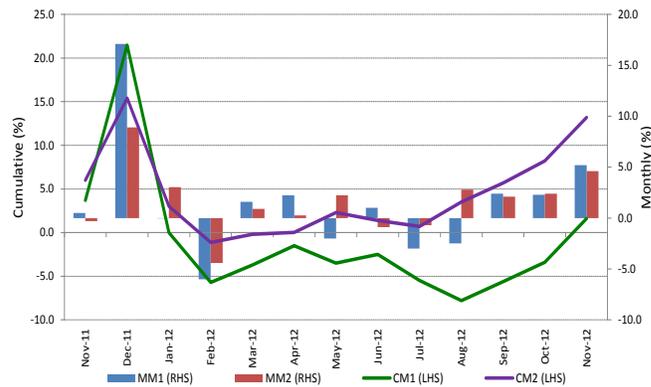
Growth in the major monetary aggregate was modest at the end of the review month. Available data indicated mixed developments in deposit rates, while maximum and prime lending rates trended upward. The value of money market assets outstanding increased, owing, largely, to the rise in the value of FGN Bonds outstanding. Activities on the Nigerian Stock Exchange (NSE) indicated mixed developments.

2.1 Monetary and Credit Developments

Provisional data indicated that growth in money supply was modest at end-November 2012. Broad money supply (M_2), at ₦15,062.7 billion, rose by 4.6 per cent, on month-on-month basis, compared with 2.4 and 0.3 per cent at the end of the preceding month and the corresponding period of 2011, respectively. The development, relative to the preceding month, was accounted for, largely, by the 10.0 per cent growth in domestic credit (net) of the banking system, which more than offset the 0.4 per cent decline in foreign assets (net) of the banking system. Over the level at end-December 2011, M_2 grew by 13.2 per cent, compared with the growth of 8.2 and 5.9 per cent at the end of the preceding month and the corresponding period of 2011, respectively. This development reflected the rise in domestic credit (net) and foreign asset (net) of the banking system.

Growth in the key monetary aggregate was modest in November 2012.

Narrow money supply (M_1), at ₦6,880.6 billion, grew by 5.2 per cent, on month-on-month basis, compared with the growth of 2.3 per cent at the end of the preceding month. The development was accounted for, largely, by the 6.5 per cent growth in its demand deposit component. Relative to the level at end-December 2011, (M_1) grew by 1.6 per cent, reflecting, largely, the 3.9 per cent increase in demand deposit (Fig. 1, Table 1).

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

At ₦14,529.8 billion, aggregate banking system credit (net) to the domestic economy rose by 10.0 per cent, on a month-on-month basis, in contrast with the 1.2 per cent decline at the end of the preceding month, but grew by 9.2 per cent over the level at the end of the corresponding period of 2011. The development reflected, largely, the 2.0 per cent growth in claims on private sector. Over the level at end-December 2011, aggregate banking system credit (net) to the domestic economy, increase by 6.2 per cent.

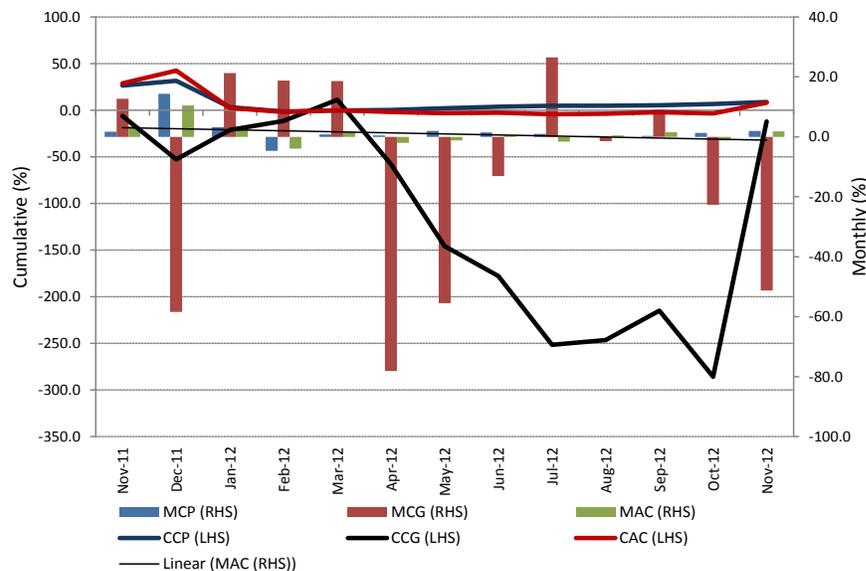
Banking system's credit (net) to the Federal Government, on a month-on-month basis, fell by 51.2 per cent, compared with a decline of 7.2 per cent at the end of the preceding month. The development was attributed, largely, to the 17.2 per cent decline in DMBs' holdings of FGN securities. Over the level at end-December 2011, aggregate banking system's credit (net) on the Federal Government fell by 12.1 per cent.

Banking system's credit to the private sector rose by 2.0 per cent, on month-on-month basis, to ₦15,424.2 billion, at the end of the review month, compared with 1.3 per

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

cent growth recorded at the end of the preceding month. Similarly, banking system's claims on the core private sector rose by 1.8 per cent to ₦14,779.3 billion, compared with the growth of 1.2 per cent at the end of the preceding month. Relative to the level at end-December 2011, banking system's credit to the private sector rose by 8.8 per cent. The development reflected, largely, the increase in banking system's claim on the core private sector (Fig. 2, Table 1).

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



At ₦8,732.3 billion, foreign assets (net) of the banking system fell by 0.4 per cent at end-November 2012, in contrast with the growth of 6.0 per cent at the end of the preceding month. The development was attributed to the 5.1 per cent decline in DMBs' holdings. Relative to the level at end-December 2011, foreign assets (net) of the banking system, grew by 22.3 per cent, reflecting, largely, the 35.7 per cent increase in CBN's holdings.

Foreign assets (net) of the banking system fell on month-on-month basis at end November 2012.

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

Quasi-money rose by 4.1 per cent, on month-on-month basis, to ₦8,182.1 billion, compared with the increase of 2.4 per cent in the preceding month. The development reflected the increase in time and savings deposits of the Deposit Money Banks (DMBs). Over the level at end-December 2011, quasi-money, rose by 25.3 per cent, compared with the growth of 20.3 and 8.1 per cent at the end of the preceding month and the corresponding period of 2011, respectively.

Other assets (net) of the banking system, on a month-on-month basis, fell by 8.2 per cent to negative ₦8,199.4 billion, compared with the decline of 0.01 and 16.6 per cent at the end of the preceding month and corresponding period of 2011, respectively. Relative to the level at end-December 2011, other assets (net) of the banking system, fell by 9.0 per cent at end November 2012, compared with the 0.7 and 52.4 per cent decline at the end of the preceding month and the corresponding period of 2011, respectively.

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

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
Domestic Credit (Net)	-0.1	8.7	3.5	22.0	2.0	-3.5	1.6	-2.0	-1.6	0.5	0.3	-1.2	10.0
<i>Claims on Federal Government (Net)</i>	-25.9	-19.2	12.7	55.4	-35.8	20.3	18.6	-78.1	26.5	-1.4	-14.5	-22.6	-51.2
<i>Claims on Private Sector</i>	2.1	9.8	1.7	14.6	3.2	-4.3	0.8	0.5	1.0	0.3	1.6	1.3	2.0
<i>Claims on Other Private Sector</i>	2.3	9.8	2.0	14.2	3.5	-4.5	0.6	0.4	1.0	0.4	1.6	1.2	1.8
Foreign Assets (Net)	-4.4	0.8	-1.5	7.8	3.9	-2.5	1.0	5.3	3.9	3.3	9.7	6.0	-0.4
Other Assets (Net)	9.6	-33.9	-4.5	-33.7	-1.2	0.9	-2.2	-1.0	-2.3	-0.8	-2.8	0.0	-8.4
Broad Money Supply (M2)	0.9	-3.5	0.3	8.9	3.4	-4.4	0.9	2.9	-0.7	2.8	4.1	2.4	4.6
Quasi-Money	-0.3	-3.7	1.0	1.5	6.1	-2.8	0.2	-1.7	1.5	7.7	11.2	2.4	4.1
Narrow Money Supply (M1)	2.2	-3.4	-0.5	17.1	0.8	-6.0	1.6	2.2	-3.0	-2.5	-3.2	2.3	5.2
Reserve Money (RM)	3.6	24.0	-1.0	18.9	-3.4	2.6	-8.4	2.5	15.2	5.4	24.1	-2.5	-2.0

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

At ₦1,430.96 billion, currency in circulation fell by 1.9 per cent in the review month, in contrast to the increase of 8.1 per cent at the end of the preceding month. The development reflected, wholly, the 1.1 per cent decline in currency outside banks. Relative to the level at end-December 2011, currency in circulation fell by 8.6 per cent.

Total deposits at the CBN amounted to ₦6,613.1 billion, indicating a decline of 7.9 per cent below the level at the end of the preceding month. The development reflected, largely, the fall in Federal Government and DMBs' deposits which more than offset the rise in deposits by private sector. Of the total deposits, the percentage shares of the Federal Government, banks and "others" were 66.1, 23.4 and 10.5 per cent, respectively, compared with 68.8, 22.0 and 9.2 per cent in the preceding month.

On month-on-month basis, reserve money (RM) declined by 2.0 per cent to ₦2,979.4 billion at the end of the review month, reflecting the trends in bank's reserves with the CBN. Relative to the level at end-December 2011, reserve money grew by 7.0 per cent.

Reserve money (RM) declined during the month under review.

2.3 Money Market Developments

Financial market rates, particularly for short-tenored money market instruments (i.e. overnight and Open-Buy Back (OBB)), moved in tandem with the level of liquidity in the market during the review month. In addition to the monetary policy tools deployed, FGN Bonds and NTBs were issued at the primary market on behalf of the Debt Management Office (DMO) for the fiscal operations of the Federal Government of Nigeria (FGN). Subscription remained impressive as the patronage for the risk-free government securities was sustained due to impressive yield.

