



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
NOVEMBER 2017***

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 Summary¹

Sustained non-expansionary monetary policy stance by the CBN in the review month led to contraction in major monetary aggregates and downward trend in inflationary pressure. On month-on-month basis, broad money supply (M_2), fell by 0.8 per cent to ₦22,311.12 billion, on account of the 3.0 per cent and 1.6 per cent decline in domestic credit (net) and other assets (net) of the banking system, respectively. Over the level at end-December 2016, M_2 fell by 5.4 per cent, compared with a decline of 4.6 per cent at the end of the preceding month. Narrow money supply (M_1), at ₦10,115.05 billion, fell by 2.7 per cent at end-November 2017. Over the level at end-December 2016, M_1 contracted by 10.3 per cent, due to the 14.7 per cent and 9.4 per cent decline in its currency outside banks and demand deposit components, respectively.

Banks' deposit and lending rates trended downward in the review month. Consequently, all deposit rates of various maturity fell from a range of 4.54 - 11.50 per cent in October 2017 to a range of 4.52 - 11.05 per cent at end-November 2017. Similarly, the average term deposit rate fell to 8.70 per cent below its level in October 2017, while the average savings rate remain unchanged at 4.08 per cent. The average prime and maximum lending rates fell to 17.77 per cent and 30.95 per cent, respectively. Consequently, the spread between the average term deposit and the average maximum lending rates narrowed to 22.25 percentage points at end-November 2017 from 22.43 percentage points in the preceding month. Similarly, the spread between the average savings deposit and maximum lending rates declined to 26.43 percentage points from 26.85 percentage points in October 2017.

The total value of money market assets outstanding in November 2017 rose by 0.6 per cent to ₦12,232.28 billion, on account of the 1.1 per cent increase in FGN Bonds outstanding. Developments on the Nigerian Stock Exchange (NSE) were mixed in November 2017.

Gross Federally-collected revenue (gross) was estimated at ₦658.60 billion in November 2017. This was below both the monthly budget estimate and the receipts in the preceding month. Oil and non-oil receipts (gross), at ₦417.74 billion and ₦240.85 billion, constituted 63.4 per cent and 36.6 per cent, respectively, of total revenue. Federal Government retained revenue and estimated expenditure for November 2017 were ₦207.91 billion and ₦293.38 billion, respectively, resulting in an estimated deficit of ₦85.47 billion.

Agricultural activities in November 2017 were dominated by harvesting of yam, maize, rice and cassava in the Southern States, while farmers in the Central and Northern States were engaged in the harvest of maize, potatoes and groundnuts. In the livestock sub-sector, farmers engaged in the breeding of poultry in preparation for the end of year sales.

¹ Data on monetary aggregates, government spending and foreign exchange flows are provisional and subject to changes

Domestic crude oil production was estimated at 1.71 mbd or 51.30 million barrels (mb) in November 2017. Crude oil export was estimated at 1.26 mbd or 37.80 mb. The average spot price of Nigeria's reference crude oil, the Bonny Light (37° API), rose by 8.4 per cent to US\$63.70 per barrel in November 2017 above US\$58.74 per barrel in October 2017.

The end-period headline inflation, on year-on-year and twelve month moving average bases, were 15.90 per cent and 16.76 per cent, respectively, in November 2017.

Foreign exchange inflow and outflow through the CBN in November 2017 were US\$6.81 billion and US\$2.95 billion, respectively, and resulted in a net inflow of US\$3.86 billion. Aggregate foreign exchange inflow and outflow through the economy were US\$12.15 billion and US\$3.22 billion, respectively, resulting in a net inflow of US\$8.93 billion. Foreign exchange sales by the CBN to the authorised dealers amounted to US\$1.75 billion, in the review month, compared with US\$1.68 billion in the preceding month.

The average exchange rate of the naira at the inter-bank, BDC and investors and exporters windows were ₦305.90 /US\$, ₦362.41/US\$ and ₦360.29/US\$, respectively, at end-November 2017.

There were no other major economic developments and international meetings of importance to the domestic economy in the review period.

2.0 Financial Sector Developments

2.1 Monetary and Credit Developments

Broad money supply (M_2) and narrow money supply (M_1) declined in November 2017, thereby pulling inflationary pressure downward. Banks' deposit and lending rates trended downward on account of liquidity surfeit. The value of money market assets outstanding rose, owing, largely, to the increase in FGN Bonds. Activities on the Nigerian Stock Exchange (NSE) were mixed in the review month.

Following the sustenance of non-expansionary monetary policy stance by the CBN, domestic credit (net) and other assets (net) of the banking system declined by 3.0 per cent and 1.6 per cent, respectively, below the levels in October 2017. Consequently, major monetary aggregates and inflationary pressure trended downward in the review period. On month-on-month basis, broad money supply (M_2), contracted by 0.8 per cent to ₦22,311.1 billion, in contrast to the 2.5 per cent growth at end-October 2017. Over the level at end-December 2016, broad money supply (M_2), contracted by 5.4 per cent, compared with a decline of 4.6 per cent at the end of the preceding month, but was in contrast to the 11.6 per cent growth in the corresponding period of 2016. The fall in M_2 relative to the level at end-December 2016, reflected the 1.9 per cent and 39.6 per cent decline in domestic credit and other assets (net) of the banking system, respectively.

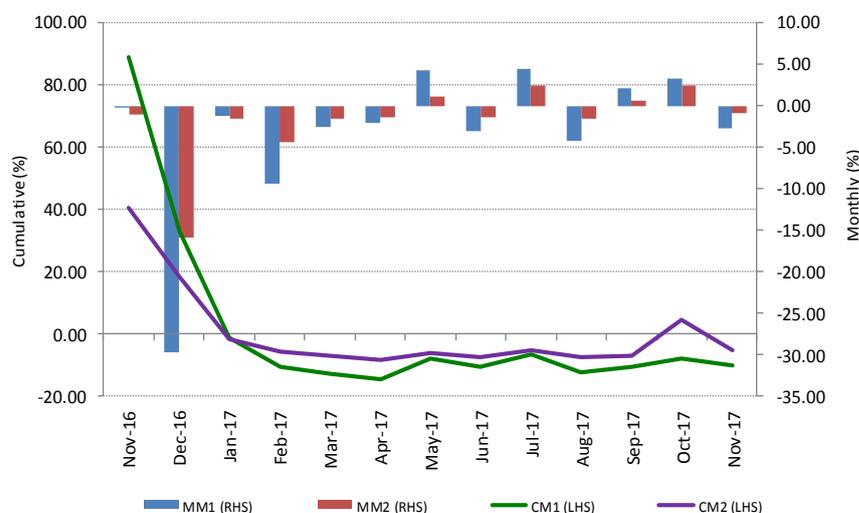
On month-on-month basis, major monetary aggregates contracted in November 2017.

Narrow money supply (M_1), at ₦10,115.1 billion, fell by 2.7 per cent at end-November 2017, in contrast to the 3.3 per cent and 5.1 per cent growth at the end of the preceding month and the corresponding period of 2016, respectively. Over the level at end-December 2016, M_1 contracted by 10.3 per cent, compared with the decline of 7.8 per cent at end-October 2017. The decline in M_1 was due to the respective fall of 14.7 per cent and 9.4 per cent in its currency and demand deposit components (Figure 1, Table 1).

Quasi-money rose by 0.7 per cent to ₦12,196.07 billion at end-November 2017, compared with the increase of 1.8 per cent at the end of preceding month, but was in contrast to the decline of 2.4 per cent at the end of the corresponding period of 2016. The development relative to the preceding month's level was due to the growth in time and savings deposit of banks. Over the level at end-December 2016, quasi money declined by 1.0 per cent, compared with the fall of 1.7 per cent at the end of the preceding month, but

was in contrast to the 4.3 per cent growth in November 2016.

Figure 1: Growth of Narrow Money (M₁) and Broad Money (M₂)²



Credit to the Government fell significantly in the review period, while claims on the private sector grew marginally. Consequently, aggregate credit (net) to the domestic economy, at ₦26,349.1 billion, fell by 3.0 per cent, on month-on-month basis, in contrast to the growth of 0.7 per cent at end-October 2017. Over the level at end-December 2016, net domestic credit declined by 1.9 per cent at the end of the review period, in contrast to the growth of 1.2 per cent and 23.5 per cent at the end of the preceding month and the corresponding period of 2016, respectively. The development relative to the level at end-December 2016, reflected the respective decline of 9.9 and 0.1 per cent in net claims on the Federal Government and claims on private sector.

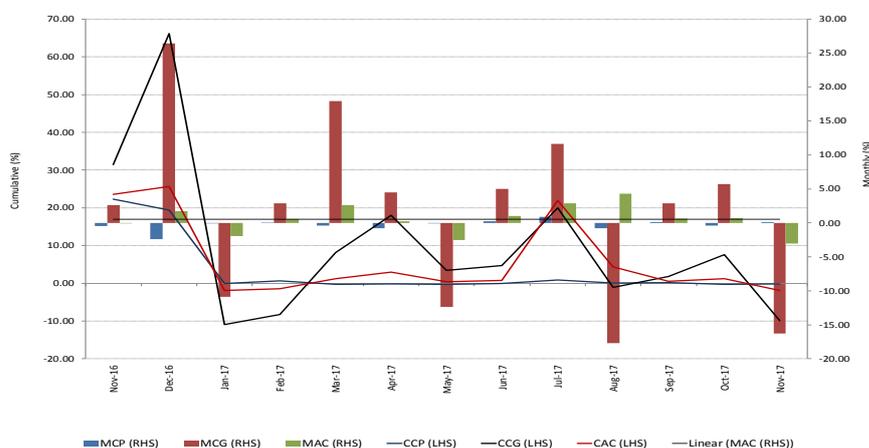
Net claims on the Federal Government, at ₦4,392.4 billion, on month-on-month basis, fell by 16.3 per cent at end-November 2017, in contrast to the 5.7 and 1.7 per cent growth at the end of the preceding month and the corresponding period of 2016, respectively. The development reflected the decline of 6.5 per cent in the banks' holdings of government securities, especially treasury bills. Over the level at end-December 2016, net claims on the Federal Government fell by 9.9 per cent due, mainly, to the decline in credit extended to the Federal Government by the monetary

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

authority.

On month on month basis, credit to the private sector grew marginally by 0.1 per cent to ₦21,956.6 billion, in contrast to the 0.4 per cent and 0.3 per cent decline at the end of the preceding month and the corresponding period of 2016, respectively. The development was due, wholly, to the 28.3 per cent rise in claims on states and local governments, which more than offset the decline in claims on the core private sector. Over the level at end-December 2016, credit to the private sector fell by 0.1 per cent, compared with the decline of 0.2 per cent at the end of the preceding month, but was in contrast to the 23.5 per cent increase in the corresponding period of 2016 (Figure 2, Table 1).

Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy³



At ₦13,297.57 billion, foreign assets (net) of the banking system, on month-on-month basis, grew by 7.3 per cent at end-November 2017, compared with the growth of 23.4 per cent and 4.9 per cent at the end of the preceding month and the corresponding month of 2016, respectively. The development was attributed, mainly, to the increase in net foreign asset holdings of the CBN. Over the level at end-December 2016, foreign assets (net) rose by 45.3 per cent, compared with the growth of 35.5 per cent at the end of the preceding month. The rise in foreign asset (net), reflected mainly, the 49.5 per cent increase in foreign asset holdings of the CBN.

³ 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).

On month-on-month basis, other assets (net) of the banking system fell by 1.6 per cent to negative ₦17,335.5 billion at end-November 2017, compared with the decline of 13.2 per cent at the end of the preceding month. The development reflected the fall in unclassified assets (net) of both the CBN and banks. Over the level at end-December 2016, other assets (net) of the banking system fell by 39.6 per cent, compared with the decline of 37.5 per cent at the end of the preceding month.

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

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Domestic Credit (Net)	-0.02	1.7	-1.9	0.5	2.6	0.2	-2.5	1.0	2.9	-4.3	0.6	0.7	-3.0
Claims on Federal Government (Net)	1.7	26.4	-10.9	2.9	17.9	4.5	-12.3	5.0	11.6	-17.7	2.9	5.7	-16.3
Claims on Private Sector	-0.3	-2.4	0.0	0.1	-0.4	0.8	-0.1	0.2	0.9	-0.8	0.1	-0.4	0.1
Claims on Other Private Sector	0.3	-1.1	-0.5	-1.8	-0.4	0.9	-0.4	0.3	0.6	-1.0	0.3	-0.4	-1.5
Foreign Assets (Net)	4.9	11.2	8.3	-11.2	-11.4	-4.7	17.5	-0.8	3.3	11.3	3.1	23.4	7.3
Other Assets (Net)	-1.4	-89.1	-4.5	-0.6	-0.5	0.1	-2.4	-3.8	-6.3	-0.8	-2.2	-13.2	-1.6
Broad Money Supply (M2)	0.9	-15.8	-1.5	-4.3	-1.5	-1.4	1.2	-1.4	1.0	-1.6	0.7	2.5	-0.8
Quasi-Money	-2.4	3.1	-1.7	0.3	-0.7	-1.0	-1.4	0.0	0.7	0.7	-0.6	1.8	0.7
Narrow Money Supply (M1)	5.1	-29.7	-1.2	-9.4	-2.5	-2.0	4.4	-3.0	1.3	-4.2	2.2	3.3	-2.7
Reserve Money (RM)	3.0	8.8	-3.4	-1.6	6.0	0.1	6.2	-0.2	1.6	-1.4	1.3	3.7	-1.5

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

Currency-in-circulation, at ₦1,896.15 billion, rose by 5.9 per cent in the review month, compared with the 0.6 per cent increase at end-October 2017. The development reflected the rise in its currency outside banks and vault cash components.

Total deposits at the CBN increased by 1.5 per cent to ₦12,849.30 billion at end-November 2017, owing to 8.0 per cent rise in Federal Government deposits with the CBN, which more than offset the decline in both private sector and banks' deposits. Of the total deposits at the CBN, the shares of the Federal Government, banks and the private sector were 48.7, 29.4 and 21.9 per cent, respectively.

Reserve money (RM) fell in the review month.

Reserve money, on month-on-month basis, fell by 1.5 per cent to ₦5,675.34 billion at end-November 2017, reflecting the 5.9 per cent rise in its currency-in-circulation component, which more than offset the 4.8 per cent fall in banks' demand deposit with the CBN.

2.3 Money Market Developments

Despite the sustained non-expansionary monetary policy stance of the Bank, sufficient liquidity persisted in the money market in November 2017. Liquidity was buoyed by inflow from fiscal injections in the preceding month and maturing CBN bills in the review period. However, withdrawals due to the CBN interventions in the foreign exchange market and Open Market Operations (OMO) moderated market liquidity. Consequently, average money market rates moved in tandem with the level of liquidity in the review month.

The total value of money market assets outstanding in November 2017 stood at ₦12,232.28 billion, showing 0.6 per cent increase over the level in the preceding month, compared with the 11.8 per cent increase in the preceding month. The development was attributed, mainly, to the 1.1 per cent increase in FGN Bonds outstanding in the review month.

2.3.1 Interest Rate Developments

Banks' deposit and lending rates trended downward in November 2017. The average term deposit rate fell by 0.26 percentage point to 8.70 per cent in November 2017, below the level in the preceding month. Similarly, all deposit rates of various maturity fell from a range of 4.54 – 11.50 per cent in the preceding month to 4.52 – 11.05 per cent in the review month. The average savings deposit rate, however, remained at 4.08 per cent, same as in the preceding month.

The weighted average prime and maximum lending rates fell by 0.09 percentage point and 0.44 percentage point to 17.77 per cent and 30.95 per cent in November 2017. Consequently, the spread between the average term deposit and the average maximum lending rates narrowed from 22.43 percentage points in October 2017 to 22.25 percentage points at end-November 2017. Similarly, the spread between the average savings deposit and maximum lending rates declined to 26.43 percentage points from 26.85 percentage points in the preceding month.

At the inter-bank call segment, the weighted average rate, which stood at 43.78 per cent in October 2017, fell significantly by 25.00 percentage points to 18.78 per cent in the review month. Similarly, the weighted average rate at the open-buy-back (OBB) segment declined from 43.09 per cent in the preceding month to 18.99 per cent in the review

Available data indicated that banks' deposit and lending rates trended downward in the review month.

month. The Nigerian inter-bank offered call rate (NIBOR), for the 30-day tenor, however, rose to 22.22 per cent in the review period, above the 21.16 per cent at end-October 2017. Consequently, with the headline inflation at 15.90 per cent in November 2017, all deposit rates were negative in real terms, while lending rates were positive in real terms (Figure 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

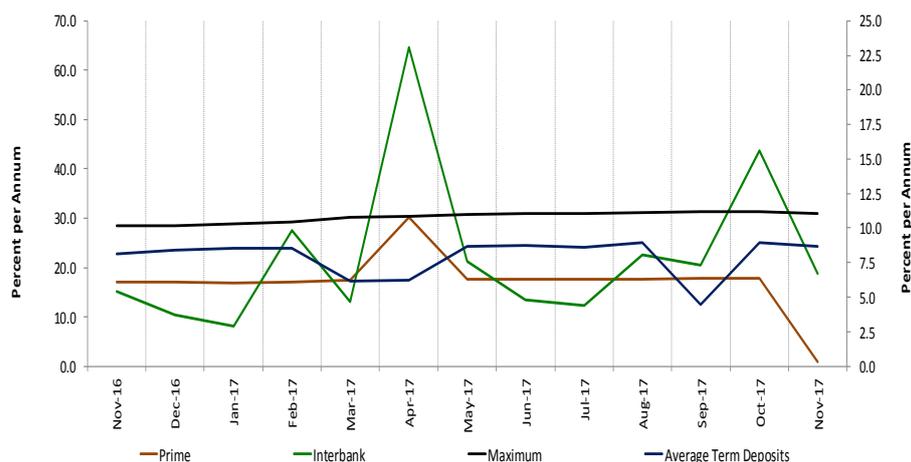


Table 2: Selected Interest Rates (Percent, Averages)

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Average Term Deposits	8.12	8.39	8.51	8.51	5.54	9.1	8.65	8.72	8.63	8.95	4.47	4.56	8.7
Prime Lending	17.06	17.09	16.91	17.13	17.43	17.44	17.58	17.59	17.65	17.69	17.88	17.86	17.77
Interbank Call	15.21	10.39	8.15	27.46	13.11	64.58	21.29	13.46	12.28	22.63	20.44	43.78	18.78
Maximum Lending	28.53	28.55	28.88	29.26	30.18	30.31	30.75	30.94	30.94	31.2	31.39	31.39	30.95

2.3.2 Commercial Paper (CP)

Commercial Paper (CP) outstanding held by banks stood at ₦0.51 billion at end-November 2017, resulting to a decline of 7.3 per cent below ₦0.55 billion at the end of the preceding month. This was due to the fall in investment in CP by the merchant banks during the review month. Thus, CP constituted 0.004 per cent of the total value of money market assets outstanding in the review period, same as in the preceding month and were solely held by merchant banks.

2.3.3 Bankers' Acceptances (BAs)

Bankers' Acceptances (BAs) outstanding at end-November 2017 fell by 31.4 per cent to ₦24.92 billion, compared with ₦36.81 billion at the end of the preceding month. The

development was attributed to decreased investments in BAs by commercial banks in the review period. Consequently, BAs accounted for 0.2 per cent of the total value of money market assets outstanding at end-November 2017, compared with 0.3 per cent at the end of the preceding period.

2.3.4 Open Market Operations

The Bank conducted Open Market Operations (OMO) in November 2017 towards the achievement of optimal liquidity in the banking system. The OMO sessions involved the sale and purchase of CBN bills with tenor to maturity ranging from 90 days to 216 days. Total amount offered, subscribed to and allotted were ₦1,742.36 billion, ₦1,132.80 billion and ₦1,110.70 billion, respectively. The bid rates ranged from 15.9000 to 17.8000 per cent, while the stop rates were from 15.0000 to 17.8000 per cent. Repayment of matured CBN bills was ₦1,417.48 billion, translating to a net injection of ₦306.78 billion in the review period.

2.3.5 Primary Market

At the primary market, the Nigerian Treasury Bills (NTBs) and Federal Government of Nigeria (FGN) long-term Bonds were issued. NTBs of 91-, 182- and 364-day tenors, amounting to ₦337.96 billion, ₦438.94 billion and ₦337.96 billion were offered, subscribed to and allotted, respectively, by the Debt Management Office (DMO) in November 2017.

Total subscription and allotment for the 91-day auction, were ₦20.20 billion and ₦19.99 billion, respectively, with bid rates ranging from 12.5000 to 17.0000 per cent, while the stop rates ranged from 12.9500 to 13.1000 per cent. For the 182-day auction, total subscription and allotment were ₦20.00 billion and ₦18.92 billion, respectively. The bid rates ranged from 14.2000 to 17.0000 per cent, while the stop rates were from 15.0000 to 15.2800 per cent.

At the 364-day auction, total subscription and allotment were ₦398.75 billion and ₦299.05 billion, respectively, with bid rates between 14.8000 to 18.5000 per cent, while stop rates ranged from 15.5700 to 15.6000 per cent.

