



**CENTRAL BANK OF NIGERIA**

***ECONOMIC REPORT  
JANUARY 2019***

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

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## 1.0 Summary<sup>1</sup>

Monetary policy stance remained, largely, non-expansionary to rein in inflationary pressures. On month-on-month basis, broad money supply ( $M_3$ ), grew by 4.9 per cent to ₦33,421.74 billion at end-December 2018, in contrast to 0.5 per cent decline recorded at the end of the preceding month. The growth in  $M_3$  reflected the 5.8 per cent and 4.8 per cent increase in domestic credit (net) and other assets (net) of the banking system, respectively. Over the level at end-December 2017,  $M_3$  grew by 16.6 per cent, mainly, on account of the 6.4 per cent, 18.5 per cent and 1.7 per cent growth in net domestic credit, net foreign assets, and other assets (net) of the banking system, respectively. Narrow money supply ( $M_1$ ), on month-on-month basis, grew by 9.9 per cent to ₦11,751.14 billion at end-December 2018 relative to the level at the end of the preceding month and reflected the 9.6 per cent and 11.8 per cent increase in its demand deposits and currency outside banks components, respectively.

Movements in that banks' deposit rates were mixed, while lending rates trended upwards in January 2019. The average savings deposit rate remain unchanged at the preceding month's level of 4.07 per cent. With the exception of the 7-day and 12-month rates, which rose by 0.01 percentage point and 0.08 percentage point to 3.89 per cent and 10.41 per cent, respectively, other rates of various maturities fell from a range of 8.94 per cent - 10.49 per cent in the preceding month to a range of 8.77 per cent - 10.25 per cent in January 2019. The average term deposit rate rose by 0.01 percentage point to 6.28 per cent at end-January 2019.

The weighted average prime and maximum lending rates rose by 0.28 percentage point and 0.14 percentage point to 16.45 per cent and 30.66 per cent, respectively, at end-January 2019. Consequently, the spread between the average term deposit and the average maximum lending rates narrowed by 0.19 percentage point to 22.33 percentage points at end-January 2019. However, the spread between the average savings deposit and maximum lending rates widened by 0.14 percentage point to 26.59 percentage points at end-January 2019.

The total value of money market assets outstanding in January 2019 stood at ₦11,987.53 billion, showing an increase of 0.3 per cent, in contrast to the 0.6 per cent decline in the preceding month. Developments on the Nigerian Stock Exchange (NSE) were bearish in January 2019, as all the major market indicators trended downward.

Federally-collected revenue (gross) was estimated at ₦744.68 billion in January 2019. This was below the monthly budget estimate and receipts in December 2018 by 32.7 per cent and 5.3 per cent, respectively. Oil and non-oil receipts (gross), at ₦417.32 billion and ₦327.36 billion in the review period, constituted 56.0 per cent and 44.0 per cent of total revenue, respectively. Federal Government retained revenue and estimated expenditure for January 2019 were ₦276.75

<sup>1</sup> Data on monetary aggregates, government spending and foreign exchange flows are provisional and subject to change.

billion and ₦434.38 billion, respectively, resulting in an estimated deficit of ₦157.63 billion.

Agricultural activities in January 2019 were predominantly harvesting of yam, cassava, rice, vegetables and potatoes, as well as, pre-planting operations for the dry season. In the livestock sub-sector, farmers engaged in the restocking of cattle and poultry birds after the festive period.

Domestic crude oil production was estimated at 1.84 mbd or 57.0 million barrels (mb) in January 2019. Crude oil export was estimated at 1.39 mbd or 43.1 mb. The average spot price of Nigeria's reference crude oil, the Bonny Light (37° API), rose by 4.5 per cent to US\$60.80 per barrel in January 2019.

The end-period headline inflation, on year-on-year and twelve-month moving average bases, were 11.37 per cent and 11.80 per cent, respectively, in January 2019, compared with 11.44 per cent and 12.10 per cent, in December 2018.

Foreign exchange inflow into and outflow from the CBN in January 2019 were US\$5.20 billion and US\$4.75 billion, respectively, and resulted in a net inflow of US\$0.45 billion. Aggregate foreign exchange inflow into and outflow from the economy were US\$10.48 billion and US\$5.33 billion, respectively, resulting in a net inflow of US\$5.15 billion. Foreign exchange sales by the CBN to the authorised dealers amounted to US\$3.17 billion, in the review period, compared with US\$4.40 billion in the preceding month.

The average exchange rate of the naira at the inter-bank, the BDC segment and the "investors" and "exporters" window were ₦306.85 /US\$, ₦360.94/US\$ and ₦363.76/US\$, respectively, in January 2019. The gross external reserves was US\$42.49 billion at end-January 2019, compared with US\$42.60 billion at end-December 2018.

The major international economic developments and meetings of importance to the domestic economy in the review period included: The 2019 World Economic Forum (WEF) held at Davos, Switzerland from January 22 – 25, 2019 with the theme: "Globalisation 4.0: Shaping a Global Architecture in the Age of the Fourth Industrial Revolution". The forum discussed several issues relating to the global economy, energy, technology, leadership, natural resources, sustainable growth, health and environment, among others.

## 2.0 Financial Sector Developments

### 2.1 Monetary and Credit Developments

*Major monetary aggregates, on month-on-month basis, grew in December 2018, in contrast to the level in the preceding month. Developments in banks' deposit rates were mixed, while lending rates trended upwards in the review month. The value of money market assets outstanding rose, owing, largely, to the increase in FGN Bonds and Commercial Papers. Developments on the Nigerian Stock Market were bearish in the review month, as the market indicators trended downward.*

The stance of monetary policy remained, largely, non-expansive in the review period. Broad money supply ( $M_3$ ), on month-on-month basis, grew by 4.9 per cent to ₦33,421.74 billion at end-December 2018, in contrast to the respective decline of 0.5 per cent and 5.5 per cent at the end of the preceding month and the corresponding period of 2017. The increase in  $M_3$  reflected the growth of 5.8 per cent and 4.8 per cent in domestic credit (net) and other assets (net), respectively, which more than offset the 3.1 per cent decline in foreign assets (net) of the banking system.

*On month-on-month basis, the major monetary aggregates rose in December 2018.*

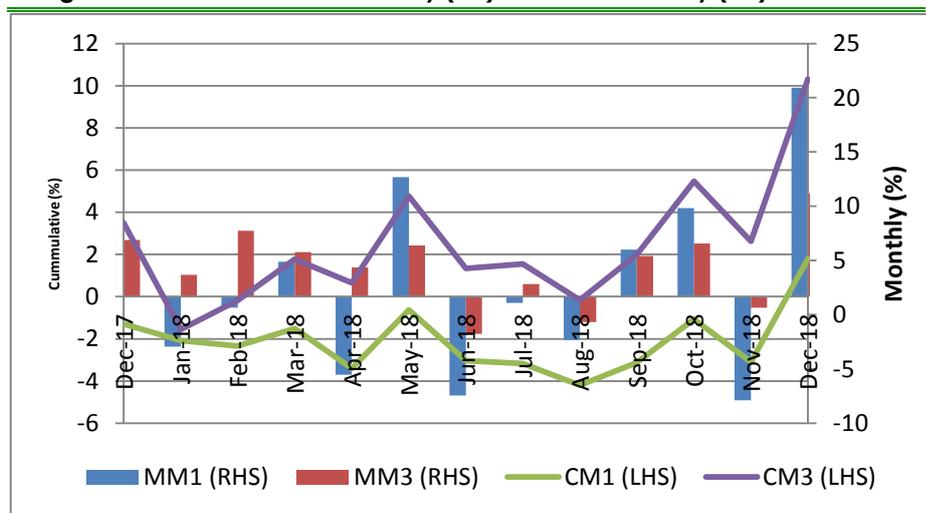
$M_3$  grew by 16.6 per cent over the level at end-December 2017, compared with the growth of 11.1 per cent and 0.6 per cent at the end of the preceding month and the corresponding period of 2017, respectively. The growth in  $M_3$  reflected the respective increase of 6.4 per cent, 18.5 per cent and 1.7 per cent in net domestic credit, net foreign assets, and other assets (net) of the banking system.

Narrow money supply ( $M_1$ ), on month-on-month basis, grew by 9.9 per cent, to ₦11,751.14 billion at end-December 2018, in contrast to the 4.9 per cent decline recorded at the end of the preceding month. The growth in  $M_1$  reflected the 9.6 per cent and 11.8 per cent increase in demand deposits and currency outside banks, respectively. Over the level at end-December 2017,  $M_1$  grew by 5.2 per cent, in contrast to the decline of 4.4 per cent recorded at the end of the preceding month (Figure 1, Table 1).

On month-on-month basis, quasi-money grew by 3.7 per cent to ₦15,327.69 billion at end-December 2018, in contrast to the decline of 0.1 per cent at the end of the preceding month. The development reflected the increase in time and savings deposits of commercial banks. Over the level at end-December 2017, quasi-money increased by 18.2 per cent, compared with the growth of 14.0 per cent at the end of the

preceding month, owing to the rise in time and savings deposits of banks.

**Figure 1: Growth of Narrow Money (M<sub>1</sub>) and Broad Money (M<sub>3</sub>)<sup>2</sup>**



Aggregate credit to the domestic economy, at ₦27,594.15 billion, on month-on-month basis, grew by 5.8 per cent at end-December 2018, but was contrasted to the decline of 3.0 per cent and 1.6 per cent at the end of the preceding month and the corresponding period of 2017, respectively. The growth in aggregate domestic credit reflected, wholly, the significant 63.3 per cent increase in net claims on the Federal Government. Over the level at end-December 2017, aggregate domestic credit to the domestic economy rose by 6.4 per cent, compared with the growth of 0.6 per cent at the end of the preceding month.

