CENTRAL BANK OF NIGERIA

ECONOMIC REPORT FOR THE MONTH OF APRIL 2009

RESEARCH DEPARTMENT

CENTRAL BANK OF NIGERIA

MONTHLY REPORT

The Central Bank of Nigeria Monthly 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, 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

Provisional data indicated mixed developments in monetary aggregates in April 2009. Broad money (M_2) rose marginally by 0.04 per cent over the level in March 2009, while narrow money (M_1) declined by 2.1 per cent from the level in the preceding month. The rise in M_2 was attributed largely to the increase in aggregate banking system (net) credit to the domestic economy.

Available data indicated mixed developments in banks' deposit and lending rates in April 2009. The spread between the weighted average deposit and maximum lending rates widened from 11.24 percentage points in March 2009 to 11.52 percentage points in April 2009. The margin between the average savings deposit and maximum lending rates, also, widened from 19.33 percentage points in the preceding month to 20.17 in the review month. The weighted average inter-bank call rate, which stood at 20.60 per cent in the preceding month, fell to 12.51 per cent at end-April 2009, reflecting the liquidity condition in the banking system.

The value of money market assets outstanding increased by 2.3 per cent to =N=2,949.2 billion over the level in the preceding month. The rise was attributed largely to the 4.4 per cent increase in outstanding FGN bonds. Activities on the Nigerian Stock Exchange were bullish as most market indicators trended upwards in the review month.

The major agricultural activities in the review month included: the commencement of early cropping as well as clearing of surroundings and disinfecting broiler houses in line with the requirements of poultry management. The prices of most Nigeria's major agricultural commodities at the London Commodities Market recorded increase during the review month.

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 1.71 million barrels per day (mbd) or 51.30 million barrels, compared with 1.78 mbd or 55.18 million barrels in the preceding month. Crude oil export was estimated at 1.26 mbd or 37.80 million barrels for the month, while deliveries to the refineries for domestic consumption remained at 0.445 mbd or 13.35 million barrels for the month. The average price of Nigeria's reference crude, the Bonny Light (37^0 API), estimated at US$51.16 per barrel, rose by 2.9 per cent over the level in the preceding month.

The inflation rate for April 2009, on a year-on-year basis, was 13.3 per cent, compared with 14.4 per cent recorded in the preceding month. The inflation rate on a twelve-month moving average basis, was 13.5 per cent, compared with 13.1 per cent in March 2009.

Foreign exchange inflow and outflow through the Central Bank of Nigeria (CBN) amounted to US$2.02 billion and US$2.88 billion, respectively, resulting in a net outflow of US$0.86 billion during the month. Relative to the respective levels in the preceding month, inflow and outflow fell by 9.6 and 12.9 per cent, respectively. The decline in inflow was attributed largely to the fall in oil receipts, while the decline in outflow was due largely to the fall in foreign exchange utilization under the Retail Dutch Auction System (RDAS).

Foreign exchange sales by the Central Bank of Nigeria (CBN) to end-users through the authorized dealers stood at US$2.62 billion, while demand increased by 26.3 per cent to US$3.65 billion. The weighted average exchange rate of the Naira vis-à-vis the US dollar, appreciated by 0.3 per cent to =N=147.23 per dollar at the RDAS. In the bureau-de-change segment of the foreign exchange market, the rate, however, depreciated by 3.3 per cent to =N=180.27 per dollar. Non-oil export earnings by Nigeria's exporters amounted to US$106.6 million, indicating a decline of 17.8 per cent from the level in the preceding month. The development was attributed to the unfavourable prices in the world commodity market.

Other major international economic developments of relevance to the domestic economy during the review month included: the meeting of the Leaders of the Group of Twenty (G-20) in London on April 2, 2009 to discuss the global economic crisis and its challenges. The Ordinary Meeting of the Bureau of the Association of African Central Banks (AACB) was held in Addis Ababa, Ethiopia on April 9, 2009. In a related development, the second meeting of the Joint Committee of the African Union Commission and the Association of African Central Banks (AACB) took place in Addis Ababa, Ethiopia on April 9, 2009. The meeting considered the suggestion by the African Union Commission (AUC) on setting up a steering committee to oversee preparations for the establishment of the African Central Bank (ACB). The 2009 Spring Meetings of the Board of Governors of the World Bank Group and the International Monetary Fund (IMF) took place in Washington, D. C, USA from April 25-26, 2009. These meetings were preceded by bilateral meetings. Lastly, the Global Monitoring Report (GMR) 2009, a development emergency report released by the International Monetary Fund (IMF) and the World Bank on April 24, 2009 warned that the global financial crisis was imperiling attainment of the 2015 Millennium Development Goals (MDGs) and creating an emergency for development. The Report indicated that most of the eight globally agreed goals were unlikely to be met, including those related to hunger, child and maternal mortality, education, and progress in combating HIV/AIDS, malaria and other major diseases.

2.0 FINANCIAL SECTOR DEVELOPMENTS

Monetary aggregates indicated mixed developments in April 2009. The value of money market assets increased, following largely the rise in outstanding FGN bonds. Transactions on the Nigerian Stock Exchange (NSE) were bullish during the review month.

2.1 Monetary and Credit Developments

Provisional data indicated that monetary aggregate grew in April 2009. Broad money (M_2) rose marginally by 0.04 per cent to =N=9,001.0 billion, in contrast to the decline of 1.0 per cent in the preceding month. On the other hand, narrow money (M_1) declined by 2.1 per cent to =N=4,569.7 billion, as against the increase of 0.2 per cent in March 2009. The rise in M_2 was attributed wholly to the 9.4 per cent increase in aggregate banking system credit (net) to the domestic economy. Over the level at end-December 2008, M_2 fell by 1.8 per cent (fig.1 and table 1).

Aggregate banking system credit (net) to the domestic economy rose by 9.4 per cent to =N=5,273.4 billion in April 2009, compared with the increase of 7.3 per cent in the preceding month. The development was due to the 8.8 and 1.9 per cent rise in claims on the Federal Government and the private sector, respectively, in the review month.

Banking system's credit (net) to the Federal Government rose by 8.8 per cent, compared with the increase of 14.3 per cent in the preceding month. The increase was attributed wholly to the 6.6 per cent rise in CBN's claims on the sector.