2.3.6 Bonds Market

Tranches of the 5- and 10-year FGN Bonds were offered for sale in the review period. The term to maturity of the bonds ranged from 3 years 9 months to 9 years 4 months. Total amount offered, subscribed to and allotted were ₦100.00 billion, ₦105.39 billion and ₦87.77 billion, respectively. The bid

rates ranged from 14.0000 to 15.1400 per cent, while the marginal rates were 14.7900 per cent and 14.8000 for 5 years and 10 year tenors, respectively. There were neither allotment on non-competitive basis nor maturing FGN Bonds in the review period.

2.3.7 CBN Standing Facilities

The banks continued to access the CBN Standing Facilities window to square-up their positions either by borrowing from the CBN's Standing Lending Facility (SLF) window or depositing their excess reserves at the Standing Deposit Facility (SDF) window at the end of each business day. The trend at the CBN Standing Facilities windows showed more patronage at the SLF window. Applicable rates for the SLF and SDF were 16.00 per cent and 9.00 per cent, respectively.

The total request for the SLF granted in the review period was ₦3,107.05 billion, with a daily average of ₦172.34 billion, compared with total request of ₦5,605.30 billion in October 2017. The amount granted was made up of direct SLF worth ₦2,026.84 billion and ₦1,075.21 billion Intra-day Lending Facility ILF converted to overnight repo. Interest income earned by the the Bank in the review period amounted to ₦2.23 billion, compared with ₦3.83 billion in October 2017.

Total standing deposit facility (SDF) granted in the review period was ₦610.37 billion with a daily average of ₦33.91 billion, compared with ₦405.21 billion in October 2017. The cost incurred on SDF in November 2017 was ₦0.72 billion, compared with ₦0.12 billion in October 2017.

2.4 Deposit Money Banks' Activities

Total assets and liabilities of the commercial banks at end-November 2017 amounted to ₦33,303.66 billion, showing a 0.1 per cent increase above the level at end-October 2017. Funds were sourced from unclassified liabilities, reduction in claims on the private sector and the Federal Government, realisation of foreign assets, and mobilisation of time, savings and foreign currency deposits. The funds were used to: extend credit to the central bank as well as state and local governments; increase accretion to reserves; pay-off demand deposit; and reduce capital account balance.

Banks' credit to the domestic economy fell by 2.3 per cent.

Banks' credit to the domestic economy, at ₦21,194.57 billion, fell by 2.3 per cent, compared with the level at end-October 2017. The development was attributed to the fall in claims on both the Federal Government and the private sector in the review month.

Total specified liquid assets of commercial banks stood at ₦7,919.66 billion, representing 43.3 per cent of their total current liabilities. At that level, the liquidity ratio was 3.34 percentage point above the level at the end of the preceding month and 13.3 percentage points above the stipulated minimum ratio of 30.0 per cent. The loans-to-deposit ratio, at 76.8 per cent, was 0.51 percentage point and 3.2 percentage points below the level at end-October 2017 and the maximum ratio of 80.0 per cent, respectively.

2.5 Capital Market Developments

2.5.1 Secondary Market

Developments on the Nigerian Stock Exchange (NSE) were mixed in November 2017. The volume of traded securities rose significantly by 148.2 per cent to 14.3 billion shares, while the value of traded securities fell by 44.4 per cent to ₦35.1 billion in 17,406 deals, compared with 5.7 billion shares valued at ₦63.0 billion in 79,169 deals, in October 2017.

The conglomerates sector led the activity chart (measured by volume) with 11.4 billion shares, valued at ₦14.5 billion, traded in 890 deals at end-November 2017. Thus, the conglomerates sector accounted for 80.0 per cent and 41.4 per cent of the total equity turnover volume and value, respectively, in the review month. This was followed by the financial services sector with 2.5 billion shares, valued at ₦9.8 billion, traded in 9,205 deals at end-November 2017. In the banking sub-sector, 755.7 million shares worth ₦7.6 billion were traded in 5,989 deals in the review period.

Figure 4: Volume and Value of Traded Securities

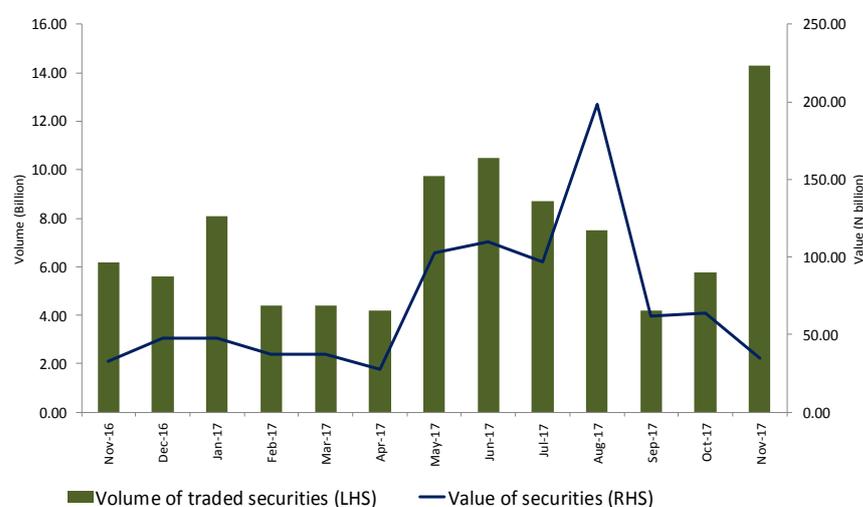


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Volume (Billion)	6.1	5.6	8.1	4.4	4.4	4.2	9.7	10.5	8.7	7.5	4.2	5.8	14.3
Value (₦ Billion)	33.1	47.7	47.7	37.2	37.3	27.9	102.8	109.9	97.1	198.4	61.8	63.9	35.1

2.5.2 Over-the-Counter (OTC) Bonds Market

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

2.5.3 New/Supplementary Issues Market

There were three (3) supplementary equity listings in the review period (Table 4).

Table 4: New & Supplementary Listing on the Nigerian Stock Exchange November 2017

S/N	Company	Additional Shares (Units)	Reasons	Listing
1	Trans Nationwide Express Plc (Tranex)	270,027,370 Ordinary Shares	Rights Issue	Supplementary
2	Unilever Nigeria Plc	1,961,709,167 Ordinary Shares	Rights Issue	Supplementary
3	Lafarge Africa Plc	85,261,220 Ordinary Shares	Scheme of Arrangement	Supplementary

2.5.4 Market Capitalisation

The aggregate market capitalisation rose by 3.1 per cent to ₦21.2 trillion at end-November 2017, from ₦20.5 trillion in the preceding month. Similarly, market capitalisation for the equities segment increased by 4.1 per cent to ₦13.2 trillion and constituted 62.4 per cent of the total market capitalisation at end-November 2017, compared with ₦12.7 trillion and 62.0 per cent in October 2017 (Figure 5, Table 5).

2.5.5 NSE All-Share Index

The All-Share Index, which opened at 36,680.3 at the beginning of the month, closed at 37,944.60 at end-November 2017, representing a 0.3 per cent increase above the level in the preceding month.

With the exception of NSE-AseM and NSE-Consumer Goods indices, which fell below the levels in the preceding month by 0.3 per cent and 0.1 per cent to 1,158.74 and 918.36, respectively, at end-November 2017, all other sectoral indices rose above the levels in the preceding month. The NSE-Premium index, which tracks performance of the elite issuers (listed companies) that meet the Exchange's most stringent corporate governance and listing standards rose by 7.73 per cent to 2,652.52 at end-November 2017. Similarly, The NSE-Lotus, NSE-Industrial Goods, NSE-Pension, NSE-Oil and Gas, NSE-Banking, and NSE-Insurance indices rose by 6.0, 4.7,

2.9, 1.9, 1.5, and 0.8, per cent above the levels in the preceding month to 2,441.59, 2,123.06, 1,316.95, 290.76, 470.74, and 140.15, respectively (Figure 5, Table 4).

Figure 5: Market Capitalisation and All-Share Index

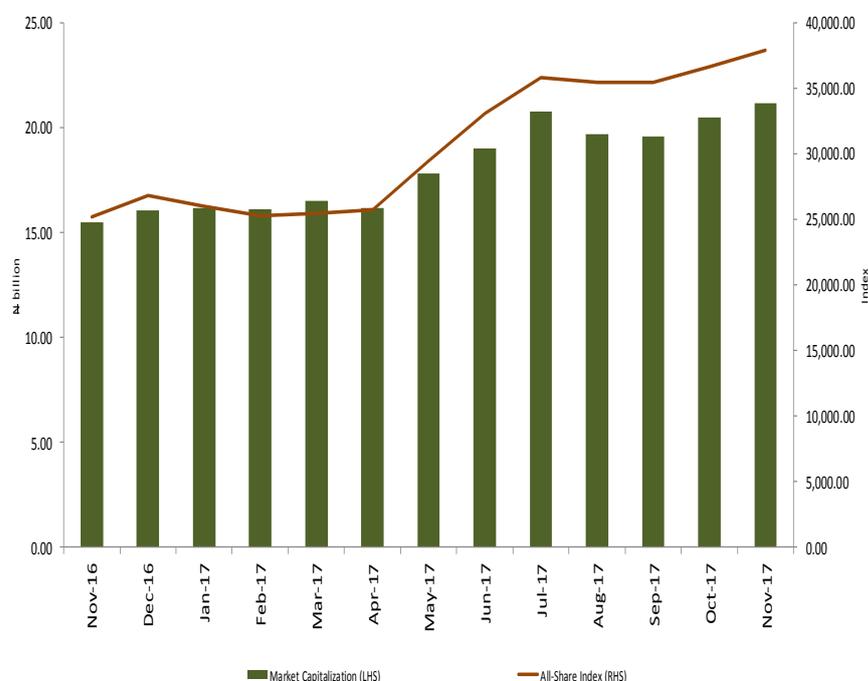


Table 5: Aggregate Market Capitalisation and All Share Index (NSE)

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Aggregate Market Capitalization (N trillion)	16.2	17.8	19	20.8	19.7	19.6	20.5	21.2
All-Share Index	25,758.51	29,498.31	33,117.48	35,844.00	35,504.62	35,439.98	36,680.29	37,944.60

3.0 Fiscal Operations⁴

Federally-collected revenue in November 2017 fell short of the monthly budget estimate and receipts in October 2017 by 26.4 per cent and 2.4 per cent, respectively. Federal Government retained revenue for the review month was ₦207.91 billion, while total provisional expenditure was ₦293.38 billion, resulting in an estimated deficit of ₦85.47 billion.