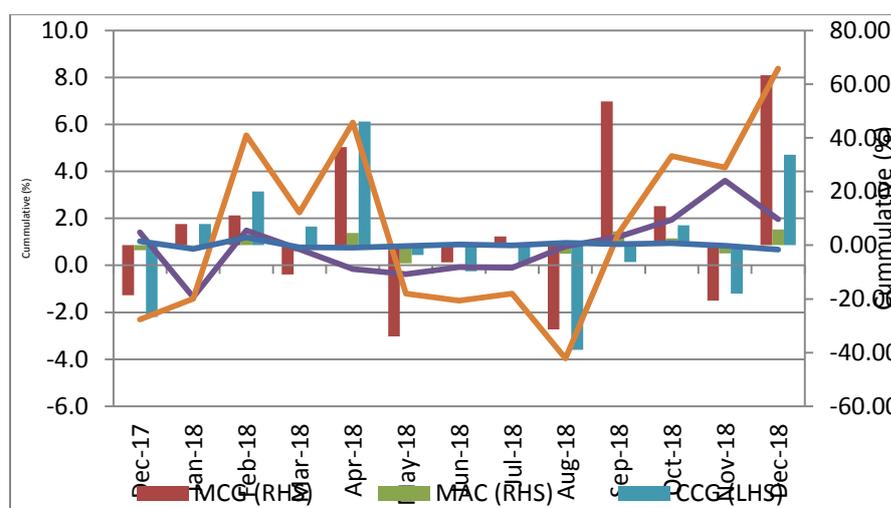
Net claims on the Federal Government, on month-on-month basis, rose significantly by 63.3 per cent to ₦4,867.58 billion at end-December 2018, in contrast to the respective decline of 20.6 per cent and 17.2 per cent at the end of the preceding month and the corresponding period of 2017. The development was on account of the increase in holdings of Government securities by banks. Relative to the level at end-December 2017, net claims on the Federal Government grew by 33.8 per cent, in contrast to the decline of 18.1 per cent at the end of the preceding month.

Banking system's credit to the private sector, on month-on-month basis, fell by 1.6 per cent to ₦22,726.57 billion, compared with the decline of 0.2 per cent at the end of the

MM1 and MM3 represent month-on-month changes, while CM1 and CM3 represent cumulative changes (year-to-date changes or growth over preceding December)

preceding month. This was in contrast to the increase of 1.5 per cent recorded at the end of the corresponding period of 2017. The fall in private sector credit relative to the preceding month's level was attributed to the 1.7 per cent and 0.9 per cent decline in claims on the core private sector and claims on State and Local Governments, respectively. Relative to the level at end-December 2017, banking system's credit to the private sector grew by 2.0 per cent, compared with the growth of 3.6 per cent at the end of the preceding month.

**Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy<sup>3</sup>**



Net Foreign Assets (NFA) of the banking system, equally declined by 3.1 per cent on month-on-month basis, to ₦18,397.82 billion at end-December 2018, in contrast to the growth of 1.2 per cent and 16.7 per cent recorded at the end of the preceding month and the corresponding period of 2017. The fall in NFA was due to the 2.3 per cent and 43.6 per cent decline in foreign asset holdings of the CBN and banks, respectively. Relative to the level at end-December 2017, NFA increased by 18.5 per cent at end-December 2018, compared with the growth of 22.4 per cent at end-December 2017.

Other assets (net) of the banking system, rose by 4.8 per cent, on month-on-month basis, to negative ₦12,570.23 billion, at end-December 2018, compared with the growth of 3.2 per cent at the end of the preceding month. The growth was due to the increase in unclassified assets of the CBN. It, however, showed a 37.4 per cent decline, compared with

<sup>3</sup> 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).

the level at end-December 2017. Relative to the level at end-December 2017, other assets (net) grew by 1.7 per cent, reflecting, largely, the growth in unclassified assets of the banking system.

**Table 1: Growth in Monetary and Credit Aggregates (Month-on-Month- Per cent)**

	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
<b>Domestic Credit (Net)</b>	-6.8	-0.6	0.3	-3.2	5.2	2.6	-3.0	5.8
Claims on Federal Government (Net)	-33.9	-6.4	3.3	-31.4	53.6	14.6	-20.6	63.3
Claims on Private Sector	-0.3	0.3	-0.1	0.9	0.4	0.7	-0.2	-1.6
Claims on Other Private Sector	0.6	0.2	0.2	1.4	1.8	-0.3	-0.2	-1.7
<b>Foreign Assets (Net)</b>	9.7	0.2	-3.0	3.5	2.2	-0.4	1.2	-3.1
<b>Other Assets (Net)</b>	9.6	-5.2	6.6	-2.5	-10.9	2.7	3.2	4.8
<b>Broad Money Supply (M3)</b>	1.8	-1.8	0.6	-1.2	1.9	2.5	-0.5	4.9
<b>Quasi-Money</b>	0.7	1.2	1.4	0.8	1.3	-0.1	-0.1	3.7
<b>Narrow Money Supply (M1)</b>	5.7	-4.7	-0.3	-2.1	2.2	4.2	-4.9	9.9
<b>Money Supply (M2)</b>	2.8	-1.4	0.6	-0.5	1.7	1.7	-2.2	6.3
<b>Reserve Money (RM)</b>	3.6	-6.0	4.1	1.0	1.7	7.7	-7.1	4.8

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

Currency-in-circulation, at ₦2,329.71 billion, on month-on-month basis, rose by 10.9 per cent at end-December 2018, compared with the growth of 7.4 per cent at the end of the preceding month. The development relative to the preceding month reflected the increase in currency held by commercial banks.

Deposits of banks and the private sector with the CBN, on month-on-month basis, rose, while that of the Federal Government fell, relative to the levels at the end of the preceding month. Overall, aggregate deposit at the CBN declined by 2.6 per cent to ₦15,703.93 billion at end-December 2018. Of the total deposits at the CBN, the shares of the Federal Government, banks and the private sector were 49.6 per cent, 30.6 per cent and 19.8 per cent, respectively.

*Reserve money (RM) rose in the review month.*

Reserve money rose by 4.8 per cent to ₦7,135.73 billion at end-December 2018. The upward movement in reserve money reflected the 2.0 per cent and 10.9 per cent increase in DMBs demand deposits with CBN and CIC, respectively.

## 2.3 Money Market Developments

Key financial market indicators remained stable due to effective liquidity management in both the domestic and foreign exchange markets during the review period. Crude oil prices also witnessed moderate recovery in January 2019.

In pursuance of the Bank's tight monetary policy stance, observed liquidity inflow arising, mainly, from maturing CBN bills worth ₦1,745.83 billion and fiscal injections, were persistently mopped up through Open Market Operation (OMO) auctions. Consequently, major money market rates trended downward in line with the level of liquidity during the review period.

The total value of money market assets outstanding in January 2019 stood at ₦11,987.53 billion, showing an increase of 0.3 per cent, in contrast to the 0.6 per cent decline in the preceding month. The development was attributed, largely, to the 1.3 per cent and 19.9 per cent growth in FGN Bonds and Commercial Papers outstanding, respectively.

### 2.3.1 Interest Rate Developments

Money market rates were generally stable and moved in tandem with the level of liquidity in the review period. Provisional data indicated that movements in banks' deposit rates were mixed, while lending rates trended upwards in January 2019. The average savings deposit rate remain unchanged at the preceding month's level of 4.07 per cent. With the exception of the 7-day and 12-month rates, which rose by 0.01 percentage point and 0.08 percentage point to 3.89 per cent and 10.41 per cent, respectively, all other rates of various maturities fell from a range of 8.94 per cent - 10.49 per cent in the preceding month to a range of 8.77 per cent - 10.25 per cent in January 2019. The average term deposit rate rose by 0.01 percentage point to 6.28 per cent at end-January 2019.

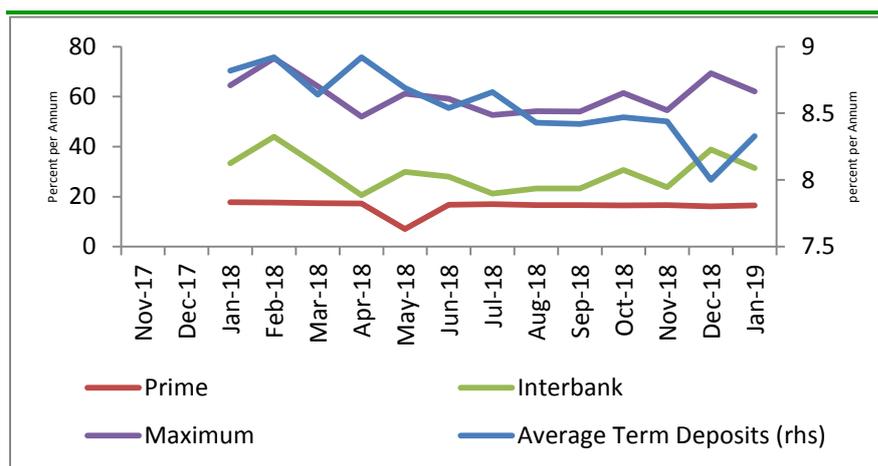
*Staff Estimates indicated that banks' deposit rate were mixed, while lending rates trended upwards in the review month.*

The weighted average prime and maximum lending rates rose by 0.28 percentage point and 0.14 percentage point to 16.45 per cent and 30.66 per cent, respectively, at end-January 2019. Consequently, the spread between the average term deposit and the average maximum lending rates narrowed by 0.19 percentage point to 22.33 percentage points at end-January 2019. However, the spread between the average savings deposit and maximum lending rates widened by 0.14 percentage point to 26.59 percentage points at end-January 2019.

Average inter-bank rate, which stood at 22.68 per cent at end-December 2018, fell by 7.68 percentage points to 15.0 per cent at end-January 2019. Open-buy-back (OBB) rate, which stood at 22.94 per cent in the preceding month, fell by 3.23 percentage points to 19.71 per cent at end-January

2019. The Nigerian inter-bank offered rate (NIBOR), for the 30-day tenor, declined to 15.21 per cent in the review period, compared with 16.09 per cent at end-December 2018. With the headline inflation estimated at 11.37 per cent in January 2019, all deposit rates remained 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)**

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Average Term Deposits	9.23	8.92	8.64	8.92	8.69	8.54	8.68	8.43	8.42	8.47	8.44	8	8.33
Prime Lending	17.5	17.71	17.35	17.23	17.08	16.78	16.83	16.65	16.59	16.53	16.59	16.17	16.45
Interbank Call	15.58	26.19	15.16	3.34	22.77	11.23	4.2	6.64	6.64	14.18	7.17	22.68	15
Maximum Lending	31.39	31.4	31.55	31.45	31.29	31.17	31.09	30.93	30.77	30.67	30.79	30.52	30.66

### 2.3.2 Commercial Paper (CP)

Commercial Paper (CP) outstanding held by DMBs stood at ₦13.02 billion at the end of the review month grew by 19.9 per cent, compared with ₦10.86 billion, recorded in the preceding month. Thus, CP constituted 0.1 per cent of the total value of money market assets outstanding during the review period, which remain unchanged from the preceding month.