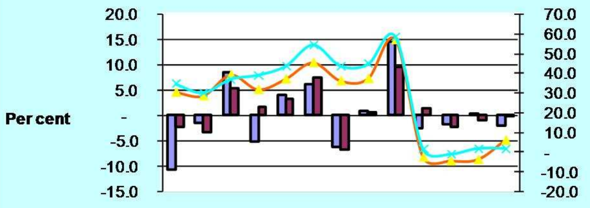
Banking system's credit to the private sector rose by 1.9 per cent to =N=8,379.9 billion, compared with the increase of 0.2 per cent in the preceding month. The development reflected the increase in CBN and deposit money banks' (DMBs) claims on other private sector (fig 2).

At =N=7,963.8 billion, foreign assets (net) of the banking system fell by 1.8 per cent, compared with the decline of 3.8 per cent in the preceding month. The development was attributed to the fall in both the DMBs and CBN's holdings during the month.

Quasi money rose by 2.3 per cent to =N=4,431.3 billion, in contrast to the decline of 2.2 per cent in the preceding month. The development was due to the fall in all the components namely, time, savings and foreign currency deposits of the DMBs.

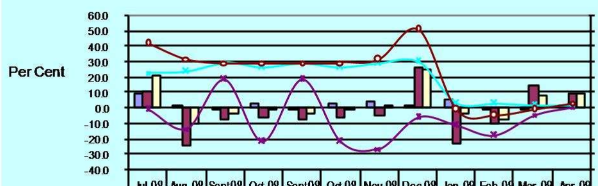
Other assets (net) of the banking system, however, declined by 7.8 per cent to =N=4,236.2 billion, compared with the decline of 2.7 per cent in the preceding month. The development reflected largely the fall in unclassified assets of both the DMBs and CBN.

Figure 1: Aggregate Money Supply in Nigeria (Monthly & Cumulative Growth Rates in Per cent)



	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
MM1	-10.8	-1.5	8.4	-5.3	4.0	6.0	-6.3	0.8	14.4	-2.7	-1.9	0.2	-2.1
MM2	-2.4	-3.3	5.3	1.5	3.2	7.5	-6.9	0.6	9.6	1.4	-2.5	-1.0	0.04
CM1	30.1	28.3	38.9	31.5	36.8	45.1	35.9	37.0	56.7	-2.7	-4.6	-3.9	5.9
CM2	34.3	29.9	36.8	38.9	43.4	54.2	43.5	44.4	58.2	1.4	-1.1	1.8	1.8

Figure 2:Aggregate Domestic Credit To The Economy (Monthly &Cumulative Growth Rate)



	Jul.08	Aug.08	Sept08	Oct.08	Sept08	Oct.08	Nov.08	Dec.08	Jan.09	Feb.09	Mar.09	Apr.09
MCP	8.7	0.9	0.7	2.9	0.7	2.9	3.6	1.1	5.6	-0.6	0.2	1.9
MCG	10.4	-24.3	-8.2	-6.5	-8.2	-6.5	-5.7	26.5	-23.9	-9.8	14.3	8.8
MAC	21.5	-10.7	-4.4	0.2	-4.4	0.2	1.9	24.2	-3.5	-7.1	7.3	9.4
CCP	45.2	46.5	57.9	52.2	57.9	52.2	57.7	59.5	5.6	5.0	2.1	4.0
CCG	-2.8	-27.8	36.4	-45.2	36.4	-45.2	-53.5	-12.9	-23.9	-36.0	-9.6	0.04
CAC	82.5	63.0	57.9	58.3	57.9	58.3	61.3	100.6	-3.5	-10.4	-2.7	6.5

2.2 Currency-in-circulation and Deposits at the CBN

At =N=1,048.1 billion, currency-in-circulation rose by 1.0 per cent in April 2009 over the level in March 2009. The increase was traceable wholly to the 2.5 per cent rise in currency outside bank.

Total deposits at the CBN amounted to =N=5,661.9 billion, indicating a decline of 0.4 per cent from the level in the preceding month. The development was attributed largely to the 10.3 per cent fall in Federal Government deposits. The shares of the Federal Government, banks and "others" in total deposits at the CBN were 86.4, 8.1 and 5.5 per cent, respectively, compared with 89.0, 6.1 and 4.9 per cent, in March 2009.

2.3 Interest Rate Developments

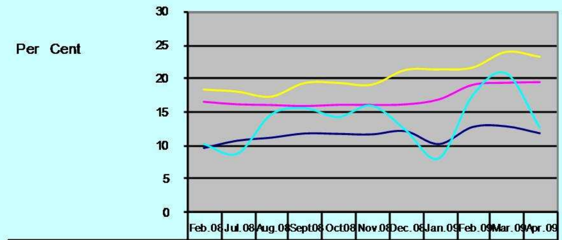
Available data indicated a general decline in banks' deposit rates in April 2009, while lending rates recorded mixed developments. With the exception of the average savings rate which rose by 0.07 percentage points to 3.00 per cent, all other rates on deposits of various maturities fell from a range of 7.21 – 13.98 per cent in the preceding month to 6.32 – 12.95 per cent in the review month. Similarly, the average maximum lending rate declined by 0.74 percentage point to 23.17 per cent, while the average prime lending rate increased by 0.09 percentage point to 19.34 per cent. Consequently, the spread between the weighted average deposit and maximum lending rates widened to 13.50 percentage points from 13.47 percentage points in the preceding month. The margin between the average savings deposit and maximum lending rates, however, narrowed from 20.98 percentage points in the preceding month to 20.17 percentage points.

The weighted average inter-bank call rate, which was 20.60 per cent in the preceding month, fell to 12.51 per cent at end-April 2009, reflecting the liquidity condition in the banking system.

2.4 Money Market Developments

The Monetary Policy Committee (MPC) took series of decisions to reflate the economy in view of the persisting tight monetary conditions in April 2009. The Monetary Policy Rate (MPR) was reviewed downward by 175 basis points to 8.00 per cent in the review month. Similarly, the liquidity ratio (LR) was reduced from 30.0 per cent to 25.0 per cent, while the Cash Reserve Ratio (CRR) was reduced from 2.0 per cent to 1.00 per cent. Consequently, banking system liquidity showed marked improvements when compared with the preceding month.

