



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
MAY 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

On-month-on-month basis, growth in the key monetary aggregate decelerated at end-May 2015. Broad money supply (M2), at ₦19,193.9 billion, fell by 0.4 per cent, in contrast to the growth of 0.7 per cent at the end of the preceding month. The development relative to the preceding month reflected the decline in foreign assets (net) and other assets (net) of the banking system, respectively, which suppressed the growth of 2.5 per cent in domestic credit (net) of the banking system. Narrow money supply (M₁) fell by 2.6 per cent, due, to the 3.2 per cent decline in its demand deposit component. Over the level at end-December 2014, broad money supply, however, rose by 1.4 per cent. Reserve money (RM) declined by 0.4 per cent below its level in the preceding month.

Available data indicated mixed developments in banks' deposit and lending rates during the review month. With the exception of the 7-day and over 12-month deposit rates, which fell by 0.17 and 0.33 percentage points to 4.00 and 6.76 per cent, respectively, all other deposit rates of various maturities increased from a range of 6.48 – 8.74 per cent to 7.18 – 8.93 per cent at end-May 2015. At 7.37 per cent, the average term deposit rate increased by 0.14 percentage point above the level in the preceding month. Similarly, the average prime and maximum lending rates rose by 0.13 and 0.02 percentage points to 16.08 and 26.43 per cent, respectively. Consequently, the spread between the weighted average term deposit and maximum lending rates narrowed from 19.18 percentage points to 19.06 percentage points in May 2015. However, the spread between the average savings deposit and maximum lending rates, widened from 22.81 percentage points to 22.83 percentage points at the end of the review month.

Provisional data indicated that the total value of money market assets outstanding in May 2015 stood at ₦8,126.09 billion, showing an increase of 3.5 per cent, in contrast to the decline of 5.4 per cent in the preceding month. The development was attributed to the 5.6 and 0.4 per cent increase in FGN Bonds and Bankers Acceptances, respectively. Developments in the Nigerian Stock Exchange (NSE) were bearish during the review month.

Federally-collected revenue (gross) in May 2015 was estimated at ₦473.86 billion, showing a decline of 39.0 and 35.5 per cent below the receipts in the preceding month and the corresponding period of 2014, respectively. At ₦267.18 billion, oil receipts (gross), which constituted 56.4 per cent of total revenue, was lower than the receipts in the preceding month and the corresponding period of 2014, by 6.7 and 53.1 per cent, respectively. The fall in oil receipts relative to the level in the preceding month, was attributed to the decline in revenue from crude oil and gas exports, occasioned by the fall in the prices of crude oil in the international market.

Non-oil receipts (gross), at ₦206.68 billion or 43.6 per cent of the total, was 54.0 and 0.1 per cent lower than the receipts in the preceding month and the corresponding month of 2014, respectively. The development reflected, largely, the decline in most of its components. Federal Government estimated retained revenue in May 2015 was ₦173.43 billion, while total estimated expenditure was ₦178.81 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦5.38 billion.

The dominant agricultural activity in May 2015 was planting of various crops. In the North, farming activities involved off-season harvest of green vegetables, pepper, onions and tomatoes as well as land preparation and planting of crops. In the Southern part of the country, agricultural activities involved mainly harvesting of maize and planting of other crops, especially yam and cassava. Crude oil production, including condensates and natural gas liquids in May 2015 was estimated at 1.88 million barrels per day (mbd) or 58.28 million barrels for the month. Crude oil export was estimated at 1.43 million barrels per day (mbd) or 43.33 million barrels during the month. The average price of Nigeria's reference crude, the Bonny Light (37° API), was estimated at US\$64.66 per barrel, indicating an increase of 8.6 per cent above the level in the preceding month.

The end-period headline inflation rate (year-on-year), in May 2015, was 9.0 per cent, compared with 8.7 per cent in the preceding month. Inflation rate on a twelve-month moving average basis was 8.3 per cent.

Foreign exchange inflow and outflow through the CBN in May 2015 was US\$2.45 billion and US\$3.23 billion, respectively, and resulted in a net outflow of US\$0.78 billion. Foreign exchange sales by the CBN to the authorized dealers

amounted to US\$2.84 billion and represented an increase of 19.0 per cent above the level in the preceding month.

Relative to the level in the preceding month, the average naira exchange rate vis-à-vis the US dollar remained unchanged at the interbank segment of the market, but depreciated at the bureau-de-change segment of the market. Non-oil export receipts declined by 61.7 per cent below the level in the preceding month. The development was attributed, largely, to the significant decline in earnings from the agricultural sector and food products.

World crude oil output in May 2015 was estimated at an average of 94.06 million barrels per day (mbd), while demand was at 92.21 million barrels per day (mbd), compared with 94.10 and 92.50 mbd supplied and demanded, respectively, in the preceding month.

Other major international economic developments and meetings of importance to the domestic economy during the review period included: the 2015 Annual Meetings of the African Development Bank (AfDB) held in Abidjan, Cote d'Ivoire from May 25 – 29, 2015. Also, the 2015 Continental Seminar of "The African Central Banks" (AACB) with the theme "Monetary Policy Frameworks in Africa in a Changing Financial Landscape" was held in Nairobi, Kenya from May 13 – 15, 2015.

2.0 Financial Sector Developments

2.1 Monetary and Credit Developments

Growth in broad money supply (M₂) decelerated at end-May 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 rose, owing, largely, to the increase in FGN Bonds and Bankers Acceptances outstanding during the review period. Developments in the Nigerian Stock Exchange (NSE) were bearish during the review month.

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

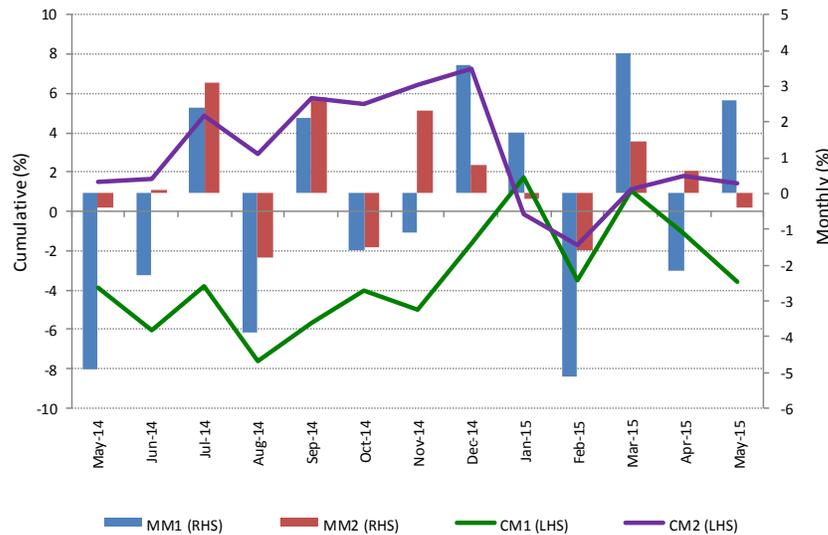
Provisional data indicated that, relative to the level at the end of the preceding month, growth in the key monetary aggregate decelerated at end-May 2015. On month-on-month basis, broad money supply (M₂), at ₦19,193.9 billion, fell by 0.4 per cent, in contrast to the growth of 0.7 per cent at the end of the preceding month. The development reflected the 8.9 and 0.7 per cent decline in foreign assets (net) and other assets (net) of the banking system, respectively, which more than offset the growth of 2.5 per cent in domestic credit (net) of the banking system. Over the level at end-December 2014, broad money supply (M₂), however, rose by 1.4 per cent.

On month-on-month basis, narrow money supply (M₁), fell by 2.6 per cent to ₦6,669.6 billion, at the end of May 2015, compared with the decline of 2.1 per cent at the end of the preceding month. The development relative to the preceding month was attributed to the decline of 3.2 per cent in its demand deposit component. Over the level at end-December 2014, M₁ declined by 3.6 per cent, compared with the decline of 1.1 per cent at the end of the preceding month (Fig. 1, Table 1).

Quasi-money, on a month-on-month basis, rose by 0.8 per cent to ₦12,524.3 billion at end-May 2015, compared with the growth of 2.3 per cent at the end of the preceding month. The development relative to the level at the end of the preceding month reflected, largely, the increase in time and savings deposits with banks. Over the level at end-December 2014, quasi

money grew by 4.3 per cent, compared with the growth of 3.5 per cent at the end of the preceding month.

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



At ₦21,210.5 billion, aggregate banking system credit (net) to the domestic economy at end-May 2015 grew by 2.5 per cent, on month-on-month basis, in contrast to the decline of 0.3 and 11.9 per cent at the end of the preceding month and the corresponding period of 2014, respectively. The development reflected, largely, the 21.8 and 0.3 per cent increase in (net) claims on the Federal Government and the private sector, respectively. Over the level at end-December 2014, aggregate banking system credit (net) to the domestic economy, grew by 12.4 per cent, compared with the growth of 9.7 per cent at end-April 2015.

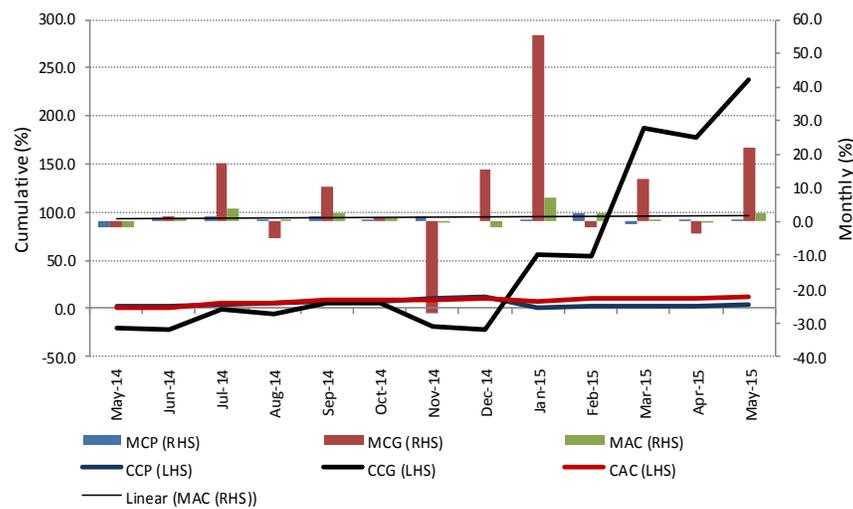
Banking system's credit (net) to the Federal Government, on month-on-month basis, grew by 21.8 per cent to ₦2,558.7 billion at end-May 2015, in contrast to the 3.6 per cent decline at the end of the preceding month. The development reflected, largely, the

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

increase in banking system's holdings of Federal Government securities. Over the level at end-December 2014, aggregate banking system credit (net) to the Federal Government, grew significantly by 237.8 per cent, compared with the growth of 177.3 per cent at the end of the preceding month.

