CENTRAL BANK OF NIGERIA

ECONOMIC REPORT
FEBRUARY 2013

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

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1.0 Summary

Growth in the key monetary aggregate was moderate at the end of the first two months of 2013. On month-on-month basis, broad money (M_2) grew by 2.6 per cent, due largely to the 6.0 and 3.5 per cent growth in domestic credit (net) and foreign asset (net) of the banking system, respectively. Narrow money (M_1), however, fell by 0.2 per cent below the level at the end of the preceding month, due largely to the 0.3 per cent decline in its demand deposit component. Reserve money (RM) rose by 9.6 per cent over its level in the preceding month.

Available data indicated that most banks' deposit and lending rates fell during the review month. With the exception of the inter-bank and average savings deposit rates, all other bank deposit rates of various maturities trended downward. The prime lending rate declined marginally, while the maximum lending rate increased during the review month. The spread between the weighted average term deposit and maximum lending rates widened by 0.84 percentage point to 17.72 per cent in February 2013. Similarly, the margin between the average savings deposit and maximum lending rates widened by 0.03 percentage point to 22.88 per cent at the end of the review month. The weighted average inter-bank call rate rose to 11.98 per cent from 11.67 per cent in the preceding month, reflecting the liquidity condition in the market.

Provisional data indicated that the value of money market assets outstanding at end-February 2013 was ₦5,943.37 billion, indicating a decline of 4.9 per cent, in contrast to the increase of 0.5 per cent at end of the preceding month. The development was attributed to the 9.4 and 11.3 per cent increase in FGN Bonds and commercial paper, respectively. The Nigerian Stock Exchange (NSE) closed the month on a bullish note.

Total federally-collected revenue in February 2013 was estimated at ₦856.52 billion. This was above the provisional monthly budget estimate and the receipt in the preceding month by 6.0 and 10.0 per cent, respectively. At ₦655.25 billion, gross oil receipts was above the provisional monthly budget estimate and the level in the preceding month. This was attributed largely, to the increase in the price of crude oil in the international market.

Non-oil receipts, at ₦201.28 billion (23.5 per cent of the gross federally collected revenue), was 21.0 per cent lower than the provisional monthly budget estimate but 11.9 per cent higher than receipts in the preceding month. The decline relative to the provisional budget estimate reflected, largely, the drop in independent revenue of the federal government and National Information Technology Development Fund (NITDF). Federal Government estimated retained revenue in February 2013 was ₦249.74 billion, while total estimated expenditure was ₦444.17 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦194.43 billion, compared with the estimated monthly budget deficit of ₦94.68 billion.

The dominant agricultural activities in February 2013 included tending of irrigation-fed vegetable and cereal crop; harvesting of tree crops; and clearing of land for 2013 wet season farming. In the livestock sector, farmers were involved in the raising of livestock to replace stock sold during the past festivities. Crude oil production was estimated at 2.06 million barrels per day (mbd) or 57.68 million barrels during the month. Crude oil export was estimated at 1.61 million barrels per day (mbd) or 45.08 million barrels during the month. The average price of Nigeria's reference crude, the Bonny Light (37^0 API), was estimated at US$115.58 per barrel, indicating an increase of 2.7 per cent above the level in the preceding month. The end-period inflation rate for February 2013, on a year-on-year basis, was 9.5 per cent, 0.5 percentage point above the level in the preceding month. The inflation rate on a 12-month moving average basis was 11.7 per cent, compared with the preceding month's level of 11.9 per cent.

Foreign exchange inflow and outflow through the CBN in February 2013 were US$3.42 billion and US$1.88 billion, respectively, and resulted in a net inflow of US$1.54 billion. Foreign exchange sales by the CBN to the authorized dealers amounted to US$1.46 billion, showing an increase of 42.9 per cent above the level in the preceding month.

Relative to the level in the previous month, the average Naira exchange rate vis-à-vis the US dollar remained on changed at ₦157.30/US$ at the WDAS segment of the market, it however, appreciated at the interbank and depreciated at the bureaux-de-change segment of the foreign exchange market.

Non-oil export receipts increased significantly by 22.3 per *cent above the level in the preceding month, this was attributed, largely, to the 148.7 and 73.9 per cent rise in receipts from industrial and agricultural sectors, respectively.*

World crude oil output in January 2013 was estimated at 89.95 million barrels per day (mbd), while demand was estimated at 89.67 million barrels per day (mbd)), representing an excess supply of 0.28 mbd, compared with 89.95 and 89.67 mbd supplied and demanded, respectively, in the preceding month.

Other major international economic development and meetings of importance to the domestic economy during the review period included:

- *A seminar with the theme "US Trade Policy under the New Administration: What Does it Mean for Africa?" which was held in Tunis on February 21, 2013. At the Seminar, a report by African Development Bank (AfDB) revealed that Africa's trade with the United States grew by more than 500 per cent between 2001 and 2011, and that many African countries missed out on that five-fold growth.*

- *In another development, the Meeting of the 36th Bureau of the Association of African Central Banks (AACB) was held on February 27th, 2013 at the Headquarters of the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) Dakar, Senegal.*

2.0 Financial Sector Developments

2.1 Monetary and Credit Developments

Growth in the major monetary aggregate was moderate at the end of first two months of the year. Available data indicated mixed developments in banks' deposit and lending rates during the review month. The value of money market assets outstanding decreased, owing, largely, to the decline in FGN Bonds and Commercial Paper outstanding. Transactions on the Nigerian Stock Exchange (NSE) recorded mixed development during the review month.

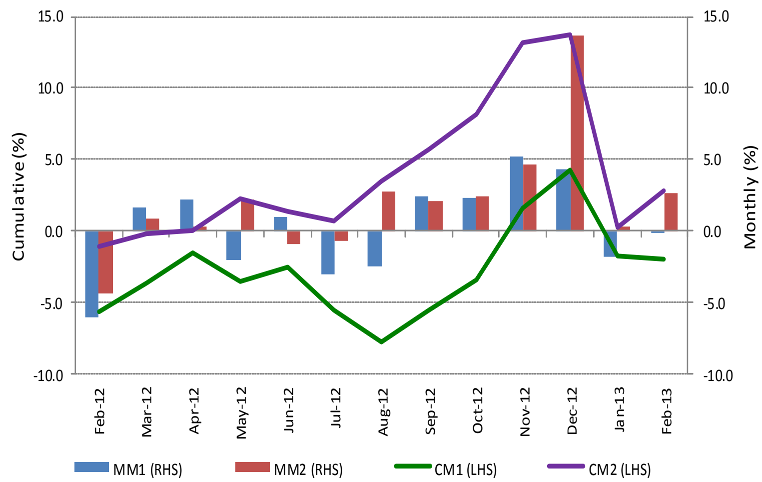
Growth in the key monetary aggregate was moderate in February 2013.

Provisional data indicated that growth in the major monetary aggregate was moderate at end-February 2013. Broad money supply (M_2) at ₦15,561.72 billion, rose by 2.0 per cent, on month-on-month basis, above the level at the end of the preceding month and 18.0 per cent at the end of the corresponding month of 2012. The development reflected the 6.0 and 3.0 per cent increase in domestic credit (net) and foreign asset (net) of the banking system, respectively, which more than off-set the 9.0 per cent decline in other asset (net) of the banking system. Over the level at end-December 2012, (M_2) grew by 2.9 per cent.

Narrow money supply (M_1), at ₦6,928.5 billion, however, declined by 1.0 per cent, on month-on-month basis, below the level at the end of the preceding month but rose by 7.0 per cent above the level at the end of the corresponding period of 2012. The development was attributed to the 1.0 per cent decline in its demand deposit component. Over the level at end-December 2012, (M_1) fell by 2.0 per cent. (Fig. 1, Table 1).

Quasi-money grew by 4.0 per cent, on month-on-month basis, to ₦8,633.2 billion, compared with the growth of 2.0 per cent at the end of the preceding month. The development reflected the increase in time and savings deposits with the deposit money banks (DMBs). Relative to the level at end-December 2012, quasi-money grew by 2.1 per cent.

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



At ₦15,377.1 billion, aggregate banking system credit (net) to the domestic economy, at end-February 2013, rose by 6.0 per cent, on month-on-month basis, compared with the growth of 3.9 per cent at the end of the preceding month. The development reflected, wholly, the 117.0 per cent increase in (net) claims on the Federal Government. Over the level at end-December 2012, aggregate banking system credit (net) to the domestic economy rose by 10.2 per cent due to significant increase of 108.2 per cent in (net) claims on Federal Government.

Banking system's credit (net) to the Federal Government, on month-on-month basis, rose by 117.0 per cent to ₦108.6 billion, compared with the growth of 52.0 and 21.2 per cent at the end of the preceding month and the corresponding month of 2012, respectively. The development was attributed, wholly, to the 12.2 per cent increase in the banking system's holdings of Nigerian Treasury Bills. Over the level at end-December 2012, banking system credit (net) to Federal Government rose by 108.2 per cent.

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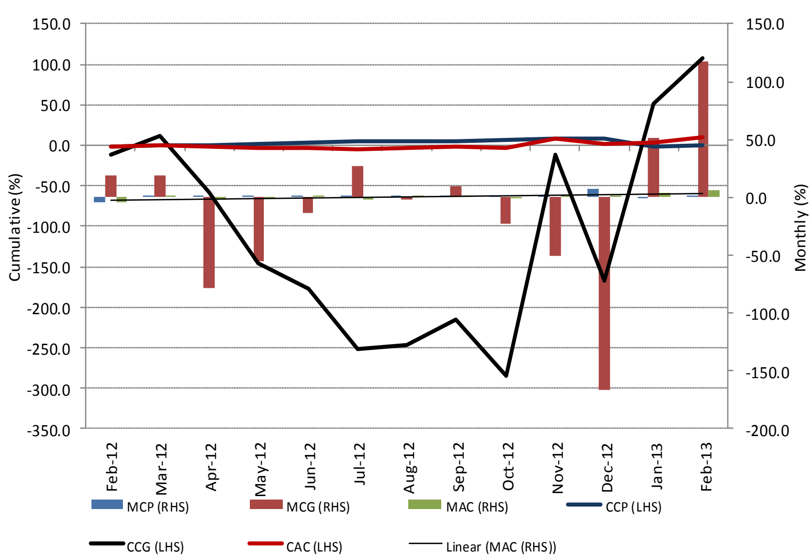
[1] MM1 and MM2 represent month-on-month changes, while CM1 and CM2 represent cumulative changes (year-to-date).

Banking system's credit to the private sector relative to the level at the end of the preceding month, grew by 0.9 per cent to ₦15,268.4 billion, in contrast to the decline of 1.0 per cent a month earlier. Similarly, banking system's claims on the core private sector increased by 1.1 per cent to ₦14,618.8 billion in contrast to the 1.1 per cent decline at the end of the preceding month. The development reflected, largely, the 0.8 per cent rise in bank's claims on the core private sector. Relative to the level at end-December 2012, banking system's credit to the private sector fell by 0.1 per cent due to 1.5 per cent decline in DMBs claims on private sector. (Fig. 2, Table 1).