Figure 3: Selected Bank Interest Rates (Per Cent, Monthly Average)

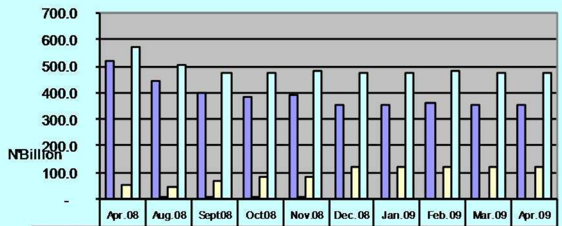


	Feb.08	Jul.08	Aug.08	Sept08	Oct08	Nov.08	Dec.08	Jan.09	Feb.09	Mar.09	Apr.09
Average Term Deposit Rates	9.47	10.56	11.00	11.62	11.56	11.48	11.96	10.06	12.57	12.67	11.65
Prime	16.46	16.09	15.99	15.84	16.01	16	16.08	16.81	18.95	19.25	19.34
Maximum	18.23	17.92	17.17	19.22	19.23	18.97	21.18	21.27	21.54	23.91	23.17
Inter-bank	10.04	8.61	14.45	15.42	14.09	15.77	12.17	7.91	17.3	20.6	12.51

Provisional data indicated that the value of money market assets outstanding at end–April 2009 was =N=2, 949.2 billion, representing an increase of 2.3 per cent over the level at end-March 2009. The increase during the review month was attributed largely to the 4.4 per cent rise in FGN Bonds.

Aggressive mop–up of excess liquidity remained suspended as activities were geared towards injecting funds into the banking system. There was no purchase of government securities through the two-way quote platform due to the unattractive offer rates quoted at the trading sessions. In order to boost tradable maturities at the secondary market and deepen activities among money market dealers, four (4) direct auctions were conducted in April 2009. NTBs worth =N=125.80 billion were offered at the auctions and total public subscription was =N=128.15 billion. The sum of =N=95.15 billion was allotted at the secondary market auctions at tenors of 133- and 189-day, while the issue rates ranged from 2.75 to 5.199 per cent.

Figure 4: Treasury Bills Holdings (N' Billion)



	Apr.08	Aug.08	Sept08	Oct08	Nov.08	Dec.08	Jan.09	Feb.09	Mar.09	Apr.09
Banks/D.H	519.7	446.7	400.8	382.7	390.1	352.4	352.4	358.4	352.4	352.4
CBN	3.5	8.0	7.1	7.4	8.9	0.4	0.4	0.4	0.4	0.4
Others	51.7	46.0	64.0	81.8	83.5	119.1	119.1	123.1	119.1	119.1
Total	574.9	500.6	471.9	471.9	482.5	471.9	471.9	481.9	471.9	471.9

At the primary market, Nigerian Treasury Bills of 91- 182- and 364-day tenors totalling =N=101.35 billion were offered, with issue amounts of =N=25.00 billion, =N=46.35 billion and =N=30.00 billion, respectively. Total public subscription for all the auctions was =N=135.24 billion and the sum of =N=101.35 billion was allotted to investors. In the preceding month, total issue and allotment were =N=80.00 billion a piece, while public subscription was =N=99.55 billion. All the auctions were oversubscribed as market players showed strong preference for government securities. In line with the issue programme for the first and second quarters of the year, auctions at the primary market were conducted twice a month.

At the FGN Bonds segment, 3-, 5- and 20- year tenors were reopened and offered to the public in the review month. A total of =N=70.00 billion, made up of =N=35.00 billion 3-year, =N=25.00 billion, 5-year and =N=10.00 billion, 20-year FGN Bonds were offered and allotted at marginal rates of 11.00, 11.85 and 11.50 per cent, respectively, with total subscription of =N=112.68 billion. In March, total subscription for the 3-, 5- and 20 -year reopened FGN Bonds was =N=76.74 billion and =N=50.00 billion was allotted at coupon rates of 10.95, 12.00 and 13.50 per cent, respectively. The preference for longer-tenored securities, whose yields were perceived to be stable and attractive, also buoyed subscription at the auctions. Comparative analysis showed that the coupon rates for 3- and 5- year tenors were lower than what obtained in the preceding month.

2.5 Deposit Money Banks' Activities

Available data indicated that total assets/liabilities of the DMBs amounted to =N=15,578.7 billion, representing an increase of 0.2 per cent over the level in the preceding month but a decline of 2.1 per cent from the level at end-December 2008. The increase in total assets was attributed largely to the 1.8 per cent rise in claims on the private sector. Funds, sourced mainly from the accumulation of capital accounts and time, savings and foreign currency deposits, were used largely to settle demand deposits and extend credit to the private sector.

At =N=9,299.2 billion, credit to the domestic economy rose by 11.9 per cent over the level in the preceding month. The breakdown showed that credit to government and the private sector increased by 0.04 and 4.0 per cent, respectively, over their levels in the preceding month.

Central Bank's credit to the DMBs rose by 25.1 per cent to =N=168.4 billion in the review month, reflecting the growth in loans and advances from the CBN.

Total specified liquid assets of the DMBs was =N=3,119.7 billion, representing 35.7 per cent of their total current liabilities. This represented a 0.1 percentage point above the preceding month's level, and 10.7 per cent above the stipulated minimum ratio of 25.0 per cent for fiscal 2009. The loan-to-deposit ratio stood at 87.4 per cent, as against the 86.6 per cent recorded in the preceding month, and was 6.6 percentage points over the prescribed maximum target of 80.0 per cent for the industry.

2.6 Discount Houses

Total assets/liabilities of the discount houses at =N=387.9 billion at end-April 2009, showed an increase of 3.2 per cent over the level in the preceding month. The rise in assets relative to March 2009, was driven by the 25.6 and 11.1 per cent growth in claims on Federal Government and banks, respectively. The increase in total liabilities was attributed largely to the 22.1 and 7.0 per cent rise in "other amount owing" and borrowings, respectively. Discount houses' investments in Federal Government securities of less than 91 days maturity amounted to =N=24.4 billion, or 7.6 per cent of their total deposit liabilities. Thus, discount houses' investments in Federal Government securities declined by 7.2 per cent from the level in the preceding month.

Total borrowings by discount houses were =N=239.7 billion and their capital and reserves amounted to =N=33.8 billion, resulting in a gearing ratio of 7.1:1, compared with the stipulated maximum target of 50:1 for fiscal 2009.

2.7 Capital Market Developments

Available data indicated improved performance on the Nigerian Stock Exchange (NSE) in April 2009. The volume and value of traded securities rose by 2.0 and 5.5 per cent to 8.0 billion shares and =N=42.4 billion in 121,940 deals, respectively, compared with 7.8 billion shares and =N=40.2 billion in 131,419 deals in March 2009. The banking sub-sector was the most active on the Exchange with a traded volume of 5.7 billion shares valued at =N=31.3 billion in 66,117 deals, whilst the insurance sub-sector was second with traded volume of 819.0 million shares valued at =N=694.3 million exchanged in 9,444 deals. There were no transactions on the Federal Government and industrial loans/preference stocks.