Provisional data indicated that the value of money market assets outstanding at end-November 2012 was ₦6,148.81 billion, indicating an increase of 0.8 per cent, compared with an increase of 1.2 per cent at the end of the preceding month. The development was attributed to the 1.3 per cent increase in FGN Bonds outstanding.

2.3.1 Interest Rate Developments

Interest rates development was mixed in November 2012.

Available data indicated mixed developments in deposit rates. While maximum and prime lending rates rose during the month, the average savings deposit rate declined from 1.76 per cent in the preceding month to 1.65 per cent in November 2012. With the exception of the 12-month and over 12-month deposit rates, which decline by 0.04 and 0.63 percentage point to 6.17 and 7.11 per cent, respectively, all other rates on deposits of various maturities rose from a range of 4.96 – 8.72 per cent to a range of 5.25 – 8.94 per cent. At 7.38 per cent, the average term deposit rate rose by 0.10 percentage point above the level in the preceding month. The average prime and maximum lending rates rose by 0.03 and 0.05 percentage point to 16.51 and 24.70 per cent, respectively. Consequently, the spread between the weighted average term deposit and average maximum lending rates narrowed by 0.05 percentage point to 17.32 per cent in November 2012. However, the margin between the average savings deposit and maximum lending rates widened to 23.05 percentage points in the review month from 22.89 percentage points in the preceding month.

At the interbank call segment, the weighted average rate, which stood at 11.42 per cent in October, rose by 0.44 percentage point to 11.86 per cent at end-November 2012. The weighted average rate at the open-buy-back (OBB) segment rose by 0.37 percentage point to 11.66 per cent in the review month from 11.29 per cent in October 2012, reflecting the liquidity condition at the interbank funds market. The Nigerian interbank offered rate (NIBOR) for the 7- and 30-day tenors, increased by 0.43 and 0.01

percentage points, above their levels in the preceding month to 12.48 and 13.49 per cent, respectively. With the headline inflation rate at 12.3 per cent at end-November 2012, most rates, with the exception of the lending rates were negative in real terms (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

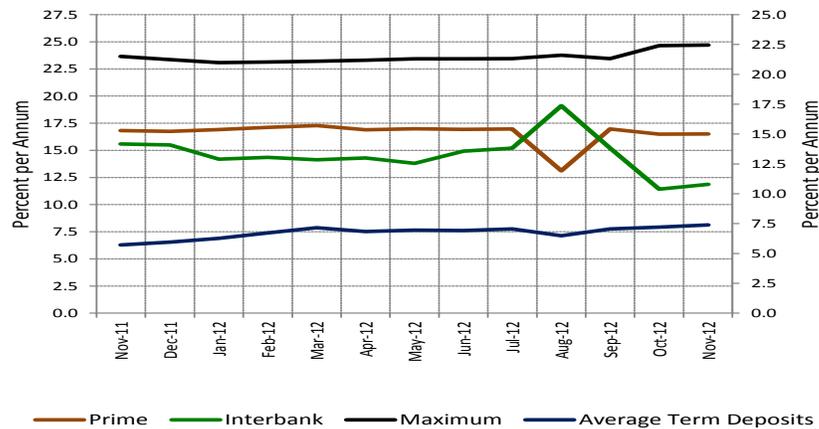


Table 2: Selected Interest Rates (Percent, Averages)

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
Average Term Deposits	4.89	5.54	5.93	5.94	4.39	6.72	7.15	6.83	6.96	6.92	7.05	7.28	7.38
Prime Lending	15.99	16.49	16.42	26.75	16.92	17.10	17.28	16.90	16.98	16.93	16.96	16.48	16.51
Interbank	11.38	15.00	15.58	15.50	14.19	14.50	14.13	14.30	13.80	14.92	15.19	11.42	11.86
Maximum Lending	22.32	23.32	23.66	23.35	23.08	23.10	23.21	23.31	23.44	23.44	23.45	24.65	24.70

2.3.2 Commercial Paper (CPs)

The value of Commercial Paper (CPs) held by the DMBs at end-November 2012 stood at ₦1.1 billion, compared with ₦1.2 billion in the preceding month. Thus, CP constituted 0.02 per cent of the total value of money market assets outstanding.

2.3.3 Bankers' Acceptances (BAs)

The value of Bankers' Acceptances (BAs) declined by 23.6 per cent to ₦11.23 billion, compared with the decline of 14.0 per cent in the preceding month. The fall in BAs was as a result of the decline in investments by DMBs and discount houses. As a proportion of the

total value of money market assets outstanding, BAs accounted for 0.2 per cent at end-November 2012, compared with 0.24 per cent at the end of the preceding month.

2.3.4 *Open Market Operations*

In line with the tight monetary policy stance, the Bank intervened eight times in the market using Open Market Operation (OMO) through the sale of NTBs. Total amount offered was ₦820.00 billion, public subscription stood at ₦1,523.36 billion, while allotment stood at ₦939.54 billion, compared with the total offer, subscription and allotment of ₦1,220.00, ₦1,299.34 and ₦882.80, respectively, during the preceding month. The bid rates ranged from 12.2 -19.95 per cent, while the stop rates ranged between 13.46 -13.99 per cent, compared with bid rates of 13.25 -14.75 per cent and stop rates of 13.95 -14.10 per cent, during the preceding month.

2.3.5 *Primary Market*

At the primary market segment, auctions on the Nigerian Treasury Bills (NTBs) were conducted for the 91-, 182- and 364-day tenors. Total amount offered, subscribed to and allotted were ₦246.03 billion, ₦659.01 billion and ₦246.03 billion, respectively, compared with ₦283.11 billion, ₦587.55 billion and ₦283.11 billion in the preceding month. The bid rates ranged from 11.0 -14.00, 10.0 -14.50 and 12.00 -14.50 per cent for the 91, 182- and 364-day tenors, respectively. The bid-cover ratios for the respective tenors were 1.78, 2.96 and 3.09. The relative high bid-cover ratio of over 2.0 for the 182- and 364-tenors indicated investors' preference for the securities. The repayment of ₦246.03 billion was equal to the NTB sale during the review month and resulted in a nil net outflow.

Two tranches of FGN Bonds were re-opened during the month.

2.3.6 *Bonds Market*

Federal Government of Nigeria (FGN) Bonds of 7-and 10-year tranches, amounting to ₦50.0 billion, were reopened and offered for sale during the review month. Total amount subscribed stood at ₦56.05 billion

and ₦64.96 billion for the 7-year and 10-year tranches, while bid rates for the two tranches ranged from 11.00 – 14.50 per cent and 10.50-14.00 per cent, respectively. Total allotments were ₦25.00 billion at 12.49 per cent for the 7-year, and ₦ 25.00 billion at 12.01 per cent for the 10-year bond. In the preceding month, the FGN Bonds of 5-, 7-and 10 year tranches offered were ₦75.00 billion, while subscription stood at ₦144.32 billion. The bid rates ranged from 9.00 - 16.14 per cent. There was no maturity and repayment within the month and no sale was made to non-competitive bidders.

2.3.7 CBN Standing Facilities

The total standing lending facility (SLF) granted was ₦356.83 billion, compared with ₦319.71 billion in the preceding month. Average daily request for SLF in November was ₦16.99 billion, compared with ₦15.99 billion in October 2012. The total Standing Deposit Facility (SDF) stood at ₦2,263.53 in November 2012, representing a daily average of ₦112.55 billion, reflecting a decrease of 6.0 per cent when compared with the preceding month's level.

2.4 Deposit Money Banks' Activities

Available data indicated that total assets and liabilities of the deposit money banks (DMBs) amounted to ₦21,847.4 billion, showing an increase of 3.0 per cent when compared with the level at end-October 2012. Funds were sourced mainly from mobilisation of time, savings and foreign currency deposits (₦324.8 billion) and demand deposits (₦317.4 billion). The funds were used, largely, to purchase Federal Government securities (₦454.7 billion), extension of credit to the private sector (₦250.2 billion) and unclassified liabilities (₦173.0 billion).

At ₦13,419.3 billion, DMBs' credit to the domestic economy grew by 5.4 per cent, compared with the growth of 3.4 per cent in the preceding month. On a month-on-month basis, DMBs' credit to the private sector rose by 2.7, while credit to the government rose by 17.0 per cent relative to the level in the preceding

DMBs' Credit to the domestic economy rose by 10.0 per cent above the level in the preceding month.

month. Central Bank's credit to the DMBs rose by 1.4 per cent to ₦259.3 billion at end-November 2012.

Total specified liquid assets of the DMBs stood at ₦6,174.4 billion, representing 49.4 per cent of their total current liabilities. This level of liquid assets was 0.3 percentage point below the preceding month's ratio of 49.7 per cent, but 19.4 percentage points above the stipulated minimum ratio of 30.0 per cent. The loan-to-deposit ratio was 42.6 per cent and was 37.4 percentage points below the stipulated maximum target of 80.0 per cent for the industry.

2.5 Discount Houses' Activities

Provisional data indicated that total assets and liabilities of the discount houses stood at ₦324.80 billion at end-November 2012, showing a decline of 0.2 per cent below the level at the end of the preceding month. The development was accounted for, largely, by the significant decline in claims on banks which more than offset the rise in claims on Federal Government. Correspondingly, the decline in total liabilities was attributed, largely, to the significant decline in borrowings.

Discount Houses investment in government securities was 19.6 percentage points below the prescribed minimum ratio of 60.0 per cent.

Discount houses' investment in Federal Government securities of less than 91-day maturity rose to ₦99.2 billion and accounted for 40.4 per cent of their total deposit liabilities. Thus, investment in Federal Government Securities was 19.6 percentage points below the prescribed minimum level of 60.0 per cent. At that level, discount houses' investment on NTBs increased by 34.1 per cent above the level at the end of the preceding month. Total borrowing by the discount houses was ₦53.6 billion, while their capital and reserves amounted to ₦35.1 billion. This resulted in a gearing ratio of 1.5:1, compared with the stipulated maximum target of 50:1 for fiscal 2012.

