CENTRAL BANK OF NIGERIA

ECONOMIC REPORT FOURTH QUARTER 2019

The Central Bank of Nigeria Quarterly 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[1]

The Bank maintained the monetary policy rate at 13.50 per cent in the period under review. Broad money supply (M_3), on quarter-on-quarter basis, grew by 4.1 per cent to ₦36,478.13 billion at end-November 2019, compared with 0.4 per cent and 8.1 per cent increase at the end of third quarter 2019 and fourth quarter of 2018, respectively. The development reflected, wholly the 2.0 per cent increase in net foreign assets, which more than offset the 1.2 and 10.6 per cent decline in net domestic credit and other assets (net) of the banking system, respectively. Over the level at end-December 2018, broad money supply (M_3) grew by 9.3 per cent at end-November 2019, compared with the growth of 5.1 and 16.4 per cent at end of third quarter 2019 and fourth quarter of 2018, respectively. The growth in (M_3) reflected, wholly, the 28.8 per cent increase in domestic credit (net), which more than offset the 22.8 per cent and 4.9 per cent decline in net foreign assets and other assets (net) of the banking system, respectively. Narrow money supply (M_1), on quarter-on-quarter basis, fell by 1.7 per cent to ₦10,930.57 at end-November 2019, compared with the decline of 0.4 per cent at the end of third quarter 2019.

Developments in banks' deposit rates were mixed, while lending rates trended downwards in the fourth quarter of 2019. With the exception of the average savings and 7 days deposit rates, which rose from 3.69 per cent and 3.23 per cent to 3.93 per cent and 3.30 per cent, respectively, all other deposit rates of various maturities, fell from a range of 8.23 – 10.29 per cent at end-September 2019 to a range of 7.93 – 9.92 per cent at end-December 2019. The average term deposit rate fell by 0.29 percentage point to 8.07 per cent at the end of the review quarter.

The weighted average prime lending and maximum lending rates fell by 0.35 percentage point and 1.2 percentage point to 14.99 per cent and 29.98 per cent at end-December 2019. Consequently, the spread between the weighted average term deposit and maximum lending rates narrowed by 0.91 percentage point to 21.91 percentage points at the end of the review quarter. Similarly, the margin between the average savings and maximum lending rates narrowed by 1.44 percentage point to 26.05 percentage points at end-December 2019.

The total value of money market assets outstanding in the fourth quarter of 2019 stood at ₦12.76 billion, showing an increase of 2.6 per cent, compared with the increase of 2.9 per cent at the end of the third quarter of 2019. The development was attributed, largely, to the 3.1 per cent increase in FGN Bonds outstanding during the review quarter. Developments on the Nigerian Stock Exchange (NSE) were bearish.

Federally collected revenue in the fourth quarter of 2019, fell below both the provisional quarterly budget and receipts in the preceding quarter by 30.8 and 10.6 per cent, respectively. The development, was due, largely, to the shortfalls in receipts from both oil and non-oil revenue components in the review quarter.

[1] The November 2019 data on monetary aggregates and Fourth Quarter 2019 data on government spending and foreign exchange flows were provisional.

Provisional Federal Government retained revenue in the review quarter was ₦938.72 billion, while total estimated expenditure amounted to ₦2,074.46 billion, resulting in an estimated deficit of ₦1,135.74 billion.

Agricultural activities in the review quarter were dominated by the harvest of cash and root crops. In the livestock sub-sector farmers engaged in the fattening of cattle and stocking of poultry in anticipation of the end of the year sales. The end-period headline inflation, on year-on-year basis for the fourth quarter of 2019, stood at 11.98 per cent.

Foreign exchange inflow, through the CBN, rose by 6.1 per cent, while outflow fell by 3.9 per cent, relative to their levels in the third quarter of 2019. Total non-oil export proceeds received by banks fell by 37.8 per cent, compared with the level at the end of third quarter 2019. The average naira exchange rate vis-à-vis the US dollar depreciated at the inter-bank, BDC segment, and the I&E Window. The average exchange rate at the 'Investors' and 'Exporters' window, the BDC and the Inter-bank segments of the market were ₦362.83/US$, ₦359.42/US$ and ₦306.95/US$, respectively, in the review quarter. At US$38.07 billion, the gross external reserves fell by 6.4 per cent, compared with the level at end of third quarter 2019.

World crude oil demand and supply were estimated at 100.95 mbd and 99.32 mbd, respectively, in the fourth quarter of 2019, compared with 100.63 mbd and 99.26 mbd demanded and supplied in the third quarter of 2019. Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at an average of 1.92 mbd in the review quarter, compared with 1.91 mbd in the preceding quarter. The average price of Nigeria's reference crude, the Bonny Light (37^0 API), was US$64.87 per barrel in the fourth quarter of 2019, compared with US$64.25 per barrel in the third quarter of 2019. Movement in oil prices were driven, mainly, by optimism of a trade agreement between the US and China, as well as the improved outlook for global oil demand amid better-than-expected economic performance of some major economies in the review period.

Major international developments and meetings of importance to the domestic economy in the review quarter included: The meeting of the Ministers of Finance and Central Bank Governors Presidential Task Force on the ECOWAS Single Currency took place in Abuja, and a team from Moody's Ratings Agency visited the CBN on November 7, 2019, as part of Nigeria's 2019 Review of Sovereign Credit Rating Exercise from November 5 – 8, 2019.

2.0 Financial Sector Developments[2]

The Bank maintained its monetary policy stance in the review period, keeping the Monetary Policy Rate at 13.50 per cent. Over the level at end-September 2019, broad money supply (M_3), grew by 4.1 per cent at end-November 2019, reflecting, wholly the 2.0 per cent increase in net foreign assets of the banking system. Narrow money supply (M_1) fell by 1.7 per cent, due, largely, to 3.8 per cent decline in its demand deposits component. The value of money market assets outstanding rose above the level in the preceding quarter. Activities on the Nigerian Stock Exchange (NSE) indicated bearish developments during the fourth quarter of 2019.

2.1 Monetary and Credit Developments

Growth in monetary aggregates was significant in the review period.

The Bank maintained its monetary policy stance in the review period, retaining the Monetary Policy Rate at 13.50 per cent. The key monetary aggregates trended upward at end-November 2019. Broad money supply (M_3), on quarter-on-quarter basis, grew by 4.1 per cent to ₦36,478.13 billion at end-November 2019, compared with 0.4 per cent and 8.1 per cent increase at end of third quarter of 2019 and the corresponding quarter of 2018, respectively. The development reflected, wholly, the 2.0 per cent increase in net foreign assets, which more than offset the 1.2 and 10.6 per cent decline in net domestic credit and other assets (net) of the banking system, respectively.

Relative to the level at end-December 2018, broad money supply (M_3) grew by 9.3 per cent at end-November 2019, compared with the growth of 5.1 and 16.4 per cent at end of third quarter 2019 and fourth quarter 2018, respectively. The growth in (M_3) reflected, wholly, the 28.8 per cent increase in domestic credit (net), which more than offset 22.8 and 4.9 per cent decline in net foreign assets and other assets (net) of the banking system, respectively.

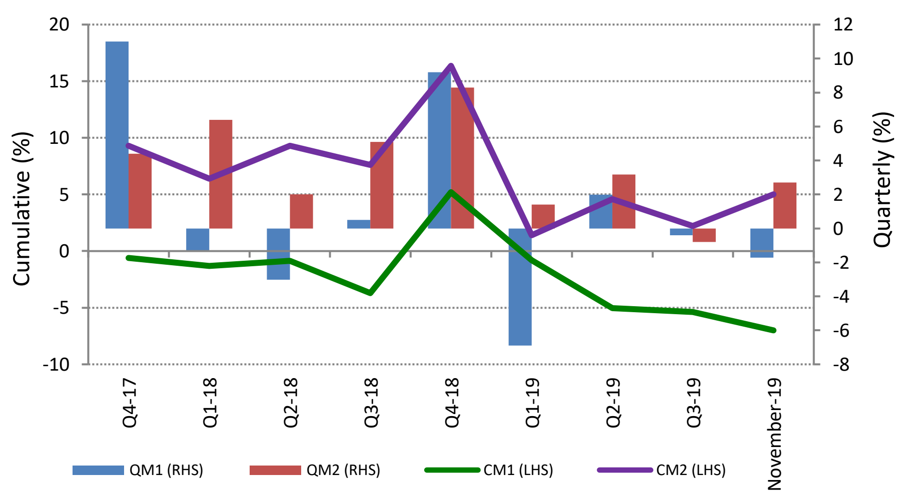
At ₦10,930.57, narrow money supply (M_1), on quarter-on-quarter basis, fell by 1.7 per cent at end-November 2019, compared with the decline of 0.4 per cent at the end of third quarter 2019, but was in contrast to the 9.2 per cent growth at end of fourth quarter of 2018. The development reflected

[2] The monetary aggregate numbers used for the third quarter 2019 report are provisional.

wholly, the 3.8 per cent decline in demand deposits of the banking system. Over the level at end-December 2018, narrow money supply (M_1) fell by 7.0 per cent at end-November 2019, compared with the decline of 5.4 per cent at end-September 2019, but contrasted with the 5.2 per cent growth at end-December 2018, reflecting the 6.0 and 7.2 per cent fall in currency outside banks and the demand deposits, respectively.

Relative to the level at end-September 2019, quasi-money grew by 5.7 per cent to ₦17,484.80 billion at end-November 2019, compared with 3.5 per cent at the end of fourth quarter 2018, but in contrast to the decline of 1.1 per cent at the end of third quarter 2018. The development reflected, wholly, the increase in time and savings deposits of commercial banks. Over the level at end-December 2018, quasi-money grew by 14.2 per cent at end-November 2019, compared with the 8.1 per cent growth at end-September 2019. The development was due to the rise in time, savings and foreign currency deposits of commercial banks. (Figure 1, Table 1).

Figure 1: Growth Rate of Narrow Money (M_1) and Broad Money (M_3)[3]



Source: CBN

[3] QM1 and QM2 represent quarter-on-quarter changes, while CM1 and CM2 represent cumulative changes (year-to-date) in narrow and broad money supply, respectively.

Aggregate credit to the domestic economy (net), on quarter-on-quarter basis, fell by 1.2 per cent to ₦35,513.08 billion at end November 2019, in contrast to the 11.1 per cent and 4.4 per cent growth at the end of third quarter 2019 and fourth quarter of 2018, respectively, reflecting, wholly, the 12.9 per cent decrease in claims on the Federal Government. Over the level at end-December 2018, aggregate credit to the domestic economy grew by 28.8 per cent at end-November 2019, compared with the 30.3 and 6.3 per cent growth at the end of third quarter 2019 and fourth quarter of 2018, respectively. The development reflected, 87.0 and 16.3 per cent increase in net claims on the Federal Government and claims on the private sector, respectively.

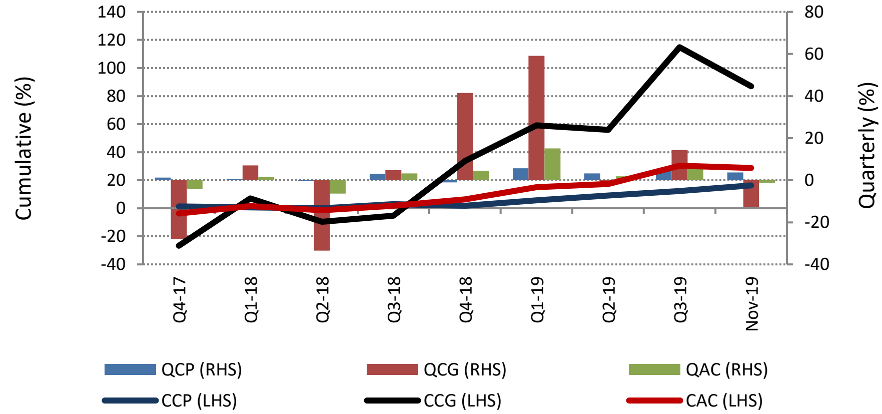
Banking system's credit to the Federal Government fell in the review period.

Net claims on the Federal Government declined by 12.9 per cent to ₦9,100.34 billion at end-November 2019, in contrast to the growth of 37.8 per cent and 41.4 per cent at the end of third quarter 2019 and fourth quarter of 2018, respectively. The development reflected, largely, decreased holdings of government securities by the CBN in the review period. Relative to the level at end-December 2018, claims on the Federal Government grew by 87.0 per cent at end-November 2019, compared with the growth of 114.8 per cent and 33.7 per cent at end of third quarter 2019 and fourth quarter of 2018, respectively.

