



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
JULY 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 in the key monetary aggregate decelerated in the review month. On month-on-month basis, broad money supply (M_2), at ₦18,424.7 billion, fell by 2.1 per cent reflecting the 4.4 and 3.0 per cent decrease in foreign assets (net) and other assets (net) of the banking system, respectively. The decrease in the two components more than offset the increase of 0.6 per cent in domestic credit (net) of the banking system. Similarly, narrow money supply (M_1), on month-on-month basis, fell by 1.1 per cent to ₦6,471.06 billion. Reserve money (RM) declined by 0.2 per cent below its level in the preceding month. Compared with the level at end-December 2014, broad money supply (M_2) and narrow money supply (M_1) declined by 2.6 and 6.3 per cent, respectively.

Available data showed mixed developments in banks' deposit and lending rates during the review month. With the exception of the 12-month deposit rate, which rose by 0.60 percentage point to 11.43 per cent, all other deposit rates of various maturities declined. At 9.15 per cent, the average term deposit rate increased marginally by 0.01 percentage point above the level in the preceding month. Similarly, the average prime and maximum lending rates rose by 0.06 and 0.19 percentage point to 17.30 and 27.03 per cent, respectively. Consequently, the spread between the weighted average term deposit and maximum lending rates widened to 17.88 percentage points. The spread between the average savings and maximum lending rates, also, widened by 23.40 percentage points at the end of the review period.

Provisional data indicated that the total value of money market assets outstanding in July 2015 stood at ₦8,189.31 billion, showing a decline of 0.09 per cent. The development was attributed to the decline in the Nigerian Treasury Bills outstanding. Activities on the Nigerian Stock Exchange (NSE) were bearish during the review month.

Provisional data showed that federally-collected revenue (gross) in July 2015 stood at ₦685.00 billion, showing an increase of 26.9 per cent above level in the preceding month. At ₦369.4 billion, oil receipts (gross), which constituted 53.9 per cent of total revenue, exceeded the receipts in the preceding month by 29.3 per cent. It was, however, lower than the budget estimate and the level in the corresponding

period of 2014. The decline in oil receipts relative to the monthly budget estimate was attributed to the fall in receipts from crude oil/gas exports, occasioned by the drop in the price of crude oil in the international market.

Non-oil receipts (gross), at ₦315.61 billion or 46.1 per cent of the total federally collected revenue was 24.2 per cent higher than the receipts in the preceding month, but fell below the monthly budget estimate and the level in the corresponding month of 2014. The decline in non-oil revenue relative to the monthly budget estimate was attributed to the decline in the independent revenue of the Federal Government. Federal Government retained revenue in July 2015 was ₦245.58 billion, while total provisional expenditure was ₦223.03 billion. Thus, the fiscal operations of the Federal Government resulted in a provisional surplus of ₦22.55 billion.

Agricultural activities in July 2015 were dominated by weeding and planting of crops. In the livestock sub-sector, farmers re-stocked broilers and layers to replenish sales made during the Eid-El Fitr festivity. Crude oil production, including condensates and natural gas liquids was estimated at 1.88 million barrels per day (mbd) or 58.28 million barrels during the month. Crude oil export was estimated at 1.47 million barrels per day (mbd) or 45.57 million barrels during the month. The average price of Nigeria's reference crude, the Bonny Light (37° API), was estimated at US\$57.35 per barrel, indicating a fall of 7.1 per cent below the level in the preceding month. World crude oil output in July 2015 was estimated at an average of 94.90 million barrels per day (mbd), while demand was estimated at 93.68 million barrels per day (mbd), compared with 94.67 and 93.46 mbd supplied and demanded, respectively, in the preceding month. The end-period headline inflation rate (year-on-year), in July 2015, was 9.2 per cent, same as in the preceding month. Inflation rate on a twelve-month moving average basis was 8.5 per cent.

Foreign exchange inflow and outflow through the CBN in July 2015 was US\$6.32 billion and US\$3.38 billion, respectively, which resulted in a net inflow of US\$2.94. Foreign exchange sales by the CBN to the authorized dealers amounted to US\$2.83 billion and represented an increase of 25.0 per cent above the level in the preceding month. The average exchange rate of the naira was ₦196.97.00 per US dollar at the inter-bank segment, reflecting a depreciation of 0.03 per cent relative to the level in the preceding month. At the

bureau-de-change segment of the market, the exchange rate averaged at ₦236.30/US\$, representing a depreciation of 7.3 per cent from the preceding month's level. Non-oil export receipts, at US\$0.40 billion, increased by 60.5 per cent above the level in the preceding month. The development reflected, largely, a rise in receipts from most of the sectors.

Other major international economic developments and meetings of importance to the domestic economy during the review period included: the United Nations (UN) 3rd International Conference on Financing for Sustainable Development held in Addis Ababa, Ethiopia from July 13 - 16, 2015. The Board of Directors of the African Development Bank (AfDB) held its meeting at the Bank's Headquarters in Abidjan, at the CCIA building, on July 8, 2015.

2.0 *Financial Sector Developments*

2.1 Monetary and Credit Developments

Growth in broad money supply (M₂) decelerated at end-July 2015 relative to the level at the end of the preceding month. Available data indicated mixed developments in banks' deposit and lending rates. The value of money market assets outstanding fell, owing, largely, to the decrease in the Nigerian Treasury Bills outstanding, during the review period. Activities on the Nigerian Stock Exchange (NSE) were also bearish during the month.

Money supply (M₂) fell on month-on-month basis at end-July 2015.

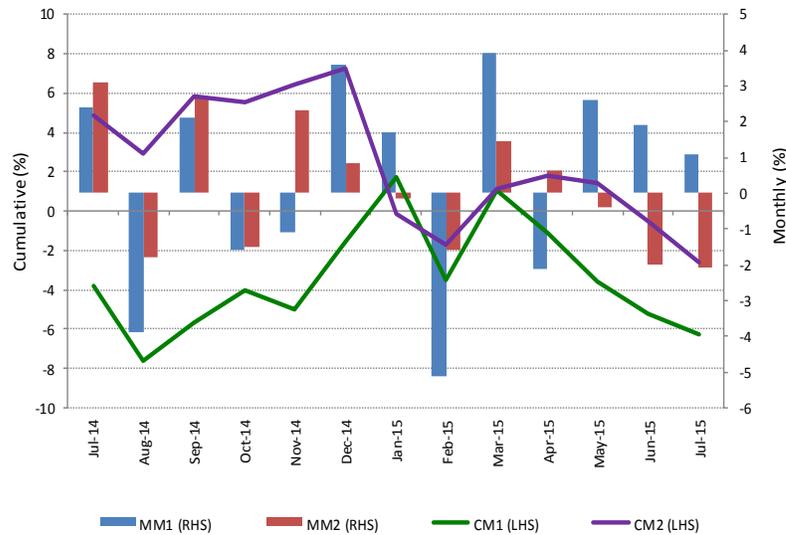
Provisional data indicated that, relative to the level at the end of the preceding month, growth in the key monetary aggregate decelerated at end-July 2015. On month-on-month basis, broad money supply (M₂), at ₦18,424.7 billion, fell by 2.1 per cent, compared with the decline of 2.0 per cent at the end of the preceding month. The development was attributed to the 4.4 and 3.0 per cent decline in foreign assets (net) and other assets (net) of the banking system, respectively. The decrease in the two components generally more than offset the increase of 0.6 per cent in domestic credit (net) of the banking system. Over the level at end-December 2014, broad money supply (M₂), fell by 2.6 per cent.

On month-on-month basis, narrow money supply (M₁), fell by 1.1 per cent to ₦6,471.1 billion, at the end of July 2015, compared with the decline of 1.9 per cent at the end of the preceding month. The development relative to the preceding month was attributed to the decline of 1.3 per cent in its demand deposit component. Over the level at end-December 2014, M₁ declined by 6.3 per cent, compared with the decline of 5.3 per cent 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 2.6 per cent to ₦11,953.6 billion at end-July 2015, compared with the decline of 2.0 per cent at end-June 2015. Over end-December 2014, quasi money declined by 0.5 per cent, in contrast to the 2.2 per cent growth at the end of the preceding

month.

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



At ₦21,542.5 billion, aggregate credit to the domestic economy, on month-on-month basis, grew by 0.6 per cent at the end of the review month, compared with the growth of 0.9 and 4.3 per cent at the end of the preceding month and the corresponding period of 2014, respectively. The development reflected the 14.5 per cent increase in net claims on the Federal Government, which more than offset the decline in claims on the core private sector. Over the level at end-December 2014, net domestic credit grew by 11.8 per cent at the end-July 2015, compared with the growth of 11.1 per cent at end-June 2015.

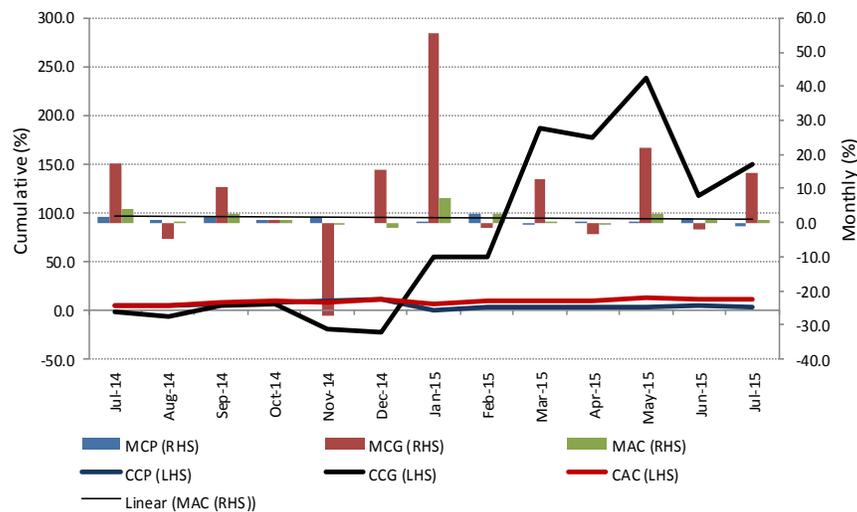
Banking system's credit (net) to the Federal Government, on month-on-month basis, grew by 14.5 per cent to ₦2,877.3 billion at end-June 2015, in contrast to the 1.8 per cent decline at the end of the preceding month. The development was accounted for, largely, by the increase in net claims on federal government. Over the level at end-December 2014,

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

aggregate banking system credit (net) to the Federal Government grew significantly by 150.2 per cent, compared with the growth of 118.5 per cent at the end of the preceding month.

