



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
NOVEMBER 2011***

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 moderate in the month of November 2011. On month-on-month basis, broad money (M_2) increased by 0.3 per cent, due largely to the 3.5 per cent increase in domestic credit (net) of the banking system. However, narrow money (M_1) fell by 0.5 per cent below the level at the end of the preceding month. Relative to the level at end-December 2010, M_2 grew by 6.0 per cent, owing, largely, to the rise in domestic credit (net) and foreign asset (net) of the banking system. Reserve money (RM) fell by 1.0 per cent from its level in the preceding month.

Available data indicated upward trend in banks' deposit and lending rates in November 2011. The spread between the weighted average term deposit and maximum lending rates narrowed to 17.73 per cent by 0.05 percentage points in November 2011. In contrast, the margin between the average savings deposit and maximum lending rates widened to 22.11 per cent from 21.91 per cent in the preceding month. The weighted average interbank call rate rose to 15.58 per cent from 15.00 per cent in the preceding month, reflecting the liquidity condition in the interbank funds market during the month.

The value of money market assets outstanding at end-November 2011 was ₦5,418.2 billion, showing an increase of 2.6 per cent, over the level at end-October 2011. The development was attributed to the increase of 4.9 per cent in the value of FGN Bonds. Activities on the Nigerian Stock Exchange (NSE) in November 2011 were bearish as all the major market indicators trended downwards.

Gross federally-collected revenue in November 2011 was estimated at ₦989.74 billion, showing an increase of 28.8 per cent over the monthly budget estimate, but was below the level in the preceding month by 13.5 per cent. At ₦777.97 billion, gross oil receipts fell below the level in the preceding month. This was attributed largely, to the decline in receipts from oil/gas exports and domestic crude oil/gas sales.

Non-oil receipts, at ₦211.76 billion (21.4 per cent of the gross federally collected revenue), exceeded the monthly budget estimate by 5.7 per cent, but was below the level in the preceding month by 10.7 per cent. The decline relative to the preceding month's level reflected, largely, the fall in

Companies' Income Tax and Receipts from Custom Special Levies. Federal Government estimated retained revenue in November 2011 was ₦285.11 billion, while total estimated expenditure was ₦458.20 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦173.09 billion, compared with the estimated monthly budget deficit of ₦94.72 billion.

The dominant agricultural activities in November 2011 included harvesting of various root crops and the preparation of land and nurseries for vegetables as well as pre-planting operations for dry season farming. Crude oil production, including condensates and natural gas liquids in November was estimated at 2.60 million barrels per day (mbd) (78.0 million barrels) for the month. Crude oil export was estimated at 2.15 mbd (64.5 million barrels), while deliveries to the refineries for domestic consumption stood at 0.45 mbd (13.5 million barrels). The average price of Nigeria's reference crude, the Bonny Light (37° API), was estimated at US\$113.01 per barrel, showing an increase of 0.2 per cent above the level in the preceding month.

The end-period headline inflation rate (year-on-year), in November 2011, was 10.5 per cent, the same as in the preceding month. Inflation rate on a twelve-month moving average basis, declined to 11.0 per cent by 0.1 percentage points from the level in the preceding month.

Foreign exchange inflow and outflow through the CBN in November, 2011 were US\$4.26 billion and US\$4.88 billion, respectively, and resulted in a net outflow of US\$0.62 billion. Foreign exchange sales by the CBN to the authorized dealers amounted to US\$4.2 billion, showing a decline of 16.0 per cent below the level in the preceding month, but an increase of 100.0 per cent over the level in the corresponding period of 2010.

Relative to the level in the previous month, the average Naira exchange rate vis-à-vis the US dollar at the WDAS depreciated at the WDAS segment, but appreciated at both the interbank and bureaux-de-change segments of the market.

Non-oil export receipts fell significantly by 64.0 per cent below the level in the preceding month; this was attributed, largely, to the fall in export earnings from the manufacturing, food product and industrial sub-sectors.

World crude oil output in November 2011 was estimated at 89.12 million barrels per day (mbd), while demand was estimated at 87.70 million barrels per day (mbd), representing an excess supply of 1.42 mbd, compared with 88.35 and 87.81 mbd supplied and demanded, respectively, in the preceding month.

Other major international economic development and meetings of relevance to the domestic economy during the review month included: the 41st Council Meeting of the African Development Bank (AfDB) held in Washington, D.C. from November 9 – 10, 2011. At the Meeting, the Global Environment Facility (GEF) approved a grant of USD 20.5 million for the Lake Chad Basin Regional Program for the Conservation and Sustainable Use of Natural Resources and Energy Efficiency. The AfDB plans to contribute USD 146 million to the program and has been working closely with the five implementing countries (Central African Republic, Cameroon, Niger, Nigeria and Chad) on the program design. The program comprises six projects: one per country and one for the Lake Chad Basin Commission (LCBC) to oversee regional coordination.

Also, the Seventh Ordinary Session of the Conference of African Ministers of Trade was held in Accra, Ghana on November 29, 2011. Participants deliberated on issues related to intra-African trade performances, traditional trade with partners outside the African continent, the non-diversification of African exports with regard to products as well as destination markets, modalities to boost Intra-African trade, establishment of Continental Free Trade Area (CFTA) and strengthening of supply capacities.

Finally, the inaugural Africa Trade Forum (ATF) 2011 was held at the United Nations Conference Centre (UNCC) in Addis Ababa on November 22, 2011 with the theme "Accelerating Intra-African Trade and Enhancing Africa's participation in Global Trade". The specific objectives of the Forum were to discuss and agree on specific inputs into the African Ministerial Conference on Trade, as well as the African Union Heads of State Summit scheduled for January 2012, on the theme "Boosting Intra-African Trade". Participants to the Forum include government policy makers, private sector operators, civil society, parliamentarians, academia and researchers, regional economic communities (RECs) and export promotion agencies.

2.0 *Financial Sector Developments*

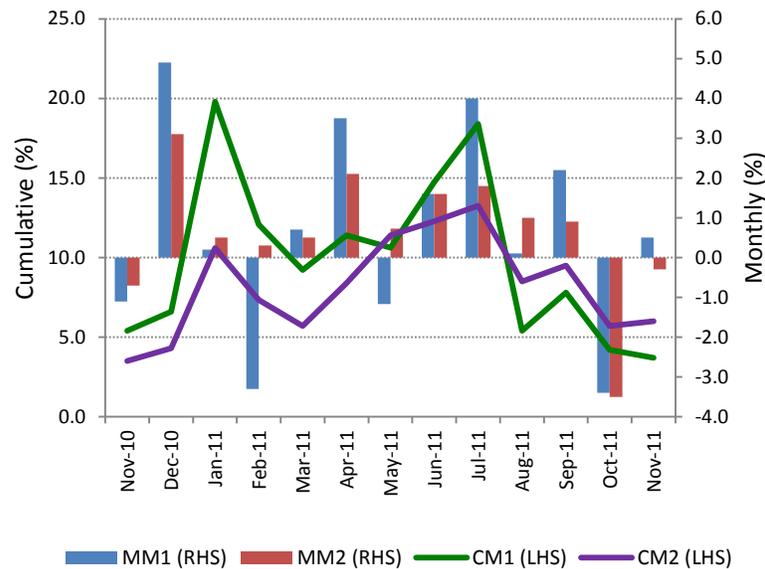
2.1 Monetary and Credit Developments

Growth in the major monetary aggregate was moderate, at the end of the review month. Developments in money market rates were mixed. The value of money market assets outstanding increased, owing, largely, to the rise in the value of FGN Bonds. Transactions on the Nigerian Stock Exchange (NSE) showed mixed developments during the review month.

Growth in the key monetary aggregate was moderate in November 2011.

Provisional data indicated that growth in the major monetary aggregate was moderate at end-November 2011, relative to the level at the end of the preceding month. Broad money supply (M_2) increased to ₦12,213.1 billion, by 0.3 per cent, in contrast to the decline of 3.5 per cent at the end of the preceding month. The development was accounted for, largely, by the 3.5 per cent increase in domestic credit (net) of the banking system, which more than off-set the 1.5 and 4.5 per cent decline in foreign assets (net) and other assets (net) of the banking system, respectively. Narrow money supply (M_1), at ₦5,776.5 billion, fell by 0.5 per cent, compared with 3.4 per cent at the end of the preceding month. Quasi-money, at ₦6,437.2 billion, however, increased by 1.0 per cent, as against the decline of 3.7 per cent in the preceding month. Relative to the level at end- December 2010, M_2 grew by 6.0 per cent, driven largely, by the increase in domestic credit (net) and foreign assets (net) of the banking system. (M_1) declined by 0.5 per cent, compared with 3.4 per cent at the end of the preceding month. The decline in (M_1) was attributed, wholly, to the 1.2 per cent fall in its demand deposit component (Fig. 1, Table 1).

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



At ₦11,227.0 billion, aggregate banking system credit (net) to the domestic economy rose by 3.5 per cent, on month-on-month basis, at end-November 2011, compared with 8.7 per cent in the preceding month. The development reflected, largely, the 12.7 per cent increase in (net) claims on the Federal Government. Over the level at end-December 2010, aggregate banking system credit (net) to the domestic economy, rose by 28.9 per cent, due, largely, to the 26.3 per cent increase in claims on the private sector.

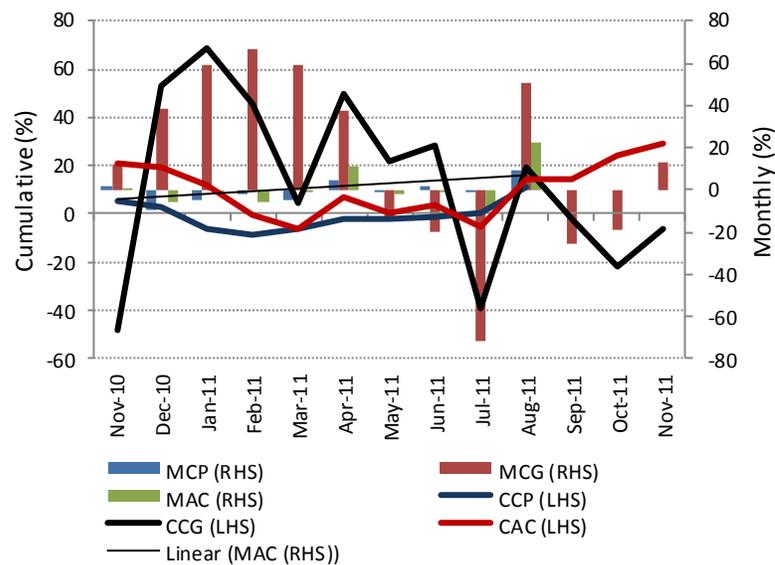
Banking system's credit (net) to the Federal Government, on month-on-month basis, grew by 12.7 per cent to negative ₦1,191.7 billion, in contrast to the decline of 19.3 per cent at the end of the preceding month. The development was attributed, largely, to the increase in banking system's holding of Federal Government securities. Over the level at end-December 2010, aggregate banking system's claims (net) on the Federal Government fell by 6.2 per cent, reflecting, largely, the decline in the banking system's holding of Federal Government securities. The Federal

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

Government, however, remained a net lender to the banking system at the end of the review month.

