CENTRAL BANK OF NIGERIA

ECONOMIC REPORT FOURTH QUARTER 2012

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

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1.0 Summary

Available data from the National Bureau of Statistics (NBS) showed that estimated gross domestic product (GDP) grew by 7.1 per cent, compared with 6.9 per cent in the preceding quarter. The development was attributed, largely, to the increase in the contribution of the non-oil sectors, particularly the industrial sector.

Broad money supply, (M_2), grew by 7.6 per cent at end-December 2012 relative to the level at end-September 2012. The development reflected the 4.4 and 10.1 per cent rise in domestic credit (net) and foreign assets (net) of the banking system, respectively. Over the level at end of the fourth quarter of 2011, M_2 grew by 13.7 per cent. Narrow money supply, (M_1), also grew by 10.6 per cent, in contrast to the decline of 3.2 per cent at the end of the preceding quarter. Reserve money (RM) rose by 13.3 per cent to ₦3,532.1, from ₦3,117.1 at the end of the preceding quarter.

Available data indicated an upward trend in banks' deposit and lending rates. The spread between the weighted average term deposit and maximum lending rates widened to 17.38 percentage points from 16.65 in the preceding quarter. The margin between the average savings deposit and maximum lending rates also widened from 22.17 percentage points in the preceding quarter to 23.28 at the end of the review quarter. The weighted average interbank call rate, which stood at 15.50 per cent in the preceding quarter, fell to 11.72 per cent, reflecting the liquidity condition in the interbank funds market.

Provisional data indicated that the value of money market assets outstanding increased by 3.06 per cent above the level in the preceding quarter to ₦6,214.04 billion. The development was attributed to the 5.2 per cent increase in FGN Bonds outstanding. Activities on the Nigerian Stock Exchange (NSE) in the fourth quarter 2012 were mixed.

Total federally-collected revenue in the fourth quarter of 2012 stood at ₦2,413.59 billion, representing a decline of 0.4 and 13.3 per cent below the budget estimate and the level in the preceding quarter, respectively, but an increase of 101.1 per cent above the receipts in the corresponding period of 2011. At ₦1,823.60 billion, oil receipts, which constituted 75.6 per cent of the total, exceeded the budget estimate and receipts in the corresponding period of 2011 by 9.91 and 151.2 per cent, respectively, but declined by 5.8 per cent below the receipts in the preceding quarter. The increase in oil receipts relative to the budget estimate was attributed, largely, to the rise in

the receipts from petroleum profit tax, royalties and domestic crude oil and gas sales during the period.

Non-oil receipts, at ₦589.98 billion (24.4 per cent of the total), was below the budget estimate and receipts in the preceding quarter by 22.8 and 30.3 per cent, respectively. The decline in non-oil revenue relative to the preceding quarter's level, reflected largely the fall in corporate tax, Federal Government independent revenue, as well as customs and excise duties during the review period.

Federal Government retained revenue for the fourth quarter of 2012 was ₦821.24 billion, while total expenditure was ₦1,242.05 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦420.81 billion or 3.8 per cent of estimated nominal GDP for fourth quarter 2012, compared with the quarterly budgeted deficit and the preceding quarter's deficit of ₦284.05 billion and ₦489.54 billion, respectively.

Agricultural activities during the review period were dominated by harvesting of cash and root crops. Preparation of land and nurseries for vegetables and pre-planting operations for dry season farming, particularly in the Northern part of the country were also carried out. In the livestock sub-sector, farmers were engaged in fattening and other management activities in anticipation of the end of year sales.

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 2.00 million barrels per day (mbd) or 184.00 million barrels for the quarter. Crude oil export stood at 1.55 mbd or 142.60 million barrels for the quarter, while deliveries to the refineries for domestic consumption remained at 0.45 mbd or 41.40 million barrels. The average price of Nigeria's reference crude, the Bonny Light (37^0 API), estimated at US$112.73 per barrel, rose by 1.5 per cent over the level in the preceding quarter.

The end-period headline inflation rate (year-on-year), for the fourth quarter of 2012, was 12.0 per cent, compared with 11.3 and 10.3 per cent recorded at the end of the preceding quarter and the corresponding quarter of 2011, respectively. Inflation rate on a twelve-month moving average basis was 12.2 per cent, compared with 11.0 and 10.8 per cent in the preceding quarter and the corresponding quarter of 2011, respectively.

Foreign exchange inflow and outflow through the Central Bank of Nigeria (CBN) amounted to US$11.17 billion and US$7.82 billion, respectively, resulting in a net inflow of US$3.40 billion during the quarter. Foreign exchange sales by the CBN to the authorized dealers amounted to US$4.27 billion in the fourth quarter of 2012, *compared with US$6.68 billion in the preceding quarter.*

The average exchange rate of the Naira vis-à-vis the US dollar appreciated by 0.04 per cent to N157.32 per US dollar. It, however, depreciated by 1.0 per cent relative to the level in the corresponding quarter of 2011. In the bureau-de-change segment of the market, the naira traded at an average of ₦159.19 per US dollar, compared with ₦161.79 per US dollar in the preceding quarter. In the interbank segment, the Naira exchanged for an average of ₦157.38 to the US dollar in the fourth quarter of 2012, compared with ₦159.36 and ₦160.27 per US dollar in the preceding quarter and the corresponding quarter of 2011, respectively. Provisional data on Non-oil export earnings by Nigerian exporters, at US$987.10 million, rose by 72.9 and 65.6 per cent above the levels in the preceding quarter and the corresponding quarter of 2011, respectively.

Global output was projected to have grown by 3.2 per cent during the review period, as growth remained substantially subdued by contraction in the Eurozone and Japanese economies as well as weaker than expected growth in the large emerging countries of Brazil and India. European Central Bank (ECB) staff projection as indicated in the December 2012 monthly Bulletin, showed further weakness in the economic activity in the fourth quarter of the year albeit with insignificant gains in the equity market (aside from the oil and gas and telecommunications sectors).

The OPEC Reference Basket slipped further in December 2012 to close at US$107.79/b. from the levels in November and October 2012, due largely to slow global demand and fiscal cliff uncertainties in the US. The Brent and Bonny light crude oil prices stood at US$111.11 and US$112.72 per barrel, respectively, on December 31, 2012. Looking ahead, market participants expect lower oil prices over the medium- term, with futures contracts for February 2013 trading at US$112.08 per barrel. The FAO Food Price Index dropped by 1.1 per cent in December 2012 for the third consecutive month.

Global inflation eased towards the end of 2012 from the second quarter's level. The inflation rate moderated from 2.67 per cent in second quarter to 2.64 per cent in the third quarter and was projected to have closed the year at 2.62 per cent. Declining global inflation was attributed to the falling global aggregate demand, owing to the increasing unemployment and recession in the Eurozone.

Other major international economic developments and meetings of relevance to the domestic economy during the quarter included: the 12th meeting of the Special Implementation Committee (SIC) of the Nigeria-South Africa Bi-National Commission (BNC) held in Abuja from November19 - 20, 2012. The objective of the meeting was to further strengthen cooperation and enhance relations between the two countries, as well as to review the implementation of decisions taken at the last meeting.

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

On November 8, 2012, the Executive Board of the International Monetary Fund (IMF) considered the IMF's Work Programme for the next twelve months. The focus of the Work Programme was on key policies that, building on the latest reforms, will secure recovery and lay the foundation for a more robust global financial architecture.

Finally, the G20 Finance Ministers and Central Bank Governors met in Mexico City from November 4 – 5, 2012 to assess progress on the fulfillment of the mandates given to them by their leaders to promote robust growth and job creation and address the ongoing economic and financial challenges.

2.0 Financial Sector Developments

2.1 Monetary and Credit Developments

The growth in the key monetary aggregate was modest at the end of the fourth quarter of 2012. Banks' deposit and lending rates generally increased during the quarter under review. The value of money market assets outstanding increased, due largely, to the rise in FGN Bonds. Transactions on the Nigerian Stock Exchange (NSE) were mixed during the review quarter.

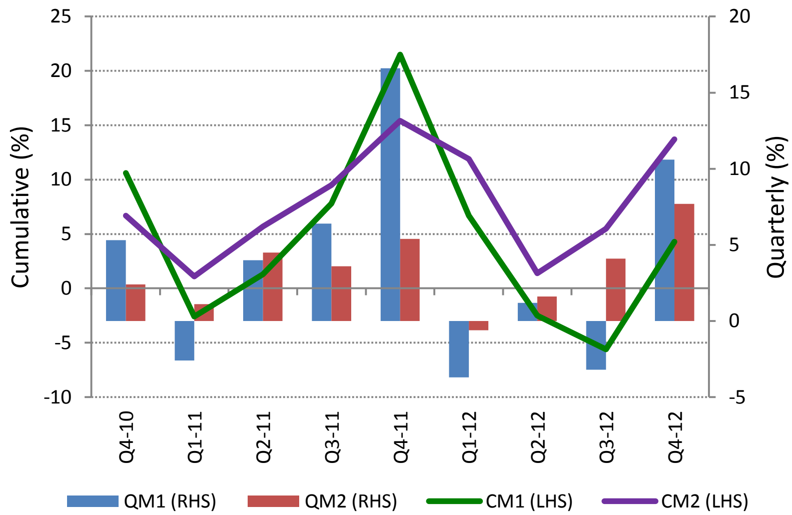
Growth in key monetary aggregate was moderate during Q4 2012.

Provisional data indicated that growth in major monetary aggregate was moderate at the end of the fourth quarter of 2012. Relative to the level at the end of the preceding quarter, broad money supply, (M_2), grew by 7.6 per cent to ₦15,128.7 billion at end-December 2012, compared with the growth of 4.3 and 5.4 per cent at the end of the preceding quarter and the corresponding period of 2011, respectively. The development relative to preceding quarter reflected the 4.4 and 10.1 per cent growth in domestic credit (net) and foreign assets (net), of the banking system, respectively. Over the level at end-December 2011, M_2 grew by 13.7 per cent, compared with the 5.7 per cent increase at the end of the third quarter of 2012. The development reflected, largely, the 27.5 and 2.0 per cent growth in foreign assets (net) and domestic credit (net) of the banking system, respectively.

Narrow money supply, (M_1), at ₦7,065.8 billion, rose by 10.6 per cent at the end of the fourth quarter, in contrast to a decline of 3.2 per cent at the end of the preceding quarter. The development reflected the 8.3 and 21.6 per cent rise in its demand deposit and currency outside bank components, respectively. Relative to the level at end-December 2011, (M_1) rose by 4.3 per cent, reflecting, the same reasons above.

Quasi money, at ₦8,062.9 billion, rose by 5.1 per cent, compared with an increase of 11.5 per cent at the end of the preceding quarter. Over the level at the end of fourth quarter of 2011, Quasi money also fell by 1.3 per cent (Fig. 1, Table 1).

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



At ₦13,957.43 billion, aggregate banking system credit (net) to the domestic economy, rose by 4.4 per cent at the end of the fourth quarter of 2012, compared with the growth of 0.4 and 37.4 per cent at the end of the preceding quarter and the corresponding quarter of 2011, respectively. The development relative to the preceding quarter's level, reflected, largely, the 15.1 and 2.3 per cent increase in claims on the Federal Government and private sector respectively. Over the level at end-December 2011, aggregate banking system credit (net) to the domestic economy rose by 2.0 per cent, reflecting largely the 7.8 per cent increase in claims on the private sector.

Banking system credit to the federal government rose at the end of the fourth quarter of 2012.

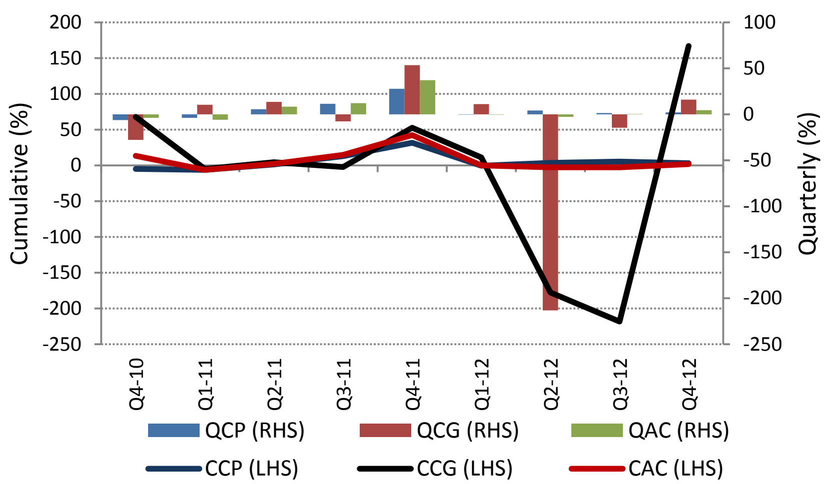
Banking system's credit (net) to the Federal Government, at the end of the review quarter rose by 15.1 per cent to ₦1,327.9 billion, in contrast to a decline of 13.3 per cent in the preceding quarter. The development was accounted for, largely, by the 35.3 per cent increase in banking system's holdings of Federal Government securities, particularly FGN Bonds and Treasury Bills. Over the level at end-December

[1] QM1 and QM2 represent quarter-on-quarter changes, while CM1 and CM2 represent cumulative changes (year-to-date).