Figure 2: Growth Rate of Net Domestic Credit[2]



At ₦9,630.1 billion, foreign assets (net) of the banking system rose by 3.5 per cent, on month-on-month basis, at end-February 2013, compared with the increase of 2.2 per cent at the end of the preceding month and a decline of 3.9 per cent at the end of the corresponding

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

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

period of 2012. The development was attributed to the 2.7 and 7.1 per cent increase in foreign assets holdings of CBN and deposit money banks, respectively. Over the level at end-December 2012, foreign assets (net) of the banking system rose by 5.8 per cent owing to the 7.9 per cent rise in foreign assets holdings of the DMBs.

Other assets (net) of the banking system, on a month-on-month basis, fell by 9.4 per cent to negative ₦9,445.4 billion, compared with 8.9 per cent decline at the end of the preceding month. The decline reflected, largely, the fall in unclassified assets of both the CBN and the DMBs. Over the level at end-December 2012, other assets (net) of the banking system fell 19.1 per cent for the same reason above.

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

	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Aug-12	Nov-12	Dec-12	Jan-13	Feb-13
Domestic Credit (Net)	22.0	2.0	-3.5	1.6	-2.0	-1.6		-1.6	0.5	10.0	2.0	3.9	6.0
Claims on Federal Government (Net)	55.4	-35.8	20.3	18.6	-78.1	26.5	-13.1	26.5	-1.4	-51.2	-167.2	51.9	117.0
Claims on Private Sector	14.6	3.2	-4.3	0.8	0.5	1.0	1.5	1.0	0.3	2.0	7.8	-1.0	0.9
Claims on Other Private Sector	14.2	3.5	-4.5	0.6	0.4	1.0	1.9	1.0	0.4	1.8	6.9	-1.1	1.1
Foreign Assets (Net)	7.8	3.9	-2.5	1.0	5.3	3.9	-5.8	3.9	3.3	-0.4	27.5	2.2	3.5
Other Assets (Net)	-33.7	-1.2	0.9	-2.2	-1.0	-2.3	3.7	-2.3	-0.8	-8.4	-5.4	-8.9	-9.4
Broad Money Supply (M2)	8.9	3.4	-4.4	0.9	2.9	-0.7	-0.9	-0.7	2.8	4.6	13.7	0.3	2.6
Quasi-Money	1.5	6.1	-2.8	0.2	-1.7	1.5	-2.6	1.5	7.7	4.1	23.4	2.1	4.9
Narrow Money Supply (M1)	17.1	0.8	-6.0	1.6	2.2	-3.0	1.0	-3.0	-2.5	5.2	4.3	-1.8	-0.2
Reserve Money (RM)	18.9	-3.4	2.6	-8.4	2.5	15.2	3.3	15.2	5.4	-2.0	26.9	-8.5	9.6

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

At ₦1,437.5 billion, currency in circulation fell by 2.0 per cent in the review month, compared with a decline of 11.0 per cent at the end of the preceding month. The development reflected, wholly, the 10.0 per cent decline in its vault cash component held by banks.

Total deposits at the CBN amounted to ₦6,880.9 billion, indicating an increase of 1.4 per cent above the level at the end of the preceding month. The development reflected, largely, the rise in DMBs and "others" deposits, which more than offset the fall in Federal Government deposits. Of the total deposits, the percentage shares of the Federal Government, banks and "others" were 58.1, 30.6 and 11.3 per cent, respectively, compared with 63.4, 26.2, and 10.4 per cent at end-January 2013.

Reserve money (RM) increased by 9.6 per cent to ₦3,543.8 billion at the end of the review month, reflecting the trends in DMBs' deposits with the CBN.

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

2.3 Money Market Developments

Financial market indicators were relatively stable during the review period. The CBN intervened periodically in the market to mop up excess liquidity at the Open Market Operation (OMO). In addition to other monetary policy tools deployed, FGN Bonds and NTBs were issued at the primary market on behalf of the Debt Management Office (DMO) for the fiscal operations of the Federal Government of Nigeria (FGN). Subscription to the FGN bonds remained impressive as a result of the sustained interest of foreign portfolio investors due to its attractive yield and the global acceptance of its international index and the elevated liquidity levels.

Provisional data indicated that the value of money market assets outstanding at end-February 2013 was ₦5,943.37 billion, indicating a decrease of 4.9 per cent, in contrast to the increase of 0.5 per cent at the end of the preceding month. The development was attributed to the 9.4 and 11.3 per cent decline in FGN Bonds and commercial paper outstanding, respectively.

2.3.1 Interest Rate Developments

Available data indicated that there was a fall in most banks' deposit and lending rates during the review month. With the exception of the interbank and average savings deposit rates, which rose by 0.31 and 0.03 percentage point to 11.98 and 1.72 per cent, respectively, all other deposit rates of various maturities

Interest rates generally fell in February 2013.

fell from a range of 5.14 – 8.87 per cent to a range of 4.92 – 8.3 per cent. At 6.88 per cent, the average term deposit rate fell by 0.78 percentage point below the level in the preceding month. The average maximum lending rate rose by 0.06 percentage point to 24.60 per cent, while the average prime lending rate fell by 0.01 percentage point to 16.56 per cent in the review month. Consequently, the spread between the weighted average term deposit and maximum lending rates widened by 0.84 percentage point to 17.72 per cent in February 2013. Similarly, the margin between the average savings deposit and maximum lending rates widened by 0.03 percentage point to 22.88 per cent at the end of the review month.

At the interbank call segment, the weighted average rate, which stood at 11.67 per cent at end-January 2013, rose by 0.31 percentage point to 11.98 per cent. Similarly, the weighted average rate, at the open-buy-back (OBB) segment, rose by 0.25 percentage point to 11.87 per cent from 11.62 per cent at end-January 2013. The Nigerian interbank offered rate (NIBOR) for 7-day rose by 0.06 percentage point to close at 12.42 per cent, while the 30-day closed at 12.90 per cent, down by 0.24 percentage point from its level in the preceding month. With the estimated headline inflation rate at 9.5 per cent at end-February 2013, most rates, with the exception of the lending rates and the average interbank rate were negative in real terms (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

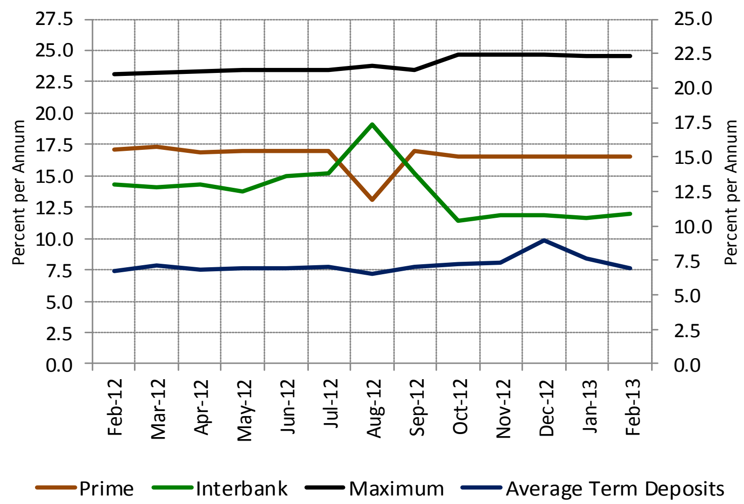


Table 2: Selected Interest Rates (Percent, Averages)

	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Average Term Deposits	5.94	4.39	6.72	7.15	6.83	6.96	6.92	7.05	7.28	7.38	8.99	7.66	6.88
Prime Lending	26.75	16.92	17.10	17.28	16.90	16.98	16.93	16.96	16.48	16.51	16.54	16.57	16.56
Interbank	15.50	14.19	14.50	14.13	14.30	13.80	14.92	15.19	11.42	11.86	11.88	11.67	11.98
Maximum Lending	23.35	23.08	23.10	23.21	23.31	23.44	23.44	23.45	24.65	24.70	24.61	24.54	24.60

2.3.2 Commercial Paper (CP)

The value of commercial paper (CP) held by the DMBs at end-February 2013 stood at ₦0.93 billion, indicating a decline of 11.3 per cent below the level in the preceding month. Thus, CP constituted 0.02 per cent of the total value of money market assets outstanding at end-February 2013.

2.3.3 Bankers' Acceptances (BAs)

The value of bankers' acceptances (BAs) increased by 3.7 per cent to ₦8.96 billion, in contrast to the decline of 12.4 per cent in the preceding month. Consequently, BAs constituted 0.15 per cent of the total value of money market assets outstanding at end-February 2013, compared with 0.14 per cent at the end of the preceding month.

2.3.4 Open Market Operations

Auction of Nigerian Treasury Bills (NTBs) of various maturities was used to mop-up excess liquidity from the banking system in line with the monetary policy stance of the Bank. Total amount offered, subscribed to and allotted amounted to ₦1,820.0 billion, ₦2,302.71 billion and ₦1,351.60 billion, respectively, compared with ₦1,470.0 billion, ₦2,958.5 billion and ₦1,756.7 billion, recorded in the preceding month. The bid rates ranged between 9.5 – 13.5 per cent, while the stop rate ranged between 9.9 – 12.0 per cent. Bills worth ₦864.11 billion matured and were repaid in the review month.

2.3.5 Primary Market

At the primary market segment, Nigerian Treasury Bills (NTBs) auctions were conducted in three tenors, namely 91-, 182- and 364-day. Total amount offered, subscribed to and allotted were ₦354.92 billion, ₦1,076.36 billion and ₦354.92 billion, respectively, compared with ₦331.30 billion, ₦694.40 billion and ₦331.30 billion in the preceding month. The bid rates ranged from 9.00-12.50, 8.90 – 13.00 and 8.99-12.00 per cent for the 91-, 182- and 364-day tenors, respectively. The bid-to-cover ratios for the various tenors were 1.51, 3.16 and 3.50 for the 91-,182- and 364-day tenors, respectively. The high bid-to-cover ratio of over 3.0 for the 182- and 364-day tenors was a reflection of investors' preference for the longer-term maturities.

2.3.6 Bonds Market

All the four tranches of FGN Bond offered during the review month were re-openings.

FGN Bonds of 5 -, 7- , 10- and 20- year tranches, totalling ₦469.91 billion were reopened and offered to the market in the month of February 2013. Total amount offered, subscribed to and allotted was ₦105.00 billion, ₦259.91 billion and ₦105.00 billion, respectively, while the bid rates on the four tranches ranged from 8.00 - 16.39 per cent at the marginal rates of 10.6, 10.96, 10.8 and 10.9 per cent, respectively. Relative to the level in the preceding month, amount offered, subscribed to and allotted was ₦110.00 billion, ₦223.00 billion and ₦110.00 billion, respectively, at marginal rates of 10.80, 11.00 and 11.34 per cent, respectively, for 5 -, 7- and 10- year tranches. The drop in yield in the review period was attributed to an increase in demand by offshore investors and the liquidity levels in the system. The FGN Bond 5.50% FEB 2013 worth ₦490.00 billion matured and was repaid in February, 2013.