On quarter-on-quarter basis, banking system's credit to the private sector rose by 3.6 per cent to ₦26,412.74 billion at end-November 2019, compared with the growth of 2.9 per cent at end of third quarter 2019, but contrasted with the decline of 1.1 per cent at the end of fourth quarter of 2018. The development was attributed to 2.6 per cent and 1.1 per cent increase in claims on the core private sector, and claims on State and Local Governments, respectively.

Over the level at end-December 2018, banking system's credit to the private sector increased by 16.3 per cent at end-November 2019, compared with 12.2 per cent and 1.9 per cent growth at end of third quarter 2019 and fourth quarter of 2018, respectively (Figure 2, Table 1).

Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy[4]



Source: CBN

Foreign assets (net) of the banking system rose at the end of the review period.

Foreign assets (net) of the banking system grew by 2.0 per cent to ₦14,194.60 billion at end-November 2019, in contrast to the 24.7 per cent and 2.2 per cent decline at the end of third quarter 2019 and fourth quarter of 2018, respectively. The rise in NFA, relative to the level in the preceding quarter, was as a result of the increase in foreign asset holdings of the banking system. Over the level at end-December 2018, net foreign assets of the banking system fell by 22.8 per cent at end-November 2019, compared with the decline of 24.4 per cent at end of third quarter 2019. It however, contrasted with the increase of 18.5 per cent in the fourth quarter of 2018.

At end-November 2019, other assets (net) of the banking system rose by 10.6 per cent to negative ₦13,229.56 billion, compared with 6.9 per cent and 12.2 per cent increase at the end of third quarter 2019 and fourth quarter of 2018, respectively. The development was due to the decrease in unclassified assets of the CBN and commercial banks. Over the level at end-December 2018, other assets (net) of the banking system fell by 4.9 per cent at end-November 2019, compared with the 17.4 per cent decline at the end of third quarter 2019.

[4] QCP, QCG and QAC represent quarter-on-quarter changes, while CCP, CCG and CAC represent cumulative changes (year-to-date) in credit to the private sector, credit to the government and aggregate domestic credit, respectively.

Table 1: Growth in Monetary and Credit Aggregates (Per cent) Over the Preceding Quarter*

	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Nov-19
Domestic Credit (Net)	3.3	4.4	15.1	1.9	11.1	-1.2
Claims on Federal Government (Net)	4.7	41.4	59.1	-2.1	37.8	-12.9
Claims on Private Sector	3.1	-1.1	5.7	3.2	2.9	3.6
Claims on Other Private Sector	5.3	-0.3	5.6	3.7	2.7	2.6
Foreign Assets (Net)	2.6	-2.2	-8.6	9.8	-24.7	2.0
Other Assets (Net)	-1.3	-12.2	-16.7	8.1	-6.9	-10.6
Broad Money Supply (M3)	5.1	8.1	1.4	3.2	0.4	4.1
Quasi-Money	4.9	3.5	3.8	5.3	-1.1	5.7
Narrow Money Supply (M1)	0.5	9.2	-6.9	2.0	-0.4	-1.7
Memorandum Items:						
Reserve Money (RM)	7.0	4.9	1.6	11.6	-6.4	5.0

Source: CBN

**figures are provisional*

2.2 Currency-in-circulation and Deposits at the CBN

Currency-in-circulation (CIC) at end-November 2019, rose by 9.9 per cent to ₦2,203.27 billion, in contrast to the decline of 0.4 per cent at end of third quarter 2019. The development, relative to the level in the preceding quarter, reflected, mainly, the increase in its currency outside banks component, and seasonal factors.

Total deposits at the CBN amounted to ₦14,350.54 billion at end-November 2019, indicating an increase of 3.6 per cent above the level at end of third quarter 2019. The rise was attributed to 14.3 per cent and 3.1 per cent increase in the deposits of the Federal Government and the commercial banks, respectively. Of the total deposits at the CBN, the shares of the Federal Government, banks and private sector deposits were 47.4 per cent, 35.9 per cent and 16.7 per cent, respectively.

Reserve money grew by 5.0 per cent to ₦7,353.36 billion at end-November 2019, in contrast to the decrease of 13.5 per cent at the end of third quarter of 2019. The development reflected the increase in federal government and banks' deposits with the CBN.

Reserve money (RM) rose in the review period.

2.3 Money Market Developments

The money market was largely liquid in the review period.

Developments in the money market were stable, as the market was largely liquid during the review quarter. Activities that boosted liquidity were mainly inflow from repayment of matured CBN bills, maturing Federal Government (FGN) Bonds and Nigerian Treasury Bills (NTBs), as well as fiscal disbursements to the three tiers of Government, while provisioning and settlement of foreign exchange purchases, auctioning of CBN bills, FGN Bonds and Nigerian Treasury Bills (NTBs) moderated liquidity.

Total value of money market assets outstanding in the fourth quarter of 2019 stood at ₦13.04 billion, showing an increase of 4.8 per cent, compared with the increase of 2.9 per cent at the end of the third quarter of 2019. The development was attributed, largely, to the 6.2 per cent increase in FGN Bonds outstanding during the review quarter.

2.3.1 Interest Rates Developments

Interest rates moved in tandem with the level of banking system liquidity during the review period.

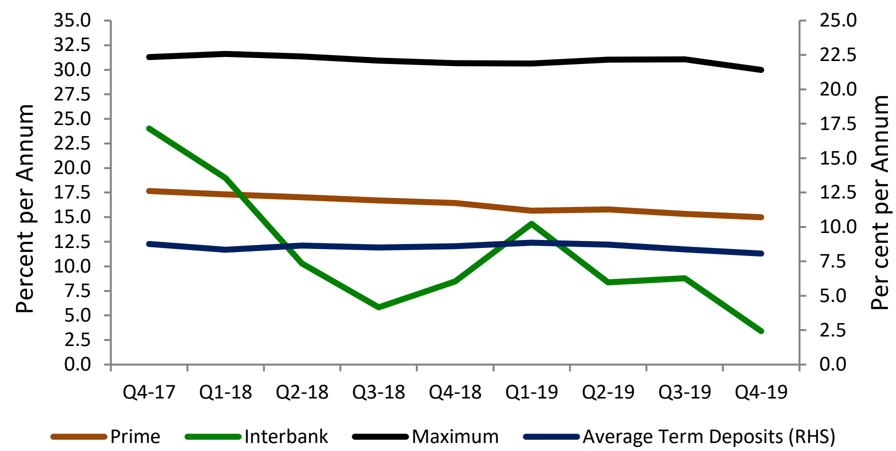
Interest rates moved in tandem with the level of banking system liquidity during the review period. Developments in banks' deposit rates were mixed, while lending rates trended downwards in the fourth quarter of 2019. Apart from the average savings and 7 days deposit rates which rose from 3.69 per cent and 3.23 per cent to 3.93 per cent and 3.30 per cent, respectively, all other deposit rates of various maturities, fell from a range of 8.23 – 10.29 per cent at end-September 2019 to a range of 7.93 – 9.92 per cent at end-December 2019. The average term deposit rate fell by 0.29 percentage point to 8.07 per cent at the end of the review quarter.

The weighted average prime lending and maximum lending rates fell by 0.35 percentage point and 1.2 percentage point to 14.99 per cent and 29.98 per cent at end-December 2019. Consequently, the spread between the weighted average term deposit and maximum lending rates narrowed by 0.91 percentage point to 21.91 percentage points at the end of the review quarter. Similarly, the margin between the average savings and maximum lending rates narrowed by 1.44 percentage point to 26.05 percentage points at end-December 2019.

Inter-bank call rate fell in Q4 2019

At the inter-bank segment, the weighted average inter-bank call rate, which stood at 8.80 per cent at end-September 2019, fell significantly by 5.4 percentage points to 3.40 per cent at end-December 2019. Similarly, the Nigeria inter-bank offered rate (NIBOR), for the 30-day tenor, fell from 12.60 per cent in the preceding quarter to 12.31 per cent at end-December 2019. Also, the weighted average rate at the Open-Buy-Back (OBB) segment fell significantly by 4.5 percentage points to 5.77 per cent (Figure 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)



Source: CBN

Table 2: Selected Interest Rates (Per cent, Averages)

	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
Average Term Deposits	8.77	8.34	8.66	8.51	8.61	8.86	8.73	8.36	8.07
Prime Lending	17.66	17.31	17.03	16.69	16.45	15.67	15.80	15.34	14.99
Interbank	24.02	18.98	10.29	5.83	8.45	14.32	8.38	8.80	3.40
Maximum Lending	31.30	31.61	31.34	30.93	30.66	30.62	31.04	31.18	29.98

Source: CBN

2.3.2 Commercial Paper (CP)

Commercial Paper (CP) outstanding held by banks stood at ₦35.28 billion at the end of the fourth quarter of 2019, showing a decrease of 4.4 per cent below the ₦39.91 billion recorded at the end of the preceding quarter. The development was due, largely, to the fall in investments in CP by merchant banks during the review quarter. Thus, CP constituted 0.27 per cent of the total value of money market assets outstanding in the review period, compared with 0.30 per cent, recorded in the preceding quarter.

2.3.3 Bankers' Acceptances (BAs)

Banks' holdings of BAs increased in Q4 of 2019.

Bankers' Acceptances (BAs) outstanding stood at ₦5.84 billion in the fourth quarter of 2019, showing a significant increase of 302.8 per cent above the level at the end of the preceding quarter. The development was attributed, wholly, to a rise in investment in BAs by commercial banks during the review period. Consequently, BAs accounted for 0.04 per cent of the total value of money market assets outstanding at the end of the fourth quarter of 2019, compared with 0.02 per cent at the end of the third quarter of 2019.

2.3.4 Open Market Operations

The Bank intervened through direct Open Market Operations (OMO) auctions, to influence liquidity in the system during the fourth quarter of 2019. The tenors to maturity of the instruments ranged from 82 days to 364 days. Total amount offered, subscribed to and allotted, stood at ₦3,738.61 billion, ₦5,875.74 billion and ₦3,773.76 billion, respectively. The bid rates ranged from 10.54 per cent to 14.42 per cent, while the stop rates ranged from 11.50 per cent to 13.40 per cent. Repayment of matured CBN bills amounted to ₦6,130.25 billion, translating to a net injection of ₦2,356.49 billion.

2.3.5 Primary Market

At the Government securities market, NTBs and FGN Bonds were issued at the primary market on behalf of the Debt Management Office (DMO), during the review period. NTBs of 91- 182- and 364-day tenors, amounting to ₦716.26 billion, ₦3,020.41 billion and ₦716.26 billion were offered, subscribed to and allotted, respectively, at the auctions held in the fourth quarter of 2019. Total subscription and allotment at the 91-day auction, were ₦336.10 billion and ₦72.43 billion, respectively. The bid rates ranged from 3.00 per cent to 12.00 per cent, while the stop rates ranged from 4.00 per cent to 11.08 per cent.

For the 182-day auction, total subscription and allotment were ₦337.12 billion and ₦70.30 billion, respectively. The bid rates ranged from 4.20 per cent to 13.00 per cent, while the stop rates dropped from a high of 11.60 per cent to 5.00 per cent. Total subscription and allotment at the 364-day auction were ₦2,346.50 billion and ₦573.54 billion, respectively, with bid rates ranging from 5.00 per cent to 17.00 per cent, while stop rates ranged from 5.50 per cent to 13.20 per cent.

2.3.6 Bonds Market

Tranches of the 5-, 10-, and 30-year FGN Bonds were offered for sale in the review period. The term to maturity of the bonds ranged from 3 years 4 months to 29 years 4 months. Total amount offered, subscribed to, and allotted were ₦450.00 billion, ₦796.77 billion and ₦554.00 billion, respectively. In addition, ₦121.10 billion was allotted on a non-competitive basis and ₦264.40 billion matured for repayment during the review period. The bid rates on all tenors ranged from 9.00 per cent to 15.12 per cent, while the marginal rates ranged from 11.00 per cent to 14.60 per cent. The auctions were impressive, due to renewed investors' confidence in the market.

Tranches of FGN Bonds of various maturities were offered for sale in the Q4 of 2019.

2.3.7 CBN Standing Facilities

The banks continued to access the CBN's Standing Facilities to square up their positions either by borrowing from the standing lending facility (SLF) or depositing their excess liquidity at the standing deposit facility (SDF) of the CBN at the end of each business day.

Total request for the Standing Lending Facility (SLF), inclusive of direct SLF (₦949.91 billion) and Intra-day lending facilities -ILF (₦352.64 billion) that were converted to overnight repo during the review quarter, stood at ₦1,302.55 billion, compared with ₦6,203.28 billion in the preceding quarter.

Daily average transaction value amounted to ₦23.26 billion in 56 transaction days, with total interest earned at ₦767.13 billion, compared with the daily average of ₦100.05 billion in 62 transaction days, with a total of ₦4.21 billion, as interest earned at the end of the preceding quarter.