3.1 Federation Account Operations

Total federally-collected revenue (gross) in November 2017 was estimated at ₦658.60 billion. This was below both the monthly budget estimate and receipts in the preceding month by 26.4 per cent and 2.4 per cent, respectively. The decline relative to the 2017 monthly budget estimate was attributed to the shortfall in oil and non-oil revenue (Figure. 6, Table 6).

The estimated federally-collected revenue (gross) in November 2017 fell short of the monthly budget estimate for by 26.4 per cent.

Figure 6: Components of Gross Federally-Collected Revenue

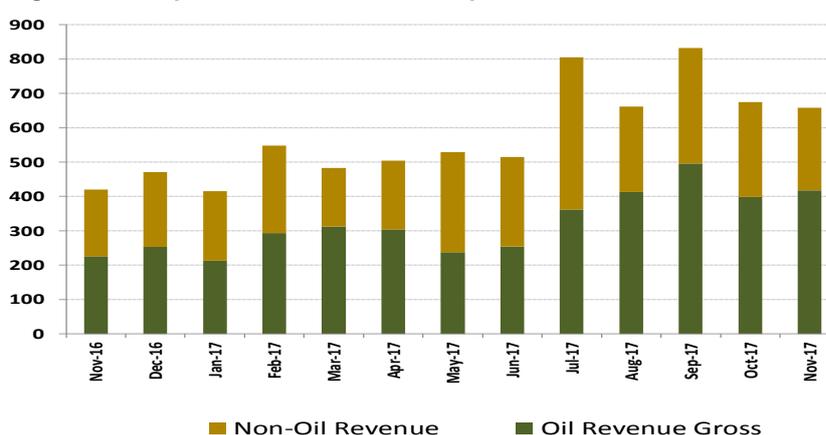


Table 6: Gross Federation Account Revenue (₦ billion)

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	2017 Monthly Budget
Gross Revenue	419.5	470.9	414.8	548.1	483.2	503.6	528.4	514.7	804.8	661.8	832.8	674.6	658.6	894.8
Oil Revenue	225.2	253.2	212.3	292.8	312.3	303.4	238.1	254.0	362.4	412.3	495.9	398.1	417.7	449.6
Non-oil Revenue	194.3	217.7	202.4	255.3	170.9	200.2	290.3	260.7	442.4	249.5	336.9	276.5	240.9	445.1

⁴ Data on government (general, federal and state) revenue and expenditure are provisional and subject to changes

At ₦417.74 billion, oil receipts (gross) was below the 2017 monthly budget estimate and constituted 63.4 per cent of the total revenue.

At ₦417.74 billion or 63.4 per cent of total revenue, oil receipts was below the 2017 monthly budget estimate of ₦449.62 billion and the October 2017 collection by 7.1 per cent and 4.9 per cent, respectively. The fall in oil revenue relative to the monthly budget estimate was attributed to the shortfall in the collection of other oil revenue by the Department of Petroleum Resources (DPR) (Figure 7, Table 7).

Figure 7: Gross Oil Revenue and Its Components

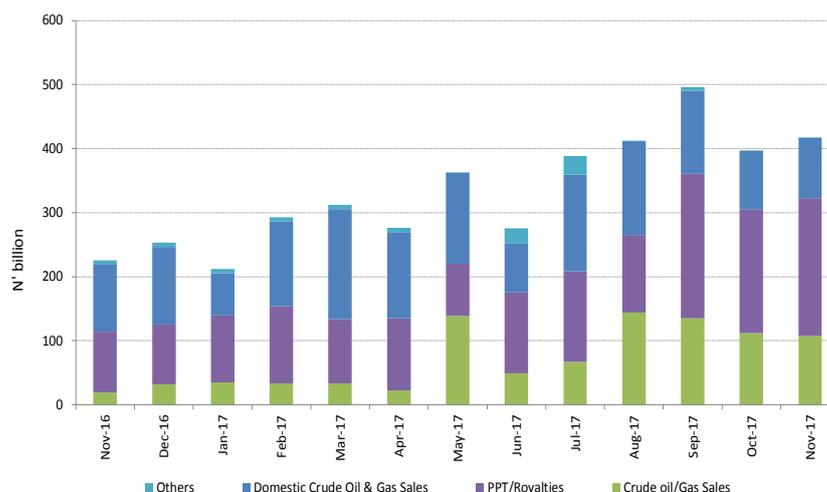


Table 7: Components of Gross Oil Revenue (N' billion)

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	2017 Monthly Budget
Oil Revenue	225.2	253.2	212.3	292.8	312.3	303.4	238.1	254.0	362.4	412.2	495.9	398.1	417.7	449.6
Crude oil/Gas Sales	19.2	32.0	34.5	33.7	33.1	49.2	13.9	48.8	66.9	143.8	134.9	111.9	107.6	140.3
Domestic crude oil/Gas sales	104.7	121.1	65.9	132.2	171.8	134.8	142.1	76.5	151.0	145.8	128.9	91.9	94.5	57.3
PPT/Royalties	94.6	93.1	104.8	120.1	100.5	112.7	81.5	126.3	141.7	121.7	226.0	193.9	215.0	167.1
Others	6.7	7.1	7.1	6.8	7.0	6.8	0.7	2.4	2.9	0.9	6.2	0.4	0.7	84.9

At ₦240.85 billion, non-oil receipts (gross) fell short of the monthly budget estimate and constituted 36.6 per cent of the total revenue.

At ₦240.85 billion or 36.6 per cent of total revenue, non-oil revenue was below the 2017 monthly budget estimate of ₦445.14 billion by 45.9 per cent. It was also below the October 2017 collection of ₦276.48 billion by 12.9 per cent. The poor performance level relative to the monthly budget was due to the shortfall in all the revenue components except customs special levies (Non-Federation Account) (Figure 8, Table 8).

Figure 8: Gross Non-Oil Revenue and its Components

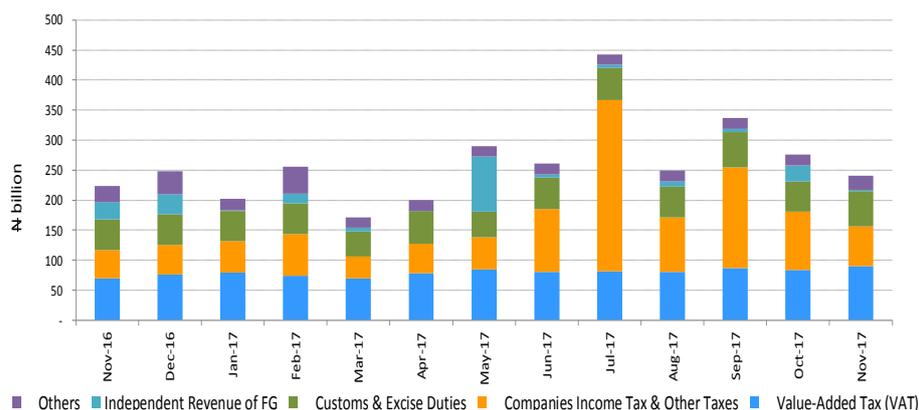


Table 8: Components of Gross Non-Oil Revenue (₦ billion)

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	2017 Monthly Budget
Non-Oil Revenue	194.3	217.7	202.4	255.3	170.9	200.2	290.3	260.7	442.3	249.4	336.9	276.5	240.9	445.1
Corporate Tax	47.2	50.0	52.1	70.2	36.6	48.2	52.9	105.2	284.8	90.3	168.2	97.5	67.0	145.2
Customs & Excise Duties	51.4	50.5	51.0	51.2	41.9	54.8	43.5	52.4	54.0	51.8	58.3	50.8	57.9	51.3
Value-Added Tax (VAT)	69.6	75.6	79.3	73.5	69.2	78.7	84.7	80.0	81.6	80.5	86.7	83.3	89.7	150.0
Independent Revenue of Fed. Govt.	0.1	2.7	0.5	15.6	5.9	0.4	91.6	5.5	5.2	8.2	6.0	26.5	3.0	67.3
Others 1/	26.1	38.9	19.6	44.7	17.3	18.1	17.6	17.6	16.7	18.6	17.7	18.4	23.3	31.4

1/ Includes Education Tax, Customs special levies (Federation and Non-Federation) & National Information Technology Development Fund (NITDF), Solid Minerals and Other Mining Revenue.

Of the total federally-collected revenue (net), ₦400.38 billion was retained in the Federation Account, while ₦86.12 billion, ₦3.04 billion and ₦23.28 billion were transferred to the VAT Pool Account, the Federal Government Independent revenue and “Others”⁵, respectively.

From the ₦400.38 billion retained in the Federation Account for distribution, the Federal Government received ₦191.45 billion, while the State and Local Governments received ₦97.11 billion and ₦74.87 billion, respectively. The balance of ₦36.95 billion was shared among the oil producing states as 13% Derivation Fund.

In addition, the sum of ₦0.94 billion, being excess bank charges recovered, was shared among the three tiers of government, as follows: Federal Government ₦0.50 billion; State Governments, ₦0.25 billion and Local Governments, ₦0.19 billion

⁵ including Tertiary Education Trust Fund, National Information Technology Development Fund and Customs Special Levies

Similarly, the net balance of ₦86.12 billion from the VAT Pool Account was shared as follows: Federal Government, ₦12.92 billion; State Governments, ₦43.06 billion; and Local Governments, ₦30.14 billion.

Overall, the total allocations to the three tiers of government in November 2017 amounted to ₦487.44 billion. This was below the 2017 monthly budget estimate of ₦783.57 billion and the allocation in October 2017, by 37.8 per cent and 10.1 per cent, respectively.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

At ₦207.91 billion, the estimated Federal Government retained revenue was below the monthly budget estimate by 53.8 per cent.

The Federal Government retained revenue for the month of November 2017 was estimated at ₦207.91 billion. This was below both the monthly budget estimate of ₦449.60 billion and the preceding month's receipt of ₦260.76 billion, by 53.8 per cent and 20.3 per cent, respectively. Of the total receipt, Federation Account accounted for 92.1 per cent, while share from VAT, FGN Independent Revenue and recovery from excess bank charges were 6.2, 1.5 and 0.2 per cent, respectively (Figure 9, Table 9).

