



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
OCTOBER 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

Despite the dwindling crude oil price in the international market, shortage of foreign exchange, inflationary pressures, and unstable macroeconomic environment, monetary policy remained tight in October 2016. The major monetary aggregates grew in October 2016. The increase in broad money supply (M_2) above the preceeding month level was due to the rise in net domestic credit to the economy. The increase in narrow money supply (M_1), reflected the growth in its currency outside banks and demand deposit component. Also, reserve money (RM) rose compared with its level in the preceding month.

Tight liquidity condition subsisted in the money market. As a result, Banks' deposit and lending rates trended upward in the review month. The spread between the weighted average term deposit and maximum lending rates narrowed by 0.40 percentage point in October, 2016. Similarly, the spread between the average savings deposit and average maximum lending rates, contracted by 0.18 percentage point.

Available data indicated that the total value of money market assets outstanding increased due, largely, to the 1.4 per cent rise in FGN Bonds. Activities on the Nigerian Stock Exchange were bearish in October 2016.

Available data also indicated that federally-collected revenue in October 2016, fell below the level in September 2016, due to decline in both oil and non-oil receipts (gross). Federal Government retained revenue and estimated expenditure for October 2016 were ₦283.00 billion and ₦462.50 billion, respectively, and resulted in an estimated deficit of ₦179.51 billion.

Farming activities in the country during the review period were dominated by bumper harvest as a result of a favourable weather conditions in the previous months as well as the use of early maturing seeds. In the livestock sub-sector, farmers engaged in the breeding of poultry and migration of cattle to green pastures. Domestic crude oil production was estimated at 1.65 million barrels per day (mbd) or 51.15 million barrels, while crude oil export stood at 1.20 mbd or 37.20 mb per month. The spot price of Nigeria's reference crude, the Bonny Light (37° API), rose by 4.2 per cent, compared with the level in the preceding month.

Headline inflation rate, on a year-on-year basis, was 18.3 per cent in October 2016 and 14.2 per cent on a 12-month moving average basis.

Persistent low crude oil prices and shortfall in domestic oil output due to the vandalism of pipelines, continued to impact negatively on the performance of the external sector. Hence, foreign exchange inflow and outflow through the CBN fell below the levels in the preceding month. Also, the shift to a flexible exchange regime, on June 20th 2016 coupled with shortage of foreign exchange supply and reduced intervention by the CBN in the inter-bank foreign exchange market led to the depreciation of the naira. Gross external reserves rose marginally by 0.04 per cent in October 2016.

Other major international economic developments and meetings of importance to the domestic economy during the review period included: The 2016 Annual Meetings of the Board of Governors of the World Bank Group (WBG) and the International Monetary Fund (IMF); and the Inter-Governmental Group of Twenty-Four (G-24) on International Monetary Affairs and Developments held at Washington D. C., USA from October 3 – 9, 2016. The Ministers of the Inter-Governmental Group of 24, the International Monetary and Finance Committee (IMFC) and the Development Committee also held their respective meetings.

2.0 *Financial Sector Developments*

2.1 **Monetary and Credit Developments**

Available data indicated that broad money supply (M₂) grew at end-October 2016. Banks' deposit and lending rates generally trended upward. The value of money market assets outstanding rose owing, largely, to the increase in the FGN Bonds outstanding at the end of the review period. Activities on the Nigerian Stock Exchange (NSE) were generally bearish in the review month.

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

As a result of the dwindling crude oil price in the international market, shortage of foreign exchange, inflationary pressures, and unstable macroeconomic environment, monetary policy remained tight. Money supply, however, expanded.

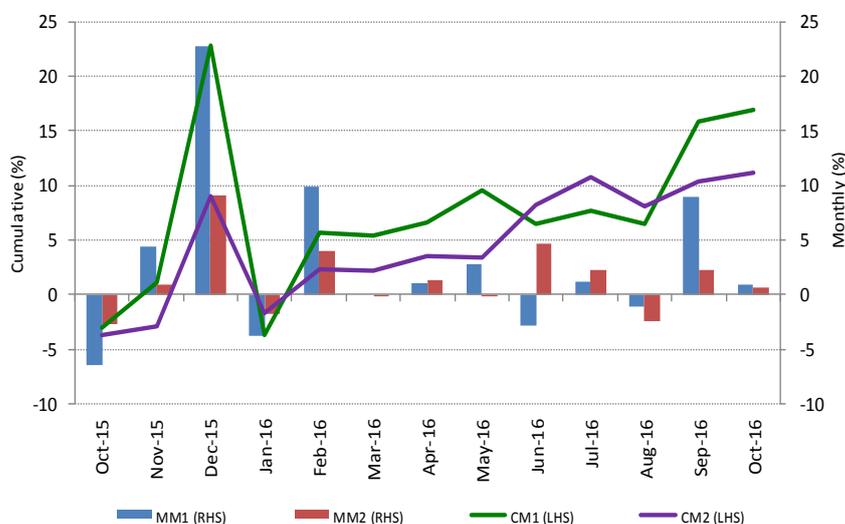
On a month-on-month basis, broad measure of money supply, M₂ grew by 0.7 per cent to ₦22,275.5 billion, compared with the growth of 2.2 per cent at the end of the preceding month. Net foreign assets of the banking system declined by 1.6 per cent, while other assets (net) of the banking system fell by 1.6 per cent. However, narrow money supply (M₁) grew by 0.9 per cent, reflecting the increase of 3.0 and 0.5 per cent in currency outside banks and demand deposits, respectively.

Relative to the level at end-December 2015, broad money supply, M₂, grew by 11.2 per cent, compared with the growth of 10.4 per cent at end-September 2016. The development was due to the 34.8 and 23.9 per cent increase in net foreign assets and domestic credit (net) of the banking system, which more than offset the 67.5 per cent decline in other assets (net) of the banking system. In the same vein, narrow money supply (M₁), grew by 16.9 per cent due to the 4.5 and 19.5 per cent growth in currency outside banks and the demand deposits of banking system, respectively (Fig. 1, Table 1).

Relative to the level at the preceding month, quasi-money grew by 0.6 per cent, to ₦12,251.9 billion at end-October 2016, compared with the increase of 2.7 per cent at end-September 2016. The growth in quasi-money was due to the increase in savings and time deposits. Over the level at end-December 2015, quasi money increased by 6.9 per cent, compared with the

6.3 per cent growth at the end of the preceding month.

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



Government borrowing from the banking system continued in the month under review, evident by the increased issuance of treasury bills. Net claims on the Federal government grew marginally by 1.2 per cent. Also, various intervention policies targeted at priority sectors of the economy prompted a 1.9 per cent growth in claims on the private sector. Consequently, at ₦26,774.7 billion, aggregate credit to the domestic economy in October 2016, grew by 1.8 per cent, compared with 1.4 per cent at the end of the preceding month but in contrast to the decline of 0.8 per cent in the corresponding period of 2015.

Over the level at end-December 2015, net domestic credit rose by 23.9 per cent in October 2016, compared with the increase of 21.7 and 10.8 per cent at end-September 2016 and in the corresponding period of 2015, respectively. The development was driven by the increase in both claims on the Federal Government and the private sector.

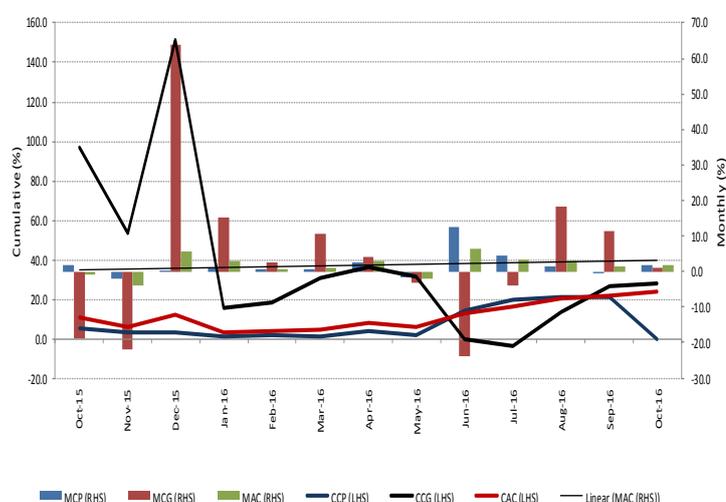
¹ MM1 and MM2 represent month-on-month changes, while CM1 and CM2 represent cumulative changes (year-to-date).

The impact of the dwindling revenue of the government owing to falling oil receipts persisted in October 2016 as the Federal Government issued treasury securities (bills and bonds). Government holdings of treasury securities increased in the review period, while, net claims on the Federal Government grew by 1.2 per cent to ₦3,705.0 billion at end-October 2016, compared with the 11.3 per cent increase at the end of September, 2016.

Relative to the level at end-December 2015, net claims on the Federal Government grew by 28.1 per cent in October, 2016, compared with the 26.6 per cent increase at end-September 2016.

Bank's lending to the private sector on a month-on-month basis grew by 1.9 per cent to ₦23,069.6 billion, in contrast to the 0.1 per cent decline at the end of the preceding month. This could be attributed to various intervention programmes of the CBN through the banks to stimulate the real sector of the economy, which led to a 0.1 and 1.0 per cent growth in claims on state and local government and claims on core private sector, respectively. Over the level at end-December 2015, banking system's credit to the private sector rose by 23.2 per cent, compared with the 21.0 per cent increase at the end of the preceding month (Fig, 2, Table1).

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



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

The effect of the depreciation of the naira in the first half of 2016 dampened in October 2016, leading to a fall in the net foreign asset of the banking system. Net foreign assets holdings of the CBN decreased by 5.7 per cent to ₦7,348.3 billion at end-October 2016, while net foreign assets of commercial banks stood at ₦272.9 billion. Accordingly, at ₦7,621.2 billion, net foreign assets of the banking system declined by 1.6 per cent in the review period, in contrast to the increase of 1.6 per cent at the end of the preceding month.

Over the level at end-December 2015, foreign assets (net) increased by 34.8 per cent at end-October 2016, compared with the growth of 37.0 per cent at the end of the preceding month. The growth was attributed to the increase of 32.5 and 152.7 per cent in the foreign asset holdings of CBN and commercial banks, respectively.

Relative to the level at end-September 2016, other assets (net) of the banking system fell by 1.6 per cent to negative ₦12,120.4 billion, in contrast to the increase of 0.02 per cent at the end of the preceding month. Over the level at end-December 2015, other assets (net) of the banking system fell by 67.5 per cent, compared with the 64.9 per cent decline at the end of the preceding month.

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

| | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Domestic Credit (Net) | -0.8 | -4.1 | 5.6 | 2.8 | 0.9 | 1.1 | 2.9 | -2.0 | 6.4 | 3.5 | 3.2 | 1.4 | 1.8 |
| <i>Claims on Federal Government (Net)</i> | -18.9 | -22.0 | 64.0 | 15.4 | 2.6 | 10.5 | 4.0 | -3.3 | -23.9 | -3.8 | 18.2 | 11.3 | 1.2 |
| <i>Claims on Private Sector</i> | 1.9 | 2.0 | 0.1 | 0.9 | 0.6 | -0.6 | 2.6 | -1.7 | 12.5 | 4.4 | 1.3 | -0.1 | 1.9 |
| <i>Claims on Other Private Sector</i> | 0.2 | 0.0 | -0.4 | -0.1 | - | 0.1 | 0.3 | 0.2 | 12.5 | 4.6 | 0.7 | 0.6 | 1.0 |
| Foreign Assets (Net) | -9.1 | 14.4 | 6.9 | -4.6 | 0.4 | 1.5 | -9.1 | 3.2 | 36.5 | 6.5 | 0.8 | 1.6 | -1.6 |
| Other Assets (Net) | 1.5 | 4.8 | 9.1 | -9.6 | 6.7 | -4.7 | 1.5 | 3.9 | -32.7 | -8.2 | -13.2 | 0.0 | 1.6 |
| Broad Money Supply (M2) | -2.7 | 0.9 | 9.1 | -1.7 | 4.1 | -0.1 | 1.3 | 0.0 | 4.7 | 2.3 | -2.4 | 2.2 | 0.7 |
| Quasi-Money | -0.5 | -1.1 | 0.6 | -0.2 | -0.1 | 0.0 | 1.4 | -2.3 | 10.9 | 3.1 | -3.3 | -2.7 | 0.6 |
| Narrow Money Supply (M1) | -6.4 | 4.4 | 22.8 | -3.8 | 9.9 | -0.2 | 1.1 | 2.8 | -2.8 | 1.2 | -1.1 | 8.9 | 0.9 |
| Reserve Money (RM) | -1.8 | -4.2 | 1.7 | 3.1 | -1.1 | -11.4 | 13.0 | -3.0 | -3.0 | -2.3 | -1.9 | 18.1 | 6.7 |

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

At ₦1,825.7 billion, currency-in-circulation rose by 1.8 per cent in the review month, compared with 6.8 per cent increase at the end of September 2016. This development was, due largely, to the increase in currency outside banks and demand deposit components, respectively.

