CENTRAL BANK OF NIGERIA ECONOMIC REPORT

October 2024

ABOUT THE REPORT

The Central Bank of Nigeria (CBN) Economic Report presents economic developments in Nigeria, for dissemination to the public. The Report, which is published on a monthly and quarterly basis, provides insights on current developments in the real, fiscal, financial, and external sectors of the Nigerian economy, as well as, on global issues that impact the domestic economy. In addition, it reflects the policy initiatives of the CBN in pursuit of its mandate.

The Report is targeted at a wide range of readers, including economists, policymakers, financial analysts in the government and private sectors, and the public. Free download of the Report, including current and past issues are available from the CBN website: www.cbn.gov.ng. All inquiries concerning the Report should be directed to the Director, Research Department, Central Bank of Nigeria, P.M.B. 187, Garki, Abuja, Nigeria.

Contents

Tables

Figures

SUMMARY

Global economic activity expanded, driven by growth in services and manufacturing, as reflected by the Global Composite Purchasing Managers' Index (PMI) rising to 52.30 index points in October 2024 from 51.90 index points in the preceding month. Inflation varied across regions, with Advanced Economies (AEs) experiencing an uptick, while prices moderated in Emerging and Developing Markets Economies (EMDEs). Financial markets exhibited mixed performances globally, with bearish trends dominating amid global risk aversion and slower growth. Major currencies depreciated against the US dollar, due to higher bond yields and geopolitical uncertainties. Global crude oil supply rose slightly in October 2024, driven by increased OPEC and non-OPEC production. Global crude oil prices rebounded, supported by easing demand concerns and geopolitical risks in the Middle East. Nigeria's Bonny Light crude averaged $76.70 per barrel, a 0.85 per cent increase, from US$76.05 pb in the preceding month, reflecting improved market conditions.

Domestic economic activity contracted, driven by reduced output in the industry and services sectors. The Composite PMI, declined to 49.60 points in October 2024 from 50.50 points in the preceding month. Inflation rose to 33.88 per cent, with food inflation reaching 39.16 per cent, exacerbated by higher energy and transportation costs. Crude oil production increased slightly to 1.33 million barrels per day (mbpd) from 1.32 mbpd, supported by enhanced security in oil-producing regions. Despite inflationary pressures eroding purchasing power, rising global oil prices and improved security measures contributed to modest optimism among businesses.

Provisional data indicated that the fiscal conditions tightened, with federally collected revenue declining by 7.87 per cent compared to September 2024 and falling 33.72 per cent short of the budget benchmark. FGN retained revenue, however, improved by 6.07 per cent month-on-month, but remained 53.23 per cent below target. FGN aggregate expenditures surged by 28.43 per cent, widening the fiscal deficit by 51.22 per cent. Public debt stood at ₦134.30 trillion, or 56.23 per cent of GDP, above the national benchmark, but within the international threshold for market access countries (MAC).

The Bank continued its commitment to regulatory oversight and supervision, to ensure the financial sector's resilience. Monetary aggregates expanded in October 2024, driven by increased credit to key sectors and the impact of naira depreciation. Broad money supply (M3) grew by 35.85 per cent to ₦107.66 trillion at end-October 2024 relative to the level at end-December 2023, although the money multiplier declined, reflecting the system's liquidity dynamics. Short-term interest rates remained stable, while capital market activities displayed mixed sentiments due to monetary tightening, bargain-hunting, and profit-taking.

The external sector performed robustly, with increased trade activity yielding a higher trade surplus. Foreign capital inflows surged, particularly in equity and money market instruments. External reserves rose to US$39.71 billion, providing import cover of 9.01 months of import for goods and services or 13.49 months for goods only. However, the average exchange rate of the naira per US dollar at the NFEM depreciated to ₦1,641.12/US$ from ₦1,618.22/US$ in the preceding month.

The outlook for domestic remains cautiously optimistic, hinged on the sustained implementation of government reforms, increased crude oil production, and operationalisation of critical infrastructure like the Dangote Refinery. However, downside risks persist, including rising debt obligations, higher energy costs, security challenges, and global geopolitical tensions. Inflationary pressures are expected to remain elevated in the near term, driven by energy costs and exchange rate depreciation. Nevertheless, tight monetary policy and potential foreign exchange stability could moderate these pressures, offering relief to the economy.

1.0 GLOBAL ECONOMIC DEVELOPMENTS

Summary

Global economic activity improved in October 2024, albeit mixed across regions, shaped by broad-base expansion in services and manufacturing sector. Inflationary pressure varied across regions with most AEs experiencing uptick, as prices moderated further in most EMDEs. Similarly, global financial markets showed mixed performance across AEs and EMDEs, with bearish trends dominating due to rising uncertainties, while selective markets showed resilience on account of unique domestic factors. Major global currencies depreciated against the US dollar, underpinned by higher bond yields, global risk aversion, and slower-than-anticipated economic growth.

1.1 Global Economic Activity

Global Economic Activity

Global economic activity improved in October 2024, underpinned by broad-base improvement in services and manufacturing sectors. The global composite purchasing managers' index (PMI) rose to 52.30 index points in October 2024, from 51.90 index points in the preceding month, as both business confidence and growth in new order strengthened. Similarly, the services PMI, increased to 53.10 index points, from 52.90 index points in the preceding month, underpinned by rise in output across the business, consumer and financial services. The manufacturing PMI, though below the 50.00 benchmark, improved in October 2024 to 49.40 index points from 48.70 index points in the preceding month. The rise in the manufacturing PMI reflected an improvement in operating conditions in China, on account of improved weather conditions that pave ways for higher production and export, while downturns in the US and the Euro area eased.

Table 1: Global Composite Purchasing Managers' Index (PMI)

	Aug-24	Sep-24	Oct-24
Composite	**52.80**	**51.90**	**52.30**
Employment Level	49.90	50.00	49.80
New Business Orders	52.10	51.00	51.60
New Export Business Orders	48.90	48.40	48.90
Future Output	62.10	59.80	62.30
Input Prices	56.60	56.30	56.20
Output Prices	52.30	52.50	52.00
Manufacturing	**49.50**	**48.70**	**49.40**
Services (Business Activity)	**53.80**	**52.90**	**53.10**
New Business	53.30	52.40	52.70
New Export Business	50.70	51.50	50.70
Future Activity	62.80	60.40	63.20
Employment	50.00	50.40	50.20
Outstanding Business	49.00	50.10	49.40
Input Prices	57.10	57.40	57.30
Prices Charged	52.50	52.90	52.20

Source: *J.P. Morgan*
Note: Above 50 index points indicate expansion

Economic Activity in Advanced Economies

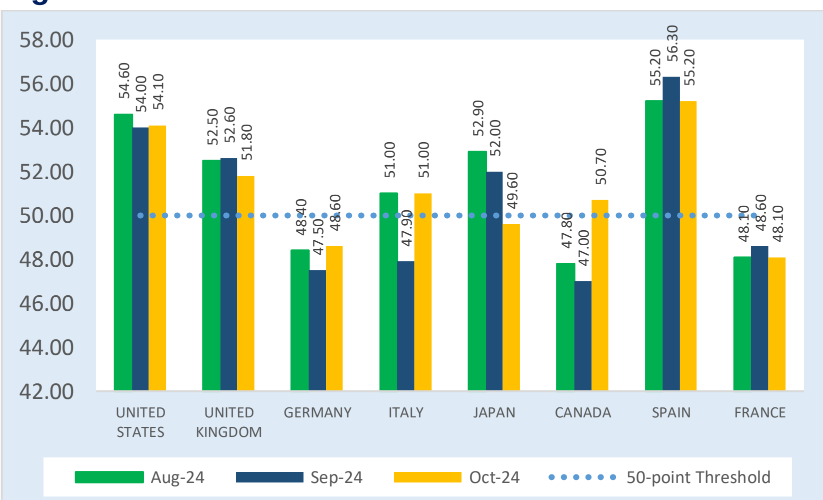
Economic activity varied across the AEs in October 2024, supported by diverse performance of the services and the manufacturing sectors. In the US and Canada, PMI expanded to 54.10 and 50.70 index points, respectively, from 54.00 and 47.00 index points in the preceding month, driven, largely, by strong gains in the services sector. Similarly, the PMI in Italy rose to 51.00 index points in the review period from 47.90 index points in the preceding period, driven by increasing performance of the services sector and uptick in new orders. In the UK and Spain, however, economic activity slowed to 51.80 and 55.20 index points, respectively, from 52.60 and 56.30

index points, reflecting weaker growth in manufacturing and services sectors, with sluggish growth in new orders.

Economic activity in Germany improved marginally to 48.60 index points in October 2024, from 47.50 index points in the preceding month, though below the 50.00 benchmark, following an expansion in the services sector.

In contrast, economic activity contracted in Japan to 49.60 index points in October 2024 from 52.00 index points in September 2024, while in France PMI contracted further to 48.10 index points, from 48.60 index points in the preceding month. The contraction in Japan and France was due, largely, to decline in the manufacturing and services sector, as new orders stagnated.

Figure 1: PMIs of Selected Advanced Economies



Source: *Trading Economics/Various Country Websites*
Note: PMI for Canada was based on Manufacturing PMI

Economic Activity in Emerging Markets and Developing Economies

The momentum of economic activity in most EMDEs improved in the review period, driven by robust private sector growth. Economic activity in China and India expanded, to 51.90 and 59.10 index points, respectively, from 50.30 and 58.30 index points in the preceding month.

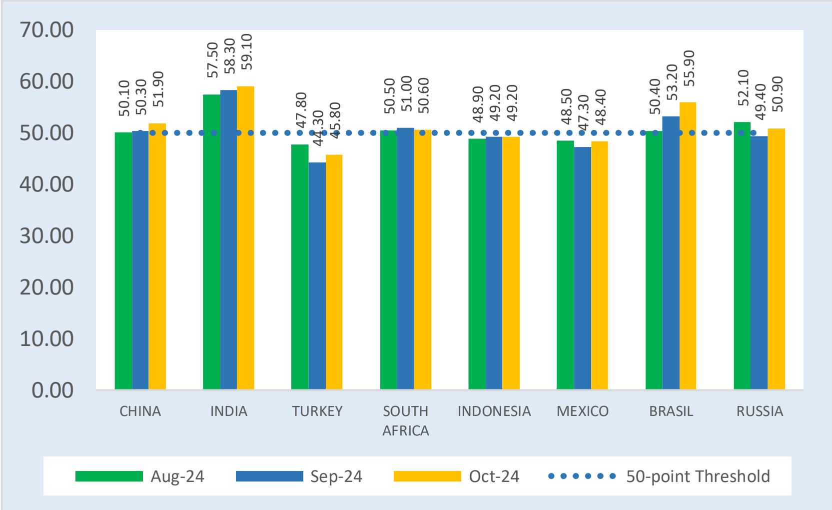
The development was attributed to an expansion in private sector activity and new orders in the manufacturing and service sectors. Similarly, economic activity expanded in Russia, as PMI rose to 50.90 index points in October 2024 from 49.40 index points in the preceding month, owing to faster growth in services output. In Brazil, the PMI grew to 55.90 index points in October 2024 from 53.20 index points in September 2024, indicating robust private sector growth supported by a strong rise in demand for goods and services.

Economic activity, however, slowed in South Africa, as PMI fell to 50.60 index points in October 2024 from 51.00 index points in the preceding month, reflecting slower private sector growth and new orders.

PMI in Turkey and Mexico, improved to 45.80 and 48.40 index points, respectively, from 44.30 and 47.30 index points in Septemebr 2024, though below the 50.00 index points benchmark. The improvement reflected moderation in input and output price inflation.

In Indonesia, the PMI remained unchanged at 49.20 index points, below the 50.00 index points benchmark for two consecutive months, as geopolitical uncertainty led to fall in foreign sales.

Figure 2: PMI in Selected Emerging Markets and Developing Economies



Source: *Trading Economics/Various Country Websites*
Note: PMI for Turkey and Indonesia were based on Manufacturing PMI

1.2 Global Inflation

Inflationary pressure heightened in most AEs but moderated in most EMDEs. In the US and the UK, inflation soared to 2.60 and 2.30 per cent, respectively, in October 2024 from 2.40 and 1.70 per cent in the preceding month. The increase in the US was attributed to higher energy cost, while uptick in housing & household services, electricity and gas prices drove inflation in the UK. The German's inflation accelerated to 2.00 per cent in the review period, from 1.60 per cent in the preceding month due, largely, to rise in cost of services.

Similarly, increase in transportation and energy costs pushed inflation up in France and Spain to 1.20 and 1.80 per cent, respectively, from 1.10 and 1.50 per cent. In Canada and Italy, inflation rose to 2.00 and 0.90 per cent, respectively, from 1.60 and 0.70 per cent, in September 2024 on account of waning base effects for gasoline prices in Canada, while Italy's inflation was occasioned by increase in food prices. In Japan, however, inflation moderated to 2.30 per cent from 2.50 per cent in the preceding month due, largely, to falling electricity prices, as the effects of the energy subsidy removal diminished.

Table 2: Inflation in Selected Economies

Country	Jun-24 (A)	Jul-24 (B)	Aug-24 (C)	Sep-24 (D)	Oct-24 (E)	Difference m-o-m (E-D)	Remark
United States	3.00	2.90	2.50	2.40	2.60	0.20	Accelerate
United Kingdom	2.00	2.20	2.20	1.70	2.30	0.60	Accelerate
Germany	2.20	2.30	1.90	1.60	2.00	0.40	Accelerate
Italy	0.80	1.30	1.10	0.70	0.90	0.20	Accelerate
Japan	2.80	2.80	3.00	2.50	2.30	-0.20	Decelerate
Canada	2.70	2.50	2.00	1.60	2.00	0.40	Accelerate
Spain	3.40	2.80	2.30	1.50	1.80	0.30	Accelerate
France	2.20	2.30	1.80	1.10	1.20	0.10	Accelerate
China	0.20	0.50	0.60	0.40	0.30	-0.10	Decelerate
India	5.08	3.60	3.65	5.49	6.21	0.72	Accelerate
Turkey	71.60	61.78	51.97	49.38	48.58	-0.80	Decelerate
South Africa	5.10	4.60	4.40	3.80	2.80	-1.00	Decelerate
Indonesia	2.51	2.13	2.12	1.84	1.71	-0.13	Decelerate
Mexico	4.98	5.57	4.99	4.58	4.76	0.18	Accelerate
Brazil	4.23	4.50	4.24	4.42	4.76	0.34	Accelerate
Russia	8.60	9.10	9.10	8.60	8.50	-0.10	Decelerate

Source: *Trading Economics*

Different inflationary trend was recorded in the selected EMDEs in October 2024. Inflation moderated in China and Indonesia to 0.30 and 1.71 per cent, respectively, from 0.40 and 1.84 per cent in September 2024. The moderation in China inflation was attributed to lower transportation costs, while in Indonesia was due to decline in food prices, following increases in rice supply. Similarly, inflation eased in Turkey and Russia to 48.58 and 8.50 per cent, respectively, from 49.38 and 8.60 per cent in the preceding month. The moderation in inflation was driven by decrease in food prices in Russia, while easing prices in housing, water, electricity, gas and other fuels, supported the moderation in Turkey. In South Africa, inflation also fell to

2.80 per cent in October 2024, from 3.80 per cent in the preceding month driven, primarily, by falling fuel prices.

In Mexico and Brazil, however, inflation rose to 4.76 per cent, from 4.58 and 4.42 per cent, respectively, due to acceleration in the prices of food and beverages. Similarly, inflation accelerated in India to 6.21 per cent, from 5.49 per cent, following an uptick in the prices of vegetables, oils & fats, and meat & fish.

1.3 Global Financial Market Development

Global financial markets revealed mixed performance across AEs and EMDEs in October 2024, with bearish performance dominating due to rising uncertainties, while selective markets showed resilience driven by unique domestic factors. Equity markets performance across advanced economies (AEs) and emerging markets, as well as developing economies (EMDEs) slowed, as growth-related uncertainties remained a key concern for investors. Despite some levels of resilience, most stocks followed a bearish trajectory.

In the US, the Dow Jones, S&P 500, and Nasdaq declined by 1.34, 0.99, and 0.85 per cent, respectively, due, largely to risk-averse behaviour driven by uncertainty around the US presidential election and interest rate projections. Similarly, in the UK, the FTSE 100 dropped by 1.54 per cent, with both large, small and mid-cap (SMID) stocks impacted by concerns over long-term economic and interest rate outlooks.

In the Euro area, stock prices fell as investors were cautious about weak corporate earnings, higher-than-expected eurozone inflation and awaited more clarity on macroeconomic conditions and US election results. This led to declines of 3.74 per cent in France's CAC-40, 2.97 per cent in the Euro Stoxx 600, and 1.28 per cent in Germany's DAX. Meanwhile, Japanese stocks rebounded with the NIKKEI 225 and TOPIX gaining 3.06 and 1.87 per cent, respectively, as anticipation of expansionary policies fuelled late-month momentum ahead of Japan's general elections.

Equities in emerging markets and developing economies (EMDEs) declined in the review month, owing to notable headwinds from rising US bond yields and a stronger US dollar. India's BSE Sensex and Mexico's MEXBOL indices reported declines of 5.83 and 3.46 per cent, respectively. The Indian stock market faced downward pressure due to weak second-quarter earnings from major companies. Meanwhile, Mexico's stock index was impacted by peso volatility and uncertainties surrounding the country's political environment. Additionally, South Africa's JALSH index fell by 1.34 per cent, reflecting bearish sentiment driven by perceptions of slow economic growth and growing fiscal challenges. China's Shanghai Index, also, dropped by 1.70 per cent as government stimulus measures failed to restore investor confidence.

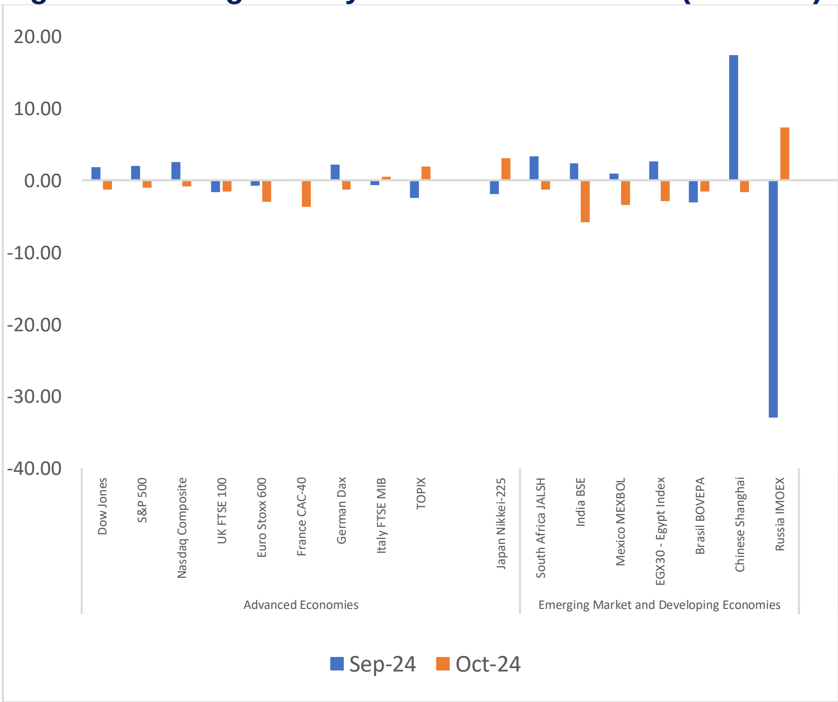
Reduced trading volumes and profit-taking by both local and regional investors, along with weak market sentiment, drove significant selloffs in Egypt's stock market, resulting in a sharp decline in market capitalisation. Consequently, Egypt's EGX30 depreciated by 2.94 per cent. The performance of the Russia Moscow Exchange, however, rallied by 7.31 per cent due, largely, to higher interest rates and government spending, which bolstered investor sentiment, reflecting positively on the exchange.