Figure 9: Federal Government Retained Revenue

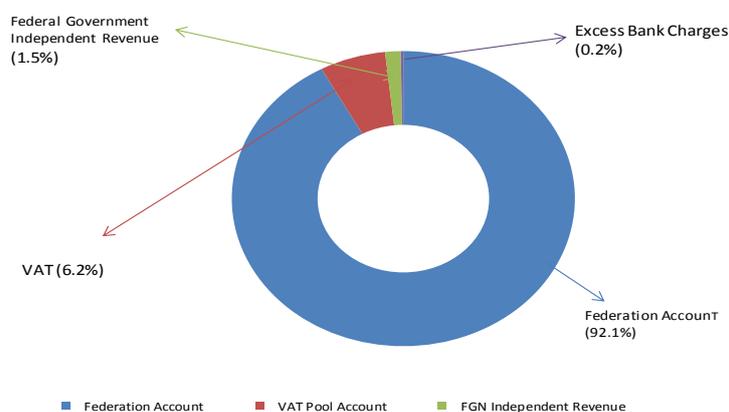


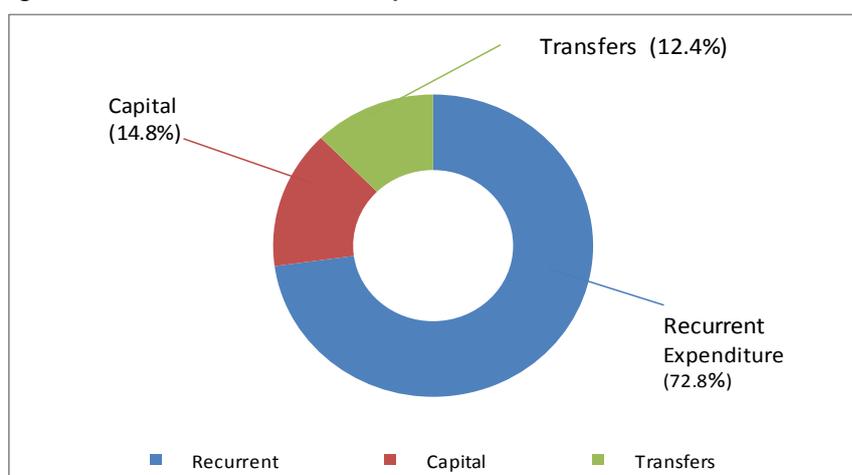
Table 9: Federal Government Fiscal Operations (₦ billion)

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	2017 Monthly Budget
Retained Revenue	235.2	434.1	699.5	379.7	247	301.7	552.6	325.1	477	201.2	279.1	260.8	207.9	449.5957
Expenditure	373.4	816.9	443.7	406.9	679.2	459.2	459.1	437.2	598.2	307.6	453.2	422.1	293.4	645.9935
Overall Balance: (+)/(-)	-138.2	-382.8	255.8	-27.2	-432.2	-157.5	93.5	-112.1	-121.2	-106.4	-174.1	-161.3	-85.5	-196.398

The estimated total expenditure of the Federal Government, was ₦293.38 billion in November 2017. This fell short of the 2017 monthly budget estimate by 54.6 per cent. It was also below the level in October 2017 by 30.5 per cent. Total Recurrent and Capital expenditures as well as Transfers accounted for 72.8 per cent, 14.8 per cent and 12.4 per cent, respectively. A breakdown of the recurrent expenditure showed that non-debt obligation was 25.9 per cent of the total, while debt service payments accounted for the balance of 74.1 per cent (Figure 10).

Total estimated Federal Government expenditure fell, by 30.5 per cent, below the level in the preceding month.

Figure 10: Federal Government Expenditure



Overall, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦85.47 billion, compared with the 2017 monthly budget deficit of ₦196.40 billion.

The fiscal operations of the FG resulted in an estimated deficit of ₦85.47 billion.

3.2.2 Statutory Allocations to State Governments

Total estimated statutory allocations to the State Governments amounted to ₦177.37 billion. This was lower than the 2017 budget estimate and allocations in October 2017 by 37.3 per cent and 8.1 per cent, respectively.

Receipt from the Federation Account was ₦134.31 billion or 75.7 per cent of the total statutory allocations and was below the 2017 monthly budget estimate of ₦210.84 billion by 36.3 per cent. It was also below the receipt in the preceding month by 12.2 per cent.

At ₦43.06 billion or 24.3 per cent of the total, allocation from the VAT Pool Account fell below the 2017 monthly budget estimate by 40.2 per cent. It, however, indicated a 7.7 per cent increase above the level in October 2017.

3.2.3 Statutory Allocations to Local Government Councils

Allocations to Local Governments from the Federation and VAT Pool Accounts in November 2017 was ₦105.20 billion. This was below the 2017 monthly budget estimate and the preceding month's receipt by 38.4 and 8.5 per cent, respectively.

Allocation from the Federation Account was ₦75.06 billion or 71.3 per cent of the total. The amount fell short of the 2017 monthly budget estimate of ₦120.52 billion by 37.7 per cent. It was also 13.6 per cent below the level in October 2017.

The share from the VAT Pool Account, at ₦30.14 billion or 28.7 per cent of the total, was 40.2 per cent below the 2017 monthly budget estimate of ₦50.40 billion. It was, however, a 7.7 per cent increase, relative to the level in October 2017 (Table 10).

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

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
SG Federation Account	115.2	100.7	103.1	112.5	119.1	126.0	106.8	117.5	169.3	123.6	174.2	153.0	134.3
SG VAT	33.4	36.3	38.1	35.3	33.2	37.8	40.6	38.4	39.2	38.7	41.6	40.0	43.1
SG Total	148.6	136.9	141.1	147.8	152.3	163.7	147.4	155.9	208.5	162.3	215.8	193.0	177.4
LG Federation Account	64.2	57.2	58.8	64.5	64.2	69.6	59.3	69.8	107.5	71.0	101.9	86.9	75.1
LG VAT	23.4	25.4	26.6	24.7	23.3	26.4	28.5	26.9	27.4	27.1	29.1	28.0	30.1
LG Total	87.6	82.6	85.4	89.2	87.5	96.0	87.8	96.6	134.9	98.0	131.0	114.9	105.2
Total Statutory Revenue and VAT	236.2	219.6	226.5	237.0	239.8	259.7	235.2	252.5	343.4	260.3	346.8	307.9	282.6

4.0 Domestic Economic Conditions

Agricultural activities in November 2017 were dominated by the harvesting of legumes and cereal crops. In the livestock sub-sector, farmers engaged in the breeding of poultry in preparation for the end of year sales. Average crude oil production was estimated at 1.71 mbd or 51.30 million barrels (mb), in the review month. The end-period inflation, on year-on-year and 12-month moving average bases, were 15.90 per cent and 16.76 per cent, respectively, in the review month.

4.1 Agricultural Sector

Analysis of the Standardised Precipitation Index (SPI) in November 2017 indicated a continued drier-than-normal weather conditions in some parts of the Northern, Southern and Eastern states of the country. The development resulted in minimal hydrological activities as river flows decreased. Mild wetness was, however, experienced in some states in the South, while Increased cold weather condition was observed in some Northern states, especially Plateau state.

Consequently, agricultural activities in the review month were dominated by the harvesting of legumes and some cereal crops. Activities in the South were centered on the harvesting of yam, maize, rice and cassava, while farmers in the Central and Northern states were engaged in the harvesting of potatoes, maize, vegetables and groundnuts. Farming activities were, however, disrupted by intermittent insurgence activities in parts of Borno and Adamawa states. In the livestock sub-sector, farmers engaged in the breeding of poultry, while cattle breeders intensified the fattening of cattles in preparation for the end of year sales.

4.2 Agricultural Credit Guarantee Scheme

A total of ₦364.28 million was guaranteed to 2,424 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in November 2017. This represented 32.7 and 41.0 per cent fall below the levels in the preceding month and the corresponding period of 2016, respectively. Sub-sectoral analysis showed that food crops obtained the largest share of ₦227.66 million (62.5 per cent) guaranteed to 1,770 beneficiaries, cash crops received ₦54.96 million (15.1 per cent) guaranteed to 320 beneficiaries, while livestock subsector got ₦54.14 million (14.9 per cent) guaranteed to 216 beneficiaries. Fishery sub-sector received ₦19.67 million (5.4 per cent) guaranteed to 76 beneficiaries, "Others" got ₦5.07 million (1.4 per cent) guaranteed to 25 beneficiaries, while the mixed crop sub-sector received ₦2.78 million (0.7

per cent) guaranteed to 17 beneficiaries.

Analysis by state showed that 25 states and the Federal Capital Territory benefited from the Scheme in the review period with the highest and lowest sums of ₦49.79 million (13.7 per cent) and ₦0.50 million (0.1 per cent) guaranteed to Ebonyi and Bayelsa States, respectively.

4.3 Commercial Agriculture Credit Scheme

At end-November 2017, the total amount released since inception by the CBN under the Commercial Agriculture Credit Scheme (CACs) to participating banks for disbursement, amounted to ₦530.43 billion in respect of 537 projects (Table 11).

Table 11: Disbursement of Credit under the Commercial Agriculture Credit Scheme (CACs) at end-November 2017.

S/N	Participating Banks	Amount Disbursed (₦ billion)	Number of Projects/State Governments
1	UBA Plc	65.56	44
1	Zenith Bank	109.66	71
3	First Bank of Nigeria Plc	53.77	100
4	Unity Bank Plc	24.33	26
5	Union Bank Plc	28.24	37
6	Stanbic IBTC Plc	27.41	44
7	Sterling Bank	68.67	40
8	Access Bank Plc	36.66	26
9	Fidelity Bank Plc	25.18	18
10	Skye Bank Plc	13.77	10
11	FCMB Plc.	12.43	24
12	Ecobank	6.38	10
13	GTBank	35.70	26
14	Diamond Bank Plc	4.80	21
15	Heritage Bank	6.81	14
16	Citibank Plc	3.00	2
17	Keystone Bank	4.05	9
18	WEMA Bank Plc	2.12	12
19	Jaiz Bank Plc	0.00	1
20	Suntrust Bank Ltd	1.90	2
	TOTAL	530.43	537

4.4 Petroleum Sector

Nigeria maintained domestic crude oil production in November 2017 in line with the OPEC's production cut agreement to ensure a rebalancing of the international oil market. Consequently, Nigeria's crude oil production, including condensates and natural gas liquids, averaged 1.71 mbd or 51.30 million barrels (mb) in the review month. This represented 0.04 mbd or 2.3 per cent decline below the

Domestic crude oil and natural gas production was estimated at an average of 1.71 million barrels per day.

average of 1.75 mbd or 54.25 mb in the preceding month. Crude oil export was 1.26 mbd or 37.80 mb and represented a decline of 3.08 per cent below the level in the preceding month. Allocation of crude oil for domestic consumption remained at 0.45 mbd or 13.50 mb in the review period.

Optimism that OPEC and some non-OPEC members would extend the agreement on production cut through 2018 at the November 2017 Meeting of Oil Ministers led to price increase in the review period. In addition, supply outages with regard to Canadian exports to the US and the cumulative US stock drawdown further contributed to increased prices in November 2017. Consequently, the average spot price of Nigeria's reference crude oil, the Bonny Light (37° API), rose to US\$63.70 per barrel in November 2017, representing 8.4 per cent increase above US\$58.74 per barrel in October 2017. The UK Brent at US\$63.11/b, the Forcados at US\$63.90/b and the WTI at US\$57.02 exhibited similar trends as the Bonny Light.