2011, aggregate banking system's credit (net) to the Federal Government declined significantly by 167.2 per cent, reflecting largely the fall in claims on the Federal Government by banks. The Federal Government, however, remained a net lender to the banking system at the end of the review quarter.

At the end of fourth quarter 2012, banking system's credit to the private sector rose by 2.3 per cent to ₦15,285.3 billion, compared with the increase of 1.6 and 27.7 per cent at the end of the preceding quarter and the corresponding period of 2011, respectively. The development, relative to the preceding quarter was attributed, wholly, to the 2.0 per cent increase in claims on the core private sector. Over the level at the end of the fourth quarter of 2011, banking system's credit to the Private Sector grew by 7.8 per cent, reflecting the 6.9 per cent increase in credit to the core private sector (Fig. 2, Table 1).

Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy[2]



At ₦9,098.74 billion, foreign assets (net) of the banking system increased by 10.1 per cent at the end of the review quarter, compared with the increase of 9.9 per cent at the end of the preceding quarter. The development was attributed, largely,

[2] QCP, QCG and QAC represent quarter-on-quarter 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).

Foreign assets (net) of the banking system increased at the end of the quarter under review.

to the 16.6 per cent increase in CBN's holdings of foreign assets which more than offset the 12.2 per cent decline in DMBs' holdings of foreign assets during the review period. Over the level at the end of the fourth quarter of 2011, foreign asset (net) of the banking system rose by 27.5 per cent due to the 27.5 and 25.5 per cent increase in monetary authorities' and DMBs' holdings of foreign assets during the review period.

At the end of the review quarter, other assets (net) of the banking system rose by 4.7 per cent to negative ₦7,927.5 billion, in contrast to a decline of 3.0 and 87.4 per cent at the end of the preceding quarter and the corresponding period of 2011 respectively. The increase, relative to the preceding quarter reflected, largely, the rise in unclassified assets of the CBN. Over the level at the end of the fourth quarter of 2011, other assets (net) of the banking system rose by 5.4 per cent, reflecting the rise in unclassified assets of the CBN during the review period.

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

	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12
Domestic Credit (Net)	8.5	12.1	37.4	0.2	-2.7	0.4	4.4
Claims on Federal Government (Net)	13.7	-7.5	-56.7	9.9	-213.2	-13.3	15.1
Claims on Private Sector	5.6	11.6	27.7	-0.1	4.1	1.6	2.3
Claims on Other Private Sector	5.6	12.3	27.6	-0.3	3.9	1.6	2.0
Foreign Assets (Net)	-7.6	3.4	7.0	2.3	3.0	9.9	10.1
Other Assets (Net)	-10.1	26.6	-87.4	-3.0	4.7	-3.0	4.7
Broad Money Supply (M2)	4.5	3.6	5.4	-0.2	1.6	4.3	7.6
Quasi-Money	4.9	1.2	-1.3	3.3	2.0	11.5	5.1
Narrow Money Supply (M1)	4.0	6.4	12.8	-3.7	1.2	-3.2	10.6
Memorandum Items:							
Reserve Money (RM)	21.1	-7.6	45.9	-9.2	-0.6	24.1	13.3

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

At ₦1,631.71 billion, currency in circulation rose by 21.0 per cent at the end of the fourth quarter of 2012, in contrast to a decline of 1.1 per cent at the end of the preceding quarter. The development was attributed, largely, to the 21.6 per cent rise in currency outside the banking system. Relative to the level at end-December 2011, currency in circulation rose by 4.2 per cent.

Total deposits at the CBN amounted to ₦7,350.36 billion, indicating an increase of 6.9 per cent, compared with 6.2 per cent at the end of the preceding quarter. The development reflected the 7.5, 14.6 and 5.7 per cent increase in the deposits of DMBs, private sector and Federal Government, respectively. Of the total deposits, the shares of the Federal Government, banks and ''others'' were ₦4,758.36 billion (64.7 per cent), ₦1,900.39 billion (25.9 per cent) and ₦691.61 billion (9.4 per cent), respectively.

Consistent with the trends in DMBs' deposits with the CBN, reserve money (RM), increased by 13.3 per cent to ₦3,532.1 billion, from ₦3,117.1 billion at the end of the preceding quarter.

Reserve money (RM) increased at the end of the fourth quarter of 2012.

2.3 Money Market Developments

Monetary Policy remained largely restrictive in the fourth quarter of 2012 in line with the monetary tightening stance of the authority. The monetary policy rate, Cash Reserve Ratio (CRR) and liquidity ratio were maintained at their previous levels of 12.0, 12.0 and 30.0 per cent, in the review quarter. Similarly, the Net Open Position (NOP) was also retained at 1.0 per cent, while money market indicators, particularly short tenored instruments were relatively stable during the review period. The Bank's discount window also remained open to authorized dealers to access both the standing deposit facility (SDF) and standing lending facility (SLF).

Provisional data indicated that the value of money market assets outstanding for the fourth quarter of 2012 stood at ₦6,214.04 billion, showing an increase of 3.1 per cent, compared with 3.6 per cent recorded at the end of the third quarter of 2012. The development was attributed to the 5.2 per cent increase in FGN Bonds outstanding.

2.3.1 Interest Rate Developments

Available data indicated an upward trend in banks' deposit and lending rates during the fourth quarter of 2012. The average savings deposit rate rose from 1.79 per cent in the third quarter to 1.81 per cent in the fourth quarter. Similarly, all other rates on deposits of various maturities rose from a range of 1.79 – 7.97 perc ent in the third quarter of 2012 to 1.81 – 8.12

All deposit and lending rates of various maturities trended upwards in Q4 2012.

The spread between the weighted - average term deposit and maximum lending rates widened.

per cent. At 7.71 per cent, the average term deposit rate increased by 0.40 percentage point above the level in the preceding quarter. The prime and maximum lending rates also rose by 0.79 and 1.13 percentage points to 17.41 and 25.09 per cent in the fourth quarter. Consequently, the spread between the weighted average term deposit and maximum lending rates widened, by 0.73 percentage point to 17.38 per cent from 16.65 per cent in the preceding quarter. The margin between the average savings deposit and the maximum lending rates, also widened, from 22.17 percentage points in the preceding quarter to 23.28 percentage points. With headline inflation rate of 12.0 per cent at end-December 2012, all rates, with the exception of lending rates, were negative in real terms.

Interbank and Money Market rates trended upwards in Q4 2012.

At the interbank call segment, the weighted average inter-bank call rate, which stood at 15.50 per cent at end of the third quarter, fell by 3.78 percentage points to 11.72 per cent in the fourth quarter of 2012, reflecting the liquidity condition in the inter-bank funds market. The weighted average rate at the Open Buy Back (OBB) segment fell to 11.56 per cent at the end of the review quarter from 14.49 per cent in the preceding quarter. The Nigeria Inter-bank Offered Rate (NIBOR) for the 7- and 30-day tenors also fell to 12.34 and 13.37 per cent, respectively, in the review quarter from 16.06 and 16.75 per cent in the third quarter of 2012 (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

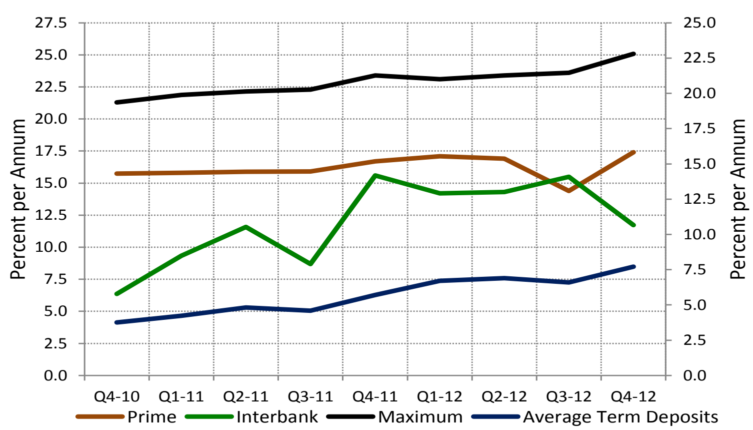


Table 2: Selected Interest Rates (Percent, Averages)

	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
Average Term Deposits	4.4	4.1	4.7	4.6	5.7	6.7	6.9	6.6	7.7
Prime Lending	15.7	15.8	15.8	15.9	16.7	17.1	16.9	14.4	17.4
Interbank	8.2	7.6	10.6	8.7	15.3	14.2	14.3	15.5	11.7
Maximum Lending	21.9	21.9	22.2	22.3	23.4	23.1	23.4	23.6	25.1

2.3.2 *Commercial Paper (CP)*

The value of Commercial Paper (CP) held by DMBs declined by 2.50 per cent to ₦1.17 billion at the end of the fourth quarter of 2012, compared with a decline of 40.0 per cent at the end of the preceding quarter. Thus, CP constituted 0.02 per cent of the total value of money market assets outstanding, same as at the end of the preceding quarter.

Investment in CP by DMBs declined in the fourth quarter of 2012.

2.3.3 *Bankers' Acceptances (BAs)*

The value of BAs held by DMBs fell by 42.2 per cent to ₦9.9 billion at the end of the review quarter, compared with a decline of 19.1 per cent at the end of the third quarter. The development reflected the decline in investments in BAs by deposit money banks and discount houses. Consequently, BAs accounted for 0.16 per cent of the total value of money market assets outstanding at the end of the review quarter, compared with 0.28 per cent at the end of the third quarter.

DMBs' holdings of BAs fell during Q4 of 2012.

2.3.4 *Open Market Operations*

Bills of maturities ranging from 41-126 days were used to mop up excess liquidity at the Open Market Operation (OMO). Total sales in the fourth quarter of 2012 amounted to ₦2,472.61 billion, while total subscriptions were ₦3,809.12 billion. The bid rates ranged from 12.20 – 14.75 per cent, while the stop rates ranged from 13.00 – 14.10 per cent. The total sale was 653.3 per cent above the level in the preceding quarter.

2.3.5 *Primary Market*

At the primary market segment, NTBs of 91-, 182- and 364-day tenors, amounting to ₦822.05 billion, ₦2,095.54 billion and ₦822.05 billion, respectively, were offered, subscribed to and allotted in the fourth quarter of 2012, compared with the respective sums of ₦970.81 billion, ₦2,518.62 billion and ₦970.81 billion in the preceding quarter. The bid rates ranged from 10.50 to 26.00 per cent, 10.50 to 23.00 per cent and 11.95

to 23.50 per cent for the 91-, 182- and 364-day tenor, respectively, while the stop rates ranged from 12.00 – 15.0483 per cent, 12.60 – 15.30 per cent and 13.0500 – 15.6000 per cent.

2.3.6 *Bonds Market*

Subscription for FGN Bonds of various maturities was moderated during the fourth quarter of 2012.

FGN Bonds of 5-, 7- and 10-year tranches were re-opened and auctioned during the fourth quarter of 2012. The total amount offered, subscribed to and allotted for the 5-, 7- and 10-year tranches were ₦201.49 billion, ₦409.18 billion, and ₦201.49 billion, respectively. The marginal rates were between 11.80 – 13.75 per cent lower than the rates observed in the preceding quarter. The decrease in the yield during the review period was attributed to the renewed interest in investment by foreign portfolio investors in the Nigerian bond market.

2.3.7 *CBN Standing Facilities*

The total Standing Lending Facility (SLF) granted during the review period was ₦1,196.83 billion, compared with ₦6,537.66 billion in the third quarter of 2012. The decrease in the SLF demanded and granted was attributed mainly to the appreciable liquidity in the market and the imposition of some restrictions on the discount window. The total Standing Deposit Facility (SD) was ₦6,485.40 during the fourth quarter of 2012, representing an increase of 90.08 per cent above the level in the preceding quarter. The development was attributed to the decision of the Bank to remunerate surpluses in excess of the Cash Reserve Requirement (CRR).

2.4 Deposit Money Banks' Activities

Available data indicated that the total assets and liabilities of the DMBs stood at ₦21,303.95 billion at the end of the fourth quarter of 2012, representing an increase of 2.5 per cent above the level at the end of the preceding quarter. The funds, which were sourced, largely, from increased mobilization of deposit liabilities, were used mainly to extend credit to the Federal government and accretion to the capital accounts. Central Bank's credit to the DMBs, largely loans and advances, declined by 25.7 per cent to ₦228.03 billion at the end of the review quarter.

