



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
JULY 2013***

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

The key monetary aggregate decelerated at the end of July 2013. On month-on-month basis, broad money (M_2) fell by 5.0 per cent, due largely to the 1.2 and 17.8 per cent decline in foreign assets (net) and other assets (net) of the banking system, respectively. Similarly, narrow money (M_1) fell by 6.0 per cent in contrast to the 2.9 per cent growth at the end of the preceding month, due wholly to the 7.4 per cent decline in its demand deposit component. Relative to the level at end-December 2012, M_2 contracted by 4.3 per cent, owing largely to the 1.5 and 26.5 per cent decline in net foreign assets and other assets (net) of the banking system respectively. Reserve money (RM) rose by 19.7 per cent above its level in the preceding month.

Banks' deposit and lending rates trended downward during the review month. The spread between the weighted average term deposit and maximum lending rates narrowed by 1.34 percentage point to 16.89 per cent in July 2013. Similarly, the margin between the average savings deposit and maximum lending rates narrowed by 1.94 percentage points to 20.60 per cent at the end of the review month. The weighted average inter-bank call rate fell to 10.61 per cent from 11.59 per cent in the preceding month, reflecting the liquidity condition in the interbank funds market.

Provisional data indicated that the value of money market assets outstanding at end-July 2013 was ₦6,564.35 billion, indicating an increase of 0.3 per cent, compared with the increase of 2.2 per cent at the end of the preceding month. The development was attributed to the 55.3 and 22.0 per cent increase in Bankers' Acceptances (BAs) and Commercial Paper (CP) outstanding, respectively. Activities on the Nigerian Stock Exchange (NSE) were bullish as the major indicators trended upward during the review month.

Total federally-collected revenue in July 2013 was estimated at ₦1,050.18 billion. This exceeded the provisional monthly budget estimate and the receipt in the preceding month by 11.1 and 33.7 per cent, respectively. At ₦645.65 billion, oil receipts (gross), which constituted 61.5 per cent of the total revenue, was above the provisional monthly budget estimate and the level in the preceding month by 0.2 and 15.4 per cent, respectively. The rise in oil receipts, relative to the budget estimate, was attributed, largely, to the increase in receipts from PPT, Royalties, and domestic crude oil and

gas sales in the review period.

Non-oil receipts (gross), at ₦404.53 billion (38.5 per cent of the total), was higher than both the provisional monthly budget estimate and the level in the preceding month by 34.6 and 79.1 per cent, respectively. The rise in receipts relative to the monthly budget estimate reflected, largely, the increased receipts from Corporate TAX, Customs and Excise duties and Customs Special Levies. Federal Government estimated retained revenue was ₦365.72 billion, while total estimated expenditure was ₦431.09 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦65.37 billion, compared with the provisional monthly budget deficit of ₦73.92 billion.

The predominant agricultural activities during the month of July 2013 were cultivation and harvesting of maize and vegetables, especially in the southern states. In the livestock sub-sector, farmers were engaged in re-stocking broilers and layers in anticipation of sales during the Eid El Fitr festivity. Crude oil production was estimated at 1.85 million barrels per day (mbd) or 57.35 million barrels during the month. The end-period inflation rate for July 2013, on a year-on-year basis, was 8.7 per cent, 0.3 percentage point above the level in the preceding month. The inflation rate on a 12-month moving average basis was 10.0 per cent, compared with the preceding month's level of 10.4 per cent.

Foreign exchange inflow and outflow through the CBN in July 2013 were US\$5.78 billion and US\$4.89 billion, respectively, and resulted in a net inflow of US\$0.89 billion. Foreign exchange sales by the CBN to the authorized dealers amounted to US\$3.99 billion, showing a decline of 22.1 per cent below 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 depreciated marginally to ₦157.32/US\$ at the wDAS segment of the market. Similarly, it depreciated at the bureau-de-change and interbank segments of the market.

Non-oil export receipts increased by 281.9 per cent above the level in the preceding month. This was attributed largely, to the rise in receipts from the industrial, manufactured and agricultural products sectors.

World crude oil output in July 2013 was estimated at an average of 89.95 million barrels per day (mbd), while demand

was estimated at 89.64 million barrels per day (mbd), compared with 89.61 and 88.91 (mbd) supplied and demanded, respectively, in the preceding month. The rise in demand was attributed to the need for the replenishment of industrial stock following successful repairs of OECD refineries.

Major international economic developments and meetings of importance to the domestic economy during the review period included: the meetings of the West African Monetary Zone (WAMZ) and the West African Institute for Financial and Economic Management (WAIFEM) held in Accra, Ghana, from July 17 - 26, 2013. Also, the 6th Meeting of the Inter-Institutional Technical Sub-Committee on the Road Map for the ECOWAS Single Currency Programme was held in Accra Ghana from July 29 – 30, 2013. The meeting was deliberated on the status of the implementation of roadmap activities by the ECOWAS Commission, the WAMA, the WAMI and the WABA. The meeting also agreed that all the regional institutions were to continue with activities assigned to them in the roadmap.

2.0 *Financial Sector Developments*

2.1 Monetary and Credit Developments

Growth in the major monetary aggregate decelerated at the end of the review month. Available data indicated downward trend in banks' deposit and lending rates in July 2013. The value of money market assets outstanding increased, owing, largely, to the rise in Bankers' Acceptances (BAs) and Commercial Paper (CP). Transactions on the Nigerian Stock Exchange (NSE) were bullish as all the major indicators trended upward during the review month.

Growth in the key monetary aggregate declined in July 2013.

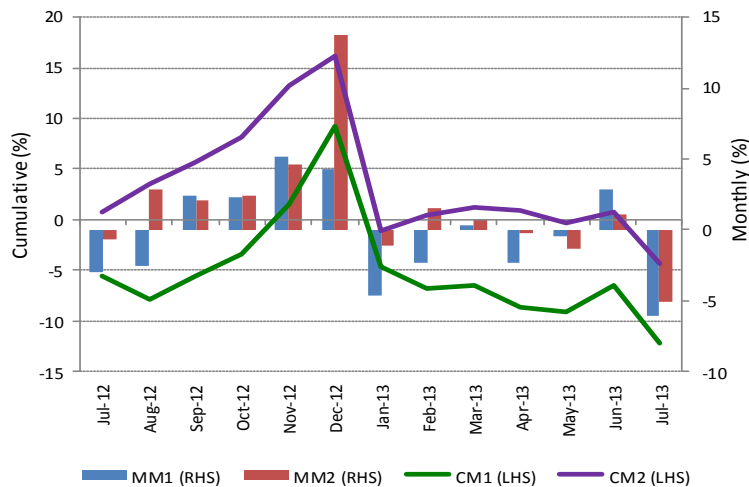
Provisional data indicated that the major monetary aggregate declined at end-July 2013. Broad money supply (M_2), at ₦14,811.4 billion, fell by 5.0 per cent, on month-on-month basis, in contrast to the 1.1 per cent growth at the end of the preceding month. The development reflected largely the 1.2 and 17.8 per cent decline in net foreign assets and other asset (net) of the banking system, respectively, which more than off-set the effect of the 4.0 per cent increase in domestic credit (net) of the banking system. Over the level at end-December 2012, M_2 contracted by 4.3 per cent, owing largely to the respective decline of 1.5 and 26.5 per cent in net foreign asset and other assets (net) of the banking system.

Narrow money supply (M_1), at ₦6,522.9 billion, fell by 6.0 per cent, on month-on-month basis, in contrast to the 2.9 per cent growth at the end of the preceding month. The development was attributed, wholly, to the 7.4 per cent decline in its demand deposit component. Over the level at end-December 2012, M_1 fell by 12.1 per cent, due to the decline of 12.3 and 12.1 per cent in its currency and demand deposit components, respectively (Fig. 1, Table 1).

Quasi-money declined by 4.2 per cent, on month-on-month basis, to ₦8,288.5 billion, compared with the decline of 0.3 per cent at the end of the preceding month. The development reflected the fall in time and

savings deposits with the DMB's. Relative to the level at end-December 2012, quasi-money, however grew by 2.8 per cent, compared with the increase of 7.3 and 7.0 per cent recorded at the end of the preceding and the corresponding month of 2012, respectively.

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



At ₦13,820.1 billion, aggregate banking system credit (net) to the domestic economy, at end-July 2013, increased by 4.0 per cent, on month-on-month basis, compared with the growth of 0.4 per cent at the end of the preceding month. The development reflected, largely, the respective increase of 0.7 and 17.6 per cent in claims on the private sector and the Federal Government (net). Over the level at end-December 2012, aggregate banking system credit (net) to the domestic economy rose by 8.8 per cent, due largely to the increase of 4.3 and 19.5 per cent in claims on private sector and the Federal Government (net), respectively.

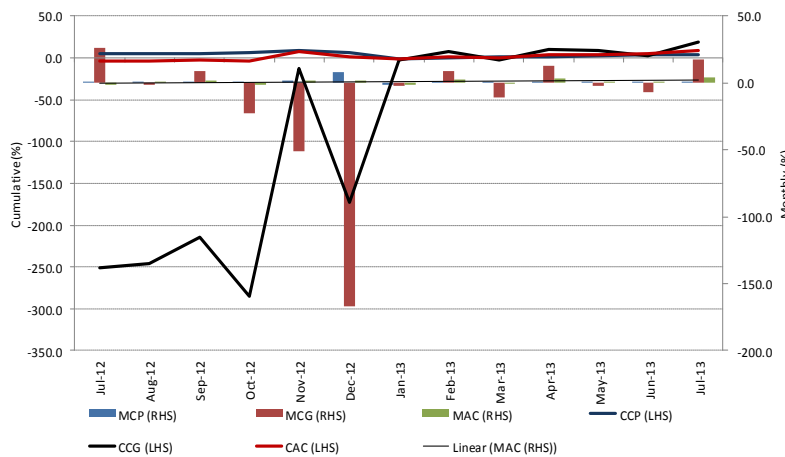
Banking system's credit (net) to the Federal Government, on month-on-month basis, rose by 17.6 per cent to negative ₦1,976.4 billion, in contrast to the decline of 6.6 and 36.4 per cent at the end of the

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

preceding month and the corresponding period of 2012, respectively. Over the level at end-December 2012, banking system credit (net) to the Federal Government rose by 19.5 per cent, reflecting largely the increase in banking system's holding of government securities.

Banking system's credit to the private sector, on month-on-month basis, grew by 0.7 per cent to ₦15,796.5 billion, compared with the 1.3 and 1.0 per cent increase at the end of the preceding month and the corresponding period of 2012, respectively. Relative to the level at end-December 2012, banking system's credit to the private sector rose by 4.3 per cent, owing to the increase in claims on the core private sector and State and Local Government (Fig. 2, Table 1).

Figure 2: Growth Rate of Net Domestic Credit²



Foreign assets (net) of the banking system fell on month-on-month basis at end-July 2013.