2.3.7 CBN Standing Facilities

Aggregate Standing Lending Facility (SLF) granted during the review period was ₦1,115.65 billion with a daily average of ₦55.75 billion, compared with ₦672.76 billion with daily average of ₦33.64 billion in the preceding month, showing an increase of 65.8 per cent. The aggregate Standing Deposit Facility (SDF) stood at ₦3,047.91 billion with daily average of ₦152.40 billion which was an increase of 43.4 per cent over the level in the preceding month. The development reflected the liquidity condition in the market during the review period.

2.4 Deposit Money Banks' Activities

Available data indicated that total assets and liabilities of the deposit money banks (DMBs) amounted to ₦22,057.4 billion, showing an increase of 1.4 per cent above the level at the end of the preceding month. Funds were sourced mainly from increased mobilisation of time, savings and foreign currency deposits. The funds were used, largely, in the extension of credit to the Federal Government, and increase in foreign and unclassified assets.

At ₦13,643.8 billion, DMBs' credit to the domestic economy rose by 1.2 per cent over the level in the preceding month. The breakdown showed that relative to the level at the end of the preceding month, credit to the Federal Government and private sector rose by 1.1 and 10.7 per cent, respectively.

DMBs' Credit to the domestic economy rose by 1.2 per cent above the level in the preceding month.

Total specified liquid assets of the DMBs stood at ₦6,780.0 billion, representing 45.0 per cent of their total current liabilities. At that level, the liquidity ratio rose by

0.2 percentage point above the level in the preceding month, and was 15.0 percentage points above the stipulated minimum ratio of 30.0 per cent. The loans-to-deposit ratio, at 40.6 per cent, was 1.1 percentage point below the level at the end of the preceding month, and 39.4 percentage points below the prescribed maximum ratio of 80.0 per cent.

2.5 Discount Houses' Activities

Available data indicated that total assets and liabilities of the discount houses stood at ₦340.0 billion at end-February 2013, showing a decrease of 6.3 per cent below the level at end-January 2013. The development was accounted for, largely, by the 9.0 per cent decrease in claims on Federal Government. Correspondingly, the decrease in total liabilities was attributed, largely, to the 12.7 per cent fall in money-at-call.

Discount houses' investment in Federal Government securities of less than 91-day maturity decreased to ₦154.8 billion and accounted for 54.6 per cent of their total deposit liabilities. Thus, investment in Federal Government Securities was 5.4 percentage points below the prescribed minimum level of 60.0 per cent. At that level, discount houses' investment in NTBs fell by 6.0 per cent below the level at the end of the preceding month. Total borrowing by the discount houses was ₦75.7 billion, while their capital and reserves amounted to ₦16.9 billion. This resulted in a gearing ratio of 4.5:1, compared with the stipulated maximum target of 50:1 for fiscal 2013.

2.6 Capital Market Developments

2.6.1 Secondary Market

Available data at end-February 2013 indicated that activities on the Nigerian Stock Exchange (NSE) were bullish. The volume and value of traded equities stood at 14.9 billion shares valued at ₦114.34 billion, in 167,442 deals, indicating an increase of 70.0 and 77.0 per cent, respectively, over the level during preceding month. The rise in transactions volume was driven by activities in the Financial Services sector in which 7.5 billion shares valued at ₦44.36 billion were traded in 65,881 deals. The Banking sub-sector continued its dominance as the most active followed by the conglomerates.

Figure 4: Volume and Value of Traded Securities

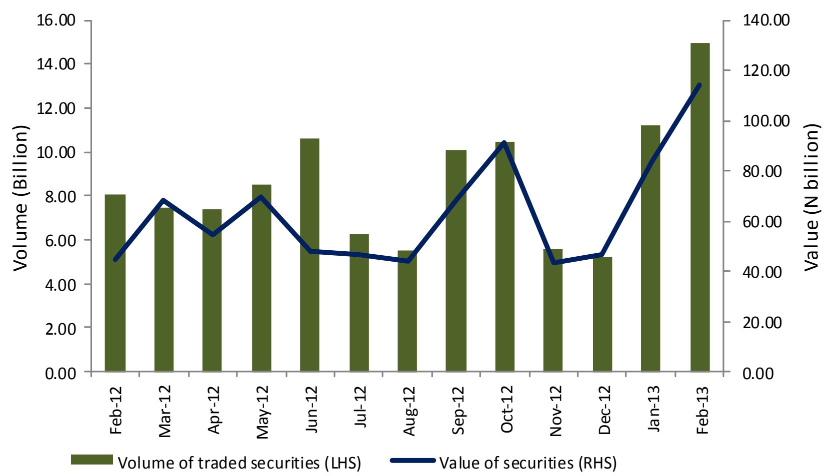


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE

	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Volume (Billion)	8.10	7.49	7.37	8.52	10.60	6.30	5.50	10.09	10.48	5.60	5.20	11.20	14.93
Value (₦ Billion)	44.95	68.37	54.40	69.78	48.10	46.90	43.80	68.58	91.50	43.40	46.50	83.30	114.34

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

Transactions on the Over-the-Counter (OTC) bonds market indicated a turnover of 595.54 million units, worth ₦706.8 billion in 3,244 deals recorded during February 2013, compared with 577.60 million units, worth ₦652.66 billion in 3,639 deals recorded in January 2013.

2.6.3 New Issues Market

There were no new or supplementary listings during the review month.

2.6.4 Market Capitalization

The aggregate market capitalization for all listed securities (Equities and Bonds) stood at ₦16.08 trillion at end-February 2013, indicating a decrease of 0.3 per cent below the level at the end of the preceding month. Market capitalization for the equity segment, however, rose by 6.5 per cent to ₦10.85 trillion at end-February 2013, compared with ₦10.12 trillion at the end of the January 2013.

2.6.5 NSE All-Share Index

The All-Share Index, which opened at 31,583.49 at the beginning of the month, stood at 33,075.14, showing an increase of 4.0 per cent when compared with the level at the end of preceding month. The five sectoral indices, the NSE Consumer Goods, NSE Banking, NSE Oil/Gas, NSE Lotus II and NSE Insurance stood at 976.96, 409.00, 187.32, 2,135.5 and 151.98 at end February 2013. This indicated an increase of 3.4, 4.2, 5.4 6.3 and 9.4 per cent, respectively, over their levels in the preceding month.

Figure 5: Market Capitalization and All-Share Index

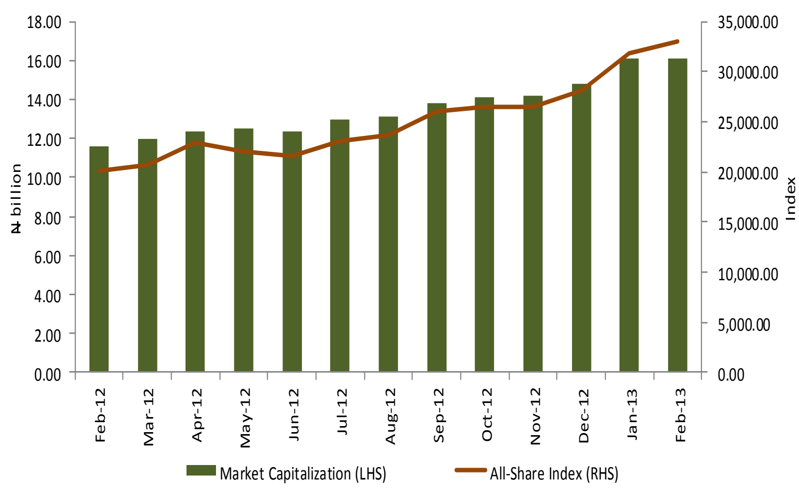


Table 4: Market Capitalization and All Share Index (NSE)

	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Market Capitalization (₦ trillion)	11.6	12.0	12.4	12.5	12.4	13.0	13.1	13.8	14.1	14.2	14.8	16.1	16.1
All-Share Index	20,123.51	20,652.47	22,045.66	22,066.40	21,599.57	23,061.38	23,750.82	23,373.00	26,430.90	26,494.40	28,078.81	31,853.19	33,075.14

3.0 Fiscal Operations

3.1 Federation Account Operations

Available data showed that estimated federally-collected revenue (gross) in February 2013, at ₦856.52 billion, was above the provisional monthly budget estimate and the receipt in the preceding month by 6.0 and 10.0 per cent, respectively. Relative to the level in the corresponding period of 2012, gross federally collected revenue also rose by 2.5 per cent. The increase relative to provisional monthly budget estimate was attributed to the growth in oil revenue during the review period. (Fig. 6, Table 5).

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

Figure 6: Components of Gross Federally-Collected Revenue

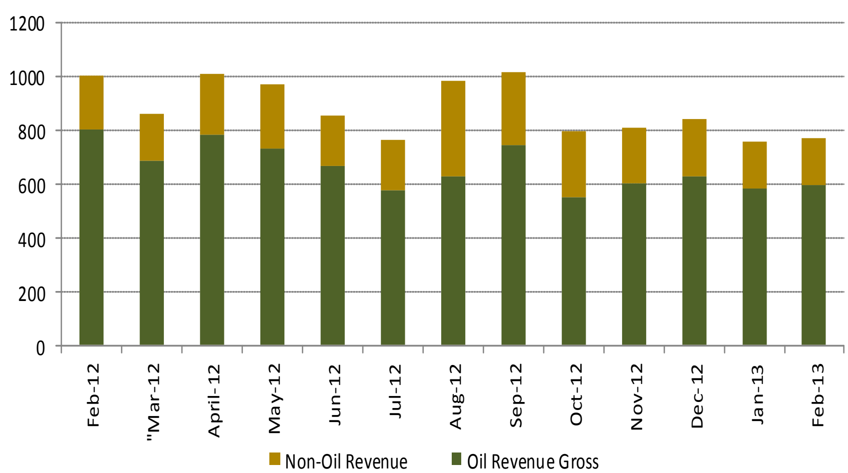


Table 5: Gross Federation Account Revenue (₦ billion)

	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Federally-collected revenue (Gross)	862.4	1013.6	899.9	855.1	766.3	985.8	1021.1	797.4	810.8	841.6	761.2	774.8	856.5
Oil Revenue	688.5	786.4	730.9	671.1	579.6	632.6	749.1	554.5	606.8	631.0	585.8	599.0	655.2
Non-Oil Revenue	173.9	227.2	243.9	184.0	186.7	353.2	272.0	243.0	204.0	210.6	175.4	175.8	201.3

At ₦655.25 billion, oil receipts (gross), which constituted 76.5 per cent of the total revenue, exceeded the provisional budget estimate and receipts in the preceding month by 18.5 and 9.4 per cent, respectively. The rise in oil receipts relative to the proportionate monthly budget estimate was attributed to the increase in the price of crude oil in the international market and in the volume of oil production during the review period (Fig. 7, Table 6).