At ₦13,195.4 billion, DMBs' credit to the domestic economy, rose by 7.4 per cent above the level in the preceding quarter. The development was attributed, to the 11.2 and 36.3 per cent increase in claims on the State and Local Government and Federal Government, which more than offset the 1.1 per cent decline in claims on the private sector.

At 49.7 per cent, the liquidity ratio in Q4 2012 was 19.7 percentage points above the stipulated maximum ratio. Loan-to-deposit ratio fell below the prescribed maximum by 37.7 percentage points.

Total specified liquid assets of the DMBs stood at ₦6176.0 billion, representing 49.7 per cent of their total current liabilities. At that level, the liquidity ratio, rose by 2.0 percentage points above the level in the preceding quarter, but was 19.7 percentage points above the stipulated minimum ratio of 30.0 per cent. The loans-to-deposit ratio, at 42.3 per cent, was 2.3 percentage points below the level at the end of the preceding quarter, and 37.7 percentage points below the prescribed maximum ratio of 80.0 per cent.

2.5 Discount Houses' Activities

Total assets/liabilities of the discount houses stood at ₦344.71 billion at the end of the fourth quarter of 2012, indicating an increase of 18.5 and 7.5 per cent above the levels at the end of the preceding quarter and the corresponding quarter of 2011, respectively. The rise in assets was accounted for, largely, by the increase in claims on "others" and the Federal Government. Correspondingly, the rise in total liabilities was attributed, largely, to the increase in the level of money-at-call, which more than offset the decline in other amounts owed to.

Discount houses' investment in Federal Government securities of less than 91-day maturity increased by 366.7 per cent to ₦124.9 billion and represented 47.5 per cent of their total deposit liabilities. At this level, discount houses' investment was 12.5 percentage points below the prescribed minimum level of 60.0 per cent for fiscal 2012. Total borrowing by the discount houses was ₦56.5 billion, while their capital and reserves stood at ₦34.9 billion. This resulted in a gearing ratio of 1.6:1, compared with the stipulated maximum of 50:1 for fiscal 2012.

2.6 Capital Market Developments

2.6.1 Secondary Market

Activities on the Nigerian Stock Exchange (NSE) were mixed during the review quarter. Available data indicated that the volume of traded securities declined by 3.7 per cent to 21.1 billion shares, while the value rose by 13.9 per cent to ₦181.4 billion in 265,625 deals, compared with 21.9 billion shares valued at ₦159.2 billion in 262,692 deals in the preceding quarter. The financial sector was the most active on the Exchange (measured by turnover volume) with a traded volume of 13.7 billion shares, valued at ₦88.5 billion in 157,939 deals, followed by the Consumer Goods and Conglomerates sectors. The Banking sub-sector maintained its dominance as the most active driven by activities in the shares of Zenith Bank Plc., UBA Plc. and Access Bank Plc.

Figure 4: Volume and Value of Traded Securities

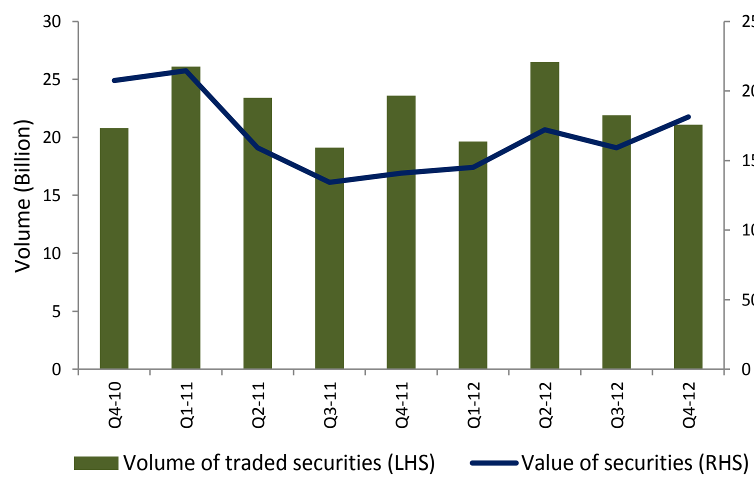


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
Volume (Billion)	20.8	26.1	24.3	19.1	23.6	19.6	26.5	21.9	21.1
Value (₦ Billion)	207.6	214.6	159.1	134.4	140.9	145.1	172.2	159.2	181.4

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

Provisional data on the Over-the-Counter (OTC) bond market, for the quarter indicated a turnover of 1.93 billion units, worth ₦2.1 trillion, in 11,269 deals, compared with 1.83 billion units worth ₦1.4 trillion in 13,206 deals in the preceding quarter.

2.6.3 *New Issues Market*

There were three (3) new and one (1) Supplementary listings in the review quarter (see table below).

Table 4: New and Supplementary Securities Issue

S/N	Company	Additional Shares (billion)	Reasons
1	Federal Mortgage Bank of Nigeria	6 Billion 17.25% Series 2 Fixed Rate	Residential Mortgage-Backed Securities Programme
2	Studio Press Nigeria Plc	252.1 million shares	Supplementary listing on conclusion of special placing
3	FBN Money market Fund	17.98 million units	New
4	FBN Fixed Income Fund	1.75 million units	New

Following their transformations to Holding Company structure, the shares of Stanbic-IBTC Bank Plc. and First Bank of Nigeria Plc. were delisted and replaced with the shares of Stanbic-IBTC Holdings Plc. and FBN Holdings Plc., respectively, and reclassified under the Other Financial Institutions subsector.

2.6.4 *Market Capitalization*

Market capitalization and All-Share Index trended upwards during Q4 2012.

The total market capitalization for all listed securities (equities and debt) stood at ₦14.8 trillion at the end of the quarter under review. Market capitalization for listed equities stood at ₦8.97 trillion, representing an increase of 8.4 per cent over the level at the end of the preceding quarter. The equities sub-sector, accounted for 60.6 per cent of the total market capitalization.

2.6.5 *NSE All-Share Index*

The All-Share Index of listed securities, which opened at 26,011.64 at the beginning of the quarter, closed at 28,078.81, representing an increase of 7.9 per cent above the level at the end of preceding quarter. At end-December 2012, only one of the five sectoral indices, the NSE Lotus II, rose by 11.9 per cent to close at 1,769.07. The other four, the NSE Consumer Goods, NSE Banking, NSE Oil/Gas and NSE Insurance indices declined by 62.5, 14.7, 12.9 and 4.4 per cent, respectively, to close at 838.97, 339.63, 118.49 and 152.92 at the end of the fourth quarter 2012.

Figure 5: Market Capitalization and All-Share Index

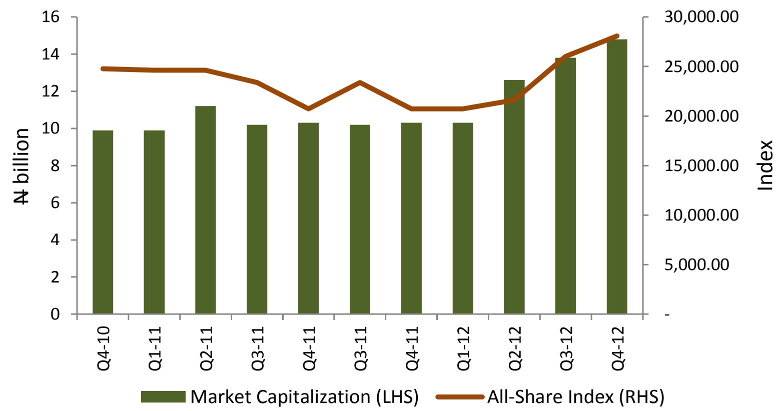


Table 5: Market Capitalization and All Share Index (NSE)

	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
Market Capitalization (₦ trillion)	9.9	9.9	11.2	10.2	10.3	12.0	12.4	13.8	14.8
All-Share Index (Equities)	24,770.52	24,621.21	24,980.20	23,373.00	20,730.60	29,652.50	21,599.60	26,022.60	28,078.80

3.0 Fiscal Operations

3.1 Federation Account Operations

Available data showed that total federally-collected revenue during the fourth quarter of 2012 stood at ₦2,413.59 billion, representing a decline of 0.4 and 13.3 per cent below the proportionate budget estimate and the level in the preceding quarter of 2012, respectively. However, relative to the level in the corresponding period of 2011, total federally-collected revenue rose by 101.1 per cent (Fig. 6, Table 5).

Gross federally collected revenue declined by 13.3 per cent below the level in the preceding quarter.

Figure 6: Components of Gross Federally Collected Revenue

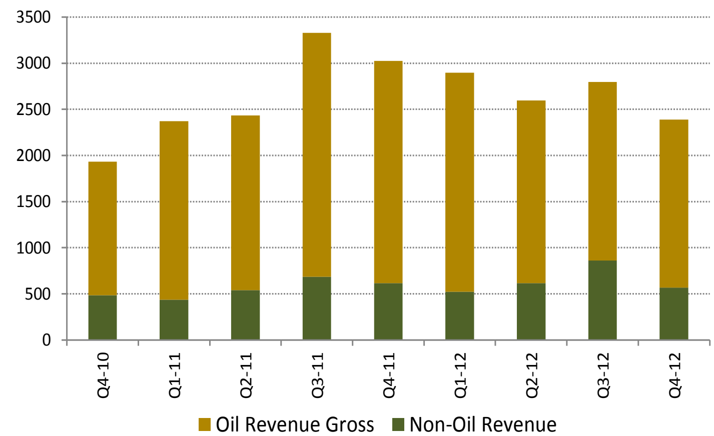


Table 6: Gross Federation Account Revenue (₦ billion)

	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
Federally-collected revenue (Gross)	1994.6	2372.3	2433.2	3327.8	3025.1	2897.7	2596.2	2783.0	2413.6
Oil Revenue	1448.6	1935.6	1892.4	2642.8	2408.1	2376.0	1981.6	1936.2	1823.6
Non-Oil Revenue	546.0	436.6	540.9	685.0	617.0	521.6	614.6	666.1	566.2

At ₦1,823.6 billion, gross oil receipts, which constituted 75.6 per cent of the total, exceeded the proportionate budget estimate and the receipts in the corresponding period of 2011 by 9.9 and 151.2 per cent, respectively, but declined by 5.8 per cent below the receipts in the preceding quarter. The rise in oil receipts relative to the proportionate budget estimate was attributed, largely, to the improvement in the receipts from Petroleum Profit Tax, Royalties and domestic crude oil and gas sales during the period (Fig. 7, Table 6).

Figure 7: Gross Oil Revenue and Its Components

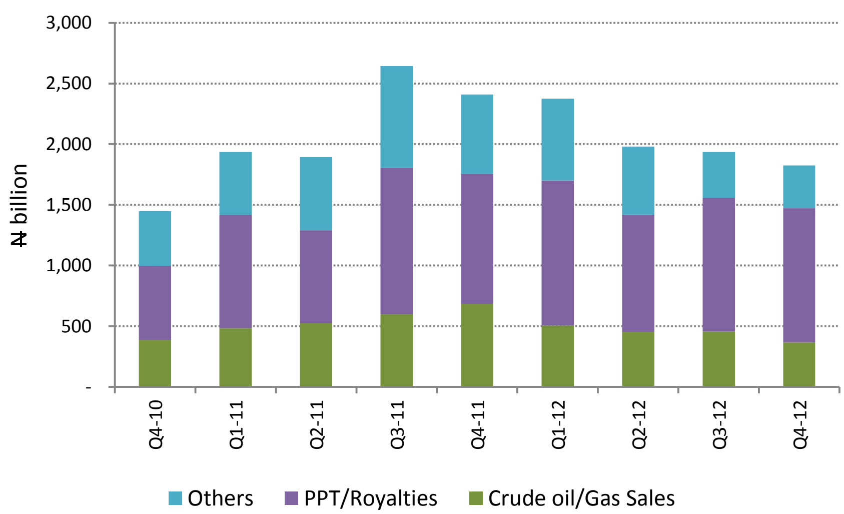


Table 7: Components of Gross Oil Revenue (₦ billion)

	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
Oil Revenue	1448.6	1935.7	1892.4	2642.8	2408.1	2376.0	1981.6	1936.2	1823.6
Crude oil/Gas Sales	385.8	481.1	526.6	596.9	683.4	506.5	452.5	455.2	366.7
PPT/Royalties	611.4	935.9	763.1	1206.5	1070.9	1194.0	966.1	1103.5	1103.9
Others	450.5	517.8	602.8	839.4	653.8	675.5	562.9	377.4	353.1

Non-oil receipts, at ₦589.98 billion (24.4 per cent of the total), was below the proportionate budget estimate and the receipts in the preceding quarter by 22.8 and 30.3 per cent, respectively. The decline in non-oil revenue relative to the preceding quarter, reflected, largely, the fall in Corporate Taxes, Federal Government Independent Revenue and Customs and Excise duties during the review period (Fig. 8, Table 7).