2.6 Capital Market Developments

2.6.1 Secondary Market

Available data indicated that activities on the Nigerian

Stock Exchange (NSE) indicated mixed developments during the review month. The volume and value of transactions decreased by 46.6 and 52.6 per cent to 5.6 billion shares and ₦43.4 billion, respectively, in 88,324 deals, compared with 10.5 billion shares, valued at ₦91.5 billion, in 104,921 deals in the preceding month. Activities on the Exchange were driven, largely, by transactions in the financial services sector, particularly the banking sub-sector.

Figure 4: Volume and Value of Traded Securities



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

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
Volume (Billion)	5.12	6.90	4.10	8.10	7.49	7.37	8.52	10.60	6.30	5.50	10.09	10.48	5.60
Value (₦ Billion)	27.80	9.40	31.80	44.95	68.37	54.40	69.78	48.10	46.90	43.80	68.58	91.50	43.40

2.6.2 Over-the-Counter (OTC) Bonds ` Market

Transactions on the Over-the-Counter (OTC) bond market indicated a turnover of 790.7 million units, worth ₦816.0 billion in 4,541 deals during the month.

2.6.3 New Issues Market

There were neither new nor supplementary listings in the review month. The shares of two banks were, however, delisted and replaced with the shares of their respective holding companies (HoldCos) (Table 4).

Table 4: Supplementary Listing on the Nigerian Stock Exchange

S/N	Company	Additional Shares (Units)	Reasons	Listing
1	Stanbic-IBTC Holdings Plc	10.0 Billion	Transformation of Banks to Holding Companies	Share Replacement
2	FBN Holdings Plc	32.63 Billion	Transformation of Banks to Holding Companies	Share Replacement

2.6.4 Market Capitalization

The aggregate market capitalisation of the listed securities stood at ₦14.2 trillion, indicating an increase of 0.6 per cent over ₦14.1 trillion in the preceding month. The equities market capitalisation increase by 1.0 per cent to ₦8.5 trillion when compared with the level in October 2012. Equities accounted for 60.0 per cent of the total, while the debt component accounted for the balance of 40.0 per cent.

2.6.5 NSE All-Share Index

The All-Share Index, at end-November 2012 was 26,494.4, representing an increase of 0.2 per cent above the level in the preceding month. Four of the five sectoral indices declined during the month. The NSE Consumer Goods, NSE Banking, NSE Insurance and the NSE Oil/Gas fell by 64.5, 28.5, 14.4 and 0.6 per cent, respectively. The NSE Lotus Islamic Index (NSE LII) however, rose by 1.3 per cent during the review month.

Figure 5: Market Capitalization and All-Share Index

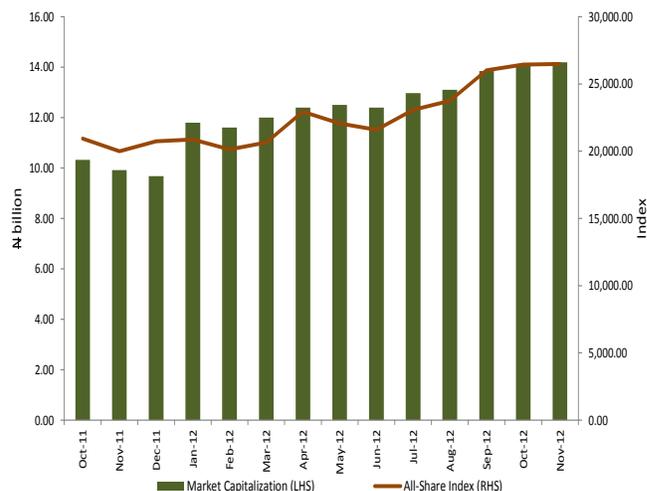


Table 5: Market Capitalization and All Share Index (NSE)

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
Market Capitalization (₦ trillion)	9.9	10.2	11.8	11.6	12.0	12.4	12.5	12.4	13.0	13.1	13.8	14.1	14.2
All-Share Index	20,003.36	25,271.60	23,826.99	20,123.51	20,652.47	22,045.66	22,066.40	21,599.57	23,061.38	23,750.82	13,804	26,430.90	26,494.40

3.0 Fiscal Operations

3.1 Federation Account Operations

Total gross federally-collected revenue stood at ₦841.56 billion in November 2012, showing an increase of 4.2 and 3.8 per cent above the monthly budget estimate and the receipts in the preceding month, respectively. The increase relative to the level in the preceding month was attributed to the rise in oil revenue during the review month (Fig. 6, Table 6).

Gross federally-collected revenue rose above the level in the preceding month.

Figure 6: Components of Gross Federally-Collected Revenue

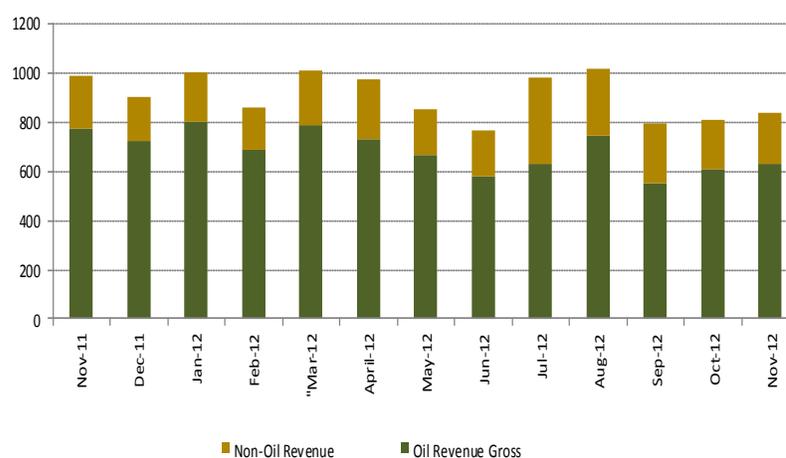


Table 6: Gross Federation Account Revenue (₦ billion)

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
Federally-collected revenue (Gross)	949.7	902.6	1105.0	862.4	1013.6	899.9	855.1	766.3	985.8	1021.1	797.4	810.8	841.6
Oil Revenue	778.0	726.0	901.1	688.5	786.4	730.9	671.1	579.6	632.6	749.1	554.5	606.8	631.0
Non-Oil Revenue	211.8	176.6	203.9	173.9	227.2	243.9	184.0	186.7	353.2	272.0	243.0	204.0	210.6

At ₦630.95 billion, gross oil receipts, which constituted 75.0 per cent of the total, exceeded both the receipts in the preceding month and the monthly budget estimate by 4.0 and 14.1 per cent, respectively. The development relative to the preceding month was attributed, largely, to the increase in receipts from PPT

Relative to the preceding month's level, oil receipts rose in November 2012.

and royalties (Fig. 7, Table 7).

Figure 7: Gross Oil Revenue and Its Components

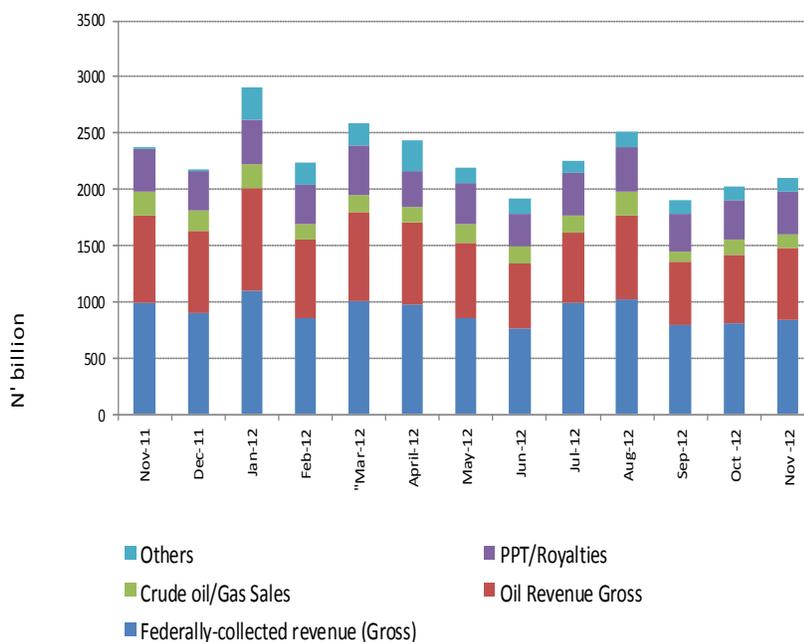


Table 7: Components of Gross Oil Revenue (N' billion)

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
Oil Revenue	778.0	726.0	901.1	688.5	786.4	730.9	671.1	579.6	632.6	749.1	554.5	606.8	631.0
Crude oil/Gas Sales	207.0	185.6	212.0	137.8	156.7	136.2	171.2	145.1	149.4	210.8	95.0	133.3	125.6
Domestic crude oil/G	190.3	183.2	275.3	182.6	193.9	271.4	137.4	130.1	98.3	139.4	115.0	114.8	114.8
PPT/Royalties	380.2	356.2	406.0	360.2	427.9	315.3	354.4	296.4	377.0	389.8	336.6	350.1	382.7
Others	0.2	0.4	7.9	7.8	8.0	8.0	145.5	137.9	106.2	148.5	7.9	8.6	7.8

The performance of non-oil receipts rose relative to the monthly budget estimate.

At ₦210.61 billion, gross non-oil receipts constituted 25.0 per cent of the total and was 17.3 per cent below the receipts in the preceding month, but 3.2 per cent above the monthly budget estimate. The increase in non-oil revenue relative to the receipts in the preceding month reflected, largely, the increase in corporate tax and VAT collections.

On cumulative basis, total federally collected revenue for the period January to November 2012 was estimated at ₦9,953.15 billion, reflecting an increase of 12.0 per cent over the budget estimate for the period, but declined by 2.5 per cent when compared with the

level in the corresponding period of 2011. Of this amount, oil receipts represented 75.7 per cent, while non-oil receipts accounted for the balance of 24.3 per cent.

