



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
JANUARY 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

Growth in the key monetary aggregate decelerated at the end of January 2015. On month-on-month basis, broad money (M_2) declined by 0.1 per cent, due, to the 12.5 and 3.7 per cent fall in foreign asset (net) and other asset (net) of the banking system. Narrow money supply (M_1), however, grew by 1.7 per cent over the level at the end of the preceding month, due, to the 3.1 per cent increase in its demand deposit component. Reserve money (RM) fell by 8.2 per cent from its level in the preceding month.

Available data indicated mixed developments in banks' deposit and lending rates during the review month. The 7-day, 6-month and over 12-month deposit rates fell by 0.08, 0.03 and 0.04 percentage point to 4.37, 9.74 and 10.10 per cent, respectively. With the exception of the 12-month deposit rate which remained unchanged at 9.51 per cent, all other deposit rates of various maturities rose from a range of 3.46 – 9.48 per cent to 3.48 – 9.64 per cent. The prime lending and maximum lending rates trended upward, during the review month. The spread between the weighted average term deposit and maximum lending rates increased by 0.05 percentage point to 17.31 per cent at the end of January 2015. Similarly, the margin between the average savings deposit and maximum lending rates widened by 0.04 percentage point to 22.49 per cent at the end of the review month. The weighted average interbank call rate fell to 10.21 per cent from 24.30 per cent in the preceding month, reflecting the liquidity condition in the inter-bank funds market.

Provisional data indicated that the total value of money market assets outstanding in January 2015 stood at ₦7,783.87 billion, showing an increase of 1.5 per cent, compared with increase of 10.2 per cent at the end of the preceding month. The development was attributed, to the 2.2 and 12.8 per cent increase in FGN Bonds and Bankers Acceptance, respectively. Developments in the Nigerian Stock Exchange (NSE) were bearish during the review month.

Federally-collected revenue (gross) in January 2015 was estimated at ₦710.78 billion, showing increase of 4.6 and 4.3 per cent above the receipts in the preceding month and the corresponding period of 2014, respectively. At ₦486.44 billion, oil receipts (gross), which constituted 68.4 per cent of the total revenue, was higher than the receipts in the preceding

month and the corresponding period of 2014, by 3.9 and 0.9 per cent, respectively. The rise in oil receipts relative to receipts in the preceding month, was attributed to the increase in receipts from crude oil and gas exports as well as domestic crude oil/gas sales.

Non-oil receipts (gross), at ₦224.34 billion or 31.6 per cent of the total was 12.3 and 0.2 per cent higher than the receipts in the preceding month and the corresponding month of 2014, respectively. The development reflected, largely, the rise in receipts from VAT, customs and excise duties as well as independent revenue of the federal government. Federal Government estimated retained revenue in January 2015 was ₦266.20 billion, while total estimated expenditure was ₦367.07 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦100.87 billion.

The dominant agricultural activities in January 2015 included: harvesting of tree crops and fruits; and clearing of land for the 2015 cropping season. Crude oil production, including condensates and natural gas liquids in January 2015 was estimated at 1.95 million barrels per day (mbd) or 60.45 million barrels for the month. Crude oil export was estimated at 1.50 million barrels per day (mbd) or 46.5 million barrels during the month. The average price of Nigeria's reference crude, the Bonny Light (37° API), was estimated at US\$48.21 per barrel, indicating a further decline of 23.7 per cent below the level in the preceding month.

The end-period headline inflation rate (year-on-year), in January 2015, was 8.2 per cent, compared with 8.0 per cent in the preceding month. Similarly, inflation rate on a twelve-month moving average basis rose by 0.1 percentage point to 8.1 per cent from the level in the preceding month.

Foreign exchange inflow and outflow through the CBN in January 2015 was US\$2.93 billion and US\$3.97 billion, respectively, and resulted in a net outflow of US\$1.04 billion. Foreign exchange sales by the CBN to the authorized dealers amounted to US\$3.23 billion, showing a decline of 5.7 per cent below 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 the same at the rDAS segment, but depreciated at both the bureau-de-change and interbank segments of the market. Non-oil export receipts declined by 24.0 per cent below the

level in the preceding month. The development was attributed, largely, to the significant decline in export earnings from the manufactured products.

World crude oil output in January 2015 was estimated at 93.15 million barrels per day (mbd), while demand was estimated at 92.50 million barrels per day (mbd), representing an excess supply of 0.65 mbd, compared with 93.16 and 92.69 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 extraordinary meeting of the Committee of Governors of the West African Monetary Zone (WAMZ) held on January 22, 2015 at Abuja, Nigeria. The meeting was preceded by the Technical Committee of Governors and a meeting to consider WAMI's 2015 budget and the report on the status of implementation of the restructuring of WAMI. The 24th African Union Summit was held from January 23 - 31 2015 in Addis Ababa, Ethiopia. The theme of the summit was "Women's Empowerment Year and Africa Development Towards Agenda 2063".

2.0 *Financial Sector Developments*

2.1 Monetary and Credit Developments

Broad money supply (M₂) fell at the end of the review month. Available data indicated mixed developments in banks' deposit and lending rates during the review month. The value of money market assets outstanding decreased, owing, largely, to the rise in FGN Bonds and Bankers Acceptance during the review period. Developments in the Nigerian Stock Exchange (NSE) were bearish during the review month.

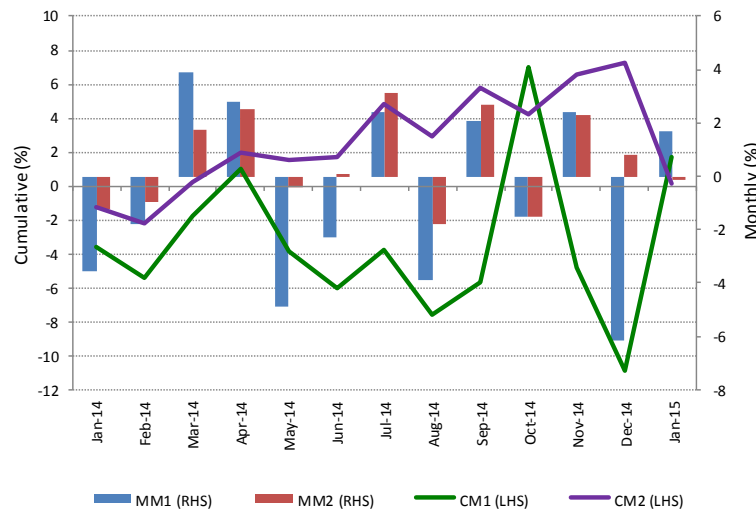
Money supply (M₂) declined on month-on-month basis at end- January 2015.

Provisional data indicated that on month-on-month basis, money supply fell in January 2015. Broad money supply (M₂), at ₦16,811.1 billion, fell by 0.1 per cent, relative to its level at the end of the preceding month. This was in contrast to the growth of 0.8 per cent at end-December 2014. The development reflected the effect of the respective decline of 12.5 and 3.7 per cent in foreign asset (net) and other asset (net), which more than off-set the 7.1 per cent growth in domestic credit (net) of the banking system.

On month-on-month basis, narrow money supply (M₁), grew by 1.7 per cent at the end of January 2015 to ₦6,373.3 billion, in contrast to the 6.2 and 3.6 per cent decline at the end of the preceding month and the corresponding period of 2014, respectively. The development was attributed to the 3.1 per cent growth in demand deposits, which more than offset the 3.4 per cent fall in its currency component (Fig. 1, Table 1).

Quasi-money fell by 1.2 per cent to ₦10,437.9 billion, in contrast to the 5.5 and 0.6 per cent growth at the end of the preceding month and the corresponding period of 2014, respectively. The development relative to the preceding month reflected, largely, the decline in time and savings deposits with banks.

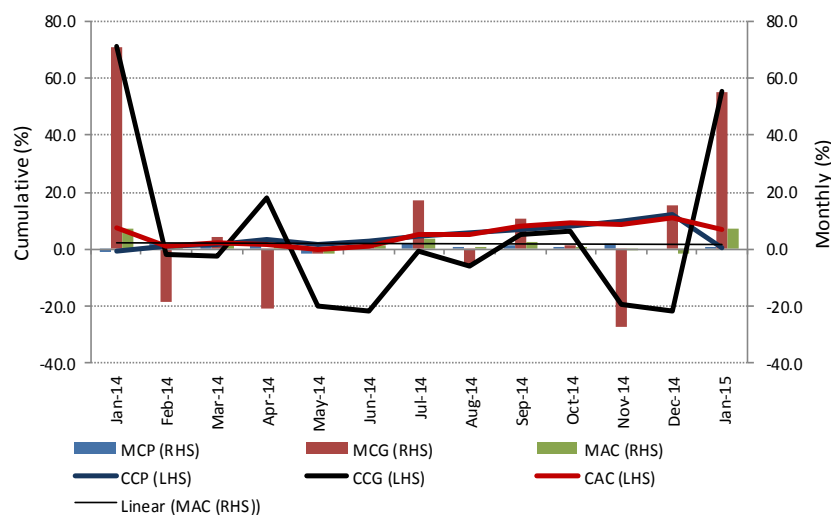
Figure 1: Growth of Narrow Money (M1) and Broad Money (M2)



At ₦17,278.4 billion, aggregate banking system credit (net) to the domestic economy at end-January 2015 rose by 7.1 per cent, on month-on-month basis, compared with the growth of 7.2 per cent at the end of the corresponding period of 2014, but was in contrast to the 1.5 per cent decline at end- December 2014. The development reflected, largely, the 55.4 per cent increase in (net) claims on the Federal Government.

Banking system's credit (net) to the Federal Government, on month-on-month basis, rose by 55.4 per cent to negative ₦899.7 billion, compared with the growth of 71.1 per cent at the end of the corresponding month of 2014, but was in contrast to the 15.4 per cent decline at the end of the preceding month. The development reflected, largely, the increase in banking system's holdings of government securities.

At ₦18,178.1 billion, banking system's credit to the private sector increased by 0.2 per cent, over the preceding month's level, compared with the 0.1 per cent increase at the end of the preceding month. The development reflected, wholly, the 0.3 per cent rise in credit to the core private sector (Fig. 2, Table 1).

Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy¹

At ₦6,436.0 billion, foreign assets (net) of the banking system fell by 12.5 per cent at end-January 2015, in contrast to the increase of 2.4 per cent at the end of the preceding month. The development was attributed to the 24.5 and 10.7 per cent decline in the banks and CBN holdings, respectively.

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

Other assets (net) of the banking system, on a month-on-month basis, declined by 3.7 per cent to negative ₦6,903.3 billion, in contrast to the 3.1 per cent growth recorded at the end of the preceding month. The development reflected, largely, the fall in unclassified assets of the CBN in the review period.