At ₦8,907.7 billion, foreign assets (net) of the banking system fell by 1.2 per cent, on month-on-month basis, at end-July 2013, compared with the decline of 4.1 per cent at the end of the preceding month, but was contrasted to the growth of 3.9 per cent recorded at the end of the corresponding month of 2012. The

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).

development relative to the preceding month was attributed largely, to the 2.2 per cent decline in CBN's holdings of foreign assets. Over the level at end-December 2012, foreign assets (net) of the banking system fell by 1.5 per cent.

Other assets (net) of the banking system, on a month-on-month basis, fell by 17.8 per cent to negative ₦7,916.4 billion, in contrast to the increase 6.9 per cent at the end of the preceding month. The decline in the review month reflected, largely, the fall in unclassified assets of both the CBN and banks. Similarly, over the level at end-December 2012, other assets (net) of the banking system fell by 26.5 per cent.

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

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Domestic Credit (Net)	-2.0	-0.8	1.3	-1.1	8.5	-9.3	-1.6	2.6	-0.5	3.7	0.2	0.4	4.0
Claims on Federal Government (Net)	-36.4	2.4	8.7	-23.8	47.6	-135.5	-2.0	9.0	-10.7	12.6	-2.1	-6.6	-17.6
Claims on Private Sector	1.0	-0.9	0.3	1.3	2.1	-0.8	-1.1	0.6	1.17	1.0	0.5	1.3	0.7
Claims on Other Private Sector	1.0	-0.9	0.2	1.2	2.0	-0.9	-1.2	0.9	1.1	0.8	0.8	1.3	0.3
Foreign Assets (Net)	3.9	3.2	2.9	5.6	-0.4	3.6	2.5	5.2	-0.7	-1.3	-1.6	-4.1	-1.2
Other Assets (Net)	-1.5	2.9	-1.5	0.2	-5.6	17.6	-3.1	-8.7	3.7	-5.5	-1.2	6.9	-17.8
Broad Money Supply (M2)	-0.7	2.8	2.1	2.4	4.6	2.6	-1.1	1.6	0.8	-0.2	-1.4	1.1	-5.0
Quasi-Money	1.5	7.7	2.0	2.4	4.1	-1.5	2.1	4.9	1.1	1.5	-2.0	-0.3	-4.2
Narrow Money Supply (M1)	-3.0	-2.5	2.4	2.3	5.2	7.5	4.6	-2.3	0.4	-2.3	-0.5	2.9	-6.0
Reserve Money (RM)	17.6	3.9	1.5	-2.5	-2.0	24.3	-8.2	10.6	3.9	-12.2	-0.1	-5.7	17.9

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

At ₦1,457.3 billion, currency-in-circulation rose by 2.2 per cent in the review month, in contrast to the decline of 2.2 and 0.1 per cent at the end of the preceding month and the corresponding period of 2012, respectively. The development relative to preceding month reflected, wholly, the 1.2 per cent increase currency outside banks.

Total deposits at the CBN amounted to ₦6,085.7 billion, indicating a decline of 0.4 per cent below the level at the end of the preceding month. The development reflected, largely, the decline in private sector and Federal Government's deposits, which more than offset the increase in DMBs' deposits. Of the total deposits, the percentage shares of the Federal Government, banks and private sector¹ were 54.1, 39.7, and 6.2 per cent, respectively, compared with 62.5, 29.6 and 7.9 per cent at end-June 2013.

Reserve money (RM) rose by 19.7 per cent to ₦3,873.9 billion at the end of the review month, reflecting the trend in its currency-in-circulation and DMBs' components.

Reserve money (RM)
rose in July 2013.

2.3 Money Market Developments

Available data showed that the level of liquidity in the money market further increased in the month of July due to the injection of ₦1, 266.18 billion. The injections comprised the repayment of OMO matured Bills, Statutory Revenue Allocation (SRA) and Value Added Tax (VAT) to the Federal, states and local governments, Joint Venture Cash call and Subsidy Re-investment and Empowerment programme (SURE-P), as well as contractual obligation and arrears of February Statutory Revenue Allocation. Consequently, money market rates trended downward, while the patronage at the Bank's window for Standing Deposit Facility (SDF) increased substantially. Open Market Operations (OMO) auction on CBN Bills of varying tenors, failed to yield the desired result as Money Market Dealers (MMDs) quoted rates were deemed to be speculative. Restrictive monetary policy continued with the Monetary Policy Rates (MPR) retained at 12.0 per cent, while the implementation of the 50 per cent CRR on public sector deposits with the DMBs commenced.

Provisional data indicated that the value of money market assets outstanding at end-July 2013 was ₦6,564.35 billion, indicating an increase of 0.3 per cent over its level at the end of the preceding month. The

development was attributed, largely, to the increase in Bankers' Acceptances and Commercial Paper.

2.3.1 *Interest Rate Developments*

Staff estimates indicated a downward trend in interest rates in July 2013.

Banks' deposit and lending rates during the review month trended downward with the exception of the average savings rate, which rose to 2.45 per cent from 2.04 per cent in the preceding month, all other deposit rates of various maturities fell from a range of 4.45 - 7.58 per cent to a range of 4.29 - 7.41 per cent. At 6.16 per cent, staff estimate showed that the average term deposit rate fell by 0.19 percentage point below the level at the end of the preceding month. The average prime and maximum lending rates fell by 0.03 and 1.53 percentage points to 16.53 and 23.05 per cent in the review month, respectively. Consequently, the spread between the weighted average term deposit and maximum lending rates narrowed by 1.34 percentage point to 16.89 per cent in July 2013. Similarly, the margin between the average savings deposit and maximum lending rates narrowed by 1.94 percentage points to 20.60 per cent at the end of July 2013.

At the interbank call segment, the weighted average rate, which stood at 11.59 per cent at end-June 2013, fell by 0.98 percentage point to 10.61 per cent. Similarly, the weighted average rate, at the open-buy-back (OBB) segment, fell by 0.78 percentage point to 10.41 per cent from the level in June 2013. The Nigerian interbank offered rate (NIBOR) for the 7- and 30-day fell by 1.21 percentage point each to close at 10.83 and 11.11 per cent, respectively, in the review month. With the headline inflation rate at 8.7 per cent at end-July 2013, most rates, with the exception of the lending rates were negative in real terms (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rate (Average)

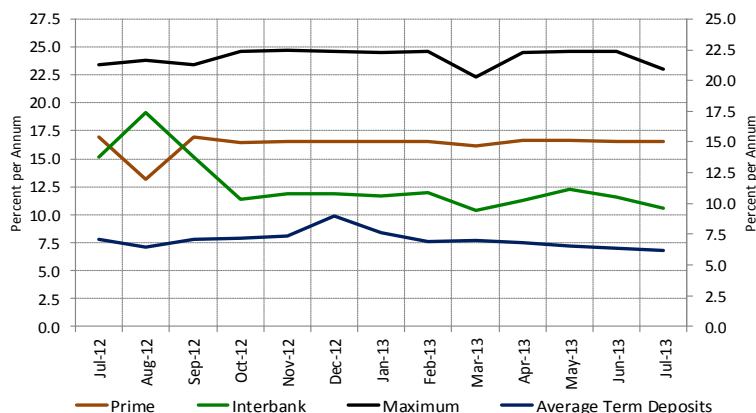


Table 2: Selected Interest Rates (Percent, Averages)

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Average Term Deposits	6.96	6.92	7.05	7.28	7.38	8.99	7.66	6.88	6.99	6.83	6.55	6.35	6.16
Prime Lending	16.98	16.93	16.96	16.48	16.51	16.54	16.57	16.56	16.16	16.65	16.66	16.56	16.43
Interbank	13.80	14.92	15.19	11.42	11.86	11.88	11.67	11.98	10.39	11.24	12.23	11.59	10.61
Maximum Lending	23.44	23.44	23.45	24.65	24.70	24.61	24.54	24.60	22.31	24.53	24.57	23.58	23.05

2.3.2 Commercial Paper (CP)

The value of Commercial Paper (CP) held by the DMBs at end-July 2013 stood at ₦18.3 billion, indicating an increase of 22.0 per cent above the level in the preceding month. Thus, CP constituted 0.3 per cent of the total value of money market assets outstanding at end-July 2013, compared with 0.2 per cent at the end of the preceding month.

2.3.3 Bankers' Acceptances (BAs)

The value of Bankers' Acceptances (BAs) rose by 55.3 per cent to ₦24.86 billion, compared with the increase of 15.9 per cent in the preceding month. Consequently, BAs constituted 0.4 per cent of the total value of money market assets outstanding at end-July 2013, compared with 0.2 per cent at the end of the preceding month.

2.3.4 Open Market Operations

The Bank conducted five (5) Open Market Operations (OMO) sessions in CBN Bills of various tenors, ranging from 78—227 days in July 2013. The amount offered, subscribed to and allotted were ₦1,370.00 billion, ₦1,038.59 billion and ₦508.74 billion, respectively, compared with ₦580.00 billion, ₦505.19 billion and ₦81.95 billion, in the preceding month. The bid rates ranged from 11.69 - 14.00 per cent, while the stop rates ranged between 13.13—13.20 per cent, compared with the bid rates range of 12.10 - 13.99 per in the preceding month. OMO Bills worth ₦341.35 billion matured and were repaid in the review month.

2.3.5 Primary Market

At the primary market segment, Nigerian Treasury Bills (NTBs) auctions were conducted in three tenors, namely 91-, 182- and 364-day. Total amount offered, subscribed to and allotted were ₦185.45 billion, ₦477.91 billion and ₦185.45 billion, respectively, compared with ₦397.85 billion, ₦558.89 billion and ₦397.85 billion in the preceding month. The bid rates ranged from 10.00 - 16.00, 10.25 - 19.99 and 11.50 - 20.00 per cent for the 91-, 182- and 364-day tenors, respectively. The bid-to-cover ratios were 1.8, 2.8 and 3.1 for the 91-, 182- and 364-day tenors, respectively.

2.3.6 Bonds Market

FGN Bonds of 5- and 20-year tranches, totaling N55.00 billion were reopened and offered to the market during the review month. Total amount offered, subscribed to and allotted for the 4.0% FGN Bond 2015 tranche was ₦20.00 billion, ₦52.67 billion and ₦20.00 billion, respectively, while that of 20.00 % FGN Bond 2030 tranche was ₦35.00 billion, ₦83.26 billion, and ₦35.00 billion, respectively. The bid rates on the two tranches ranged from 12.00 - 15.00 per cent and the marginal rates were 13.45 and 13.79 for the 5- and 20-year tranches, respectively, compared with the outcomes in the preceding month when the 5-, 10- and 20-year tranches were re-opened, with the amount on offer, subscribed to and allotted, standing

at ₦85.00 billion, ₦157.02 billion and ₦21.05 billion, respectively. The marginal rates were 12.25, 13.00 and 13.35 per cent, respectively.

