



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
AUGUST 2015***

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

Provisional data indicated that growth of money supply was moderate in the review period. On month-on-month basis, broad money supply (M_2), at ₦18,491.6 billion, grew by 0.4 per cent. The development was attributed to the 4.6 rise in other assets (net) of the banking system, which more than offset the fall in foreign assets (net) and domestic credit (net) of the banking system, respectively. Similarly, narrow money supply (M_1), on month-on-month basis, rose by 7.7 per cent to ₦6,969.7 billion due, largely, to the 10.1 per cent increase in its demand deposit component. However, over the level at end-December 2014, broad money supply (M_2), declined by 2.2 per cent, while narrow money supply (M_1), rose by 0.9 per cent.

Reserve money (RM) declined by 0.6 per cent relative to its level at the end of the preceding month. The decline in RM was driven by fall in both currency-in-circulation and banks' demand deposit with the CBN.

Available data showed mixed developments in banks' deposit and lending rates during the review month. With the exception of demand deposit, 1-month and the 12-month deposit rates, which fell by 0.01, 0.01 and 0.22 percentage points to 1.87, 8.92 and 11.21 per cent, respectively, all other deposit rates of various maturities rose from a range of 4.09 – 10.79 per cent to 4.16 – 10.8 per cent at end-August 2015. At 9.24 per cent, the average term deposit rate increased by 0.09 percentage point above the level in the preceding month. The average prime and maximum lending rates, however, declined by 0.01 and 0.02 percentage point to 17.29 and 27.01 per cent, respectively. Consequently, the spread between the weighted average term deposit and maximum lending rates narrowed to 17.78 percentage points.

Provisional data indicated that total value of money market assets outstanding in August 2015 stood at ₦8,598.70 billion, showing an increase of 5.0 per cent, in contrast to the 0.09 per cent decline in the preceding month. The development was attributed to the 8.7 per cent increase in the FGN Bonds. Activities on the Nigerian Stock Exchange (NSE) were mixed during the review month.

Provisional data showed that Federally-collected revenue (gross) in August 2015 stood at ₦690.52 billion, showing an increase of 0.8 per cent above level in the preceding month. At ₦314.87 billion, oil receipts (gross), which

constituted 45.6 per cent of total revenue, fell below the budget estimate and the receipts in the preceding month by 30.4 and 14.8 per cent, respectively. The decline in oil revenue relative to the monthly budget estimate was attributed to the fall in crude oil/gas export receipts owing to the shut-down and shut-in of production and emergency repairs by Shell Petroleum Development Company (SPDC) as well as the continuous drop in the average price of crude oil.

Non-oil receipts (gross), at ₦375.65 billion or 54.4 per cent of the total federally collected revenue, was 3.7 and 19.0 per cent higher than both the monthly budget estimate and the receipts in the preceding month, respectively. The increase in non-oil revenue relative to the monthly budget estimate was due, largely, to the rise in Corporate and Education Tax receipts. Federal Government estimated retained revenue in August 2015 was ₦236.67 billion, while total provisional expenditure was ₦292.12 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦55.45 billion.

Agricultural activities in August 2015 were dominated by early harvest of crops. In the livestock sub-sector, there was continued migration of cattle from the North to neighbouring countries. Domestic crude oil production, including condensates and natural gas liquids was estimated at 1.96 million barrels per day (mbd) or 60.76 million barrels during the month. Crude oil export was estimated at 1.51 million barrels per day (mbd) or 46.81 million barrels during the month. The average price of Nigeria's reference crude, the Bonny Light (37^o API), was estimated at US\$47.48 per barrel, indicating a fall of 17.2 per cent relative to the level in the preceding month.

The end-period headline inflation rate (year-on-year), in August 2015, was 9.3 per cent, compared with 9.2 per cent in the preceding month. Inflation rate on a twelve-month moving average basis was 8.6 per cent.

Foreign exchange inflow and outflow through the CBN in August 2015 was US\$2.60 billion and US\$3.15 billion and resulted in a net outflow of US\$0.55. Foreign exchange sales by the CBN to the authorized dealers amounted to US\$2.81 billion and represented a fall of 0.4 per cent below the level in the preceding month. The average exchange rate of the naira was ₦197.00 per US dollar at the inter-bank segment, reflecting a depreciation of 0.01 per cent relative to the level in the preceding month. At the bureau-de-change segment of the market, the

exchange rate averaged at ₦216.64/US\$, representing an appreciation of 9.1 per cent relative to the preceding month's level. Non-oil export receipts, at US\$0.69 billion, increased by 75.5 per cent, compared with the level in the preceding month. The development relative to the preceding month, reflected, largely, a rise in receipts from manufactured goods and industrial sectors. Gross external reserves declined by 1.8 per cent below the preceding month's level.

Other major international economic developments and meeting of importance to the domestic economy during the review period included: The African Caucus meetings of the International Monetary Fund (IMF) and World Bank Group (WBG) held in Luanda, Angola from August 27 – 29, 2015.

2.0 Financial Sector Developments

2.1 Monetary and Credit Developments

Growth in broad money supply (M₂) was moderate at end-August 2015. Available data indicated mixed developments in banks' deposit and lending rates. The value of money market assets outstanding rose, owing, largely, to the increase in FGN Bonds outstanding during the review period. Activities on the Nigerian Stock Exchange (NSE) were mixed during the review month.

Money supply (M₂) was moderate on month-on-month basis at end-August 2015.

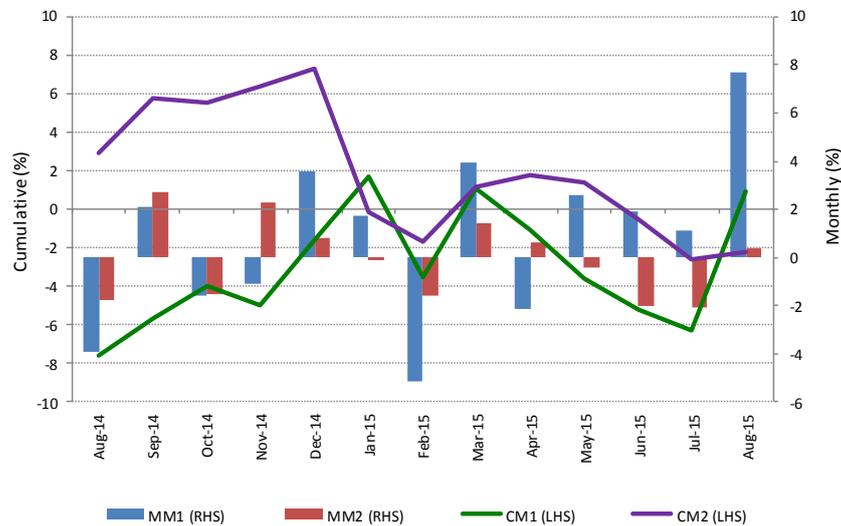
Provisional data indicated that, relative to the level at the end of the preceding month, growth in the key monetary aggregate was moderate at end-August 2015. On month-on-month basis, broad money supply (M₂), at ₦18,491.6 billion, rose by 0.4 per cent, in contrast to the decline of 2.1 per cent at the end of the preceding month. The development was attributed to the 4.6 per cent increase in other assets (net) of the banking system, which more than offset the 3.3 and 0.7 per cent decline in foreign assets (net) and domestic credit (net) of the banking system, respectively. Over the level at end-December 2014, broad money supply (M₂), fell by 2.2 per cent, compared with the 2.6 per cent decline at the end of the preceding month.

On month-on-month basis, narrow money supply (M₁), rose by 7.7 per cent to ₦6,969.7 billion, at the end of August 2015, in contrast to the decline of 1.1 per cent at the end of the preceding month. The development relative to the preceding month was attributed to the 10.1 per cent increase in the demand deposit, which more than offset the 3.2 per cent decline in its currency outside banks component. Over the level at end-December 2014, M₁ grew by 0.9 per cent, in contrast to the 6.3 per cent decline at the end of the preceding month (Fig. 1, Table 1).

Relative to the level at the end of the preceding month, quasi-money fell by 3.6 per cent to ₦11,521.9 billion at end-August 2015, compared with the decline of 2.6 per cent at the end of the preceding month. Over the level at end-December 2014, quasi

money declined by 4.1 per cent, compared with the decline of 0.5 per cent at the end of the preceding month.

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



At ₦21,393.0 billion, aggregate credit to the domestic economy, on month-on-month basis, fell by 0.7 per cent at end-August, in contrast to the 0.6 and 1.0 per cent growth at the end of the preceding month and the corresponding period of 2014, respectively. The development reflected the 4.0 and 0.2 per cent decline in net claims on the Federal Government and the private sector. Over the level at end-December 2014, net domestic credit grew by 11.0 per cent at the end of the review period, compared with the growth of 11.8 per cent at end-July 2015.

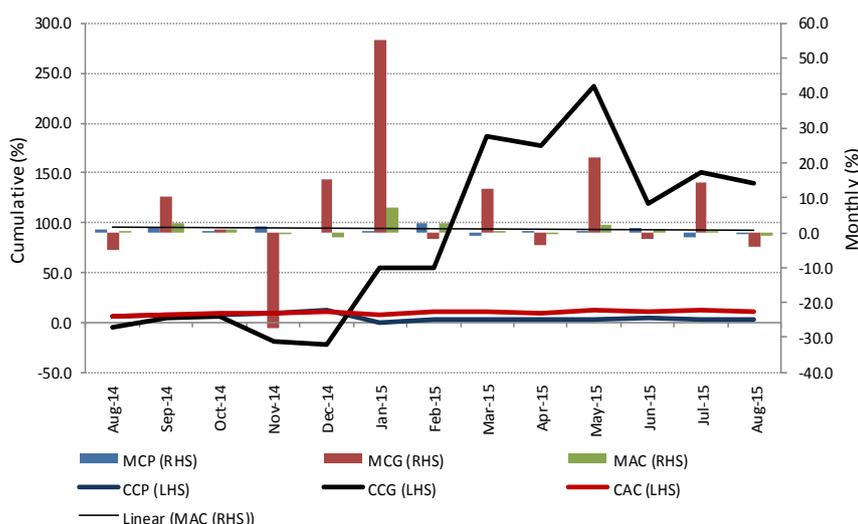
Banking system's credit (net) to the Federal Government, on month-on-month basis, fell by 4.0 per cent to ₦2,761.7 billion, at end-August 2015, in contrast to the 14.5 per cent increase at the end of the preceding month. The development was accounted for, largely, by the fall in CBN's holding of Government securities, especially Nigerian Treasury Bills, which fell by 48.7 per cent during the

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

review period. Over the level at end-December 2014, aggregate banking system credit (net) to the Federal Government grew significantly by 140.1 per cent, compared with the growth of 150.2 per cent at the end of the preceding month.

At ₦18,631.3 billion, banking system's credit to the private sector, on month-on-month basis, fell by 0.2 per cent, compared with the decline of 1.2 per cent at the end of the preceding month. The development relative to the preceding month reflected the 17.1 per cent fall in claims on State and Local Governments. Over the level at end-December 2014, banking system's credit to the private sector grew by 2.8 per cent (Fig. 2, Table 1).