Figure 7: Gross Oil Revenue and Its Components

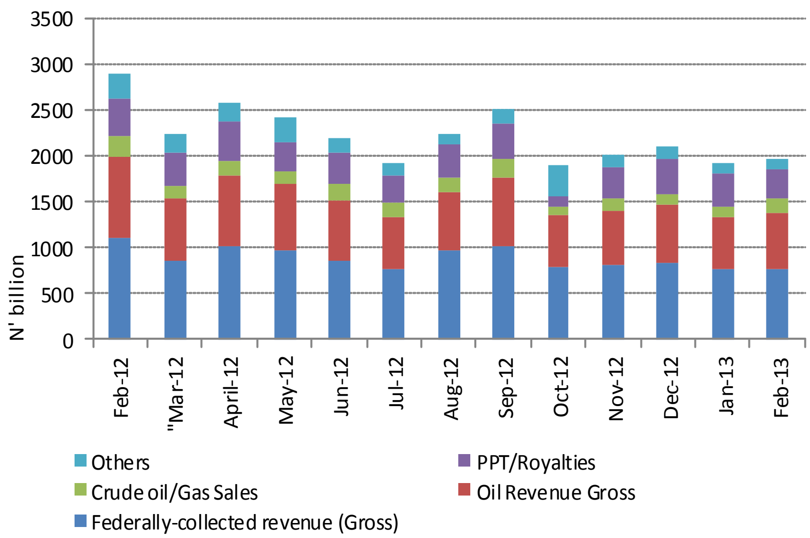


Table 6: Components of Gross Oil Revenue (₦ billion)

	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Oil Revenue	**688.5**	**786.4**	**730.9**	**671.1**	**579.6**	**632.6**	**749.1**	**554.5**	**606.8**	631.0	585.8	599.0	655.3
Crude oil/Gas Sales	137.8	156.7	136.2	171.2	145.1	149.4	210.8	95.0	133.3	125.6	107.7	172.9	129.9
Domstic crude oil/G	182.6	193.9	271.4	137.4	130.1	98.3	139.4	115.0	114.8	114.8	100.0	117.7	119.4
PPT/Royalties	360.2	427.9	315.3	354.4	296.4	377.0	389.8	336.6	350.1	382.7	370.4	300.5	398.0
Others	7.8	8.0	8.0	145.5	137.9	106.2	148.5	7.9	8.6	7.8	7.7	8.0	7.9

Non-oil receipts declined relative to the monthly budget estimate but were higher than receipts in the preceding month.

Non-oil receipts (gross), at ₦201.28 billion or 23.5 per cent of the total was 21.0 per cent lower than the provisional monthly budget estimate, but exceeded the level in the preceding month by 11.9 per cent. The decline relative to the monthly budget estimate, reflected, largely, the low receipts from independent revenue of the Federal Government and National Information Technology Development Fund (NITDF).

Figure 8: Gross Non-Oil Revenue and its Components

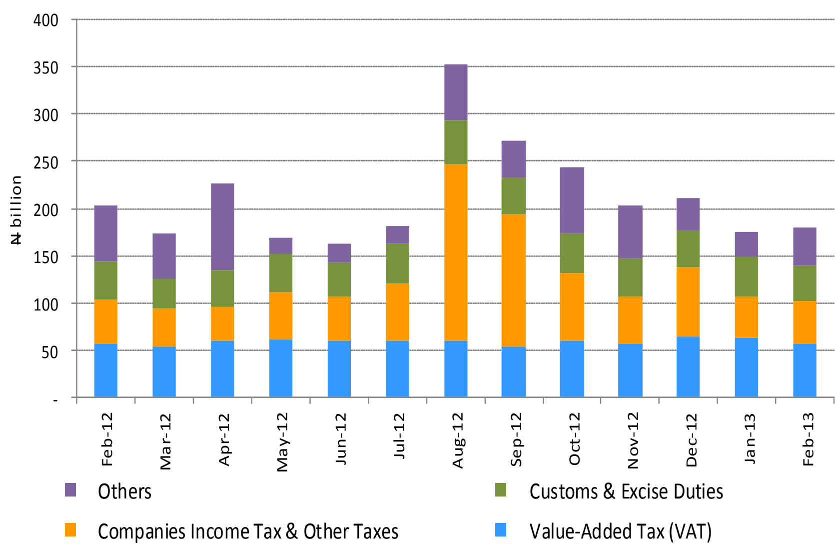


Table 7: Components of Gross Non-Oil Revenue (₦ billion)

	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Non-Oil Revenue	159.2	227.2	243.9	184.0	186.7	353.2	272.0	243.0	204.0	210.6	175.4	179.8	201.3
Value-Added Tax (VAT)	53.2	60.6	62.0	59.7	60.1	59.2	53.9	60.4	56.3	64.8	62.7	57.5	65.3
Companies Income Tax & Other Taxes	41.6	35.8	49.5	46.8	61.1	187.5	139.6	71.6	51.1	72.7	44.3	45.1	62.2
Customs & Excise Duties	30.9	39.0	40.6	35.7	41.3	46.2	39.3	41.5	39.4	39.7	41.9	39.6	36.4
Others	33.5	91.8	91.7	41.8	24.2	60.4	39.2	69.5	57.2	33.4	26.5	37.6	37.4

Of the federally-collected revenue (gross), the sum of ₦458.43 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 ₦216.51 billion, while the states and local governments received ₦109.82 billion and ₦84.66 billion, respectively. The balance of ₦47.43 billion was credited to the 13.0% Derivation Fund for sharing by the oil-producing states. From the VAT Pool Account, the Federal Government received ₦9.40 billion, while the state and local governments received ₦31.34 billion and ₦21.94 billion, respectively. Overall, the total allocation to the three tiers of government from the Federation and VAT Pool Accounts in the month amounted to ₦567.82 billion. This was lower than the provisional monthly budget estimate of ₦570.57 billion by 0.5 per cent.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

Federal government estimated retained revenue was lower than the monthly budgeted estimate but higher than the receipts in the preceding month.

At ₦249.74 billion, the estimated Federal Government retained revenue for February 2013 was lower than the provisional monthly budget estimate by 24.7 but higher than the receipts in the preceding month by 0.8 per cent. Of the total amount, the Federation Account accounted for 86.7 per cent, while VAT Pool Accounts, FGN Independent Revenue, Revenue Augmentation and SURE-P accounted for 3.8, 2.4, 0.6 and 6.5 per cent, respectively. (Fig. 9, Table 8).

Figure 9: Sources of Federal Government Retained Revenue

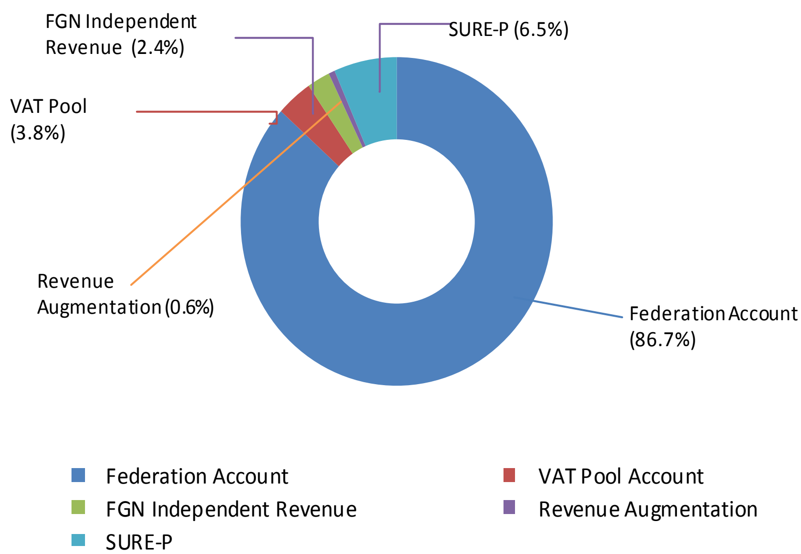


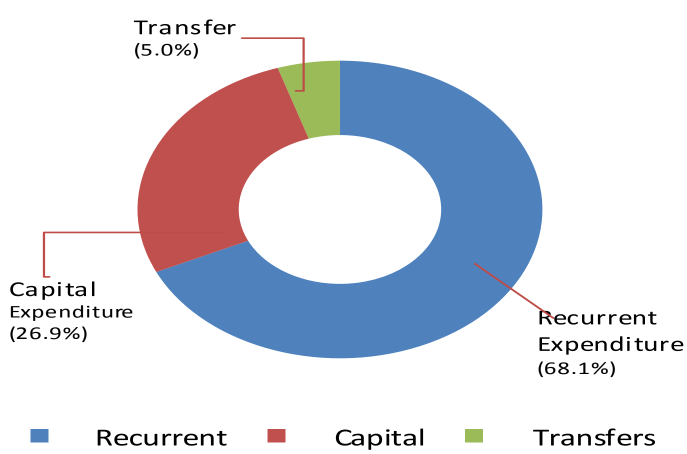
Table 8: Federal Government Fiscal Operations (₦ billion)

	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Retained Revenue	251.2	429.1	340.2	262.9	248.9	254.9	243.2	246.6	246.7	245.4	329.1	243.6	249.7
Expenditure	355.8	419.7	304.7	378.6	379.8	372.1	376.2	390.4	417.6	397.0	427.1	421.6	444.2
Overall Balance: (+)/(-)	-104.6	9.4	35.5	-115.7	-130.9	-117.1	-132.9	-143.8	-170.9	-145.6	-98.0	-178.0	-194.4

At ₦444.17 billion, total estimated expenditure for February 2013 was above the provisional monthly budget estimate and the level in the preceding month by 4.2 and 26.5 per cent, respectively. A breakdown of total expenditure showed that the recurrent expenditure accounted for 68.1 per cent, while the capital expenditure and transfer components accounted for 26.9 and 5.0 per cent, respectively. The non-debt-obligations accounted for 73.9 per cent of the total recurrent expenditure, while debt service payments accounted for the balance of 16.1 per cent (Fig. 10).

Total estimated expenditure for February 2013 rose above the monthly budget estimate and level in the preceding month.

Figure 10: Federal Government Expenditure



Thus, the fiscal operations of the Federal Government in February 2013, resulted in an estimated deficit of ₦194.43 billion, compared with the provisional monthly budget deficit estimate of ₦94.68 billion.

The fiscal operations of the FG resulted in an estimated deficit of ₦194.43 billion in February 2013.

3.2.2 *Statutory Allocations to State Governments*

During the review month, total receipts by state governments, including the share of VAT and the Federation Account stood at ₦207.49 billion. This was higher than the level in the preceding month by 1.1 per cent but lower than the level in the corresponding period of 2012 by 7.8 per cent.

The breakdown showed that, at ₦31.34 billion or 15.1 per cent of the total, receipts from the VAT Pool Account was 13.5 and 22.6 per cent above the levels in the preceding month and the corresponding period of 2012, respectively. At ₦176.15 billion or 84.9 per cent of the total, State Governments' receipt from the Federation Account was 0.8 and 11.7 per cent lower than the levels in the preceding month and the corresponding period of 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 review month, stood at ₦116.49 billion. This amount exceeded the level in the preceding month by 2.5 per cent but was lower than the level in the corresponding period of 2012 by 4.6 per cent. Of this amount, receipts from the Federation Account was ₦94.56 billion (81.2 per cent of the total), while the VAT Pool Account accounted for ₦21.94 billion (18.8 per cent of the total).