As a percentage of projected fourth quarter 2012 nominal GDP, oil and non-oil revenue were 17.2 and 5.6 per cent, respectively.

Figure 8: Gross Non-Oil Revenue and Its Components

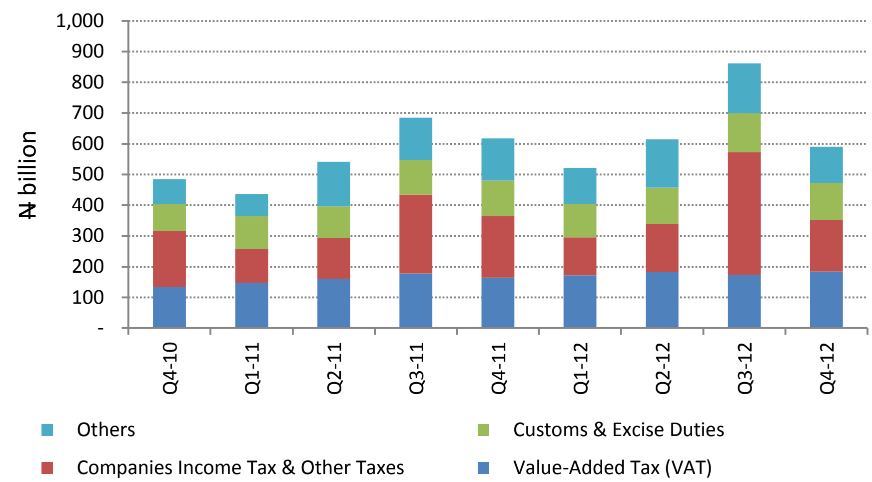


Table 8 Components of Gross Non-Oil Revenue (₦ billion)

	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
Non-Oil Revenue	546.0	436.6	540.9	667.3	617.0	521.6	614.6	861.4	590.0
Value-Added Tax (VAT)	133.1	147.4	159.7	177.7	164.7	171.0	181.8	173.6	183.8
Companies Income Tax & Other Taxes	182.6	109.8	133.5	257.0	200.3	124.4	157.4	398.7	168.1
Customs & Excise Duties	87.5	107.7	102.9	112.9	114.9	109.3	117.7	50.1	121.0
Others	80.3	71.8	144.8	119.8	176.6	117.0	157.7	238.9	117.1

Of the gross federally-collected revenue during the review quarter, the sum of ₦1,313.68 billion (after accounting for all deductions and transfers) was transferred to the Federation Account for distribution among the three tiers of government and the 13.0% Derivation Fund. The Federal Government received ₦620.75 billion, while the states and local governments received ₦314.85 billion and ₦242.74 billion, respectively. The balance of ₦135.33 billion went to the 13.0% Derivation Fund for distribution by the oil-producing states. Also, the Federal Government received ₦26.47 billion from the VAT Pool Account, while the state and local governments received ₦88.24 billion and ₦61.77 billion, respectively. In addition, the sum of ₦72.15 billion was drawn-down from the Excess Crude Account (ECA) to bridge the short-fall in revenue for the period and was shared as follows: Federal (₦33.07 billion), state (₦16.77 billion), local governments (₦12.93 billion) and oil producing states (₦9.38 billion). Additional ₦150.0 billion and ₦106.65 billion were also distributed among the tiers of government and oil producing

The sum of ₦1,313.68 billion out of the federally collected revenue was set aside for distribution by the three tiers of government and the 13.0 % Derivation Fund for oil producing states.

states from Non-oil excess revenue and Subsidy Re-investment and Empowerment Programme, respectively. Thus, the total allocation to the three tiers of government in the fourth quarter of 2012 amounted to ₦1,645.87 billion.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

Federal government estimated retained revenue and total expenditure was lower than the proportionate budget estimate, for the quarter.

At ₦821.24 billion, the Federal Government retained revenue for the fourth quarter of 2012 was lower than both the proportionate budget estimate and receipts in the corresponding quarter of 2011 by 17.4 and 22.9 per cent, respectively, but was above the receipts in the third quarter of 2012 by 6.7 per cent. Of this amount, the Federal Government share from the Federation Account, VAT Pool Account and FGN Independent Revenue were ₦620.75 billion, ₦26.47 billion and ₦13.05 billion, respectively, while "Others" accounted for the balance of ₦160.97 billion (Fig. 9, Table 8).

Figure 9: Federal Government Retained Revenue

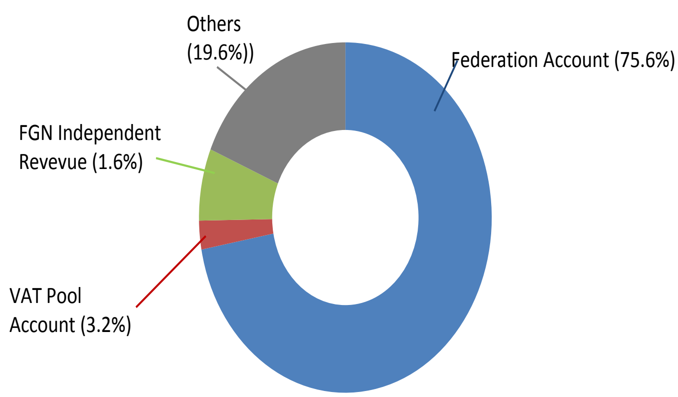


Table 9: Federal Government Fiscal Operations (₦ billion)

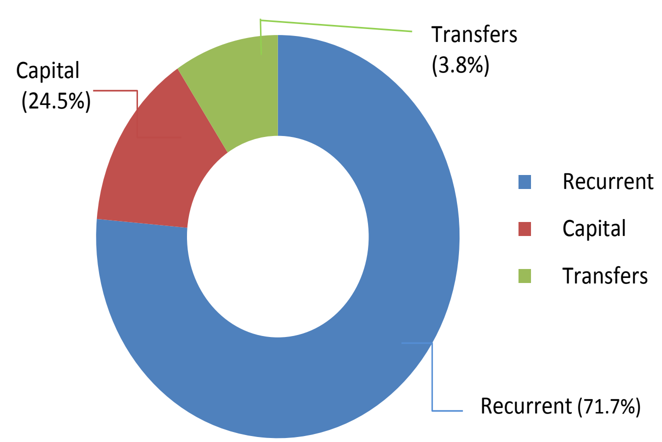
	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
Retained Revenue	783.8	585.9	735.0	1184.2	587.7	967.2	852.0	762.6	821.2
Expenditure	1499.6	872.5	912.5	1345.3	952.8	954.7	1063.8	1221.7	1242.1
Overall Balance: Surplus(+)/Deficit(-)	-715.8	-286.6	-177.5	-161.1	-365.1	12.6	-211.8	-459.1	-420.8

Total expenditure for fourth quarter stood at ₦1,242.05 billion, and was lower than the proportionate budget estimate and the level in the preceding quarter by 2.8 and 1.4 per cent, respectively. The development (relative to the quarterly budget estimate) was attributed to the non-release of capital warrant during the period. A breakdown of the total expenditure showed that the recurrent component accounted for 71.7 per cent, capital component 24.5 per cent, while statutory transfers accounted for the balance of 3.8 per cent (Fig. 10). Further breakdown of the recurrent expenditure showed that the non-debt component accounted for 86.6 per cent, while debt service payments accounted for the balance of 13.4 per cent.

Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦420.81 billion or 3.9 per cent of the estimated nominal GDP for the quarter, compared with the quarterly budgeted deficit and the preceding quarter's deficit of ₦284.05 billion and ₦489.54 billion, respectively. The deficit was financed mainly from domestic sources, particularly through the issuance of additional FGN Bonds.

The fiscal operations of the FG resulted in an estimated deficit of ₦420.81 in Q4 2012.

Figure10: Federal Government Expenditure



3.2.2 *Statutory Allocations to State Governments*

Total allocation to state governments (including the Federation Account, 13.0 per cent Derivation Fund and share of VAT receipts) stood at N741.19 billion during the review quarter. This represented an increase of 23.2 per cent above the level in the preceding quarter, but 11.3 per cent below the level in the corresponding quarter of 2011.

Further breakdown showed that, at N652.95 billion, receipts from Federation Account constituted 88.1 per cent of the total, indicating an increase of 26.0 per cent relative to the level in the preceding quarter but a decline of 13.7 per cent from the level in the corresponding quarter of 2011. At N88.24, receipts from VAT constituted 11.9 per cent of the total, indicating an increase of 5.9 and 11.6 per cent relative to the levels in the preceding quarter and the corresponding period of 2011, respectively. On a monthly basis, the sum of N204.03 billion, N205.87 billion and N331.28 billion was allocated as statutory allocations and VAT receipts to the 36 state governments in October, November and December 2012, respectively.

3.2.3 *Statutory Allocations to Local Government Councils*

Total receipts by the Local Governments from the Federation and VAT Pool Accounts during the fourth quarter of 2012, stood at ₦417.48 billion. This amount was higher than the level in the preceding quarter by 22.0 per cent but lower than the level in the corresponding period of 2011 by 7.9 per cent. Of the total amount, allocation from the Federation Account was ₦355.71 billion (85.2 per cent), while VAT Pool Account accounted for the balance of ₦61.77 billion (14.8 per cent). On a monthly basis, the sum of ₦113.32 billion, ₦116.52 billion and ₦187.64 billion was allocated to the 774 local governments in October, November and December 2012, respectively.

4.0 Domestic Economic Conditions

Provisional data showed that aggregate output growth (estimate) measured by the real gross domestic product (GDP) grew by 7.1 per cent, compared with 6.9 per cent in the preceding quarter. The development was attributed, largely, to the growth in the contribution of the non-oil sector, particularly manufacturing during the review period. Crude oil production was estimated at 2.00 million barrels per day (mbd) or 184 million barrels for the quarter. The end-period inflation rate for the fourth quarter of 2012, on year-on-year basis, was 12.0 per cent, compared with 11.3 and 10.3 per cent in the preceding quarter and the corresponding quarter of 2011, respectively. The inflation rate on a 12-month moving average basis was 12.2 per cent, compared with the 11.9 and 10.8 per cent in the preceding quarter and the corresponding period of 2011, respectively.

4.1 Aggregate Output

Aggregate output (estimate) in the fourth quarter measured by gross domestic product (GDP) at 1990 basic prices grew by 7.1 per cent, compared with 6.9 per cent recorded in the preceding quarter. The rise in the review quarter was attributed to the growth in the contribution of the non-oil sector, particularly the industrial sector. Relative to the corresponding quarter of 2011, real GDP grew at approximately 7.1 per cent.

Real non-oil GDP was estimated to have grown by 8.2 per cent and accounted for 87.4 per cent of the total GDP in the review quarter. Real oil GDP, comprising crude petroleum and natural gas was estimated to have declined by 0.17 per cent, compared with the growth of 16.7 per cent in the preceding quarter and accounted for 12.6 per cent of the total real GDP (Fig. 11, Table 9).

Figure 11: Real GDP Growth Rate and Share of Oil and Non-oil in GDP

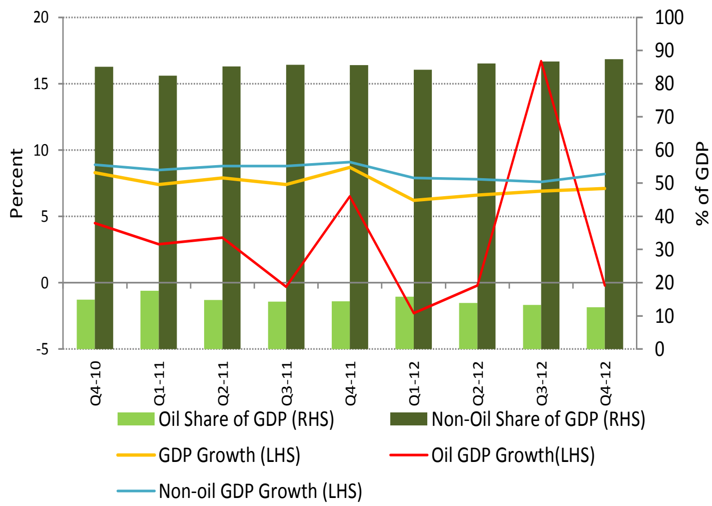


Table 10: Growth Rate of Real GDP and Sectoral Shares (Percent)

	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
Growth Rate (%)									
Real GDP	8.3	7.4	7.7	7.4	8.7	6.2	6.6	6.9	7.1
Oil (Crude Petroleum/Natural Gas)	4.5	2.9	3.4	-0.3	6.5	-2.3	-0.2	16.7	-0.2
Non-oil	8.6	8.4	8.8	8.8	9.1	7.9	7.8	7.6	8.2
Share in Real GDP (%)									
Real GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Oil (Crude Petroleum/Natural Gas)	14.9	17.6	14.8	14.3	14.4	15.8	13.9	13.3	12.6
Non-Oil	85.1	82.4	85.2	85.7	85.6	84.2	86.1	86.7	87.4

4.2 Agricultural Sector

Available data indicated that agricultural activities in most parts of the country during the fourth quarter were dominated by preparation of land and nurseries for vegetables as well as pre-planting operations for dry season farming, especially in the northern part of the country. Farmers in other parts were also engaged in harvesting of cash and root crops. In the livestock sub-sector, farmers were engaged in fattening and other farm management activities in anticipation of the end of the year sales. However, areas adversely affected by the floods during the second half of 2012, were yet to recover fully from the impact.