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



At ₦5,498.1 billion, foreign assets (net) of the banking system, on month-on-month basis, fell by 3.3 per cent at end-August 2015, compared with the decline of 4.4 per cent at the end of the preceding month. This was attributed to the 196.0 per cent decline in net foreign asset holdings of the banks. Over the level at end-December 2014, foreign assets (net) fell by 20.9 per cent at end-August 2015,

Foreign assets (net) of the banking system fell on month-on-month basis at end- August 2015.

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).

compared with the decline of 18.2 per cent at the end of the preceding month. This was attributed to the 119.4 and 9.8 per cent fall in the foreign asset holdings of banks and CBN, respectively.

Other assets (net) of the banking system, on a month-on-month basis, grew by 4.6 per cent to negative ₦8,399.6 billion, in contrast to the decline of 2.9 per cent recorded at the end of the preceding month. The development relative to the preceding month reflected, largely, the rise in unclassified assets of the CBN and commercial banks during the month. Over the level at end-December 2014, other assets (net) of the banking system fell by 14.8 per cent at end-August 2015.

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

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Domestic Credit (Net)	0.4	2.7	0.9	-0.3	-1.5	7.1	2.6	0.5	-0.3	2.5	0.9	0.6	-0.7
<i>Claims on Federal Government (Net)</i>	-4.9	10.4	1.0	-27.2	-15.4	55.4	1.6	12.5	-3.6	21.8	-1.8	14.5	-4.0
<i>Claims on Private Sector</i>	0.8	1.5	0.7	1.8	0.1	0.2	2.5	-0.7	0.1	0.3	1.3	-1.2	-0.2
<i>Claims on Other Private Sector</i>	0.9	1.7	0.6	2.1	0.1	0.3	2.6	-0.9	0.1	0.6	1.3	-1.3	0.3
Foreign Assets (Net)	-4.8	-0.5	-9.1	3.8	2.4	-12.5	-1.6	2.5	0.5	-8.9	8.6	-4.4	-3.3
Other Assets (Net)	0.3	0.7	4.1	2.3	3.1	-3.8	-4.3	0.2	2.1	-0.7	-14.1	-3.0	4.6
Broad Money Supply (M2)	-1.8	2.7	-1.5	2.3	0.8	-0.1	-1.6	1.4	0.7	-0.4	-2.0	-2.1	0.4
Quasi-Money	-0.3	3.2	-1.5	2.2	5.5	-1.2	0.6	0.1	2.3	0.8	-2.0	-2.6	-3.6
Narrow Money Supply (M1)	-3.9	2.1	-1.5	2.4	-6.2	1.7	-5.1	3.9	-2.1	-2.6	-1.9	-1.1	7.7
Reserve Money (RM)	-0.8	3.2	4.0	-0.2	16.3	-8.2	4.1	4.1	4.5	-0.4	-3.8	-0.2	-0.6

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

At ₦1,544.6 billion, currency-in-circulation fell by 1.9 per cent in the review month, in contrast to the 0.8 per cent increase at the end of the preceding month. This development was due, largely, to the fall in currency outside banks.

Total deposits at the CBN amounted to ₦7,092.1 billion, indicating an increase of 5.1 per cent above the level at the end of the preceding month. The development reflected the increase in deposits of the Federal Government and the private sector. Of the total deposits at CBN, the shares of the banks, the Federal Government and the private sector were 61.4, 31.3 and 7.3 per cent, respectively.

Reserve money (RM) fell by 0.6 per cent to ₦5,895.6 billion at the end of the review month, reflecting the fall in banks' reserves with the CBN.

Reserve money (RM) fell during the review month.

2.3 Money Market Developments

The money market experienced shortfall in liquidity in the review period. Liquidity flows from the preceding month could only sustain the market in the first few days of trading as outflow outweighed inflow. This was due to delay in the release of statutory allocations to state and local governments and the reduction in the volume of maturing Federal Government (FGN) Bonds and Central Bank of Nigeria (CBN) bills.

Short-term interest rates (Open-Buy-Back, call rate and NIBOR call) trended above the Monetary Policy Rate (MPR) of 13.00 per cent during most of the review period, averaging 27.92 and 32.74 per cent, respectively, reflecting liquidity conditions in the market. At the government securities market, the FGN short and long-term debt instruments such as the Nigerian Treasury Bills (NTBs) and the FGN Bonds were issued at the primary market. The sale of these securities moderated liquidity in the system. NTBs amounting to ₦257.61 billion and ₦70.00 billion FGN Bonds, respectively, were sold.

Provisional data indicated that the total value of money market assets outstanding in August 2015 stood at ₦8,598.70 billion, indicating an increase of 5.0 per cent, in contrast to the 0.09 per cent fall in the preceding month. The development was attributed to the 8.7 per cent increase in the FGN Bonds outstanding.

2.3.1 Interest Rate Developments

Available data revealed mixed developments in banks' deposit and lending rates during the review month. The demand deposit, 1-month and the 12-month deposit rates, fell by 0.01, 0.01 and 0.22 percentage points to 1.87, 8.92 and 11.21 per cent, respectively, at end-August 2015. However, the 7-day, 3-month and over 12-month deposit rates, rose from a range of 4.09 – 10.79 per cent to 4.16 – 10.85 per cent at the end of the review month.

Developments in interest rates in August 2015 were mixed.

At 9.24 per cent, the average term deposit rate increased by 0.09 percentage point above the level in the preceding month. However, the average prime and maximum lending rates fell by 0.01 and 0.02 percentage point to 17.29 and 27.01 per cent, respectively. Consequently, the spread between the weighted average term deposit and maximum lending rates narrowed from 17.88 percentage points to 17.78 percentage points in August 2015. Similarly, the spread between the average savings and maximum lending rates, narrowed from 23.40 percentage points to 23.38 percentage points at the end of the review month.

At the inter-bank call segment, the weighted average rate, which stood at 7.79 per cent in the preceding month, rose by 25.5 percentage points to 33.26 per cent in the review month. The development was attributed to liquidity squeeze in the market arising from delay in the release of FAAC allocations and the full implementation of the Treasury Single Account. Similarly, the weighted average rate at the open-buy-back (OBB) segment rose from 7.86 per cent in July 2015 to 27.92 per cent in the review month, reflecting the liquidity conditions in the market. The Nigeria inter-bank offered rate (NIBOR) for the 30-day tenor also increased to 16.94 per cent in the review period. With the headline inflation rate at 9.3 per cent at end-August 2015, all deposit, lending and the inter-bank rates were positive in real terms, except the average savings, 7-day and 1-month deposit rates (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

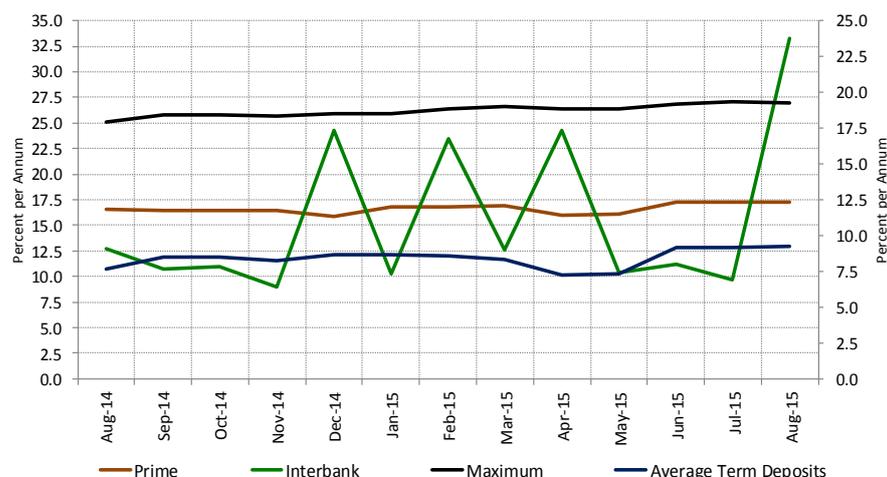


Table 2: Selected Interest Rates (Percent, Averages)

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Average Term Deposits	7.68	8.46	8.48	8.21	8.66	8.66	8.61	8.34	7.23	7.37	9.14	9.15	9.24
Prime Lending	16.6	16.44	16.48	16.5	15.88	16.86	16.77	16.9	15.95	16.08	17.24	17.3	17.29
Interbank Call	12.72	10.73	10.98	8.98	24.3	10.21	23.5	12.59	24.24	10.43	11.19	9.69	33.26
Maximum Lending	25.07	25.77	25.75	25.74	25.91	25.97	26.33	26.61	26.41	26.43	26.84	27.03	27.01

2.3.2 Commercial Paper (CP)

Commercial Paper (CP) outstanding held by DMBs fell by 11.6 per cent to ₦5.7 billion at end-August 2015, compared with ₦6.4 billion at the end of the preceding month. The development was due to the fall in investment in CP by the commercial banks. Consequently, CP constituted 0.06 per cent of the total value of money market assets outstanding at the end of the review period, compared with 0.07 per cent at the end of the preceding month.

2.3.3 Bankers' Acceptances (BAs)

At the end of the review period, BAs fell to ₦11.97 billion, compared with ₦12.6 billion at the end of the preceding month. The development was attributed to decline in investment in BAs by commercial banks during the month. Consequently, BAs accounted for 0.14 per cent of the total value of money market assets outstanding at end-August 2015, down from 0.15 per cent growth at the end of the preceding month.

2.3.4 Open Market Operations

Direct OMO auctions were conducted five times in the review month, for CBN bills of 345 - 346 days to maturity. Total amount offered at the OMO auction was ₦80.00 billion, with total subscription and allotment at ₦83.80 billion and ₦73.27 billion, respectively. Bid rates ranged from 14.00 to 15.00 per cent, with stop rate maintained at 14.00 per cent for all the auctions. In contrast to the preceding month, amounts offered, subscribed to and allotted were ₦500.00 billion, ₦899.48 billion and ₦771.82 billion, respectively, while the bid rates ranged from 13.37 to 14.00 per cent. Also, CBN bills valued at ₦285.13 billion matured and were subsequently repaid during the review month.

2.3.5 Primary Market

Nigerian Treasury Bills of 91-, 182- and 364-day tenors were auctioned twice at the primary market during the review month. Total amount offered, subscribed to and allotted stood at ₦257.61 billion, ₦293.30 billion and ₦257.61 billion, respectively, compared with ₦178.37 billion, ₦274.65 billion and ₦178.37 billion in July 2015.

2.3.6 Bonds Market

In the review month, existing tranches of the 5- and 20-year FGN Bonds were reopened. The term to maturity of the bonds ranged from 4 years 6 months, to 18 years 11 months. Total amount offered, subscribed to and allotted were ₦70.00 billion, ₦153.49 billion and ₦70.00 billion, respectively, compared with a total of ₦44.00 billion allotted in the preceding month. In addition, ₦10.20 billion of the 5-year bond was allotted on non-competitive basis. The bid rates ranged from 12.00 to 17.20 per cent, while the marginal rates for the tenors ranged from 15.20 to 15.39 per cent.