Figure 8: Gross Non-Oil Revenue and its Components

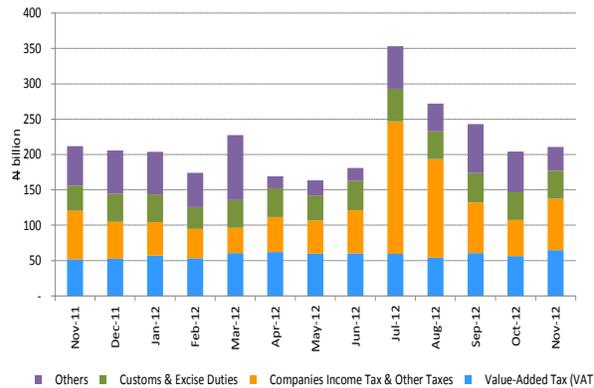


Table 8: Components of Gross Non-Oil Revenue (₦ billion)

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
Non-Oil Revenue	211.8	176.6	205.7	159.2	227.2	243.9	184.0	186.7	353.2	272.0	243.0	204.0	210.6
Value-Added Tax (VAT)	51.6	52.3	54.9	53.2	60.6	62.0	59.7	60.1	59.2	53.9	60.4	56.3	64.8
Companies Income Tax & Other Taxes	68.6	52.5	66.8	41.6	35.8	49.5	46.8	61.1	187.5	139.6	71.6	51.1	72.7
Customs & Excise Duties	35.6	39.5	38.6	30.9	39.0	40.6	35.7	41.3	46.2	39.3	41.5	39.4	39.7
Others	56.0	144.3	160.0	33.5	91.8	91.7	41.8	24.2	60.4	39.2	69.5	57.2	33.4

Of the gross federally-collected revenue, the sum of ₦461.32 billion was transferred to the Federation Account for distribution among the three tiers of government and the 13.0% Derivation Fund. The Federal Government received ₦218.65 billion, while the states and local governments received ₦110.90 billion and ₦85.50 billion, respectively. The balance of ₦46.26 billion went to the 13.0% Derivation Fund for distribution by the oil-producing states. Also, the Federal Government received ₦9.33 billion from the VAT Pool

Account, while the state and local governments received ₦31.09 billion and ₦21.76 billion, respectively. Furthermore, the sum ₦35.55 billion was distributed as the Subsidy Reinvestment and Empowerment Programme (SURE-P) among the three tiers of government and the 13% Derivation Fund as follows: Federal Government (₦16.29 billion), State Governments (₦8.26 billion), Local Governments (₦6.37 billion) and 13% Derivation Fund (₦4.62 billion).

In addition, the NNPC Refund was shared by the sub-national governments and 13% Derivation Fund as follows: State Governments (₦3.74 billion), Local Governments (₦2.88 billion) and 13% Derivation Fund (₦0.99 billion).

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

At ₦245.44 billion, the estimated Federal Government retained revenue for November 2012, was lower than both the monthly budget estimate and the level in the preceding month by 26.0 and 0.5 per cent, respectively. Of this amount, the Federation Account, SURE-P, augmentation, VAT, and Federal Government Independent Revenue accounted for 89.1, 6.6, 3.8, and 0.5 per cent, respectively (Fig. 9).

Federal Government estimated retained revenue was lower than the preceding month' level and the monthly budget estimate.

Figure 9: Sources of Federal Government Retained Revenue

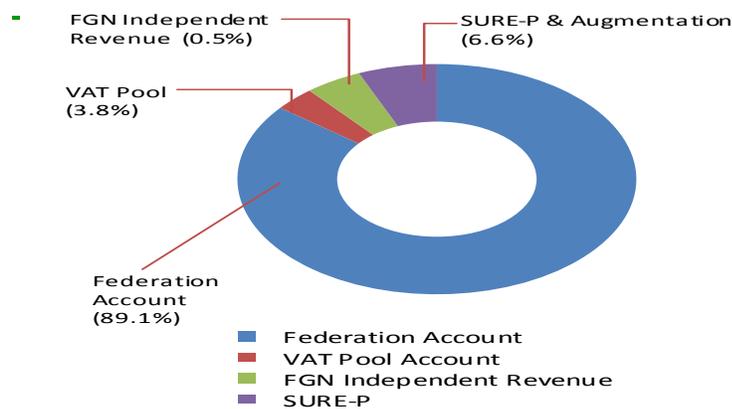
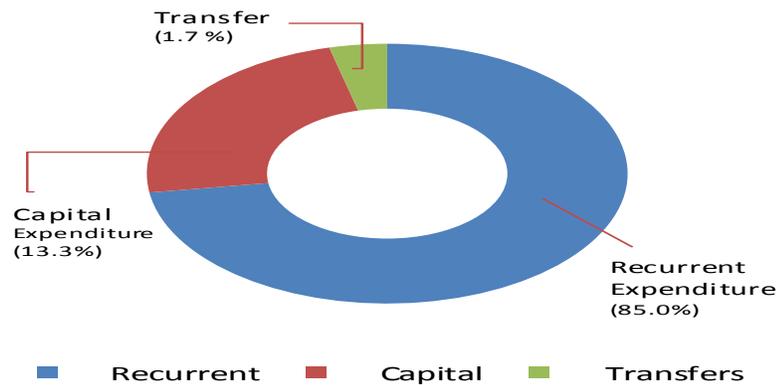


Table 9: Federal Government Fiscal Operations (₦ billion)

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
Retained Revenue	285.1	233.6	287.0	251.2	429.1	340.2	262.9	248.9	254.9	243.2	246.6	246.7	245.4
Expenditure	458.2	350.0	179.2	355.8	419.7	304.7	378.6	379.8	372.1	376.2	390.4	417.6	397.0
Overall Balance: (+)/(-)	173.1	-116.4	107.8	-104.6	9.4	35.5	-115.7	-130.9	-117.1	-132.9	-143.8	-170.9	-145.6

At ₦397.01 billion, total estimated expenditure for November 2012 was lower than both the levels in the preceding month and the monthly budget estimate by 4.9 and 6.8 per cent, respectively. A breakdown of the total expenditure showed that recurrent expenditure accounted for 85.0 per cent, while the capital expenditure and transfer components accounted for the balance of 13.3 and 1.7 per cent, respectively. Non-debt-obligations accounted for 81.3 per cent of the total recurrent expenditure, while debt service payments accounted for the balance of 18.7 per cent (Fig. 10).

Total estimated expenditure for November 2012 decline below the level in the preceding month and the monthly budget estimate.

Figure 10: Federal Government Expenditure

The fiscal operations of the FG resulted in an estimated deficit of ₦151.56 billion in November 2012.

Thus, the fiscal operations of the Federal Government in November 2012, resulted in an estimated deficit of ₦151.56 billion, compared with the monthly budgeted estimate of ₦94.68 billion deficit.

3.2.2 *Statutory Allocations to State Governments*

Total receipts by state governments, including the share of VAT and the 13% Derivation stood at ₦205.87 billion in November 2012. This was higher than both the levels in the preceding month and the corresponding period of 2011 by 0.9 and 17.6 per cent, respectively.

The breakdown showed that, at ₦31.09 billion, receipt from the VAT Pool Account was higher than the levels in the preceding month and corresponding period of 2011 by 15.0 and 25.4 per cent, respectively. At ₦174.78 billion, state governments' receipt from the Federation Account fell below the level in the preceding month by 1.2 per cent, but exceeded the level in the corresponding month of 2011 by 16.3 per cent.

3.2.3 *Statutory Allocations to Local Government Councils*

Total receipts by the local governments from the Federation and VAT Pool Accounts during the month of November 2012, stood at ₦116.52 billion. This was higher than the level in the preceding month by 2.8 per cent, but lower than the level in the corresponding period of 2011 by 8.9 per cent. Of this amount, receipts from the Federation Account was ₦94.76 billion (81.3 per cent of the total), while the VAT Pool Account amounted to ₦21.76 billion (18.7 per cent of the total).

4.0 Domestic Economic Conditions

Activities in the agricultural sector in November 2012 were dominated by harvesting of crops and livestock in preparation for the end of the year celebrations. Crude oil production was estimated at 1.95 million barrels per day (mbd) or 58.5 million barrels during the review month. The end-period inflation rate on a year-on-year basis, was 12.3 per cent, a 0.6 percentage point above the level in the preceding month. The inflation rate on a 12-month moving average basis was 12.1 per cent, compared with 11.9 per cent in the preceding month.

4.1 Agricultural Sector

Available data indicated that the agricultural activities in most part of the Northern states experienced an upswing in dry season farming activities due to cessation of rainfall. Activities in the southern states were dominated by harvesting of crops and livestock in preparation for the end of year celebrations. However, the impact of flood on agricultural activities is still being evaluated nationwide to determine the extent of interventions required from the government to compensate farmers.

A total of ₦831.3 million was guaranteed to 4,002 farmers under the Agricultural Credit Guarantee Scheme (ACGS). This represented a decline of 29.4 and 44.6 per cent below the levels guaranteed in the preceding month and the corresponding period of 2011, respectively. A sub-sectoral analysis of the loans guaranteed indicated that the food crop sub-sector had the largest share of ₦673.8 million (81.1 per cent) guaranteed to 3,590 beneficiaries, livestock sub-sector received ₦91.5 million (11.0 per cent) for 202 beneficiaries, mixed crops received ₦33.1 million (4.0 per cent) guaranteed to 94 beneficiaries, fisheries sub-sector received ₦27.6 million (3.3 per cent) guaranteed to 96 beneficiaries, cash crops sub-sector had ₦3.9 million (0.5 per cent) for 16 beneficiaries. "Others" received ₦1.2 million (0.1 per cent) for 4 beneficiaries.

Analysis by state showed that 30 states benefited from the Scheme during the review month, with the highest

and lowest sums of ₦86.5 million (10.4 per cent) and ₦0.7 billion (0.08 per cent) guaranteed to Jigawa and Ogun States, respectively.

At end-November 2012, the total amount released by the CBN under the CACS to the participating banks stood at ₦199.04 billion.

