



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
APRIL 2016***

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

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1.0 Summary

Provisional data indicated that growth in money supply remained moderate in April 2016. On month-on-month basis, broad money supply (M_2) grew by 1.3 per cent. The development reflected the respective rise of 2.8 and 1.7 per cent in aggregate domestic credit (net) and other assets (net), which dampened the 9.1 per cent contraction in foreign assets (net) of the banking system. Similarly, narrow money supply (M_1), on month-on-month basis, grew by 1.1 per cent due to the increase in its demand deposit and currency outside banks components. Reserve money (RM) declined by 11.3 per cent at the end of the review month.

Banks' deposit and lending rates generally trended downward during the review month. With the exception of the average savings, which rose moderately and the 7-day deposit rate which remained unchanged, all other deposit rates of various maturities declined from a range of 4.61 - 6.90 per cent in the preceding month to 4.53 - 6.83 per cent at the end of the review month. The average term deposit rate also fell to 5.19 per cent below the 5.38 per cent recorded in the preceding month. Similarly, the weighted average prime and maximum lending rates fell to 16.77 and 26.88 per cent, respectively, at the end of the review month. Consequently, the spread between the weighted average term deposit and maximum lending rates widened from 21.55 percentage points to 21.69 percentage points in April 2016. However, the spread between the average savings deposit and average maximum lending rates, contracted by 0.05 percentage point to 24.35 percentage points at the end of the review month.

Total value of money market assets outstanding in April 2016 stood at ₦9,922.43 billion and indicated an increase of 1.8 per cent, compared with 10.4 per cent growth at the end of the preceding month. The development was attributed, largely, to the 371.1 per cent increase in Commercial Paper outstanding. Activities on the Nigerian Stock Exchange were bearish in April 2016.

Federally-collected revenue in April 2016, at ₦391.33 billion, was lower than receipts in the preceding month by 7.1 per cent. Oil receipt (gross), at ₦186.65 billion, fell below the receipts in the preceding month by 18.0 per cent, and constituted 47.7 per cent of total revenue. At ₦204.68 billion or 52.3 per cent of the total, gross non-oil receipts exceeded the receipts in the preceding month by 5.8 per cent. Federal Government retained revenue and estimated expenditure for April 2016 were ₦173.77 billion and ₦366.99

billion, respectively. Consequently, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦193.23 billion.

Major farming activities during the review period were planting of various crops and harvesting of cassava in the South, while preparation of land for cropping and harvesting of vegetables were prevalent in the North. In the livestock sub-sector, migration of livestock, such as cattle to Southern states continued.

Domestic crude oil production was estimated at 1.68 million barrels per day (mbd) or 50.40 million barrels in April 2016. Crude oil export stood at 1.23 mbd or 36.90 mb and indicated a decline of 6.1 per cent, relative to the level in the preceding month. At an estimated average of US\$42.28 per barrel, the average spot price of Nigeria's reference crude, the Bonny Light (37° API), indicated an increase of 8.6 per cent, compared with the level in the preceding month.

Headline inflation rate on a year-on-year basis was 13.7 per cent in April 2016 and 10.2 per cent on a 12-month moving average basis.

Foreign exchange inflow and outflow through the CBN in April 2016 was US\$1.31 billion and US\$1.58 billion, respectively, and resulted in a net outflow of US\$0.28 billion. Foreign exchange sales by the CBN to the authorized dealers amounted to US\$1.16 billion and represented a 2.7 per cent increase relative to the level in March 2016.

The average exchange rate at the inter-bank segment remained unchanged at ₦197.00 per US dollar, same as in the preceding month and the corresponding period of 2015. Gross external reserves, at US\$26.60 billion, declined by 3.5 per cent relative to the preceding month's level.

Other major international economic developments and meetings of importance to the domestic economy during the review period included: the 2016 Spring Meetings of the Board of Governors of the World Bank Group (WBG) and the International Monetary Fund (IMF) held in Washington D. C, USA from April 11 – 18, 2016. A sideline meeting of the Inter-Governmental Group of Twenty-Four (G-24) on International Monetary Affairs and Developments was also held in Washington D. C at the same period.

2.0 *Financial Sector Developments*

2.1 **Monetary and Credit Developments**

Provisional data indicated that broad money supply (M₂) increased at end-April 2016. Banks' deposit and lending rates generally trended downward. The value of money market assets outstanding rose, owing, largely, to the increase in investments in Commercial Paper during the review period. Activities on the Nigerian Stock Exchange (NSE) were bearish during the review month.

Money supply (M₂) grew on month-on-month basis at end-April 2016.

Provisional data indicated that relative to the level at end-March 2016, growth in the key monetary aggregates were moderate at the end of April 2016. On month-on-month basis, broad money supply (M₂), at ₦20,727.87 billion, grew by 1.3 per cent, in contrast to the decline of 0.09 per cent at the end of the preceding month. The development reflected the respective increase of 2.8 per cent and 1.7 per cent, in aggregate domestic credit and other assets (net), which dampened the effect of the 9.1 per cent contraction in foreign assets (net) of the banking system.

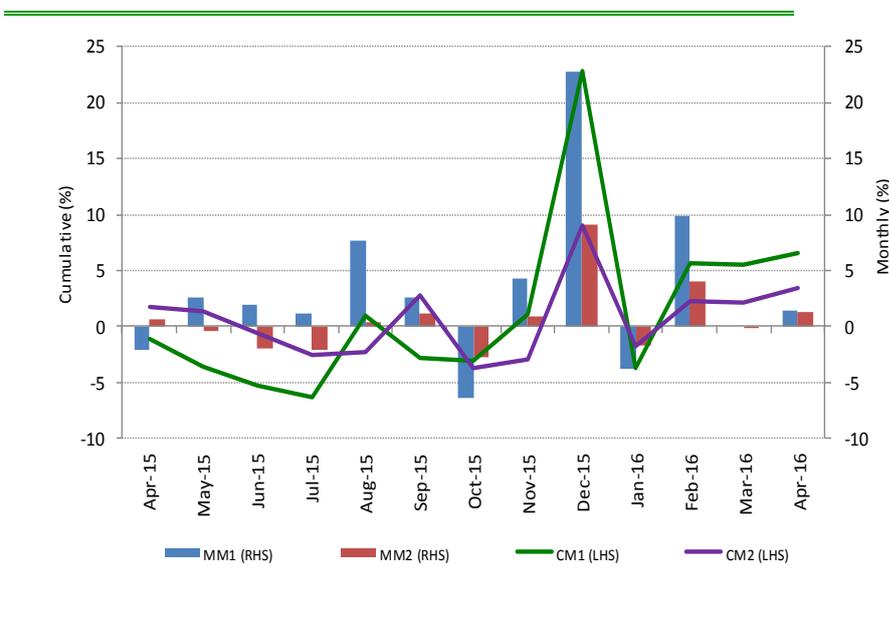
Similarly, narrow money supply (M₁), grew by 1.1 per cent and 2.9 per cent, relative to the levels in the preceding month and the corresponding period of 2015, respectively. The development, relative to the preceding month was attributed to the 1.2 per cent and 0.2 per cent increase in its demand deposit and currency outside banks components, respectively (Fig. 1, Table 1).

Over the level at end-December 2015, broad money supply, (M₂) grew by 3.5 per cent, compared with the respective increase of 2.2 per cent and 3.7 per cent, at the end of the preceding month and the corresponding period of 2015. The development relative to the preceding month reflected, wholly, the 7.8 per cent increase in domestic credit (net) of the banking system. Narrow money supply (M₁) grew by 6.6 per cent, compared with the 5.5 per cent and 4.1 per cent increase at the end of the preceding month and the corresponding period of 2015, respectively.

Relative to the level at the end of the preceding month, quasi-money rose by 1.4 per cent to ₦11,591.81 billion, compared with the zero (0.0) per

cent) change and 2.3 per cent growth recorded at the end of the preceding month and the corresponding period of 2015, respectively. The development reflected the increase in banks' savings and time deposits.

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



At ₦23,297.77 billion, aggregate credit to the domestic economy, on month-on-month basis, rose by 2.8 per cent at the end of the review month, compared with the increase of 1.1 per cent at the end of the preceding month. The development relative to the preceding month reflected the 4.0 per cent and 2.6 per cent increase in net claims on the Federal Government and the private sector, respectively. Over the level at end-December 2015, aggregate domestic credit (net) rose by 7.8 per cent at the end of the review period, compared with the 4.9 per cent and 3.7 per cent growth at end-March 2016 and the corresponding period of 2015, respectively.

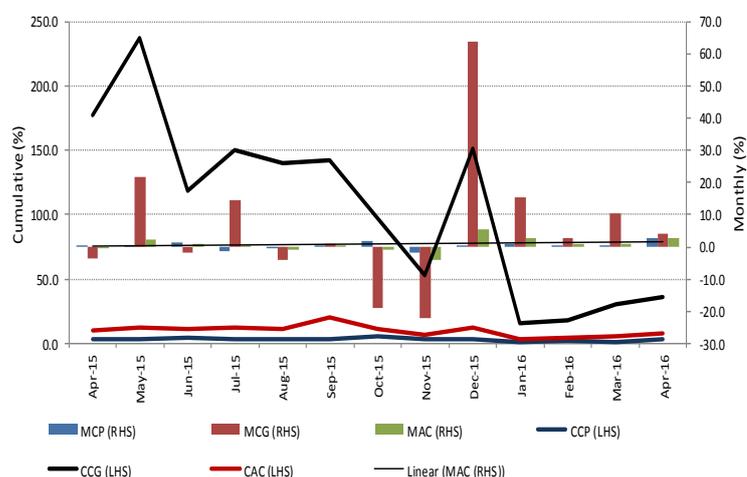
Banking system's credit (net) to the Federal Government, on month-on-month basis, grew by 4.0 per cent at end-April 2016, compared with the 10.5 per cent increase at the end of the preceding month. The development relative to the preceding month was due to the growth in banking system's holding of government securities. Relative to the level at end-

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

December 2015, net claims on the Federal Government increased by 36.0 per cent at the end of the review period, compared with the 30.7 per cent increase in the preceding month.

At ₦19,364.03 billion, banking system's credit to the private sector, on month-on-month basis, increased by 2.6 per cent, in contrast to the respective decline of 0.6 and 1.3 per cent at end-March 2016 and the corresponding period of 2015. The development relative to the level at the end of the preceding month reflected the 0.3 per cent increase in credit to core private sector (Fig. 2, Table 1).

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



At ₦5,045.95 billion, foreign assets (net) of the banking system fell by 9.1 per cent at end-April 2016, in contrast to the growth of 1.5 per cent at the end of the preceding month. The development reflected the decrease in the foreign assets holdings of the CBN and banks. Over the level at end-December 2015, foreign assets (net) of the banking system declined by 10.7 per cent at end-April 2016, compared with the decline of 1.8 per cent at the end of the preceding month. This reflected the 15.5 per cent decline in foreign assets holdings of the CBN.