2.3.7 CBN Standing Facilities

Developments at the CBN standing facilities window indicated increased activities at the Standing Lending Facility (SLF) window, but lower patronage at the Standing Deposit Facility (SDF) window. Applicable rates for the SLF and SDF remained at \pm 200 basis points around the 13% MPR.

Total request for SLF from August 1 to 25, 2015 was ₦1,102.14 billion. Average daily request stood at ₦79.49 billion in 15 business days, while interest received during the period amounted to N0.62 billion. In the preceding month, the sum of ₦205.76 billion was granted, with a total daily request ranging from ₦0.76 billion to ₦57.24 billion.

SDF totaling ₦475.38 billion was received. This represented a daily average of ₦29.71 billion for the 16 business days in the month, with ₦0.16 billion paid as interest. In the preceding month, total request for SDF granted was N2,036.49 billion with daily average of ₦96.98 billion in the 21 transaction days.

2.4 Deposit Money Banks' Activities

Available data indicated that total assets and liabilities of the commercial banks amounted to ₦28,256.27 billion, showing a fall of 0.1 per cent, compared with the level at the end of July 2015. Funds were sourced mainly from demand deposit and foreign liabilities. The funds were used, largely, to increase reserves and purchase of Government Securities.

At ₦16,820.87 billion, banks' credit to the domestic economy fell by 0.1 per cent, compared with the level in the preceding month. The development reflected, largely, the fall in claims on the private sector during the review month.

Banks' credit to the domestic economy fell by 0.1 per cent.

Total specified liquid assets of commercial banks stood at ₦6,563.42 billion, representing 38.5 per cent of their total current liabilities. At that level, the liquidity ratio rose by 0.4 percentage point, compared with the level in the preceding month and was also 8.5 percentage point above the stipulated minimum ratio of 30.0 per cent. The loans-to-deposit ratio, at 69.2 per cent, was 1.2 percentage points above the level at the end of the preceding month, but was 10.8 percentage points below the maximum ratio of 80.0 per cent.

2.5 Capital Market Developments

2.5.1 Secondary Market

Available data indicated that developments in the Nigerian Stock Exchange (NSE) were generally mixed in August 2015. The total volume of traded securities rose by 63.0 per cent to 10.09 billion, while the value of traded shares fell by 18.8 per cent to ₦69.38 billion in 79,617 deals, compared with 6.2 billion shares and ₦85.41 billion in 73,942 deals recorded in the preceding month. The Financial Services Industry led the activity chart (measured by volume) with 8.9 billion shares valued at ₦43.56 billion, traded in 47,572 deals. These represented 87.7 and 62.8 per cent of the aggregate volume and value, respectively, compared with 58.2 and 59.8 per cent recorded in the preceding month. (Fig.4, Table 3).

Figure 4: Volume and Value of Traded Securities

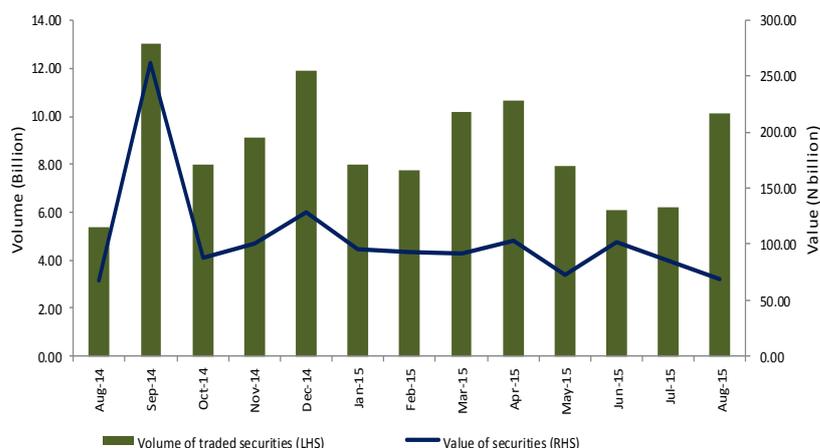


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Volume (Billion)	5.4	13.0	8.0	9.1	11.9	8.0	7.7	10.2	10.7	8.0	6.1	6.2	10.1
Value (₦ Billion)	67.8	261.4	87.6	100.4	129.0	94.9	92.7	92.0	103.4	72.7	101.7	85.4	69.4

2.5.2 Over-the-Counter (OTC) Bonds Market

There were no transactions in the OTC Bond market in the review month.

2.5.3 New/Supplementary Issues Market

There were two (2) supplementary listings in the equity segment of the market in the review month (Table 4).

Table 4: Supplementary Listing on the Nigerian Stock Exchange

S/N	Company	Additional Shares (Units)	Reasons	Listing
1	Academy Press	100800000 ordinary shares	Scrip Issue	Supplementary
2	Access Bank Plc	6,045,052,723 ordinary shares	Rights Issue	Supplementary

2.5.4 Market Capitalization

Aggregate market capitalization for all the listed securities (Equities and Bonds) stood at ₦15.83 trillion at end-August 2015, indicating a decline of 0.5 per cent, compared with the level in the preceding month. Similarly, market capitalization of the listed equities fell by 1.4 per cent to close at N10.21 trillion, compared with the level in the preceding month. Listed equities accounted for 64.5 per cent of the aggregate market capitalization, compared with 65.1 per cent at the end of the preceding month, while listed debt securities accounted for the balance (Fig.5, Table 5).

2.5.5 NSE All-Share Index

The All-Share Index, which opened at 30,180.27 at the beginning of the month, closed at 29,684.84, representing a decline of 1.6 per cent below the level at the end of the preceding month. At end-August 2015, with the exception of the NSE Oil/Gas index, which rose by 3.5 per cent to 357.07, all the other sectoral indices fell below their levels in the preceding month. NSE Banking, NSE Insurance, NSE

Consumer Goods, NSE Lotus, NSE Industrial Goods and NSE AseM indices declined by 5.0, 3.2, 0.4, 3.1, 1.1 and 0.2 per cent, to 299.81, 130.21, 731.27, 2,040.64, 2,198.00 and 1207.64, respectively, at end-August 2015. The NSE Pension index introduced in the preceding month closed at 897.20, indicating a decline of 3.6 per cent below the level in the preceding month (Fig.5, Table 5).

Figure 5: Market Capitalization and All-Share Index

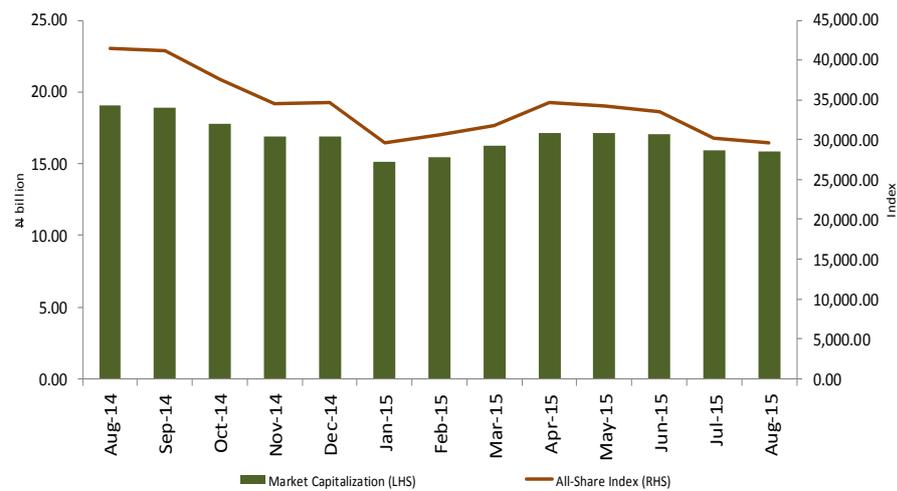


Table 5: Aggregate Market Capitalization and All Share Index (NSE)

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Aggregate Market Capitalization (N trillion)	15.14	15.45	16.25	17.17	17.16	17.02	15.91	15.83
All-Share Index	29,562.07	30,562.93	31,744.82	34,708.11	34,310.37	33,456.83	30,180.27	29,684.84

3.0 Fiscal Operations

Provisional data indicated that federally-collected revenue in August 2015, at ₦690.52 billion, was lower than the monthly budget estimate by 15.3 per cent, but exceeded the receipt in the preceding month by 0.8 per cent. Similarly, Federal Government retained revenue for August 2015 was ₦236.67 billion, while total provisional expenditure for August 2015 was ₦292.12 billion. Consequently, the fiscal operations of the Federal Government resulted in a deficit of ₦55.45 billion.

3.1 Federation Account Operations

At ₦690.52 billion, federally-collected revenue in August 2015, was lower than the monthly budget estimate by 15.3 per cent, but exceeded the receipt in the preceding month by 0.8 per cent. The fall in federally-collected revenue (gross) relative to the monthly budget estimate was attributed to the shortfall in receipts from oil revenue during the review month (Fig. 6, Table 6).

At ₦690.52 billion, Gross federally-collected revenue in the review month fell below the monthly budget estimate by 15.3 per cent.

Figure 6: Components of Gross Federally-Collected Revenue

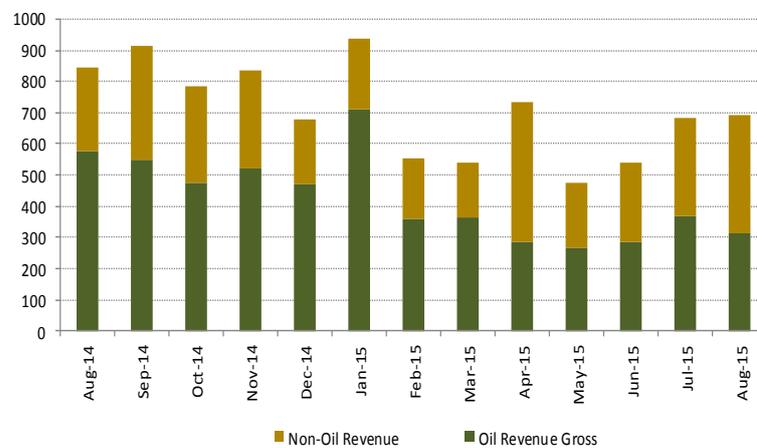


Table 6: Gross Federation Account Revenue (N billion)

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Federally-collected revenue (Gross)	842.8	913.2	784.0	752.8	674.0	692.1	554.8	808.7	472.2	462.5	462.6	685.0	690.5
Oil Revenue	578.8	547.2	476.4	521.7	468.1	486.4	359.7	364.6	286.2	267.2	285.6	369.4	314.9
Non-Oil Revenue	264.0	366.0	307.6	231.1	205.9	205.7	195.1	444.1	186.0	195.3	177.0	315.6	375.6

Oil receipt (gross) at ₦314.87 billion fell below the monthly budget estimate by 30.4 per cent and constituted 45.6 per cent of total revenue.