4.0 Domestic Economic Conditions

The dominant agricultural activities in February 2013 included: tending of irrigation-fed vegetable and cereal crops; harvesting of tree crops; and clearing of land for 2013 wet season farming. In the livestock sector, farmers were involved in the raising of livestock to replace stock sold during the past festivities. Crude oil production was estimated at 2.06 million barrels per day (mbd) or 57.68 million barrels during the month. The end-period inflation rate for February 2013, on a year-on-year basis, was 9.5 per cent, 0.5 percentage point above the level in the preceding month. The inflation rate on a 12-month moving average basis was 11.7 per cent, compared with the preceding month's level of 11.9 per cent.

4.1 Agricultural Sector

Preparations for early planting commenced during the month. Major agricultural activities in the southern states were harvesting of tree crops and clearing of land for the 2013 wet season farming, while tending of irrigation-fed vegetable and cereal crops dominated agricultural activities in the Northern States. In the livestock sector, farmers were involved in raising of livestock to replace stock sold during the past festivities.

A total of ₦708.0 million was guaranteed to 2,721 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in the review month. This represented an increase of 13.0 and 63.0 per cent above the levels in the preceding month and the corresponding month of 2012, respectively. A sub-sectoral analysis of the loans guaranteed indicated that the livestock sub-sector obtained the largest share of ₦340.0 million (48.1 per cent) for 1,134 beneficiaries; the food crops got ₦268.0 million (37.9 per cent) guaranteed to 1,305 beneficiaries; "Others" had ₦61.0 million (8.6 per cent) for 210 beneficiaries and cash crops sub-sector received ₦21.0 million (3.0 per cent) for 25 beneficiaries. The fisheries sub-sector received ₦9.0 million (1.3 per cent) guaranteed to 22 beneficiaries, while the mixed crops sub-sector, ₦8.0 million (1.1 per cent) guaranteed to 25 beneficiaries.

Analysis by state showed that 28 states benefited from the Scheme during the review month, with the highest and lowest sums of ₦166.0 million (23.5 per cent) and ₦0.5 million (0.1 per cent) guaranteed to Katsina and Ondo States, respectively.

At end-February 2013, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement stood at the same level as the preceding month.

At end-February 2013, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement remained unchanged at the preceding month's level of ₦199.5 billion for two hundred and seventy (270) projects/promoters (Table 9).

Table 9: Disbursement of Credit under the Commercial Agriculture Credit Scheme (CACS) February 2013.

S/N	Participating Banks	Amount Disbursed (₦ billion)	Number of Projects/State Governments
1	UBA Plc.	41.80	35
2	Zenith Bank	27.00	18
3	First Bank of Nigeria Plc	22.30	62
4	Unity Bank Plc	19.50	21
5	Union Bank Nigeria PLC	18.20	21
6	Stanbic IBTC Bank	11.80	23
7	Access Bank Plc	10.30	11
8	Skye Bank Plc	9.20	7
9	Fidelity Bank Plc	8.90	8
10	Sterling Bank Plc	7.00	13
11	GTBank Plc	5.80	9
12	FCMB Plc.	4.79	8
13	ECOBANK	3.80	7
14	Citibank Plc	3.00	2
15	Diamond Bank Plc	2.70	12
16	Mainstreet Bank Plc	2.00	1
17	WEMA Bank	0.70	5
18	Enterprise Bank	0.50	6
19	Keystone Bank	0.20	1
	TOTAL	**199.49**	**270**

4.2 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at an average of 2.06 million barrels per day (mbd) or 57.68 million barrels for the month. This was 0.03 mbd or 1.4 per cent below the average of 2.09 mbd or 64.79 million barrels produced in the preceding month. The decrease in production was attributed to the shutdown of 12 flow stations producing into the Nembe Creek Tunk-line (NCTL) due to oil theft.

Crude oil and natural gas production was estimated at an average of 2.06 million barrels per day.

Crude oil export was estimated at 1.61 mbd or 45.08 million barrels. This represented a decrease of 2.0 per cent below the 1.64 mbd or 50.84 million barrels recorded in the preceding month. Deliveries to the refineries for domestic consumption remained at 0.45 mbd or 12.60 million barrels during review month.

At an estimated average of US$118.68 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API), rose by 2.7 per cent above the level in the preceding month. The average prices of other competing crudes, namely: U.K Brent at US$117.46 per barrel, the West Texas Intermediate at US$94.16 per barrel, and Forcados at US$120.17 per barrel, also showed similar trend as the Bonny Light.

The average price of Nigeria's reference crude the Bonny Light rose by 2.7 per cent above the level in the preceding month. Prices of the U.K Brent, Forcados and West Texas Intermediate also rose during the month.

The average price of OPEC's basket of eleven crude streams at US$112.75 per barrel, indicated an increase of 3.0 per cent above the level recorded in the preceding month, but a 5.0 per cent decline below the US$117.48 per barrel recorded in the corresponding month of 2012 (Fig. 11, Table 10).

Figure11: Trends in Crude Oil Prices

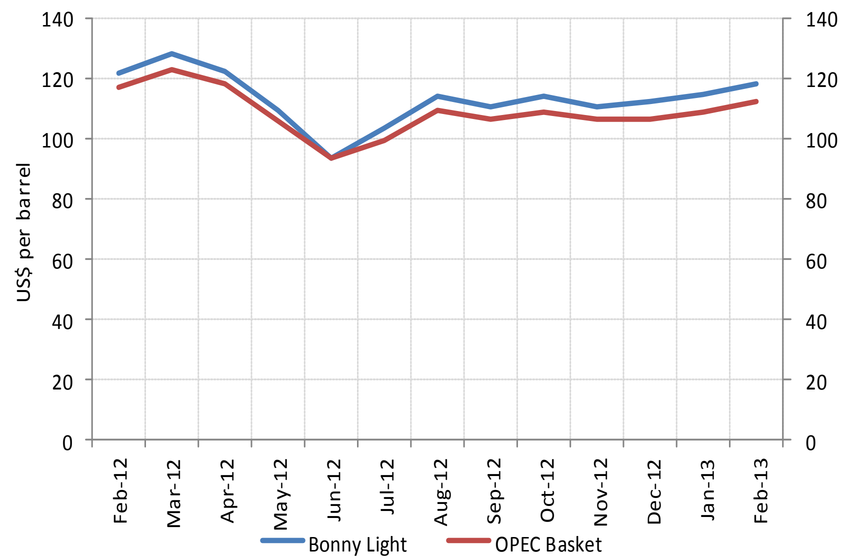


Table 10: Average Crude Oil Prices in the International Oil Market

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Bonny Light	113.69	121.71	128.29	122.45	109.32	93.94	103.99	114.24	111	114.2	111.02	112.51	115.58	118.68
OPEC Basket	111.49	117.48	122.97	118.18	106.08	93.98	99.55	109.52	106.7	108.9	106.86	106.55	109.28	112.75

4.3 Consumer Prices

The general price level rose in January, relative to preceding month owing to the increase in the prices of food and non-alcoholic, housing, beverages, water, electricity, gas and other fuel etc.

Available data showed that the all-items composite Consumer Price Index (CPI) in February 2013 was 143.0 (November 2009=100), representing an increase of 0.8 and 9.0 per cent over the levels in the preceding month and the corresponding period of 2012, respectively. The development was attributed to the rise in the prices of food and non-alcoholic beverages; clothing and footwear; housing, water, electricity/gas, and other fuels; furnishing and household equipment maintenance; health services; transport; communication and education.

The urban all-items CPI at end-February 2013 was 140.8 (November 2009=100), indicating an increase of 0.9 per cent above the level in the preceding month. The rural all-items CPI for the month, was 143.2 (November 2009=100), indicating an increase of 0.6 per cent above the level in the preceding month (Fig. 12, Table 11).

The end-period inflation rate for the review month, on a year-on-year basis, was 9.5 per cent, indicating a rise of 0.5 percentage points above the level of 9.0 per cent in the preceding month. The inflation rate on a twelve-month moving average basis was 11.7 per cent, compared with 11.9 per cent in the preceding month. (Fig. 13, Table 11).

The year-on-year headline inflation rate rose by 0.5 percentage points above the level in the preceding month.

The composite food index was 143.0, indicating an increase of 0.7 per cent. This development was accounted for by the increase in the indices of farm produce (yam, potatoes and other tubers, sorghum, millet, maize, rice and fruits) and processed food.

Figure.12:Consumer.Price.Index

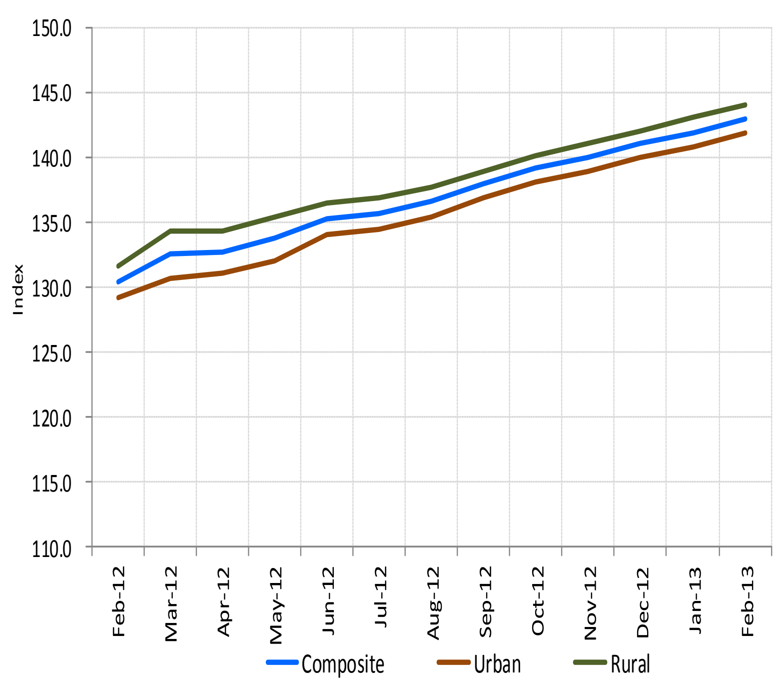


Table 11: Consumer Price Index (November 2009=100)

	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Composite	130.5	132.6	132.8	133.8	135.3	135.7	136.6	138.0	139.2	140.0	141.1	141.9	143.0
Urban	129.2	130.7	131.1	132.1	134.1	134.5	135.4	137.0	138.2	139.0	140.0	140.8	142.0
Rural	131.6	134.4	134.4	135.4	136.5	136.9	137.8	139.0	140.2	141.1	142.1	143.2	144.1
CPI - Food	129.1	132.1	132.3	133.9	134.5	135.0	135.9	137.5	138.8	139.8	141.2	142.3	143.3
CPI - Non Food	129.3	135.1	135.2	136.7	138.0	138.1	139.0	139.7	140.3	140.9	141.8	143.8	143.8