At the Over-the-Counter (OTC) market in the NTB segment, market players exchanged 1.19 billion units of NTBs amounting to ₦1,146.68 billion in 4,546 deals in July 2013. In the preceding month, a turnover of 1.09 billion units valued at ₦1,026.25 billion in 3,679 deals was recorded. At the FGN Bonds segment of the OTC market, the total volume traded was 0.63 billion in 4,465 deals valued at ₦696.16 billion, while a turnover of 948.46 million units, valued at ₦948.46 billion in 5,244 deals was recorded in the preceding month.

2.3.7 CBN Standing Facilities

Aggregate Standing Lending Facility (SLF) granted in the review period to DMBs, Merchant banks and Discount Houses was ₦599.77 billion with a daily average of ₦14.17 billion for the 23 working days in the review month, compared with ₦895.26 billion with a daily average of ₦42.63 billion recorded in the preceding month. Interest received on SLF stood at ₦0.36 billion, compared with ₦0.43 billion in the preceding month. The aggregate Standing Deposit Facility (SDF) stood at ₦5,901.30 billion with a daily average of ₦281.01 billion, reflecting an increase of 201.6 per cent, compared with the level in the preceding month. The development reflected the liquidity condition in the market during the review period. Interest paid on SDF stood at ₦2.33 billion, compared with ₦0.69 billion in the preceding month.

2.4 Deposit Money Banks' Activities

Available data indicated that total assets and liabilities of the deposit money banks (DMBs) amounted to ₦22,723.80 billion, showing an increase of 0.8 per cent above the level at the end of the preceding month. Funds were sourced mainly from Federal Government deposit and reduction in claims on central bank and other financial institutions. The funds were used, largely, in the extension of credit to the Federal Government

and reduction of liabilities on demand, time, savings and foreign currency deposits.

At ₦11,944.23 billion, DMBs' credit to the domestic economy rose by 0.4 per cent above the level in the preceding month. The breakdown showed that relative to the level at the end of the preceding month, credit to both the private sector and state and local government rose by 0.9 and 9.4 per cent, respectively, which more than offset the 11.1 per cent decline in credit to the Federal Government.

DMBs' Credit to the domestic economy rose by 3.95 per cent above the level in the preceding

Total specified liquid assets of the DMBs stood at ₦7,678.9 billion, representing 49.5 per cent of their total current liabilities. At that level, the liquidity ratio fell by 6.6 percentage points below the level in the preceding month, but was 19.5 percentage points above the stipulated minimum ratio of 30.0 per cent. The loans-to-deposit ratio, at 34.1 per cent, was 9.8 and 45.9 percentage points below the level at the end of the preceding month and the prescribed maximum ratio of 80.0 per cent, respectively.

2.5 Discount Houses' Activities

Available data indicated that total assets of the discount houses stood at N255.3 billion at end-July 2013, showing a decline of 25.8 per cent below the level at end-June 2013. The development was accounted for, largely, by the 40.2, 29.3 and 41.4 per cent decline in claims on the Federal Government, claims on others and other assets, respectively. Correspondingly, the decline in total liabilities was attributed, largely, to the 61.8, 47.6 and 45.2 per cent fall in money-at-call, other amount owed to commercial banks and other liabilities, respectively.

Discount houses' investment in Federal Government securities of less than 91-day maturity decreased to N73.9 billion and accounted for 38.7 per cent of their total deposit liabilities. Thus, investment in Federal Government Securities was 21.3 percentage points below the prescribed minimum level of 60.0 per cent. At that level, discount houses' investment in NTBs

declined by 13.8 per cent below the level at the end of the preceding month. Total borrowing by the discount houses was N113.3 billion, while their capital and reserves totalled N41.1 billion. This resulted in a gearing ratio of 2.8:1, compared with the stipulated maximum of 50:1 for fiscal 2013.

2.6 Capital Market Developments

2.6.1 Secondary Market

Available data at end-July 2013 indicated that activities on the Nigerian Stock Exchange (NSE) were bullish. The volume and value of traded equities stood at 10.4 billion shares valued at ₦74.9 billion, in 124,525 deals. This indicated an increase of 6.7 per cent in the volume of traded equities above the level at the end of the preceding month. The increased transaction volume was driven largely by the activities in the financial services sector with 4.6 billion shares valued at ₦38.7 billion traded in 65,135 deals. This was followed by the conglomerates sector.

Figure 4: Volume and Value of Traded Securities

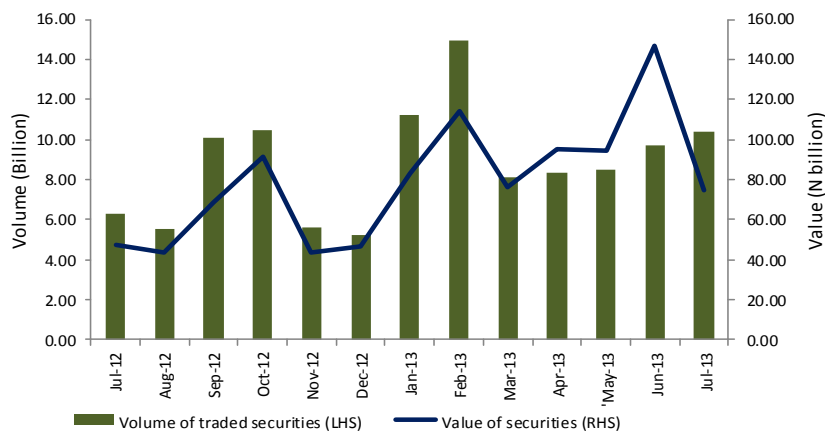


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Volume (Billion)	6.30	5.50	10.09	10.48	5.60	5.20	11.20	14.93	8.12	8.30	8.50	9.70	10.40
Value (N Billion)	46.90	43.80	68.58	91.50	43.40	46.50	83.30	114.34	75.93	95.31	94.36	146.90	74.90

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

Provisional data revealed that transactions on the Over-the-Counter (OTC) bonds market indicated a turnover of 0.63 million units, worth ₦696.16 billion in 4,465 deals during the month, compared with 948.9 million units, worth ₦1,081.9 billion in 5,228 deals recorded in the previous month.

2.6.3 New Issues Market

There was one (1) new and one (1) supplementary listing during the review month.

Table 4: New and Supplementary Listings on the NSE for July 2013

S/N	Company	Additional Shares (Units)	Reasons	Listing
1	Courteville Business Solutions	592 million shares	Bonus Issue	Supplementary
2	UPDC Real Estate Investment and Trust	2.668 billion shares	New Issue	New

In a similar development, the suspension placed on the shares of International Energy Insurance Plc was lifted on Friday July 19, 2013. Thus, its 1,284,085,489 post-consolidation ordinary shares of 50k each were listed at ₦2.50.

2.6.4 Market Capitalization

The aggregate market capitalization for all the listed securities (equities and bonds) stood at ₦17.9 trillion at end-July 2013, indicating an increase of 14.0 per cent above the level at the end of the preceding month. Market capitalization for the equity segment also rose by 5.3 per cent to ₦12.0 trillion at end-July 2013, compared with ₦11.4 trillion at end-June 2013.

2.6.5 NSE All-Share Index

The All-Share Index, which opened at 36,164.31 at the beginning of the month, closed at 37,914.33, showing an increase of 4.8 per cent above the level at the end of the preceding month. All other sectoral indices increased during the review month, except NSE ASeM index, which declined by 1.07 per cent. The NSE Consumer Goods, NSE Banking, NSE Insurance, NSE Oil/Gas, NSE Lotus (NSE LII), and NSE Industrial Goods indices rose by 1,071.66, 405.58, 141.61, 207.30, 2,675.37, and 2,337.23 per cent, respectively, at end-July 2013.

Figure 5: Market Capitalization and All-Share Index

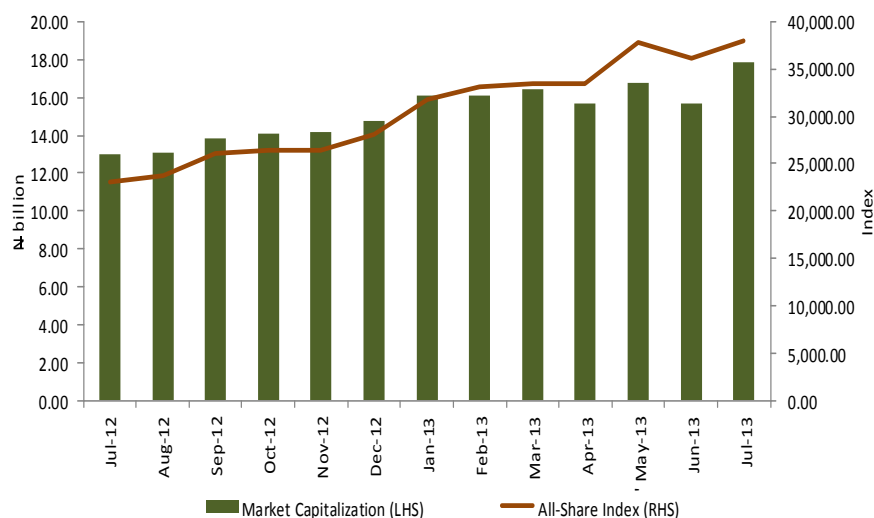


Table 5: Market Capitalization and All Share Index (NSE)

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Market Capitalization (in billion)	12.5	12.4	13.0	13.1	13.8	14.1	14.2	14.8	16.1	16.1	16.4	15.7	17.9
All-Share Index	22,666.40	21,599.57	23,621.38	23,790.82	23,373.00	26,490.00	26,494.40	28,078.81	31,853.19	33,075.14	33,566.25	36,164.51	37,914.33

3.0 Fiscal Operations

3.1 Federation Account Operations

Available data showed that estimated federally-collected revenue (gross) in July 2013, at ₦1,050.18 billion, exceeded the provisional monthly budget estimate and the receipt in the preceding month by 11.1 and 33.7 per cent, respectively. Relative to the level in the corresponding period of 2012, gross federally collected revenue rose by 8.3 per cent. The increase relative to provisional monthly budget estimate was attributed largely to the 34.6 per cent rise in non-oil revenue during the review period (Fig. 6, Table 6).

Gross federally-collected revenue exceeded both the level in the preceding month and the level in the corresponding period of 2012.