At ₦314.87 billion or 45.6 per cent of the total revenue, gross oil receipt was lower than both the monthly budget estimate and the level in the preceding month by 30.4 and 14.8 per cent, respectively. The fall in oil revenue relative to the monthly budget estimate was attributed to the incessant drop in crude oil/gas export receipts, owing to the shut-down and shut-in of production and emergency repairs by the Shell Petroleum Development Company (SPDC) as well as the continuous drop in the average price of crude oil (Fig. 7, Table 7).

Figure 7: Gross Oil Revenue and Its Components

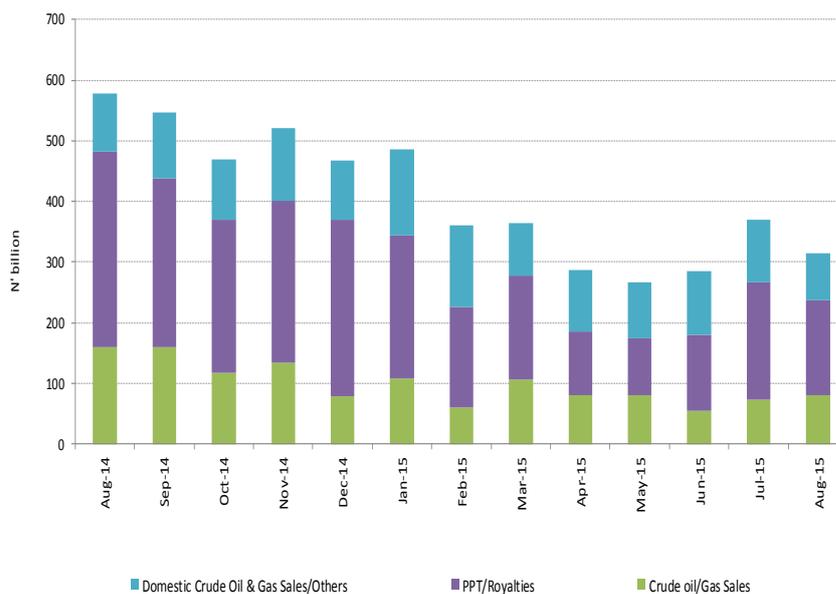


Table 7: Components of Gross Oil Revenue (₦ billion)

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Oil Revenue	578.8	547.2	476.4	521.7	468.1	486.4	359.7	364.6	286.2	267.2	285.6	369.4	314.9
Crude oil/Gas Sales	160.3	160.4	117.8	134.7	78.7	107.1	60.3	106.7	80.9	80.4	54.1	73.7	79.7
Domestic crude oil/Gas sales	95.3	93.6	99.6	112.9	91.4	236.1	165.8	171.4	104.4	83.8	96.7	95.6	71.1
PPT/Royalties	321.9	277.4	251.9	266.8	291.2	134.8	127.0	77.2	87.7	94.3	126.3	192.4	157.0
Others	1.3	15.7	7.2	7.3	6.9	8.5	6.6	9.3	13.2	8.7	8.5	7.6	7.1

At ₦375.65 billion or 54.4 per cent of the total revenue, gross non-oil receipts exceeded both the monthly budget estimate and the receipts in the preceding month by 3.7 and 19.0 per cent, respectively. The rise in non-oil revenue relative to the monthly budget estimate was as a result of the increase in Corporate and Education Tax receipts (Fig. 8, Table 8).

At ₦375.65 billion non-oil receipts (gross) exceeded the monthly budget estimate by 3.7 per cent and constituted 54.4 per cent of total revenue.

Figure 8: Gross Non-Oil Revenue and its Components

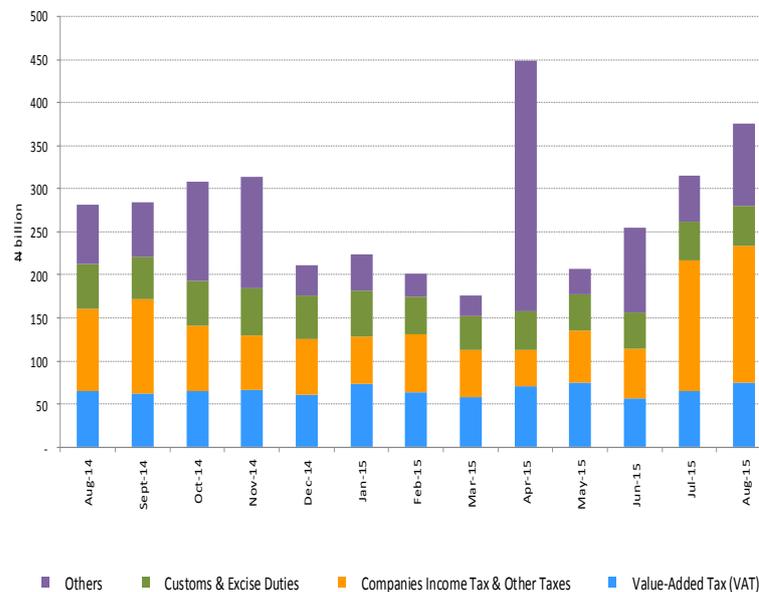


Table 8: Components of Gross Non-Oil Revenue (₦ billion)

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Non-Oil Revenue	280.8	284.6	307.7	314.0	211.3	224.3	194.7	176.4	448.8	206.7	254.1	315.6	375.7
Value-Added Tax (VAT)	65.5	61.5	65.1	67.1	60.6	73.5	63.9	58.3	71.2	75.2	56.8	65.0	74.9
Companies Income Tax & Other Taxes	95.1	111.0	75.5	61.9	65.0	54.2	66.5	54.2	42.1	59.5	57.7	151.9	158.8
Customs & Excise Duties	51.8	48.7	51.9	54.8	50.2	53.6	44.2	40.3	44.3	42.1	41.2	44.7	45.9
Others	68.5	63.4	115.2	130.2	35.5	43.0	26.5	23.9	291.2	29.9	98.4	54.0	96.0

Of the gross federally-collected revenue, a net sum of ₦579.78 billion was transferred to the Federation Account for distribution among the three tiers of government and the 13.0% Derivation Fund. The Federal Government received ₦202.11 billion, while the State and Local Governments received ₦102.51 billion and ₦79.03 billion, respectively. The balance of ₦28.21 billion was shared among the oil producing states as 13% Derivation Fund.

From the VAT Pool Account, the Federal Government received ₦10.79 billion, while the state and local governments received ₦35.97 billion and ₦25.18 billion, respectively.

In addition, the sum of ₦6.41 billion was distributed as Exchange Rate Gain among the three tiers of government and the 13.0% Derivation Fund as follows: The Federal Government received ₦3.06 billion, while the state and local governments received ₦1.55 billion and ₦1.19 billion, respectively. The balance of (₦0.61 billion) was distributed to the oil-producing states as 13.0% Derivation Fund.

Overall, the total allocation to the three tiers of government from the Federation Account and VAT Pool Account in the review month amounted to ₦496.55 billion, compared with ₦524.87 billion in the preceding month.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

At ₦236.67 billion, the estimated Federal government retained revenue was below the monthly budget estimate by 23.6%.

Provisional data indicated that the estimated Federal Government retained revenue for the month of August amounted to ₦236.67 billion. This was below both the monthly budget estimate and the receipts in the preceding month by 23.6 and 3.6 per cent, respectively. Of the total revenue, Federation Account accounted for 85.4 per cent, while FGN Independent Revenue, VAT, NNPC refund and Exchange Gain accounted for 6.1, 4.5, 2.7 and 1.3 per cent, respectively (Fig. 9, Table 9).

Figure 9: Federal Government Retained Revenue

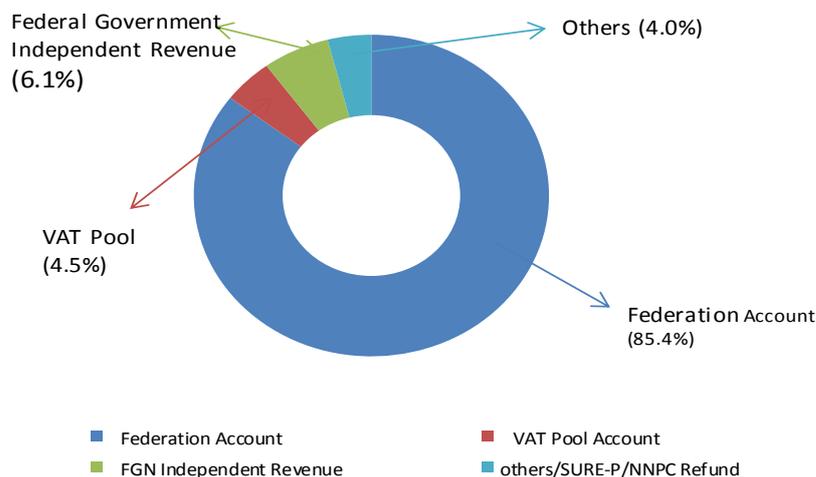


Table 9: Federal Government Fiscal Operations (₦ billion)

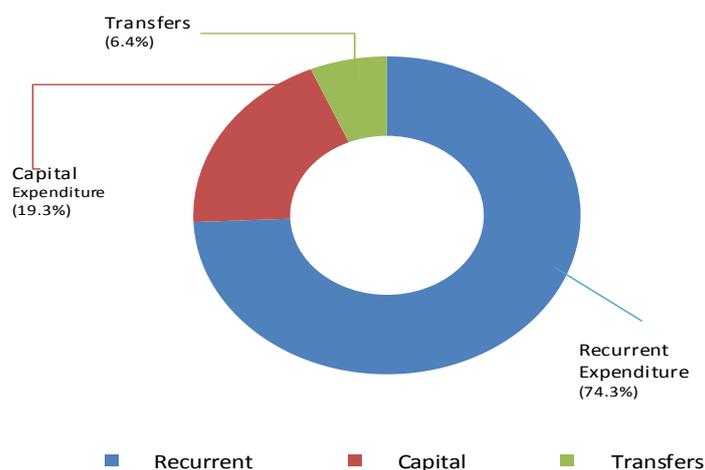
	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Retained Revenue	301.7	282.7	312.9	348.1	259.3	271.0	224.9	255.4	452.4	173.4	260.0	245.6	236.7
Expenditure	319.6	323.2	391.3	386.0	370.2	367.8	363.7	211.0	155.5	178.8	205.9	223.1	292.1
Overall Balance: (+)/(-)	-17.9	-40.5	-78.4	-37.9	-110.9	-96.7	-138.8	44.4	296.9	-5.4	54.1	22.5	-55.4

Total estimated expenditure, at ₦292.12 billion, fell by 26.3% when compared with the monthly budget estimate.

At ₦292.12 billion, estimated Federal Government expenditure for August 2015 was lower than the monthly budget estimate by 26.3 per cent. It was however higher than the level in the preceding month by 0.4 per cent. A breakdown of total expenditure showed that the recurrent expenditure accounted for 74.3 per cent, while the capital expenditure and transfers components accounted

for the balance of 19.3 and 6.4 per cent, respectively. Overall, non-debt obligations accounted for 66.4 per cent of the total recurrent expenditure, while debt service payments accounted for the balance of 33.6 per cent (Fig. 10).

Figure 10: Federal Government Expenditure



The fiscal operations of the FG resulted in an estimated Overall deficit of ₦55.45 billion.

Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦55.45 billion.

3.2.2 Statutory Allocations to State Governments

Statutory allocations to the state governments stood at ₦168.85 billion (including 13% Derivation Fund and Vat Pool Account) in August 2015. However, this was 23.6 and 5.5 per cent below both the monthly budget estimate of ₦221.11 billion and the level in the preceding month, respectively.

The breakdown showed that, at ₦132.88 billion or 78.7 per cent of the aggregate, state governments' receipt from the Federation Account (including 13% derivation) was below both the monthly budget estimate and the level in the preceding month by 21.7 and 9.9 per cent, respectively.

Similarly, at ₦35.97 billion or 21.3 per cent of the total, receipts from the VAT Pool Account was below the monthly budget estimate by 29.9 per cent, but

exceeded the level in the preceding month by 15.3 per cent.

3.2.3 Statutory Allocations to Local Government Councils

Total receipts by the local governments from the Federation Account and VAT Pool Account stood at ₦105.41 billion at end-August 2015. This was lower than both the budget estimate and the level in the preceding month by 21.5 and 2.9 per cent, respectively. Of this amount, receipts from the Federation Account was ₦80.23 billion (76.1 per cent of the total), while the VAT Pool Account accounted for ₦25.18 billion (23.9 per cent of the total) (Table 10).

Table 10: Statutory Allocation to State Governments and Local Government Councils (N Billion)

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Budget
SG Federation Account	196.3	178.5	179.0	174.8	175.0	168.6	143.0	171.1	119.3	99.1	117.4	147.5	132.9	169.6
SG VAT	31.4	29.5	31.2	32.2	29.1	35.3	30.7	28.0	34.2	36.1	27.3	31.2	360.0	51.3
SG Total	227.7	208.0	210.2	207.0	204.1	203.9	173.7	199.1	153.4	135.2	144.7	178.7	168.9	220.9
LG Federation Account	107.0	99.5	97.4	94.6	94.2	90.9	78.5	91.2	65.0	56.1	65.0	86.8	80.2	98.3
LG VAT	22.0	20.7	21.9	22.6	20.4	24.7	21.5	19.6	23.9	25.3	19.1	21.8	25.2	35.9
LG Total	129.0	120.1	119.3	117.1	114.6	115.6	99.9	110.8	88.9	81.4	84.1	108.6	105.4	134.3
Total Statutory Revenue and VAT	356.7	328.2	329.5	324.1	318.7	319.4	273.7	309.8	242.4	216.5	228.7	287.3	274.3	355.2

4.0 *Domestic Economic Conditions*

Agricultural activities in August 2015 were dominated by early harvest. In the livestock sub-sector, there was continued migration of cattle from the North to neighboring countries. Crude oil production was estimated at 1.96 million barrels per day (mbd) or 60.76 million barrels during the month. The end-period inflation rate for August 2015, on a year-on-year basis, was 9.3 per cent, compared with 9.2 per cent in the preceding month. The inflation rate on a 12-month moving average basis was 8.6 per cent.

4.1 Agricultural Sector

Agricultural activities in the country received a boost as a result of widespread rainfall witnessed in August 2015. Dominant activities in the South were early harvest of yams and maize, while harvest of potatoes and groundnuts were the major activities in the Central and Northern areas. However, flood destroyed farmlands in Adamawa state in the review period. In the livestock sub-sector, there was continued migration of cattle from the North to neighbouring countries. Persistent security challenges in the North-eastern parts of the country continued to dampen the performance of the sector.

A total of ₦1,640.5 million was guaranteed to 8,330 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in August 2015. This amount represented an increase of 155.2 and 113.1 per cent above the levels in the preceding month and the corresponding period of 2014, respectively. Sub-sectoral analysis showed that the food crops obtained the largest share of ₦1,324.3 million (80.7 per cent) guaranteed to 6,471 beneficiaries, livestock got ₦121.1 million (7.4 per cent) guaranteed to 400 beneficiaries, while "Others" got ₦63.5 million (3.9 per cent) guaranteed to 382 beneficiaries. The sum of ₦54.4 million (3.3 per cent) was guaranteed to 185 beneficiaries in the fisheries sub-sector. Mixed crops received ₦53.7 million (3.3 per cent) guaranteed to 623 beneficiaries, while cash crops received ₦23.5 million (1.4 per cent) guaranteed to 269 beneficiaries.

Analysis by state showed that 34 states, including

the Federal Capital Territory benefited from the Scheme in August 2015, with the highest and lowest sums of ₦611.9 million (37.3 per cent) and ₦0.95 million (0.06 per cent) guaranteed to Benue and Bayelsa states, respectively.

At end-August 2015, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement amounted ₦306.3 billion.

At end-August 2015, the total amount released by the CBN from inception under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement stood at ₦306.3 billion for 385 projects (Table 11).

Table 11: Disbursement of Credit under the Commercial Agriculture Credit Scheme (CACS) August 2015.

S/N	Participating Banks	Amount Disbursed (₦ billion)	Number of Projects/State Governments
1	UBA Plc	47.8	38
1	Zenith Bank	55.3	36
3	First Bank of Nigeria Plc	37.0	90
4	Unity Bank Plc	24.2	25
5	Union Bank Plc	20.2	23
6	Stanbic IBTC Plc	17.3	32
7	Sterling Bank	17.6	23
8	Access Bank Plc	13.6	16
9	Fidelity Bank Plc	12.9	10
10	Skye Bank Plc	9.7	7
11	FCMB Plc.	9.5	18
12	Ecobank	6.4	10
13	GTBank	17.4	16
14	Diamond Bank Plc	4.4	15
15	Heritage Bank	4.2	6
16	Citibank Plc	3.0	2
17	Keystone Bank	2.2	4
18	Mainstreet Bank Plc	2.0	1
19	WEMA Bank Plc	1.1	7
20	Enterprise Bank Plc	0.5	6
	TOTAL	306.3	385

4.2 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at an average of 1.96 million barrels per day (mbd) or 60.76 million barrels for the month. This represented an increase of 2.1 per cent above the level of 1.92 mbd recorded in the preceding month.

Crude oil export was estimated at 1.51 mbd or 46.81 million barrels. This represented an increase of 2.7 per cent above the level recorded in the preceding month. Deliveries to refineries for domestic consumption remained at 0.45 mbd or 13.95 million barrels during the review month.

At an estimated average of US\$47.48 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API), fell by 17.2 per cent, compared with the level in the preceding month. The average prices of other competing crudes, namely the U.K Brent at US\$46.43 per barrel; the West Texas Intermediate at US\$47.88 per barrel; and the Forcados at US\$47.58 per barrel, also fell below their levels in the preceding month.

The average price of OPEC's basket of eleven crude streams, at US\$45.46 per barrel, indicated a fall of 16.0 and 54.9 per cent below the levels in the preceding month and the corresponding period of 2014, respectively (Fig. 11, Table 12).

Crude oil and natural gas production was estimated at an average of 1.96 million barrels per day.

The average prices of Nigeria's reference crude, the Bonny Light, and all other competing crudes fell, compared with their levels in the preceding month.

Figure 11: Trends in Crude Oil Prices

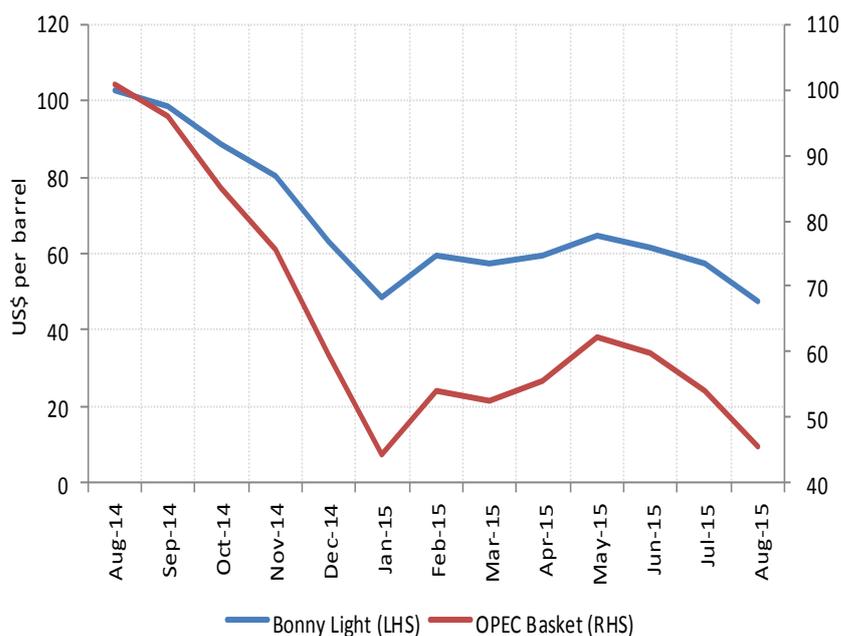


Table 12: Average Crude Oil Prices in the International Oil Market

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Bonny Light	102.6	98.5	88.8	80.3	63.2	48.6	59.2	57.4	59.6	64.7	61.7	57.4	47.5
OPEC Basket	100.8	95.9	85.1	75.6	59.5	44.4	54.1	52.6	62.2	59.9	54.1	45.5	45.5

4.3 Consumer Prices

The general price level rose in August 2015, compared with the level in the preceding month.

Available data showed that the all-items composite Consumer Price Index (CPI) in August 2015 was 175.4 (November 2009=100), representing an increase of 1.0 and 15.0 per cent, compared with the levels in the preceding month and the corresponding period of 2014, respectively. The development was driven, largely, by the contributions of food and non-alcoholic beverages; housing, water, electricity, gas and other fuels; clothing and footwear; transport; furnishings, household equipment and maintenance; education; and health.

The urban all-items CPI at end-August 2015 was 174.3 (November 2009=100), indicating an increase of 0.6 and 9.3 per cent, compared with the levels in the preceding month and the corresponding period of 2014, respectively. The rural all-items CPI for the month was 176.6 (November 2009=100), indicating a rise of 0.6 per cent, compared with the level in the

preceding month (Fig. 12, Table 13).

The composite food index was 180.6, indicating an increase of 1.1 per cent, compared with the level in the preceding month. The development was accounted for largely, by the contributions of farm produce (yam, potatoes & other tubers; vegetables; rice; fruits and millet) and processed food.