Foreign assets (net) of the banking system fell on a month-on-month basis at end- April 2016.

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).

Other Assets (net) of the banking system, at negative ₦7,615.84 billion, grew by 1.7 per cent at end-April 2016, in contrast to the 4.7 per cent decline in the preceding month. The development relative to the level at end-March 2016 was attributed to the growth in unclassified assets of banks during the review month. Over the level at end-December 2015, other assets (net) of the banking system fell by 5.3 per cent, compared with the decline of 7.1 per cent, at the end of the preceding month.

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

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Domestic Credit (Net)	-0.3	2.5	0.9	0.6	-0.7	0.6	-0.8	-4.1	5.6	2.8	0.9	1.1	2.8
Claims on Federal Government (Net)	-3.6	21.8	-1.8	14.5	-4.0	0.9	-18.9	-22.0	64.0	15.4	2.6	10.5	4.0
Claims on Private Sector	0.1	0.3	1.3	-1.2	-0.2	0.5	1.9	2.0	0.1	0.9	0.6	-0.6	2.6
Claims on Other Private Sector	0.1	0.6	1.3	-1.3	0.3	-0.3	0.2	0.0	-0.4	-0.1	-	0.1	0.3
Foreign Assets (Net)	0.5	-8.9	8.6	-4.4	-3.3	-7.6	-9.1	14.4	6.9	-4.6	0.4	1.5	-9.1
Other Assets (Net)	2.1	-0.7	-14.1	-3.0	4.6	6.1	1.5	4.8	9.1	-9.6	6.7	-4.7	1.7
Broad Money Supply (M2)	0.7	-0.4	-2.0	-2.1	0.4	1.2	-2.7	0.9	9.1	-1.7	4.1	-0.1	1.3
Quasi-Money	2.3	0.8	-2.0	-2.6	-3.6	0.4	-0.5	-1.1	0.6	-0.2	-0.1	0.0	1.4
Narrow Money Supply (M1)	-2.1	-2.6	-1.9	-1.1	7.7	2.6	-6.4	4.4	22.8	-3.8	9.9	-0.2	1.1
Reserve Money (RM)	4.5	-0.4	-3.8	-0.2	-0.6	-1.8	-4.2	1.7	3.1	-1.1	-11.4	13.0	-3.0

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

At ₦1,763.53 billion, currency-in-circulation fell by 2.6 per cent in the review month, in contrast to 5.8 per cent increase at the end of March 2016. The development relative to the level at the end of the preceding month was due, largely, to the fall in its vault cash component.

Total deposits at the CBN amounted to ₦9,652.30 billion, indicating a decline of 0.6 per cent below the level at the end of the preceding month. The development reflected the decline in banks' and Federal Government deposits with the CBN. Of the total deposits at CBN, the shares of the Federal Government, banks and the private sector were 41.4,

39.6 and 19.0 per cent, respectively.

Reserve money (RM) fell by 3.0 per cent to ₦5,587.67 billion at the end of the review month, reflecting the decline in both currency-in-circulation (CIC) and banks' demand deposit.

Reserve money (RM) fell during the review month.

2.3 Money Market Developments

Financial market indicators reacted to the incremental changes in the Monetary Policy Rate (MPR) and Cash Reserve Ratio (CRR) in the preceding month. The tight Monetary Policy stance was necessitated by the need to rein in inflation and stabilize exchange rate and interest rate, in order to revive economic growth and general employment. However, the market remained liquid due to the refund of unutilized deposits for the purchase of foreign exchange at the inter-bank segment and matured Central Bank of Nigeria (CBN) bills. The Bank deployed Open Market Operations (OMO) through sales of CBN bills for liquidity management to achieve its monetary policy objective.

Provisional data indicated that total value of money market assets outstanding in April 2016 stood at ₦9,922.43 billion, indicating an increase of 1.8 per cent, compared with 10.4 per cent growth at the end of the preceding month. The development was attributed, largely, to the 371.1 per cent increase in Commercial Paper outstanding.

2.3.1 Interest Rate Developments

Available data indicated that banks' deposit and lending rates generally trended downward during the review month. With the exception of the average savings rate, which rose from 3.26 per cent to 3.54 per cent, all other deposit rates of various maturities declined from a range of 4.61 - 6.90 per cent in the preceding month to 4.53 - 6.83 per cent at the end of the review month. However, the 7-day deposit rate remained unchanged at the preceding month's level of 2.53 per cent. The average term deposit rate also fell to 5.19 per cent below the 5.38 per cent recorded in the preceding month.

Available data indicated that rates generally trended downward during the review month.

The weighted average prime and maximum lending rates fell by 0.05 percentage point apiece to 16.77

and 6.88 per cent, respectively, at the end of the review month. Consequently, the spread between the weighted average term deposit and maximum lending rates widened from 21.55 percentage points to 21.69 percentage points in April 2016. However, the spread between the average savings deposit and average maximum lending rates, narrowed by 0.05 percentage point to 24.35 percentage points at the end of the review month.

At the inter-bank call segment, the weighted average rate, which stood at 4.32 per cent in the preceding month, fell by 0.57 percentage point to 3.75 per cent in the review month. Similarly, the Nigeria inter-bank offered rate (NIBOR) for the 30- day tenor, fell to 6.29 per cent in the review month from 7.94 per cent in the preceding month. The development reflected liquidity conditions in the market. However, the weighted average rate at the open-buy-back (OBB) segment remained unchanged at 3.55 per cent in the review month.

With the headline inflation rate at 13.7 per cent at end-April 2016, the lending rates (prime and maximum) were positive in real terms, while all the deposit rates were negative in real terms (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

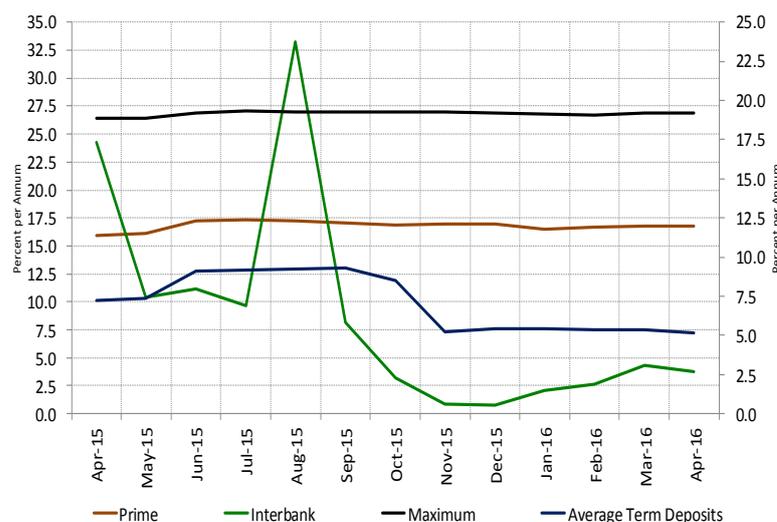


Table 2: Selected Interest Rates (Percent, Averages)

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Average Term Deposits	7.23	7.37	9.14	9.15	9.24	9.32	8.52	5.2	5.43	5.43	5.36	5.38	5.19
Prime Lending	15.95	16.08	17.24	17.3	17.29	17.02	16.84	16.98	16.96	16.54	16.72	16.82	16.77
Interbank Call	24.24	10.43	11.19	9.69	33.26	8.12	3.22	0.84	0.77	2.04	2.67	4.32	3.75
Maximum Lending	26.41	26.43	26.84	27.03	27.01	26.99	27.01	27.02	26.84	26.77	26.73	26.93	26.88

2.3.2 Commercial Paper (CP)

Commercial Paper (CP) outstanding held by banks grew by 371.1 per cent to ₦2.12 billion at the end of April 2016, compared with ₦0.45 billion at the end of the preceding month. The development was due to the increase in investment in CP by merchant banks in the review month. Thus, CP constituted 0.02 per cent of the total value of money market assets outstanding, at the end of the review month, compared with 0.005 per cent at the end of the preceding month.

2.3.3 Bankers' Acceptances (BAs)

At the end of the review month, the value of BAs outstanding declined by 10.2 per cent to ₦11.06 billion, compared with ₦12.31 billion at the end of the preceding month. The development was attributed to the decline in investment in BAs by the commercial banks during the review month. Consequently, BAs accounted for 0.11 per cent of the total value of money market assets outstanding, at the end of April 2016, compared with 0.13 per cent, at the end of the preceding month.

2.3.4 Open Market Operations (OMO)

The Bank intervened five (5) times in the money market through direct OMO auctions. The tenors of the instruments auctioned ranged from 205 to 223 days. The amount offered, subscribed to and allotted were ₦240.00 billion, ₦356.91 billion and ₦125.89 billion, respectively, compared with ₦354.86 billion offered, ₦706.99 billion subscribed to and ₦394.63 billion allotted in March 2016. The bid rates ranged from 8.3000 to 11.0000 per cent, while the stop rates ranged between 8.8000 per cent and 9.0000 per cent. CBN bills amounting to ₦187.78 billion, matured and were repaid. Consequently, there was a net injection of ₦61.89 billion into the system.

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 were ₦386.41 billion, ₦699.08 billion and ₦386.41 billion, respectively, compared with ₦611.51 billion, ₦1,546.88 billion and ₦611.51 billion, in March 2016. The auctions were oversubscribed with the bid-to-cover ratio of 1.81. The bid rates for all tenors ranged from 5.0000 - 14.2521 per cent, while the stop rates ranged from 6.10 - 10.2485 per cent. Sale to non-competitive bidders amounted to ₦30.28 billion with breakdown for the 91-, 182-, and 364-day at ₦16.27 billion, ₦11.41 billion and ₦2.6 billion, respectively. The sum of ₦386.41 billion matured and was repaid during the review period.

2.3.6 Bonds Market

In the review month, existing tranches of the 5-, 10- and 20-year FGN Bonds were re-opened and offered for sale. The term to maturity of the bonds ranged from 3 years 10 months to 19 years 11 months. Total amount offered, subscribed to and allotted were ₦110.00 billion, ₦206.73 billion and ₦100.00 billion, respectively. The auction was oversubscribed with the bid-to-cover ratio of 2.07, compared with 2.62 in the preceding month. The bid rate on all the bonds ranged from 10.0000 to 18.0000 per cent. The marginal rates for the 5-year, 10-year and 20-year bonds were 12.000 per cent, 12.6000 per cent and 13.0800 per cent, respectively. No bill matured in the review month.