Figure13: Inflation Rate

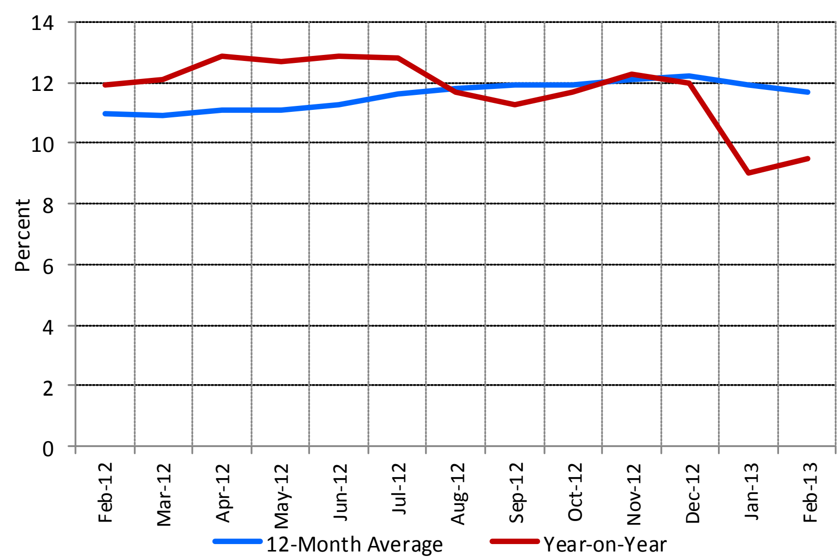


Table 12: Headline Inflation Rate (%)

	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
12-Month Average	11.0	10.9	11.1	11.1	11.3	11.6	11.8	11.9	11.9	12.1	12.2	11.9	11.7
Year-on-Year	11.9	12.1	12.9	12.7	12.9	12.8	11.7	11.3	11.7	12.3	12.0	9.0	9.5

5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow and outflow through the CBN rose by 3.1 and 22.5 per cent, respectively, relative to their levels in the preceding month. Total non-oil export receipts by banks increased by 22.3 per cent above the level in the preceding month. The gross external reserves rose by 3.2 per cent above the preceding month's level. At the Wholesale Dutch Auction System (WDAS), the average exchange rate of the Naira vis-à-vis the US dollar, remained unchanged at the preceding month's level.

5.1 Foreign Exchange Flows

Foreign exchange inflow and outflow through the CBN increased by 3.1 and 22.5 per cent, respectively, in February 2013.

Provisional data indicated that foreign exchange inflow and outflow through the CBN in the month of February was US$3.42 billion and US$1.88 billion, respectively, resulting in a net inflow of US$1.54 billion, compared with the net inflow of $1.78 billion and $0.36 billion recorded in the preceding month and corresponding period of 2012, respectively. Relative to the level in the preceding month, inflow rose by 3.1 per cent, but fell by 3.5 per cent below the level in the corresponding period of 2012. The increase in inflow during the review period was attributed to the 4.0 per cent rise in the receipts from crude oil sales. Similarly, outflow rose by 22.5 per cent above the level in the preceding month but declined by 51.7 per cent below the level in the corresponding period of 2012. The development relative to the preceding month was attributed, largely to the increase of 42.9 per cent in wDAS utilization. Other official payments, at US$0.37 billion, fell by 19.8 per cent below the level in the preceding month, driven largely by the fall in NNPC/JV cash calls payments. (Fig. 14, Table 13).

Figure14: Foreign Exchange Flows through the CBN

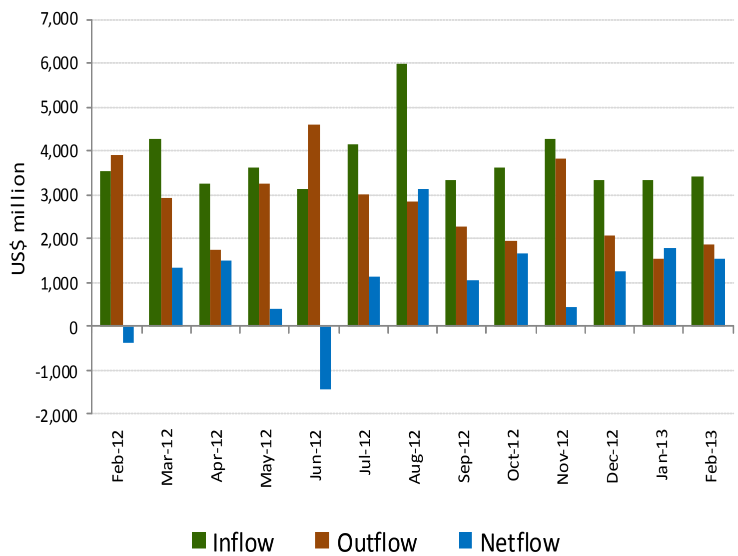


Table 13: Foreign Exchange Flows through the CBN (US$ million)

	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Inflow	3546.2	4266.6	3242.9	3627.1	3151.0	4132.1	5981.0	3358.6	3451.3	4272.4	3319.6	3320.8	3423.6
Outflow	3902.3	2912.4	1754.9	3239.7	4600.2	3006.6	2840.2	2277.4	1761.7	3843.3	2062.3	1538.1	1884.1
Netflow	**-356.1**	**1354.2**	**1488.0**	**387.4**	**-1449.3**	**1125.5**	**3140.8**	**1069.6**	**1647.5**	**429.3**	**1257.3**	**1782.7**	**1539.5**

Provisional data on aggregate foreign exchange flows through the economy indicated that total inflow was US$10.68 billion, representing a decrease of 12.1 per cent below the level in the preceding month, but an increase of 8.3 per cent over the level in the corresponding period of 2012. The observed decrease in inflow from the level in the preceding month was attributed, largely, to the 17.8 per cent fall in invisible receipts and capital inflows through autonomous sources. Inflow through the Central Bank of Nigeria (CBN) accounted for 32.1 per cent of the total, while inflow from autonomous sources accounted for the balance of 67.9 per cent.

At US$3.28 billion, oil sector receipts rose by 4.0 per cent above the level in the preceding month and accounted for 30.7 per cent of the total inflow. On a month–on–month basis, non-oil public sector inflow, at $0.14 billion, fell by 14.4 per cent and accounted for 1.3 per cent of the total inflow, while autonomous inflow, at $7.26 billion, fell by 17.0 per cent, accounting for 67.9 per cent of the total.

Non-oil inflow into the economy fell by 14.4 per cent and accounted for 1.3 per cent of the total inflow in February 2013.

At US$1.91 billion, aggregate foreign exchange outflow from the economy rose by 22.4 per cent above the level in the preceding month, but declined by 52.2 per cent below the level in the corresponding period of 2012. Thus, foreign exchange flows through the economy resulted in a net inflow of US$8.77 billion in the review month, compared with US$10.59 billion and US$5.86 billion in the preceding month and the corresponding month of 2012, respectively.

5.2 Non-Oil Export Earnings by Exporters

Provisional data indicated that total non-oil export earnings at US$304.28 million, increased by 22.3 per cent above the level in the preceding month. The development reflected, largely, the 148.7 and 73.9 per cent rise in receipts from industrial and agricultural sectors, respectively. A breakdown of receipts showed that proceeds of industrial, manufactured, agriculture, minerals and food products sub-sectors stood at US$155.40, US$85.80, US$35.34, US$24.62 andUS$3.12 million, respectively. The transport sector did not record any receipts during the review month.

Total non-oil export earnings by exporters rose in February 2013, on account of the rise in the earnings from industrial and agricultural sectors.

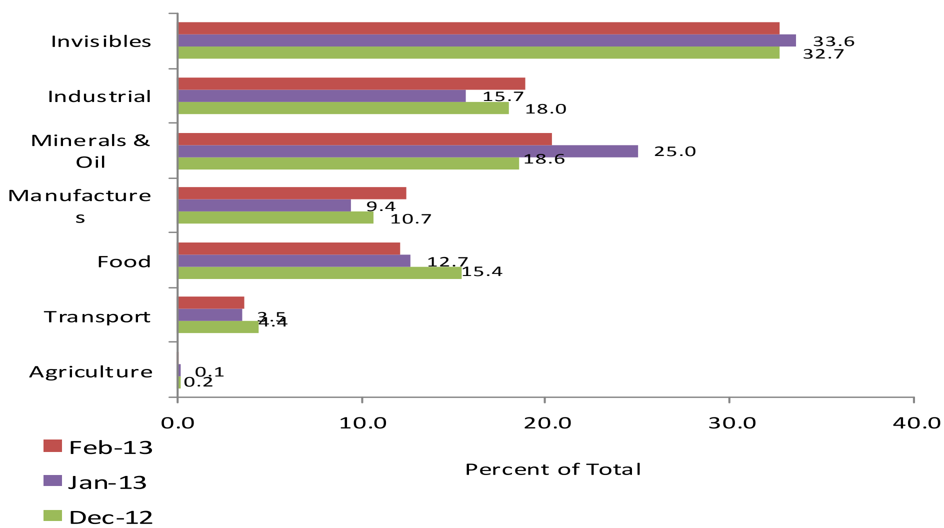
The shares of industrial, manufactured, agriculture, minerals and food products sub-sectors in non-oil export proceeds were 51.1, 28.2, 11.6, 8.1, and 1.0 per cent, respectively.

5.3 Sectoral Utilisation of Foreign Exchange

The invisible sector accounted for the bulk (32.7 per cent) of total foreign exchange disbursed in February 2013, followed by minerals and oil sector (20.3 per

The invisible sector accounted for the bulk of the total foreign exchange disbursed in January 2013 cent). Other beneficiary sectors, in a descending order included: industrial sector (18.9 per cent), food products (112.1 per cent), manufactured product (12.4 per cent), transport (3.6 per cent) and agricultural products (0.1 per cent) (Fig.15).

Figure15: Sectoral Utilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

Estimated aggregate demand for foreign exchange by authorized dealers under the Wholesale Dutch Auction System (wDAS), Bureau-de-change (BDC) and wDAS-Forwards contract was US$1.46 billion in February 2013, showing an increase of 28.4 per cent above the level in the preceding month, but a decrease of 45.1 per cent below the level in the corresponding month of 2012. The increase in the aggregate demand was attributed to the low level of activities in the interbank segment of the foreign exchange market. A total of US$1.46 billion was sold by the CBN to authorized dealers during the period, reflecting an increase of 42.9 per cent above the level in the preceding month, but a decrease of 53.0 per cent below the level in the corresponding period of 2012 (Fig.16, Table 14).