At ₦18,651.8 billion, banking system's credit to the private sector, on month-on-month basis, increased by 0.3 per cent, compared with the growth of 0.1 per cent at the end of the preceding month. The development relative to the preceding month reflected, wholly, the 0.6 per cent rise in claims on the core private sector. Over the level at end-December 2014, banking system's credit to the private sector grew by 2.9 per cent (Fig. 2, Table 1).

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



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

At ₦5,479.7 billion, foreign assets (net) of the banking system, on-month-on-month basis, declined by 8.9 per cent at end-May 2015, in contrast to the increase of 0.5

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).

and 1.9 per cent at the end of the preceding month and the corresponding period of 2014, respectively. The development, relative to the preceding month, was attributed, largely, to the 3.7 and 46.4 per cent decrease in the foreign asset (net) holdings of the CBN and the Deposit Money Banks (DMBs), respectively. Over the level at end-December 2014, foreign assets (net) of the banking system, declined by 22.8 per cent at end-May 2015.

Other assets (net) of the banking system, on a month-on-month basis, declined by 0.7 per cent to negative ₦7,496.2 billion, in contrast to the increase of 2.1 and 4.0 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 in the review period. Over the level at end-December 2014, other assets (net) of the banking system declined by 6.4 per cent at end-May 2015.

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

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Domestic Credit (Net)	-1.8	1.1	3.9	0.4	2.7	0.9	-0.3	-1.5	7.1	2.6	0.5	-0.3	2.5
<i>Claims on Federal Government (Net)</i>	-1.6	1.6	17.2	-4.9	10.4	1.0	-27.2	-15.4	55.4	1.6	12.5	-3.6	21.8
<i>Claims on Private Sector</i>	-1.5	1.2	1.7	0.8	1.5	0.7	1.8	0.1	0.2	2.5	-0.7	0.1	0.3
<i>Claims on Other Private Sector</i>	-1.6	1.4	1.7	0.9	1.7	0.6	2.1	0.1	0.3	2.6	-0.9	0.1	0.6
Foreign Assets (Net)	-0.3	0.0	4.4	-4.8	-0.5	-9.1	3.8	2.4	-12.5	-1.6	2.5	0.5	-8.9
Other Assets (Net)	3.3	-2.1	-6.3	0.3	0.7	4.1	2.3	3.1	-3.8	-4.3	0.2	2.1	-0.7
Broad Money Supply (M2)	-0.4	0.1	3.1	-1.8	2.7	-1.5	2.3	0.8	-0.1	-1.6	1.4	0.7	-0.4
Quasi-Money	3.1	1.9	3.6	-0.3	3.2	-1.5	2.2	5.5	-1.2	0.6	0.1	2.3	0.8
Narrow Money Supply (M1)	-4.9	-2.3	2.4	-3.9	2.1	-1.5	2.4	-6.2	1.7	-5.1	3.9	-2.1	-2.6
Reserve Money (RM)	-3.7	-7.4	0.9	-0.8	3.2	4.0	-0.2	16.3	-8.2	4.1	4.1	4.5	-0.4

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

At ₦1,671.5 billion, currency-in-circulation declined by 1.2 per cent in the review month, compared with the decrease of 6.9 per cent at the end of the preceding month. The development reflected, largely, the decline in its vault cash component.

Total deposits at the CBN amounted to ₦6,771.39 billion, indicating an increase of 1.9 per cent above the level at the end of the preceding month. The development reflected the rise in all the components. Of the total deposits, the percentage shares of the Federal Government, banks and private sector were 30.7, 66.6 and 2.7 per cent, respectively.

Reserve money (RM) fell by 0.4 per cent to ₦6,179.8 billion at the end of the review month, reflecting the trends in banks' reserves with the CBN.

Reserve money (RM) fell during the review month.

2.3 Money Market Developments

Financial market indicators witnessed slight volatility in May 2015. Short-term interest rates particularly Open-Buy-Back and Overnight, moved in tandem with the level of liquidity in the market with the latter mostly below the Monetary Policy Rate (MPR) of 13.00 per cent, except for a few days when liquidity pressures led to spikes in rates.

The aggressive mop up of liquidity via OMO and the execution of the Nigerian National Petroleum Company (NNPC) mandate totalling ₦81.02 billion on May 18, 2015, constrained liquidity and led to the spike in rates early in the month. However, the subsequent release of statutory revenue allocation (SRA) to states and local governments and the maturity of CBN bills buoyed market liquidity and sustained market transactions at relatively low rates early in the month. However, the debit for Cash Reserve Requirement (CRR) after the harmonization of both public and

private sector funds led to the sterilization of ₦160.71 billion, which moderated liquidity.

Provisional data indicated that the total value of money market assets outstanding in May 2015 stood at ₦8,126.09 billion, showing an increase of 3.5 per cent, in contrast to the 5.4 per cent decline in the preceding month. The development was attributed to the 5.6 and 0.4 per cent increase in the FGN Bonds and Bankers Acceptances, respectively.

2.3.1 Interest Rate Developments

Available data indicated mixed developments in banks' deposit and lending rates during the review month. With the exception of the 7-day and over 12-month deposit rates, which fell by 0.17 and 0.33 percentage point to 4.00 and 6.76 per cent, respectively, all other deposit rates of various maturities increased from a range of 6.48 – 8.74 per cent to 7.18 – 8.93 per cent at end-May 2015. At 7.37 per cent, the average term deposit rate increased by 0.14 percentage point above the level in the preceding month. Similarly, the average prime and maximum lending rates rose by 0.13 and 0.02 percentage point to 16.08 and 26.43 per cent, respectively. Consequently, the spread between the weighted average term deposit and maximum lending rates narrowed from 19.18 percentage points to 19.06 percentage points in May 2015. The spread between the average savings deposit and maximum lending rates, however, widened from 22.81 percentage points to 22.83 percentage points at the end of the review month.

At the inter-bank call segment, the weighted average rate, which stood at 24.24 per cent in the preceding month, fell by 13.81 percentage points to 10.43 per cent in the review month. Similarly, the weighted average rate at the open-buy-back (OBB) segment, fell from 23.22 per cent in April 2015 to 13.05 per cent in the review month. This reflected the liquidity conditions

Developments in interest rates in May 2015 were mixed.

in the market. The Nigeria inter-bank offered rate (NIBOR) for the 30-day tenor declined to 13.02 per cent at the end of the review period below the level in the preceding month. With the headline inflation rate at 9.0 per cent at end-May 2015, all deposit rates were negative in real terms (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

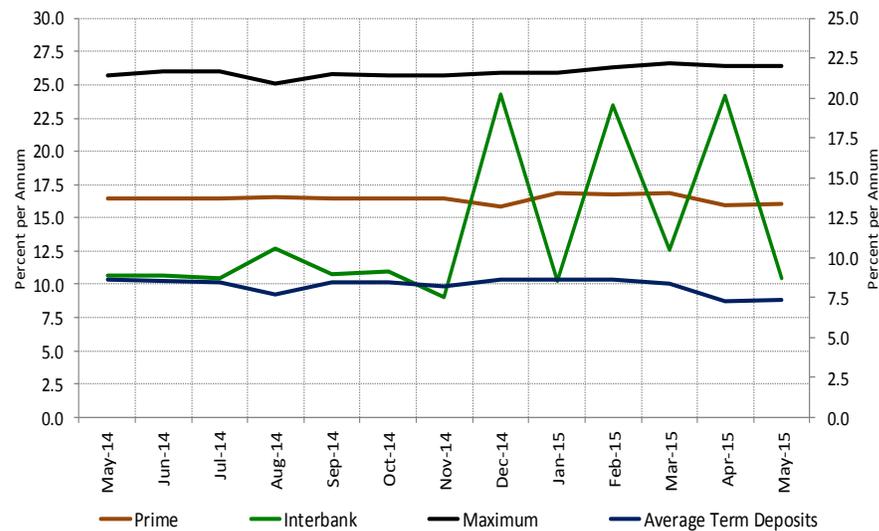


Table 2: Selected Interest Rates (Percent, Averages)

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Average Term Deposits	8.66	8.57	8.47	7.68	8.46	8.48	8.21	8.66	8.66	8.61	8.34	7.23	7.37
Prime Lending	16.5	16.5	16.44	16.6	16.44	16.48	16.5	15.88	16.86	16.77	16.9	15.95	16.08
Interbank Call	10.63	10.63	10.5	12.72	10.73	10.98	8.98	24.3	10.21	23.5	12.59	24.24	10.43
Maximum Lending	25.76	26.07	26.07	25.07	25.77	25.75	25.74	25.91	25.97	26.33	26.61	26.41	26.43

2.3.2 Commercial Paper (CP)

Commercial Paper (CP) outstanding held by the DMBs fell by 21.6 per cent to ₦7.15 billion at end-May 2015, compared with ₦9.11 billion at the end of the preceding month. The development was due to the decline in commercial banks' investment in CP. Thus, CP constituted 0.09 per cent of the total value of

money market assets outstanding at the end of the review period, compared with 0.1 per cent increase in the preceding month.

2.3.3 Bankers' Acceptances (BAs)

At the end of the review period, BAs rose to ₦12.98 billion, compared with ₦12.58 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 0.16 per cent of the total value of money market assets outstanding at end - May 2015, compared with 0.15 per cent at the end of the preceding month.

2.3.4 Open Market Operations

The Bank intervened five times in the money market through direct OMO auctions during the month. The amount offered, subscribed to and allotted were ₦250.00 billion, ₦657.11 billion and ₦524.54 billion, respectively. The bid rates ranged from 13.75 - 14.00 per cent, while the stop rates ranged between 13.90 - 14.00 per cent. CBN bills amounting to ₦272.56 billion matured and was repaid. In the preceding month, amounts offered, subscribed to and allotted were ₦300.00 billion, ₦1,027.45 billion and ₦933.74 billion, respectively, while the bid rates ranged from 13.20 - 14.85 per cent.

2.3.5 Primary Market

Nigerian Treasury Bills of 91-, 182- and 364-day tenors were auctioned at the primary market during the review period. Total amount offered, subscribed to and allotted stood at ₦261.56 billion, ₦572.72 billion and ₦261.56 billion, respectively, compared with ₦353.09 billion, ₦1,092.82 billion and ₦353.09 billion in the preceding month.

The bid-to-cover ratios were 1.28, 1.52 and 2.93 for the 91-, 182- and 364-day tenors, respectively. The high bid-to-cover ratio (>2.0) for the 364-day tenor reflected investors' preference for long-term government security during the review period. Sale to non-competitive bidders amounted to ₦114.91 billion, and comprised

N50.00 billion, 91-day; ₦18.14 billion, 182-day; and ₦46.77 billion, 364-day. The sum of ₦261.56 billion matured and was repaid during the review period.