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

The average price of OPEC basket of fourteen selected crude streams stood at US\$60.75/b in November 2017. This represented 3.6 per cent and 15.9 per cent increase, compared with US\$55.50/b and US\$43.22/b in the preceding month and the corresponding period of 2016, respectively (Figure 11, Table 12).

Figure 11: Trends in Crude Oil Prices

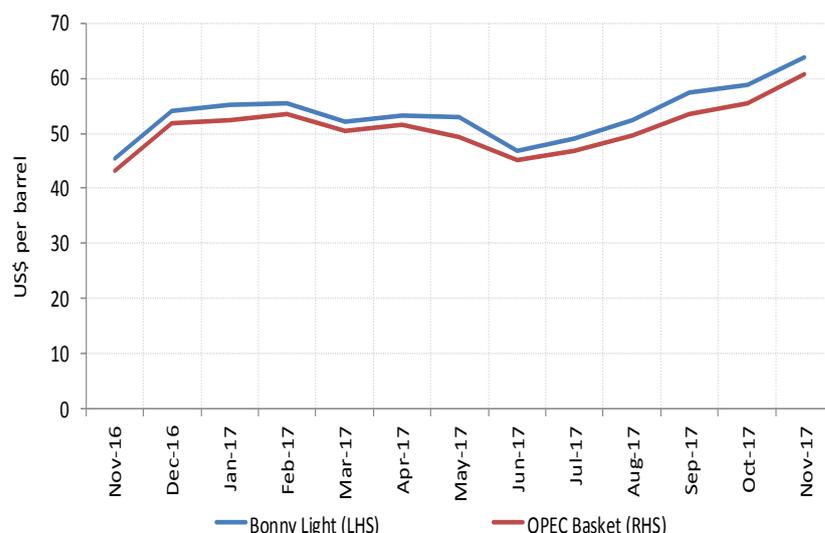


Table 12: Average Crude Oil Prices in the International Oil Market

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Bonny Light	45.5	54.1	55.1	55.5	52.2	53.1	52.9	46.9	48.9	52.5	57.4	58.7	63.7
OPEC Basket	43.2	51.7	52.4	53.4	50.3	51.4	49.2	45.2	46.9	49.6	53.4	55.5	60.8

4.5 Consumer Prices

The general price level rose in November 2017, compared with the level in the preceding month.

The all-items composite Consumer Price Index (CPI) was 244.9 (November 2009=100) in November 2017, representing 0.78 per cent and 15.90 per cent increase over the levels in October 2017 and the corresponding month of 2016, respectively. The development, relative to the preceding month, reflected, mainly, the increase in the prices of bread and cereals, oil and fats, milk, cheese, egg, coffee, tea, cocoa and fish.

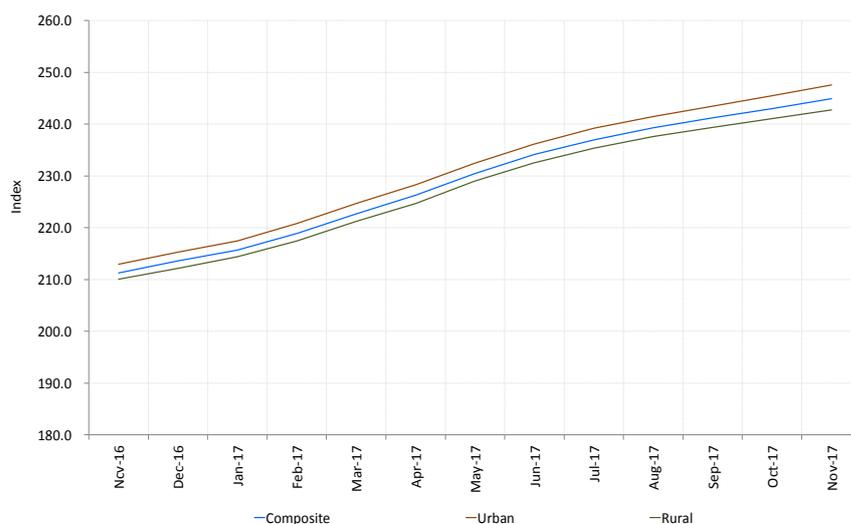
The urban all-items CPI (November 2009=100) was 247.6 at end-November 2017, representing 0.85 per cent and 16.27 per cent increase, relative to the levels in October 2017 and the corresponding period of 2016, respectively. The rural all-items CPI (November 2009=100), was 242.8 at end-November 2017, representing 0.72 per cent and 15.59 per cent increase over the levels in October 2017 and November 2016, respectively (Figure 12, Table 13).

The composite food index (with a weight of 50.7 per cent) for November 2017 was 259.5 per cent, compared with 257.2 per cent and 215.7 per cent in the preceding month and the corresponding period of 2016, respectively. The rise in the index reflected increased prices of bread and cereals; meat, oil and fats; fruits and fish.

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

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Composite	211.3	213.6	215.7	218.9	222.7	226.3	230.5	234.2	237.0	239.3	241.2	243.0	244.9
Urban	213.0	215.3	217.5	220.8	224.7	228.3	232.5	236.2	239.2	241.5	243.5	245.5	247.6
Rural	210.1	212.2	214.4	217.5	221.2	224.7	229.0	232.6	235.4	237.6	239.4	241.1	242.8
CPI - Food	215.7	218.6	221.4	225.8	230.8	235.5	241.5	246.3	250.0	252.9	255.1	257.2	259.5
CPI - Non Food	207.3	208.6	210.0	212.3	215.1	217.5	220.0	223.0	225.2	227.3	229.1	230.9	232.6

Figure.12: Consumer Price Index



Inflationary pressures maintained its declining trend in November 2017, due mainly to easing of food prices, favourable base effects over 2016 prices and moderated exchange rate pass-through to domestic prices. Consequently, Headline inflation, on year-on-year basis, declined from 15.91 per cent in October 2017 to 15.90 per cent in November 2017. Similarly, the Twelve-Month Moving Average (12MMA) inflation for November 2017 was 16.76 per cent, indicating a 0.21 percentage point decline from 16.97 per cent in October 2017. It was, however, 1.76 percentage points increase over the level in the corresponding period of 2016 (Figure 13, Table 14).

The year-on-year headline inflation was 15.90 per cent in November 2017, compared with 15.91 percent in October 2017.

Figure13: Inflation Rate

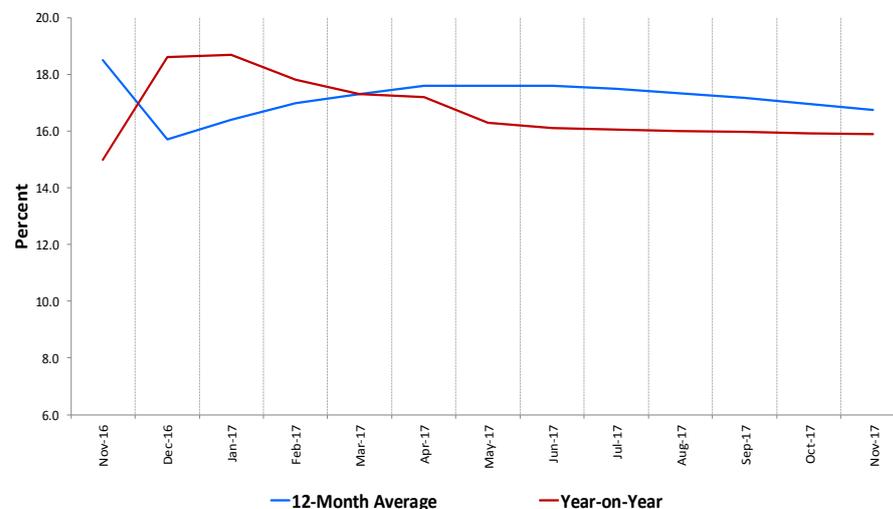


Table 14: Headline Inflation Rate (%)

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
12-Month Average	15.00	15.70	16.40	17.00	17.30	17.60	17.60	17.60	17.50	17.33	17.17	16.97	16.76
Year-on-Year	18.50	18.60	18.70	17.80	17.30	17.20	16.30	16.10	16.05	16.01	15.98	15.91	15.90

5.0 External Sector Developments⁶

On month-on-month basis, foreign exchange inflow and outflow through the CBN rose by 68.4 and 3.9 per cent, respectively, to US\$6.81 billion and US\$2.95 billion in November 2017. Total non-oil export receipts by banks fell by 12.0 per cent below the level in the preceding month. The average exchange rate of the naira at the inter-bank segment, and the Investor and Exporter window (I&E) were ₦305.90 per US dollar and ₦360.29/USD per US dollar, respectively, in the review month. The gross external reserves was US\$38.21 billion at end-November 2017.

5.1 Foreign Exchange Flows

International crude oil prices continued its rally above US\$60.00 per barrel in the review month following the extension of output cut agreement by the Organisation of the Petroleum Exporting Countries (OPEC) and selected non-OPEC member countries. In addition, short fall in shale oil supplies by the United States amidst supply disruptions on the Keystone pipeline further contributed to the upward trend in prices. Decline in domestic crude oil output, due to compliance with the production cut agreement, however, moderated the expected increase in crude oil receipts. Nevertheless, foreign exchange supply into the economy increased as a result of the significant improvement in receipts from non-oil sources.

Foreign exchange inflow through the CBN increased by 68.4 per cent to US\$6.81 billion while outflow rose by 3.9 per cent, to US\$2.95 billion in November 2017.

Consequently, aggregate foreign exchange inflow through the CBN in November 2017 was US\$6.81 billion, compared with US\$4.13 billion and US\$2.25 billion in October 2017 and November 2016, respectively. The increase relative to the level in the preceding month reflected, mainly, the increase in foreign exchange inflow from non-oil sources. A disaggregation of inflow through the Bank indicated that, on month-on-month basis, receipts from non-oil sources rose by 115.3 per cent, in contrast to the 40.6 per cent decline in crude oil receipts.

Aggregate outflow of foreign exchange through the Bank was US\$2.95 billion, indicating 3.9 per cent and 177.9 per cent increase over the levels in the preceding month and the corresponding period of 2016, respectively. The development was driven, mainly, by increased interventions in the foreign exchange market. Overall, foreign exchange flows through

⁶ Data on foreign exchange flows through the CBN and the Economy are provisional and subject to change

the Bank in the month of November 2017 resulted in net inflow of US\$3.86 billion, compared US\$1.29 billion and US\$1.19 billion in October 2017 and November 2016, respectively (Figure 14, Table 15).

