



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
OCTOBER 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

Despite the non-expansionary monetary policy stance maintained in the review month, major monetary aggregates exhibited upward trends. On month-on-month basis, broad money supply (M_2), rose by 2.5 per cent to ₦22,500.6 billion, on account of the 0.7 per cent and 23.4 per cent growth in domestic credit (net) and net foreign assets of the banking system, respectively. Over the level at end-December 2016, M_2 fell by 4.6 per cent, compared with a decline of 6.9 per cent at the end of the preceding month. Similarly, narrow money supply (M_1), at ₦10,393.1 billion, rose by 3.3 per cent at end-October 2017. Over the level at end-December 2016, M_1 contracted by 7.8 per cent, due to the 19.6 per cent and 5.5 per cent decline in its currency outside banks and demand deposit components, respectively.

Developments in Banks' deposit and lending rates were mixed in the review month. With the exception of the 3 months and 12 months deposit rates, which fell to 10.09 and 10.80 per cent, all other rates of various maturities rose above the levels in September 2017. The average savings rate remains unchanged, while the average term deposit rate rose to 4.56 per cent. The average prime lending rate fell to 17.86 per cent, while Maximum lending rate remained unchanged at the preceding month's level of 31.39 per cent. Consequently, the spread between the average term deposit and the average maximum lending rates narrowed to 26.83 percentage points at end-October 2017. Similarly, the spread between the average savings deposit and maximum lending rates declined to 26.86 percentage points from 27.03 percentage points.

The total value of money market assets outstanding in October 2017 rose by 1.1 per cent to ₦12,155.94 billion, on account of the 1.5 per cent and 35.4 per cent increase in Bankers Acceptances and FGN Bonds outstanding, respectively. Developments on the Nigerian Stock Exchange (NSE) were bullish in October 2017.

Gross Federally-collected revenue (gross) in October 2017 was estimated at ₦674.55 billion. This was lower than the receipts in September 2017 by 19.0 per cent. Oil and non-oil receipts (gross), at ₦398.07 billion and ₦276.48 billion, constituted 59.0 per cent and 41.0 per cent, respectively, of total revenue. Federal Government retained revenue and estimated expenditure for October 2017 were ₦260.76 billion and ₦422.13 billion, respectively, resulting in an estimated deficit of ₦161.37 billion.

Agricultural activities in October 2017 were dominated by the harvesting of legumes and cereal crops. Farmers in the Southern States were engaged in harvesting of yam, maize, rice and cassava, while the harvest of potatoes, maize and groundnuts dominated in the Central and Northern States. 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 1.75 mbd or 54.25 million barrels (mb) in October 2017. Crude oil export was estimated at 1.30 mbd or 40.30 mb in the review month. The average spot price of Nigeria's reference crude oil, the Bonny Light (37° API), rose by 2.3 per cent to US\$58.74 per barrel in October 2017 above US\$57.42 per barrel recorded in September 2017.

The end-period headline inflation on year-on-year and twelve month moving average bases were 15.91 per cent and 16.97 per cent, respectively, in October 2017.

Foreign exchange inflow and outflow through the CBN in October 2017 were US\$4.13 billion and US\$2.84 billion, respectively, and resulted in a net inflow of US\$1.29 billion. Aggregate foreign exchange inflow and outflow through the economy were US\$9.23 and US\$3.07, respectively, and resulted in a net inflow of US\$6.16 billion in the review month. Foreign exchange sales by the CBN to the authorised dealers amounted to US\$1.68 billion, in the review month, compared with US\$1.52 in the preceding month. The average exchange rate of the naira at the inter-bank, BDC, and investors and exporters windows were ₦305.65 /US\$, ₦362.21/US\$ and ₦359.75/US\$, respectively, at end-October 2017.

At the BDC segment, the naira appreciated by 0.9 per cent and 26.7 per cent relative to the levels in the preceding month and the corresponding period of 2016, respectively.

Other major international economic developments and meetings of importance to the domestic economy in the review period included: the 2017 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 in Washington D. C., USA, from October 9 – 15, 2017; and the 4th meeting of the Presidential Task Force on the ECOWAS Monetary Cooperation Programme (EMCP), which took place in Niamey, Republic of Niger on October 24, 2017. The Meeting was preceded by the Technical Committee and Ministerial meetings which held from October 22-23, 2017.

2.0 Financial Sector Developments

2.1 Monetary and Credit Developments

Broad money supply (M₂) and narrow money supply (M₁) rose in October 2017. Banks' deposit and lending rates showed mixed developments. The value of money market assets outstanding rose, owing, largely, to the increase in FGN Bonds and Bankers Acceptances. Activities on the Nigerian Stock Exchange (NSE) were bullish in the review month.

Growth in money supply trended upward on month-on-month basis in October 2017.

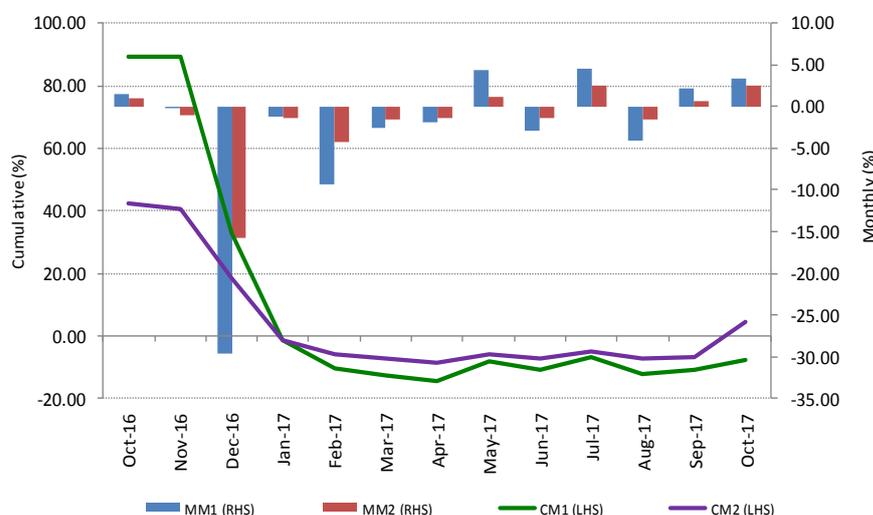
Despite the non-expansionary monetary policy stance maintained in the review month, major monetary aggregates exhibited upward trends. On month-on-month basis, broad money supply (M₂), rose by 2.5 per cent to ₦22,500.6 billion, compared with the 0.7 per cent and 0.8 per cent growth at end-September 2017 and the corresponding period of 2016, respectively. The development reflected the 0.7 per cent and 23.4 per cent growth in domestic credit (net) and net foreign assets of the banking system, respectively. Over the level at end-December 2016, broad money supply (M₂) fell by 4.6 per cent, compared with a decline of 6.9 per cent at the end of the preceding month. It, however, contrasted with the growth of 10.7 per cent at the end of the corresponding period of 2016. The fall in M₂ reflected the 37.5 per cent fall in other assets (net), which more than offset the increase of 1.2 per cent and 35.5 per cent in domestic credit (net) and net foreign assets of the banking system, respectively.

Similarly, narrow money supply (M₁), at ₦10,393.1 billion, rose by 3.3 per cent at end-October 2017, compared the growth of 2.2 per cent and 1.0 per cent at the end of the preceding month and the corresponding period of 2016, respectively. Over the level at end-December 2016, M₁ contracted by 7.8 per cent, compared with the decline of 10.7 per cent at end-September 2017. The decline in M₁ was due to the 19.6 per cent and 5.5 per cent decline in its currency outside banks and demand deposit components, respectively (Figure 1, Table 1).

Quasi-money rose by 1.8 per cent to ₦12,107 billion at end-October 2017, compared with the increase of 0.6 per cent at the end of the corresponding period of 2016, but was in contrast to the decline of 0.6 per cent at the end of the preceding month. The development relative to the preceding month's level was due, mainly, to the growth in time and savings deposit of banks. Over the level at end-

December 2016, quasi money declined by 1.7 per cent, compared with the fall of 3.5 per cent at the end of the preceding month.

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



Credit to the Government continued to grow in the review month at the expense of the private sector as claims on the Federal Government rose by 5.7 per cent, while claims on the private sector fell by 0.4 per cent. Consequently, aggregate credit (net) to the domestic economy, at ₦27,174.8 billion, rose by 0.7 per cent, on month-on-month basis, at end-October 2017, compared with the 0.6 per cent and 1.7 per cent increase at end-September 2017 and the corresponding period of 2016, respectively. Over the level at end-December 2016, net domestic credit grew by 1.2 per cent at the end of the review period, compared with the growth of 0.5 per cent and 23.5 per cent at the end of the preceding month and the corresponding period of 2016, respectively. The development reflected, mainly, the 7.6 per cent increase in claims on the Federal Government.

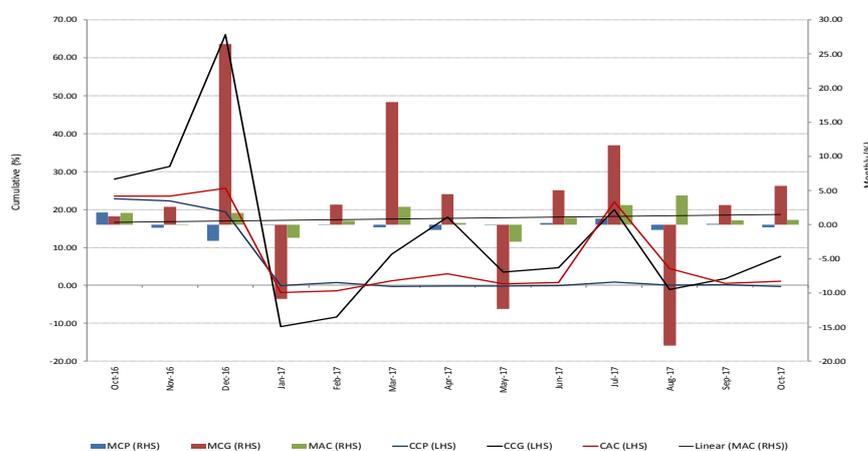
Net claims on the Federal Government, at ₦5,245.9 billion, on month-on-month basis, grew by 5.7 per cent at end-October 2017, compared with the growth of 2.9 per cent and 0.2 per cent at the end of the preceding month and the corresponding period of 2016, respectively. The development reflected the increase of 3.8 per cent in the banks' holdings

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

of government securities, especially treasury bills.