Figure16: Demand for and Supply of Foreign Exchange

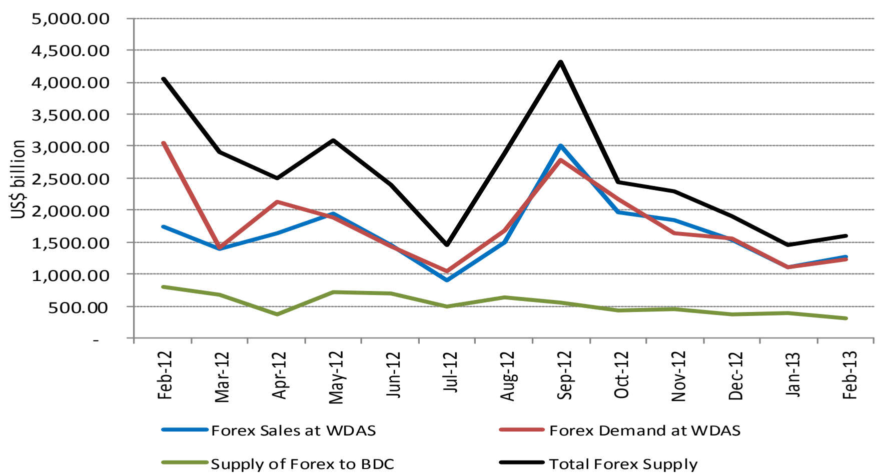


Table 14: Demand for and Supply of Foreign Exchange (US$ billion)

	Feb-12	Mar-12	Apr-12	Jan-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Forex Sales at WDAS	1942.2	1452.8	891.5	1487.0	3000.0	1961.7	1843.6	1539.4	1101.6	1278.7	990.3	713.5	1152.8
Forex Demand at WDAS	1892.0	1426.5	1052.9	1681.3	2777.6	2166.3	1646.4	1549.2	1112.9	1237.0	993.8	836.4	1160.0
Supply of Forex to BDC	720.6	698.2	492.8	633.8	544.8	419.5	457.7	370.2	389.8	311.7	239.9	303.5	303.5
Total Forex Supply	3101.5	2387.9	1451.3	2895.0	4317.2	2428.2	2301.3	1909.6	1443.6	1592.5	1234.2	1019.1	1456.3

Under the wDAS, the average exchange rate of the Naira vis-à-vis the US dollar, remained unchanged at the preceding month's level of ₦157.30 per US dollar. At the BDC segment, the average exchange rates also appreciated by 0.2 per cent to ₦158.75 per US dollar from its level in the preceding month. The average exchange rate at the inter-bank segment, however, depreciated by 0.3 per cent to close at ₦157.38 per US dollar when compared with the rate at the end of January 2013.

The Naira exchange rate vis-à-vis the US dollar, remained unchanged under the wDAS but depreciated at BDC and appreciated at the interbank segments of the foreign exchange market during the review period.

Consequently, the premium between the wDAS and Bureau-de-change narrowed to 0.9 per cent from 1.2 per cent at the preceding month, while the premium between the inter-bank and wDAS narrowed to 0.1 per cent in the review month from 0.2 per cent in January 2013.

Figure 17: Average Exchange Rate Movement

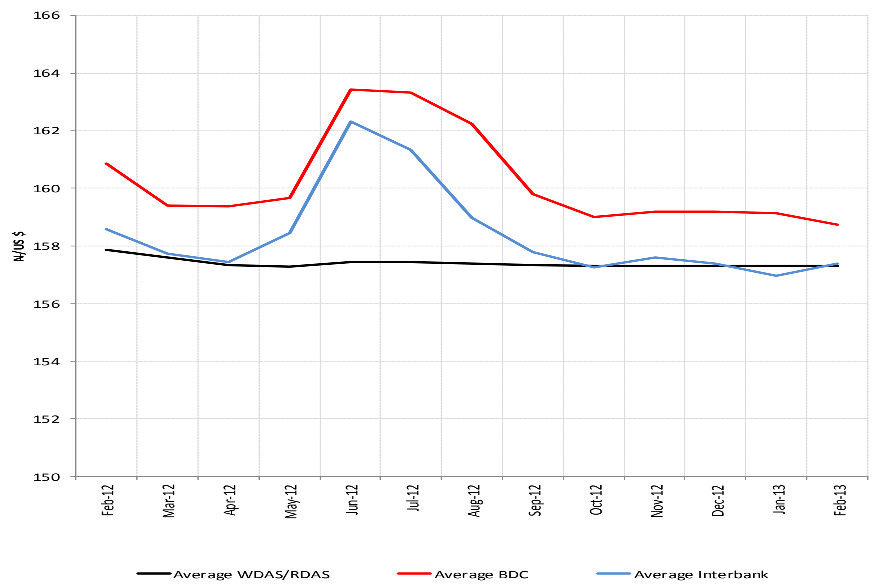
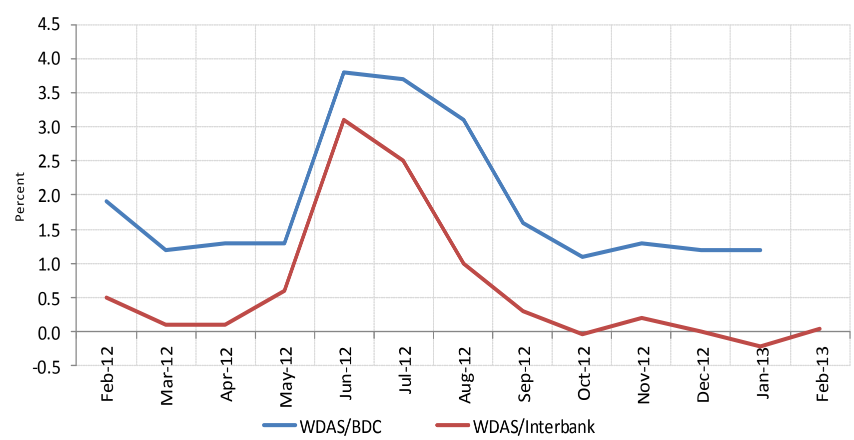


Table 15: Exchange Rate Movements and Exchange Rate Premium

	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Average Exchange Rate (₦/$)													
WDAS/RDAS	157.9	157.6	157.3	157.3	157.4	157.4	157.4	157.3	157.3	157.3	157.3	157.3	157.3
BDC	160.9	159.4	159.4	159.7	163.4	163.3	162.2	159.8	159.0	159.3	159.3	156.1	158.8
Interbank	158.6	157.7	157.4	158.5	162.3	161.3	159.0	157.8	157.3	157.6	157.3	157.0	157.4
Premium (%)													
WDAS/BDC	1.9	1.2	1.3	1.3	3.8	3.7	3.1	1.6	1.1	1.3	1.2	1.2	0.9
WDAS/Interbank	2.6	0.4	0.1	0.6	3.1	2.5	1.0	0.3	0.0	0.2	0.0	-0.2	0.1

Figure18: Exchange Rate Premium



5.5 Gross External Reserves

Gross external reserves at the end of February 2013 stood at US$47.28 billion, indicating an increase of 3.2 and 39.6 per cent above the levels in the preceding month and corresponding period of 2012, respectively. A breakdown of the reserves showed that the Federation Account portion (Excess Crude) was US$10.42 billion (22.1 per cent), Federal Government holding was US$1.61 billion (3.4 per cent) and CBN reserves stood at US$35.25 billion (74.5 per cent), (Fig. 19, Table 15).

Gross external reserves increased in February 2013.

Figure 19: Gross External Reserves

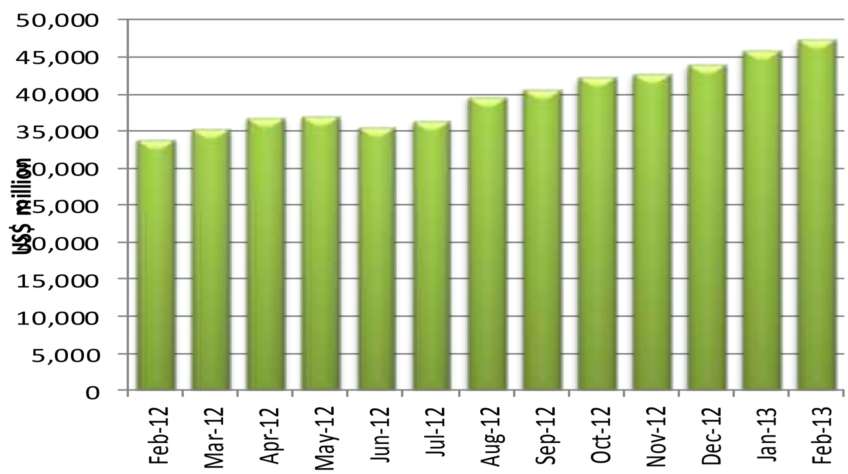


Table 16: Gross External Reserves (US$ million)

Period	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
External Reserves	33,857.37	35,190.79	36,660.89	36,839.53	35,412.50	36,285.32	39,509.81	40,636.76	42,228.69	42,568.26	43,830.42	45,824.44	47,280.36

6.0 Other International Economic Developments and Meetings

World crude oil output in February 2013 was estimated at an average of 89.95 million barrels per day (mbd), while demand was estimated at 89.67 million barrels per day (mbd), compared with 89.91 and 88.99 (mbd) supplied and demanded, respectively, in the preceding month. The increase in world output was attributed to the rise in oil production in Nigeria, Angola, Iraq, Iran and Venezuela, while the increase in demand was attributed to the rise in demand for heating oil resulting from severe winter experienced during the month as well as signs of slight economic growth prospects from China.

The United Nations Conference on Trade and Development (UNCTAD) reported that global foreign direct investment (FDI) flows declined by 18.0 per cent in 2012. FDI inflows in 2012 stood at $1.3 trillion, compared with $1.6 trillion in 2011. The UN Global Investment Trend Monitor indicated that the substantial decline of FDI flows was in contrast to other macroeconomic variables, including gross domestic product (GDP), trade and employment growth, which remained positive.

Other major international economic development and meetings of importance to the domestic economy during the review period included:

A Seminar organised by the AfDB's African Development Institute with the theme "US Trade Policy under the New Administration: What Does it Mean for Africa?" was held in Tunis on February 21, 2013. At the Seminar, a report by African Development Bank (AfDB) revealed that Africa's trade with the United States, grew by more than 500 per cent between 2001 and 2011, but many African countries missed out on that five-fold growth.

The context of the Seminar was the upcoming renewal of the African Growth Opportunity Act (AGOA); a measure designed to provide incentives for US-Africa trade and originally signed in May 2000. Research shows that, despite AGOA, the US-Africa trade remains dominated by a small group of Sub-Saharan countries. All exports from sub-Saharan Africa to the US in 2011 totalled US $79 billion, of which almost 80 per cent came from just three countries – Nigeria (47 per cent), Angola (19 per cent) and South Africa (13 per cent). US exports were similarly concentrated, with those same three countries receiving 68 per cent of the 2011 total of US $20.3 billion – South Africa (34 per cent), Nigeria (22 per cent) and Angola (12 per cent).

To improve the situation, there is the need for African countries' active involvement in making their requirements and trade positions known to Congress at this negotiation stage ahead of the 2015 renewal. The presentation suggested that African countries need to focus on meeting AGOA export requirements to increase their utilization of the AGOA quota. For better AGOA utilization, Africa needed more skilled personnel, better infrastructure, capital, transparency, rule of law, and country-wide AGOA strategies, among other things.