Total deposits at the CBN amounted to ₦12,693.7 billion, indicating an increase of 5.4 per cent above the level at the end of September 2016. This was due to the rise in deposit money banks, private sector 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 37.5 per cent, 41.2 per cent and 21.3 per cent, respectively.

Relative to the level at the end of September 2016, reserve money (RM) rose by 6.7 per cent to ₦6,580.6 billion at the end of the review month, reflecting the increase in both DMBs demand deposit and Currency in Circulation components, respectively.

Reserve money (RM) rose during the review month.

2.3 Money Market Developments

Performances of the financial market indicators were mixed in the review period. Inter-bank money market rates spiked due to the liquidity shortfall in the system. This was occasioned by sustained mopping up by the Bank to achieve its monetary policy objectives and foreign exchange inter-bank sales to clear the backlog of unmet demand. Short-term overnight interest rates were higher than their levels in the preceding month.

Provisional data indicated that total value of money market assets outstanding in October 2016 stood at ₦10,756.85 billion, showing an increase of 0.9 per cent, compared with the 2.0 per cent increase in the preceding month. The development was attributed to the 1.4 per cent increase in the FGN Bonds outstanding.

2.3.1 Interest Rate Developments

Inter-bank money market rates and short-term interest rates rose due to the liquidity shortfall in the system.

Available data indicated that bank's deposits and lending rates trended upward during the review month.

Apart from demand deposit rate which was not available, all other deposit rates of various maturities rose from a range of 3.46 per cent – 5.75 per cent in September 2016 to 3.81 per cent – 8.27 per cent at the end of the review month. The average term deposit rate rose to 6.75 per cent above the 6.15 per cent recorded in the preceding month.

The weighted average prime and maximum lending rates rose by 0.01 and 0.2 percentage points to 17.1 and 27.69 per cent, respectively, in the review month. Consequently, the spread between the weighted average term deposit and maximum lending rates narrowed by 0.4 percentage point to 20.94 per cent at end-October 2016. Similarly, the spread between the average savings deposit and average maximum lending rates, contracted by 0.18 percentage point to 23.85 per cent.

At the inter-bank call segment, the weighted average rate, which stood at 14.50 per cent in the preceding month, rose by 21.92 percentage points to 36.42 per cent, while the Nigeria inter-bank offered rate (NIBOR) for the 30-day tenor, fell to 16.48 per cent from 20.53 per cent in the preceding month. The development reflected tight liquidity in the market. However, the weighted average rate at the open-buy-back (OBB) segment stood at 15.90 per cent as in the preceding month. With the headline inflation rate at 18.3 per cent at end-October 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)

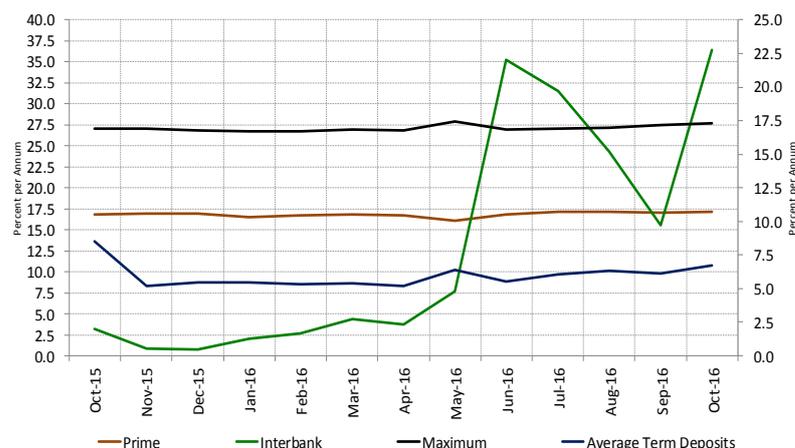


Table 2: Selected Interest Rates (Percent, Averages)

| | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Average Term Deposits | 8.52 | 5.2 | 5.43 | 5.43 | 5.36 | 5.38 | 5.19 | 6.38 | 5.53 | 6.03 | 6.3 | 6.15 | 6.75 |
| Prime Lending | 16.84 | 16.98 | 16.96 | 16.54 | 16.72 | 16.82 | 16.77 | 17.82 | 16.78 | 17.14 | 17.18 | 17.09 | 17.1 |
| Interbank Call | 3.22 | 0.84 | 0.77 | 2.04 | 2.67 | 4.32 | 3.75 | 7.67 | 35.26 | 31.51 | 24.25 | 14.5 | 36.42 |
| Maximum Lending | 27.01 | 27.02 | 26.84 | 26.77 | 26.73 | 26.93 | 26.88 | 27.93 | 26.93 | 27.06 | 27.21 | 27.49 | 27.69 |

2.3.2 Commercial Paper (CP)

Commercial Paper (CP) outstanding held by DMBs declined by 90.1 per cent to ₦0.3 billion at end-October 2016, compared with the value of ₦3.1 billion at the end of September 2016. This development was due to the decrease in investment in CP by the commercial banks during the month under review. Thus, CP constituted 0.003 per cent of the total value of money market assets outstanding during the review period, compared with 0.03 per cent in September 2016.

2.3.3 Bankers' Acceptances (BAs)

During the review month, BA fell to ₦38.3 billion compared with ₦45.6 billion at the end of the preceding month. This was attributed to decreased investment in BA by commercial banks. Consequently, BA accounted for 0.36 per cent of the total value of money market assets outstanding at end-October 2016 compared with 0.43 per cent at end-September 2016.

2.3.4 *Open Market Operations (OMO)*

Direct Open Market Operations (OMO) were conducted five (5) times through the sale of Central Bank of Nigeria (CBN) bills to target liquidity in the system. The tenors to maturity of the instrument ranged from 183 days to 363 days. Total amount offered, subscribed to, and allotted were ₦360.00 billion, ₦669.05 billion, and ₦661.25 billion, respectively. The bid rates ranged from 18.00 per cent to 18.50 per cent, while the stop rates ranged from 18.00 per cent to 18.5 per cent. Repayment and maturity of CBN bills was ₦539.34 billion, translating to a net withdrawal of ₦121.91 billion.

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 ₦267.85 billion, ₦427.14 billion and ₦211.16 billion, respectively compared with ₦536.98 billion, ₦1,168.21 billion and ₦536.98 billion in the preceding month. The auction was oversubscribed with a bid-to-cover ratio of 2.02.

At the 91-day auction, total subscription and allotment were ₦61.79 billion and ₦48.93 billion, respectively, with bid rates ranging from 12.00 to 20.11 per cent, while the stop rates were 13.90 and 14.00 per cent. For the 182-day tenor, total subscription and allotment were ₦101.75 billion and ₦61.70 billion, respectively. The bid rates ranged from 12.00 to 23.00 per cent, while the stop rate was 17.09 per cent. At the 364-day segment, total subscription and allotment were ₦263.61 billion and ₦100.54 billion, respectively, with bid rates at 17.00 to 21.00 per cent, while stop rates were 18.25 and 18.30 per cent.

2.3.6 *Bonds Market*

In the review month, existing tranches of the 5- and 10-year FGN Bonds were reopened and offered for sale. The term to maturity of the bonds ranged from 4 years, 9 months to 19 years, 5 months. Total amount offered, subscribed to and allotted were ₦105.0 billion, ₦173.27 billion and ₦95.0 billion, respectively, while ₦9.00 billion was allotted on non-competitive basis. The bid rates ranged from 10.00 per cent to 7.00 per cent, while the

marginal rates for the 5-, 10-, and 20-year bonds were 15.30 per cent 15.48 per cent and 15.48 per cent, respectively. The marginal rates for all the tenors ranged from 15.30 per cent to 15.49 per cent. There was no maturity in October 2016. In the preceding month, existing tranches of the 5- and 10-year FGN Bonds were reopened. The term to maturity of the bonds ranged from 4 years, 10 months to 19 years, 6 months. Total amount offered, subscribed to and allotted were ₦162.05 billion, ₦105.00 billion and ₦16.00 billion, respectively.

2.3.7 CBN Standing Facilities

The trend at the CBN standing windows in the review period indicated that request for the Standing Lending Facility (SLF) significantly exceeded the level for the Standing Deposit Facility (SDF). Applicable rates for the SLF and SDF remained 16.00 and 9.00 per cent, respectively.

Total request for SLF amounted to ₦3,984.01 billion (made up of ₦1,223.05 billion direct SLF and ₦2,760.96 billion Intraday Lending Facility converted to overnight repo) with a daily average of ₦234.35 billion, earning ₦2.97 billion in interest payment, compared with SLF of ₦3,619.5 billion and interest earned income of ₦3.22 billion in September 2016.

Total SDF granted during the review period was ₦779.59 billion with a daily average of ₦45.86 billion, compared with ₦828.63 billion in September 2016. The cost incurred on SDF in October 2016 stood at ₦0.33 billion, compared with ₦1.18 billion in September 2016.

2.4 Deposit Money Banks' Activities

Available data indicated that total assets and liabilities of banks amounted to ₦31,575.43 billion, showing a decline of 0.7 per cent relative to the level at the end of the preceding month. Funds were sourced, mainly, from disposal of unclassified assets, credit from Central Bank and Time, Savings and foreign currency deposits. The funds were used, largely, to reduce foreign liabilities, increase claims on the Private Sector and Demand Deposits.

Banks' credit to the domestic economy fell by 0.02 per cent.

At ₦21,481.72 billion, banks' credit to the domestic economy fell by 0.02 per cent, relative to the level at the end of the preceding month. The development

reflected, largely, the decrease in banks' claims on the Federal Government.

Total specified liquid assets of banks stood at ₦6,846.05 billion, representing 37.3 per cent of their total current liabilities. At that level, the liquidity ratio was 0.3 and 7.3 percentage points above the level at the end of the preceding month and the stipulated minimum ratio of 30.0 per cent, respectively. The loans-to-deposit ratio, at 80.45 per cent, was 0.6 percentage points below the level at the end of the preceding month, but 0.45 percentage point above the stipulated maximum ratio of 80.0 per cent.

2.5 Capital Market Developments

2.5.1 Secondary Market

Performance of the capital market in October 2016 was hindered by dwindling investors' confidence, attributed to the fragile economic fundamentals and negative impact of recession. Hence, developments on the Nigerian Stock Exchange (NSE) were generally bearish during the review period in spite of being an earning season. Total volume and value of traded securities declined significantly by 56.6 per cent and 36.4 per cent to 3.5 billion shares and ₦30.14 billion in 51,442 deals compared with 7.95 billion shares and ₦47.4 billion in 65,212 deals in the preceding month. The dismal performance of the market was exacerbated by the unimpressive third quarter earnings results by most corporates; a reflection of the challenging economic environment. The Financial Services Industry led the activity chart (measured by volume) with 2.9 billion shares, worth ₦15.5 billion in 28,892 deals, compared with 7.2 billion shares, worth ₦28.0 billion in 39,775 deals, in the preceding month. This was followed by the conglomerates sector with 239.2 million shares, worth ₦418.4 million in 2,220 deals. The banking sub-sector was the most active (measured by volume) with 1.9 billion shares worth ₦12.1 billion in 15,876 deals (Fig.4, Table 3).