Banking system's credit to the private sector rose by 1.7 per cent to ₦12,418.6 billion, compared with 9.8 per cent recorded at end-October 2011. The development reflected, wholly, the rise in the DMBs' claims on the core private sector. Relative to the level at end-December 2010, banking system's credit to the private sector rose by 26.3 per cent, compared with 24.2 per cent at end-October 2011 (Fig. 2, Table 1).

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



At ₦6,623.2 billion, foreign assets (net) of the banking system declined by 1.5 per cent at end-November 2011, in contrast to the increase of 0.8 per cent at the end of the preceding month. The development was attributed to the 3.1 decline in the CBN's holdings of foreign assets. Relative to the level at end-December 2010, foreign assets (net) of the banking system,

Foreign assets (net) of the banking system declined on month-on-month basis at end November 2011.

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).

however, increased by 1.8 per cent.

Quasi-money grew by 1.0 per cent to ₦6,437.2 billion, in contrast to the decline of 3.7 per cent at the end of the preceding month. The development reflected the fall in all its components, namely time, savings and foreign currency deposits. Over the level at end-December 2010, quasi-money, however, rose by 8.1 per cent, reflecting the increase in time and savings deposits at the DMBs.

Other assets (net) of the banking system, on a month-on-month basis, fell by 4.5 per cent to negative ₦5,637.1 billion, compared with 33.9 per cent decline at end-October 2011. The decline reflected, largely, the fall in unclassified assets of both the CBN and the DMBs. Relative to the level at end-December 2010, other assets (net) of the banking system, also declined by 52.8 per cent.

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

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	#####	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Domestic Credit (Net)	0.92	-8.78	-0.3	11.2	-1.74	11.15	-1.74	-0.6	-8.6	22.7	-0.1	8.7	3.5
Claims on Federal Government (Net)	11.8	6.6	34.8	37.3	-13.9	37.25	-13.9	-20.2	-71.4	50.2	-25.9	-19.2	12.7
Claims on Private Sector	2	8.54	-4.2	4.8	-0.51	4.8	-0.51	1.3	-0.1	9.35	2.1	9.8	1.68
Claims on Other Private Sector	2.3	-8.88	-4.6	-3.34	-0.69	-3.34	-0.69	0.9	0.5	9.26	2.3	9.8	2
Foreign Assets (Net)	1.3	2.84	-1.6	-10.2	1.32	-10.21	1.32	1.5	16.3	-7.06	-4.4	0.8	-1.51
Other Assets (Net)	-5.4	22.02	4.5	1.24	4.67	1.24	4.67	4.5	-2.3	-36.83	9.6	-33.9	-4.5
Broad Money Supply (M2)	0.7	3.44	0.3	2.11	0.73	2.11	0.73	1.6	1.8	0.96	0.9	-3.5	0.3
Quasi-Money	-0.4	1.46	0.7	0.85	2.43	0.85	2.43	1.5	-0.2	1.76	-0.3	-3.7	0.99
Narrow Money Supply (M1)	1.1	5.63	-0.32	3.54	-1.17	3.54	-1.17	1.6	4	0.06	2.2	-3.4	-0.5
Reserve Money (RM)	0.9	27.22	-3.9	-0.57	3.22	-0.57	3.22	17.9	5.1	2	3.6	24	-1.0

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

At ₦1,390.7 billion, currency in circulation at end-November 2011 rose by 2.3 per cent over the level at end-October 2011. The development reflected, wholly, the increase in currency outside banks by 3.0 per cent. However, currency in circulation fell by 1.2 per cent below the level at end-December 2010.

Total deposits at the CBN amounted to ₦5,884.49 billion, indicating a decline of 8.3 per cent from the level at the end of the preceding month. The development reflected, largely, the fall in all its components, namely DMBs, “others” and Federal Government deposits. Of the total deposits, the percentage shares of the Federal Government, banks and “others” were 75.9, 16.2 and 7.9 per cent, respectively.

Reserve money (RM) fell by 1.0 per cent to ₦2,341.9 billion, compared with the ₦2,366.2 billion recorded at the end of the preceding month and reflected the trends in DMBs’ deposits with the CBN.

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

2.3 Money Market Developments

The effect of the liquidity ease in the banking system was moderated by the Bank’s intervention through OMO auction which was well subscribed to, leading to the withdrawal of N135.60 billion from the system. Activities at the discount window, particularly the Standing Lending Facility (SLF) and Repurchase Transactions were active during the review month.

Provisional data indicated that the value of money market assets outstanding at end-November 2011 was ₦5,418.24 billion, showing an increase of 2.6 per cent, compared with the increase of 0.4 per cent at end-October 2011. The development was attributed to the 4.9 per cent increase in FGN Bonds outstanding.

2.3.1 Interest Rate Developments

Available data indicated that banks’ deposit and lending rates generally increased in November 2011. All rates on deposits of various maturities, rose from a range of 1.41 – 7.06 per cent in October to 1.66 – 7.55 per cent in November 2011. Similarly, the average term deposit rate for the review month rose by 0.29 percentage points to 6.93 per cent. The average prime and maximum lending rates also rose by 0.13 and 0.34 percentage point to 16.62 and 23.66 per cent, respectively. Consequently, the spread between the weighted average term deposit rates and average

Interest rates generally increased in November 2011.

maximum lending rate narrowed by 0.05 percentage points to 16.73 per cent. In contrast, the margin between the average savings deposit and maximum lending rates widened from 21.91 per cent in the preceding month to 22.11 per cent. At the interbank call segment, the weighted average rate, which stood at 15.00 per cent in October 2011, rose to 15.58 per cent. In contrast, the weighted average rate, at the open buy back (OBB) segment, declined from 13.70 per cent in October 2011 to 12.72 per cent at end-November 2011. In line with the liquidity condition at the interbank funds market, the Nigerian interbank offered rate (NIBOR) for 7- and 30-day, at 15.55 and 16.04 per cent, respectively, declined by 0.81 and 0.86 percentage point below their levels in the preceding month. With the headline inflation rate at 10.5 per cent at end-November 2011, most rates, with the exception of the lending rates and the average interbank rate were negative in real terms (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

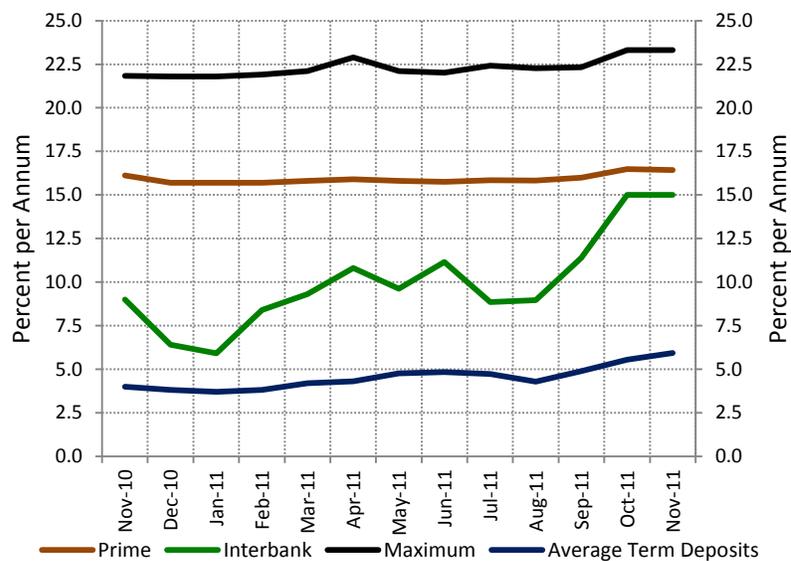


Table 2: Selected Interest Rates (Percent, Averages)

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Average Term Deposits	4.0	3.8	3.7	3.8	4.2	4.3	4.8	4.8	4.7	4.3	4.9	5.5	5.9
Prime Lending	16.1	15.7	15.7	15.7	15.8	15.9	15.8	15.8	15.8	15.8	16.0	16.5	16.4
Interbank	8.9	6.4	5.8	8.3	10.2	10.8	9.6	11.2	8.9	8.2	11.4	15.0	15.6
Maximum Lending	21.8	21.8	21.8	218.0	22.0	22.9	22.1	22.0	22.4	22.3	22.3	23.3	23.7

2.3.2 Commercial Paper (CP)

The value of Commercial Paper (CP) held by the DMBs at end-November fell by 5.3 per cent to ₦200.5 billion, in contrast to the increase of 1.2 per cent at end-October 2011. Thus, CP constituted 3.7 per cent of the total value of money market assets outstanding at end-November 2011, compared with 4.0 per cent at the end of the preceding month.

2.3.3 Bankers' Acceptances (BAs)

Bankers' Acceptances (BAs) declined by 17.7 per cent to ₦85.60 billion, in contrast to 19.5 per cent increase in the preceding month. The development in BAs reflected the fall in investments by deposit money banks and discount houses. As a proportion of total value of money market assets outstanding, BAs accounted for 1.6 per cent, compared with 1.97 per cent at the end of the preceding month.

2.3.4 Open Market Operations

Auction of Nigerian Treasury Bills (NTBs) of various maturities was used to mop-up excess liquidity from the banking system. Total amount offered was ₦812.3 billion, while public subscription stood at ₦915.78 billion. Allotment was ₦643.60 billion. Bid rates ranged between 11.00 - 20.69 per cent and issue rates ranged between 12.31 - 17.00 per cent. Activity at the two-way quote trading platform remained passive in the month under review.

2.3.5 Primary Market

Nigerian Treasury Bills of 91-, 182- and 364-day tenors were auctioned at the primary market. Total amount offered and subscribed to, stood at ₦242.93 billion and ₦597.30 billion, respectively, compared with ₦309.95

billion and ₦460.64 billion in October 2011. Bid rates ranged from 13.10 to 17.00 per cent for the 91-day tenor, 14.48 to 16.90 per cent for the 182-day tenor and 15.00 to 20.00 per cent for the 360-day tenor. Total allotment was ₦242.93 billion, indicating a decline of 21.6 per cent from the preceding month's level.