2.3.6 Bonds Market

In the review month, FGN Bonds of three maturities were re-opened. These traded with time to maturity of 4 years 9 months for the 5-year bond, 8 years 10 months for the 10-year bond and 19 years 2 months for the 20-year bond re-openings. Total amount offered, subscribed to and allotted for the re-opened bonds were ₦60.00 billion, ₦183.37 billion, and ₦60.00 billion, respectively. The bid rates on all the tranches ranged from 11.00-17.00 per cent. In the preceding month, the 5-, 10 - and 20-year tenors were re-opened at marginal rates of 14.45, 14.22 and 14.46 per cent, respectively. The amount offered, subscribed to and allotted, were ₦70.00 billion, ₦185.62 billion and ₦70.00 billion, respectively.

2.3.7 CBN Standing Facilities

The trend at the CBN standing facilities window in the review period indicated that activities at the SDF window were more than the request for SLF. Applicable rates for the SLF and SDF remained 15.00 and 11.00 per cent, respectively.

The total request for the standing lending facility (SLF) in the month of May 2015 was ₦228.63 billion, comprising ₦27.19 billion direct requests for SLF and ₦201.44 billion intra-day lending facility converted to overnight repo, compared with ₦648.09 billion in April 2015. Interest received on SLF was ₦0.11 billion in the review month compared with ₦0.36 billion in April 2015.

Transactions at the standing deposit facility (SDF) window amounted to ₦1,534.45 billion, with a daily average of ₦95.90 billion, compared with total amount and a daily average of ₦901.19 billion and ₦53.01 billion, respectively, in the preceding month.

2.4 Deposit Money Banks' Activities

Available data indicated that total assets and liabilities of the commercial banks amounted to ₦28,737.07

billion, showing a decline of 0.8 per cent below the level at the end of April 2015. Funds were sourced mainly from realisation of unclassified assets, foreign assets, foreign liabilities and increase in time, savings and foreign currency deposits. The funds were used, largely, for reduction of unclassified liabilities, demand deposits and increased claims on the central bank and private sector.

Banks' credit to the domestic economy rose by 0.7 per cent..

At ₦16,946.28 billion, banks' credit to the domestic economy rose marginally by 0.7 per cent above the level in the preceding month. The development was attributed to the increase in claims on both the Federal Government and the private sector during the review month.

Total specified liquid assets of commercial banks stood at ₦6,320.5 billion, representing 35.0 per cent of their total current liabilities. At that level, the liquidity ratio rose by 0.2 percentage point above the level in the preceding month and was also 5.0 percentage points above the stipulated minimum ratio of 30.0 per cent. The loans-to-deposit ratio, at 65.4 per cent, was 0.5 percentage point above the level at the end of the preceding month, but was 14.6 percentage points below the maximum ratio of 80.0 per cent.

2.5 Discount Houses' Activities

Available data indicated that total assets and liabilities of the discount houses stood at ₦163.8 billion at end-May 2015, showing an increase of 6.9 per cent above the level at end-April 2015. The development was accounted for, largely, by the 23.1 and 15.9 per cent increase in claims on banks and the Federal Government, respectively. Correspondingly, the increase in total liabilities was attributed largely to the 504.2 per cent increase in takings.

Discount houses' investment in Federal Government securities stood at ₦62.5 billion and accounted for 55.3 per cent of their total deposit liabilities. Thus, investment in Federal Government Securities was 4.7 percentage points below the prescribed minimum level of 60.0 per

cent. At that level, discount houses' investment on NTBs rose by 50.1 per cent above the level at the end of the preceding month. Total borrowing and amount owed by the discount houses was ₦59.9 billion, while their capital and reserves amounted to ₦34.1 billion. This resulted in a gearing ratio of 1.8:1, 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 developments in the Nigerian Stock Exchange (NSE) were bearish in May 2015. Total volume and value of traded securities declined by 25.8 and 29.7 per cent to 7.95 billion shares and ₦72.73 billion, respectively, in 82,046 deals, compared with 10.7 billion shares worth ₦103.4 billion in 107,787 deals recorded in the preceding month. The Financial Services sector (measured by volume) led the activity chart with 6.5 billion shares valued at ₦35.82 billion and traded in 45,747 deals. The sector contributed 82.3 and 49.2 per cent to the total equity turnover volume and value, respectively, compared with 80.7 and 61.4 per cent recorded in the preceding month. The Banking subsector of the Financial Services sector was the most active sub-sector with 3.4 billion shares, valued at ₦28.9 billion in 30,079 deals during the review month.

Figure 4: Volume and Value of Traded Securities

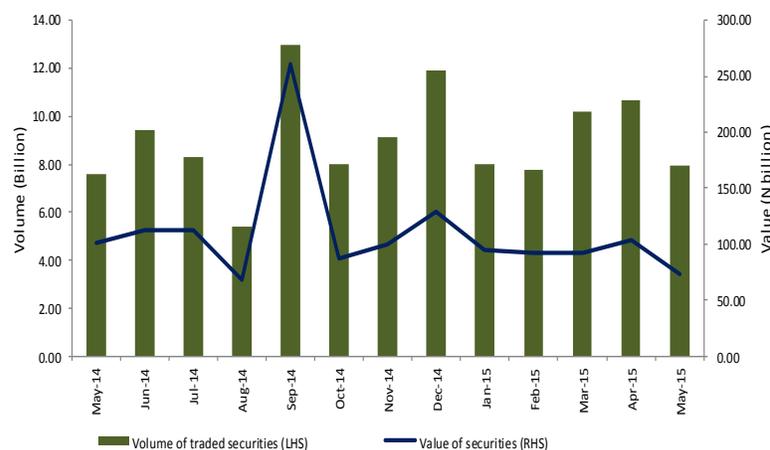


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Volume (Billion)	7.6	9.4	8.3	5.4	13.0	8.0	9.1	11.9	8.0	7.7	10.2	10.7	8.0
Value (N Billion)	100.9	112.8	112.0	67.8	261.4	87.6	100.4	129.0	94.9	92.7	92.0	103.4	72.7

2.6.2 Over-the-Counter (OTC) Bonds Market

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

2.6.3 New Issues Market

There were eight (8) supplementary listings on the equity segment of the market during the review month.

Table 4: Supplementary Listing on the Nigerian Stock Exchange

S/N	Company	Additional Shares (Units)	Reasons	Listing
1	FBN Holdings Plc	3.263 billion shares	Bonus Issue	Supplementary
2	Glaxo Smithkline Consumer Nig. Plc	239.175 million shares	Bonus Issue	Supplementary
3	Nigeria Aviation Handling Company Plc	147.656 million shares	Bonus Issue	Supplementary
4	Vitafoam Nigeria Plc	163.8 million shares	Bonus Issue	Supplementary
5	Sye Bank Plc	660.966 million	Bonus Issue	Supplementary
6	Pharma Deko Plc	116.819 million	Rights Issue	Supplementary
7	Prestige Assurance Plc	3.01 billion shares	Rights Issue	Supplementary
8	Champion Brewries Plc	629.496 million shares	Placing	Supplementary

2.6.4 Market Capitalization

Aggregate market capitalization for all the listed securities (Equities and Bonds) stood at ₦17.16 trillion at end-May 2015, indicating a decline of 0.1 per cent below the level in the preceding month. Similarly, market capitalization for the listed equities dropped by 1.1 per cent below the level in the preceding month to close at ₦11.67 trillion. Listed equities accounted for 67.99 per cent of the aggregate market capitalization, compared with 68.7 per cent at the end of the preceding month.

2.6.5 NSE All-Share Index

The All-Share Index, which opened at 34,708.11 at the beginning of the month, closed at 34,310.37,

representing a decrease of 1.2 per cent below the level at the end of the preceding month. At end-May 2015, the NSE Banking, NSE Insurance, NSE Industrial Goods and NSE AseM indices rose by 0.7, 1.8, 2.0 and 0.1 per cent, respectively, to 391.92, 148.92, 2,227.49, and 1,215.52 while the other three, NSE Consumer goods, NSE Oil/Gas and NSE Lotus Islamic declined by 4.1, 0.95, 3.0 per cent, to 844.93, 378.61 and 2,207.60, respectively, below their levels in the preceding month.

Figure 5: Market Capitalization and All-Share Index

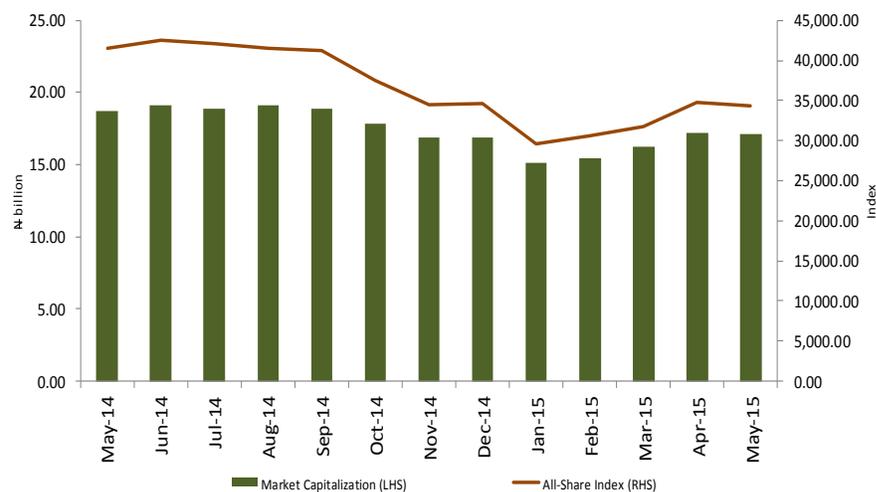


Table 5: Aggregate Market Capitalization and All Share Index (NSE)

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Aggregate Market Capitalization (₦ trillion)	17.8	16.9	16.9	15.14	15.45	16.25	17.17	17.16
All-Share Index	37,550.24	34,543.05	34,657.15	29,562.07	30,562.93	31,744.82	34,708.11	34,310.37

3.0 Fiscal Operations

The estimated federally-collected revenue in May 2015 was ₦473.86 billion and was lower than both the monthly budget estimate and the receipt in the preceding month by 41.8 and 35.5 per cent, respectively. The estimated Federal Government retained revenue for May 2015 was ₦173.43 billion, while total estimated Federal Government expenditure for May 2015 was ₦178.81 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦5.38 billion.

3.1 Federation Account Operations

At ₦473.86 billion, estimated federally-collected revenue in May 2015, was lower than both the monthly budget estimate and the receipt in the preceding month by 41.8 and 35.5 per cent, respectively. The decline in estimated federally-collected revenue (gross) relative to the monthly budget estimate was attributable largely to the shortfall in receipts from both oil and non-oil revenue during the review month (Fig. 6, Table 6).

At ₦473.86 billion, Gross federally-collected revenue in the review month fell below the monthly budget estimate by 41.8 per cent.