Figure 6: Components of Gross Federally-Collected Revenue

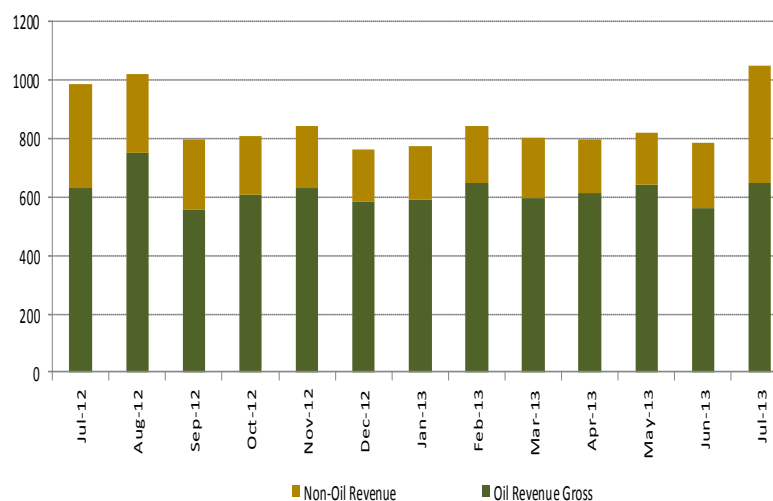


Table 6: Gross Federation Account Revenue (₦ billion)

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Federally-collected revenue (Gross)	985.8	1021.1	797.4	810.8	841.6	761.2	780.9	852.7	805.0	798.9	818.8	785.3	1050.2
Oil Revenue	632.6	749.1	554.5	606.8	631.0	585.8	591.4	647.6	595.3	613.4	641.0	559.4	645.7
Non-Oil Revenue	353.2	272.0	242.9	204.0	210.6	175.4	189.5	205.0	209.8	185.5	177.7	225.9	404.5

At ₦645.65 billion, oil receipts (gross), which constituted 61.5 per cent of the total revenue, was 0.2 and 15.4 per cent above the provisional monthly budget estimate

and the level in the preceding month, respectively. The rise in oil receipts relative to the monthly budget estimate was attributed to the increase in receipts from PPT, Royalties and domestic crude oil and gas sales during the review period (Fig. 7, Table 7).

Figure 7: Gross Oil Revenue and Its Components

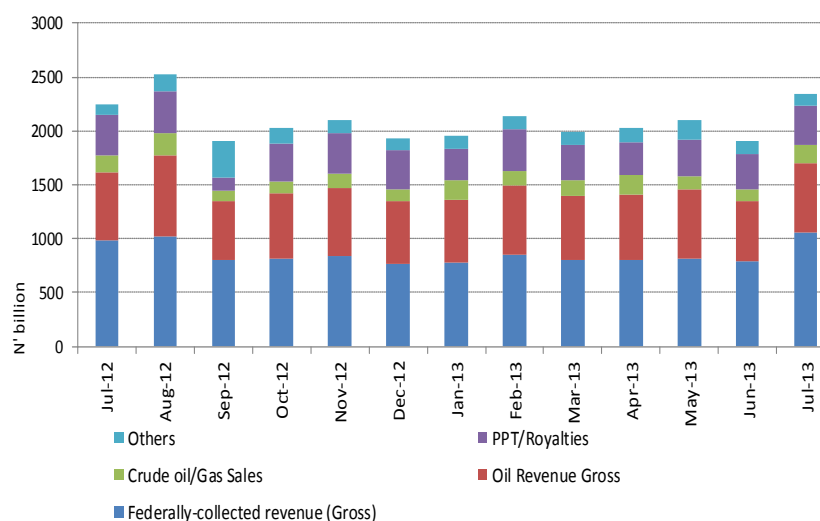
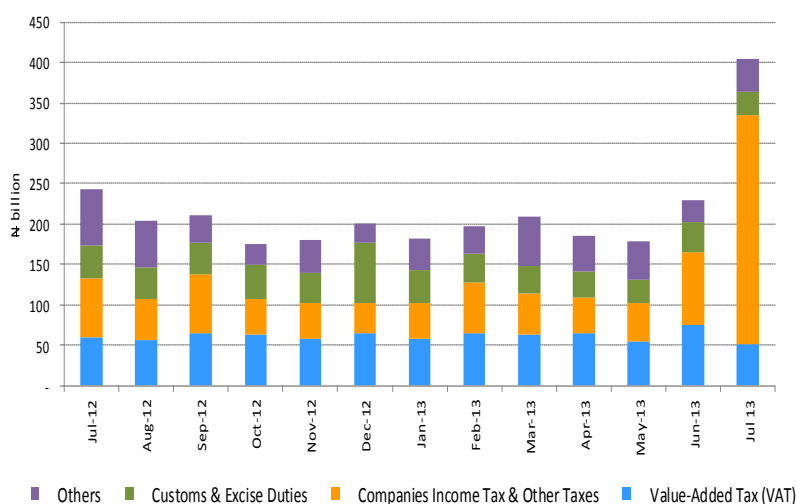


Table 7: Components of Gross Oil Revenue (N billion)

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Oil Revenue	632.6	749.1	554.5	606.8	631.0	585.8	591.4	647.6	595.3	613.4	641.0	559.4	645.7
Crude oil/Gas Sales	149.4	210.8	95.0	133.3	125.6	107.7	172.9	129.9	136.4	173.6	118.7	111.5	173.1
Domestic crude oil/G	98.3	139.4	115.0	114.8	114.8	100.0	117.7	119.4	112.6	133.4	187.8	114.3	113.8
PPT/Royalties	377.0	389.8	336.6	350.1	382.7	370.4	300.5	398.0	331.7	305.4	334.3	333.3	358.6
Others	106.2	148.5	7.9	8.6	7.8	7.7	0.3	0.3	14.6	0.9	0.2	0.3	0.2

Non-oil receipts increased relative to both the monthly budget estimate and the receipts in the preceding month.

Non-oil receipts (gross), at ₦404.53 billion or 38.5 per cent of the total was higher than both the monthly budget estimate and the level in the preceding month by 34.6 and 79.1 per cent, respectively. The increase in non-oil revenue relative to the monthly budget estimate, reflected, largely, the increased receipts from Corporate Tax, Customs and Excise duties and Custom Special Levies.

Figure 8: Gross Non-Oil Revenue and its Components**Table 8: Components of Gross Non-Oil Revenue (₦ billion)**

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Non-Oil Revenue	353.2	272.0	243.0	204.0	210.6	175.4	181.9	197.4	209.8	185.5	177.7	225.9	404.5
Value-Added Tax (VAT)	59.2	53.9	60.4	56.3	64.8	62.7	57.5	65.3	62.7	64.2	54.6	74.9	51.2
Companies Income Tax & Other Taxes	187.5	139.6	71.6	51.1	72.7	44.3	45.1	62.2	51.0	45.3	48.1	89.7	283.6
Customs & Excise Duties	46.2	39.3	41.5	39.4	39.7	41.9	39.6	36.4	34.0	32.0	28.2	37.0	29.1
Others	60.4	39.2	69.5	57.2	33.4	26.5	39.7	33.5	62.1	44.0	46.8	24.4	40.7

Of the federally-collected revenue (gross), the sum of ₦610.39 billion (after accounting for all deductions and transfers) was transferred to the Federation Account for distribution among the three tiers of government and the 13.0% Derivation Fund. The Federal Government received ₦294.04 billion, while the states and local governments received ₦149.14 billion and ₦114.98 billion, respectively. The balance of ₦52.23 billion was credited to the 13.0% Derivation Fund for distribution to the oil-producing states. From the VAT Pool Account, the Federal Government received ₦7.37 billion, while the state and local governments received ₦24.56 billion and ₦17.19 billion, respectively. Overall, the total allocation to the three tiers of government from the Federation and VAT Pool Accounts amounted to ₦795.12 billion. This was above both the provisional

monthly budget estimate of ₦729.44 billion and the level in the preceding month by 9.0 and 3.5 per cent, respectively.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

Federal Government estimated retained revenue was lower than the monthly budget estimate, but higher than the receipts in the preceding month.

At ₦365.72 billion, the estimated Federal Government retained revenue for July 2013 was lower than the monthly budget estimate by 10.5 per cent, but was above the receipts in the preceding month by 7.6 per cent. Of the total amount, the Federation Account accounted for 80.4 per cent, while VAT Pool Accounts, FGN Independent Revenue, Revenue Augmentation and SURE-P accounted for 2.0, 1.5, 11.6, and 4.5 per cent, respectively (Fig. 9, Table 9).

Figure 9: Sources of Federal Government Retained Revenue

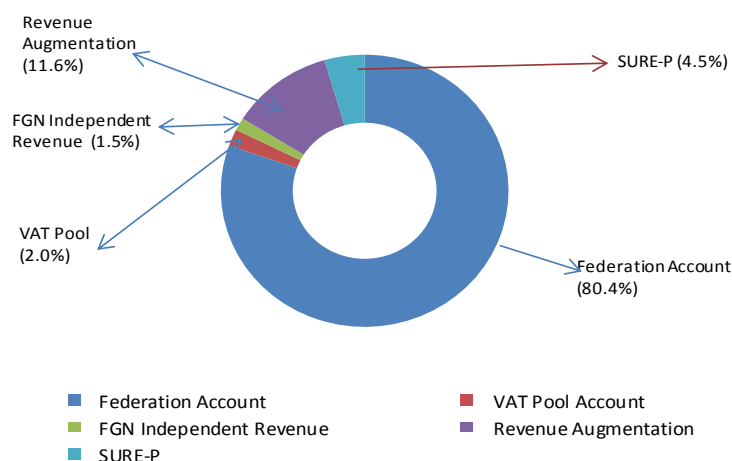


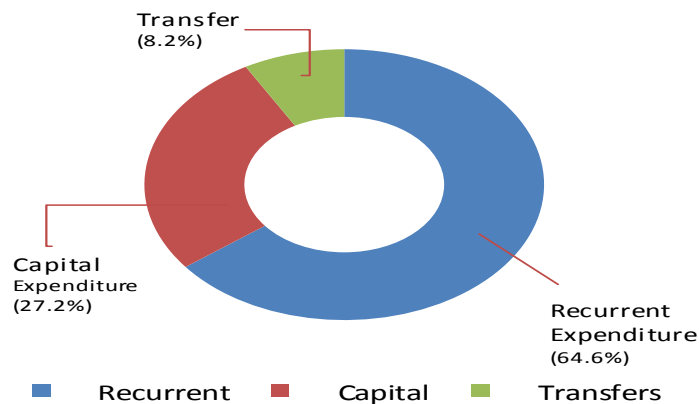
Table 8: Federal Government Fiscal Operations (₦ billion)

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Retained Revenue	262.9	248.9	254.9	243.2	246.6	246.7	261.9	261.4	426.0	315.6	283.0	339.8	365.7
Expenditure	378.6	379.8	372.1	376.2	390.4	417.6	159.8	588.0	331.8	499.8	335.0	445.6	431.1
Overall Balance: (+)/(-)	-115.7	-130.9	-117.1	-133.0	-143.8	-170.9	102.0	-326.7	37.8	-184.2	-52.1	-105.8	-65.4

At ₦431.09 billion, total estimated expenditure for July 2013 was below both the monthly budget estimate and the level in the preceding month by 10.7 and 3.3 per cent, respectively. A breakdown of total expenditure showed that the recurrent expenditure accounted for 64.6 per cent, while the capital expenditure and transfer components accounted for 27.2 and 8.2 per cent, respectively. The non-debt-obligations accounted for 75.9 per cent of the total recurrent expenditure, while debt service payments accounted for the balance of 24.1 per cent (Fig. 10).