Table 3: Stock Indices in Some Selected Economies

Indices	30-Sep	31-Oct	Changes (%)
Dow Jones	42,330.15	41,763.46	-1.34
S&P 500	5,762.48	5,705.45	-0.99
Nasdaq Composite	20,060.69	19,890.42	-0.85
UK FTSE 100	8,236.95	8,110.10	-1.54
Euro Stoxx 600	520.88	505.39	-2.97
France CAC 40	7,635.75	7,350.37	-3.74
German Dax	19,324.93	19,077.54	-1.28
Italy FTSE MIB	34,125.26	34,281.24	0.46
Tokyo TOPIX	2,645.94	2,695.51	1.87
Nikkei 225	37,919.55	39,081.25	3.06
South Africa JALSH	86,548.42	85,384.82	-1.34
India BSE	84,299.78	79,389.06	-5.83
Mexico MEXBOL	52,477.30	50,661.05	-3.46
EGX30 - Egypt Index	31,587.04	30,658.00	-2.94
Brazil BOVESPA	131,816.00	129,713.00	-1.60
China Shanghai Index	3,336.50	3,279.82	-1.70
Russia Moscow Exch.	1,775.67	1,905.51	7.31

Source: *MarketWatch, Reuters, and Moscow Exchange*

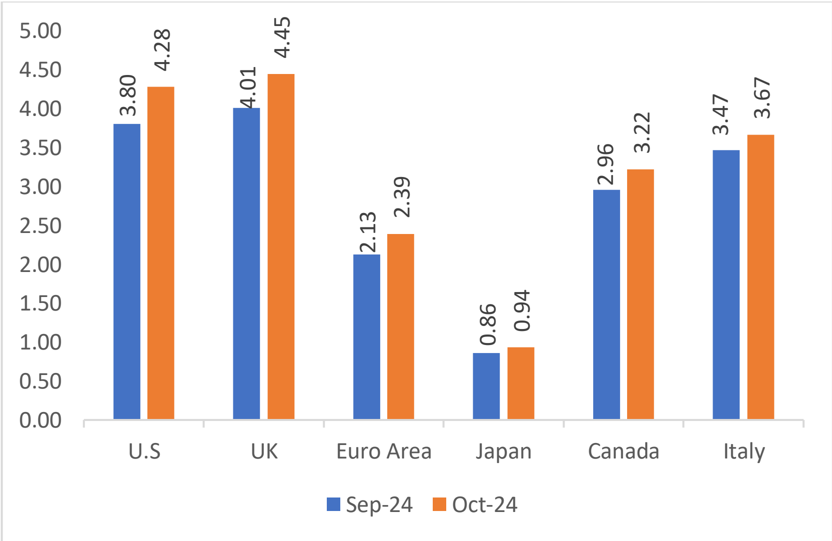
Figure 3: Change in Key Global Stock Indices (Per cent)



Source: *Reuters, Moscow Exchange, and MarketWatch*

Long-term bond yields trended upwards in most AEs and EMDEs during the period under review. The 10-year bond yield in the UK rose to 4.45 per cent, from 4.01 per cent, occasioned by investors' optimistic outlook on interest rates. Similarly, the US government bond yields grew to 4.28 per cent from 3.08 per cent, Canada (3.22% from 2.95%), and Japan (0.94% from 0.86%) in the preceding month, driven by the resilient labour market and improved consumer confidence in the markets. The 10-year bond yield in the Euro area mirrored the US pattern, with a moderate growth of 0.26 percentage points to 2.39 per cent from 2.13 per cent in the preceding month, owing to the 25bps rate cut by the European Central Bank.

Figure 4: 10-year Government Bond Yields for Advanced Countries



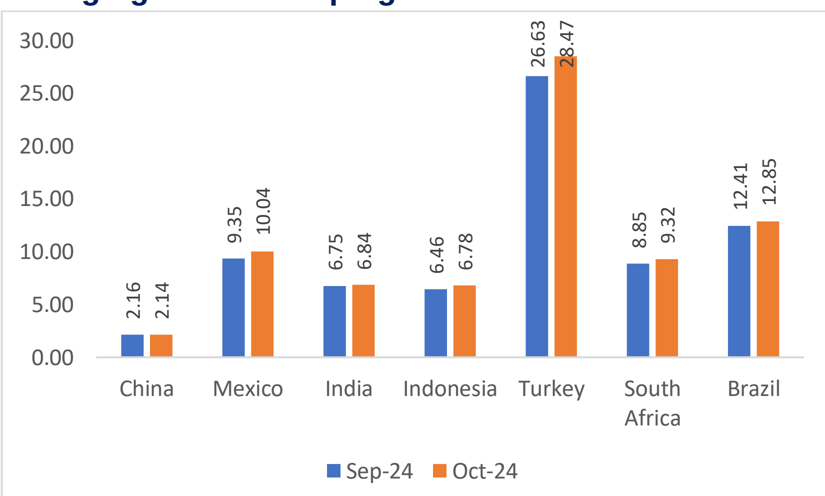
Source: *Reuters*

Government bond yields across EMDEs, portrayed varied performance, reflecting market adjustments as expectations for rate cuts grew amid easing inflationary pressure.

In Mexico, India, and Indonesia, 10-year bond yields rose to 10.04, 6.84, and 6.78 per cent in October 2024, respectively, from 9.35, 6.75, and 6.46 per cent in the preceding month. Similarly, bond yields in Turkey and South Africa grew to 28.47 and 9.32 per cent, respectively, from 26.63 and 8.85 per cent in the preceding month. The increase was driven by domestic economic factors, US pre-election uncertainties, and tight monetary policies.

The 10-year bond yields in Ghana and Kenya, however, dipped to 26.50 and 16.82 per cent, respectively, from 27.00 and 17.10 per cent in the preceding month, owing to the ongoing debt restructuring negotiations and high inflation in Ghana and subdued investor confidence in the Kenyan market, amid fiscal consolidation efforts.

Figure 5: 10-year Government Bond Yields for Emerging and Developing Economies



Source: *Reuters*

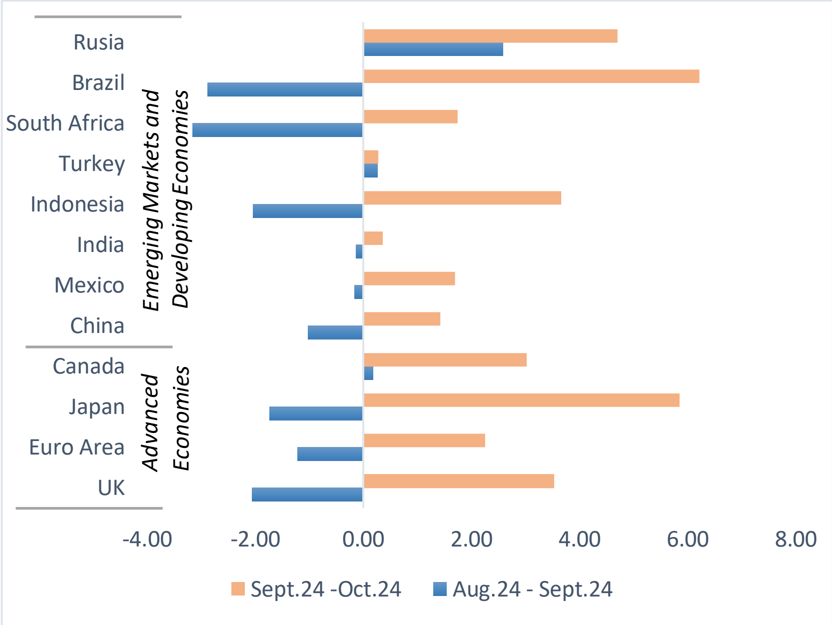
Most of the major global currencies depreciated against the US dollar due, largely, to higher US bond yields, global risk aversion, and slower-than-anticipated economic growth, which bolstered demand

for the US dollar. The British pound and euro depreciated by 3.53 and 2.25 per cent, respectively, due partly to slower-than-expected output growth and subdued consumer spending. Similarly, the Canadian dollar and Japanese yen, depreciated against the US dollar by 5.85 and 3.02 per cent, respectively. The Canadian dollar weakened due to investor speculation regarding a potential slowdown in the growth outlook, while, lingering uncertainty in fiscal and monetary policy efforts drove the Japanese yen downward.

A surge in the US Treasury yields adversely affected EMDE currencies, which largely trended downward, with most depreciating against the US dollar. In China, the yuan weakened by 1.43 per cent, amid concerns over China's underwhelming policy measures and interventions aimed at stabilising key sectors of the economy. Mounting inflationary pressure eroded investor confidence in the Brazilian real leading to a 6.21 per cent depreciation, while persisting domestic challenges caused a decline in South African rand by 1.74 per cent.

Furthermore, the strong US dollar and risk-off sentiment in emerging markets caused a flight to safety with investors preferring the US dollar. Thus, the Russian ruble, the Indonesian rupiah, the Mexican peso, and the Indian rupee all depreciated against the US dollar by 4.71, 3.67, 1.70, and 0.37 per cent, respectively.

Figure 6: Exchange Rate Appreciation/Depreciation for Selected Countries (Per cent)



Source: *Reuters*

1.4 Global Commodity Market

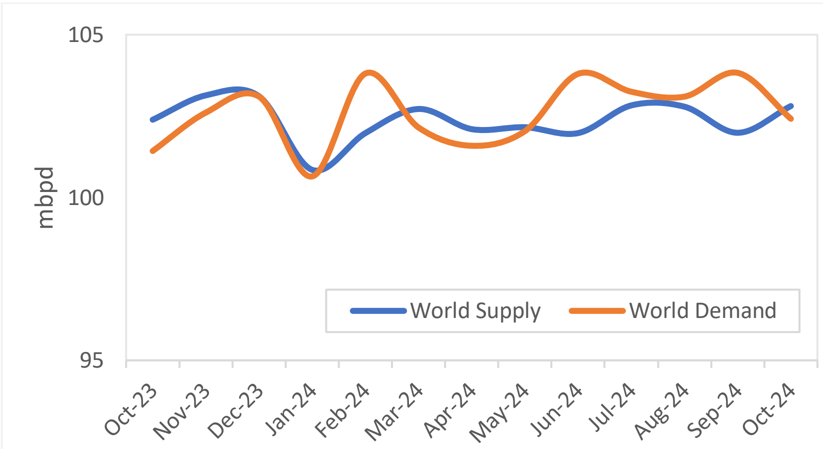
Global Crude Oil Supply and Demand

Global crude oil supply rose slightly in October 2024, driven by an increase in both OPEC and non-OPEC production. Global crude oil supply, including natural gas liquids (NGLs) rose by 0.80 per cent to 102.81 million barrels per day (mbpd) in October 2024, from 101.99 mbpd in the preceding month.

OPEC crude supply rose by 1.24 per cent to 31.96 mbpd in October 2024, from 31.57 mbpd in the preceding month due, primarily, to increased output from Libya, following the resumption of crude oil production after a political crisis. Similarly, non-OPEC crude supply increased marginally by 0.61 per cent to 70.85 mbpd, from 70.42 mbpd in the preceding month, owing to increased production in Canada and the US.

Global demand declined by 1.36 per cent to 102.42 mbpd in October 2024, from 103.83 mbpd in the preceding month, following a decrease in economic activities in non-OECD countries, particularly in China and Eurasia.

Figure 7: Global Crude Supply and Demand

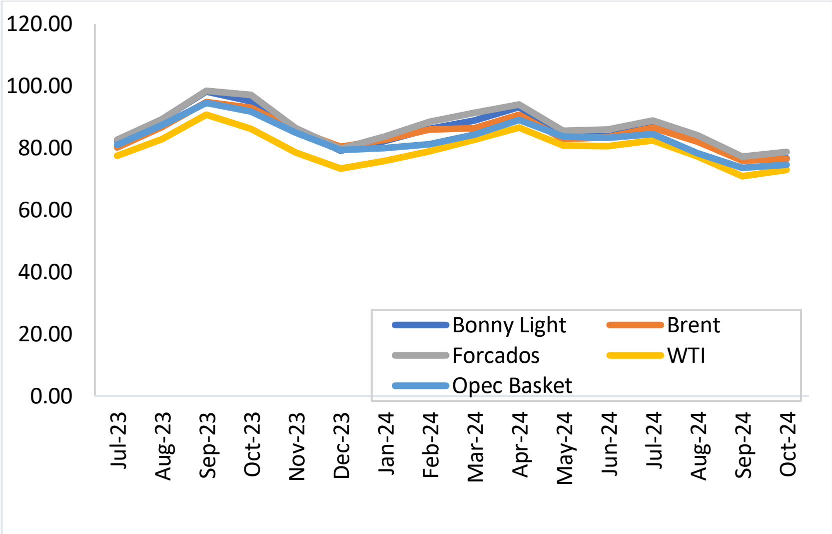


Source: *Energy Information Administration*

Crude Oil Prices

Global crude oil prices rebounded in October 2024 as concerns about demand outlook subsided and uncertainty about geopolitical development in the Middle East persisted. The average spot price of Nigeria's reference crude oil, the Bonny Light, rose by 0.85 per cent to US$76.70 per barrel (pb) in October 2024, from US$76.05 pb in the preceding month. The prices of Brent at US$76.51 pb, Forcados at US$78.65 pb, WTI at US$72.84 pb and OPEC Reference Basket (ORB) at US$74.50 pb, all trended upwards. Higher refining margins in all major trading hubs provided additional support to oil prices.

Figure 8: Global Crude Oil Prices (US$ per barrel)

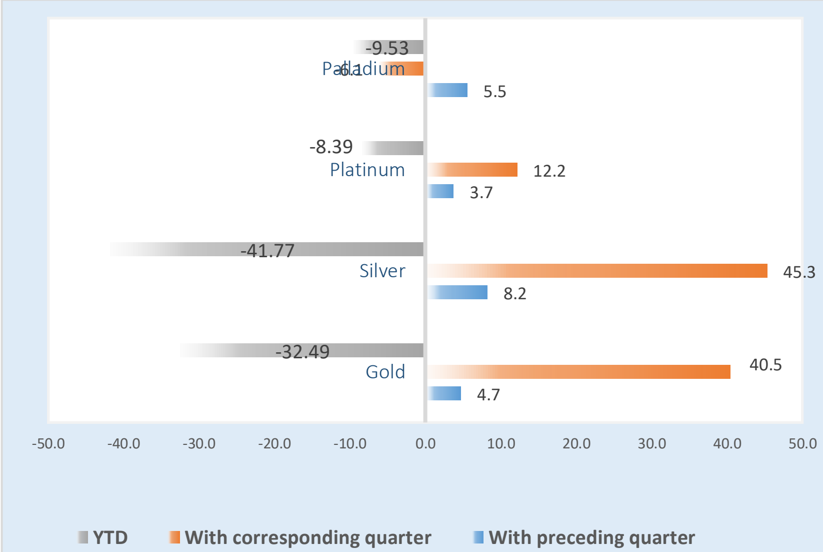


Source: *Refinitiv Eikon (Thomson Reuters)*

Other Mineral Commodities

Spot prices of precious metals continued to trend upwards in October 2024, supported by safe-haven appeal amid geopolitical developments and lower US interest rates. The average spot price of gold increased to US$2,691.37 per ounce by 4.68 per cent, silver to US432.48 per ounce (8.19%), platinum to US$997.15 per ounce (3.72%) and palladium to US41,072.14 per ounce (5.53%) in October 2024, from the levels in the preceding month. In addition, prices received support from industrial activity following last month's US interest rate cuts and China's stimulus announcements.

Figure 9: Price Changes in Selected Metals (Per cent)



Source: *Refinitiv Eikon (Thomson Reuters)*

***Global agricultural prices rose in October 2024 due to weather disruptions, higher input costs, and supply chain challenges*.** In October 2024, the all-commodity price index rose by 0.75 per cent, reaching 147.14 points, up from 146.04 points in the preceding month. The increase was driven, primarily, by sharp price hikes in soybeans (12.98%) and palm oil (9.61%). Other commodities that saw price increases included rubber (5.41%), groundnuts (3.28%), cocoa (2.09%), cotton (1.19%), and wheat (1.17%). The rise in prices was influenced by unfavourable weather conditions in key northern hemisphere exporters, the re-introduction of an unofficial price floor in the Russian Federation and rising tensions in the Black Sea. However, coffee prices declined due to a surplus in supply that outpaced demand.

Table 4: Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities for (Dollar Based) (Jan. 2010=100)

COMMODITY	Oct. 2023	Sept. 2024	Oct. 2024	% Change (1) & (3)	% Change (2) & (3)
	1	2	3	4	5
All Commodities	***122.58***	***146.04***	***147.14***	***20.04***	***0.75***
Cocoa	*102.98*	*185.06*	*188.93*	*83.46*	*2.09*
Cotton	*123.44*	*106.56*	*107.83*	*-12.64*	*1.19*
Coffee	*169.58*	*345.01*	*316.51*	*86.64*	*-8.26*
Wheat	*148.17*	*134.05*	*135.62*	*-8.47*	*1.17*
Rubber	*47.68*	*62.78*	*66.18*	*38.80*	*5.41*
Groundnut	*170.47*	*126.81*	*130.97*	*-23.17*	*3.28*
Palm Oil	*96.80*	*118.29*	*129.65*	*33.94*	*9.61*
Soya Beans	*121.49*	*89.77*	*101.43*	*-16.52*	*12.98*

Source*: World Bank Pink Sheet*

2.0 DOMESTIC ECONOMIC DEVELOPMENTS

2.1 REAL SECTOR DEVELOPMENTS

Summary

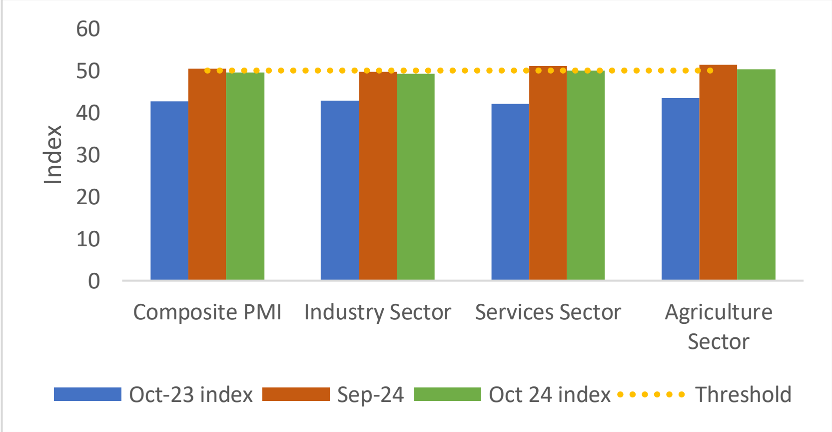
The domestic economy showed a mixed performance reflected in modest gains in crude oil production, enhanced security and rising global oil prices, alongside optimistic business sentiment. However, inflationary pressures, driven by rising food and non-food costs, weakened economic activity and eroded purchasing power. Despite these hurdles, the positive outlook from businesses highlighted some resilience.