A total of ₦3,242.8 million was guaranteed to 13,869 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in the fourth quarter of 2012. This represented a decline of 19.57 and 4.02 per cent below the levels in the preceding quarter, and the corresponding period of 2011, respectively.

A sub-sectoral analysis of the loans guaranteed indicated that the food crops sub-sector received the largest share of ₦2, 133.4 million (65.8 per cent) for 10,218 beneficiaries, while the livestock sub-sector got ₦492.0 million (15.2 per cent) for 1,331beneficiaries. Also, 1,469 beneficiaries in the mixed crops sub-sector obtained ₦349.2 million (10.8 per cent), while ₦166.4 million (5.1 per cent) was granted to 477 beneficiaries in the cash crop sub-sector. Furthermore, 262 beneficiaries in the fisheries sub-sector received ₦78.3 million (2.4 per cent), while 112 beneficiaries in the 'Other' sub-sector received ₦23.5 million (0.7 per cent). Further analysis showed that, 36 states and the Federal Capital Territory benefited from the scheme during the quarter, with the highest and lowest sums of ₦358.9 million (11.1 per cent) and ₦7.0 million (0.2 per cent) guaranteed to 1,641 and 61 farmers in Katsina and Ogun states, respectively.

At end-December 2012, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement stood at ₦199.12 billion (for two hundred and sixty nine projects). The beneficiaries included thirty state governments (Table 10).

Table 11: Disbursement of Credit Under the Commercial Agriculture Credit Scheme (CACS)

S/N	Participating Banks	Amount Disbursed (₦ billion)	Number of Projects/State Governments
1	UBA Plc.	41.76	35
2	Zenith Bank	26.96	18
3	First Bank of Nigeria Plc	22.31	62
4	Unity Bank Plc	19.51	21
5	Union Bank Nigeria PLC	18.18	21
6	Stanbic IBTC Bank	11.74	23
7	Access Bank Plc	10.30	11
8	Skye Bank Plc	9.22	7
9	Fidelity Bank Plc	8.58	8
10	Sterling Bank Plc	7.02	13
11	GTBank Plc	5.80	9
12	FCMB Plc.	4.79	8
13	ECOBANK	3.82	7
14	Citibank Plc	3.00	2
15	Diamond Bank Plc	2.71	12
16	Mainstreet Bank Plc	2.00	1
17	WEMA Bank	0.74	5
18	Enterprise Bank	0.48	5
19	Keystone Bank	0.20	1
	TOTAL	**199.12**	**269**

4.3 Industrial Production

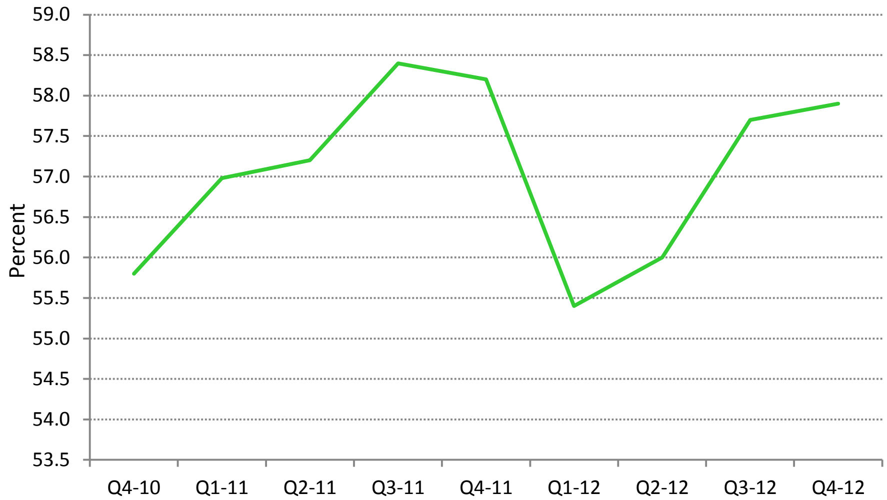
Industrial activities improved during Q4 2012 due to increased activities in the electricity, mining and manufacturing sub-sectors.

Industrial activities during the fourth quarter of 2012 indicated an improvement relative to the level in the preceding quarter. At 137.59 (1990=100), the estimated index of industrial production rose marginally by 0.1 and 0.1 per cent, over the levels attained in the preceding quarter and the corresponding quarter of 2011, respectively. The development reflected the increased activities in the electricity, mining and manufacturing sub-sectors.

Actual industrial capacity utilization increased by 0.2 percentage points relative to the level in the preceding quarter.

The estimated index of manufacturing production, at 106.84 (1990=100), increased by 0.2 and 1.1 per cent, over the levels in the preceding quarter and the corresponding period of 2011, respectively. The actual capacity utilization also increased marginally by 0.2 percentage point to 57.87 per cent over the level in the preceding quarter of 2012. The development was attributed to the improved electricity supply and increased business confidence during the review period (Fig. 12, Table 11).

Figure 12: Capacity Utilization Rate



At 147.12 (1990=100), the index of mining production increased marginally by 0.1and 1.6 per cent above the levels attained in the preceding quarter and the corresponding period of 2011, respectively. The increase in mining production during the quarter was accounted for by the rise in quarrying and other mining activities.

Average electricity generation and consumption rose during the quarter under review.

At 3,598.5 MW/h, estimated average electricity generation rose by 7.2 per cent, over the level attained in the preceding quarter. The development was attributed to the increase in gas supply to the thermal stations and increase in water levels at the hydro stations.

At 2,978.5 MW/h, estimated average electricity consumption, increased by 1.5 per cent over the level in the preceding quarter. The development was attributed to the increase in power supply due to the improved electricity generation (Fig. 13, Table 12).

Figure 13: Index of Industrial Production (1990=100)

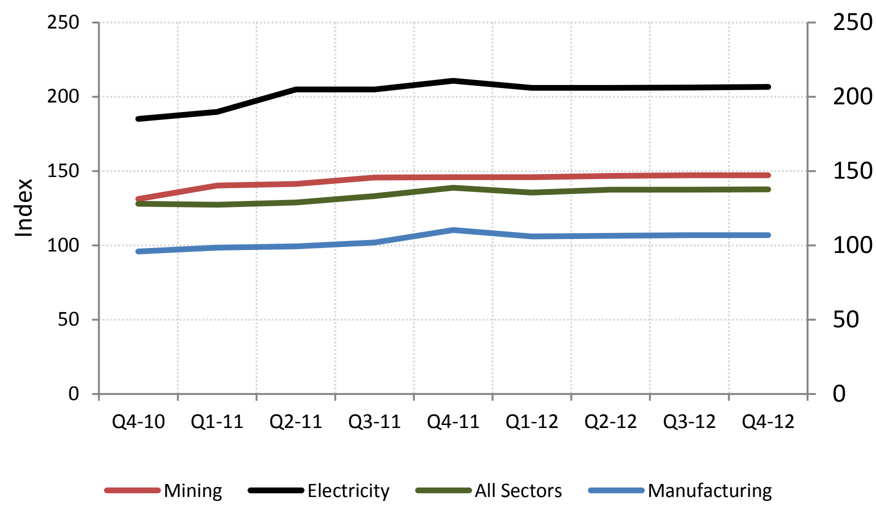


Table 12: Index of Industrial Production and Manufacturing Capacity Utilization Rate

	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
All Sectors (1990=100)	127.9	127.2	128.8	133.0	138.8	135.4	137.3	137.5	137.6
Manufacturing	95.9	98.5	99.3	101.8	110.3	105.9	106.3	106.7	106.8
Mining	131.2	140.1	141.2	145.7	145.8	145.9	146.7	147.0	147.1
Electricity	185.0	189.8	204.8	204.8	210.6	205.9	205.9	206.1	206.6
Capacity Utilization (%)	55.8	57.0	57.2	58.4	58.2	55.4	56.0	57.7	57.9

4.4 Petroleum Sector

Crude oil and natural gas production fell to 2.00 mbd during Q4 2012.

Crude oil export also recorded decline in Q4 2012.

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 2.00 million barrels per day (mbd) or 184.00 million barrels during the fourth quarter of 2012, compared with 2.26 mbd or (207.92 million barrels) in the preceding quarter. This represented a decrease in production level of 0.26 mbd or 11.5 per cent. Consequently, crude oil export was estimated at 1.55 mbd or (142.60 million barrels) in the review period, compared with 1.81 mbd or (166.52 million barrels) in the preceding quarter, representing a decline of 14.4 per cent. The decrease was attributed to natural disaster, oil theft and sabotage to oil infrastructure during review period. Allocation of crude oil for domestic consumption was 0.45 mbd or 41.40 million barrels during the period under review.

At an estimated average of US$112.73 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API), rose by 1.5 per cent, over the level in the preceding quarter. The average prices of other competing crudes, namely the West Texas Intermediate, the U.K Brent and the Forcados also rose, to US$92.16, US$111.60 and US$114.17 per barrel, respectively, from US$91.20, US$110.14 and US$112.08 per barrel in the preceding quarter. Similarly, the average price of OPEC's basket of eleven crude streams also rose by 0.7 per cent from the level in the preceding quarter to US$107.29, but declined by 0.6 per cent when compared with the level in the corresponding period of 2011. The development was attributed, largely, to the concerns about the closure of the strait Harmouz and increased demand for heating oil (Fig. 14, Table 13).

Average crude oil prices, including Nigeria's reference crude, Bonny Light (37° API), rose in the international crude oil market in Q4 2012.

Figure14: Trends in Crude Oil Prices

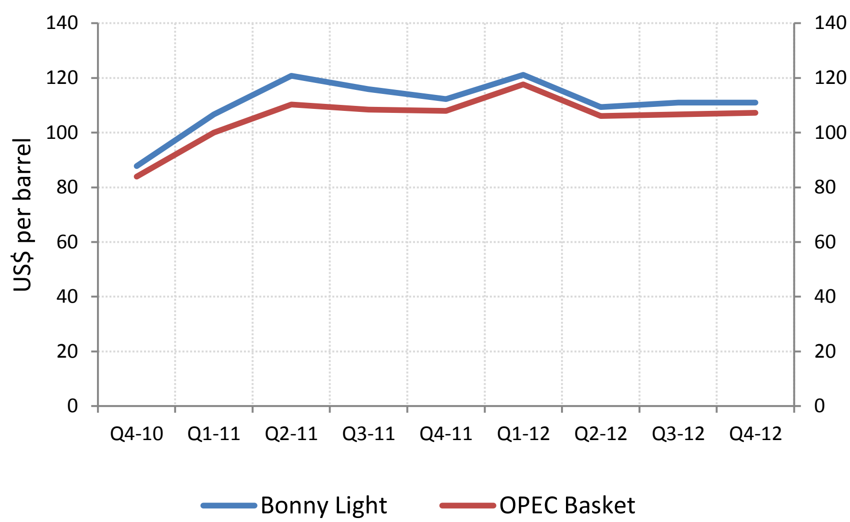


Table 13: Average Crude Oil Prices in the International Oil Market

	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
Bonny Light	87.74	106.66	120.83	115.92	112.28	121.10	109.32	111.04	111.04
OPEC Basket	83.86	100.06	110.31	108.44	107.90	117.58	106.08	106.72	107.29

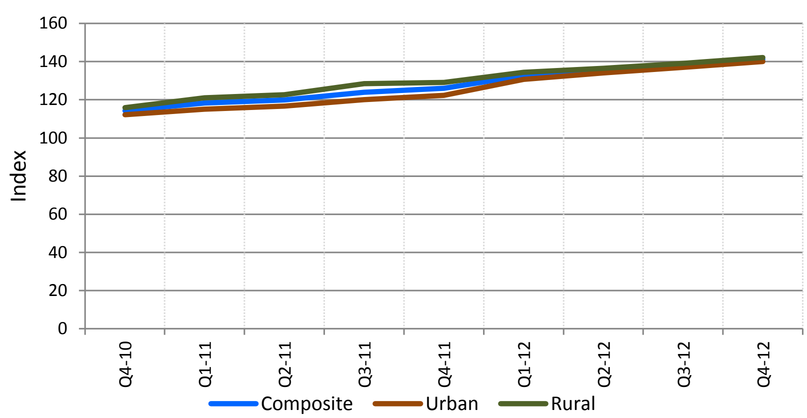
4.5 Consumer Prices[3]

The general price level rose in Q4 2012 relative to Q3 2012 on account of the increase in the prices of food items and non-alcoholic beverages, as well as clothing and footwear, gas and other fuel.