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

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Domestic Credit (Net)	0.5	0.4	1.2	-0.4	-1.8	1.1	3.9	0.4	2.7	0.9	-0.3	-1.5	7.1
Claims on Federal Government (Net)	13.9	-18.4	4.3	-20.9	-1.6	1.6	17.2	-4.9	10.4	1.0	-27.2	-15.4	55.4
Claims on Private Sector	-0.8	1.8	0.7	1.4	-1.5	1.2	1.7	0.8	1.5	0.7	1.8	0.1	0.2
Claims on Other Private Sector	-1.2	2.2	0.7	1.5	-1.6	1.4	1.7	0.9	1.7	0.6	2.1	0.1	0.3
Foreign Assets (Net)	3.2	-8.3	0.7	1.4	-0.3	0.0	4.4	-4.8	-0.5	-9.1	3.8	2.4	-12.5
Other Assets (Net)	0.0	6.1	2.0	3.3	3.3	-2.1	-6.3	0.3	0.7	4.1	2.3	3.1	-3.7
Broad Money Supply (M2)	-1.3	-1.0	2.5	1.7	-0.4	0.1	3.1	-1.8	2.7	-1.5	2.3	0.8	-0.1
Quasi-Money	0.6	-0.3	1.4	0.9	3.1	1.9	3.6	-0.3	3.2	-1.5	2.2	5.5	-1.2
Narrow Money Supply (M1)	3.7	-1.8	3.9	2.8	-4.9	-2.3	2.4	-3.9	2.1	-1.5	2.4	-6.2	1.7
Reserve Money (RM)	-2.8	-2.7	-4.2	5.2	-3.7	-7.4	0.9	-0.8	3.2	4.0	-0.2	16.3	-8.2

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

At ₦1,661.7 billion, currency-in-circulation fell by 7.6 per cent in the review month, in contrast to the increase of 13.9 per cent at the end of the preceding month. The development reflected the 3.4 per cent decline in currency outside bank.

Total deposits at the CBN amounted to ₦6,654.8 billion, indicating a decline of 15.0 per cent below the level at the end of the preceding month. The development reflected, largely, the fall in Federal Government and banks' deposits, which more than offset the increase in deposit by "others". Of the total deposits, the percentage shares of the Federal Government, banks and "others" were 38.5, 57.3 and 4.2 per cent, respectively.

Reserve money (RM) fell during the review.

Reserve money (RM) fell by 8.2 per cent to ₦5,475.6 billion at the end of the review month, reflecting the trends in currency-in-circulation.

2.3 Money Market Developments

Available data showed relative stability in money market indicators as the level of liquidity in the market influenced key indicators during the review month. The Bank continued the use of Open Market Operations (OMO) to pursue its monetary policy objective. In the review period, key policy rates were retained: MPR at 13.00 per cent with +/-200 basis points corridor, private sector CRR at 20.00 per cent, public sector CRR at 75.00 per cent and Liquidity Ratio (LR) at 30.00 per cent. However, in the foreign exchange market, the Bank reviewed the Net foreign currency trading position limit of banks from 0.1 per cent to 0.5 per cent in an attempt to increase liquidity in the market. It also placed restriction on sale of rDAS and interbank funds to BDC and other authorized dealers. FGN Bonds and NTBs were issued at the primary market on behalf of the Debt Management Office (DMO) during the review period.

Provisional data indicated that the total value of money market assets outstanding in January 2015 stood at ₦7,783.87 billion, showing an increase of 1.5 per cent, compared with the increase of 10.2 per cent at the end of the preceding month. The development was attributed to the 2.2 and 12.8 per cent increase in FGN Bonds and Bankers Acceptance, respectively.

2.3.1 *Interest Rate Developments*

Available data indicated mixed developments in banks' deposit and lending rates in the review month. The 7-day, 6-month and over 12-month deposit rates fell by 0.08, 0.03 and 0.04 percentage points to 4.37, 9.74 and 10.10 per cent, respectively. However, with the exception of the 12-month deposit rate, which remained unchanged at 9.51 per cent, all other deposit rates of various maturities rose from a range of 3.46 – 9.48 per cent to 3.48 – 9.64 per cent. At 8.66 per cent, the average term deposit rate rose marginally by 0.01 percentage point above the level in the preceding month. Similarly, the average maximum and prime lending rates rose by 0.06 and 0.98 percentage point to 25.97 and 16.86 per cent, respectively. Consequently, the spread between the weighted average term deposit and maximum lending rates rose by 0.05 percentage point to 17.31 per cent in January 2015. Similarly, the spread between the average savings deposit and maximum lending rates also widened by 0.04 percentage point to 22.49 per cent at the end of the review month.

Developments in interest rates were mixed in January 2015.

At the inter-bank call segment, the weighted average rate, which stood at 24.30 per cent in the preceding month, fell by 14.09 percentage points to 10.21 per cent in January 2015. Similarly, the weighted average rate, at the open-buy-back (OBB) segment, fell by 13.63 percentage points to 8.65 per cent in the review month, from 22.28 per cent in December 2014. The Nigeria inter-bank offered rate (NIBOR) for 7-day and 30-day tenors also fell to 10.61 and 13.65 per cent, at the end of the review period from their respective levels of 25.51 and 13.71 per cent in the preceding month. With the headline inflation rate at 8.2 per cent

at end-January 2015, most rates were positive in real terms with the exception of the average savings and 7-day deposit rates (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

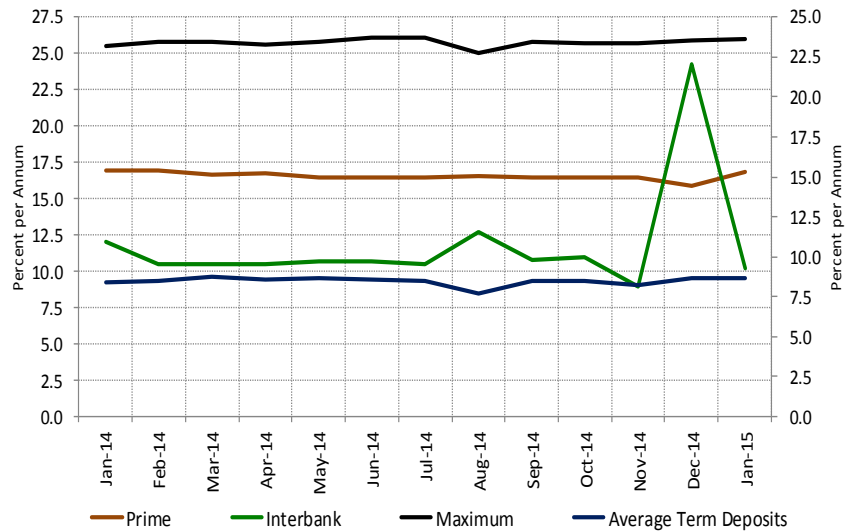


Table 2: Selected Interest Rates (Percent, Averages)

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Average Term Deposits	8.43	8.49	8.73	8.69	8.66	8.57	8.47	7.68	8.46	8.48	8.21	8.65	8.66
Prime Lending	16.95	16.93	16.69	16.7	16.5	16.5	16.44	16.6	16.44	16.48	16.5	15.88	16.86
Interbank	11.98	10.5	10.5	10.5	10.63	10.63	10.5	12.72	10.73	10.98	8.98	24.3	10.21
Maximum Lending	25.52	25.83	25.8	25.63	25.76	26.07	26.07	25.07	25.77	25.75	25.74	25.91	25.97

2.3.2 Commercial Paper (CP)

The value of outstanding Commercial Paper (CP) held by banks rose by 3.17 per cent to ₦10.2 billion at the end of January 2015, compared with ₦9.8 billion at the end of the preceding month. The development was due to the rise in investment in CPs by the commercial banks during the review month. Thus, CP constituted 0.1 per cent of the total value of money market assets outstanding at the end of the review month, same as at the end of the preceding month.

2.3.3 Bankers' Acceptances (BAs)

During the review period, the value of BAs increased by 12.80 per cent to ₦41.33 billion, compared with ₦36.6 billion at the end of the preceding month. The development was attributed to the increase in investment in BAs by the commercial banks during the month. Consequently, BAs accounted for 0.5 per cent of the total value of money market assets outstanding, at the end of January 2015, same as at the end of the preceding month.

2.3.4 Open Market Operations

The Bank intervened ten times in the money market through direct OMO auction. Ten (10) maturities, ranging from 133- 196-day tenors, were traded in the review period. The amount offered, subscribed to and allotted were ₦470.00 billion, ₦1,637.2 billion and ₦1,295.48 billion, respectively. The bid rates ranged from 14.00 - 18.00 per cent, while the stop rate ranged from 14.20 - 14.30 per cent. CBN bills amounting to ₦864.05 billion matured and was repaid. Overall, transactions translated to a net withdrawal of ₦431.43 billion.

In comparison to the levels in December 2014, amount offered and subscribed to were ₦150.00 billion and ₦236.92 billion, respectively, while the bid rates ranged from 14.30–19.00 per cent. However, no sale was made as investors quoted speculative bid rate in view of further contractionary measures and reduction in the level of liquidity.

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 ₦384.30 billion, ₦1,072.44 billion and ₦384.30 billion, respectively, compared with ₦378.13 billion, ₦438.91 billion and ₦378.13 billion in December 2014. The bid-to-cover ratios for the various tenors were 1.13, 1.93 and 3.77 for the 91-, 182- and 364-day tenors, respectively. The high bid-to-cover ratio (>2.0) for the 364-day tenor indicated strong investors' preference for government bonds during the review period.

Three FGN Bonds were reopened during the review month.

2.3.6 Bonds Market

FGN Bonds, 15.10% FGN APR 2017, 14.20% FGN MAR 2024 and 12.15% FGN JUL 2034, were re-opened in the month of January 2015. These traded with time to maturity of 2 years 3 months for the 5-year, 9 years 2 months for the 10-year and 19 years 6 months for the 20-year bonds. Total amount offered, subscribed to and allotted were ₦73.00 billion, ₦129.5 billion, and ₦72.00 billion, respectively. The bid rates on all the tranches ranged from 11.99 - 18.50 per cent, while the marginal rates were 15.20, 15.42 and 15.48 per cent for the 5-year, 10-year and 20-year, respectively. In the preceding month, the 3-, 10 - and 20-year tenors were re-opened at marginal rates of 15.49, 15.20 and 15.49 per cent, respectively. The amount offered, subscribed to and allotted, was ₦75.00 billion, ₦93.6 billion and ₦53.5 billion, respectively.

2.3.7 CBN Standing Facilities

The Bank's Standing Facilities window was active in the review period. The total request for the standing lending facility (SLF) in the month of January 2015 was ₦67.79 billion, reflecting a daily average of ₦9.68 billion for the 7 transaction days in the month, compared with total request of ₦1,115.38 billion with a daily average of ₦61.97 billion in 18 transaction days in December 2014.

Standing Deposit Facility (SDF) totalling ₦2,282.36 billion was received. This represented a daily average of ₦126.80 billion for the 18 working days in the month, representing an increase of 181.8 per cent over the level in the preceding month, a reflection of the liquidity condition in the market.