At ₦18,665.3 billion, banking system's credit to the private sector, on month-on-month basis, fell by 1.2 per cent, in contrast to the growth of 1.3 per cent at the end of the preceding month. The development relative to the preceding month, reflected the 1.3 per cent decline in claims on the core private sector. Over the level at end-December 2014, banking system's credit to the private sector grew by 3.0 per cent (Fig. 2, Table 1).

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



At ₦5,687.1 billion, foreign assets (net) of the banking system fell by 4.4 per cent at end-July 2015, in contrast to the increase of 8.6 per cent at the end of the preceding month. This was attributed to the decline of 4.4 and 8.0 per cent in net foreign asset holdings of the CBN and banks, respectively. Over the level at end-December 2014, NFA fell by 18.2 per cent at end-July

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

2015, compared with the decline of 14.4 per cent at the end of the preceding month. The development reflected the decline of 11.2 and 79.8 per cent in the foreign asset holdings of CBN and commercial banks, respectively.

Other assets (net) of the banking system, on a month-on-month basis, fell by 3.0 per cent to a negative ₦8,804.9 billion, compared with the decline of 14.1 and 6.8 per cent recorded at the end of the preceding month and the corresponding period of 2014, respectively. The development reflected largely, the fall 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 declined by 20.4 per cent.

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

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Domestic Credit (Net)	4.3	0.4	2.7	0.9	-0.3	-1.5	7.1	2.6	0.5	-0.3	2.5	0.9	0.6
<i>Claims on Federal Government (Net)</i>	172.7	-4.9	10.4	1.0	-27.2	-15.4	55.4	1.6	12.5	-3.6	21.8	-1.8	14.5
<i>Claims on Private Sector</i>	1.8	0.8	1.5	0.7	1.8	0.1	0.2	2.5	-0.7	0.1	0.3	1.3	-1.2
<i>Claims on Other Private Sector</i>	1.6	0.9	1.7	0.6	2.1	0.1	0.3	2.6	-0.9	0.1	0.6	1.3	-1.3
Foreign Assets (Net)	3.6	-4.8	-0.5	-9.1	3.8	2.4	-12.5	-1.6	2.5	0.5	-8.9	8.6	-4.4
Other Assets (Net)	-6.8	0.3	0.7	4.1	2.3	3.1	-3.8	-4.3	0.2	2.1	-0.7	-14.1	-3.0
Broad Money Supply (M2)	3.0	-1.8	2.7	-1.5	2.3	0.8	-0.1	-1.6	1.4	0.7	-0.4	-2.0	-2.1
Quasi-Money	3.9	-0.3	3.2	-1.5	2.2	5.5	-1.2	0.6	0.1	2.3	0.8	-2.0	-2.6
Narrow Money Supply (M1)	1.7	-3.9	2.1	-1.5	2.4	-6.2	1.7	-5.1	3.9	-2.1	-2.6	-1.9	-1.1
Reserve Money (RM)	1.0	-0.8	3.2	4.0	-0.2	16.3	-8.2	4.1	4.1	4.5	-0.4	-3.8	-0.2

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

At ₦1,574.5 billion, currency-in-circulation increased by 0.8 per cent in the review month, in contrast to the decline of 6.5 per cent at the end of the preceding month. The development was due largely to the increase in its vault cash component with the DMBs¹.

Total deposits at the CBN amounted to ₦6,751.1 billion, indicating a fall of 2.3 per cent below the level at the end of the preceding month. The development was a reflection in the fall in DMBs component. Of the total

deposits at the CBN, the shares of the Federal Government, banks and private sector were 32.1, 64.5 and 3.4 per cent, respectively.

Reserve money (RM) fell by 0.2 per cent to ₦5931.4 billion at the end of the review month, indicating the fall in banks' reserves with the CBN.

Reserve money (RM) fell during the review month.

2.3 Money Market Developments

The financial market was liquid during the month. Injections from matured CBN bills, disbursements of Statutory Revenue Allocation (SRA), Value-Added-Tax (VAT) to the three tiers of government, payments of Joint Venture Cash (JVC) call to oil partners and a net injection Cash Reserve Ratio (CRR) contributed to a huge market liquidity condition. This was in spite of liquidity withdrawals through settlement of FGN Bonds as well as repatriation of Nigerian National Petroleum Corporation (NNPC) funds. Consequently, short-term interest rates (Open-Buy-Back and Overnight) fell in tandem with the level of liquidity conditions in the market.

Provisional data indicated that the total value of money market assets outstanding in July 2015 stood at ₦8,189.31 billion, indicating a decline of 0.1 per cent, in contrast to the 0.87 per cent increase at the end of the preceding month. The development was attributed to the 1.84 per cent decline in the Nigerian Treasury Bills outstanding.

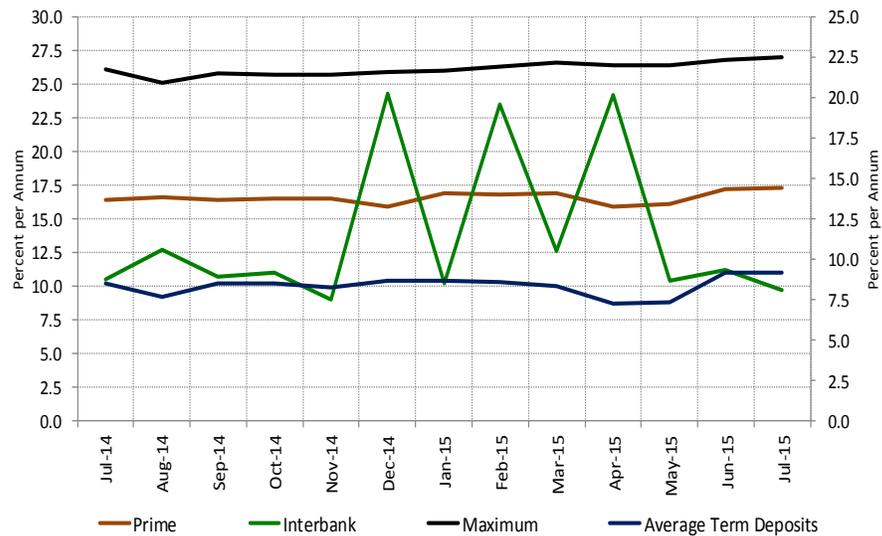
2.3.1 Interest Rate Developments

Available data revealed mixed developments in banks' deposit and lending rates during the review month. With the exception of average savings and the 12-month deposit rates, which rose by 0.03 and 0.60 percentage points to 3.63 and 11.43 per cent, respectively, all other deposit rates of various maturities declined from a range of 4.11 to 10.81 per cent to 4.09 to 10.79 per cent at end-July 2015. At 9.15 per cent, the average term deposit rate, however, increased marginally by 0.01 percentage point above the level in the preceding month. Similarly, the average prime and

Developments in interest rates in July 2015 were mixed.

maximum lending rates rose by 0.06 and 0.19 percentage point to 17.30 and 27.03 per cent, respectively. Consequently, the spread between the weighted average term deposit and maximum lending rates in the financial market widened from 17.70 percentage points to 17.88 percentage points in July 2015. Similarly, the spread between the average savings and maximum lending rates, widened from 23.24 percentage points to 23.40 percentage points at the end of the review month.

At the inter-bank call segment, the weighted average interest rate, which stood at 11.19 per cent in the preceding month, fell by 1.5 percentage points to 9.69 per cent in the review month. However, the weighted average rate at the open-buy-back (OBB) segment rose from 10.64 per cent in June 2015 to 10.79 per cent in the review month. This reflected the liquidity conditions in the market. The Nigeria inter-bank offered rate (NIBOR) for the 30-day tenor declined to 14.36 per cent at the end of the review period and was below the level in the preceding month. With the headline inflation rate at 9.2 per cent at end-July 2015, all deposit rates were negative in real terms (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)**Table 2: Selected Interest Rates (Percent, Averages)**

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Average Term Deposits	8.47	7.68	8.46	8.48	8.21	8.66	8.66	8.61	8.34	7.23	7.37	9.14	9.15
Prime Lending	16.44	16.6	16.44	16.48	16.5	15.88	16.86	16.77	16.9	15.95	16.08	17.24	17.3
Interbank Call	10.5	12.72	10.73	10.98	8.98	24.3	10.21	23.5	12.59	24.24	10.43	11.19	9.69
Maximum Lending	26.07	25.07	25.77	25.75	25.74	25.91	25.97	26.33	26.61	26.41	26.43	26.84	27.03

2.3.2 Commercial Paper (CP)

Commercial Paper (CP) outstanding held by DMBs fell by 4.2 per cent to ₦6.4 billion at end-July 2015, compared with the value of ₦6.7 billion at the end of the preceding month. The development was due to the decline in investment in CP by the commercial banks during the month under review. Consequently, CP constituted 0.01 per cent of the total value of money market assets outstanding at the end of the review period, compared with 0.08 per cent in the preceding month.

2.3.3 Bankers' Acceptances (BAs)

At the end of the review period, BAs rose to ₦12.63 billion, compared with ₦8.6 billion at the end of the preceding month. The development was attributed to increased investment in BAs by commercial banks during the month. Consequently, BAs accounted for 0.15 per cent of the total value of money market assets outstanding at end-July 2015, compared with 0.1 per cent at the end of the preceding month.

2.3.4 Open Market Operations

Direct OMO auctions were conducted four times in the review period. CBN bills with 171-266 days to maturity were issued in the auctions. Total amount offered at the OMO auctions was ₦190.00 billion, with total subscription and allotment at ₦503.26 billion and ₦454.09 billion, respectively. Range of bid rates was from 13.50 to 13.87 per cent, whereas 13.70 per cent was maintained as stop rate at all the auctions. CBN bills valued at ₦487.46 billion matured and were subsequently repaid. In contrast to the previous month, amounts offered, subscribed to and allotted were ₦270.00 billion, ₦772.20 billion and ₦542.22 billion, respectively, while the bid rates ranged from 10.50 to 3.90 per cent.

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 period. Total amount offered, subscribed to and allotted stood at ₦178.37 billion, ₦274.66 billion and ₦178.37 billion, respectively, compared with ₦380.02 billion, ₦695.45 billion and ₦380.02 billion in June 2015.

2.3.6 Bonds Market

In the review month, two tranches of FGN Bonds, 15.54% FGN FEB 2020 (5-year) and 12.15% FGN JUL 2034 (20-year) were reopened. Total amount on offer was ₦40.00 billion and ₦25.00 billion for the 5- and 20-year Bonds, respectively. Public subscription was ₦77.07 billion for the 15.54% FGN FEB 2020 and ₦42.48 billion for 12.15% FGN JUL 2034 tranche. The bid rates ranged from 12.00 to 17.00 per cent, whereas the marginal

rates closed at 15.29 and 15.30 per cent for the 5-year and 20-year FGN Bonds respectively.