Figure 6: Components of Gross Federally-Collected Revenue

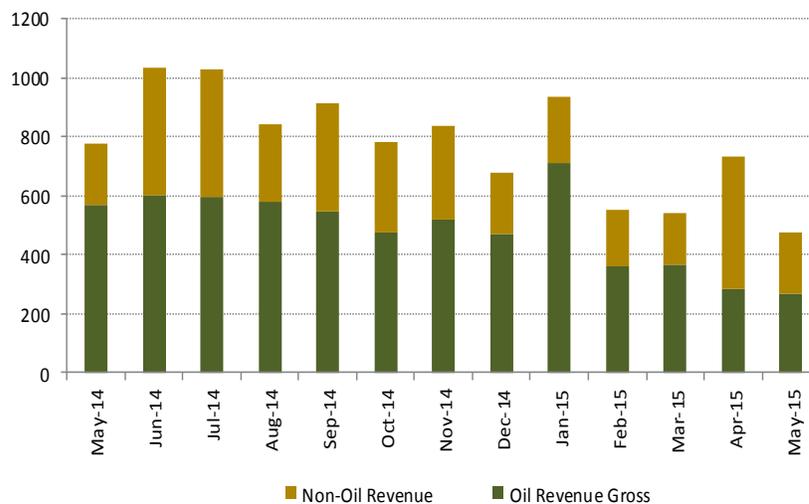


Table 6: Gross Federation Account Revenue (₦ billion)

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Federally-collected revenue (Gross)	776.5	1034.6	1027.4	842.8	913.2	784.0	835.8	679.4	710.8	554.5	541.2	735.1	473.9
Oil Revenue	570.2	602.5	597.1	578.8	547.2	476.4	521.7	468.1	486.4	359.7	364.6	286.2	267.2
Non-Oil Revenue	206.4	432.1	430.3	264.0	366.0	307.7	314.0	211.3	224.3	194.7	176.6	448.8	206.7

At ₦267.18 billion or 56.4 per cent of the total revenue, gross oil receipt was lower than the monthly budget estimate by 41.0 per cent. It was also lower than the level in the preceding month and the corresponding period of 2014 by 6.7 and 53.1 per cent, respectively. The decline in oil receipts relative to the monthly budget estimate and the level in the preceding period was attributable to the fall in receipts from crude oil/gas exports and PPT/Royalties, occasioned by the fall in the price of crude oil in the international market (Fig. 7, Table 7).

The oil receipt (gross) at ₦267.18 billion fell below the monthly budget estimate by 41.0% and constituted 56.4% of the total revenue.

Figure 7: Gross Oil Revenue and Its Components

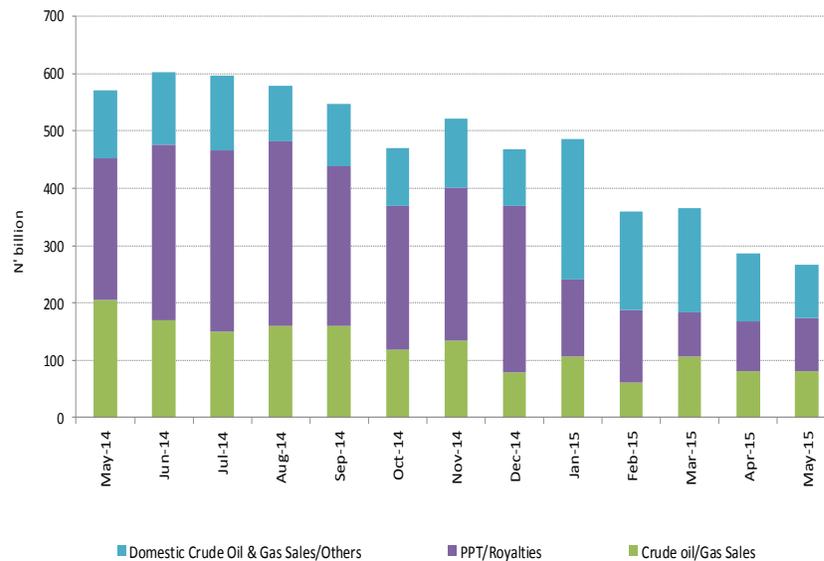


Table 7: Components of Gross Oil Revenue (₦ billion)

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Oil Revenue	570.2	602.5	597.1	578.8	547.2	476.4	521.7	468.1	486.4	359.7	364.6	286.2	267.2
Crude oil/Gas Sales	204.7	170.7	150.3	160.3	160.4	117.8	134.7	78.7	107.1	60.3	106.7	80.9	80.4
Domestic crude oil/Gas sales	118.2	126.3	129.6	95.3	93.6	99.6	112.9	91.4	236.1	165.8	171.4	104.4	83.8
PPT/Royalties	246.9	305.2	317.0	321.9	277.4	251.9	266.8	291.2	134.8	127.0	77.2	87.7	94.3
Others	0.3	0.3	0.3	1.3	15.7	7.2	7.3	6.9	8.5	6.6	9.3	13.2	8.7

At ₦206.68 billion or 43.6 per cent of the total revenue, gross non-oil receipts fell below the monthly budget estimate by 42.9 per cent. It was also below the receipts in the preceding month by 54.0 per cent. The fall in non-oil revenue relative to the monthly budget estimate was as a result of the decline in most of its components (Fig. 8, Table 8).

At ₦206.68 billion non-oil receipts (gross) fell below receipts in the preceding month by 54.0 per cent and constituted 43.6 per cent of total revenue.

Figure 8: Gross Non-Oil Revenue and its Components

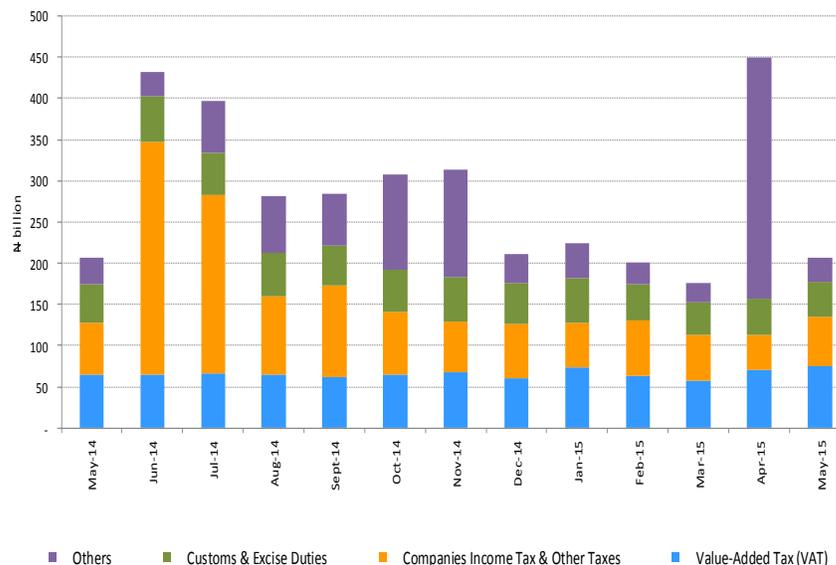


Table 8: Components of Gross Non-Oil Revenue (₦ billion)

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Non-Oil Revenue	206.4	432.1	396.5	280.8	284.6	307.7	314.0	211.3	224.3	194.7	176.4	448.8	206.7
Value-Added Tax (VAT)	65.4	65.4	66.4	65.5	61.5	65.1	67.1	60.6	73.5	63.9	58.3	71.2	75.2
Companies Income Tax & Other Taxes	62.1	282.3	216.5	95.1	111.0	75.5	61.9	65.0	54.2	66.5	54.2	42.1	59.5
Customs & Excise Duties	47.2	54.5	51.1	51.8	48.7	51.9	54.8	50.2	53.6	44.2	40.3	44.3	42.1
Others	31.7	29.9	62.5	68.5	63.4	115.2	130.2	35.5	43.0	26.5	23.9	291.2	29.9

Of the gross federally-collected revenue, a net sum of ₦273.90 billion (excluding deductions and transfers) was transferred to the Federation Account for distribution among the three tiers of government and the 13.0% Derivation Fund. The Federal Government received ₦132.12 billion, while the state and local governments received ₦67.01 billion and ₦51.66 billion, respectively. The balance of ₦23.11 billion was distributed to the oil-producing states as 13.0% Derivation Fund.

From the VAT Pool Account, the Federal Government received ₦10.82 billion, while the state and local governments received ₦36.08 billion and ₦25.25 billion, respectively.

In addition, the sum of ₦24.79 billion was distributed as Exchange Gain among the three tiers of government and the 13.0% Derivation Fund as follows: The Federal Government received (₦11.36 billion), while the state and local governments received (₦5.76 billion) and (₦4.44 billion), respectively. The balance of (₦3.22 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 from the NNPC in respect of the 9th equal installment refund of indebtedness.

Overall, the total allocation to the three tiers of government from the Federation Account and VAT Pool Account in the review month amounted to ₦377.17 billion, compared with ₦425.14 billion in the preceding month.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

At ₦173.43 billion, the estimated Federal Government retained revenue for May 2015 was below both the monthly budget estimate and the receipts in the preceding month by 44.0 and 61.7 per cent, respectively. Of the total amount, the Federation Account accounted for 76.2 per cent, while FGN Independent Revenue, "others", VAT Pool Accounts, and NNPC Refund accounted for 7.4, 6.6, 6.2 and 3.6 per cent, respectively (Fig. 9, Table 9).

At ₦173.43 billion, the estimated Federal Government retained revenue fell below receipts in the preceding month by 61.7 per cent.