Figure 14: Foreign Exchange Flows through the CBN

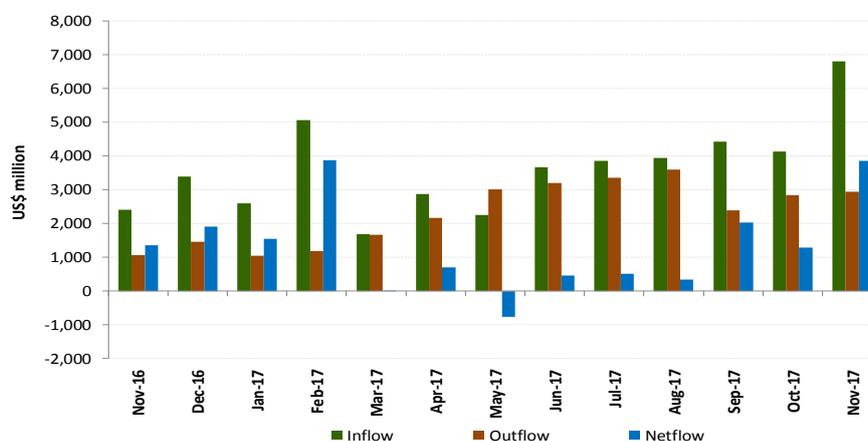


Table 15: Foreign Exchange Flows through the CBN (US\$ million)

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Inflow	2,414.8	3,385.3	2,605.5	5,056.9	1,693.4	2,874.9	2,259.2	3,672.7	3,867.0	3,943.5	4,425.5	4,132.8	6,812.0
Outflow	1,061.9	1,468.7	1,055.8	1,184.5	1,672.6	2,164.4	3,021.1	3,208.1	3,358.3	3,594.3	2,390.4	2,839.1	2,951.1
Netflow	1,353.0	1,916.6	1,549.7	1,395.9	20.8	710.5	(761.9)	464.6	508.7	349.1	2,035.1	1,293.7	3,860.8

Autonomous inflow through the economy rose by 43.9 per cent above the level in the preceding month.

Aggregate foreign exchange inflow into the economy amounted to US\$12.15 billion, representing 31.5 per cent and 112.2 per cent increase above the levels in the preceding month and the corresponding period 2016, respectively. The development relative to the preceding month, reflected the 56.1 per cent and 43.9 per cent increase in inflow through the Bank and autonomous sources, respectively. A disaggregation of total inflow showed that inflow through the Bank and autonomous sources accounted for 56.1 per cent and 43.9 per cent, respectively. Non-oil sector receipts, through the CBN, at US\$6.02 billion rose by 115.3 per cent, above the level in the preceding month.

Aggregate foreign exchange outflow from the economy, at US\$3.22 billion, rose by 4.9 per cent and 156.1 per cent, above the levels in the preceding month and the corresponding month of 2016, respectively. Thus, foreign exchange flows through the economy, resulted in a net inflow of US\$8.93 billion in the review month, compared with

US\$6.17 billion and US\$4.47 billion in October 2017 and November 2016, respectively.

5.2 Non-Oil Export Earnings by Exporters

Total non-oil export earnings, at US\$0.20 billion, indicated 12.0 per cent and 22.7 per cent decline below the levels in October 2017 and the corresponding period of 2016, respectively. The development reflected the respective decline of 43.8 per cent and 18.9 per cent in proceeds from the industrial and agricultural sub-sectors. Proceeds from the food product, transport, minerals and manufactured sub-sectors, however, increased by 85.7, 33.3, 29.7 and 10.4 per cent, respectively, relative to the levels in the preceding month.

Total non-oil export earnings by exporters declined in November 2017.

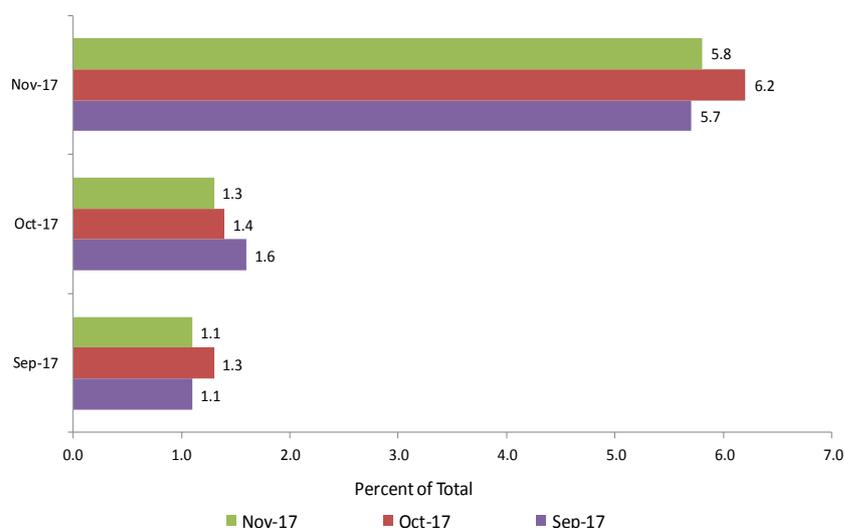
The shares of the sectors in the non-oil export proceeds were: agricultural product, 46.6 per cent; minerals, 21.2 per cent; manufactured products, 16.6 per cent; industrial sector, 13.2 per cent; and food products, 2.4 per cent.

5.3 Sectoral Utilisation of Foreign Exchange

The invisible sector accounted for the bulk (49.0 per cent) of total foreign exchange disbursed in November 2017, followed by industrial sector (25.6 per cent). The shares of other sectors in a descending order were: minerals and oil (9.6 per cent); manufactured products (7.6 per cent); food products (5.8 per cent); transport (1.3 per cent); and agricultural products (1.1 per cent) (Figure 15).

The invisible sector accounted for the bulk of the total foreign exchange disbursed in November 2017.

Figure 15: Sectoral Utilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

The CBN sustained its intervention in the foreign exchange market in November 2017 to further dampen demand pressure and ensure exchange rate stability. A total of US\$1.75 billion was sold by the Bank to authorised dealers in the review month. This indicated 4.2 and 324.6 per cent increase above the respective levels in the preceeding month and the corresponding period of 2016. Matured forwards contracts disbursed at maturity, inter-bank sales, BDC sales and swap transactions, rose by 1,348.8, 18.1, 5.1 and 0.4 per cent, respectively, relative to the levels in October 2017. Of the aggregate sales, forwards contracts disbursed at maturity were valued at US\$1.0 billion or 57.5 per cent of the total, while sales to BDCs amounted to US\$384 million or 21.8 per cent. Inter-bank sales and Swaps were US\$252 million (14.4 %) and US\$112 million (6.3%), respectively, in the review period (Figure 16, Table 16).

Figure 16: Supply of Foreign Exchange

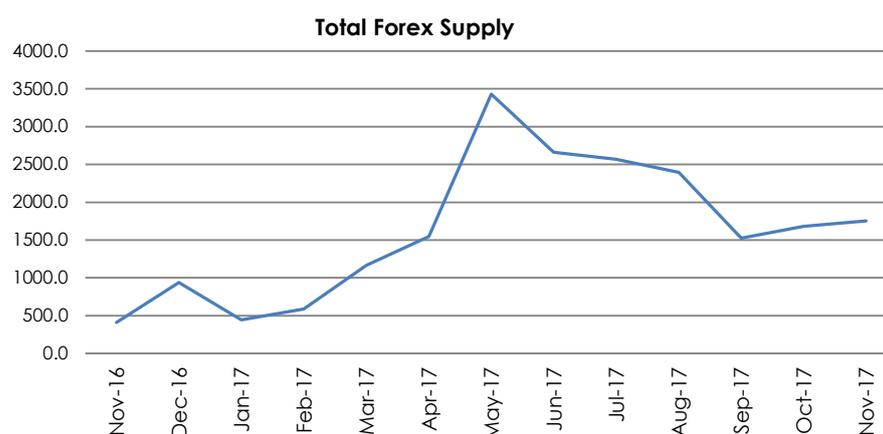


Table 16: Supply of Foreign Exchange (US\$ billion)

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Total Forex Supply	1.6	3.4	2.7	2.6	2.4	1.5	1.6	1.8

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

Sustained intervention by the Bank further eased foreign exchange supply constraints, moderated demand pressure and promoted exchange rate stability in the review period. Consequently, the average exchange rate of the naira to the US-dollar at the inter-bank segment was ₦305.90/US\$, indicating respective marginal depreciation of 0.1 per cent and 0.2 per cent below the levels in October 2017 and

November 2016, respectively. At the BDC segment, the average exchange rate of the naira to the dollar was ₦362.41/US\$. This represented a 0.05 per cent depreciation relative to the rate in October 2017, but was a 15.3 per cent appreciation over the rate in the corresponding period of 2016. At the Investor and Exporter window (I&E), the average exchange rate of the naira to the US-dollar was ₦360.29/USD, indicating 0.1 per cent depreciation below the rate in October 2017 (Figure 17, Table 17).

Thus, the premium between the average inter-bank and BDC rates in the review month, stood at 18.5 per cent, same as in October 2017.

Figure 17: Average Exchange Rate Movement

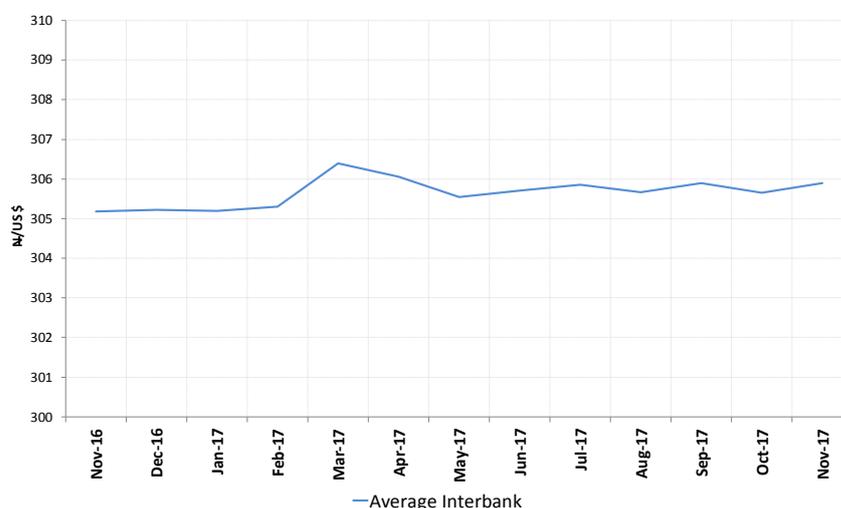


Table 17: Exchange Rate Movements

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Average Exchange Rate (₦/\$)													
<i>Interbank</i>	305.18	305.22	305.20	305.30	306.40	306.05	305.54	305.71	305.86	305.67	305.89	305.65	305.90

5.5 Gross External Reserves

The gross external reserves rose by 11.3 per cent to US\$38.21 billion at end-November 2017 above the US\$34.33 billion at end-October 2017. The rise was attributed to receipts from Eurobond proceeds, crude oil exports, foreign exchange purchases and third party receipts. A breakdown of the external reserves by ownership showed that the share of the Federation reserves was US\$2.39 billion (6.2%); Federal Government reserves, US\$10.31 billion (27.0%); and the CBN reserves, US\$25.51 billion (66.8%) of the total (Figure. 18, Table 18).