Total standing deposit facility (SDF) granted during the review period was ₦1,931.76 billion, with daily average of ₦32.20 billion, compared with ₦2,081.14 billion, in the third quarter of 2019. The cost incurred on SDF in the review quarter amounted to ₦0.66 billion, compared with ₦0.63 billion in the preceding quarter.

2.4 Banks' Activities

The total assets and liabilities of commercial banks stood at ₦40,874.60 billion at end-November 2019, representing 3.2 per cent increase above the level at end-September 2019. Funds were sourced, largely, from increased unclassified and foreign liabilities, and mobilisation of time, savings and foreign currency deposits. The funds were used, mainly, for acquisition of unclassified and foreign assets, and to boost reserves.

At ₦22,967.73 billion, banks' credit to the domestic economy, at end-November 2019, showed an increase of 3.8 per cent, compared with the level at end-September 2019. The development reflected, largely, the 4.7 per cent and 3.6 per cent rise in claims on the Federal Government and the private sector, respectively, in the review period.

Liquidity ratio was above the prescribed minimum, while the Loan-to-deposit ratio was below the prescribed maximum in November 2019.

Total specified liquid assets of the commercial banks was ₦14,664.56 billion at end-November 2019, representing 60.6 per cent of the total current liabilities. At that level, the liquidity ratio was 2.9 percentage points and 43.3 percentage points above the level at end-September 2019 and the stipulated minimum ratio of 30.0 per cent, respectively. The loans-to-deposit ratio, at 62.9 per cent, was 0.7 percentage point higher than the level at end-September 2019, but 17.1 percentage points lower than the prescribed maximum of 80.0 per cent.

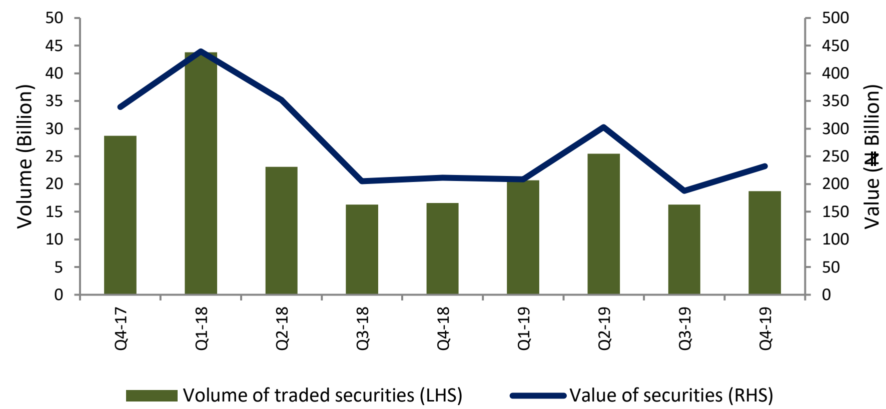
2.5 Capital Market Developments

2.5.1 *Secondary Market*

Available data showed that activities on the Nigerian Stock Exchange (NSE) were bearish during the fourth quarter of 2019, as the All Share Index (ASI) and aggregate market capitalisation fell at the end of the review period. The turnover volume and value of traded securities rose by 14.4 per cent and 23.8 per cent to 18.7 billion shares and ₦232.41 billion, respectively, in 201,076 deals, compared with 16.3 billion shares and ₦187.7 billion, respectively, in 218,415 deals, recorded in the third quarter of 2019.

Developments in the market were driven, largely, by portfolio switch from money market to capital market, following the CBN policy barring individuals and local corporates from investing in OMO bills, which crashed the Treasury bill rates, amid profit-taking, as investors took advantage of low prices, ahead of the year-end rally (Figure 4, Table 3).

Figure 4 : Volume and Value of Traded Securities



Source: NSE

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

	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
Volume (Billion)	28.7	43.8	23.1	16.3	18.9	20.7	25.5	16.3	18.7
Value (₦ Billion)	339.4	439.7	359	205	211.2	208.7	303	187.7	232.41

Source: NSE

2.5.2 New Issues Market/Supplementary Listings

There were two (2) new equity listings during the review period (Table 4).

Table 4: New and Supplementary Listing on the Nigerian Stock Exchange

S/N	Company	Additional Shares (Units)	Reasons	Listing
1	WAPIC Insurance Plc	15.16 Billion Ordinary Shares	Right Issue	New Listing
2	C&I Leasing Plc	539.0 Million Ordinary Shares	Right Issue	New Listing

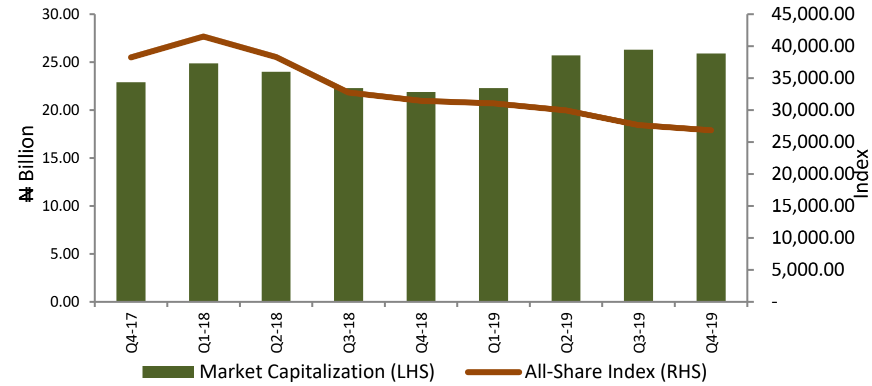
2.5.3 Market Capitalisation

The aggregate market capitalisation for all listed securities (equities and debts) fell by 1.6 per cent to ₦25.9 trillion at the end of the fourth quarter of 2019, compared with ₦26.3 trillion at end-September 2019. Similarly, market capitalisation for the equities segment declined by 3.9 per cent to ₦13.0 trillion and constituted 50.1 per cent of the aggregate market capitalisation, compared with ₦13.5 trillion and 51.3 per cent at end-September 2019.

2.5.4 NSE All-Share Index

The All-Share Index, which opened at 27,630.56 at the beginning of the quarter, fell by 2.9 per cent to 26,842.07 at end-December 2019. The sectoral indices showed a mixed trend in the review period. Specifically, the NSE-Lotus, NSE-Oil and Gas, NSE-Consumer Goods, NSE-Pension, NSE-Banking, and NSE-Insurance indices rose by 2.5 per cent, 9.7 per cent, 4.5 per cent, 6.1 per cent, 3.7 per cent and 8.5 per cent, respectively, to 1,834.76, 262.54, 592.85, 1,054.06, 356.84 and 125.82, while the NSE-Premium, NSE-AseM and NSE-Industrial fell by 6.8 per cent, 5.1 per cent and 0.7 per cent, to 2,116.22, 734.99 and 1,075.60, respectively, at end-December 2019.

Figure 5: Market Capitalisation and All-Share Index



Source: NSE

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

	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
Market Capitalisation (₦ trillion)	22.9	24.869	23.9	22.3	21.9	22.3	25.7	26.3	25.89
All-Share Index (Equities)	38,243.19	41,504.51	38,278.55	32,766.37	31,430.50	31,041.42	29,966.87	27,630.56	26,842.07

Source: NSE

3.0 Fiscal Operations[5]

Federally collected revenue in the fourth quarter of 2019, fell below both the quarterly budget and the receipts in the preceding quarter by 30.8 per cent and 10.6 per cent, respectively. Provisional Federal Government retained revenue in the review quarter was ₦938.72 billion, while total estimated expenditure amounted to ₦2,074.46 billion, resulting in an estimated deficit of ₦1,135.74 billion.

3.1 Federation Account Operations

At ₦2,602.29 billion, federally-collected revenue in the fourth quarter of 2019, was lower than the quarterly budget[6] of ₦3,758.77 billion by 30.8 per cent. It also fell by 10.6 per cent compared with the receipt in the preceding quarter. The decline in federally-collected revenue (gross) relative to the quarterly budget, was attributed to shortfalls in both oil and non-oil revenue (Figure 6, Table 6).

Gross federally-collected revenue fell by 30.8 per cent below the quarterly budget.

Figure 6: Components of Gross Federally-Collected Revenue

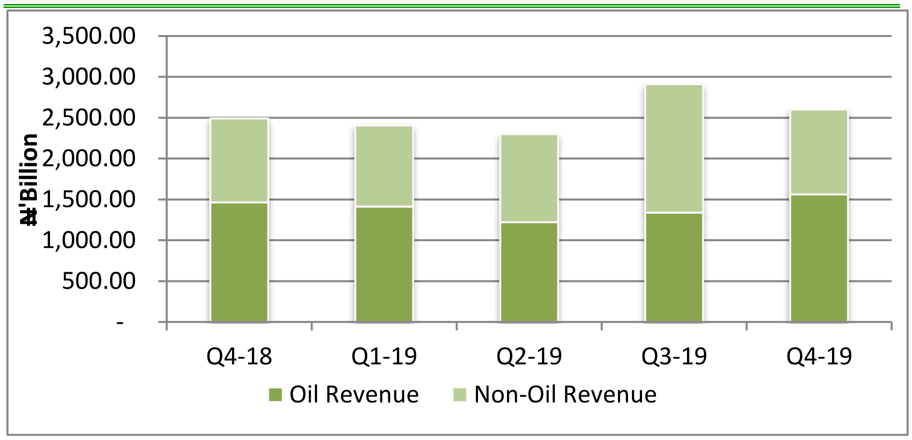


Table 6: Gross Federation Account Revenue (₦ Billion)*

	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
Federally-collected revenue (Gross)	**2,489.66**	**2,403.49**	**2,298.83**	**2,910.44**	**2,602.29**
Oil Revenue	1,465.31	1,413.74	1,219.19	1,340.08	1,563.65
Non-Oil Revenue	1,024.35	989.75	1,079.64	1,570.36	1,038.65

Source: Federal Ministry of Finance
**Figures are provisional*

5 Figures on government revenue and expenditure for the fourth quarter of 2019 were provisional and subject to changes
6 The quarterly budget was derived from the 2019 approved budget.

Gross oil revenue, at ₦1,563.65 billion or 60.1 per cent of the total receipts, was below the quarterly budget by 35.3 per cent, but above the receipt in the preceding quarter by 16.7 per cent. The decline in oil revenue relative to the quarterly budget was due to shortfalls in all its components, except Domestic Crude Oil and Gas sales (Figure 7, Table 7).

Figure 7 : Gross Oil Revenue and Its Components

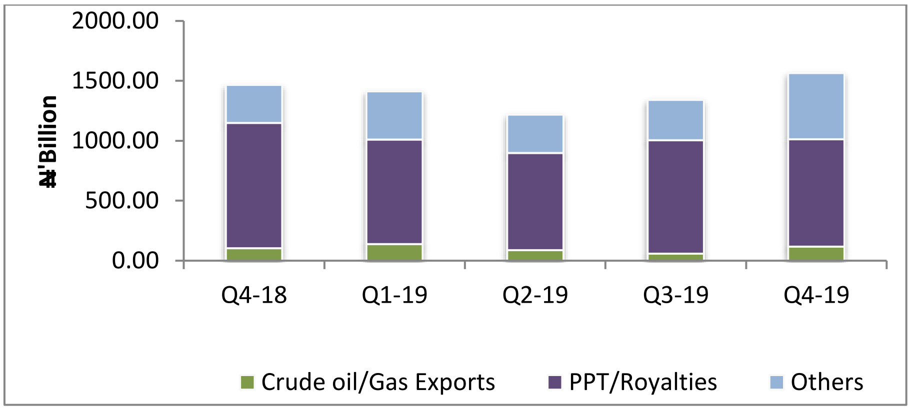


Table 7: Components of Gross Oil Revenue (₦ Billion)

	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
Oil Revenue Gross	1,465.31	1,413.74	1,219.19	1,340.08	1,563.65
Crude oil/Gas Exports	103.62	137.09	86.98	57.28	117.29
PPT/Royalties	1,044.17	874.03	810.79	947.53	896.71
Others	317.52	402.62	32142	335.26	549.64

Source: Federal Ministry of Finance
** Figures are provisional*

Non-oil revenue (gross) at ₦1,038.65 billion fell below the quarterly budget of ₦1,341.72 billion by 22.6 per cent. It also fell below the level in the preceding quarter by 33.9 per cent. The drop in non-oil revenue relative to the quarterly budget was due to the decline in receipt from all its components except customs and excise duties (Figure 8, Table 8).