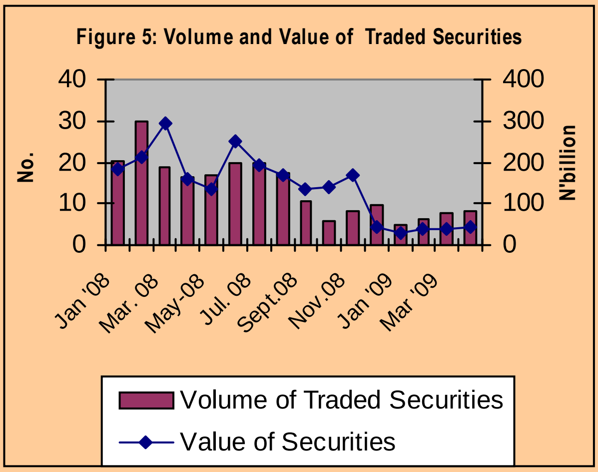
Transactions on the over-the-counter (OTC) bond segment of the market indicated that a turnover of 1.3 billion units worth =N=1.05 trillion in 6,065 deals was recorded in April 2009, in contrast to a total of 1.0 billion units valued at =N=1.1 trillion exchanged during the preceding month in 6,065 deals.

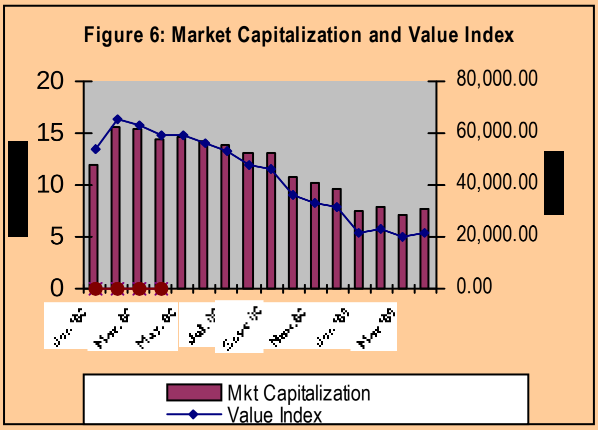
The most active bond measured by turnover volume was the 6th FGN Bond 2012 Series 1 with traded volume of 118.0 million units valued at =N=118.6 billion in 1,016 deals. Thirty-Two (32) of the available forty (40) FGN Bonds were traded during the month, compared with thirty-three (33) in the preceding month. In the first four months of the year, total transactions on FGN Bonds through the OTC was 5.5 billion units valued at =N=5.6 trillion in 36,126 deals.

In the new issues market, there were four (4) supplementary listings during the month, compared with three (3) in the preceding month.

The All-Share Index (ASI) rose by 8.3 per cent to close at 21,491.11 (1984 = 100), compared with 19,851.89 in March 2009. When compared with the opening value of 31,450.78 on December 31, 2008, the year-to-date fall in the NSE ASI stood at 31.7 per cent. Similarly, the NSE-30 Index rose by 14.8 per cent to close at 726.54. The NSE Food/Beverage Index rose by 19.3 per cent to close at 480.36. Also, the NSE Banking Index rose by 12.0 per cent to 357.48, while the NSE Oil/Gas Index rose by 5.3 per cent to close at 327.73. The NSE Insurance Index, however, fell by 11.2 per cent to 357.17.

The market capitalization of the 303 listed securities stood at =N=7.6 trillion, representing an increase of 6.1 per cent over the =N=7.1 trillion recorded in March 2009. The development was attributed to the price gains recorded by some highly capitalized stocks. The 215 listed equities accounted for =N=4.9 trillion or 64.6 per cent of the total market capitalization, up from =N=4.5 trillion or 62.6 per cent in March.





3.0 DOMESTIC ECONOMIC CONDITIONS

The major agricultural activities during the month of April 2009 included the commencement of early cropping as well as clearing of surroundings and disinfecting broiler houses in line with the requirements of poultry management. Crude oil production was estimated at 1.71 million barrels per day (mbd) or 51.30 million barrels during the month. The end-period inflation rate for April 2009 on a year-on-year basis, was 13.3 per cent, compared with 14.4 per cent recorded in the preceding month. The inflation rate on a 12-month moving average basis was 13.5 per cent, compared with 13.1 per cent recorded in March 2009.

3.1 Agricultural Sector

The central and southern parts of Nigeria experienced moderate to heavy rains which enabled farmers to commence early cropping. In the livestock sub-sector, poultry farmers began clearing their surroundings and disinfecting broiler houses in line with the requirements of poultry management to minimize the incidence of diseases associated with the wet season.

A total of =N=301.8 million was guaranteed to 1,898 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in April 2009. This represented an increase of 48.6 and 77.9 per cent over the levels in the preceding month and the corresponding period of 2008, respectively. A sub-sectoral analysis of the loans guaranteed indicated that the food crops sub-sector had the largest share of =N=111.9 million or 37.1 per cent guaranteed to 1,557 beneficiaries, while the livestock sub-sector received =N=110.7 million or 36.7 per cent guaranteed to 193 beneficiaries.

Also, ninety (90) beneficiaries in the fisheries sub-sector received =N=61.3 million or 20.3 per cent and eighteen (18) beneficiaries in the cash crops sub-sector received =N=7.5 million or 2.5 per cent. A sum of =N=10.5 million or 3.5 per cent was guaranteed to 40 beneficiaries in the "others" sub-sector. Analysis by state showed that twenty (20) states benefited from the scheme, with the highest and lowest loans of =N=58.1 million (19.2 per cent) and =N=1.0 million (0.3 per cent) guaranteed to Kebbi and Ebonyi states, respectively.

Retail price survey of most staples indicated increase in prices in March 2009. Over their levels in the preceding month, all the commodities monitored recorded price increases ranging from 1.1 per cent for local rice to 20.0 per cent for white garri. Relative to the level in the corresponding period of 2008, price increases ranged from 13.5 per cent for eggs to 104.8 per cent for white garri. The development reflected the subsisting food situation in the country.