2.1.1 Economic Conditions

Purchasing Managers Index

Economic activity contracted in October 2024 attributed to weakening demand. The Composite purchasing managers' index (PMI) declined at 49.6 index points in October 2024 from 50.5 index points in the preceding month. The decline was driven, mainly, by a contraction in the industry and services sector.

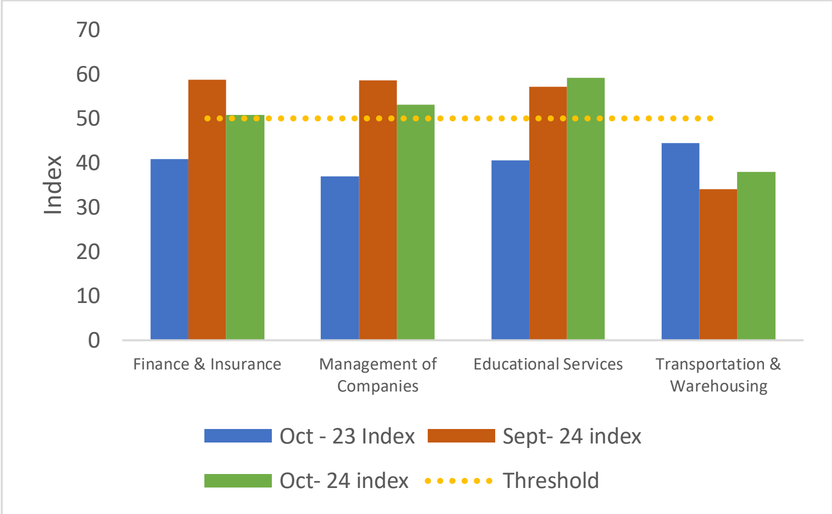
Figure 10: Composite, Industry, Services and Agriculture PMI



***Source**: Central Bank of Nigeria*

Sectoral analysis showed that the services sector expanded at a slower pace in October 2024 with the PMI falling to 50.0 index points from 51.0 index points in the preceding month. Weaker activity in transportation and warehousing, coupled with rising input and energy costs, contributed to the contraction.

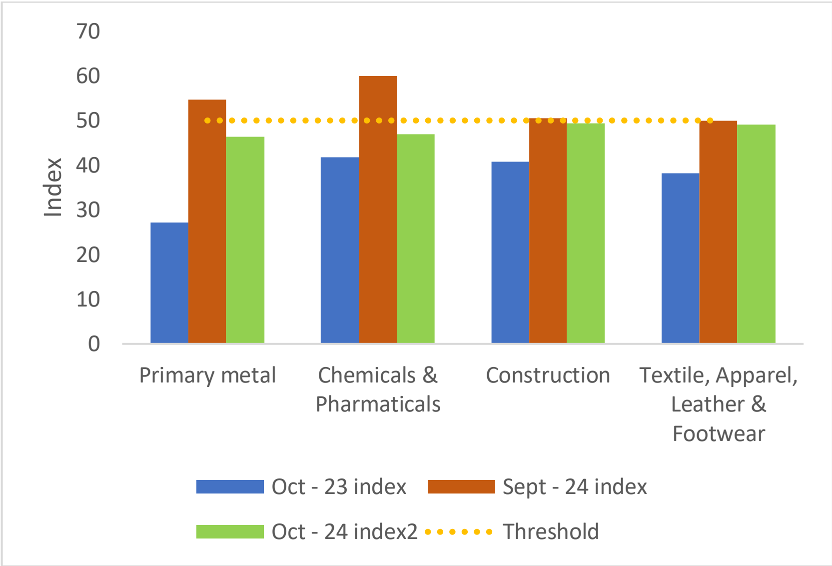
Figure 11: Services Sector PMI



Source: *Central Bank of Nigeria*

The industry sector PMI decreased to 49.3 index points from 49.7 index points recorded in preceding month, remaining below the expansion threshold. While an increase in new orders and raw material inventories was recorded, a decline in output and employment tempered the sector's overall growth.

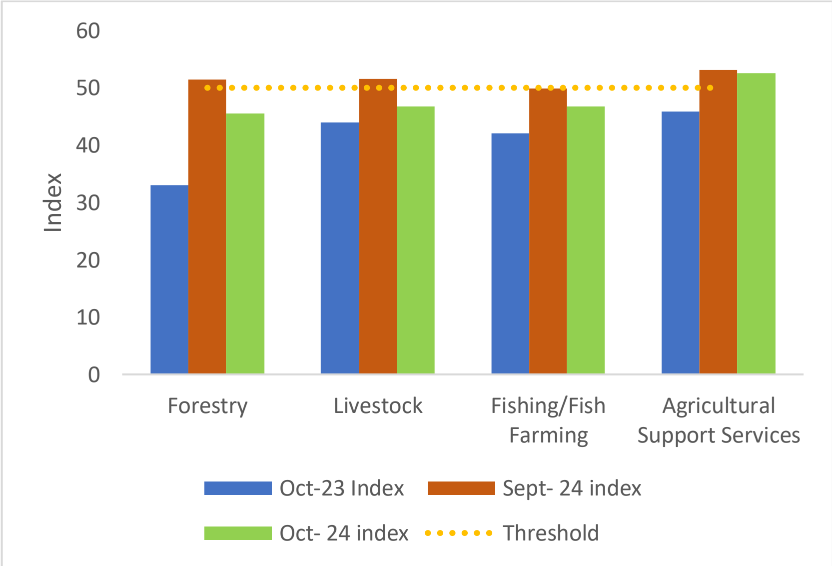
Figure 12: Industry Sector PMI



Source: *Central Bank of Nigeria*

The agriculture PMI remains above the threshold at 50.3 index points, indicating an expansion in the level of activities in the agricultural sector. This was due, largely, to an increase in forestry, livestock and fishing/fish farming, as well as improved harvest of some staple foods.

Figure 13: Agriculture Sector PMI



Source: *Central Bank of Nigeria*

Table 5: Composite, Industry, Services and Agriculture Purchasing Managers' Index

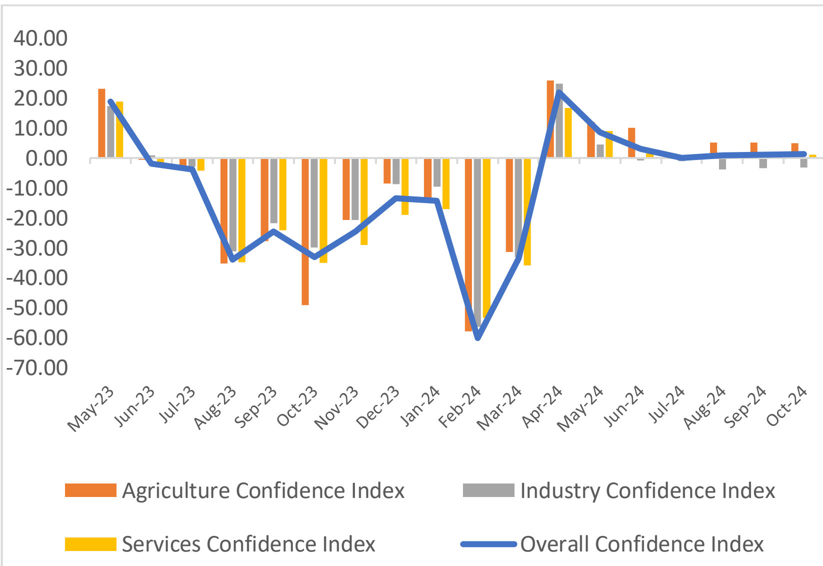
Components	Sept - 24	Oct – 24
Composite PMI	***50.50***	***49.60***
Output	50.70	50.50
New Orders	52.20	49.70
Employment Level	49.10	48.70
Raw Material Inventory	51.40	49.20
Supplier Delivery Time	48.40	47.10
Industry Sector PMI	**49.70**	**49.30**
Production Level	*50.70*	*50.50*
New Orders	*49.90*	*49.70*
Supplier Delivery Time	*48.40*	*48.70*
Employment Level	*48.20*	*49.20*
Raw Material Inventory	*51.70*	*47.10*
Services Sector PMI	**51.0**	**50.0**
Business Activity	*50.90*	*49.60*
New Orders	*52.20*	*50.80*
Employment Level	*49.50*	*49.00*
Inventory	*51.20*	*50.70*
Agricultural Sector PMI	**51.40**	**50.3**
New Orders	*50.50*	*53.20*
Employment Level	*54.50*	*49.50*
Inventories	*49.10*	*50.40*
General Farming Activities	*51.20*	*48.30*

Source: *Central Bank of Nigeria*

Business Confidence Index

The Business Confidence Index (BCI) reflected an optimistic outlook on overall business activities in October 2024. The BCI showed a positive outlook with a 1.4 index points increase due, largely, to improved average capacity utilisation and a positive forecast for business activities and employment, however, the optimistic outlook in the period was moderated by insecurity, high interest rates, and high/multiple taxes.

Figure 14: Business Confidence Index



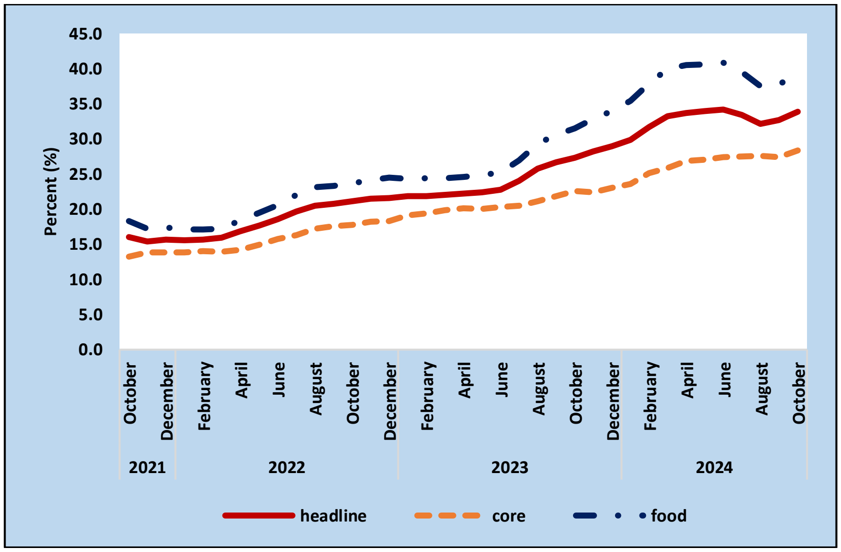
Source: *Central Bank of Nigeria*

2.1.2 Inflation

Headline Inflation

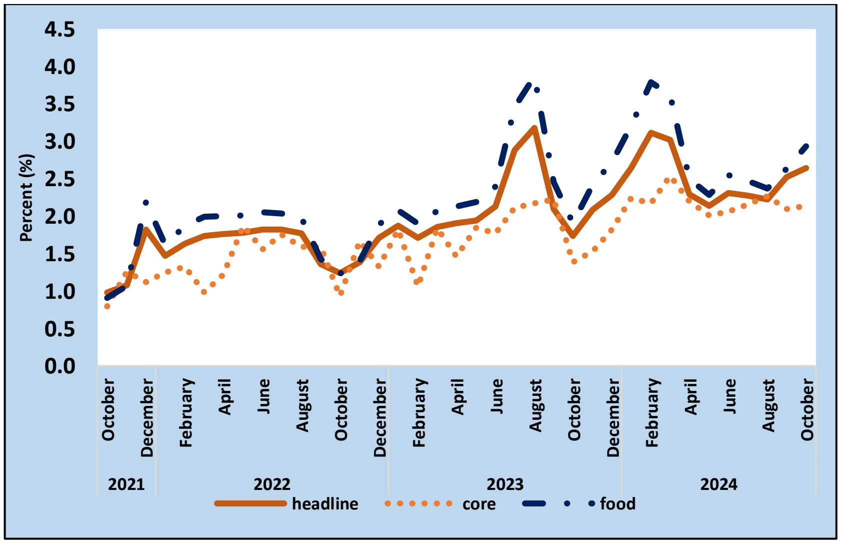
Headline inflation accelerated in October 2024, due to a rise in both the food and non-food components of the CPI basket. Headline inflation (year-on-year) rose to 33.88 per cent from 32.70 per cent in the preceding month. The rise was on account of an increase in the cost of energy, particularly, PMS prices, which rose from an average of ₦897/litre in September 2024 to ₦1,030/litre in October 2024. Also, continued depreciation of the naira exacerbated inflation pressures. On a month-on-month basis, inflation inched to 2.64 per cent from 2.52 per cent in September 2024.

Figure 15: Headline, Food and Core Inflation (year-on-year)



Source: *Staff compilation based on National Bureau of Statistics data*

Figure 16: Headline, Food and Core Inflation (month-on-month)



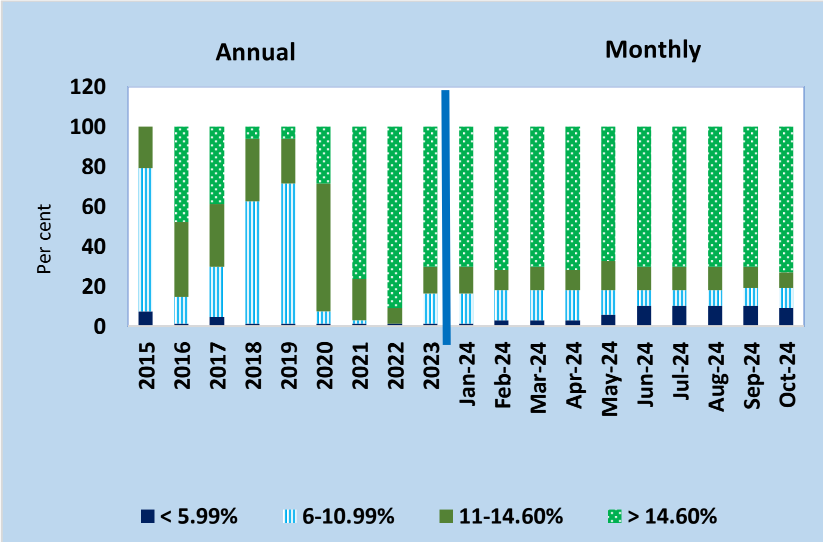
Source: *Staff compilation based on National Bureau of Statistics data*

Inflation Pervasiveness

Inflation remained widespread across the components of the CPI basket during the review period, as statistical evidence showed that inflation was more pervasive in

October than in the preceding month. Specifically, 73.13 per cent of items in the CPI basket exceeded the historical average of 14.60 per cent (2010- 2024), compared with 70.14 per cent in the preceding month.[1]

Figure 17: Inflation Pervasiveness[2]



Source: *Staff compilation based on National Bureau of Statistics data*

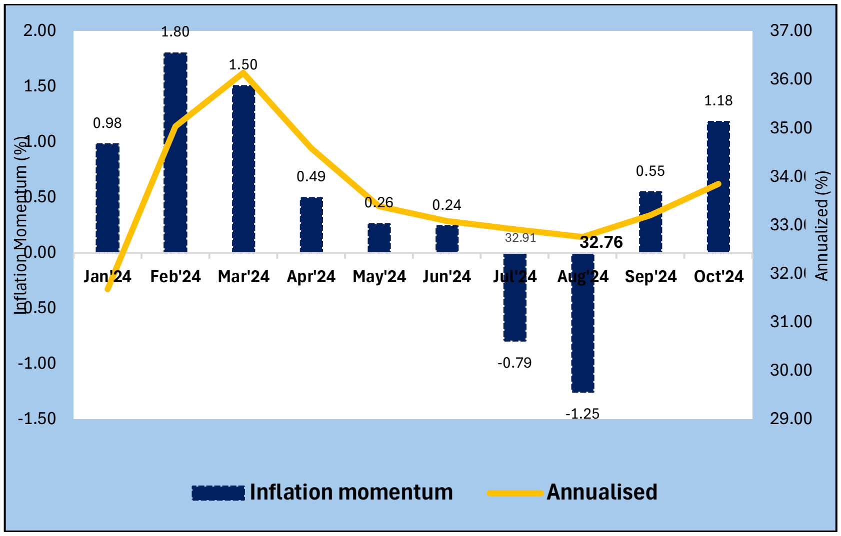
Inflation Momentum

Inflation momentum accelerated for the second consecutive month. Its momentum paced by 1.18 percentage point compared with 0.55 percentage points (pp) in the preceding month. The faster pace was on account of further increase in the price of PMS from an average of ₦897 per litre in September to ₦1,030 per litre in October 2024.

[1] The historical average was adjusted in August 2024 to 14.60 per cent (2010- August 2024), from 14.18 per cent (2010-2023) in the preceding months to reflect recent reality, given the base period.

[2] Pervasiveness is measured by the number of headline CPI items that are within specific inflation range. It reflects the extent to which rising prices are affecting the cost of living. Historically, inflation in Nigeria has been high, with average inflation of 14.18 per cent from 2010–2023. Inflation is said to be more pervasive if there is a higher number of items registering inflation above the historical average. The CPI items are, therefore, categorised into four groups namely: the percentage of items registering inflation less than 5.99 per cent, between 6.00 and 10.99 per cent, between 11.00 and 14.60 per cent, and above 14.60 per cent.

Figure 18: Inflation Momentum[3]



Source: *Staff compilation based on National Bureau of Statistics data*

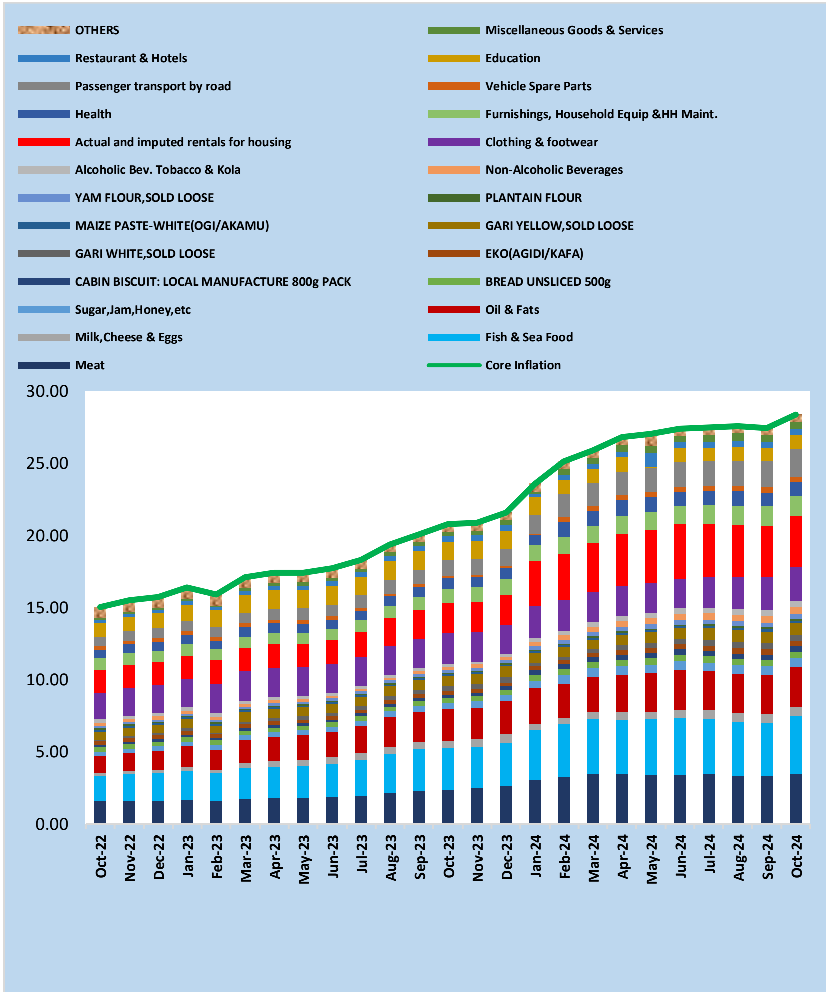
Measures of underlying Inflation

Core inflation (excluding farm produce and energy) rose in the month under review, peaking at 28.37 per cent from 27.43 per cent in the preceding month. The rise was due to persisting constraints in the foreign exchange market. Also, expectations of further price increases contributed to the uptick in core inflation. On a month-on-month basis, core inflation rose to 2.14 per cent in October 2024, from 2.10 per cent in the preceding month.