Figure 4: Volume and Value of Traded Securities

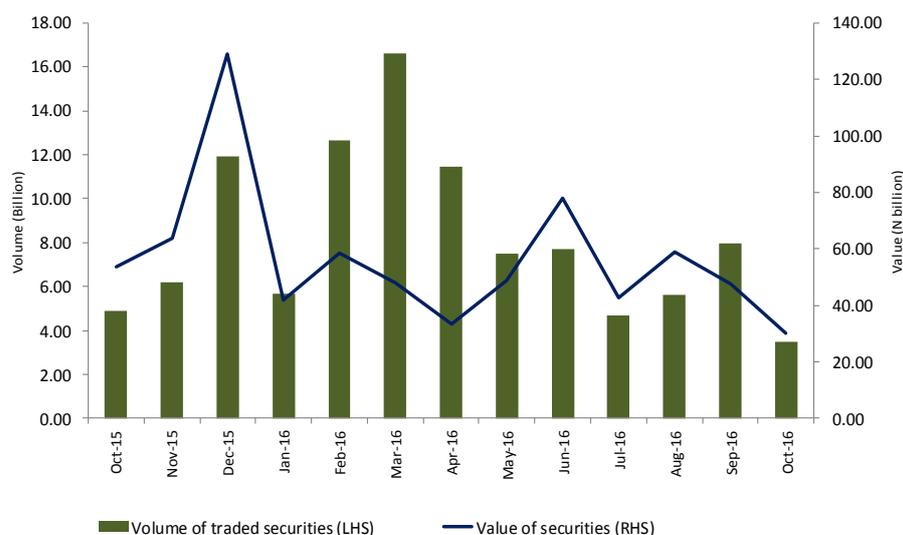


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

| | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Volume (Billion) | 4.9 | 6.2 | 11.9 | 5.7 | 12.6 | 16.6 | 11.5 | 7.5 | 7.7 | 4.7 | 5.6 | 8.0 | 3.5 |
| Value (N Billion) | 53.5 | 63.9 | 129.0 | 42.1 | 58.6 | 48.2 | 33.5 | 48.8 | 77.9 | 42.9 | 58.8 | 47.4 | 30.1 |

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

The Nigeria Stock Exchange recorded its first listing for 2016 with the introduction of the ordinary shares of The Initiaves Plc on the Alternative Securities Market (ASeM) Board, on October 25, 2016 (see table 4).

Table 4: New and Supplementary Listings on the Nigerian Stock Exchange, October 2016

| S/N | Company | Additional Shares (Units) | Reasons | Listing |
|-----|-------------------|-----------------------------|--------------|---------|
| 1 | The Initiaves Plc | 889,981,552 Ordinary Shares | Introduction | New |

2.5.4 Market Capitalisation

Persistent dip in the performance of the market and profit taking by investors of some blue chip shares impacted negatively on the total value of shares on the exchange. Hence, aggregate market capitalization for all listed securities (Equities and Bonds) stood at ₦16.2 trillion at end-October 2016, indicating a decline of 0.92 per cent below the level at end-September 2016. Similarly, market capitalization for the listed equities decreased by 3.6 per cent below the level in the preceding month to close at ₦9.4 trillion at the end of the review month. Listed equities accounted for 57.6 per cent of the aggregate market capitalization, compared with 59.2 per cent at the end of the preceding month (Fig.5, Table 5).

2.5.5 NSE All-Share Index

In tandem with the development in the domestic economy, the All-Share Index which is the benchmark index that indicates price movements of quoted equities, opened at 28,335.40, and closed at 27,220.09, representing a decrease of 3.94 per cent below the level at the end of the preceding month. Apart from the NSE-ASeM which increased by 0.39 per cent to 1,218.38 above the level in the preceding month, all other sectoral indices fell below their levels in September 2016. The NSE Industrial, NSE Premium, NSE Consumer Goods, NSE Oil and Gas, NSE Lotus Islamic, NSE Banking, NSE Pension and NSE Insurance indices fell by 7.5 per cent, 4.3 per cent, 3.7 per cent, 3.1 per cent, 3.0 per cent, 2.8 per cent, 2.8 per cent and 0.5 per cent to close at 1,696.44, 1,696.98, 729.68, 325.48, 1,855.99, 266.98, 815.39 and 128.93, respectively (Fig.5, Table 5).

Figure 5: Market Capitalization and All-Share Index

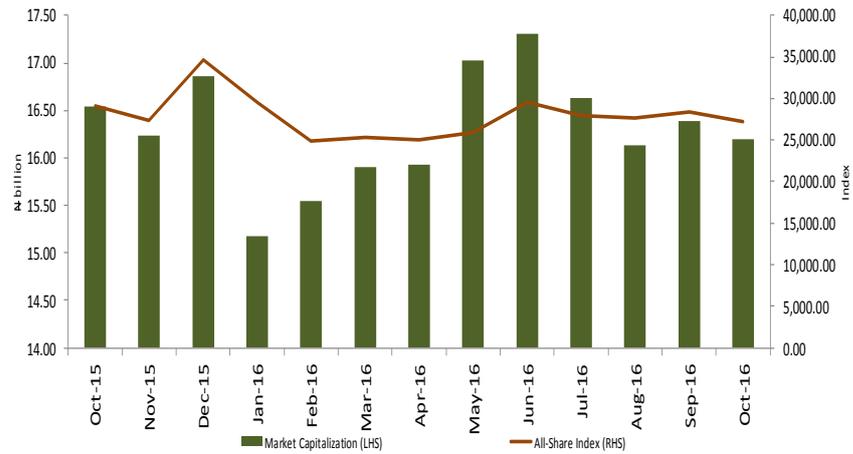


Table 5: Aggregate Market Capitalization and All Share Index (NSE)

| | May-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Aggregate Market Capitalization (N trillion) | 17.03 | 15.93 | 17.03 | 17.3 | 16.63 | 16.13 | 16.39 | 16.2 |
| All-Share Index | 25,902.25 | 25,062.41 | 25,902.25 | 29,597.79 | 28,009.93 | 27,599.03 | 28,335.40 | 27,220.09 |

3.0 Fiscal Operations

Provisional data showed that federally-collected revenue in October 2016, at ₦559.75 billion, was below the receipt in the preceding month by 29.4 per cent. Federal Government retained revenue for October 2016 was ₦294.24 billion, while total provisional expenditure was ₦484.97 billion. Consequently, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦179.51 billion.

3.1 Federation Account Operations

Total federally-collected revenue (gross) in October 2016 was estimated at ₦559.75 billion. This was below both the monthly budget estimate of ₦792.71 billion and the preceding month's receipts of ₦611.49 billion by 29.4 per cent and 8.5 per cent, respectively. The decrease relative to the monthly budget estimate was attributed to declines in oil and non-oil receipts (Fig. 6, Table 6).

At ₦559.75 billion estimated federally-collected revenue (gross) in October 2016, fell short of the monthly budget estimate of ₦792.71 billion by 29.4 per cent.

Figure 6: Components of Gross Federally-Collected Revenue

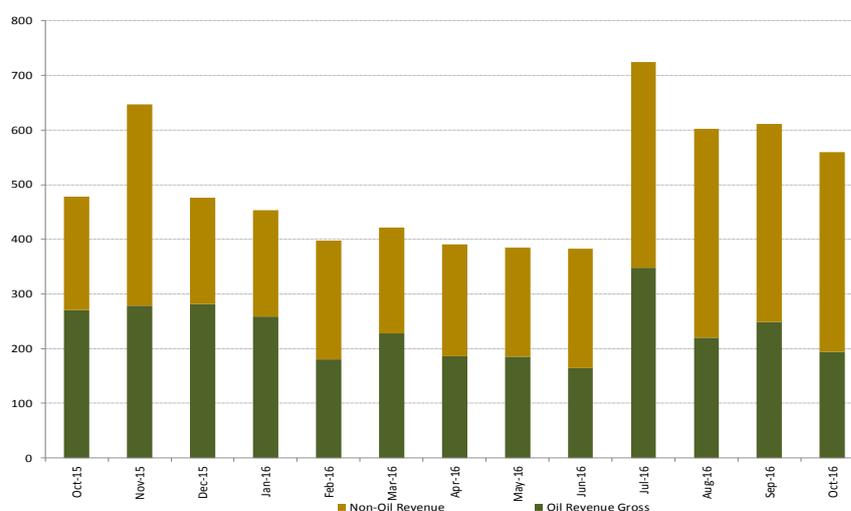


Table 6: Gross Federation Account Revenue (N billion)

| | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Federally-collected revenue (Gross) | 478.2 | 646.6 | 476.2 | 453.3 | 397.3 | 421.1 | 391.3 | 384.9 | 382.8 | 792.5 | 602.8 | 611.5 | 559.7 |
| Oil Revenue | 271.1 | 278.3 | 281.4 | 258.4 | 180.0 | 227.7 | 186.7 | 185.8 | 164.8 | 348.1 | 220.5 | 249.0 | 194.7 |
| Non-Oil Revenue | 207.1 | 368.3 | 194.8 | 194.9 | 217.3 | 193.4 | 204.7 | 199.1 | 218.1 | 376.7 | 382.3 | 362.5 | 365.1 |

At ₦194.68 billion oil receipts (gross) was below the monthly budget estimate by 33.9 per cent, and constituted 34.8 per cent of total revenue.

At ₦ 194.68 billion or 34.8 per cent of total revenue, oil receipts fell below the monthly budget estimate of ₦294.57 billion and the preceding month's receipts of ₦248.95 billion by 33.9 and 21.8 per cent, respectively. The decrease relative to the monthly budget estimate was attributed to the decline in crude oil exports volume due to pipeline vandalism and the shut-downs and shut-ins in production arising from repairs at some NNPC terminals (Fig. 7, Table 7).

Figure 7: Gross Oil Revenue and Its Components

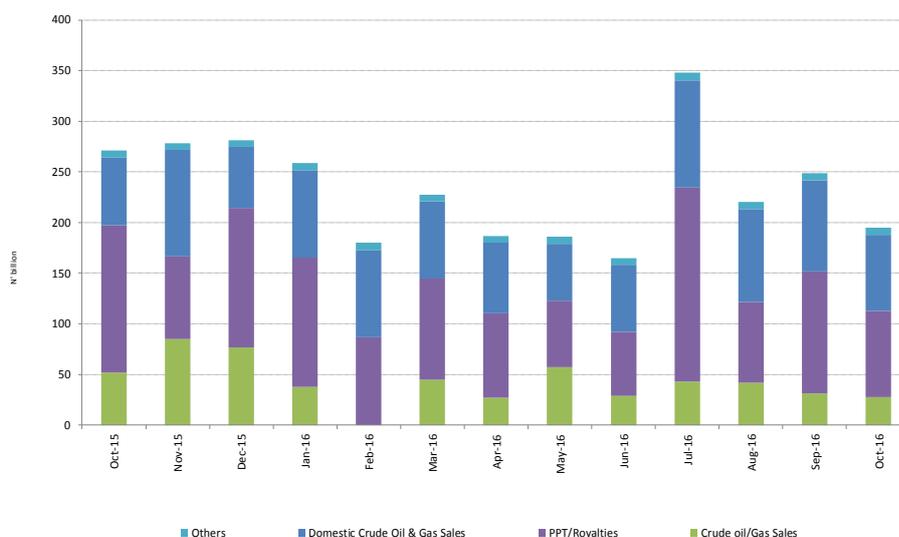


Table 7: Components of Gross Oil Revenue (₦ billion)

| | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Oil Revenue | 271.1 | 278.3 | 281.4 | 258.5 | 180.0 | 227.7 | 186.7 | 185.8 | 164.8 | 348.1 | 220.5 | 249.0 | 220.5 |
| Crude oil/Gas Sales | 51.7 | 84.7 | 76.4 | 37.5 | 0.0 | 45.0 | 27.0 | 57.1 | 28.5 | 43.2 | 41.8 | 30.9 | 41.8 |
| PPT/Royalties | 145.8 | 82.1 | 138.2 | 128.0 | 86.6 | 99.4 | 83.6 | 65.7 | 66.0 | 105.7 | 79.9 | 121.0 | 85.5 |
| Domestic crude oil/Gas sales | 66.9 | 104.7 | 60.2 | 86.1 | 86.0 | 76.6 | 69.5 | 56.2 | 63.5 | 191.4 | 91.8 | 89.8 | 74.9 |
| Others | 6.7 | 6.7 | 6.6 | 6.9 | 7.5 | 6.7 | 6.6 | 6.8 | 6.8 | 7.7 | 6.9 | 7.2 | 6.9 |

At ₦365.06 billion non-oil receipts (gross) was lower than the monthly budget estimate by 26.7 per cent and constituted 65.2 per cent of total revenue.

