



**CENTRAL BANK OF NIGERIA**

***ECONOMIC REPORT  
NOVEMBER 2018***

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

Monetary policy stance remained, largely, non-expansive to rein in inflationary pressures. On month-on-month basis, broad money supply ( $M_3$ ), grew by 2.5 per cent to ₦35,117.0 billion at end-October 2018, compared with 1.9 per cent growth recorded at end-September 2018. The development reflected the 2.6 per cent and 2.7 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 12.7 per cent, mainly, on account of the 20.7 per cent, 2.7 per cent and 0.4 per cent growth in net foreign assets, net domestic credit and other assets (net) of the banking system, respectively. Narrow money supply ( $M_1$ ) grew by 4.2 per cent to ₦11,130.2 billion at end-October 2018 relative to the level at end-September 2018 and reflected the 0.01 per cent and 4.9 per cent increase in its currency outside banks and demand deposits components, respectively.

Provisional data indicated that banks' deposit and lending rates were mixed in November 2018. The average savings deposit and 3-month savings rates remain unchanged at the preceding month's levels of 4.07 per cent and 9.47 per cent, respectively. With the exception of the 6-month and 12-month rates, which fell by 0.23 and 0.30 percentage points to 9.92 per cent and 10.16 per cent, respectively, all other rates of various maturities rose from a range of 3.65 per cent – 8.41 per cent in the preceding month to a range of 4.07 per cent – 8.75 per cent in November 2018. The average term deposit rate fell by 0.03 percentage point to 8.44 per cent at end-November 2018.

The weighted average prime and maximum lending rates rose marginally by 0.06 percentage point and 0.12 percentage point to 16.59 per cent and 30.79 per cent, respectively, at end-November 2018. Consequently, the spread between the average term deposit and the average maximum lending rates widened by 0.15 percentage point to 22.35 percentage points at end-November 2018. Similarly, the spread between the average savings deposit and maximum lending rates widened by 0.12 percentage point to 26.72 percentage points at end-November 2018.

The total value of money market assets outstanding in November 2018 stood at ₦12,025.70 billion, showing an increase of 0.3 per cent, in contrast to the 1.4 per cent decline in the preceding month. Developments on the Nigerian Stock Exchange (NSE) were mixed in November 2018.

Federally-collected revenue (gross) was estimated at ₦943.82 billion in November 2018. This was below the monthly budget estimate by 14.8 per cent, but exceeded the receipts in the preceding month by 38.4 per cent. Oil and non-oil receipts (gross), at ₦601.90 billion and ₦341.92 billion in the review period, constituted 63.8 per cent and 36.2 per cent of total revenue, respectively. Federal Government retained revenue and estimated expenditure for November 2018 were ₦304.30 billion

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

and ₦398.75 billion, respectively, resulting in an estimated deficit of ₦94.45 billion.

Agricultural activities in November 2018 were predominantly harvesting of yam, rice, cassava, potatoes, groundnut and other cereal crops. In the livestock sub-sector, farmers engaged in the breeding of poultry and cattle in preparation for the end of year sales.

Domestic crude oil production was estimated at 1.84 mbd or 55.2 million barrels (mb) in November 2018. Crude oil export was estimated at 1.39 mbd or 41.7 mb. The average spot price of Nigeria's reference crude oil, the Bonny Light (37° API), fell by 11.51 per cent to US\$65.99 per barrel in November 2018.

The end-period headline inflation, on year-on-year and twelve-month moving average bases, stood at 11.28 per cent and 12.41 per cent, respectively, in November 2018, compared with 11.26 per cent and 12.80 per cent, in October 2018.

Foreign exchange inflow into and outflow from the CBN in November 2018 were US\$3.21 billion and US\$3.79 billion, respectively, and resulted in a net outflow of US\$0.58 billion. Aggregate foreign exchange inflow into and outflow from the economy were US\$7.22 billion and US\$4.10 billion, respectively, resulting in a net inflow of US\$3.12 billion. Foreign exchange sales by the CBN to the authorised dealers amounted to US\$2.93 billion, in the review period, compared with US\$3.34 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 ₦306.69 /US\$, ₦362.12/US\$ and ₦363.86/US\$, respectively, in November 2018. The gross external reserves was US\$43.32 billion as at end-November 2018, compared with US\$40.61 billion at end-October 2018.

The major international economic developments and meetings of importance to the domestic economy in the review period included: A visit to the Central Bank of Nigeria (CBN) by a team from Moody's Ratings Agency, led by Mr. Aurelien Mali on November 8, 2018, with the objective of reviewing Nigeria's 2018 macroeconomic performance following the last exercise carried out in 2017.

## 2.0 Financial Sector Developments

### 2.1 Monetary and Credit Developments

*Major monetary aggregates, on month-on-month basis, grew in October 2018, compared with the levels in the preceding month. Developments in banks' deposit and lending rates were mixed in the review month. The value of money market assets outstanding rose, owing, largely, to the increase in FGN Bonds and NTBs. Developments on the Nigerian Stock Market were mixed in the review month.*

The stance of monetary policy remained, largely, non-expansionary as the monetary policy rate and other key instruments remain unchanged at the preceding month's levels. Despite the tight monetary policy stance, major monetary aggregates rose compared with the levels in the preceding month. Broad money supply ( $M_3$ ), on month-on-month basis, grew by 2.5 per cent to ₦35,117.0 billion at end-October 2018, compared with 1.9 per cent growth at the end of the preceding month. The development reflected the 2.6 per cent and 2.7 per cent increase in domestic credit (net) and other assets (net), respectively, which more than offset the 0.4 per cent decline in foreign assets (net) of the banking system.

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

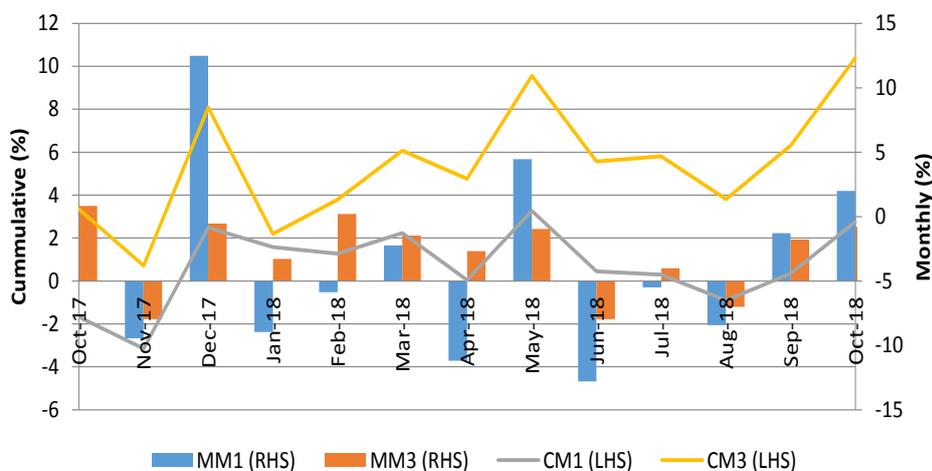
$M_3$  grew by 12.7 per cent over the level at end-December 2017, compared with the growth of 9.9 per cent at the end of the preceding month. The growth in  $M_3$  reflected the respective increase of 20.7 per cent, 2.7 per cent and 0.4 per cent in net foreign assets, net domestic credit and other assets (net) of the banking system.

Narrow money supply ( $M_1$ ) grew by 4.2 per cent, on month-on-month, to ₦11,130.2 billion at end-October 2018, due to the 0.01 per cent and 4.9 per cent increase in its currency outside banks and demand deposits components, respectively. narrow money ( $M_1$ ) fell by 0.4 per cent below the level at end-December 2017, compared with the decline of 4.4 per cent at end-October 2018 (Figure 1, Table 1).

Relative to the level at the end of the preceding month, quasi-money declined by 0.1 per cent to ₦14,583.4 billion at end-October 2018, in contrast to the increase of 1.3 per cent at end-September 2018. The development reflected the fall in time and savings deposits of commercial banks. Over the level at end-December 2017, quasi-money increased by 12.5 per cent, compared with the growth of 12.6 per cent at the end of the preceding month, owing to the rise in time,

savings, and foreign currency 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 ₦26,633.2 billion, on month-on-month basis, grew by 2.6 per cent at end-October 2018, compared with the growth of 5.2 per cent at the end of the preceding month. The growth in aggregate domestic credit reflected the 14.6 per cent and 0.7 per cent increase in net claims on the Federal Government and claims on the private sector, respectively. Net domestic credit grew by 2.7 per cent at end-October 2018 over the level at end-December 2017, compared with the growth of 0.2 per cent at end-September 2018. This reflected the respective increases of 7.4 per cent and 1.9 per cent in net claims on the Federal Government and claims on the private sector.

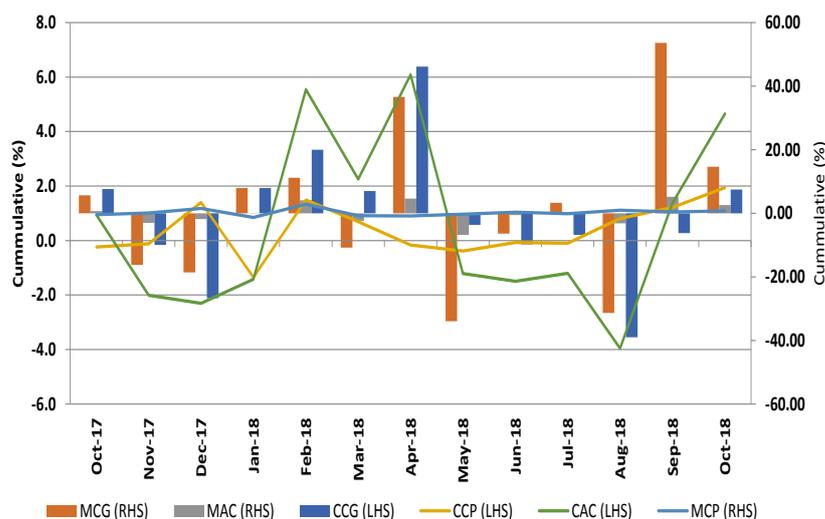
Net claims on the Federal Government rose by 14.6 per cent to ₦3,909.4 billion at end-October 2018, compared with 53.6 per cent increase at the end of the preceding month, on account of the rise in holdings of Government securities by banks. Net claims on the Federal Government grew by 7.4 per cent at end-October 2018 over the level at end-December 2017, in contrast to the decline of 6.3 per cent at end-September 2018. The development was attributed to increased banking system holdings of Government securities.