2.3.7 CBN Standing Facilities

Developments at the CBN standing facilities window in the review period revealed that activities were more at the Standing Deposit Facility (SDF) window than at the Standing Lending Facility (SLF) window. Applicable rates for the SLF and SDF remained 15.00 and 11.00 per cent, respectively, at the + or – 200 basis point around the 13% MPR remained unchanged.

Total request for SLF in the month of July 2015 was ₦198.77 billion. Direct SLF requests ranged from ₦5.00 billion to ₦23.81 billion, while Intra-day Lending Facility (ILF) conversion ranged from ₦0.76 billion to ₦34.12 billion. Average daily request stood at ₦15.29 billion in 13 business days, while interest received during the period amounted to ₦86.67 million. In the preceding month, the sum of ₦209.94 billion was granted, with a total daily request ranging from ₦1.08 billion to ₦57.48 billion.

SDF totalling ₦1,617.57 billion was received. This represented a daily average of ₦89.86 billion for the 18 business days in the month, with ₦811.61 million paid as interest. In the preceding month, total request for SDF granted was ₦1,745.85 billion with daily average of ₦79.36 billion in the 22 transaction days.

2.4 Deposit Money Banks' Activities

Available data indicated that total assets and liabilities of the commercial banks amounted to ₦28,273.17 billion, showing a decline of 0.4 per cent below the level at the end of June 2015. Funds were sourced mainly from increase in unclassified liabilities and deposits from the Federal Government. The funds were used, largely, for increased claims on the Federal Government.

At ₦16,731.73 billion, banks' credit to the domestic economy declined by 1.5 per cent below the level in the preceding month. The development was a

Banks' credit to the domestic economy fell by 1.5 per cent.

reflection of the decline in claims on both the Federal Government and the private sector during the review month.

Total specified liquid assets of commercial banks stood at ₦6,532.57 billion, representing 37.6 per cent of total current liabilities. At that level, the liquidity ratio rose by 1.8 percentage points above the level in the preceding month and was also 7.6 percentage points above the stipulated minimum ratio of 30.0 per cent. The loans-to-deposit ratio, at 68.0 per cent, was 0.2 percentage point above the level at the end of the preceding month, but was 12.0 percentage points below the maximum ratio of 80.0 per cent.

2.5 Discount Houses' Activities

Available data showed that total assets and liabilities of the discount houses stood at ₦116.2 billion at end-July 2015, indicating a decline of 33.7 per cent below the level at end-June 2015. The development was accounted for, largely, by the 75.6 and 37.3 per cent decline in cash balances with Banks and claims on the Federal Government, respectively. Similarly, the fall in total liabilities was attributed largely to the 83.5 and 48.5 per cent decrease in takings and capital, and reserves, respectively.

Discount houses' investment in Federal Government securities stood at ₦42.8 billion and accounted for 52.3 per cent of their total deposit liabilities. Thus, investment in Federal Government Securities was 7.7 percentage points below the prescribed minimum level of 60.0 per cent. At that level, discount houses' investment on NTBs rose by 58.2 per cent above the level at the end of the preceding month. Total borrowing and amount owed by the discount houses was ₦25.2 billion, while their capital and reserves amounted to ₦18.1 billion. This resulted in a gearing ratio as measured by 1.4:1, compared with the stipulated maximum target of 50:1 for fiscal 2015.

2.6 Capital Market Developments

2.6.1 Secondary Market

Provisional data indicated that activities on the Nigerian Stock Exchange (NSE) were generally bearish in July 2015. While the total volume of traded securities rose marginally by 1.2 per cent to 6.2 billion shares, the value of traded shares fell by 16.0 per cent to ₦85.4 billion in 73,942 deals, compared with 6.1 billion shares and ₦101.7 billion in 83,671 deals recorded in the preceding month. The Financial Services Industry led the activity chart (measured by volume) with 3.6 billion shares valued at ₦51.1 billion, traded in 40,985 deals. These represented 58.2 and 59.8 per cent of the total equity turnover in terms of volume and value, respectively, compared with 68.8 and 39.1 per cent recorded in the preceding month (Fig. 4, Table 3).

Figure 4: Volume and Value of Traded Securities

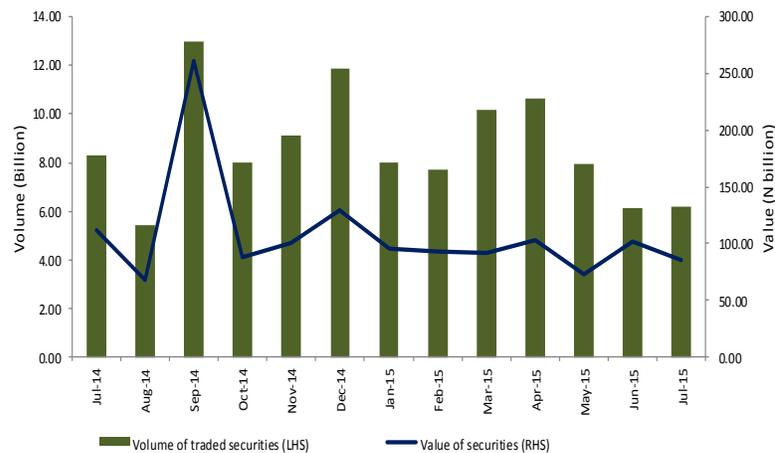


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Volume (Billion)	8.3	5.4	13.0	8.0	9.1	11.9	8.0	7.7	10.2	10.7	8.0	6.1	6.2
Value (N Billion)	112.0	67.8	261.4	87.6	100.4	129.0	94.9	92.7	92.0	103.4	72.7	101.7	85.4

2.6.2 Over-the-Counter (OTC) Bonds Market

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

2.6.3 New Issues Market

There were three (3) supplementary listings on the equity segment of the market during the review month (Table 4).

Table 4: Supplementary Listing on the Nigerian Stock Exchange

S/N	Company	Additional Shares (Units)	Reasons	Listing
1	Union Homes Savings & Loans	781.250 Million Ordinary Shares	Scheme of Arrangement	Supplementary
2	Ecobank Transnational Inc. Plc.	1.25 Million Ordinary Shares	Placement	Supplementary
3	United Bank for Africa Plc.	3.298 Million Ordinary Shares	Rights Issue	Supplementary

2.6.4 Market Capitalization

Aggregate market capitalization for all listed securities (Equities and Bonds) stood at ₦15.91 trillion at end-July 2015, indicating a decline of 6.5 per cent below the level in the preceding month. Similarly, market capitalization for the listed equities dropped by 9.4 per cent below the level in the preceding month to close at ₦10.35 trillion. Listed equities accounted for 65.1 per cent of the aggregate market capitalization, compared with 67.1 per cent at the end of the preceding month (Fig. 5, Table 5).

2.6.5 NSE All-Share Index

The All-Share Index, which opened at 33,456.83 at the beginning of the month, closed at 30,180.27, representing a decrease of 9.8 per cent below the level at the end of the preceding month. At end-July 2015, all the sectoral indices fell below the levels in the preceding month. The NSE Banking, NSE Insurance, NSE Consumer Goods, NSE Oil/Gas, NSE Lotus, NSE Industrial Goods and NSE AseM indices declined by 14.7, 7.6, 13.1, 8.7, 5.3, 0.2 and 0.3 percent, to 315.71, 134.55, 734.17, 339.3, 2,111.09, 2,223.5 and 1,210.13, respectively, at end-July 2015. The NSE Pension index introduced during the review month closed at 930.35 at

the end of the month (Fig. 5, Table 5).

Figure 5: Market Capitalization and All-Share Index



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

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Aggregate Market Capitalization (₦ trillion)	16.9	15.14	15.45	16.25	17.17	17.16	17.02	15.91
All-Share Index	34,657.15	29,562.07	30,562.93	31,744.82	34,708.11	34,310.37	33,456.83	30,180.27

3.0 Fiscal Operations

Provisional data indicated that federally-collected revenue in July 2015, at ₦685.00 billion, was lower than the monthly budget estimate by 15.9 per cent, but was higher than the receipts in the preceding month by 26.9 per cent. Similarly, the Federal Government retained revenue for July 2015 was ₦245.58 billion, while total provisional expenditure for July 2015 was ₦223.03 billion. Consequently, the fiscal operations of the Federal Government resulted in a surplus of ₦22.55 billion.

3.1 Federation Account Operations

At ₦685.00 billion, federally-collected revenue in July 2015, was lower than the monthly budget estimate and the level in the corresponding period of 2014 by 15.9 and 33.3 per cent, respectively. However, this exceeded the receipt in the preceding month by 26.9 per cent. The decline in federally-collected revenue (gross) relative to the monthly budget estimate was attributed to the shortfall in receipts from both oil and non-oil revenue during the review month (Fig. 6, Table 6).

At ₦685.00 billion, Gross federally-collected revenue in the review month fell below the monthly budget estimate by 15.9 per cent.

Figure 6: Components of Gross Federally-Collected Revenue

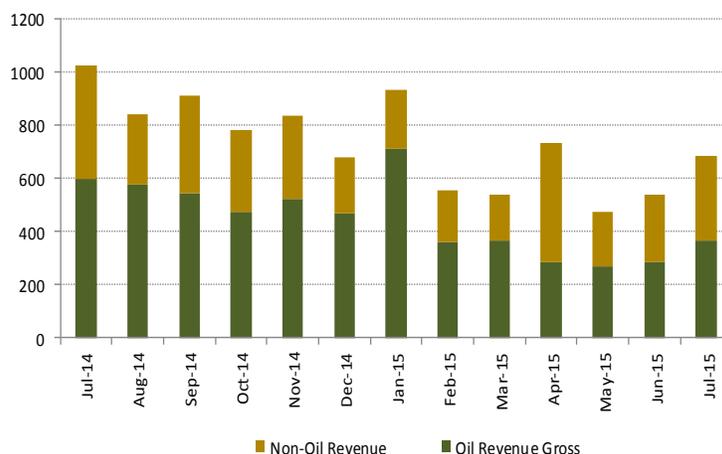


Table 6: Gross Federation Account Revenue (N billion)

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Federally-collected revenue (Gross)	1027.4	842.8	913.2	784.0	835.8	679.4	710.8	554.5	541.2	735.1	473.9	539.7	685.0
Oil Revenue	597.1	578.8	547.2	476.4	521.7	468.1	486.4	359.7	364.6	286.2	267.2	285.6	369.4
Non-Oil Revenue	430.3	264.0	366.0	307.7	314.0	211.3	224.3	194.7	176.6	448.8	206.7	254.1	315.6

Oil receipt (gross), at ₦369.39 billion, fell below the monthly budget estimate by 18.4% and constituted 53.9% of the total revenue.