2.4 Deposit Money Banks' Activities

Available data indicated that total assets and liabilities of the commercial banks amounted to ₦27,675.8 billion, showing an increase of 1.0 per cent above the level at the end of December 2014. Funds were sourced mainly from draw down on reserves; in foreign assets disposal; unclassified liabilities; and mobilisation of demand deposits. The funds were used, largely, for acquisition of

Federal Government securities; unclassified assets; and reduction in time, savings and foreign currency deposits.

At ₦14,162.9 billion, banks' credit to the domestic economy rose by 2.5 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.

Banks' Credit to the domestic economy rose by 2.5 per cent above the level in the preceding month.

Total specified liquid assets of the commercial banks stood at ₦6,623.6 billion, representing 36.8 per cent of their total current liabilities. At that level, the liquidity ratio rose by 2.3 percentage points above the level in the preceding month and was 6.8 percentage points above the stipulated minimum ratio of 30.0 per cent. The loans-to-deposit ratio, at 64.5 per cent, was 0.9 percentage point above the level at the end of the preceding month, but was 15.5 percentage points below the prescribed maximum ratio of 80.0 per cent, respectively.

2.5 Discount Houses' Activities

Available data indicated that total assets and liabilities of the discount houses stood at ₦169.9 billion at end-January 2015, showing an increase of 29.5 per cent above the level at end-December 2014. The development was accounted for, largely, by the 519.0 and 16.1 per cent rise in claims on banks and others, respectively. Correspondingly, the increase in total liabilities was attributed to the significant increase in borrowings and money-at-call.

Discount houses' investment in Federal Government securities stood at ₦52.4 billion and accounted for 39.6 per cent of their total deposit liabilities. Thus, investment in Federal Government Securities was 20.4 percentage points below the prescribed minimum level of 60.0 per cent. At that level, discount houses' investment on NTBs fell by 8.9 per cent below the level at the end of the preceding month. Total borrowing and amount owed by the discount houses was ₦51.61 billion, while their capital and reserves amounted to ₦29.1 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

Available data showed that activities on the Nigerian Stock Exchange (NSE) in the month of January 2015 were bearish as market indicators trended downward. The volume and value of traded equities fell by 32.5 and 26.5 per cent to 8.0 billion shares and ₦94.9 billion, respectively, in 85,031 deals, compared with 11.9 billion shares, valued at ₦129.0 billion, in 90,494 deals in the preceding month. The Financial Services Sector (measured by volume) led the activity chart with 5.8 billion shares valued at ₦44.2 billion traded in 48,354 deals, compared with 9.6 billion shares valued at ₦78.3 billion traded in 50,989 deals, recorded in the preceding month, and thus contributing 72.5 and 46.6 per cent to the total equity turnover volume and value, respectively. The Banking subsector of the Financial Services sector (measured by turnover volume) was the most active during the month recording 3.5 billion shares valued at ₦35.5 billion traded in 29,944 deals during the review period.

Figure 4: Volume and Value of Traded Securities

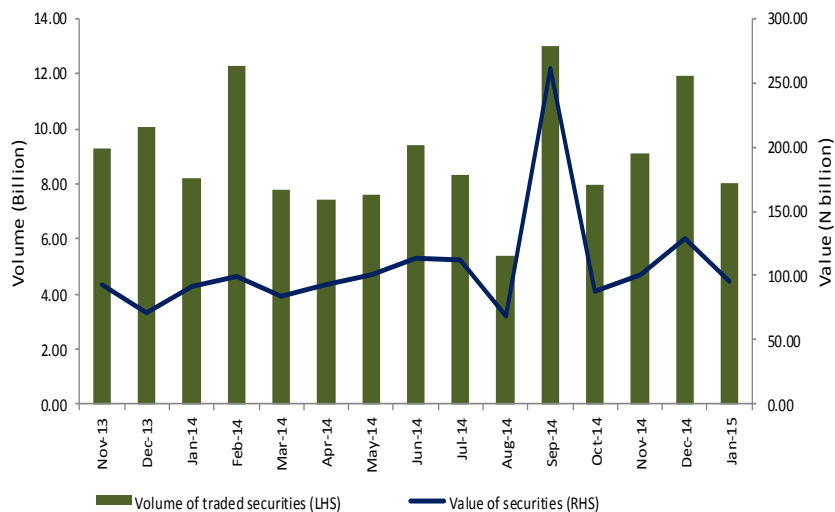


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Volume (Billion)	8.2	12.3	7.8	7.4	7.6	9.4	8.3	5.4	13.0	8.0	9.1	11.9	8.0
Value (N Billion)	91.0	99.4	83.6	92.6	100.9	112.8	112.0	67.8	261.4	87.6	100.4	129.0	94.9

2.6.2 Over-the-Counter (OTC) Bonds Market

There were no transactions in the review month.

2.6.3 New Issues Market

There were two New and three Supplementary listings in the review month.

Table 4: Supplementary Listing on the Nigerian Stock Exchange

S/N	Company	Additional Shares (Units)	Reasons	Listing
1	Evans Medical Plc	245,874,572 Ordinary shares	Rights Issue	Supplementary
2	Transcorp Hotels Plc	7.6 Billion Shares	New	New
3	Union Dicon Salt Plc	41 million Shares	Special Placement	Supplementary
4	Mansard Insurance PlcO	500 Million Shares	Mansard Option Plan	Supplementary
5	Allan Gray Africa Fund	43,024 Units	Allan Gray Africa Fund	New

2.6.4 Market Capitalization

The aggregate market capitalization for all the listed securities (Equities and Bonds) stood at ₦15.14 trillion at end-January 2015, indicating a decline of 10.3 per cent below the level at the end of the preceding month. Market capitalization for the equities segment also fell by 14.2 per cent to close at ₦9.86 trillion at end-January 2015, compared with ₦11.49 trillion at the end of December 2014.

2.6.5 NSE All-Share Index

The All-Share Index, which opened at 34,657.15 at the beginning of the month, closed at 29,562.07, representing a decline of 14.7 per cent below the level in the preceding month.

With the exception of the NSE-AseM, which remained flat at 1,213.36 at end-January 2015, same as in the preceding month, all other sectoral indices declined in

the review period. The NSE Banking, NSE-Insurance, NSE-Consumer Goods, NSE Oil/Gas, NSE-Lotus Islamic Index and NSE industrial Goods indices fell by 15.2, 5.4, 13.5, 6.1, 13.2 and 10.5 per cent to, 297.93, 141.6, 781.84, 357.07, 1,948.04 and 1,915.93, respectively, below their respective levels at the end of the preceding month.

Figure 5: Market Capitalization and All-Share Index

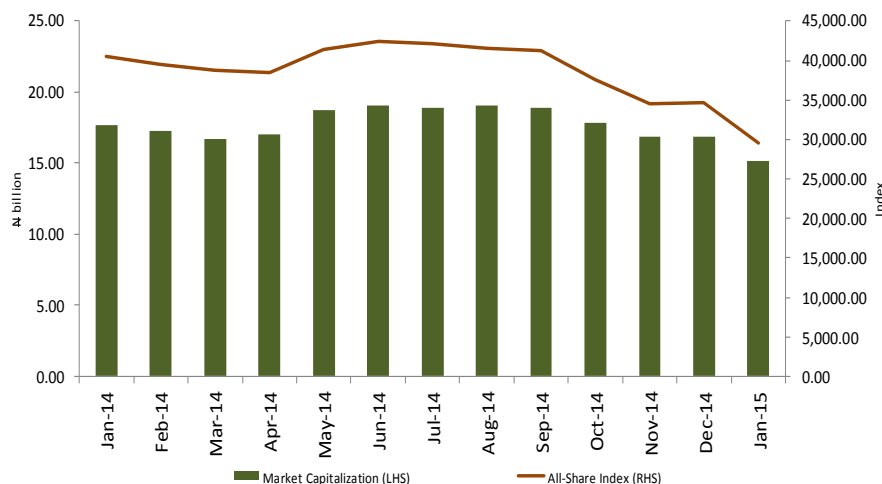


Table 5: Aggregate Market Capitalization and All Share Index (NSE)

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Aggregate Market Capitalization (₦ trillion)	19.0	18.9	19.1	8.91	17.8	16.9	16.9	15.14
All-Share Index	42,482.48	42,097.46	41,532.00	41,210.10	37,550.24	34,543.05	34,657.15	29,562.07

3.0 Fiscal Operations

3.1 Federation Account Operations

Available data showed that estimated federally-collected revenue (gross) in January 2015, at ₦710.78 billion, was above the receipts in the preceding month and the corresponding period of 2014 by 4.6 and 4.3 per cent, respectively. The increase relative to receipts in the preceding month was attributed to the respective increase of 3.9 and 6.2 per cent in gross oil and non-oil revenue during the review period (Fig. 6, Table 6).

Gross federally-collected revenue rose above both the levels in the preceding month and the corresponding period of 2014.

Figure 6: Components of Gross Federally-Collected Revenue

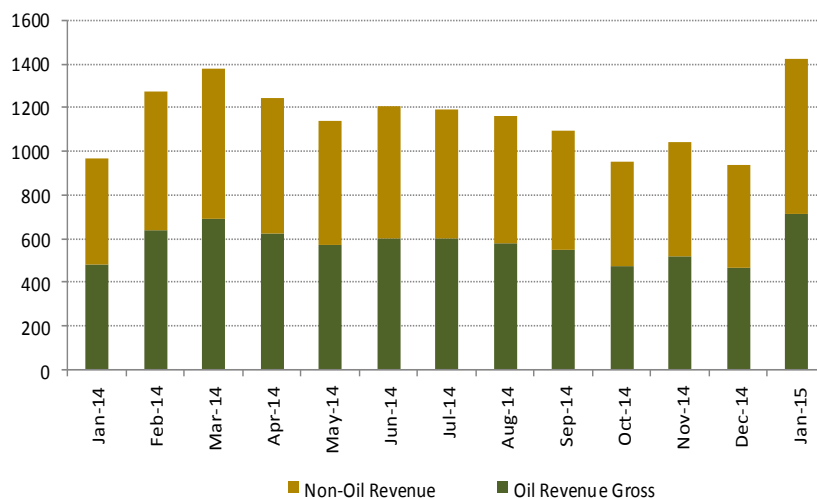


Table 6: Gross Federation Account Revenue (₦ billion)

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Federally-collected revenue (Gross)	681.8	845.9	968.0	802.2	776.5	1034.6	1027.4	842.8	913.2	784.0	835.8	679.4	710.8
Oil Revenue	482.0	637.8	689.1	622.9	570.2	602.5	597.1	578.8	547.2	476.4	521.7	468.1	486.4
Non-Oil Revenue	199.8	208.2	278.9	179.3	206.4	432.1	430.3	264.0	366.0	307.7	314.0	211.3	224.3

At ₦486.44 billion, oil receipts (gross), which constituted 68.4 per cent of total federally collected revenue, was higher than the receipts in the preceding month and the corresponding period of 2014, by 3.9 and 0.9 per

cent, respectively. The rise in oil receipts relative to receipts in the preceding month was attributed to the increase in receipts from crude oil and gas exports as well as domestic crude oil/gas sales (Fig. 7, Table 7).