Non-oil revenue at ₦365.06 billion or 65.2 per cent of the total revenue, fell below the monthly budget estimate of ₦498.14 billion by 26.7 per cent. It, however, exceeded the receipts of ₦362.53 in the month of September 2016 by 0.7 per cent. The poor performance in October 2016, compared with the monthly budget estimate was attributed to decline in the volume of dutiable imports, Companies Income Tax (CIT) and Value Added Tax (VAT) components (Fig. 8, Table 8).

Figure 8: Gross Non-Oil Revenue and its Components

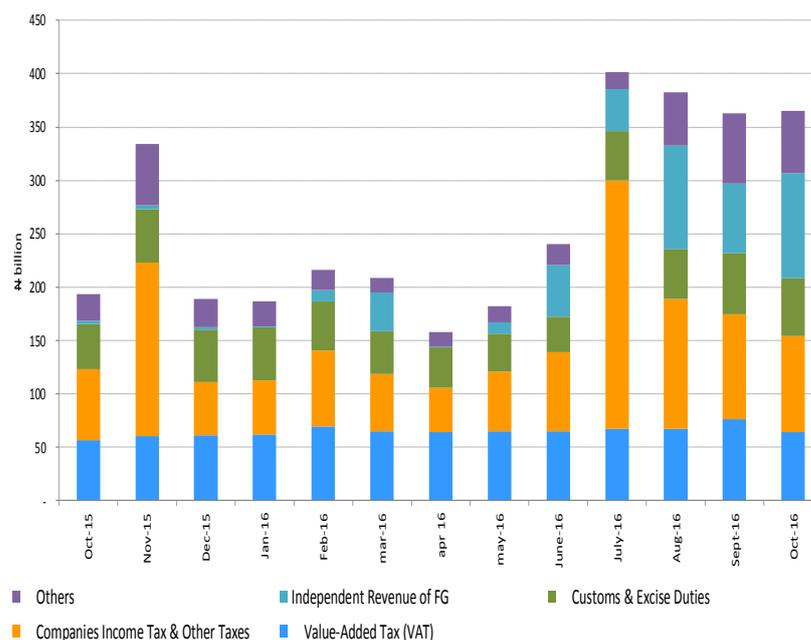


Table 8: Components of Gross Non-Oil Revenue (₦ billion)

| | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Non-Oil Revenue | 193.8 | 334.0 | 189.3 | 186.6 | 216.3 | 208.4 | 158.0 | 182.3 | 240.5 | 401.4 | 382.4 | 362.5 | 365.1 |
| Corporate Tax | 66.5 | 162.6 | 50.0 | 50.8 | 71.2 | 54.2 | 41.8 | 55.9 | 73.9 | 232.9 | 122.2 | 98.7 | 89.6 |
| Customs & Excise Duties | 42.4 | 50.5 | 48.8 | 49.5 | 46.1 | 39.9 | 37.4 | 35.6 | 33.6 | 46.3 | 46.3 | 57.6 | 54.7 |
| Value-Added Tax (VAT) | 56.4 | 60.2 | 61.2 | 62.1 | 69.7 | 64.8 | 64.2 | 65.3 | 65.1 | 67.4 | 67.0 | 76.0 | 64.3 |
| Independent Revenue of Fed. Govt. | 3.3 | 3.3 | 2.4 | 0.9 | 10.6 | 36.1 | 0.6 | 10.0 | 48.5 | 38.8 | 97.4 | 64.9 | 98.5 |
| Others | 25.3 | 57.4 | 26.9 | 23.3 | 18.8 | 13.4 | 13.9 | 15.6 | 19.3 | 16.0 | 49.6 | 65.4 | 58.0 |

Of the gross federally-collected revenue, a total sum of ₦89.08 billion was deducted from gross oil revenue in respect of Excess PPT/Royalty (₦28.8 billion), JVC Cash Calls (₦52.92 billion) NNPC Refunds to the Federal Government (₦6.33 billion) and DPR cost of collections (₦1.03 billion), respectively; leaving a net balance of ₦105.60 billion.

Similarly the sum of ₦10.30 billion, comprising cost of collections by the FIRS (₦6.47 billion) and NCS (₦3.83 billion), was deducted from the gross non-oil receipt leaving a net balance of ₦354.77 billion. Thus, the

aggregate Federally Collected Revenue (net) amounted to ₦460.37 billion.

Table 9: Components of Gross Federally Collected Revenue (₦ billion)

| | Oct-15 | Nov-15 | Dec-16 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 | 2016 Budget |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------|
| Total Deductions | 67.5 | 105.2 | 92.3 | 53.5 | 16.7 | 60.2 | 41.6 | 72.0 | 44.0 | 243.5 | 133.4 | 104.6 | 99.4 | 171.9 |
| Oil Revenue Deductions | 59.6 | 92.6 | 84.4 | 45.3 | 7.9 | 52.5 | 34.7 | 64.6 | 36.0 | 226.3 | 121.4 | 92.9 | 89.1 | 152.9 |
| Of Which: | | | | | | | | | | | | | | |
| JVC Cash Calls | 51.7 | 84.7 | 76.5 | 37.5 | 0.0 | 45.0 | 27.0 | 57.1 | 28.5 | 92.0 | 94.7 | 83.9 | 52.9 | 91.2 |
| Others | 7.9 | 7.9 | 7.9 | 7.9 | 7.9 | 7.5 | 7.8 | 7.5 | 7.6 | 134.2 | 26.7 | 9.0 | 36.2 | 61.7 |
| Non-Oil Revenue Deductions | 7.9 | 12.6 | 7.9 | 8.1 | 8.9 | 7.7 | 6.9 | 7.4 | 7.9 | 17.3 | 12.0 | 11.7 | 10.3 | 19.0 |
| Of Which: | | | | | | | | | | | | | | |
| Cost of Collection | 5.7 | 10.2 | 5.4 | 5.5 | 6.1 | 5.0 | 4.3 | 4.7 | 5.3 | 14.6 | 9.3 | 8.7 | 7.7 | 12.0 |
| VAT | 2.3 | 2.4 | 2.5 | 2.5 | 2.8 | 2.6 | 2.6 | 2.6 | 2.6 | 2.7 | 2.7 | 3.0 | 2.6 | 4.9 |
| Others | 0.0 | 0.0 | 0.0 | 0.2 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.1 |

Of the total federally-collected revenue (net), the sum of ₦242.19 billion was transferred to the Federation Account; ₦61.69 billion to the VAT Pool Account; ₦98.50 billion to the Federal Government Independent revenue and ₦57.99 billion to "Others" (consisting Tertiary Education Trust Fund, National Information Technology Development Fund and Customs Special Levies).

Accordingly, of the ₦242.19 billion transferred to the Federation Account for distribution, the Federal Government received ₦120.35 billion, while the States and Local Governments received ₦61.04 billion and ₦47.06 billion, respectively. The balance of ₦13.75 billion was shared among the oil producing States as 13% Derivation Fund.

The net balance of ₦61.69 billion in the VAT Pool Account was shared as follows: Federal Government, ₦9.25 billion; State and Local Governments ₦30.85 billion and ₦21.59 billion, respectively.

In addition, the sum of ₦41.40 billion was shared as exchange gain among the beneficiaries: Federal Government, ₦19.51 billion; State Governments, ₦9.90 billion; Local Governments, ₦7.63 billion and 13% Derivation Fund, ₦4.36 billion. The sum of ₦63.39 billion from the Excess Crude/PPT was shared as additional revenue among the Federal, State and Local governments in this order: ₦29.05 billion, ₦14.74 billion

and ₦11.36 billion. The balance of ₦8.24 billion was shared among oil-producing States as 13% Derivation Fund.

The Federal Government also received the sum of ₦6.33 billion being NNPC's 26th equal installment refund of indebtedness.

Overall, total allocation to the three tiers of government in October 2016 amounted to ₦415.00 billion. This was below the monthly budget estimate of ₦495.23 billion and the preceding month's level of ₦502.24 billion, by 16.2 and 17.4 per cent, respectively.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

At ₦283.00 billion, the estimated Federal Government retained revenue for the month of October 2016 was below the monthly budget estimate of ₦337.48 billion and the preceding month's receipt of ₦287.35 billion, by 16.1 per cent and 1.5 per cent, respectively. Of the total receipt in October 2016, Federation Account accounted for 42.5 per cent, while FGN Independent Revenue, Excess Crude PPT, Exchange Gain, VAT and NNPC refund, accounted for 34.8, 10.3, 6.9, 3.3 and 2.2 per cent, respectively (Fig. 9, Table 10).

At ₦283.00 billion, the estimated Federal Government retained revenue was below the monthly budget estimate by 16.1 per cent.

Figure 9: Federal Government Retained Revenue

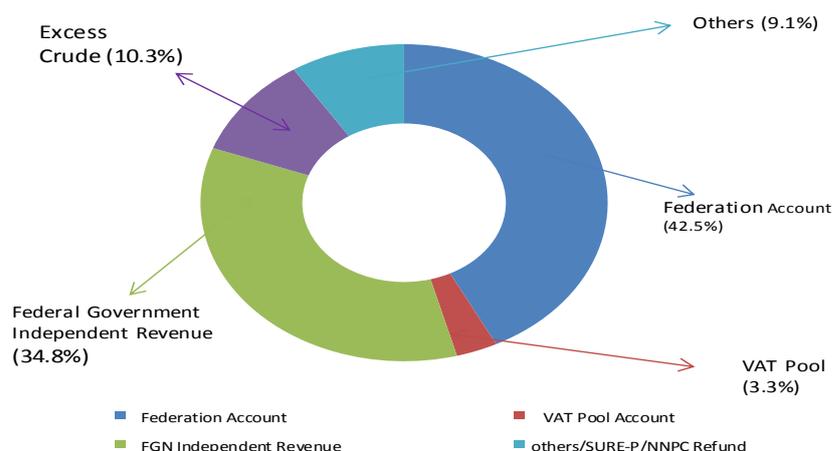


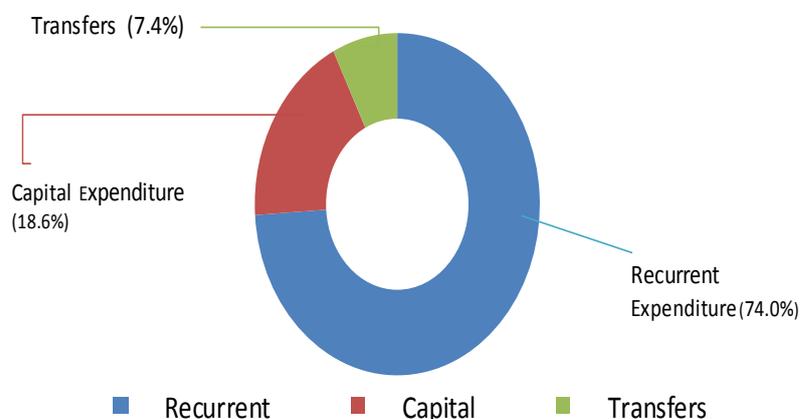
Table 10: Federal Government Fiscal Operations (₦ billion)

| | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Retained Revenue | 353.7 | 299.9 | 164.8 | 207.1 | 181.7 | 199.1 | 334.8 | 138.6 | 249.0 | 294.4 | 294.2 | 287.4 | 283.0 |
| Expenditure | 318.5 | 419.6 | 369.4 | 137.6 | 587.9 | 408.9 | 703.9 | 318.3 | 359.3 | 465.8 | 485.0 | 436.7 | 462.5 |
| Overall Balance: (+)/(-) | 35.3 | -119.8 | -204.6 | 69.5 | -406.2 | -209.8 | -369.1 | -179.6 | -110.4 | -171.4 | -190.7 | -149.3 | -190.7 |

Total estimated expenditure at ₦462.50 billion was below the monthly budget estimate by 11.5 per cent.