Relative to the level at end-September 2017, credit to the private sector contracted by 0.4 per cent to ₦21,928.9 billion, in contrast to the 0.1 per cent growth at the end of the preceding month. The development was due, wholly, to the 0.4 per cent fall in claims on the core private sector. Over the level at end- December 2016, banking system's credit to the private sector fell by 0.2 per cent, in contrast to growth of 0.2 per cent and 23.8 per cent at the end of the preceding month and the corresponding period of 2016, respectively (Figure 2, Table 1).

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



At ₦12,397.1 billion, foreign assets (net) of the banking system, on month-on-month basis, grew by 23.4 per cent at end-October 2017, compared with the growth of 3.1 per cent at the end of the preceding month. The development was attributed to increase in net foreign asset holdings of both the CBN and banks. Over the level at end-December 2016, foreign assets (net) rose by 35.5 per cent, compared with the growth of 9.9 per cent at the end of the preceding month. The development, relative to the preceding month, was attributed mainly to the 37.8 per cent rise in the foreign asset holdings of the CBN.

On month-on-month basis, other assets (net) of the banking system fell by 13.2 per cent to negative ₦17,071.3 billion at end-October 2017, compared with the decline of 2.2 per

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).

cent at the end of the preceding month. The development reflected the fall in unclassified assets (net) of both the CBN and the DMBs. Over the level at end-December 2016, other assets (net) of the banking system fell by 37.5 per cent, compared with the decline of 21.5 per cent at the end of the preceding month.

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

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

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

Currency-in-circulation, at ₦1,791.19 billion, rose by 0.6 per cent in the review month, in contrast to the 4.7 per cent decline at end-September 2017. This was due to the 2.0 per cent increase in its currency outside banks component.

Total deposits at the CBN increased by 3.3 per cent to ₦12,665.29 billion at end-October 2017, owing to the respective rise of 10.5 per cent and 5.1 per cent in the private sector and DMBs' deposits with the CBN, which more than offset the decline in Federal Government deposits. Of the total deposits at the CBN, the shares of the Federal Government, banks and the private sector were 45.7, 31.4 and 22.9 per cent, respectively.

Reserve money (RM) rose in the review month.

Reserve money, on month-on-month basis, increased by 3.7 per cent to ₦5,762.46 billion at end-October 2017, reflecting the rise in both its banks' demand deposit with the CBN and currency-in-circulation components.

2.3 Money Market Developments

Movements in domestic money market rates in the review period were influenced by the liquidity condition in the market. Inflow from fiscal injections and maturing CBN bills boosted liquidity, while withdrawals arising from CBN foreign

exchange interventions in the market and Open Market Operations (OMO) moderated market liquidity. Consequently, average money market rates for interbank call and Open-Buy- Back (OBB) segments moved in tandem with the level of liquidity, and were generally above the MPR in the review period.

The total value of money market assets outstanding in October 2017 stood at ₦12,155.94 billion, showing an increase of 1.1 per cent over the level in the preceding month, compared with the 10.62 per cent increase in September 2017. The development was attributed to the 1.5 per cent and 35.4 per cent increase in Bankers Acceptances and FGN Bonds outstanding, respectively.

2.3.1 Interest Rate Developments

Banks' deposit and lending rates showed mixed developments in October 2017. With the exception of the 3 months and 12 Months maturity deposit rates, which fell from 10.26 per cent and 11.70 per cent in the preceding month to 10.09 per cent and 10.80 per cent in October 2017, all other deposit rates of various maturities rose from a range of 4.36 – 11.40 per cent in the preceding month to 4.54 – 11.50 per cent in the review month. The average term deposit rate rose by 0.09 percentage point to 4.56 per cent in October 2017 from the level in the preceding month.

The weighted average prime lending rate fell by 0.02 percentage point to 17.86 per cent, while the weighted average maximum lending rate remained unchanged at the preceding month's level of 31.39 per cent. Consequently, the spread between the average term deposit and the average maximum lending rates narrowed by 0.1 percentage point to 26.83 percentage points at end-October 2017. Similarly, the spread between the average savings deposit and maximum lending rates declined to 26.86 percentage points from 27.03 percentage points in the preceding month.

At the inter-bank call segment, the weighted average rate, which stood at 20.44 per cent in September 2017, rose by 23.34 percentage points to 43.78 per cent in the review month. Similarly, the weighted average rate at the open-buy-back (OBB) segment increased from 16.17 per cent in the preceding month to 43.09 per cent in the review month. The Nigerian inter-bank offered call rate (NIBOR), for the 20-day tenor also, rose to 21.16 per cent in the review period,

Available data indicated mixed developments in banks' deposit and lending rates in the review month.

above the 16.17 per cent at end-September 2017. The development reflected the liquidity squeeze in the market. Consequently, with the headline inflation at 15.91 per cent at end-October 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)

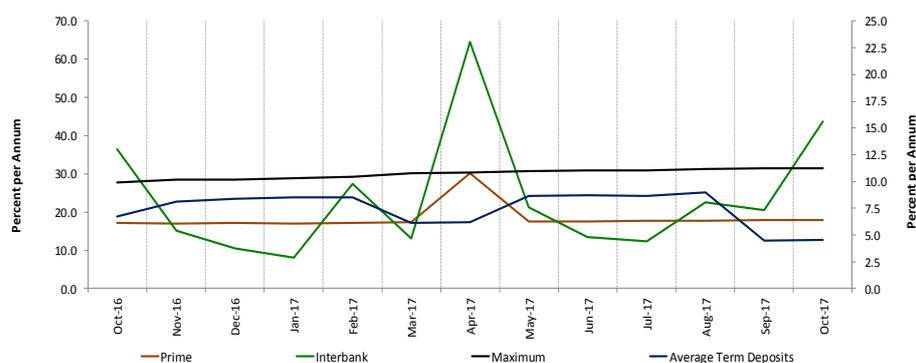


Table 2: Selected Interest Rates (Percent, Averages)

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Average Term Deposits	6.75	8.12	8.39	8.51	8.51	5.54	9.1	8.65	8.72	8.63	8.95	4.47	4.56
Prime Lending	17.1	17.06	17.09	16.91	17.13	17.43	17.44	17.58	17.59	17.65	17.69	17.88	17.86
Interbank Call	36.42	15.21	10.39	8.15	27.46	13.11	64.58	21.29	13.46	12.28	22.63	20.44	43.78
Maximum Lending	27.69	28.53	28.55	28.88	29.26	30.18	30.31	30.75	30.94	30.94	31.2	31.39	31.39

2.3.2 Commercial Paper (CP)

Commercial Paper (CP) outstanding held by DMBs stood at ₦0.55 billion at end-October 2017, compared with ₦0.57 billion at the end of the preceding month. The development was due to the decline in investment in CP by the merchant banks in the review month. Thus, CP constituted 0.01 per cent of the total value of money market assets outstanding during the review period, same as in the preceding month.

2.3.3 Bankers' Acceptances (BAs)

BAs outstanding at end-October 2017 stood at ₦36.31 billion, compared with ₦26.81 billion at the end of the preceding month. The development was attributed to increased investments in BAs by commercial banks in the review period. Consequently, BAs accounted for 0.3 per cent of the total value of money market assets outstanding at end-October 2017, compared with 0.2 per cent at the end of the preceding period.

2.3.4 *Open Market Operations*

To ensure optimal liquidity, the Bank continued to conduct Open Markets Operation (OMO) in October 2017. The OMO sessions involved the sale and purchase of CBN bills with tenor to maturity ranging from 86 days to 203 days. Total amount offered, subscribed to and allotted were ₦1,075.00 billion, ₦969.19 billion and ₦978.07 billion, respectively. The bid rates ranged from 15.8900 to 17.9500 per cent, while the stop rates were from 16.0000 to 17.9300 per cent. Repayment of matured CBN bills was ₦514.59 billion, translating to a net withdrawal of ₦463.48 billion during the review period.

2.3.5 *Primary Market*

At the Federal Government securities market, the NTBs and FGN long-term Bonds were issued at the primary market on behalf of the Debt Management Office (DMO). NTBs of 91-, 182- and 364-day tenors, amounting to ₦264.16 billion, ₦722.66 billion and ₦264.16 billion were offered, subscribed to and allotted, respectively, in October 2017. The bid rates ranged from 12.8950 per cent to 16.9000 per cent, 14.2000 per cent to 20.0000 per cent and 13.2000 per cent to 18.8000 per cent, for the 91-, 182- and 364-day tenors, respectively. The stop rates were from 13.1000 per cent to 13.2500 per cent, 15.3000 per cent to 15.4990 per cent, and 15.5900 per cent to 15.7253 per cent, respectively, for the three tenors. Total sales to non-competitive bidders was ₦48.91 billion in the review period.