### 2.3.3 Bankers' Acceptances (BAs)

During the review period, BA stood at ₦12.15 billion, representing a decrease of 0.3 per cent, compared with ₦12.18 billion recorded in the preceding month. Consequently, BA accounted for 0.1 per cent of the total value of money market assets outstanding at the end of the

review period which remain unchanged from the preceding month.

#### *2.3.4 Certificate of Deposits (CDs)*

Certificate of Deposits (CD) fell marginally by 0.04 per cent (₦59.67 billion) in the review period, compared with ₦59.69 billion recorded in December 2018. At that level, CDs constituted 0.5 per cent of total money market outstanding in December 2018, same as the level in the preceding month.

#### *2.3.5 Open Market Operations*

The Bank continued to intervene through the conduct of direct Open Market Operations (OMO), to influence liquidity in the system in January 2019. The tenors of the instruments ranged from 50 to 364 days. Total amount offered, subscribed to and allotted, stood at ₦3,602.62 billion, ₦2,552.29 billion and ₦2,552.29 billion, respectively. The bid rates ranged from 11.80 to 15.00 per cent, while the stop rates were from 11.90 to 15.00 per cent. Repayment and maturity of CBN bills was ₦1,745.83 billion, translating to a net withdrawal of ₦807.07 billion.

#### *2.3.6 Primary Market*

NTBs of 91-, 182- and 364-day tenors, amounting to ₦544.92 billion, ₦691.86 billion and ₦481.47 billion were offered, subscribed to, and allotted, respectively, at the three auctions held in January 2019 on behalf of the Debt Management Office (DMO). The bid rates ranged from: 10.50 per cent to 13.00 per cent; 12.00 to 15.00 per cent; and 14.00 per cent to 18.00 per cent, for the 91-, 182- and 364-day tenors, respectively. In the same vein, the stop rates were from: 10.90 per cent to 11.00 per cent; 13.10 per cent to 13.50 per cent; and 14.50 per cent to 15.00 per cent, respectively.

#### *2.3.7 Bonds Market*

Tranches of the 5-, 7-, and 10-year bonds were re-opened and offered for sale in January 2019. Terms to maturity of the bonds were 4 years 3 months to 9 years 1 month. Total amount offered, subscribed to and allotted were ₦150.00 billion, ₦197.09 billion and ₦116.99 billion, respectively. There was no allotment on non-competitive basis and none of the available tranches matured for redemption. The bid rates ranged from 14.80 to 16.45 per cent, while the marginal rates for the 5-, 7-, and 10-year bonds were 15.20, 15.25 and 15.35 per cent, respectively. For all the tenors, the marginal rates ranged from 15.20 to 15.35 per cent. The bid to cover ratio was 1.68, while the auction was oversubscribed by 31.39 per

cent. This could be attributable, largely, to the renewed investors' confidence in the market.

### 2.3.8 CBN Standing Facilities

The trend at the CBN standing facilities window showed more patronage at the Standing Lending Facility (SLF) window. Applicable rates for the Standing Lending Facility (SLF) and SDF remained at 16.00 per cent and 9.00 per cent, respectively.

The total request for the SLF granted during the review period was ₦2,911.95 billion, made up of ₦1,907.04 billion direct SLF and ₦1,004.91 billion Intra-day Lending Facility (ILF) converted to overnight repo. Daily average was ₦161.78 billion in the 18 transaction days in January 2019. Total interest earned was ₦2.06 billion.

The total request for the SDF granted during the review period was ₦557.97 billion with daily average of ₦30.99 billion in the 18 transaction days. Daily request ranged from ₦0.3 billion to ₦76.82 billion. Cost incurred on SDF in the month stood at ₦0.20 billion.

## 2.4 Banks' Activities

Total assets and liabilities of the banks amounted to ₦37,206.99 billion at end-December 2018, showing a 0.2 per cent increase, compared with the level at the end of the preceding month. Funds were sourced, mainly, from mobilisation of time, savings and foreign currency deposits, realisation of claims on private sector and unclassified assets. The funds were used to shore up capital and purchase money market instruments.

*Banks' credit to the domestic economy rose marginally by 0.5 per cent.*

Banks' credit to the domestic economy rose by 0.5 per cent to ₦20,173.39 billion at end-December 2018, compared with the level at the end of the preceding month. The development was attributed, mainly, to the increase in claims on the Federal Government.

Total specified liquid assets of banks stood at ₦13,225.72 billion at end-December 2018, representing 59.9 per cent of their total current liabilities. At that level, the liquidity ratio was 5.1 percentage points below the level at the end of the preceding month, but was 29.9 percentage points above the stipulated minimum liquidity ratio of 30.0 per cent at the end of the preceding month. The loans-to-deposit ratio, at 60.16 per cent, was 4.9 percentage points and 19.8 percentage points below the level at the end of the preceding month

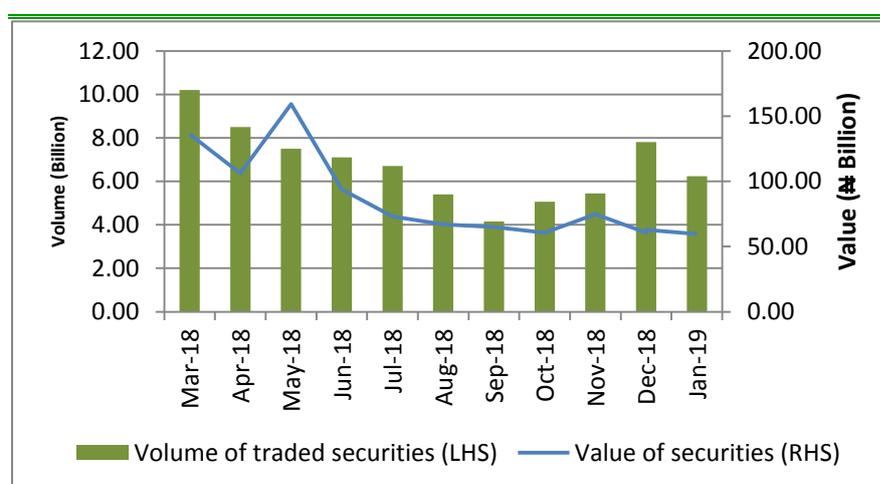
and the maximum ratio of 80.0 per cent, respectively.

## 2.5 Capital Market Developments

### 2.5.1 Secondary Market

Activities on the Nigerian Stock Exchange (NSE) in the month of January 2019 were bearish as all the market indicators trended downward. The volume and value of traded equities fell by 20.1 per cent and 5.3 per cent to 6.24 billion shares and ₦59.58 billion, respectively, in 80,888 deals, compared with 7.81 billion shares worth ₦62.93 billion, in 59,130 deals, at end-December 2018 (Figure 4, Table 3).

**Figure 4: Volume and Value of Traded Securities**



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

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Volume (Billion)	23.0	11.9	10.2	8.5	7.5	7.1	6.7	5.4	4.2	5.1	5.5	7.8	6.2
Value (₦ Billion)	212.4	106.1	136.2	106.1	159.2	93.9	73.0	66.9	65.1	60.7	74.9	62.9	59.6

### 2.5.3 Market Capitalisation

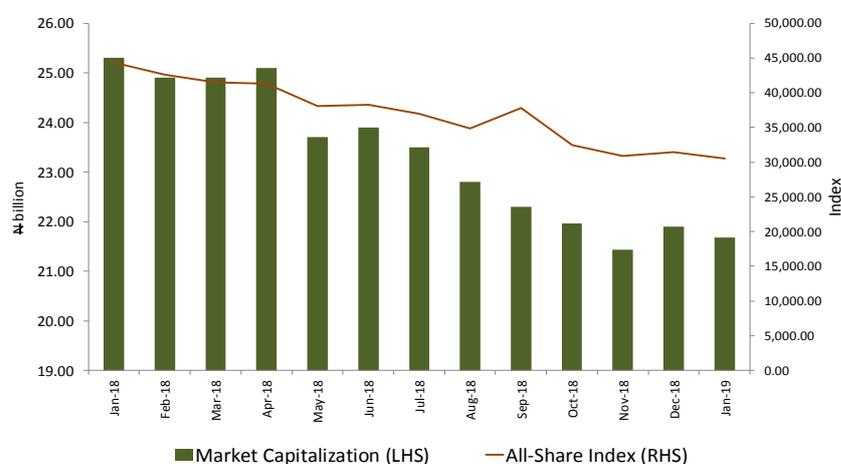
The aggregate market capitalisation on the Exchange fell by 1.0 per cent to ₦21.68 trillion during the review period, compared with ₦21.90 trillion at end-December 2018. Similarly, market capitalisation for the equity segment declined by 2.6 per cent to ₦11.42 trillion, and constituted 52.7 per cent of the total, compared with ₦11.73 trillion and 53.6 per cent at the end of the preceding month (Figure 5, Table 4).

### 2.5.4 NSE All-Share Index

The All-Share Index, which opened at 31,430.50 at the beginning of the month, closed at 30,557.20, representing a

decrease of 2.8 per cent, compared with the level in the preceding month. Developments in the sectoral indices were, however, mixed. With the exception of the NSE-Lotus Islamic and NSE industrial Goods indices, which rose by 0.7 per cent and 5.8 per cent, respectively, all other sectoral indices declined in the review period. The NSE Premium, NSE-AseM, NSE Banking, NSE-Insurance, NSE-Consumer Goods, NSE Oil/Gas, and NSE Pension indices fell by 3.0 per cent, 0.6 per cent, 2.5 per cent, 3.3 per cent, 6.8 per cent, 7.3 per cent and 3.9 per cent, respectively, at the end of the preceding month (Figure 5, Table 4).

**Figure 5 : Market Capitalisation and All-Share Index**



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

	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Aggregate Market Capitalization (₦ billion)	23.9	23.5	22.8	22.3	21.97	21.44	21.9	21.68
All-Share Index	38,278.55	37,017.78	34,848.45	37,766.37	32,466.27	30,874.17	31,430.50	30,557.20

### 3.0 Fiscal Operations<sup>4</sup>

Federally-collected revenue in January 2019 was below both the monthly budget estimate and the receipts collected in December 2018 by 32.7 per cent and 5.3 per cent, respectively. Federal Government retained revenue for the review month was ₦276.75 billion, while total provisional expenditure was ₦434.38 billion, resulting in an estimated deficit of ₦157.63 billion.