At end-November 2012, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement stood at ₦199.04 billion for two hundred and sixty nine (269) projects/promoters (Table 10).

Table 10: Disbursement of Credit under the Commercial Agriculture Credit Scheme (CACS) November 2012.

S/N	Participating Banks	Amount Disbursed (₦ billion)	Number of Projects
1	United Bank for Africa (UBA) Plc	41.76	35
2	Zenith Bank Plc	26.96	18
3	First Bank	22.31	62
4	Unity Bank Plc	19.51	21
5	Union Bank Plc	18.07	21
6	Stanbic IBTC Bank	11.74	23
7	Access Bank Plc	10.33	11
8	Skye Bank	9.22	7
9	Fidelity Bank Plc	8.58	8
10	Sterling Bank Plc	7.02	13
11	GTB Bank Plc	5.80	9
12	FCMB	4.79	8
13	Eco Bank	3.82	7
14	Citibank	3.00	2
15	Diamond Bank Plc	2.74	12
16	Mainstreet Bank	2.00	1
17	Wema Bank	0.74	5
18	Enterprise Bank	0.45	5
19	Keystone Bank	0.20	1
	TOTAL	199.04	269

4.2 Petroleum Sector

Crude oil and natural gas production was estimated at an average of 1.95 million barrels per day.

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at an average of 1.95 million barrels per day (mbd) or 58.5 million barrels for the month. This was 0.05 mbd or 2.5 per cent below the average of 2.00 mbd or 62.0 million barrels produced in the preceding month. The development was attributed to oil theft and production losses due to flood in Bayelsa state.

Crude oil export was estimated at 1.50 mbd or 45.0 million barrels. This represented a decline of 3.2 per cent when compared with the 1.55 mbd or 48.05 million barrels recorded in the preceding month. Deliveries to the refineries for domestic consumption stood at 0.45 mbd or 13.50 million barrels during the month under review.

At an estimated average of US\$111.02 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API), fell by 2.8 per cent, compared with the level in the preceding month. The fall in price was attributed to the heightened concerns of decreased demand by the United States as a result of their announcement of plans to reduce dependence on 'foreign oil'. The average prices of other competing crudes, namely the U.K Brent, West Texas Intermediate (WTI) and Forcados, at US\$110.20, US\$79.15 and US\$112.66 per barrel also exhibited similar trend as the Bonny Light.

The average price of Nigeria's reference crude the Bonny Light fell by 2.8 per cent below the level in the preceding month to US\$111.02 per barrel.

The average price of the OPEC's basket of eleven crude streams decreased by 1.8 per cent to US\$106.86 per barrel below the level recorded in the preceding month (Fig. 11, Table 11).

Figure 11: Trends in Crude Oil Prices

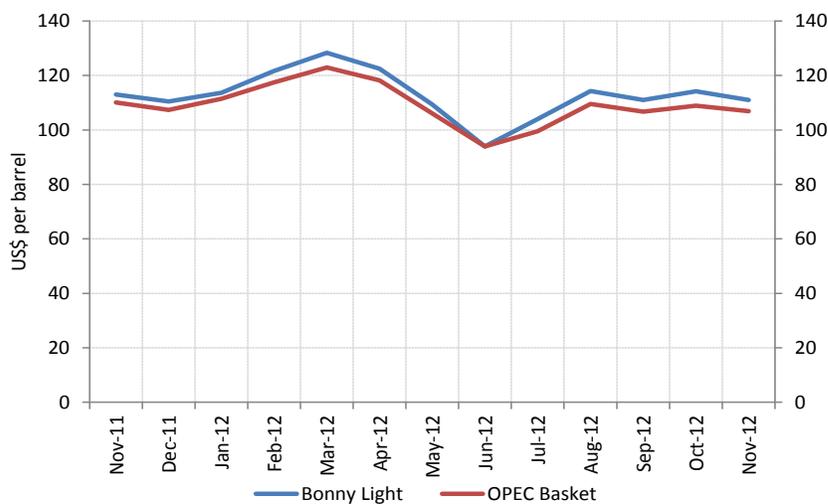


Table 11: Average Crude Oil Prices in the International Oil Market

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
Bonny Light	114.05	110.45	113.69	121.71	128.29	122.45	109.32	93.94	103.99	114.24	111.00	114.20	111.02
OPEC Basket	105.87	107.34	111.49	117.48	122.97	118.18	106.08	93.98	99.55	109.52	106.7	108.90	106.86

4.3 Consumer Prices

The general price level rose in November relative to October 2012, owing to the increase in the price indices of food and non-alcoholic beverages, among others.

Available data showed that the all-items composite Consumer Price Index (CPI) was 140.0 (November 2009=100), representing an increase of 0.6 per cent over the level in the preceding month. The development was attributed to the rise in the price of food and non-alcoholic beverages, housing, water, electricity, gas and other fuel, clothing and footwear, transport and furnishing, household equipment and maintenance.

The urban all-items CPI at end-November was 139.0 (November 2009=100), indicating an increase of 0.6 per cent over the level in the preceding month. The rural all-items CPI for the month, was 141.1 (November 2009=100), showing an increase of 0.6 per cent above the preceding month's level (Fig. 12, Table 11).

The year-on-year headline inflation rate rose by 0.6 percentage point above the level in the preceding month.

Headline inflation rate, on a year-on-year basis, was 12.3 per cent, indicating an increase of 0.6 percentage point above 11.7 per cent recorded in the preceding month. The inflation rate on a twelve-month moving average basis stood at 12.1 per cent in the month under review, indicating an increase of 0.2 percentage points above the level in the preceding month (Fig. 13, Table 12).

The composite food index for the month was 139.8, indicating a month- on- month increase of 0.7 per cent. The development was accounted for by the increase in the prices of farm produce (yam, potatoes and other tubers, vegetables, rice millet, sorghum and maize) and processed food.

Figure12: Consumer Price Index

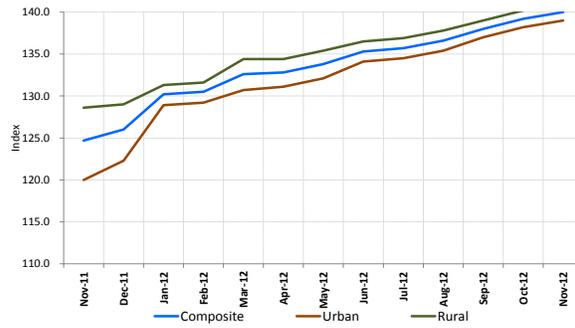


Table 12: Consumer Price Index (November 2009=100)

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
Composite	124.7	126.0	130.2	130.5	132.6	132.8	133.8	135.3	135.7	136.6	138.0	139.2	140.0
Urban	120.0	122.3	128.9	129.2	130.7	131.1	132.1	134.1	134.5	135.4	137.0	138.2	139.0
Rural	128.6	129.0	131.3	131.6	134.4	134.4	135.4	136.5	136.9	137.8	139.0	140.2	141.1
CPI- Food	125.4	128.1	129.3	129.1	132.1	132.3	133.9	134.5	135.0	135.9	137.5	138.8	139.8
CPI- Non Food	124.6	124.8	129.1	129.3	135.1	135.2	136.7	138.0	138.1	139.0	139.7	140.3	140.9

Figure13: Inflation Rate

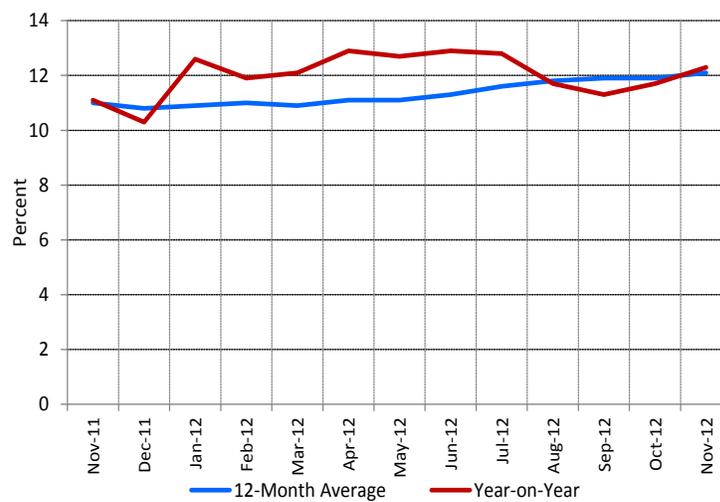


Table 13: Headline Inflation Rate (%)

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
12-Month Average	11.0	10.8	10.9	11.0	10.9	11.1	11.1	11.3	11.6	11.8	11.9	11.9	12.1
Year-on-Year	11.1	10.3	12.6	11.9	12.1	12.9	12.7	12.9	12.8	11.7	11.3	11.7	12.3

5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow through the CBN rose by 19.5 per cent above the level in the preceding month, while outflow rose by 96.0 per cent. Total non-oil export receipts by banks fell by 30.5 per cent below the level in the preceding month. The gross external reserves increased by 1.0 per cent, compared with the preceding month's level. The average exchange rate of the Naira vis-à-vis the US dollar, appreciated by 0.01 per cent to ₦157.31 per US dollar at the Wholesale Dutch Auction System (wDAS).

5.1 Foreign Exchange Flows

Foreign exchange inflow and outflow through the CBN in the month of November 2012 were US\$4.27 billion and US\$3.84 billion, respectively, resulting in a net inflow of US\$0.43 billion, compared with the net inflow of US\$1.62 billion recorded in October 2012. Relative to the level in the preceding month, inflow rose by 19.5 per cent. The development was accounted for by the increase in receipts from both the oil and non-oil components. Outflow through the CBN rose by 96.0 per cent above the level in the preceding month, but declined by 24.4 below the level in the corresponding period of 2011. The development relative to the preceding month was attributed to the 13.8 and 348.9 per cent increase in wDAS utilization and other official payments, respectively. A breakdown of the total utilization showed that wDAS sales accounted for the bulk (77.9 per cent), while cash sales to Bureau-de-Change (BDC) operators accounted for the balance (22.1 per cent). There were no inter-bank sales and wDAS-forward contract disbursements in the review month (Fig. 14, Table 14).