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 5 months. Total amount offered, subscribed to and allotted were ₦100.00 billion, ₦166.30 billion and ₦100.00 billion, respectively. The allotment on non-competitive basis was ₦21.13 billion, while there was no FGN Bond maturity in the review period. The bid rates ranged from 14.4500 to 16.2500 per cent, while the marginal rates was 15.0000 per cent, for both tenors.

2.3.7 *CBN Standing Facilities*

The banks continued to access the 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) at the end of each business day. The trend at the CBN Standing Facilities window showed more patronage at the SLF window than the SDF, reflecting the tight liquidity

condition in the market. 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 ₦5,143.02 billion, with a daily average ₦285.72 billion, compared with total request of ₦4,377.89 billion in September 2017. The amount granted was made up of ₦3,366.765 direct SLF and ₦1,776.29 billion Intra-day Lending Facility ILF converted to overnight repo. The Bank earned ₦3.44 billion as interest payment, compared with an interest income of ₦3.27 billion in September 2017.

Total standing deposit facility (SDF) granted during the review period was ₦292.11 billion with a daily average of ₦20.87 billion, compared with ₦411.42 billion in September 2017. The cost incurred on SDF in October 2017 was ₦0.72 billion, compared with ₦0.12 billion in September 2017.

2.4 Deposit Money Banks' Activities

Total assets and liabilities of the commercial banks at end-October 2017 amounted to ₦33,280.04 billion, showing a 0.1 per cent decline below the level at end-September 2017. Funds were sourced, mainly, from mobilisation of time, savings and foreign currency deposits, drawdown on reserves, reduction in claims on private sector, and sale of foreign assets. The funds were used, mainly, to settle foreign liabilities, increase claims on the Federal Government and reduce unclassified liabilities.

Banks' credit to the domestic economy, at ₦21,684.02 billion, rose by 0.4 per cent, compared with the level at end-September 2017. The development was attributed, mainly, to the increase in claims on the Federal Government, at the end of the review month.

Total specified liquid assets of commercial banks stood at ₦7,334.02 billion, representing 39.9 per cent of their total current liabilities. At that level, the liquidity ratio was 0.65 percentage point below the level at the end of the preceding month, and was 9.9 percentage points above the stipulated minimum ratio of 30.0 per cent. The loans-to-deposit ratio, at 77.3 per cent, was 2.3 percentage points below the level at end-September 2017, but was 2.7 percentage point below the maximum ratio of 80.0 per cent.

Banks' credit to the domestic economy rose by 0.4 per cent.

2.5 Capital Market Developments

2.5.1 Secondary Market

Developments on the Nigerian Stock Exchange (NSE) were bullish in October 2017. The volume and value of traded securities rose by 36.7 per cent and 3.4 per cent to 5.8 billion shares and ₦63.9 billion in 79,104 deals, compared with 4.2 billion shares valued at ₦64.7 billion in 64,855 deals, in September 2017.

The financial services sector (measured by volume) led the activity chart with 4.8 billion shares, valued at ₦37.9 billion, traded in 44,766 deals at end-October 2017, compared with 3.4 billion shares valued at ₦37.6 billion, traded in 37,104 deals at end-September 2017. Thus, the financial services sector accounted for 82.9 per cent and 59.4 per cent of the total equity turnover volume and value, respectively, in the review month.

Figure 4: Volume and Value of Traded Securities



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

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Volume (Billion)	3.5	6.1	5.6	8.1	4.4	4.4	4.2	9.7	10.5	8.7	7.5	4.2	5.8
Value (₦ Billion)	30.1	33.1	47.7	47.7	37.2	37.3	27.9	102.8	109.9	97.1	198.4	61.8	63.9

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 two (2) supplementary equity listings in the review period (Table 4).

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

S/N	Company	Additional Shares (Units)	Reasons	Listing
1	Guinness Nigeria Plc	684,494,631 Ordinary Shares	Rights Issue	Supplementary
2	Standard Alliance Insurance Plc	917,857,136 Ordinary Shares	merger	Supplementary

2.5.4 *Market Capitalisation*

The aggregate market capitalisation rose by 4.6 per cent to ₦20.5 trillion at end-October 2017, from ₦19.6trillion at the end of the preceding month. Similarly, market capitalisation for the equity segment increased by 3.3 per cent to ₦12.7 trillion and constituted 62.0 per cent of the total market capitalisation at end-October 2017, compared with ₦12.2 trillion and 62.2 per cent in September 2017 (Figure 5, Table 5).

2.5.5 *NSE All-Share Index*

The All-Share Index, which opened at 35,439.98 at the beginning of the month, closed at 36,680.29 at end-October 2017, representing a 3.5 per cent increase above the level in the preceding month.

With the exception of NSE-Insurance and NSE-Consumer Goods indices, which fell below their levels in the preceding month by 0.5 per cent and 0.3 per cent to 139.05 and 918.78, respectively, all other sectoral indices rose above the levels in the preceding month. The NSE-Premium, NSE-Banking, NSE-Pension, NSE-Lotus, NSE-Industrial Goods, NSE-Oil and Gas and NSE-AseM indices rose above their levels in the preceding month by 6.0, 5.3, 4.7, 3.4, 2.2, 1.5, and 0.5, per cent to 2,462.24, 463.61, 1,279.05, 2,303.28, 2,028.55, 1,285.15, and 1,162.45, respectively (Figure 5, Table 4).

Figure 5: Market Capitalisation and All-Share Index



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

	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Aggregate Market Capitalization (N trillion)	16.5	16.2	17.8	19	20.8	19.7	19.6	20.5
All-Share Index	25,516.34	25,758.51	29,498.31	33,117.48	35,844.00	35,504.62	35,439.98	36,680.29

3.0 Fiscal Operations⁴

Federally-collected revenue in October 2017 fell short of the monthly budget estimate and receipts in September 2017 by 24.6 per cent and 19.0 per cent, respectively. Federal Government retained revenue for the review month was ₦260.76 billion, while total provisional expenditure was ₦422.13 billion, resulting in an estimated deficit of ₦161.37 billion.

3.1 Federation Account Operations

Total federally-collected revenue (gross) in October 2017 was estimated at ₦674.55 billion. This was below the monthly budget estimate of ₦894.76 billion by 24.6 per cent. It was also below the receipt in the preceding month by 19.0 per cent. The decline relative to the 2017 monthly budget estimate was attributed to the shortfall in both oil and non-oil revenue (Figure. 6, Table 6).

At ₦674.55 billion, the estimated federally-collected revenue (gross) in October 2017 fell short of the 2017 provisional monthly budget estimate of ₦894.76 billion by 24.6 per cent.

Figure 6: Components of Gross Federally-Collected Revenue

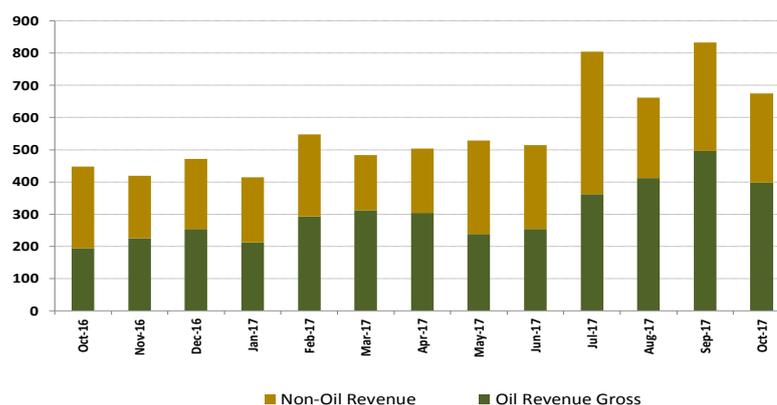


Table 6: Gross Federation Account Revenue (₦ billion)

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	2017 Monthly Budget
Gross Revenue	447.8	419.5	470.9	414.8	548.1	483.2	503.6	528.4	514.7	804.8	661.8	832.8	674.6	894.8
Oil Revenue	194.7	225.2	253.2	212.3	292.8	312.3	303.4	238.1	254.0	362.4	412.3	495.9	398.1	449.6
Non-oil Revenue	253.2	194.3	217.7	202.4	255.3	170.9	200.2	290.3	260.7	442.4	249.5	336.9	276.5	445.1

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

At ₦398.07 billion, oil receipts (gross) was below the provisional monthly budget estimate by 11.5 per cent, and constituted 59.0 per cent of the total revenue.

At ₦398.07 billion or 59.0 per cent of total revenue, oil receipts was below the 2017 monthly budget estimate of ₦449.62 billion and the September 2017 collection of ₦495.92 billion by 11.5 per cent and 19.7 per cent, respectively. The fall in oil revenue relative to the monthly budget estimate was attributed to the drop in crude oil and gas exports and other oil related revenue (Figure 7, Table 7).