At ₦462.50 billion, the estimated total expenditure of the Federal Government fell below the monthly budget estimate of ₦522.64 billion by ₦60.14 billion or 11.5 per cent. It, however, exceeded the preceding month's expenditure of ₦436.71 billion, by ₦25.79 billion or 5.9 per cent. The expenditure component consisting of recurrent, capital and transfers, accounted for 74.0, 18.6, and 7.4 per cent, of the total expenditure, respectively. A breakdown of the recurrent expenditure showed that non-debt obligation was 76.0 per cent of the total, while debt service payments accounted for the balance of 24.0 per cent (Fig. 10).

Figure 10: Federal Government Expenditure



The fiscal operations of the FG resulted in an estimated deficit of ₦179.51 billion.

Overall, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦179.51 billion, compared with the monthly budget deficit of ₦185.16 billion.

3.2.2 Statutory Allocations to State Government

Total estimated statutory allocations to the State Governments amounted to ₦142.85 billion. This fell short of the monthly budget estimate of ₦173.43 billion by 17.6 per cent. It was also below the preceding

month's receipts of ₦174.01 billion by 17.9 per cent.

Receipt from the Federation Account amounted to ₦112.01 billion or 78.4 per cent of the total statutory allocations. This was below the budget estimate of ₦114.43 billion and the preceding month's receipt of ₦137.55 billion, by 2.1 per cent and 18.9 per cent, respectively.

At ₦30.85 billion or 21.59 per cent of the total, the VAT Pool Account fell below both the monthly budget estimate of ₦59.00 billion and the September 2016 receipt of ₦36.46 billion, by 47.7 per cent and 15.4 per cent, respectively (Table 11).

3.2.3 Statutory Allocations to Local Government Councils

Provisional data of allocations to Local Governments from the Federation and VAT Pool Accounts in the month of October 2016 stood at ₦87.65 billion. This was below the provisional monthly budget estimate of ₦115.18 billion for fiscal 2016 by 23.9 per cent. It was also below the preceding month's receipts of ₦105.76 billion by 17.1 per cent.

Allocation from the Federation Account was ₦66.05 billion (75.4 per cent of the total) while its share from the VAT Pool Account was ₦21.59 billion (24.6 per cent of the total) (Table 11).

Table 11: Statutory Allocation to State Governments and Local Government Councils

| | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 | 2016 Monthly Budget |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------------|
| SG Federation Account | 106.1 | 123.7 | 98.1 | 104.1 | 93.3 | 88.5 | 76.1 | 67.9 | 74.8 | 142.4 | 113.6 | 137.6 | 112.0 | 114.4 |
| SG VAT | 27.1 | 28.9 | 29.4 | 29.8 | 33.5 | 31.1 | 30.8 | 31.3 | 31.3 | 32.4 | 32.2 | 36.5 | 30.8 | 59.0 |
| SG Total | 133.2 | 152.6 | 127.5 | 133.9 | 126.7 | 119.6 | 107.0 | 99.3 | 106.1 | 174.7 | 145.8 | 174.0 | 142.9 | 173.4 |
| LG Federation Account | 60.1 | 76.4 | 55.4 | 58.5 | 54.4 | 50.4 | 43.2 | 40.0 | 44.6 | 93.7 | 70.7 | 80.2 | 66.1 | 73.9 |
| LG VAT | 19.0 | 20.2 | 20.6 | 20.9 | 23.4 | 21.8 | 21.6 | 21.9 | 21.9 | 22.6 | 22.5 | 25.5 | 21.6 | 41.3 |
| LG Total | 79.1 | 96.7 | 76.0 | 79.3 | 77.8 | 72.1 | 64.8 | 62.0 | 66.5 | 116.3 | 93.2 | 105.8 | 87.6 | 115.2 |
| Total Statutory Revenue and VAT | 212.3 | 249.3 | 203.5 | 213.2 | 204.6 | 191.8 | 171.7 | 161.2 | 172.6 | 291.0 | 239.0 | 279.8 | 230.5 | 288.6 |

4.0 Domestic Economic Conditions

In the review month, agricultural activities in most parts of the country were dominated by bumper harvest as a result of favourable weather conditions witnessed in the previous period as well as the use of early maturing seeds. Early harvest of yams and maize continued in the south, while the harvest of potatoes, rice, groundnuts and beans was also evident in the North Central and other Northern states. This has boosted domestic supply of agricultural commodities in the domestic market. In the livestock sub-sector, farmers engaged in the breeding of poultry and migration of cattle to green pastures. Domestic crude oil production was estimated at 1.65 million barrels per day (mbd) or 51.15 million barrels during the month. Headline inflation rate, on a year-on-year basis, was 18.3 and 14.2 per cent, on a 12-month moving average basis, in October 2016.

4.1 Agricultural Sector

Agricultural activities in most parts of the country were dominated by bumper harvest as a result of favourable weather conditions witnessed in the previous periods as well as the use of early maturing seeds. Early harvest of yams and maize continued in the south, while the harvest of potatoes, rice, groundnuts and beans was also evident in the North Central and other Northern states. This has boosted domestic supply of agricultural commodities in the domestic market. In the livestock sub-sector, farmers engaged in the breeding of poultry and migration of cattle to green pastures.

In terms of finance, a total of ₦896.4 million was guaranteed to 5,954 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in October 2016. The amount represented an increase of 0.8 per cent above the level in the preceding month and a decrease of 42.2 per cent below the level in the corresponding period of 2015. Sub-sectoral analysis showed that food crops obtained the largest share of ₦617.6 million (68.9 per cent) guaranteed to 3,546 beneficiaries, Mixed Crop got ₦107.6 million (12.0 per cent) guaranteed to 1,155 beneficiaries, livestock had ₦83.5 million (9.3 per cent) guaranteed to 549 beneficiaries, while 'Others' received ₦31.9 million (3.6 per cent) guaranteed to 342 beneficiaries. The Cash Crop sub-sector received ₦28.4 million (3.2 per cent) guaranteed to 192 beneficiaries, while Fisheries

As at October 20, 2016, the total amount released by the CBN under CACS to the participating banks for disbursement stood at ₦393.46 billion for 478 projects.

received a total of ₦27.3 million (3.1 per cent) guaranteed to 170 beneficiaries.

Analysis by state showed that 26 states and the Federal Capital Territory benefited from the scheme in the period under review, with the highest and lowest sums of ₦238.9 million (26.7 per cent) and ₦0.9 million (0.1 per cent) guaranteed to Benue and Bayelsa States, respectively.

As at October 20, 2016, a cumulative sum of ₦393.46 billion had been released to the economy under the Commercial Agriculture Credit Scheme (CACS), in respect of 478 projects from inception in 2009. This comprised releases from the DMBs' Receivable Account (₦199.83 in respect of 273 projects) and the Repayment Account (₦193.63 billion, in respect of 205 new projects) (Table 12).

Table 12: Disbursement of Credit under the Commercial Agriculture Credit Scheme (CACS) as at October 20, 2016.

| Participating Banks | Amount Disbursed (N billion) | Number of Projects/State Governments |
|---------------------------|------------------------------|--------------------------------------|
| UBA Plc | 59.76 | 42 |
| Zenith Bank | 79.84 | 58 |
| First Bank of Nigeria Plc | 41.89 | 97 |
| Unity Bank Plc | 24.33 | 26 |
| Union Bank Plc | 22.91 | 31 |
| Stanbic IBTC Plc | 23.41 | 42 |
| Sterling Bank | 29.68 | 32 |
| Access Bank | 19.63 | 21 |
| Fidelity Bank Plc | 15.91 | 13 |
| Skye Bank Plc | 11.77 | 9 |
| FCMB Plc. | 11.37 | 22 |
| Ecobank | 6.38 | 10 |
| GTBank | 25.70 | 21 |
| Diamond Bank Plc | 4.73 | 20 |
| Heritage Bank | 6.81 | 14 |
| Citibank Plc | 3.00 | 2 |
| Keystone Bank | 3.55 | 7 |
| WEMA Bank Plc | 1.82 | 10 |
| Jaiz Bank Plc | 1.00 | 1 |
| TOTAL | 393.5 | 478 |

4.2 Petroleum Sector

Oil Production improved in the month following reduced incidences of production disruptions by militant attacks on oil and natural gas infrastructure in the Niger Delta region. Consequently, crude oil production, including condensates and natural gas liquids increased from an average of 1.44 mbd in September 2016 to 1.65 mbd or 51.15 million barrels (mb) in October 2016, representing an increase of 0.21 mbd or 14.6 per cent. Crude oil export was 1.20 mbd or 37.20 mb, representing an increase of 21.2 per cent when compared with 0.99 mbd or 29.70 mb recorded in the previous month.

Allocation of crude oil for domestic consumption remained at 0.45 mbd or 13.95 mb during the period under review.

OPEC's improved chances of a possible deal to cut production due to the reported threats on price war by Saudi Arabia if Iran fails to agree to the production freeze agreement triggered a rise in oil prices during the review period. Likewise, the use of "secondary sources" data by OPEC for calculating production levels. Consequently, the average spot price of Nigeria's reference crude, the Bonny Light, for the period, exhibited an upward trend similar to other world traded crude varieties. The estimated average price of the Bonny Light (37° API) increased from US\$48.33 per barrel recorded in September 2016 to US\$50.35 per barrel in October 2016, representing an increase of 4.18 per cent. The UK Brent at US\$49.01/b, the WTI at US\$49.62/b, and the Forcados at US\$49.68/b exhibited similar trend as the Bonny Light.

The average price of OPEC basket of eleven selected crude streams stood at US\$47.87/b in October 2016. This represented an increase of 11.61 and 6.26 per cent compared with US\$42.89/b and US\$45.05/b recorded in the preceding month and the corresponding period of 2015, respectively (Fig. 11, Table 13).

Crude oil and natural gas production was estimated at an average of 1.65 million barrels per day.

The average prices of Nigeria's reference crude, the Bonny Light, and the UK Brent, the Forcados and the WTI as well as other competing crudes rose, compared with the levels in the preceding month.

Figure 11: Trends in Crude Oil Prices



Table 13: Average Crude Oil Prices in the International Oil Market

| | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Bonny Light | 49.2 | 44.5 | 38.2 | 31.2 | 32.9 | 38.9 | 42.3 | 47.6 | 49.3 | 46.3 | 47.5 | 48.3 | 50.4 |
| OPEC Basket | 45.1 | 40.5 | 26.5 | 26.5 | 28.7 | 34.7 | 37.9 | 43.2 | 45.8 | 42.7 | 44.6 | 42.9 | 47.9 |

4.3 Consumer Prices

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

Available data showed that the all-items composite Consumer Price Index (CPI) in October 2016, was 209.7 (November 2009=100), and represented 0.8 per cent and 18.3 per cent increase relative to the levels in September 2016 and the corresponding period of 2015, respectively. The rise was due mostly to increases in the prices of food and non-alcoholic beverages; housing, water, electricity, gas and other fuel; clothing and footwear; transport; education; furnishing, household equipment and maintenance; and health.

The urban all-items CPI at end-October 2016, was 211.3 (November 2009=100), representing increase of 0.8 per cent and 19.9 per cent relative to the levels at end-September 2016 and the end-September 2015, respectively. The rural all-items CPI for the month was 208.4 (November 2009=100), indicating a rise of 0.8 per

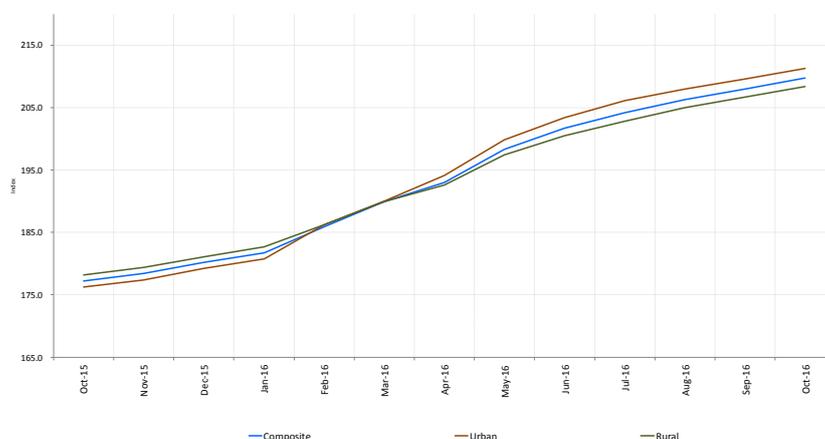
cent and 16.9 per cent relative to the levels at end-September 2016 and end-September 2015, respectively (Fig. 12, Table 14).