The AfDB and some researchers identified certain challenges to be addressed, if a renewed AGOA was to mutually benefit both African countries and the US. Key among them were: poor utilization of preferences; the high level of concentration in AGOA exports, and a high concentration among a few groups of exporters; the issue of the de-listing and eligibility of countries such as Guinea, Madagascar, Niger and Zimbabwe; whether to seek a reciprocal trade agreement similar to Africa's Economic Partnership Agreements with the European Union, and expanding the range of AGOA preferences.

In another development, the 36th Meeting of the Bureau of the Association of African Central Banks (AACB) was held on February 27th, 2013 at the

Headquarters of the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) Dakar, Senegal.

Below are highlights of the deliberations:

- The Bureau agreed that the Joint AUC-AACB Study Group should update the main report and strategy document with detailed analysis of the Benefits and Costs of Economic and Monetary Union; recent developments in the Regional Economic Communities (RECs), existing monetary institutes and lessons drawn from economic crisis in the European Union.

- The Meeting agreed that the AUC would retain two (2) experts in Abuja while the AACB experts could be resident in their home countries. The AUC will continue to be responsible for the funding of the Experts and the ACB's Work Program.

- The Bureau considered the year 2012 (provisional) progress report on the African Monetary Cooperation Program (AMCP) and prospects for the year 2013.

- The Bureau considered the status and governance structure of Community of African Banking Supervisors (CABS).

- The Bureau approved the Draft Terms of Reference (TORs) of the 2013 Continental Seminar (scheduled to hold in Lesotho May 6th-7th, 2013) with the theme being "The Role of Central Banks in Promoting Sustainable Economic Growth in Africa".

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13
Domestic Credit (Net)	13,163.4	13,371.3	13,210.3	14,529.8	13,957.4	14,501.6
Claims on Federal Government (Net)	(1,721.5)	1,484.8	1,591.4	2,406.7	(1,327.9)	(637.9)
Central Bank (Net)	(3,731.1)	(549.9)	(817.7)	(411.2)	(4,081.1)	(3,819.9)
Banks	2,004.5	2,029.6	2,404.0	2,817.8	2,753.2	3,171.5
Merchant Bank						10.5
Non Interest Banks	5.1	5.1	5.1	-	1.5	0.4
Claims on Private Sector	14,884.8	14,935.3	15,127.0	15,424.2	15,285.3	15,139.5
Central Bank	4,625.7	4,659.5	4,805.8	4,822.7	4,841.8	4,845.2
Banks	10,258.7	10,274.9	10,320.3	10,600.1	10,443.5	10,283.5
Merchant Bank						8.3
Non Interest Banks	0.4	0.9	0.9	1.3	2.5	2.5
Claims on Other Private Sector	14,304.2	14,336.2	14,511.7	14,779.3	14,619.4	14,458.8
Central Bank	4,625.7	4,659.5	4,805.8	4,822.7	4,841.8	4,845.2
Banks	9,678.1	9,675.9	9,705.1	9,955.3	9,777.6	9,603.2
Merchant Bank						7.9
Non Interest Banks	0.4	0.9	0.9	1.3	2.5	2.5
Claims on State and Local Governm	580.6	599.3	615.2	644.9	665.9	680.7
Central Bank	-	-	-	-	-	-
Banks	580.6	599.3	615.2	644.8	665.9	680.3
Merchant Bank						0.4
Non Interest Banks	-	-	-	-	-	-
Claims on Non-financial Public Enterprises						
Central Bank						
Banks						
Foreign Assets (Net)	8,069.2	8,267.4	8,762.9	8,732.3	9,098.7	9,302.4
Central Bank	6,286.8	6,388.6	6,915.0	6,979.2	7,448.6	7,640.4
Banks	1,782.3	1,878.9	1,846.0	1,751.0	1,650.1	1,659.9
Non Interest Banks	-	0.8	2.0	2.0	2.2	2.1
Other Assets (Net)	(7,463.5)	(7,574.4)	(7,575.0)	(8,199.4)	(7,927.5)	(8,634.6)
Total Monetary Assets (M2)	13,769.0	14,064.2	14,398.2	15,062.7	15,128.7	15,169.4
Quasi-Money 1/	7,525.7	7,672.8	7,857.2	8,182.1	8,062.9	8,229.7
Money Supply (M1)	6,243.3	6,391.4	6,541.0	6,880.6	7,065.8	6,939.8
Currency Outside Banks	1,080.8	1,070.2	1,153.5	1,140.6	1,301.2	1,155.8
Demand Deposits 2/	5,162.5	5,321.2	5,387.5	5,740.0	5,764.6	5,784.0
Total Monetary Liabilities (M2)	13,769.0	14,064.2	14,398.2	15,062.7	15,128.7	15,169.4
Memorandum Items:						
Reserve Money (RM)	3,051.7	3,117.1	3,039.2	2,979.4	3,532.1	3,232.7
Currency in Circulation (CIC)	1,368.2	1,348.8	1,458.2	1,431.0	1,631.7	1,457.3
DMBs Demand Deposit with CBN	1,683.5	1,768.3	1,580.9	1,548.5	1,900.4	1,775.5

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

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

Table A2: Money and Credit Aggregates (Growth Rates)

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
	'Growth over Preceding December(%)							
Domestic Credit (Net)	-4.3	-3.8	-2.3	-3.5	6.2	2.0	3.8	10.2
Claims on Federal Government (Net)	-251.5	-246.5	-45.8	-41.9	-12.1	-167.2	51.2	108.2
Claims on Private Sector	4.7	4.9	5.3	6.7	8.8	7.8	-1.0	-0.1
Claims on Other Private Sector	4.3	4.6	4.9	6.2	8.1	6.9	-1.5	0.0
Claims on State and Local Government	15.4	13.1	16.7	19.9	25.7	7.4	2.2	-2.4
Claims on Non-financial Public Enterprises								
Foreign Assets (Net)	9.5	13.0	15.8	22.8	22.3	27.5	2.2	5.8
Other Assets (Net)	0.0	0.8	-0.7	-0.7	-9.0	-5.4	-8.9	-19.5
Total Monetary Assets (M2)	0.7	3.5	5.7	8.2	13.2	13.7	0.3	2.9
Quasi-Money 1/	7.0	15.2	17.5	20.3	25.3	23.4	2.1	7.1
Money Supply (M1)	-5.5	-7.8	-5.6	-3.4	1.6	4.3	-1.8	-1.9
Currency Outside Banks	-13.5	-13.2	-14.1	-7.4	-8.4	4.5	-11.2	-10.6
Demand Deposits 2/	-3.6	-6.6	-3.7	-2.5	3.9	4.3	0.3	0.0
Total Monetary Liabilities (M2)	0.7	3.5	5.7	8.2	13.2	13.7	0.3	2.9
Memorandum Items:								
Reserve Money (RM)	4.0	9.6	12.0	9.2	7.0	26.9	-8.5	0.3
Currency in Circulation (CIC)	-13.0	-12.6	-13.9	-6.9	-8.6	4.2	-10.7	-11.9
DMBs Demand Deposit with CBN	25.8	38.2	-3.7	-2.5	27.1	56.0	-6.6	10.8
	Growth over Preceding Month (%)							
Domestic Credit (Net)	-1.6	0.5	1.6	-0.5	10.0	2.0	3.9	6.0
Claims on Federal Government (Net)	26.5	-1.4	13.1	-7.2	-51.2	-167.2	52.0	117.0
Claims on Private Sector	1.0	0.3	0.3	1.3	2.0	7.8	-1.0	0.9
Claims on Other Private Sector	1.0	0.4	0.2	1.2	1.8	6.9	-1.1	1.1
Claims on State and Local Government	1.0	-2.0	3.2	2.7	4.8	7.4	2.2	-4.6
Claims on Non-financial Public Enterprises								
Foreign Assets (Net)	3.9	3.3	2.5	6.0	-0.4	27.5	2.2	3.5
Central Bank	4.5	-0.2	1.6	8.2	-0.4	-5.4	-8.7	2.8
Banks	1.1	17.7	5.4	-1.7	-5.1	13.7	0.3	7.1
Other Assets (Net)	-2.3	-0.8	-1.5	0.0	-8.2	23.4	-8.9	-9.4
Total Monetary Assets (M2)	-0.7	2.8	-2.3	2.4	4.6	4.3	0.3	2.6
Quasi-Money 1/	1.5	7.7	2.0	2.4	4.1	4.5	2.1	4.9
Money Supply (M1)	-3.0	-2.5	2.4	2.3	5.2	4.3	0.3	-0.2
Currency Outside Banks	-1.1	0.4	-1.0	7.8	-1.1	13.7	0.3	0.7
Demand Deposits 2/	-3.4	-3.1	3.1	1.2	6.5		0.3	-0.3
Total Monetary Liabilities (M2)	-0.7	2.8	-2.3	2.4	4.6	4.3	0.3	2.6
Memorandum I ems:								
Reserve Money (RM)	15.2	5.4	12.0	-2.5	-2.0	26.9	-8.5	9.6
Currency in Circulation (CIC)	-0.1	0.4	-1.4	8.1	-1.9	4.2	-10.7	-1.4
DMBs Demand Deposit with CBN	33.4	9.8	3.1	1.2	-2.1	56.0	-6.6	16.6

Table A3: Federal Government Fiscal Operations (₦ billion)

	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Retained Revenue	282.6	273.7	429.1	340.2	262.9	248.9	246.6	246.7	245.4	329.1	247.7	249.7
Federation Account	260.7	173.5	189.2	234.0	207.6	218.2	206.7	211.7	218.7	190.4	217.4	216.5
VAT Pool Account	8.8	7.7	8.7	8.9	8.6	7.6	8.7	8.1	9.3	9.0	8.3	9.4
FGN Independent Revenue	13.1	6.9	77.2	74.9	20.6	5.7	2.8	4.6	1.2	7.3	5.7	5.9
Excess Crude	0.0	0.0	34.4	0.0	0.0	0.0	0.0	0.0	0.0	79.0	0.0	0.0
Others	0.0	0.0	119.6	22.4	16.3	16.3	16.3	16.3	16.3	43.4	16.3	17.9
Expenditure	326.0	424.9	419.7	304.7	378.6	379.8	390.4	417.6	397.0	427.1	351.1	444.2
Recurrent	208.9	289.2	264.3	240.4	273.3	260.6	332.8	354.8	337.6	279.4	218.7	302.5
Capital	66.5	135.7	155.4	51.8	85.4	108.4	54.0	57.8	52.7	110.2	94.9	119.6
Transfers	20.5	20.6	20.2	20.2	18.5	18.9	3.7	5.0	6.6	37.5	37.5	22.1
Overall Balance: Surplus(+)/Deficit(-)	-43.5	151.2	9.4	33.5	-115.7	-130.9	-143.9	-132.9	151.6	-98.0	-178.0	0.0