Total estimated expenditure for July 2013 fell below the monthly budget estimate and the level in the preceding month.

Figure 10: Federal Government Expenditure



Thus, the fiscal operations of the Federal Government in July 2013, resulted in an estimated deficit of ₦65.37 billion, compared with the provisional monthly budgeted deficit of ₦73.92 billion.

The fiscal operations of the FG resulted in an estimated deficit of ₦65.37 billion in July 2013.

3.2.2 Statutory Allocations to State Governments

During the review month, total receipts by state governments, including the share of VAT and the Federation Account stood at ₦277.05 billion. This was lower than the level in the preceding month by 0.6 per cent, but higher than the level in the corresponding period of 2012 by 39.5 per cent.

The breakdown showed that, at ₦24.56 billion (8.9 per cent of the total), receipts from the VAT Pool Account was 31.7 and 13.6 per cent below the levels in the

preceding month and the corresponding period of 2012, respectively. At ₦252.49 billion or 91.1 per cent of the total, state governments' receipt from the Federation Account was higher than the levels in the preceding month and the corresponding period of 2012 by 3.9 and 48.3 per cent, respectively.

3.2.3 Statutory Allocations to Local Government Councils

Total receipts by the local governments from the Federation and VAT Pool Accounts during the review month, stood at ₦158.00 billion. This amount exceeded the levels in the preceding month and the corresponding period of 2012 by 2.1 and 38.0 per cent, respectively. Of this amount, receipts from the Federation Account was ₦140.80 billion (89.1 per cent of the total), while the VAT Pool Account accounted for ₦17.19 billion (10.9 per cent of the total).

4.0 Domestic Economic Conditions

The predominant agricultural activities during the month of July 2013 were cultivation and harvesting of maize and vegetables, especially in the southern states. In the livestock sub-sector, farmers were engaged in re-stocking broilers and layers in anticipation of sales during the Eid-EL-Fitr festivity. Crude oil production was estimated at 1.85 million barrels per day (mbd) or 57.35 million barrels during the month. The headline inflation rate for July 2013, on a year-on-year basis, was 8.7 per cent, 0.3 percentage point above the level in the preceding month. The inflation rate on a 12-month moving average basis was 10.0 per cent, compared with the preceding month's level of 10.4 per cent.

4.1 Agricultural Sector

Agricultural activities, especially cultivation and harvesting of crops such as maize and vegetables, intensified as a result of increased rainfall and favourable weather condition in most parts of the southern states. However, prospect for activities remained low in the northern states due to security concerns in the region. In the livestock sub-sector, farmers were engaged in re-stocking broilers and layers in anticipation of sales during the Eid-El Fitr festivity.

A total of ₦590.25 million was guaranteed to 5,407 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in the month of July 2013. This amount represented a decline of 22.7 and 15.2 per cent below the levels in the preceding month and the corresponding period of 2012, respectively. Sub-sectoral analysis showed that food crops obtained the largest share of ₦387.7 million (61.7 per cent) guaranteed to 4,004 beneficiaries, livestock got ₦133.1 million (20.9 per cent) guaranteed to 1,100 beneficiaries, 'Others' received ₦17 million (7.1 per cent) guaranteed to 48 beneficiaries, while ₦23.3 million (4.9 per cent) was guaranteed to 44 beneficiaries in the fisheries sub-sector. Mixed crops had ₦24.8 million (3.9 per cent) guaranteed to 166 beneficiaries, while Cash crops received ₦4.4 million

(1.5 per cent) guaranteed to 9 beneficiaries.

Analysis by state showed that 32 states benefited from the scheme in the month of July 2013, with the highest and lowest sums of ₦117.6 million (19.9 per cent) and ₦0.4 million (0.1 per cent) guaranteed to Edo and Delta states, respectively.

The CBN released ₦219.2 billion (for 292 projects) for disbursement under the Commercial Agriculture Credit Scheme (CACs) to the participating banks.

At end-July 2013, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACs) to the participating banks for disbursement stood at ₦219.2 billion for two hundred and ninety two (292) projects/promoters (Table 10).

Table 10: Disbursement of Credit under the Commercial Agriculture Credit Scheme (CACs) July 2013.

S/N	Participating Banks	Amount Disbursed (₦ billion)	Number of Projects/State Governments
1	UBA Plc.	41.76	35
2	Zenith Bank	32.96	21
3	First Bank of Nigeria Plc	22.71	64
4	Unity Bank Plc	20.28	24
5	Union Bank Nigeria PLC	18.17	21
6	Fidelity Bank Plc	12.85	11
7	Sterling Bank Plc	12.13	19
8	Access Bank Plc	11.88	13
9	Stanbic IBTC Plc	11.74	23
10	Skye Bank Plc	9.22	7
11	GTBank Plc	5.80	9
12	FCMB Plc.	4.79	8
13	ECOBANK	3.82	7
14	Citibank Plc	3.00	2
15	Diamond Bank Plc	2.74	13
16	Keystone Bank	2.11	3
17	Mainstret Bank (Afribank)	2.00	1
18	Wema Bank Plc	0.74	5
19	Enterprise Bank Plc	0.52	6
	TOTAL	219.22	292

4.2 Petroleum Sector

Crude oil and natural gas production was estimated at average of 1.85 million barrels per day.

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at an average of 1.85 million barrels per day (mbd) or 57.35 million barrels (mb) for the month. This showed an increase of 0.02 mbd or 1.1 per cent above the average of 1.87 mbd or 57.97 million barrels produced in the preceding

month. The decrease in production was attributed to the incessant crude oil theft in the Niger Delta region.

Crude oil export was estimated at 1.40 mbd or 43.40 million barrels. This represented a decrease of 1.4 per cent, compared with 1.42 mbd or 44.02 million barrels recorded in the preceding month. Deliveries to the refineries for domestic consumption remained at 0.45 mbd or 13.95 million barrels during review month.

At an estimated average of US\$109.88 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API) rose by 4.7 per cent above the level in the preceding month. The average prices of other competing crudes, namely the West Texas Intermediate (WTI) at \$104.48/b, the UK Brent at \$108.76/b, and the Forcados at \$111.49/b exhibited similar trend as the Bonny Light.

The average price of Nigeria's reference crude, the Bonny Light (37° API) rose by 4.7 per cent above the level in the preceding month.

The average price of OPEC basket of eleven crude streams, at US\$104.51/b, represented a rise of 3.4 and 5.4 per cent above the levels in the preceding month and the corresponding period of 2012, respectively (Fig. 11, Table 11).

Figure 11: Trends in Crude Oil Prices

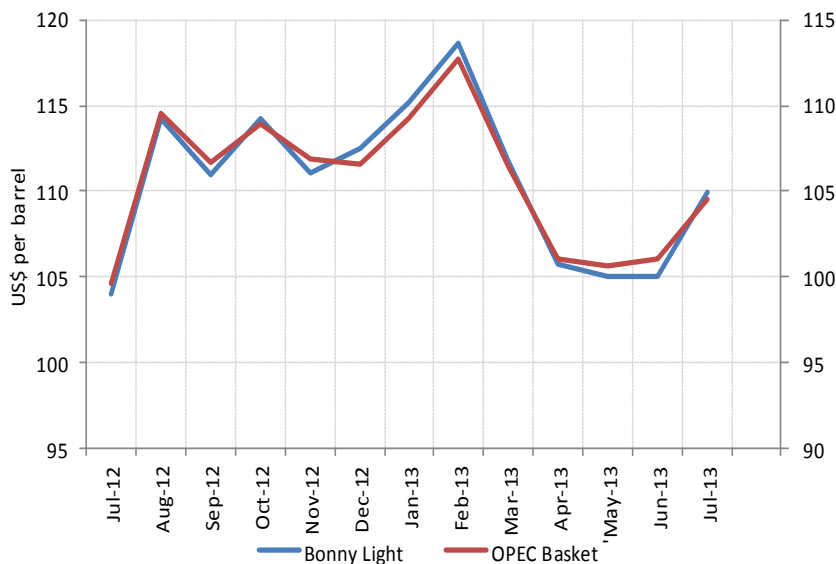


Table 11: Average Crude Oil Prices in the International Oil Market

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Bonny Light	103.99	114.24	111	114.2	111.02	112.51	115.58	118.68	111.77	105.68	105.05	105	109.88
OPEC Basket	99.55	109.52	106.7	108.9	106.86	106.55	109.28	112.75	106.44	101.05	100.65	101.03	104.51

4.3 Consumer Prices

The general price level rose marginally in July, relative to the preceding month.

Available data showed that the all-items composite Consumer Price Index (CPI) in July 2013 was 147.4 (November 2009=100), representing a marginal increase of 0.5 and 8.6 per cent over the levels in the preceding month and the corresponding period of 2012, respectively. The development was attributed to the relative increase in all twelve Classifications of Individual Consumption According to Purpose (COICOP). The urban all-items CPI at end-July 2013 was 146.3 (November 2009=100), indicating an increase of 0.6 per cent above the level in the preceding month. The rural all-item CPI for the month, was 148.6 (November 2009=100), indicating an increase of 0.5 per cent above the level in the preceding month (Fig. 12, Table 12).

The year-on-year headline inflation rate rose by 0.3 percentage points above the level in the preceding month.

The end-period inflation rate for the review month, on a year-on-year basis, was 8.7 per cent, indicating an increase of 0.3 percentage point above the level of 8.4 per cent in the preceding month. The inflation rate on a twelve-month moving average basis was 10.0 per cent, compared with 10.4 per cent in the preceding month (Fig. 13, Table 11).

The composite food index was 148.4, indicating an increase of 0.6 per cent over the preceding month's level. This development was accounted for by the increase in the prices of meats, oils and fats, potatoes, yams and other tuber classes.