The composite food index was 213.8, showing an increase of 0.9 per cent and 0.5 per cent relative to the levels in the preceding month and the corresponding period of 2015, respectively. The development was accounted for, largely, by the increases in the prices of bread and cereal, fish and meat.

Table 14: Consumer Price Index (November 2009=100)

| | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Composite | 177.2 | 178.4 | 180.2 | 181.7 | 185.9 | 189.9 | 193.0 | 198.3 | 201.7 | 204.2 | 206.3 | 208.0 | 209.7 |
| Urban | 176.2 | 177.4 | 179.2 | 180.8 | 186.2 | 190.0 | 194.1 | 199.8 | 203.4 | 206.1 | 208.0 | 209.6 | 211.3 |
| Rural | 178.2 | 179.4 | 181.1 | 182.7 | 186.0 | 189.9 | 192.6 | 197.4 | 200.5 | 202.8 | 205.0 | 206.7 | 208.4 |
| CPI - Food | 182.6 | 184.1 | 186.2 | 187.9 | 190.5 | 194.9 | 197.4 | 202.5 | 205.4 | 207.9 | 210.3 | 212.0 | 213.8 |
| CPI - Non Food | 174.4 | 175.4 | 176.7 | 178.2 | 183.0 | 186.4 | 189.6 | 194.7 | 198.3 | 200.7 | 202.4 | 204.3 | 205.9 |

Figure.12: Consumer Price Index



The continuous depreciation of the naira further fueled inflationary pressures during the month as the effect of increases in the prices of imported items continued its pass through to domestic prices. Consequently, the end-period inflation rate for the review month, on a year-on-year basis, was 18.3 per cent, indicating a 0.4 percentage point increase over the level in the preceding month. On a twelve-month moving average basis, the inflation rate was 14.2 per

The year-on-year headline inflation rate was 18.3 per cent in October 2016.

cent, indicating a 0.7 percentage point increase over the level in September 2016 (Fig. 13, Table 15).

Figure 13: Inflation Rate

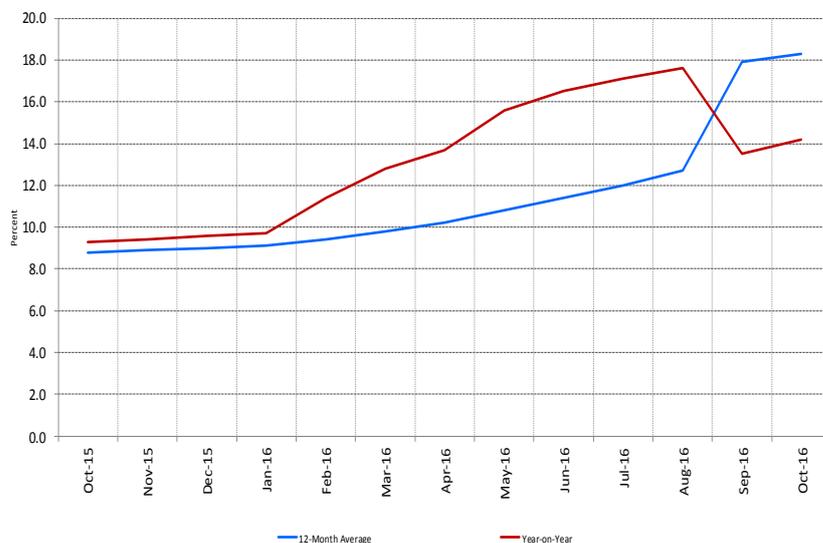


Table 15: Headline Inflation Rate (%)

| | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 12-Month Average | 8.8 | 8.9 | 9.0 | 9.1 | 9.4 | 9.8 | 10.2 | 10.8 | 11.4 | 12.0 | 12.7 | 13.5 | 14.2 |
| Year-on-Year | 9.3 | 9.4 | 9.3 | 9.6 | 11.4 | 12.8 | 13.7 | 15.6 | 16.5 | 17.1 | 17.6 | 17.9 | 18.3 |

5.0 External Sector Developments

Provisional data indicated that the external sector remained weak in the review period on account of persistent low global crude oil price. On month-on-month basis, foreign exchange inflow and outflow through the CBN fell by 29.9 per cent and 19.7 per cent, respectively, in the review month. Total non-oil export receipts by banks rose by 8.7 per cent, relative to the level in the preceding month. The average exchange rate of the naira at the inter-bank segment depreciated to ₦305.21 per US dollar in the review month. The gross external reserves rose by 0.004 per cent above the level in the preceding month.

5.1 Foreign Exchange Flows

The external sector of the Nigerian economy was negatively impacted by the decline in foreign exchange inflow driven by low global crude oil prices. Consequently, foreign exchange inflow through the CBN in the review period fell by 29.9 per cent and 64.6 per cent to US\$1.00 billion below the levels in the preceding month and corresponding period of 2015, respectively.

The outflow of foreign exchange through the CBN declined in the month under review by 19.7 per cent and 9.5 per cent to US\$2.12 billion from the levels in the preceding month and the corresponding period of 2015, respectively (Fig. 14, Table16). The fall in foreign exchange outflow was mainly driven by the reduction in foreign exchange forwards at the interbank segment of the foreign exchange market, payments of external debt service, and other official payments in the review period.

Overall, net outflow stood at US\$1.12 billion during the month, compared with the net outflow of US\$1.21 billion recorded in the preceding month but in contrast to the net inflow of US\$0.48 billion in the corresponding period of 2015.

Foreign exchange inflow and outflow through the CBN fell by 29.9 and 19.7 per cent, in October 2016.

Figure 14: Foreign Exchange Flows through the CBN

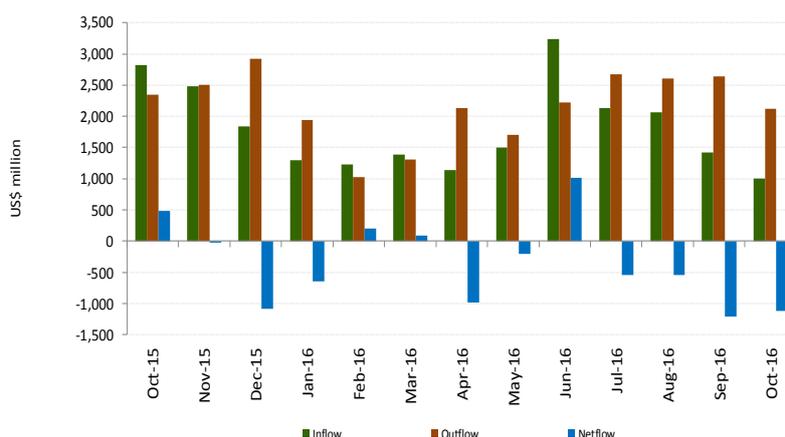


Table 16: Foreign Exchange Flows through the CBN (US\$ million)

| | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|---------|---------|---------|-----------|---------|---------|---------|---------|---------|---------|-----------|---------|-----------|-----------|
| Inflow | 2,821.2 | 2,481.2 | 1,833.0 | 1,301.8 | 1,228.3 | 1,392.0 | 1,142.5 | 1,505.5 | 3,239.9 | 1,092.2 | 2,061.2 | 1,425.4 | 999.2 |
| Outflow | 2,341.1 | 2,499.8 | 2,916.7 | 1,942.0 | 1,030.7 | 1,780.7 | 2,129.8 | 1,707.4 | 2,227.0 | 2,728.0 | 2,603.3 | 2,637.7 | 2,119.2 |
| Netflow | 480.1 | (18.6) | (1,083.7) | (640.2) | 197.6 | (388.8) | (987.3) | (201.8) | 1,012.9 | (1,635.8) | (542.0) | (1,212.3) | (1,120.0) |

Aggregate inflow into the economy in October 2016 remained weak on account of combined effect of decline in both domestic oil production and crude oil prices in the global oil market. Consequently, aggregate foreign exchange inflow into the economy in, October 2016, stood at US\$3.18 billion, showing a decrease of 42.5 per cent and 54.7 per cent below the levels in the preceding month and the corresponding period of 2015. Of the aggregate, foreign exchange inflow through the CBN and autonomous sources were US\$1.00 billion (31.4 per cent) and US\$2.19 billion (68.6 per cent), respectively.

Autonomous inflow into the economy fell below the level in the preceding month.

Non-oil sector inflow, at US\$0.45 billion (14.2 per cent of the total), fell by 3.3 per cent below the level in the preceding month. Autonomous inflow, at US\$2.19 billion, declined by 46.9 per cent and 48.1 per cent, relative to the levels in the preceding month and the corresponding period of 2015, respectively, and accounted for 68.9 per cent of the total.

During the review month, contraction in both outflow through the CBN and autonomous sources resulted in a 23.4 per cent decline in aggregate foreign

exchange outflow from the economy to US\$2.25 billion, relative to the level in September 2016.

Thus, net foreign exchange inflow into the economy of US\$0.94 billion was recorded in the review month, compared with US\$2.60 billion and US\$4.43 billion in the preceding month and the corresponding period of 2015, respectively.

5.2 Non-Oil Export Receipts by Banks

The non-oil export drive policy yielded improved performance in October 2016 with increase in aggregate non-oil export proceeds over the levels in September 2016 by 8.7 per cent even though it declined by 49.4 per cent when compared with the level in the corresponding period of 2015. Non-oil export receipts by banks in October 2016 rose by 8.7 per cent to US\$164.11 million, relative to the level in September 2016. A sectoral analysis showed that, on a month-on-month basis, proceeds from industrial products, food products, manufactured products and minerals rose by 80.0 per cent, 29.7 per cent, 30.1 per cent and 104.4 per cent to US\$41.04 million, US\$5.27 million, US\$25.04 million and US\$79.09 million, respectively, from the levels in September 2016. However, proceeds from transport and agricultural sectors fell by 44.0 per cent and 79.4 per cent to US\$0.01 million and US\$13.66 million, respectively.

Total non-oil export earnings by exporters rose in October 2016.

The shares of the various components in the non-oil export proceeds were: 25.01 per cent, 3.21 per cent, 15.26 per cent, 48.19 per cent, 0.01 per cent and 8.33 per cent for industrial, food, manufactured, minerals, transport and agricultural sector, respectively.

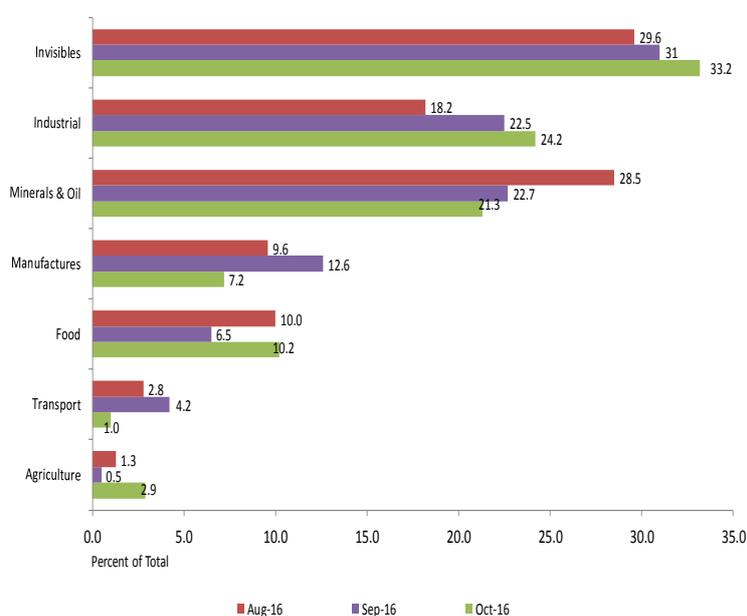
5.3 Sectoral Utilisation of Foreign Exchange

The current economic recession affected the performance of foreign exchange market in October 2016. Consequently, aggregate sectoral utilisation of foreign exchange in October 2016 declined by 45.0 per cent to US\$1.28 billion relative to the level in September 2016. The development reflected the decline in foreign exchange utilisation through the visible sectors, as a result of the on-going emphasis on increasing domestic production.