#### 3.1 Federation Account Operations

The estimated federally-collected revenue (gross), at ₦744.68 billion, in January 2019, was below both the monthly budget estimate of ₦1,107.12 billion and the ₦786.33 billion collected in December 2018 by 32.7 per cent and 5.3 per cent, respectively. The shortfall relative to the monthly budget estimate was attributed to the fall in both oil and non-oil revenue (Fig. 6, Table 5).

At ₦744.68 billion, the estimated federally-collected revenue (gross) in January 2019 fell short of the monthly budget estimate and amount collected in December 2018 by 32.7 per cent and 5.3 per cent, respectively.

Figure 6: Components of Gross Federally-Collected Revenue

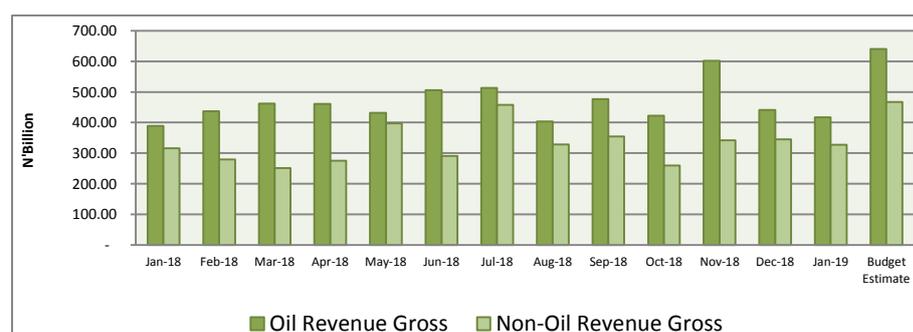


Table 5: Gross Federation Account Revenue (₦ billion)

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Monthly Budget Est
Federally-collected Revenue(Gross)	705.7	716.6	713.1	736.0	829.0	797.2	971.3	731.9	831.4	682.1	943.8	786.3	744.7	1,107.1
Oil Revenue	389.4	436.9	461.7	460.8	431.4	505.9	513.5	403.6	477.1	422.1	601.9	441.3	417.3	640.2
Non-oil Revenue	316.3	279.8	251.4	275.2	397.6	291.2	457.8	328.3	354.4	259.9	341.9	345.0	327.4	466.9

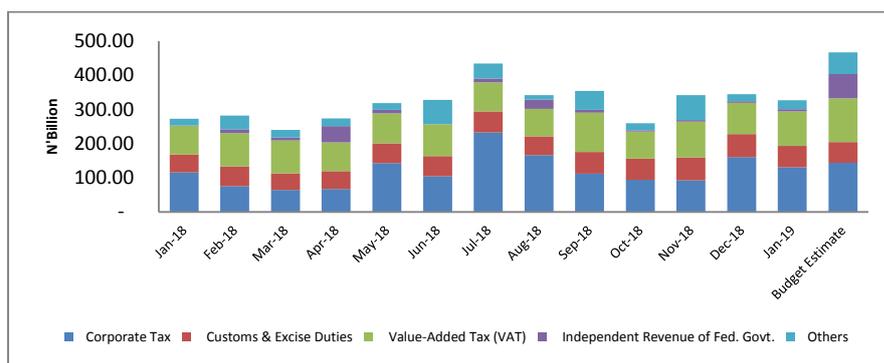
Oil receipts, at ₦417.32 billion or 56.0 per cent of the total revenue, was below the monthly budget estimate of ₦640.21 billion by 34.8 per cent. It was also below the receipt of ₦441.28 billion in December 2018, by 5.3 per cent. The decline in oil revenue relative to the monthly budget estimate was attributed to the shut in/shut down and closure of production at various oil terminals due to fire, leakages

At ₦417.32 billion, oil receipts (gross) was below the monthly budget estimate by 34.8 per cent, and constituted 56.0 per cent of the total revenue.

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

and flooding (Figure 7, Table 6).

**Figure 7: Gross Oil Revenue and its Components**



**Table 6: Components of Gross Oil Revenue (N' billion)**

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Monthly Budget Est
Non-Oil Revenue	316.3	279.8	251.4	275.2	397.6	291.2	457.8	328.3	354.4	259.9	341.9	345.0	327.4	466.9
Corporate Tax	116.2	75.7	64.9	67.6	142.9	104.7	232.7	166.0	112.0	94.0	92.5	160.6	130.5	144.3
Customs & Excise Duties	52.0	58.4	48.1	52.5	58.5	58.7	61.4	55.8	63.8	62.2	67.0	67.1	62.8	60.0
Value-Added Tax (VAT)	84.0	96.6	96.6	83.7	86.9	93.4	85.3	79.8	114.5	79.2	105.2	92.1	100.8	128.7
Independent Revenue of Fed. Govt.	44.6	8.1	19.3	48.3	89.3	9.9	34.6	13.3	8.1	3.8	4.4	4.4	6.6	70.7
Others 1/	19.5	40.9	22.4	23.1	20.1	24.6	43.7	13.4	55.9	20.7	72.9	20.8	26.8	63.3

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

1/Includes education tax, customs special levies, (federation and non federation) & National information Technology Development Fund (NITF), Solid Minerals and other mining revenue

At ₦327.36 billion, non-oil receipts (gross) was lower than the monthly budget estimate by 29.9 per cent and constituted 44.0 per cent of total revenue.

Non-oil revenue, at ₦327.36 billion or 44.0 per cent of total revenue, was below both the 2018 monthly budget estimate of ₦466.91 billion, and the ₦345.05 billion received in December 2018 by 29.9 and 5.1 per cent, respectively. The lower collection relative to the monthly budget estimate was due to the shortfalls in all its components with the exception of customs/excise duties (Figure 8, Table 7).

**Figure 8: Gross Non-Oil Revenue and its Components**

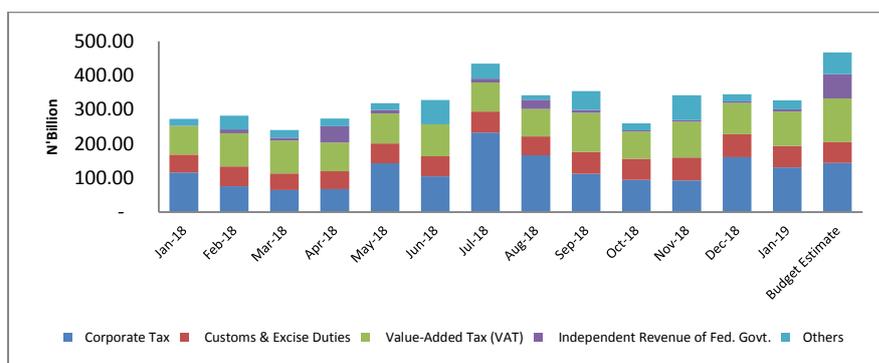


Table 7: Components of Gross Non-Oil Revenue (₦ billion)

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Monthly Budget Est
Non-Oil Revenue	316.3	279.8	251.4	275.2	397.6	291.2	457.8	328.3	354.4	259.9	341.9	345.0	327.4	466.9
Corporate Tax	116.2	75.7	64.9	67.6	142.9	104.7	232.7	166.0	112.0	94.0	92.5	160.6	130.5	144.3
Customs & Excise Duties	52.0	58.4	48.1	52.5	58.5	58.7	61.4	55.8	63.8	62.2	67.0	67.1	62.8	60.0
Value-Added Tax (VAT)	84.0	96.6	96.6	83.7	86.9	93.4	85.3	79.8	114.5	79.2	105.2	92.1	100.8	128.7
Independent Revenue of Fed. Govt.	44.6	8.1	19.3	48.3	89.3	9.9	34.6	13.3	8.1	3.8	4.4	4.4	6.6	70.7
Others <sup>1/</sup>	19.5	40.9	22.4	23.1	20.1	24.6	43.7	13.4	55.9	20.7	72.9	20.8	26.8	63.3

<sup>1/</sup> 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), ₦660.05 billion was retained in the Federation Account after statutory deductions of the sums of ₦96.73 billion, ₦6.58 billion and ₦26.78 billion were transferred to the VAT Pool Account, the Federal Government Independent revenue and “Others”, respectively, leaving a balance of ₦529.96 billion for distribution to the three (3) tiers of government and the 13% Derivation Fund.

Of this amount, the Federal Government received ₦255.20 billion, while the state and local governments got ₦129.44 billion and ₦99.79 billion, respectively. The balance of ₦45.52 billion was shared among the oil producing states as 13% Derivation Fund.

Similarly, from the ₦96.73 billion transferred to the VAT Pool Account, the Federal Government received ₦14.51 billion, while the state and local governments received ₦48.36 billion and ₦33.86 billion, respectively.

In addition, the sum of ₦0.98 billion was distributed during the review month as Exchange Gain, with the Federal Government receiving ₦0.46 billion. The state and local governments' share amounted to ₦0.23 billion and ₦0.18 billion, respectively, while the 13% Derivation Fund was allocated ₦0.10 billion.

Overall, total allocation to the three tiers of government in January 2019 amounted to ₦627.67 billion. This was below the 2018 monthly budget estimate of ₦967.43 billion and the allocation of ₦740.58 billion in December 2018, by 35.1 per cent and 15.2 per cent, respectively.

### 3.2 The Fiscal Operations of the Three Tiers of Government

At ₦276.75 billion, the estimated Federal Government retained revenue was below the monthly budget estimate by 56.0 per cent.

### 3.2.1 The Federal Government

The estimated Federal Government retained revenue, at ₦276.75 billion, was below both the monthly budget estimate of ₦629.44 billion and retained revenue of ₦331.2 billion in December 2018, by 56.0 per cent and 16.4 per cent, respectively. A breakdown showed that Federation Account was 92.2 per cent, while VAT, FGN Independent Revenue, and Exchange Gain amounted to 5.2, 2.4 and 0.2 per cent, respectively (Figure 9, Table 8).