Figure.12: Consumer Price Index

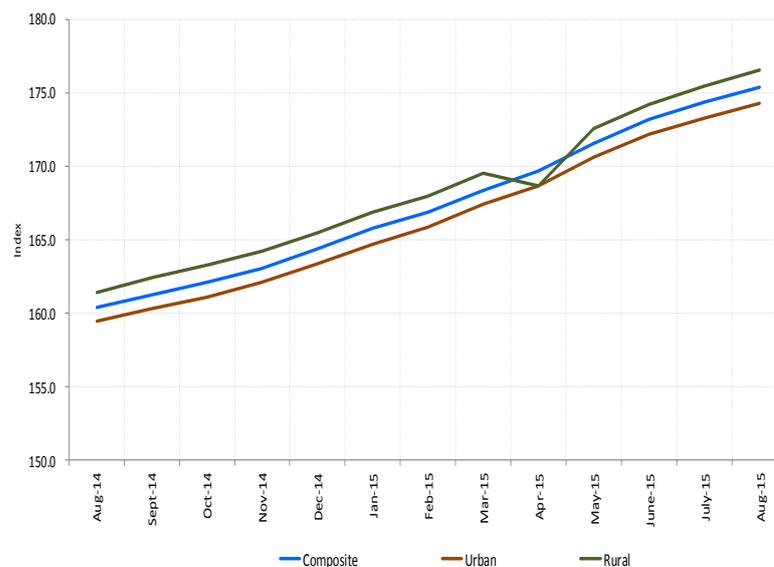


Table 13: Consumer Price Index (November 2009=100)

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Composite	160.4	161.3	162.1	163.1	164.4	165.8	166.9	168.4	169.7	171.6	173.2	174.4	175.4
Urban	159.5	160.3	161.1	162.1	163.4	164.7	165.9	167.4	168.7	170.6	172.2	173.3	174.3
Rural	161.4	162.4	163.3	164.2	165.5	166.9	168.0	169.5	168.7	172.6	174.2	175.5	176.6
CPI - Food	164.0	165	165.8	166.8	168.4	169.8	171.1	172.8	174.4	176.3	178.1	179.5	180.6
CPI - Non Food	158.4	159.4	160.3	161.3	162.5	163.7	164.8	166.2	167.2	169.2	170.59	171.64	172.7

The year-on-year headline inflation rate was 9.3 per cent in August 2015.

The end-period inflation rate for the review month, on a year-on-year basis, was 9.3 per cent, compared with 9.2 and 8.5 per cent for July 2015 and the corresponding month of 2014, respectively. On a twelve-month moving average basis, the inflation rate was 8.6 per cent, indicating a 0.1 percentage point increase over the level in the

preceding month (Fig. 13, Table 14).

Figure 13: Inflation Rate

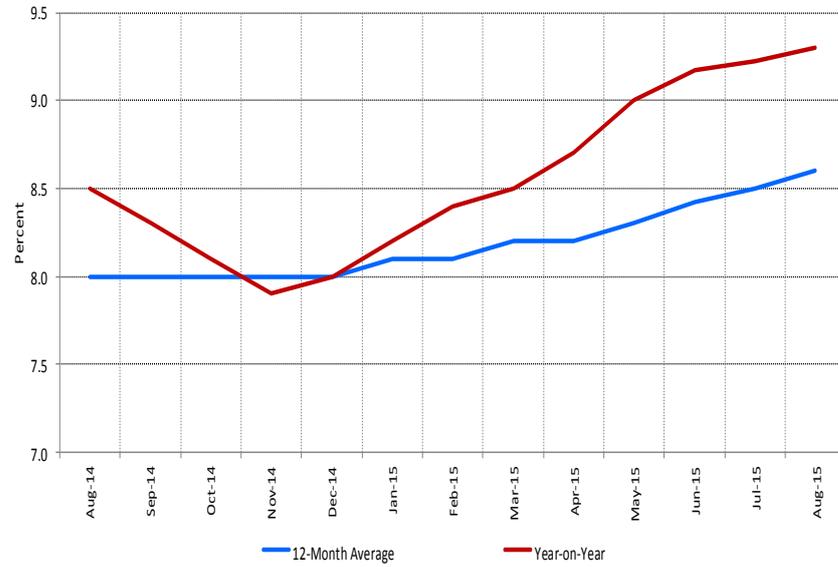


Table 14: Headline Inflation Rate (%)

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
12-Month Average	8.0	8.0	8.0	8.0	8.0	8.1	8.1	8.2	8.2	8.3	8.4	8.5	8.6
Year-on-Year	8.5	8.3	8.1	7.9	8.0	8.2	8.4	8.5	8.7	9.0	9.2	9.2	9.3

5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow and outflow through the CBN, on month-on-month basis, fell by 58.8 and 6.7 per cent, respectively. Total non-oil export receipts by banks rose by 75.5 per cent above the level in the preceding month. The gross external reserves fell by 1.8 per cent below the preceding month's level. The average exchange rate of the naira was ₦197.00 per US dollar at the inter-bank segment, reflecting a depreciation of 0.01 below the level in the preceding month.

5.1 Foreign Exchange Flows

Provisional data indicated that foreign exchange inflow and outflow through the CBN in the review month were US\$2.60 billion and US\$3.15 billion, respectively. This resulted in a net outflow of US\$0.55 billion, in contrast to the net inflow of US\$2.93 billion in the preceding month. Relative to the levels in the preceding month and the corresponding period of 2014, inflow through the CBN fell by 58.8 and 30.9 per cent, respectively. The development was attributed to the significant fall in oil and non-oil receipts during the review period. Similarly, outflow fell by 6.7 and 25.9 per cent below the levels in the preceding month and the corresponding period of 2014, respectively. The development relative to the level at the end of the preceding month was due, largely, to the reduction in funding of the foreign exchange market, other official payments, drawings on L/Cs and external debt service (Fig. 14, Table 15).

Foreign exchange inflow and outflow through the CBN fell by 58.8 and 6.7 per cent, respectively, in August 2015.

Figure 14: Foreign Exchange Flows through the CBN

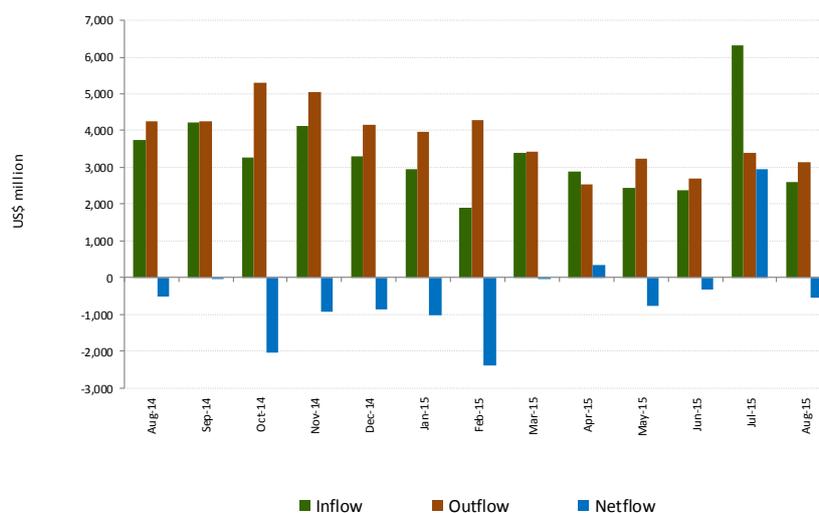


Table 15: Foreign Exchange Flows through the CBN (US\$ million)

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Inflow	3,750.3	4,230.4	3,254.0	4,120.8	3,284.8	2,934.6	1,900.6	3,382.5	2,882.3	2,450.3	2,372.0	6,321.6	2,598.1
Outflow	4,258.5	4,250.6	5,401.0	5,060.2	4,164.4	3,965.5	4,301.3	3,430.7	2,545.9	3,225.7	2,709.1	3,381.2	3,154.0
Netflow	(508.2)	(20.2)	(2,147.0)	(939.3)	(879.6)	(1,030.9)	(2,400.7)	(48.3)	336.4	(775.4)	(337.1)	2,940.4	(555.9)

Provisional data on aggregate foreign exchange inflow into the economy indicated that total inflow was US\$6.54 billion. This represented a fall of 50.0 and 57.9 per cent below the levels at the end of the preceding month and the corresponding month of 2014, respectively. The development was driven by the fall in crude oil receipts, non-oil receipts and inflow from autonomous sources. Of the total inflow, receipts through the CBN and autonomous sources accounted for 39.7 and 60.3 per cent, respectively.

Autonomous inflows through the economy fell by 41.8 per cent in August 2015.

Non-oil sector inflow at US\$0.83 billion (12.7 per cent of the total), fell by 67.3 per cent below the level in the preceding month. Autonomous inflow, which accounted for 60.2 per cent of the total, also fell by 41.8 per cent below the level in the preceding month.

At US\$3.27 billion, aggregate foreign exchange outflow from the economy fell by 24.3 and 24.8 per cent below the levels in the preceding month and the corresponding period of 2014, respectively. Thus,

foreign exchange flows through the economy resulted in a net inflow of US\$3.27 billion in the review month, compared with US\$8.77 billion and US\$11.19 billion in the preceding month and the corresponding month of 2014, respectively.

5.2 Non-Oil Export Earnings by Exporters

Provisional data indicated that total non-oil export earnings, at US\$694.67 million, increased by 75.5 per cent above the level in the preceding month, but indicated a fall of 75.6 per cent below the level in the corresponding period of 2014. The development relative to the preceding month reflected, largely, the rise in receipts from manufactured and industrial sectors. A breakdown by sectors showed that proceeds from manufactured products, industrial, agricultural, food products and minerals sub-sectors stood at US\$515.66 million, US\$95.09 million, US\$81.08 million, US\$2.39 million, and US\$0.45 million, respectively, during the review month.

The shares of manufactured products, industrial, food products, agricultural and minerals sub-sectors in non-oil export proceeds were 74.2, 13.7, 11.6, 0.4 and 0.1 per cent, respectively.

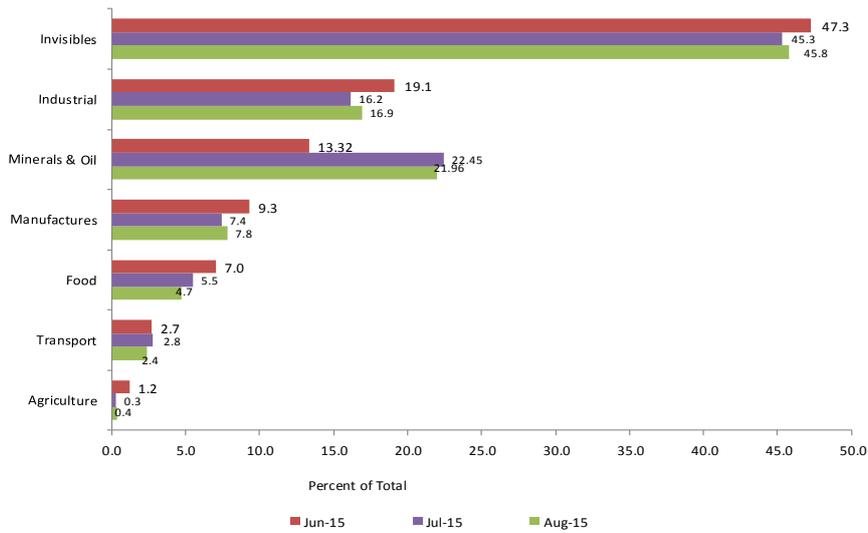
5.3 Sectoral Utilization of Foreign Exchange

The invisible sector accounted for the bulk (45.8 per cent) of total foreign exchange disbursed in August 2015, followed by minerals and oil sector (22.0 per cent). The shares of other sectors in a descending order were: industrial (16.9 per cent), manufactured product (7.8 per cent), food products (4.7 per cent), transport (2.4 per cent) and agricultural products (0.4 per cent) (Fig.15).