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

A disaggregation of the total foreign exchange utilisation indicated that the invisible sector accounted for the bulk (31.0 per cent) of total foreign exchange disbursed in October 2016, followed by the minerals and oil (22.6 per cent). The shares of other sectors in a descending order were: industrial (22.5 per cent); manufacturing (12.6 per cent); food product (6.5 per cent); transport (4.2 per cent); and agricultural products (0.6 per cent) (Fig.15).

Figure 15: Sectoral Utilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

The foreign exchange market continued to witness high demand pressure with dire consequences on the exchange rate. The cumulative sales of foreign exchange by the Bank fell by 65.2 per cent and 67.6 per cent to US\$0.71 billion compared with the levels in the review month and the corresponding period of 2015, respectively. Of the total, inter-bank sales amounted to US\$0.03 billion or 4.0 per cent, while swap contracts disbursed at maturity were valued at US\$0.37 billion or 52.0 per cent of the total. The remainder was accounted for by matured forwards contract, valued at US\$0.31 billion or 44.0 per cent of the total supply of foreign exchange in the review period (Fig.16, Table 17).

Figure 16: Supply of Foreign Exchange

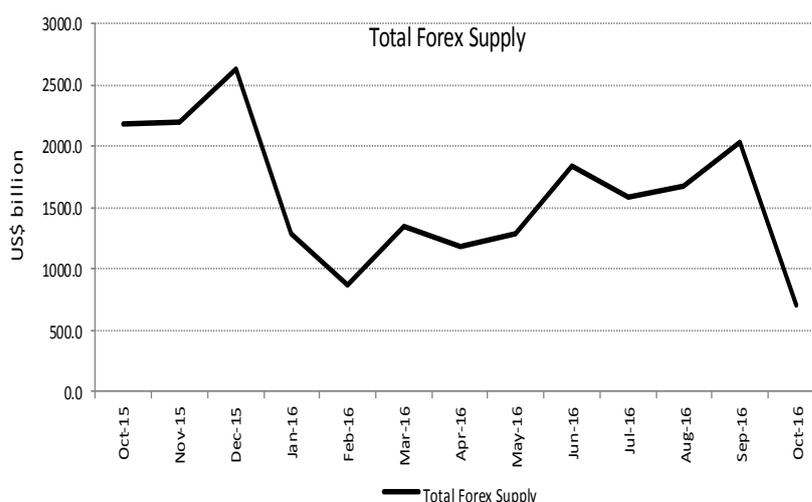


Table 17: Supply of Foreign Exchange (US\$ billion)

| | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|--------------------|---------|---------|---------|---------|---------|---------|---------|--------|
| Total Forex Supply | 1,354.1 | 1,180.4 | 1,282.8 | 1,842.5 | 1,583.9 | 1,683.2 | 2,034.2 | 713.21 |

Following the shift to a flexible exchange rate regime on June 20, 2016, the average exchange rate of the naira to the US dollar at the inter-bank segment of the market in October 2016 depreciated by 0.004 per cent and 35.5 per cent to ₦305.21/US\$, against the respective levels in the preceding month and the corresponding period of 2015. The depreciation was attributed to the shortage of foreign exchange in the market. At the BDC segment, the exchange rate depreciated by 6.7 per cent and 51.3 per cent to an average of ₦462.03/US\$, compared with the levels in the preceding month and the corresponding period of 2015, respectively. The end-period exchange rates at the inter-bank and BDC segments at end-October 2016 were ₦305.00/US\$ and ₦469.00/US\$, respectively (Figure 17, Table 18).

The naira exchange rate vis-à-vis the US dollar depreciated at the Inter-bank segment of the foreign exchange market.

Figure 17: Average Exchange Rate Movement

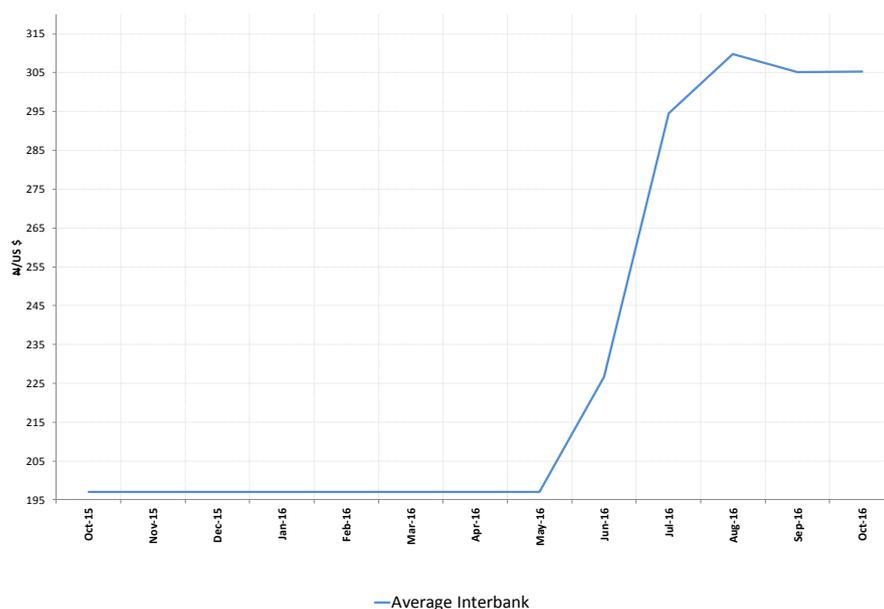


Table 18: Exchange Rate Movements

| | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Average Exchange Rate (N/\$) | | | | | | | | | | | | | |
| Interbank | 196.99 | 196.99 | 196.99 | 197.00 | 196.99 | 197.00 | 197.00 | 197.00 | 226.65 | 294.57 | 309.73 | 305.20 | 305.21 |

5.5 Gross External Reserves

The gross external reserves at end-October 2016 stood at US\$23.81 billion, compared with US\$23.81 billion and US\$30.34 billion at end-September 2016 and end-October 2015, respectively. A breakdown of the external reserves by ownership showed that Federation reserves was US\$2.92 billion (12.2%); Federal Government reserves, US\$6.85 billion (28.8%), and the CBN reserves, US\$14.04 billion (59.0%) of the total (Fig. 18, Table 19).

Figure 18: Gross Official External Reserves

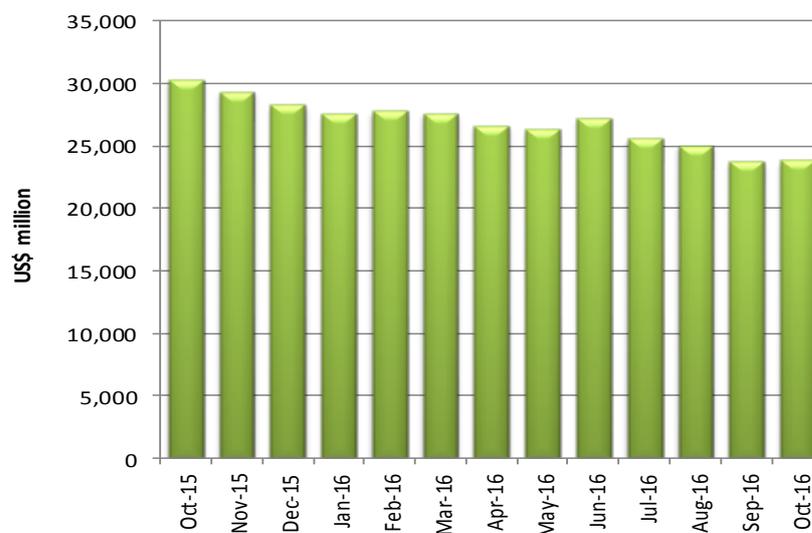


Table 19: Gross Official External Reserves (US\$ million)

| Period | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| External Reserves | 27,783.11 | 27,564.02 | 26,598.85 | 26,297.97 | 27,222.17 | 25,566.41 | 25,021.65 | 23,806.51 | 23,811.83 |

6.0 Other International Economic Developments and Meetings

World crude oil output and demand in October 2016 were estimated at an average of 97.36 and 96.19 million barrels per day (mbd), compared with 96.00 and 96.40 mbd supplied and demanded, respectively, in September 2016. The increasing demand was mostly driven by OECD countries, especially OECD Europe following rising auto sales data in Italy, Spain and Germany as well as the growing demand for diesel oil and gasoline in the industrial and transportation sectors of South Korea.

Other major international economic developments and meetings of importance to the domestic economy during the review month included: The 2016 Annual Meetings of the Board of Governors of the World Bank Group (WBG), the International Monetary Fund (IMF) and the Inter-Governmental Group of Twenty-Four (G-24) on International Monetary Affairs and Developments held at Washington D. C., USA from October 3 – 9, 2016. The Ministers of the Inter-Governmental Group of 24, the International Monetary and Finance Committee (IMFC) and the Development Committee also held their respective meetings.

- The G 24 Ministers expressed concerned over the prolonged weakness in the global economic recovery and increasing levels of inequality;
- The G24 Ministers continued their call on the IMF, the World Bank Group (WBG), and global financial regulators to strengthen their work toward finding concrete solutions to address the decline of correspondent banking relationships (CBRs) and avoid further financial exclusion;
- The IMFC reinforced their commitment to strong, sustainable, inclusive, job-rich, and more balanced growth; and
- The IMFC reiterated that strong domestic policies and effective IMF surveillance remained the keystone of crisis prevention.

APPENDIX TABLES

Table A1: Money and Credit Aggregates (N billion)