Relative to the level at end-September 2018, banking system's credit to the private sector rose by 0.7 per cent to ₦22,723.7 billion, compared with the growth of 0.4 per cent at

<sup>2</sup> MM1 and MM3 represent month-on-month changes, while CM1 and CM3 represent cumulative changes (year-to-date changes or growth over preceding December)

the end of the preceding month. This reflected, wholly, the 16.7 per cent increase in claims on the State and Local Governments. Banking system's credit to the private sector grew by 1.9 per cent, over the level at end-December 2017, compared with the growth of 1.2 per cent at end-September 2018. The development was due to the 1.9 per cent increase in claims on the core private sector.

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



Net Foreign Assets (NFA) of the banking system declined by 0.4 per cent, on month-on-month basis, to ₦18,735.3 billion, in contrast to the growth of 2.2 per cent at the end of the preceding month. The fall in NFA was attributed to the 1.6 per cent decline in foreign asset holdings of the CBN. NFA increased by 20.7 per cent at end-October 2018 over the level at end-December 2017, compared with the growth of 21.2 per cent at the end of the preceding month. The development was attributed to the 94.9 per cent and 18.8 per cent growth in the foreign asset holdings of banks and the CBN, respectively.

Relative to the level at end-September 2018, other assets (net) of the banking system rose by 2.7 per cent to negative ₦10,251.47 billion, at end-October 2018, but was in contrast to the decline of 10.9 per cent recorded at the end of the preceding month. Over the level at end-December 2017, other assets (net) of the banking system grew by 0.4 per cent,

<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).

in contrast to the decline of 2.3 per cent at the end of the preceding month. The development relative to end-December 2017 was due to the increase in unclassified assets of the CBN.

**Table 1: Growth in Monetary and Credit Aggregates (over preceding month – Per cent)**

	Oct-17	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18
<b>Domestic Credit (Net)</b>	0.7	0.7	1.1	-6.8	-0.6	0.3	-3.2	5.2	2.6
Claims on Federal Government (Net)	5.7	7.2	7.8	-33.9	-6.4	3.3	-31.4	53.6	14.6
Claims on Private Sector	-0.4	-0.8	-0.9	-0.3	0.3	-0.1	0.9	0.4	0.7
Claims on Other Private Sector	-0.4	-1.3	-0.7	0.6	0.2	0.2	1.4	1.8	-0.3
<b>Foreign Assets (Net)</b>	23.4	-1.8	19.5	9.7	0.2	-3.0	3.5	2.2	-0.4
<b>Other Assets (Net)</b>	-20.7	9.2	-39.1	9.6	-5.2	6.6	-2.5	-10.9	2.7
Broad Money Supply (M3)	3.5	2.1	0.1	1.8	-1.8	0.6	-1.2	1.9	2.5
Quasi-Money	1.8	0.8	3.4	0.7	1.2	1.4	0.8	1.3	-0.1
Narrow Money Supply (M1)	3.3	1.7	-3.7	5.7	-4.7	-0.3	-2.1	2.2	4.2
Money Supply (M2)	2.5	1.2	0.2	2.8	-1.4	0.6	-0.5	1.7	1.7
Reserve Money (RM)	3.7	4.7	-3.2	3.6	-6.0	4.1	1.0	1.7	7.7

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

Currency-in-circulation, at ₦1,956.0 billion, on month-on-month basis, rose by 1.5 per cent in October 2018, in contrast to the decline of 0.1 per cent at the end of the preceding month. The development relative to the preceding month reflected the increase in its vault cash component.

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 end-September 2018. Overall, aggregate deposit at the CBN increased by 3.4 per cent to ₦15,236.26 billion at end-October 2018. Of the total deposits at the CBN, the shares of the Federal Government, banks and the private sector were 45.7 per cent, 35.3 per cent and 19.0 per cent, respectively.

Relative to the level at end-September 2018, reserve money rose by 7.7 per cent to ₦7,329.3 billion at end-October 2018. The upward movement in reserve money reflected, wholly, the 10.2 per cent and 1.5 per cent increase in DMBs demand deposit with CBN and CIC, respectively.

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

## 2.3 Money Market Developments

The Monetary Policy Committee (MPC) at its meetings in November 2018 maintained the Monetary Policy Rate (MPR) at 14.00 per cent and other key indicators for effective liquidity management. Movements in domestic money

market rates were influenced, largely, by the level of liquidity, prompted by inflow from fiscal disbursements, maturing Central Bank of Nigeria (CBN) bills and Federal Government of Nigeria (FGN) securities. Consequently, net liquidity was positive and money market rates were mixed during the review period.

Provisional data indicated that total value of money market assets outstanding in November 2018 stood at ₦12,025.70 billion, showing an increase of 0.3 per cent, in contrast to the 1.4 per cent decline in the preceding month. The development was attributed, largely, to the 75.9 per cent and 23.4 per cent growth in FGN Bonds and NTBs 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. Short-term money market rates trended below the MPR of 14.00 per cent in most part of the period. Provisional data indicated that banks' deposit and lending rates were mixed in November 2018. The average savings deposit and 3-month savings rate remain unchanged at the preceding month's levels of 4.07 per cent and 9.47 per cent, respectively. With the exception of the 6-month and 12-month rates, which fell by 0.23 and 0.30 percentage point to 9.92 per cent and 10.16 per cent, respectively, all other rates of various maturities rose from a range of 3.65 per cent to 8.41 per cent in the preceding month to a range of 4.07 per cent to 8.75 per cent in November 2018. The average term deposit rate fell by 0.03 percentage point to 8.44 per cent at end-November 2018.

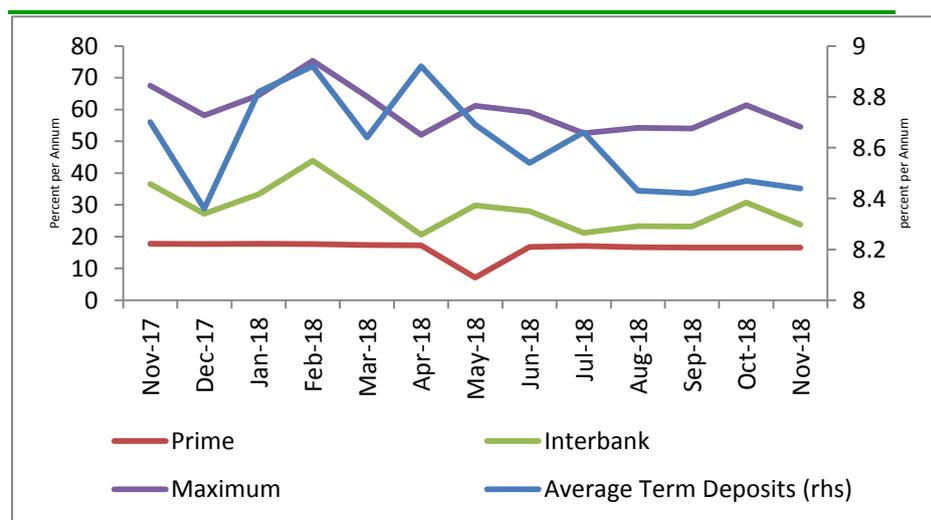
*Staff Estimates indicated that banks' deposit rates and lending rates were mixed in the review month.*

The weighted average prime and maximum lending rates rose marginally by 0.06 percentage point and 0.12 percentage point to 16.59 per cent and 30.79 per cent, respectively, at end-November 2018. Consequently, the spread between the average term deposit and the average maximum lending rates widened by 0.15 percentage point to 22.35 percentage points at end-November 2018. Similarly, the spread between the average savings deposit and maximum lending rates widened by 0.12 percentage point to 26.72 percentage points at end-November 2018.

Average inter-bank rate, which stood at 14.18 per cent at end-October 2018, fell by 7.01 percentage points to 7.17 per cent at end-November 2018. Open-buy-back (OBB) rate,

which stood at 15.69 per cent in the preceding month, fell by 8.93 percentage points to 6.76 per cent at end-November 2018. The Nigerian inter-bank offered rate (NIBOR), for the 30-day tenor, declined to 12.44 per cent in the review period, compared with the 13.90 per cent at end-October 2018. With the headline inflation estimated at 11.15 per cent in November 2018, 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)**

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Average Term Deposits	8.7	8.36	9.23	8.92	8.64	8.92	8.69	8.54	8.68	8.43	8.42	8.47	8.44
Prime Lending	17.77	31.11	17.5	17.71	17.35	17.23	17.08	16.78	16.83	16.65	16.59	16.53	16.59
Interbank Call	18.78	9.49	15.58	26.19	15.16	3.34	22.77	11.23	4.2	6.64	6.64	14.18	7.17
Maximum Lending	30.95	30.99	31.39	31.4	31.55	31.45	31.29	31.17	31.09	30.93	30.77	30.67	30.79

### 2.3.2 Commercial Paper (CP)

Commercial Paper (CP) outstanding held by DMBs stood at ₦16.96 billion, showing an increase of 3.67 per cent, compared with ₦16.36 billion, recorded in the preceding month. Thus, CP constituted 0.14 per cent of the total value of money market assets outstanding during the review period, compared with 0.13 per cent in the preceding month.

### 2.3.3 Bankers' Acceptances (BAs)

During the review period, BA stood at ₦6.68 billion, showing a decrease of 42.00 per cent, compared with ₦11.51 billion

recorded in the preceding month. Consequently, BA accounted for 0.10 per cent of the total value of money market assets outstanding at the end of November 2018, compared with 0.13 per cent recorded in the preceding month.