Figure 7: Gross Oil Revenue and Its Components

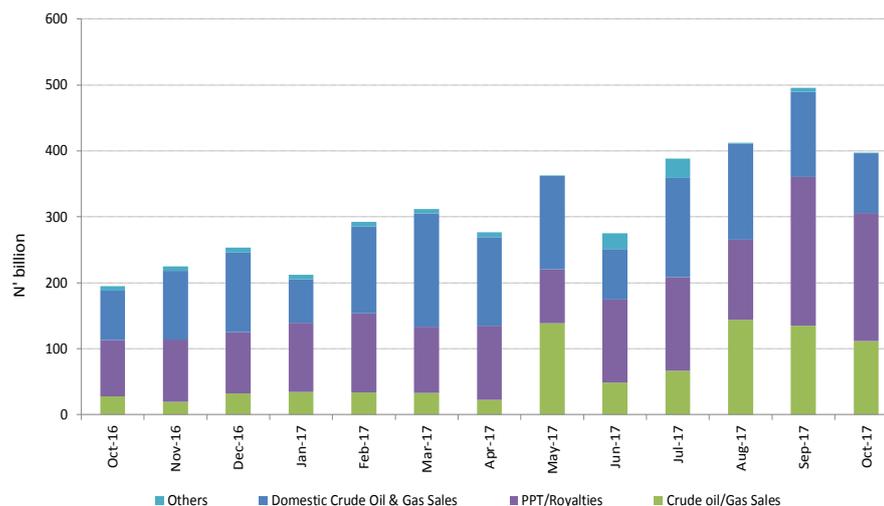
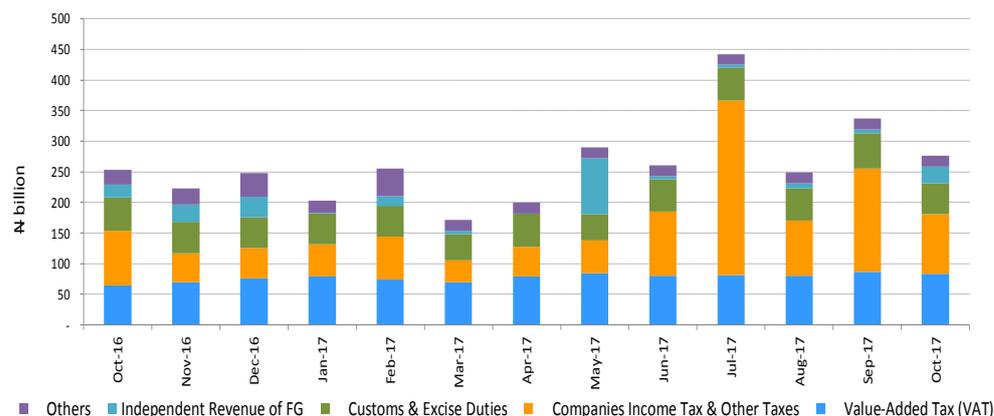


Table 7: Components of Gross Oil Revenue (N' billion)

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	2017 Monthly Budget
Oil Revenue	194.7	225.2	253.2	212.3	292.8	312.3	303.4	238.1	254.0	362.4	412.2	495.9	398.1	449.6
Crude oil/Gas Sales	27.5	19.2	32.0	34.5	33.7	33.1	49.2	13.9	48.8	66.9	143.8	134.9	111.9	140.3
Domestic crude oil/Gas sales	74.9	104.7	121.1	65.9	132.2	171.8	134.8	142.1	76.5	151.0	145.8	128.9	91.9	57.3
PPT/Royalties	85.5	94.6	93.1	104.8	120.1	100.5	112.7	81.5	126.3	141.7	121.7	226.0	193.9	167.1
Others	6.9	6.7	7.1	7.1	6.8	7.0	6.8	0.7	2.4	2.9	0.9	6.2	0.4	84.9

At ₦276.45 billion, non-oil receipts (gross) was lower than the monthly budget estimate by 37.9 per cent and constituted 41.0 per cent of the total revenue.

At ₦276.48 billion or 41.0 per cent of total revenue, non-oil revenue was below the 2017 monthly budget estimate of ₦445.14 billion by 37.9 per cent. It was also below the September 2017 collection of ₦336.86 billion by 17.9 per cent. The poor performance level relative to the monthly budget was due to the shortfall in all of its 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)**

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	2017 Monthly Budget
Non-Oil Revenue	253.2	194.3	217.7	202.4	255.3	170.9	200.2	290.3	260.7	442.3	249.4	336.9	276.5	445.1
Corporate Tax	89.6	47.2	50.0	52.1	70.2	36.6	48.2	52.9	105.2	284.8	90.3	168.2	97.5	145.2
Customs & Excise Duties	54.7	51.4	50.5	51.0	51.2	41.9	54.8	43.5	52.4	54.0	51.8	58.3	50.8	51.3
Value-Added Tax (VAT)	64.3	69.6	75.6	79.3	73.5	69.2	78.7	84.7	80.0	81.6	80.5	86.7	83.3	150.0
Independent Revenue of Fed. Govt.	20.3	0.1	2.7	0.5	15.6	5.9	0.4	91.6	5.5	5.2	8.2	6.0	26.5	67.3
Others ^{1/}	24.3	26.1	38.9	19.6	44.7	17.3	18.1	17.6	17.6	16.7	18.6	17.7	18.4	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), ₦411.37 billion was retained in the Federation Account, while ₦79.98 billion, ₦26.47 billion and ₦18.36 billion were transferred to the VAT Pool Account, the Federal Government Independent revenue and “Others”⁵, respectively.

From the ₦411.37 billion retained in the Federation Account for distribution, the Federal Government received ₦198.05 billion, while the State and Local Governments received ₦100.46 billion and ₦77.45 billion, respectively. The balance of ₦35.41 billion was shared among the oil producing states as 13% Derivation Fund.

In addition, the sum of ₦50.81 billion was shared as exchange gain among the three tiers of government, including the 13%

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

derivation fund as follows: Federal Government ₦24.24 billion; State Governments, ₦12.29 billion; Local Governments, ₦9.48 billion; and 13% derivation fund, ₦4.80 billion.

Similarly, the net balance of ₦79.98 billion from the VAT Pool Account was shared as follows: Federal Government ₦12.00 billion, while the State and Local Governments received ₦39.99 billion and ₦27.99 billion, respectively.

Overall, the total allocations to the three tiers of government in October 2017 amounted to ₦542.16 billion. This was below the 2017 monthly budget estimate of ₦783.57 billion and the allocation in September 2017 by 30.8 per cent and 12.5 per cent, respectively.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

At ₦260.76 billion, the estimated Federal Government retained revenue was below the monthly budget estimate by 42.0 per cent.

The estimated Federal Government retained revenue for the month of October 2017, at ₦260.76 billion, was below the monthly budget estimate of ₦449.60 billion and the preceding month's receipt of ₦279.06 billion by 42.0 per cent and 6.6 per cent, respectively. Of the total receipt, Federation Account accounted for 76.0 per cent, while FGN Independent Revenue, VAT and Exchange Gain represented 10.1, 4.6 per cent and 9.3 per cent, respectively (Figure 9, Table 9).

Figure 9: Federal Government Retained Revenue

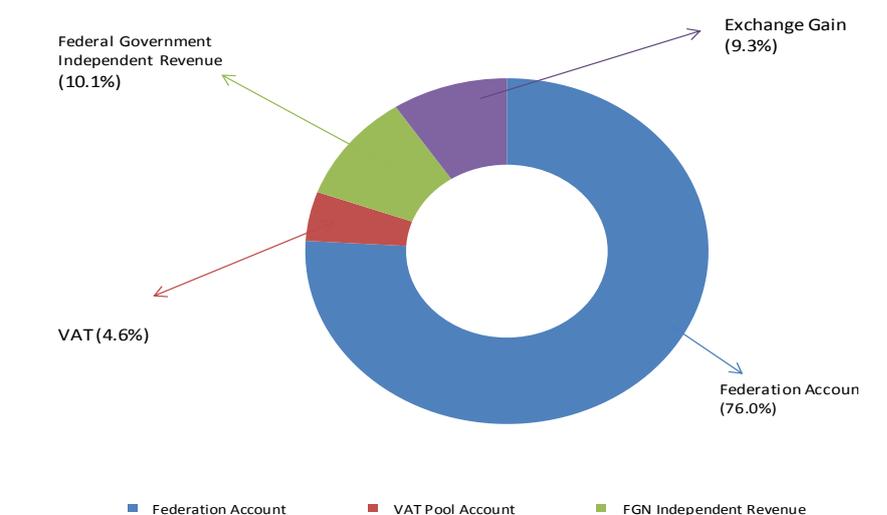


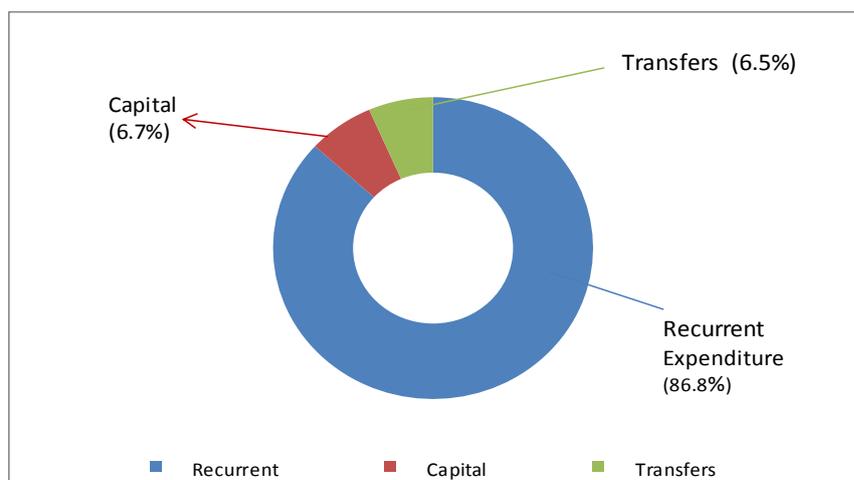
Table 9: Federal Government Fiscal Operations (₦ billion)

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	2017 Monthly Budget
Retained Revenue	201.0	235.2	434.1	699.5	379.7	247.0	301.7	552.6	325.1	477.0	201.2	279.1	260.8	449.6
Expenditure	360.8	373.4	816.9	443.7	406.9	679.2	459.2	459.1	437.2	598.2	307.6	453.2	422.1	646.0
Overall Balance: (+)/(-)	-159.8	-138.2	-382.8	255.8	-27.2	-432.2	-157.5	93.5	-112.1	-121.2	-106.4	-174.1	-161.3	-196.4

The estimated total expenditure of the Federal Government, at ₦422.13 billion, fell short of the 2017 provisional monthly budget estimate by 34.7 per cent. It was also below the level in September 2017 by 6.8 per cent. Total Recurrent and Capital expenditures and Transfers accounted for 86.8 per cent, 6.7 per cent and 6.5 per cent, respectively. A breakdown of the recurrent expenditure showed that non-debt obligation was 65.9 per cent of the total, while debt service payments accounted for the balance of 34.1 per cent (Figure 10).