Further analysis of the drivers of core inflation revealed that fish & seafood (3.98 pp); actual & input rentals for housing (3.56 pp); meat (3.48 pp); oil & fats (2.80 pp); and clothing & footwear (2.32 pp), accounted for the uptick in core inflation.

3 Inflation Momenta is measured by taking the December end period CPI of every year as the base period to calculate the year-to-date inflation. The annualised or inflation momentum is then derived by dividing the year-to-date inflation of the current period by the figure it represents for each of the 12 months (e.g: 1=January, 3=March, 9=September, or 11=November etc).

Figure 19: Component Drivers of Core Inflation



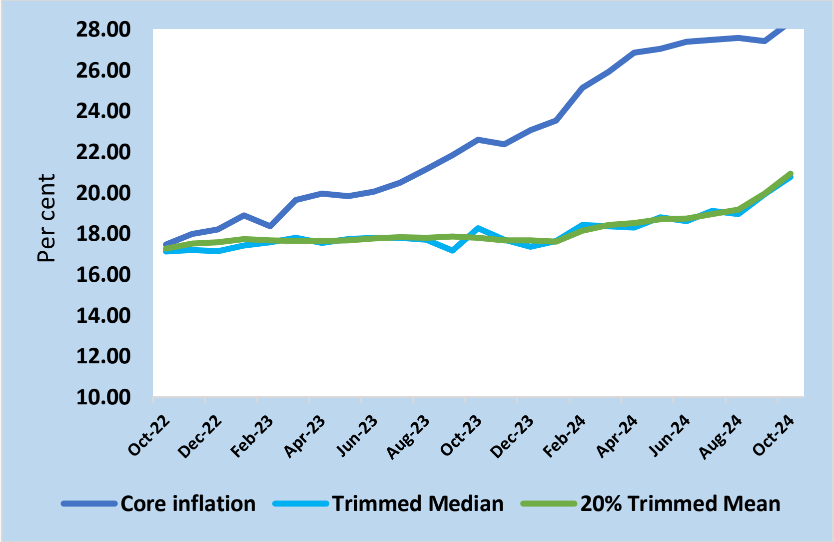
***Source:** Staff compilation based on National Bureau of Statistics data*

Trimmed Mean and Median Measures

Even though underlying inflation remained elevated across all measures, the trend in trimmed mean and median measures rose at a slower pace compared with the core inflation measure in the review period. The core measure of underlying inflation was 7.44 percentage points higher than the trimmed mean measure and 7.60 percentage points above the trimmed median, indicating that more items are becoming volatile and were excluded from the trimmed measures of underlying inflation. Thus, tobacco, which rose by 38.26 per cent; coffee, tea & cocoa (38.30

%); oils & fats (38.38 %); passenger transport by road (38.87 %); gas (42.38 %); potatoes, yam & other tubers (42.60 %); and bread & cereals (43.18 %) were excluded from the upper band. Equally telephone & telefax services (1.35 %); telephone & telefax equipment (1.94 %); passenger transport by sea & inland waterway (4.39 %); motorcycles (4.62 %); musical instrument (5.06 %); motor cars (5.43 %); and water supply (6.61 %) were excluded from the lower band.

Figure 20: Measures of Underlying Inflation

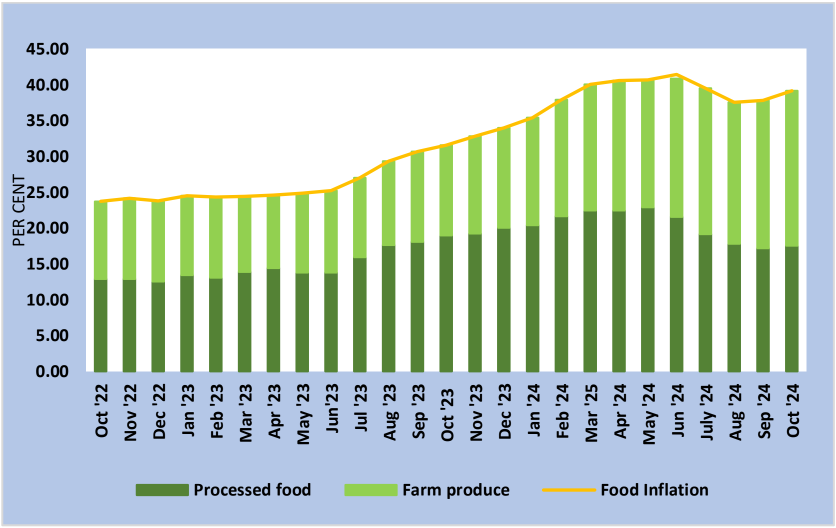


Source: *Staff compilation based on National Bureau of Statistics data*

Food Inflation

Food inflation inched to 39.16 per cent (year-on-year) in October 2024, from 37.77 per cent in the preceding month driven, mainly, by increase in transport and logistics costs. This development was attributed to the recent hike in PMS price in October and elevated diesel costs. Also, the continued rise in the cost of farm inputs drove food inflation northward. On a month-on-month basis, food inflation rose to 2.94 per cent from 2.64 per cent in the preceding month.

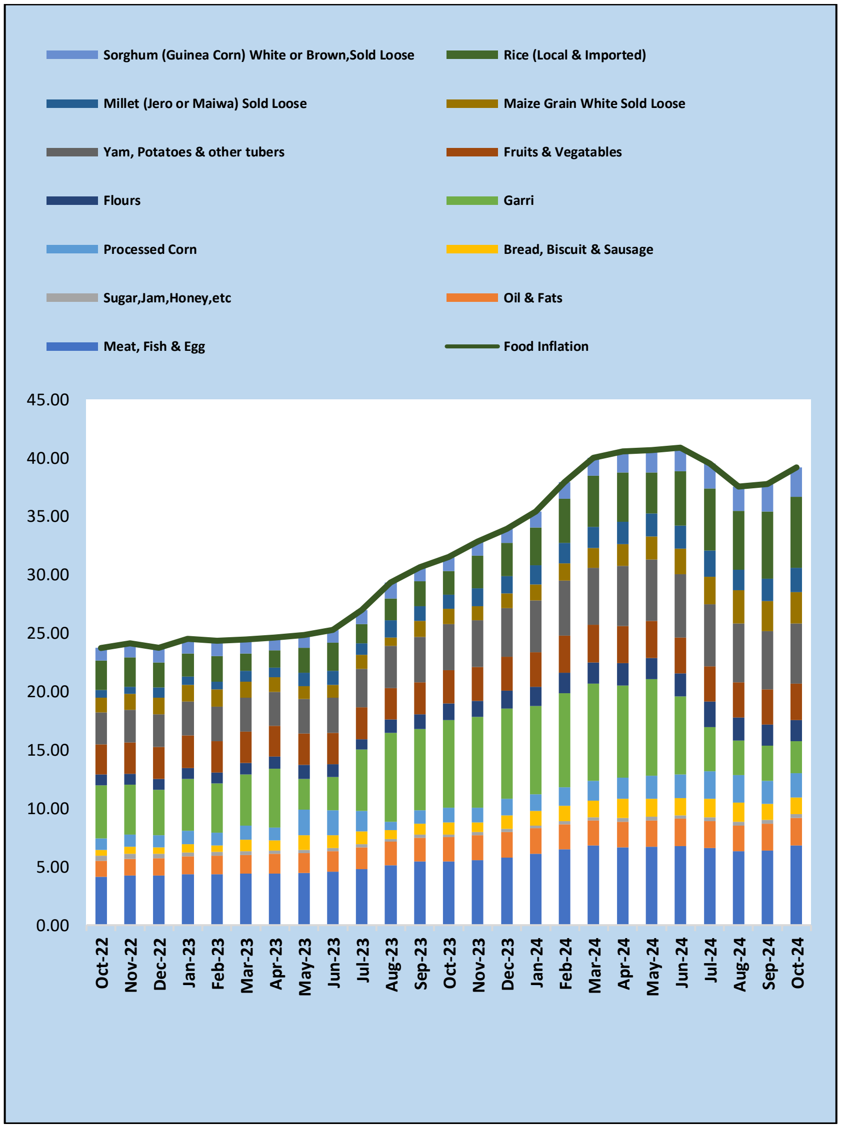
Figure 21: Contribution of Processed Food and Farm Produce to Food Inflation



Source: *Staff compilation based on National Bureau of Statistics data*

Further analysis showed that food inflation increased on account of the rise in the farm produce component, which contributed 21.60 percentage points to the overall food inflation in October. This was attributed to limited supply of farm produce like yam & other tubers and grains. Also, the processed food component contributed 17.56 percentage points to food inflation due to rising prices of meat, fish, sea food and eggs.

Figure 22: Component Drivers of Food Inflation



Source: *Staff compilation based on National Bureau of Statistics data*

The key contributors to food inflation in October 2024 were Meat, fish & egg (6.81 pp); rice (6.06 pp); yam, potatoes & other tubers (5.16 pp); fruits & vegetables (3.09 pp); and garri (2.77 pp).

2.1.3 Socio-Economic Developments

Transportation

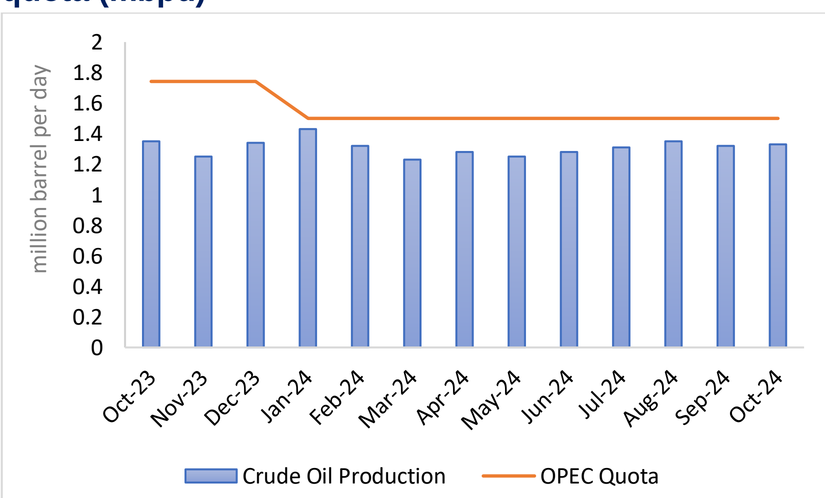
In a bid to improve road infrastructure, the federal government approved over ₦820 billion for the rehabilitation of the critical Abuja-Kaduna-Kano expressway as well as for the completion of the Bodo-Bonny Road in Opobo, Rivers State.

2.1.4 Domestic Crude Oil Market Developments

Crude Oil Production and Export

Domestic crude oil production rose slightly in October 2024 driven, primarily, by enhanced surveillance efforts aimed at curbing oil theft and pipeline vandalism in the Niger Delta. Nigeria's crude oil production, excluding condensates rose to 1.33 mbpd in October 2024, from 1.32 mbpd recorded in September 2024, indicating an increase of 0.76 per cent. This increase was due, largely, to enhanced security measures in the oil producing regions. However, Nigeria's production level remained short of its OPEC quota of 1.50 mbpd by 170,000 bpd in October 2024.

Figure 23: Nigeria's Crude oil production and OPEC quota (mbpd)



Source: *Nigerian Upstream Petroleum Regulatory Commission*

Box Information 1

Domestic agricultural prices saw a general increase in October 2024, with notable price hikes in agric eggs (up 5.96%) and Rice-sold loose (up 5.59%). Conversely, prices for tomatoes, potatoes, yam tubers, and onions declined, resulting from seasonal harvests. The overall rise in prices was driven, largely, by supply chain disruptions, adverse weather conditions, higher input costs, and the depreciation of the currency.

DOMESTIC PRICES OF SELECTED AGRICULTURAL COMMODITY PRICES OCTOBER, 2024

		Oct. 2023/a	Sept. 2024/a	Oct. 2024/b	% Change	% Change
	UNIT	1	2	3	(1) & (3)	(2) & (3)
Agric eggs medium size	*1kg*	1112.22	2487.04	2635.28	136.94	5.96
Beans: brown, sold loose	"	790.01	2738.59	2881.07	264.69	5.20
Beans: white black eye, sold loose	"	770.13	2579.02	2709.02	251.76	5.04
Gari white, sold loose	"	520.35	1170.25	1170.01	124.85	-0.02
Gari yellow, sold loose	"	540.87	1238.15	1232.97	127.96	-0.42
Groundnut oil: 1 bottle, specify bottle	"	1604.23	2835.49	2914.47	81.67	2.79
Irish potato	"	829.14	1662.81	1585.32	91.20	-4.66
Maize grain white, sold loose	"	548.96	1065.14	1078.17	96.40	1.22
Maize grain yellow, sold loose	"	538.85	1065.33	1074.75	99.45	0.88
Onion bulb	"	592.80	1207.27	1163.84	96.33	-3.60
Palm oil: 1 bottle, specify bottle	"	1322.55	2070.62	2158.01	63.17	4.22
Rice agric, sold loose	"	847.08	1965.64	2075.55	145.02	5.59
Rice local, sold loose	"	819.42	1914.77	1986.35	142.41	3.74
Rice, medium grained	"	897.49	1998.39	2076.30	131.34	3.90
Rice, imported high quality, sold loose	"	1016.12	2403.86	2518.42	147.85	4.77
Sweet potato	"	403.02	870.15	801.89	98.97	-7.85
Tomato	"	675.91	1430.87	1284.91	90.10	-10.20
Vegetable oil: 1 bottle, specify bottle	"	1489.74	2607.67	2674.30	79.51	2.56
Wheat flour: prepackaged (Golden Penny)	*2kg*	1727.28	3570.75	3744.32	116.78	4.86
Yam tuber	*1kg*	687.68	1668.49	1582.24	130.08	-5.17

Sources: (a) National Bureau of Statistics (b) Staff Estimates

2.2 FISCAL SECTOR DEVELOPMENTS

Summary

Provisional data indicated that fiscal space narrowed in October 2024, owing to lower collections from oil and non-oil revenue sources. Federally collected revenue dipped by 7.87 and 33.72 per cent, relative to the levels in September 2024 and the budget benchmark, respectively. FGN retained revenue rose by 6.07 per cent above the level in the preceding month but was 53.23 per cent short of the monthly target. FGN aggregate expenditure increased by 28.43 per cent, from the level in the preceding month, but was 23.60 per cent short of the monthly target. Fiscal deficit expanded by 51.22 and 39.68 per cent, from the levels in September 2024 and the target, respectively. The expansion reflected higher increase in expenditure relative to revenue. At ₦134,297.67 billion (56.23% of GDP), public debt was above the 40.00 per cent national benchmark as at end-June 2024. It, however, remained within the 70.00 per cent of GDP threshold for Market-Access Countries (MAC).

2.2.1 Federation Account Operations

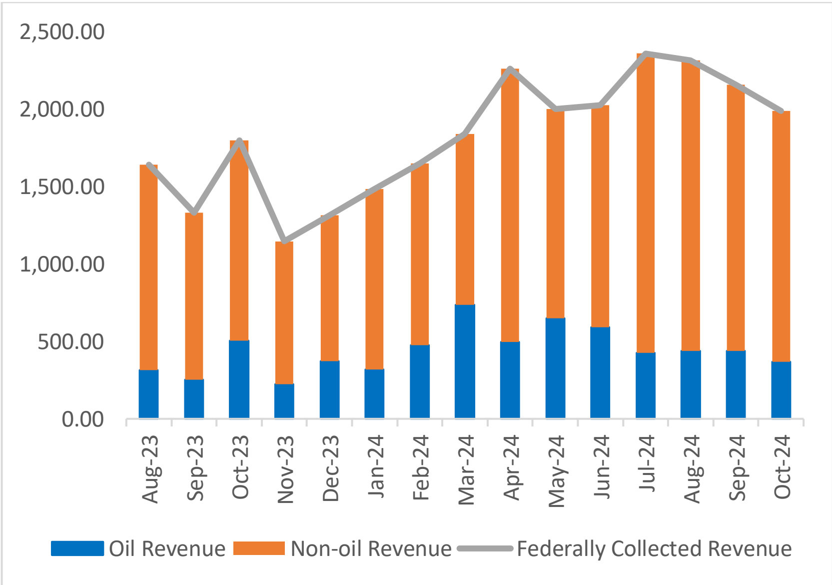
Drivers of Federation Revenue

Gross Federation Account earnings fell, occasioned by lower receipts from oil and non-oil revenue. At ₦1,988.47 billion, provisional gross federation account receipt was 7.87 and 33.72 per cent below the levels in the preceding month and the target, respectively. The decline was attributed, largely, to lower collections from petroleum profit tax (PPT), company income tax (CIT) upstream and corporate tax. The composition of gross federation revenue indicated that non-oil revenue remained dominant, accounting for 81.59 per cent, while oil revenue constituted the balance.

Oil revenue, declined by 16.37 per cent to ₦366.03 billion from the level in September 2024, following lower receipts from PPT and CIT upstream. It also fell short of the target by 79.29 per cent, on account of shut-ins, arising from ageing oil pipelines and installations.

Similarly, non-oil revenue, at ₦1,622.44 billion dropped by 5.70 per cent relative to the level in the preceding month due, largely, to lower collections from corporate tax. It, however, rose by 31.60 per cent relative to the target.