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

During the review period, CD stood at ₦59.61 billion, showing an increase of 0.10 per cent, compared with ₦59.57 billion recorded in the preceding month. Consequently, CD accounted for 0.50 per cent of the total value of money market assets outstanding at end-November 2018, compared with 0.49 per cent recorded in the preceding month.

#### *2.3.5 Open Market Operations*

The Bank intervened six (6) times through the conduct of direct Open Market Operations (OMO), to influence liquidity in the system in November 2018. The tenors of the instruments ranged from 77 to 364 days. Total amount offered, subscribed to and allotted, stood at ₦3,180.00 billion, ₦2,086.21 billion and ₦2,010.02 billion, respectively. The bid rates ranged from 11.50 to 15.00 per cent, while the stop rates were from 11.50 to 14.50 per cent. Repayment and maturity of CBN bills was ₦2,046.28 billion, translating to a net injection of ₦36.26 billion.

#### *2.3.6 Primary Market*

NTBs of 91-, 182- and 364-day tenors amounting to ₦424.14 billion, ₦939.39 billion and ₦424.14 billion were offered, subscribed and allotted respectively, at the three auctions held in November 2018 on behalf of the Debt Management Office (DMO).

At the 91-day auction, total offer, subscription and allotment were ₦35.65 billion, ₦36.11 billion and ₦35.61 billion, respectively with bid rates ranging from 10.7000 to 13.0000 per cent, while the stop rates were 10.98, 10.95 and 10.96 per cent. For the 182-day auction, offer, total subscription and allotment were ₦89.43 billion, ₦160.81 billion and ₦83.60 billion, respectively. The bid rates ranged from 11.5000 to 14.0000 per cent, while the stop rates were 13.4900, 13.1600 and 13.4900 per cent. At the 364-day, offer, total subscription and allotment were ₦299.05 billion, ₦742.46 billion and ₦304.93 billion with bid rates ranging from 13.20 to 16.43 per cent, while stop rates were 14.40, 14.45 and 14.45 per cent. On all the maturities, the stop rate ranged from 10.90 to 14.45 per cent.

### 2.3.7 Bonds Market

Tranches of the 5-, 7-, and 10-year bonds were re-opened and offered for sale in November 2018. Terms to maturity of the bonds were 4 years 5 months, 6 years 4 months, and 9 years 3 months, respectively. Total amount offered, subscribed to and allotted were ₦115.00 billion, ₦102.70 billion and ₦39.52 billion, respectively. There was no allotment on non-competitive basis and none of the available tranches matured for redemption.

The bid rates ranged from 13.00 to 16.70 per cent, while the marginal rates for the 5-, 7-, and 10-year bonds were 15.20, 15.15 and 15.83 per cent, respectively. Although public subscription levels were higher than the amount allotted, it was observed that the DMO was unwilling to accept higher rates from subscribers in order to moderate debt service cost and maintain market stability as the rates at which each of the bonds were allotted were close to their secondary market yields.

### 2.3.8 CBN Standing Facilities

The trend at the CBN standing facilities window showed more patronage at the Standing Deposit Facility (SDF) 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 ₦450.12 billion, made up of ₦302.18 billion direct SLF and ₦147.94 billion Intra-day Lending Facility (ILF) converted to overnight repo. Daily average was ₦25.01 billion in the 18 transaction days in November 2018. Total interest earned was ₦0.30 billion.

The total request for the SDF granted during the review period was ₦2,123.29 billion with daily average of ₦117.96 billion in the 18 transaction days. Daily request ranged from ₦38.70 billion to ₦149.75 billion. Cost incurred on SDF in the month stood at ₦0.79 billion.

## 2.4 Banks' Activities

Total assets and liabilities of the banks amounted to ₦37,338.43 billion at end-October 2018 showing a 0.2 per cent increase, compared with the level at end-September 2018. Funds were sourced, mainly, from unclassified assets, increased demand deposits and loans from the Central

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

Bank. The funds were used for foreign reserves accretion, increase claims on sub-national governments, and reduction in credit from the Central Bank.

Banks' credit to the domestic economy rose by 0.5 per cent to ₦19,858.12 billion at end-October 2018, compared with the level at end-September 2018. The development was attributed, mainly, to the increase in claims on the private sector in the review month.

Total specified liquid assets of banks stood at ₦11,865.43 billion at end-October 2018, representing 55.0 per cent of their total current liabilities. At that level, the liquidity ratio was 4.4 percentage points below the level at end-September 2018, but was 25.0 percentage points above the stipulated minimum liquidity ratio of 30.0 per cent at end-September 2018. The loans-to-deposit ratio, at 64.70 per cent, was 0.5 percentage point and 15.3 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

Developments on the Nigerian Stock Exchange (NSE) were mixed in November 2018. Thus, the total volume and value of traded securities rose by 7.7 per cent and 23.3 per cent to 5.45 billion shares, valued at ₦74.87 billion, respectively, in 60,760 deals, compared with 5.06 billion shares, valued at ₦60.73 billion in 63,923 deals in October 2018 (Figure 4, Table 3).

The financial services sector continued to dominate activities on the Exchange, with 4.35 billion shares, valued at ₦52.18 billion, traded in 34,252 deals in November 2018, compared with 4.27 billion shares worth ₦37.95 billion, traded in 36,667 deals in the preceding month. Transactions in the sector accounted for 79.8 per cent and 69.7 per cent of the total turnover volume and value, respectively.

Figure 4: Volume and Value of Traded Securities

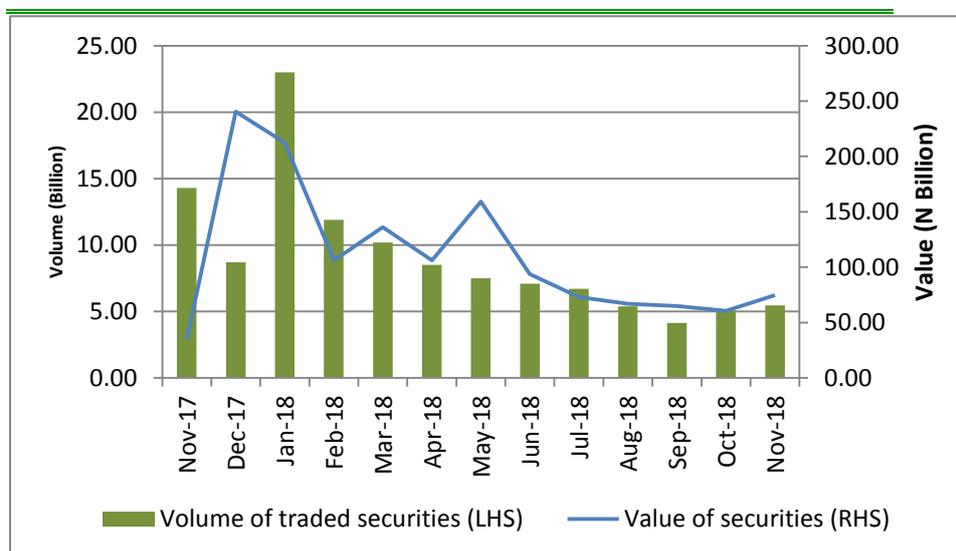


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Volume (Billion)	14.3	8.7	23.0	11.9	10.2	8.5	7.5	7.1	6.7	5.4	4.2	5.1	5.5
Value (N Billion)	35.1	240.4	212.4	106.1	136.2	106.1	159.2	93.9	73.0	66.9	65.1	60.7	74.9

### 2.5.3 Market Capitalisation

The aggregate market capitalisation on the Exchange fell by 2.4 per cent to ₦21.44 trillion at end-November 2018, compared with ₦21.97 trillion at end-October 2018. Market capitalisation for the equities segment, also fell by 5.0 per cent to ₦11.27 trillion and constituted 52.6 per cent of the total, compared with ₦11.86 trillion and 53.9 per cent at end-October 2018 (Figure 5, Table 4).

### 2.5.4 NSE All-Share Index

The All-Share Index, which opened at 32,466.27 at the beginning of the month, closed at 30,874.17, representing a decline of 4.9 per cent, compared with the level in the preceding month. Developments in the sectoral indices were, however, mixed. All the sectoral indices finished lower with the exception of the NSE ASeM, NSE Insurance and NSE Consumer Goods Indices that finished higher by 0.09 per cent, 4.71 per cent and 0.08 per cent, respectively, (Figure 5, Table 4).

Figure 5: Market Capitalisation and All-Share Index

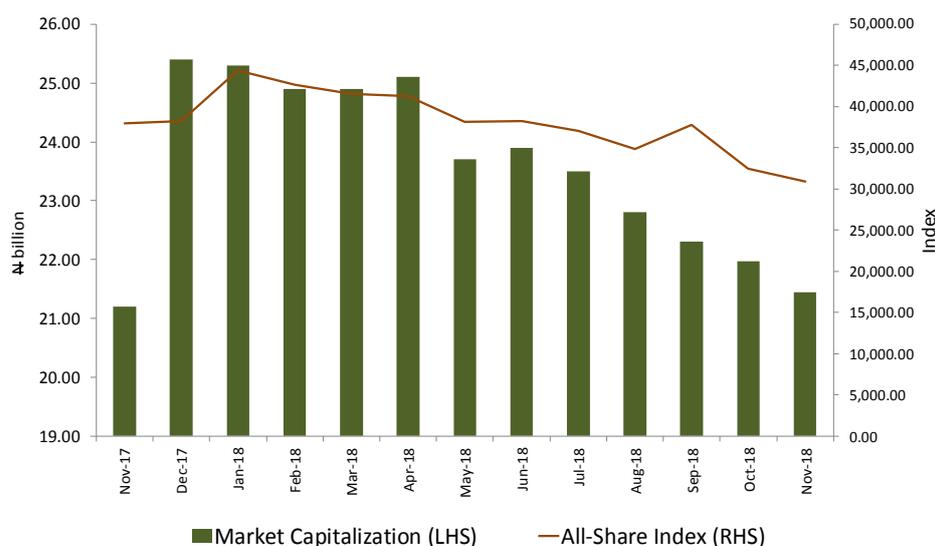


Table 4: Aggregate Market Capitalisation and All Share Index (NSE)

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Oct-18
Aggregate Market Capitalization (₦ trillion)	25.1	23.7	23.9	23.5	22.8	22.3	21.97	21.44
All-Share Index	41,268.01	38,104.54	38,278.55	37,017.78	34,848.45	37,766.37	32,466.27	30,874.17



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

Federally-collected revenue in November 2018 was below the monthly budget estimate by 14.8 per cent, but exceeded the receipts in October 2018 by 38.4 per cent. Federal Government retained revenue for the review month was ₦304.30 billion, while total provisional expenditure was ₦398.75 billion, resulting in an estimated deficit of ₦94.45 billion.