Figure 7: Gross Oil Revenue and Its Components

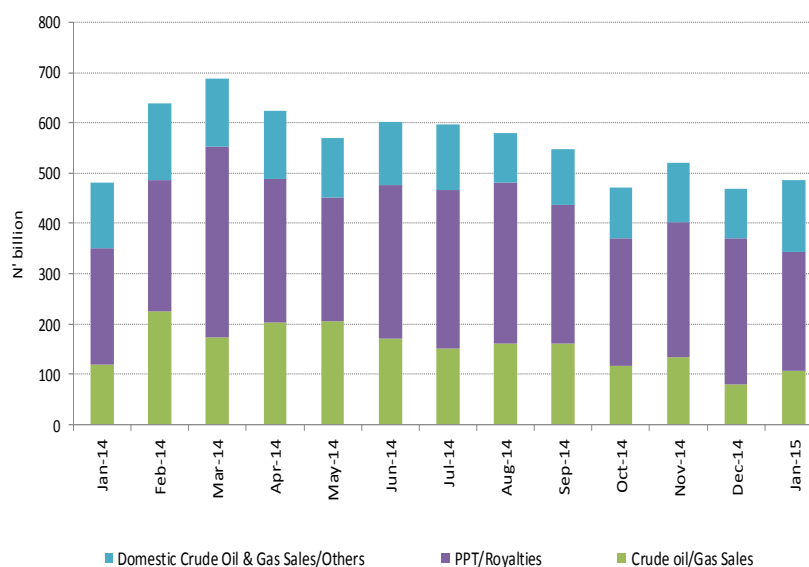
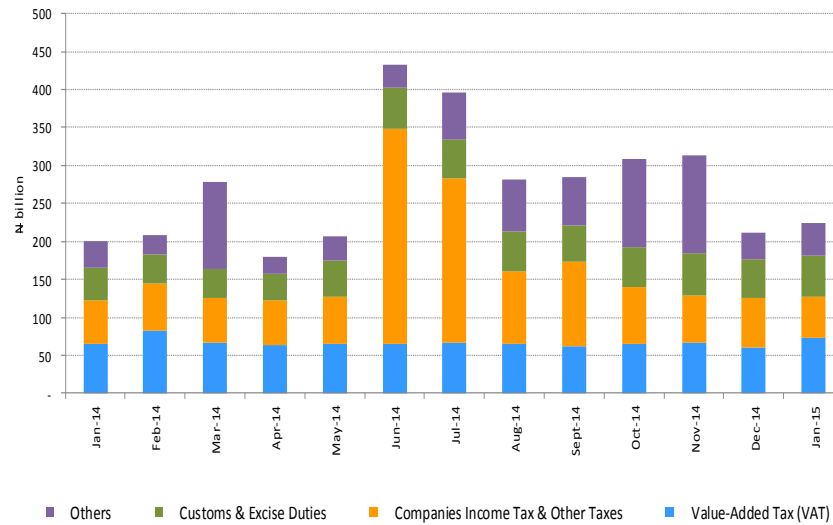


Table 7: Components of Gross Oil Revenue (N billion)

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Oil Revenue	482.0	637.8	689.1	622.9	570.2	602.5	597.1	578.8	547.2	476.4	521.7	468.1	486.4
Crude oil/Gas Sales	119.5	224.0	173.1	202.0	204.7	170.7	150.3	160.3	160.4	117.8	134.7	78.7	107.1
Domestic crude oil/Gas sales	123.0	128.2	127.3	125.3	118.2	126.3	129.6	95.3	93.6	99.6	112.9	91.4	134.8
PPT/Royalties	231.7	262.2	380.5	286.8	246.9	305.2	317.0	321.9	277.4	251.9	266.8	291.2	236.1
Others	7.8	23.3	8.1	8.8	0.3	0.3	0.3	1.3	15.7	7.2	7.3	6.9	8.5

Non-oil receipts (gross) rose relative to the receipts in the preceding month and the corresponding period of 2014.

Non-oil receipts (gross), at ₦224.34 billion or 31.6 per cent of the total was 6.2 and 12.3 per cent higher than the receipts in the preceding month and the corresponding month of 2014, respectively. The increase in non-oil revenue relative to the preceding month reflected the rise in receipts from VAT, customs and excise duties and independent revenue of the Federal Government during the review month.

Figure 8: Gross Non-Oil Revenue and its Components**Table 8: Components of Gross Non-Oil Revenue (₦ billion)**

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Non-Oil Revenue	199.8	208.2	278.9	179.3	206.4	432.1	396.5	280.8	284.6	307.7	314.0	211.3	224.3
Value-Added Tax (VAT)	64.7	82.3	66.8	63.3	65.4	65.4	66.4	65.5	61.5	65.1	67.1	60.6	73.5
Companies Income Tax & Other Taxes	57.7	61.6	58.8	59.8	62.1	282.3	216.5	95.1	111.0	75.5	61.9	65.0	54.2
Customs & Excise Duties	43.1	39.7	38.8	34.6	47.2	54.5	51.1	51.8	48.7	51.9	54.8	50.2	53.6
Others	34.3	24.6	114.5	21.6	31.7	29.9	62.5	68.5	63.4	115.2	130.2	35.5	43.0

Of the federally-collected revenue (gross), the sum of ₦465.76 billion (after all deductions and transfers) was transferred to the Federation Account for distribution among the three tiers of government and the 13.0% Derivation Fund. The Federal Government received ₦220.44 billion, while the state and local governments received ₦111.81 billion and ₦86.20 billion, respectively. The balance of ₦47.31 billion was distributed among the oil-producing states as 13.0% Derivation Fund.

From the VAT Pool Account, the Federal Government received ₦10.58 billion, while the state and local governments received ₦35.26 billion and ₦24.68 billion, respectively.

In addition, the sum of ₦15.63 billion and ₦10.55 billion were shared as excess crude and exchange rate gain among the three tiers of government and 13% Derivation Fund as follows: Federal Government (₦7.16 billion and ₦4.84 billion); State Governments (₦3.63 billion and ₦2.45 billion); and Local Governments (₦2.80 billion and ₦1.89 billion). The balance of ₦2.03 billion and ₦1.37 billion was distributed to the oil producing states as 13% Derivation Fund.

Overall, the total allocation to the three tiers of government from the Federation Account² and VAT Pool Account in the review month amounted to ₦568.79 billion, compared with ₦574.68 billion in the preceding month.

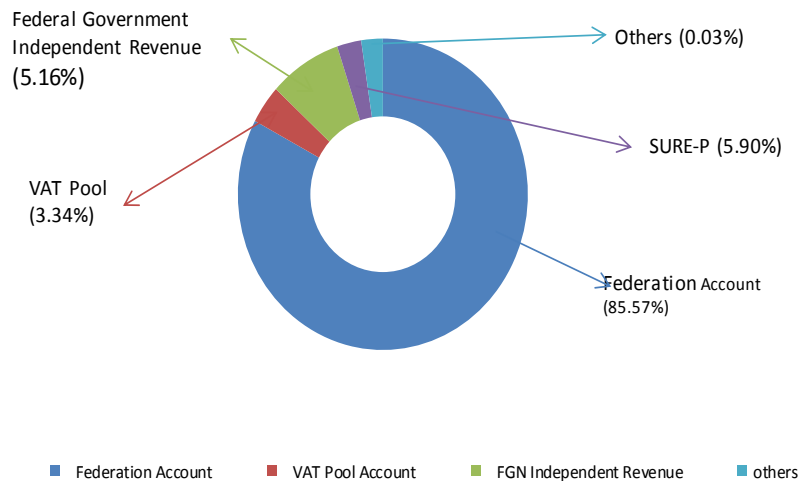
3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

Federal government estimated retained revenue was higher than the receipts in the preceding month.

At ₦266.20 billion, the estimated Federal Government retained revenue for January 2015 was higher than the receipts in the preceding month and the corresponding period of 2014 by 0.5 and 2.7 per cent, respectively. Of the total amount, the Federation Account accounted for 82.8 per cent, while FGN Independent Revenue, VAT Pool Accounts, Excess Crude Account and others accounted for 8.1, 4.0, 2.7 and 2.4 per cent, respectively (Fig. 9, Table 9).

² Federation Account in the review month includes share from SURE-P and others

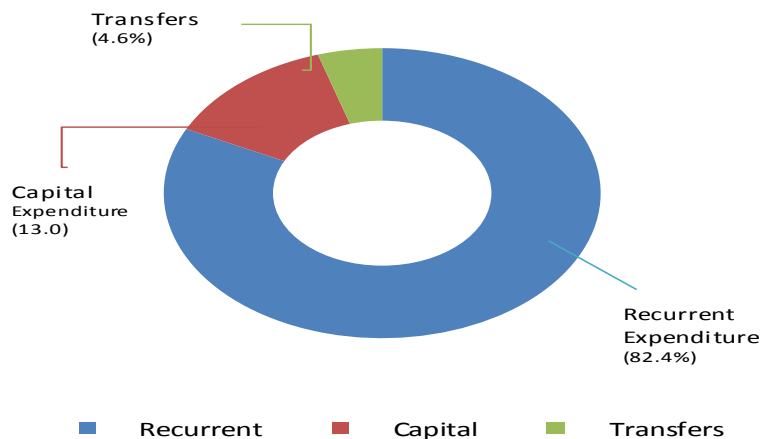
Figure 9: Sources of Federal Government Retained Revenue**Table 9: Federal Government Fiscal Operations (₦ billion)**

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Retained Revenue	264.9	267.6	379.6	281.5	279.1	298.7	340.3	301.7	282.7	312.9	348.1	259.3	266.2
Expenditure	366.4	297.2	451.2	349.6	303.7	328.4	328.3	319.6	323.2	391.3	386.0	370.2	367.1
Overall Balance: (+)/(-)	-101.5	-29.6	-71.6	-68.1	-24.6	-29.7	12.0	-17.9	-40.5	-78.4	-37.9	-110.9	-100.9

At ₦367.07 billion, total estimated expenditure for January 2015 was lower than the level in the preceding month by 0.9 per cent, but was above the level in the corresponding period of 2014 by 0.2 per cent. A breakdown of total expenditure showed that recurrent expenditure accounted for 82.4 per cent, while capital expenditure and transfer components accounted for the balance of 13.0 and 4.6 per cent, respectively. Non-debt-obligations accounted for 72.6 per cent of the total recurrent expenditure, while debt service payments accounted for the balance of 27.4 per cent (Fig. 10).