Figure 9: Federal Government Retained Revenue

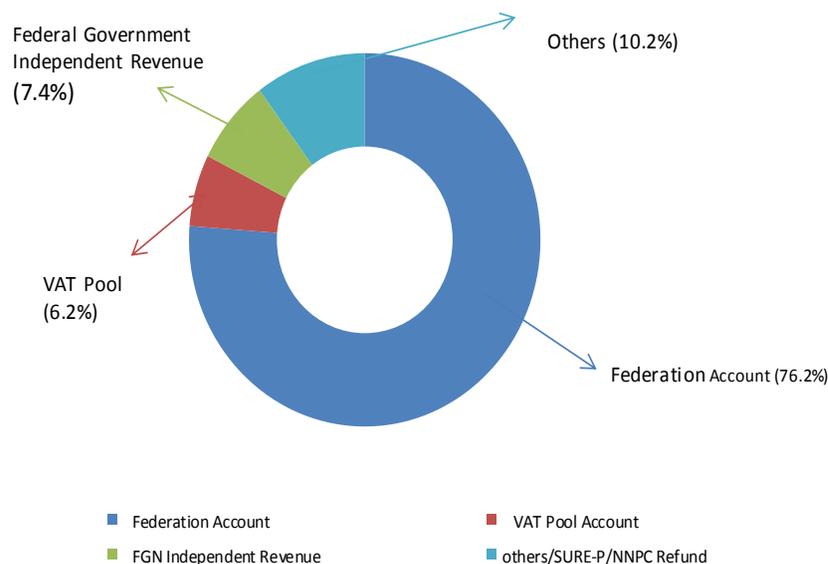


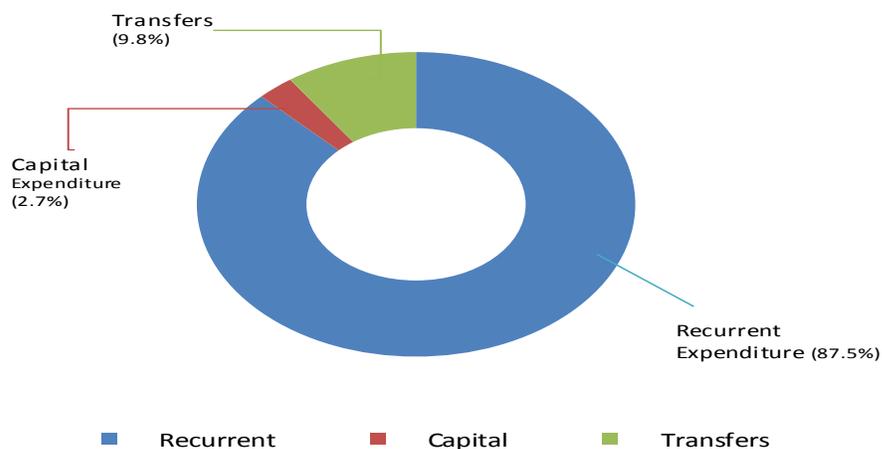
Table 9: Federal Government Fiscal Operations (₦ billion)

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Retained Revenue	279.1	298.7	340.3	301.7	282.7	312.9	348.1	259.3	271.0	224.9	255.4	452.4	173.4
Expenditure	303.7	328.4	328.3	319.6	323.2	391.3	386.0	370.2	367.8	363.7	211.0	155.5	178.8
Overall Balance: (+)/(-)	-24.6	-29.7	12.0	-17.9	-40.5	-78.4	-37.9	-110.9	-96.7	-138.8	44.4	296.9	-5.4

Total estimated expenditure for May 2015 at ₦178.81 was below the monthly budget by 54.3%.

At ₦178.81 billion, total estimated Federal Government expenditure for May 2015 was lower than the monthly budget estimate and the level in the preceding month by 54.3 and 9.6 per cent, respectively. A breakdown of total expenditure showed that the recurrent expenditure accounted for 87.5 per cent, while the capital expenditure and statutory transfer accounted for the balance of 2.7 and 9.8 per cent, respectively. Non-debt obligations accounted for 36.9 per cent of the total recurrent expenditure, while debt service payments accounted for the balance of 63.1 per cent (Fig. 10).

Figure 10: Federal Government Expenditure



The fiscal operations of the FG resulted in an estimated Overall deficit of ₦5.38 billion.

Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦5.38 billion.

3.2.2 Statutory Allocations to State Governments

Total Statutory allocation to the state governments stood at ₦135.18 billion in May 2015. This was 38.9 and 11.9 per cent below both the monthly budget estimate and the level in the preceding month, respectively.

The breakdown showed that, at ₦99.10 billion or 73.3 per cent of the total, state governments' receipt from

the Federation Account was below the monthly budget estimate and the level in the preceding month by 41.6 and 16.9 per cent, respectively.

At ₦36.08 billion or 26.7 per cent of the total, receipts from the VAT Pool Account was below the monthly budget estimate by 29.7 per cent, but was higher than the level in the preceding month by 5.6 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 ₦81.36 billion at end-May 2015. This was lower than both the budget estimate and the level in the preceding month by 39.4 and 8.5 per cent, respectively. Of this amount, receipts from the Federation Account was ₦56.11 billion (69.0 per cent of the total), while the VAT Pool Account accounted for ₦25.25 billion (31.0 per cent of the total).

4.0 Domestic Economic Conditions

Agricultural activities in May 2015 were dominated by planting of various crops. In the livestock sub-sector, farmers engaged in the breeding of poultry and migration of cattle from the Northern states to the South in search of ruminants' nutrition. Crude oil production was estimated at 1.88 million 3333barrels per day (mbd) or 58.28 million barrels during the month. The end-period inflation rate for May 2015, on a year-on-year basis, was 9.0 per cent, compared with 8.7 per cent in the preceding month. The inflation rate on a 12-month moving average basis was 8.3 per cent.

4.1 Agricultural Sector

Widespread rainfall was witnessed across the country in May, 2015. Agricultural activities were dominated by extensive planting of various crops. In the North, farming activities involved off-season harvest of green vegetables, pepper, onions and tomatoes as well as land preparation and planting of crops. In the Southern part of the country, agricultural activities involved mainly harvesting of maize and planting of other crops, especially yam and cassava. In the livestock sub-sector, farmers engaged in the breeding of poultry and migration of cattle from the Northern states to the South in search of ruminants' nutrition.

A total of ₦909.3 million was guaranteed to 5,587 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in May 2015. This amount represented an increase of 31.4 per cent above the level in the preceding month, but was a decline of 8.8 per cent below the level in the corresponding period of 2014. Sub-sectoral analysis showed that food crops obtained the largest share of ₦727.5 million (80.0 per cent) guaranteed to 4,610 beneficiaries; livestock had ₦85.1 million (9.4 per cent) guaranteed to 258 beneficiaries; and 'others' ₦32.1 million (3.5 per cent) guaranteed to 372 beneficiaries. Fisheries sub-sector got ₦26.4 million (2.9 per cent) guaranteed to 74 beneficiaries; cash crops, ₦21.6 million (2.4 per cent) guaranteed to 191 beneficiaries, while a total of ₦16.6 million (1.8 per cent) was guaranteed to 82 beneficiaries in the mixed crops

sub-sector.

Analysis by state showed that 25 states and the Federal Capital Territory benefited from the Scheme in May 2015, with the highest and lowest sums of ₦185.4 million (20.4 per cent) and ₦2.1 million (0.23 per cent) guaranteed to farmers in Katsina and Bayelsa states, respectively.

As at end-May 2015, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement amounted ₦284.3 billion.

At end-May 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 ₦284.3 billion for 364 projects (Table 10).

Table 10: Disbursement of Credit under the Commercial Agriculture Credit Scheme (CACS) April 2015.

S/N	Participating Banks	Amount Disbursed (N billion)	Number of Projects/State Governments
1	UBA Plc	45.76	37
1	Zenith Bank	52.34	34
3	First Bank of Nigeria Plc	36.03	86
4	Unity Bank Plc	24.18	25
5	Union Bank Plc	20.14	22
6	Stanbic IBTC Plc	17.31	32
7	Sterling Bank	15.64	22
8	Access Bank Plc	13.63	16
9	Fidelity Bank Plc	10.87	9
10	Skye Bank Plc	9.69	7
11	FCMB Plc.	7.28	16
12	Ecobank	6.38	10
13	GTBank	9.40	11
14	Diamond Bank Plc	3.66	14
15	Heritage Bank	3.17	3
16	Citibank Plc	3.00	2
17	Keystone Bank	2.20	4
18	Mainstreet Bank Plc	2.00	1
19	WEMA Bank Plc	1.13	7
20	Enterprise Bank Plc	0.52	6
	TOTAL	284.3	364

4.2 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at an average of 1.88 million barrels per day (mbd) or 58.28 million barrels for the month. This represented a decline of 1.6 per cent below the level of 1.91 mbd or 57.30 mb recorded in the preceding month.

Crude oil export was estimated at 1.43 mbd or 44.33 million barrels. This represented a decline of 2.1 per cent below 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\$64.66 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API), rose further by 8.6 per cent above the level in the preceding month. The average prices of other competing crudes, namely the U.K Brent at US\$63.67 per barrel; the West Texas Intermediate at US\$58.50 per barrel; and the Forcados at US\$64.93 per barrel, also showed similar trend as the Bonny Light.

The average price of OPEC's basket of eleven crude streams, at US\$62.16 per barrel, indicated an increase of 11.8 per cent, but showed a decline of 41.0 per cent when compared with the average of US\$55.61 and US\$105.44 per barrel recorded in the preceding month and the corresponding period of 2014, respectively (Fig. 11, Table 11).

Crude oil and natural gas production was estimated at an average of 1.88 million barrels per day.

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

Figure 11: Trends in Crude Oil Prices

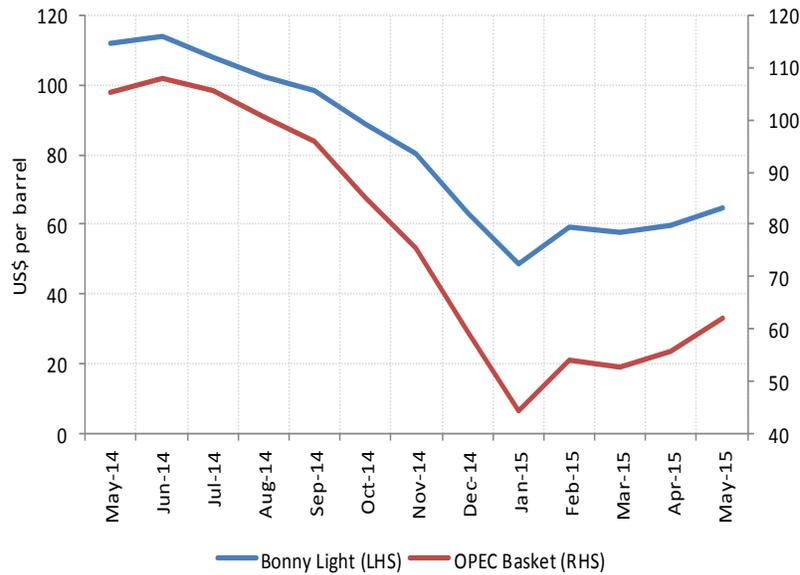


Table 11: Average Crude Oil Prices in the International Oil Market

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Bonny Light	112.2	114.2	107.9	102.6	98.5	88.8	80.3	63.2	48.6	59.2	57.4	59.6	64.7
OPEC Basket	105.4	107.9	105.6	100.8	95.9	85.1	75.6	59.5	44.4	54.1	52.6	0.6	62.2

4.3 Consumer Prices

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

Available data showed that the all-items composite Consumer Price Index (CPI) in May 2015 was 171.6 (November 2009=100), representing an increase of 1.1 and 9.0 per cent over the levels in the preceding month and the corresponding period of 2014, respectively. The development was attributed to the rise in the contributions of food and non-alcoholic beverages; and housing, water, electricity, gas and other fuel.

The urban all-items CPI at end-May 2015 was 170.6 (November 2009=100), indicating an increase of 1.1 per cent, compared with the level in the preceding month. The rural all-items CPI for the month was 172.6 (November 2009=100), indicating a rise of 2.3 per cent above the level in the preceding month (Fig. 12, Table 12).

The end-period inflation rate for the review month, on a year-on-year basis, was 9.0 per cent, compared with 8.7 per cent in the preceding month. The inflation rate at the end-May 2015 was 1.0 percentage point higher than the rate in the corresponding month of 2014. On a twelve-month moving average basis, the inflation rate was 8.3 per cent, indicating a 0.1 percentage point increase over the level in the preceding month (Fig. 13, Table 13).