2.3.7 CBN Standing Facilities

Developments at the CBN standing facilities window indicated that requests for Standing Deposit Facility (SDF) significantly exceeded the Standing Lending Facility (SLF). Applicable rates for the SLF and SDF were 14.00 and 7.00 per cent, respectively.

Total request for SLF was ₦661.99 billion, and comprised mainly Intra-day Lending Facility (ILF) converted to overnight repos. Average daily request was ₦38.94 billion in 17 transaction days from April 1 to 25, 2016, while interest received during the period was ₦0.38 billion. In the preceding month, the sum of ₦475.31 billion was granted, with a total daily average

request of ₦43.21 billion in 11 transaction days and ₦0.25 billion as interest earned.

Standing Deposit Facility (SDF) totaling ₦2,005.52 billion was granted during the review month. This represented a daily average of ₦117.97 billion for the 17 transaction days in the period, from April 1 to 25, 2016. Cost incurred on SDF in the period stood at ₦0.58 billion, compared with ₦0.27 billion in the preceding month.

2.4 *Deposit Money Banks' Activities*

Available data indicated that total assets and liabilities of banks amounted to ₦28,621.29 billion, showing an increase of 0.2 per cent, relative to the level at the end of the preceding month. Funds were sourced mainly through mobilisation of time, savings and foreign currency deposits; credit from central Bank; and draw-down on reserves. The funds were used, largely, to reduce demand deposit and acquire unclassified assets.

At ₦18,323.3 billion, banks' credit to the domestic economy fell by 0.1 per cent, compared with the level at the end of the preceding month. The development reflected, largely, the decline in claims on the Federal Government at the end of the review month.

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

Total specified liquid assets of banks stood at ₦17,540.6 billion, representing 39.2 per cent of their total current liabilities. At that level, the liquidity ratio was 0.5 percentage point below the level at the end of the preceding month, but was 9.2 percentage points above the stipulated minimum ratio of 30.0 per cent. The loans-to-deposit ratio, at 68.6 per cent, was 0.8 percentage point above the level at the end of the preceding month, but was 11.4 percentage points below the stipulated maximum ratio of 80.0 per cent.

2.5 **Capital Market Developments**

2.5.1 *Secondary Market*

Provisional data at end-April 2016, indicated that developments on the Nigerian Stock Exchange (NSE) were generally bearish during the month. The volume and value of traded securities fell by 31.0 per cent and 30.5 per cent to 11.45 billion shares and ₦33.48 billion, respectively, in 62,747 deals, compared with 16.63

billion shares and ₦48.16 billion in 73,155 deals, recorded in the preceding month. The Financial Services Sector (measured by volume) led the activity chart with 10.6 billion shares valued at ₦22.93 billion, traded in 38,895 deals and accounted for 92.7 and 68.5 per cent of the total equity turnover volume and value, respectively. The Banking sub-sector of the Financial Services sector (measured by turnover volume) was the most active during the month (Fig.4, Table 3).

Figure 4: Volume and Value of Traded Securities

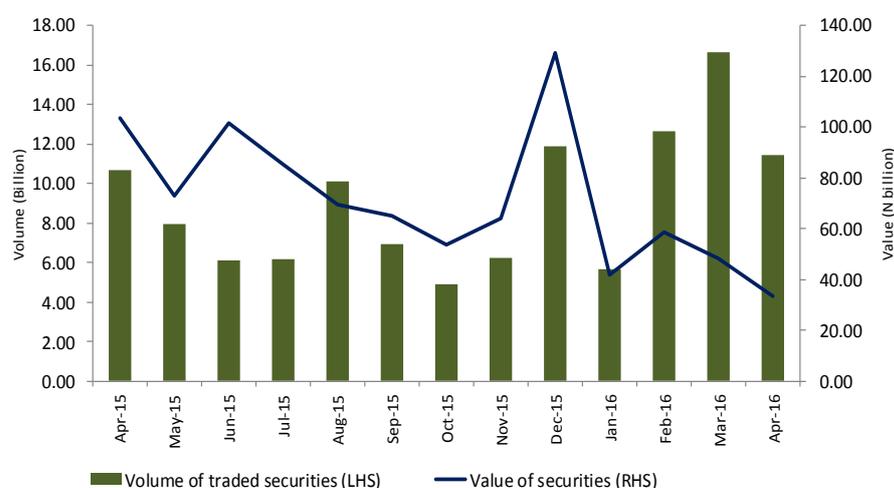


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Volume (Billion)	10.7	8.0	6.1	6.2	10.1	6.9	4.9	6.2	11.9	5.7	12.6	16.6	11.5
Value (₦ Billion)	103.4	72.7	101.7	85.4	69.4	64.9	53.5	63.9	129.0	42.1	58.6	48.2	33.5

2.5.2 Over-the-Counter (OTC) Bonds Market

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

2.5.3 New/Supplementary Issues Market

There was one supplementary listing in the review month.

New and Supplementary Listings on the Nigerian Stock Exchange for April 2016

S/N	Company	Additional Shares (Units)	Reasons	Listing
1	Transnational Corporation of Nigeria	1,936,049,872	Bonus Issue	supplementary

2.5.4 Market Capitalization

The aggregate market capitalisation increased marginally by 0.3 per cent to ₦15.93 trillion at end-April 2016 above the ₦15.88 trillion at end-March 2016 due, mainly, to increase in the market capitalisation of debt securities. Market capitalization for the equity segment, however, fell by 1.0 per cent to ₦8.63 trillion and constituted 54.2 per cent of the total, compared with ₦8.71 trillion and 54.9 per cent of the total at the end of the preceding month (Fig.5, Table 5).

2.5.5 NSE All-Share Index

The All-Share Index, which opened at 25,306.22 at the beginning of the month, closed at 25,062.41, representing a decline of 1.0 per cent below the level in the preceding month.

The NSE-Banking, NSE-Premium, NSE-Insurance, NSE-Pension and NSE-ASeM indices rose by 9.2 per cent, 4.3 per cent, 4.0 per cent, 3.8 per cent and 0.5 per cent, above their respective levels in the preceding month to 235.30, 1,576.97, 132.09, 720.15 and 1,211.14 at end-April 2016. However, the NSE-Oil and Gas, NSE-Lotus Islamic, NSE industrial Goods and NSE-Consumer Goods indices fell by 10.04 per cent, 5.98 per cent, 5.97 per cent and 0.72 per cent to 317.26, 1,666.15, 1,843.99 and 611.05, respectively, below their respective levels at the end of the preceding month (Fig.5, Table 4).

Figure 5: Market Capitalization and All-Share Index

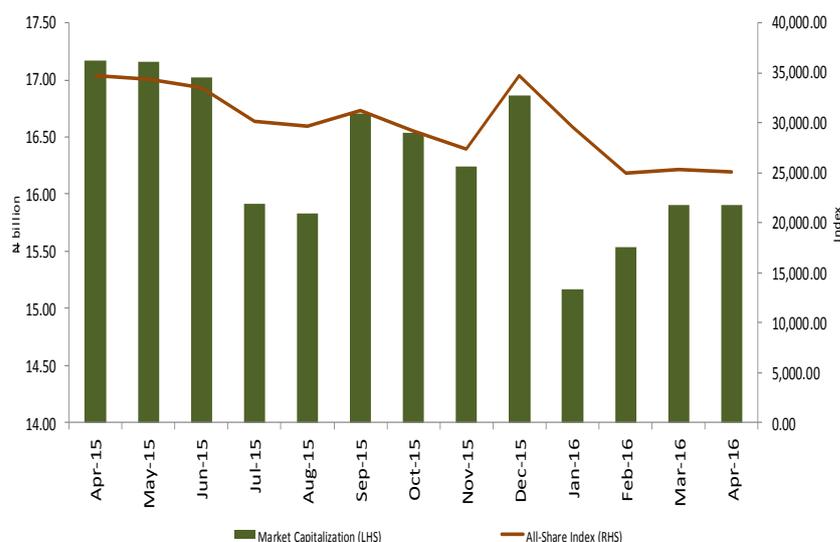


Table 4: Aggregate Market Capitalization and All Share Index (NSE)

	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Aggregate Market Capitalization (trillion)	16.71	16.54	16.24	16.86	15.17	15.57	15.88	15.93
All-Share Index	31,217.77	29,177.72	27,385.69	34,657.15	29,562.07	24,570.00	25,306.22	25,062.41

3.0 Fiscal Operations

Provisional data revealed that federally-collected revenue in April 2016, at ₦391.3 billion, fell short of the receipt in the preceding month by 7.1 per cent. Federal Government retained revenue in April 2016 was ₦173.77 billion, while total provisional expenditure was ₦366.99 billion. Consequently, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦193.22 billion.

3.1 Federation Account Operations

At ₦391.33 billion, estimated federally-collected revenue (gross) in April 2016, fell short of the provisional 2015 monthly budget estimate of ₦814.87 billion by 52.0 per cent. It was also lower than the receipt of the preceding month by 7.1 per cent. The development relative to the provisional monthly budget estimate was attributed to the decline in oil revenue (Fig. 6, Table 5).

At ₦391.33 billion, Gross federally-collected revenue in April 2016, was below the receipts in the preceding month by 7.1 per cent.

Figure 6: Components of Gross Federally-Collected Revenue

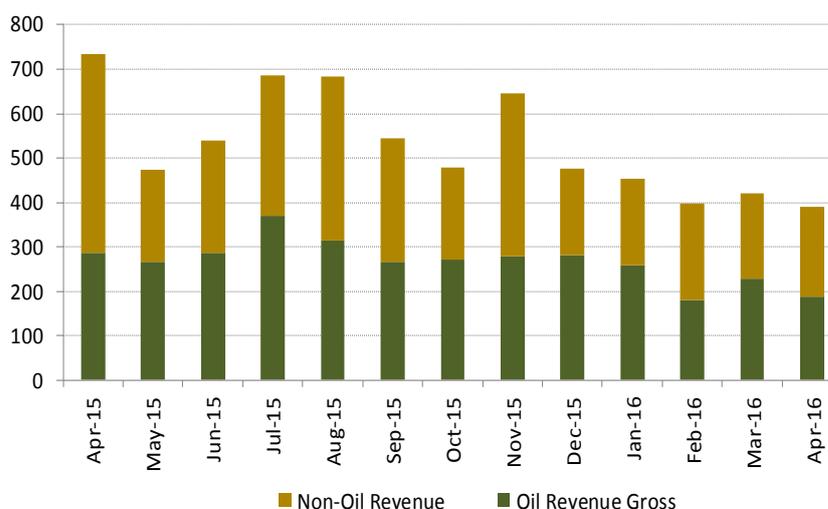


Table 5: Gross Federation Account Revenue (N billion)

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Federally-collected revenue (Gross)	472.2	462.5	462.6	679.3	682.6	543.9	478.2	646.6	476.2	453.3	397.3	421.1	391.3
Oil Revenue	286.2	267.2	285.6	369.4	314.9	265.2	271.1	278.3	281.4	258.4	180.0	227.7	186.7
Non-Oil Revenue	186.0	195.3	177.0	309.9	367.7	278.7	207.1	368.3	194.8	194.9	217.3	193.4	204.7

At ₦186.65 billion or 47.7 per cent of the total revenue, gross oil receipts fell short of the preceding month's level of ₦227.69 billion by 18.0 per cent. The decline in

At ₦186.65 billion, oil receipts (gross) was below the monthly budget estimate by 58.8 per cent, and constituted 47.7 per cent of total revenue.

oil revenue was attributed to the fall in receipts from crude oil/gas exports owing to shut-downs and shut-ins in production arising from repair works at some NNPC terminals and pipeline vandalism as well as the persistent low crude oil prices (Fig. 7, Table 6).