Figure 24: Federally Collected Revenue (₦ Billion)



Source: *Office of the Accountant-General of the Federation and CBN Staff Estimates.*

Table 6: Federally Collected Revenue and Distribution to the Three Tiers of Government (₦ Billion)

	Oct-23	Sept-24 /1	Oct-24 /1	*Budget
Federally Collected Revenue	***1,795.46***	***2,158.24***	***1,988.47***	***3,000.01***
Oil	***502.70***	***437.69***	***366.03***	***1,767.19***
Crude Oil & Gas Exports	*0.00*	*18.76*	*23.57*	*122.03*
PPT	*59.53*	*114.53*	*81.23*	*885.31*
Royalties	*172.40*	*176.14*	*207.62*	*535.30*
Domestic Crude Oil/Gas Sales	*56.86*	*0.00*	*0.00*	*8.75*
Others	*213.91*	*128.27*	*53.61*	*215.80*
Non-oil	***1,292.76***	***1,720.54***	***1,622.44***	***1,232.82***
Corporate Tax	*340.73*	*509.67*	*394.90*	*271.40*
Customs & Excise Duties	*171.52*	*273.80*	*282.80*	*239.07*
Value-Added Tax (VAT)	*303.55*	*573.34*	*583.68*	*329.51*
Independent Revenue of Fed. Govt.	*384.57*	*345.16*	*338.92*	*224.40*
*Others***	*92.39*	*18.57*	*22.14*	*168.44*
Total Deductions/Transfers	***1,089.76***	***1,437.72***	***1,320.23***	***705.17***
Federally Collected Revenue Less Deductions & Transfers*	***705.68***	***720.52***	***668.24***	***2,294.84***
plus:				
Additional Revenue	***197.80***	***483.27***	***630.63***	***14.52***
Excess Crude Revenue	*0.00*	*0.00*	*0.00*	*0.00*
Non-oil Excess Revenue/ EMTL	*10.99*	*15.02*	*168.44*	*14.52*
Exchange Gain	*186.81*	*468.25*	*462.19*	*0.00*
Total Distributed Balance	***903.48***	***1,203.79***	***1,298.87***	***2,309.36***
Federal Government	***320.54***	***374.93***	***424.87***	***1,096.02***
Statutory	*278.14*	*294.84*	*343.34*	*1,050.23*
VAT	*42.40*	*80.08*	*81.53*	*45.79*
State Government	***287.07***	***422.86***	***450.96***	***474.85***
Statutory	*145.74*	*155.91*	*179.20*	*322.22*
VAT	*141.33*	*266.95*	*271.76*	*152.63*
13% Derivation	***84.97***	***99.47***	***90.42***	***216.74***
Local Government	***210.90***	***306.53***	***332.63***	***521.75***
Statutory	*111.97*	*119.67*	*142.40*	*414.91*
VAT	*98.93*	*186.86*	*190.23*	*106.84*

Source: *Office of the Accountant General of the Federation and CBN Staff Estimates*

Note
* Budget is based on the 2024 Appropriation Act.
** Includes Education Tax, Customs Special Levies (Federation Account), National Information Technology Development Fund, Customs Special Levies, Solid Minerals & Other Mining revenue, and other non-regular earnings.
*** Deductions include cost of revenue collections and JVC cash calls, while transfers entail provisions for FGN Independent revenue and other non-federation revenue.
/1 Provisional.

From the federally collected revenue of ₦1,988.47 billion, a net balance of ₦1,298.87 billion was distributed to the three tiers of government after accounting for additional revenue and statutory deductions and transfers. The federal, state, and local governments received ₦424.87 billion, ₦450.96 billion and ₦332.63 billion, respectively, while the balance of ₦90.42 billion was allocated to the 13% Derivation Fund for oil-producing states. Net disbursement was 7.90 per cent above the level in the preceding month, but was 43.76 per cent short of the target.

2.2.2 Fiscal Operations of the Federal Government

Federal Government Retained Revenue

FGN retained revenue rose during the review period owing, largely, to higher receipts from FGN's share of excess non-oil revenue. At ₦763.79 billion, provisional FGN retained revenue was 6.07 per cent above the level in the previous month but 53.23 per cent short of the target.

Table 7: FGN Retained Revenue (₦ Billion)

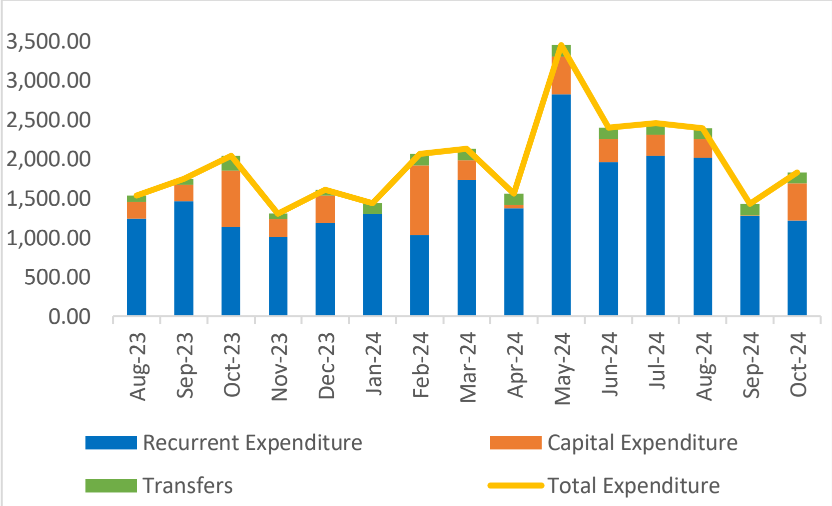
	Oct-23	Sept-24 /1	Oct-24 /1	*Budget
FGN Retained Revenue	**783.51**	**720.09**	**763.79**	**1,633.21**
Federation Account	252.46	71.62	43.04	1,048.05
VAT Pool Account	39.57	80.08	81.53	45.79
FGN Independent Revenue	384.57	345.16	338.92	224.40
Excess Oil Revenue	0.00	0.00	0.00	0.00
Excess non-oil/EMTL	1.54	2.25	81.79	2.18
Exchange Gain	85.65	220.96	218.51	0.00
*Others** *	19.71	0.02	0.00	312.79

Source: *Office of the Accountant General of the Federation*
/1 Provisional
** Budget is based on the 2024 Appropriation Act.*
*** Others include revenue from Special Accounts and Special Levies.*

Federal Government Expenditure

The provisional aggregate expenditure of the FGN rose, following higher capital spending. At ₦1,832.23 billion, provisional aggregate expenditure in October 2024 was 28.43 per cent above the level in the preceding month, but 23.60 per cent short of the target of ₦2,398.12 billion. The rise in expenditure was attributed, largely, to the higher capital spending which rose by ₦463.49 billion relative to the preceding month, but was short of the target by 44.03 per cent.

Figure 25: Federal Government Expenditure (₦ Billion)



Source: *Office of the Accountant-General of the Federation and CBN Staff Estimates.*

Overall Fiscal Balance

The overall fiscal balance of the FGN expanded in October 2024. Provisional data showed that primary deficit and overall deficit widened by ₦362.85 billion and ₦361.89 billion, respectively, relative to the preceding month. The expansion reflected a higher increase in expenditure relative to revenue, underscoring the need to improve fiscal space through the broadening of the tax base and diversified revenue streams.

Table 8: Fiscal Balance (₦ Billion)

	Oct-23	Sept-24 /1	October-24 /1	Budget
Retained revenue	783.51	720.09	763.79	1,633.21
Aggregate expenditure	2,038.78	1,426.65	1,832.23	2,398.12
Recurrent	1,140.08	1,278.68	1,220.78	1,419.96
Non-debt	455.92	592.56	535.62	730.71
Debt Service	684.16	686.12	685.16	689.25
Capital	715.63	2.73	466.22	832.93
Transfers	183.08	145.23	145.23	145.23
Primary balance	**-571.12**	**-20.44**	**-383.29**	**-75.66**
Overall balance	**-1255.28**	**-706.56**	**-1,068.45**	**-764.91**

Source*: Office of the Accountant General of the Federation and CBN Staff Estimates*
Note*: /1 provisional*

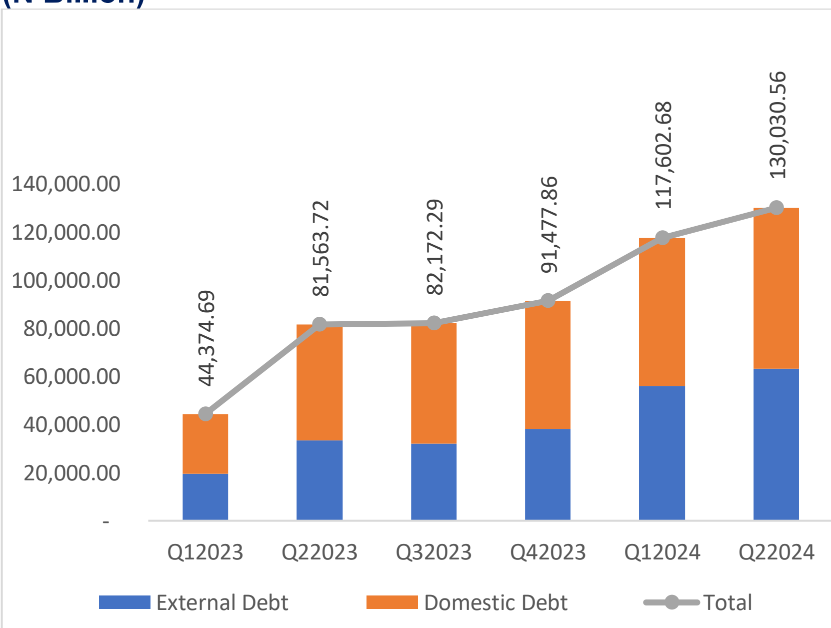
Federal Government Debt

Public debt stock was above the 40.00 per cent national threshold at end-June 2024, but remained within the 70.00 per cent threshold for market-access countries. Total public debt outstanding stood at ₦134,297.67 billion (56.23% of GDP), at end-June 2024. The rise was due, largely, to the revaluation effects arising from exchange rate depreciation and new borrowings to finance the deficit in the 2024 budget. A breakdown of the consolidated public debt showed that domestic debt accounted for 52.98 per cent, while external debt constituted 47.02 per cent. Of the consolidated public debt stock, FGN owed ₦118,949.78 billion (88.67%), while state governments owed the balance.

A disaggregation of the FGN debt indicated that domestic debt was ₦66,957.88 billion (51.49%), while external debt constituted ₦63,072.68 billion (48.51%). Further analysis showed that FGN Bonds maintained its dominance, with 78.13 per cent of the total domestic debt stock, followed by treasury bills (17.64%), promissory notes (2.50%), and FGN Sukuk (1.63%), while others constituted the balance. Of the total external debt stock, multilateral accounted for 50.41 per cent, commercial (35.87%) and bilateral loans (13.72%).

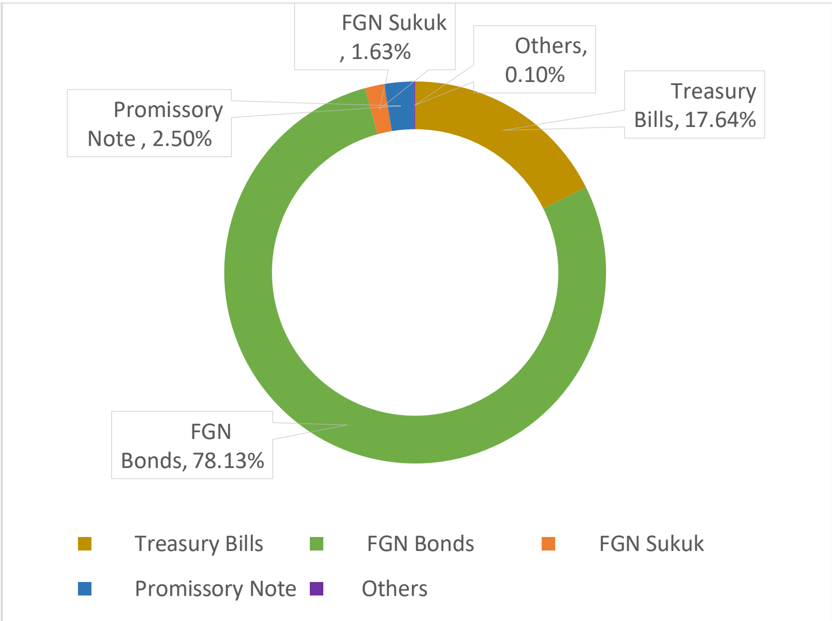
Debt service at end-June 2024 rose by 37.95 per cent to ₦3,419.85 billion, from ₦2,479.00 billion at end-March 2024. This was attributed, primarily, to the repayment of maturing external debt, including commercial, multilateral loans, and the redemption of FGN bonds. A breakdown showed that domestic debt service was ₦1,863.52 billion (54.49%), while external debt service constituted ₦1,556.33 billion (45.51%).

Figure 26: FGN External and Domestic Debt Composition (₦ Billion)



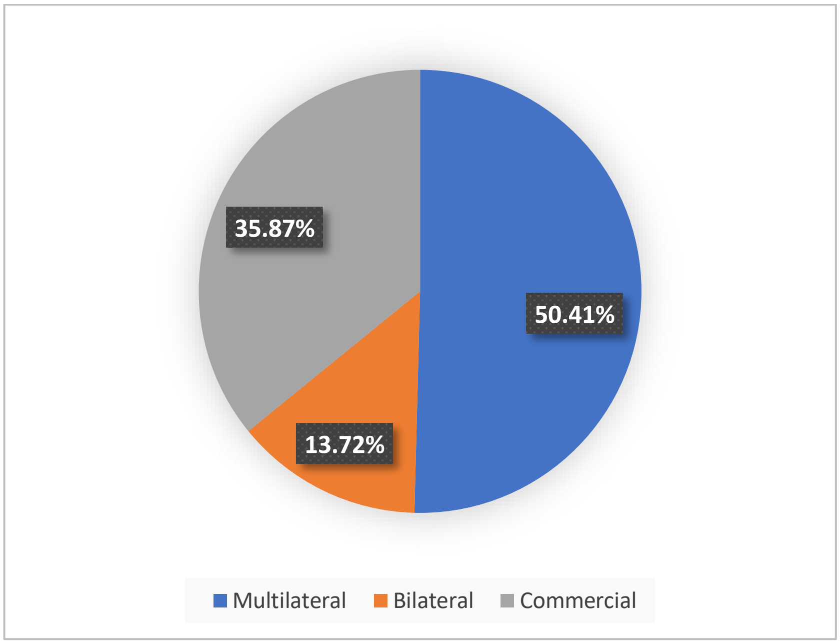
Source: *Debt Management Office*

Figure 27: Composition of Domestic Debt Stock by Instrument



Source: *Debt Management Office*

Figure 28: Composition of External Debt Stock by Instrument



Source: *Debt Management Office*

2.3 MONETARY AND FINANCIAL DEVELOPMENTS

Summary

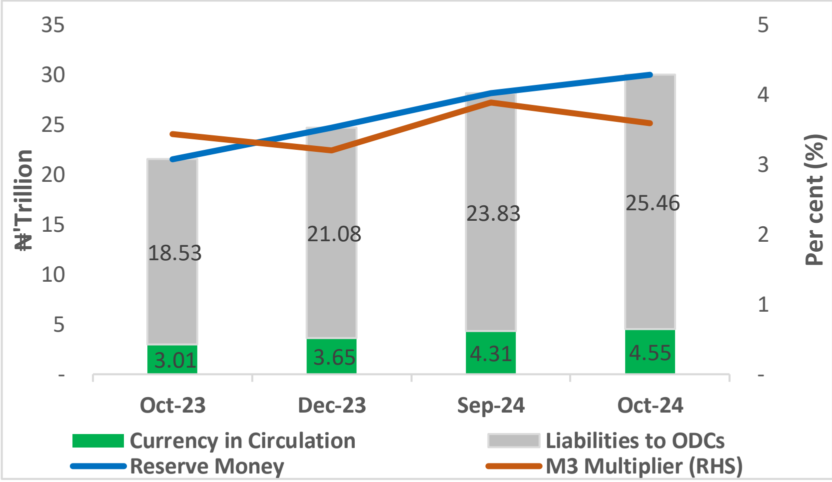
Monetary aggregates trended upwards owing to increased credit to key sectors of the economy and the effect of exchange rate depreciation. Key short-term interest rates were stable and reflected the liquidity condition in the banking system. Activities in the Nigerian capital market exhibited mixed sentiments reflecting the impact of policy rate hike, bargain-hunting, and profit-taking activities across different segments of the market.

2.3.1 Monetary Developments

Reserve Money

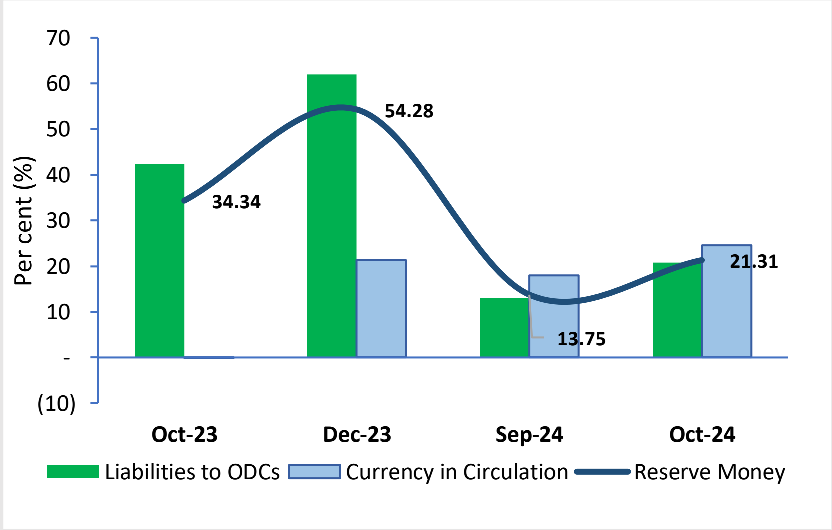
Reserve money (RM) increased at end-October 2024, reflecting the rise in currency-in-circulation (CIC) and liabilities to other depository corporations (LODCs). Relative to the level at end-December 2023, reserve money rose by 21.31 per cent to ₦30.01 trillion compared with the level in the preceding period. At this level RM was above the 2024 provisional benchmark of ₦28.27 trillion by 6.16 per cent. The growth in reserve money was occasioned by the 6.8 and 5.5 per cent growth in LODCs and CIC to ₦25.46 trillion and ₦4.55 trillion, respectively.

Figure 29: Developments in Reserve Money and Money Multiplier



Source: *Central Bank of Nigeria*

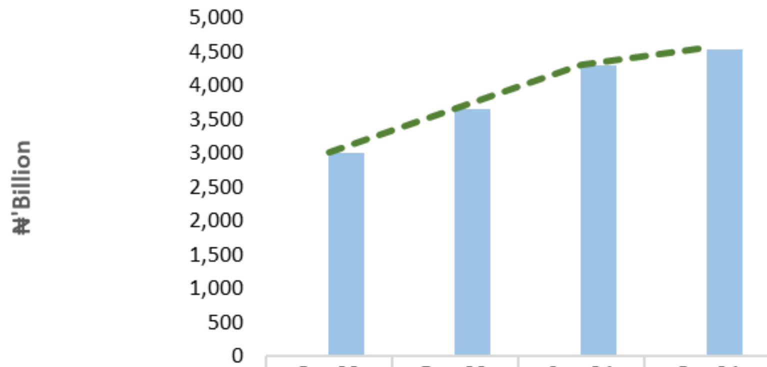
Figure 30: Growth in Reserve Money (over Preceding December)



Source: *Central Bank of Nigeria*

At ₦4,530.90 billion, notes and coins remained the largest component of CIC relative to ₦4,292.72 billion at end-September 2024. On the other hand, the eNaira decreased by 0.16 per cent to ₦18.32 billion from ₦18.35 billion at end-September 2024.