Figure 12: Consumer Price Index

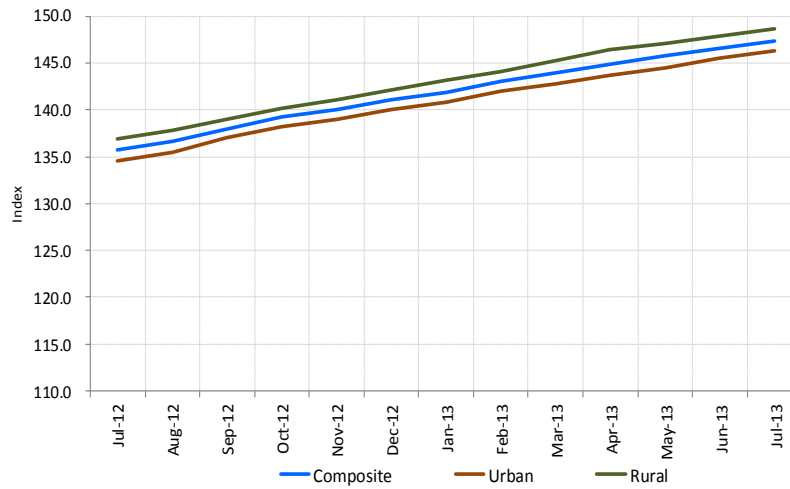


Table 12: Consumer Price Index (November 2009=100)

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Composite	135.7	136.6	138.0	139.2	140.0	141.1	141.9	143.0	144.0	144.8	145.8	146.6	147.4
Urban	134.5	135.4	137.0	138.2	139.0	140.0	140.8	142.0	142.0	143.7	144.5	145.5	146.3
Rural	136.9	137.8	139.0	140.2	141.1	142.1	143.2	144.1	145.3	146.4	147.1	147.9	148.6
CPI - Food	135.0	135.9	137.5	138.8	139.8	141.2	142.3	143.3	144.6	145.6	146.4	147.5	148.4
CPI - Non Food	138.1	139.0	139.7	140.3	140.9	141.8	143.8	143.8	144.8	144.5	145.2	145.5	147.2

Figure 13: Inflation Rate

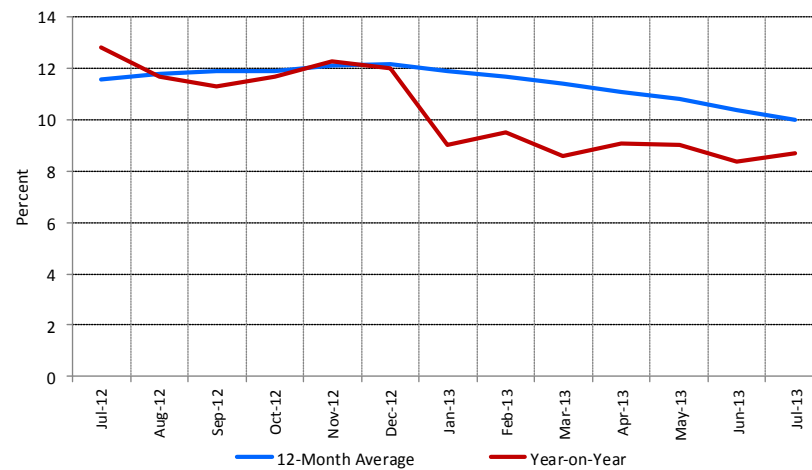


Table 13: Headline Inflation Rate (%)

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
12-Month Average	11.6	11.8	11.9	11.9	12.1	12.2	11.9	11.7	11.4	11.1	10.8	10.4	8.4
Year-on-Year	12.8	11.7	11.3	11.7	12.3	12.0	9.0	9.5	8.6	9.1	9.0	8.4	8.7

5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow and outflow through the CBN rose by 85.9 per cent and 2.6 per cent, respectively, relative to their levels in the preceding month. Total non-oil export receipts by banks rose by 281.9 per cent above the level in the preceding month. The gross external reserves rose by 1.9 per cent above the preceding month's level. At the Wholesale Dutch Auction System (WDAS), the average exchange rate of the Naira vis-à-vis the US dollar, depreciated marginally from the preceding month's level.

5.1 Foreign Exchange Flows

Provisional data indicated that foreign exchange inflow and outflow through the CBN in July 2013 was US\$5.78 and US\$4.89 billion, respectively. This resulted in a net inflow of US\$0.89 billion, in contrast to the net outflow of US\$2.8 billion in the preceding period. Relative to the levels in the preceding month and the corresponding period of 2012, inflow rose by 85.9 and 39.8 per cent, respectively. The increase in inflow, relative to the preceding month, was attributed largely to the 39.8 and 2,129.6 per cent increase in crude oil receipts and non-oil components, respectively. Foreign exchange outflow through the CBN fell by 17.1 per cent below its level in the preceding month, but rose by 62.7 per cent above the level in the corresponding period of 2012. The decline in outflow relative to the preceding month was attributed, largely, to the 32.6 per cent decline in wDAS utilization. Other official payments, at US\$0.42 billion, fell by 38.7 per cent below the level in the preceding month, driven largely by the fall in NNPC/JV cash calls payments (Fig. 14, Table 14).

Foreign exchange inflow through the CBN increased by 85.9 per cent, while outflow fell by 17.1 per cent in July 2013.

Figure 14: Foreign Exchange Flows through the CBN

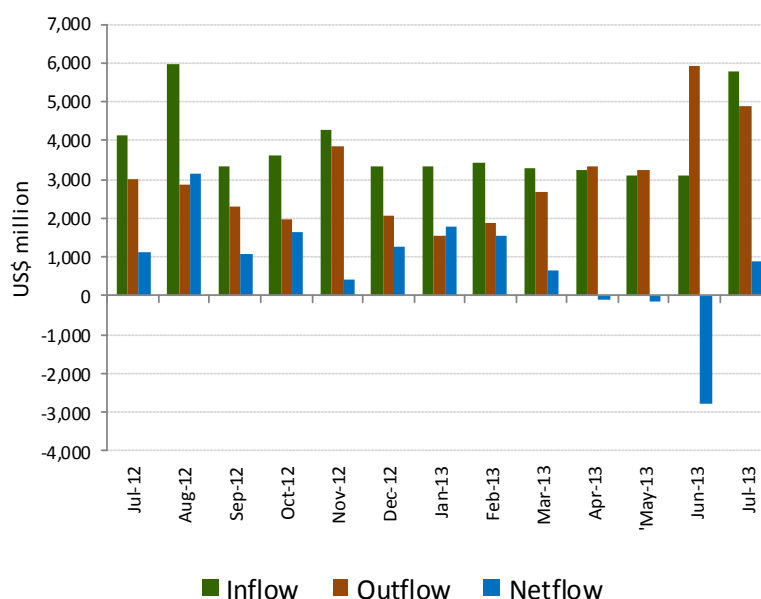


Table 14: Foreign Exchange Flows through the CBN (US\$ million)

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Inflow	4132.1	5981.0	3358.6	3451.3	4272.4	3319.6	3320.8	3423.6	3302.6	3238.8	3095.5	3108.6	5778.3
Outflow	3006.6	2840.2	2277.4	1761.7	3843.3	2062.3	1538.1	1884.1	2671.5	3319.4	3233.7	5897.6	4891.3
Netflow	1125.5	3140.8	1069.6	1647.5	429.3	1257.3	1782.7	1539.5	631.1	-80.5	-138.2	-2789.0	887.0

Provisional data on aggregate foreign exchange flows through the economy indicated that total inflow was US\$16.17 billion, representing an increase of 28.2 and 62.1 per cent over the levels in the preceding month and the corresponding period of 2012, respectively. The observed increase in inflow above the level in the preceding month was attributed to the 39.9, 2,129.6 and 9.3 per cent rise in receipts from oil, non-oil and autonomous inflows, respectively. Inflow through the Central Bank of Nigeria (CBN) and autonomous sources accounted for 35.7 and 64.3 per cent of the total, respectively.

At US\$4.3 billion, oil sector receipts rose by 43.3 per cent above the level in the preceding month and

accounted for 26.5 per cent of the total inflow. On a month-on-month basis, non-oil public sector inflow, at \$1.5 billion rose by 2,129.5 per cent and accounted for 9.3 per cent of the total inflow, while autonomous inflow, at \$10.4 billion, rose by 9.3 per cent, accounting for 64.2 per cent of the total.

Non-oil inflow into the economy rose by 2,129.5 per cent and accounted for 9.4 per cent of the total inflow in July 2013.

At US\$4.94 billion, aggregate foreign exchange outflow from the economy declined by 16.7 per cent below the level in the preceding month, but rose by 55.0 per cent above the level in the corresponding period of 2012. Thus, foreign exchange flows through the economy resulted in a net inflow of US\$11.87 billion in the review month, compared with US\$6.69 billion and US\$6.79 billion in the preceding month and the corresponding month of 2012, respectively.

5.2 Non-Oil Export Earnings by Exporters

Provisional data indicated that total non-oil export earnings at US\$908.15 million, increased by 281.9 and 420.5 per cent above the levels in the preceding month and the corresponding month of 2012, respectively. The development reflected, largely, the 952.4 per cent rise in receipts from export of manufactured products (including glass and glass products, and plastics) and the 68.6 per cent increase in receipts from exports of industrial sector (particularly chemical). A breakdown of receipts showed that proceeds of manufactured, industrial, agriculture, minerals and food products sub-sectors stood at US\$614.6, US\$222.3, US\$47.7, US\$13.3 and US\$10.3 million, respectively. There were no receipts recorded in the transport sector.

Total non-oil export earnings by exporters rose in July 2013, on account of the increase in the earnings from the manufactured products, industrial, agricultural sectors.

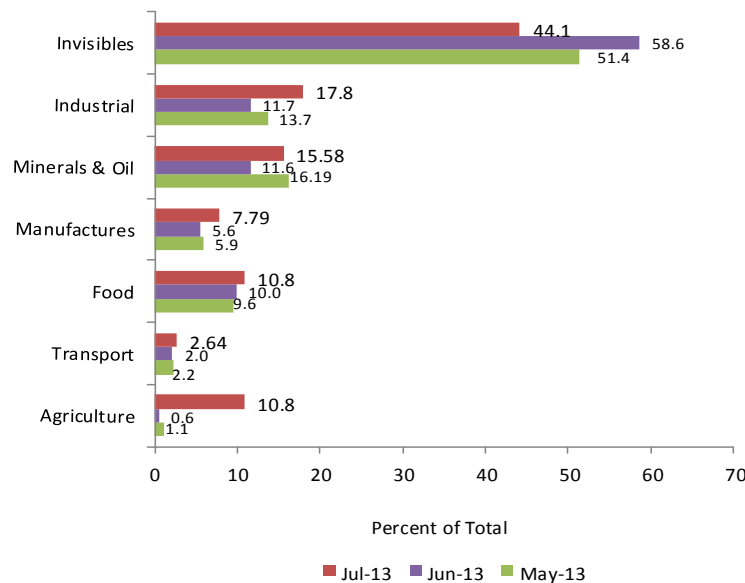
The shares of manufactured, industrial, agriculture, minerals and food products sub-sectors in non-oil export proceeds were 67.7, 24.5, 5.2, 1.5, and 1.1 per cent, respectively.

5.3 Sectoral Utilisation of Foreign Exchange

The invisible sector accounted for the bulk (44.1 per cent) of total foreign exchange disbursed in July 2013, followed by industrial sector accounted (17.8 per cent). Other beneficiary sectors, in a descending order included: the minerals and oil sector (15.6 per cent), food products (10.8 per cent), manufactured product (7.8 per cent), transport (2.8 per cent), and agricultural products (1.1 per cent), (Fig.15).

The invisible sector accounted for the bulk of the total foreign exchange disbursed in July 2013.