Figure 7: Gross Oil Revenue and Its Components

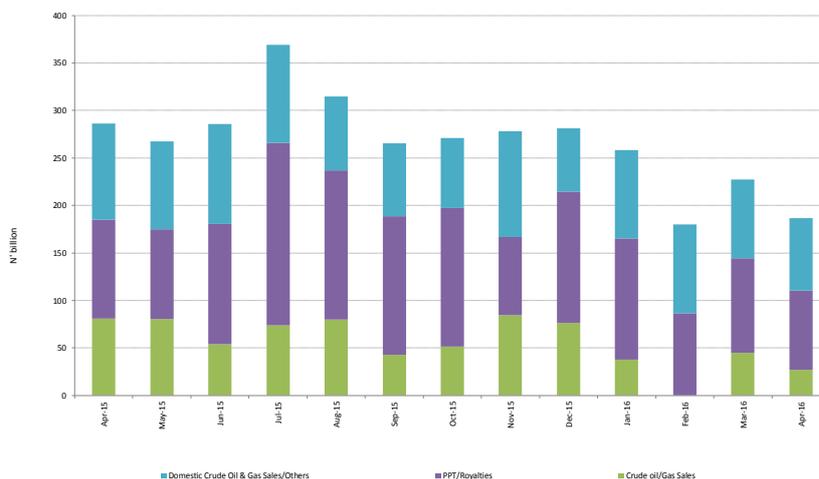


Table 6: Components of Gross Oil Revenue (₦ billion)

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Oil Revenue	286.2	267.2	285.6	369.4	314.9	265.2	271.1	278.3	281.4	258.5	180.0	227.7	186.7
Crude oil/Gas Sales	80.9	80.4	54.1	73.7	79.7	42.9	51.7	84.7	76.4	37.5	0.0	45.0	27.0
PPT/Royalties	87.7	94.3	126.3	192.4	157.0	146.0	145.8	82.1	138.2	128.0	86.6	99.4	83.6
Domestic crude oil/Gas sales	104.4	83.8	96.7	95.6	71.1	67.5	66.9	104.7	60.2	86.1	86.0	76.6	69.5
Others	13.2	8.7	8.5	7.6	7.1	8.8	6.7	6.7	6.6	6.9	7.5	6.7	6.6

At ₦204.68 billion, non-oil receipts (gross) was lower than the monthly budget estimate by 43.5 per cent and constituted 52.3 per cent of total revenue.

At ₦204.68 billion or 52.3 per cent of the total revenue, non-oil revenue fell short of the provisional monthly budget estimate by 43.5 per cent. It was, however, higher than the level in the preceding month by 5.8 per cent. The relatively improved performance in April 2016 compared with the preceding month's level was attributed to the increase in receipts from the Independent Revenue of the Federal Government (Fig. 8, Table 7).

Figure 8: Gross Non-Oil Revenue and its Components

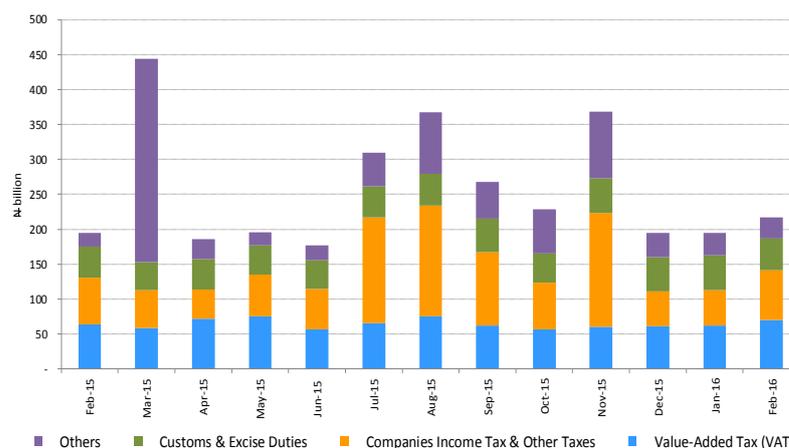


Table 7: Components of Gross Non-Oil Revenue (₦ billion)

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Non-Oil Revenue	185.9	195.3	177.0	309.9	367.7	278.7	207.1	368.3	194.8	194.9	217.3	193.4	204.7
Companies Income Tax & Other Taxes	42.1	59.5	57.7	151.9	158.8	105.0	66.5	162.6	50.0	50.8	71.2	54.2	41.8
Customs & Excise Duties	44.3	42.1	41.2	44.7	45.9	48.2	42.4	50.5	48.8	49.5	46.1	39.9	37.4
Value-Added Tax (VAT)	71.2	75.2	56.8	65.0	75.0	62.2	56.4	60.2	61.2	62.1	69.7	64.8	64.2
Others	28.3	18.5	21.3	48.3	88.0	63.4	41.8	95.0	34.8	32.5	30.3	34.5	61.3

Of the total federally-collected revenue (net), the sum of ₦226.87 billion was transferred to the Federation Account for distribution among the three tiers of government; ₦61.66 billion to VAT Pool Account; ₦47.73 billion to the Federal Government Independent Revenue; and ₦13.47 billion to “Others” (including Tertiary Education Trust Fund, National Information Technology Development Fund and Customs Special Levies).

From the ₦226.87 billion transferred to the Federation Account, the Federal Government received ₦109.11 billion, while the State and Local Governments received ₦55.34 billion and ₦42.67 billion, respectively. The balance of ₦19.75 billion was shared among the oil producing States as 13% Derivation Fund.

Similarly, the sum of ₦61.66 billion was shared from the VAT Pool Account among the three tiers of governments as follows: Federal Government, ₦9.25 billion; State Governments, ₦30.83 billion; and Local Governments, ₦21.58 billion.

In addition, the sum of ₦2.89 billion was shared as exchange gain as follows: Federal Government, ₦1.34 billion; State Governments, ₦0.68 billion; Local Governments, ₦0.53 billion; and 13% Derivation Fund, ₦0.34 billion. Furthermore, the Federal Government received the sum of ₦6.33 billion in respect of NNPC's 20th equal installment refund of indebtedness.

Overall, total allocation to the three tiers of government from the Federation and VAT Pool Accounts in April 2016 amounted to ₦297.76 billion. This, however, fell short of the amount distributed in March 2016 by 11.4 per cent.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

At ₦173.77 billion, the estimated Federal Government retained revenue was below the 2015 monthly budget estimate by 43.9 per cent.

At ₦173.77 billion, the estimated Federal Government retained revenue for the month of April 2016 was below the provisional 2015 monthly budget estimate by 43.9 per cent. It, however, exceeded the receipt in March by 4.6 per cent. Of the total receipt, Federation Account accounted for 62.8 per cent, while FGN Independent Revenue, VAT and Others (NNPC refund and exchange gain) accounted for 27.5 per cent, 5.3 per cent and 4.4 per cent, respectively (Fig. 9, Table 8).

Figure 9: Federal Government Retained Revenue

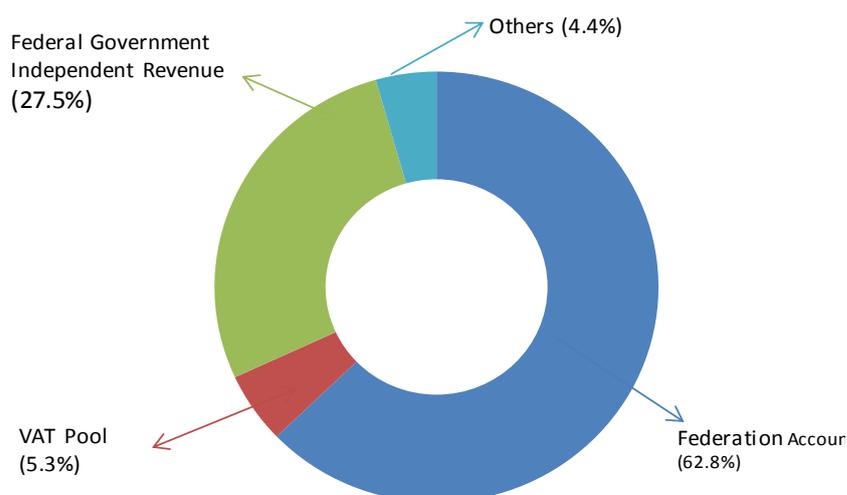


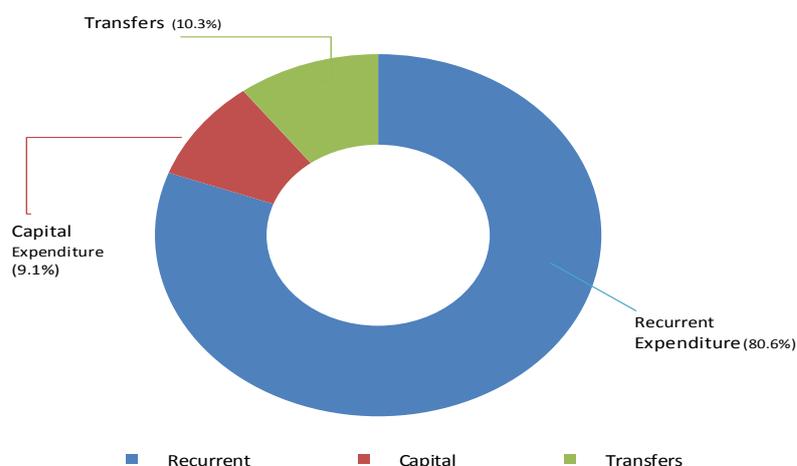
Table 8: Federal Government Fiscal Operations (₦ billion)

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Retained Revenue	189.5	166.3	182.9	407.2	228.8	189.9	172.4	299.9	164.8	174.8	167.3	166.1	173.8
Expenditure	230.6	557.6	236.4	423.1	376.9	430.0	247.0	419.6	369.4	364.5	316.9	357.8	367.0
Overall Balance: (+)/(-)	-41.1	-391.4	-53.5	-15.9	-148.1	-240.1	-74.7	-119.7	-204.6	-189.7	-149.6	-191.7	-193.2

At ₦366.99 billion, the estimated total expenditure of the Federal Government fell short of the provisional 2015 monthly budget estimate by ₦29.59 billion or 7.5 per cent. It, however, exceeded the preceding month's receipts by 2.6 per cent. Recurrent expenditure, capital expenditure, and transfers, accounted for 80.6, 9.1, and 10.3 per cent, of the total expenditure, respectively. A breakdown of the recurrent expenditure showed that non-debt obligation was 72.5 per cent of the total recurrent expenditure, while debt service payments accounted for the balance of 27.5 per cent (Fig. 10).