Total estimated Federal Government expenditure, fell, by 6.8 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 ₦161.37 billion, compared with the 2017 monthly budget deficit of ₦196.40 billion.

The fiscal operations of the FG resulted in an estimated deficit of ₦161.37 billion.

3.2.2 Statutory Allocations to State Governments

Total estimated statutory allocations to the State Governments amounted to ₦192.95 billion. This was lower than the 2017 budget estimate of ₦282.84 billion by 31.8 per cent. It also fell short of the September 2017 allocations of ₦215.78 billion by 10.6 per cent.

Receipt from the Federation Account was ₦152.96 billion or 79.3 per cent of the total statutory allocations. This was below the 2017 monthly budget estimate of ₦210.84 billion by 27.5 per cent. It was also below the receipt in the preceding month by 12.2 per cent.

At ₦39.99 billion or 20.7 per cent of the total, allocation from the VAT Pool Account fell below the 2017 monthly budget estimate of ₦72.00 billion by 44.5 per cent. It also declined relative to the level in September 2017 by 3.9 per cent.

3.2.3 Statutory Allocations to Local Government Councils

Allocations to Local Governments from the Federation and VAT Pool Accounts in the month of October stood at ₦114.92 billion. This was below the 2017 monthly budget estimate of ₦170.92 billion by 32.8 per cent. It also fell below the preceding month's receipt by 12.3 per cent.

Allocation from the Federation Account was ₦86.92 billion or 75.6 per cent of the total. The amount fell short of the 2017 monthly budget estimate of ₦120.52 billion by 27.9 per cent. It was also 14.7 per cent below the level in September 2017.

The share from the VAT Pool Account was ₦27.99 billion or 24.4 per cent of the total. This was 44.5 per cent and 3.9 per cent below the 2017 monthly budget estimate and the level in September 2017 (Table 10).

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

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
SG Federation Account	112.0	115.2	100.7	103.1	112.5	119.1	126.0	106.8	117.5	169.3	123.6	174.2	153.0
SG VAT	30.8	33.4	36.3	38.1	35.3	33.2	37.8	40.6	38.4	39.2	38.7	41.6	40.0
SG Total	142.9	148.6	136.9	141.1	147.8	152.3	163.7	147.4	155.9	208.5	162.3	215.8	193.0
LG Federation Account	66.1	64.2	57.2	58.8	64.5	64.2	69.6	59.3	69.8	107.5	71.0	101.9	86.9
LG VAT	21.6	23.4	25.4	26.6	24.7	23.3	26.4	28.5	26.9	27.4	27.1	29.1	28.0
LG Total	87.6	87.6	82.6	85.4	89.2	87.5	96.0	87.8	96.6	134.9	98.0	131.0	114.9
Total Statutory Revenue and VAT	230.5	236.2	219.6	226.5	237.0	239.8	259.7	235.2	252.5	343.4	260.3	346.8	307.9

4.0 Domestic Economic Conditions

Agricultural activities in October 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 1.75 mbd or 54.25 million barrels (mb), in the review month. The end-period inflation, on a year-on-year and 12-month moving average basis, were 15.91 per cent and 16.97 per cent, respectively, in the review month.

4.1 Agricultural Sector

Analysis of the Standardised Precipitation Index (SPI) in October 2017 indicated drier-than-normal weather conditions in some parts of the Northern, Southern and Eastern states of the country. Other parts like Plateau State, however, experienced mild dryness and cold weather condition. Consequently, agricultural activities in October 2017 were dominated by the harvesting of legumes and cereal crops. Farmers in the Southern part of the country were mostly engaged in the harvesting of yam, maize, rice and cassava, while the harvest of potatoes, maize and groundnuts was prevalent in the Central and Northern States. In the livestock sub-sector, farmers engaged in the breeding of poultry in preparation for the end of year sales.

A total of ₦541,404 million was guaranteed to 3,633 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in October 2017. This amount represented an increase of 12.40 per cent above the level in the preceding month, but was a decline of 39.60 per cent below the level in the corresponding period of 2016. Sub-sectoral analysis showed that food crops obtained the largest share of ₦382.93 million (70.7 per cent) guaranteed to 2,590 beneficiaries, mixed crops received ₦62.80 million (11.6 per cent) guaranteed to 607 beneficiaries, livestock subsector had ₦39.62 million (7.3 per cent) guaranteed to 143 beneficiaries, and cash crops received ₦29.04 million (5.4 per cent) guaranteed to 189 beneficiaries. The fishery sub-sector received ₦20.91 million (3.9 per cent) guaranteed to 70 beneficiaries, while 'Others' received a total of ₦6.10 million (1.1 per cent) guaranteed to 34 beneficiaries.

Analysis by state showed that 24 states and the Federal Capital Territory benefited from the Scheme in the review period, with the highest and lowest sums of ₦139.83 million (25.8 per cent) and ₦0.2 million (0.04 per cent) guaranteed to Jigawa and Katsina States, respectively.

4.2 Commercial Agriculture Credit Scheme

At end-October 2017, the total amount released since inception by the CBN under the Commercial Agriculture Credit Scheme (CACCS) to participating banks for disbursement, amounted to ₦514.55 billion in respect of 531 projects (Table 11).

Table 11: Disbursement of Credit under the Commercial Agriculture Credit Scheme (CACCS) at end-October 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	49.89	100
4	Unity Bank Plc	24.33	26
5	Union Bank Plc	26.24	36
6	Stanbic IBTC Plc	27.41	44
7	Sterling Bank	63.68	38
8	Access Bank Plc	36.66	26
9	Fidelity Bank Plc	25.18	18
10	Skye Bank Plc	13.77	10
11	FCMB Plc.	11.43	23
12	Ecobank	6.38	10
13	GTBank	31.70	24
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	514.55	531

4.3 Petroleum Sector

Domestic crude oil and natural gas production was estimated at an average of 1.85 million barrels per day.

In the review period, Nigeria cut production in line with the OPEC agreement to ensure a rebalancing of the international oil market. Consequently, Nigeria's crude oil production, including condensates and natural gas liquids, averaged 1.75 mbd or 54.25 million barrels (mb) in the review month. This represented a decline of 0.07 mbd or 3.85 per cent below the average of 1.82 mbd or 54.60 mb in the preceding month. Crude oil export stood at 1.30 mbd or 40.30 mb, and represented a decline of 5.11 per cent, compared with 1.37 mbd or 41.10 mb in the preceding month. Allocation of crude oil for domestic consumption remained at 0.45 mbd or 13.95 mb in the review period.

Rising global demand and expectations of possible extension of the output adjustment agreement by OPEC and participating non-OPEC countries contributed to increased prices in October 2017. Consequently, the average spot price of Nigeria's reference crude oil, the Bonny Light (37° API), rose to US\$58.74 per barrel in October 2017 above US\$57.42 per barrel in September 2017, representing an increase of 2.3 per cent. The UK Brent at US\$57.53/b, the Forcados at US\$58.82/b and the WTI at US\$51.59 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\$55.50/b in October 2017. This represented increase of 3.6 and 15.9 per cent, compared with US\$53.44/b and US\$47.87/b in the preceding month and the corresponding period of 2016, respectively (Figure 11, Table 12).

Figure 11: Trends in Crude Oil Prices

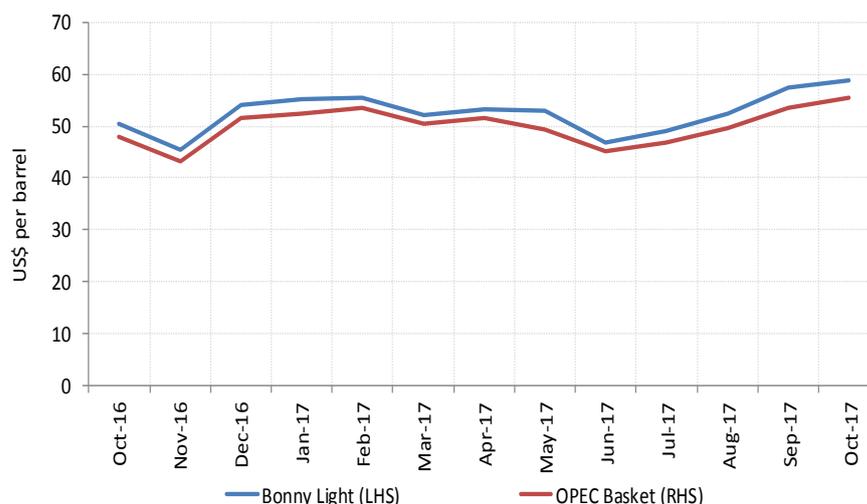


Table 12: Average Crude Oil Prices in the International Oil Market

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Bonny Light	50.4	45.5	54.1	55.1	55.5	52.2	53.1	52.9	46.9	48.9	52.5	57.4	58.7
OPEC Basket	47.9	43.2	51.7	52.4	53.4	50.3	51.4	49.2	45.2	46.9	49.6	53.4	55.5

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

4.4 Consumer Prices

The all-items composite Consumer Price Index (CPI) was 243.0 (November 2009=100) in October 2017, representing 0.8 per cent and 15.9 per cent increase over the levels in September 2017 and the corresponding period of 2016, respectively. The development, relative to the preceding month, reflected, mainly, the increase in the prices of solid and liquid fuel; clothing and its accessories; bread and cereals; and meat and fish.