Total estimated expenditure for January 2015 fell below the level in the preceding month.

Figure 10: Federal Government Expenditure



Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦100.87 billion.

3.2.2 Statutory Allocations to State Governments

Total receipts by state governments, including the share of VAT and the Federation Account stood at N203.87 billion. This was 0.1 and 2.6 per cent lower than the levels in the preceding month and the corresponding period of 2014, respectively.

The breakdown showed that at ₦35.26 billion or 17.3 per cent of the total, receipts from the VAT Pool Account was 21.2 and 13.5 per cent higher than the levels in the preceding period and the corresponding period of 2014, respectively. At ₦168.61 billion or 82.7 per cent of the total, state governments' receipt from the Federation Account was 3.6 and 5.4 per cent below the levels in the preceding month and the corresponding period of 2014, respectively.

The fiscal operations of the FG resulted in an estimated deficit of ₦100.88 billion in January 2015.

3.2.3 *Statutory Allocations to Local Government Councils*

Total receipts by the local governments from the Federation and VAT Pool Accounts stood at ₦115.58 billion in January 2015. This was 0.9 per cent higher than the level in the preceding month, but was 1.6 per cent lower than the level in the corresponding period of 2014. Of this amount, receipts from the Federation Account was ₦90.89 billion (78.6 per cent of the total), while the VAT Pool Account accounted for ₦24.68 billion (21.4 per cent of the total).

4.0 Domestic Economic Conditions

The dominant agricultural activities in January 2015 were harvesting of tree crops and fruits and clearing lands for the 2015 cropping season. The livestock sub-sector suffered low sales as the insecurity challenges, particularly in the North East continued to affect activities in the sub-sector negatively. Crude oil production was estimated at 1.95 million barrels per day (mbd) or 60.45 million barrels during the month. The end-period inflation rate for January 2015, on a year-on-year basis, was 8.2 per cent, compared with 8.0 per cent in the preceding month. The inflation rate on a 12-month moving average basis was 8.1 per cent, compared with the preceding month's level of 8.0 per cent.

4.1 Agricultural Sector

During the month of January 2015, the dominant agricultural activities were harvesting of tree crops and fruits and clearing of land for the 2015 cropping season. Vast areas of land in the North Eastern part of the country remained largely under-cultivated due to the effect of the insecurity in the area. Off-season farming and fishing activities were also low. Similarly, activities in the livestock sub-sector were relatively low due mainly to the negative effect of disturbances on livestock holdings.

A total of ₦732.2 million was guaranteed to 5,349 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in the review month. This represented a decline of 33.3 and 30.7 per cent below the levels in the preceding month and the corresponding month of 2014, respectively. A sub-sectoral analysis of the loans guaranteed indicated that the food crop sub-sector had the largest share of ₦453.5 million (61.9 per cent) guaranteed to 4,008 beneficiaries, mixed crops sub-sector received ₦175.5 million (24.0 per cent) for 879 beneficiaries, while livestock sub-sector received ₦65.7 million (9.0 per cent) guaranteed to 270 beneficiaries. The fisheries sub-sector received ₦32.5 million (4.4 per cent) guaranteed to 128 beneficiaries, cash crops sub-sector got ₦2.8 million (0.4 per cent) for 23 beneficiaries, while "Others" share was ₦2.1 million (0.3

per cent) for 41 beneficiaries.

Analysis by state showed that 22 states and the Federal Capital Territory (FCT) benefited from the Scheme during the review month, with the highest and lowest sums of ₦106.7 million (14.6 per cent) and ₦1.7 million (0.2 per cent) guaranteed to Delta and Nassarawa States, respectively.

At end-January 2015, the total amount released by the CBN under CACS to the participating banks for disbursement stood at ₦266.0 billion (for 347 projects).

At end-January 2015, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement stood at ₦266.0 billion for (347) three hundred and forty seven projects/promoters (Table 10).

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

S/N	Participating Banks	Amount Disbursed (₦ billion)	Number of Projects/State Governments
1	UBA Plc	45.76	37
1	Zenith Bank	44.34	30
3	First Bank of Nigeria Plc	32.86	80
4	Unity Bank Plc	23.93	25
5	Unity Bank Plc	18.17	21
6	Stanbic IBTC Plc	17.31	32
7	Sterling Bank	15.64	22
8	Access Bank Plc	12.63	15
9	Fidelity Bank Plc	10.85	8
10	Skye Bank Plc	9.69	7
11	FCMB Plc.	7.10	15
12	Ecobank	6.38	10
13	GTBank	5.80	9
14	Diamond Bank Plc	3.66	14
15	Heritage Bank	3.17	3
16	Citibank Plc	3.00	2
17	Keystone Bank	2.10	3
18	Mainstreet Bank Plc	2.00	1
19	WEMA Bank Plc	1.13	7
20	Enterprise Bank Plc	0.50	6
	TOTAL	266.0	347

4.2 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at an average of 1.95 million barrels per day (mbd) or 60.45 million barrels for the month. This was 0.05 mbd or 2.6 per cent above the average of 1.90 mbd or 58.90 million barrels produced in the preceding month.

Crude oil and natural gas production was estimated at an average of 1.95 million barrels per day.

Crude oil export was estimated at 1.50 mbd or 46.50 million barrels. This represented an increase of 3.5 per cent above the 1.45 mbd recorded in the preceding month. Deliveries to the refineries for domestic consumption remained at 0.45 mbd or 13.95 million barrels during the review month.

At an estimated average of US\$48.21 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API), fell further by 23.7 per cent below the level in the preceding month. The average prices of other competing crudes, namely the West Texas Intermediate at US\$47.19 per barrel; the U.K Brent at US\$47.46 per barrel; and the Forcados at US\$48.60 per barrel, also showed similar trends as the Bonny Light.

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

The average price of OPEC's basket of eleven crude streams, at US\$44.99 per barrel, indicated a decline of 24.3 and 57.0 per cent, compared with the US\$59.46 and US\$104.71 per barrel recorded in the preceding month and the corresponding period of 2014, respectively (Fig. 11, Table 11).

Figure 11: Trends in Crude Oil Prices

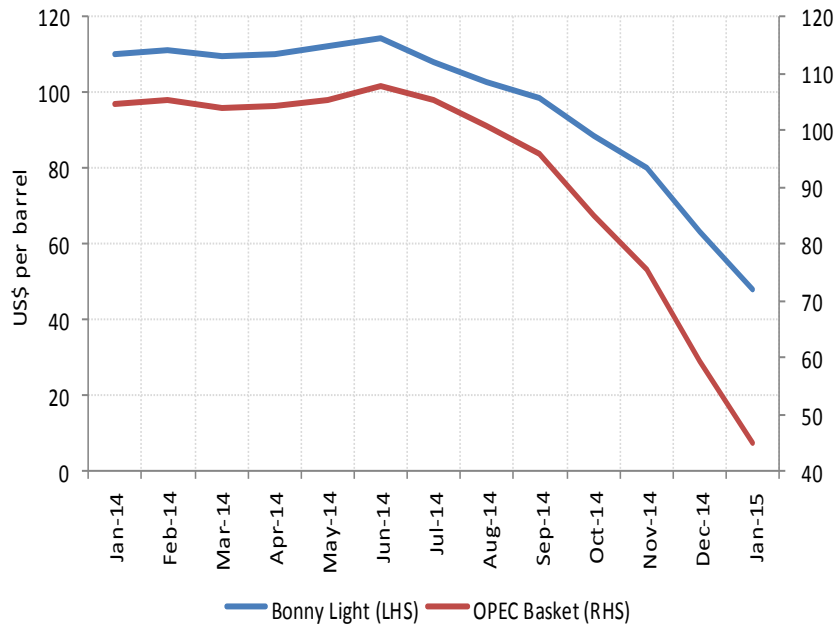


Table 11: Average Crude Oil Prices in the International Oil Market

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Bonny Light	110.2	111.4	104.5	110.2	112.2	114.2	107.9	102.6	98.5	88.8	80.3	63.2	48.2
OPEC Basket	104.7	105.4	104.2	104.3	105.4	107.9	105.6	100.8	95.9	85.1	75.6	59.5	45.0

4.3 Consumer Prices

The general price level rose in January 2015, relative to the level in the preceding month.

Available data showed that the all-items composite Consumer Price Index (CPI) in January 2015 was 165.8 (November 2009=100), representing an increase of 0.9 and 8.2 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 prices of food; non-alcoholic beverages; housing; water; clothing and footwear; electricity/gas, and other fuels; health services; furnishing and household equipment maintenance; transport; and education.

The urban all-items CPI at end-January 2015 was 164.7 (November 2009=100), indicating an increase of 0.8 per cent above the level in the preceding month. The rural all-items CPI for the month, was 166.9 (November

2009=100), indicating an increase of 0.8 per cent above the level in the preceding month (Fig. 12, Table 11).

The end-period inflation rate for the review month, on a year-on-year basis, was 8.2 per cent, compared with 8.0 per cent in the preceding month. Compared with the level in the corresponding period of 2014, it showed a decline of 0.2 percentage point. The inflation rate on a twelve-month moving average basis was 8.1 per cent, compared with 8.0 per cent in the preceding month (Fig. 13, Table 12).

The year-on-year headline inflation rate was 8.2 per cent in January 2015, compared with 8.0 per cent in December 2014.

The composite food index was 169.8, indicating an increase of 0.9 per cent over the level in the preceding month. The development was accounted for by the increase in the indices of most groups that contributed to the Food sub-index, though countered by slower rise in the prices of fish, fruit, coffee, and soft drinks.