Total estimated expenditure at ₦366.99 billion fell by 7.5 per cent, compared with the 2015 provisional monthly budget estimate.

Figure 10: Federal Government Expenditure



Overall, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦193.22 billion, compared with ₦191.8 billion recorded in the preceding month.

The fiscal operations of the FG resulted in an estimated deficit of ₦193.22 billion.

3.2.2 Statutory Allocations to State Governments

Total statutory estimated allocations to State Governments amounted to ₦106.95 billion in April 2016. This was below the preceding month's receipts by 10.6 per cent. Receipts from Federation Account amounted to ₦76.12 billion or 71.2 per cent of the total

statutory allocations. This was below the receipts in the preceding month by 14.0 per cent.

Further decomposition of the receipt revealed that the VAT Pool Account, at ₦30.83 billion or 28.8 per cent of the total, was below the provisional 2015 monthly budget estimate by 40.0 per cent. It also fell short of the preceding month's receipts of ₦31.09 billion by 0.8 per cent (Table 9).

3.2.3 Statutory Allocations to Local Government Councils

Provisional data on allocations to Local Governments from the Federation and VAT Pool Accounts in the month of April 2016 stood at ₦64.78 billion. This was below the preceding month's receipts by 10.2 per cent.

Allocation from the Federation Account was ₦43.19 billion (66.7 per cent of the total), while its share from the VAT Pool Account was ₦21.58 billion (33.3 per cent of the total) (Table 9).

Table 9: Statutory Allocation to State Governments and Local Government Councils (₦ Billion)

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
SG Federation Account	119.3	99.1	117.4	147.5	132.9	115.2	106.1	123.7	98.1	104.1	93.3	88.5	76.1
SG VAT	34.2	36.1	27.3	31.2	36.0	29.8	27.1	28.9	29.4	29.8	33.5	31.1	30.8
SG Total	153.4	135.2	144.7	178.7	168.9	145.0	133.2	152.6	127.5	133.9	126.7	119.6	107.0
LG Federation Account	65.0	56.1	65.0	86.8	80.2	66.8	60.1	76.4	55.4	58.5	54.4	50.4	43.2
LG VAT	23.9	25.3	19.1	21.8	25.2	20.9	19.0	20.2	20.6	20.9	23.4	21.8	21.6
LG Total	88.9	81.4	84.1	108.6	105.4	87.7	79.1	96.7	76.0	79.3	77.8	72.1	64.8
Total Statutory Revenue and VAT	242.4	216.5	228.7	287.3	274.3	232.7	212.3	249.3	203.5	213.2	204.6	191.8	171.7

4.0 Domestic Economic Conditions

During the review month, farming activities in the Southern states were dominated by planting and harvesting of cassava, while predominant activities in the Northern states were preparation of land for the cropping season and harvesting of vegetables. In the livestock sub-sector, migration of livestock, such as cattle to Southern states continued. Domestic crude oil production was estimated at 1.68 million barrels per day (mbd) or 50.40 million barrels during the month. Headline inflation rate on a year-on-year basis, was 13.7 per cent and 10.2 per cent on a 12-month moving average basis, in April 2016.

4.1 Agricultural Sector

During the review month, agricultural activities in the Southern states were dominated by planting in readiness for the commencement of early rains and harvesting of cassava. Predominant activities in the Northern states were preparation of land for the forthcoming cropping season and harvesting of vegetables. In the livestock sub-sector, migration of livestock, such as cattle to Southern states continued. Also, farmers re-stocked broilers and layers to replenish sales during the Easter festive season. Notably, the gradual resettlement and re-integration of hitherto displaced persons arising from Boko Haram activities has improved the prospects for increased agricultural activities in the North Eastern parts of the country.

A total of ₦748.60 million was guaranteed to 3,890 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in April 2016. The amount represented an increase of 39.8 and 8.2 per cent above the levels in the preceding month and the corresponding period of 2015, respectively. Sub-sectoral analysis showed that the food crops got the largest share of ₦624.66 million (83.4 per cent) guaranteed to 3,375 beneficiaries, followed by livestock, which got ₦75.3 million (10.1 per cent), guaranteed to 263 beneficiaries. A total of ₦21.3 million (2.8 per cent) was guaranteed to 89 beneficiaries in the fisheries subsector, while the cash crops sub-sector received ₦16.9 million (2.3 per cent) guaranteed to 106 beneficiaries. Mixed crops received ₦6.0 million (0.8 per cent) guaranteed to 26 beneficiaries, while 'others' had ₦4.5 million (0.6 per cent) guaranteed to

31 beneficiaries.

Analysis by state showed that 27 states, including Abuja benefited from the Scheme during the review month. Further analysis showed that Edo and Taraba states got the highest and lowest sums of ₦312.1 million (41.7 per cent) and ₦0.6 million (0.08 per cent), respectively.

At-end April 2016, the total amount released by the CBN under CACS to the participating banks for disbursement stood at ₦352.59 billion for 438 projects.

At-end April 2016, a cumulative sum of ₦352.59 billion had been released to farmers under the Commercial Agriculture Credit Scheme (CACS) in respect of 438 projects from inception in 2009. This comprised releases from the DMBs' Receivable Account (₦199.83 in respect of 273 projects) and the Repayment Account (₦152.76 billion in respect of 165 new projects) (Table 11).

Table 10: Disbursement of Credit under the Commercial Agriculture Credit Scheme (CACS) as at April 2016.

Participating Banks	Amount Disbursed (₦ billion)	Number of Projects/State Governments
UBA Plc	52.76	39
Zenith Bank	73.34	52
First Bank of Nigeria Plc	37.89	95
Unity Bank Plc	24.33	26
Union Bank Plc	21.84	27
Stanbic IBTC Plc	18.55	35
Sterling Bank	24.06	29
Access Bank Plc	16.63	18
Fidelity Bank Plc	15.87	12
Skye Bank Plc	11.77	9
FCMB Plc.	9.97	19
Ecobank	6.38	10
GTBank	21.70	19
Diamond Bank Plc	4.44	17
Heritage Bank	4.81	13
Citibank Plc	3.00	2
Keystone Bank	2.45	5
WEMA Bank Plc	1.82	10
Jaiz Bank Plc	1.00	1
TOTAL	352.6	438

4.2 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, stood at an average of 1.68 mbd or 50.40 million barrels (mb), in the review month. This represented a decline of 0.08 mbd or 4.6 per cent, compared with the average of 1.76 mbd or 54.56 mb, in the preceding month. Crude oil export stood at 1.23 mbd or 36.90 mb, which represented a decline of 6.1 per cent, compared with 1.31 mbd or 40.61 mb recorded in the preceding month. The decline in crude oil production was attributed, largely, to the blowing up of the trans-forcados pipeline and Chevron installations which continued to disrupt crude oil production in the Niger Delta region as well as crude oil theft.

Allocation of crude oil for domestic consumption remained at 0.45 mbd or 13.50 mb in the review period.

At an estimated average of US\$42.28 per barrel, the average spot price of Nigeria's reference crude, the Bonny Light (37° API), indicated an increase of 8.6 per cent, compared with the level in the preceding month. The development was attributed, largely, to the prospect of further decline in US crude production, supply disruptions in; Kuwait as a result of oil worker's strike; Nigeria due to sabotage, and Canada as a result of the wildfires, as well as forecasts of a sharp fall in non-OPEC production.

The UK Brent, at US\$41.25/b; the WTI, at US\$40.49; and the Forcados, at US\$41.91/b, exhibited similar trend as the Bonny Light.

The average price of OPEC basket of eleven selected crude streams stood at US\$37.86/b in April 2016. This represented an increase of 9.3 per cent, compared with the level in the preceding month. It, however, indicated a decline of 31.9 per cent relative to the level in the corresponding period of 2015 (Fig. 11, Table 11).

Crude oil and natural gas production was estimated at an average of 1.68 million barrels per day.

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

Figure 1: Trends in Crude Oil Prices

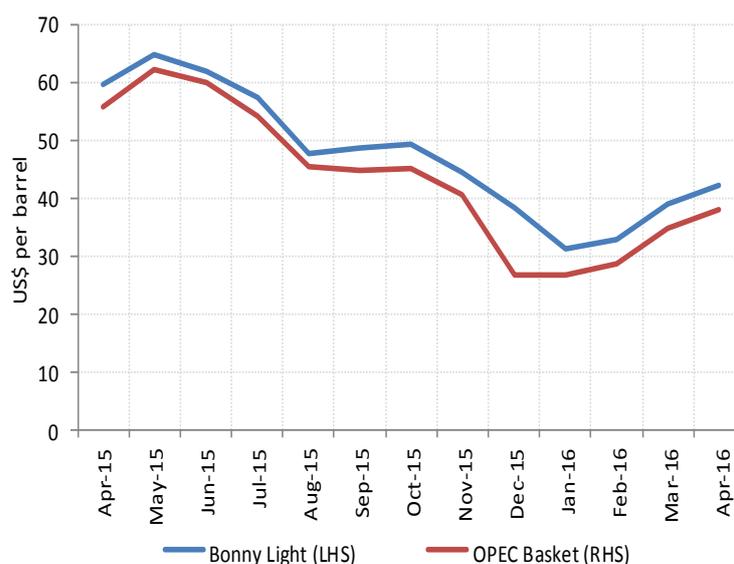


Table 11: Average Crude Oil Prices in the International Oil Market

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Bonny Light	59.6	64.7	61.7	57.4	47.5	48.6	49.2	44.5	38.2	31.2	32.9	38.9	42.3
OPEC Basket	59.6	62.2	59.9	54.1	45.5	44.8	45.1	40.5	26.5	26.5	28.7	34.7	37.9

4.3 Consumer Prices

The general price level rose in April 2016, compared with the level in the preceding month.