Figure 9: : Federal Government Retained Revenue

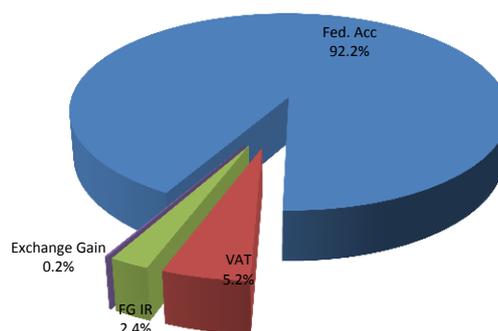
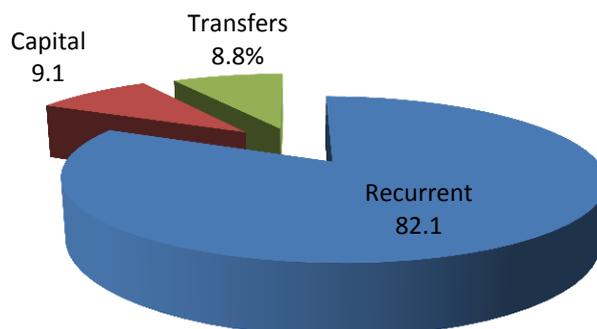


Table 8: Federal Government Fiscal Operations (N billion)

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	2018 Monthly Budget Est.
Retained Revenue	323.4	271.4	290.1	316.6	493.3	315.6	348.1	337.5	350.1	281.0	304.3	331.2	276.8	629.4
Expenditure	698.0	541.3	776.3	565.6	633.5	431.0	564.9	552.5	773.5	623.6	586.4	616.9	434.4	792.3
Overall Balance: (+)/(-)	-374.6	-269.9	-486.2	-249.0	-140.2	-115.3	-216.8	-215.0	-423.3	-342.6	-282.1	-285.7	-157.6	-162.9

The estimated total expenditure of the Federal Government, at ₦434.38 billion, was below both the monthly budget estimate of ₦792.31 billion by 45.2 per cent and the ₦616.87 billion recorded in December 2018 by 29.6 per cent. A breakdown showed that total recurrent expenditure, capital expenditure and transfers constituted 82.1 per cent, 9.1 per cent and 8.8 per cent of the total, respectively. A breakdown of the recurrent expenditure showed that non-debt obligation was 30.8 per cent, while debt service payments accounted for 69.2 per cent of the total (Figure 10).

Figure 10: : Federal Government Expenditure



*The fiscal operations of the FG resulted in an estimated deficit of ₦157.63 billion, relative to the monthly budget deficit of ₦162.87 billion.*

Consequently, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦157.63 billion, compared with the estimated monthly budget deficit of ₦162.87 billion.

### 3.2.2 Statutory Allocations to State Governments

Total estimated statutory allocations to the State Governments amounted to ₦223.67 billion. This was lower than the 2018 monthly budget estimate of ₦354.04 billion by 36.8 per cent, and ₦260.52 billion received in December 2018 by 14.1 per cent.

Receipts from the Federation Account was ₦175.30 billion or 78.4 per cent of the total statutory allocation. This was below the monthly budget estimate of ₦292.28 billion by 40.0 per cent. Similarly, the allocation from the VAT Pool Account, at ₦48.36 billion or 21.6 per cent of the total, fell below the monthly budget estimate of ₦61.76 billion by 21.7 per cent.

### 3.2.3 Statutory Allocations to Local Government Councils

Allocation to Local Governments from the Federation and VAT Pool Accounts in the month of November stood at ₦133.83 billion. This represented a shortfall of 31.8 per cent, relative to the 2018 monthly budget estimate of ₦196.25 billion.

At ₦99.97 billion or 74.7 per cent of the total, allocation from the Federation Account was below the monthly budget estimate of ₦153.01 billion by 34.7 per cent. Similarly, the share from the VAT Pool Account, at ₦33.86 billion or 25.3 per cent of the total, fell below the monthly budget estimate of ₦43.23 billion by 21.7 per cent (Table 9).

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

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Monthly Budget Est
SG Federation Account	187.0	178.5	188.2	185.9	189.9	189.4	181.2	210.4	192.5	187.4	202.6	216.3	175.3	292.3
SG VAT	40.3	46.4	42.9	40.2	41.7	44.8	41.0	38.3	55.0	38.0	50.5	44.2	48.4	61.8
<b>SG Total</b>	<b>227.3</b>	<b>224.9</b>	<b>231.1</b>	<b>226.1</b>	<b>231.6</b>	<b>234.2</b>	<b>222.2</b>	<b>248.7</b>	<b>247.5</b>	<b>225.4</b>	<b>253.1</b>	<b>260.5</b>	<b>223.7</b>	<b>354.0</b>
LG Federation Account	104.3	97.5	100.9	100.2	108.0	105.1	110.9	119.6	107.522	103.9	111.4	122.6	100.0	153.0
LG VAT	28.2	32.5	30.1	28.1	29.2	31.4	28.7	26.8	38.5	26.6	35.3	30.9	33.9	43.2
<b>LG Total</b>	<b>132.5</b>	<b>130.0</b>	<b>130.9</b>	<b>128.3</b>	<b>137.2</b>	<b>136.5</b>	<b>139.6</b>	<b>146.5</b>	<b>146.0</b>	<b>130.5</b>	<b>146.7</b>	<b>153.5</b>	<b>133.8</b>	<b>196.3</b>
<b>Total Statutory Revenue and VAT</b>	<b>359.8</b>	<b>354.9</b>	<b>362.0</b>	<b>354.4</b>	<b>368.8</b>	<b>370.7</b>	<b>361.8</b>	<b>395.2</b>	<b>393.5</b>	<b>355.9</b>	<b>399.8</b>	<b>414.0</b>	<b>357.5</b>	<b>550.3</b>

## 4.0 Domestic Economic Conditions

*The predominant farming activities in most parts of the country were harvesting of yam, rice, cassava, grains, vegetables and potatoes, as well as, pre-planting operations for the dry season farming. In the livestock sub-sector, farmers engaged in restocking of cattle and poultry birds after the festive period. The end-period headline inflation, on year-on-year and twelve month moving average bases, were estimated at 11.37 per cent and 11.80 per cent, respectively, in January 2019.*

#### **4.1 Agricultural Sector**

Dry weather conditions continued in most parts of the country in the review month due to cessation of rainfall. This led to significant reduction in the volume and flow of water in most inland rivers and streams, thus, affecting agricultural produce, especially, in the Northern and Central parts of the country. Nonetheless, the predominant agricultural activities in the period were harvesting of crops such as yam, cassava, rice grains, vegetables and potatoes as well as, pre-planting operations for the dry season farming. In the livestock sub-sector, farmers engaged in re-stocking of cattles and poultry birds after the festive period. The persisting insurgency in the North East has continued to undermine agricultural activities.

#### **4.2 Agricultural Credit Guarantee Scheme**

The Agricultural Credit Guarantee Scheme (ACGS) guaranteed a total of ₦348.48 million to 2,214 farmers in December 2018. The amount represented a decline of 15.0 per cent and 40.1 per cent, compared with the respective levels in the preceding month and the corresponding period of 2018. Sub-sectoral analysis showed that food crops got the largest share, amounting to ₦202.1 million (58.0%) guaranteed to 1,418 beneficiaries, followed by livestock, which received ₦43.9 million (12.6 per cent), guaranteed to 179 beneficiaries. The sum of ₦41.5 million was guaranteed to cash crops sub-sector (11.9%), in favour of 252 beneficiaries; while mixed crops, fisheries, and others received ₦32.6 million (9.4 per cent), ₦19.6 million (5.6 per cent) and ₦8.7 million (2.5 per cent), guaranteed to 238, 76, and 51 beneficiaries, respectively.

Analysis by State showed that 24 states and the Federal Capital Territory benefited from the Scheme in December 2018, with the highest and lowest sums of ₦46.3 million (13.3 per cent) and ₦1.2 million (0.3 per cent) guaranteed to Ogun and Jigawa states, respectively.

### 4.3 Commercial Agriculture Credit Scheme

At end-December 2018, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACs) to participating banks for disbursement, amounted to ₦79.72 billion in respect of 40 projects (Table 10).

**Table 10: Disbursement of Credit under the Commercial Agriculture Credit Scheme (CACs) as at end-December 2018.**

S/N	Participating Banks	Amount Disbursed (N billion)	Number of Projects/State Governments
1	UBA Plc	16.00	6
2	Zenith Bank	13.00	5
3	First Bank of Nigeria Plc	7.60	1
4	Unity Bank Plc	3.76	3
5	Union Bank Plc	0.68	2
6	Stanbic IBTC Plc	0.44	1
7	Sterling Bank	9.50	4
8	Access Bank Plc	0.00	0
9	Fidelity Bank Plc	2.49	2
10	Polaris Bank Limited	0.00	0
11	FCMB Plc.	6.10	4
12	Ecobank	0.00	0
13	GTBank	2.15	2
14	Diamond Bank Plc	0.00	0
15	Heritage Bank	0.00	0
16	Citibank Plc	0.00	0
17	Keystone Bank	16.00	8
18	WEMA Bank Plc	0.00	0
19	Jaiz Bank Plc	2.00	2
20	Suntrust Bank Ltd	0.00	0
	<b>TOTAL</b>	<b>79.72</b>	<b>40</b>

### 4.4 Petroleum Sector

*Domestic crude oil and natural gas production was 1.84 million barrels per day.*

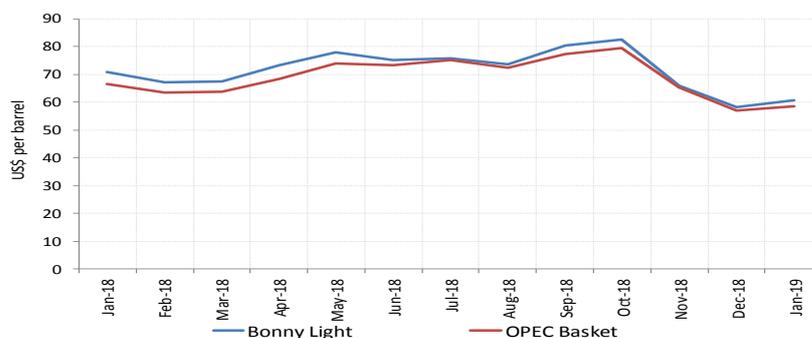
Nigeria's crude oil production, including condensates and natural gas liquids, was 1.84 mbd or 57.0 million barrels (mb) in the review month. This represented a decrease of 0.05 mbd or 2.6 per cent, compared with 1.89 mbd or 58.6 million barrels (mb) produced in the preceding month. Crude oil export was estimated at 1.39 mbd or 43.1mb, representing a decrease of 3.50 per cent, compared with 1.44 mbd or 44.6 mb recorded in the preceding month. The allocation of crude oil for domestic consumption was 0.45 mbd or 13.95 mb in the review month.