Figure.12: Consumer Price Index

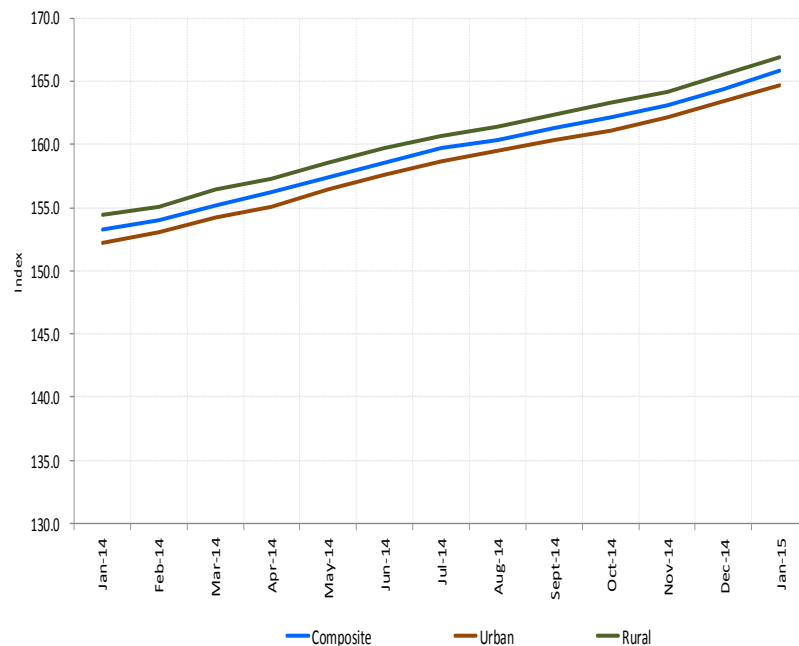


Table 12: Consumer Price Index (November 2009=100)

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Composite	153.3	154.0	155.2	156.2	157.4	158.6	159.7	160.4	161.3	162.1	163.1	164.4	165.8
Urban	152.2	153	154.2	155.1	156.4	157.6	158.7	159.5	160.3	161.1	162.1	163.4	164.7
Rural	154.4	155.1	156.4	157.3	158.5	159.7	160.7	161.4	162.4	163.3	164.2	165.5	166.9
CPI - Food	155.5	156.5	158	159.3	160.6	161.9	163.1	164.0	165	165.8	166.8	168.4	169.8
CPI - Non Food	153.3	154.1	154.7	155.3	156.3	157.4	157.7	158.4	159.4	160.3	161.3	162.5	163.7

Figure 13: Inflation Rate

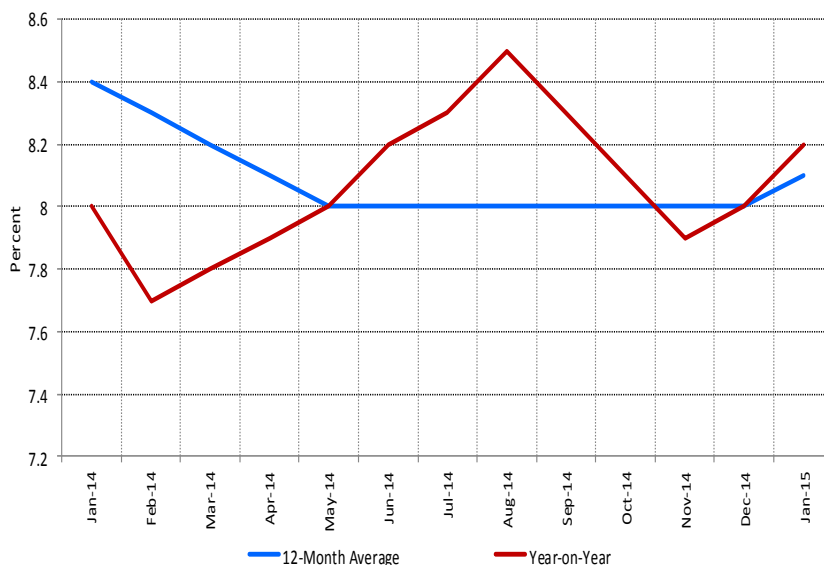


Table 13: Headline Inflation Rate (%)

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
12-Month Average	8.4	8.3	8.2	8.1	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.1
Year-on-Year	8.0	7.7	7.8	7.9	8.0	8.2	8.3	8.5	8.3	8.1	7.9	8.0	8.2

5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow and outflow through the CBN fell by 10.7 and 4.8 per cent, respectively, relative to their levels in the preceding month. Total non-oil export receipts by banks fell by 24.0 per cent below the level in the preceding month. The gross external reserves fell by 5.5 per cent below the preceding month's level. The average exchange rate of the naira, at ₦169.68 per US dollar at the retail Dutch Auction System (rDAS) remained the same as in December 2014.

5.1 Foreign Exchange Flows

Provisional data indicated that foreign exchange inflow and outflow through the CBN in the review month was US\$2.93 billion and US\$3.97 billion, respectively, resulting in a net outflow of US\$1.03 billion, compared with the net outflow of \$0.88 billion and \$2.11 billion in the preceding month and the corresponding period of 2014. Relative to the level in the preceding month, inflow fell by 10.7 per cent, but indicated an increase of 15.4 per cent above the level in the corresponding period of 2014. The development was attributed to the decline in receipts from crude oil sales and swap transactions. Outflow fell by 4.8 and 14.8 per cent below the respective levels in the preceding month and the corresponding period of 2014. The development owed, largely to the decline in rDAS utilization, drawings on letters of credit and other official payments during the review period (Fig. 14, Table 14).

Foreign exchange inflow and outflow through the CBN declined by 10.7 and 4.8 per cent, respectively, in January 2015.

Figure 14: Foreign Exchange Flows through the CBN

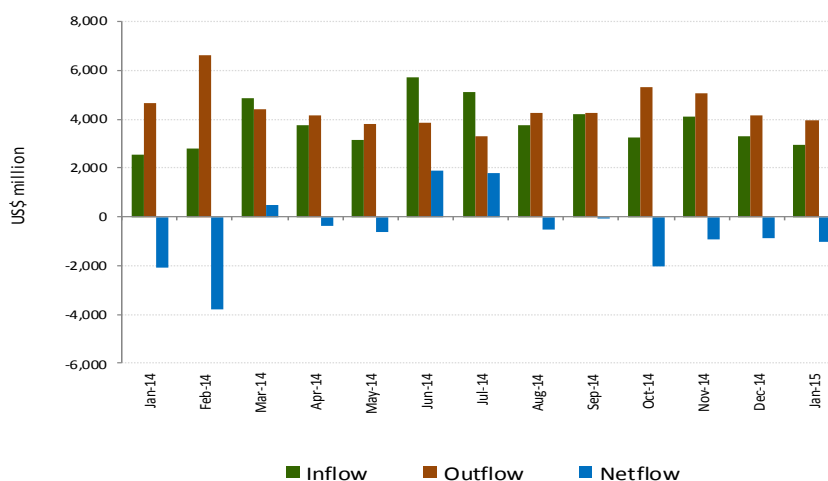


Table 14: Foreign Exchange Flows through the CBN (US\$ million)

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Inflow	2,543.6	2,797.6	4,880.3	3,779.5	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
Outflow	4,652.2	6,613.0	4,407.7	4,155.8	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
Netflow	(2,108.6)	(3,815.4)	472.6	(376.3)	(1,647.9)	1,885.3	1,803.9	(508.2)	(20.2)	(2,147.0)	(939.3)	(879.6)	(1,030.9)

Provisional data on aggregate foreign exchange flow through the economy indicated that total inflow was US\$9.47 billion, representing a decline of 9.2 and 19.2 per cent below the levels at the end of the preceding month and the corresponding period of 2014, respectively. The development was driven, mainly, by the decline in receipt from crude oil sales following the sharp fall in international crude oil prices. Of the total inflow, receipts through the CBN and autonomous sources accounted for 31.0 and 69.0 per cent, respectively.

Autonomous inflows into the economy fell by 8.5 per cent in January 2015 relative to the preceding month.

Non-oil public sector inflow, at US\$0.65 billion (6.9 per cent of the total), fell by 20.1 per cent below the level in the preceding month, but was an increase of 277.5 per cent above the level in the corresponding period of 2014. Autonomous inflow, which accounted for 69.0 per cent of the total, fell by 8.5 per cent below the level in the preceding month.

At US\$4.07 billion, aggregate foreign exchange outflow from the economy fell by 4.9 and 14.4 per cent below the respective levels in the preceding month and the corresponding period of 2014. Thus, foreign exchange flows through the economy resulted in a net inflow of US\$5.40 billion in the review month, compared with US\$6.15 billion and US\$6.97 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\$767.54 million, indicated a decline of 24.0 per cent below the level in the preceding month, but showed an increase of 102.5 per cent over the level in the corresponding period of 2014. The development reflected, largely, the 89.7 per cent fall in export receipts from manufactured sectors. A breakdown by sectors showed that proceeds from industrial, manufactured, agriculture, food products and minerals sub-sectors stood at US\$658.52 million, US\$61.99 million, US\$36.75 million, US\$5.42 million and US\$4.86 million, respectively. The transport sector recorded no receipt during the review month.

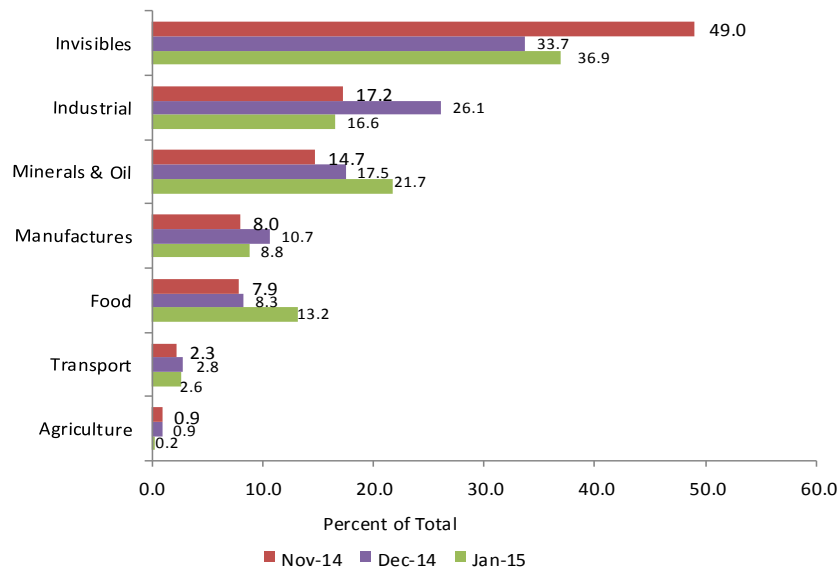
Total non-oil export earnings by exporters fell in January 2015, on account of decline in the earnings from manufactured products.

The shares of industrial, manufactured, agriculture, food products and minerals sub-sectors in non-oil export proceeds were 85.8, 8.1, 4.8, 0.7, and 0.6 per cent, respectively.

5.3 Sectoral Utilisation of Foreign Exchange

The invisible sector accounted for the bulk (36.9 per cent) of total foreign exchange disbursed in January 2015, followed by minerals and oil sector (21.7 per cent). Other beneficiary sectors, in a descending order included: industrial sector (16.6 per cent), food products (13.2 per cent), manufactured product (8.8 per cent), transport (2.6 per cent) and agricultural products (0.2 per cent) (Fig.15).

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

Figure 15: Sectoral Utilisation of Foreign Exchange

5.4 Foreign Exchange Market Developments

Estimated aggregate demand for foreign exchange by authorized dealers under the retail Dutch Auction System (rDAS) and Bureau-de-change (BDC) was US\$4.36 billion in January 2015. This indicated an increase of 25.5 per cent over the level in the preceding month, but a decline of 36.1 per cent below the level in the corresponding month of 2014. Demand at the rDAS-spot and BDC segments amounted to US\$4.25 billion and US\$0.11 billion, respectively, compared with US\$3.36 billion and US\$0.11 billion in December 2014.