Available data showed that the all-items composite Consumer Price Index (CPI) at the end of the fourth quarter of 2012, was 141.1 (November 2009=100), representing an increase of 2.2 and 12.0 per cent over the levels in the preceding quarter and the corresponding quarter of 2011, respectively. The development was attributed, largely, to the increase in the prices of food items and non-alcoholic beverages as well as housing, water, electricity, gas and other fuels; clothing and footwear, furnishings; household equipment and maintenance; education and health.

The urban all-items CPI at the end of the fourth quarter of 2012, was 140.0 (November 2009=100), indicating an increase of 2.2 and 14.5 per cent over the levels in the preceding quarter and the corresponding quarter of 2011, respectively. Similarly, the rural all-items CPI at the end of the quarter, at 142.1 (November 2009=100), represented an increase of 2.2 and 10.2 per cent over the levels in the preceding quarter and the corresponding quarter of 2011, respectively (Fig. 15, Table 14).

Figure15: Consumer Price Index



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

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

	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
Composite	114.2	118.3	119.9	124.0	126.0	132.6	135.3	138.0	141.1
Urban	112.2	115.0	116.6	120.0	122.3	130.7	134.1	137.0	140.0
Rural	115.9	121.1	122.6	128.4	129.0	134.4	136.5	139.0	142.1

The end-period inflation rate for the fourth quarter of 2012, on a year-on-year basis, was 12.0 per cent, compared with 11.3 and 10.3 per cent in the preceding quarter and the corresponding quarter of 2011, respectively. The estimated inflation rate on a twelve-month moving average basis for the fourth quarter, was 12.2 per cent, compared with 11.0 and 10.8 per cent in the preceding quarter and the corresponding quarter of 2011, respectively (Fig. 16, Table 14).

The headline inflation (y-o-y) was 12.0 per cent, in Q4 2012.

Figure 16: Inflation Rate

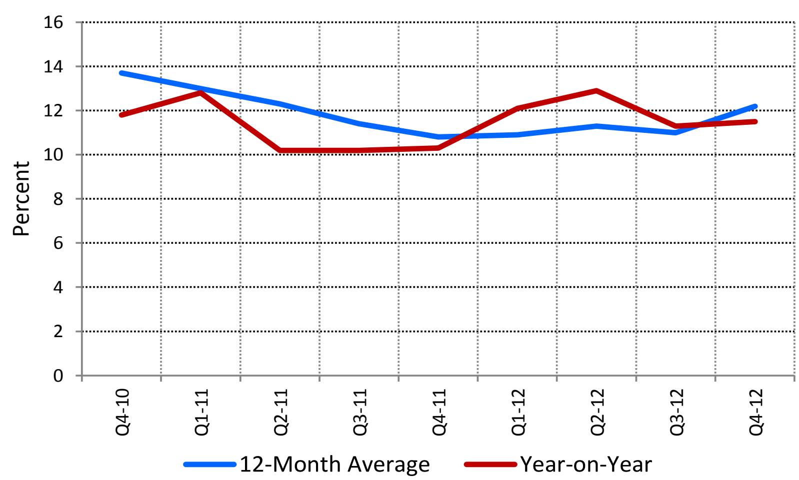


Table 15: Headline Inflation Rate (%)

	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
12-Month Moving Average	13.7	13.0	12.3	11.4	10.8	10.9	11.3	11.0	12.2
Year-on-Year	11.8	12.8	10.2	10.2	10.3	12.1	12.9	11.3	12.0

5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow through the CBN in the fourth quarter of 2012 declined by 16.9 and 16.1 per cent below the levels in the preceding quarter and the corresponding quarter of 2011, respectively. Outflow decreased by 3.3 and 44.5 per cent below the levels in the preceding quarter and the corresponding quarter of 2011, respectively. Total non-oil export receipts by banks increased by 72.9 per cent above the level in the preceding quarter. Relative to preceding quarter, the average Naira exchange rate vis-à-vis the US dollar, appreciated by 0.04, 1.3 and 1.6 per cent to N157.32, N157.38 and N159.19 per dollar at the Wholesale Dutch Auction System (WDAS), interbank and Bureau De Change (BDC) segments of the market, respectively. The gross external reserves rose by 7.9 per cent over the preceding quarter's level.

5.1 Foreign Exchange Flows

Provisional data on foreign exchange flows through the CBN showed that inflow during the fourth quarter of 2012 amounted to US$11.17 billion, representing a decline of 16.9 and 16.1 per cent below the levels in the preceding quarter and the corresponding period of 2011, respectively. Outflow amounted to US$7.82 billion, showing a decline of 3.3 and 44.5 per cent below the levels in the preceding quarter and corresponding period of 2011, respectively. This resulted in a net inflow of US$3.35 billion, compared with a net inflow of US$5.36 billion in the preceding quarter and a net outflow of US$0.79 billion in the corresponding period of 2011. The decline in inflow relative to the preceding quarter was attributed largely, to the 9.6 per cent fall in crude oil sales, while the fall in outflow was attributed to the 35.2 per cent decline in wDAS utilization (Fig. 17, Table 16).

Foreign exchange inflow through the CBN declined by 16.9 per cent, while outflow declined by 3.3 per cent, to post a net inflow of US$3.4 billion during Q4 of 2012.

Figure17: Foreign Exchange Flows Through the CBN

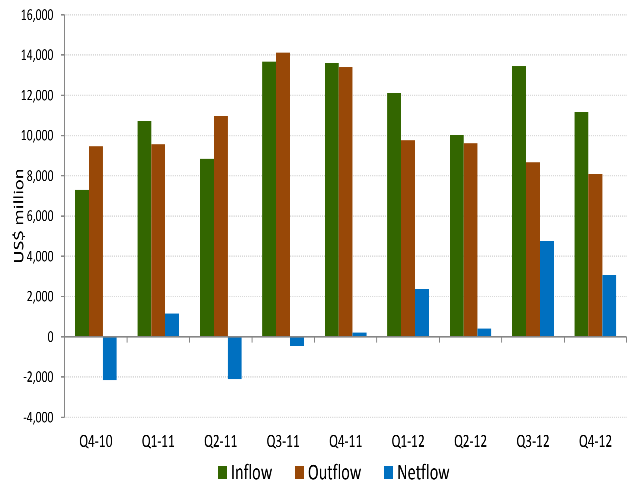


Table 16: Foreign Exchange Flows Through the CBN (US$ million)

	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
Inflow	7,310.03	10,719.40	8,854.93	13,673.10	13,603.64	12,119.80	10,050.94	13,444.07	11,168.38
Outflow	9,468.90	9,560.41	10,970.56	14,121.60	13,395.68	9,760.50	10,118.35	8,668.74	7,817.12
Netflow	(2,158.87)	1,158.90	(2,115.63)	(448.50)	207.96	2,359.30	(67.41)	4,775.33	3,351.26

Autonomous inflows into the economy rose by 20.1 per cent in Q4 2012 relative to the preceding quarter.

Provisional data on aggregate foreign exchange flows through the economy indicated that total inflow amounted to US$32.24 billion, representing an increase of 4.1 and 27.9 per cent above the levels in the preceding quarter and the corresponding quarter of 2011, respectively. Oil sector receipts, which accounted for 31.3 per cent of the total, stood at US$10.09 billion, compared with the respective levels of US$11.16 billion and US$10.61 billion in the preceding quarter and corresponding quarter of 2011.

Non-oil public sector inflows, which accounted for 3.3 per cent of the total foreign exchange flows, increased significantly by 52.8 per cent above the preceding quarter's level, while autonomous inflow, which accounted for 65.4 per cent, increased by 20.1 per cent above the preceding quarter's level.

At US$8.09 billion, aggregate foreign exchange outflow from the economy fell by 6.7 and 44.3 per cent below the level in the preceding quarter and corresponding quarter of 2011, respectively. The fall in outflow, relative to the preceding quarter, was accounted for by the 38.9 and 42.8 per cent decline in the funding of wDAS and outflow through autonomous sources, respectively.

5.2 Non-Oil Export Earnings by Exporters

Total non-oil export earnings by Nigerian exporters stood at US$987.10 million at the end of the review period. This indicated an increase of 72.9 and 65.6 per cent above the levels in the preceding quarter and the corresponding quarter of 2011, respectively. The development was attributed, largely, to the significant rise in the exports of food, agricultural products and industrial sector during the review quarter. A breakdown of the proceeds in the review quarter showed that, industrial products, manufactured products, agricultural products, food products, mineral and transport earned US$380.3 million, US$189.5 million, US$186.2 million, US$168.9 million, US$62.2 million, and US$0.7 million, respectively.

Total non-oil export earnings by exporters increased during the fourth quarter of 2012 on account of rise in receipt from exports of food products, agriculture, and industrial sector.

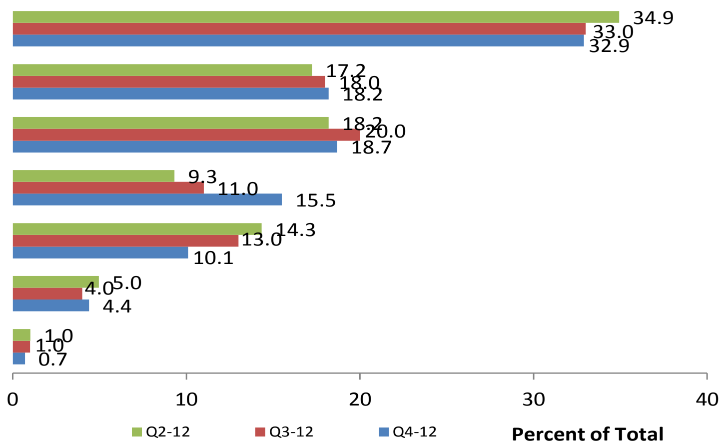
The shares of industrial products, manufactured products, agricultural products, food products, mineral and transport in non-oil export proceeds were 38.5, 19.2, 18.8, 17.1, 6.3 and 0.1 per cent, respectively.

5.3 Sectoral Utilisation of Foreign Exchange

The invisible sector accounted for the bulk (32.9 per cent) of total foreign exchange disbursed in the fourth quarter of 2012, followed by mineral and oil sector (18.7 per cent). Other beneficiary sectors, in a descending order included: industrial sector (18.2 per cent), food products (15.5 per cent), manufactured products (10.1 per cent), transport sector (4.4 per cent) and agricultural products (0.2 per cent) (Fig.18).

The invisible sector accounted for the bulk of the total foreign exchange disbursed during Q4 2012.

Figure18: Sectoral Utilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

Demand and Supply of foreign exchange by authorized dealers declined during Q4 2012.

Estimated foreign exchange demand by the authorized dealers in the fourth quarter stood at US$4.28 billion, indicating a decline of 35.2 and 65.2 per cent below the levels in the preceding quarter and the corresponding quarter of 2011, respectively. The sum of US$4.27 billion was sold by the CBN during the review period, indicating a decrease of 36.2 and 59.9 per cent below the levels in the preceding quarter and the corresponding period quarter of 2011, respectively. (Fig. 19, Table 16).

Figure 19: Demand for and Supply of Foreign Exchange

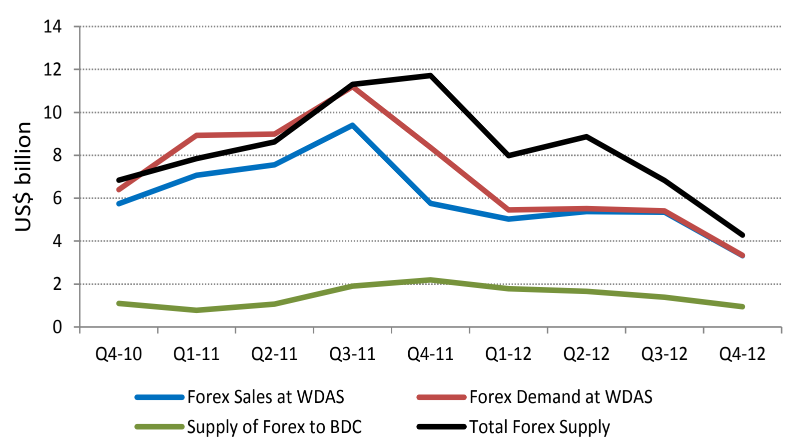


Table 17: Demand for and Supply of Foreign Exchange (US$ billion)

	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
Forex Sales at WDAS	*7.6*	*9.4*	*5.8*	*5.0*	*5.4*	*5.3*	*3.3*
Forex Demand at WDAS	*9.0*	*11.2*	*8.4*	*5.5*	*5.5*	*5.4*	*3.3*
Supply of Forex to BDC	*1.1*	*1.9*	*2.2*	*1.6*	*1.3*	*1.4*	*0.9*
Total Forex Supply(BDC and WDAS)	7.8	12.1	9.5	7.9	8.6	6.8	4.3

Under the WDAS, the average exchange rate of the Naira vis-à-vis the US dollar appreciated by 0.04 per cent to ₦157.32 from ₦157.39 per US dollar in the preceding quarter but depreciated by 0.1 per cent relative to the rate of ₦155.74 recorded in the corresponding period of 2011. In the bureau-de-change segment of the market, the naira traded at an average of ₦159.19 per US dollar, indicating an appreciation of 1.6 and 1.5 per cent below the levels in the preceding and corresponding quarter of 2011, respectively. In the interbank segment, the Naira exchanged for an average of ₦157.38 to the US dollar in the fourth quarter of 2012, compared with ₦159.36 and ₦160.27 per US dollar in previous quarter and the corresponding quarter of 2011, respectively (Fig. 20, Table 17).