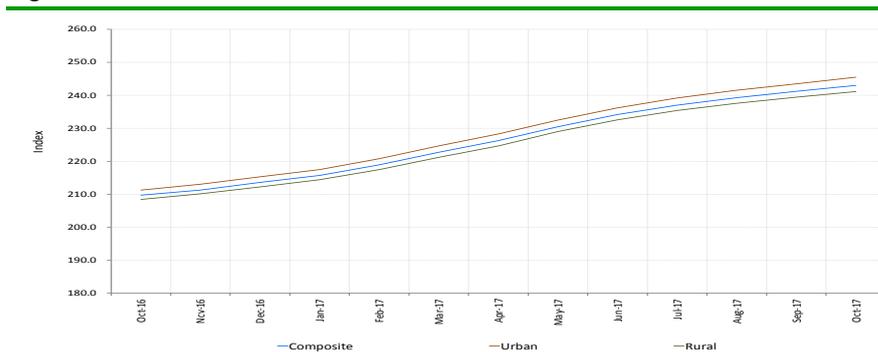
The urban all-items CPI (November 2009=100), was 245.5 at end-October 2017, representing increase of 0.82 per cent and 16.2 per cent, relative to the levels in September 2017 and the corresponding period of 2016, respectively. The rural all-items CPI (November 2009=100), was 241.1 at end-October 2017, representing increase of 0.7 per cent and 15.7 per cent, compared with the levels in September 2017 and the corresponding period of 2016, respectively (Figure 12, Table 13).

The composite food index (with a weight of 50.7 per cent) for October 2017 was 257.2 per cent, compared with 255.1 per cent and 213.8 per cent in the preceding month and the corresponding period of 2016, respectively. The rise in the index reflected increase in prices of bread, cereals, meat, fruits fish, and oils and fats.

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

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Composite	209.7	211.3	213.6	215.7	218.9	222.7	226.3	230.5	234.2	237.0	239.3	241.2	243.0
Urban	211.3	213.0	215.3	217.5	220.8	224.7	228.3	232.5	236.2	239.2	241.5	243.5	245.5
Rural	208.4	210.1	212.2	214.4	217.5	221.2	224.7	229.0	232.6	235.4	237.6	239.4	241.1
CPI - Food	213.8	215.7	218.6	221.4	225.8	230.8	235.5	241.5	246.3	250.0	252.9	255.1	257.2
CPI - Non Food	205.9	207.3	208.6	210.0	212.3	215.1	217.5	220.0	223.0	225.2	227.3	229.1	230.9

Figure.12: Consumer Price Index



Inflationary pressures maintained a declining trend in the month of October 2017, due mainly to easing of non-food prices, favourable base effects and moderated pass-through to domestic prices. Consequently, Headline inflation, on year-on-year basis, declined from 15.98 per cent in September 2017 to 15.91 per cent in October 2017. Similarly, the Twelve-Month Moving Average (12MMA) inflation for October 2017 was 16.97 per cent, indicating a 0.2 percentage point decline from 17.17 per cent in September 2017. It was, however, a 2.42 percentage points increase over the level in the corresponding period of 2016 (Figure 13, Table 14).

The year-on-year headline inflation was 15.91 per cent in October 2017, compared with 15.98 percent in September 2017.

Figure 13: Inflation Rate

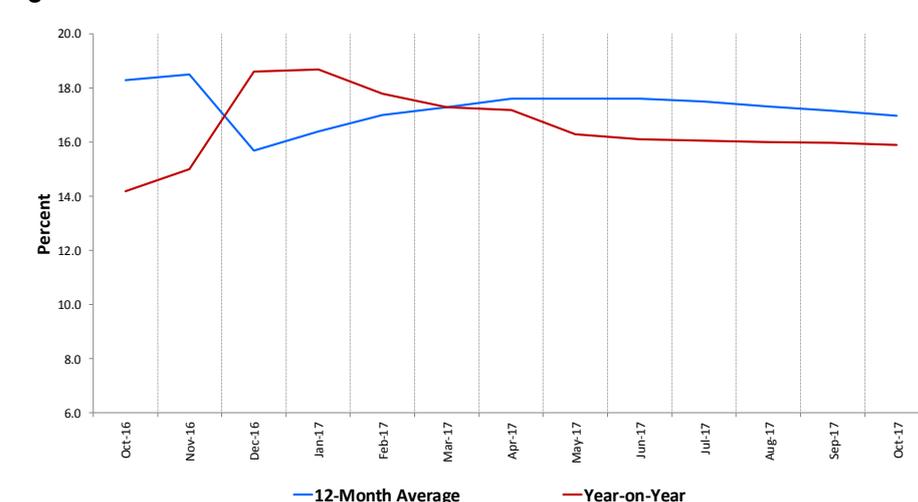


Table 14: Headline Inflation Rate (%)

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
12-Month Average	14.20	15.00	15.70	16.40	17.00	17.30	17.60	17.60	17.60	17.50	17.33	17.17	16.97
Year-on-Year	18.30	18.50	18.60	18.70	17.80	17.30	17.20	16.30	16.10	16.05	16.01	15.98	15.91

5.0 External Sector Developments⁶

On month-on-month basis, foreign exchange inflow through the CBN fell by 6.6 per cent to US\$4.13 billion, while outflow rose by 18.8 per cent to US\$2.84 billion. Total non-oil export receipts by banks rose by 77.6 per cent above the level in the preceding month. The average exchange rate of the naira at the inter-bank segment was ₦305.65 per US dollar, indicating an appreciation of 0.1 per cent, relative to the level in September 2017. The gross external reserves increased by 3.5 per cent to US\$34.33 billion at end-October 2017 above the preceding month's level.

5.1 Foreign Exchange Flows

Crude oil rose in the review period, owing to sustained compliance by member countries with the Organisation of the Petroleum Exporting Countries (OPEC) output cut deal. In addition, shortfall in global supply due to recent tensions in the Middle East and low shale oil supplies from the U.S. amidst declining inventories also contributed to price increase. Despite these developments, there was decline in foreign exchange receipt due to fall in production on account of low capacity utilisation and minor hostilities in the oil producing areas.

Foreign exchange inflow through the CBN fell by 6.6 per cent to US\$4.13 billion while outflow rose by 18.8 per cent, to US\$2.84 billion in October 2017.

Consequently, aggregate foreign exchange inflow through the CBN in October 2017 was US\$4.13 billion, compared with US\$4.43 billion and US\$1.10 billion in September 2017 and October 2016, respectively. The fall relative to the level in the preceding month, reflected the reduction in foreign exchange receipts from oil and non-oil sources.

Aggregate outflow of foreign exchange through the Bank was US\$2.84 billion, indicating increase of 18.8 and 34.0 per cent 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 and other official payments. Overall, foreign exchange flows through the Bank in the month of October 2017 resulted in net inflow of US\$1.29 billion, compared US\$2.04 billion in the preceding month, but was in contrast to a net outflow of US\$1.02 billion in the corresponding period of 2016 (Figure 14, Table 15).

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

Figure 14: Foreign Exchange Flows through the CBN

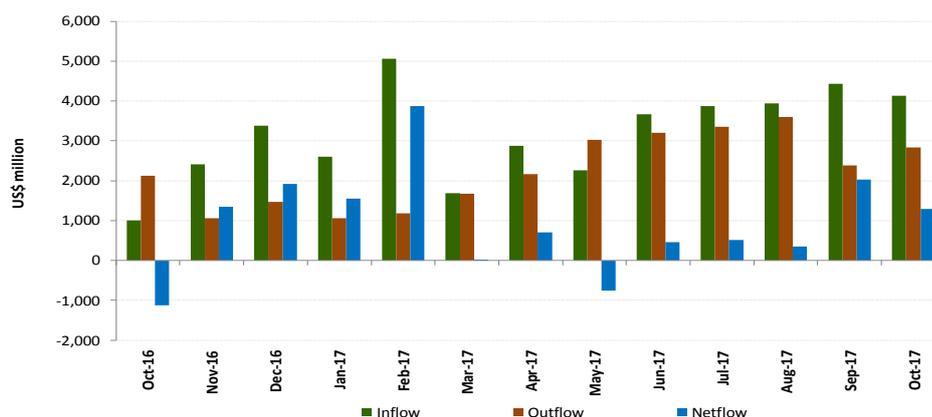


Table 15: Foreign Exchange Flows through the CBN (US\$ million)

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Inflow	999.2	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
Outflow	2,119.2	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
Netflow	(1,120.0)	1,353.0	1,916.6	1,549.7	3,872.4	20.8	710.5	(761.9)	464.6	508.7	349.1	2,035.1	1,293.7

Autonomous inflow through the economy fell by 17.3 per cent below the level in the preceding month.

Aggregate foreign exchange inflow into the economy amounted to US\$9.23 billion, representing a decline of 6.7 per cent below the level in the preceding month, but an increase of 142.6 per cent over the level in the corresponding period of 2016. The development relative to the preceding month, reflected the 6.7 per cent and 6.6 per cent decline in inflow through the Bank and autonomous sources, respectively. A disaggregation of total inflow showed that inflow from autonomous sources accounted for 55.2 per cent, while inflow through the Bank constituted the balance of 44.8 per cent. Non-oil sector receipts, through the CBN, at US\$2.79 billion (30.2 per cent of the total), declined by 7.7 per cent, below the level in the preceding month.