A total of US\$3.23 billion was sold by the CBN to authorized dealers during the period, reflecting a decline of 5.7 and 19.9 per cent below the levels in the preceding month and the corresponding period of 2014, respectively. Of the aggregate sales, the rDAS-spot, inter-bank and BDC sales were US\$1.74 billion, US\$0.82 billion and US\$0.11 billion, respectively. Also, forward contracts valued at US\$0.56 billion was disbursed at maturity (Fig.16, Table 15).

Figure 16: Demand for and Supply of Foreign Exchange

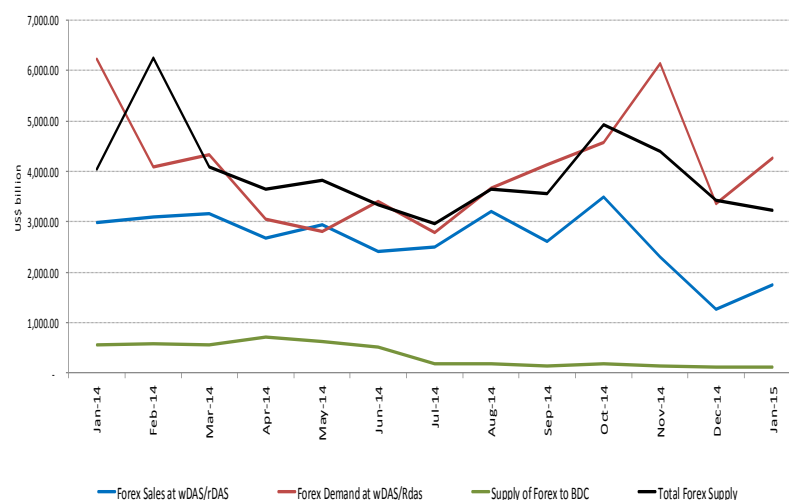


Table 15: Demand for and Supply of Foreign Exchange (US\$ billion)

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Forex Sales at wDAS/rDAS	2,989.4	3,101.9	3,151.6	2,663.9	2,928.5	2,398.6	2,494.8	3,201.1	2,598.5	3,498.5	2,296.9	1,260.2	1,737.4
Forex Demand at rDAS/wDAS	6,236.7	4,096.5	4,320.0	3,045.5	2,805.7	3,401.4	2,784.9	3,661.4	4,132.3	4,570.6	6,148.8	3,364.9	4,252.3
Supply of Forex to BDC	556.3	567.1	561.0	712.8	619.8	501.2	184.9	169.0	143.2	178.9	145.7	110.4	110.4
Total Forex Supply	4,038.7	6,254.4	4,091.5	3,637.8	3,819.6	3,330.1	2,954.1	3,650.1	3,558.7	4,914.3	4,395.2	3,430.1	3,234.9

Under the rDAS, the average exchange rate of the naira vis-à-vis the US dollar, at ₦169.68 per US dollar remained same as in the preceding month, but indicated a 7.3 per cent depreciation below the level in the corresponding period of 2014. At the BDC segment, the average exchange rate depreciated by 3.4 and 12.5 per cent to ₦196.13 per US dollar, below the respective levels in the preceding month and the corresponding period of 2014. The average exchange rate at the inter-bank segment, at ₦181.76 per US dollar, indicated a depreciation of 0.6 and 11.9 per cent, below the respective levels in the preceding month and the corresponding period of 2014.

Consequently, the premium between the rDAS and Bureau-de-change widened to 15.6 per cent from 11.6 per cent in the preceding month. The premium between the inter-bank and rDAS also widened to 7.1

The Naira exchange rate vis-à-vis the US dollar, on average, remained unchanged at the rDAS segment but depreciated at the BDC and inter-bank segments of the market during the review period.

per cent from 6.5 per cent in the preceding month.

Figure 17: Average Exchange Rate Movement

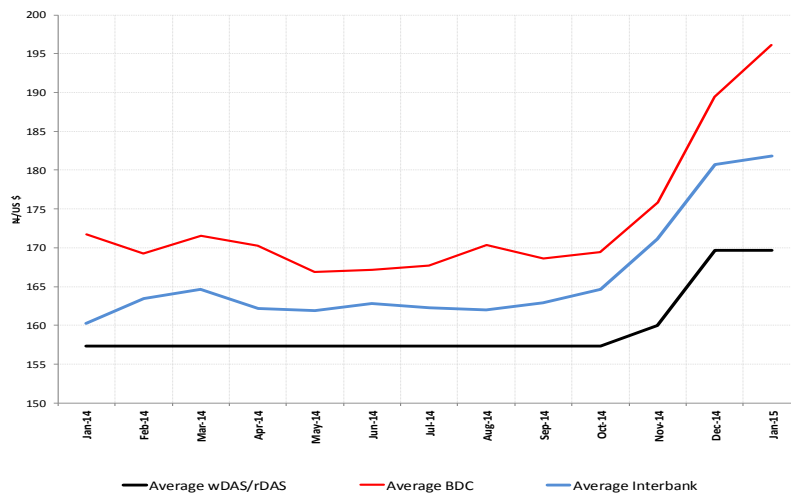
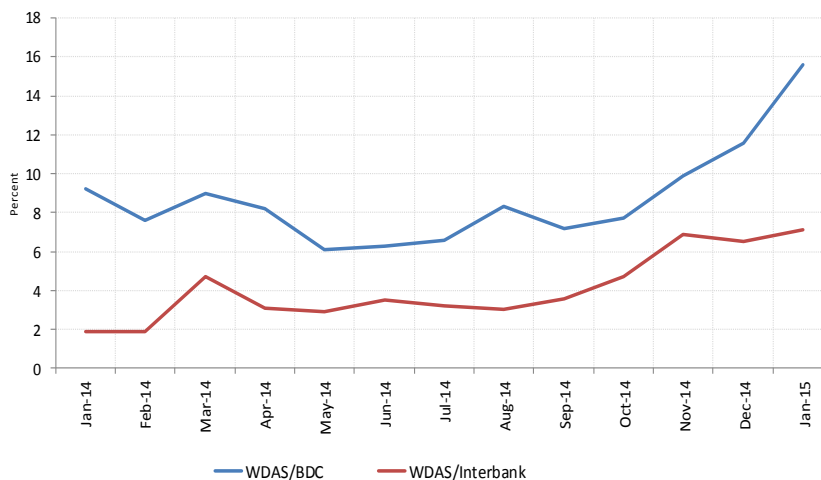


Table 16: Exchange Rate Movements and Exchange Rate Premium

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Average Exchange Rate (N/\$)													
wDAS/rDAS	157.29	157.31	157.30	157.29	157.29	157.29	157.29	157.29	157.30	157.31	160.00	169.68	169.68
BDC	171.71	169.28	171.52	170.25	166.85	167.14	167.71	170.36	168.64	169.43	175.85	189.44	196.13
Interbank	160.23	163.49	164.62	162.19	161.86	162.82	162.25	161.99	162.93	164.64	171.10	180.74	181.76
Premium (%)													
rDAS/BDC	9.2	7.6	9.0	8.2	6.1	6.3	6.6	8.3	7.2	7.7	9.9	11.6	15.6
rDAS/Interbank	1.9	3.9	4.7	3.1	2.9	3.5	3.2	3	3.6	4.7	6.9	6.5	7.1

Figure 18: Exchange Rate Premium



5.5 Gross External Reserves

The gross external reserves at the end of January 2015 stood at US\$32.36 billion, indicating a decline of 5.5 and 20.4 per cent below the levels in the preceding month and the corresponding period of 2014, respectively. A breakdown of the reserves showed that the Federation Account portion (Excess Crude) was US\$2.17 billion (6.7 per cent), Federal Government holding was US\$1.53 billion (4.7 per cent) and CBN reserves stood at US\$28.66 billion (88.6 per cent), (Fig. 19, Table 16).

Gross external reserves decreased in January 2015.

Figure 19: Gross External Reserves

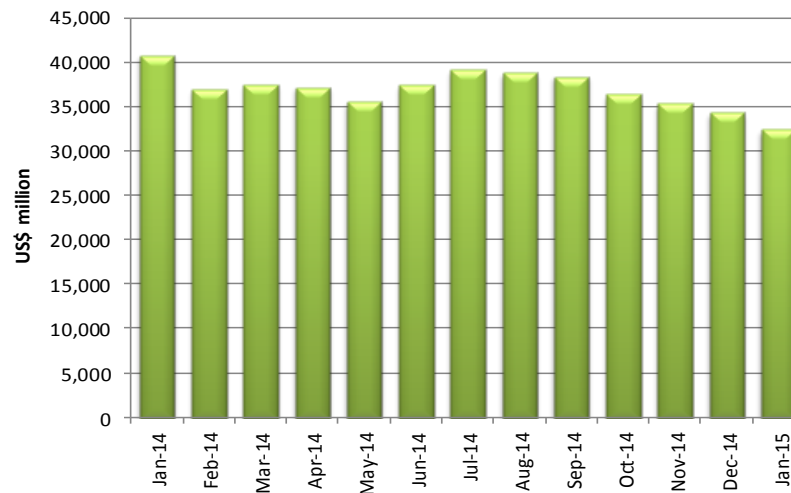


Table 17: Gross External Reserves (US\$ million)

Period	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
External Reserves	35,398.10	37,330.03	39,065.42	38,705.71	38,278.62	36,270.36	35,238.78	34,241.54	32,360.52

6.0 *Other International Economic Developments and Meetings*

World crude oil output in January 2015 was estimated at an average of 93.15 million barrels per day (mbd), while demand was at 92.50 million barrels per day (mbd), compared with 93.16 and 92.69 mbd supplied and demanded, respectively, in the preceding month. The decline in demand was attributed, mainly, to the slow growth in China and the persistent recession in Japan and the euro zone.

Other major international economic developments and meetings of importance to the domestic economy during the review period included: an extraordinary meeting of the committee of governors of the West African Monetary Zone (WAMZ) held in Abuja, Nigeria, on January 22, 2015. The Meeting was preceded by the Technical Committee meeting of the WAMZ on January 21, 2015. The Chairman and Governor, Central Bank of Nigeria, Mr. Godwin I. Emefiele also convened a meeting to consider WAMI's 2015 Budget and the report on the status of Implementation of the Restructuring of WAMI. Important decisions following deliberations at the meeting included among others:

- Approval of WAMI's budget for 2015;
- Directive for the implementation of provident fund to support staff of WAMI;
- Allocation of Director positions at WAMI to Member Countries;
- The Director positions would be rotated every two years; and
- Approval of the re-appointment of Director General of WAMI, Dr. Abwaku Englama, for another two-year period with effect from February 1, 2015.