At ₦369.39 billion or 53.9 per cent of the total revenue, gross oil receipt was lower than the monthly budget estimate and the level in the corresponding period of 2014 by 18.4 and 38.1 per cent, respectively. However, it was higher than the level in the preceding month by 29.3 per cent. The decline in oil receipts relative to the monthly budget estimate was attributed to the persistent fall in receipts from crude oil/gas exports, due to the continuous drop in the price of crude oil in the international market (Fig. 7, Table 7).

Figure 7: Gross Oil Revenue and Its Components

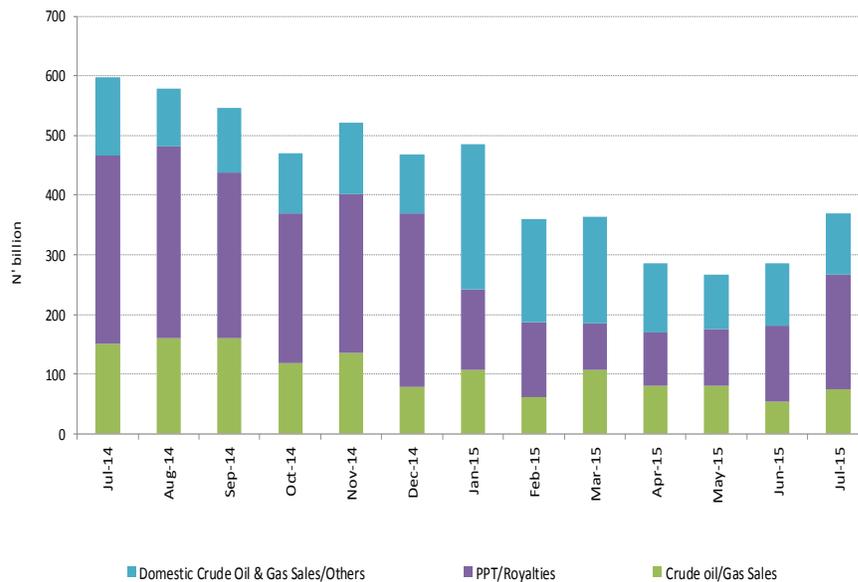


Table 7: Components of Gross Oil Revenue (₦ billion)

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Oil Revenue	597.1	578.8	547.2	476.4	521.7	468.1	486.4	359.7	364.6	286.2	267.2	285.6	369.4
Crude oil/Gas Sales	150.3	160.3	160.4	117.8	134.7	78.7	107.1	60.3	106.7	80.9	80.4	54.1	73.7
Domestic crude oil/Gas sales	129.6	95.3	93.6	99.6	112.9	91.4	236.1	165.8	171.4	104.4	83.8	96.7	95.6
PPT/Royalties	317.0	321.9	277.4	251.9	266.8	291.2	134.8	127.0	77.2	87.7	94.3	126.3	192.4
Others	0.3	1.3	15.7	7.2	7.3	6.9	8.5	6.6	9.3	13.2	8.7	8.5	7.6

At ₦315.61 billion or 46.1 per cent of the total revenue, gross non-oil receipts, also fell below the monthly budget estimate by 12.9 per cent, but was above the receipts in the preceding month by 24.2 per cent. The decline in non-oil revenue relative to the monthly budget estimate was as a result of the fall in the independent revenue of the Federal Government arising from a drop in operating surplus (Fig. 8, Table 8).

At ₦315.61 billion, non-oil receipts (gross) fell below the monthly budget estimate by 12.9% and constituted 46.1% of total revenue.

Figure 8: Gross Non-Oil Revenue and its Components

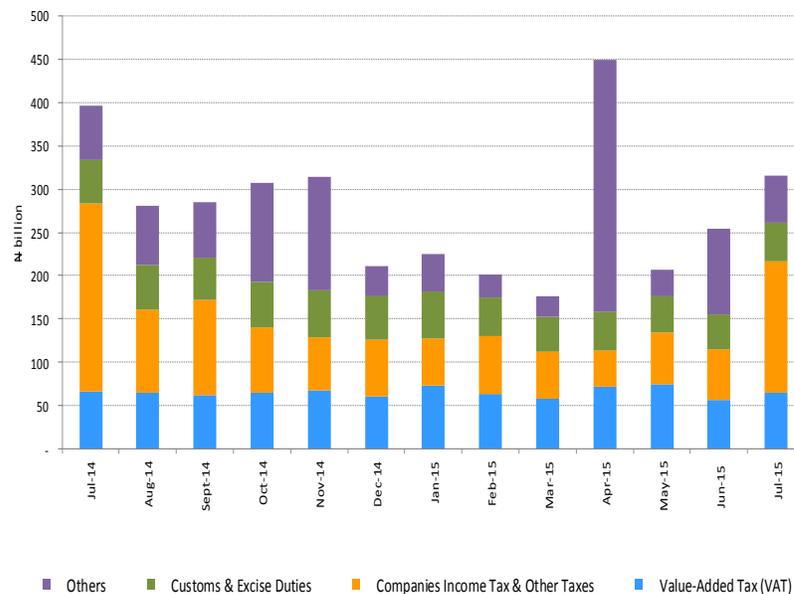


Table 8: Components of Gross Non-Oil Revenue (₦ billion)

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Non-Oil Revenue	396.5	280.8	284.6	307.7	314.0	211.3	224.3	194.7	176.4	448.8	206.7	254.1	315.6
Value-Added Tax (VAT)	66.4	65.5	61.5	65.1	67.1	60.6	73.5	63.9	58.3	71.2	75.2	56.8	65.0
Companies Income Tax & Other Taxes	216.5	95.1	111.0	75.5	61.9	65.0	54.2	66.5	54.2	42.1	59.5	57.7	151.9
Customs & Excise Duties	51.1	51.8	48.7	51.9	54.8	50.2	53.6	44.2	40.3	44.3	42.1	41.2	44.7
Others	62.5	68.5	63.4	115.2	130.2	35.5	43.0	26.5	23.9	291.2	29.9	98.4	54.0

Of the gross federally-collected revenue, a net sum of ₦449.68 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 ₦218.93 billion, while the State and Local Governments received ₦111.04 billion and ₦85.61 billion, respectively. The balance of ₦34.10 billion was shared among the oil producing States as 13% Derivation Fund.

From the VAT Pool Account, the Federal Government received ₦9.36 billion, while the state and local governments received ₦31.20 billion and ₦21.84 billion, respectively.

In addition, the sum of ₦6.47 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 the sum of ₦2.96 billion, while the state and local governments received the sums of ₦1.50 billion and ₦1.16 billion, respectively. The balance of ₦0.84 billion was distributed to the oil-producing states as 13.0% Derivation Fund.

Furthermore, the sum of ₦6.33 billion was received by the Federal Government in respect of the 11th equal installment refund by the NNPC.

Overall, the total allocation to the three tiers of government from the Federation Account and VAT Pool Account in the review month amounted to ₦524.87 billion, compared with ₦409.36 billion in the preceding month.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

Provisional data indicated that the Federal Government retained revenue for the month of July 2015 amounted to ₦245.58 billion. This was below both the monthly budget estimate and the receipts in the preceding month by 20.7 and 5.5 per cent, respectively. Of the total revenue, Federation Account accounted for 89.1 per cent, while VAT, FGN Independent Revenue, NNPC refund and Exchange Rate Gain accounted for 3.8, 3.3, 2.6 and 1.2 per cent, respectively. (Fig. 9, Table 9).

At ₦245.58 billion, the estimated Federal government retained revenue was below the monthly budget estimate by 20.7%.

Figure 9: Federal Government Retained Revenue

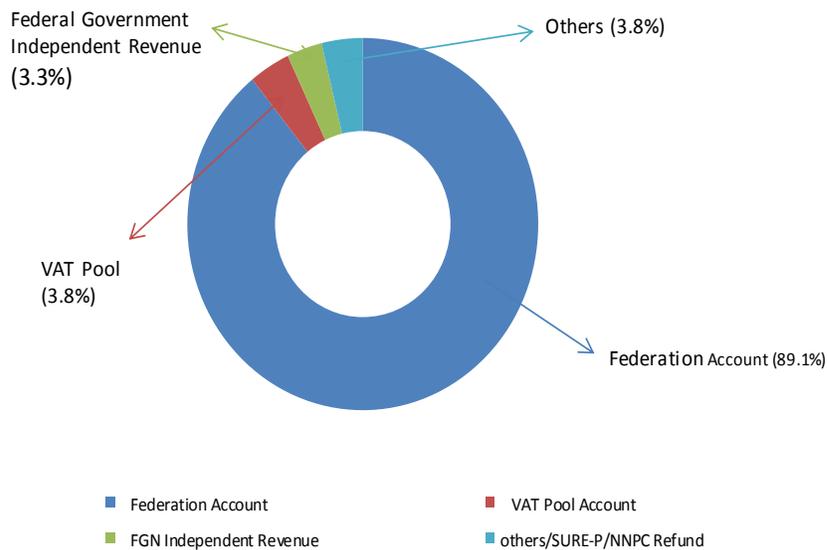
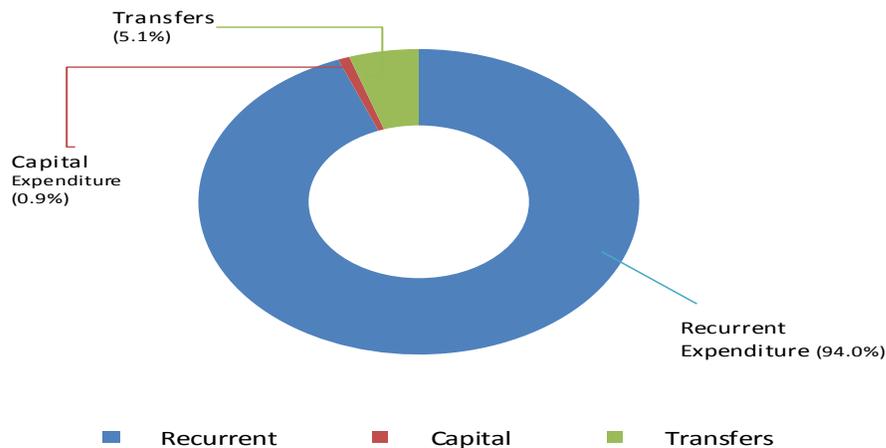


Table 9: Federal Government Fiscal Operations (₦ billion)

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Retained Revenue	340.3	301.7	282.7	312.9	348.1	259.3	271.0	224.9	255.4	452.4	173.4	260.0	245.6
Expenditure	328.3	319.6	323.2	391.3	386.0	370.2	367.8	363.7	211.0	155.5	178.8	205.9	223.1
Overall Balance: (+)/(-)	12.0	-17.9	-40.5	-78.4	-37.9	-110.9	-96.7	-138.8	44.4	296.9	-5.4	54.1	22.5

Total estimated expenditure for July 2015 at ₦223.03 billion fell by 41.5% when compared with the monthly budget.