Aggregate foreign exchange outflow from the economy, at US\$3.07 billion, rose by 10.8 per cent and 30.4 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\$6.16 billion in the review month, compared with US\$7.12 billion and US\$1.45 billion, in September 2017 and the corresponding month of 2016, respectively.

5.2 Non-Oil Export Earnings by Exporters

Total non-oil export earnings, at US\$0.26 billion, rose by 77.6 per cent, above the level in September 2017. The development reflected, the increase in proceeds from the industrial, minerals, manufactured products and food products sub-sectors by 1,319.6, 665.1, 253.3 and 29.4 per cent to US\$61.08 million, US\$89.66 million, US\$49.68 million and US\$4.67 million, respectively. Proceeds from the transport and agricultural sub-sectors, however, declined by 100.0 and 53.0 per cent, respectively, below their levels in the preceding month.

Total non-oil export earnings by exporters rose in October 2017.

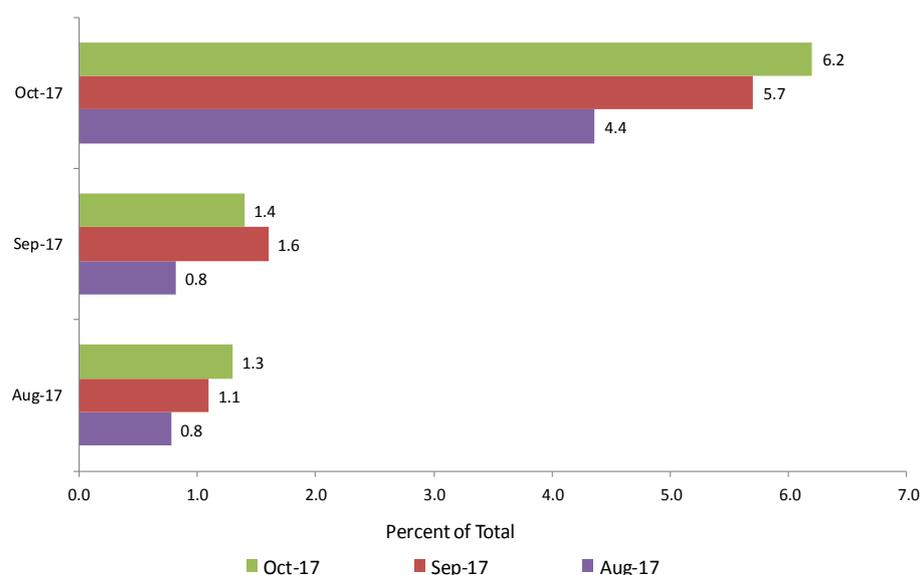
The shares of the sectors in the non-oil export proceeds were: minerals, 34.9 per cent; industrial sector, 23.7 per cent; agricultural products, 20.3 per cent; manufactured products, 19.3 per cent; and food products, 1.8 per cent.

5.3 Sectoral Utilisation of Foreign Exchange

The invisible sector accounted for the bulk (45.9 per cent) of total foreign exchange disbursed in October 2017, followed by industrial sector (28.5 per cent). The shares of other sectors in a descending order were: minerals and oil (9.2 per cent); manufactured products (7.5 per cent); food products (6.2 per cent); transport (1.4 per cent); and agricultural products (1.3 per cent) (Figure 15).

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

Figure 15: Sectoral Utilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

The CBN increased intervention in the foreign exchange market in the review month to further dampen demand pressure and ensure exchange rate stability. A total of US\$1.68 billion was sold by the Bank to authorised dealers in October 2017. This indicated increase of 10.4 and 8.6 per cent above the respective levels in the preceeding month and the corresponding period of 2016. The development, relative to the preceding month, was due to the 203.5 and 17.2 per cent rise in foreign exchange sales at the inter-bank and the BDC segments of the market, respectively. Of the aggregate sales, forwards contracts disbursed at maturity were valued at US\$1.00 billion or 59.5 per cent of the total, while sales to BDCs amounted to US\$0.37 billion or 21.7 per cent. Inter-bank sales and Swaps were US\$0.31 billion and US\$0.01 billion or 18.3 and 0.5 per cent of the total, respectively (Figure 16, Table 16).

Figure 16: Supply of Foreign Exchange

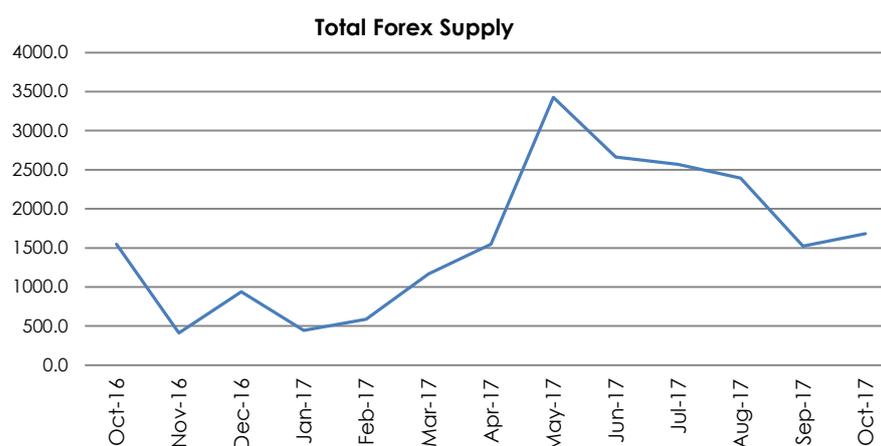


Table 16: Supply of Foreign Exchange (US\$ billion)

	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Total Forex Supply	1.2	1.6	3.4	2.7	2.6	2.4	1.5	1.6

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

The Bank's interventions in the foreign exchange market led to appreciation of the naira to dollar exchange rates at the inter-bank and BDC segments of the market. The average exchange rate of the naira at the inter-bank segment was ₦305.65/US\$, an appreciation of 0.1 per cent, compared with the level in the September 2017, but was a depreciation of

0.1 per cent, compared with the level in October 2016. At the BDC segment, the average exchange rate of the naira to the dollar was ₦362.21/US\$, indicating 0.9 and 27.6 per cent appreciation relative to the values in the preceding and the corresponding period of 2016, respectively. Increased supply of foreign exchange by the Bank at the inter-bank and BDC segment contributed to the stability of the naira in both segments of the Market. At the Investor and Exporter window (I&E), the average exchange rate of the naira to the US-dollar was ₦359.75/USD, indicating 0.2 per cent depreciation below the rate in September 2017 (Figure 17, Table 17).

Consequently, the premium between the average inter-bank and BDC rates narrowed by 1.0 percentage point to 18.5 per cent in October 2017, compared with 19.5 per cent in September 2017.

Figure 17: Average Exchange Rate Movement

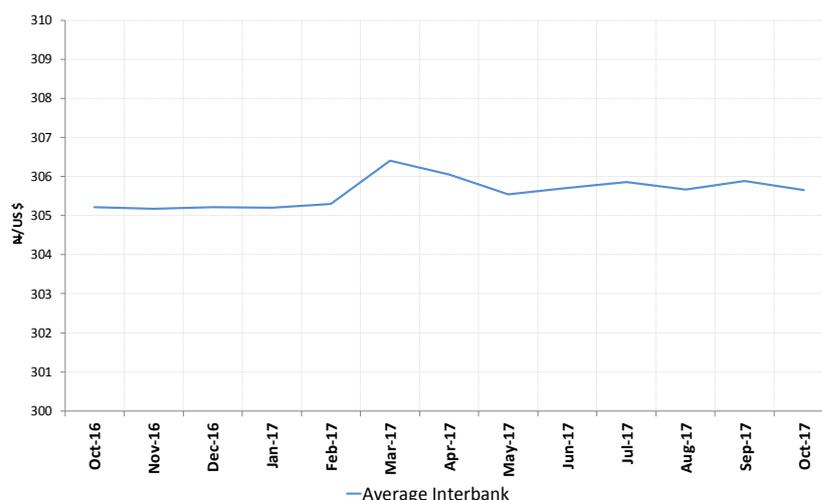


Table 17: Exchange Rate Movements

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Average Exchange Rate (₦/\$)													
Interbank	305.21	305.18	305.22	305.20	305.30	306.40	306.05	305.54	305.71	305.86	305.67	305.89	305.65

5.5 Gross External Reserves

The gross external reserves rose by 3.5 per cent to US\$34.33 billion at end-October 2017 above US\$33.16 billion at end-September 2017. The rise was attributed to the increase in

Gross external reserves rose in October 2017.

receipts from crude oil exports, foreign exchange purchases and other official receipts. A breakdown of the external reserves by ownership showed that the share of Federation reserves was US\$2.39 billion (7.0%); Federal Government reserves, US\$7.22 billion (21.0%); and the CBN reserves,

US\$24.72 billion (72.0%) of the total (Figure. 18, Table 18).