Figure 31: Composition of Currency-in-Circulation



	Oct-23	Dec-23	Sep-24	Oct-24
eNaira	11.66	13.98	18.35	18.32
Notes and Coins	2,998.69	3,639.32	4,292.72	4,530.90
Currency in Circulation	3,010.35	3,653.30	4,311.07	4,549.22

Source: *Central Bank of Nigeria*
Note: October 2024 data is provisional

Broad Money Supply

Broad money supply (M3) grew by 35.85 per cent to ₦107.66 trillion at end-October 2024 relative to the level at end-December 2023, despite a decline in money multiplier to 3.59, from 3.89 in the preceding period. From the liability side, the expansion in broad money was due to the growth in other deposits (49.88%), currency outside depository corporations (24.88%), and transferable deposits (13.76%). Other deposits contributed the most to the growth in M3 with 30.66 percentage points (pp), followed by transferable deposits with 4.63 pp and currency outside depository corporations with 1.08 pp. Conversely, securities other than shares declined by 97.43 per cent, slowing the growth in M3 by 0.52 pp.

Table 9: Money and Credit Growth over preceding December (Per cent)

Monetary Aggregates	Oct-23	Dec-23	Oct-24*	Annualised growth (Oct-24)	Contribution to M3 Growth (Oct-24)
Net Foreign Assets	**632.92**	**142.99**	**114.41**	**171.62**	**13.48**
Claims on Non-residents	157.77	113.87	94.88	142.32	59.47
Liabilities to Non-residents	63.55	108.09	90.36	135.54	45.98
Net Domestic Assets	**-5.05**	**44.62**	**25.36**	**38.04**	**22.37**
Domestic Claims	**10.45**	**45.31**	**18.64**	**27.96**	**22.60**
Net Claims on Central Government	**-60.05**	**41.61**	**19.37**	**29.06**	**8.20**
Claims on Central Government	27.73	63.30	38.68	58.02	27.34
Liabilities to Central Government	223.81	111.78	67.52	101.28	19.14
Claims on Other Sectors	**49.81**	**47.38**	**18.24**	**27.36**	**14.40**
Claims on Other Financial Corporations	49.20	47.76	-7.38	-11.07	(1.28)
Claims on State and Local Government	13.69	18.52	-3.57	-5.36	(0.19)
Claims on Public Nonfinancial Corporations	75.79	-4.72	12.55	18.82	0.50
Claims on Private Sector	51.59	57.78	29.44	44.15	15.37
Total Monetary Assets (M_3)	**41.93**	**51.86**	**35.85**	**53.78**	**35.85**
Currency Outside Depository Corporations	4.98	33.67	24.88	37.32	1.08
Transferable Deposits	31.44	46.83	13.76	20.64	4.63
Narrow Money (M_1)	**28.16**	**45.20**	**15.03**	**22.54**	**5.71**
Other Deposits	48.91	56.88	49.88	74.82	30.66
Broad Money (M_2)	**40.60**	**52.20**	**36.56**	**54.84**	**36.37**
Securities Other than Shares	216.48	7.04	(97.43)	-146.14	(0.52)
Total Monetary Liabilities(M_3)	**41.93**	**51.86**	**35.85**	**53.78**	**35.85**

Source: *Central Bank of Nigeria*
Note*: * Provisional*

On the asset side, M3 growth was driven by expansion in NFA and NDA. At end-October 2024, NFA increased by 114.41 per cent to ₦20.02 trillion and contributed 13.48 pp to the overall growth in M3 relative to the 185.40 per cent growth and 21.85 pp contribution at end-September 2024. Similarly, NDA grew by 25.36 per cent to ₦87.64 trillion, with 22.37 pp contribution to the growth in M3. The increase in NDA was due to the 19.37 and 18.24 per cent growth in net claims on central Government and claims on other sectors, contributing of 8.20 pp and 14.40 pp to the growth in M3. Claims on private sector increased by 29.44 per cent, contributing 15.37 pp to M3 growth, while claims on public nonfinancial corporations grew by 12.55 per cent with a 0.50 pp contribution to M3 growth.

2.3.2 Sectoral Credit Utilisation

Sectoral credit utilisation moderated by 5.13 per cent to ₦58.37 trillion compared with ₦58.57 trillion in the preceding month. The Services sector maintained dominance in receipt of credit to key sectors of the economy, utilising 52.57 per cent, followed by Industry and Agriculture which accounted for 43.31 and 4.12 per cent, respectively.

Table 10: Sectoral Credit Allocation

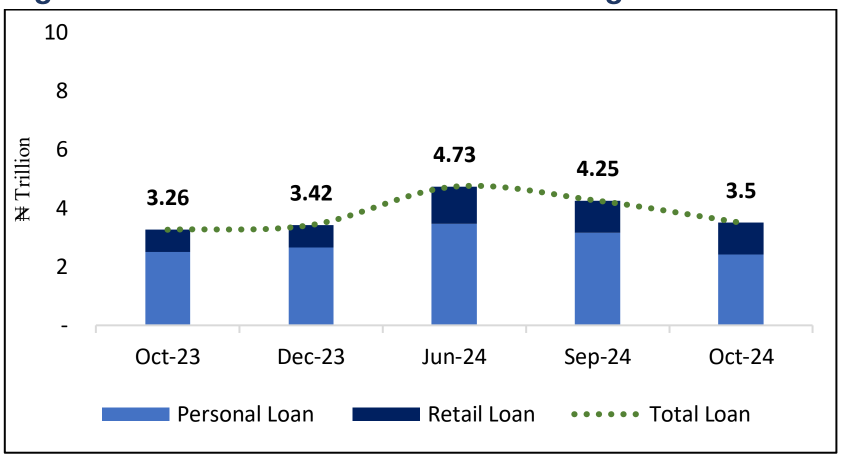
SECTORS	Allocation (₦ trillion)			Share in Total (%)			Growth (%)
	Oct-23 -1	Sep-24 -2	Oct-24* -3	Oct-23 -4	Sep-24 -5	Oct-24 -6	(3) & (2)
[a] Agriculture	1.92	2.31	2.41	4.49%	3.95%	4.12%	4.07%
[b] Industry	18.68	25.17	25.28	43.71%	42.98%	43.31%	0.42%
of which Manufacturing	8.07	8.67	8.50	18.88%	14.81%	14.56%	-2.02%
[c] Services	22.14	31.09	30.68	51.80%	53.08%	52.57%	-1.30%
of which:							
Finance, Insurance & Capital Market	4.03	7.52	7.49	9.43%	12.84%	12.83%	-0.40%
Trade/General Commerce	3.70	4.23	4.01	8.66%	7.23%	6.86%	-5.37%
TOTAL	42.74	58.57	58.37	100%	100%	100%	-0.35%

Source: *Central Bank of Nigeria*
Note: * Provisional

Consumer Credit

Consumer credit outstanding declined by 17.64 per cent to ₦3.50 trillion compared with ₦4.25 trillion at the end of the preceding month. The decline in consumer credit followed the decline in personal and retail loans to ₦2.41 trillion (23.49%) and ₦1.09 trillion (0.91%), from ₦3.15 trillion and ₦1.10 trillion, respectively, in the preceding month. However, Personal loans maintained its dominance, accounting for 68.95 per cent of total consumer credit, albeit lower than the 74.14 per cent in the preceding month, while retail loans constituted the balance.

Figure 32: Consumer Credit Outstanding



Source: *Central Bank of Nigeria*

2.3.3 Financial Developments

2.3.3.1 Money Market Developments

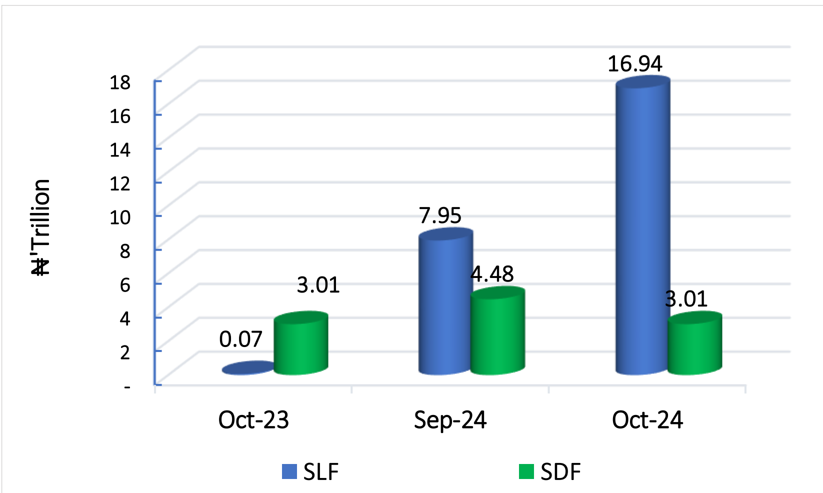
Industry Liquidity Condition

Average banking system liquidity declined in October 2024, relative to the level in the preceding month driven, mainly, by withdrawals via monetary operations. Withdrawals from the banking system via Standing lending Facility (SLF) repayment, CRR debits, OMO sales, NTBs sales, FX-OMO swap settlement, among others moderated the level of liquidity in the banking system in the review month. Consequently, average net industry balance declined by 22.41 per cent to ₦0.11 trillion from ₦0.15 trillion in the preceding month.

Discount Windows

Activities at the standing facility window increased in October 2024, relative to level in the preceding month reflecting the liquidity level in banking system. Total transactions at the SLF window rose to ₦16.94 trillion in the review period with daily average of ₦0.81 trillion, from ₦7.95 trillion, with daily average of ₦0.40 trillion in the preceding month. Conversely, transactions at the Standing Deposit Facility (SDF) window declined to ₦3.01 trillion with daily average of ₦0.14 trillion relative to ₦4.48 trillion, with daily average of ₦0.22 trillion in the preceding month.

Figure 33: Transactions at the CBN Standing Facility Window

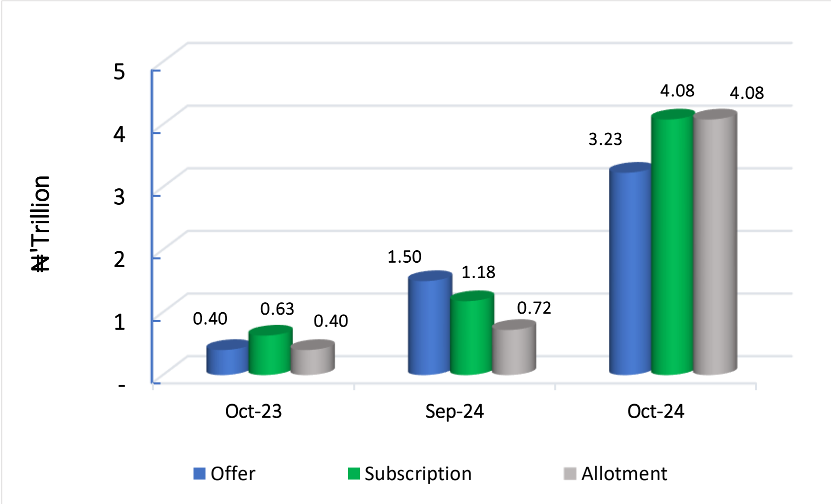


***Source**: Central Bank of Nigeria*

Open Market Operations

Analysis of open market operations revealed that the total amount offered, subscribed, and allotted was ₦3.23 trillion, ₦4.08 trillion, and ₦4.08 trillion respectively, against ₦1.50 trillion, ₦1.18 trillion, and ₦0.72 trillion recorded in the preceding month. The stop rate was 24.85(±0.55) per cent, relative to 21.43(±2.94) per cent in the preceding month

Figure 34: Open Market Operations

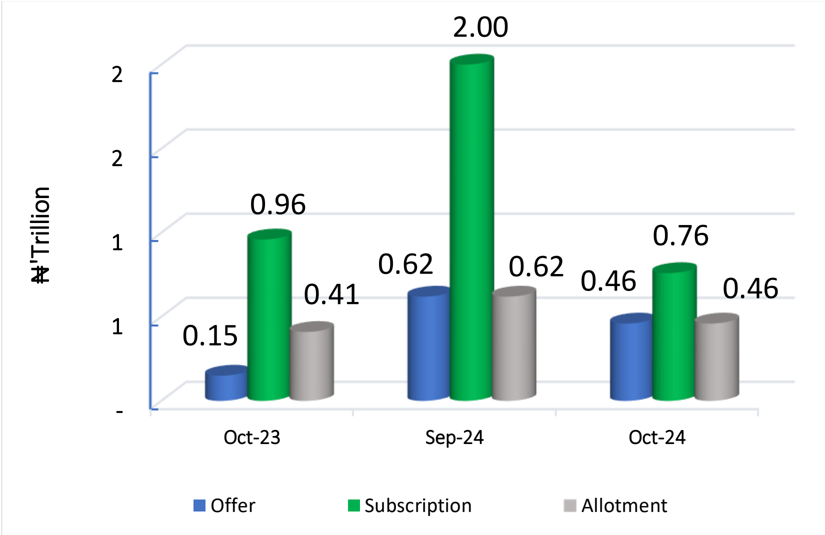


***Source**: Central Bank of Nigeria*

Government Securities

Subscriptions for Nigerian Treasury bills (NTBs) moderated, while patronage for Federal Government of Nigeria (FGN) Bonds increased in October 2024 relative to the level in the preceding period. Total NTBs offered, subscribed, and allotted across tenors moderated to ₦0.46 trillion, ₦0.76 trillion, and ₦0.46 trillion, respectively, compared with ₦0.62 trillion, ₦2.00 trillion, and ₦0.62 trillion in September, 2024. The lower amount offered and subscribed were accompanied by increased stop rates on all the maturities at 18.83(±1.83) per cent, from 18.32 (±1.69) in the preceding month.

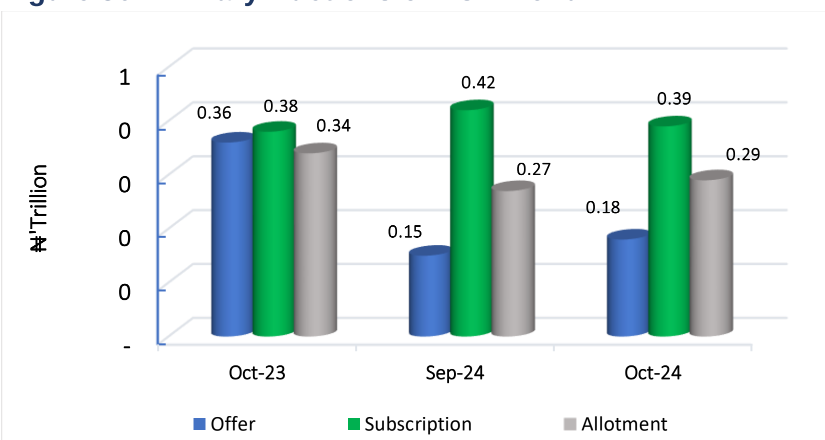
Figure 35: Primary Market NTBs



Source: *Central Bank of Nigeria*

FGN Bonds of various tranches offered for sale in October 2024 increased. The amount offered, subscribed, and allotted were ₦0.18 trillion, ₦0.39 trillion and ₦0.29 trillion, respectively, compared with ₦0.15 trillion, ₦0.42 trillion and ₦0.27 trillion in the preceding month. The marginal rate at 21.25 (± 0.50) per cent was higher than 19.53 (±0.53) per cent in the preceding month, while the bid rate stood at 20.60(±2.6) per cent, against 20.25(±1.75) per cent in the preceding month.

Figure 36: Primary Auctions of FGN Bond

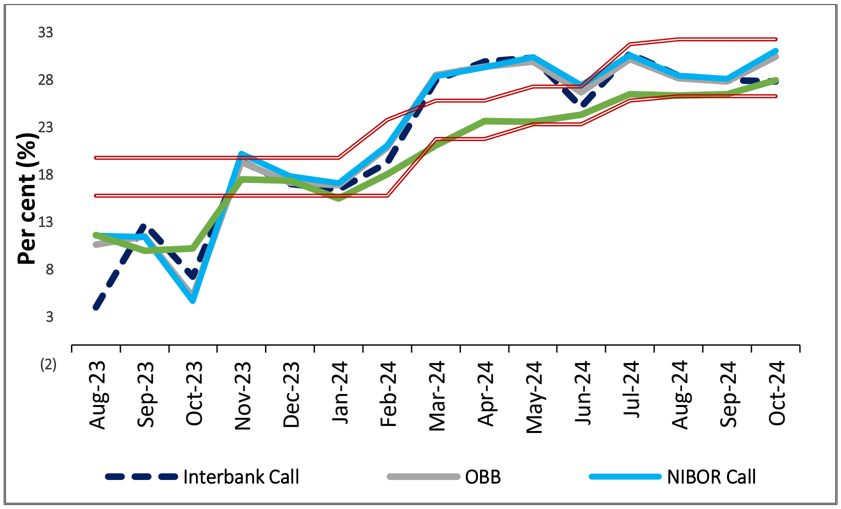


Source: *Central Bank of Nigeria*

Interest Rate Development

Key short-term interest rates were stable and reflected the liquidity dynamics in the banking system. Average interbank call rate moderated marginally by 0.09 pp to 27.83 per cent from 27.92 per cent in September 2024. The Nigerian interbank offered rate (NIBOR) call and the NIBOR-30 rates also moderated by 1.71 pps to 31.04 per cent, and 0.60 pps to 27.93 per cent, respectively, relative to the rates in the preceding month. On the other hand, average open buy back (OBB) rate rose by 2.63 pp to 30.42 per cent from 27.79 per cent in the preceding month.

Figure 37: Developments in Short-term Interest Rates

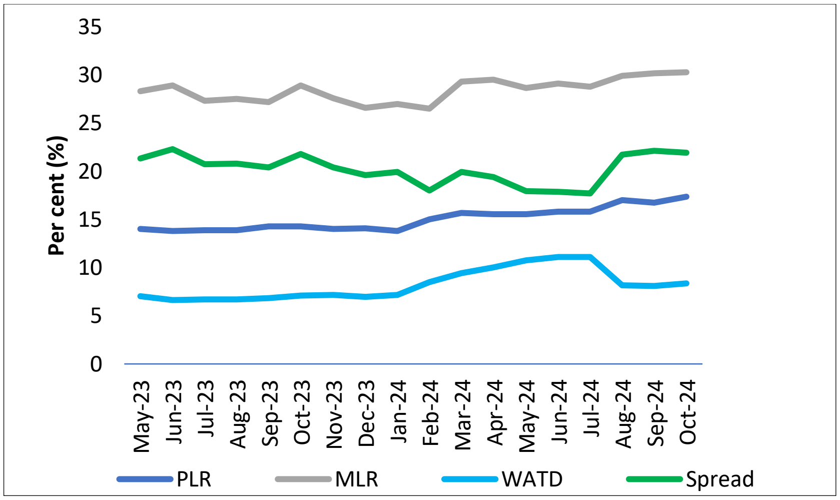


Source: *Central Bank of Nigeria*

Average lending rates trended upward in October 2024 as average prime and maximum lending rates rose by 0.61 pps and 0.07 pps to 17.36 per cent and 30.28 per cent respectively, relative to the levels in the preceding month. Similarly, the weighted average term deposit rate increased by 0.24 pps to 8.33 per cent in the preceding month. Consequently, the spread between the weighted average term deposit and maximum lending rates narrowed to 21.95

pps in the review month, relative to 22.12 pps in September 2024.