Total non-oil export earnings by exporters increased in August 2015.

The invisible sector accounted for the bulk of the total foreign exchange disbursed in August 2015.

Figure 15: Sectoral Utilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

A total of US\$2.81 billion was sold by the CBN to authorized dealers in August 2015. This reflected a fall of 0.4 and 22.9 per cent below the levels in the preceding month and the corresponding period of 2014, respectively. Of the aggregate sales, inter-bank and BDC sales were US\$1.66 billion and US\$0.53 billion, respectively. Also, forward contracts valued at US\$0.33 billion were disbursed at maturity and swap transactions of US\$0.30 billion was conducted in the review month (Fig.16, Table 16).

Figure 16: Demand for and Supply of Foreign Exchange

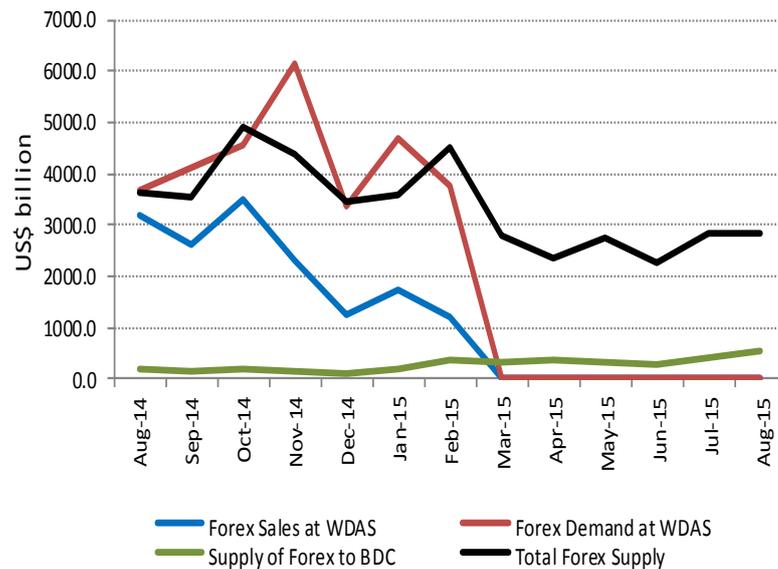


Table 16: Demand for and Supply of Foreign Exchange (US\$ billion)

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Forex Sales at wDAS/DAS	3,201.1	2,598.5	3,498.5	2,296.9	1,260.2	1,987.4	1,197.1	-	-	-	-	-	-
Forex Demand at rDAS/wDAS	3,661.4	4,132.3	4,570.6	6,148.8	3,364.9	4,698.8	3,773.5	-	-	-	-	-	-
Supply of Forex to BDC	169.0	143.2	178.9	145.7	110.4	184.7	371.4	301.6	370.4	309.9	287.4	400.0	531.0
Total Forex Supply	3,650.1	3,558.7	4,914.3	4,395.2	3,450.1	3,587.2	4,524.5	2,807.7	2,366.2	2,727.7	2,260.2	2,825.6	2,813.3

The average exchange rate at the inter-bank segment, at ₦197.00 per US dollar, indicated a depreciation of 0.01 and 17.8 per cent from the levels in the preceding month and the corresponding period of 2014, respectively. At the BDC segment, the average exchange rate, at ₦216.64 per US dollar, appreciated by 9.1 per cent relative to the level in the preceding month, but indicated a depreciation of 21.4 per cent, compared with the level in the corresponding period of 2014 (Figure 17, Table 17).

Consequently, the premium between the inter-bank and the BDC rates narrowed from 20.0 per cent in the preceding month to 10.0 per cent during the review period. This, however, exceeded the international benchmark of 5.0 per cent (Figure 18).

The naira exchange rate vis-à-vis the US dollar depreciated at the Inter-bank market, while the BDC segment of the market appreciated during the review period.

Figure 17: Average Exchange Rate Movement

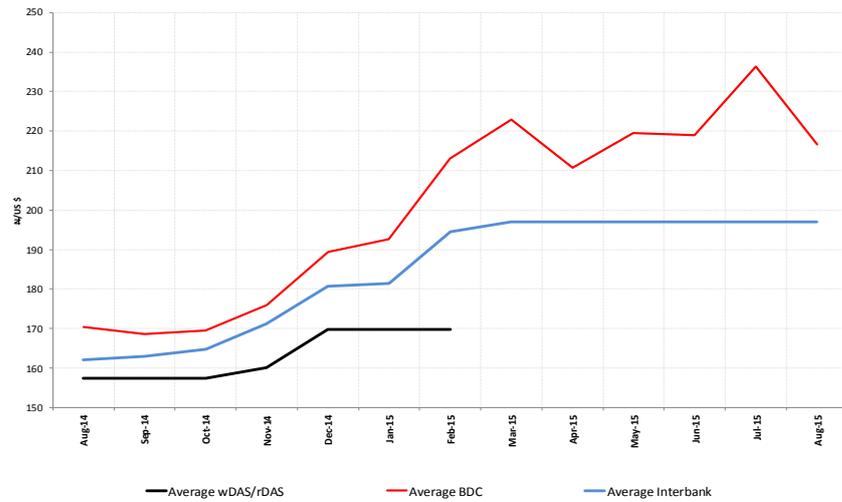
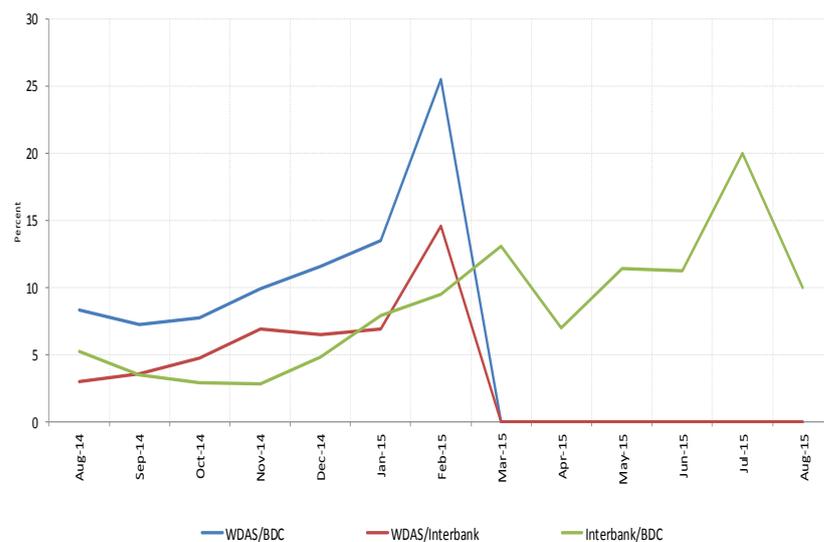


Table 17: Exchange Rate Movements and Exchange Rate Premium

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Average Exchange Rate (N/\$)													
wDAS/rDAS	157.29	157.30	157.31	160.00	169.68	169.68	169.68	0.00	0.00	0.00	0.00	0.00	0.00
Interbank	161.99	162.93	164.64	171.10	180.74	181.46	194.48	197.07	197.00	197.00	196.92	196.97	197.00
BDC	170.36	168.64	169.43	175.85	189.44	192.60	213.03	222.93	210.70	219.55	218.98	236.30	216.60
Premium (%)													
rDAS/BDC	8.3	7.2	7.7	9.9	11.6	13.5	25.5	0.0	0.0	0.0	0.0	0.0	0.0
rDAS/Interbank	3	3.6	4.7	6.9	6.5	6.9	14.6	0	0	0	0	0	0
Interbank/BDC	5.2	3.5	2.9	2.8	4.8	7.9	9.5	13.1	7.0	11.4	11.2	20.0	10.0

Figure 18: Exchange Rate Premium



5.5 Gross External Reserves

The gross external reserves at end-August 2015 stood at US\$30.65 billion, indicating a decline of 1.8 and 20.8 per cent below the levels in the preceding month and the corresponding period of 2014, respectively. The development was due to CBN interventions at the inter-bank market and sales to BDCs. A breakdown of the official external reserves showed that Federation reserves was: US\$2.45 billion (8.0 per cent); Federal Government reserves, US\$3.87 billion (12.6 per cent), and the CBN reserves, US\$24.33 billion (79.4 per cent) of the total (Fig. 19, Table 18).

Gross external reserves fell in August 2015.

Figure 19: Gross Official External Reserves

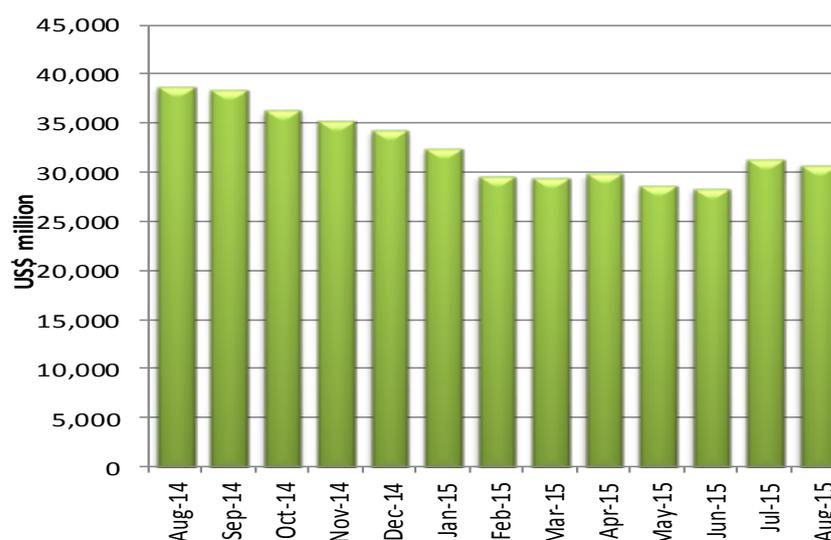


Table 18: Gross Official External Reserves (US\$ million)

Period	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
External Reserves	34,241.54	32,385.71	29,571.43	29,357.21	29,829.75	28,566.54	28,335.21	31,222.81	30,649.93

6.0 *Other International Economic Developments and Meetings*

World crude oil output in August 2015 was estimated at an average of 94.62 million barrels per day (mbd), while demand averaged at 92.28 million barrels per day (mbd), compared with 94.90 and 93.68 mbd supplied and demanded, respectively, in the preceding month. The fall in demand was attributed, largely, to the lull in economic activities, particularly in China, Russia and Brazil.