Figure 8: Gross Non-Oil Revenue and Its Components

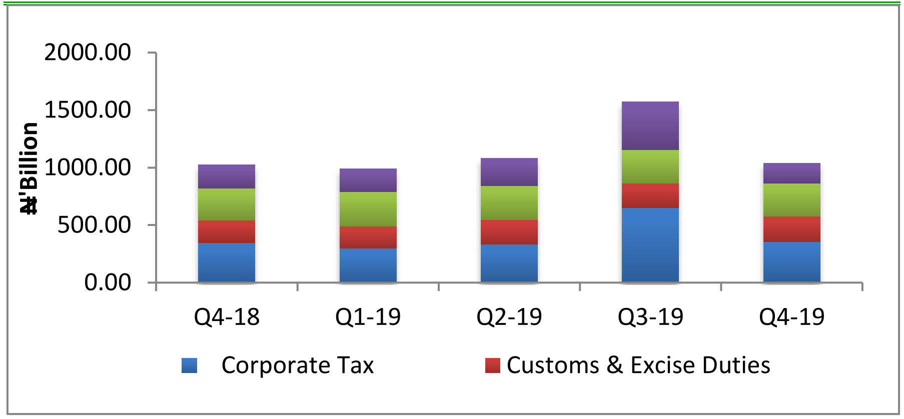


Table 8: Components of Gross Non-Oil Revenue (₦ Billion)*

	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
Non-Oil Revenue	1,024.35	989.75	1,079.64	1,570.36	1,038.65
Value-Added Tax (VAT)	276.41	301.62	295.49	290.87	287.95
Corporate Tax	347.15	297.21	332.61	651.43	355.97
Customs & Excise Duties	196.37	190.96	214.93	210.77	220.70
Others/1	204.43	199.97	236.61	417.29	174.02

1/Includes FGN Independent Revenue, Education Tax, NITDF & Customs Federation/Non-Federation Account Levies (Port, Sugar, ETLS, Steel, CISS & Cement Levies)
Source: Federal Ministry of Finance
** Figures are provisional*

After the statutory deductions and transfers of ₦517.67 billion and ₦450.46 billion, respectively, a net sum of ₦1,634.17 billion was retained in the Federation Account for distribution. Of this amount, the Federal Government received ₦786.35 billion, State and Local governments received ₦398.85 billion and ₦307.49 billion, respectively, while the balance of ₦141.47 billion was transferred to the 13.0% Derivation Fund for distribution among the oil-producing states.

A net sum of ₦1,634.17 billion of the gross federally-collected revenue was distributed among the three tiers of government and the 13.0% Derivation Fund for oil producing states.

In addition, the Federal Government received ₦41.46 billion, while the State and Local governments received ₦138.22 billion and ₦96.75 billion, respectively, from the VAT Pool Account.

Table 9: Summary of Federally-Collected Revenue Deductions and Transfers (₦ Billion)*

	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Total Deductions 1/	**288.34**	**435.51**	**292.68**	**443.68**	**517.67**
Oil Revenue Deductions	245.80	394.20	248.66	379.68	475.39
Non-Oil Revenue Deductions	42.54	41.31	44.02	64.00	42.28
Total Transfers	**469.78**	**489.52**	**520.28**	**696.53**	**450.46**
Federal Govt. Ind. Revenue	90.03	112.83	110.89	205.05	81.30
VAT Pool Account	265.35	289.55	283.67	279.24	276.43
Others 2/	114.40	87.14	125.71	212.24	92.72

1/ Refer to Table 1 for breakdown of deductions

2/ Includes Federation and Non-Federation Special Levies, Education Tax & NITDEF

Source: Office of the Accountant General of the Federation (OAGF) and Federal Ministry of Finance

** Figures are provisional*

The sum of ₦8.70 billion was drawn-down from the Non-oil Excess Account and distributed as follows: Federal Government, ₦3.99 billion; State governments, ₦2.02 billion, Local governments, ₦1.56 billion and 13.0% Derivation Fund, ₦1.13 billion.

Similarly, the sum of ₦55.85 billion was shared as Exchange Gain in the following proportion: Federal Government, ₦25.62 billion; State governments, ₦12.99 billion; Local governments, ₦10.02 billion; and 13.0% Derivation Fund, ₦7.22 billion.

Thus, the total statutory and VAT revenue allocation to the three tiers of government in the fourth quarter of 2019, amounted to ₦1,975.15 billion, compared with the quarterly budget of ₦3,272.00 billion.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

At ₦938.72 billion, the estimated FGN retained revenue in Q4 2019 was lower than the quarterly budget by 55.6 per cent.

Provisional data indicated that the Federal Government retained revenue for the fourth quarter of 2019 amounted to ₦938.72 billion. This was below both the quarterly budget and the receipt in the preceding quarter by 55.6 per cent and 46.0 per cent, respectively. Of the total revenue, Federation Account accounted for 83.8 per, cent, while Federal Government Independent Revenue, VAT, Exchange Gain and Non-oil Excess, accounted for 8.7 per cent, 4.4 per cent, 2.7 per cent, and 0.4 per cent, respectively (Figure 9).

Figure 9: Federal Government Retained Revenue

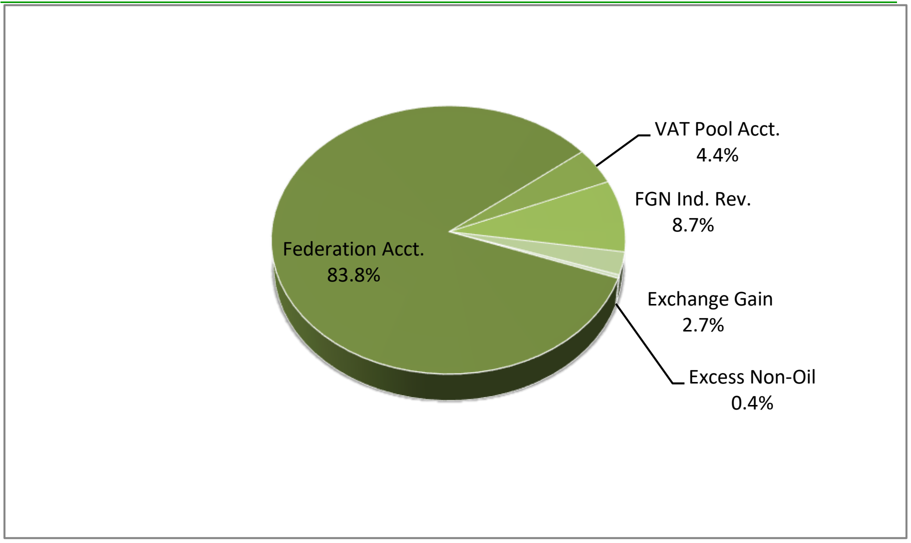


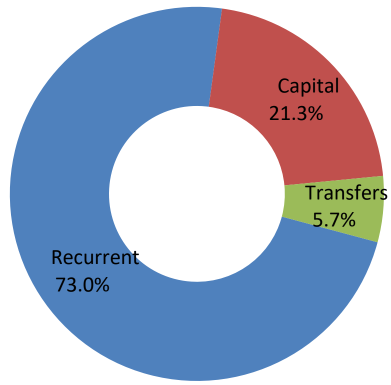
Table 10: Federal Government Fiscal Operations (₦ Billion)*

	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
Retained Revenue	1,144.47	1,111.68	978.39	1,738.81	938.72
Expenditure	2,017.63	2,514.02	2,388.86	2,414.03	2,074.46
Current Surplus(+)/Deficit(-)	(213.89)	(812.00)	(626.91)	(252.98)	(575.21)
Primary Surplus(+)/Deficit(-)	(526.02)	(633.97)	(1,046.33)	136.48	(744.06)
Overall Balance: Surplus(+)/Deficit(-)	(873.16)	(1,402.34)	(1,410.47)	(675.21)	(1,135.74)

Source: Fiscal Liquidity Assessment Committee (FLAC), Ministry of Finance & the Office of the Accountant General of the Federation
**Figures are provisional*

The estimated Federal Government expenditure for the fourth quarter of 2019, at ₦2,074.46 billion, was below the quarterly budget estimate of ₦2,595.94 billion by 20.1 per cent. It also fell by 14.1 per cent compared with the level in the preceding quarter. A breakdown of the total expenditure, showed that the recurrent component accounted for 73.0 per cent, while capital and statutory transfers accounted for 21.3 per cent and 5.7 per cent, repectively. A further breakdown of the recurrent expenditure showed that the non-debt component accounted for 74.1 per cent, while debt service payments was 25.9 per cent.

Figure 10: Federal Government Expenditure



The fiscal operations of the FG resulted in an estimated overall deficit of ₦1,135.74 billion in Q4 2019.

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Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦1,135.74 billion, compared with the proportionate quarterly budget deficit of ₦479.62 billion..

3.2.2 Statutory Allocations to State Governments

At ₦701.90 billion, the total allocation to state governments from the Federation Account, including the 13.0% Derivation Fund and the VAT Pool Account was lower than the quarterly budget by 40.4 per cent.

A breakdown showed that receipts from the Federation Account was ₦563.69 billion (80.3%), while the share from VAT pool account stood at ₦138.22 billion (19.7%). The receipts from the Federation and VAT Pool Accounts fell below the quarterly budget estimate by 42.1 per cent and 32.5 per cent, respectively.

3.2.3 Statutory Allocations to Local Government Councils

Total allocations to local governments from the Federation and VAT Pool Accounts in the fourth quarter of 2019 stood at ₦415.82 billion. This was below the quarterly budget by 38.3 per cent. Of the total amount, allocation from the Federation Account was ₦319.07 billion (76.7%), while the VAT Pool Account stood at ₦96.75 billion (23.3%).

4.0 Domestic Economic Conditions

Agricultural activities in the review quarter were dominated by the harvest of cash and root crops. In the live-stock sub-sector, farmers engaged in the fattening of cattle and stocking of poultry in anticipation of the end of the year sales. The end-period headline inflation, on year-on-year and 12-month moving average bases in the fourth quarter of 2019, stood at 11.98 per cent and 11.40 per cent, respectively.

4.1 Agricultural Sector

Agricultural activities in the fourth quarter of 2019 centered on the harvest of cash and root crops. Farmers in the Northern part of the country continued with the preparation of land and nurseries for vegetables as well as pre-planting operations for dry season farming. In the livestock sub-sector, farmers engaged in the fattening of cattle and stocking of poultry in anticipation of the end of the year sales.

4.2 Agricultural Credit Guarantee Scheme

A total of ₦778.3 million loans was guaranteed to 5,182 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in the fourth quarter of 2019. This represented a decrease of 35.9 and 8.7 per cent below the levels in the preceding quarter and the corresponding period of 2018, respectively. Sub-sectoral analysis showed that food crops obtained the largest share in the total, with ₦300.0 million (38.5 %) guaranteed to 1,910 beneficiaries. This was followed by the livestock sub-sector, ₦162.4 million (20.9 %) guaranteed to 607 beneficiaries; mixed crops, ₦146.6 million (18.8 %) in respect of 1,905 beneficiaries; while cash crops, fisheries and "Others" got ₦89.4 million (11.5 %), ₦52.4 million (6.7 %) and ₦27.4 million (3.6 %) guaranteed to 469, 158 and 133 beneficiaries, respectively.

Analysis by state, showed that 31 states and the Federal Capital Territory benefited from the Scheme in the review quarter, with highest and lowest sums of ₦133.4 million (17.1 %), and ₦2.3 million (0.3 per cent) were guaranteed to Adamawa and Gombe states, respectively.

4.3 Commercial Agricultural Credit Scheme (CACS)

At end-December 2019, the total amount released, since inception by the CBN under the Commercial Agriculture Credit

Scheme (CACS) to the participating banks for disbursement, amounted to ₦622.99 billion for 600 projects, while the total amount repaid since inception stood at ₦387.27 billion at end-December 2019, compared with ₦368.0 billion (Table 11).

Table 11: Disbursement and Repayment of Credit under the Commercial Agriculture Credit Scheme (CACS) as at December 20, 2019

S/N	Participating Banks	Total No. of Projects	Amount Disbursed (₦ billion)	Amount Repaid (₦ billi
1	UBA Plc	52	83.53	56.8
2	Zenith Bank	78	126.94	83.3
3	First Bank of Nigeria Plc	104	52.99	44.8
4	Unity Bank Plc	31	34.80	13.9
5	Union Bank Plc	41	28.99	21.5
6	Stanbic IBTC Plc	47	29.95	19.7
7	Sterlling Bank	43	72.43	28.9
8	Access Bank Plc	26	36.66	30.3
9	Fidelity Bank Plc	18	24.67	14.3
10	Polaris Bank Limited	10	13.77	11.7
11	FCMB Plc.	29	18.53	11.6
12	Ecobank	10	6.38	6.4
13	GTBank	29	39.85	24.4
14	Diamond Bank Plc	23	4.85	4.2
15	Heritage Bank	14	6.81	2.4
16	Citibank Plc	2	3.00	3.0
17	Keystone Bank	23	31.70	8.5
18	WEMA Bank Plc	14	3.24	1.3
19	Jaiz Bank Plc	3	2.06	0.0
20	Suntrust BanK Ltd	3	1.85	0.3
	TOTAL	**600**	**622.99**	**387.22**

Source: CBN

4.4 Industrial Production[7]

Industrial activities improved in the review quarter, due to a marginal increase in employment, output and new orders.