#### 3.1 Federation Account Operations

The estimated federally-collected revenue (gross), at ₦943.82 billion, in November 2018 was below the 2018 monthly budget estimate of ₦1,107.12 billion by 14.8 per cent, but exceeded the ₦682.06 billion collected in the preceding month by 38.4 per cent. The shortfall relative to the monthly budget estimate was attributed to lower revenue from both oil and non-oil sources (Fig. 6, Table 5).

At ₦943.82 billion, the estimated federally-collected revenue (gross) in November 2018 fell short of the monthly budget estimate of ₦1,107.12 billion by 14.8 per cent.

Figure 6: Components of Gross Federally-Collected Revenue

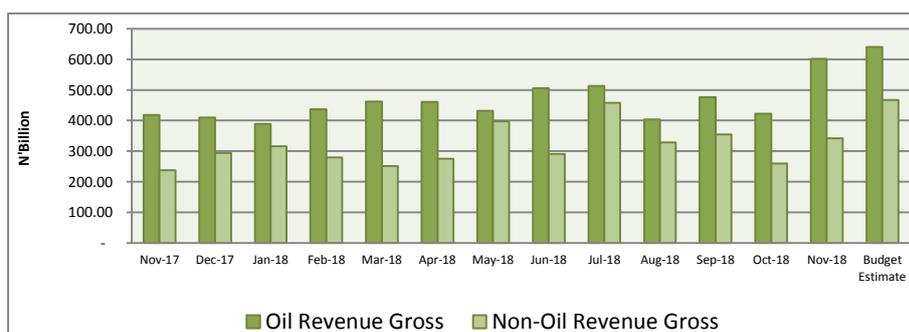


Table 5: Gross Federation Account Revenue (₦ billion)

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Monthly Budget Est
Federally-collected Revenue(Gross)	655.8	704.4	662.5	719.4	701.7	734.8	749.9	833.5	947.6	745.5	831.4	682.1	943.8	1,107.1
Oil Revenue	417.7	410.2	389.4	436.9	461.7	460.8	431.4	505.9	513.5	403.6	477.1	422.1	601.9	640.2
Non-oil Revenue	238.1	294.2	273.1	282.6	240.0	274.1	318.6	327.6	434.1	341.9	354.4	259.9	341.9	466.9

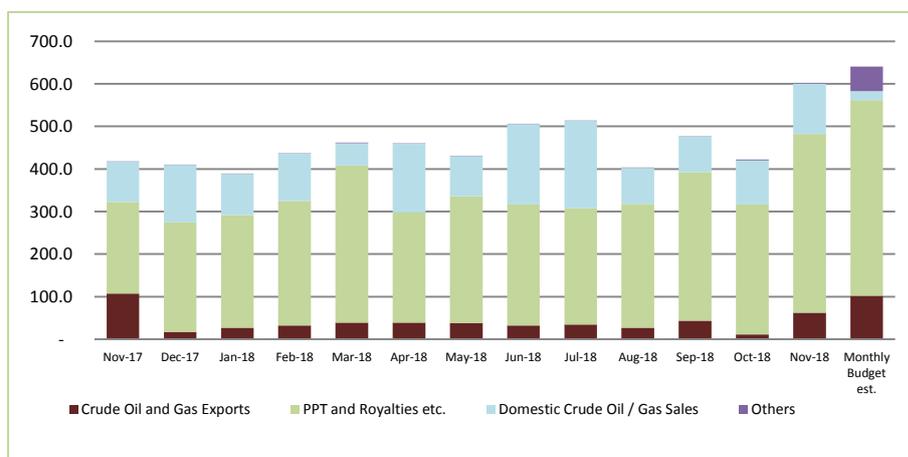
Oil receipts, at ₦601.90 billion or 63.8 per cent of total revenue, was below the monthly budget estimate of ₦640.21 billion by 6.0 per cent. It was, however, above the preceding month's receipt of ₦422.13 billion by 42.6 per cent. The fall in oil revenue relative to the monthly budget estimate was attributed to the drop in the average price of crude oil and shut in production level, arising from shutdown of some

At ₦601.90 billion, oil receipts (gross) was below the monthly budget estimate by 6.0 per cent, and constituted 63.8 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

pipelines (Figure 7, Table 6).

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



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

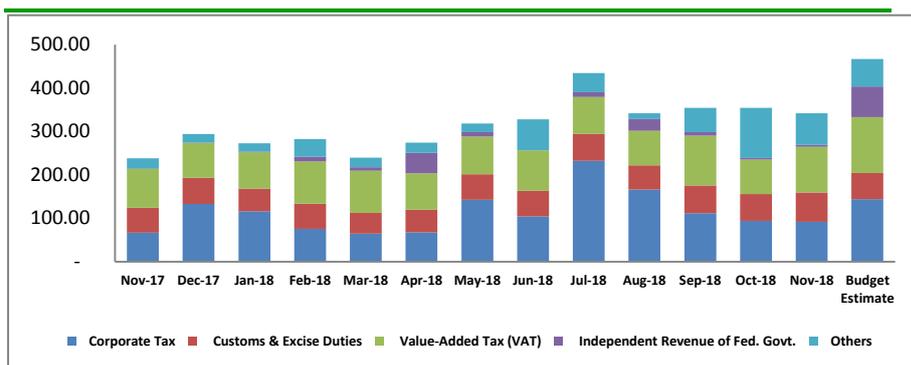
	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Monthly Budget
Oil Revenue	417.7	410.2	389.4	436.9	461.7	460.8	431.4	505.9	513.5	403.6	477.1	422.1	601.9	640.2
Crude Oil and Gas Exports	107.6	17.3	26.8	32.5	38.9	39.2	38.0	32.1	34.3	26.8	43.4	11.6	62.2	101.9
PPT and Royalties etc.	215.0	257.3	265.4	292.2	368.8	258.5	298.3	284.2	274.2	291.5	348.8	305.0	420.1	459.7
Domestic Crude Oil / Gas Sales	94.5	135.1	96.7	111.7	52.6	161.9	94.2	189.1	204.2	84.4	84.3	103.8	118.8	21.0
Others	0.7	0.6	0.6	0.5	1.4	1.1	0.8	0.5	0.9	0.8	0.6	1.7	0.8	57.6

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

At ₦341.92 billion, non-oil receipts (gross) was lower than the monthly budget estimate by 26.8 per cent and constituted 36.2 per cent of total revenue.

Non-oil revenue, at ₦341.92 billion or 36.2 per cent of total revenue, was below both the 2018 monthly budget estimate of ₦466.91 billion, but was above the ₦259.93 billion received in the preceding month, by 26.8 and 31.5 per cent, respectively. The lower collection relative to the monthly budget estimate was due to the shortfalls in, mainly, Corporate Tax and FGN Independent Revenue (Figure 8, Table 8).

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



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

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Monthly Budget Est
Non-Oil Revenue	238.1	294.2	273.1	282.6	240.0	274.1	318.6	327.6	434.1	341.9	354.4	259.9	341.9	467.0
Corporate Tax	67.0	133.1	116.2	75.7	64.9	67.6	142.9	104.7	232.7	166.0	112.0	94.0	92.5	144.3
Customs & Excise Duties	57.9	60.4	52.0	58.4	48.1	52.5	58.5	58.7	61.4	55.8	63.8	62.2	67.0	60.0
Value-Added Tax (VAT)	89.7	80.4	84.0	96.6	96.6	83.7	86.9	93.4	85.3	79.8	114.5	79.2	105.2	128.7
Independent Revenue of Fed. Govt.	0.3	0.1	1.4	10.9	7.9	47.1	10.3	0.0	10.9	26.9	8.1	3.8	4.4	70.7
Others 1/	23.3	20.2	19.5	40.9	22.4	23.1	20.1	70.8	43.7	13.4	55.9	20.7	72.9	63.3

Of the total federally-collected revenue (net), ₦776.18 billion was retained in the Federation Account after statutory deductions. Out of this, the sums of of ₦100.96 billion, ₦4.39 billion and ₦72.88 billion were transferred to the VAT Pool Account, the Federal Government Independent revenue and "Others", respectively, leaving a balance of ₦597.95 billion for distribution to the three (3) tiers of government and the 13% Derivation Fund.

Of this amount, the Federal Government received ₦284.40 billion, while the state and local governments got ₦144.25 billion and ₦111.21 billion, respectively. The balance of ₦58.09 billion was shared among the oil producing states as 13% Derivation Fund.

Similarly, from the ₦100.96 billion transferred to the VAT Pool Account, the Federal Government received ₦15.14 billion, while the state and local governments received ₦50.48 billion and ₦35.34 billion, respectively.

In addition, the sum of ₦0.18 billion was distributed in the month as Exchange Gain with the Federal Government receiving ₦0.37 billion. The state and local governments share amounted to ₦0.19 billion and ₦0.15 billion,

respectively, while the 13% Derivation Fund received ₦0.10 billion.

Overall, total allocation to the three tiers of government in November 2018 amounted to ₦699.72 billion. This was below the 2018 monthly budget estimate of ₦967.43 billion by 27.7 per cent, but exceeded the preceding month's allocation of ₦633.14 billion by 10.5 per cent.