Figure 18: Gross Official External Reserves

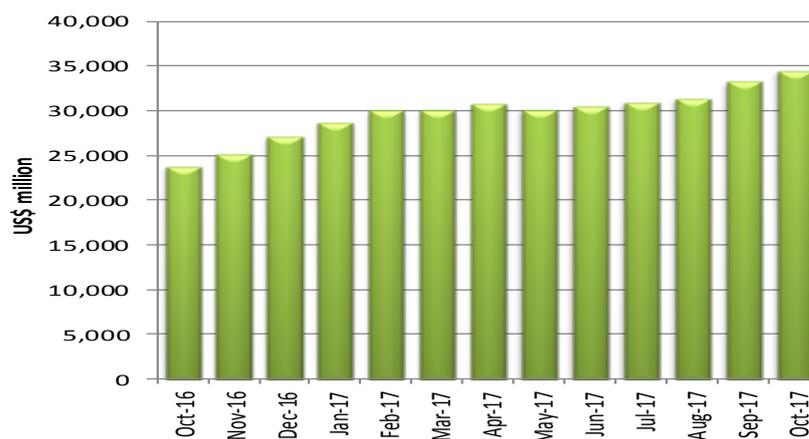


Table 18: Gross Official External Reserves (US\$ million)

Period	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
External Reserves	29,975.38	29,994.35	30,749.28	29,811.85	30,334.87	30,869.69	31,268.09	33,159.73	34,332.58

6.0 Other International Economic Developments and Meetings

World crude oil output and demand in October 2017 were estimated at average of 96.71 and 97.72 million barrels per day (mbd), compared with 96.70 and 97.49 mbd supplied and demanded, respectively, in September 2017. The increase in the world crude oil demand was driven mainly by positive economic momentum in the OECD region and China.

Other major international economic developments and meetings of importance to the domestic economy in the review period included: the 4th meeting of the Presidential Task Force on the ECOWAS Monetary Cooperation Programme (EMCP) held in Niamey, Republic of Niger on October 24, 2017. The Meeting was preceded by the Technical Committee and Ministerial meetings held October 22-23, 2017. The Meeting reviewed the status of the implementation of the roadmap activities for the ECOWAS Single Currency Programme and proposals to fast-track the process.

The 2017 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 was held in Washington D. C., USA October 9 – 15, 2017. 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. Highlights of the meetings were:

- The Ministers noted the increasing momentum of global growth and that emerging market and developing economies (EMDEs) would continue to account for the bulk of global growth;
- The Ministers further urged the International Finance Institutions (IFIs) to strengthen their support for human capital development, skill building and labour market policymaking, to foster quality jobs and smooth labour market adjustments;
- The IMFC pledged to use all policy tools, including monetary and fiscal policies and structural reforms,

(individually and collectively) to achieve strong, sustainable, balanced, inclusive and job-rich growth.

Overall, the IMFC called on the IMF to continue to analyse the causes of the productivity slowdown and the measurement challenges as well as help members identify structural reform priorities and analyse their impact on macroeconomic resilience.

APPENDIX TABLES

Table A1: Money and Credit Aggregates (N=billion)

	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Domestic Credit (Net)	27,236.4	28,033.4	26,821.4	26,985.3	27,174.8
<i>Claims on Federal Government</i>	5,250.5	5,861.0	4,824.2	4,963.4	5,245.9
Central Bank (Net)	232.8	807.4	(194.2)	(137.9)	(50.3)
Banks	5,017.6	5,053.6	5,018.5	5,101.3	5,296.2
<i>Claims on Private Sector</i>	21,985.9	22,172.4	21,997.2	22,021.9	21,928.9
Central Bank	5,692.3	5,871.2	5,580.6	5,532.6	5,541.1
Banks	16,293.7	16,301.2	16,416.6	16,489.3	16,387.8
<i>Claims on Other Private</i>	20,772.7	20,890.9	20,684.7	20,737.4	20,652.2
Central Bank	5,163.4	5,269.8	4,974.4	4,967.1	4,969.1
Banks	15,609.3	15,621.2	15,707.3	15,770.3	15,683.1
<i>Claims on State and Local</i>	1,180.3	1,210.0	1,237.2	1,257.1	1,242.8
Central Bank	495.9	530.9	530.9	538.1	538.1
Banks	684.4	680.0	706.3	719.0	704.7
<i>Claims on Non-financial Public Enterprises</i>					
Foreign Assets (Net)	8,468.1	8,743.7	9,733.0	10,050.5	12,397.1
Central Bank	8,378.9	8,466.5	9,620.5	9,870.2	12,111.4
Banks	89.2	277.2	112.5	180.3	285.7
Other Assets (Net)	(13,723.9)	(14,582.1)	(14,703.0)	(15,081.8)	(17,071.3)
Total Monetary Assets (M2)	21,980.6	22,195.0	21,851.5	21,954.0	22,500.6
Quasi-Money 1/	11,790.4	11,874.3	11,960.6	11,889.7	12,107.6
Money Supply (M1)	10,190.2	10,320.7	9,890.8	10,064.2	10,393.1
<i>Currency Outside Banks</i>	1,477.1	1,442.2	1,523.2	1,435.3	1,463.8
<i>Demand Deposits 2/</i>	8,713.0	8,878.5	8,367.6	8,628.9	8,929.3
Total Monetary Liabilities (M)	21,980.6	22,195.0	21,851.5	21,954.0	22,500.6
Memorandum Items:					
Reserve Money (RM)	5,480.2	5,565.2	5,486.8	5,559.8	5,762.5
<i>Currency in Circulation (CIC)</i>	1,873.5	1,769.8	1,868.7	1,781.0	1,791.2
<i>DMBs Demand Deposit with CBN</i>	3,606.7	3,795.5	3,618.1	3,778.7	3,971.3

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

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

Table A2: Money and Credit Aggregates (Growth Rates)

	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
	Growth Over Preceding December (%)				
Domestic Credit (Net)	1.4	4.4	-0.1	0.5	1.2
<i>Claims on Federal Government (Net)</i>	7.7	20.2	-1.1	1.8	7.6
<i>Claims on Private Sector</i>	0.02	0.87	0.07	0.18	-0.24
<i>Claims on Other Private Sector</i>	-2.3	-2.3	-1.4	-1.1	-1.5
<i>Claims on State and Local Government</i>	19.3	22.4	25.0	27.0	25.6
<i>Claims on Non-financial Public Enterprises</i>					
Foreign Assets (Net)	-7.5	-4.4	6.4	9.9	35.5
Other Assets (Net)	-10.54	-17.45	-18.42	-21.47	37.50
Total Monetary Assets (M2)	-6.8	-5.9	-7.4	-6.9	-4.6
Quasi-Money 1/	-4.3	-3.6	-2.9	-3.5	-1.7
Money Supply (M1)	-9.6	-8.4	-12.3	-10.7	-7.8
<i>Currency Outside Banks</i>	-18.9	-20.8	-16.3	-21.2	-19.6
<i>Demand Deposits 2/</i>	-7.8	-6.06	-11.46	-8.70	-5.52
Total Monetary Liabilities (M2)	-6.8	-5.9	-7.4	-6.9	-4.6
Memorandum Items:					
Reserve Money (RM)	-6.3	-4.8	-6.2	-4.9	-1.5
<i>Currency in Circulation (CIC)</i>	-14.0	-18.8	-14.3	-18.3	-17.8
<i>DMBs Demand Deposit with CBN</i>	-1.69	3.47	-1.4	3.00	8.3
	Growth Over Preceding Month (%)				
Domestic Credit (Net)	1.5	2.9	-4.3	0.6	0.7
<i>Claims on Federal Government (Net)</i>	9.1	11.6	-17.7	2.9	5.7
<i>Claims on Private Sector</i>	0.18	0.85	-0.8	0.11	-0.4
<i>Claims on Other Private Sector</i>	0.3	0.6	-1.0	0.3	-0.4
<i>Claims on State and Local Government</i>	-1.0	2.6	6.8	1.6	-1.1
<i>Claims on Non-financial Public Enterprises</i>					
Foreign Assets (Net)	-0.8	3.3	11.3	3.1	23.4
Central Bank	1.8	1.0	13.6	2.6	22.7
Banks	-70.9	210.9	-46.4	44.9	58.5
Other Assets (Net)	-2.96	-6.25	0.83	-2.20	-13.19
Total Monetary Assets (M2)	-0.3	0.98	-1.6	0.67	2.5
Quasi-Money 1/	0.0	0.7	0.7	-0.6	1.8
Money Supply (M1)	-0.7	1.3	-4.1	2.2	3.3

Table A3: Federal Government Fiscal Operations (₦ billion)

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	2017 Monthly Budget
Retained Revenue	201.0	235.2	434.1	699.5	379.8	247.3	301.6	552.6	325.1	477.0	201.2	279.1	260.8	449.6
<i>Federation Account</i>	120.4	96.7	97.9	105.8	133.2	117.6	136.5	124.4	147.7	274.9	181.5	260.6	198.1	297.9
<i>VAT Pool Account</i>	9.3	10.0	10.9	11.4	10.6	10.0	11.3	26.1	11.5	11.8	11.6	12.5	12.0	21.6
<i>FGN Independent Revenue</i>	20.3	0.1	2.7	0.5	15.6	5.9	0.4	91.6	5.5	2.5	8.2	6.0	26.5	67.3
<i>Excess Crude</i>	29.1	50.0	30.2	30.2	19.7	9.5	27.9	10.2	9.4	0.0	0.0	0.0	0.0	0.0
<i>Others /SURE-P/NNPC Refund</i>	22.0	78.4	292.3	551.6	200.7	104.4	125.5	300.3	151.0	187.9	0.0	0.0	24.2	62.8
Expenditure	360.8	373.4	816.9	443.7	406.9	679.2	459.1	459.1	437.2	598.2	307.6	453.2	422.2	646.0
<i>Recurrent</i>	333.2	343.7	389.3	420.3	366.3	644.3	424.2	424.3	396.8	556.0	268.5	390.0	366.4	428.6
<i>Capital</i>	0.0	0.0	401.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	28.2	181.2
<i>Transfers</i>	27.6	29.6	25.9	23.4	40.6	34.9	34.9	34.8	40.4	42.2	39.1	63.2	27.6	36.2
Overall Balance:														
Surplus(+)/Deficit(-)	-159.8	-138.2	-382.8	255.8	-27.1	-431.9	-157.5	93.5	-112.1	-121.2	-106.4	-174.1	-161.4	-196.4

1/ Revised