Figure 38: Trend in Average Deposit and Lending Rates



Source: *Central Bank of Nigeria.*
Note: PLR= Prime lending rate; MLR= Maximum lending rate; WATD= Weighted average term deposit rate; SPREAD= Spread between MLR and WATD

2.3.3.2 Capital Market Developments

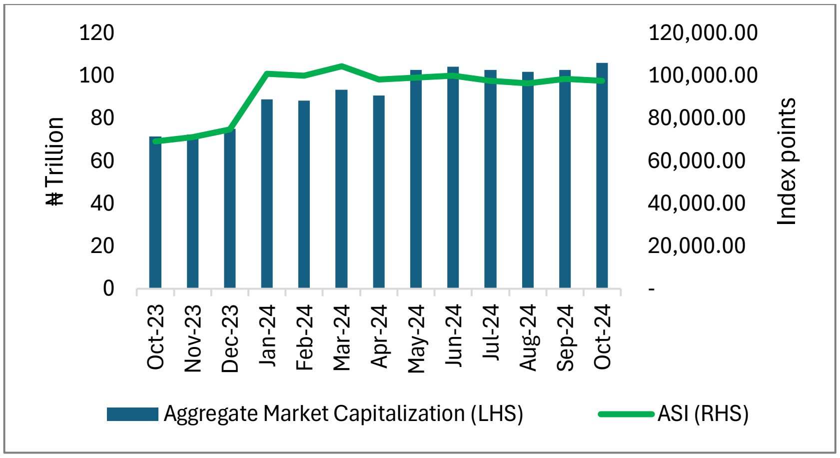
Market Capitalisation

In October 2024, the Nigerian capital market exhibited mixed performance as a combination of the impact of policy rate hike, bargain-hunting and profit-taking activities continued to influence investors' sentiment across the different segments of the market. The aggregate market capitalisation rose by 3.15 per cent to ₦106.16 trillion at end-October 2024 from ₦102.92 trillion at end-September 2024. By disaggregating the market, it was revealed that the equities and debt components rose by 4.48 per cent and 1.49 per cent to close at N59.18 trillion and ₦46.94 trillion, from ₦56.64 trillion and ₦46.25 trillion at end-September 2024, respectively. The exchange traded fund (ETF) component, however, declined by 5.46 per cent to close at ₦30.66 billion, relative to ₦32.43 billion at end-September 2024. Further analysis indicated that the equities component upheld its dominance, accounting for 55.75 per cent of the aggregate market capitalisation, while the debt and ETF components constituted 44.22 and 0.03 per cent, respectively.

NGX All-Share Index

The NGX All-Share Index (ASI) fell by 0.92 per cent to 97,651.23 index points at end-October 2024, relative to 98,558.79 index points recorded at the end of the preceding month. The development mirrored investors' sentiments, favouring fixed income securities, due to higher yields.

Figure 39: Aggregate Market Capitalisation and All-Share Index

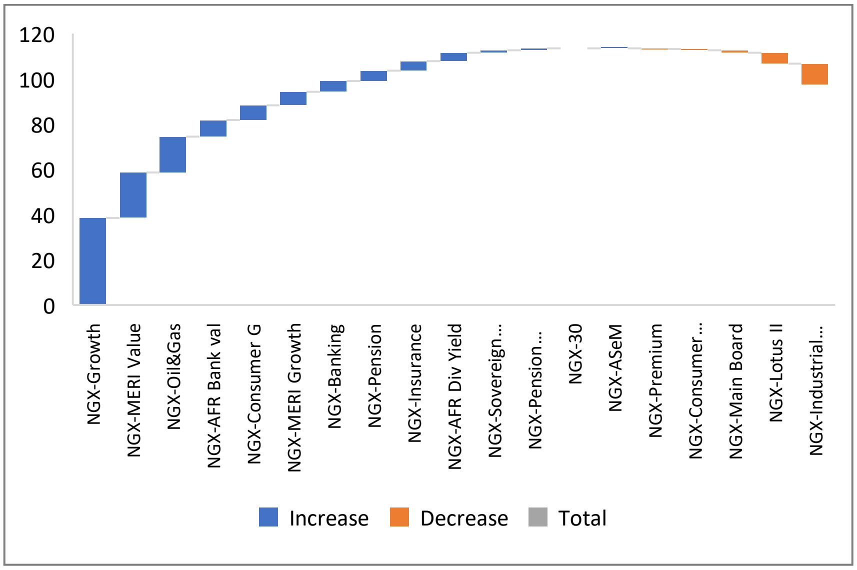


Source: *Nigerian Exchange (NGX) Limited*

Sectoral Indices

The sectoral indices in the equities market largely revealed positive performance, with notable increases in NGX-GROWTH, NGX-Meri value, and NGX-Oil & Gas, by 38.31, 20.10, and 15.90 per cent, respectively. Conversely, NGX-Industrial Goods, NGX-Lotus II, NGX-Main board, NGX-Consumer goods, and NGX-Premium, decreased by 9.31, 4.73, 1.05, 0.75, and 0.25 per cent, respectively. NGX-ASeM remained flat.

Figure 40: Month-on-Month Changes in Sectoral Indices (Per cent)



Source: *Nigerian Exchange (NGX) Limited*

Table 11: Nigerian Exchange (NGX) Limited Sectorial Indices

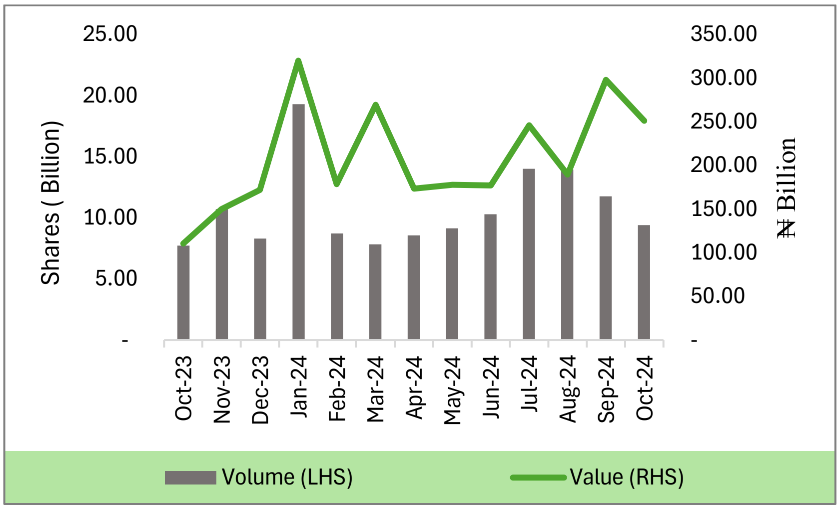
	September 2024	October 2024	Changes (%)
NGX-Growth	4,884.27	6,755.54	38.31
NGX-MERI Value	7,795.35	9,362.44	20.10
NGX-Oil&Gas	1,990.84	2,307.45	15.90
NGX-AFR Bank val	2,093.92	2,249.40	7.43
NGX-Consumer G	2,403.18	2,558.17	6.45
NGX-MERI Growth	5,424.77	5,749.57	5.99
NGX-Banking	944.48	989.65	4.78
NGX-Pension	4,012.95	4,204.28	4.77
NGX-Insurance	429.93	447.16	4.01
NGX-AFR Div Yield	13,770.03	14,291.35	3.79
NGX-Sovereign Bond	624.30	631.32	1.12
NGX-Pension Board	1,717.03	1,729.92	0.75
NGX-30	3,661.41	3,667.91	0.18
NGX-AseM	1,583.71	1,583.71	0.00
NGX-Premium	9,050.21	9,028.00	-0.25
NGX-Consumer Goods	1,564.09	1,552.32	-0.75
NGX-Main Board	4,832.03	4,781.16	-1.05
NGX-Lotus II	6,108.53	5,819.64	-4.73
NGX-Industrial Goods	3,806.57	3,452.35	-9.31

Source: *Nigerian Exchange (NGX) Limited*

Market Transactions

The turnover of trading activities on the Exchange decreased in the review month, exhibited by the decline in the volume and value of traded securities by 20.07 and 15.75 per cent to 9.40 billion shares and ₦251.36 billion from 11.76 billion shares and ₦298.36 billion, in the preceding month, respectively. Similarly, the number of deals fell by 7.60 per cent to 190,572 relative to 206,254 deals in the preceding month.

Figure 41: Volume and Value of Traded Equities



Source: *Nigerian Exchange (NGX) Limited*

There was a total of six listings on the Exchange: two new listings and four supplementary listings.

Table 12: Listings on the Nigerian Exchange Limited

NGX Listings

Company/Security	Shares Units/Price	Remarks
Flour Mills Nigeria Plc	Issued 46,000,000,000.00 5-Year 22% Senior Unsecured Fixed Rate Bonds Due 2029	New listing
19.30% FGN BONDS APR 2029	Issued 2,732,000 units	Supplementary listing
19.30% FGN BONDS APR 2029	Issued 31,079,000 units	Supplementary listing
19.30% FGN BONDS APR 2029	Issued 230,716,436 units	Supplementary listing
Aradel Holdings PLC	Issued 4,344,844,360 ordinary shares of 50 kobo each at ₦702.69 per share.	New listing
C&I Leasing PLC	Issued 987,500,000 ordinary shares of 50 kobo each via Debt-to-Equity conversion of ₦1,975,000,000 unsecured variable coupon redeemable convertible loan stock plus bonus shares of ₦658,333,333.	Supplementary listing

Source: *Nigerian Exchange (NGX)Limited*

2.3.3.3 Financial Soundness Indicators

The Financial Soundness Indicators were within regulatory benchmarks, reflecting stability of the banking system. The banking industry's capital adequacy ratio, at 13.97 per cent, was below 14.01 per cent recorded in the preceding period, but above the 10.00 per cent benchmark for banks with national and regional licenses. This decrease, compared to the previous month could be attributed to a fall in banks' qualifying assets relative to risk-weighted assets. The non-performing loans (NPLs) of the industry in October 2024 increased to 4.80 per cent from 4.58 per cent in September 2024 but remained below the prudential threshold of 5.00 per cent. The industry liquidity ratio, at 47.28 per cent, was higher than the 46.06 per cent recorded in the preceding period and above the regulatory benchmark of 30.00 per cent. This indicates the ability of the banks to meet their financial obligations.

2.4 EXTERNAL SECTOR DEVELOPMENTS

Summary

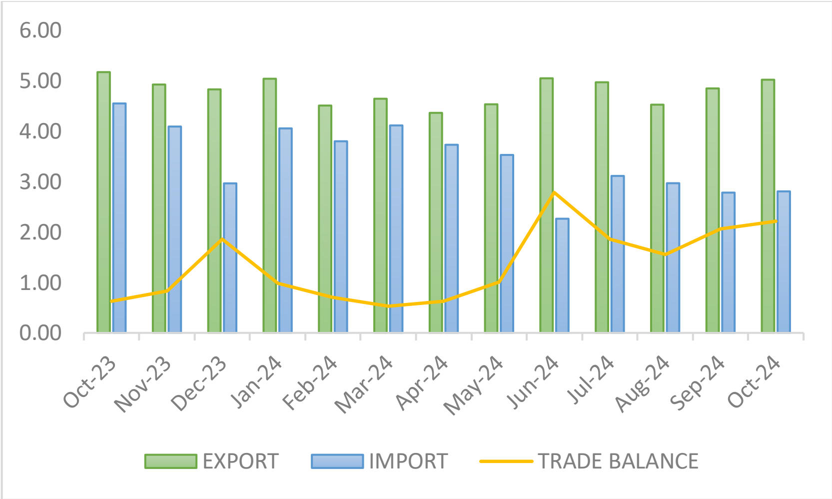
The performance of the external sector showed improvement on account of increased trade activity, resulting in a higher trade surplus in the review period. Foreign capital inflow significantly trended upward driven, largely, by a surge in portfolio investments, particularly in equity and money market instruments. The average exchange rate of the naira per US dollar at the NFEM depreciated by 1.40 per cent to ₦1,641.12/US$, from ₦1,618.22/US$ in the preceding month. The economy recorded a lower net foreign exchange inflow, on account of decreased inflow through the Bank. The external reserves stood at US$39.71 billion as of end-October 2024, from US$39.29 billion at end-September 2024. The reserves could cover 9.01 months of import for goods and services or 13.49 months for goods only.

2.4.1 Trade Performance

The trade performance was favourable, on account of the increase in export receipts. Provisional data revealed an increase in the trade surplus to US$2.21 billion, from US$2.07 billion in September 2024. The improvement in surplus was driven by a 3.51 per cent increase in export receipts (US$5.02 billion) from US$4.85 billion in the preceding month, attributed to higher exports of both crude oil and non-oil products. Similarly, import bills recorded a marginal increase of 1.08 per cent, to US$2.81 billion in October 2024 from US$2.78 billion in September 2024, owing largely to rising global crude oil prices.

Analysis of export by composition showed that crude oil and gas exports, accounted for 87.74 per cent of total export receipts, while non-oil exports, constituted the balance. In terms of import, non-oil imports accounted for 72.82 per cent, with oil import constituting the balance.

Figure 42: Export, Import and Trade Balance (US$ Billion)



Source: *Central Bank of Nigeria*

Crude Oil and Gas Export Earnings

The performance of Nigeria's crude oil and gas sector exhibited significant improvement, characterised by a notable increase in crude oil receipts. Provisional data showed that total receipts from crude oil and gas exports increased to US$4.40 billion, from US$3.77 billion in September 2024, owing to the rise in both crude oil prices and domestic crude oil production. The price of Bonny Light crude rose to US$76.69 per barrel, from US$76.05 per barrel in the preceding month. Domestic crude oil production also rose to 1.33 million barrels per day (mbpd), from 1.32 mbpd in the preceding month, due to the sustained surveillance of the pipeline infrastructure and efforts at curbing crude oil theft. A disaggregation indicated that crude oil export receipts rose by 19.06 per cent to US$3.76 billion, from US$3.16 billion in the preceding month. In the same vein, gas export rose to US$0.64 billion, from US$0.60 billion in September 2024, attributed to the growing demand for liquified natural gas particularly, driven by rapidly expanding Asian markets.

Non-Oil Export

Earnings from the export of non-oil products increased driven, majorly, by higher receipts from the export of agricultural commodities. Non-oil export earnings increased by 19.23 per cent to US$0.62 billion, from US$0.52 billion in September 2024. Analysis by direction of trade revealed Brazil as the major destination for Nigeria's non-oil export products (20.22% of total). This was followed by Netherlands (15.61%), Malaysia (11.76%), Japan (6.35%), Germany (5.32%), and USA (5.21%). The major commodities exported were cocoa beans, which represented the largest share at 30.04 per cent, followed by urea (26.59%); sesame seeds (5.64%), cocoa products (5.63%), aluminium (3.84); and copper (3.43%).

Receipts from the top five non-oil exporters surged to US$0.24 billion, from US$0.13 billion in September 2024. Analysis by share indicated that Indorama Eleme Fertilizer & Chemical Ltd. (18.97%) and Dangote Fertilizer Ltd. (8.72%) were the leading exporters with the exports of urea and fertilizers, respectively. Outspan Nigeria Ltd. (8.45%) ranked third, through the export of cocoa. Starlink Global & Ideal Ltd. followed with a 7.35 per cent share, from the export of dairy products, while Olatunde International Ltd. (5.96%) ranked fifth, from the export of cocoa beans.

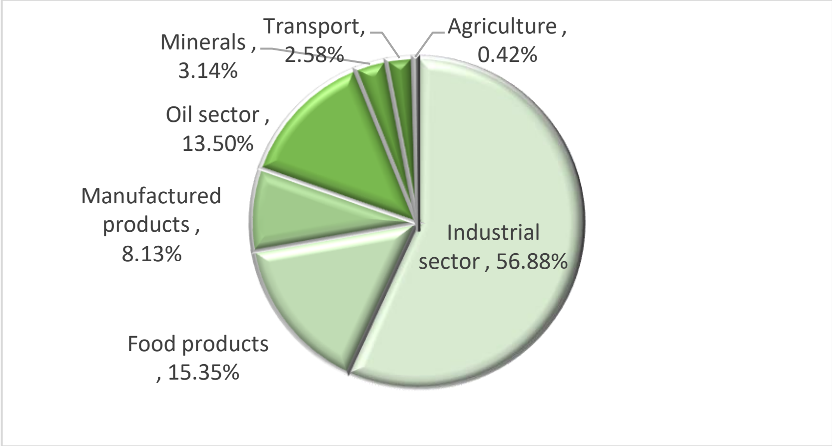
Import

Merchandise import bills increased, owing to rise in both oil and non-oil imports. Provisional data revealed that total import increased to US$2.81 billion, from US$2.78 billion in September 2024. A disaggregation indicated that non-oil import increased to US$2.18 billion, from US$2.16 billion in the preceding month. The import of petroleum products, similarly, increased by 0.90 per cent to US$0.62 billion from the level in the preceding month.

Sectoral Utilisation of Foreign Exchange

Sectoral utilisation of foreign exchange for visible import at US$1.47 billion, showed that industrial sector import had the largest share of 56.88 per cent. This was followed by food products (15.35), oil sector (13.50%), manufactured products (8.13%), minerals (3.14%), transport (2.58%) and agriculture (0.42%).

Figure 43: Import by Sector (Per cent)



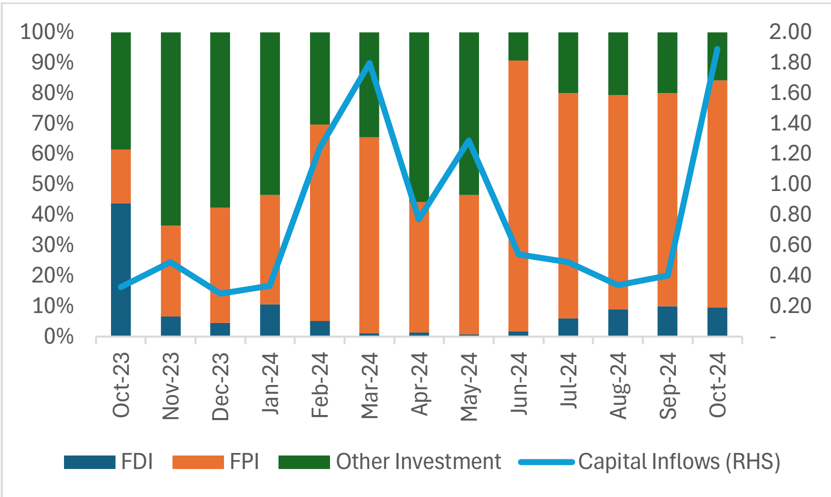
Source: Central Bank of Nigeria

Capital importation

Capital inflow significantly increased, driven, mainly, by increased portfolio investments in both equity and money market instruments. Capital inflow rose to US$1.89 billion, from US$0.40 billion in September 2024. A breakdown showed that portfolio investment inflow increased significantly by 403.57 per cent to US$1.41

billion, from US$0.28 billion due, mainly, to higher purchases in equity and money market instruments. Similarly, Foreign direct investment notably increased by 350.00 per cent in October to US$0.18 billion from US$0.04 billion in September 2024. Other investments in the form of loans also increased by 275.00 per cent to US$0.30 billion, from US$0.08 billion in the preceding month.