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

### 3.2.1 The Federal Government

At ₦304.30 billion, the estimated Federal Government retained revenue was below the monthly budget estimate by 51.7 per cent.

The estimated Federal Government retained revenue, at ₦304.30 billion, was below the monthly budget estimate of ₦629.44 billion by 51.7 per cent. A breakdown showed that Federation Account was 93.5 per cent. VAT, FGN Independent Revenue, and Exchange Gain amounted to 5.0, 1.4 and 0.1 per cent, respectively (Figure 9, Table 8).

Figure 9: : Federal Government Retained Revenue

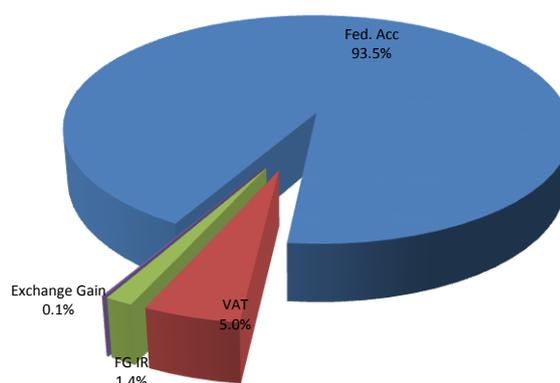


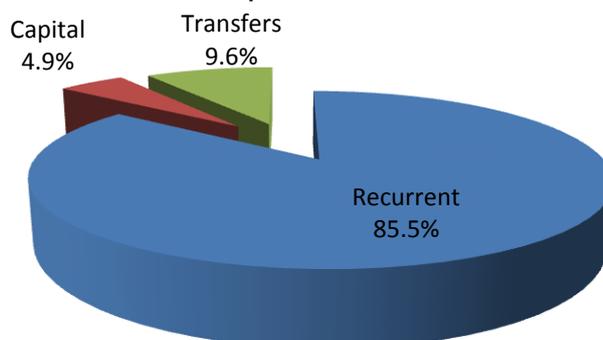
Table 8: Federal Government Fiscal Operations (N billion)

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	2018 Monthly Budget Est
Retained Revenue	287.5	733.3	349.7	274.2	278.7	315.4	299.1	296.6	306.7	344.3	299.6	281.0	304.3	629.4
Expenditure	439.2	1116.9	639.6	373.9	684.3	218.6	509.7	358.6	485.4	309.1	248.1	347.5	398.8	792.3
Overall Balance: (+)/(-)	-151.7	-383.5	-289.8	-99.7	-405.6	96.9	-210.6	-620.0	-178.7	35.2	51.4	-66.5	-94.5	-162.9

The estimated total expenditure of the Federal Government, at ₦398.75 billion, was below the monthly budget estimate of ₦792.31 billion by 49.7 per cent, but was above the ₦322.60 billion collected in the preceding month by 5.0 per cent. A breakdown showed that total recurrent expenditure, capital

expenditure and transfers constituted 85.5 per cent, 4.9 per cent and 9.6 per cent of the total, respectively. A breakdown of the recurrent expenditure showed that non-debt obligation was 93.0 per cent, while debt service payments accounted for 7.0 per cent of the total (Figure 10).

**Figure 10: : Federal Government Expenditure**



Consequently, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦94.45 billion, compared with the estimated monthly budget deficit of ₦162.87 billion.

*The fiscal operations of the FG resulted in an estimated deficit of ₦94.45 billion, relative to the 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 ₦253.11 billion. This was lower than the 2018 monthly budget estimate of ₦354.04 billion by 28.5 per cent, but was higher than the preceding month's receipt of ₦225.41 billion by 12.3 per cent.

Receipts from the Federation Account was ₦202.63 billion or 80.1 per cent of the total statutory allocation. This was below the monthly budget estimate of ₦292.28 billion by 30.7 per cent. Similarly, the allocation from the VAT Pool Account, at ₦50.48 billion or 19.9 per cent of the total, fell below the monthly budget estimate of ₦61.76 billion by 18.3 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 ₦146.69 billion. This represented a shortfall of 25.3 per cent, relative to the 2018 monthly budget estimate of ₦196.25 billion.

At ₦111.36 billion or 75.9 per cent of the total, allocation from the Federation Account was below the monthly budget estimate of ₦153.01 billion by 27.2 per cent. Similarly, the share from the VAT Pool Account, at ₦35.34 billion or 24.1 per cent

of the total, fell below the monthly budget estimate of ₦43.23 billion by 18.3 per cent (Table 9).

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

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Monthly Budget Est
SG Federation Account	134.3	169.1	187.0	178.5	188.2	185.9	189.9	189.4	181.2	210.4	192.5	187.4	202.6	292.3
SG VAT	43.1	38.6	40.3	46.4	42.9	40.2	41.7	44.8	41.0	38.3	55.0	38.0	50.5	61.8
<b>SG Total</b>	<b>177.4</b>	<b>207.7</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>354.0</b>
LG Federation Account	75.1	97.1	104.3	97.5	100.9	100.2	108.0	105.1	110.9	119.6	107.5	103.9	111.4	153.0
LG VAT	30.1	27.0	28.2	32.5	30.1	28.1	29.2	31.4	28.7	26.8	38.5	26.6	35.3	43.2
<b>LG Total</b>	<b>105.2</b>	<b>124.1</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>196.3</b>
<b>Total Statutory Revenue and VAT</b>	<b>282.6</b>	<b>331.8</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>550.3</b>

#### 4.0 Domestic Economic Conditions

The predominant farming activities in most parts of the country were harvesting of yam, rice, cassava, potatoes, groundnut and other cereals. In the livestock sub-sector, farmers continued with breeding of poultry and cattle to prepare for the end of the year sales. The end-

period headline inflation, on year-on-year and twelve month moving average bases, were estimated at 11.15 per cent and 12.39 per cent, respectively, in November 2018.

#### 4.1 Agricultural Sector

The weather conditions in November 2018 were drier than normal in most parts of the country, signaling the end of the rainy season as the dry season sets in. Consequently, agricultural activities in the period were dominated by harvesting of yam, rice, cassava, potatoes, groundnut and other cereal crops. In the livestock sub-sector, farmers intensified the breeding of poultry and cattle in preparation for the end of year sales.

#### 4.2 Agricultural Credit Guarantee Scheme

The Agricultural Credit Guarantee Scheme (ACGS) guaranteed a total of ₦409.94 million to 2,399 farmers in November 2018. The amount represented a decline of 7.3 per cent, below the level in the preceding month, but showed an increase of 12.5 per cent, above the level in the corresponding period of 2017. Sub-sectoral analysis showed that food crops got the largest share, amounting to ₦163.75 million (40.0%) guaranteed to 963 beneficiaries; followed by Mixed crops sub-sector which received ₦92.62 million (22.6%), guaranteed to 797 beneficiaries; ₦65.5 million was guaranteed to Cash crop sub sector (16.0%), in favour of 294 beneficiaries; while livestock, fisheries and "Others" got ₦63.65 million (15.5%), ₦15.82 million (3.9%) and ₦8.60 million (2.0%) guaranteed to 240, 59 and 46 beneficiaries, respectively.

Analysis by state showed that 26 states and the Federal Capital Territory benefited from the Scheme in the period under review, with the highest and lowest sums of ₦48.23 million (11.8 %) and ₦0.3 million (0.1 %) guaranteed to farmers in Ogun and Niger States, respectively.

#### 4.3 Commercial Agriculture Credit Scheme

As at November 19, 2018, the total amount released since inception by the CBN under the Commercial Agriculture Credit Scheme (CACs) to participating banks for disbursement, amounted to ₦596.44 billion in respect of 576 projects (Table 11).

**Table 10: Disbursement of Credit under the Commercial Agriculture Credit Scheme (CACs) as at November 19, 2018.**

S/N	Participating Banks	Amount Disbursed (N billion)	Number of Projects/State Governments
1	UBA Plc	83.06	51
2	Zenith Bank	122.16	76
3	First Bank of Nigeria Plc	50.49	100
4	Unity Bank Plc	25.18	27
5	Union Bank Plc	28.91	39
6	Stanbic IBTC Plc	27.66	45
7	Sterling Bank	72.17	42
8	Access Bank Plc	36.66	26
9	Fidelity Bank Plc	21.67	17

#### 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 55.2 million barrels (mb) in the review month. This represented a decrease of 0.04 mbd or 2.1 per cent, compared with 1.88 mbd or 56.4 million barrels (mb) produced in the preceding month. Crude oil export was estimated at 1.39 mbd or 41.7 mb, representing a fall of 2.80 per cent, compared with 1.43 mbd or 42.9 mb recorded in the preceding month. The allocation of crude oil for domestic consumption was 0.45 mbd or 13.50 mb in the review month.

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

The average spot price of Nigeria's reference crude oil, the Bonny Light (37° API) in November 2018, was US\$ 65.99 per barrel, representing a decline of 11.51 per cent, compared with the US\$82.53/b in October 2018. Crude oil price dropped significantly in the month, due, largely, to the steady build-up in the U.S. crude oil inventories and continuous increase in global oil supply. The UK Brent at US\$63.94/b, WTI at US\$57.29/b, and the Forcados at US\$66.06/b exhibited similar trend as the Bonny Light.

The OPEC basket of fifteen selected crude streams was US\$65.32/b at end-November 2018. This reflected a decline of 17.7 per cent, compared with the US\$79.40/b recorded in the preceding month. It, however, showed a 7.5 per cent increase, compared with US\$60.75/b in the corresponding period of 2017 (Figure 11, Table 12).