Foreign exchange inflow through the CBN rose by 19.5 per cent, while outflow rose by 96.0 per cent in November 2012.

Figure 14: Foreign Exchange Flows through the CBN

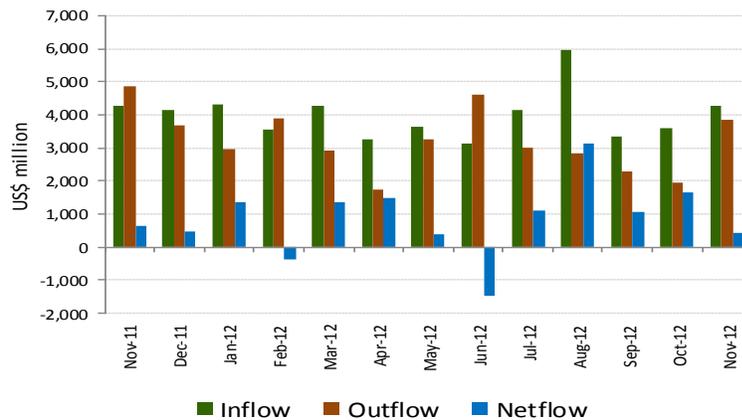


Table 14: Foreign Exchange Flows through the CBN (US\$ million)

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
Inflow	4265.0	4132.3	4307.0	3546.2	4266.6	3242.9	3627.1	3151.0	4132.1	5981.0	3358.6	3451.3	4272.4
Outflow	4880.3	3667.1	2945.8	3902.3	2912.4	1754.9	3239.7	4600.2	3006.6	2840.2	2277.4	1761.7	3843.3
Netflow	624.3	465.2	1361.2	-356.1	1354.2	1488.0	387.4	-1449.3	1125.5	3140.8	1069.6	1647.5	429.3

Provisional data on aggregate foreign exchange flows through the economy indicated that total inflow was US\$10.53 billion, representing a decrease of 7.6 per cent below the level at the end of the preceding month, but increased by 32.4 per cent above the level in the corresponding month of 2011. The decrease in inflow relative to the preceding month was driven mainly by the fall in inflows through autonomous sources due to the 30.5 and 19.8 per cent decline in non-oil exports and invisibles receipts, respectively. Inflow through the CBN accounted for 40.6 per cent of the total, while inflow from autonomous sources accounted for the balance of 59.4 per cent.

Non-oil public sector inflow into the economy rose by 238.7 per cent and accounted for 7.0 per cent of the total inflow in November 2012.

At US\$3.53 billion, oil sector receipts increased by 5.2 per cent above the level in the preceding month and accounted for 33.6 per cent of the total inflow. On a month-on-month basis, non-oil public sector inflow, at US\$0.74 billion, rose by 238.7 per cent and accounted for 7.0 per cent of the total inflow, while autonomous inflow, at US\$6.3 billion, fell by 25.1 per cent and, accounted for 59.0 per cent of the total.

At US\$3.97 billion, aggregate foreign exchange outflow from the economy rose by 87.6 per cent above the level in the preceding month. Thus, foreign exchange flows through the economy resulted in a net inflow of US\$6.55 billion in the review month, compared with US\$9.28 billion and US\$2.70 billion in the preceding month and the corresponding month of 2011, respectively. The development reflected, largely, a 13.8 per cent increase in the wDAS utilization of foreign exchange during the month.

5.2 Non-Oil Export Earnings by Exporters

Total non-oil exports earnings, at US\$276.71 million, declined by 30.5 per cent below the level at the end of the preceding month, but rose by 35.5 per cent above the level in the corresponding period of 2011. The development reflected, largely, the decline in receipts in respect of agricultural, manufactured and minerals sector. A breakdown of receipts showed that proceeds of industrial sector and food products rose by 18.7 and 619.6 per cent over the levels in the preceding month to US\$165.79 million and US\$46.08 million, respectively. Receipts from manufactured, minerals and agricultural sub-sectors fell by 60.4, 90.4 and 37.9 per cent below their respective levels in the preceding month to US\$31.91 million, US\$13.42 million and US\$19.52 million.

Total non-oil export earnings rose on account of increase in the earnings from agriculture industrial and manufactured products sub-sectors.

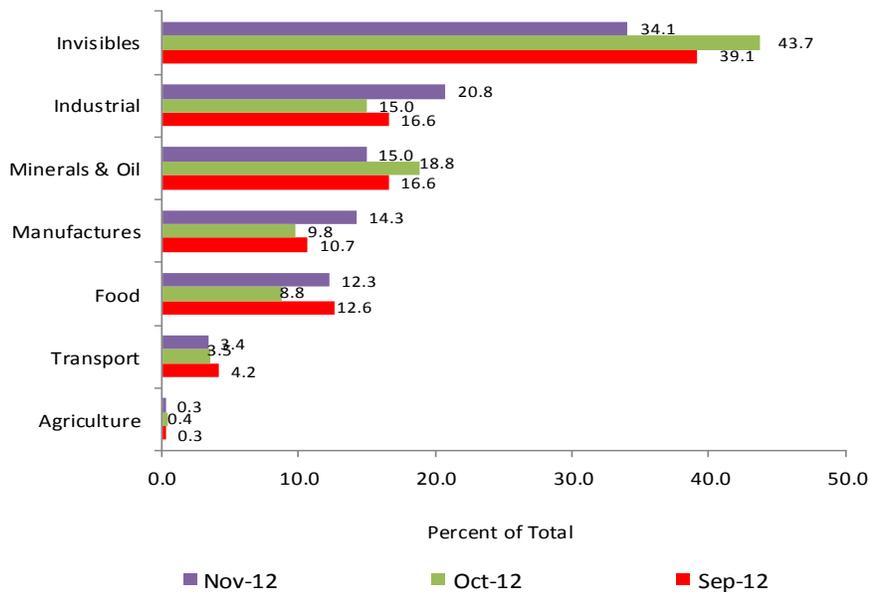
The shares of industrial, food, manufactured, minerals and agricultural sub-sectors in non-oil export proceeds were 59.9, 16.7, 11.5, 7.1, and 4.8 per cent, respectively.

5.3 Sectoral Utilisation of Foreign Exchange

The visible sector accounted for the bulk (65.9 per cent) of total foreign exchange disbursed in November 2012. A breakdown of the sectoral disbursement showed that the minerals and oil sector accounted for 14.9 per cent followed by industrial sector 20.8 per cent. Other beneficiary sectors, included: food products (12.3 per cent), manufactured products (14.3 per cent), transport (3.4 per cent) and agricultural products (0.3 per cent (Fig.15).

The visible sector accounted for 65.9 per cent of the total foreign exchange disbursed in November 2012.

Figure 15: Sectoral Utilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

Aggregate demand for foreign exchange by authorized dealers under the Wholesale Dutch Auction System (wDAS), Bureau-de-change (BDC) and wDAS-forward contract was US\$1.60 billion in November 2012, showing an increase of 6.0 per cent above the levels in the preceding month, but declined by 61.9 per cent below the level in the corresponding month of 2011. The increase in the aggregate demand relative to the preceding month's level was attributed to the increase in importation of goods and services in preparation for the yuletide season. A total of US\$1.64 billion was sold by the CBN to authorized dealers, reflecting an increase of 13.8 per cent above the level in the preceding month but a decline of 55.7 per cent below the levels in the corresponding period of 2011 (Fig.16, Table 15).

Demand for foreign exchange by authorized dealers rose by 6.0 above the level in the preceding month, but fell by 61.9 per cent below the level in the corresponding month of 2011.

Figure 16: Demand for and Supply of Foreign Exchange

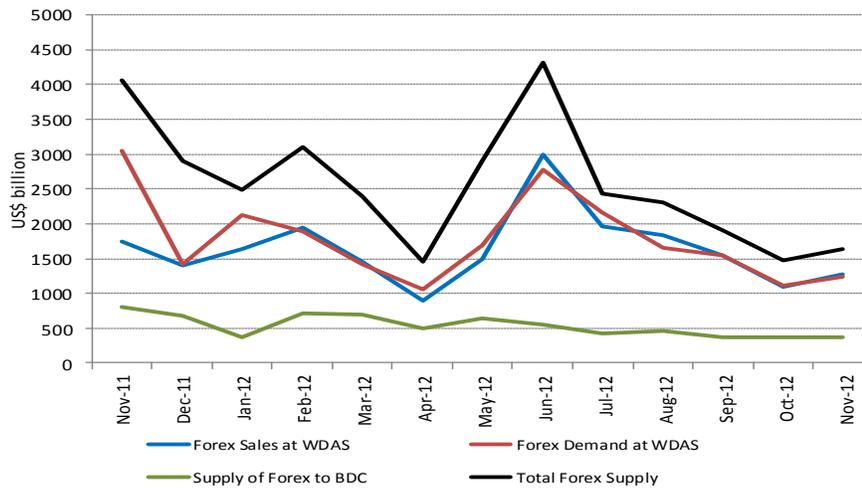


Table 15: Demand for and Supply of Foreign Exchange (US\$ billion)

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	
Forex Sales at WDAS	1749.6	1397.9	1640.7	1942.2	1452.8	891.5	1487.0	3000.0	1961.7	1843.6	1539.4	1101.6	1278.7
Forex Demand at WDAS	3054.4	1415.3	2133.0	1892.0	1426.5	1052.9	1681.3	2777.6	2166.3	1646.4	1549.2	1112.9	1237.0
Supply of Forex to BDC	795.4	675.7	365.7	720.6	698.2	492.8	633.8	544.8	419.5	457.7	370.2	370.2	362.4
Total Forex Supply	4056.3	3151.5	2492.6	3101.5	2387.9	1451.3	2895.0	4317.2	2428.2	2301.3	1912.3	1471.7	1643.3

Under the wDAS, the average exchanges rate of the Naira vis-à-vis the US dollar, appreciated marginally by 0.01 per cent, to ₦157.31 per US dollar, relative to the level in the preceding month. However, it depreciated at both the BDC and inter-bank segments by 0.2 and 0.2 per cent to ₦159.32 and ₦157.58 per US dollar, respectively.