At ₦223.03 billion, provisional aggregate Federal Government expenditure for July 2015 was lower than the monthly budget estimate by 41.5 per cent, however, it exceeded the level in the preceding month by 8.3 per cent. A breakdown of total expenditure showed that the recurrent expenditure accounted for 94.1 per cent, while the capital expenditure and transfer components accounted for the balance of 0.8 and 5.1 per cent, respectively. Generally, non-debt obligations accounted for 51.4 per cent of the total recurrent expenditure, while debt service payments accounted for the balance of 48.6 per cent (Fig. 10).

Figure 10: Federal Government Expenditure

The fiscal operations of the FG resulted in an estimated Overall surplus of ₦22.5 billion.

Thus, the fiscal operations of the Federal Government resulted in a provisional surplus of ₦22.55 billion.

3.2.2 Statutory Allocations to State Governments

Statutory allocations to the state governments amounted to ₦178.69 billion (including 13% Derivation Fund and VAT Pool Account) in July 2015. However, it was 19.2 per cent below the monthly budget estimate, but exceeded the level in the preceding month by 23.5 per cent.

The breakdown showed that at ₦147.49 billion or 82.5 per cent of the total, state governments' receipts from the Federation Account (including 13% derivation) was below the monthly budget estimate by 13.1 per cent, but was above the level in the preceding month by 25.6 per cent.

Similarly, at ₦31.20 billion or 17.5 per cent of the total, receipts from the VAT Pool Account was below the monthly budget estimate by 39.2 per cent, but exceeded the level in the preceding month by 14.4 per cent (Table 10).

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 ₦108.61 billion at end-July 2015. This was lower than the budget estimate by 19.1 per cent, but exceeded the level in the preceding month by 29.2 per cent. Of this amount, receipts from the Federation Account was ₦86.77 billion (79.9 per cent of the total), while the VAT Pool Account accounted for ₦21.84 billion (20.1 per cent of the total) (Table 10).

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

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Budget
SG Federation Account	226.8	196.3	178.5	179.0	174.8	175.0	168.6	143.0	171.1	119.3	99.1	117.4	147.5	169.6
SG VAT	31.9	31.4	29.5	31.2	32.2	29.1	35.3	30.7	28.0	34.2	36.1	27.3	31.2	51.3
SG Total	258.7	227.7	208.0	210.2	207.0	204.1	203.9	173.7	199.1	153.4	135.2	144.7	178.7	220.9
LG Federation Account	126.6	107.0	99.5	97.4	94.6	94.2	90.9	78.5	91.2	65.0	56.1	65.0	86.8	98.3
LG VAT	22.3	22.0	20.7	21.9	22.6	20.4	24.7	21.5	19.6	23.9	25.3	19.1	21.8	35.9
LG Total	149.0	129.0	120.1	119.3	117.1	114.6	115.6	99.9	110.8	88.9	81.4	84.1	108.6	134.3
Total Statutory Revenue and VAT	407.6	356.7	328.2	329.5	324.1	318.7	319.4	273.7	309.8	242.4	216.5	228.7	287.3	355.2

4.0 Domestic Economic Conditions

Agricultural activities in July 2015 were dominated by weeding and planting of crops. In the livestock sub-sector, farmers re-stocked broilers and layers to replenish sales made during Eid-El Fitr festivity. Crude oil production was estimated at 1.88 million or 33.33 barrels per day (mbd) a total of 58.28 million barrels during the month. The end-period inflation rate for May 2015, on a year-on-year basis, was 9.2 per cent, compared with 8.7 per cent in the preceding month. The inflation rate on a 12-month moving average basis was 8.5 per cent.

4.1 Agricultural Sector

Agricultural activities in most parts of the country received a boost as a result of widespread rainfall witnessed in July 2015. Farming activities in the country during the review month were mostly weeding and planting of rice and beans. Harvest of yams and maize in the south continued in July, slightly tempering lean season food shortages in the area. In the central and northern areas of the country, there was early green harvest, particularly potatoes and groundnuts. In the livestock sub-sector, farmers re-stocked broilers and layers to replenish sales made during Eid-El Fitr festivity. However, growth in output, though positive, was subdued below expected level due to the continuing security challenges in the North Eastern part of the country.

A total of ₦642.9 million was guaranteed to 4,727 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in July 2015. The amount represented a decline of 40.5 and 43.8 per cent below 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 ₦391.8 million (60.9 per cent) guaranteed to 3,650 beneficiaries, mixed crops received ₦106.0 million (16.5 per cent) guaranteed to 456 beneficiaries, while livestock got ₦76.3 million (11.9 per cent) guaranteed to 321 beneficiaries. The sum of ₦ 38.4 million (6.0 per cent) was guaranteed to 145 beneficiaries in the

fisheries sub-sector. Cash crops received ₦26.4 million (4.1 per cent) guaranteed to 204 beneficiaries, while 'Others' received ₦3.9 million (0.6 per cent) guaranteed to 24 beneficiaries.

Analysis by state showed that 29 states, including the Federal Capital Territory benefited from the Scheme in July 2015, with the highest and lowest sums of ₦77.0 million (12.0 per cent) and ₦0.4 million (0.07 per cent) guaranteed to Bauchi and Ebonyi states, respectively.

At end-July 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 ₦300.9 billion for 379 projects (Table 11).

Table 11: Disbursement of Credit under the Commercial Agriculture Credit Scheme (CACs) April 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	36.5	89
4	Unity Bank Plc	24.2	25
5	Union Bank Plc	20.1	22
6	Stanbic IBTC Plc	17.3	32
7	Sterling Bank	17.6	23
8	Access Bank Plc	13.6	16
9	Fidelity Bank Plc	10.9	9
10	Skye Bank Plc	9.7	7
11	FCMB Plc.	9.5	18
12	Ecobank	6.4	10
13	GTBank	15.4	15
14	Diamond Bank Plc	4.4	15
15	Heritage Bank	3.3	4
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	300.9	379

As at end-July 2015, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACs) to the participating banks for disbursement amounted to ₦300.9 billion for 379 projects.

4.2 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at an average of 1.92 million barrels per day (mbd) or 59.52 million barrels for the month. This represented a decline of 1.0 per cent below the level of 1.94 mbd recorded in the preceding month.

Crude oil export was estimated at 1.47 mbd or 45.57 million barrels. This represented a decline of 1.3 per cent below the level 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\$57.35 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API) declined by 7.1 per cent below the level in the preceding month. The average prices of other competing crudes, namely the U.K Brent at US\$56.39 per barrel; the West Texas Intermediate at US\$48.11 per barrel; and the Forcados at US\$57.46 per barrel, also showed similar trend as the Bonny Light.

The average price of OPEC's basket of eleven crude streams, at US\$54.14 per barrel, indicated a fall of 9.6 and 48.7 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 1.92 million barrels per day.

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

Figure 11: Trends in Crude Oil Prices

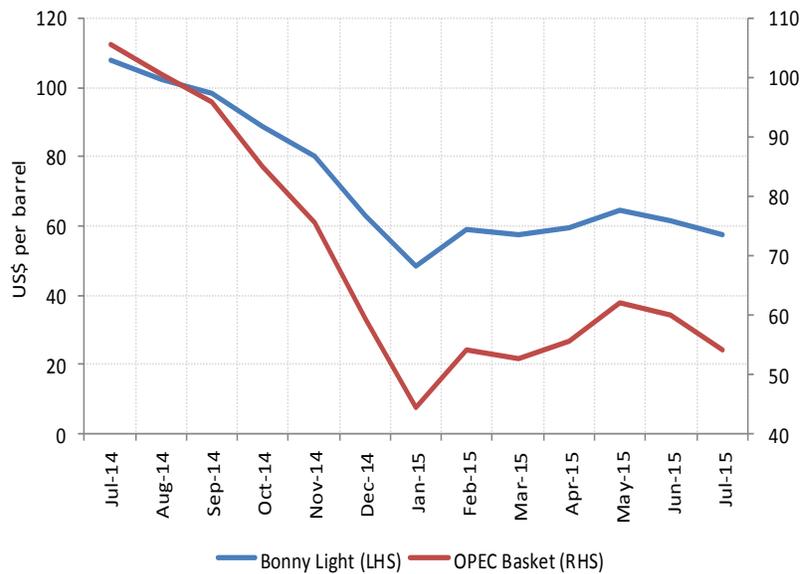


Table 12: Average Crude Oil Prices in the International Oil Market

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Bonny Light	107.9	102.6	98.5	88.8	80.3	63.2	48.6	59.2	57.4	59.6	64.7	61.7	57.4
OPEC Basket	105.6	100.8	95.9	85.1	75.6	59.5	44.4	54.1	52.6	62.2	59.9	54.1	54.1

4.3 Consumer Prices

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

Available data showed that the all-items composite Consumer Price Index (CPI) in July 2015 was 174.4 (November 2009=100), representing an increase of 0.7 and 9.2 per cent over 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-July 2015 was 173.3 (November 2009=100), indicating an increase of 0.7 and 9.18 per cent above the levels in the preceding month and the corresponding period of 2014, respectively. The rural all-items CPI for the month was 175.5 (November 2009=100), indicating a rise of 0.7 per cent above the level in the preceding month (Fig. 12,

Table 13).

The composite food index was 179.5, indicating an increase of 0.8 per cent, compared with the level in the preceding month. The development was attributed to increase in the prices of processed food; housing, water, electricity, gas and other fuels; clothing and footwear; transport; furnishings, household equipment and maintenance; education; and health.