Data from the Nigeria Bureau of Statistics (NBS) indicated that the industrial sector showed an improvement in the fourth quarter of 2019, on account of continued expansion in manufacturing activities. This was due to the border protection policy of the Federal Government, and increase in new orders as a result of anticipated rise in demand during the festive season. Furthermore, there were improvements in the electricity and mining sub-sectors. Consequently, industrial production in the review quarter indicated an increase over the level in the preceding quarter. At 119.8 (2010=100), the estimated index of industrial production rose by 3.7 per cent above the level in the preceding quarter. The increase was attributed to a pick-up in demand on account of the forthcoming end-year festivities.

The estimated Index of manufacturing production, at 185.1

[7] Indices are staff estimates and subject to changes and revision

(2010=100), increased by 2.2 per cent in the fourth quarter of 2019, compared with 181.2 recorded in the preceding quarter. The improvement was due, largely, to increase in demand as a result of preparation for the festive season (Figure11).

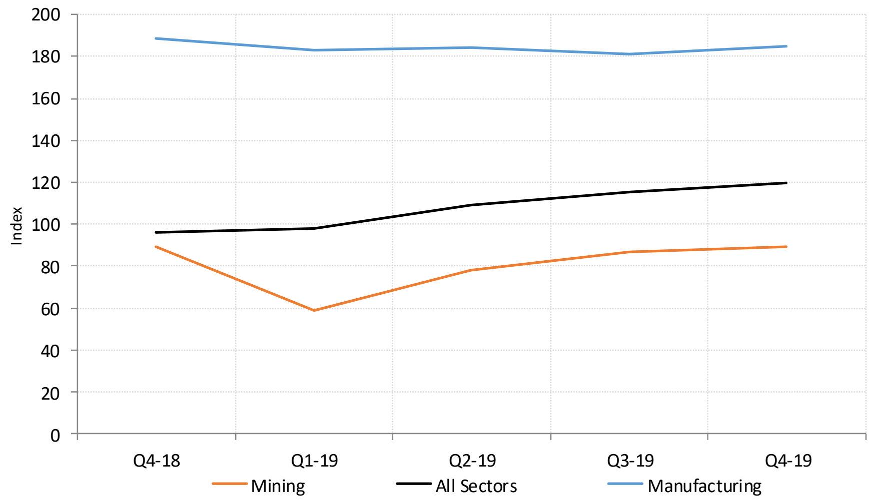
The estimated index of mining production, at 89.2 (2010=100), rose in the fourth quarter of 2019 from 87.0 attained in the preceding quarter. This indicated a 1.4 per cent increase, driven by the marginal improvement in crude oil and gas production. (Figure 11, Table 12).

Average electricity generation and consumption improved in the review quarter.

Electricity generation improved during the period under review. At 3,630.5 MW/h, average estimated electricity generation rose by 2.5 per cent, compared with 3,542.5 MW/h attained in the preceding quarter. The slight improvement was attributed to increase in gas supply to the thermal stations, relative stability in the national grid, as well as, improved water management at the hydro power stations.

At 3,324.2 MW/h, average estimated electricity consumption increased by 2.1 per cent, compared with 3,255.8 MW/H attained in the preceding quarter. The development was attributed to improvement in transmission and distribution networks which improved electricity supply to consumers.

Figure 11 : Indices of Industrial Production (2010=100) [8]



Source: Staff Estimate

Table 12: Indices of Industrial Production

	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
All Sectors (1990=100)	**95.80**	**108.62**	**109.10**	**115.50**	**119.80**
Manufacturing	*188.6*	*183.7*	*184.2*	*181.2*	*185.1*
Mining	*89.1*	*77.5*	*78.2*	*87.0*	*89.2*

Source: Staff Estimate

4.5 Petroleum Sector

Crude oil and natural gas production increased in the fourth quarter of 2019.

Crude oil export increased in Q4 2019.

Nigeria's crude oil production, including condensates and natural gas liquids, averaged 1.92 mbd in the review quarter. This represented an increase of 0.5 per cent, compared with 1.91 mbd produced in the preceding quarter. The increase in production was attributed to reduced incidences of pipeline vandalism and restiveness in the oil producing areas. Allocation of crude oil for domestic consumption was 0.45 mbd or 41.4 million barrels in the review period.

Average crude oil prices, including the Bonny Light (37° API) rose in the international crude oil market in Q4 2019.

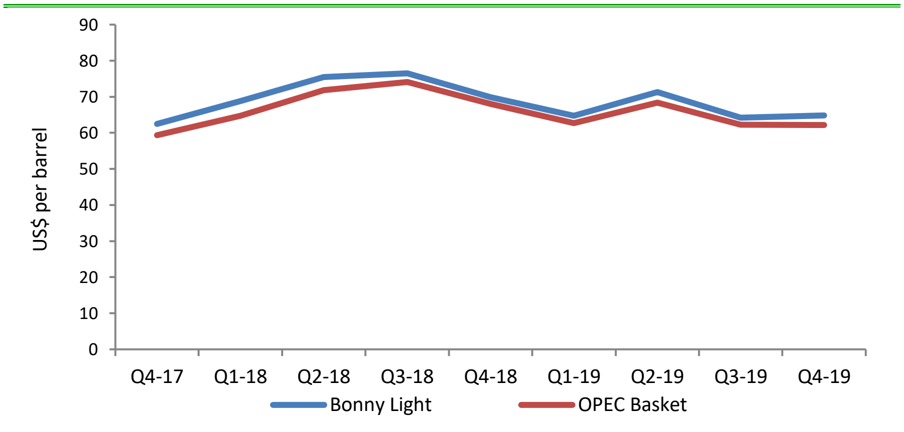
The average spot price of Nigeria's reference crude oil, the Bonny Light (37° API) rose from US$64.25/b in the third quarter of 2019, to US$64.87/b in the fourth quarter of 2019. This represented an increase of 1.0 per cent above the level in the preceding quarter but a decline of 7.2 per cent below the level

[8] Index measurement (2010=100) from first quarter 2015

in the corresponding period of 2018. The movement in oil prices were driven, mainly, by optimism of a trade agreement between the US and China, as well as the improved outlook for global oil demand amid better-than-expected economic performance of some major economies in the review period. The UK Brent at US$63.44/b, Forcados at US$64.83/b and WTI at US$57.22/b exhibited similar trend as the Bonny Light.

The average price of OPEC basket of fourteen selected crude streams at US$62.18/b was, however, lower than its previous quarter's value of US$62.30p/b by 0.2 per cent and lower than its value in the corresponding period of 2018 by 8.5 per cent (Figure 12, Table 13).

Figure 12: Trends in Crude Oil Prices



Source: Reuters

Table 13: Average Crude Oil Prices in the International Oil Market (US$ Barrel)

	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
Bonny Light	62.48	68.55	75.43	76.5	69.89	64.75	71.3	64.25	64.87
OPEC Basket	59.35	64.76	71.88	74.10	67.98	62.72	68.40	62.30	62.18

Source: Reuters

4.6 Consumer Prices[9]

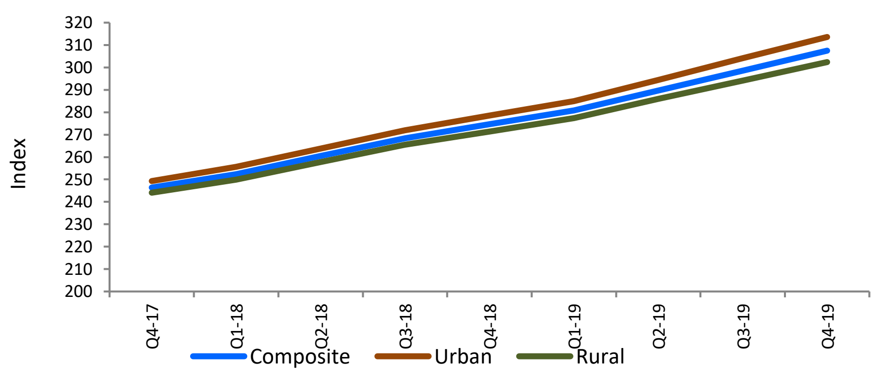
The general price level increased in Q4 2019 below the level in the preceding quarter.

The all-items composite Consumer Price Index (CPI), at end-December 2019, was estimated at 307.5 (November 2009=100), indicating 3.0 per cent and 12.0 per cent increase over the levels in September 2019 and the corresponding period of 2018, respectively. The development was attributed, largely, to increase in both food and non-food categories.

The urban All-items CPI (November 2009=100) stood at 313.6 at end-December 2019, representing 3.1 per cent and 12.6 per cent increase over the levels at end-September 2019 and end-December 2018, respectively. The rural all-items CPI (November 2009=100), was 302.4 at end-December 2019, representing 2.8 per cent and 11.4 per cent increase, compared with the levels at the end of the preceding quarter and the corresponding period of 2018, respectively (Figure 13, Table 14).

The composite food index (with a weight of 50.7 per cent) was estimated at 339.9 per cent in the fourth quarter of 2019, compared with the 327.2 per cent and 292.2 per cent in the preceding quarter and the corresponding period of 2018, respectively.

Figure 13: Consumer Price Index



Source: NBS

[9] New CPI with November 2009 = 100, as base and new weight, based on the 2003/2004 Nigeria Living Standard Survey (NLSS), was released by the National Bureau of Statistics (NBS) on October 18, 2010.

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

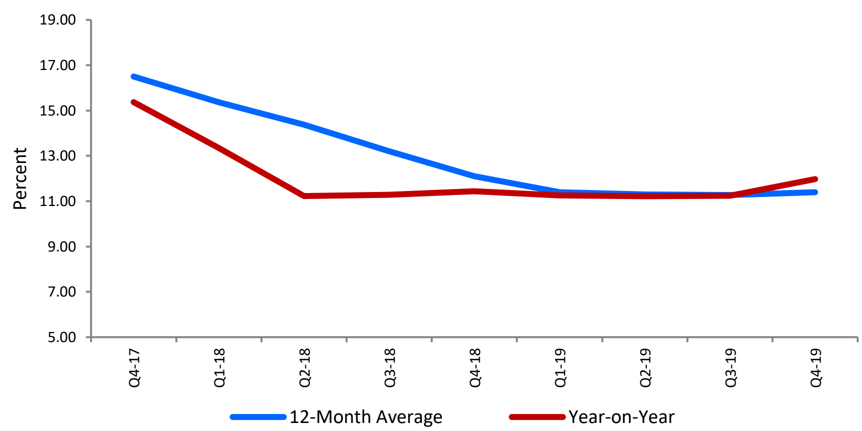
	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
Composite	246.4	252.4	260.5	268.4	274.6	280.8	289.7	298.6	307.5
Urban	249.3	255.6	263.8	272	278.5	285	294.4	304.1	313.6
Rural	244.1	249.9	257.8	265.5	271.4	277.4	285.9	294.1	302.4

Source: NBS

The headline inflation (y-o-y) stood at 11.98 per cent in Q4 2019.

Headline inflation stood at 11.98 per cent at end-December 2019, compared with 11.24 per cent and 11.44 per cent at the end of the preceding quarter and the corresponding period of 2018, respectively. The 12-Month Moving Average (12MMA) inflation, for the fourth quarter of 2019, was 11.40 per cent, compared with 11.27 per cent and 12.10 per cent in the preceding quarter and the corresponding period of 2018, respectively (Figure 14, Table 15).

Figure 14: Inflation Rate



Source: NBS

Table15: Headline Inflation Rate (%)

	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
12-Month Moving Average	16.50	15.60	14.37	13.20	12.10	11.40	11.30	11.27	11.40
Year-on-Year	15.37	13.34	11.23	11.28	11.44	11.25	11.22	11.24	11.98

Source: NBS

5.0 External Sector Developments[10]

On quarter-on-quarter basis, foreign exchange inflow, through the CBN, rose by 6.1 per cent, while outflow through Bank fell by 3.9 per cent, relative to their levels in the third quarter of 2019. Total non-oil export proceeds received by banks fell by 37.8 per cent, compared with the level at end-September 2019. The average exchange rate at the 'Investors' and 'Exporters' window, the BDC and the Inter-bank segments of the market were ₦362.83/US$, ₦359.42/US$ and ₦306.95/US$, respectively, in the review quarter. At US$38.18 billion, the gross external reserves fell by 6.4 per cent, compared with the level at end-September 2019.