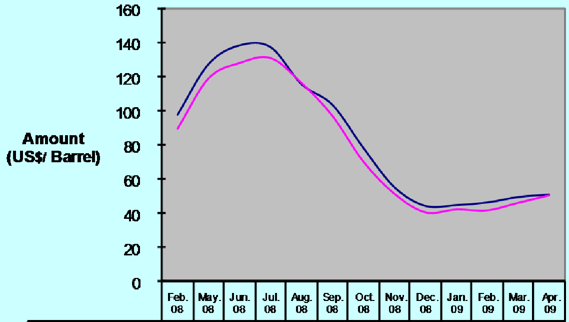
Provisional data as at January 2009 indicated that the prices of most Nigeria's major agricultural commodities at the London Commodities Market remained stable. At 313.8 (1990=100), the All-Commodities price index, in dollar terms, remained unchanged when compared with the level in the preceding month. Further analysis indicated that the price of all the six commodities monitored, also, remained unchanged. Relative to the levels in the corresponding period of 2008, however, all the commodities recorded price decline ranging from 0.3 per cent for cocoa to 7.7 per cent for soya bean.

Similarly, at 3,919.7 (1990=100), the All-Commodities price, in naira terms, showed the same trend as in dollar terms. Relative to their levels in the corresponding month in 2008, all the commodities, however, recorded price increases ranging from 0.3 per cent for cocoa to 6.9 per cent for soya bean.

3.2 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 1.71 million barrels per day (mbd) or 51.30 million barrels for the month, compared with 1.78 mbd or 55.18 million barrels in the preceding month. Crude oil export was estimated at 1.26 mbd or 37.80 million barrels in April 2009, compared with 1.33 mbd or 39.90 million barrels in the preceding month. Deliveries to the refineries for domestic consumption stood at 0.445 mbd or 13.35 million barrels for the month. The development was due to the continued disruption in oil production in the Niger Delta region as a result of militant activities.

Figure 7: Trends in Crude Oil Price

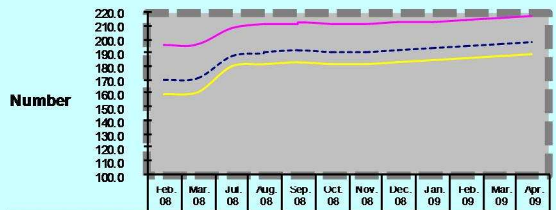


	Feb. 08	May. 08	Jun. 08	Jul. 08	Aug. 08	Sep. 08	Oct 08	Nov. 08	Dec. 08	Jan. 09	Feb. 09	Mar. 09	Apr. 09
Bonny Light	98.2	128.0	139.0	138.0	116.2	104	78.6	55.5	44.46	44.95	46.52	49.7	51.16
Opec Basket	89.4	119.0	128.0	131.0	116.3	96.9	70	51.1	40.19	41.85	41.34	45.78	50.21

Period

At an estimated average of US$60.02 per barrel, the price of Nigeria's reference crude, the Bonny Light (37º API), increased by 17.3 per cent over the level in the preceding month. The average prices of other competing crude namely, the West Texas Intermediate, the U.K Brent, and the Forcados also rose by 2.4, 8.6 and 6.5 per cent to US$58.33, US$57.83 and US$58.55 per barrel, respectively. The average price of OPEC's basket of eleven crude streams rose by 11.2 per cent to US$50.21 per barrel.

Figure 8: Monthly Consumer Price Indices in Nigeria (2003=100)



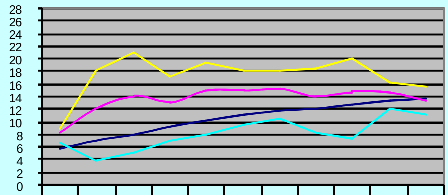
	Feb. 08	Mar. 08	Jul. 08	Aug. 08	Sep. 08	Oct 08	Nov. 08	Dec. 08	Jan. 09	Feb. 09	Mar. 09	Apr. 09
Composite	170.3	171.6	188.1	190.3	192.4	191.2	191.1	192.6	193.6	195.1	196.2	197.4
Urban	195.9	196.3	207.8	211.2	212.1	211.7	211.3	213.2	213.3	215.0	215.8	216.8
Rural	159.2	160.9	179.6	181.3	183.8	182.4	182.4	183.7	185.1	186.5	187.8	189.0

3.3 Consumer Prices

Available data showed that the all-items composite Consumer Price Index (CPI) for April 2009 was 197.4 (May 2003=100), representing an increase of 0.7 per cent over the level in the preceding month. The development was attributed to the increase in the price of some staple food like yam, meat, vegetables and potatoes.

The urban all-items CPI for end-April 2009 was 216.8 (May 2003=100), indicating an increase of 0.5 per cent over the level in the preceding month. The rural all-items CPI for April 2009 at 189.0 (May 2003=100), represented an increase of 0.6 per cent over the level in the preceding month. The end-period inflation rate for April 2009, on a year-on-year basis was 13.3 per cent, compared with 14.4 per cent recorded in the preceding month. The inflation rate on a twelve-month moving average basis for April 2009, was 13.5 per cent, compared with 13.1 per cent in March 2009.

Figure 9: Inlation Rate in Nigeria (Per Cent)



	Feb.08	Jun-08	Jul-08	Sep-08	Oct.08	Nov. 08	Dec. 08	Jan.09	Feb.09	Mar.09	Apr.09
Inlation 12-MMA	5.5	7.0	7.8	9.2	10.1	10.9	11.6	12.0	12.6	13.1	13.5
Inflation Yr-on-Yr	8.0	12.0	14.0	13.0	14.7	14.8	15.1	14.0	14.6	14.4	13.3
Food Inflation	8.7	18.1	20.9	17.1	19.2	18.1	18.0	18.4	20	16.2	15.3
Core Inflation	6.4	3.6	4.8	6.9	7.9	9.3	10.4	8.0	7.2	11.8	10.9

4.0 EXTERNAL SECTOR DEVELOPMENTS

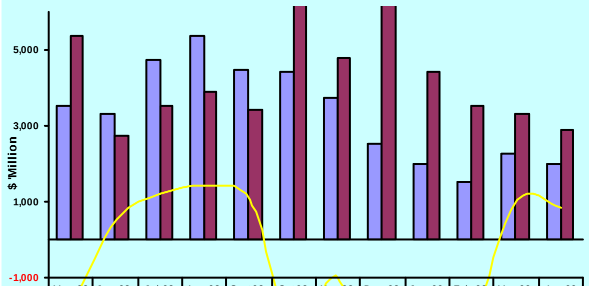
Available data indicated that foreign exchange inflow and outflow through the CBN in April 2009 fell by 9.6 and 12.9 per cent, respectively, from the levels in the preceding month. Similarly, total non-oil export earnings by exporters declined by 17.8 per cent from the level in March 2009. The weighted average exchange rate of the Naira vis-à-vis the US dollar, appreciated by 0.3 per cent to =N=147.23 per dollar at the RDAS.