Figure.12: Consumer Price Index

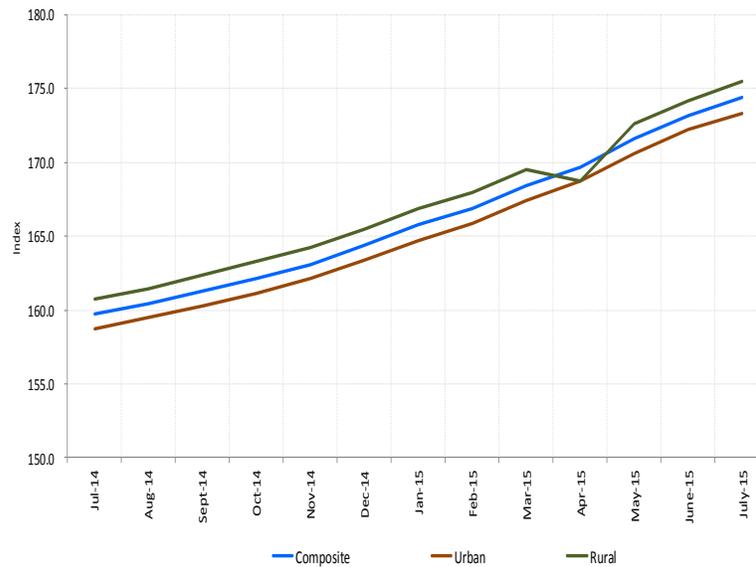


Table 13: Consumer Price Index (November 2009=100)

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Composite	159.7	160.4	161.3	162.1	163.1	164.4	165.8	166.9	168.4	169.7	171.6	173.2	174.4
Urban	158.7	159.5	160.3	161.1	162.1	163.4	164.7	165.9	167.4	168.7	170.6	172.2	173.3
Rural	160.7	161.4	162.4	163.3	164.2	165.5	166.9	168.0	169.5	168.7	172.6	174.2	175.5
CPI - Food	163.1	164.0	165	165.8	166.8	168.4	169.8	171.1	172.8	174.4	176.3	178.1	179.5
CPI - Non Food	157.7	158.4	159.4	160.3	161.3	162.5	163.7	164.8	166.2	167.2	169.2	170.59	171.64

The year-on-year headline inflation rate was 9.2 per cent in July 2015, same as the level in the preceding month.

The end-period inflation rate for the review month, on a year-on-year basis, was 9.2 per cent, same as the level in the preceding month. The inflation rate at the end-July 2015 was, however, 0.7 percentage point higher than the rate in the corresponding month of 2014. On a twelve-month moving average basis, the inflation rate was 8.5 per cent, indicating a 0.1 percentage point increase over the level in the preceding month (Fig. 13, Table 14).

Figure 13: Inflation Rate

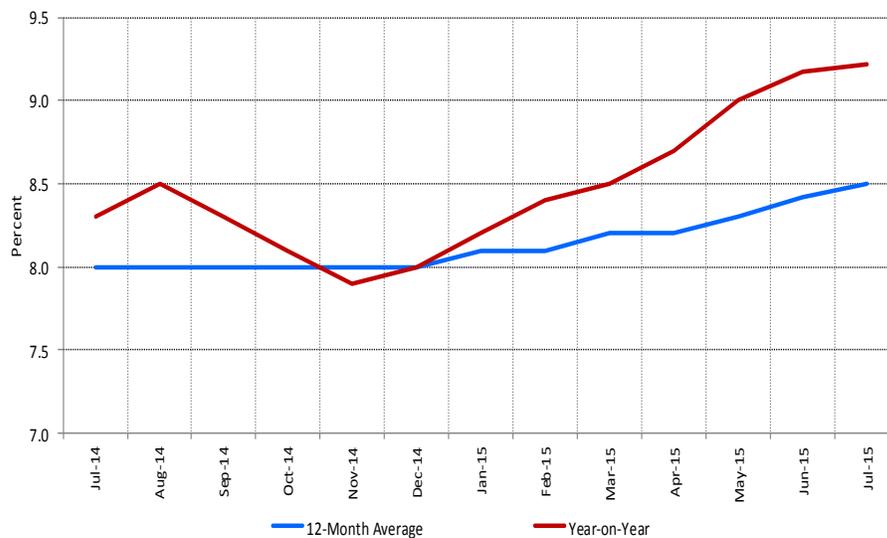


Table 14: Headline Inflation Rate (%)

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

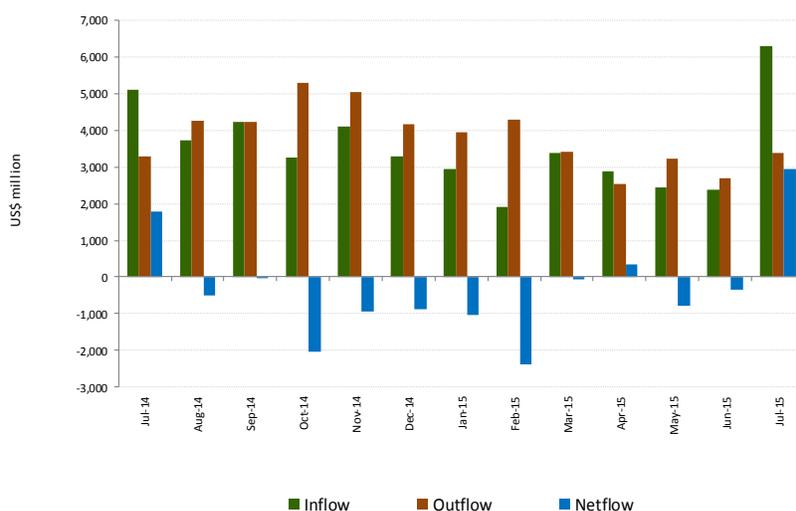
5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow and outflow through the CBN, on month-on-month basis, rose by 166.5 and 24.8 per cent, respectively. Total non-oil export receipts by banks increased by 60.5 per cent above the level in the preceding month. The gross external reserves rose by 10.1 per cent above the preceding month's level. The average exchange rate of the naira was ₦196.97.00 per US dollar at the inter-bank segment, reflecting a depreciation of 0.03 per cent relative to the level at 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\$6.32 billion and US\$3.38 billion, respectively. This resulted in a net inflow of US\$2.94 billion, in contrast to the net outflow of US\$0.34 billion in the preceding month. Relative to the levels at the end of the preceding month and the corresponding period of 2014, inflow rose by 166.5 and 23.9 per cent, respectively. The development was attributed to the increase in receipts of monetized fund from the domiciliary accounts of Ministries, Departments and Agencies (MDA's) with the CBN during the review period. Similarly, outflow rose by 24.8 and 2.5 per cent above 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 increased funding of the foreign exchange market, which rose by 25.0 per cent above the level in the preceding month (Fig. 14, Table 15).

Foreign exchange inflow and outflow through the CBN rose by 166.5 and 24.8 per cent, respectively, in July 2015.

Figure 14: Foreign Exchange Flows through the CBN**Table 15: Foreign Exchange Flows through the CBN (US\$ million)**

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Inflow	5,103.8	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
Outflow	3,300.0	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
Netflow	1,803.8	(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

Provisional data on aggregate foreign exchange inflow through the economy indicated that total inflow was US\$13.09 billion. This represented an increase of 46.2 per cent above the level at the end of the preceding month, but a decline of 5.4 per cent below the level in the corresponding month of 2014. The development was driven by the increase in crude oil receipts, non-oil receipts and inflows from autonomous sources. Of the total inflow, receipts through the CBN and autonomous sources accounted for 48.3 and 51.7 per cent, respectively.

Autonomous inflows through the economy rose by 2.9 per cent in July 2015.

Non-oil sector inflow, at US\$2.55 billion (19.4 per cent of the total), increased by 129.7 per cent above the level in the preceding month. Autonomous inflow, which accounted for 51.7 per cent of the total, also increased by 2.9 per cent above the level in the preceding month.

At US\$4.31 billion, aggregate foreign exchange outflow from the economy increased by 52.7 and 25.6 per cent above 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\$8.78 billion in the review month, compared with US\$6.13 billion and US\$10.46 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\$0.40 billion, increased by 60.5 per cent above the level in the preceding month, but was a decline of 54.4 per cent when compared with the level in the corresponding period of 2014. The development relative to the preceding month was traced to the rise in receipts from most sectors. A breakdown by sectors showed that proceeds from minerals, agricultural products, food products, industrial and manufactured products sub-sectors stood at US\$144.66 million, US\$101.46 million, US\$56.42 million, US\$49.88 million and US\$43.33 million, respectively, during the review month.

The shares of minerals, agricultural products, food products, industrial and manufactured products sub-sectors in non-oil export proceeds were 36.5, 25.6, 14.3, 12.6 and 11.0 per cent, respectively.

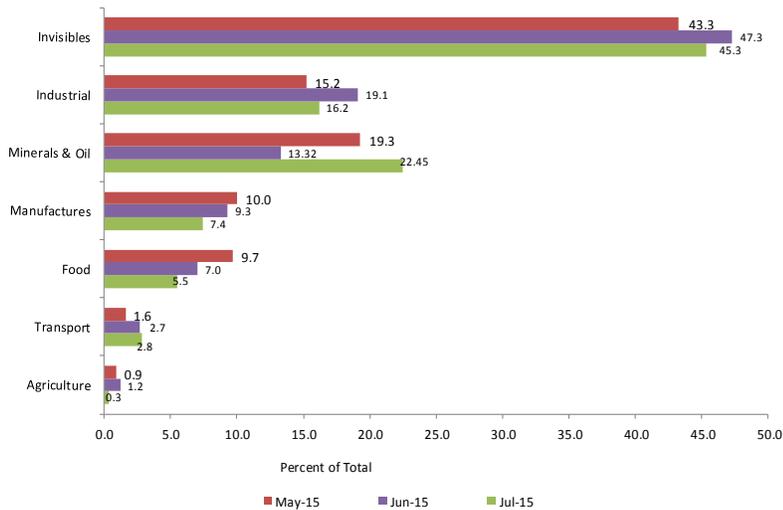
5.3 Sectoral Utilization of Foreign Exchange

The invisible sector accounted for the bulk (45.3 per cent) of total foreign exchange disbursed in July 2015, followed by minerals and oil sector (22.5 per cent). The contributions of other sectors in a descending order included: industrial (16.2 per cent), manufactured product (7.4 per cent), food products (5.5 per cent), transport (2.8 per cent) and agricultural products (0.3 per cent) (Fig.15).

Total non-oil export earnings by exporters rose in July 2015.

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

Figure 15: Sectoral Utilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

A total of US\$2.83 billion was sold by the CBN to authorized dealers in July 2015. This reflected an increase of 25.0 per cent above the level in the preceding month, but showed a decline of 25.6 per cent below the level in the corresponding period of 2014. Of the aggregate sales, inter-bank and BDC sales were US\$1.80 billion and US\$0.40 billion, respectively. Also, forward contracts valued at US\$0.12 billion were disbursed at maturity and swap transactions of US\$0.50 billion was conducted in the review month (Fig.16, Table 16).