5.1 Foreign Exchange Flows

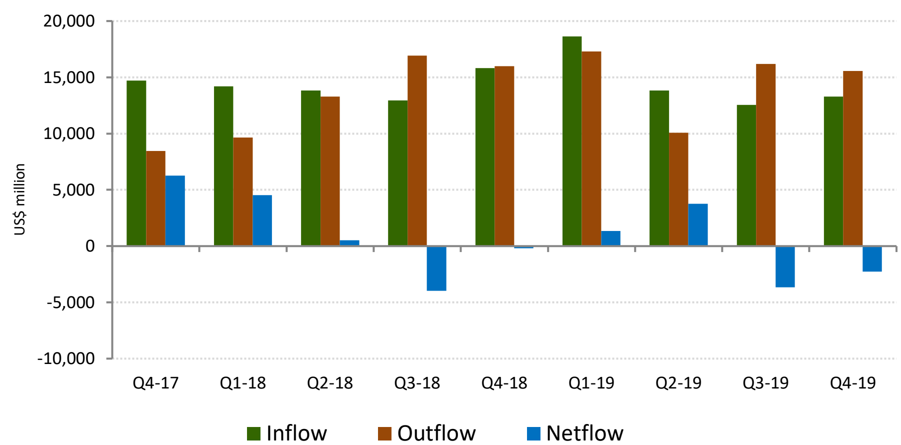
Aggregate foreign exchange inflow into the CBN amounted to US$13.29 billion, showing an increase of 6.1 per cent over the level in the third quarter of 2019, but decreased by 15.9 per cent below the level in the corresponding period of 2018. The development, relative to the preceding quarter reflected, mainly, the rise in non-oil receipts.

Foreign exchange inflow into the CBN rose, while outflow from the Bank declined, resulting in a net outflow of US$2.27 billion in Q4 of 2019.

Aggregate outflow from the CBN was US$15.57 billion, indicating decrease of 3.9 per cent and 2.7 per cent below the levels in the preceding quarter of 2019 and the corresponding period of 2018, respectively. The decline in outflow, relative to the preceding quarter, reflected, mainly, the decline in third party MDAs transfers and interbank utilisation. Overall, foreign exchange flows, through the Bank in the review period, resulted in a net outflow of US$2.27 billion, compared with net outflow of US$3.67 billion and US$0.19 billion in the preceding quarter and the corresponding period of 2018, respectively (Figure 15, Table 16).

[10] Data on foreign exchange flows through the CBN and the Economy, as well as foreign exchange utilisation for the fourth quarter of 2019 are provisional and subject to change.

Figure 15: Foreign Exchange Flows through the CBN



Source: CBN

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

	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
Inflow	14,194.10	13,817.56	12,949.01	15,815.40	18,384.02	13,830.98	12,536.38	13,294.93
Outflow	9,651.78	13,296.38	16,931.36	16,002.49	16,302.16	10,066.75	16,204.22	15,565.02
Netflow	4,542.32	521.18	(3,982.36)	(187.09)	2,081.86	3,764.22	(3,667.84)	(2,270.09)

Source: CBN

Aggregate foreign exchange inflow into the economy amounted to US$36.36 billion in the fourth quarter of 2019, indicating an increase of 17.3 per cent and 19.0 per cent above the levels in the preceding quarter and the corresponding period of 2018, respectively. The development was as a result of the 6.1 per cent and 24.9 per cent increase in inflow through the CBN and autonomous sources, respectively. Oil sector receipts, at US$3.83 billion (10.5 per cent of the total), declined by 13.4 per cent and 6.2 per cent below the levels at the end of the preceding quarter and the corresponding period of 2018, respectively.

Autonomous inflow into the economy rose by 5.0 per cent in Q4 2019.

Non-oil public sector inflow, at US$9.47 billion (26.1 per cent of the total) in the review period, rose by 16.6 per cent above the level at the end of the third quarter of 2019 but declined by 19.3 per cent below the level in the corresponding period of 2018. Autonomous inflow, at US$23.06 billion in the fourth quarter of 2019, rose by 24.9 per cent and 56.4 per cent compared with the levels at the end of the preceding quarter and the corresponding period of 2018, respectively. Inflow from autonomous sources accounted for 63.4 per cent of the total.

At US$16.54 billion, aggregate foreign exchange outflow from the economy declined by 2.5 per cent and 4.7 per cent below the levels in the preceding quarter and the corresponding period of 2018, respectively. The development, relative to the preceding quarter was driven, mainly, by 3.9 per cent decrease in outflow from the CBN. Thus, foreign exchange flows through the economy, resulted in a net inflow of US$19.45 billion in the review quarter, compared with US$13.68 billion and US$12.83 billion in the preceding quarter and the corresponding period of 2018, respectively.

5.2 Non-Oil Export Earnings by Exporters

Total non-oil export earnings by exporters fell in Q4 2019.

Total non-oil export earnings received through the banks during the review period amounted to US$0.96 billion, representing a decrease of 37.8 per cent and 12.7 per cent relative to the levels at the end of the preceding quarter and corresponding period of 2018, respectively. The development, relative to the preceding quarter's level, was attributed, largely, to the 86.2 per cent and 65.7 per cent decline in receipts from minerals sector and food products to US$52.26 million and US$50.53 million, respectively. Sectoral analysis showed that proceeds from the agricultural, manufactured products and the industrial sector fell by 27.3, 15.6 and 2.8 per cent, respectively, below the levels in the preceding quarter to US$345.86 million, US$108.85 million and US$402.73 million, respectively. Receipts from the transport sector increased by 33.3 per cent over the level in the preceding quarter to US$0.08 million. The decrease in the non-oil export receipts was driven, majorly, by minerals (processed and unprocessed) and food products including fish, alcoholic and non-alcoholic drinks and other food items.

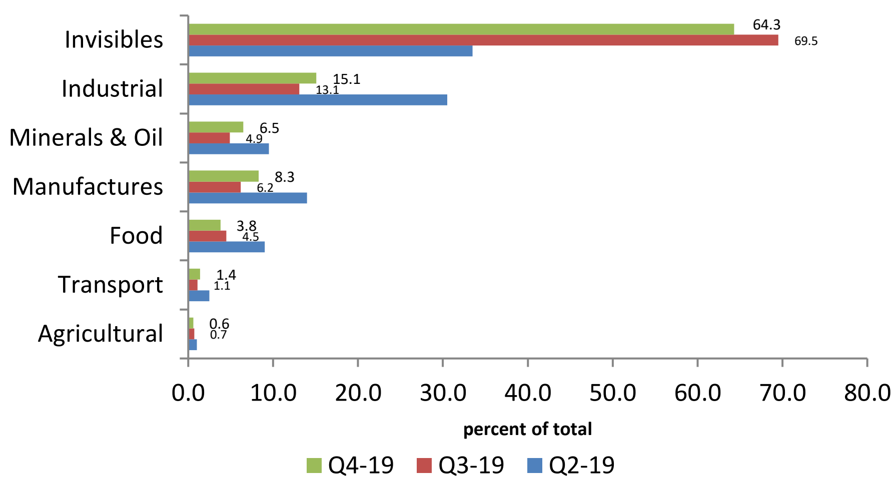
The shares of the various sectors in non-oil export proceeds were: industrial sector, 42.0 per cent; agricultural products, 36.0 per cent; manufactured products, 11.3 per cent; minerals, 5.4 per cent; and food products, 5.3 per cent.

5.3 Sectoral Utilisation of Foreign Exchange

The invisible sector accounted for the bulk of the total foreign exchange disbursed in Q4 2019.

Aggregate sectoral foreign exchange utilisation in the fourth quarter of 2019 stood at US$11.43 billion, indicating a decrease of 17.4 per cent below the level at the end of the third quarter of 2019, but rose by 2.0 per cent above the level in the corresponding period of 2018. The invisible sector accounted for the bulk (64.3%) of total foreign exchange disbursed in the review quarter, followed by the industrial sector (15.1%). Others were: manufactured products, 8.3 per cent; minerals and oil, 6.5 per cent; food products, 3.8 per cent; transport, 1.4 per cent; and agricultural sector, 0.6 per cent (Figure16).

Figure 16: Sectoral Utilisation of Foreign Exchange Source: CBN



Source: CBN

5.4 Foreign Exchange Market Developments

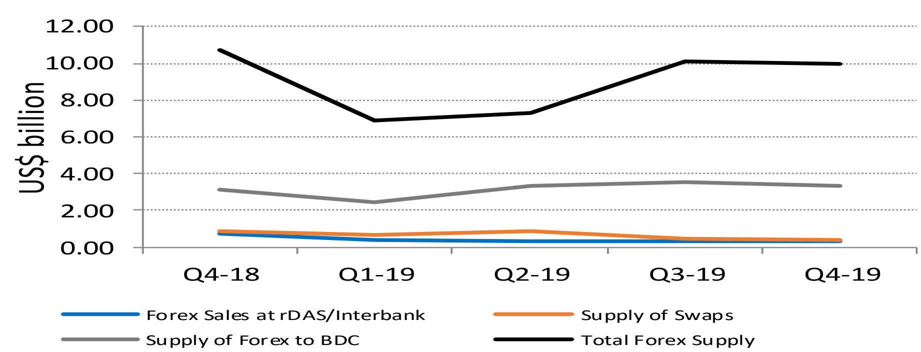
Supply of foreign exchange to authorised dealers fell in Q4 2019.

A total of US$9.98 billion was sold by the CBN to authorised dealers in the fourth quarter of 2019. This represented 0.4 per cent decrease, compared with the level in the third quarter of 2019. The development, relative to the preceding quarter, reflected, mainly, the decline in foreign exchange sales to the BDCs, interbank, swaps transactions and wholesale forwards in the review quarter.

Of the total, foreign exchange sales to BDCs, Interbank, Swaps, Secondary Market Intervention Sales (SMIS) Intervention and Wholesale Forward Intervention fell by 11.2 per cent, 10.1 per cent, 8.0 per cent, 3.5 per cent and 2.3 per cent to US$0.40

billion, US$1.65 billion, US$1.24 billion, US$0.31 and US$3.34 billion, respectively, while sales to the I&E window and SME intervention, rose above their levels in the preceding quarter by 17.7 per cent and 1.0 per cent to US$2.62 billion and US$0.43 billion, respectively. Foreign exchange forwards disbursed at maturity recorded no transaction during the period under review (Figure 17, Table 17).

Figure 17: Supply of Foreign Exchange



Source: CBN

Table 17: Demand for and Supply of Foreign Exchange (US$ billion)

	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
Forex Sales at rDAS/Interbank	0.82	0.36	0.33	0.33	0.31
Supply of Swaps	0.13	0.66	0.09	0.47	0.40
Supply of Forex to BDC	2.98	2.44	3.33	3.54	3.34
Wholesale Forward	0.00	0.31	1.18	1.50	1.24
Supply to I & E	2.09	0.83	0.08	2.02	2.62
SMIS Intervention	0.00	0.70	1.93	1.84	1.64
SME Intervention	0.00	0.13	0.40	0.43	0.43
Disbursement at maturity	3.15	1.47	0.00	0.00	0.00
Total Forex Supply(BDC and rDAS)	9.18	6.90	7.33	10.11	9.98

Source: CBN

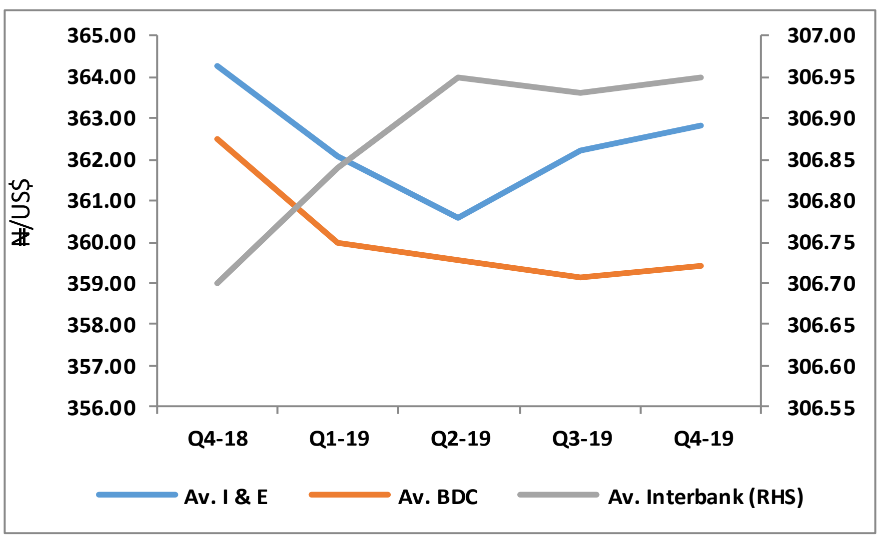
The CBN sustained its interventions at both the Inter-bank and the BDC segments of the foreign exchange market in the review quarter. Consequently, average exchange rate of the naira vis-à-vis the US dollar at the Inter-bank segment, was ₦306.95/US$, representing a depreciation of 0.01 per cent and 0.08 per cent in the preceding quarter and the corresponding

The average naira exchange rate vis-à-vis the US depreciated at the inter-bank, BDC segment, and the I&E Window in Q4 2019.

period of 2018, respectively. Also, at the BDC segment, the average exchange rate, depreciated by 0.08 per cent relative to the level in the preceding quarter to ₦359.42/US$, but appreciated by 0.8 per cent relative to the corresponding period of 2018. Similarly, at ₦362.83/US$, the average exchange rate at the "Investors" and "Exporters" (I&E) window depreciated by 0.2 per cent, relative to the level in the preceding quarter, but appreciated by 0.4 per cent, compared with the level in the corresponding period of 2018.