2.3.6 Bonds Market

Federal Government of Nigeria (FGN) Bonds, ₦35.00 billion and ₦30.00 billion of 10-year tranche apiece were re-opened at the primary market in November 2011. Total amount offered and subscribed, for the two tranches were ₦65.00 billion and ₦157.72 billion, respectively, while total allotment stood at ₦65.00 billion at marginal rates of 16.50 per cent apiece.

The marginal rate for 10-year tenor FGN Bonds was 16.50 per cent.

2.3.7 CBN Standing Facilities

Aggregate Standing Lending Facility (SLF) granted during the period under review was ₦2,060.44 billion, compared with ₦6,330.18 billion at end-October 2011, showing a decline of 207.2 per cent. The development was due to the purchase of AMCON bonds by the Bank from the intervened banks, which boosted the liquidity levels of the affected banks and moderated their demand for reserves at the SLF window. The Standing Deposit Facility (SDF) stood at ₦399.84 billion with daily average of ₦19.99 billion in November 2011, compared with ₦422.50 billion with daily average of ₦42.25 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 ₦19,271.1 billion, showing an increase of 0.6 per cent above the level at end-October 2011. Funds sourced mainly from the disposal of unclassified assets, increased claims on other financial institutions and Federal Government deposits were used, largely, in the extension of credits to the private sector and build-up of foreign assets holdings. At ₦12,190.7 billion, DMBs' credit to the domestic economy rose by 0.6 per cent

over the level in the preceding month. The breakdown, on a month-on-month basis, showed that credit to the core private sector rose by 2.7 per cent above the level in the preceding month.

DMBs' Credit to the core private sector rose by 2.7 per cent above the level in October 2011.

Central Bank's credit to the DMBs rose by 1.2 per cent to N243.4 billion at end-November 2011, while specified liquid assets of the DMBs stood at N4,782.3 billion, representing 33.9 per cent of their total current liabilities. This level of liquid assets was 0.9 percentage point below the preceding month's ratio and 3.9 percentage points above the stipulated minimum ratio of 30.0 per cent for fiscal 2011. The loan-to-deposit ratio was 47.9 per cent and was 32.1 percentage points below the stipulated maximum target of 80.0 per cent.

2.5 Discount Houses' Activities

Total assets and liabilities of the discount houses stood at ₦331.17 billion at end-November 2011, showing a decline of 1.4 per cent below the level at end-October 2011. The development was accounted for, largely, by the fall in claims on Federal Government and fixed assets. Correspondingly, the decline in total liabilities was attributed, largely, to a fall in money at call and other liabilities. Discount houses' investment in Federal Government securities of less than 91-day maturity rose to N61.7 billion and accounted for 27.2 per cent of their total deposit liabilities. Thus, investment in Federal Government Securities was 32.8 percentage points below the prescribed minimum level of 60.0 per cent for fiscal 2011. At that level, discount houses' investment on NTBs increased by 146.8 per cent above the level at the end of the preceding month. Total borrowing by the discount houses was N48,000 billion, while their capital and reserves amounted to N49.6 billion. This resulted in a gearing ratio of 2.2:1, compared with the stipulated maximum target of 50:1 for fiscal 2011.

2.6 Capital Market Developments

2.6.1 Secondary Market

Available data indicated that activities on the Nigerian Stock Exchange (NSE) in November 2011 were bearish. The volume and value of traded securities fell by 58.3 and 27.8 per cent to 5.12 billion shares and N40.7 billion, respectively, in 70,517 deals, compared with 12.3 billion shares, valued at ₦56.33 billion, in 77,501 deals in the preceding month. The banking sub-sector was the most active on the Exchange with a traded volume of 931.8 billion shares, valued at ₦22.0 billion, in 33,545 deals. This was followed by the Insurance sub-sector with a traded volume of 0.65 billion shares, valued at ₦0.427 billion, in 2,364 deals.

Figure 4: Volume and Value of Traded Securities

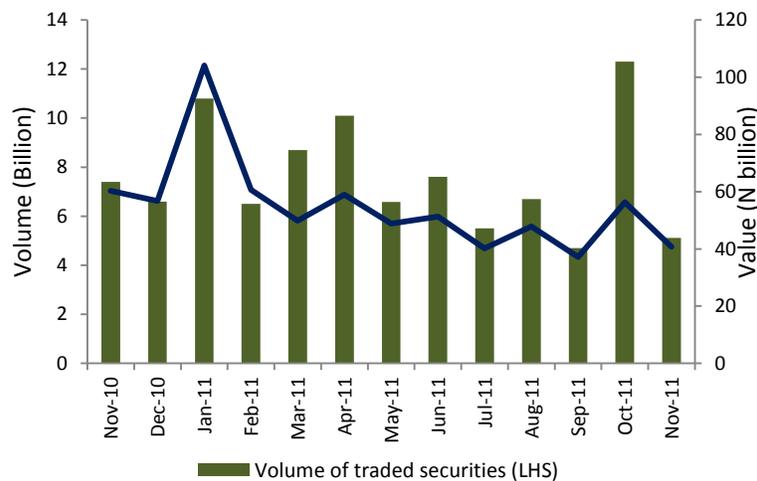


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Volume (Billion)	7.4	6.6	10.8	6.5	6.6	10.1	6.6	7.6	5.5	6.7	4.7	12.3	5.1
Value (₦ Billion)	60.3	56.7	104.1	60.6	48.8	59.0	48.8	51.3	40.2	47.9	37.2	54.6	27.8

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

Transactions on the Over-the-Counter (OTC) bonds market indicated a turnover of 543.8 million units worth ₦451.6 billion in 4,283 deals. The most active bond was the 7th FGN Bond 2030 Series 3 with a traded volume of 141.1 million units valued at ₦108.4 billion in 1,311 deals, followed by the 5.5% FGN February 2013 (7th FGN Bond 2013 Series) with a traded volume of 3.7 million units, valued at ₦76.3 billion in 717 deals.

2.6.3 New Issues Market

There was only one (1) supplementary listing in November, as shown in table 4 below.

Table 4: Supplementary Listing on the Nigerian Stock Exchange

S/N	Company	Additional Shares (billion)	Reasons
1	Premier Breweries Plc	0.86	Conclusion of Rights Issue.

2.6.4 Market Capitalization

The aggregate market capitalization of the 186 listed securities stood at ₦9.92 trillion. The equities sub-sector, accounted for 18.0 per cent (N1.80 trillion) of the total market capitalization, while the debt component accounted for the balance.

2.6.5 NSE All-Share Index

The All-Share Index, which opened at 20,934.96 in the beginning of the month, closed at 20,003.36, showing a decline of 4.4 per cent below the level in the preceding month. Similarly, three of the four sectorial indices, namely the NSE Banking Index, NSE Food/Beverage and NSE Insurance declined by 4.3, 0.7, and 5.3 per cent, respectively, while the NSE Oil/Gas Index increased by 0.8 per cent.

Figure 5: Market Capitalization and All-Share Index

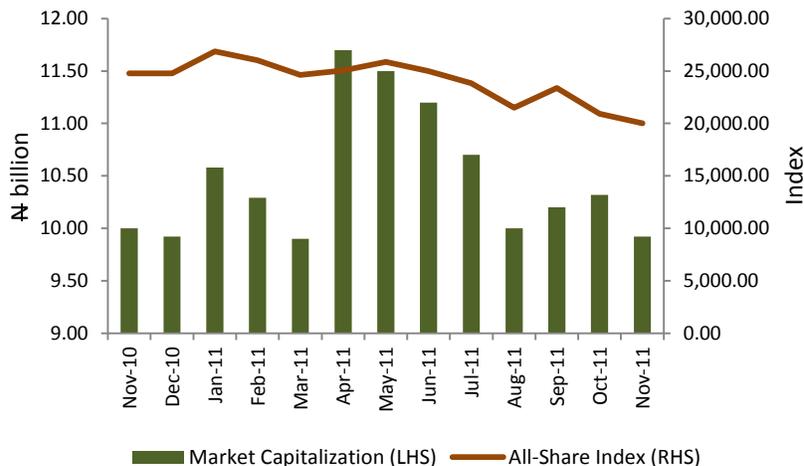


Table 5: Market Capitalization and All Share Index (NSE)

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Market Capitalization (₦ trillion)	10.0	9.9	10.5	10.3	9.9	11.7	11.5	10.7	10.0	10.2	10.3	9.9
All-Share Index	24764.7	24770.5	26830.7	26016.8	25020.1	25041.7	25866.6	23827.0	21497.6	23373.0	20935.0	20003.4

3.0 Fiscal Operations

3.1 Federation Account Operations

Gross federally-collected revenue stood at ₦989.74 billion in November 2011, showing an increase of 28.8 per cent over the monthly budget estimate, but was lower than the receipts in the preceding month by 13.3 per cent. The decline relative to the level in the preceding month was attributed to the decline in both oil and non-oil revenue during the month (Fig. 6, Table 6).

Gross federally-collected revenue was above the monthly budget estimate for November 2011.

Figure 6: Components of Gross Federally-Collected Revenue

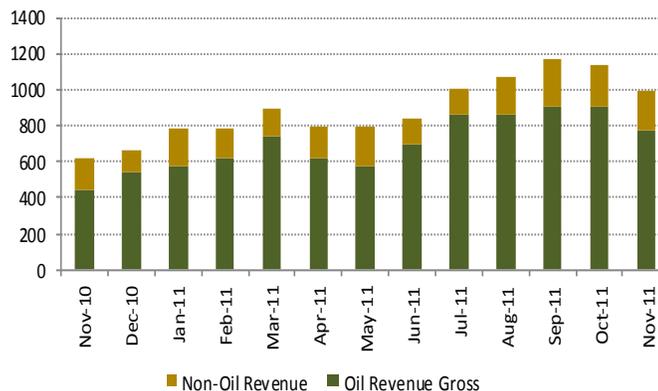


Table 6: Gross Federation Account Revenue (₦ billion)

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Federally-collected revenue (Gross)	644.7	757.7	731.8	766.9	876.9	781.8	748.8	848.3	1048.7	1109.5	1149.0	1143.3	949.7
Oil Revenue	447.6	538.7	580.1	617.0	738.5	621.5	576.5	694.4	865.3	865.6	911.9	904.2	778.0
Non-Oil Revenue	151.3	149.5	136.8	180.0	164.0	173.1	196.8	153.9	183.3	243.9	237.1	239.1	211.8

At ₦777.97 billion, gross oil receipts, which constituted 78.6 per cent of the total revenue, fell below the level in the preceding month by 14.0 per cent. The decline in oil receipts relative to the level in the preceding period was attributed, to the fall in receipts from oil/gas exports and domestic crude oil/gas sales.(Fig. 7, Table 7).