Figure 16: Demand for and Supply of Foreign Exchange

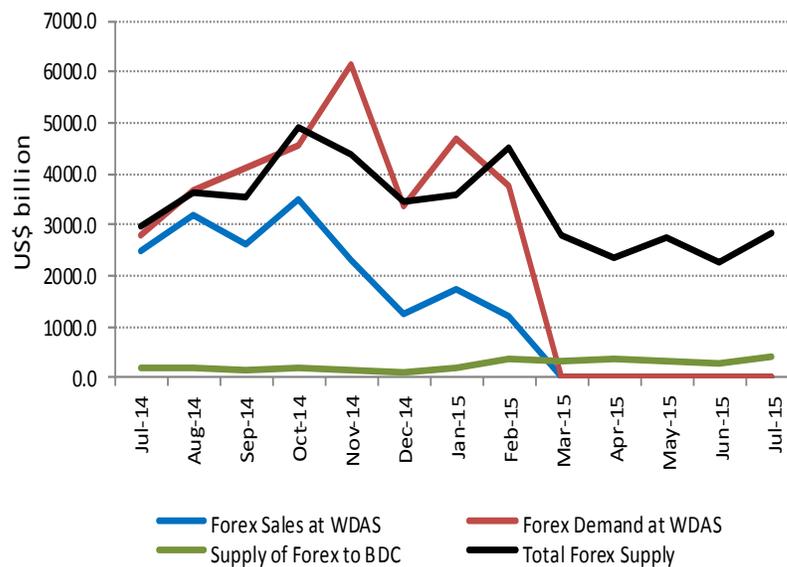


Table 16: Demand for and Supply of Foreign Exchange (US\$ billion)

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Forex Sales at wDAS/rDAS	2,494.8	3,201.1	2,598.5	3,498.5	2,296.9	1,280.2	1,987.4	1,197.1	-	-	-	-	-
Forex Demand at rDAS/wDAS	2,784.9	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	184.9	169.0	143.2	178.9	145.7	110.4	184.7	371.4	301.6	370.4	309.9	287.4	400.0
Total Forex Supply	2,954.1	3,630.1	3,558.7	4,914.3	4,395.2	3,430.1	3,587.2	4,524.5	2,807.7	2,366.2	2,727.7	2,260.2	2,825.6

The average exchange rate at the inter-bank segment, at ₦196.97 per US dollar, showed a depreciation of 0.03 and 17.6 per cent from the levels at the preceding month and the corresponding period of 2014, respectively. At the BDC segment, the average exchange rate, at ₦236.30 per US dollar, depreciated by 7.3 and 29.0 per cent below the levels in the preceding month and the corresponding period of 2014, respectively (Figure 17, Table 17).

The naira exchange rate vis-à-vis the US dollar depreciated at both the Inter-bank and BDC segments of the market during the review period.

Consequently, the premium between the interbank and the BDC rates widened from 11.2 per cent in the preceding month to 20.0 per cent during the review period. This, however, exceeded the international benchmark of 5.0 per cent. (Figure 18).

Figure 17: Average Exchange Rate Movement

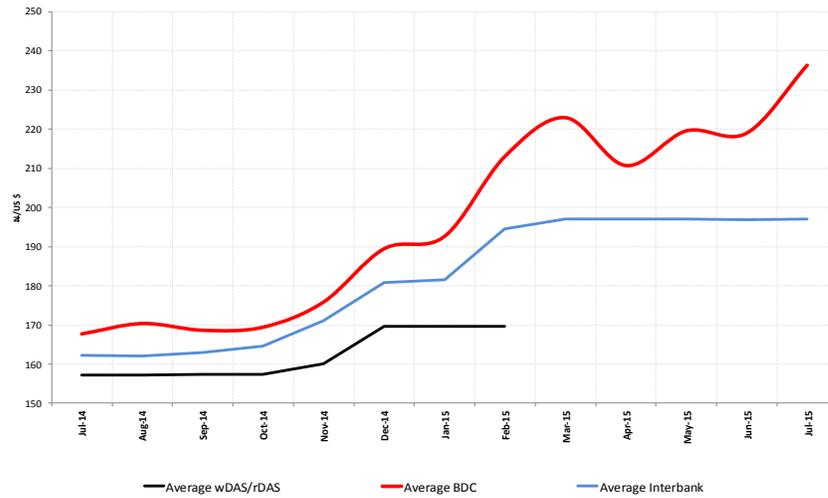
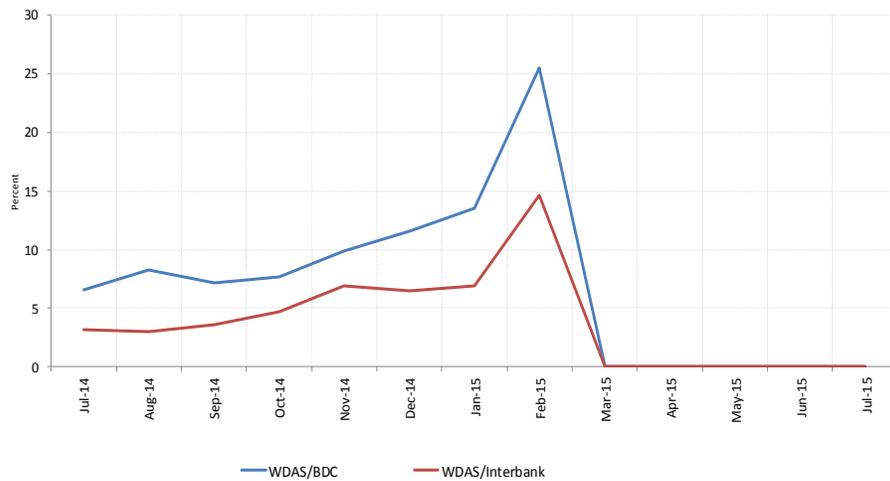


Table 17: Exchange Rate Movements and Exchange Rate Premium

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Average Exchange Rate (N/\$)													
wDAS/rDAS	157.29	157.29	157.30	157.31	160.00	169.68	169.68	169.68	0.00	0.00	0.00	0.00	0.00
Interbank	162.25	161.99	162.93	164.64	171.10	180.74	181.46	194.48	197.07	197.00	197.00	196.92	196.97
BDC	167.71	170.36	168.64	169.43	175.85	189.44	192.60	213.03	222.93	210.70	219.55	218.98	236.30
Premium (%)													
rDAS/BDC	6.6	8.3	7.2	7.7	9.9	11.6	13.5	25.5	0.0	0.0	0.0	0.0	0.0
rDAS/Interbank	3.2	3	3.6	4.7	6.9	6.5	6.9	14.6	0	0	0	0	0
Interbank/BDC	3.4	5.2	3.5	2.9	2.8	4.8	7.9	9.5	13.1	7.0	11.4	11.2	20.0

Figure 18: Exchange Rate Premium



5.5 Gross External Reserves

The gross external reserves at end-July 2015 stood at US\$31.20 billion, indicating an increase of 10.1 per cent above the level in the preceding month, but a decline of 20.1 per cent below the level in the corresponding period of 2014. The development was due to CBN interventions at the inter-bank market and also increased oil receipts. A breakdown of the official external reserves showed that Federation reserves was US\$2.45 billion (7.6 per cent); Federal Government reserves, US\$3.34 billion (10.4 per cent), and the CBN reserves, US\$26.46 billion (82.0 per cent) of the total (Fig. 19, Table 18).

Gross external reserves increased in July 2015.

Figure 19: Gross Official External Reserves

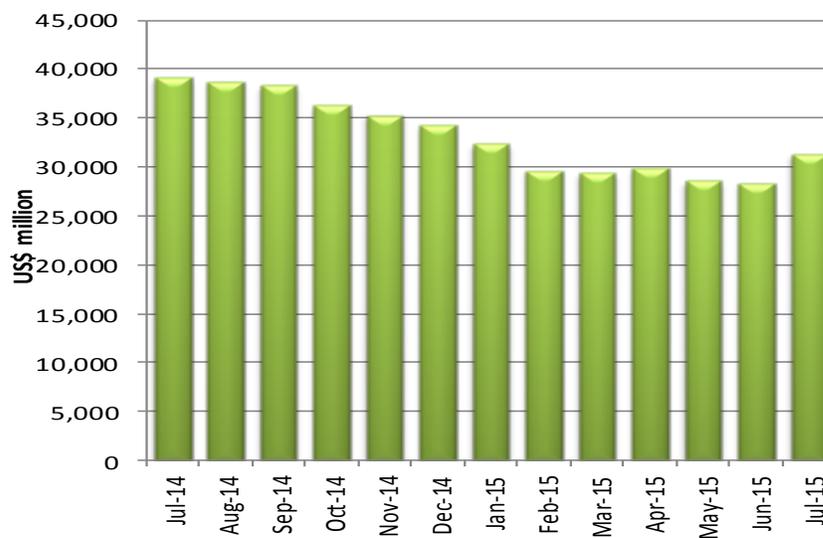


Table 18: Gross Official External Reserves (US\$ million)

Period	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
External Reserves	35,238.78	34,241.54	32,360.52	29,571.43	29,357.21	29,829.75	28,566.54	28,335.21	31,204.76

6.0 Other International Economic Developments and Meetings

World crude oil output in July 2015 was estimated at an average of 94.90 million barrels per day (mbd), while demand averaged at 93.68 million barrels per day (mbd), compared with 94.67 and 93.46 mbd supplied and demanded, respectively, in the preceding month. The marginal increase in demand was attributed, largely, to the rising demand for transportation fuels, particularly road transport, gasoline and jet fuel in the US, China and India during the summer season.

Other major international economic developments and meetings of importance to the domestic economy during the review period included: The United Nations (UN) 3rd International Conference on Financing for Sustainable Development held in Addis Ababa, Ethiopia from July 13 - 16, 2015. The Addis Ababa Action Agenda provided more than 100 measures, which, if implemented would result in policies that would enable and direct financial investments by the public and private sectors to meet a group of challenges. These areas included: commitment to direct finance to social protection; infrastructure and technology; assistance to the poorest countries; cooperation on tax issues; and the need to address illicit financial flows that take resources away from development.