Figure 11: Trends in Crude Oil Prices

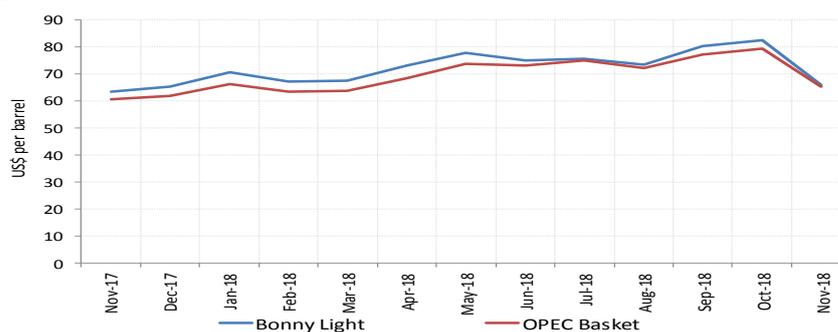


Table 11: Average Crude Oil Prices in the International Oil Market

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Bonny Light	63.70	65.41	70.75	67.20	67.46	73.16	77.86	75.11	75.68	73.70	80.50	82.53	65.99
OPEC Basket	60.75	62.06	66.85	63.52	63.76	68.40	73.80	73.22	73.30	72.23	77.21	79.40	65.32

#### 4.5 Consumer Prices

The all-items composite Consumer Price Index (CPI) was 272.6 (November 2009=100) in November 2018, representing a 0.80 per cent and 11.28 per cent increase relative to the respective levels in October 2018 and the corresponding period of 2017.

*The general price level is rose in November 2018, compared with the level in the preceding month.*

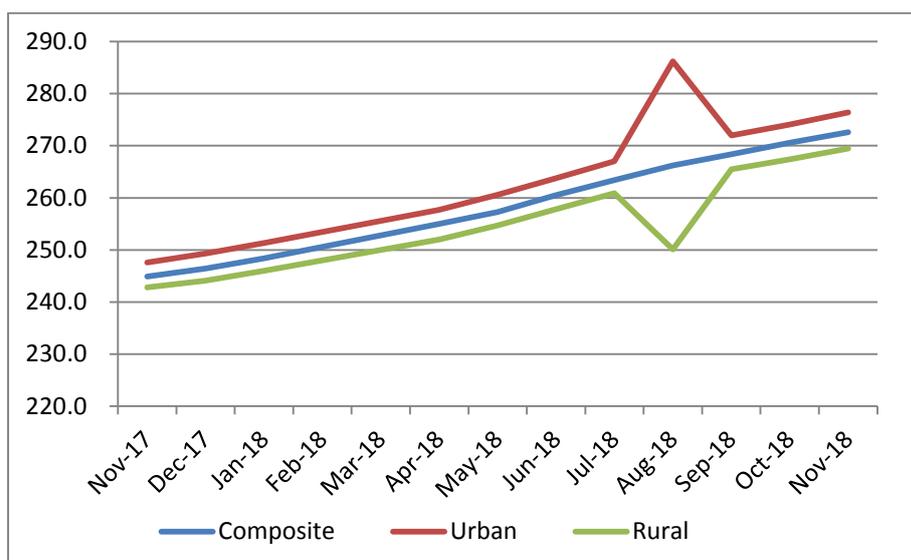
The composite food index (with a weight of 50.7 per cent) for November 2018 stood at 294.0, compared with 291.4 per cent and 259.5 in the preceding month and the corresponding period of 2017, respectively. This represented an increase of 0.90 per cent and 13.30 per cent over the comparable periods. The price increase was attributed to flooding and herdsmen/farmers clashes in some parts of the country (Figure 12, Table 12).

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

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Composite	244.9	246.4	248.4	250.3	252.4	255.0	257.3	260.5	263.4	266.2	268.4	270.4	272.6
Urban	247.6	245.5	251.3	253.4	255.6	257.7	260.6	263.8	267.0	269.7	272.0	274.1	276.4
Rural	242.8	241.1	246.0	247.9	249.9	252.0	254.7	257.8	260.9	263.4	265.5	267.4	269.5
CPI - Food	259.5	261.0	263.3	265.5	267.9	270.4	273.9	278.2	282.2	286.2	289.0	291.4	294.0
CPI - Non Food	232.6	233.8	235.4	237.2	239.2	241.3	243.6	246.1	248.1	250.1	251.7	253.7	255.4

\*Source: NBS

**Figure 12: Consumer Price Index**



*The year-on-year headline inflation stood at 11.28 per cent in November 2018.*

Headline inflation was 11.28 per cent in November 2018, compared with the preceding month's level of 11.26 per cent, and 15.90 per cent in the corresponding month of 2017. The Twelve-Month Moving Average (12MMA) inflation for November 2018 was projected at 12.41 per cent, compared with 12.78 per cent and 16.76 per cent in the preceding month and the corresponding period of 2017, respectively (Figure 13, Table 13).

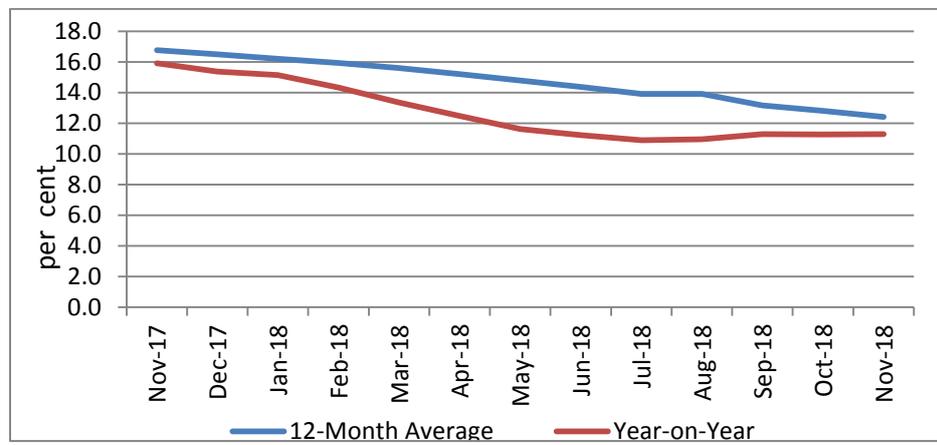
**Table 13: Headline Inflation Rate (%)**

<sup>5</sup> October figures on CPI and components are estimates.

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
12-Month Average	16.76	16.50	16.20	15.93	15.60	15.20	14.79	14.37	13.95	13.55	13.16	12.78	12.41
Year-on-Year	15.90	15.37	15.13	14.33	13.34	12.48	11.61	11.23	11.14	11.23	11.28	11.26	11.28

\*Source: NBS

Figure 13: Inflation Rate



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

*On month-on-month basis, foreign exchange inflow into the CBN rose by 7.3 per cent to US\$3.21 billion, while outflow from the CBN*

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

fell by 23.2 per cent to US\$3.79 billion in November 2018. Total non-oil export receipts by banks fell by 23.4 per cent below the level in October 2018. The average exchange rate at the inter-bank, BDC segment, and the I&E window were ₦306.68/US\$, ₦361.93/US\$ and ₦363.86/US\$, respectively, in the review month. The gross external reserves was US\$43.32 billion at end- November 2018.

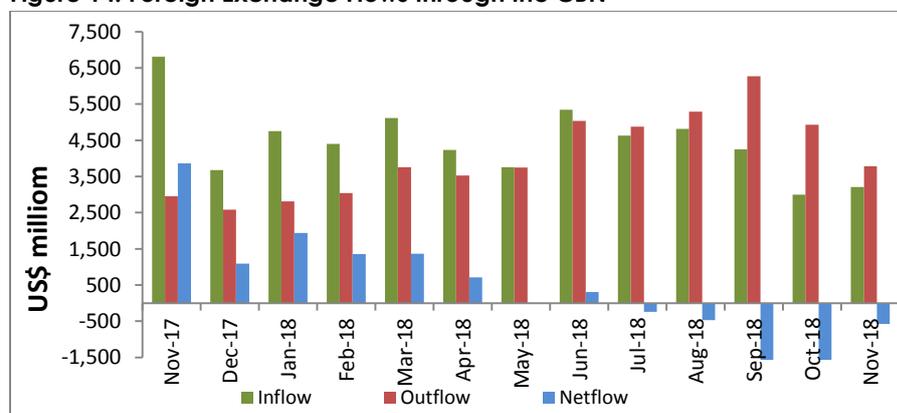
## 5.1 Foreign Exchange Flows

The external sector performance weakened as a result of the decline in the international price of crude oil following increased global supply by the United States. Nonetheless, aggregate foreign exchange inflow into the CBN was US\$3.21 billion, showing an increase of 7.3 per cent, in contrast to the decline of 29.5 per cent and 52.8 per cent in the preceding month and the corresponding period of 2017, respectively. The increase in aggregate foreign exchange inflow into the CBN, relative to the preceding month's level was attributed, largely to non-oil receipts.

Aggregate outflow of foreign exchange from the Bank fell by 23.2 per cent to US\$3.79 billion in November 2018, compared with the level at the end of the preceding month. It, however, indicated a 28.3 per cent increase over the level at the end of the corresponding period of 2017. The development, relative to the preceding period, reflected, mainly, the fall in 'Other Official Payments.

Overall, foreign exchange flows through the Bank in the month of November 2018 resulted in a net outflow of US\$0.58 billion, compared with net outflow of US\$1.93 billion in October 2018 and net inflow of US\$3.86 in the corresponding period of 2017 (Figure 14, Table 14).

**Figure 14: Foreign Exchange Flows through the CBN**



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

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Inflow	6,812.0	3,680.8	4,386.3	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
Outflow	2,951.1	2,584.5	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
Netflow	3,860.8	1,096.4	1,652.0	1,360.8	1,363.1	709.7	8.8	309.9	(1.3)	(472.1)	(2,021.9)	(1,933.5)	(574.3)

Aggregate foreign exchange inflow into the economy amounted to US\$7.22 billion, showing a decline of 3.6 per cent, compared with the respective decline of 22.3 per cent and 38.5 per cent at the end of the preceding month and the corresponding period of 2017. The decline was as a result of a 10.9 per cent fall in inflow through Autonomous sources.

Aggregate foreign exchange outflow from the economy, at US\$4.10 billion, fell by 21.7 per cent, compared with the level in October 2018. This was attributed, mainly, to the 23.2 per cent decline in outflow through the Bank. It, however, represented an increase of 27.5 per cent above the level at the end of the corresponding month of 2017.