Except at the wDAS with mix development, the Naira exchange rate vis-à-vis the US dollar appreciated at both the BDC and inter-bank segment of the foreign exchange market in Q4 2012.

The premium between the wDAS and the bureau-de-change rates narrowed from 2.8 per cent in the preceding quarter to 1.2 per cent in the fourth quarter, while that between the WDAS and interbank also narrowed to 0.04 per cent from 1.3 per cent in the preceding quarter, (Fig. 21, Table 16).

The premium between the WDAS rate and the rates in the other two segments stood at 0.04 and 1.2 in the interbank and BDC segments respectively.

Figure 20: Average Exchange Rate Movements

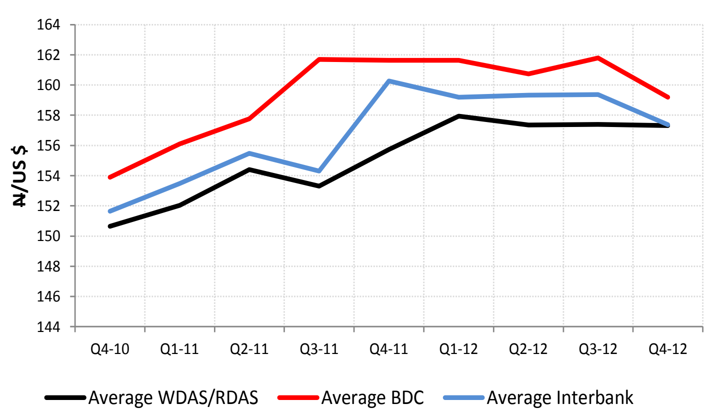
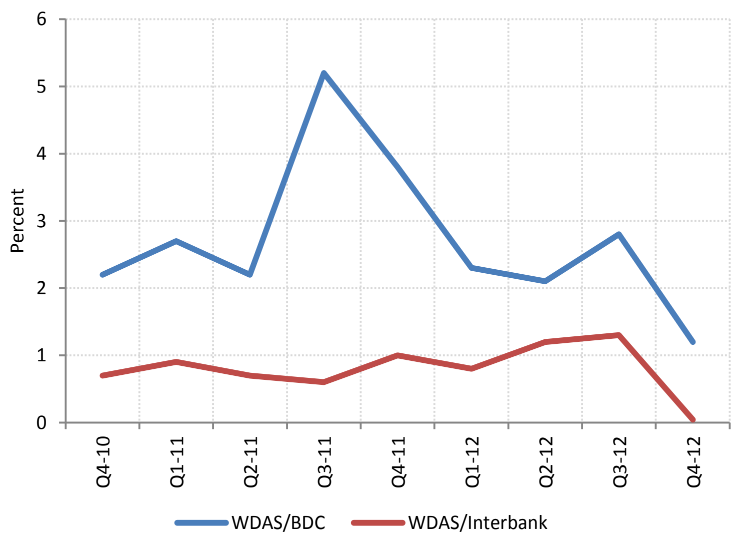


Table 18: Exchange Rate Movements and Exchange Rate Premium

	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
Average Exchange Rate (₦/US$)									
WDAS/RDAS	*150.6*	*152.0*	*154.4*	*153.3*	*155.9*	*158.0*	*157.4*	*157.3*	*157.3*
BDC	*153.8*	*156.1*	*157.8*	*161.7*	*161.6*	*161.6*	*160.7*	*159.0*	*159.2*
Interbank	*151.6*	*153.5*	*155.5*	*154.3*	*160.3*	*159.2*	*159.3*	*157.2*	*157.4*
Premium (%)									
WDAS/BDC	*2.2*	*2.7*	*2.2*	*5.2*	*3.7*	*2.3*	*2.1*	*2.8*	*1.2*
WDAS/Interbank	*0.7*	*0.9*	*0.7*	*0.6*	*2.8*	*0.8*	*1.2*	*1.3*	*0.04*

Figure 21: Exchange Rate Premium



5.5 Gross External Reserves

Gross external reserves rose during the fourth quarter of 2012.

The gross external reserves at the end of the fourth quarter of 2012 stood at US$43.85 billion, indicating an increase of 7.9 per cent above the US$40.64 billion recorded at the end of the preceding quarter. A breakdown of the reserves showed that CBN holding stood at US$31.22 billion (71.2 per cent), Federal Government holding was US$1.17 billion (2.7 per cent) and the Federation Account portion (Excess Crude) was US$11.46 billion (26.1 per cent) (Fig. 22, Table 18).

Figure 22: Gross External Reserves

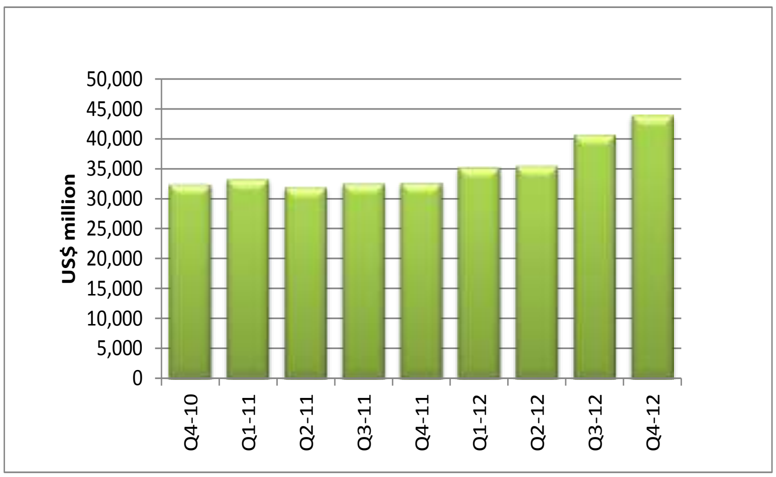


Table 19: Gross External Reserves (US$ million)

	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
External Reserves	32,347.5	33,221.8	31,890.5	31,740.2	32,639.8	35,190.8	35,412.5	40,636.8	43,849.5

6.0 Global Economic Conditions

6.1 Global Output

Global GDP was projected to have grown by 3.2 per cent. Persistent contraction in the Eurozone and Japanese economies as well as weaker than expected growth in the large emerging countries of Brazil and India, left the global economic growth substantially subdued in 2012.

Though, the US economy expanded in the fourth quarter of 2012, the outlook seemed unclear and complicated by the effects of the Hurricane Sandy, the fiscal cliff and the debt ceiling dispute. Also, the recession in Eurozone was projected to deepen in the future as economic and financial rebalancing appeared longer and harder than anticipated. The emerging economies experienced slow-down, following the continued sluggish growth in the major advanced countries' weak imports and domestic exposures. The adverse impact was more pronounced in Brazil and India.

Global manufacturing activity expanded in December 2012 for the first time since May, supported by solid output gains in China, the United States and Britain. However, Eurozone factories sank deeper into recession with new orders dropping, a sharp contrast to the continuing signs of revival in China.

6.2 Global Inflation

The observed ease of inflationary pressure from the second quarter of 2012 continued through fourth quarter. Global inflation moderated from 2.67 per cent in the second quarter to 2.64 per cent in the third quarter, and was projected to have moderated further to 2.62 per cent in the fourth quarter of 2012. The declining global inflation was due largely to the falling global aggregate demand, owing to the increasing unemployment and recession in the Eurozone.

6.3 Global Commodity Demand and Prices

Economic worries continued to outweigh the ongoing concerns about supply disruptions as the OPEC Reference Basket price slipped further in December from their levels in

November and October to close at US$107.79/b on December 31, 2012. The development was attributed largely to the slow global demand and fiscal cliff uncertainties in the US. Prices for the Brent and Bonny light crude oil prices stood at US$111.11 and US$112.72 per barrel on December 31, 2012.

World oil demand growth in 2013 was estimated at 0.8 mb/d, unchanged from the year 2012 assessment. Non-OPEC supply growth in 2013 was estimated at 0.9 mb/d from 0.5 mb/d in 2012. Looking ahead, market participants expect lower oil prices over the medium-term, with futures contracts for February 2013 trading at US$112.08 per barrel.

6.4 International Financial Markets

Performances of global financial markets were largely impressive during the review period, as major market indices in both developed and emerging economies rose substantially.

In Africa, the Nigerian All-Share Index, South African JSE AS, Kenyan Nairobi NSE 20 and Ghanaian GSE All-Share indices increased by 9.21, 11.76, 3.83, and 14.93 per cent, respectively, while the Egyptian EGX CSE 30 index decreased by 6.81 per cent.

In North America, the S&P 500 index decreased by 1.45 per cent, while, the S&P/TSX Composite and Mexico Bolsa indices increased by 0.77 and 7.31 per cent, respectively. In South America, the Brazilian Bovespa, Argentine Merval and the Columbian IGBC General indices also increased by 1.18, 14.44 and 4.32 per cent, respectively.

In Europe, the FTSE 100, DAX, CAC 40, and MICEX indices increased by 3.29, 7.39, 5.97 and 1.18 per cent, respectively. In Asia, Japan's Nikkei 225, China's Shanghai Stock Exchange-A and India's BSE Sensex indices increased by 17.19, 8.64 and 23.71 per cent, respectively.

Except for Europe, mixed development was observed in the currency exchange market as most major currencies depreciated against the US Dollar during the review period.

In Africa, while the Nigerian Naira appreciated against the U.S. Dollar by 0.04 per cent during the fourth quarter of 2012, the

South African Rand, Kenyan Shilling, Egyptian Pound and Ghanaian Cedi depreciated against the U.S. Dollar by 1.88, 0.93, 4.16 and 0.40 per cent, respectively.

In North America, the Canadian Dollar depreciated against the US Dollar by 0.85 per cent, while the Mexican Peso appreciated against the U.S. Dollar by 0.04 per cent.

In South America, the Brazilian Real and Argentine Peso depreciated against the U.S. Dollar by 1.23 and 4.45 per cent, respectively, while the Colombian Peso appreciated against the U.S. Dollar by 1.90 per cent.

In Europe, the British Pound, Euro and Russian Ruble appreciated against the U.S. Dollar by 0.50, 2.60 and 2.15 per cent, respectively.

In Asia, the Japanese Yen and Indian Rupee depreciated against the U.S. Dollar by 10.13 and 3.88 per cent, respectively, while the Chinese Yuan appreciated against the U.S. Dollar by 0.87 per cent.

6.5 Other International Economic Developments and Meetings

Other major international economic developments and meetings of relevance to the domestic economy during the review quarter included: the 12th meeting of the Special Implementation Committee (SIC) of the Nigeria- South Africa Bi-National Commission (BNC) held in Abuja from November 19 – 20, 2012. The objective of the Meeting was to further strengthen cooperation and enhance relations between the two countries, as well as review the implementation of decisions taken at the last meeting. Some of the issues discussed and agreements reached at the meeting included, among others, that:

- Nigeria and South Africa should work together to support the African Union and its institutions.
- It was agreed that there was the need to expand the Tripartite Group (G3), comprising South Africa, Nigeria and Angola to allow the participation of like-minded countries.

- The meeting also agreed strengthens their respective economies through economic, political and security pillars, start preparation for revision of the expired existing agreement on agricultural cooperation had lapsed.
- Finally, it was recommended that the Small and Medium Enterprises Development Agency (SMEDAN) and South Africa's Small enterprise Development Agency (SEDA) should collaborate with a view to exchanging expertise in this area.

In a related development, the 2nd meeting of the D-8 Heads of Central Bank with the theme "Enhancing Financial and Monetary Cooperation for Promoting Inclusive Economic Growth" was organized by the State Bank of Pakistan on the sidelines of the 2012 D-8 Summit hosted by the Islamic Republic of Pakistan from November 19–22, 2012. The objective of the meeting was to strengthen financial and banking relationship among member states. Delegates were drawn from all central banks of the D-8 member countries and representatives of the World Bank, Securities and Exchange Commission and Microfinance Institutions. The Governors agreed to explore the possibility of currency swap by members to enhance trade and facilitate payments, conduct studies for policy approaches to build delivery channels and payments systems and bring the informal sector into the mainstream economy, and hence into the tax net.