The year-on-year headline inflation rate was 9.0 per cent in May 2015, compared with 8.7 per cent in April 2015.

The composite food index was 176.3, indicating an increase of 1.1 per cent, compared with the level in the preceding month. The development was accounted for by the contributions of some farm produce and processed food.

Figure 12: Consumer Price Index

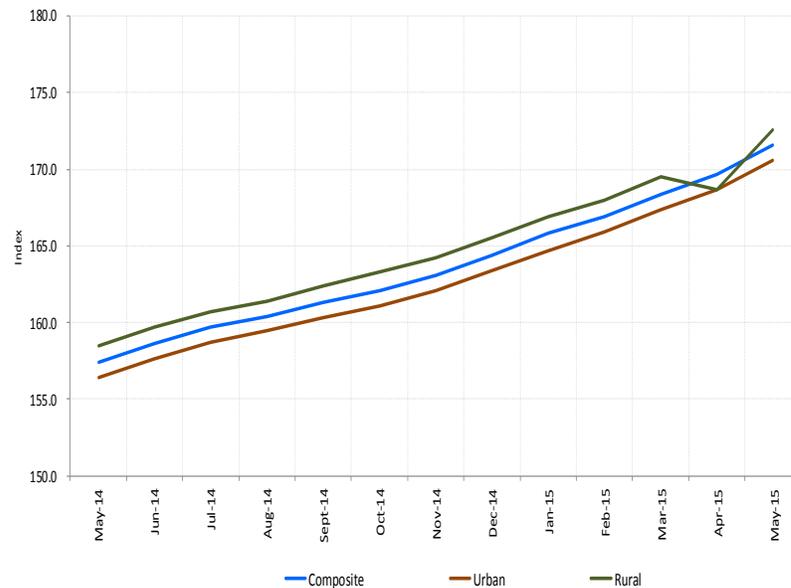


Table 12: Consumer Price Index (November 2009=100)

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Composite	157.4	158.6	159.7	160.4	161.3	162.1	163.1	164.4	165.8	166.9	168.4	169.7	171.6
Urban	156.4	157.6	158.7	159.5	160.3	161.1	162.1	163.4	164.7	165.9	167.4	168.7	170.6
Rural	158.5	159.7	160.7	161.4	162.4	163.3	164.2	165.5	166.9	168.0	169.5	168.7	172.6
CPI - Food	160.6	161.9	163.1	164.0	165	165.8	166.8	168.4	169.8	171.1	172.8	174.4	176.3
CPI - Non Food	156.3	157.4	157.7	158.4	159.4	160.3	161.3	162.5	163.7	164.8	166.2	167.2	169.2

Figure 13: Inflation Rate

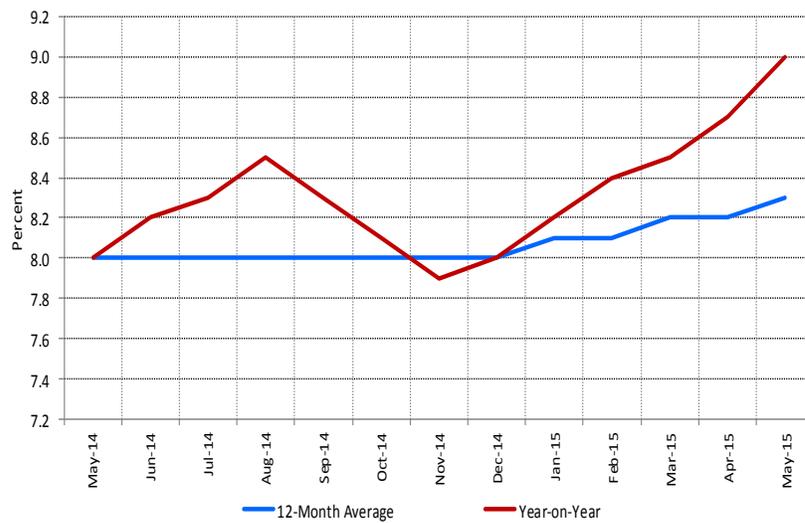


Table 13: Headline Inflation Rate (%)

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

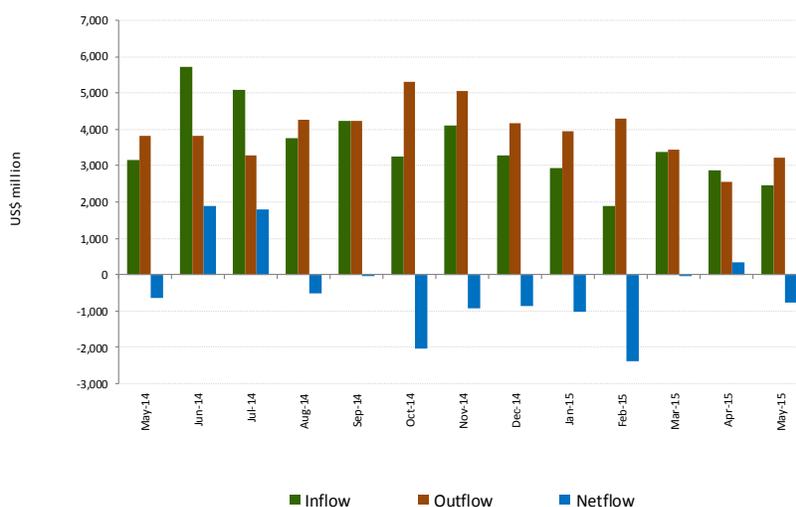
5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow through the CBN, on month-on-month basis, declined by 15.0 per cent, while outflow increased by 26.7 per cent. Total non-oil export receipts by banks fell by 61.7 per cent below the level in the preceding month. The gross external reserves fell by 4.3 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 same as 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\$2.45 billion and US\$3.23 billion, respectively. This resulted in a net outflow of US\$0.78 billion, in contrast to the net inflow 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 declined by 15.0 and 22.7 per cent, respectively. The development was attributed to the decline in both oil and non-oil receipts during the review period. Outflow rose by 26.7 per cent above the level in the preceding month, but was a decline of 33.1 per cent below the level in the corresponding period of 2014. The development relative to the level at the end of the preceding month was due, largely, to increased sales by the Bank in the inter-bank segment (Fig. 14, Table 14).

Foreign exchange inflow through the CBN declined by 15.0 per cent, but outflow rose by 26.7 per cent, in May 2015.

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

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Inflow	3,171.3	5,716.6	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
Outflow	4,819.2	3,831.3	3,299.9	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
Netflow	(1,647.9)	1,885.3	1,803.9	(508.2)	(20.2)	(2,147.0)	(939.3)	(879.6)	(1,030.9)	(2,400.7)	(48.3)	336.4	(775.4)

Provisional data on aggregate foreign exchange inflow through the economy indicated that total inflow was US\$6.72 billion. This represented a decline of 19.2 and 42.4 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 decline in crude oil receipts due to falling oil price at the International market, non-oil receipts and inflows from autonomous sources. Of the total inflow, receipts through the CBN and autonomous sources accounted for 36.4 and 63.6 per cent, respectively.

Autonomous inflows through the economy declined by 21.5 per cent in May 2015.

Non-oil sector inflow, at US\$1.37 billion (20.4 per cent of the total), fell by 15.5 per cent below the level in the preceding month. Autonomous inflow, which accounted for 63.6 per cent of the total, declined by 21.5 per cent below the level in the preceding month.

At US\$3.28 billion, aggregate foreign exchange outflow from the economy increased by 18.7 per cent above the level in the preceding month, but declined by 33.1 per cent below the level in the corresponding period of 2014. Thus, foreign exchange flows through the economy resulted in a net inflow of US\$3.44 billion in the review month, compared with US\$5.56 billion and US\$6.77 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\$98.45 million, declined by 61.7 and 86.2 per cent below the levels in the preceding month and the corresponding period of 2014, respectively. The development reflected, largely, the fall in receipts from food and agricultural products. A breakdown by sectors showed that proceeds from manufactured products, minerals, industrial, food and agricultural products sub-sectors stood at US\$36.78 million, US\$22.96 million, US\$21.57 million, US\$4.22 million and US\$12.92 million, respectively, during the review month.

The shares of manufactured products, minerals, industrial, food and agricultural products sub-sectors in non-oil export proceeds were 37.4, 23.3, 21.9, 4.3 and 13.1 per cent, respectively.

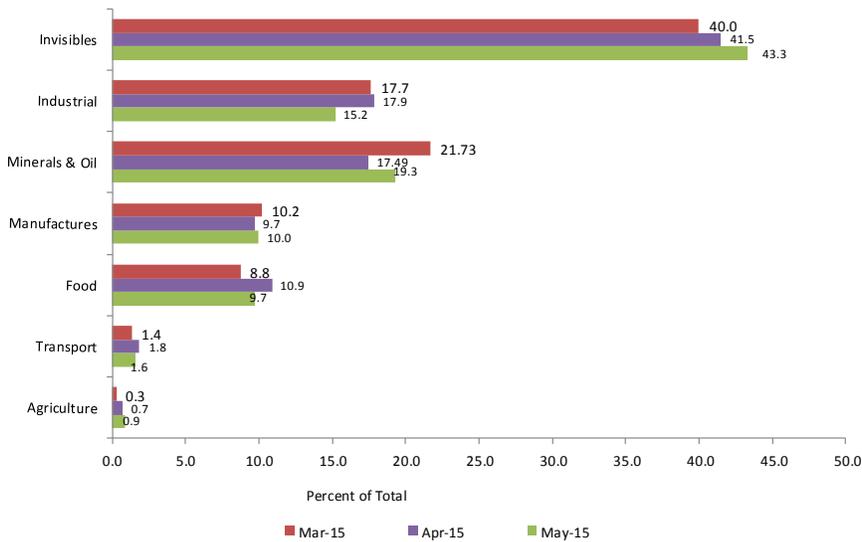
5.3 Sectoral Utilization of Foreign Exchange

The invisible sector accounted for the bulk (43.3 per cent) of total foreign exchange disbursed in May 2015, followed by minerals & oil sector (19.3 per cent). The contributions of other sectors in a descending order included: industrial (15.2 per cent), manufactured product (10.0 per cent), food products (9.7 per cent), transport (1.6 per cent) and agricultural products (0.9 per cent) (Fig.15).

Total non-oil export earnings by exporters fell in May 2015.

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

Figure 15: Sectoral Utilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

A total of US\$2.84 billion was sold by the CBN to authorized dealers in May 2015. This reflected an increase of 19.0 per cent above the level in the preceding month, but 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\$1.87 billion and US\$0.34 billion, respectively. Also, forward contracts valued at US\$0.13 billion were disbursed at maturity and swap transactions of US\$0.50 billion was conducted in the review month (Fig.16, Table 15).