Other major international economic developments and meetings of importance to the domestic economy during the review period included: The African Caucus meetings of the International Monetary Fund (IMF) and World Bank Group (WBG) held in Luanda, Angola from August 27 – 29, 2015. The theme was “Promoting Economic Transformation for a Sustainable Development in Africa”. The objective of the African Caucus Meeting was to: provide a conducive environment for the African Governors at the IMF and the WBG; coordinate and harmonize their actions to effectively safeguard the interests of Africa, and achieve maximum benefits as members of the Bretton Woods Institutions (BWIs). The major issues discussed during the High Level Panel Dialogue included:

- Regional Economic Outlook;
- Economic Transformation and Diversification;
- Stemming Illicit Financial Flows for Improved Domestic Resource Mobilizations;
- IDA Future Financing Options; and
- Public Private partnerships: Solutions for Africa's Infrastructural Challenges

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Domestic Credit (Net)	17,278.4	17,724.5	20,757.6	20,695.6	21,210.5	21,409.8	21,542.6	21,393.0
<i>Claims on Federal Government (Net)</i>	(899.7)	(914.1)	2,178.4	2,100.3	2,558.7	2,512.5	2,877.3	2,761.7
Central Bank (Net)	(1,735.6)	(1,520.9)	(1,371.5)	(1,037.1)	(644.0)	(769.5)	(359.9)	(535.2)
Commercial Banks	783.5	606.8	3,453.5	3,137.4	3,202.7	3,282.0	3,163.3	3,228.2
Merchant Bank	95.0	47.6	95.0	57.6	45.5	61.3	72.5	67.4
Non Interest Banks	(1.1)	(1.1)	1.4	1.4	1.4	1.4	1.4	1.3
<i>Claims on Private Sector</i>	18,178.1	18,638.6	18,579.2	18,595.2	18,651.8	18,897.3	18,665.3	18,631.3
Central Bank	4,851.1	4,843.9	4,849.2	4,907.5	4,908.2	5,093.1	5,066.0	5,107.3
Commercial Banks	13,244.9	13,701.9	13,631.1	13,593.4	13,649.3	13,713.0	13,510.4	13,431.6
Merchant Bank	60.4	70.3	76.2	71.5	71.5	68.5	66.1	66.6
Non Interest Banks	21.6	22.6	22.7	22.7	22.7	22.7	22.7	25.8
<i>Claims on Other Private Sector</i>	17,446.0	17,905.2	18,012.4	18,038.3	18,146.0	18,374.9	18,139.2	18,190.7
Central Bank	4,824.9	4,820.3	4,825.6	4,883.9	4,884.6	5,042.0	5,040.4	8,081.7
Commercial Banks	12,540.3	12,993.4	13,087.9	13,060.1	13,167.1	13,241.5	13,009.9	13,016.5
Merchant Bank	60.4	70.3	76.2	71.5	71.5	68.5	66.1	66.6
Non Interest Banks	20.3	21.2	22.7	22.7	22.7	22.7	22.7	25.8
<i>Claims on State and Local Govern</i>	706.0	709.8	543.2	533.3	482.2	471.4	500.5	415.0
Central Bank	-	-	-	-	-	-	-	-
Commercial Banks	704.6	708.5	543.2	533.3	482.2	471.4	500.5	415.0
Merchant Bank	-	-	-	-	-	-	-	-
Non Interest Banks	1.4	1.4						
<i>Claims on Non-financial Public Ente</i>	26.2	23.6	23.6	23.6	23.6	51.0	25.6	25.6
Foreign Assets (Net)	6,436.0	6,023.4	5,985.6	6,017.1	5,479.7	5,951.5	5,687.1	5,498.1
Central Bank	5,704.0	5,123.1	5,354.7	5,277.8	5,083.1	5,796.0	5,543.9	5,635.5
Commercial Banks	737.6	907.0	640.6	748.2	405.5	159.9	148.8	(136.7)
Merchant Bank	(7.8)	(7.9)	(11.3)	(10.5)	(10.4)	(5.9)	(7.2)	(2.1)
Non Interest Banks	2.1	1.3	1.5	1.5	1.5	1.5	1.5	1.4
Other Assets (Net)	(6,903.2)	(7,201.6)	(7,600.7)	(7,445.1)	(7,496.2)	(8,549.8)	(8,804.9)	(8,399.6)
Total Monetary Assets (M2)	16,833.2	16,546.3	19,142.5	19,267.6	19,194.0	18,811.4	18,424.7	18,491.6
Quasi-Money 1/	10,437.9	10,480.4	12,148.4	12,422.8	12,524.3	12,269.0	11,953.6	11,522.0
Money Supply (M1)	6,373.3	1,233.2	6,994.1	6,844.8	6,669.6	6,452.4	6,471.1	6,969.6
<i>Currency Outside Banks</i>	1,320.3	1,622.7	1,471.1	1,312.0	1,315.3	1,184.0	1,184.5	1,146.9
<i>Demand Deposits 2/</i>	5,053.0	104.9	5,523.0	5,532.7	5,354.4	5,358.4	5,286.5	5,822.7
Total Monetary Liabilities (M2)	16,833.2	16,546.3	19,142.5	19,267.6	19,194.0	18,811.4	18,424.7	18,491.6
<i>Memorandum Items:</i>								
Reserve Money (RM)	5,475.5	5,701.7	5,937.1	6,202.0	6,179.8	5,945.8	5,931.4	5,895.6
<i>Currency in Circulation (CIC)</i>	1,661.7	1,622.7	1,818.4	1,692.3	1,671.5	1,562.3	1,547.5	1,544.6
<i>DMBs Demand Deposit with CBN</i>	3,813.9	4,079.0	4,118.7	4,509.9	4,508.3	4,382.4	4,356.9	4,351.1

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

2/ Demand Deposits 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)

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
	Growth Over Preceding December (%)							
Domestic Credit (Net)	7.1	9.9	10.0	9.7	12.4	11.1	11.8	11.0
<i>Claims on Federal Government (Net)</i>	55.4	54.7	187.6	177.3	233.8	64.1	150.2	140.1
<i>Claims on Private Sector</i>	0.2	2.7	2.6	2.7	3.0	4.3	3.0	2.8
<i>Claims on Other Private Sector</i>	0.3	3.0	2.6	2.8	3.4	-12.1	3.3	3.6
<i>Claims on State and Local Government</i>	3.9	-3.3	1.3	-0.6	-10.1	-12.1	-6.7	-22.6
<i>Claims on Non-financial Public Enterprises</i>								
Foreign Assets (Net)	-12.5	-2.5	-2.3	-12.6	-9.6	-14.4	-18.2	-20.9
Other Assets (Net)	-3.7	-8.2	-7.9	-5.7	-6.4	-16.9	-20.4	-14.8
Total Monetary Assets (M2)	-0.1	-1.7	1.1	1.8	1.4	-0.5	-2.6	-2.2
Quasi-Money 1/	-1.2	-0.6	1.2	3.5	4.3	2.2	-0.5	-4.1
Money Supply (M1)	1.7	-3.5	1.1	-1.1	-3.6	-5.3	-6.3	0.9
<i>Currency Outside Banks</i>	-3.4	-9.8	2.4	-8.7	-8.5	-17.6	-17.6	-20.2
<i>Demand Deposits 2/</i>	3.1	-1.8	0.7	0.9	-2.3	-2.0	-3.3	6.5
Total Monetary Liabilities (M2)	-0.1	-1.7	1.1	1.8	1.4	-0.5	-2.6	-2.2
<u>Memorandum Items:</u>								
Reserve Money (RM)	-8.2	-4.4	-0.5	4.0	3.6	0.3	0.0	-0.6
<i>Currency in Circulation (CIC)</i>	-7.6	-9.8	1.1	-5.9	-7.0	-13.1	-12.4	-14.1
<i>DMBs Demand Deposit with CBN</i>	-8.5	-2.1	-1.2	8.2	8.2	6.1	5.4	5.3
	Growth Over Preceding Month (%)							
Domestic Credit (Net)	7.1	2.6	0.5	-0.3	2.5	0.9	0.6	-0.7
<i>Claims on Federal Government (Net)</i>	55.4	-1.6	12.5	-3.6	21.8	-1.8	14.5	-4.0
<i>Claims on Private Sector</i>	0.2	2.5	-0.7	0.1	0.3	1.3	-1.2	-0.2
<i>Claims on Other Private Sector</i>	0.3	2.6	-0.9	0.1	0.6	1.3	-1.3	0.3
<i>Claims on State and Local Government</i>	3.9	0.6	4.1	-1.8	-9.6	-2.2	6.2	-17.1
<i>Claims on Non-financial Public Enterprises</i>								
Foreign Assets (Net)	-12.5	-6.4	2.5	0.5	-8.9	8.6	-4.4	-3.3
Central Bank	-10.7	-10.2	4.5	-1.4	-3.7	14.0	-4.4	1.7
Banks	-24.5	23.0	-11.7	17.2	-46.4	-60.8	-8.0	-196.0
Other Assets (Net)	-3.8	-4.3	0.2	2.1	-0.7	-14.1	-3.0	4.6
Total Monetary Assets (M2)	-0.1	-1.6	1.4	0.7	-0.4	-2.0	-2.1	0.4
Quasi-Money 1/	-1.2	0.6	0.1	2.3	0.8	-2.0	-2.6	-3.6
Money Supply (M1)	1.7	-5.1	3.9	-2.1	2.6	-1.9	-1.1	7.7
<i>Currency Outside Banks</i>	-3.4	-6.6	13.0	-10.8	0.3	-10.0	0.1	-3.2
<i>Demand Deposits 2/</i>	3.1	-4.7	1.8	0.2	-3.2	0.1	-1.3	10.1
Total Monetary Liabilities (M2)	-0.1	-1.6	1.4	0.7	-0.4	-2.0	-2.1	0.4
<u>Memorandum Items:</u>								
Reserve Money (RM)	-8.2	4.1	4.1	4.5	-0.4	-3.8	-0.2	-0.6
<i>Currency in Circulation (CIC)</i>	-7.6	-2.4	-2.4	-6.9	-6.9	-6.5	0.8	-1.9
<i>DMBs Demand Deposit with CBN</i>	-8.5	-8.5	-8.5	9.5	-0.3	-2.7	-0.6	-0.1

Table A3: Federal Government Fiscal Operations (₦ billion)

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Retained Revenue	282.6	285.4	218.9	522.9	195.3	172.1	188.7	245.6	236.7
<i>Federation Account</i>	196.3	220.4	194.3	186.6	146.5	132.1	151.8	218.9	202.1
<i>VAT Pool Account</i>	8.7	10.6	9.2	8.4	10.3	10.8	8.2	9.4	10.8
<i>FGN Independent Revenue</i>	7.0	3.1	2.6	274.9	6.7	1.4	2.2	8.0	14.4
<i>Excess Crude</i>	16.9	7.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Others /SURE-P/NNPC Refund</i>	53.6	44.1	12.7	53.0	31.9	27.8	26.5	9.3	9.4
Expenditure	437.9	393.1	205.4	619.1	236.4	563.4	242.2	291.0	292.1
<i>Recurrent</i>	335.1	351.5	185.5	503.2	232.0	367.0	233.7	277.1	217.1
<i>Capital</i>	82.2	41.7	0.0	71.6	0.6	160.4	0.2	1.7	56.2
<i>Transfers</i>	20.7	0.0	19.9	44.3	3.8	36.0	8.3	12.2	18.8
Overall Balance: Surplus(+)/Deficit(-)	-155.3	-107.7	13.5	-96.2	-41.1	-391.3	-53.5	-45.4	-55.4