Relative to the preceding month's level, oil receipts declined.

Figure 7: Gross Oil Revenue and Its Components

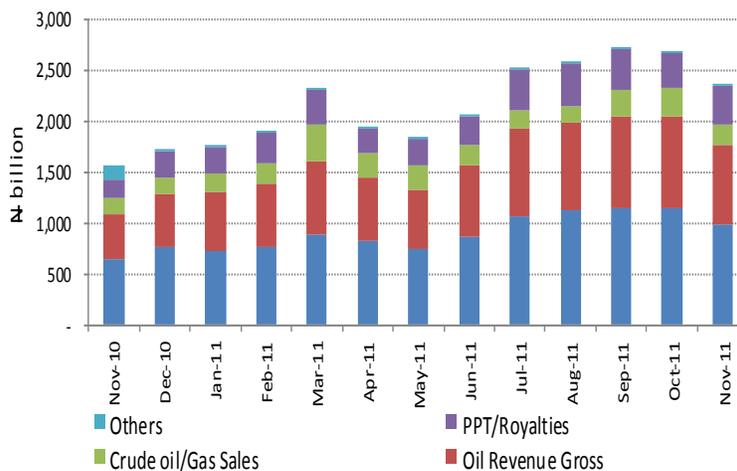


Table 7: Components of Gross Oil Revenue (N billion)

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Oil Revenue	447.6	538.7	580.1	617.0	738.5	621.5	576.5	694.5	865.3	865.6	911.9	904.2	778.0
Crude oil/Gas Sales	147.7	155.3	136.8	112.7	231.6	153.5	155.8	217.4	176.0	163.5	257.4	290.7	207.0
Domestic crude oil/G	155.2	126.6	168.1	195.6	154.0	227.9	170.5	203.4	287.4	285.3	264.3	278.8	190.3
PPT/Royalties	184.9	256.4	274.9	308.5	352.4	239.9	249.9	273.3	401.7	415.0	389.7	334.4	380.2
Others	140.7	0.4	0.3	0.2	0.5	0.3	0.3	0.3	0.3	1.8	0.5	0.2	0.4

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

Non-oil receipts, at ₦211.76 billion (21.4 per cent of the gross federally-collected revenue), exceeded the monthly budget estimate by 5.7 per cent, but was below the level in the preceding month by 10.7 per cent. The decline relative to the preceding month's level reflected, largely, the fall in Companies' income tax and receipts from Custom Special Levies.

On cumulative basis, total federally collected revenue for the period January to November 2011 was estimated at ₦10,217.81 billion, reflecting increase of 20.9 and 56.1 per cent over the budget estimate and actual receipts in the corresponding period of 2010, respectively. Of this amount, oil receipts represented 79.8 per cent, while non-oil receipts accounted for the balance of 20.2 per cent.

Figure 8: Gross Non-Oil Revenue and its Components

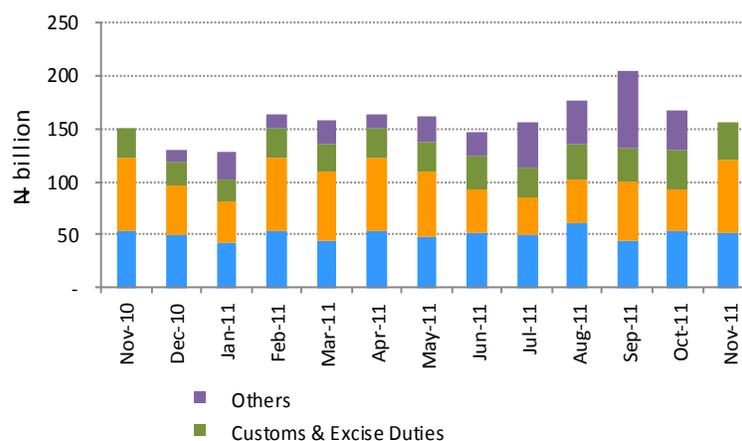


Table 8: Components of Gross Non-Oil Revenue (₦ billion)

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Non-Oil Revenue	158.4	171.4	151.4	149.3	138.2	208.7	173.1	196.7	264.6	237.1	237.1	211.8
Value-Added Tax (VAT)	63.9	68.8	47.5	50.8	49.2	61.6	53.8	54.7	66.0	57.0	60.7	51.6
Companies Income Tax & Other Taxes	27.1	27.0	32.3	42.1	35.3	39.8	38.2	65.2	84.7	107.1	79.2	68.6
Customs & Excise Duties	44.6	54.2	48.6	31.4	27.7	34.2	37.6	36.5	40.3	36.1	39.9	35.6
Others	22.8	21.5	23.0	25.0	26.0	73.1	43.6	40.4	73.5	37.0	59.3	56.0

Of the gross federally-collected revenue (after accounting for all deductions and transfers), the sum of ₦440.47 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 ₦208.65 billion, while the states and local governments received ₦105.83 billion and ₦181.59 billion, respectively. The balance of ₦44.40 billion was credited to the 13.0% Derivation Fund for sharing by the oil-producing states. From the VAT Pool Account, the Federal Government received ₦7.44 billion, while the state and local governments received ₦24.79 billion and ₦17.35 billion, respectively. Overall, the total allocation to the three tiers of government from the Federation and VAT Pool Accounts in November 2011 amounted to ₦603.44 billion, compared with the budget estimate of ₦617.06 billion for the month.

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 by 5.1%, but exceeded the level in the preceding month by 0.9 per cent.

At ₦285.11 billion, the estimated Federal Government retained revenue for November 2011, was lower than the monthly budget estimate by 5.1 per cent, but exceeded the level in the preceding month by 0.9 per cent. Of this amount, the share from the Federation Account was 73.2 per cent, while VAT Pool Accounts, FGN Independent Revenue and share of budget Augmentation accounted for 2.6, 6.0 and 18.2 per cent, respectively. (Fig. 9).

Figure 9: Sources of Federal Government Retained Revenue

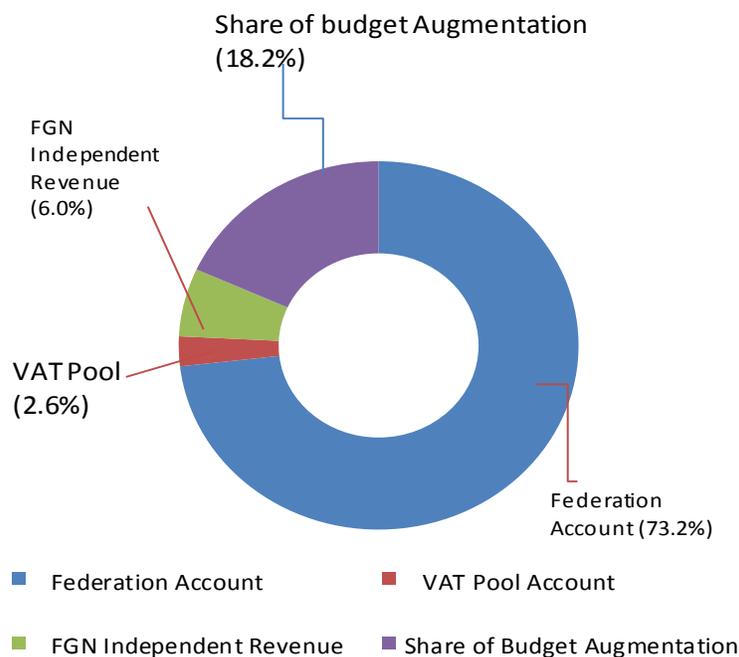


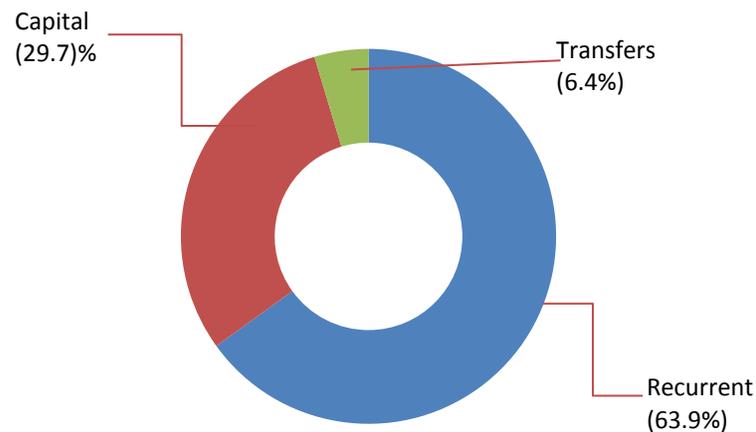
Table 9: Federal Government Fiscal Operations (₦ billion)

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Retained Revenue	198.0	185.1	190.4	193.4	190.6	250.4	229.9	275.5	613.9	280.9	279.1	282.6	285.1
Expenditure	318.0	319.6	224.4	286.5	327.5	298.4	304.1	330.8	354.9	405.3	450.7	326.0	458.2
Overall Balance: (+)/(-)	-119.9	-134.6	-101.7	-93.1	-136.9	-117.6	-74.2	-117.6	313.6	313.6	-171.6	-43.5	173.1

At ₦458.20 billion, total estimated expenditure for November 2011 rose above both the monthly budget estimate and the level in the preceding month by 16.0 and 40.5 per cent, respectively. A breakdown of total expenditure showed that the recurrent accounted for 63.9 per cent, while the capital and transfer components accounted for the balance of 29.7 and 6.4 per cent, respectively. Non-debt-obligations accounted for 69.4 per cent of the total recurrent expenditure, while debt service payments accounted for the balance of 30.6 per cent (Fig. 10).

Total estimated expenditure for November 2011 rose above both the monthly budget estimate and the level in the preceding month by 16.0 and 40.5 per cent, respectively.

Figure 10: Federal Government Expenditure in November 2011



Thus, the fiscal operations of the Federal Government in November 2011, resulted in an estimated deficit of ₦173.09 billion, compared with the estimated monthly budget deficit of ₦94.72 billion.

The fiscal operations of the FG resulted in an estimated deficit of ₦173.09 billion in November 2011.

3.2.2 Statutory Allocations to State Governments

Total receipts by state governments, including the share of VAT and the Federation Account stood at ₦175.02 billion in November 2011. This was lower than the level in the preceding month by 20.3 per cent, but higher than the level in the corresponding period of 2010 by 21.5 per cent.