Consequently, the premium between the wDAS and bureau-de-change rates widened to 1.3 per cent from 1.1 per cent in the preceding month. It also widened at the interbank market to 0.2 per cent from -0.03 per cent in the preceding month.

The Naira exchange rate vis-à-vis the US dollar, on average, appreciated under wDAS but depreciated at both the BDC and interbank segments of the market in November 2012.

Figure 17: Average Exchange Rate Movement

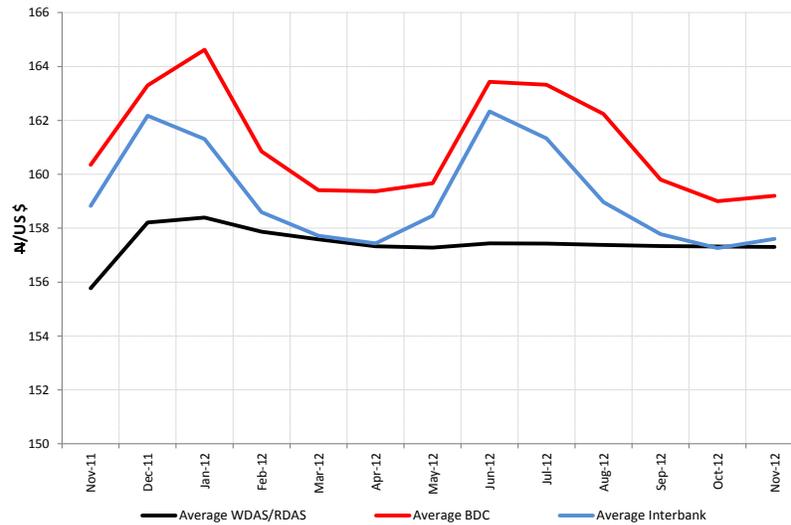
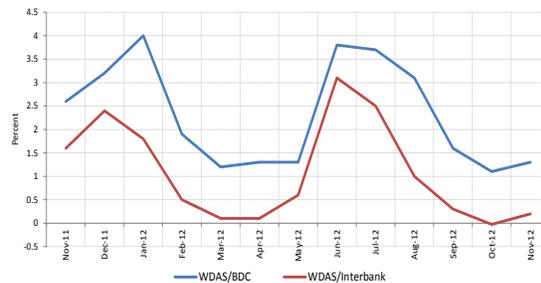


Table 16: Exchange Rate Movements and Exchange Rate Premium

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
Average Exchange Rate (N/\$)													
WDAS/RDAS	155.8	158.2	158.4	157.9	157.6	157.3	157.3	157.4	157.4	157.4	157.3	157.3	157.3
BDC	160.4	163.4	164.7	160.9	159.4	159.4	159.7	163.4	163.3	162.2	159.8	159.0	159.2
Interbank	158.8	162.2	161.3	158.6	157.7	157.4	158.5	162.3	161.3	159.0	157.8	157.3	157.6
Premium (%)													
WDAS/BDC	2.6	3.2	4.0	1.9	1.2	1.3	1.3	3.8	3.7	3.1	1.6	1.1	1.3
WDAS/Interbank	0.7	0.9	1.6	2.6	0.4	0.1	0.6	3.1	2.5	1.0	0.3	0.0	0.2

Figure 18: Exchange Rate Premium



5.5 Gross External Reserves

The gross external reserves at the end of November 2012 stood at US\$42.57 billion, indicating an increase of 1.0 and 33.0 per cent above the levels in the preceding month and the corresponding period of 2011, respectively. A breakdown of the reserves showed that the Federation Account portion (Excess Crude) was US\$10.67 billion (25.1 per cent); Federal Government holding, US\$1.41 billion (3.3 per cent) and CBN reserves, US\$30.49 billion (71.6 per cent), (Fig. 19, Table 17).

Gross external reserves increased in November 2012.

Figure 19: Gross External Reserves

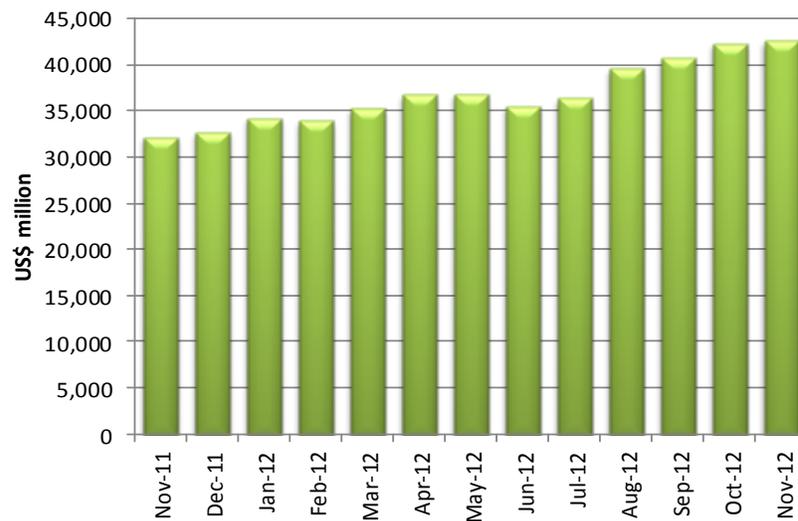


Table 17: Gross External Reserves (US\$ million)

Period	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
External Reserves	32225.2	32639.8	34136.6	33857.4	35190.8	36660.9	36839.5	35412.5	36285.3	39509.8	40636.8	42228.7	42554.1

6.0 *Other International Economic Developments and Meetings*

World crude oil output in November 2012 stood at 90.47 million barrels per day (mbd), while demand was 90.01 million barrels per day (mbd), compared with 90.47 and 89.52 mbd supplied and demanded, respectively, in the preceding month.

Other major international economic developments and meetings of relevance to the domestic economy during the month included: the G20 Finance Ministers and Central Bank Governors Meeting held in Mexico City from November 4 – 5, 2012 to assess progress on the fulfillment of the mandates to promote robust growth and job creation and address ongoing economic and financial challenges. The following were the highlights of the meeting:

- The Ministers and Governors pledged to do everything necessary to strengthen the overall health and growth of the global economy;
- They noted that global growth remained modest and downside risks were still elevated;
- They expressed commitment to build on the policy measures taken in recent months;
- In the light of the weak pace of global growth, they pledged to ensure that the pace of fiscal consolidation was appropriate to support the recovery;
- The weak pace of global growth also reflected limited progress towards sustaining and rebalancing global demand. They committed to achieving external and internal adjustment in a way that would support and sustain growth and lead to global rebalancing;
- They expressed their commitment to the full implementation of the 2010 Quota and Governance Reform.

- They acknowledged the importance of long-term financing, particularly for infrastructure investment, recognizing that work on this subject will foster an environment more conducive to long-term investment, effectively helping to boost jobs and growth;

Also, the Executive Board of the International Monetary Fund (IMF) met on November 8, 2012, to consider the IMF's Work Programme for the next twelve months. The Board deliberated on the focus of the Work Programme which included key policies such as building on the latest reforms to secure recovery and lay the foundation for a more robust global financial architecture. Other areas of focus discussed were: strengthening financial systems; dealing with high debt; supporting growth and jobs; global imbalances and spillovers; and capacity building.

In another development, the 12th meeting of the Special Implementation Committee (SIC) of the Nigeria- South Africa Bi-National Commission (BNC) was held in Abuja from November 19 – 20, 2012. The objective of the meeting was to further strengthen cooperation and enhance relations between the two countries, as well as to review the implementation of the decisions taken at the last meeting. Issues on which agreements were reached at the meeting included:

- Nigeria and South Africa to work together to support the African Union and its institutions;
- Request by Nigeria for South Africa to support the campaign for non-permanent seat at the United Nations Security Council which becomes vacant in 2014;
- It was agreed that there was the need to expand the Tripartite Group (G3), comprising South Africa, Nigeria and Angola to allow the participation of like-minded countries;
- Need for the two countries to strengthen their respective economies through economic, political and security pillars;

- The meeting noted confirmation from the Nigerian side that the three-year multiple entry visa for diplomatic and official passport holders had been implemented;
- The meeting noted that the existing agreement on agricultural cooperation had lapsed. Preparations were ongoing to prepare a revised MoU;
- It was recommended that the Small and Medium Enterprises Development Agency (SMEDAN) and South Africa's Small Enterprise Development Agency (SEDA) should collaborate with a view to exchanging information and expertise; and
- The importance of both countries' collaboration to diversify their economies and build industrial capacity was noted.

Finally, the 2nd meeting of the D-8 Heads of Central Bank with the theme "Enhancing Financial and Monetary Cooperation for Promoting Inclusive Economic Growth" was organized by the State Bank of Pakistan on the sidelines of the 2012 D-8 Summit hosted by the Islamic Republic of Pakistan from 19 – 22 November 2012. The objective of the meeting was to strengthen financial and banking relationship among member states. Following deliberations, the meeting agreed to:

- Develop and use monetary and financial policy tools to act as buffers to the domestic economy against the global economic slowdown and reduce dependency on demand from traditional trade partners through diversification and greater cooperation amongst regional blocs, such as the D-8;
- Bring the informal sector into the mainstream economy, and hence into the tax net, by improving the efficiency of public institutions, in order to increase fiscal space and the effectiveness of monetary management process.