Consequently, the premium between the average inter-bank and BDC rates widened by 0.1 percentage point to 17.1 per cent, relative to the level in the preceding quarter. The premium between the average exchange rates at the "Investors" and "Exporters" window and the BDC segment also widened by 0.11 percentage point to 0.96 per cent in the review quarter, from 0.85 per cent at the end of the third quarter of 2019 (Figure 18, Table 18).

Figure 18: Average Exchange Rate Movements



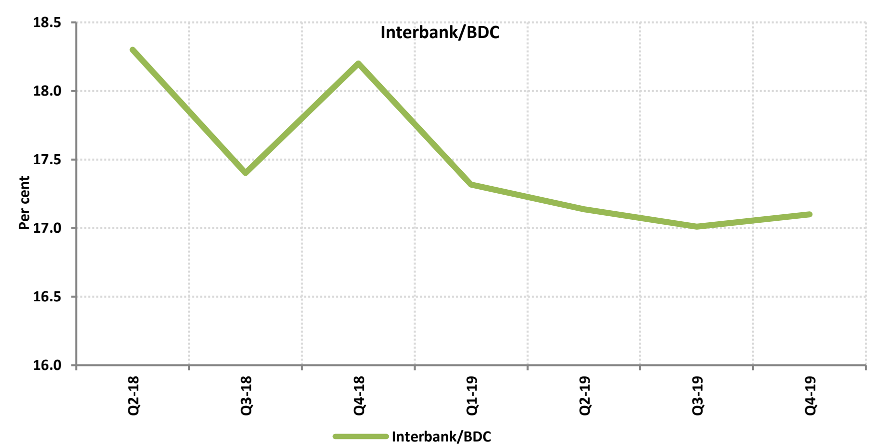
Source: CBN

Table 18: Exchange Rate Movements and Exchange Rate Premium

Average Exchange Rate (₦/US$)	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
Investors and Exporters Window	360.47	360.38	360.80	362.49	364.21	362.07	360.72	362.20	362.83
BDC	362.83	362.58	361.84	359.27	362.34	359.97	360.00	359.14	359.42
Interbank	305.96	305.81	305.77	306.03	306.70	306.84	306.95	306.93	306.95
Premium (%)									
I&E/Interbank	N/A	N/A	18.0	18.4	18.3	18.3	17.5	18.0	18.2
BDC/Interbank	19.50	18.59	18.30	17.40	0.50	0.80	17.14	17.00	17.10

Source: CBN

Figure 19: Exchange Rate Premium



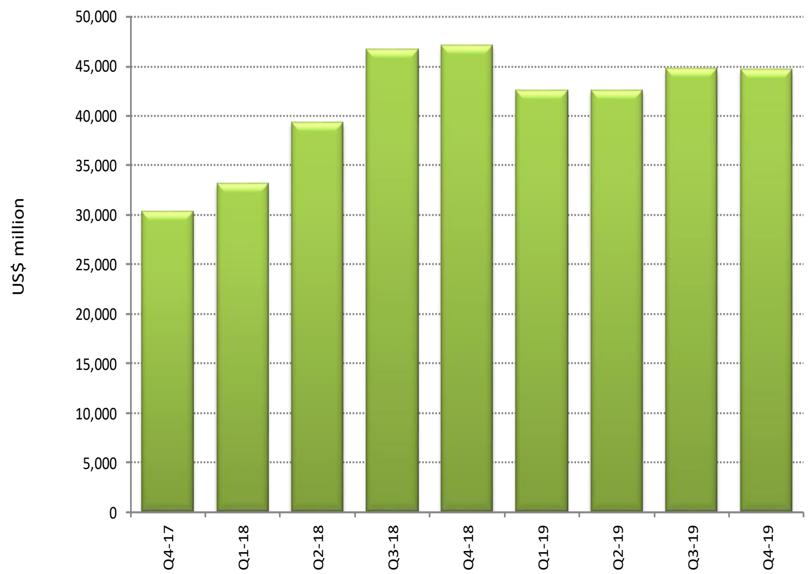
Source: CBN

5.5 Gross Official External Reserves

Gross external reserves were US$38.07 billion at end-December 2019. This indicated a net decrease of 6.4 per cent, compared with the level in the third quarter of 2019. The external reserves position would cover 5.2 months of import of goods and services or 9.1 months of import of goods only, based on the estimated value of import for the third quarter of 2019. A breakdown of the external reserves by ownership showed that the share of Federation reserves was US$0.32 billion (0.9%); Federal Government reserves, US$6.09 billion (16.0%); and the CBN reserves, US$31.65 billion (83.1%) of the total (Figure 20, Table 19).

Gross external reserves fell in the fourth quarter of 2019.

Figure 20 : Gross Official External Reserves



Source: CBN

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

	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
External Reserves	42,609.0	42.542.82	44,793.1	44,747.0	40,897.2	38,073.0

Source: CBN

6.0 Global Economic Outlooks

6.1 Global Output

Global growth remained lackluster in the quarter under review, mostly driven by heightened uncertainty surrounding geopolitics and trade. Some of the pressing issues slowing down growth include: the delay in resolving Brexit; increasing barriers to trade amongst countries, notably the US-China trade tensions; persistent macroeconomic strains on emerging market economies that may be attributed to idiosyncratic and structural factors; and aging demographics in some advanced economies.

According to the IMF World Economic Outlook (WEO) for October 2019, global growth for 2019 had been downgraded to 3.0 percent from 3.2 per cent earlier projected in July 2019. This was the weakest growth recorded since the financial crisis of 2009. Global growth in 2020 was projected to improve slightly to 3.4 per cent, reflecting primarily, an expected improvement in economic performance in a number of emerging markets in Latin America and the Middle East. In the emerging and developing Europe, growth was expected to be 2.4 per cent in 2019 and expected to moderate to 2.1. In the euro area, growth was projected at 1.2 per cent in 2019 but was expected to pick up slightly to 1.4 per cent in 2020 on the back of improved external demand. In the United States, growth was expected to be 2.4 per cent in 2019, and expected to moderate to 2.1 per cent in 2020, reflecting a possible shift in the expansionary fiscal stance prevalent in 2019 to neutral in 2020.

Meanwhile, growth in the euro area was projected at 1.2 per cent in 2019 but expected to pick up slightly to 1.4 per cent in 2020. The United Kingdom was also set to expand by1.2 per cent in 2019 and 1.4 per cent in 2020 assuming that Brexit was completed successfully. Japan's economy was projected to grow by 0.9 per cent in 2019, but to fall to 0.5 per cent in 2020 as temporary fiscal measures were expected to offset part of the anticipated decline in private consumption as a result of the increase in the consumption tax rate in October 2019. In Emerging and Developing Asia, growth was projected at 5.9

per cent in 2019 and 6.0 per cent in 2020. China, growth was projected at 6.1 per cent in 2019 and 5.8 per cent in 2020, while India's economy was projected to grow at 6.1 per cent in 2019, picking up to 7.1 per cent in 2020. This was due to lagged effects of monetary policy easing, a reduction in corporate income tax rates, recent measures to address corporate and environmental regulatory uncertainty, and government programmes to support rural consumption.

In Sub-Saharan Africa, growth was projected at 3.2 per cent in 2019 and 3.6 per cent in 2020, as strong growth in some non-resource-intensive countries partially offset the lackluster performance of the region's largest economies. Nigeria's growth was projected to increase from 1.9 per cent in 2018 to 2.3 per cent in 2019, as a result of the impact of recovering oil production and prices, economic diversification from the oil sector to agricultural sector, and growth in the financial sector.

6.2 Global Inflation

Preliminary data on global inflation for the fourth quarter of 2019 revealed mixed results. While some advanced and emerging market economies were expected to close the year with lower inflation, especially on account of moderating energy prices, other countries experienced higher levels of inflation. Inflation in the Eurozone at end-November 2019 was 1.0 per cent, a substantial decline from the year-end inflation rate of 1.5 per cent in 2018. Similarly, inflation in the United Kingdom declined from 2.1 per cent in December 2018 to 1.5 per cent at end-November 2019. Inflationary pressures, however, picked up in Japan as prices increased from 0.3 per cent in December 2018 to 0.5 per cent at end-November 2019. Similarly, inflation in the United States, increased to 2.1 per cent at end-November 2019 from 1.9 per cent in December 2018.

In major emerging markets, there were mixed developments. The headline inflation rate in China increased significantly from 1.9 per cent in December 2018 to 4.5 percent at end-November 2019. Inflation in India, also, rose from 2.1 per cent in 2018 to 5.54 per cent at end-November 2019. Inflation in Brazil, however, declined slightly to 3.3 per cent at end-November 2019 from 3.8 per cent in December 2018.

Among the developing economies, inflation in Nigeria trended upwards slightly from 11.4 per cent at end-of-year 2018 to 11.9 per cent as at November 2019. Ghana was, however, set to close the year with a lower headline inflation rate from 9.4 per cent in December 2018 to 8.2 per cent at end-November 2019.

6.3 Global Commodity Demand and Prices

Global crude oil supply in the review quarter was estimated at 99.32 mbd, representing an increase of 1.0 per cent above the level in the preceding quarter. World crude oil demand was projected at 100.95 mbd in the fourth quarter of 2019, indicating an increase of 0.3 per cent compared with the level in the third quarter of 2019. The increase in world crude oil demand was driven, largely, by rising industrial activities, seasonal heating and transportation fuel needs in China, Indonesia, Brazil, among others. Particularly, demand growth was recorded for jet/kerosene, naphtha and diesel in the review quarter.

6.4 International Financial Markets

Developments in major international stock markets were bullish in the fourth quarter of 2019. In North America, the United States S&P 500, the Canadian S&P/TSX Composite index and Mexico Bolsa indices increased by 8.5 per cent, 2.4 per cent and 1.2 per cent, respectively.

In South America, the Brazilian Bovespa Stock, Argentine Merval index and Colombian COLCAP indices increased by 10.4 per cent, 43.4 per cent and 5.4 per cent, respectively. In Europe, the FTSE 100, France CAC 40 and the German DAX indices increased by 5.9 per cent, 5.3 per cent and 7.7 per cent, respectively. In Asia, Japan’s Nikkei 225, Shanghai Stock Exchange-A and the Indian BSE Sensex indices rose by 8.7 per cent, 5.0 per cent and 6.7 per cent, respectively, during the period.

In the foreign exchange market, the performance of ten (10) out of the sixteen (16) currencies surveyed appreciated against the US dollar, despite the downturn in global manufacturing, sustained downward pressure on oil prices and lingering uncertainty around BREXIT. The movement in the regional currencies exchange rates were as follows:

- **Africa**: The South African rand, Kenyan shillings and the Egyptian pound appreciated against the US dollar by 38.0 per cent, 17.0 and 1.7 per cent, respectively while the Ghanaian cedi depreciated by 5.7 per cent. The Nigerian Naira remains unchanged.

- **North America**: The Canadian dollar and Mexican peso appreciated against the U.S. dollar by 1.3 per cent and 4.3 per cent, respectively.

- **South America**: The Colombian peso appreciated against the U.S. dollar by 5.6 per cent, while the Brazilian real and Argentine peso depreciated by 4.5 per cent and 3.8 per cent, respectively.

- **Europe:** The Pound Sterling, Euro and Russian rubble appreciated against the US dollar by 7.4 per cent, 3.0 per cent and 4.8 per cent, respectively.

- **Asia**: The Chinese yuan appreciated by 2.3 per cent, while the Japanese yen and Indian rupee depreciated against the U.S. Dollar by 1.0 per cent and 0.7 per cent, respectively.