Figure 16: Demand for and Supply of Foreign Exchange

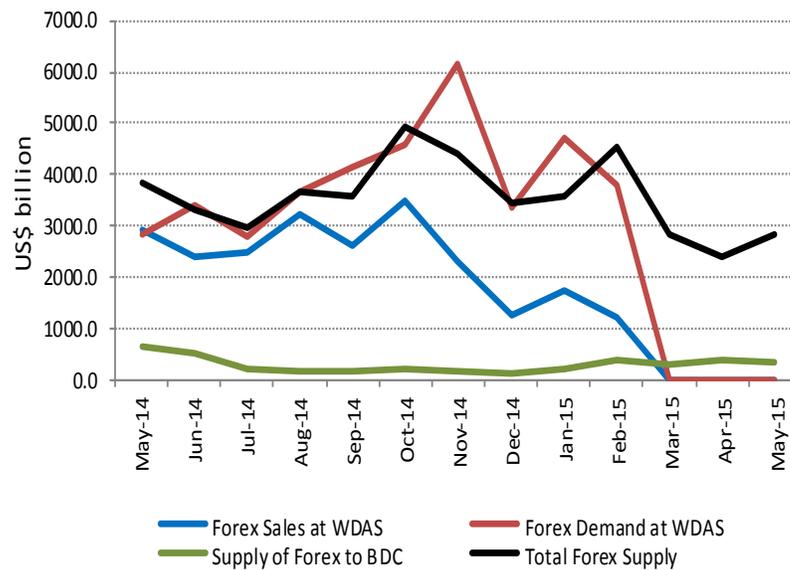


Table 15: Demand for and Supply of Foreign Exchange (US\$ billion)

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Forex Sales at wDAS/wDAS	2,928.5	2,398.6	2,494.8	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	2,805.7	3,401.4	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	619.8	501.2	184.9	169.0	143.2	178.9	145.7	110.4	184.7	371.4	301.6	366.9	346.6
Total Forex Supply	3,819.6	3,330.1	2,954.1	3,650.1	3,558.7	4,914.3	4,395.2	3,430.1	3,587.2	4,524.5	2,807.7	2,388.0	2,841.0

The average exchange rate at the inter-bank segment, at ₦197.00 per US dollar, remained unchanged on month-on-month basis, but depreciated by 21.7 per cent below the level in the corresponding period of 2014. At the BDC segment, the average exchange rate, at ₦210.70 per US dollar, depreciated by 4.0 and 24.0 per cent below the levels in the preceding month and the corresponding period of 2014, respectively (Figure 17, Table 16).

Consequently, the premium between the interbank and the BDC rates widened from ₦13.70/US\$ (7.0 per cent) in the preceding month to ₦22.60/US\$ (11.4 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 remained unchanged at the BDC segment, but depreciated at the BDC segment of the market during the review period.

Figure 17: Average Exchange Rate Movement

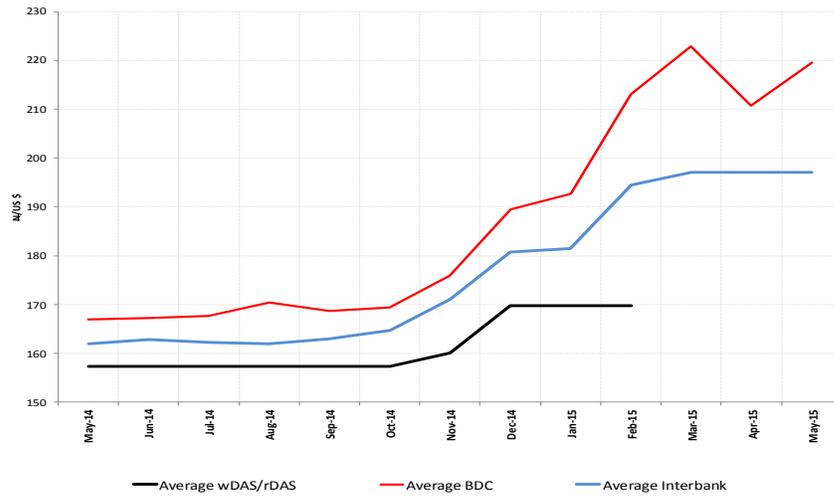
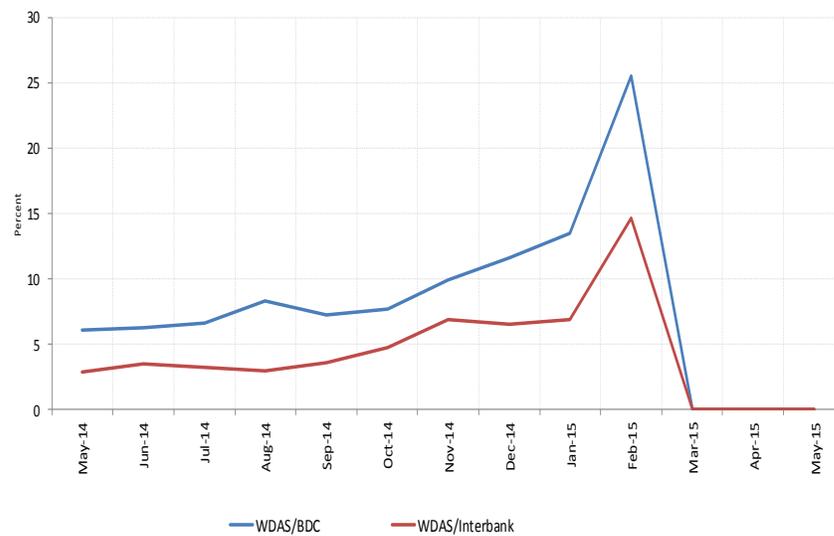


Table 16: Exchange Rate Movements and Exchange Rate Premium

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Average Exchange Rate (N/\$)													
wDAS/rDAS	157.29	157.29	157.29	157.29	157.30	157.31	160.00	169.68	169.68	169.68	0.00	0.00	0.00
BDC	166.85	167.14	167.71	170.36	168.64	169.43	175.85	189.44	192.60	213.03	222.93	210.70	219.55
Interbank	161.86	162.82	162.25	161.99	162.93	164.64	171.10	180.74	181.46	194.48	197.07	197.00	197.00
Premium (%)													
rDAS/BDC	6.1	6.3	6.6	8.3	7.2	7.7	9.9	11.6	13.5	25.5	0.0	0.0	0.0
rDAS/Interbank	2.9	3.5	3.2	3	3.6	4.7	6.9	6.5	6.9	14.6	0	0	0

Figure 18: Exchange Rate Premium



5.5 Gross External Reserves

The gross external reserves at end-May 2015 stood at US\$28.56 billion, indicating decline of 4.2 and 19.3 per cent below the levels in the preceding month and corresponding period of 2014, respectively. The development was due to CBN interventions at the inter-bank market and also falling oil receipts. A breakdown of the official external reserves showed that Federation reserves was US\$2.27 billion (7.9 per cent); Federal Government reserves, US\$2.59 billion (9.1 per cent), and the CBN reserves, US\$23.70 billion (83.0 per cent) of the total (Fig. 19, Table 17).

Gross external reserves fell in May 2015.

Figure 19: Gross Official External Reserves

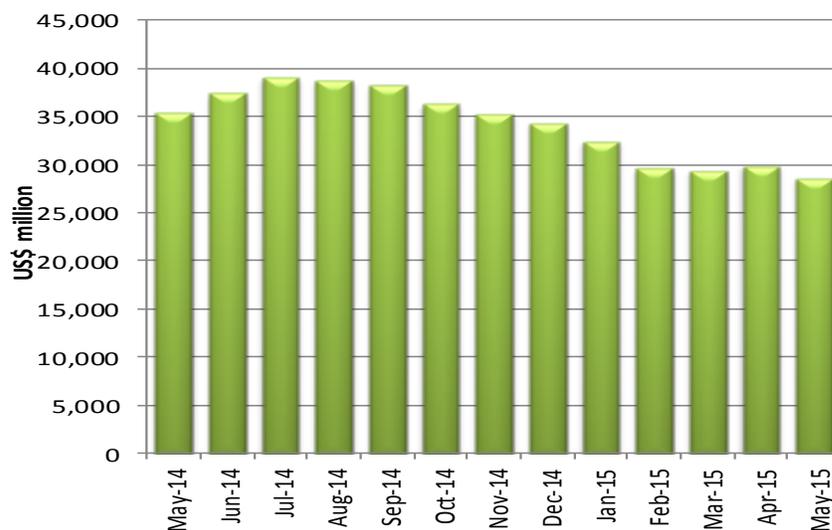


Table 17: Gross Official External Reserves (US\$ million)

Period	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
External Reserves	38,278.62	36,270.36	35,238.78	34,241.54	32,360.52	29,571.43	29,357.21	29,827.27	28,559.21

6.0 *Other International Economic Developments and Meetings*

World crude oil output in May 2015 was estimated at an average of 94.06 million barrels per day (mbd), while demand averaged 92.21 million barrels per day (mbd), compared with 94.10 and 92.50 mbd supplied and demanded, respectively, in the preceding month. The marginal decline in demand was attributed, largely, to the persistent slowdown of the Chinese economy.

Other major international economic developments and meetings of importance to the domestic economy during the review period included: the 2015 Annual Meetings of the African Development Bank (AfDB) held in Abidjan, Cote d'Ivoire from May 25 – 29, 2015. At the meeting, the Board of Governors urged the Bank to pay more attention to poverty reduction, inclusive and sustainable growth as well as enhanced focus on financial inclusion. The meeting also elected Dr. Akinwumi Adesina, a former Minister of Agriculture and Rural Development, Federal Republic of Nigeria as the 8th President of the Bank Group.

Furthermore, the 2015 Continental Seminar of the Association of African Central Banks (AACB) 2015 with the theme “Monetary Policy Frameworks in Africa in a Changing Financial Landscape” was held in Nairobi, Kenya from May 13 – 15, 2015. The meeting enjoined member countries to be committed to the Abuja Treaty and further advised African Central Banks to harmonize their monetary, financial and payment policies to further the attainment of the objectives of the African Union. Major highlights of discussions at the meeting included:

- Members agreed that Monetary Policy was a dynamic process and countries should consider moving towards forward-looking monetary policy framework, such as inflation targeting and hybrid frameworks, while keeping in consideration

country specific conditions, central bank independence, availability of reliable and timely data, and inflation forecasting models.