Inflow through autonomous sources, dropped by 10.9 per cent to US\$4.00 billion in November 2018, compared with the level in October 2018. Outflow through autonomous sources, however, rose by 1.2 per cent, on month-on-month basis, to US\$0.32 billion, reflecting the rise in invisible imports.

Thus, foreign exchange flow through the economy, resulted in a net inflow of US\$3.12 billion in the review period, compared with US\$2.25 billion and US\$8.51 billion in October 2018 and November 2017, respectively.

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

Total non-oil export earnings, at US\$350.32 million, indicated a decline of 23.4 per cent below the level in the preceding month, but represented an increase of 66.7 per cent over the level in the corresponding period of 2017. The fall in earnings from non-oil export was due to 30.9 per cent, 22.5 per cent, 19.5 per cent, and 11.8 per cent decline in the proceeds from minerals, agricultural, manufacturing, and industrial sub-sectors, respectively, to US\$187.00 million, US\$50.42 million, US\$59.65 million and US\$35.33 million, respectively, in November 2018. Export proceeds from food sub-sectors,

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

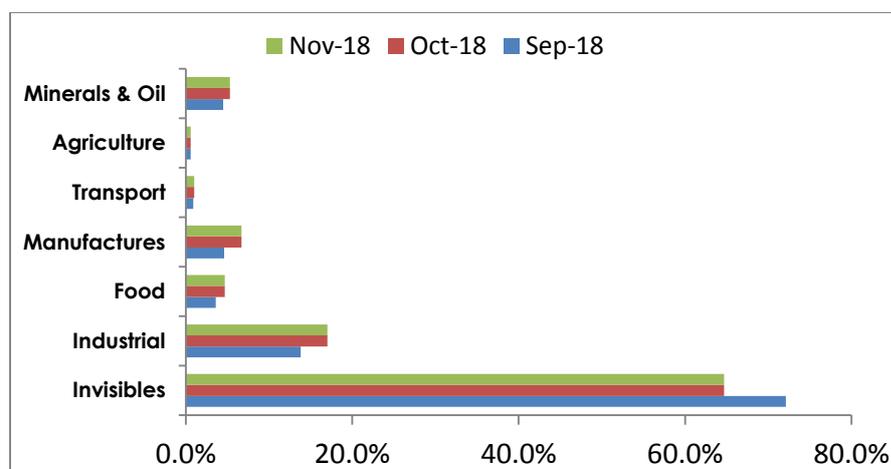
however, rose by 142.7 per cent, relative to the level in the preceding month.

The shares of the various sectors in non-oil export proceeds were: minerals, 53.4 per cent; manufactured products, 17.0 per cent; agricultural products, 14.4 per cent; industrial sector, 10.1 per cent; and food products, 5.1 per cent.

### 5.3 Sectoral Utilisation of Foreign Exchange

Aggregate sectoral utilisation of foreign exchange increased by 18.2 per cent to US\$3.93 billion, in November 2018, compared with the level in the preceding month. The invisible sector accounted for the bulk (65.4 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 (17.1 per cent); manufactured products (6.7 per cent); minerals and oil (4.9 per cent); food products (4.2 per cent); transport (1.0 per cent); and agricultural products (0.7 per cent) (Figure 15).

Figure 15: : Sectoral Utilisation of Foreign Exchange

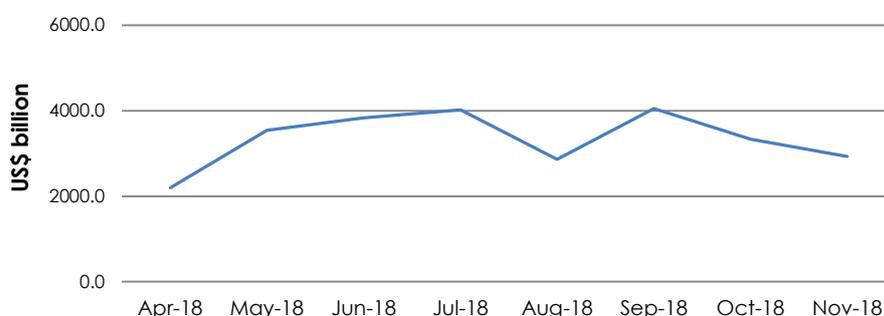


### 5.4 Foreign Exchange Market Developments

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\$2.93 billion was sold by the Bank to authorised dealers in November 2018, compared with US\$3.34 billion supplied in October 2018. This indicated a decline of 87.9 per cent, compared with the level in the preceding month. It, however, showed an increase of 167.3 per cent above the level in the corresponding period of 2017. This reflected lower level of interventions by the Bank as sales to BDC segment, I & E Window and swap transactions declined. Similarly, forwards

disbursed at maturity declined to US\$0.84 billion. However, sales to the Interbank segment rose by 31.5 per cent to US\$0.38 billion (Figure 16, Table 15).

**Figure 16: : Supply of Foreign Exchange**



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

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
	2.20	3.54	3.84	4.02	2.88	4.05	3.34	4.26

The average exchange rate of the naira to the US-dollar, at the inter-bank segment, was ₦306.68/US\$, representing a depreciation of 0.03 per cent and 0.3 per cent, compared with the respective levels in the preceding month and the corresponding period of 2017. Similarly, the average rate at the BDC segment depreciated by 0.05 per cent to ₦361.93/US\$, relative to the level in the preceding month. At the “Investors” and “Exporters” (I&E) window, the average exchange rate of the naira vis-à-vis the US dollar, at ₦363.86/US\$, also depreciated by 0.1 per cent and 1.0 per cent relative to the respective levels in October 2018 and the corresponding period of 2017 (Figure 17, Table 17).

Consequently, the premium between the exchange rates at the interbank and BDC segments widened to 18.0 per cent from 17.9 per cent in October 2018, while the premium between the BDC and I&E rates narrowed by 0.01 percentage point to 0.48 per cent.

Figure 17: Average Exchange Rate Movement

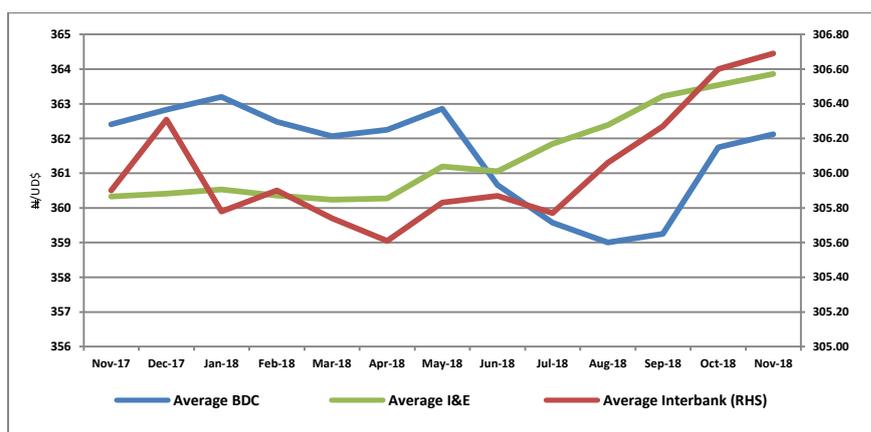


Table 16: Exchange Rate Movements

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
<b>Average Exchange Rate (N/₦)</b>													
Interbank	305.90	306.31	305.78	305.90	305.74	305.61	305.83	305.87	305.77	306.06	306.27	306.60	306.69
BDC	362.41	362.83	363.20	362.48	362.07	362.25	362.86	360.66	359.57	359.00	359.25	361.75	362.12
I&E Window	360.33	360.41	360.53	360.36	360.24	360.27	361.19	361.06	361.85	362.39	363.22	363.54	363.86

### 5.5 Gross External Reserves

The gross external reserves stood at US\$43.32 billion at end-November 2018 indicating an increase of 6.57 per cent over the US\$40.65 billion reported at end-October, 2018. The external reserves position would cover 9.6 months of import for goods and services, and 18.0 months of import for goods only, using the estimated import figures for second quarter 2018. A breakdown of the external reserves by ownership showed that the share of Federation reserves was US\$0.14 billion (0.3%); Federal Government reserves, US\$5.79 billion (13.4%); and the CBN reserves, US\$37.39 billion (86.3%) of the total (Figure. 18, Table 18).

*Gross external reserves rose from US\$40.32 billion to 43.32 billion at end-November 2018.*

Figure 18: Gross Official External Reserves

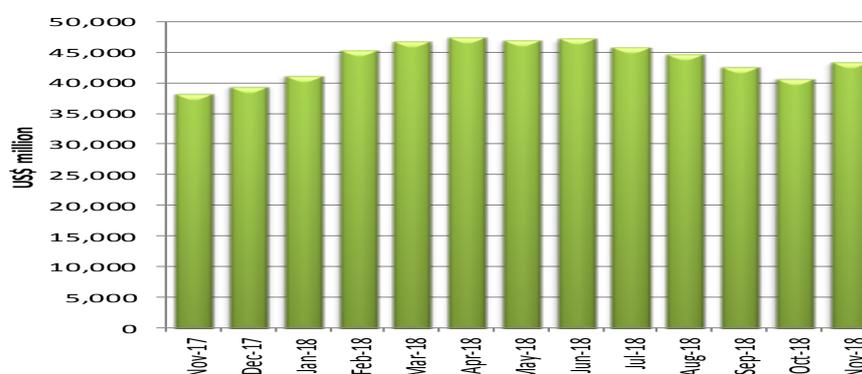


Table 17: Gross Official External Reserves (US\$ million)

Period	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
	46,730.54	47,438.22	46,923.01	47,157.90	45,798.98	44,580.40	42,607.27	40,651.23	43,323.05

*6.0 Other International Economic*

### *Developments and Meetings*

World crude oil output and demand in November 2018 were estimated at an average of 98.75 mbd and 99.09 mbd, compared with 98.79 and 98.95 mbd supplied and demanded, respectively, in October 2018. The decline in world crude oil demand was attributed, largely, to the drop in demand from OECD Europe and Latin America.