Figure15: Sectoral Utilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

Estimated aggregate demand for foreign exchange by authorized dealers under the Wholesale Dutch Auction System (wDAS), Bureau-de-change (BDC) and wDAS-Forwards contract was US\$4.20 billion in July 2013, showing an increase of 36.1 and 62.6 per cent above the levels in the preceding month and corresponding month of 2012. The development relative to the preceding month's level was attributed to increased demand at WDAS and BDC segments by 25.0 and 34.7 per cent, respectively, arising from liquidity surfeit in the banking sector. A total of US\$3.99 billion was sold by the CBN to authorized dealers during the period, reflecting a decrease of 22.1 per cent below the level in the

preceding month, but an increase of 61.3 per cent above the level at the end of the corresponding period of 2012 (Fig.16, Table 15).

Figure 16: Demand for and Supply of Foreign Exchange

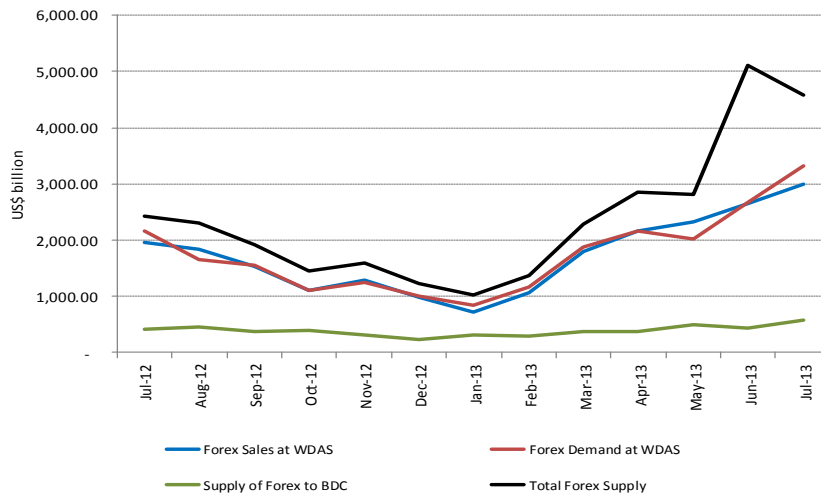


Table 15: Demand for and Supply of Foreign Exchange (US\$ billion)

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Forex Sales at WDAS	1961.7	1843.6	1539.4	1101.6	1278.7	990.3	713.5	1072.8	1801.5	2154.5	2318.7	2650.0	3000.0
Forex Demand at WDAS	2166.3	1646.4	1549.2	1112.9	1237.0	993.8	836.4	1160.0	1886.7	2156.2	2019.2	2661.3	3325.6
Supply of Forex to BDC	419.5	457.7	370.2	389.8	311.7	239.9	303.5	299.3	365.0	381.0	487.6	427.2	575.4
Total Forex Supply	2428.2	2301.3	1909.6	1443.6	1592.5	1234.2	1019.1	1372.1	2276.5	2848.2	2806.3	511.2	4588.6

Under the wDAS segment, the average exchange rate of the Naira vis-à-vis the US dollar, at ₦157.32, depreciated marginally by 0.1 per cent below the level in the preceding month. Similarly, at the inter-bank and BDC segments, the average exchange rates depreciated by 0.7 and 0.9 per cent to ₦161.12 per US dollar and ₦162.39 per US dollar, respectively, below their levels in the preceding month.

Consequently, the premium between the wDAS and Bureau-de-change rates widened from 2.3 per cent to 3.2 per cent in the month of July. Similarly, the premium between the inter-bank and wDAS segments also widened to 2.4 per cent in the review month from 1.7 per cent in the preceding month.

The Naira exchange rate vis-à-vis the US dollar depreciated in all the three (3) segments of the market during the review period.

Figure 17: Average Exchange Rate Movement

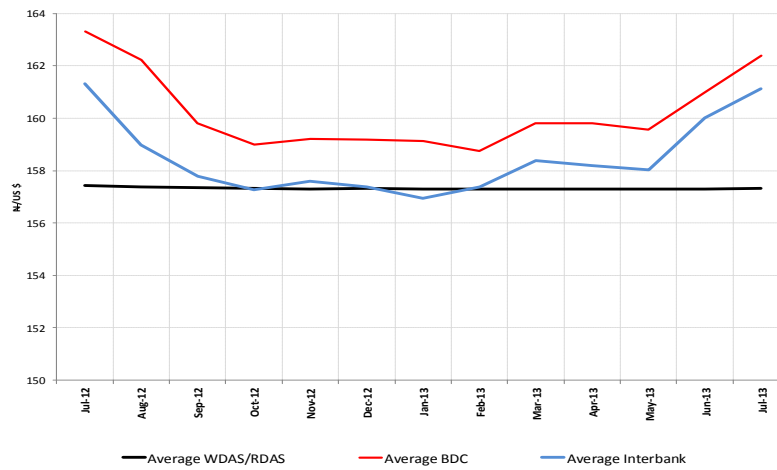
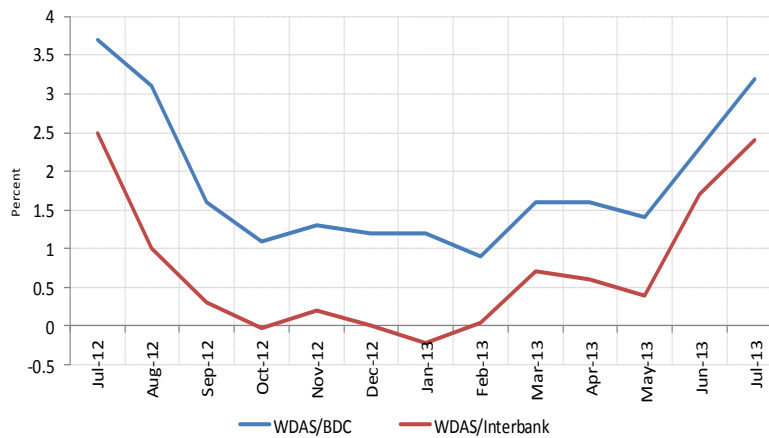


Table 16: Exchange Rate Movements and Exchange Rate Premium

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Average Exchange Rate (N/US \$)													
WDAS/RDAS	157.4	157.4	157.3	157.3	157.3	157.3	157.3	157.3	157.3	157.3	157.3	157.3	157.3
BDC	163.3	162.2	159.8	159.0	159.3	159.3	156.1	158.8	159.8	159.8	159.6	161.0	162.4
Interbank	161.3	159.0	157.8	157.3	157.6	157.3	157.0	157.4	158.4	158.2	158.0	160.0	161.1
Premium (%)													
WDAS/BDC	3.7	3.1	1.6	1.1	1.3	1.2	1.2	0.9	1.6	1.6	1.4	2.3	3.2
WDAS/Interbank	2.5	1.0	0.3	0.0	0.2	0.0	-0.2	0.1	0.7	0.6	0.4	1.7	2.4

Figure 18: Exchange Rate Premium



5.5 Gross External Reserves

Gross external reserves, at the end of July 2013, stood at US\$45.83 billion, indicating an increase of 1.9 per cent above the level in the preceding month, but a decrease of 26.3 per cent below the level in the corresponding period of 2012. A breakdown of the reserves showed that the Federation Account portion (Excess Crude) was US\$5.76 billion (12.6 per cent), Federal Government holding was US\$1.37 billion (3.0 per cent) and CBN reserves stood at US\$38.70 billion (84.4 per cent), (Fig. 19, Table 17).

Relative to the preceding month, Gross external reserves increased in July 2013.

Figure 19: Gross External Reserves

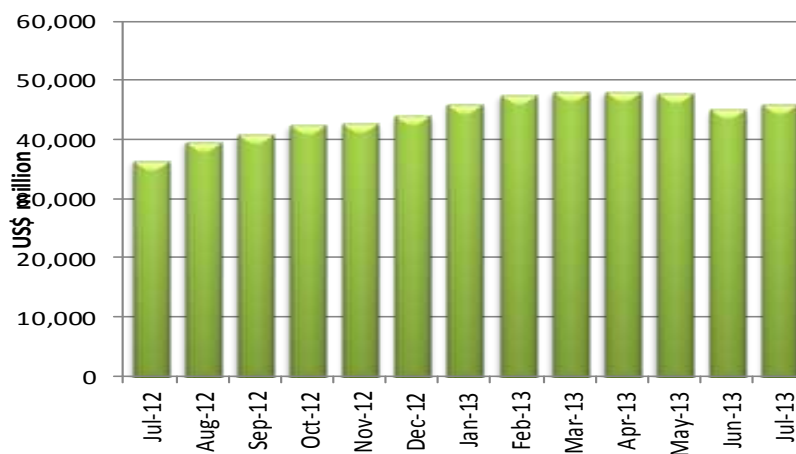


Table 17: Gross External Reserves (US\$ million)

Period	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
External Reserves	36,285.32	39,509.81	40,636.76	42,228.69	42,568.26	43,830.42	45,824.44	47,295.85	47,884.12	47,903.09	47,702.88	44,957.00	45,834.10

6.0 Other International Economic Developments and Meetings

World crude oil output in July 2013 was estimated at an average of 89.95 million barrels per day (mbd), while demand was estimated at 89.64 million barrels per day (mbd), compared with 89.61 and 88.91 (mbd) supplied and demanded, respectively, in the preceding month. The rise in demand was attributed to the need for the replenishment of industrial stock following successful repairs of OECD refineries.

Other major international economic developments and meetings of importance to the domestic economy during the review period included: the meetings of the West African Monetary Zone (WAMZ) and the West African Institute for Financial and Economic Management (WAIFEM) held in Accra, Ghana, from July 17 - 26, 2013. The meetings discussed the restructuring of WAMI and proposed a new organizational structure, staff composition framework and a budget timetable. The meetings also discussed the activities of the WAMA in the first half of 2013 under the ECOWAS Monetary Cooperation Programme (EMCP). Other decisions and reports presented at the meeting included:

- A report on the region's economic activities in 2012, which covered fiscal policy measures through improved revenue mobilization, balance of payments position, international reserves and exchange rate developments;
- A report on the institution's training and capacity building and its 2014 training programme budget;
- Noted in a study report by WAMZ that some member countries were at varying degrees of capital account liberalization, while others were working towards full liberalisation;
- The WAMZ Payments System Development Project funded by the African Development Bank (AfDB) was reported to be progressing steadily after the resolution of all outstanding issues;

- Presented a progress report on the Capital Market Integration in West Africa - one of the five pillars in the strategic plan (2010 – 2015) of WAMI;
- Agreed that the College of Supervisors was one of the initiatives of the Committee of Governors that was working;
- Guinea's membership status was modified to Observer by the Board of Governors of WAIFEM;
- Resolved that the new harmonized criteria introduced by ECOWAS were too restrictive on WAMZ, especially the inflation threshold, which was too low for the region; and
- Expressed concern about the conflict in the reports of ECOWAS, WAMA and WAMI.