4.1 Foreign Exchange Flows

Foreign exchange inflow and outflow through the CBN in April 2009 were US$2.02 billion and US$2.88 billion, respectively, representing a net outflow of US$0.86 billion. Relative to the levels of US$2.24 billion and US$3.31 billion in the preceding month, inflow and outflow fell by 9.6 and 12.9 per cent, respectively. The decline in inflow was attributed largely to the 17.7 per cent fall in oil receipts in the review month, while the fall in outflow resulted from the 12.9 per cent decline in foreign exchange utilization.

Available data on aggregate foreign exchange flows through the economy indicated that total inflow was US$5.99 billion, representing a decline of 3.8 and 33.1 per cent from the levels in the preceding month and corresponding period of 2008, respectively. Oil sector receipts, which accounted for 15.4 per cent of the total, stood at US$0.92 billion, compared with US$1.12 billion in the preceding month. Non-oil public sector and autonomous inflows declined by 0.6 and 15.9 per cent and accounted for 18.4 and 66.2 per cent of the total, respectively. At US$2.94 billion, aggregate foreign exchange outflow from the economy declined by 12.9 per cent from the level in the preceding month. The fall in outflow relative to the preceding month was attributed largely to the 12.1 per cent decline in RDAS utilization.

Figure 10: Foreign Exchange Flows Through the CBN ($'Million)



	May-08	Jun.08	Jul.08	Aug.08	Sept.08	Oct.08	Nov.08	Dec.08	Jan.09	Feb.09	Mar.09	Apr.09
Inflow	3548.89	3295.44	4733.55	5346.95	4,474.45	4,395.76	3,761.34	2,506.37	2,015.49	1,503.19	2240.66	2024.58
Outflow	5354.14	2752.97	3523.06	3908.49	3,438.72	7,009.55	4,774.68	7,150.20	4,397.69	3,531.09	3308.19	2881.18
Netflow	-1805.3	542.47	1210.49	1438.46	1,035.73	-2,613.79	-1,013.34	-4,643.83	-2,382.20	-2,027.90	1067.53	856.6

Months

4.2 Non-Oil Export Earnings by Exporters

Total non-oil export earnings received by banks declined by 17.8 per cent from the level in the preceding month to US$106.6 million. The development was attributed largely to the decline in the prices of the goods traded at the international market. A breakdown of the proceeds in April 2009 showed that proceeds of industrial, food products, manufactured products, agricultural, and minerals stood at US$29.69 million, US$4.52 million, US$14.28 million, US$48.63 million and US$9.49 million, respectively.

The shares of industrial, food products, manufactured products, agricultural, and minerals sub-sectors in non-oil export proceeds were 27.9, 4.2, 13.4, 45.6 and 8.9 per cent, respectively, in the review month.

4.3 Sectoral Utilisation of Foreign Exchange

The invisibles accounted for the bulk (33.9 per cent) of total foreign exchange disbursed in April 2009, followed by industrial sector (23.6 per cent). Other beneficiary sectors, in a descending order included: manufactures (18.6 per cent), food (10.2 per cent), oil & minerals (8.3 per cent), transport (4.7 per cent), and agricultural products (0.7 per cent) (Fig.11).

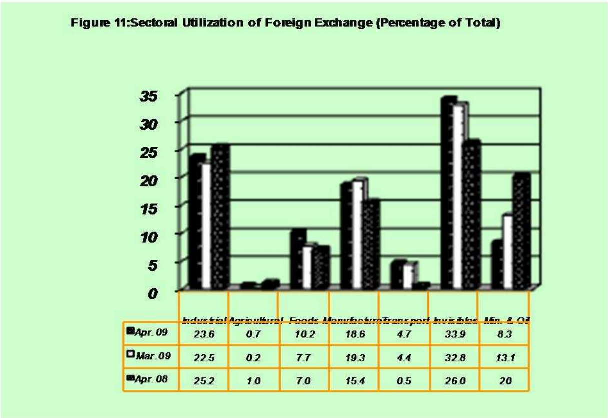


Figure 11:Sectoral Utilization of Foreign Exchange (Percentage of Total)

4.4 Foreign Exchange Market Developments

Aggregate demand for foreign exchange by authorized dealers under the Retail Dutch Auction System (RDAS) was US$3.65 billion in April 2009, a decline of 26.3 per cent from the level in the preceding month. Consequently, a total of US$2.62 billion foreign exchange was sold by the CBN to authorized dealers during the review month. Under the RDAS, the weighted average exchange rate of the Naira vis-à-vis the US dollar appreciated by 0.3 per cent to =N=147.23 per dollar.

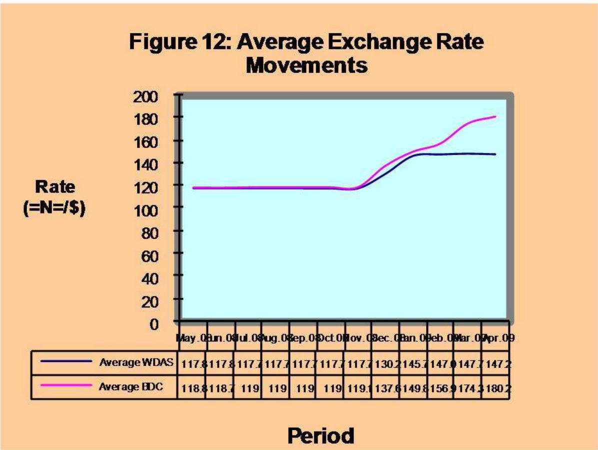


Figure 12: Average Exchange Rate Movements

In the bureau-de-change segment of the market, the average exchange rate, however, depreciated by 3.3 per cent to =N=180.27 per dollar. Consequently, the premium between the official and bureau-de-change rates widened from 18.0 per cent in the preceding month to 22.4 per cent.

5.0 OTHER INTERNATIONAL ECONOMIC DEVELOPMENTS

World crude oil output in the month of April 2009 was estimated at 83.15 million barrels per day (mbd), while demand was estimated at 83.14 mbd, representing an excess supply of 0.01 mbd, compared with 83.39 and 84.55 mbd supplied and demanded, respectively, in the preceding month.