The breakdown showed that, at ₦24.79 billion, receipts from the VAT Pool Account were lower than the level in the preceding month, but higher than the level in the corresponding period of 2010 by 15.0 and 29.4 per cent, respectively. At ₦150.23 billion, state governments receipt from the Federation Account fell below the level in the preceding month but was higher than the level in the corresponding month of 2010 by 21.1 and 20.2 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, stood at ₦127.92 billion. This exceeded both the levels in the preceding month and corresponding period of 2010 by 4.5 and 63.1 per cent, respectively. Of this amount, receipts from the Federation Account was ₦110.57 billion (86.4 per cent of the total), while the VAT Pool Account accounted for ₦17.35 billion (14.6 per cent of the total).

4.0 Domestic Economic Conditions

The dominant agricultural activities in November 2011 included harvesting of various root crops and the preparation of land and nurseries for vegetables as well as pre-planting operations for dry season farming. In the livestock sub-sector, farmers intensified husbandry towards the end-of-year sales. Crude oil production was estimated at 2.60 million barrels per day (mbd) or 78.0 million barrels during the month. The end-period inflation rate for November 2011, on a year-on-year basis, was 10.5 per cent, the same as in the preceding month. The inflation rate on a 12-month moving average basis was 11.0 per cent, compared with the preceding month's level of 11.1 per cent.

4.1 Agricultural Sector

Available information indicated that the agricultural activities in most parts of the country were dominated by harvesting of various root crops, especially yam, Irish and sweet potatoes, maize and groundnuts. Farmers also continued with the preparation of land and nurseries for tomatoes, pepper, carrots, cabbage and other vegetables as well as pre-planting operations for dry season farming, especially in the Northern part of the country. In the livestock sub-sector, farmers intensified husbandry activities towards the end-of-year sales.

A total of ₦1,501.2 million was guaranteed to 5,789 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in November 2011. This represented a decline of 20.1 from the level in the preceding month, but an increase of 86.8 per cent over the level in the corresponding period of 2010. A sub-sectoral analysis of the loans guaranteed indicated that the food crop sub-sector had the largest share of ₦885.4 million (59.0 per cent) guaranteed to 3,755 beneficiaries, while the livestock sub-sector received ₦335.9 million (22.4 per cent) for 765 beneficiaries. "Others" received ₦12.1million (0.80 per cent) for 41 beneficiaries, mixed crops received ₦60.7million (4.0 per cent) guaranteed to 536 beneficiaries, the fisheries sub-sector received

₦196.4million (13.0 per cent) guaranteed to 676 beneficiaries, while the cash crops sub-sector had ₦12.7million (0.84 per cent) for 16 beneficiaries. Analysis by state showed that 32 states benefited from the Scheme during the month under review, with the highest and lowest sums of ₦323.3 million (21.5 per cent) and ₦0.1million (0.01 per cent) guaranteed to Edo and Bauchi States, respectively.

At end-November 2011, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACs) to the participating banks for disbursement stood at N 138.52 billion (for 179 projects).

At end-November 2011, the cumulative amount released by the CBN under the Commercial Agriculture Credit Scheme (CACs) to the participating banks for disbursement stood at ₦ 138.52 billion (for one hundred and seventy nine projects). Twenty six state governments have so far benefited from the programme (Table 10).

Table 10: Disbursement of Credit under the Commercial Agriculture Credit Scheme (CACs) November 2011.

S/N	Participating Banks	Amount Disbursed (₦ billion)	Number of Projects
1	United Bank for Africa (UBA) Plc	38.91	35
2	Union Bank of Nigeria Plc	15.34	18
3	Zenith Bank Plc	15.33	10
4	FBN Plc	16.03	47
5	Skye Bank Plc	8.67	6
6	Stanbic IBTC Bank	8.48	20
7	Unity Bank Plc	6.7	5
8	Access Bank Plc	7.93	9
9	Fidelity Bank Plc	6.23	7
10	GTB Plc	5.55	8
11	Sterling Bank Plc	3.22	3
12	Mainstreet Bank Plc	2	1
13	Oceanic Bank Plc	2.47	3
14	Diamond Bank Plc	0.92	4
15	Citibank	1.5	1
16	Wema Bank Plc	0.16	2
	TOTAL	138.52	179

4.2 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at an average of 2.60 million barrels per day (mbd) (78.0 million barrels) for the month, compared with 2.06 mbd (63.86 million barrels) in the preceding month.

Crude oil and natural gas production was estimated to increase by 26.21 per cent to 78.0 million barrels for the month.

Crude oil export was estimated at 2.15 mbd (64.50 million barrels), compared with 1.61 mbd (49.19 million barrels) recorded in the preceding month. Deliveries to the refineries for domestic consumption stood at 0.45 mbd (13.5 million barrels).

At an estimated average of US\$113.01 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API), increased by 0.2 per cent above the level in October 2011. The upward movement in price which started gradually in the first half of the month was supported by high hopes that the Euro zone, particularly Greece and Italy would resolve their debt crisis and US data showing a slight improvement in the economy. The average prices of other competing crudes namely: the West Texas Intermediate, U.K Brent and Forcados, also increased by 12.54, 0.55 and 0.25 per cent to US\$96.22, US\$111.54 and US\$114.31 per barrel, respectively, in the review month.

The average price of Nigeria's reference crude, the Bonny Light increased by 0.2 per cent above the level in the preceding month. Similarly, the prices of U.K Brent, Forcados and West Texas Intermediate increased in November 2011.

The average price of OPEC's basket of eleven crude streams increased by 3.6 per cent to US\$110.08 per barrel, compared with the level in October 2011. (Fig. 11, Table 11).

Figure 11: Trends in Crude Oil Prices

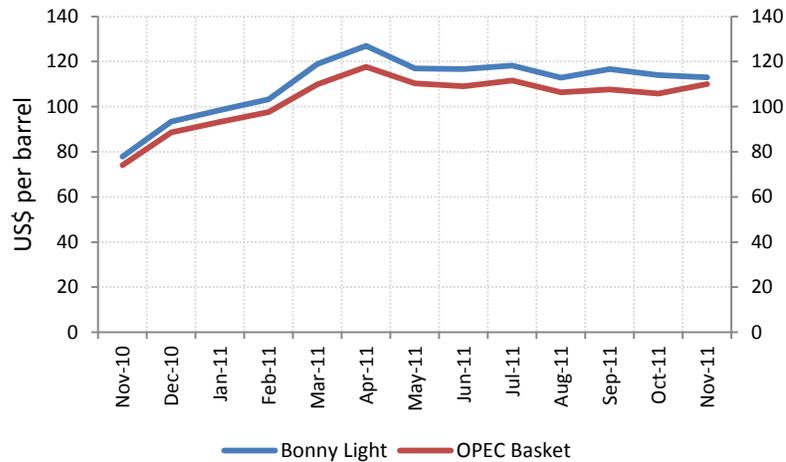


Table 11: Average Crude Oil Prices in the International Oil Market

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Bonny Light	77.90	93.40	98.50	103.23	118.99	126.91	116.99	116.66	118.21	112.81	116.71	114.05	114.05
OPEC Basket	74.20	88.60	93.30	97.69	109.84	117.70	110.39	109.04	111.62	106.32	107.61	105.87	105.87

4.3 Consumer Prices

The general price level rose in November, relative to October 2011, owing to the increase in the indices of staple food non-alcoholic beverages, housing, water, electricity, gas and other fuel etc.

Available data showed that the all-items composite Consumer Price Index (CPI) in November 2011 was 125.3 (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 index of food and non-alcoholic beverages, alcoholic beverages, tobacco and kola; clothing and footwear; housing, water, electricity, gas, and other fuels; furnishing and household equipment maintenance; recreation and culture; education ;restaurants and hotels; and miscellaneous goods and services.

The urban all-items CPI at end-November 2011 was 120.0 (November 2009=100), indicating an increase of 0.1 per cent above the level in the preceding month. The rural all-items CPI for the month was 128.6 (November 2009=100), same as the level in the preceding month (Fig. 12, Table 11).

The end-period inflation rate for November 2011, on a year-on-year basis, was 10.5 per cent, the same as in the preceding month. The inflation rate on a twelve-month moving average basis for November 2011 was 11.0 per cent, compared with 11.1 per cent in the preceding month. (Fig. 13, Table 12).

The year-on-year headline inflation rate remained at the preceding month's level of 10.5 per cent, while the 12-month moving average rate fell to 11.0 per cent from 11.1 per cent.

The retail prices of most staples recorded increase in November 2011. The retail prices of eight (8) of the fourteen (14) commodities monitored, recorded price increase over their levels in the preceding month. The price increase ranged from 0.2 per cent for brown beans to 19.8 per cent for guinea corn. The prices of yellow garri, eggs (medium), yam flour, vegetable oil, palm oil and groundnut oil, however, fell by 0.5, 3.0, 6.6, 7.3, 12.0 and 16.0 per cent, respectively. Relative to their levels in the corresponding month of 2010, available data showed that eight (8) of the fourteen (14) commodities recorded price increase, while brown beans, yellow garri, eggs (medium), yam flour, vegetable oil and palm oil recorded price decline of 0.4, 0.9, 1.8, 2.4, 13.0, and 14.9 per cent, respectively.

Developments in the retail prices of most staples increased in November 2011.