Finally, the 6th Meeting of the Inter-Institutional Technical Sub-Committee on the Road Map for the ECOWAS Single Currency Programme was held in Accra, Ghana from July 29 – 30, 2013. The meeting deliberated on the status of the implementation of roadmap activities by the ECOWAS Commission, the WAMA, the WAMI and the WABA. The meeting also agreed that all the regional institutions were to continue with activities assigned to them in the roadmap.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Domestic Credit (Net)	12,698.2	12,489.0	12,808.7	12,741.0	13,205.4	13,235.7	13,294.5	13,820.1
<i>Claims on Federal Government (Net)</i>	(2,453.6)	(2,502.8)	(2,276.5)	2,521.0	(2,202.8)	(2,249.5)	(2,397.5)	(1,976.4)
Central Bank (Net)	(3,574.4)	(3,538.3)	(3,351.3)	(3,375.9)	(3,041.7)	(3,022.0)	(3,374.8)	(2,855.4)
Banks	1,120.5	1,034.6	1,059.2	843.3	815.6	742.0	937.5	833.7
Merchant Bank	-	0.9	15.6	11.5	23.3	30.4	39.7	45.3
Non Interest Banks	0.3	-	-	-	-	-	-	-
<i>Claims on Private Sector</i>	15,151.8	14,992.7	15,085.2	15,261.9	15,408.2	15,485.2	15,692.0	15,796.5
Central Bank	4,708.3	4,698.4	4,741.6	4,754.8	4,795.0	4,687.4	4,703.3	4,651.4
Banks	10,441.0	10,283.5	10,332.5	10,490.5	10,582.0	10,756.7	10,949.1	11,103.0
Merchant Bank	-	8.3	8.0	11.6	25.1	34.3	32.2	34.6
Non Interest Banks	2.5	2.5	3.1	5.1	6.1	6.8	7.4	7.5
<i>Claims on Other Private Sector</i>	14,485.9	14,312.0	14,435.5	14,599.9	14,717.3	14,833.1	15,031.0	15,073.1
Central Bank	4,708.3	4,698.4	4,741.6	4,754.7	4,795.0	4,687.4	4,703.3	4,651.4
Banks	9,775.1	9,603.2	9,683.0	9,828.7	9,891.9	10,105.3	10,288.8	10,380.3
Merchant Bank	-	7.9	7.9	11.4	24.4	33.6	31.5	33.9
Non Interest Banks	2.5	2.5	3.1	5.1	6.1	6.8	7.4	7.5
<i>Claims on State and Local Governm</i>	665.9	680.7	649.6	662.0	690.9	652.1	661.0	723.4
Central Bank	-	-	-	-	-	-	-	-
Banks	665.9	680.3	649.5	661.8	690.2	651.4	660.4	722.7
Merchant Bank	-	0.4	0.1	0.2	0.7	0.7	0.7	0.7
Non Interest Banks	-	-	-	-	-	-	-	-
<i>Claims on Non-financial Public Enterprises</i>								
Central Bank								
Banks								
Foreign Assets (Net)	9,043.7	9,272.1	9,752.6	9,686.3	9,558.2	9,404.6	9,017.0	8,907.7
Central Bank	7,393.6	7,609.7	7,973.0	7,991.8	7,746.0	7,703.0	7,413.7	7,249.5
Banks	1,647.9	1,659.9	1,777.6	1,691.9	1,809.8	1,699.6	1,599.5	1,654.7
Merchant Bank			-					
Non Interest Banks	2.2	2.1	2.1	2.2	2.1	2.0	1.8	1.5
Other Assets (Net)	6,258.0	6,453.3	7,013.7	6,757.7	7,128.9	7,216.3	6,718.2	(7,916.4)
Total Monetary Assets (M2)	15,483.8	15,308.4	15,547.6	15,669.2	15,634.4	15,424.1	15,593.3	14,811.4
Quasi-Money 1/	8,062.9	8,229.6	8,633.2	8,730.6	8,858.2	8,679.5	8,653.6	8,288.5
Money Supply (M1)	7,420.9	7,078.7	6,914.0	6,938.5	6,776.2	6,744.6	6,939.6	6,522.9
<i>Currency Outside Banks</i>	1,301.2	1,155.7	1,163.7	1,242.6	1,185.3	1,160.6	1,127.8	1,141.6
<i>Demand Deposits 2/</i>	6,119.8	5,923.0	5,750.7	5,695.9	5,590.9	5,583.9	5,811.8	5,381.4
Total Monetary Liabilities (M2)	15,483.8	15,308.4	15,547.6	15,669.2	15,634.4	15,424.1	15,593.3	14,811.4
Memorandum Items:								
Reserve Money (RM)	3,704.5	3,401.5	3,763.4	3,911.5	3,435.6	3,432.1	3,236.2	3,873.9
<i>Currency in Circulation (CIC)</i>	1,631.7	1,457.2	1,437.5	1,508.5	1,470.1	1,457.7	1,425.5	1,457.3
<i>DMBs Demand Deposit with CBN</i>	2,072.8	1,944.3	2,325.9	2,403.0	1,965.5	1,974.4	1,810.6	2,416.7

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)

	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Growth Over Preceding December (%)								
Domestic Credit (Net)	-7.2	-1.6	0.9	0.3	4.0	4.2	4.7	8.8
<i>Claims on Federal Government (Net)</i>	393.8	-2.0	7.2	-2.8	10.2	8.3	2.3	19.5
<i>Claims on Private Sector</i>	6.8	-1.1	-0.4	0.7	1.7	2.2	3.6	4.3
<i>Claims on Other Private Sector</i>	5.9	-1.1	-0.2	0.9	1.7	2.6		
<i>Claims on State and Local Government</i>	29.8	2.2	-2.5	-0.6	3.7	-2.2	0.8	8.5
<i>Claims on Non-financial Public Enterprises</i>								
Foreign Assets (Net)	26.7	2.5	7.8	7.1	5.7	4.0	-0.3	-1.5
Other Assets (Net)	16.8	3.1	12.1	-8.0	-13.9	-15.3	-7.4	-26.5
Total Monetary Assets (M2)	16.4	-1.1	0.4	1.2	1.0	-0.4	0.7	-4.3
Quasi-Money 1/	23.4	2.1	7.1	8.3	9.9	7.7	7.3	2.8
Money Supply (M1)	9.6	-4.6	-6.8	-6.5	-8.7	-9.1	-6.5	-12.1
<i>Currency Outside Banks</i>	4.5	-11.2	-10.6	-4.5	-8.9	-10.9	-13.3	-12.3
<i>Demand Deposits 2/</i>	10.7	-3.2	-6.0	-6.9	-8.6	-8.8	-5.0	12.1
Total Monetary Liabilities (M2)	16.4	-1.1	0.4	1.2	1.0	-0.4	0.7	-4.3
Memorandum Items:								
Reserve Money (RM)	33.1	-8.2	1.6	5.6	-7.3	-7.4	-12.6	4.6
<i>Currency in Circulation (CIC)</i>	4.2	-10.7	-11.9	-7.6	-9.9	-10.7	-12.6	-10.7
<i>DMBs Demand Deposit with CBN</i>	70.2	-6.2	12.2	15.9	-5.2	-4.8	-12.7	16.6
Growth Over Preceding Month (%)								
Domestic Credit (Net)	-11.6	-1.6	2.6	-0.5	3.7	0.2	0.4	4.0
<i>Claims on Federal Government (Net)</i>	174.4	-2.0	9.0	-10.7	12.6	-2.1	-6.6	17.6
<i>Claims on Private Sector</i>	-0.7	-1.1	0.6	1.2	1.0	0.5	1.3	0.7
<i>Claims on Other Private Sector</i>	-0.8	-1.2	0.9	1.1	0.8	0.8	1.3	0.3
<i>Claims on State and Local Government</i>	3.3	2.2	-4.5	1.9	4.3	-5.6	1.4	9.4
<i>Claims on Non-financial Public Enterprises</i>								
Foreign Assets (Net)	3.6	2.5	5.1	-0.7	-1.3	-1.6	-4.1	-1.2
Central Bank	3.9	2.9	4.8	0.2	-3.1	-0.6	-3.8	-2.2
Banks	-5.9	0.7	7.1	-4.8	7.0	-6.1	-5.9	3.5
Other Assets (Net)	22.1	-3.1	-8.7	3.7	-5.5	-1.2	6.9	-17.8
Total Monetary Assets (M2)	2.8	-1.1	1.6	0.8	-0.2	-1.4	1.1	-5.0
Quasi-Money 1/	-1.5	2.1	4.9	1.1	1.5	-2.0	0.3	-4.2
Money Supply (M1)	7.9	-4.6	-2.3	0.4	-2.3	-0.5	2.9	-6.0
<i>Currency Outside Banks</i>	14.1	-11.2	0.7	6.8	-4.6	-2.1	-2.8	1.2
<i>Demand Deposits 2/</i>	6.6	-3.2	-2.9	-1.0	-1.8	0.1	4.1	-7.1
Total Monetary Liabilities (M2)	2.8	-1.1	1.6	0.8	-0.2	-1.4	1.1	-5.0
Memorandum Items:								
Reserve Money (RM)	24.3	-8.2	10.6	3.9	-12.2	-0.1	-5.7	19.7
<i>Currency in Circulation (CIC)</i>	14.0	-10.7	-1.4	4.9	-2.5	-0.9	-2.2	2.2
<i>DMBs Demand Deposit with CBN</i>	33.8	-6.2	19.6	3.3	-18.2	0.5	-8.3	33.5

Table A3: Federal Government Fiscal Operations (₦ billion)

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Retained Revenue	262.9	248.9	246.6	246.7	245.4	329.1	261.9	261.4	426.0	315.6	283.0	339.8	365.7
Federation Account	207.6	218.2	206.7	211.7	218.7	190.4	217.4	216.5	209.9	232.5	246.7	235.8	294.0
VAT Pool Account	8.6	7.6	8.7	8.1	9.3	9.0	8.3	9.4	9.0	9.2	7.9	10.8	7.4
FGN Independent Revenue	20.6	5.7	2.8	4.6	1.2	7.3	7.8	7.1	39.2	10.0	12.1	5.1	5.7
Excess Crude	0.0	0.0	0.0	0.0	0.0	79.0	0.0	1.6	151.4	56.5	0.0	71.9	42.4
Others	16.3	16.3	16.3	16.3	16.3	43.4	16.3	16.3	16.3	16.3	16.3	16.3	16.3
Expenditure	378.6	379.8	390.4	417.6	397.0	427.1	159.8	588.0	331.8	499.8	335.0	445.6	431.1
Recurrent	273.3	260.6	332.8	354.8	337.6	279.4	60.0	480.0	200.6	305.6	261.0	256.2	278.6
Capital	85.4	108.4	54.0	57.8	52.7	110.2	61.4	91.3	107.1	139.0	55.8	156.9	117.2
Transfers	18.5	18.9	3.7	5.0	6.6	37.5	17.5	17.9	17.3	19.1	20.1	19.4	23.8
Overall Balance: Surplus(+)/Deficit(-)	-115.7	-130.9	-143.9	-132.9	151.6	-98.0	102.0	-326.6	94.2	-184.2	-52.0	-105.8	-65.4