| | Dec-15 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|---|-----------|-----------|-----------|-----------|------------|------------|------------|------------|
| Domestic Credit (Net) | 21,612.5 | 23,312.3 | 22,852.1 | 24,318.1 | 25,159.4 | 25,955.1 | 26,307.5 | 26,774.7 |
| <i>Claims on Federal Government (Net)</i> | 2,893.2 | 3,933.7 | 3,803.2 | 2,893.2 | 2,784.1 | 3,290.9 | 3,662.0 | 3,705.1 |
| Central Bank (Net) | (1,653.1) | (621.2) | (585.9) | (1,465.2) | (1,686.8) | (1,313.2) | (1,129.3) | (994.2) |
| Commercial Banks | 4,546.3 | 4,554.9 | 4,231.9 | 4,179.9 | 4,262.6 | 4,410.5 | 4,569.1 | 4,511.1 |
| Merchant Bank | 74,746.8 | 165.7 | 155.9 | 177.3 | 207.5 | 192.5 | 221.2 | 187.1 |
| Non Interest Banks | 1.2 | 1.2 | 1.2 | 1.2 | 1.1 | 1.1 | 1.1 | 1.1 |
| <i>Claims on Private Sector</i> | 18,719.3 | 19,378.6 | 19,049.0 | 21,425.0 | 22,375.3 | 22,664.2 | 22,645.5 | 23,069.6 |
| Central Bank | 5,061.6 | 5,610.2 | 5,262.8 | 5,376.9 | 5,485.9 | 5,862.6 | 5,951.8 | 6,287.2 |
| Commercial Banks | 13,568.5 | 13,768.4 | 13,645.8 | 15,903.6 | 16,736.6 | 16,640.4 | 16,530.1 | 16,616.5 |
| Merchant Bank | 62.8 | 92.7 | 109.0 | 111.8 | 118.6 | 125.4 | 128.9 | 130.5 |
| Non Interest Banks | 26.3 | 29.8 | 31.4 | 32.7 | 34.1 | 38.8 | 34.8 | 35.5 |
| <i>Claims on Other Private Sector</i> | 18,109.9 | 18,093.7 | 18,130.2 | 20,397.9 | 21,331.1 | 21,483.6 | 21,613.5 | 21,829.8 |
| Central Bank | 5,063.0 | 4,999.6 | 5,057.7 | 5,050.3 | 5,159.2 | 5,424.7 | 5,605.8 | 5,734.2 |
| Commercial Banks | 12,984.7 | 13,094.1 | 12,937.3 | 15,204.8 | 16,024.1 | 15,899.2 | 15,845.5 | 15,931.2 |
| Merchant Bank | 62.8 | 87.5 | 103.8 | 110.2 | 111.6 | 123.8 | 127.4 | 128.9 |
| Non Interest Banks | 26.3 | 29.8 | 31.4 | 32.7 | 34.1 | 35.8 | 34.8 | 35.5 |
| <i>Claims on State and Local Govern</i> | 583.8 | 688.9 | 728.3 | 700.5 | 717.5 | 742.8 | 686.1 | 686.9 |
| Central Bank | - | 14.6 | 14.6 | - | - | - | - | - |
| Commercial Banks | 583.8 | 674.3 | 713.8 | 698.8 | 712.5 | 741.1 | 684.5 | 685.3 |
| Merchant Bank | - | - | - | 1,650.1 | 4,962.1 | 1,634.8 | 1.6 | 1.6 |
| Non Interest Banks | | | | | | | | |
| <i>Claims on Non-financial Public Ent</i> | 25.6 | 596.0 | 190.5 | 326.6 | 326.7 | 437.9 | 345.9 | 553.0 |
| Foreign Assets (Net) | 5,653.3 | 5,045.9 | 5,206.7 | 7,105.7 | 7,564.0 | 7,623.0 | 7,742.3 | 7,621.2 |
| Central Bank | 5,545.3 | 4,683.9 | 5,033.3 | 6,840.4 | 7,103.5 | 7,375.9 | 7,791.1 | 7,348.3 |
| Commercial Banks | 125.4 | 362.1 | 182.8 | 254.5 | 442.7 | 224.9 | (51.7) | 257.5 |
| Merchant Bank | (18.8) | (2.9) | (11.4) | 8.5 | 16.0 | 21.1 | 1.9 | 14.0 |
| Non Interest Banks | 1.4 | 1.6 | 2.0 | 2.3 | 1.7 | 1.1 | 1.0 | 1.1 |
| Other Assets (Net) | (7,235.9) | (7,630.4) | (7,337.0) | (9,738.8) | (10,541.1) | (11,930.8) | (11,928.5) | (12,120.4) |
| Total Monetary Assets (M2) | 18,204.4 | 20,727.9 | 20,721.9 | 21,685.0 | 22,182.2 | 21,647.3 | 22,121.3 | 22,275.5 |
| Quasi-Money 1/ | 11,458.1 | 11,591.8 | 11,330.0 | 12,559.0 | 12,951.3 | 12,521.4 | 12,184.1 | 12,251.9 |
| Money Supply (M1) | 8,571.7 | 9,136.1 | 9,391.9 | 9,125.9 | 9,230.9 | 9,125.9 | 9,937.2 | 10,023.6 |
| <i>Currency Outside Banks</i> | 1,456.1 | 1,444.4 | 1,393.7 | 1,379.2 | 1,373.9 | 1,369.5 | 1,477.4 | 1,521.8 |
| <i>Demand Deposits 2/</i> | 7,115.6 | 7,691.6 | 7,998.2 | 7,746.7 | 7,857.0 | 7,756.4 | 8,459.8 | 8,501.8 |
| Total Monetary Liabilities (M2) | 18,204.4 | 20,727.9 | 20,721.9 | 21,685.0 | 22,182.2 | 21,647.3 | 22,121.3 | 22,275.5 |
| Memorandum Items: | | | | | | | | |
| Reserve Money (RM) | 5,812.7 | 5,587.7 | 5,496.7 | 5,372.0 | 5,270.5 | 5,221.9 | 6,167.6 | 6,580.6 |
| <i>Currency in Circulation (CIC)</i> | 1,857.9 | 1,763.5 | 1,746.7 | 1,684.7 | 1,664.5 | 1,679.5 | 1,794.3 | 1,825.7 |
| <i>DMBs Demand Deposit with CBN</i> | 3,954.8 | 3,824.1 | 3,750.0 | 3,687.3 | 3,606.0 | 3,442.4 | 4,373.3 | 4,754.9 |

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

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

Table A2: Money and Credit Aggregates (Growth Rates)

| | Dec-15 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 |
|---|---|------------|------------|------------|-------------|-------------|-------------|-------------|
| | Growth Over Preceding December (%) | | | | | | | |
| Domestic Credit (Net) | 12.1 | 7.8 | 5.7 | 12.5 | 16.5 | 20.1 | 21.7 | 23.9 |
| <i>Claims on Federal Government (Net)</i> | 151.7 | 36.0 | 31.5 | 0.0 | -3.8 | 13.7 | 26.6 | 28.1 |
| <i>Claims on Private Sector</i> | 3.3 | 3.4 | 1.8 | 14.2 | 19.5 | 21.1 | 21.0 | 23.2 |
| <i>Claims on Other Private Sector</i> | 3.1 | -0.1 | 0.1 | 12.6 | 17.8 | 18.6 | 19.4 | 20.5 |
| <i>Claims on State and Local Government</i> | 8.9 | 15.5 | 24.8 | 20.0 | 22.9 | 27.2 | 17.5 | 17.7 |
| <i>Claims on Non-financial Public Enterprises</i> | | | | | | | | |
| Foreign Assets (Net) | -18.7 | -10.7 | -7.9 | 25.7 | 33.8 | 34.8 | 37.0 | 34.8 |
| Other Assets (Net) | 1.1 | -5.3 | -1.4 | -34.6 | -45.7 | -64.9 | -64.9 | -67.5 |
| Total Monetary Assets (M2) | 5.9 | 3.5 | 3.5 | 8.3 | 10.8 | 8.1 | 10.4 | 11.2 |
| Quasi-Money 1/ | -4.6 | 1.2 | -1.1 | 9.6 | 13.0 | 9.3 | 6.3 | 6.9 |
| Money Supply (M1) | 24.1 | 6.6 | 9.6 | 6.5 | 7.7 | 6.5 | 15.9 | 16.9 |
| <i>Currency Outside Banks</i> | 1.3 | -0.8 | -4.3 | -5.3 | -5.6 | -6.0 | 1.5 | 4.5 |
| <i>Demand Deposits 2/</i> | 30.2 | 8.1 | 12.4 | 8.9 | 10.4 | 9.0 | 18.9 | 19.5 |
| Total Monetary Liabilities (M2) | 5.9 | 3.5 | 3.5 | 8.3 | 10.8 | 8.1 | 10.4 | 11.2 |
| <i>Memorandum Items:</i> | | | | | | | | |
| Reserve Money (RM) | -2.0 | -3.9 | -5.4 | -7.6 | -9.3 | -10.2 | 6.1 | 13.2 |
| <i>Currency in Circulation (CIC)</i> | 3.3 | -5.1 | -6.0 | -9.3 | -10.4 | -9.6 | -3.4 | -1.7 |
| <i>DMBs Demand Deposit with CBN</i> | -4.3 | -3.3 | -5.2 | -6.8 | -8.8 | -10.4 | 10.6 | 20.2 |
| | Growth Over Preceding Month (%) | | | | | | | |
| Domestic Credit (Net) | 5.6 | 2.8 | -2.0 | 6.4 | 3.5 | 3.2 | 1.4 | 1.8 |
| <i>Claims on Federal Government (Net)</i> | 64.0 | 4.0 | -3.3 | -23.9 | -3.8 | 18.2 | 11.3 | 1.2 |
| <i>Claims on Private Sector</i> | 0.1 | 2.6 | -1.7 | 12.5 | 4.4 | 1.3 | -0.1 | 1.9 |
| <i>Claims on Other Private Sector</i> | -0.4 | 0.3 | 0.2 | 12.5 | 4.6 | 0.7 | 0.6 | 1.0 |
| <i>Claims on State and Local Government</i> | 16.3 | 1.0 | 5.7 | -3.8 | 2.4 | 3.5 | -7.6 | 0.1 |
| <i>Claims on Non-financial Public Enterprises</i> | | | | | | | | |
| Foreign Assets (Net) | 6.9 | -9.1 | 3.2 | 36.5 | 6.5 | 0.8 | 1.6 | -1.6 |
| Central Bank | 5.8 | -9.6 | 7.5 | 35.9 | 3.9 | 3.8 | 5.6 | -5.7 |
| Banks | 128.8 | -3.1 | -52.1 | 52.9 | 73.6 | -46.3 | -119.8 | -658.6 |
| Other Assets (Net) | 2.1 | 1.7 | 3.9 | -32.7 | -8.2 | -13.2 | 0.0 | -1.6 |
| Total Monetary Assets (M2) | 9.1 | 1.3 | 0.0 | 4.7 | 2.3 | -2.4 | 2.2 | 0.7 |
| Quasi-Money 1/ | 0.6 | 1.4 | -2.3 | 10.9 | 3.1 | -3.3 | -2.7 | 0.6 |
| Money Supply (M1) | 22.8 | 1.1 | 2.8 | -2.8 | 1.2 | -1.1 | 8.9 | 0.9 |
| <i>Currency Outside Banks</i> | 15.5 | 0.2 | -3.5 | -1.0 | -0.4 | -0.3 | 7.9 | 3.0 |
| <i>Demand Deposits 2/</i> | 22.4 | 1.2 | 4.0 | -3.1 | 1.4 | -1.3 | 9.1 | 0.5 |
| Total Monetary Liabilities (M2) | 9.1 | 1.3 | 0.0 | 4.7 | 2.3 | -2.4 | 2.2 | 0.7 |
| <i>Memorandum Items:</i> | | | | | | | | |
| Reserve Money (RM) | 3.1 | -3.0 | -1.6 | -2.3 | -1.9 | -0.9 | 18.1 | 6.7 |
| <i>Currency in Circulation (CIC)</i> | 4.7 | 5.8 | -1.0 | -3.6 | -1.2 | 0.9 | 6.8 | 1.8 |
| <i>DMBs Demand Deposit with CBN</i> | 0.5 | 16.7 | | -1.7 | -2.2 | -1.8 | 23.5 | 8.7 |

Table A3: Federal Government Fiscal Operations (N billion)

| | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | Jul-16 | Aug-16 | Sep-16 | Oct-16 | 2016 Monthly Budget |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------------------|
| Retained Revenue | 172.4 | 248.1 | 164.8 | 207.1 | 181.7 | 199.1 | 334.8 | 138.6 | 249.0 | 294.4 | 294.2 | 287.4 | 283.0 | 337.5 |
| <i>Federation Account</i> | 151.3 | 192.0 | 139.5 | 147.6 | 137.5 | 127.2 | 109.1 | 101.2 | 112.8 | 195.2 | 129.2 | 149.3 | 120.4 | 188.9 |
| <i>VAT Pool Account</i> | 8.1 | 8.7 | 8.8 | 8.9 | 10.0 | 9.3 | 9.2 | 9.4 | 9.4 | 9.7 | 9.6 | 10.9 | 9.3 | 17.7 |
| <i>FGN Independent Revenue</i> | 4.1 | 37.6 | 7.8 | 0.9 | 10.6 | 36.1 | 0.6 | 10.0 | 48.5 | 38.8 | 97.4 | 64.9 | 98.5 | 125.5 |
| <i>Excess Crude</i> | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 16.0 | 29.1 | 0.0 |
| <i>Others /SURE-P/NNPC Refund</i> | 8.8 | 9.8 | 8.6 | 49.7 | 23.6 | 26.5 | 215.9 | 18.0 | 78.2 | 50.7 | 58.0 | 46.2 | 25.8 | 5.4 |
| Expenditure | 247.0 | 325.9 | 369.4 | 137.6 | 587.9 | 408.9 | 703.9 | 318.3 | 359.3 | 465.8 | 485.0 | 436.7 | 462.5 | 522.6 |
| <i>Recurrent</i> | 162.6 | 250.8 | 233.7 | 82.8 | 507.3 | 357.9 | 411.7 | 263.4 | 263.9 | 318.3 | 385.7 | 322.6 | 342.2 | 359.8 |
| <i>Capital</i> | 56.1 | 46.5 | 103.2 | 54.8 | 54.9 | 18.5 | 237.7 | 25.6 | 66.3 | 109.8 | 67.2 | 81.1 | 86.1 | 133.5 |
| <i>Transfers</i> | 28.3 | 28.6 | 32.4 | 0.0 | 25.7 | 32.5 | 54.5 | 29.3 | 29.2 | 37.7 | 32.0 | 33.0 | 34.2 | 29.3 |
| Overall Balance: | | | | | | | | | | | | | | |
| Surplus(+)/Deficit(-) | -74.7 | -77.9 | -204.6 | 69.5 | -406.2 | -209.8 | -369.1 | -179.6 | -110.4 | -171.4 | -190.7 | -149.4 | -179.5 | -185.2 |
| 1/ Revised | | | | | | | | | | | | | | |
| 2/ Provisional | | | | | | | | | | | | | | |