Figure. 12: Consumer Price Index

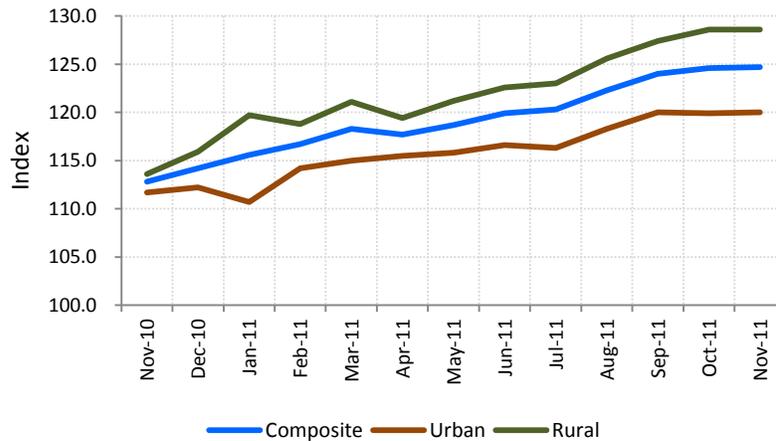


Table 12: Consumer Price Index (November 2009=100)

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Composite	112.8	114.2	112.8	114.2	118.3	117.7	118.7	119.9	120.3	122.3	124.0	124.6	124.7
Urban	111.7	112.2	111.7	112.2	115.0	115.5	115.8	116.6	116.3	118.3	120.0	119.9	120.0
Rural	113.6	115.9	113.6	115.9	121.1	119.4	121.2	122.6	123.0	125.6	127.4	128.6	128.6

Figure 13: Inflation Rate

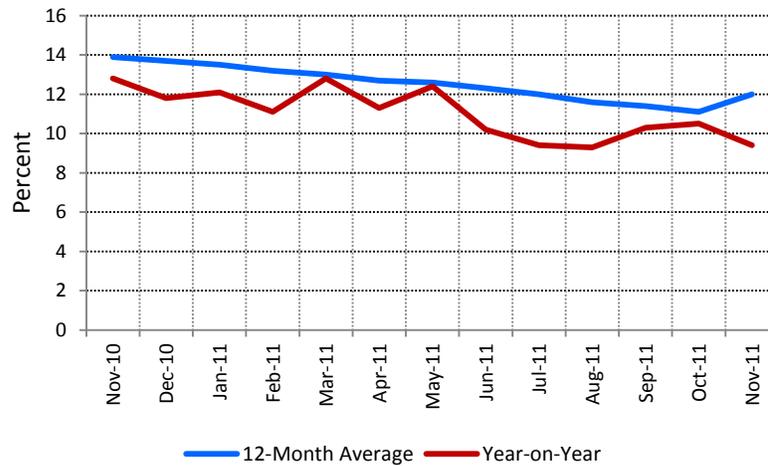


Table 13: Headline Inflation Rate (%)

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
12-Month Average	13.9	13.9	13.9	13.7	13.0	12.7	12.6	12.3	12.0	11.6	11.4	11.1	11.0
Year-on-Year	13.6	12.8	12.8	11.8	12.8	11.3	12.4	10.2	9.4	9.3	10.3	10.5	11.1

5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow and outflow through the CBN declined by 18.4 and 3.4 per cent, respectively, below their levels in the preceding month. Total non-oil export receipts by banks rose significantly by 64.0 per cent above the level in the preceding month. The gross external reserves declined by 1.4 per cent below the preceding month's level. The average exchange rate of the Naira vis-à-vis the US dollar, depreciated by 2.1 per cent to ₦156.2 per 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 was US\$4.26 billion and US\$4.88 billion, respectively, resulting in a net outflow of US\$0.62 billion. The outcome in the review month contrasted with the net inflow of US\$0.34 billion recorded in October 2011. Inflow fell by 18.4 per cent below the level in the preceding month, but showed an increase of 92.6 per cent above the level in the corresponding period of 2010. The decline in inflow during the review period reflected the fall in receipts from crude oil sales. Similarly, outflow fell by 3.4 per cent below the level in the preceding month due to the moderation in demand at WDAS and other official payments. A breakdown of foreign exchange outflow showed that WDAS sales accounted for the bulk (35.9 per cent) of the total, cash sales to Bureau-de-Change (BDC) operators, 16.3 per cent, Interbank sales, 19.8 per cent and WDAS-forward contract 11.2 per cent. Other official payments accounted for 15.0 per cent, while drawings on L/Cs and external debt service, accounted for 0.8 and 1.0 per cent, respectively (Fig. 14, Table 14).

Foreign exchange inflow and outflow through the CBN declined by 18.4 and 3.4 per cent, respectively, in November 2011.

Figure 14: Foreign Exchange Flows through the CBN

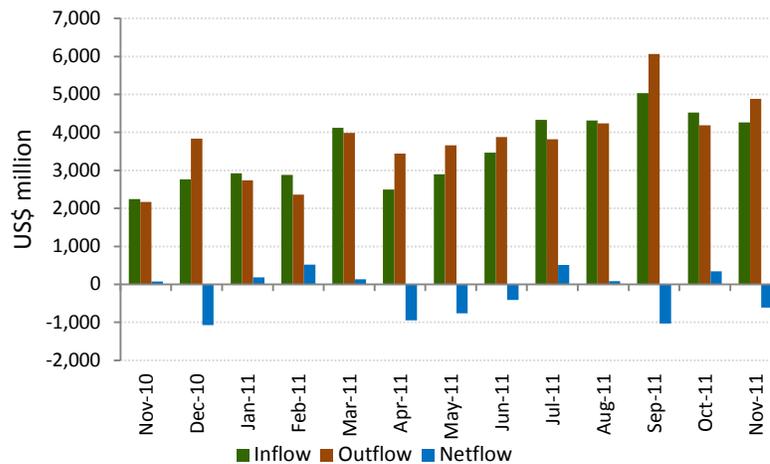


Table 14: Foreign Exchange Flows through the CBN (US\$ million)

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Inflow	22407.0	27614.0	3435.6	3164.7	4119.2	2495.6	2896.1	3463.2	4327.7	4315.0	5030.4	4523.1	4265.0
Outflow	21698.0	38356.0	2805.8	2768.7	3985.9	3439.7	3657.2	3873.7	3818.6	4234.1	6060.7	4184.3	4880.3
Netflow	708.0	-10742.0	629.8	396.0	629.8	-944.1	-761.1	-410.5	509.1	81.7	-1030.3	338.8	624.3

Provisional data on aggregate foreign exchange flows through the economy indicated that total inflow was US\$7.58 billion, representing a decline of 21.1 per cent from the level at the end of the preceding period, but was 28.9 per cent above the level in the corresponding period of 2010. The observed decline in inflow below the level in the preceding month was due to low receipts from non-oil exports and other official transactions. Inflow through the Central Bank of Nigeria (CBN) accounted for 56.2 per cent of the total, while inflow from autonomous sources accounted for 43.8 per cent.

Non-oil inflow into the economy rose by 43.8 per cent and accounted for 11.4 per cent of the total inflow in October 2011.

At US\$3.39 billion, oil sector receipts accounted for 44.7 per cent of the total inflow, and was below the level in the preceding month by 7.6 per cent. Non-oil public sector inflow also declined by 43.8 per cent below the level in the preceding month and accounted for 11.4 per cent of the total inflow.

At US\$5.05 billion, aggregate foreign exchange outflow from the economy fell by 2.3 per cent below the level

in the preceding month. Thus, foreign exchange flows through the economy resulted in a net inflow of US\$2.53 billion in the month under review, compared with US\$4.44 billion and US\$3.61 billion in the preceding month and the corresponding month of 2010, respectively. The outcome reflected, largely, a decline in the WDAS utilization of foreign exchange during the month

5.2 Non-Oil Export Earnings by Exporters

Total non-oil export earnings received by banks, fell by 64.0 per cent to US\$204.2 million from the preceding month's level. The development was attributed, largely to the decline in export earnings from the manufactured and food products, industrial and transport sub-sectors. A breakdown of the export proceeds in November 2011 showed that, manufactured products, industrial, minerals, agricultural products, foods and transport earned US\$47.08 million, US\$109.00 million, US\$16.22 million, US\$27.28 million, US\$2.51 million, and US\$2.10 million, respectively. The shares of manufactured, industrial, minerals, agricultural and food products and transport in non-oil export earnings were 23.1, 53.4, 7.9, 13.4, 1.2 and 1.0 per cent, respectively.

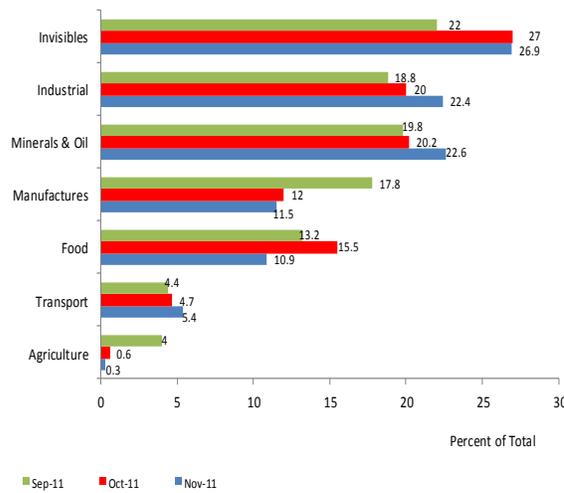
Total non-oil export earnings by exporters fell in November 2011, on account of decline in the exports of industrial and mineral sector.

5.3 Sectoral Utilisation of Foreign Exchange

The invisible sector accounted for the bulk (26.9 per cent) of total foreign exchange disbursed in November 2011, followed by minerals and oil sector (22.6 per cent). Other beneficiary sectors, in a descending order included: industrial sector (22.4), manufactured product (11.5 per cent), food products (10.9 per cent), transport (5.4 per cent) and agricultural products (0.3 per cent) (Fig.15).

The invisible sector accounted for the bulk of the total foreign exchange disbursed in November 2011.

Figure15: 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) was US\$4.2 billion in November 2011, showing a decline of 16.0 per cent from the preceding month's level, but an increase of 100.0 per cent above the level in the corresponding month of 2010. A total of US\$3.09 billion was sold by the CBN to authorized dealers during the period, reflecting a decline of 21.2 per cent below the level in the preceding month, but an increase of 67.9 per cent when compared with the level in the corresponding period of 2010 (Fig.16, Table 15).

Demand for foreign exchange by authorized dealers fell by 16.0 per cent below the level in the preceding month, but rose by 100.0 over the level in the corresponding month of 2010.

Figure 16: Demand for and Supply of Foreign Exchange

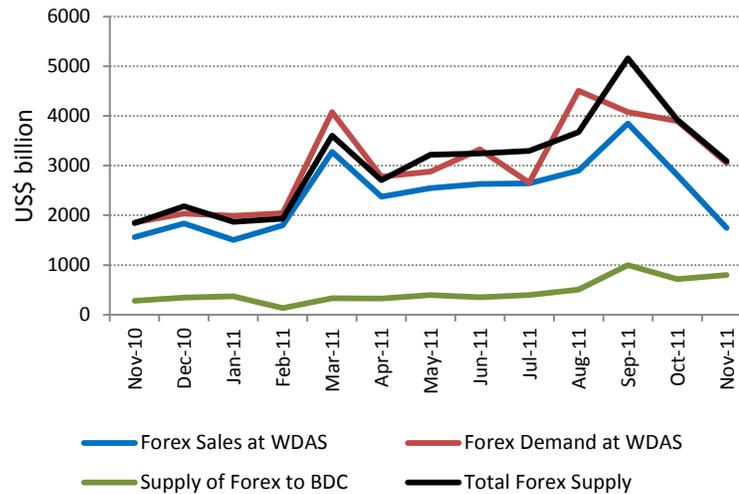


Table 15: Demand for and Supply of Foreign Exchange (US\$ billion)

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Forex Sales at WDAS	1561.7	1839.1	2000.0	1794.8	3274.4	2375.6	2549.9	2632.8	2643.3	2889.1	3850.0	2807.0	1749.6
Forex Demand at WDAS	1853.4	2035.1	2800.4	2041.0	4080.3	2780.4	2878.4	3325.5	2655.2	4504.5	4076.2	3900.0	3054.4
Supply of Forex to BDC	280.2	341.1	135.5	300.0	330.5	322.3	392.0	347.3	398.2	504.3	995.7	716.8	795.4
Total Forex Supply	1841.9	2180.2	2135.5	2094.8	3604.9	2707.8	3217.2	3242.3	3293.7	3677.0	5157.6	3923.0	3092.0

Under the WDAS, the average exchange rates of the Naira vis-à-vis the US dollar, depreciated by 2.1 and 4.0 per cent below the levels in the preceding month and the corresponding month of 2010, respectively to ₦156.24 per US dollar. It, however, appreciated at both the bureau-de-change and interbank segments by 0.5 and 0.7 per cent to ₦160.35 and ₦158.76 per US dollar, respectively.