- Members agreed on the need to congregate the monetary policy frameworks of AACB countries in line with on-going regional integration initiatives while putting into consideration countries differences. It was thus, recommended that AACB members should consider adopting the South African Development Community (SADC)'s model law, which has been supported by ECB, IMF, BOE and legal experts.⁷
- Key contributors to the development trends in African financial landscape were listed to include: financial innovations; increase in shadow banking and non-bank financial institutions; liberalization of capital accounts; and adoption of Islamic finance among others. The session recommended that, to ensure monetary policy effectiveness central banks should continuously adjust toolkits as the financial landscape changes. The meeting also emphasized the importance of effective regulation and supervision as well as appropriate legal framework for operational resiliency.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Domestic Credit (Net)	16,297.3	16,379.9	18,872.7	17,278.4	17,724.5	20,757.6	20,695.6	21,210.5
<i>Claims on Federal Government (Net)</i>	(1,571.8)	(1,748.2)	757.5	(899.7)	(914.1)	2,178.4	2,100.3	2,558.7
Central Bank (Net)	(2,527.7)	(2,562.9)	(2,534.3)	(1,735.6)	(1,520.9)	(1,371.5)	(1,037.1)	(644.0)
Commercial Banks	877.6	737.5	3,214.4	783.5	606.8	3,453.5	3,137.4	3,202.7
Merchant Bank	79.1	77.9	75.0	95.0	47.6	95.0	57.6	45.5
Non Interest Banks	(0.8)	(0.8)	2.4	(1.1)	(1.1)	1.4	1.4	1.4
<i>Claims on Private Sector</i>	17,869.1	18,128.1	18,115.2	18,178.1	18,638.6	18,579.2	18,595.2	18,651.8
Central Bank	4,950.4	4,884.0	4,851.4	4,851.1	4,843.9	4,849.2	4,907.5	4,908.2
Commercial Banks	12,857.1	13,175.0	13,179.6	13,244.9	13,701.9	13,631.1	13,593.4	13,649.3
Merchant Bank	41.4	48.6	62.6	60.4	70.3	76.2	71.5	71.5
Non Interest Banks	20.2	20.5	21.5	21.6	22.6	22.7	22.7	22.7
<i>Claims on Other Private Sector</i>	17,081.6	17,357.4	17,555.2	17,446.0	17,905.2	18,012.4	18,038.3	18,146.0
Central Bank	4,926.8	4,840.9	4,827.9	4,824.9	4,820.3	4,825.6	4,883.9	4,884.6
Commercial Banks	12,095.5	12,449.8	12,643.2	12,540.3	12,993.4	13,087.9	13,060.1	13,167.1
Merchant Bank	41.4	48.6	62.6	60.4	70.3	76.2	71.5	71.5
Non Interest Banks	17.8	18.1	21.5	20.3	21.2	22.7	22.7	22.7
<i>Claims on State and Local Govern</i>	763.9	727.6	536.4	706.0	709.8	543.2	533.3	482.2
Central Bank	-	-	-	-	-	-	-	-
Commercial Banks	761.5	725.2	536.4	704.6	708.5	543.2	533.3	482.2
Merchant Bank	-	-	-	-	-	-	-	-
Non Interest Banks	2.4	2.4	2.4	1.4	1.4			
<i>Claims on Non-financial Public Ent</i>	23.6	23.6	23.6	26.2	23.6	23.6	23.6	23.6
Foreign Assets (Net)	7,061.2	7,183.4	7,098.1	6,436.0	6,023.4	5,985.6	6,017.1	5,479.7
Central Bank	5,979.4	6,117.4	6,388.6	5,704.0	5,123.1	5,354.7	5,277.8	5,083.1
Commercial Banks	1,087.2	1,066.5	712.6	737.6	907.0	640.6	748.2	405.5
Merchant Bank	(8.8)	(3.1)	(6.4)	(7.8)	(7.9)	(11.3)	(10.5)	(10.4)
Non Interest Banks	3.4	2.7	3.3	2.1	1.3	1.5	1.5	1.5
Other Assets (Net)	(6,800.5)	(6,840.2)	(7,043.0)	(6,903.2)	(7,201.6)	(7,600.7)	(7,445.1)	(7,496.2)
Total Monetary Assets (M2)	16,814.5	16,558.1	18,927.8	16,833.2	16,546.3	19,142.5	19,267.6	19,194.0
Quasi-Money 1/	9,803.9	10,018.4	12,008.2	10,437.9	10,480.4	12,148.4	12,422.8	12,524.3
Money Supply (M1)	6,519.1	6,678.2	6,919.6	6,373.3	1,233.2	6,994.1	6,844.8	6,669.6
<i>Currency Outside Banks</i>	1,185.6	1,231.0	1,437.4	1,320.3	1,622.7	1,471.1	1,312.0	1,315.3
<i>Demand Deposits 2/</i>	5,333.5	5,447.2	5,482.2	5,053.0	104.9	5,523.0	5,532.7	5,354.4
Total Monetary Liabilities (M2)	16,814.5	16,558.1	18,927.8	16,833.2	16,546.3	19,142.5	19,267.6	19,194.0
<i>Memorandum Items:</i>								
Reserve Money (RM)	5,076.8	5,068.6	5,964.7	5,475.5	5,701.7	5,937.1	6,202.0	6,179.8
<i>Currency in Circulation (CIC)</i>	1,534.0	1,577.9	1,798.0	1,661.7	1,622.7	1,818.4	1,692.3	1,671.5
<i>DMBs Demand Deposit with CBN</i>	3,542.8	3,490.7	4,166.8	3,813.9	4,079.0	4,118.7	4,509.9	4,508.3

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)

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
	Growth Over Preceding December (%)							
Domestic Credit (Net)	12.1	12.7	29.8	7.1	9.9	10.0	9.7	12.4
<i>Claims on Federal Government (Net)</i>	5.1	-5.6	145.7	55.4	54.7	187.6	177.3	233.8
<i>Claims on Private Sector</i>	10.4	12.0	11.9	0.2	2.7	2.6	2.7	3.0
<i>Claims on Other Private Sector</i>	11.0	12.9	14.1	0.3	3.0	2.6	2.8	3.4
<i>Claims on State and Local Government</i>	-2.0	-6.6	-31.2	3.9	-3.3	1.3	-0.6	-10.1
<i>Claims on Non-financial Public Enterprises</i>								
Foreign Assets (Net)	-18.4	-17.0	-18.0	-12.5	-18.1	-15.7	-15.2	-22.8
Other Assets (Net)	9.4	8.5	6.2	-3.7	-8.2	-7.9	-5.7	-6.4
Total Monetary Assets (M2)	5.5	6.4	20.6	-0.1	-1.7	1.1	1.8	1.4
Quasi-Money 1/	13.3	15.7	38.7	-1.2	-0.6	1.2	3.5	4.3
Money Supply (M1)	-4.0	-5.0	-1.6	1.7	-3.5	1.1	-1.1	-3.6
<i>Currency Outside Banks</i>	-18.1	-14.9	-0.6	-3.4	-9.8	2.4	-8.7	-8.5
<i>Demand Deposits 2/</i>	-0.3	-2.5	-1.9	3.1	-1.8	0.7	0.9	-2.3
Total Monetary Liabilities (M2)	5.5	6.4	20.6	-0.1	-1.7	1.1	1.8	1.4
<i>Memorandum Items:</i>								
Reserve Money (RM)	1.1	0.8	17.2	-8.2	-4.4	-0.5	4.0	3.6
<i>Currency in Circulation (CIC)</i>	-13.7	-11.8	1.2	-7.6	-9.8	1.1	-5.9	-7.0
<i>DMBs Demand Deposit with CBN</i>	9.0	7.2	25.7	-8.5	-2.1	-1.2	8.2	8.2
	Growth Over Preceding Month (%)							
Domestic Credit (Net)	1.3	0.5	15.2	7.1	2.6	0.5	-0.3	2.5
<i>Claims on Federal Government (Net)</i>	0.8	-11.2	143.3	55.4	-1.6	12.5	-3.6	21.8
<i>Claims on Private Sector</i>	1.1	1.5	-0.1	0.2	2.5	-0.7	0.1	0.3
<i>Claims on Other Private Sector</i>	0.9	1.7	1.0	0.3	2.6	-0.9	0.1	0.6
<i>Claims on State and Local Government</i>	5.2	-4.8	-26.3	3.9	0.6	4.1	-1.8	-9.6
<i>Claims on Non-financial Public Enterprises</i>								
Foreign Assets (Net)	-8.9	1.7	-1.2	-12.5	-6.4	2.5	0.5	-8.9
Central Bank	-7.1	2.3	4.4	-10.7	-10.2	4.5	-1.4	-3.7
Banks	-17.8	-1.5	-33.5	-24.5	23.0	-11.7	17.2	-46.4
Other Assets (Net)	3.3	1.0	-2.6	-3.8	-4.3	0.2	2.1	-0.7
Total Monetary Assets (M2)	-1.5	0.8	13.4	-0.1	-1.6	1.4	0.7	-0.4
Quasi-Money 1/	-1.5	2.2	19.9	-1.2	0.6	0.1	2.3	0.8
Money Supply (M1)	-1.6	-1.1	3.6	1.7	-5.1	3.9	-2.1	2.6
<i>Currency Outside Banks</i>	-4.6	3.9	16.8	-3.4	-6.6	13.0	-10.8	0.3
<i>Demand Deposits 2/</i>	-0.9	-2.2	0.6	3.1	-4.7	1.8	0.2	-3.2
Total Monetary Liabilities (M2)	-1.5	0.8	13.4	-0.1	-1.6	1.4	0.7	-0.4
<i>Memorandum Items:</i>								
Reserve Money (RM)	4.1	-0.3	16.3	-8.2	4.1	4.1	4.5	-0.4
<i>Currency in Circulation (CIC)</i>	-0.9	2.9	13.9	-7.6	-2.4	12.1	-6.9	-6.9
<i>DMBs Demand Deposit with CBN</i>	6.4	-1.6	17.3	-8.5	-8.5	-8.5	9.5	-0.3

Table A3: Federal Government Fiscal Operations (₦ billion)

	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Retained Revenue	364.1	312.9	348.1	259.3	271.0	224.9	255.4	452.4	173.4
<i>Federation Account</i>	238.1	217.8	224.3	196.3	220.4	194.3	186.6	146.5	132.1
<i>VAT Pool Account</i>	8.9	9.4	9.7	8.7	10.6	9.2	8.4	10.3	10.8
<i>FGN Independent Revenue</i>	90.8	48.1	90.3	12.4	21.7	8.7	7.5	269.6	12.8
<i>Excess Crude</i>	0.0	1.3	0.0	0.0	7.2	2.4	0.0	4.3	0.0
<i>Others /SURE-P/NNPC Refund</i>	26.3	36.4	23.9	41.8	11.2	10.3	53.0	21.7	17.7
Expenditure	340.8	391.3	386.0	370.2	367.8	363.7	211.1	155.5	178.8
<i>Recurrent</i>	246.8	333.0	286.0	286.2	303.3	291.7	178.1	138.2	156.5
<i>Capital</i>	62.4	58.2	70.0	63.6	47.6	49.5	12.6	4.3	4.9
<i>Transfers</i>	31.6	0.0	30.0	20.5	16.8	22.4	20.4	13.0	17.4
Overall Balance: Surplus(+)/Deficit(-)	23.3	-78.4	-37.9	-110.9	-96.8	-138.8	44.4	296.9	-5.4