Available data showed that the all-items composite Consumer Price Index (CPI) in April 2016, was 192.99 (November 2009=100) and represented 1.6 per cent and 13.7 per cent increase, relative to the levels in March 2016 and the corresponding period of 2015, respectively. The development was attributed to increase across all drivers of the index, with the exception of the Restaurants and Hotels division, which increased, albeit at a slower pace, for the third consecutive month. Lingering structural constraints continued to manifest spill overs in April as Electricity rates, Kerosene price, the impact of higher PMS price and Vehicle Spare Parts were the largest contributors to the Core sub-index during the month.

The urban all-items CPI at end-April 2016, was 194.1 (November 2009=100), representing an increase of 2.2 per cent and 15.1 per cent over the levels at end-March 2016 and the corresponding period of 2015, respectively. The rural all-items CPI for the month was

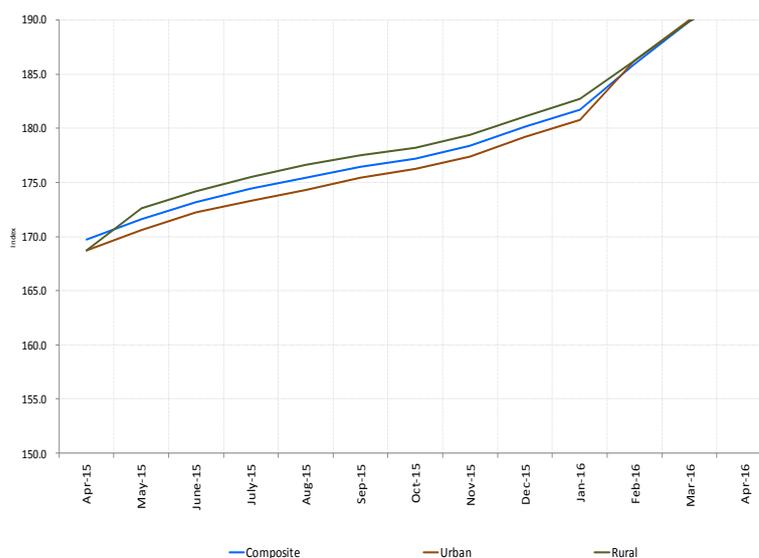
192.6 (November 2009=100), indicating a rise of 1.4 per cent and 12.8 per cent, compared with the level at end-March 2016, and the corresponding period of 2015, respectively (Fig. 12, Table 12).

The composite food index was 193.0, showing an increase of 1.3 per cent and 13.7 per cent, compared with the levels in the preceding month and the corresponding period of 2015, respectively. The development was accounted for, largely, by the contributions of food and non-alcoholic beverages; housing, water, electricity, gas and other fuel; clothing and footwear; transport; education; furnishing, household equipment & maintenance; and health.

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

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Composite	169.7	171.6	173.2	174.4	175.4	176.46	177.2	178.4	180.2	181.7	185.9	189.9	193.0
Urban	168.7	170.6	172.2	173.3	174.3	175.45	176.2	177.4	179.2	180.8	186.2	190.0	194.1
Rural	168.7	172.6	174.2	175.5	176.6	177.5	178.2	179.4	181.1	182.7	186.0	189.9	192.6
CPI - Food	174.4	176.3	178.1	179.5	180.6	181.78	182.6	184.1	186.2	187.9	190.5	194.9	197.4
CPI - Non Food	167.2	169.2	170.59	171.64	172.7	173.66	174.4	175.4	176.7	178.2	183.0	186.4	189.6

Figure.12: Consumer Price Index



The year-on-year headline inflation rate was 13.7 per cent in April 2016.

The end-period inflation rate for the review month, on a year-on-year basis was 13.7 per cent, indicating a 0.9 percentage point increase over the level in the preceding month. On a twelve-month moving average basis, the inflation rate was 10.2 per cent, indicating a 0.43 percentage point increase over the level in March 2016 (Fig. 13, Table 13).

Figure 13: Inflation Rate

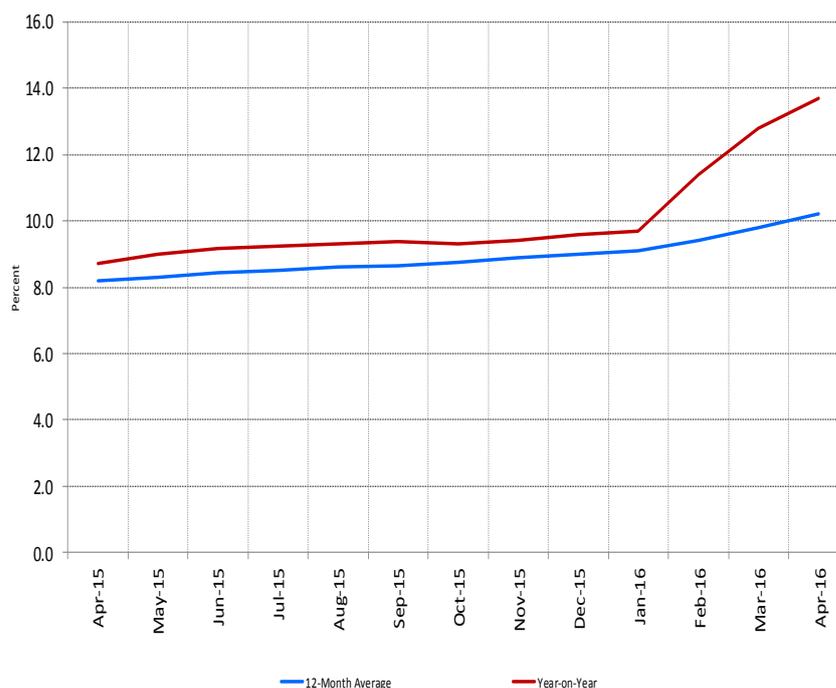


Table 13: Headline Inflation Rate (%)

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
12-Month Average	8.2	8.3	8.4	8.5	8.6	8.7	8.8	8.9	9.0	9.1	9.4	9.8	10.2
Year-on-Year	8.7	9.0	9.2	9.2	9.3	9.4	9.3	9.4	9.3	9.6	11.4	12.8	13.7

5.0 External Sector Developments

Provisional data showed that, on month-on-month basis, foreign exchange inflow and outflow through the CBN fell by 6.1 and 11.0 per cent, respectively, in April 2016. Total non-oil export receipts by banks declined by 27.3 per cent below the level in the preceding month. The average exchange rate of the naira at the inter-bank segment was ₦197.00 per US dollar, the same as in the preceding month. The gross external reserves fell by 3.5 per cent, compared with the level in the preceding month.

5.1 Foreign Exchange Flows

Provisional data indicated that foreign exchange inflow through the CBN, at US\$1.31 billion, fell by 6.1 per cent and 54.3 per cent, relative to the levels in the preceding month and the corresponding period of 2015, respectively. The development reflected a 40.5 per cent decline in non-oil receipts relative to the level in the preceding month. Aggregate outflow through the CBN, at US\$1.58 billion, fell by 11.0 per cent and 38.3 per cent, below the levels in March 2016 and the corresponding period of 2015, respectively. The development was driven, mainly, by the decline in inter-bank sales and other official payments (Fig. 14, Table 14). Overall, a net outflow of US\$0.28 billion, was recorded through the CBN, compared with the net outflow of US\$0.39 billion in the preceding month.

Foreign exchange inflow and outflow through the CBN fell by 6.1 and 11.0 per cent, respectively, in April 2016.

Figure 14: Foreign Exchange Flows through the CBN

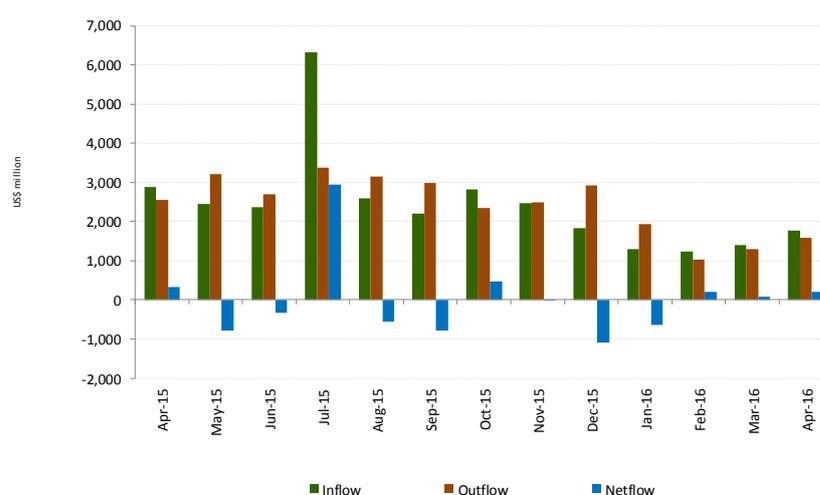


Table 14: Foreign Exchange Flows through the CBN (US\$ million)

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Inflow	2,882.3	2,450.3	2,372.0	6,321.6	2,598.1	2,200.8	2,821.2	2,481.2	1,833.0	1,301.8	1,228.3	1,392.0	1,307.4
Outflow	2,545.9	3,225.7	2,709.1	3,381.2	3,154.0	2,987.1	2,341.1	2,499.8	2,916.7	1,942.0	1,030.7	1,780.7	1,584.5
Netflow	336.4	(775.4)	(337.1)	2,940.4	(555.9)	(786.3)	480.1	(18.6)	(1,083.7)	(640.2)	197.6	(388.8)	(277.1)

Provisional data indicated that aggregate foreign exchange inflow into the economy was US\$4.78 billion, in April 2016. This represented 3.1 per cent increase relative to the level at the end of the preceding month, but showed a decline of 42.2 per cent compared with the level at the end of the corresponding period of 2015. The development relative to the preceding month was driven by the 40.7 per cent and 12.7 per cent growth in capital importation and home remittances, respectively. Of the total inflow, receipts through the CBN and autonomous sources accounted for 27.3 per cent and 72.7 per cent, respectively.

Autonomous inflow through the economy rose above the level in the preceding month.

Non-oil sector inflow, at US\$0.48 billion (10.0 per cent of the total), fell by 40.5 per cent below the level in the preceding month. Autonomous inflow rose by 6.8 per cent above the level in the preceding month. It, however, declined by 36.2 per cent below the level in the corresponding period of 2015 and accounted for 72.6 per cent of the total.

At US\$1.79 billion, aggregate foreign exchange outflow from the economy, declined by 9.1 per cent and 35.8 per cent below the levels in the preceding month and the corresponding month of 2015, respectively. Thus, foreign exchange flows through the economy, resulted in a net inflow of US\$2.99 billion in the review month, compared with US\$2.67 billion and US\$5.52 billion in the preceding month and the corresponding month of 2015, respectively.

5.2 Non-Oil Export Earnings by Exporters

Total non-oil export earnings by exporters fell in April 2016.