Other major international economic developments of relevance to the domestic economy during the month included: the meeting of the Leaders of the Group of Twenty (G-20) in London on April 2, 2009 to discuss the global economy issues and challenges.

The major highlights of the meeting were as follows:

- ♦ The G-20 agreed to treble resources available to the IMF, support a new SDR allocation of $250 billion and at least $100 billion additional lending by the Multilateral Development Banks (MDBs). They also agreed to provide $250 billion to support trade finance and use the additional resources from agreed IMF gold sales for concessional finance for the poorest countries.

- ♦ They pledged to take action to build a stronger, more globally consistent, supervisory and regulatory framework for the future financial sector, which will support sustainable global growth and serve the needs of business and citizens.

- ♦ They agreed to establish a new Financial Stability Board (FSB) with a strengthened mandate, as a successor to the Financial Stability Forum (FSF), including all G20 countries, FSF members, Spain, and the European Commission. The FSB is to collaborate with the IMF to provide early warning of macroeconomic and financial risks and the actions needed to address them.

♦ The Group reaffirmed the commitment made in Washington: to refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing World Trade Organisation (WTO) inconsistent measures to stimulate exports.

♦ Members reaffirmed their commitment to meeting the Millennium Development Goals and to achieving their respective ODA pledges, including commitments on Aid for Trade, debt relief, and the Gleneagles commitments, especially to sub-Saharan Africa.

In another development, the Ordinary Meeting of the Bureau of the Association of African Central Banks (AACB) was held in Addis Ababa, Ethiopia on April 9, 2009. The major decisions taken at the meeting were as follows:

- ♦ The Bureau decided that a consultant be engaged by the African Union Commission (AUC) to carry out a study on Strategy for the Establishment of the African Central Bank (ACB);
- ♦ That the study on the Strategy for the establishment of the ACB should be combined with that on convergence criteria and harmonization of economic policies;
- ♦ The Bureau agreed to recommend to the Assembly of Governors the need to encourage the Bank of Eritrea to assent to the Statutes of the AACB and subsequently contribute to the budget of the AACB, while the Banque Centrale de Djibouti should pay its arrears from 2006;
- ♦ They agreed that an Investment Committee be set-up with members drawn from the Bureau.

In a related development, the second meeting of the Joint Committee of the African Union Commission and the Association of African Central Banks (AACB) was held in Addis Ababa, Ethiopia on April 9, 2009.

The meeting considered the new approach suggested by the African Union Commission (AUC) which entailed setting up a steering committee to oversee preparations for the establishment of the African Central Bank (ACB). The two parties agreed as follows:

♦ That macroeconomic convergence was a prerequisite for the introduction of a common currency and the establishment of the ACB;

♦ Set up a Steering Committee which would, in the meantime, carry out other responsibilities while awaiting the report of the study on the joint strategy;

♦ Release the necessary funds to finance the study through the resources promised by the Central Bank of Nigeria (US$200,000), Central Bank of Libya, provisions in the budget of the AUC (US$200,000), and the AACB.

The two parties reaffirmed their willingness to continue to cooperate for the purpose of achieving the African Union's objective of monetary integration in the Continent through the establishment of a common central bank.

The 2009 Spring Meetings of the Board of Governors of the World Bank Group and the International Monetary Fund (IMF) took place in Washington, D. C, USA from April 25-26, 2009. These meetings were preceded by bilateral meetings. The major highlights of the meetings were as follows:

Inter-governmental Group of Twenty Four (G-24):

♦ The G-24 Ministers stressed that the global financial and economic crises that originated in matured markets was continuing to have a disproportionate effect on developing countries through various channels, including falling prices of primary commodities, sharp contracting exports, declining remittances, negative net private capital flows, and credit crunch.

♦ Ministers strongly supported the call for early implementation of a new general SDR allocation of at least $250 billion to meet global needs and boost members' reserves through unconditional resources.

♦ They welcomed the decision to double access limits on concessional lending by the IMF to low-income countries (LICs), and to adjust Poverty Reduction Growth Facility (PRGF) access norms accordingly.

♦ They welcomed the proposal to use resources from the agreed sale of gold, consistent with the new income model, to provide additional concessional financing for the poorest countries in response to the crisis.

♦ Ministers reiterated their call on the IMF to strengthen its surveillance function through greater evenhandedness and more effective surveillance of systemically important advanced countries, international capital flows, and financial markets.

- They called for the prompt ratification of the April 2008 IMF reform package. Ministers strongly supported a substantial increase and realignment of quotas in the IMF to be completed not later than January 2011, including a comprehensive reform of the quota formula to address the existing bias against developing countries.

International Monetary and Financial Committee (IMFC)

- The Committee restated its resolve to work collaboratively to restore international financial stability and global growth. It underlined the central role of the IMF and welcomed the vigorous actions taken to support countries as responses to the crises.
- It called on the IMF to continue to act promptly to make available, under adequate safeguards and substantial resources to member countries with external financing needs.
- The Committee welcomed the overhaul of the IMF's lending and conditionality framework, including the new Flexible Credit Line (FCL) and High Access Precautionary Arrangements (HAPAs).
- The Committee stressed the need for efforts by both the Fund and members to enhance the effectiveness of surveillance. It noted that paying particular attention to sources of systemic risks will be essential to help prevent future crises.
- The Committee noted that early action by national authorities to operationalize the April 2008 agreements on quota, voice reform and the Fund's new income model was crucial. The upcoming review of quotas is expected to result in increases in the shares of dynamic economies, particularly for emerging markets and developing countries as a whole.

Development Committee

- The Committee noted that the global economy had deteriorated dramatically since its last meeting. Developing countries faced serious consequences, as the financial and economic crises turns into a human and development challenges. Hard-earned progress towards the Millennium Development Goals (MDGs) was in jeopardy.
- It therefore welcomed the World Bank Group's efforts to ensure a timely crisis response while maintaining its focus on long-term development challenges, including those posed by climate change and the need to accelerate progress towards the MDGs.

Also, in April, 2009, the Executive Board of the International Monetary Fund (IMF) agreed to double the borrowing limits of the poorest countries under the PRGF and Exogenous Shocks Facility (ESF) arrangements to help low-income countries severely affected by the global economic downturn.

The Board opened discussions on options for raising additional resources for concessional lending to allow the Fund to scale up its capacity to assist Low-Income Countries (LICs) over the medium-term.