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

The average spot price of Nigeria's reference crude oil, the Bonny Light (37° API), at end-January 2019, was US\$ 60.80 per barrel, representing an increase of 4.5 per cent, compared with the US\$58.16/b in December 2018. Crude oil price rose in the month, due, largely, to the OPEC-led crude oil output cuts, slowdown in the U.S shale oil drilling and supply risk posed by instability in the Middle-East. The UK Brent at US\$59.04/b, WTI at US\$47.80/b, and the Forcados at US\$60.74/b exhibited similar trend as the Bonny Light.

The OPEC basket of fifteen selected crude streams was US\$58.42/b in January 2019. This reflected an increase of 2.6 per cent, compared with the US\$56.94/b recorded in the preceding month. It, however, showed a 12.5 per cent decline, compared with US\$66.75/b in the corresponding period of 2018 (Figure 11, Table 11).

**Figure 11: Trends in Crude Oil Prices**



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

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Bonny Light	70.75	67.20	67.46	73.16	77.86	75.11	75.68	73.70	80.50	82.53	65.99	58.16	56.94
OPEC Basket	66.85	63.52	63.76	68.40	73.80	73.22	73.30	72.23	77.21	79.40	65.32	60.80	58.42

### 4.5 Consumer Prices

The all-items composite Consumer Price Index (CPI) was 276.6 (November 2009=100) in January 2019, representing a 0.7 per cent and 11.4 per cent increase relative to the respective levels in December 2018 and the corresponding period of 2018.

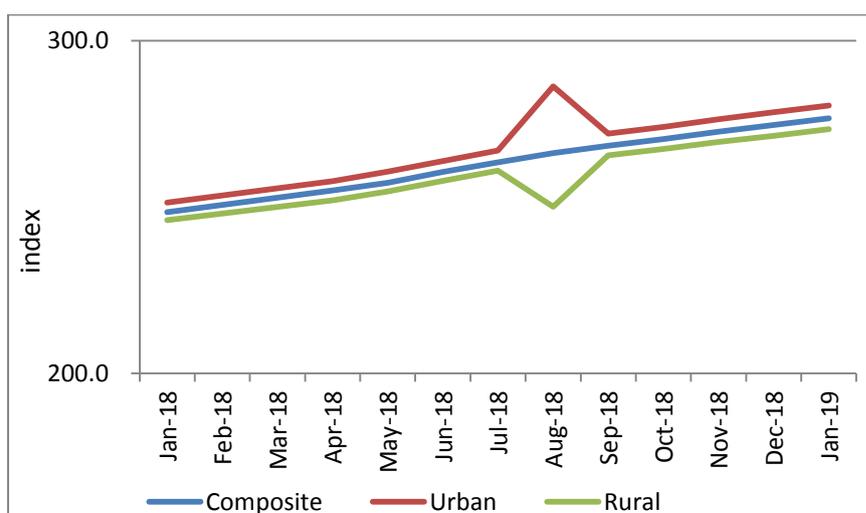
*The general price level rose in January 2019, compared with the level in the preceding month.*

The composite food index (with a weight of 50.7 per cent) for January 2019 was 298.9, compared with 296.4 and 263.3 in the preceding month and the corresponding period of 2018, respectively. This represented an increase of 0.8 per cent and 13.5 per cent over the comparable periods. The price increase was attributed to rise in prices of food items, owing to expected hike in prices during the New Year celebrations (Figure 12, Table 12).

**Table 12: Consumer Price Index (November 2009=100)\*5**

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Composite	248.4	250.3	252.4	255.0	257.3	260.5	263.4	266.2	268.4	270.4	272.6	274.6	276.6
Urban	251.3	253.4	255.6	257.7	260.6	263.8	267.0	269.7	272.0	274.1	276.4	278.5	280.5
Rural	246.0	247.9	249.9	252.0	254.7	257.8	260.9	263.4	265.5	267.4	269.5	271.4	273.4
CPI - Food	263.3	265.5	267.9	270.4	273.9	278.2	282.2	286.2	289.0	291.4	294.0	296.4	298.9
CPI - Non Food	235.4	237.2	239.2	241.3	243.6	246.1	248.1	250.1	251.7	253.7	255.4	256.7	258.8

\*Source: NBS

**Figure 12: Consumer Price Index**

*The year-on-year headline inflation was 11.37 per cent in January 2019.*

Headline inflation was 11.37 per cent in January 2019, compared with the preceding month's level of 11.44 per cent and 15.13 per cent in the corresponding month of 2017. The Twelve-Month Moving Average (12MMA) inflation for January 2019 was projected at 11.80 per cent, compared with 12.10 per cent and 16.22 per cent in the preceding month and the corresponding period of 2018, respectively (Figure 13, Table 13).

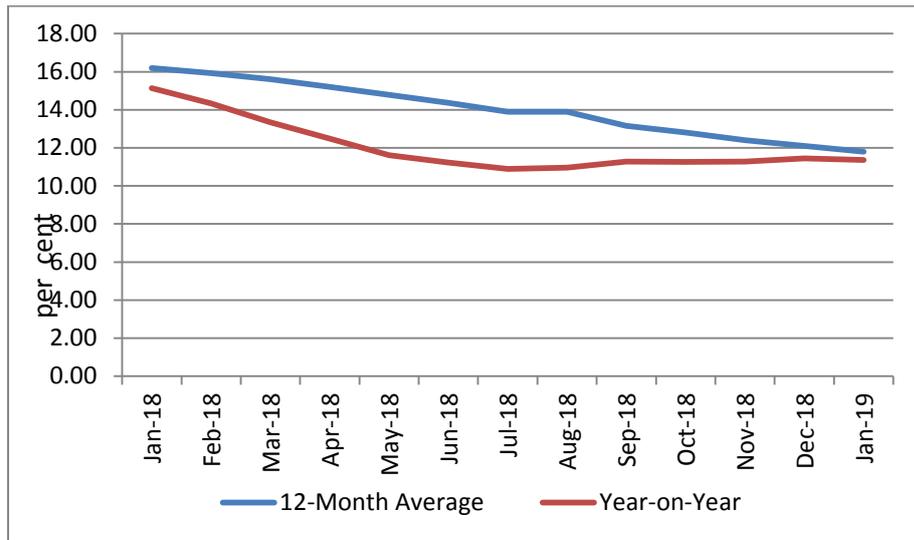
**Table 13: Headline Inflation Rate (%)**

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
12-Month Average	16.20	15.93	15.60	15.20	14.79	14.37	13.95	13.55	13.16	12.78	12.41	12.10	11.80
Year-on-Year	15.13	14.33	13.34	12.48	11.61	11.23	11.14	11.23	11.28	11.26	11.28	11.44	11.37

\*Source: NBS

**Figure 13: Inflation Rate**

<sup>5</sup> January figures on CPI and components are actuals.



## 5.0 External Sector Developments<sup>6</sup>

<sup>6</sup> Data on foreign exchange flows through the CBN and the Economy are provisional and subject to change.

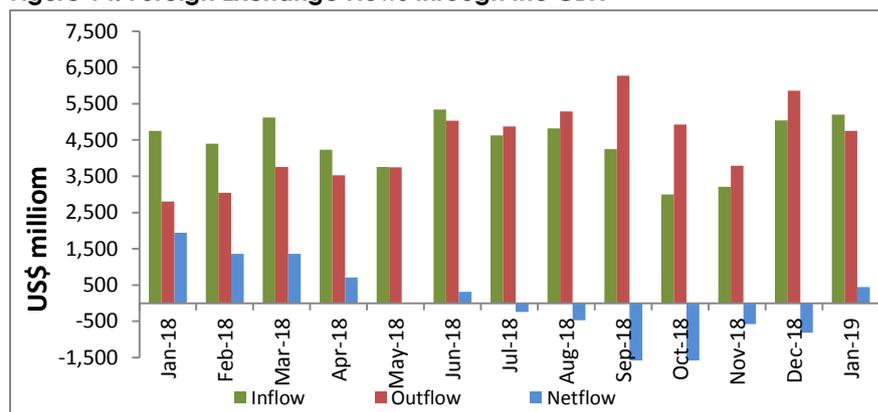
*On month-on-month basis, foreign exchange inflow into the CBN rose by 3.0 per cent to US\$5.20 billion, while outflow from the CBN fell by 18.9 per cent to US\$4.75 billion in January 2019. Total non-oil export receipts by banks rose by 7.7 per cent over the level in December 2018. The average exchange rate at the inter-bank, BDC segment, and the I&E window were ₦306.85/US\$, ₦360.94/US\$ and ₦363.76/US\$, respectively, in the review month. The gross external reserves was US\$42.49 billion at end-January 2019.*

## 5.1 Foreign Exchange Flows

The external sector performance improved as a result of the increase in the price of crude oil. Consequently, aggregate foreign exchange inflow into the CBN was US\$5.20 billion, showing an increase of 3.0 per cent and 20.4 per cent over the levels in the preceding month and the corresponding period of 2018, respectively. The increase in aggregate foreign exchange inflow into the CBN, relative to the preceding month's level was attributed, largely to the rise in crude oil and non-oil receipts.

Aggregate outflow of foreign exchange from the Bank fell by 18.9 per cent to US\$4.75 billion in January 2019, compared with the level at the end of the preceding month. It, however, indicated a 73.8 per cent increase over the level at the end of the corresponding period of 2018. The development, relative to end-December 2018, reflected, mainly, the 28.1 per cent and 11.2 per cent fall in 'Interbank Utilisation' and "Other Official Payments", respectively.

Overall, foreign exchange flows through the Bank in the month of January 2019 resulted in a net inflow of US\$0.45 billion, in contrast to the net outflow of US\$0.81 billion in December 2018. Relative to the level at end-January 2018, it, however, recorded a net inflow of US\$1.58 billion (Figure 14, Table 14).

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

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Inflow	4,314.5	4,401.3	5,117.3	4,232.7	3,751.7	5,340.8	4,631.5	4,817.1	4,248.3	2,995.5	3,212.6	5,044.3	5,195.1
Outflow	2,734.4	3,040.5	3,754.1	3,523.0	3,742.9	5,030.9	4,874.5	5,289.2	6,270.2	4,929.0	3,786.9	5,856.8	4,752.4
Netflow	1,580.1	1,360.8	1,363.1	709.7	8.8	309.9	(1.3)	(472.1)	(2,021.9)	(1,933.5)	(574.3)	(812.6)	442.7

Aggregate foreign exchange inflow into the economy amounted to US\$10.48 billion, showing a decline of 2.4 per cent and 1.3 per cent, below the levels at the end of the preceding month and the corresponding period of 2018, respectively. The decline was as a result of a 7.2 per cent fall in inflow through autonomous sources.