Provisional data showed that total non-oil export receipts by banks in the month of April 2016 fell by 27.3 per cent to US\$364.35 million, relative to the level in the preceding month. The development was attributed mainly, to the decline in most of its components

except the minerals sector. A sectoral analysis showed that, on a month-on-month basis, proceeds from food products, manufactured products, industrial and agricultural sectors fell by 26.0 per cent, 42.8 per cent, 17.6 per cent and 24.5 per cent to US\$16.9 million, US\$204.1 million, US\$24.2 million and US\$25.9 million, respectively, below the levels in March 2016. However, proceeds from minerals grew by 61.1 per cent to US\$93.15 million.

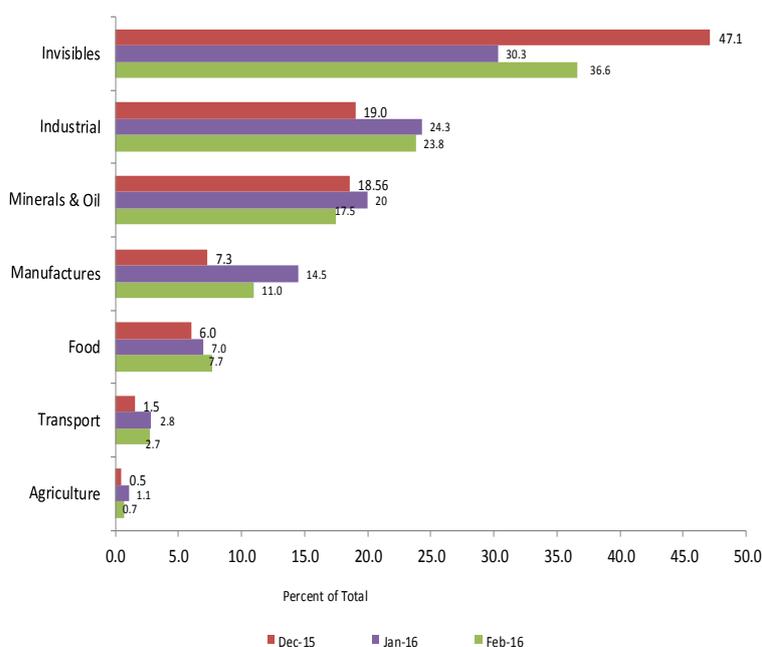
The shares of the various components in the non-oil export proceeds were: manufactured products (56.0 per cent), minerals (25.6 per cent); agricultural (7.1 per cent); industrial (6.7 per cent); and food products (4.6 per cent).

5.3 Sectoral Utilization of Foreign Exchange

The invisible sector accounted for the bulk (32.8 per cent) of total foreign exchange disbursed in April 2016, followed by the industrial sector (23.3 per cent). The shares of other sectors in a descending order were: minerals and oil (22.3 per cent); manufactured product (11.8 per cent); food products (6.8 per cent); transport (2.2 per cent); and agricultural products (0.8 per cent) (Fig.15).

The invisible sector accounted for the bulk of the total foreign exchange disbursed in April 2016.

Figure 15: Sectoral Utilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

A total of US\$1.16 billion was sold by the CBN to authorized dealers in April 2016. This indicated an increase of 2.7 per cent above the level in the preceding month, but was a decline of 50.8 per cent relative to the level in the corresponding period of 2015. Of the aggregate sales, inter-bank amounted to US\$0.92 billion or 79.3 per cent, while swap contracts amounted to US\$0.25 billion or 20.7 per cent of the total (Fig.16, Table 15).

Figure16: Supply of Foreign Exchange

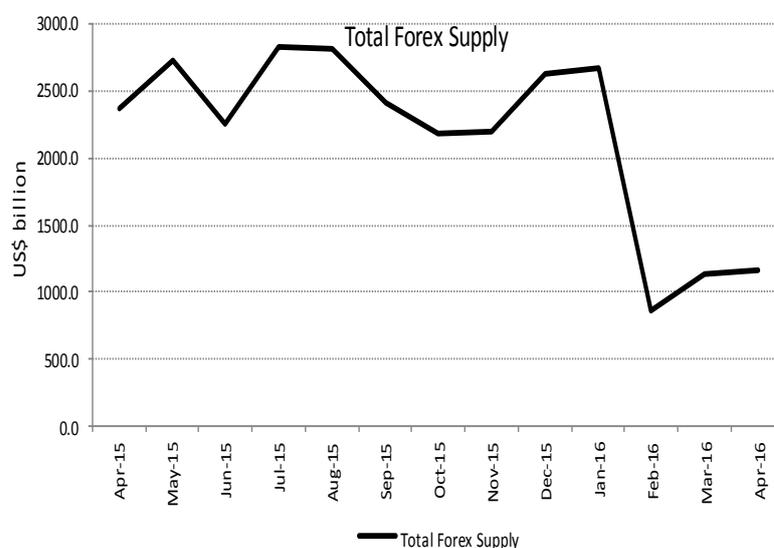


Table 15: Supply of Foreign Exchange (US\$ billion)

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Total Forex Supply	2366.2	2727.7	2260.2	2825.6	2813.3	2406.0	2187.2	2197.1	2629.7	2667.7	866.0	1,134.2	1,164.3

The naira exchange rate vis-à-vis the US dollar remained unchanged at the Inter-bank

The average exchange rate of the naira to the US dollar at the interbank segment of the foreign exchange market remained unchanged at ₦197.00/US\$, relative to its levels in the preceding month and the corresponding month of 2015, respectively (Figure 17, Table 16).

Figure 17: Average Exchange Rate Movement

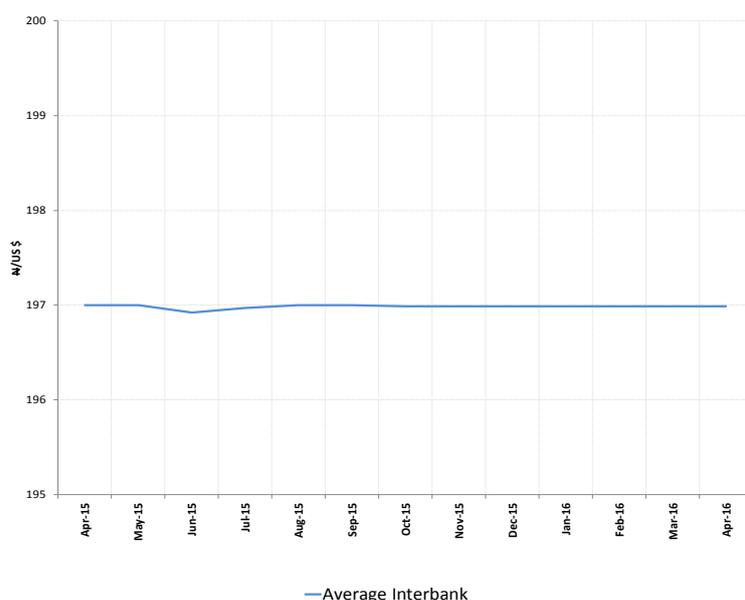


Table 16: Exchange Rate Movements

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Average Exchange Rate (N/\$)													
Interbank	197.00	197.00	196.92	196.97	197.00	197.00	196.99	196.99	196.99	197.00	196.99	197.00	197.00

5.5 Gross External Reserves

The gross external reserves at end-April 2016 stood at US\$26.60 billion, showing a decrease of 3.5 per cent, relative to the level in March 2016. The observed depletion in foreign reserves was attributed to sales of foreign exchange at the inter-bank market. A breakdown of external reserves by ownership showed that Federation reserves was US\$2.45 billion (9.2%); Federal Government reserves, US\$5.85 billion (22.0%); and the CBN reserves, US\$18.30 billion (68.8%) of the total (Fig. 18, Table 17).

Gross external reserves fell in April 2016.

Figure 18: Gross Official External Reserves

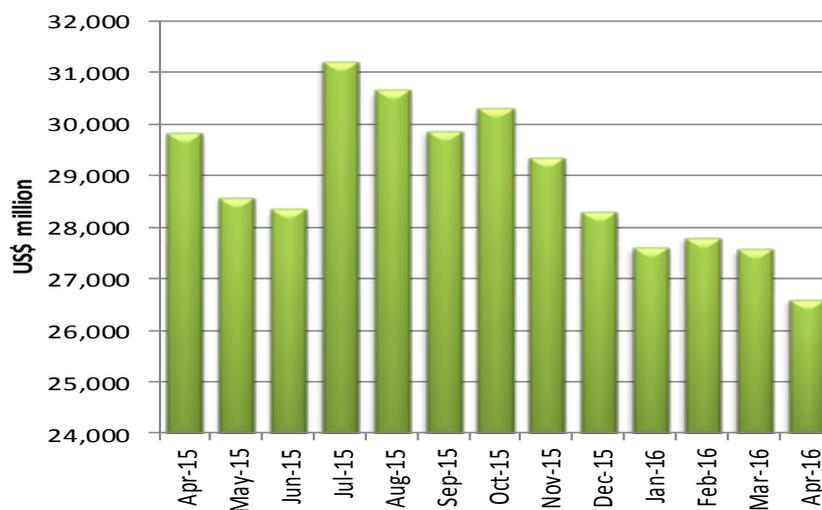


Table 17: Gross Official External Reserves (US\$ million)

Period	Aug-15	Sep-15	Oct-15	Nov-15	Oct-15	Jan-16	Feb-16	Mar-16	Apr-16
External Reserves	30,649.93	29,850.05	30,309.37	29,339.13	30,309.37	27,590.19	27,783.11	27,564.02	26,598.85

6.0 Other International Economic Developments and Meetings

World crude oil output and demand in April 2016 was estimated at an average of 95.34 and 93.26 million barrels per day (mbd), compared with 95.32 and 93.08 mbd supplied and demanded, respectively, in March 2016. The development was attributed to increase in demand for road transportation fuel, notably motor gasoline in the US, China and the Middle East during the review month.

Other major international economic developments and meetings of importance to the domestic economy during the review month included: The 2016 Spring Meetings of the Board of Governors of the World Bank Group (WBG) and the International Monetary Fund (IMF) held in Washington D. C, USA from April 11 – 18, 2016. Highpoints of the meetings were those of the International Monetary and Financial Committee (IMFC) of the IMF and the Development Committee (DC) of the World Bank Group. The Ministers of the Inter-Governmental Group of 24 also had their meeting during the period.

The IMF expressed support for efforts to deepen analysis of the impact of macro-critical structural reforms, including new initiative to increase the efficiency of infrastructure investment and principles to guide prioritization.

The Development Committee observed that fragility and conflict had displaced millions of people with significant impact on both the origin and host countries. They further called on the WBG and the IMF to take appropriate actions in collaboration with humanitarian and other actors to address this challenge.