The 24th African Union Summit held from January 23 to January 31, 2015 in Addis Ababa, Ethiopia, under the theme "Women's Empowerment Year and Africa

Development Towards Agenda 2063". Following deliberations at the summit, the African Development Bank (AfDB) expressed its support to the African Union (AU) in implementing Africa's commitments for an accelerated agricultural growth and transformation. The AfDB promised to implement along with other partners an innovative financial support for the implementation of the AU Strategy and Roadmap towards the realization of 2014 Malabo commitments on agriculture and food security.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Domestic Credit (Net)	15,008.3	15,602.1	15,668.5	16,095.6	16,297.3	16,379.9	16,129.5	17,278.4
<i>Claims on Federal Government (Net)</i>	(1,973.6)	(1,665.1)	(1,746.2)	(1,585.0)	(1,571.8)	(1,748.2)	(2,017.5)	(899.7)
Central Bank (Net)	(2,913.9)	(2,877.8)	(2,739.7)	(2,579.4)	(2,527.7)	(2,562.9)	(2,534.3)	(1,735.6)
Commercial Banks	904.6	1,151.5	921.5	937.3	877.6	737.5	456.7	783.5
Merchant Bank	36.4	61.9	72.8	57.9	79.1	77.9	61.1	53.5
Non Interest Banks	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(1.1)	(1.1)
<i>Claims on Private Sector</i>	16,981.9	17,267.3	17,414.7	17,680.6	17,869.1	18,128.1	18,147.0	18,178.1
Central Bank	4,702.3	4,695.2	4,697.1	4,697.8	4,950.4	4,884.0	4,851.4	4,851.1
Commercial Banks	12,223.4	12,512.1	12,655.3	12,921.8	12,857.1	13,175.0	13,210.1	13,244.9
Merchant Bank	41.2	43.7	45.4	42.5	41.4	48.6	63.7	60.4
Non Interest Banks	15.0	16.3	16.9	18.5	20.2	20.5	21.8	21.6
<i>Claims on Other Private Sector</i>	16,224.9	16,502.9	16,655.7	16,930.9	17,081.6	17,357.4	17,389.2	17,446.0
Central Bank	4,678.7	4,671.6	4,673.5	4,674.2	4,926.8	4,840.9	4,827.9	4,824.9
Commercial Banks	11,492.3	11,773.7	11,922.3	12,198.1	12,095.5	12,449.8	12,478.3	12,540.3
Merchant Bank	41.2	43.7	45.4	42.5	41.4	48.6	63.7	60.4
Non Interest Banks	12.6	13.9	14.5	16.1	17.8	18.1	19.4	20.3
<i>Claims on State and Local Governm</i>	733.4	740.7	735.4	726.2	763.9	727.6	734.2	706.0
Central Bank	-	-	-	-	-	-	-	-
Commercial Banks	731.0	738.3	733.0	723.8	761.5	725.2	731.8	704.6
Merchant Bank	-	-	-	-	-	-	-	-
Non Interest Banks	2.4	2.4	2.4	2.4	2.4	2.4	2.4	1.4
<i>Claims on Non-financial Public Ent</i>	23.6	23.6	23.6	23.6	23.6	23.6	23.6	26.2
Foreign Assets (Net)	7,837.3	8,175.2	7,791.7	7,751.7	7,061.2	7,183.4	7,358.2	6,436.0
Central Bank	6,344.0	6,667.0	6,438.9	6,436.3	5,979.4	6,117.4	6,388.6	5,704.0
Commercial Banks	1,482.4	1,514.3	1,359.7	1,320.2	1,087.2	1,066.5	972.8	737.6
Merchant Bank	8.4	(9.6)	(10.7)	(8.9)	(8.8)	(3.1)	(6.4)	(7.8)
Non Interest Banks	2.5	3.5	3.8	4.1	3.4	2.7	3.1	2.1
Other Assets (Net)	(6,673.9)	(7,108.1)	(7,084.8)	(7,032.8)	(6,800.5)	(6,840.2)	(6,654.4)	(6,903.2)
Total Monetary Assets (M2)	16,171.6	16,669.2	16,375.4	16,814.5	16,558.1	16,696.7	16,833.2	16,811.1
Quasi-Money 1/	9,341.1	9,679.9	9,647.9	9,953.8	9,803.9	10,018.4	10,566.6	10,437.9
Money Supply (M1)	6,587.3	6,745.4	6,481.8	6,616.4	6,519.1	6,678.2	6,266.7	6,373.3
<i>Currency Outside Banks</i>	1,162.4	1,237.0	1,214.9	1,243.2	1,185.6	1,231.0	1,366.7	1,320.3
<i>Demand Deposits 2/</i>	5,424.9	5,508.5	5,266.8	5,373.2	5,333.5	5,447.2	4,900.0	5,053.0
Total Monetary Liabilities (M2)	15,928.4	16,425.4	16,129.7	16,570.2	16,323.0	16,696.7	16,833.2	16,811.1
<i>Memorandum Items:</i>								
Reserve Money (RM)	4,723.1	4,767.1	4,729.3	4,882.7	5,076.8	5,068.6	5,964.7	5,475.5
<i>Currency in Circulation (CIC)</i>	1,497.1	1,568.2	1,501.5	1,548.3	1,534.0	1,577.9	1,798.0	1,661.7
<i>DMBs Demand Deposit with CBN</i>	3,462.5	3,225.9	3,198.9	3,227.8	3,542.8	3,490.7	4,166.8	3,813.9

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)

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
	Growth Over Preceding December (%)							
Domestic Credit (Net)	3.3	7.3	7.8	10.7	12.1	12.7	11.0	7.1
<i>Claims on Federal Government (Net)</i>	-19.2	-0.5	-5.4	4.3	5.1	-5.6	-21.8	55.4
<i>Claims on Private Sector</i>	4.9	6.6	7.6	9.2	10.4	12.0	12.1	0.2
<i>Claims on Other Private Sector</i>	5.4	7.2	8.2	10.0	11.0	12.9	13.0	0.3
<i>Claims on State and Local Government</i>	-5.9	-4.9	-5.6	-6.8	-2.0	-6.6	-5.8	3.9
<i>Claims on Non-financial Public Enterprises</i>								
Foreign Assets (Net)	-9.5	-5.6	-10.0	-10.5	-18.4	-17.0	-15.0	-12.5
Other Assets (Net)	11.1	5.3	5.6	6.3	9.4	8.5	11.3	-3.7
Total Monetary Assets (M2)	3.1	6.2	4.4	7.2	5.5	6.4	7.3	-0.1
Quasi-Money 1/	7.9	11.8	11.5	15.0	13.3	15.7	22.1	-1.2
Money Supply (M1)	-2.9	-0.6	-4.3	-2.4	-4.0	-5.0	-10.9	1.7
<i>Currency Outside Banks</i>	-19.7	-14.5	-16.0	-14.1	-18.1	-14.9	-5.5	-3.4
<i>Demand Deposits 2/</i>	1.5	3.0	-1.3	0.6	-0.3	-2.5	-12.3	3.1
Total Monetary Liabilities (M2)	3.1	6.2	4.4	7.2	5.5	6.4	7.3	-0.1
<i>Memorandum Items:</i>								
Reserve Money (RM)	-6.0	-5.1	-5.9	-2.9	1.1	0.8	17.2	-8.2
<i>Currency in Circulation (CIC)</i>	-15.7	-11.7	-15.5	-12.9	-13.7	-11.8	1.2	-7.6
<i>DMBs Demand Deposit with CBN</i>	-0.7	-1.5	0.7	2.5	9.0	7.2	25.7	-8.5
	Growth Over Preceding Month (%)							
Domestic Credit (Net)	-4.8	4.0	0.4	2.7	1.3	0.5	-1.5	7.1
<i>Claims on Federal Government (Net)</i>	-103.1	15.6	-4.9	9.2	0.8	-11.2	-15.4	55.4
<i>Claims on Private Sector</i>	1.5	1.7	0.9	1.5	1.1	1.5	0.1	0.2
<i>Claims on Other Private Sector</i>	1.7	1.7	0.9	1.7	0.9	1.7	0.1	0.3
<i>Claims on State and Local Government</i>	-3.6	1.0	-0.7	-1.3	5.2	-4.8	0.9	3.9
<i>Claims on Non-financial Public Enterprises</i>								
Foreign Assets (Net)	14.3	4.3	-4.7	-0.5	-8.9	1.7	2.4	-12.5
Central Bank	16.6	5.1	-3.4	0.0	-7.1	2.3	4.4	-10.7
Banks	5.4	1.0	-10.3	-2.8	-17.8	-1.5	-9.1	-24.5
Other Assets (Net)	-3.2	-6.5	0.3	0.7	3.3	1.0	3.1	-3.7
Total Monetary Assets (M2)	0.1	3.1	-1.8	2.7	-1.5	0.8	0.8	-0.1
Quasi-Money 1/	1.9	3.6	-0.3	3.2	-1.5	2.2	5.5	-1.2
Money Supply (M1)	-2.3	2.3	-3.7	2.0	-1.6	-1.1	-6.2	1.7
<i>Currency Outside Banks</i>	-3.6	6.4	-1.8	2.3	-4.6	3.9	11.0	-3.4
<i>Demand Deposits 2/</i>	-2.0	1.5	-4.2	1.9	-0.9	-2.2	-10.1	3.1
Total Monetary Liabilities (M2)	0.1	3.1	-1.8	2.7	-1.5	0.8	0.8	-0.1
<i>Memorandum Items:</i>								
Reserve Money (RM)	-6.6	1.0	-0.9	3.2	4.1	-0.3	16.3	-8.2
<i>Currency in Circulation (CIC)</i>	-1.4	4.7	-4.3	3.1	-0.9	2.9	13.9	-7.6
<i>DMBs Demand Deposit with CBN</i>	-8.8	-0.7	0.8	3.2	6.4	-1.6	17.3	-8.5

Table A3: Federal Government Fiscal Operations (₦ billion)

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
Retained Revenue	279.1	298.7	374.1	284.9	364.1	312.9	348.1	259.3	266.2
<i>Federation Account</i>	249.1	271.3	270.1	257.3	238.1	217.8	224.3	196.3	220.4
<i>VAT Pool Account</i>	9.4	9.4	9.6	9.4	8.9	9.4	9.7	8.7	10.6
<i>FGN Independent Revenue</i>	4.3	6.6	40.6	1.9	90.8	48.1	90.3	12.4	21.7
<i>Excess Crude</i>	0.0	0.0	0.0	0.0	0.0	1.3	0.0	0.0	0.0
<i>Others /SURE-P</i>	16.3	16.3	53.7	16.3	26.3	36.4	23.9	41.8	6.3
Expenditure	303.7	328.4	409.6	416.2	340.8	391.3	386.0	370.2	367.1
<i>Recurrent</i>	264.2	289.5	303.6	268.6	246.8	333.0	286.0	286.2	302.6
<i>Capital</i>	18.3	17.7	85.0	89.4	62.4	58.2	70.0	63.6	47.6
<i>Transfers</i>	21.2	21.2	21.0	58.2	31.6	0.0	30.0	20.5	16.8
Overall Balance: Surplus(+)/Deficit(-)	-24.6	-29.7	-35.5	-131.3	23.3	-78.4	-37.9	-110.9	-100.9