- Develop such means as joint research project and professional exchanges between member countries for capacity building;
- To conduct studies for policy approaches to building delivery channels and payments systems such as mobile phone banking, post office networks;
- Form a D-8 Consultative Group on Financial Inclusion (CGFI) with representation from each central bank, to produce a document at the next D-8 Summit;
- Identify major areas of cooperation to include: development of financial instruments and markets and enhancing awareness; and
- The Governors agreed to explore the possibility of currency swap by members to enhance trade and facilitate payments.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
Domestic Credit (Net)	13,251.7	13,313.1	13,098.8	13,163.4	13,371.3	13,210.3	14,529.8
<i>Claims on Federal Government (Net)</i>	(1,220.9)	(1,380.5)	(1,746.6)	(1,721.5)	1,484.8	1,591.4	2,406.7
Central Bank (Net)	(3,998.6)	(3,969.9)	(4,097.3)	(3,731.1)	(549.9)	(817.7)	(411.2)
Banks	2,772.7	2,584.5	2,345.8	2,004.5	2,029.6	2,404.0	2,817.8
Non Interest Banks	-	4,912.5	4,912.5	5,128.4	5,128.4	5,128.4	-
<i>Claims on Private Sector</i>	14,472.6	14,693.6	14,845.4	14,884.8	14,935.3	15,127.0	15,424.2
Central Bank	4,730.6	4,645.2	4,610.2	4,625.7	4,659.5	4,805.8	4,822.7
Banks	4,742.0	10,048.4	10,234.8	10,258.7	10,274.9	10,320.3	10,600.1
Non Interest Banks	-	1.5	0.4	0.4	852.7	876.6	1,347.1
<i>Claims on Other Private Sector</i>	13,900.5	14,107.3	14,253.0	14,304.2	14,336.2	14,511.7	14,779.3
Central Bank	4,730.6	4,645.2	4,610.2	4,625.7	4,659.5	4,805.8	4,822.7
Banks	9,169.8	9,462.1	9,642.4	9,678.1	9,675.9	9,705.1	9,955.3
Non Interest Banks	-	-	0.4	0.4	852.7	876.6	1,347.1
<i>Claims on State and Local Government</i>	572.1	586.3	592.4	580.6	599.3	615.2	644.9
Central Bank	-	-	-	-	-	-	-
Banks	572.1	586.3	592.4	580.6	599.3	615.2	644.8
Non Interest Banks	-	-	-	-	-	-	-
<i>Claims on Non-financial Public Enterprises</i>							
Central Bank							
Banks							
Foreign Assets (Net)	7,984.8	7,525.2	7,815.1	8,069.2	8,267.4	8,762.9	8,732.3
Central Bank	6,290.6	6,028.3	6,301.3	6,286.8	6,388.6	6,915.0	6,979.2
Banks	1,694.2	1,496.9	1,513.8	1,782.3	1,878.9	1,846.0	1,751.0
Non Interest Banks	-	-	-	-	0.8	2.0	1,997.7
Other Assets (Net)	(7,633.3)	(7,354.9)	(7,522.5)	(7,463.5)	(7,574.4)	(7,575.0)	(8,199.4)
Total Monetary Assets (M2)	13,601.1	13,483.4	13,391.4	13,769.0	14,064.2	14,398.2	15,062.7
Quasi-Money 1/	7,068.6	6,883.7	6,988.6	7,525.7	7,672.8	7,857.2	8,182.1
Money Supply (M1)	6,534.5	6,599.7	6,402.7	6,243.3	6,391.4	6,541.0	6,880.6
<i>Currency Outside Banks</i>	1,121.6	1,088.3	1,076.8	1,080.8	1,070.2	1,153.5	1,140.6
<i>Demand Deposits 2/</i>	5,412.9	5,511.4	5,325.9	5,162.5	5,321.2	5,387.5	5,740.0
Total Monetary Liabilities (M2)	13,603.1	13,483.4	13,391.4	13,769.0	14,064.2	14,398.2	15,062.7
Memorandum Items:							
Reserve Money (RM)	2,506.7	2,512.5	2,895.3	3,051.7	3,117.1	3,039.2	2,979.4
<i>Currency in Circulation (CIC)</i>	1,399.0	1,363.7	1,362.6	1,368.2	1,348.8	1,458.2	1,431.0
<i>DMBs Demand Deposit with CBN</i>	1,107.7	1,148.7	1,532.7	1,683.5	1,768.3	1,580.9	1,548.5

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

2/ Demand Deposits consists 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)**

	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
	Growth over Preceding December(%)								
Domestic Credit (Net)	-0.1	-2.0	-3.2	-2.7	-4.3	-3.8	-2.3	-3.5	6.2
Claims on Federal Government (Net)	11.3	-58.0	-145.7	-177.9	-251.5	-246.5	-45.8	-41.9	-12.1
Claims on Private Sector	-0.4	0.1	2.0	3.6	4.7	4.9	5.3	6.7	8.8
Claims on Other Private Sector	-0.6	-0.2	1.7	3.2	4.3	4.6	4.9	6.2	8.1
Claims on State and Local Government	4.9	7.6	11.5	14.2	15.4	13.1	16.7	19.9	25.7
Claims on Non-financial Public Enterprises									
Foreign Assets (Net)	2.4	7.8	11.9	5.4	9.5	13.0	15.8	22.8	22.3
Other Assets (Net)	-2.6	-3.6	-1.5	2.2	0.0	0.8	-0.7	-0.7	-9.0
Total Monetary Assets (M2)	-0.2	0.0	2.3	1.4	0.7	3.5	5.7	8.2	13.2
Quasi-Money 1/	3.3	1.6	8.2	5.4	7.0	15.2	17.5	20.3	25.3
Money Supply (M1)	-3.7	-1.5	-3.5	-2.5	-5.5	-7.8	-5.6	-3.4	1.6
Currency Outside Banks	-8.3	-10.8	-9.9	-12.6	-13.5	-13.2	-14.1	-7.4	-8.4
Demand Deposits 2/	-2.6	0.6	-2.1	-0.3	-3.6	-6.6	-3.7	-2.5	3.9
Total Monetary Liabilities (M2)	-0.2	0.0	2.3	1.4	0.7	3.5	5.7	8.2	13.2
Memorandum Items:									
Reserve Money (RM)	-9.2	-7.0	-10.0	-7.0	4.0	9.6	12.0	9.2	7.0
Currency in Circulation (CIC)	-8.5	-9.2	-10.7	-12.9	-13.0	-12.6	-13.9	-6.9	-8.6
DMBs Demand Deposit with CBN	-10.1	-4.2	-9.1	-5.7	25.8	38.2	-3.7	-2.5	27.1
	Growth over Preceding Month (%)								
Domestic Credit (Net)	1.6	-2.0	-1.2	0.5	-1.6	0.5	1.6	-0.5	10.0
Claims on Federal Government (Net)	18.6	-78.1	-55.5	-13.1	26.5	-1.4	13.1	-7.2	-51.2
Claims on Private Sector	0.8	0.5	2.0	1.5	1.0	0.3	0.3	1.3	2.0
Claims on Other Private Sector	0.6	0.4	1.9	1.5	1.0	0.4	0.2	1.2	1.8
Claims on State and Local Government	5.9	2.6	3.6	2.5	1.0	-2.0	3.2	2.7	4.8
Claims on Non-financial Public Enterprises									
Foreign Assets (Net)	1.0	5.3	3.8	-5.8	3.9	3.3	2.5	6.0	-0.4
Central Bank	2.7	6.0	3.1	-4.2	4.5	-0.2	1.6	8.2	-0.4
Banks	-4.7	2.5	6.6	-11.6	1.1	17.7	5.4	-1.7	-5.1
Other Assets (Net)	-2.2	-1.0	2.1	3.7	-2.3	-0.8	-1.5	0.0	-8.2
Total Monetary Assets (M2)	0.9	0.3	2.2	-0.9	-0.7	2.8	-2.3	2.4	4.6
Quasi-Money 1/	0.2	-1.7	6.5	-2.6	1.5	7.7	2.0	2.4	4.1
Money Supply (M1)	1.6	2.2	-2.0	1.0	-3.0	-2.5	2.4	2.3	5.2
Currency Outside Banks	5.5	-2.7	0.9	-3.0	-1.1	0.4	-1.0	7.8	-1.1
Demand Deposits 2/	0.8	3.3	-2.6	1.8	-3.4	-3.1	3.1	1.2	6.5
Total Monetary Liabilities (M2)	0.9	0.3	2.2	-0.9	-0.7	2.8	-2.3	2.4	6.5
Memorandum Items:									
Reserve Money (RM)	-8.4	2.5	-3.2	3.3	15.2	5.4	12.0	-2.5	-2.0
Currency in Circulation (CIC)	-0.4	-0.7	-1.7	-2.5	-0.1	0.4	-1.4	8.1	-1.9
DMBs Demand Deposit with CBN	-17.2	6.6	-5.1	3.7	33.4	9.8	3.1	1.2	-2.1

Table A3: Federal Government Fiscal Operations (₦ billion)

	Dec-31	Jan-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
Retained Revenue	287.0	251.2	282.6	273.7	429.1	340.2	262.9	248.9	246.6	246.7	245.4
Federation Account	213.6	173.5	260.7	173.5	189.2	234.0	207.6	218.2	206.7	211.7	218.7
VAT Pool Account	8.2	7.7	8.8	7.7	8.7	8.9	8.6	7.6	8.7	8.1	9.3
FGN Independent Revenue	14.9	33.4	13.1	6.9	77.2	74.9	20.6	5.7	2.8	4.6	1.2
Excess Crude	0.0	0.0	0.0	0.0	34.4	0.0	0.0	0.0	0.0	0.0	0.0
Others	50.3	36.7	0.0	0.0	119.6	22.4	16.3	16.3	16.3	16.3	16.3
Expenditure	179.2	355.8	326.0	424.9	419.7	304.7	378.6	379.8	390.4	417.6	397.0
Recurrent	141.5	308.4	208.9	289.2	264.3	240.4	273.3	260.6	332.8	354.8	337.6
Capital	0.0	0.0	66.5	135.7	155.4	51.8	85.4	108.4	54.0	57.8	52.7
Transfers	37.7	47.4	20.5	20.6	20.2	20.2	18.5	18.9	3.7	5.0	6.6
Overall Balance: Surplus(+)/Deficit(-)	107.8	-104.6	-43.5	151.2	9.4	33.5	-115.7	-130.9	-143.9	-132.9	151.6