Other major international economic developments and meetings of importance to the domestic economy in the review period included: A visit to the Central Bank of Nigeria (CBN) by a team from Moody's Ratings Agency, led by Mr. Aurelien Mali on November 8, 2018, with the objective of reviewing Nigeria's 2018 macroeconomic performance following the last exercise carried out in 2017. The discussions were focused on Macroeconomic Developments, External Reserves, Balance of Payments and Exchange Rate Management. Moody's team were informed that:

- Total external reserves stood at US\$40.65 billion at end-October 2018.
- The current operations around exchange rate windows were measures designed to stabilize the FX market.
- Following the recovery from the recession, the financial sector had been resilient as a result of the adoption of a strict supervision methodology (risk-based supervision).



# APPENDIX TABLES

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

	Jul-18	Aug-18	Sep-18	Oct-18
<b>Domestic Credit (Net)</b>	25,654.5	24,691,470.0	25,971,816.5	26,633,160.8
<i>Claims on Federal Government (Net)</i>	3,393.3	2,221,228.3	3,411,346.0	3,909,434.7
Central Bank (Net)	167.3	(885,554.7)	(91,459.1)	335,262.1
Banks	3,225.9	3,263,944.5	3,502,805.1	3,574,172.6
<i>Claims on Private Sector</i>	22,261.2	22,470,241.8	22,560,470.6	22,723,726.1
Central Bank	6,444.1	6,427,730.1	6,431,581.1	6,431,581.1
Banks	15,817.1	16,042,511.7	16,128,889.5	16,128,889.5
<i>Claims on Other Private Sect.</i>	20,530.8	20,808,157.3	21,173,748.2	21,113,044.0
Central Bank	5,672.6	5,723,894.9	5,730,191.9	5,738,389.0
Banks	14,858.2	15,084,262.4	15,443,556.4	15,374,655.0
<i>Claims on State and Local Govt.</i>	1,615.5	1,614,780.7	1,341,864.4	1,565,824.9
Central Bank	656.5	656,531.4	656,531.4	656,531.4
Banks	958.9	958,249.3	685,333.1	909,293.5
<i>Claims on Non-financial Public Ent.</i>				
<b>Foreign Assets (Net)</b>	17,784.9	18,411,932.1	18,815,935.6	18,735,273.0
Central Bank	17,270.8	17,993,837.1	18,277,807.7	17,982,700.6
Banks	514.1	418,095.0	538,127.8	752,572.4
<b>Other Assets (Net)</b>	(9,424.9)	(9,495,760.0)	(10,532,313.4)	(10,251,465.7)
<b>Total Monetary Assets (M<sub>3</sub>)</b>	<b>34,014.5</b>	<b>33,607,642.2</b>	<b>34,255,438.7</b>	<b>35,116,968.1</b>
<b>Quasi-Money 1/</b>	14,303.1	14,411,189.6	14,595,577.4	14,583,446.7
<b>Money Supply (M1)</b>	10,668.0	10,448,156.8	10,681,493.9	11,130,260.9
<i>Currency Outside Banks</i>	1,468.3	1,541,554.8	1,607,002.3	1,607,120.9
<i>Demand Deposits 2/</i>	9,199.7	8,906,602.1	9,074,491.5	9,523,140.0
<b>Money Supply (M<sub>2</sub>)</b>	<b>24,971.1</b>	<b>24,859,346.5</b>	<b>25,277,071.3</b>	<b>25,713,707.6</b>
<b>CBN Bills held by Non-Bank Sectors</b>	9,043.4	8,748,295.8	8,978,367.4	9,403,260.5
<b>Total Monetary Liabilities (M<sub>3</sub>)</b>	<b>34,014.5</b>	<b>33,607,642.2</b>	<b>34,255,438.7</b>	<b>35,116,968.1</b>
<b>Memorandum Items:</b>				
Reserve Money (RM)	6,622.7	6,688,519.3	6,802,557.1	7,329,269.0
<i>Currency in Circulation (CIC)</i>	1,824.8	1,928,744.3	1,926,382.2	1,956,009.4
<i>DMBs Demand Deposit with CBN</i>	4,797.8	4,759,775.1	4,876,174.9	5,373,259.5

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	Aug-18	Sep-18	Oct-18
	<b>Growth Over Preceding December (%)</b>			
<b>Domestic Credit (Net)</b>	-3.5	-4.8	0.2	2.7
<i>Claims on Federal Government (Net)</i>	-25.4	-39.0	-6.3	7.4
<i>Claims on Private Sector</i>	1.4	0.8	1.2	1.9
<i>Claims on Other Private Sector</i>	-1.2	0.4	2.2	1.9
<i>Claims on State and Local Government</i>	56.1	4.5	-13.1	1.4
<i>Claims on Non-financial Public Enterprises</i>				
<b>Foreign Assets (Net)</b>	69.6	18.6	21.2	20.7
<b>Other Assets (Net)</b>	-37.14	7.7	-2.3	0.4
<b>Total Monetary Assets (M3)</b>	9.32	<b>7.9</b>	<b>9.9</b>	<b>12.7</b>
<b>Quasi-Money 1/</b>	5.23	11.2	12.6	12.5
<b>Money Supply (M1)</b>	-0.85	-6.5	-4.4	-0.4
<i>Currency Outside Banks</i>	-2.07	-13.5	-9.9	-9.9
<i>Demand Deposits 2/</i>	-0.62	-5.2	-3.4	1.4
<b>Total Monetary Liabilities (M2)</b>	8.2	<b>3.0</b>	<b>4.7</b>	<b>6.5</b>
<b>CBN Bills held by Non-Bank Sectors</b>	42.91	24.7	28.0	34.0
<b>Total Monetary Assets (M3)</b>	9.32	<b>7.9</b>	<b>9.9</b>	<b>12.7</b>
<i>Memorandum Items:</i>				
Reserve Money (RM)	10.88	3.2	4.9	13.0
<i>Currency in Circulation (CIC)</i>	-1.01	-10.6	-10.7	-9.3
<i>DMBs Demand Deposit with CBN</i>	17.94	10.0	12.7	24.2
	<b>Growth Over Preceding Month (%)</b>			
<b>Domestic Credit (Net)</b>	-1.6	-3.2	5.2	2.6
<i>Claims on Federal Government (Net)</i>	-17.2	-31.4	53.6	14.6
<i>Claims on Private Sector</i>	1.5	0.94	0.4	0.7
<i>Claims on Other Private Sector</i>	1.9	1.4	1.8	-0.3
<i>Claims on State and Local Government</i>	-3.1	0.0	-16.9	16.7
<i>Claims on Non-financial Public Enterprises</i>				
<b>Foreign Assets (Net)</b>	16.7	3.5	2.2	-0.4
Central Bank	-10.6	4.2	1.6	-1.6
Banks	<b>2.7</b>	-18.7	28.7	39.9
<b>Other Assets (Net)</b>	-10.6	-2.5	-10.9	2.7
<b>Total Monetary Assets (M3)</b>	<b>2.7</b>	<b>-1.2</b>	<b>1.9</b>	<b>2.5</b>
<b>Quasi-Money 1/</b>	6.3	0.8	1.3	-0.1
<b>Money Supply (M1)</b>	10.5	-2.1	2.2	4.2
<i>Currency Outside Banks</i>	14.8	5.0	4.3	0.0
<i>Demand Deposits 2/</i>	9.7	-3.2	1.9	4.9
<b>Total Monetary Liabilities (M2)</b>	<b>8.2</b>	<b>-0.5</b>	<b>1.7</b>	<b>1.7</b>
<b>CBN Bills held by Non-Bank Sectors</b>	-12.6	-3.3	2.6	4.7
<b>Total Monetary Assets (M3)</b>	<b>2.7</b>	<b>-1.2</b>	<b>1.9</b>	<b>2.5</b>
<i>Memorandum Items:</i>				
Reserve Money (RM)	14.3	1.0	1.7	7.7
<i>Currency in Circulation (CIC)</i>	13.8	5.7	-0.1	1.5
<i>DMBs Demand Deposit with CBN</i>	14.5	-0.8	2.5	10.2

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

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Monthly Budget Est
<b>Retained Revenue</b>	287.5	733.3	349.7	274.2	278.7	315.4	299.1	296.6	306.7	344.3	299.6	280.9	304.3	629.4
<i>Federation Account</i>	191.5	248.2	251.5	249.4	257.6	222.4	276.3	268.8	279.7	269.8	274.9	263.4	284.4	381.0
<i>VAT Pool Account</i>	12.9	11.6	12.1	13.9	12.9	12.1	12.5	13.5	12.3	11.5	16.5	11.4	15.1	18.5
<i>FGN Independent Revenue</i>	0.3	0.1	1.4	10.9	7.9	47.1	10.3	14.4	10.9	26.9	8.1	3.8	4.4	70.7
<i>Excess Crude Account</i>	0.0	0.0	14.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.3	0.0	0.0
<i>Others /Exchange Gain/Recovere</i>	82.9	473.5	70.6	0.0	0.3	33.8	0.0	0.0	3.9	36.1	0.1	0.1	0.4	159.3
<b>Expenditure</b>	439.2	1116.9	639.6	373.9	684.3	218.6	509.7	358.6	485.4	309.1	248.1	419.6	398.8	792.3
<i>Recurrent</i>	327.7	767.4	470.8	233.3	570.9	175.3	426.2	297.0	346.0	287.2	233.0	322.6	341.1	509.0
<i>Capital</i>	73.5	311.4	130.8	132.0	98.1	22.6	68.7	43.9	120.2	4.7	6.8	59.0	19.7	239.1
<i>Transfers</i>	38.0	38.0	38.0	8.6	15.4	20.7	14.9	17.8	19.2	17.3	8.3	38.0	38.0	44.2
<b>Overall Balance:</b>														
<b>Surplus(+)/Deficit(-)</b>	-151.7	-383.5	-289.8	-99.7	-405.6	96.9	-210.6	-62.0	-178.7	35.2	51.4	-138.7	-94.5	-162.9

1/ Revised

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