Furthermore, the Board of Directors of the African Development Bank (AfDB) held its meeting at the Bank's Headquarters in Abidjan, at the CCIA building, on July 8, 2015. Some key decisions reached during consideration of the agenda were:

- The Board reiterated its support for the tailored universal model and expressed a broad consensus on the establishment of a Regional Resource Centre (RRC) in North Africa. It was agreed that Management will revert to the

Board with proposed criteria for selecting the location of the RRC;

- The Board welcomed a proposal for field office locally recruited staff (LRS) salary adjustment and emphasized the importance of performance based pay, equity, and cost effectiveness;
- The Board expressed support for investing in African Companies with strong regional growth potential targeting the sectors of agribusiness, logistics and healthcare, infrastructure, financial services, consumer and retail, in West, Central and East Africa;
- The Board welcomed the MULTINATIONAL: Africinvest Fund III project aimed at providing growth capital to high potential mid-sized companies in sub-Saharan Africa targeting manufacturing, agribusiness, financial services, and energy, healthcare, education and consumer goods sectors;
- The Morocco Economic Competitiveness Support Programme (PACEM) was approved by the Board; and
- The Board also approved the Guinea Bissau City Electricity Supply Improvement Project.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Domestic Credit (Net)	19,273.8	17,278.4	17,724.5	20,757.6	20,695.6	21,210.5	21,409.8	21,542.6
<i>Claims on Federal Government</i>	1,150.1	(899.7)	(914.1)	2,178.4	2,100.3	2,558.7	2,512.5	2,877.3
Central Bank (Net)	(2,141.7)	(1,735.6)	(1,520.9)	(1,371.5)	(1,037.1)	(644.0)	(769.5)	(359.9)
Commercial Banks	3,214.4	783.5	606.8	3,453.5	3,137.4	3,202.7	3,282.0	3,237.1
Merchant Bank	75.0	95.0	47.6	95.0	57.6	45.5	61.3	72.5
Non Interest Banks	2.4	(1.1)	(1.1)	1.4	1.4	1.4	1.4	1.4
<i>Claims on Private Sector</i>	18,123.6	18,178.1	18,638.6	18,579.2	18,595.2	18,651.8	18,897.3	18,665.3
Central Bank	4,859.9	4,851.1	4,843.9	4,849.2	4,907.5	4,908.2	5,093.1	5,066.0
Commercial Banks	13,179.6	13,244.9	13,701.9	13,631.1	13,593.4	13,649.3	13,713.0	13,510.4
Merchant Bank	62.6	60.4	70.3	76.2	71.5	71.5	68,535.2	66,121.6
Non Interest Banks	21.5	21.6	22.6	22.7	22.7	22.7	22.7	22.7
<i>Claims on Other Private</i>	17,561.7	17,446.0	17,905.2	18,012.4	18,038.3	18,146.0	18,374.9	18,139.2
Central Bank	4,834.3	4,824.9	4,820.3	4,825.6	4,883.9	4,884.6	5,042.0	5,040.4
Commercial Banks	12,643.2	12,540.3	12,993.4	13,087.9	13,060.1	13,167.1	13,241.5	13,009.9
Merchant Bank	62.6	60.4	70.3	76.2	71.5	71.5	68.5	66.1
Non Interest Banks	21.5	20.3	21.2	22.7	22.7	22.7	22.7	22.7
<i>Claims on State and Loc</i>	536.4	706.0	709.8	543.2	533.3	482.2	471.4	500.5
Central Bank	-	-	-	-	-	-	-	-
Commercial Banks	536.4	704.6	708.5	543.2	533.3	482.2	471.4	500.5
Merchant Bank	-	-	-	-	-	-	-	-
Non Interest Banks		1.4	1.4					
<i>Claims on Non-financial</i>	23.6	26.2	23.6	23.6	23.6	23.6	51.0	25.6
Foreign Assets (Net)	6,954.2	6,436.0	6,023.4	5,985.6	6,017.1	5,479.7	5,951.5	5,687.1
Central Bank	6,244.7	5,704.0	5,123.1	5,354.7	5,277.8	5,083.1	5,796.0	5,543.9
Commercial Banks	712.6	737.6	907.0	640.6	748.2	405.5	159.9	148.8
Merchant Bank	(6.4)	(7.8)	(7.9)	(11.3)	(10.5)	(10.4)	(5.9)	(7.2)
Non Interest Banks	3.3	2.1	1.3	1.5	1.5	1.5	1.5	1.5
Other Assets (Net)	(7,314.9)	(6,903.2)	(7,201.6)	(7,600.7)	(7,445.1)	(7,496.2)	(8,549.8)	(8,804.9)
Total Monetary Assets (M2)	18,913.0	16,833.2	16,546.3	19,142.5	19,267.6	19,194.0	18,811.4	18,424.7
Quasi-Money 1/	12,008.2	10,437.9	10,480.4	12,148.4	12,422.8	12,524.3	12,269.0	11,953.6
Money Supply (M1)	6,904.8	6,373.3	1,233.2	6,994.1	6,844.8	6,669.6	6,452.4	6,471.1
<i>Currency Outside Banks</i>	1,437.4	1,320.3	1,622.7	1,471.1	1,312.0	1,315.3	1,184.0	1,184.5
<i>Demand Deposits 2/</i>	5,467.4	5,053.0	104.9	5,523.0	5,532.7	5,354.4	5,358.4	5,286.5
Total Monetary Liabilities (M)	18,913.0	16,833.2	16,546.3	19,142.5	19,267.6	19,194.0	18,811.4	18,424.7
<i>Memorandum Items:</i>								
Reserve Money (RM)	5,964.7	5,475.5	5,701.7	5,937.1	6,202.0	6,179.8	5,945.8	5,931.4
<i>Currency in Circulation (CIC)</i>	1,798.0	1,661.7	1,622.7	1,818.4	1,692.3	1,671.5	1,562.3	1,547.5
<i>DMBs Demand Deposit with C.</i>	4,166.8	3,813.9	4,079.0	4,118.7	4,509.9	4,508.3	4,382.4	4,356.9

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)

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
	Growth Over Preceding December (%)							
Domestic Credit (Net)	32.6	7.1	9.9	10.0	9.7	12.4	11.1	11.8
<i>Claims on Federal Government (Net)</i>	169.4	55.4	54.7	187.6	177.3	233.8	64.1	83.2
<i>Claims on Private Sector</i>	11.9	0.2	2.7	2.6	2.7	3.0	4.3	3.0
<i>Claims on Other Private Sector</i>	14.1	0.3	3.0	2.6	2.8	3.4	-12.1	-6.7
<i>Claims on State and Local Government</i>	-31.2	3.9	-3.3	1.3	-0.6	-10.1		
<i>Claims on Non-financial Public Enterprises</i>								
Foreign Assets (Net)	-19.7	-12.5	-18.1	-15.7	-15.2	-22.8	-14.4	-18.2
Other Assets (Net)	2.5	-3.7	-8.2	-7.9	-5.7	-6.4	-16.9	-20.4
Total Monetary Assets (M2)	20.6	-0.1	-1.7	1.1	1.8	1.4	-0.5	-2.6
Quasi-Money 1/	38.7	-1.2	-0.6	1.2	3.5	4.3	2.2	-0.5
Money Supply (M1)	-1.8	1.7	-3.5	1.1	-1.1	-3.6	-5.3	-6.3
<i>Currency Outside Banks</i>	-0.6	-3.4	-9.8	2.4	-8.7	-8.5	-17.6	-17.6
<i>Demand Deposits 2/</i>	-2.1	3.1	-1.8	0.7	0.9	-2.3	-2.0	-3.3
Total Monetary Liabilities (M2)	20.6	-0.1	-1.7	1.1	1.8	1.4	-0.5	-2.6
Memorandum Items:								
Reserve Money (RM)	16.5	-8.2	-4.4	-0.5	4.0	3.6	0.3	0.0
<i>Currency in Circulation (CIC)</i>	1.2	-7.6	-9.8	1.1	-5.9	-7.0	-13.1	-12.4
<i>DMBs Demand Deposit with CBN</i>	24.7	-8.5	-2.1	-1.2	8.2	8.2	6.1	5.4
	Growth Over Preceding Month (%)							
Domestic Credit (Net)	1.4	7.1	2.6	0.5	-0.3	2.5	0.9	0.6
<i>Claims on Federal Government (Net)</i>	-21.8	55.4	-1.6	12.5	-3.6	21.8	-1.8	14.5
<i>Claims on Private Sector</i>	0.3	0.2	2.5	-0.7	0.1	0.3	1.3	-1.2
<i>Claims on Other Private Sector</i>	0.0	0.3	2.6	-0.9	0.1	0.6	1.3	-1.3
<i>Claims on State and Local Government</i>	10.1	3.9	0.6	4.1	-1.8	-9.6	-2.2	6.2
<i>Claims on Non-financial Public Enterprises</i>								
Foreign Assets (Net)	-0.2	-12.5	-6.4	2.5	0.5	-8.9	8.6	-4.4
Central Bank	2.1	-10.7	-10.2	4.5	-1.4	-3.7	14.0	-4.4
Banks	-16.4	-24.5	23.0	-11.7	17.2	-46.4	-60.8	-8.0
Other Assets (Net)	-1.9	-3.8	-4.3	0.2	2.1	-0.7	-14.1	-3.0
Total Monetary Assets (M2)	0.6	-0.1	-1.6	1.4	0.7	-0.4	-2.0	-2.1
Quasi-Money 1/	2.5	-1.2	0.6	0.1	2.3	0.8	-2.0	-2.6
Money Supply (M1)	-2.5	1.7	-5.1	3.9	-2.1	2.6	-1.9	-1.1
<i>Currency Outside Banks</i>	9.0	-3.4	-6.6	13.0	-10.8	0.3	-10.0	0.1
<i>Demand Deposits 2/</i>	-5.2	3.1	-4.7	1.8	0.2	-3.2	0.1	-1.3
Total Monetary Liabilities (M2)	0.6	-0.1	-1.6	1.4	0.7	-0.4	-2.0	-2.1
Memorandum Items:								
Reserve Money (RM)	15.6	-8.2	4.1	4.1	4.5	-0.4	-3.8	-0.2
<i>Currency in Circulation (CIC)</i>	14.0	-7.6	-2.4	-2.4	-6.9	-6.9	-6.5	0.8
<i>DMBs Demand Deposit with CBN</i>		-8.5	-8.5	-8.5	9.5	-0.3	-2.7	-0.6

Table A3: Federal Government Fiscal Operations (N billion)

	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Retained Revenue	348.1	259.3	271.0	224.9	255.4	452.4	173.4	260.0	245.6
<i>Federation Account</i>	224.3	196.3	220.4	194.3	186.6	146.5	132.1	151.8	218.9
<i>VAT Pool Account</i>	9.7	8.7	10.6	9.2	8.4	10.3	10.8	8.2	9.4
<i>FGN Independent Revenue</i>	90.3	12.4	21.7	8.7	7.5	269.6	12.8	79.4	8.0
<i>Excess Crude</i>	0.0	0.0	7.2	2.4	0.0	4.3	0.0	0.0	0.0
<i>Others /SURE-P/NNPC Refund</i>	23.9	41.8	11.2	10.3	53.0	21.7	17.7	20.6	9.3
Expenditure	386.0	370.2	367.8	363.7	211.1	155.5	178.8	205.9	223.0
<i>Recurrent</i>	286.0	286.2	303.3	291.7	178.1	138.2	156.5	164.0	209.8
<i>Capital</i>	70.0	63.6	47.6	49.5	12.6	4.3	4.9	14.4	1.9
<i>Transfers</i>	30.0	20.5	16.8	22.4	20.4	13.0	17.4	27.6	11.4
Overall Balance: Surplus(+)/Deficit(-)	-37.9	-110.9	-96.8	-138.8	44.4	296.9	-5.4	54.1	22.5