Aggregate foreign exchange outflow from the economy, at US\$5.33 billion, fell by 18.2 per cent, below the level at end-December 2018. This was attributed, mainly, to the 18.9 per cent and 12.7 per cent decline in outflow through the Bank and autonomous sources, respectively. It, however, increased significantly by 75.7 per cent above the level at the end of the corresponding month of 2018.

Inflow through autonomous sources, dropped by 7.2 per cent to US\$5.29 billion in January 2019, compared with the level at end-December 2018. Outflow through autonomous sources, similarly, fell by 12.7 per cent, on month-on-month basis, to US\$0.58 billion, reflecting the fall in visible imports.

Thus, foreign exchange flow through the economy, resulted in a net inflow of US\$5.15 billion in the review period, compared with US\$4.22 billion and US\$7.58 billion at end-December 2018 and January 2018, respectively.

## 5.2 Non-Oil Export Earnings by Exporters<sup>7</sup>

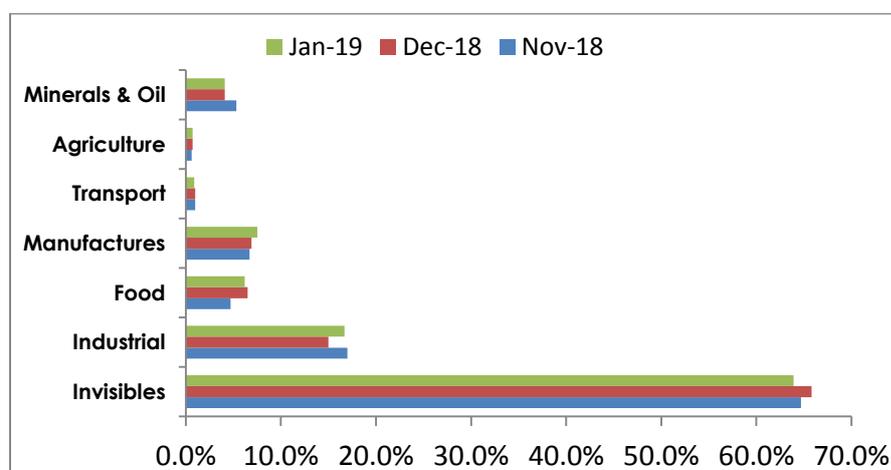
Total non-oil export earnings, at US\$366.65 million, indicated an increase of 7.7 per cent and 99.7 per cent above the levels in the preceding month and the corresponding period of 2018, respectively. The rise in earnings from non-oil export was due to 38.0 per cent, 8.3 per cent, 7.0 per cent, 0.8 per cent and 0.6 per cent increase in the proceeds from agricultural, industrial, minerals, food products and manufacturing sub-sectors, to US\$46.30 million, US\$38.98 million, US\$219.27 million, US\$8.87 million and US\$53.23 million, respectively, in January 2019.

The shares of the various sectors in non-oil export proceeds were: minerals, 59.9 per cent; manufactured products, 14.5 per cent; agricultural products, 12.6 per cent; industrial sector, 10.6 per cent; and food products, 2.4 per cent.

## 5.3 Sectoral Utilisation of Foreign Exchange

Aggregate sectoral utilisation of foreign exchange declined by 14.8 per cent to US\$3.73 billion, in January 2019, below the level in the preceding month. The invisible sector accounted for the bulk (63.9 per cent) of total foreign exchange disbursed in the review month, followed by components of the visible sub-sector listed in descending order as follows: Industrial sector (16.7 per cent); manufactured products (7.5 per cent); food products (6.2 per cent); minerals and oil (4.1 per cent); transport (0.9 per cent); and agricultural products (0.7 per cent) (Figure 15).

Figure 15: : Sectoral Utilisation of Foreign Exchange



<sup>7</sup> Data on non-oil export earnings and sectoral utilization of foreign exchange are provisional.

## 5.4 Foreign Exchange Market Developments

The Bank continued to intervene in the foreign exchange market to further sustain the improved liquidity and relative stability in the market. Thus, a cumulative sum of US\$3.17 billion was sold by the Bank to authorised dealers in January 2019, compared with US\$4.40 billion supplied in December 2018. This indicated a decline of 28.1 per cent below the level in the preceding month. It, however, showed an increase of 56.4 per cent, compared with the level in the corresponding period of 2018. Forwards contracts disbursed at maturity and Interbank sales rose by 0.3 per cent and 178.6 per cent to US\$1.01 billion and US\$0.54 billion, respectively, over the levels in the preceding month (Figure 16, Table 15).

Figure 16: : Supply of Foreign Exchange

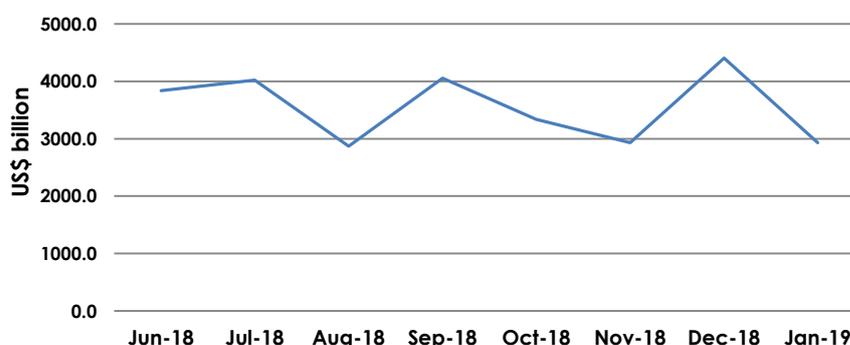


Table 15: Supply of Foreign Exchange (US\$ billion)

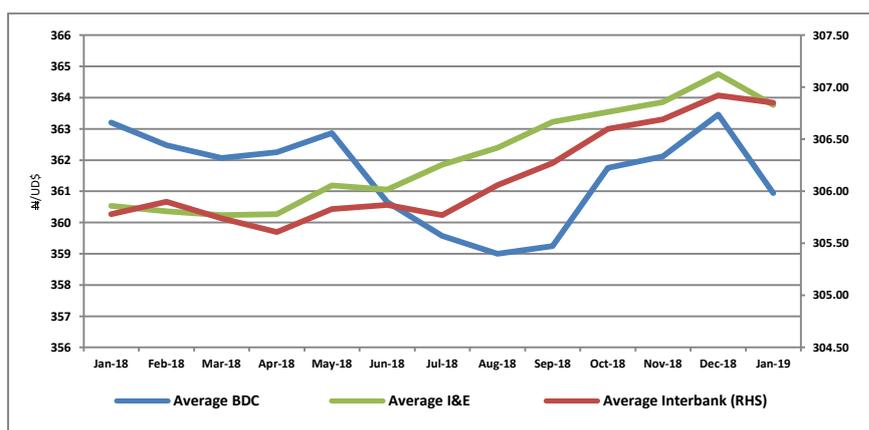
	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
	384	402	288	405	334	426	440	317

The average exchange rate of the naira to the US-dollar, at the inter-bank segment, was ₦306.85/US\$, representing an appreciation of 0.02 per cent over the level in the preceding month. It, however, depreciated by 0.4 per cent, compared with the level in the corresponding period of 2018. Similarly, the average rate at the BDC segment appreciated by 0.7 per cent and 0.6 per cent to ₦360.94/US\$, relative to the respective levels in the preceding month and the corresponding period of 2018. At the “Investors” and “Exporters” (I&E) window, the average exchange rate of the naira vis-à-vis the US dollar, at ₦363.76/US\$, also appreciated by 0.3 per cent above the level in the preceding month, but depreciated by 0.9 per cent, compared with the level in the

corresponding period of 2018 (Figure 17, Table 16).

Consequently, the premium between the exchange rates at the interbank and BDC segments narrowed to 17.6 per cent from 18.4 per cent in December 2018, while the premium between the BDC and I&E rates widened by 0.4 percentage point to 0.8 per cent.

**Figure 17: Average Exchange Rate Movement**



**Table 16: Exchange Rate Movements**

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
<b>Average Exchange Rate (N/₦)</b>													
Interbank	305.78	305.90	305.74	305.61	305.83	305.87	305.77	306.06	306.27	306.60	306.69	306.92	306.85
BDC	363.20	362.48	362.07	362.25	362.86	360.66	359.57	359.00	359.25	361.75	362.12	363.46	360.94
I&E Window	360.53	360.36	360.24	360.27	361.19	361.06	361.85	362.39	363.22	363.54	363.86	364.76	363.73

## 5.5 Gross External Reserves

The gross external reserves stood at US\$42.49 billion at end-January 2019, indicating a decline of 0.2 per cent below the US\$42.60 billion recorded at end-December 2018. The external reserves position would cover 9.2 months of import for goods and services, and 15.8 months of import for goods only, using the estimated import figures for third quarter 2018. A breakdown of the external reserves by ownership showed that the share of Federation reserves was US\$0.25 billion (0.6%); Federal Government reserves, US\$7.27 billion (17.1 %); and the CBN reserves, US\$34.97 billion (82.3%) of the total (Figure. 18, Table 18).