Gross external reserves rose in November 2017.

Figure 18: Gross Official External Reserves

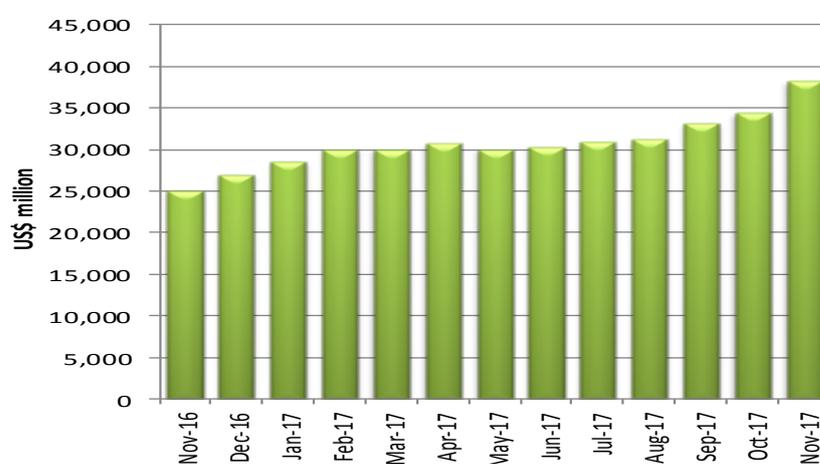


Table 18: Gross Official External Reserves (US\$ million)

Period	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
External Reserves	29,994.35	30,749.28	29,811.85	30,334.87	30,869.69	31,268.09	33,159.73	34,332.58	38,209.36

6.0 Other International Economic Developments and Meetings

Activities in the international oil market in November 2017 was influenced by the continued implementation of the “Declaration of Cooperation” agreement on production cut to sustain price stability. In addition, there were output decline in some Organisation of the Petroleum Exporting Countries (OPEC) member countries, namely Angola, Nigeria, Libya, Saudi Arabia, Venezuela and Algeria. Production by the Non-OPEC countries, however, rose due to production growth in the US, Brazil and Ghana.

Consequently, total world crude oil supply averaged 97.44 mbd, representing 0.8 per cent increase over the level in October 2017. Similarly, world crude oil demand in November 2017 were estimated at average of 98.08 million barrels mbd, representing 0.4 per cent increase, compared with the level in the preceding month. The increase in the world crude oil demand was driven, mainly, by OECD America and non-OECD countries, particularly China and other Asian countries, such as India.

There were no major international meetings of importance to the domestic economy in the review period.

APPENDIX TABLES

Table A1: Money and Credit Aggregates (₦billion)

	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Domestic Credit (Net)	28,033.4	26,821.4	26,985.3	27,174.8	26,349.1
<i>Claims on Federal Government</i>	5,861.0	4,824.2	4,963.4	5,245.9	4,392.4
Central Bank (Net)	807.4	(194.2)	(137.9)	(50.3)	(558.1)
Banks	5,053.6	5,018.5	5,101.3	5,296.2	4,950.5
<i>Claims on Private Sector</i>	22,172.4	21,997.2	22,021.9	21,928.9	21,956.7
Central Bank	5,871.2	5,580.6	5,532.6	5,541.1	5,712.6
Banks	16,301.2	16,416.6	16,489.3	16,387.8	16,244.0
<i>Claims on Other Private</i>	20,890.9	20,684.7	20,737.4	20,652.2	20,334.3
Central Bank	5,269.8	4,974.4	4,967.1	4,969.1	5,094.7
Banks	15,621.2	15,707.3	15,770.3	15,683.1	15,239.5
<i>Claims on State and Local</i>	1,210.0	1,237.2	1,257.1	1,242.8	1,594.9
Central Bank	530.9	530.9	538.1	538.1	590.4
Banks	680.0	706.3	719.0	704.7	1,004.5
<i>Claims on Non-financial Public Enterprises</i>					
Foreign Assets (Net)	8,743.7	9,733.0	10,050.5	12,397.1	13,297.6
Central Bank	8,466.5	9,620.5	9,870.2	12,111.4	13,138.1
Banks	277.2	112.5	180.3	285.7	159.5
Other Assets (Net)	(14,582.1)	(14,703.0)	(15,081.8)	(17,071.3)	(17,335.5)
Total Monetary Assets (M2)	22,195.0	21,851.5	21,954.0	22,500.6	22,311.1
Quasi-Money 1/	11,874.3	11,960.6	11,889.7	12,107.6	12,196.1
Money Supply (M1)	10,320.7	9,890.8	10,064.2	10,393.1	10,115.1
<i>Currency Outside Banks</i>	1,442.2	1,523.2	1,435.3	1,463.8	1,553.5
<i>Demand Deposits 2/</i>	8,878.5	8,367.6	8,628.9	8,929.3	8,561.5
Total Monetary Liabilities (M)	22,195.0	21,851.5	21,954.0	22,500.6	22,311.1
Memorandum Items:					
Reserve Money (RM)	5,565.2	5,486.8	5,559.8	5,762.5	5,675.3
<i>Currency in Circulation (CIC)</i>	1,769.8	1,868.7	1,781.0	1,791.2	1,896.2
<i>DMBs Demand Deposit with CBN</i>	3,795.5	3,618.1	3,778.7	3,971.3	3,779.2

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)

	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
	Growth Over Preceding December (%)				
Domestic Credit (Net)	4.4	-0.1	0.5	1.2	-1.9
<i>Claims on Federal Government (Net)</i>	20.2	-1.1	1.8	7.6	-9.9
<i>Claims on Private Sector</i>	0.87	0.07	0.18	-0.24	-0.12
<i>Claims on Other Private Sector</i>	-2.3	-1.4	-1.1	-1.5	-3.0
<i>Claims on State and Local Government</i>	22.4	25.0	27.0	25.6	61.2
<i>Claims on Non-financial Public Enterprises</i>					
Foreign Assets (Net)	-4.4	6.4	9.9	35.5	45.3
Other Assets (Net)	-17.45	-18.42	-21.47	-37.50	-39.63
Total Monetary Assets (M2)	-5.9	-7.4	-6.9	-4.6	-5.4
Quasi-Money 1/	-3.6	-2.9	-3.5	-1.7	-1.0
Money Supply (M1)	-8.4	-12.3	-10.7	-7.8	-10.3
<i>Currency Outside Banks</i>	-20.8	-16.3	-21.2	-19.6	-14.7
<i>Demand Deposits 2/</i>	-6.06	-11.46	-8.70	-5.52	-9.41
Total Monetary Liabilities (M2)	-5.9	-7.4	-6.9	-4.6	-5.4
Memorandum Items:					
Reserve Money (RM)	-4.8	-6.2	-4.9	-1.5	-3.0
<i>Currency in Circulation (CIC)</i>	-18.8	-14.3	-18.3	-17.8	-12.9
<i>DMBs Demand Deposit with CBN</i>	3.47	-1.4	3.00	8.3	3.0
	Growth Over Preceding Month (%)				
Domestic Credit (Net)	2.9	-4.3	0.6	0.7	3.0
<i>Claims on Federal Government (Net)</i>	11.6	-17.7	2.9	5.7	-16.3
<i>Claims on Private Sector</i>	0.85	-0.8	0.11	-0.4	0.1
<i>Claims on Other Private Sector</i>	0.6	-1.0	0.3	-0.4	-1.5
<i>Claims on State and Local Government</i>	2.6	6.8	1.6	-1.1	28.3
<i>Claims on Non-financial Public Enterprises</i>					
Foreign Assets (Net)	3.3	11.3	3.1	23.4	7.3
Central Bank	1.0	13.6	2.6	22.7	8.5
Banks	210.9	-46.4	44.9	58.5	-44.2
Other Assets (Net)	-6.25	0.83	-2.20	-13.19	-1.55
Total Monetary Assets (M2)	0.98	-1.6	0.67	2.5	-0.8
Quasi-Money 1/	0.7	0.7	-0.6	1.8	0.7
Money Supply (M1)	1.3	-4.1	2.2	3.3	-2.7
<i>Currency Outside Banks</i>	-2.9	-2.4	5.6	2.0	6.1
<i>Demand Deposits 2/</i>	-3.0	1.90	-5.75	3.48	-4.12

Table A3: Federal Government Fiscal Operations (₦ billion)

	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	2017 Monthly Budget
Retained Revenue	235.2	434.1	699.5	379.8	247.3	301.6	552.6	325.1	477.0	201.2	279.1	260.8	207.9	449.6
<i>Federation Account</i>	96.7	97.9	105.8	133.2	117.6	136.5	124.4	147.7	274.9	181.5	260.6	198.1	191.5	297.9
<i>VAT Pool Account</i>	10.0	10.9	11.4	10.6	10.0	11.3	26.1	11.5	11.8	11.6	12.5	12.0	12.9	21.6
<i>FGN Independent Revenue</i>	0.1	2.7	0.5	15.6	5.9	0.4	91.6	5.5	2.5	8.2	6.0	26.5	3.0	67.3
<i>Excess Crude/Bank Charges</i>	50.0	30.2	30.2	19.7	9.5	27.9	10.2	9.4	0.0	0.0	0.0	0.0	0.5	0.0
<i>Others /SURE-P/NNPC Refund</i>	78.4	292.3	551.6	200.7	104.4	125.5	300.3	151.0	187.9	0.0	0.0	24.2	0.0	62.8
Expenditure	373.4	816.9	443.7	406.9	679.2	459.1	459.1	437.2	598.2	307.6	453.2	422.2	293.4	646.0
<i>Recurrent</i>	343.7	389.3	420.3	366.3	644.3	424.2	424.3	396.8	556.0	268.5	390.0	366.4	213.7	428.6
<i>Capital</i>	0.0	401.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	28.2	43.4	181.2
<i>Transfers</i>	29.6	25.9	23.4	40.6	34.9	34.9	34.8	40.4	42.2	39.1	63.2	27.6	36.3	36.2
Overall Balance:														
Surplus(+)/Deficit(-)	-138.2	-382.8	255.8	-27.1	-431.9	-157.5	93.5	-112.1	-121.2	-106.4	-174.1	-161.4	-85.5	-196.4

1/ Revised