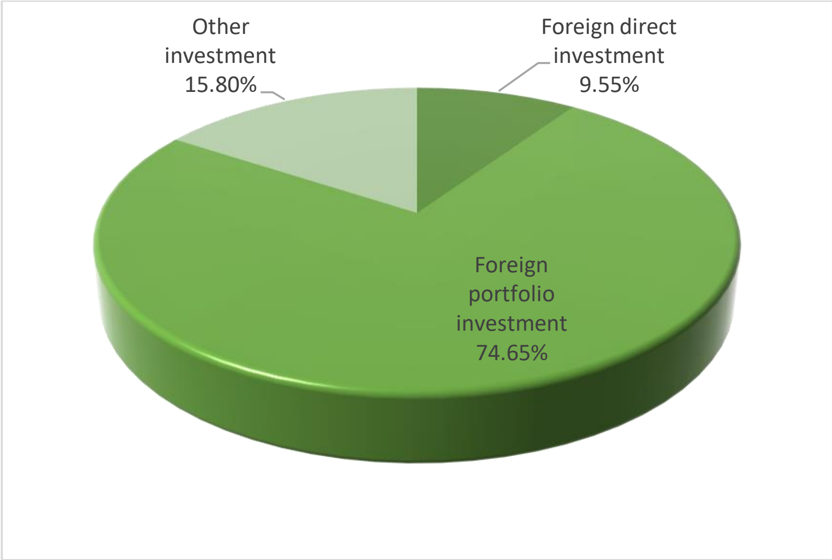
Figure 44: Capital Inflows (US$ Billion)



Source: *Central Bank of Nigeria*

In terms of share, portfolio investment inflow constituted 74.65 per cent, while 'other investment' and direct investment accounted for 15.80 and 9.55 per cent, respectively.

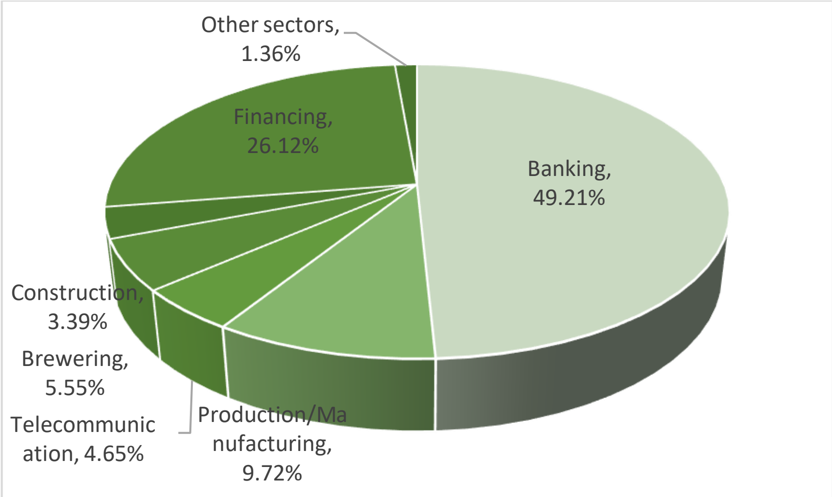
Figure 45: Capital Inflow by Share (Per cent)



Source: *Central Bank of Nigeria*

Analysis of capital importation by sector indicated that the banking sector accounted for 49.21 per cent of total inflow. This was followed by the financing sector (26.12%), production and manufacturing sector (9.72%), brewering (5.55%), telecommunication (4.65%), construction (3.39%), shares (0.73%), while other sectors accounted for the balance.

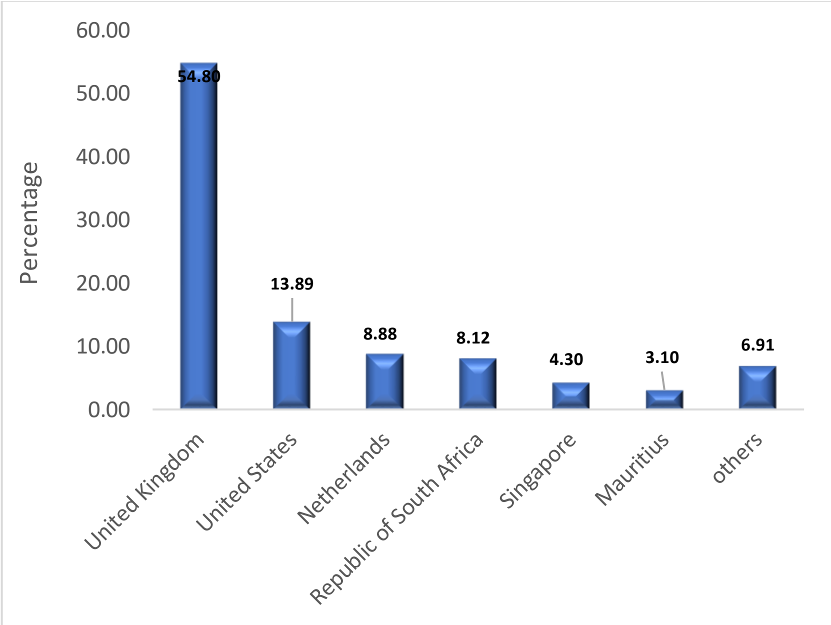
Figure 46: Capital Inflow by Nature of Business



Source: *Central Bank of Nigeria*

Capital inflow by originating country showed that the UK was the major source of capital, accounting for 54.80 per cent of the total. This was followed by the United States of America (13.89); Netherlands (8.88%); Republic of South Africa (8.12%); Singapore (4.30%); and Mauritius (3.10%). Other countries accounted for the balance.

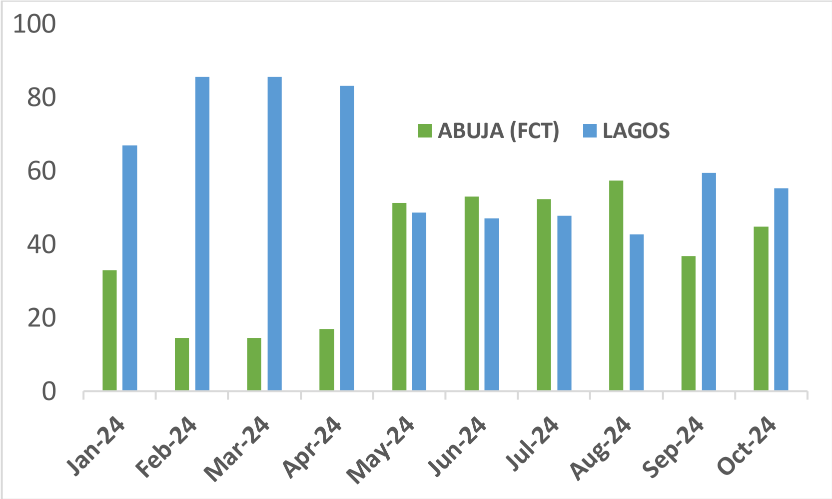
Figure 47: Capital Inflow by Originating Country (Per cent)



Source: *Central Bank of Nigeria*

Capital importation by destination showed Lagos State and the Federal Capital Territory as the only recipients of foreign capital, with shares of 55.23 and 44.77 per cent, respectively.

Figure 48: Capital Inflow by States (Per cent)



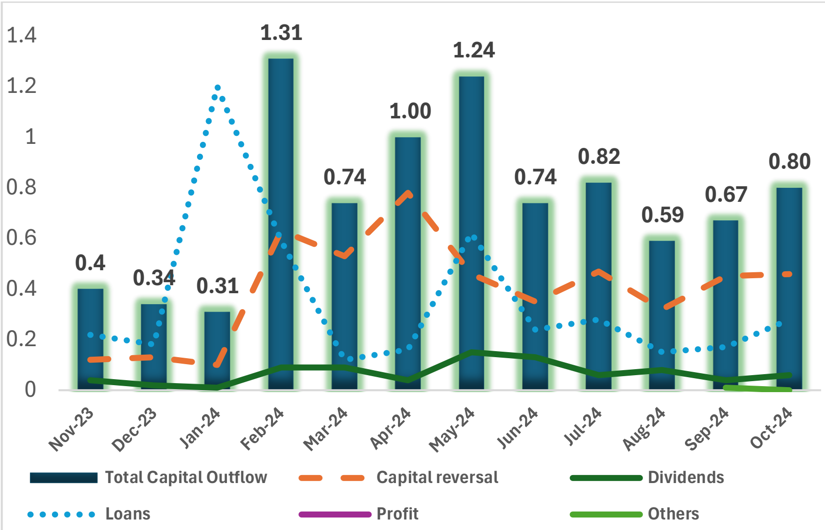
Source: *Central Bank of Nigeria*

Capital Outflow

Capital outflow increased due, primarily, to higher loan repayments and repatriation of dividends during the review period. Capital outflow increased to US$0.80 billion, from US$0.67 billion in the preceding month. A disaggregation showed that loan repayments and repatriation of dividends rose by 66.31 and 70.68 per cent to US$0.28 billion and US$0.07 billion, respectively, from the levels in the preceding month. Similarly, capital reversals at US$0.46 billion, showed a slight increase by 1.90 per cent from the level at September 2024.

In terms of share in total outflow, capital reversals constituted 57.45 per cent, followed by repayment of loans and repatriation of dividends at 34.40 and 8.11 per cent, respectively. Other forms of outflow accounted for the balance.

Figure 49: Capital Outflow (US$ Billion)



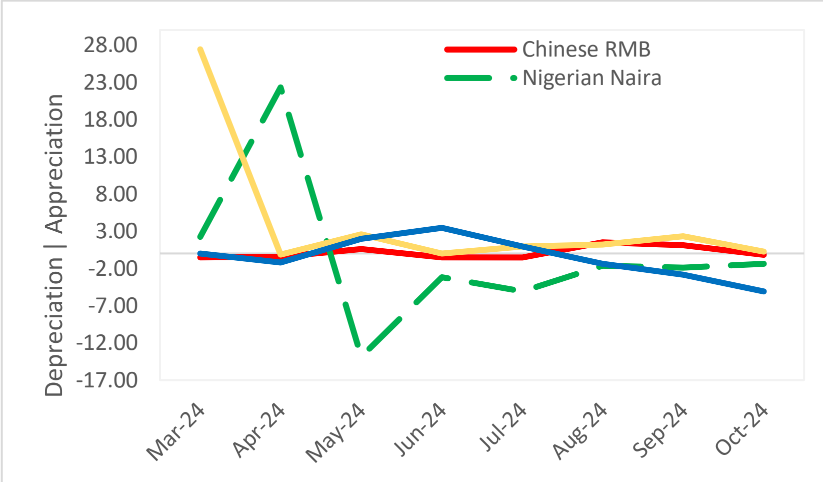
Source: *Central Bank of Nigeria*

2.4.2 Emerging Markets Currencies

Emerging Markets Currencies

The South African rand appreciated by 0.28 per cent against the US dollar due, largely, to the weakening of the US dollar, following increased expectations of further interest rate cuts by the US Federal Reserve. However, the Chinese renminbi and the Russian ruble, depreciated by 0.14 and 5.10 per cent, respectively. The depreciation of the Chinese renminbi was due, mainly, to an economic slowdown and lower exports, while the Russian ruble depreciated, following the decline in the price of Russia's major exports.

Figure 50: Depreciation/Appreciation of EMEs Currencies to the US Dollar



Source: *Central Bank of Nigeria*

Table 13: EMEs Currencies' Rates to the US Dollar

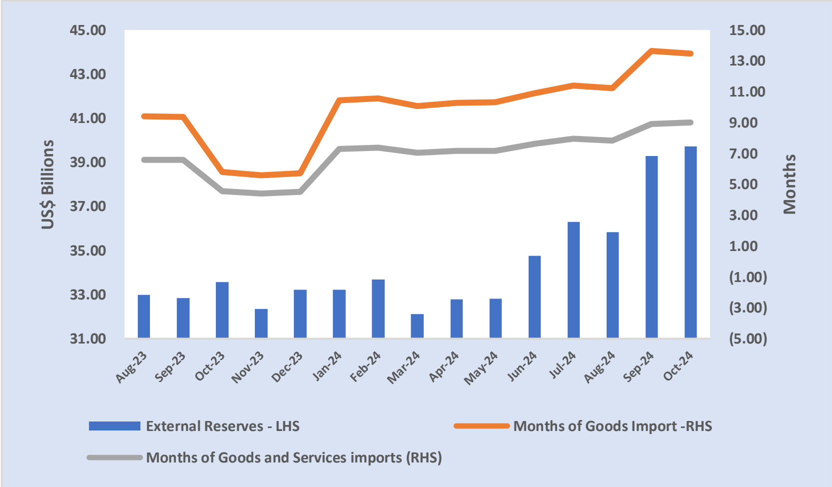
Period	Chinese RMB/US$	Nigerian Naira/US$	South African Rand/US$	Russian Ruble/US$
October-23	7.27	788.76	19.02	97.03
September-24	7.07	1,618.22	17.61	91.19
October-24	7.08	1,641.12	17.56	96.09

Source: *Central Bank of Nigeria & Exchange Rates UK*

2.4.3 International Reserves

The external reserves rose and were above the international benchmark of three months of import cover. The external reserves stood at US$39.71 billion as at end-October 2024, from US$39.29 billion at end-September 2024. This position could cover 9.01 months of import for goods and services or 13.49 months for goods only.

Figure 51: External Reserves and Months of Import Cover



Source: *Central Bank of Nigeria*

2.4.4 Foreign Exchange Flows through the Economy

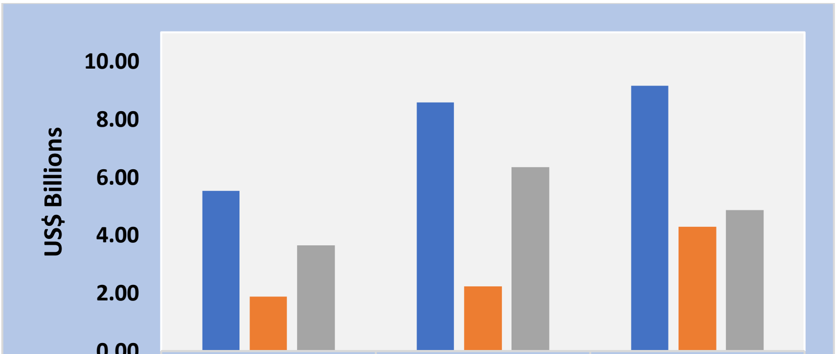
Foreign Exchange Flows through the Economy

The economy recorded a lower net foreign exchange inflow, on account of decreased inflow through the Bank. Foreign exchange flows through the economy amounted to a net inflow of US$4.86 billion, relative to US$6.35 billion in September 2024. Aggregate foreign exchange inflow increased to US$9.15 billion, from US$8.59 billion in the preceding month. Similarly, foreign exchange outflow increased to US$4.29 billion, from US$2.24 billion in the preceding month.

Foreign exchange inflow through the Bank declined to US$4.48 billion, from US$5.22 billion in the preceding month, while autonomous inflow increased to US$4.67 billion, from US$3.37 billion in the preceding month. Outflow through the Bank rose to US$3.73 billion, from US$1.84 billion, while autonomous outflow fell to US$0.56 billion, from US$0.40 billion in September 2024.

Consequently, a net inflow of US$4.11 billion was recorded through autonomous sources, compared with US$2.97 billion in September 2024, while the Bank recorded a net inflow of US$0.75 billion, relative to US$3.38 billion in the preceding month.

Figure 52: Foreign Exchange Flows Through the Economy (US$ Billions)



	Oct-23	Sep-24	Oct-24
Inflow	5.53	8.59	9.15
Outflow	1.87	2.24	4.29
Netflow	3.65	6.35	4.86

***Source**: Central Bank of Nigeria*

2.4.5 Exchange Rate Movement

Average Exchange Rate

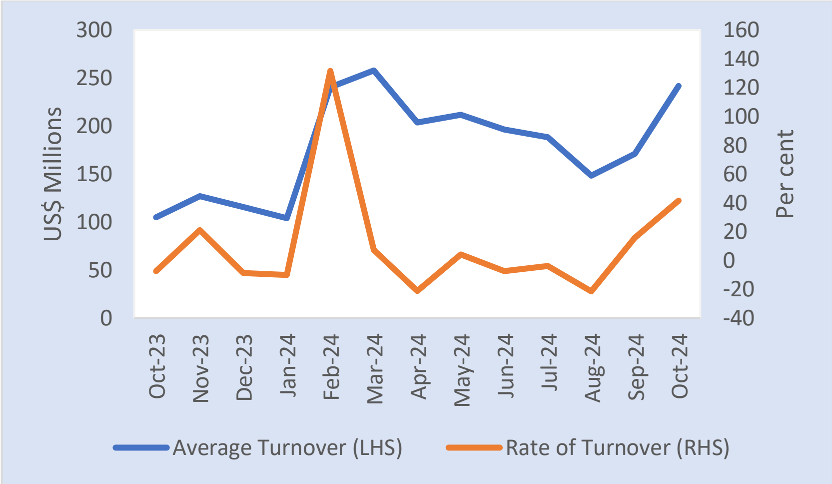
The naira depreciated relative to the US dollar at the Nigerian Foreign Exchange Market during the review period. The average exchange rate of the naira per US dollar at the Nigerian Foreign Exchange Market (NFEM) depreciated by 1.40 per cent to ₦1,641.12/US$, from ₦1,618.22/US$ in the preceding month. Similarly, the end-period NFEM rate depreciated by 4.13 per cent to ₦1,670.47/US$, from ₦1,601.53/US$ at end-September 2024.

2.4.6 Foreign Exchange Turnover

Foreign Exchange Turnover

The average foreign exchange turnover at the NFEM rose by 41.51 per cent to US$241.65 million, from US$170.76 million in September 2024.

Figure 53: Foreign Exchange Turnover



***Source**: Financial Markets Derivatives Quotations*

3.0 ECONOMIC OUTLOOK

3.1 Global Outlook

The global economy is projected to grow to 3.20 per cent in 2024[4], from 3.30 per cent in 2023. The projection reflects a stable but underwhelming performance compared with the pre-pandemic average. The upgraded forecast for the US offsets the pessimistic outlook for other AEs, particularly in Europe. Growth projection in the AEs is estimated at 1.80 per cent in 2024 from 1.70 per cent in 2023. Growth outlook for the EMDEs varied, underpinned by disruptions in commodity production and shipping, conflicts, civil unrest, and extreme weather events leading to downward revisions for the Middle East, Central Asia, and sub-Saharan Africa. Growth in EMDEs is estimated to moderate to 4.20 per cent in 2024 from 4.40 per cent 2023 driven, majorly, by weak real estate and low consumer confidence in China and exhaustion of pent-up demand in India.

Global headline inflation is projected to drop to 5.90 per cent in 2024, from 6.70 per cent in 2023. The moderation in price pressures is driven by unwinding supply side constraints, cooling labour markets, and falling energy prices, as well as the effect of the previous tightening cycle.

3.2 Domestic Outlook

The growth outlook for the Nigerian economy remains positive amidst short-term headwinds. The outlook is predicated on the successful implementation of government reforms and programs, sustained increase crude oil production and prices, and the operationalisation of the Dangote Refinery. However, the downside risks to

[4] World economic outlook (WEO October 2024)

anticipated growth include rising debt obligations, rise in the PMS pump price, flooding, domestic security challenges and escalating global tensions.

Inflation pressures are anticipated to remained elevated in the near term, hinged on rising energy costs, insecurity, and unanticipated shocks. The impact of tight monetary policy stance and relative stability in the foreign exchange market could however, moderate inflation in the near term.

The fiscal outlook remained positive in the near to medium term, driven by the positive impacts of ongoing fiscal policies and tax reforms, such as the increasing digitization of tax collection processes by the Federal Inland Revenue Service (FIRS) and the implementation of fiscal measures aimed at ensuring greater accountability and transparency in Ministries, Departments, and Agencies (MDAs). However, the volatility in global crude oil prices raises concerns about public financing needs.