**Figure 18: Gross Official External Reserves**

*Gross external reserves fell from US\$42.60 billion to US\$42.49 billion at end-January 2019.*

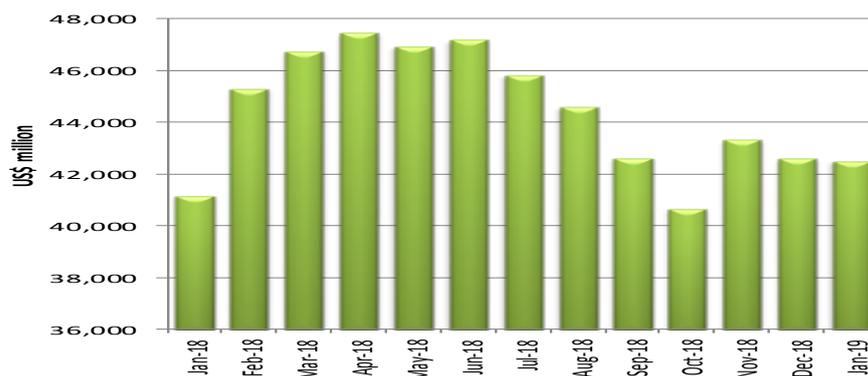


Table 17: Gross Official External Reserves (US\$ million)

Period	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
	46,923.01	47,157.90	45,798.98	44,580.40	42,607.27	40,651.23	43,323.05	42,594.84	42,489.49

## 6.0 Other International Economic Developments and Meetings

World crude oil output and demand in January 2019 were estimated at an average of 99.94 mbd and 100.08 mbd, compared with 100.02 and 99.94 mbd supplied and demanded, respectively, in December 2018. The slight increase in world crude oil demand was attributed, largely, to increased demand from the Americas, owing to growing demand for Natural Gas Liquids and middle distillate.<sup>8</sup>

Other major international economic developments and meetings of importance to the domestic economy in the review period included: The 2019 World Economic Forum (WEF) held at Davos, Switzerland, from January 22 – 25, 2019 with the theme: "Globalisation 4.0: Shaping a Global Architecture in the Age of the Fourth Industrial Revolution". The Forum discussed issues relating to the global economy, energy, technology, leadership, natural resources, sustainable growth, health and environment, among others.

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<sup>8</sup> Source: Reuters, OPEC Monthly report, EIA Report



## APPENDIX TABLES

**Table A1: Money and Credit Aggregates (₦ billion)**

	Dec-17	Oct-18	Nov-18	Dec-18
<b>Domestic Credit (Net)</b>	25,929,552.0	26,633,160.8	26,075,974.6	27,594,155.0
<i>Claims on Federal Government (Net)</i>	3,638,893.7	3,909,434.7	2,980,818.9	4,867,581.5
Central Bank (Net)	(355,592.4)	335,262.1	(908,664.9)	342,214.3
Banks	399,446.1	3,574,172.6	3,889,483.8	4,525,367.2
<i>Claims on Private Sector</i>	22,290,658.3	22,723,726.1	23,095,155.7	22,726,573.5
Central Bank	5,870,697.1	6,431,581.1	6,453,891.4	6,574,674.5
Banks	16,419,961.2	16,128,889.5	16,641,264.3	16,151,899.0
<i>Claims on Other Private Sect.</i>	20,718,304.1	21,113,044.0	21,483,378.1	21,128,078.7
Central Bank	5,202,741.3	5,738,389.0	5,751,503.1	5,873,283.7
Banks	15,515,562.8	15,374,655.0	15,731,874.9	15,254,795.1
<i>Claims on State and Local Govt.</i>	1,544,829.8	1,565,824.9	1,566,929.4	1,553,644.8
Central Bank	640,431.4	656,531.4	657,530.6	656,531.4
Banks	904,398.4	909,293.5	909,398.8	897,113.4
<i>Claims on Non-financial Public Ent.</i>				
<b>Foreign Assets (Net)</b>	15,520,761.0	18,735,273.0	18,990,400.8	18,397,816.9
Central Bank	15,134,616.5	17,982,700.6	18,606,572.9	18,181,445.8
Banks	386,144.5	752,572.4	383,827.8	216,371.1
<b>Other Assets (Net)</b>	(12,780,728.4)	(10,251,465.7)	(13,206,901.4)	(12,570,229.7)
<b>Total Monetary Assets (M<sub>3</sub>)</b>	<b>28,669,584.6</b>	<b>35,116,968.1</b>	<b>31,859,474.0</b>	<b>33,421,742.2</b>
<b>Quasi-Money 1/</b>	12,965,060.2	14,583,446.7	14,779,216.9	15,327,689.9
<b>Money Supply (M1)</b>	11,175,573.4	11,130,260.9	10,688,208.7	11,751,139.2
<i>Currency Outside Banks</i>	1,782,664.6	1,607,120.9	1,712,092.9	1,913,236.8
<i>Demand Deposits 2/</i>	9,392,909.4	9,523,140.0	8,976,115.8	9,837,902.4
<b>Money Supply (M<sub>2</sub>)</b>	<b>24,140,634.2</b>	<b>25,713,707.6</b>	<b>25,467,425.6</b>	<b>27,078,829.1</b>
<b>CBN Bills held by Non-Bank Sectors</b>	<b>4,528,950.4</b>	<b>9,403,260.5</b>	<b>6,392,048.5</b>	<b>6,342,913.1</b>
<b>Total Monetary Liabilities (M<sub>3</sub>)</b>	<b>28,669,584.6</b>	<b>35,116,968.1</b>	<b>31,859,474.0</b>	<b>33,421,742.2</b>
<i>Memorandum Items:</i>				
Reserve Money (RM)	6,484,296.3	7,329,269.0	6,811,192.4	7,135,729.3
<i>Currency in Circulation (CIC)</i>	2,157,229.7	1,956,009.4	2,100,129.9	2,329,706.6
<i>DMBs Demand Deposit with CBN</i>	4,327,066.7	5,373,259.5	4,711,062.5	4,806,022.7

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

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

**Table A2: Money and Credit Aggregates (Growth Rates)**

	Dec-17	Oct-18	Nov-18	Dec-18
	<b>Growth Over Preceding December (%)</b>			
<b>Domestic Credit (Net)</b>	-3.5	2.7	0.6	6.4
<i>Claims on Federal Government (Net)</i>	-25.4	7.4	-18.1	33.8
<i>Claims on Private Sector</i>	1.4	1.9	3.6	2.0
<i>Claims on Other Private Sector</i>	-1.2	1.9	3.7	2.0
<i>Claims on State and Local Government</i>	56.1	1.4	1.4	0.6
<i>Claims on Non-financial Public Enterprises</i>				
<b>Foreign Assets (Net)</b>	69.6	20.7	22.4	18.5
<b>Other Assets (Net)</b>	-37.14	0.4	-3.3	1.7
<b>Total Monetary Assets (M3)</b>	9.32	12.7	11.1	16.6
<b>Quasi-Money 1/</b>	5.23	12.5	14.0	18.2
<b>Money Supply (M1)</b>	-0.85	-0.4	-4.4	5.2
<i>Currency Outside Banks</i>	-2.07	-9.9	-4.0	7.3
<i>Demand Deposits 2/</i>	-0.62	1.4	-4.4	4.7
<b>Total Monetary Liabilities (M2)</b>	8.2	6.5	5.5	12.2
<b>CBN Bills held by Non-Bank Sectors</b>	42.91	34.0	41.1	40.1
<b>Total Monetary Assets (M3)</b>	9.32	12.7	11.1	16.6
<i>Memorandum Items:</i>				
Reserve Money (RM)	10.88	13.0	5.0	10.1
<i>Currency in Circulation (CIC)</i>	-1.01	-9.3	-2.7	8.0
<i>DMBs Demand Deposit with CBN</i>	17.94	24.2	8.9	11.1
	<b>Growth Over Preceding Month (%)</b>			
<b>Domestic Credit (Net)</b>	-1.6	5.2	-3.0	5.8
<i>Claims on Federal Government (Net)</i>	-17.2	53.6	-20.6	63.3
<i>Claims on Private Sector</i>	1.5	0.4	-0.2	1.6
<i>Claims on Other Private Sector</i>	1.9	1.8	-0.2	-1.7
<i>Claims on State and Local Government</i>	-3.1	-16.9	0.1	-0.9
<i>Claims on Non-financial Public Enterprises</i>				
<b>Foreign Assets (Net)</b>	16.7	2.2	1.2	-3.1
Central Bank	-10.6	1.6	3.3	-2.3
Banks	2.7	28.7	-49.0	-43.6
<b>Other Assets (Net)</b>	-10.6	-10.9	3.2	4.8
<b>Total Monetary Assets (M3)</b>	2.7	1.9	-0.5	4.9
<b>Quasi-Money 1/</b>	6.3	1.3	-0.1	3.7
<b>Money Supply (M1)</b>	10.5	2.2	-4.9	9.9
<i>Currency Outside Banks</i>	14.8	4.3	6.9	11.8
<i>Demand Deposits 2/</i>	9.7	-3.2	-6.9	9.6
<b>Total Monetary Liabilities (M2)</b>	8.2	-0.5	-2.2	6.3
<b>CBN Bills held by Non-Bank Sectors</b>	-12.6	-3.3	6.8	-0.8
<b>Total Monetary Assets (M3)</b>	2.7	-1.2	-0.5	4.9
<i>Memorandum Items:</i>				
Reserve Money (RM)	14.3	1.0	-7.1	4.8
<i>Currency in Circulation (CIC)</i>	13.8	5.7	7.4	10.9
<i>DMBs Demand Deposit with CBN</i>	14.5	-0.8	12.3	2.0

Table A3: Federal Government Fiscal Operations (₦ billion)\*

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Monthly Budget Est
Retained Revenue	323.4	271.4	290.1	316.6	493.3	315.6	348.1	337.5	350.1	281.0	304.3	331.2	276.8	629.4
Federation Account	251.5	249.4	257.6	222.4	276.3	268.8	279.7	269.8	274.9	263.4	284.4	280.9	255.2	381.0
VAT Pool Account	12.1	13.9	12.9	12.1	12.5	13.5	12.3	11.5	16.5	11.4	15.1	13.3	14.5	18.5
FGN Independent Revenue	44.6	8.1	19.3	48.3	89.3	9.9	34.6	13.3	8.1	3.8	4.4	4.4	6.6	70.7
Excess Crude Account	14.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others /Exchange Gain/Recove	1.0	0.0	0.3	33.8	115.0	23.5	21.5	42.9	50.7	2.4	0.4	32.6	0.5	159.3
Expenditure	698.0	541.3	776.3	565.6	633.5	431.0	564.9	552.5	773.5	623.6	586.4	616.9	434.4	792.3
Recurrent	503.3	391.0	500.0	420.3	509.0	354.7	526.7	475.8	582.8	526.5	528.7	549.3	356.7	509.0
Capital	156.7	112.2	238.3	107.3	86.5	38.2	0.1	38.6	152.6	59.0	19.7	29.5	39.6	239.1
Transfers	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	44.2
Overall Balance: Surplus(+)/Deficit(-)	-374.6	-269.9	-486.2	-249.0	-140.2	-115.3	-216.8	-215.0	-423.3	-342.6	-282.1	-285.7	-157.6	-162.9
1/Revised														
2/Provisional														

\* Data on government revenue and expenditure are provisional and subject to revisions