Following these developments, the premium between the WDAS and the bureaux-de-change rates narrowed to 2.6 per cent in the preceding month from 5.0 per cent. Similarly, the premium between the WDAS/Interbank rates narrowed from 4.4 per cent in the preceding month to 1.6 per cent during the month under review.

The Naira exchange rate vis-à-vis the US dollar, on average, appreciated at the interbank and BDC segments of the foreign exchange market, while it depreciated at the WDAS segment.

The premium between the WDAS and BDC rates narrowed to 2.6 per cent from 5.0 per cent, similarly the premium narrowed to 1.6 per cent from 4.4 per cent at the interbank segment.

Figure 17: Average Exchange Rate Movement

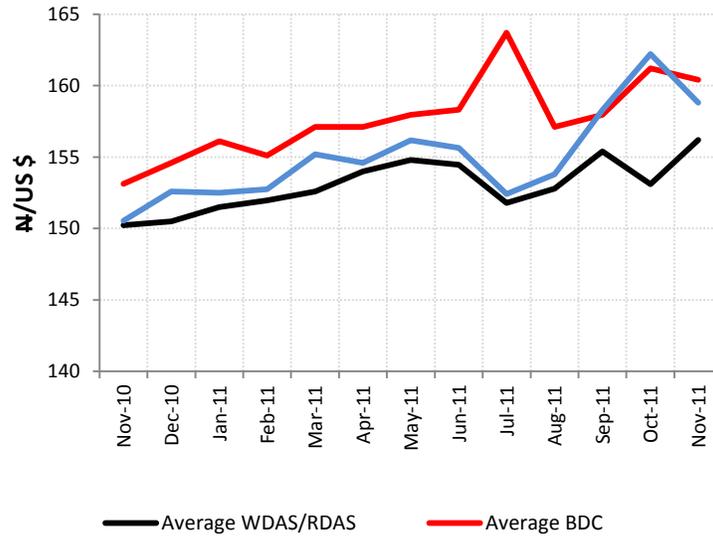
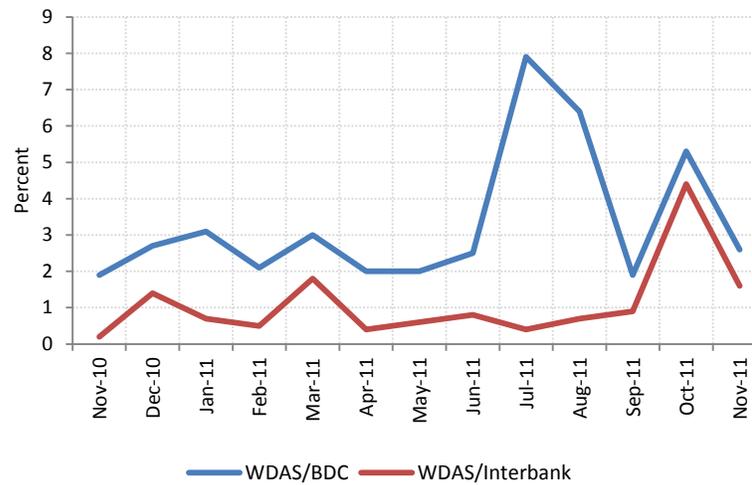


Table 16: Exchange Rate Movements and Exchange Rate Premium

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Average Exchange Rate (N/\$)													
WDAS/RDAS	150.2	150.5	151.6	151.9	152.6	154.0	154.8	154.5	151.8	152.8	155.4	153.1	156.2
BDC	153.1	154.6	156.1	155.1	157.1	157.1	158.0	158.3	163.7	163.1	158.3	161.2	160.4
Interbank	150.6	152.6	152.4	152.7	155.2	154.6	156.2	155.7	152.4	153.8	158.3	162.2	158.8
Premium (%)													
WDAS/BDC	1.8	1.9	2.7	3.0	2.0	3.0	2.0	2.0	2.5	7.9	6.4	1.9	2.6
WDAS/Interbank	0.4	0.2	1.4	0.7	0.5	1.8	0.4	0.9	0.8	0.4	0.7	0.9	1.6

Figure 18: Exchange Rate Premium



5.5 Gross External Reserves

The gross external reserves at the end of November 2011 stood at US\$32.14 billion, indicating a decline of 1.4 per cent below the level at the end of the preceding month, and a decline of 2.8 per cent from the level in the corresponding period of 2010. A breakdown of the reserves showed that the Federation Account portion (Excess Crude) was US\$8.93 billion (27.8 per cent), Federal Government holding was US\$2.67 billion (8.3 per cent) and CBN reserves stood at US\$20.54 billion (63.9 per cent), (Fig. 19, Table 16).

Gross external reserves declined in November 2011.

Figure 19: Gross External Reserves

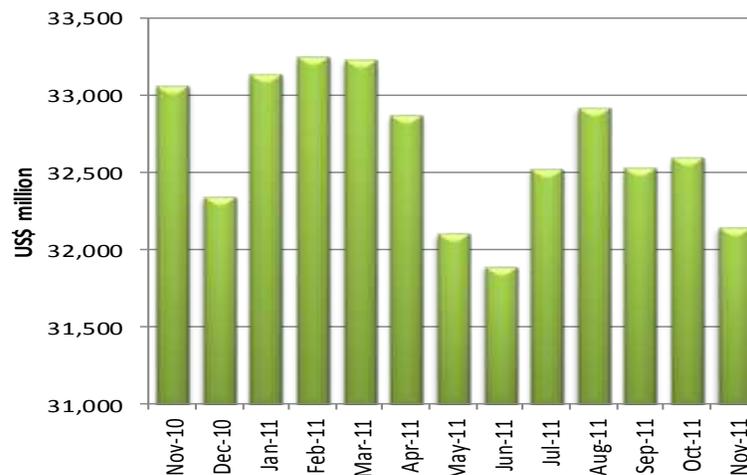


Table 17: Gross External Reserves (US\$ million)

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
External Reserves	33,059.3	32,339.3	33,131.8	33,246.1	33,221.8	32,866.9	32,100.8	31,890.5	32,521.7	32,914.0	32,525.4	32,594.7	32,139.0

6.0 Other International Economic Developments and Meetings

World crude oil output in November 2011 was estimated at 89.12 million barrels per day (mbd), while demand was estimated at 87.70 million barrels per day (mbd), compared with 88.35 and 87.81 mbd supplied and demanded, respectively, in the preceding month. The marginal decline in demand was attributed to the growing uncertainty in the world economy, particularly in the Organization for Economic Co-operation and Development (OECD) region and recession fears in Europe.

Other major international economic development and meetings of relevance to the domestic economy during the review month included: the 41st Council Meeting of the African Development Bank (AfDB) held in Washington, D.C. from November 9 – 10, 2011. At the Meeting, the Global Environment Facility (GEF) approved a grant of USD 20.5 million for the Lake Chad Basin Regional Program for the Conservation and Sustainable Use of Natural Resources and Energy Efficiency. The AfDB plans to contribute USD 146 million to the program and has been working closely with the five implementing countries (Central African Republic, Cameroon, Niger, Nigeria and Chad) on the program design. The program comprises six projects: one per country and one for the Lake Chad Basin Commission (LCBC) to oversee regional coordination. The AfDB will continue to provide technical assistance as projects are prepared over the next 18 months.

Also, the Seventh Ordinary Session of the Conference of African Ministers of Trade was held in Accra, Ghana on November 29, 2011. Participants at the meeting were drawn from Regional Economic Communities (RECs), United Nations Economic Commission for Africa, Multilateral Institutions, Inter-governmental Organizations, Civil Society, Non-

Governmental Organizations and other development partners.

Participants deliberated on issues relating to intra-African trade performances, traditional trade with partners outside the African continent, the non-diversification of African exports with regard to products as well as destination markets, modalities to boost Intra-African trade, establishment of Continental Free Trade Area (CFTA) and strengthening of supply capacities. Other areas covered included: improvement of infrastructure, adoption of trade facilitation, enhancement of African products, mobilization of financial resources for commercial activities, consideration of adjustments costs, convertibility of currencies, free movement of persons and liberalization of services.

The meeting also considered the draft Action Plan on Boosting Intra African Trade with a view to fast-track the project. The Plan was discussed with special focus on matrix of priority action clusters; objectives; specific action points; possible implementation time frames and the actors for its implementation, namely, Member States, RECs, the AUC and partners. The Senior Officials extensively deliberated, improved and recommended the draft Action Plan for consideration and adoption by Ministers.

Finally, the inaugural Africa Trade Forum (ATF) 2011 was held at the United Nations Conference Centre (UNCC) in Addis Ababa on November 22, 2011 with the theme "Accelerating Intra-African Trade and Enhancing Africa's participation in Global Trade". The objectives were to:

- Promote multi-stakeholder policy dialogue on trade issues in Africa, by mobilizing all the different trade constituencies across Africa and the world in general; and
- Debate and exchange views on all the key issues relating to intra-African trade, and Africa's trade with the rest of the world.