APPENDIX TABLES

Table A1: Money and Credit Aggregates (N billion)

	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Domestic Credit (Net)	21,519.8	21,348.6	20,470.8	21,612.5	22,222.7	22,414.3	22,664.8	23,297.8
<i>Claims on Federal Government (Net)</i>	2,787.6	2,261.9	1,764.0	2,893.2	33,337.5	3,424.0	3,782.6	3,933.7
Central Bank (Net)	(1,042.2)	(1,826.3)	(2,445.8)	(1,653.1)	(1,388.8)	(1,342.3)	(850.7)	(621.2)
Commercial Banks	3,829.8	4,018.7	4,137.3	4,546.3	4,726.3	4,695.2	4,633.3	4,554.9
Merchant Bank	80.9	68.2	71.2	74,746.8	67,754.9	70.0	159.2	165.7
Non Interest Banks	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.2
<i>Claims on Private Sector</i>	18,732.2	19,086.7	18,706.8	18,719.3	18,885.2	18,990.3	18,882.2	19,364.0
Central Bank	5,275.2	5,535.8	5,092.9	5,061.6	5,212.4	5,302.0	5,166.7	5,595.6
Commercial Banks	13,362.9	13,457.7	13,519.7	13,568.5	13,587.1	13,599.7	13,715.6	13,768.4
Merchant Bank	66.1	67.5	68.3	62.8	59.4	59.4	106.0	92.7
Non Interest Banks	24.9	25.8	25.9	26.3	28.2	29.2	29.1	29.8
<i>Claims on Other Private Sector</i>	18,142.3	18,175.1	18,179.3	18,109.9	18,090.3	18,026.8	18,044.3	18,093.7
Central Bank	5,082.2	5,067.5	5,067.3	5,063.0	5,022.3	5,015.8	4,996.7	4,999.6
Commercial Banks	12,965.9	13,014.3	13,017.7	12,984.7	12,982.3	12,922.4	13,047.6	13,094.1
Merchant Bank	69.1	67.5	68.3	62.8	59.4	59.3	97.1	87.5
Non Interest Banks	24.9	25.8	25.9	26.3	28.2	29.2	29.1	29.8
<i>Claims on State and Local Governm</i>	397.0	443.4	502.0	583.8	604.8	677.3	667.9	688.9
Central Bank	-	-	-	-	-	-	-	-
Commercial Banks	397.0	443.4	502.0	583.8	604.8	677.3	659.0	669.1
Merchant Bank	-	-	-	-	-	-	-	-
Non Interest Banks								
<i>Claims on Non-financial Public Enta</i>	192.9	468.3	25.6	25.6	190.1	286.2	170.0	596.0
Foreign Assets (Net)	5,083.1	4,622.2	5,287.2	5,653.3	5,392.2	5,471.4	5,551.7	5,045.9
Central Bank	5,242.6	4,718.6	5,240.0	5,545.3	5,240.6	5,283.5	5,178.2	4,683.9
Commercial Banks	(159.6)	(95.6)	64.0	125.4	156,156.2	189.5	373.2	363.2
Merchant Bank	(1.3)	(2.3)	(18.3)	(18.8)	(6.1)	(3.2)	(1.4)	(2.9)
Non Interest Banks	1.4	1.5	1.4	1.4	1.4	1.6	1.4	1.6
Other Assets (Net)	(7,884.9)	(7,766.4)	(7,390.8)	(7,235.9)	(7,926.6)	(7,396.5)	(7,746.1)	(7,630.4)
Total Monetary Assets (M2)	18,718.0	18,204.4	18,367.2	18,204.4	19,690.5	20,489.2	20,470.4	20,727.9
Quasi-Money 1/	11,569.4	11,514.7	11,386.7	11,458.1	11,442.9	11,429.6	11,429.6	11,591.8
Money Supply (M1)	7,148.6	6,689.6	6,980.5	8,571.7	8,247.3	9,059.6	9,040.8	9,136.1
<i>Currency Outside Banks</i>	1,219.0	1,202.0	1,260.7	1,456.1	1,377.8	1,377.5	1,441.4	1,444.4
<i>Demand Deposits 2/</i>	5,929.6	5,487.6	5,719.8	7,115.6	6,869.5	7,682.1	7,599.5	7,691.6
Total Monetary Liabilities (M2)	18,718.0	18,204.4	18,367.2	18,204.4	19,690.5	20,489.2	20,470.4	20,727.9
Memorandum Items:								
Reserve Money (RM)	5,788.3	5,546.5	5,639.6	5,812.7	5,751.1	5,097.2	5,760.4	5,587.7
<i>Currency in Circulation (CIC)</i>	1,637.5	1,560.4	1,633.2	1,857.9	1,725.1	1,711.6	1,811.1	1,763.5
<i>DMBs Demand Deposit with CBN</i>	4,150.8	3,986.2	4,006.4	3,954.8	4,026.0	3,385.6	3,949.4	3,824.1

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

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

Table A2: Money and Credit Aggregates (Growth Rates)

	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
	Growth Over Preceding December (%)							
Domestic Credit (Net)	11.7	10.8	6.2	12.1	2.8	3.7	4.9	7.8
<i>Claims on Federal Government (Net)</i>	142.4	96.7	53.4	151.7	15.4	18.4	30.7	36.0
<i>Claims on Private Sector</i>	3.4	5.3	3.2	3.3	0.9	1.5	0.9	3.4
<i>Claims on Other Private Sector</i>	3.3	3.5	3.5	3.1	-0.1	-0.5	-0.4	-0.1
<i>Claims on State and Local Government</i>	-26.0	-17.3	-6.4	8.9	3.6	16.0	14.4	15.5
<i>Claims on Non-financial Public Enterprises</i>								
Foreign Assets (Net)	-26.9	-33.5	-24.0	-18.7	-4.6	-3.2	-1.8	-10.7
Other Assets (Net)	-7.8	-6.2	-1.0	1.1	-9.6	-2.2	-7.1	-5.3
Total Monetary Assets (M2)	-1.0	-3.8	-2.9	5.9	-1.7	2.3	2.2	3.5
Quasi-Money 1/	-3.7	-4.1	-5.2	-4.6	-0.1	-0.3	-0.3	1.2
Money Supply (M1)	3.5	-3.1	1.1	24.1	-3.8	5.7	5.5	6.6
<i>Currency Outside Banks</i>	-15.2	-16.4	-12.3	1.3	-5.4	-5.4	-1.0	-0.8
<i>Demand Deposits 2/</i>	8.5	0.4	4.6	30.2	-3.5	8.0	6.8	8.1
Total Monetary Liabilities (M2)	-1.0	-3.8	-2.9	5.9	-1.7	2.3	2.2	3.5
<u>Memorandum Items:</u>								
Reserve Money (RM)	-2.4	-6.5	-4.9	-2.0	-1.1	-12.3	-0.9	-3.9
<i>Currency in Circulation (CIC)</i>	-8.9	-13.2	-9.2	3.3	-7.2	-7.9	-2.5	-5.1
<i>DMBs Demand Deposit with CBN</i>	0.4	5.3	-3.1	-4.3	1.8	-14.4	-0.1	-3.3
	Growth Over Preceding Month (%)							
Domestic Credit (Net)	0.6	-0.8	-4.1	5.6	2.8	0.6	1.1	2.8
<i>Claims on Federal Government (Net)</i>	0.9	-18.9	-22.0	64.0	15.4	2.6	10.5	4.0
<i>Claims on Private Sector</i>	0.5	1.9	-2.0	0.1	0.9	0.6	-0.6	2.6
<i>Claims on Other Private Sector</i>	-0.3	0.2	0.0	-0.4	-0.1	-0.4	0.1	0.3
<i>Claims on State and Local Government</i>	-4.4	11.7	13.2	16.3	3.6	12.0	-1.4	1.0
<i>Claims on Non-financial Public Enterprises</i>								
Foreign Assets (Net)	-7.6	-9.1	14.4	6.9	-4.6	1.5	1.5	-9.1
Central Bank	-7.0	-10.0	11.1	5.8	-5.5	0.8	-2.0	-9.6
Banks	16.1	-39.5	-148.9	128.8	40.4	23.7	98.9	-3.1
Other Assets (Net)	6.1	1.5	4.8	2.1	-9.5	6.7	-4.7	1.7
Total Monetary Assets (M2)	1.2	-2.7	0.9	9.1	-1.7	4.1	-0.1	1.3
Quasi-Money 1/	0.4	-0.5	-1.1	0.6	-0.1	-0.1	0.0	1.4
Money Supply (M1)	2.6	-6.4	4.4	22.8	-3.8	9.9	-0.2	1.1
<i>Currency Outside Banks</i>	6.3	-1.4	4.9	15.5	-5.4	0.0	4.6	0.2
<i>Demand Deposits 2/</i>	1.8	-7.5	4.2	22.4	-3.5	11.8	-1.1	1.2
Total Monetary Liabilities (M2)	1.2	-2.7	0.9	9.1	-1.7	4.1	0.1	1.3
<u>Memorandum Items:</u>								
Reserve Money (RM)	-1.8	-4.2	1.7	3.1	-1.1	-11.4	13.0	-3.0
<i>Currency in Circulation (CIC)</i>	6.0	-4.7	4.7	13.8	-7.2	-0.8	5.8	-2.6
<i>DMBs Demand Deposit with CBN</i>	-4.6	-4.0	0.5	-1.3	1.8	-15.9	16.7	

Table A3: Federal Government Fiscal Operations (N billion)

	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Retained Revenue	228.8	189.9	172.4	248.1	164.8	171.6	167.3	166.1	173.8
<i>Federation Account</i>	202.1	168.6	151.3	192.0	139.5	147.6	137.5	127.2	109.1
<i>VAT Pool Account</i>	10.8	9.0	8.1	8.7	8.8	8.9	10.0	9.3	9.2
<i>FGN Independent Revenue</i>	6.5	3.7	4.1	37.6	7.8	6.8	11.9	21.6	47.7
<i>Excess Crude</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Others /SURE-P/NNPC Refund</i>	9.4	8.6	8.8	9.8	8.6	8.3	7.9	8.0	7.7
Expenditure	376.9	430.0	247.0	325.9	369.4	508.5	363.9	357.8	367.0
<i>Recurrent</i>	342.1	345.5	162.6	250.8	233.7	308.8	276.7	310.2	295.8
<i>Capital</i>	5.8	56.0	56.1	46.5	103.2	154.4	65.5	1.1	33.3
<i>Transfers</i>	29.0	28.5	28.3	28.6	32.4	45.4	21.8	46.5	37.9
Overall Balance: Surplus(+)/Deficit(-)	-148.1	-240.1	-74.7	-77.9	-204.6	-336.9	-196.6	-191.8	-193.2