Lastly, the Global Monitoring Report (GMR) 2009, a development emergency report released by the International Monetary Fund (IMF) and the World Bank on April 24, 2009 warned that the global financial crisis has constrained the attainment of the 2015 Millennium Development Goals (MDGs) and created an emergency for development. The Report was pessimistic on the attainment of most of the eight globally agreed goals, including those related to hunger, child and maternal mortality, education, and progress in combating HIV/AIDS, malaria and other major diseases.

TABLE 1

MONETARY AND CREDIT DEVELOPMENTS

(=N=Million)

		April 2009	March 2009	February 2009	DECEMBER 2008	CHANGE BETWEEN (1&5)		CHANGE BETWEEN (1&3)		CHANGE BETWEEN (3&5)		CHANGE BETWEEN (3&4)	
		(1)	(3)	(4)	(5)	ABSOLUTE	PER CENT	ABSOLUTE	PER CENT	ABSOLUTE	PER CENT	ABSOLUTE	PER CENT
1	Domestic Credit	5,273,397.80	4,820,837.50	4,493,177.50	4,951,860.30	321,537.5	6.49	452,560.3	9.39	-131,022.8	-2.65	327,660.0	7.29
				-		0.0				0.0			
(a)	Claims on Federal Government (Net)	(3,106,511.20)	(3,405,605.00)	(3,974,800.60)	(3,107,688.60)	1,177.4	0.04	299,093.8	8.78	-297,916.4	-9.59	569,195.6	14.32
	By Central Bank (Net)	(4,350,533.70)	(4,658,177.00)	(5,040,270.00)	(4,532,113.60)	181,579.9	4.01	307,643.3	6.60	-126,063.4	-2.78	382,093.0	7.58
	By Banks (Net)	1,244,022.50	1,252,572.00	1,065,469.40	1,424,425.00	-180,402.5	-12.66	-8,549.5	-0.68	-171,853.0	-12.06	187,102.6	17.56
				-		0.0				0.0			
				-		0.0				0.0			
(b)	Claims on Private Sector	8,379,909.00	8,226,442.50	8,207,726.50	8,059,548.90	320,360.1	3.97	153,466.5	1.87	166,893.6	2.07	18,716.0	0.23
	By Central Bank	324,755.90	313,611.60	340,924.20	260,148.80	64,607.1	24.83	11,144.3	3.55	53,462.8	20.55	-27,312.6	-8.01
	By Banks	8,055,153.10	7,912,830.90	7,866,802.30	7,799,400.10	255,753.0	3.28	142,322.2	1.80	113,430.8	1.45	46,028.6	0.59
				-		0.0							
				-		0.0							
(i)	Claims on State and Local Governments	213,670.00	210,869.00	260,251.60	149,765.10	63,904.9	42.67	2,801.0	1.33	61,103.9	40.80	-49,382.6	-18.97
	By Central Bank	-	0.0	-		0.0				0.0			
	By Banks	213,670.00	210,869.00	260,251.60	149,765.10	63,904.9	42.67	2,801.0	1.33	61,103.9	40.80	-49,382.6	-18.97
				-									
				-									
(ii)	Claims on Non-Financial Public Enterprises		-	-	-								
	By Central Bank	-		-	-								
	By Banks	-		-									
				-									
(iii)	Claims on Other Private Sector	8,166,239.00	8,015,572.80	8,467,978.10	7,909,783.80	256,455.2	3.24	150,666.2	1.88	105,789.0	1.34	-452,405.3	-5.34
	By Central Bank	324,755.90	313,611.60	340,924.20	260,148.80	64,607.1	24.83	11,144.3	3.55	53,462.8	20.55	-27,312.6	-8.01
	By Banks	7,841,483.10	7,701,961.20	8,127,053.90	7,649,635.00	191,848.1	2.51	139,521.9	1.81	52,326.2	0.68	-425,092.7	-5.23
				-		0.0							
				-		0.0							
2	Foreign Assets (Net)	7,963,791.80	8,105,332.20	8,421,238.60	8,550,430.30	-586,638.5	-6.86	-141,540.4	-1.75	-445,098.1	-5.21	-315,906.4	-3.75
	By Central Bank	6,906,527.40	6,961,170.10	7,128,814.00	7,270,807.40	-364,280.0	-5.01	-54,642.7	-0.78	-309,637.3	-4.26	-167,643.9	-2.35
	By Banks	1,057,264.40	1,144,162.10	1,292,424.60	1,279,622.90	-222,358.5	-17.38	-86,897.7	-7.59	-135,460.8	-10.59	-148,262.5	-11.47
				-		0.0							
				-		0.0							
3	Other Assets (Net)	(4,236,181.50)	(3,928,352.40)	(3,826,449.10)	(4,335,455.30)	99,273.8	2.29	-307,829.1	-7.84	407,102.9	9.39	-101,903.3	-2.66
				-		0.0				0.0			
	Total Monetary Assets (M_2)	9,001,008.10	8,997,817.30	9,087,967.00	9,166,835.30	-165,827.2	-1.81	3,190.8	0.04	-169,018.0	-1.84	-90,149.7	-0.99
				-		0.0							
	Quasi - Money 1/	4,431,343.50	4,331,102.30	4,428,959.20	4,309,523.10	121,820.4	2.83	100,241.2	2.31	21,579.2	0.50	-97,856.9	-2.21
				-		0.0							
				-		0.0							
	Money Supply (M_1)	4,569,664.60	4,666,715.00	4,659,007.80	4,857,312.20	-287,647.6	-5.92	-97,050.4	-2.08	-190,597.2	-3.92	7,707.2	0.17
	Currency Outside Banks	823,772.50	804,073.30	814,931.30	892,675.60	-68,903.1	-7.72	19,699.2	2.45	-88,602.3	-9.93	-10,858.0	-1.33
	Demand Deposits 2/	3,745,892.00	3,862,641.70	3,844,076.50	3,964,636.60	-218,744.6	-5.52	-116,749.7	-3.02	-101,994.9	-2.57	18,565.2	0.48
				-									
				-									
	Total Monetary Liabilities	9,001,008.10	8,997,817.30	9,087,967.00	9,166,835.30	-165,827.2	-1.81	3,190.8	0.04	-169,018.0	-1.84	-90,149.7	-0.99

Notes: - - -

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

2/ Demand Deposits consists of State, Local Government and Parastatals Deposits at the CBN; State, Local Government and Private Sector Deposits as well as Demand Deposits of Non-Financial Public Enterprises at Deposit Money Banks.

3/ Provisional.