Other specific objectives of the Forum was to discuss and agree on specific inputs into the African Ministerial Conference on Trade, as well as the African Union Heads of State Summit scheduled for January 2012, on the theme "Boosting Intra-African Trade". The Forum was organized by the African Trade Policy Centre (ATPC), an initiative of the United Nations Economic Commission for Africa with funding support from the Canadian International Development Agency (CIDA), in collaboration with the African Union Commission (AUC), African Development Bank (AfDB) and other partners. Participants to the Forum include government policy makers, private sector operators, civil society, parliamentarians, academia and researchers, Regional Economic Communities (RECs) and export promotion agencies.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Nov 10	Dec 10	Jan 11	Mar-11	July-11	Aug-11	Sep 11	Oct 11	Nov 11
Domestic Credit (Net)	9,547.26	8,708.55	8,685.74	7,854.70	8,142.20	9,990.75	9,981.56	10,848.39	11,226.98
<i>Claims on Federal Government</i>	(1,201.12)	(1,121.80)	(730.97)	(1,571.84)	(1,824.90)	(908.74)	(1,144.46)	(1,364.71)	(1,191.65)
Central Bank (Net)	(2,976.07)	(2,884.03)	(2,823.21)	(3,401.44)	(3,460.50)	(2,988.74)	(3,244.66)	(3,988.61)	(3,668.98)
Banks	1,774.95	1,762.21	2,092.24	1,829.61	1,635.70	2,079.54	2,100.21	2,623.89	2,477.32
<i>Claims on Private Sector</i>	10,748.38	9,830.34	9,416.71	9,426.54	9,967.10	10,899.50	11,126.02	12,213.10	12,418.63
Central Bank	683.58	632.17	532.56	437.51	807.90	838.60	885.61	2,720.19	2,705.24
Banks	10,064.78	9,198.17	8,884.15	8,989.03	9,159.20	10,060.70	10,240.40	9,492.91	9,713.39
<i>Claims on Other Private Se</i>	10,382.73	9,460.53	9,025.66	9,049.77	9,597.20	10,487.60	10,725.84	11,780.28	12,013.11
Central Bank	683.58	632.17	532.558424	437.51	807.90	838.60	885.61	2,720.19	2,705.24
Banks	9,699.15	8,828.36	8,493.10	8,612.26	8,789.30	9,648.99	9,840.24	9,060.09	9,307.87
<i>Claims on State and Local</i>	365.65	369.81	391.04	376.77	369.90	411.90	400.16	432.83	405.52
Central Bank	-	-	-	-	-	-	-	-	-
Banks	365.65	369.81	391.04	376.77	369.90	411.90	400.16	432.83	405.52
<i>Claims on Non-financial Public Enterprise</i>	-	-	-	-	-	-	-	-	-
Central Bank	-	-	-	-	-	-	-	-	-
Banks	-	-	-	-	-	-	-	-	-
Foreign Assets (Net)	6,453.96	6,506.62	6,400.55	6,988.07	7,506.10	6,976.40	669.79	6,724.54	6,623.23
Central Bank	5,226.46	5,372.29	5,217.35	5,722.80	5,950.20	5,413.80	5,267.50	5,304.24	5,141.50
Banks	1,227.50	1,134.33	1,183.20	1265.281366	1,555.90	156.60	1,402.29	1,420.30	1,481.73
Other Assets (Net)	(4,539.01)	(3,689.63)	(3,524.76)	(3,189.15)	(3,256.80)	(4,456.40)	(4,030.46)	(5,395.78)	(5,637.07)
Total Monetary Assets (M2)	11,224.78	11,525.53	11,561.52	11,653.62	12,391.45	12,510.80	12,620.90	12,177.15	12,213.14
Quasi-Money 1/	5,968.89	5,954.26	5,994.45	6,229.11	6,520.96	6,636.80	6,615.82	6,374.30	6,437.19
Money Supply (M1)	5,255.89	5,534.45	5,545.79	5,534.45	5,870.49	5,874.00	6,005.08	5,802.85	5,775.95
<i>Currency Outside Banks</i>	880.86	1,082.19	1,033.34	1,082.18	1,039.75	1,060.50	1,012.37	1,038.22	1,069.14
<i>Demand Deposits 2/</i>	4,375.02	4,452.27	4,512.46	4,452.27	4,830.74	4,813.50	4,992.71	4,764.64	4,706.81
Total Monetary Liabilities (M2)	11,224.78	11,525.53	11,561.52	11,653.62	12,391.45	12,510.80	12,620.90	12,177.15	12,213.14
<i>Memorandum Items:</i>	-	-	-	-	-	-	-	-	-
Reserve Money (RM)	1,344.32	1,845.71	1,694.88	1,705.92	2,169.38	1,841.96	1,908.85	2,366.21	2,341.93
<i>Currency in Circulation (CIC)</i>	1,125.39	1,378.13	1,340.43	1,416.38	1,343.60	1,379.72	1,342.97	1,359.58	1,390.70
<i>DMBs Demand Deposit with CB</i>	218.92	467.58	354.45	289.54	825.78	462.20	565.88	1,006.62	951.23

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)

	Nov-11	Dec-10	Jan-11	Mar-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Domestic Credit (Net)	27.4	10.2	-0.3	-9.8	-6.5	14.7	14.6	24.6	29.9
<i>Claims on Federal Government (Net)</i>	51.8	51.3	34.8	-40.1	-62.7	19.0	-2.0	-21.7	-6.2
<i>Claims on Private Sector</i>	7.6	-3.8	-4.2	-4.1	1.4	10.9	13.2	24.2	26.3
<i>Claims on Other Private Sector</i>	7.2	-4.4	-4.6	-4.3	1.4	10.9	13.4	24.5	27.0
<i>Claims on State and Local Government</i>	20.8	19.2	5.7	1.9	0.0	11.4	8.2	17.0	9.7
<i>Claims on Non-financial Public Enterprises</i>									
Foreign Assets (Net)	-15.4	-14.3	-1.6	7.4	15.4	7.2	2.5	3.4	1.8
Other Assets (Net)	-0.1	22.0	4.5	13.6	11.7	-20.8	-9.2	-46.2	-52.8
Total Monetary Assets (M2)	8.8	7.0	0.3	1.1	7.5	8.6	9.5	5.7	6.0
Quasi-Money 1/	6.4	3.3	0.7	4.6	9.5	11.5	11.1	7.1	8.1
Money Supply (M1)	11.7	11.1	-0.1	-2.6	5.4	5.4	14.3	8.8	3.7
<i>Currency Outside Banks</i>	4.8	-13.1	-4.5	2.8	-3.9	-2.0	14.9	-4.1	-1.2
<i>Demand Deposits 2/</i>	13.2	1.9	1.0	-4.0	7.6	7.2	14.1	6.9	4.9
Total Monetary Liabilities (M2)	8.8	6.9	0.3	1.1	7.5	8.6	9.5	5.7	6.0
Memorandum Items:									
<i>Reserve Money (RM)</i>	4.7	11.6	-8.1	-7.6	17.5	-2.0	3.4	28.2	26.9
<i>Currency in Circulation (CIC)</i>	10.7	16.6	-2.7	2.8	-2.5	0.1	2.6	-1.4	0.9
<i>DMBs Demand Deposit with CBN</i>	-18.8	-1.0	-24.19	-38.1	76.6	-1.1	21.0	115.3	103.4
	Growth over Preceding Month (%)								
Domestic Credit (Net)	0.9	-8.8	-0.3	-3.5	-8.6	22.7	0.0	8.7	3.5
<i>Claims on Federal Government (Net)</i>	-11.8	6.6	34.8	-50.8	-71.4	50.2	-25.9	-19.3	12.7
<i>Claims on Private Sector</i>	2.0	-8.5	-4.2	2.7	-0.5	9.4	2.3	9.8	1.7
<i>Claims on Other Private Sector</i>	2.3	-8.9	-4.6	2.6	0.5	9.3	2.3	9.8	2.0
<i>Claims on State and Local Government</i>	-4.9	1.1	5.7	6.0	-12.0	0.0	2.8	8.2	-6.3
<i>Claims on Non-financial Public Enterprises</i>									
Foreign Assets (Net)	1.3	2.8	-1.6	3.9	16.3	-7.1	-4.4	0.8	-1.5
Central Bank	3.6	2.2	-2.9	4.1	20.9	-36.8	2.0	1.3	-3.1
Banks	-8.2	-1.7	4.3	3.1	1.6	1.0	23.6	25.2	4.3
Other Assets (Net)	5.5	22.0	4.5	2.4	-2.3	1.8	-9.2	-46.2	-4.5
Total Monetary Assets (M2)	-0.7	0.9	0.3	0.5	1.8	0.1	0.9	3.5	0.3
Quasi-Money 1/	-0.4	1.5	0.7	0.4	-0.2	2.0	0.3	3.7	1.0
Money Supply (M1)	-1.1	5.6	-0.1	0.7	4.0	-0.4	2.2	-3.4	-0.5
<i>Currency Outside Banks</i>	1.9	1.3	-4.5	8.6	2.3	1.0	-4.5	2.6	2.9
<i>Demand Deposits 2/</i>	1.9	-1.7	0.7	1.0	-3.7	-1.2	0.5	0.5	-1.2
Total Monetary Liabilities (M2)	0.0	-0.7	3.4	0.3	0.3	0.5	1.8	1.8	0.3
Memorandum Items:									
<i>Reserve Money (RM)</i>	7.0	0.9	8.1	-8.1	7.43	-6.3	5.1	24.0	-1.0
<i>Currency in Circulation (CIC)</i>	2.5	6.5	1.2	-2.7	-0.27	6.0	-0.8	1.2	2.3
<i>DMBs Demand Deposit with CBN</i>	30.3	-21.7	23.4	-24.19	36.57	-40.2	16.1	77.9	-5.5

Table A3: Federal Government Fiscal Operations (₦ billion)

	Nov-10	Dec-10	Jan-11	Mar-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Retained Revenue	194.8	209.7	198.0	190.6	613.9	280.9	279.1	282.6	285.1
<i>Federation Account</i>	172.7	108.8	165.2	171.9	222.5	254.0	262.3	260.7	208.7
<i>VAT Pool Account</i>	5.8	6.7	6.8	7.1	7.9	9.5	8.2	8.8	7.4
<i>FGN Independent Revenue</i>	5.9	3.4	10.6	11.6	19.8	8.8	8.6	13.1	17.1
<i>Excess Crude</i>	0.0	72.6	6.8	0.0	363.8	7.5	0.0	0.0	52.0
<i>Others</i>	10.5	18.4	8.5	0.1	0.0	1.0	0.0	0.0	0.0
Expenditure	256.7	311.8	317.9	327.5	354.9	405.3	450.7	326.0	458.2
<i>Recurrent</i>	212.6	258.6	239.2	184.8	300.4	296.3	330.8	208.9	292.7
<i>Capital</i>	44.1	53.2	77.1	85.6	32.4	83.6	119.9	66.5	136.2
<i>Transfers</i>	13.8	11.5	1.7	57.1	22.1	25.5	21.1	21.6	21.0
Overall Balance: Surplus(+)/Deficit(-)	-61.9	-102.0	-119.9	-136.9	259.1	124.4	-171.6	-43.5	-173.1