6.5 Other International Economic Developments and Meetings

Other major international economic developments and meetings of importance to the domestic economy in the fourth quarter of 2019 included: The meeting of the Ministers of Finance and Central Bank Governors Presidential Task Force on the ECOWAS Single Currency took place in Abuja, Nigeria from December 6-7, 2019 after the Technical Committee Meeting held on December 2 -4, 2019.
Some of the issues discussed included:

- The ECOWAS Convergence Report for the First Half of 2019;
- The report of the meeting of the Working Group on the Symbol for the ECOWAS Single Currency and a name for the ECOWAS Central Bank;
- The report on the creation of the ECOWAS Monetary Union in 2020: Assessment of Progress and Gaps; and

- The terms of reference for hosting of the ECOWAS Central Bank.

A team from Moody's Ratings Agency visited the CBN on November 7, 2019, as part of Nigeria's 2019 Review of Sovereign Credit Rating Exercise from November 5 – 8, 2019. The team was informed that the Monetary Policy Rate (MPR) was 13.5 per cent and that the position of the monetary policy mix reflected the Bank's tight stance with the focus of achieving the Bank's objective of price stability. Several interventions had also been deployed including direct interventions in the agricultural and manufacturing sectors to create jobs, moderate unemployment and jump start growth in some key sectors. Overall, the objectives of price and exchange stability remained the bank policy mix.

Furthermore, a team from Fitch Ratings Agency led by Mr. Mahin Dissanayake visited the CBN on November 14, 2019, as part of Nigeria's 2019 Review of Sovereign Credit Rating Exercise from November 14 – 15, 2019. Deliberations centered on macroeconomic developments, monetary policy, Inflation target, exchange rate, and banking sector.

6.6 Outlook for Nigeria in the First Quarter of 2020

The outlook for Nigeria's economy for the first quarter of 2020, amidst weakening global demand and inflationary pressures stemming from VAT increase is cautiously optimistic as the economy was projected to grow by about 2.35 per cent. This was premised on the continued growth in the oil and non-oil sector, early passage of the 2020 budget; expansion of activities in the manufacturing and non-manufacturing sector as indicated by the PMI; sustained stability in the exchange rate and continued interventions in critical sectors of the economy.

Productivity in the real sector was expected to be supported by government spending on infrastructure and CBN interventions in growth-stimulating sectors. Specifically, the renewed focus of the CBN in improving credit delivery to the agricultural and manufacturing sub-sectors as well as Micro, Small and Medium Enterprises (MSMEs), would moderate unemployment and sustain the growth trajectory. In addition, the FGN border protection policy was expected to encourage and stimulate domestic production, and subsequently create employment opportunities. However, headwinds that could undermine these expectations include: under utilisation in the labour market due to weak aggregate demand; a build-up in inflationary pressures resulting from the VAT increase and border protection. Specifically, headline inflation was expected to accelerate to 12.68 per cent in the first quarter of 2020.

The outlook for the external sector may remain challenging due to the likely decline in domestic oil production as well as decline in foreign direct investments (FDI). These developments are attributed to slowed global recovery, uncertainty related to the U.S. 2020 presidential elections, and a sustained balance of payments deficit. However, a modest positive performance, supported by exchange rate stability, a "phase-one" US-China trade deal, and CBN's initiatives towards the diversification of the economy by increasing its export base in the external sector, remained feasible.

The fiscal space was expected to be enhanced on the back of increased government revenue occasioned by the recently passed Finance Bill, increase in VAT and crude oil prices, were expected to average at US$61.00 per barrel in 2020, above the proposed budget benchmark of US$57.0 per barrel. In addition, the pace of capital releases was expected to have a positive impact on the economy. However, depressed global oil demand, output cuts imposed by OPEC and rising debt service obligation were major threats to the economy.

The financial sector was expected to remain resilient in the final quarter of 2020, on account of the CBN's commitment towards ensuring financial system stability, deeper inclusion through credit delivery, as well as intensifying financial literacy and consumer protection programmes. The renewed policies aimed at enhancing the Payments and cash-less initiative were expected to sustain improved efficiency, safety and confidence in the Nigerian payments system.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Nov-19
Domestic Credit (Net)	**26,408.42**	**27,574.32**	**31,736.89**	**32,341.48**	**35,938.33**	**35,513.08**
Claims on Federal Government (Net)	3,440.99	4,866.09	7,742.16	7,583.24	10,451.82	9,100.34
Central Bank (Net)	(91.46)	342.21	3,215.42	2,754.06	5,674.86	4,100.77
Banks	3,532.45	4,523.88	4,526.74	4,829.18	4,776.96	4,999.57
Claims on Private Sector	22,967.43	22,708.23	23,994.74	24,758.24	25,486.51	26,412.74
Central Bank	6,431.58	6,574.67	7,678.57	8,504.88	8,139.41	8,444.58
Banks	16,535.85	16,133.54	16,316.16	16,253.36	17,347.10	17,968.16
Claims on Other Private Sector	21,173.75	21,109.72	22,284.77	23,117.87	23,746.75	24,356.36
Central Bank	5,730.19	5,873.28	6,870.79	7,740.84	7,265.26	7,274.69
Banks	15,443.56	15,236.44	15,413.99	15,377.03	16,481.49	17,081.66
Claims on State and Local Government	1,341.87	1,553,64	1,618.85	1,595.81	1,585.08	1,602.74
Central Bank	656.53	656.53	716.67	719.47	719.47	716.24
Banks	685.34	897.11	902.18	876.33	865.61	886.50
Claims on Non-financial Public Enterprises						
Central Bank						
DMBs						
Foreign Assets (Net)	**18,815.94**	**18,397.82**	**16,816.80**	**18,471.24**	**13,911.34**	**14,149.60**
Central Bank	18,277.81	18,181.45	16,292.64	17,569.37	14,578.25	14,833.42
Banks	538.13	216.37	524.16	901.87	(666.91)	(638.82)
Other Assets (Net)	**(14,373.31)**	**(12,612.89)**	**(14,722.61)**	**(15,908.67)**	**(14,805.35)**	**(13,229.56)**
Money Supply (M3)	30,851.05	33,359.25	33,831.08	34,904.05	35,044.31	36,478.13
Quasi-Money 1/	14,802.98	15,316.02	15,890.94	16,737.58	16,549.16	17,484.80
Money Supply (M1)	**10,757.69**	**11,752.56**	**10,943.88**	**11,161.25**	**11,120.80**	**10,930.57**
Currency Outside Banks	1,601.89	1,912.98	1,780.61	1,650.87	1,623.87	1,799.10
Demand Deposits 2/	*9,155.79*	*9,839.58*	*9,163.26*	*9,510.38*	*9,496.93*	*9,131.48*
Money Supply (M2)	*25,560.66*	*27,068.58*	*26,834.82*	*27,898.83*	*27,669.96*	*28,415.37*
CBN Bills held by Non-Bank Sectors	*5,290.39*	*6,290.67*	*6,996.26*	*7,005.22*	*7,374.36*	*8,062.76*
Money Supply (M3)	**30,851.05**	**33,359.25**	**33,831.08**	**34,904.05**	**35,044.31**	**36,478.13**
Memorandum Items:						
Reserve Money (RM)	*6,802.56*	*7,135.73*	*7,246.28*	*8,088.46*	*7,000.25*	*7,353.36*
Currency in Circulation (CIC)	*1,926.38*	*2,329.71*	*2,153.22*	*2,014.07*	*2,005.60*	*2,203.27*
Banks' Deposit with CBN	*4,876.17*	*4,806.02*	*5,093.06*	*6,074.39*	*4,994.65*	*5,150.09*

Source: CBN

1/ Quasi money consist of Time, Savings and Foreign Currency Deposit at Deposit Money Banks excluding Taking from Discount Houses.
2/ Demand Deposit 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)*

	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Nov-19
	Percentage Change Over Preceding Quarter					
Domestic Credit (Net)	3.3	4.4	15.1	1.9	11.1	-1.2
Claims on Federal Government (Net)	4.7	41.4	59.1	-2.1	37.8	-12.9
Claims on Private Sector	3.1	-1.1	5.7	3.2	2.9	3.6
Claims on Other Private Sector	5.3	-0.3	5.6	3.7	2.7	2.6
Claims on State and Local Government	-17.6	15.8	4.2	-1.4	-0.7	1.1
Claims on Non-financial Public Enterprises						
Foreign Assets (Net)	2.6	-2.2	-8.6	9.8	-24.7	2.0
Other Assets (Net)	-1.3	-12.3	16.7	8.1	-6.9	-10.6
Money Supply (M3)	5.1	8.1	1.4	3.2	0.4	4.1
Quasi-Money 1/	4.9	3.5	3.8	5.3	-1.1	5.7
Money Supply (M1)	0.5	9.3	-6.9	2.0	-0.4	-1.7
Currency Outside Banks	5.4	19.4	-6.9	-7.3	-1.6	10.8
Demand Deposits 2/	-0.3	7.5	-6.9	3.8	-0.1	-3.8
Total Money Assets (M2)	3	5.9	-0.9	4.0	-0.8	2.7
CBN Bills held by Non-Bank Sectors	16.8	18.9	11.2	0.1	5.3	9.3
Money Supply (M3)	5.1	8.1	1.4	3.2	0.4	4.1
Memorandum Items:						
Reserve Money (RM)	7	4.9	1.6	11.6	-6.4	5.0
Currency in Circulation (CIC)	1.4	20.9	1.6	11.6	-6.4	5.0
DMBs Demand Deposit with CBN	9.3	-10.5	-7.6	6.5	0.1	9.9
	Percentage Change Over Preceding December					
Domestic Credit (Net)	1.8	6.3	15.1	17.3	30.3	28.8
Claims on Federal Government (Net)	-5.4	33.7	59.1	55.8	114.8	87.0
Claims on Private Sector	3	1.9	5.7	9.0	12.2	16.3
Claims on Other Private Sector	2.2	1.9	5.6	9.5	12.5	15.4
Claims on State and Local Governments	-13.1	0.6	4.2	2.7	2.0	3.2
Claims on Non-financial Public Enterprises						
Foreign Asset (Net)	21.2	18.5	8.6	0.4	-24.4	-22.8
Other Asset (Net)	12.5	1.3	-16.7	-26.1	-17.4	-4.9
Money Supply (M3)	7.6	16.4	1.4	4.6	5.1	9.4
Quasi-Money 1/	14.2	18.1	3.8	9.3	8.1	14.2
Money Supply (M1)	-3.7	5.2	-6.9	-5.0	-5.4	-7.0
Currency Outside Banks	-10.1	7.3	-6.9	-13.7	-15.1	-6.0
Demand Deposits 2/	-2.5	4.8	-6.9	-3.4	-3.5	-7.2
Money Supply (M2)	1.18	12.1	-0.9	3.1	2.2	5.0
CBN Bills held by Non-Bank Sectors	24.31	38.9	11.2	11.4	17.2	28.2
Money Supply (M3)	7.6	16.4	1.4	4.6	5.1	9.4
Memorandum Items:						
Reserve Money (RM)	10.88	10.1	1.6	13.4	-1.9	3.1
Currency in Circulation (CIC)	-5.47	8	-7.6	-13.6	-13.9	-5.4
DMBs Demand Deposit with CBN	9	11.10	6.00	26.4	3.9	7.2

Source: CBN

1/ Quasi money consist of Time, Savings and Foreign Currency Deposit at Deposit Money Banks excluding Taking from Discount Houses.
2/ Demand Deposit 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.
*All figures are provisional.

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

	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
Retained Revenue	1,144.47	1,111.68	978.41	1,738.81	938.72
Federation Account	*828.66*	*709.03*	*716.29*	*866.79*	*786.35*
VAT Pool Account	*39.80*	*43.43*	*42.55*	*41.89*	*41.46*
FGN Independent Revenue	*90.03*	*112.83*	*110.89*	*205.05*	*81.30*
Excess oil	-	-	*36.33*	-	-
Excess non-oil	*2.32*	*6.40*	-	*0.92*	*3.99*
Exchange gain	*56.00*	*1.16*	*0.69*	*1.44*	*25.62*
Others	*127.66*	*238.83*	*71.66*	*622.73*	-
Expenditure	2,017.63	2,514.02	2,388.86	2,414.03	2,074.46
Recurrent	*1,358.36*	*1,943.93*	*1,605.30*	*1,991.79*	*1,513.94*
Capital	*545.15*	*455.23*	*668.26*	*305.43*	*442.21*
Transfers	*114.11*	*114.87*	*115.30*	*116.81*	*118.31*
Overall Balance: Surplus(+)/Deficit(-)	(873.16)	(1,402.34)	(1,410.45)	(675.21)	(1,135.74)

**Fourth Quarter 2019 figures are provisional.*