At the G-20 Finance Ministers and Central Bank Governors Meeting held in Mexico City from November 4–5, 2012 to assess progress on the fulfillment of the mandates, the following were the highlights as contained in their communique;

- While noting that global growth remained modest with elevated downside risk, the Ministers and Governors pledged to do everything necessary to strengthen the overall health and growth of the global economy. They agreed that the focus would be to rebuild confidence and reduce risks and volatility in international financial markets.
- While acknowledging the importance of long-term financing, particularly for infrastructure investment, the Meeting expressed their commitment to the full

implementation of the 2010 Quota and Governance, build on the policy measures taken in recent months and welcomed the recent decision by European leaders to agree on a legislative framework by January 1, 2013 on a single supervisory mechanism.

- In light of the weak pace of global growth, the Meeting pledged to ensure that the pace of fiscal consolidation was appropriate to support the recovery.

Finally, on November 8, 2012, the Executive Board of the International Monetary Fund (IMF) considered the IMF's Work Programme for the next twelve months. The focus of the Work Programme would be on key policies that included: building on the latest reforms, securing recovery and laying the foundation for a more robust global financial architecture. The Work Programme translates the broad policy directions laid out in the Global Policy Agenda presented to the International Monetary and Financial Committee during the 2012 IMF-World Bank Annual Meetings, into a specific agenda for the Fund. It highlighted the efforts the Fund would pursue in furtherance of strengthening its policy analysis and following up on progress in policy implementation in the advanced economies, emerging market economies, and the low-income countries. For its low-income (LIC) members, the Fund would build on the recent review of the concessional lending facilities; refine its facilities to ensure that they best fit the needs of these countries.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12
			₦ billion			
Domestic Credit (Net)	**9981.6**	**13686.7**	**13688.9**	**13308.2**	**13371.3**	**13957.4**
Claims on Federal Government (Net)	-1144.5	-496.9	-474.5	-1385.4	-1564.0	-1327.9
Central Bank (Net)	-3244.7	-3514.5	-3236.4	-3969.9	-3598.6	-4081.1
DMBs and Non Interest Banks	2100.2	3017.6	2761.8	2584.5	2034.7	2753.2
Claims on Private Sector	11126.1	14183.6	14163.4	14693.6	14935.3	15285.3
Central Bank	885.6	4569.1	4642.9	4645.2	4659.5	4841.8
DMBs and Non Interest Banks	9840.2	9614.4	9520.6	10048.4	10275.8	10443.5
Claims on Other Private Sector	10725.9	13670.4	13625.3	14107.3	14336.2	14619.4
Central Bank	885.6	4569.1	4642.9	4645.2	4659.5	4841.8
DMBs and Non Interest Banks	9840.2	9101.2	8982.4	9462.1	9670.0	97775.7
Claims on State and Local Government	400.2	513.2	538.1	586.3	599.0	665.9
Central Bank						
DMBs and Non Interest Banks	400.2	513.2	538.1	586.3	599.0	665.9
Claims on Non-financial Public Enterprises	--	--	--	--	--	--
Central Bank	--	--	--	--	--	--
DMBs and Non Interest Banks	--	--	--	--	--	--
Foreign Assets (Net)	**6669.8**	**7138.7**	7301.6	7525.2	8267.4	9098.7
Central Bank	5267.5	5823.8	5750.6	6028.3	6388.6	7448.6
DMBs and Non Interest Banks	1402.3	1314.9	1550.9	1496.9	1878.8	1650.1
Other Assets (Net)	-4030.5	-7521.9	-7725.5	-7354.9	-7574.4	-7927.5
Total Monetary Assets (M2)	**12690.9**	**13303.5**	**13265.0**	**13483.4**	**14064.2**	**15128.7**
Quasi-Money 1/	6615.8	6531.9	6748.0	6883.7	7672.8	8062.9
Money Supply (M1)	**6005.1**	**6771.6**	6516.9	6599.7	6391.4	7065.8
Currency Outside Banks	1012.4	1245.1	1141.4	1088.3	1070.2	1301.2
Demand Deposits 2/	4992.7	5526.4	5375.6	5511.4	5321.2	5764.6
Total Monetary Liabilities (M2)	**12690.9**	**13303.5**	**13265.0**	**13483.4**	**14064.2**	**15128.7**
Memorandum Items:						
Reserve Money (RM)	2065.1	2784.1	2527.6	2512.5	3117.1	3532.1
Currency in Circulation (CIC)	1354.0	1566.0	1432.8	1363.7	1348.8	1631.7
DMBs Demand Deposit with CBN	711.1	1218.02	1094.8	1148.7	1768.3	1900.4

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

2/ Demand Deposit consist of State, Local and Parastatals Deposits at CBN, State, Local Government and Private Sector Deposits as well as Demand Deposits of non-financial Public Enterprises at Deposit Money Banks.

Table A2: Money and Credit Aggregates (Growth Rates)

	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12
	Percentage Change Over Preceding Quarter					
Domestic Credit (Net)	12.1	37.4	0.2	-2.7	0.4	4.4
Claims on Federal Government (Net)	-7.5	-56.7	9.9	-213.2	-13.3	15.1
Claims on Private Sector	11.6	27.7	-0.1	4.1	1.6	2.3
Claims on Other Private Sector	12.3	27.6	-0.3	3.9	1.6	2
Claims on State and Local Government	-4.8	28.3	4.9	8.9	2.2	11.2
Claims on Non-financial Public Enterprises	--	--	--	-	-	
Foreign Assets (Net)	3.4	7	2.3	3	9.9	10.1
Other Assets (Net)	26.6	-87.4	-3.3	-4.7	-3	4.7
Total Monetary Assets (M2)	**3.6**	**5.4**	**-0.2**	**1.6**	**4.3**	**7.6**
Quasi-Money 1/	4.9	-1.3	3.3	2	11.5	5.1
Money Supply (M1)	4	12.8	-3.7	1.2	-3.2	10.6
Currency Outside Banks	-8.7	23.1	-8.3	-4.6	-1.7	21.6
Demand Deposits 2/	7.3	10.7	-2.6	2.4	-3.4	8.3
Total Monetary Liabilities (M2)	**3.6**	**5.4**	**-0.2**	**1.6**	**4.3**	**7.6**
Memorandum Items:						
Reserve Money (RM)	-7.6	45.9	-9.2	-0.6	24.1	13.3
Currency in Circulation (CIC)	-0.8	16.7	-8.5	-4.8	-1.1	21
DMBs Demand Deposit with CBN	-20.4	115.2	-10.1	4.9	53.9	7.5
	Percentage Change Over Preceding December					
Domestic Credit (Net)	14.6	57.2	0.2	-2.7	-2.3	1.98
Claims on Federal Government (Net)	-2.02	55.7	9.9	-177.85	-214.8	-167.2
Claims on Private Sector	13.2	44.3	-0.1	3.6	5.3	7.77
Claims on Other Private Sector	13.4	44.5	-0.3	3.2	4.87	6.94
Claims on State and Local Governments	8.2	38.8	4.9	14.23	16.72	29.8
Claims on Non-financial Public Enterprises						
Foeign Asset (Net)	-0.8	9.7	2.3	5.41	15.8	27.5
Other Asset (Net)	13.7	-103.9	-3.3	2.22	-0.698	5.392
Total Monetary Assets (M2)	**5.7**	**15.4**	**-0.2**	**1.4**	**5.7**	**13.7**
Quasi-Money 1/	9.8	9.7	3.3	5.4	17.5	23.4
Money Supply (M1)	1.3	21.5	-3.7	-2.54	-5.6	4.3
Currency Outside Banks	-6.1	15	-8.3	-12.59	-14.1	4.5
Demand Deposits 2/	3.1	23.1	-2.6	-0.27	-3.7	4.3
Total Monetary Liabilities (M2)	**5.7**	**15.4**	**-0.2**	**1.4**	**5.7**	**13.7**
Memorandum Items:						
Reserve Money (RM)	11.9	5.84	-9.2	-9.76	11.96	26.9
Currency in Circulation (CIC)	-6.1	13.64	-8.5	-12.92	-13.87	4.2
DMBs Demand Deposit with CBN	52.1	160.49	-10.1	-5.69	45.18	56

1/ Quasi money consist of Time, Savings and Foreign Currency Deposit at Deposit Money Banks excluding Taking from Discount Houses.
2/ Demand Deposit consist of State, Local and Parastatals Deposits at CBN, State, Local Government and Private Sector Deposits as well as Demand Deposits of non-financial Public Enterprises at Deposit Money Banks.

Table A3: Federal Government Fiscal Operations (₦ billion)

	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
Retained Revenue	**585.9**	**735.0**	**1184.2**	**587.7**	**825.5**	**967.2**	**852.0**	**762.6**	**821.2**
Federation Account	504.3	501.1	738.73	423.2	576.17	576.17	659.75	642.8	620.75
VAT Pool Account	21.4	23	25.59	15.55	24.62	24.62	26.18	24.99	26.47
FGN Independent Revenue	35.9	103.4	45.06	39.51	15.85	125.43	101.26	7.75	13.05
Excess Crude	15.2	94.5	371.29	0	0	34.37	0	40.93	79.02
Others	9	13	3.55	109.4	208.87	206.64	64.8	46.16	81.95
Expenditure	**872.5**	**912.5**	**1345.3**	**952.8**	**902.5**	**954.7**	**1063.8**	**1221.7**	**1242.1**
Recurrent	682.5	751	939.26	727.91	642.46	714.26	775.03	930.23	884.03
Capital	165.6	85	346.39	136.18	203.54	155.38	245.51	263.02	24937.56
Transfers	40.5	76.5	59.69	88.68	56.47	85.04	43.3	28.3	304.3
Overall Balance: Surplus(+)/Deficit(-)	**-286.6**	**-177.5**	**-161.1**	**-365.1**	**-77.0**	**12.6**	**-211.8**	**-459.1**	**-420.8**

Table A4: Gross Domestic Product at 1990 Basic Prices

	Q2-2011	Q3-2011	Q4-2011	Q1-2012	Q2-2012	Q3-2012	Q4-2012
			₦ billion				
Real GDP	**188.03**	**228.31**	**246.28**	**182.12**	**200.40**	**243.90**	**263.93**
Oil GDP	*27.90*	*32.59*	*33.34*	*28.78*	*27.80*	*32.30*	*53.14*
Crude Petroleum & Natural Gas	27.90	32.59	33.34	28.78	27.80	32.30	53.14
Non-oil GDP	*160.13*	*195.72*	*212.94*	*153.34*	*172.56*	*211.60*	*230.53*
Agriculture	78.21	99.65	97.26	62.78	81.33	103.80	100.93
Industry (excluding crude petroleum/natural Gas)	8.04	8.94	18.25	2.65	8.70	9.75	19.74
Building & Construction	3.93	3.68	4.89	5.49	4.42	4.11	5.51
Wholesale & Retail Trade	31.50	41.75	48.95	42.60	34.19	46.21	54.27
Services	38.45	41.71	43.59	39.87	43.93	47.74	50.08
			Relative Share (%)				
Real GDP	*100.00*	*100.00*	*100.00*	*100.00*	*100.00*	*100.00*	*100.00*
Oil GDP	14.84	14.27	13.54	15.80	13.90	13.25	12.65
Crude Petroleum & Natural Gas	14.84	14.27	13.54	15.80	13.90	13.25	12.65
Non-oil GDP	85.16	85.73	86.46	84.20	86.10	86.75	87.35
Agriculture	41.59	43.64	39.49	34.47	47.10	42.58	38.24
Industry (excluding crude petroleum/natural Gas)	4.63	3.92	7.41	1.44	5.04	3.98	7.50
Building & Construction	2.09	1.61	1.99	3.01	2.56	1.68	2.40
Wholesale & Retail Trade	16.75	18.29	19.87	23.39	19.81	18.94	23.50
Services	20.45	18.27	17.70	21.89	25.45	19.57	21.70
Real GDP	7.61	7.30	7.68	6.17	6.58	6.86	7.10
Oil GDP	*0.98*	*-0.38*	*-0.4*	*-2.3*	*-0.2*	*-0.83*	*-0.17*
Crude Petroleum & Natural Gas	0.98	-0.38	-0.40	-2.30	-0.20	-0.83	-0.17
Non-oil GDP	8.85	8.70	9.07	7.93	7.80	8.40	8.23
Agriculture	5.95	5.60	5.74	4.15	3.98	4.25	3.83
Industry (excluding crude petroleum/natural Gas)	1.43	1.83	2.70	0.51	8.20	12.35	7.95

Source: National Bureau of Statistics.

[1] *Provisional.*