CENTRAL BANK OF NIGERIA ECONOMIC REPORT

November 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.

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SUMMARY

In November 2024, global economic activity gained momentum, following, the robust performances of the services and manufacturing sectors. The pace of recovery, however, varied significantly across regions. Advanced Economies (AEs) experienced a moderate increase in PMI and inflation, while Emerging Market and Developing Economies (EMDEs) exhibited divergent trends, reflecting differences in economic fundamentals and policy approaches. Financial markets presented mixed outcomes, as investors weighed the implications of the US presidential election manifestos, particularly the proposed tariff policies. The US dollar, however, strengthened against major currencies, buoyed by favourable economic indicators and the confidence-boosting outcome of the US presidential election. Global crude oil supply increased due, primarily, to higher production levels in non-OPEC countries. This, together with prospects of an imminent ease of Middle-East tension contributed to the softening of the crude oil prices.

On the domestic front, business activity slowed, as persistent inflation pressures weakened the industrial and services sectors. Thus, the composite purchasing managers' index (PMI) contracted further to 48.90 index points from 49.60 index points in October 2024. Headline inflation rose to 34.60 per cent from 33.88 per cent, on account of elevated energy costs and exchange rate pass through. Crude oil production rose to 1.49 million barrels per day (mbpd) from 1.33 mbpd, following enhanced anti-theft measures and the renewed investments that revitalised dormant fields.

Provisional data indicated an improvement in fiscal space, driven by higher collections from oil and non-oil revenue sources. Federally collected revenue increased by 21.23 per cent relative to the level in October 2024, but fell 19.65 per cent short of the monthly target. Similarly, the FGN retained revenue rose by 7.08 per cent, though it was 49.92 per cent below target. FGN aggregate expenditure dipped by 5.80 per cent month-on-month and was 28.03 per cent lower than the monthly target.

Monetary aggregates rose during the month buoyed, primarily, by currency depreciation. The expansion in broad money supply was on account of the increases in both net foreign assets and net domestic assets. Key short-term interest rates declined reflecting enhanced liquidity conditions within the banking system. The Central Bank sustained its regulatory oversight to ensure the stability, resilience, and integrity of the financial sector. The capital market was bearish, shaped by the interplay of a tight monetary stance, bargain-hunting activities, and profit-taking behavior among investors across diverse market segments.

The performance of the external sector in November 2024 remained strong, underpinned by a favourable trade balance. Foreign capital

inflow, however, declined due, primarily, to lower inflow of loans. The economy recorded a lower net foreign exchange inflow, on account of decreased inflow through the Bank. The external reserves stood at US$40.38 billion as at end-November 2024, from US$39.71 billion at end-October 2024 and could cover 9.16 months of import for goods and services or 13.71 months for goods only. The average exchange rate at the NFEM depreciated by 1.78 per cent to ₦1,670.78/US$, from ₦1,641.12/US$ in the preceding month.

The growth outlook for the Nigerian economy remains positive despite short-term headwinds. The outlook is contingent upon the successful implementation of government reforms and programmes, stable crude oil prices, improved domestic crude oil production & refining capacity, and relative stability of the exchange rate. However, potential risks such as possible decline in crude oil prices, insecurity, and reduction in economic activities could undermine the outlook.

1.0 GLOBAL ECONOMIC DEVELOPMENTS

Summary

Global economic activity improved in November 2024, led by strong performance of the services and manufacturing sectors. The pace of economic activity across countries, however, remained uneven. In most advanced economies (AEs), the PMI and inflation recorded modest increases, while emerging market and developing economies (EMDEs) demonstrated an uneven pattern, due to varying economic fundamentals and policy responses. Analysis of global financial markets indicated varied performances as investors assessed the likely implications of the US election outcome, due to radical tariff proposal in Trump campaign manifestos due, largely, to Trump's electoral triumph and improved economic data.

1.1 Global Economic Activity

Global Economic Activity

Global economic activity expanded further in November 2024, led by strong performance of the services and manufacturing sectors. The pace of economic activity across countries, however, remained uneven. The global composite purchasing managers' index (PMI) expanded to 52.40 index points in November 2024, from 52.30 index points in the preceding month, supported, largely, by the performance of the services and manufacturing sectors. The manufacturing PMI expanded to 50.00 index points, from 49.40 index points in the preceding month, underpinned by improved business condition and acceleration in new orders. The services PMI remained unchanged at 53.10 index points in November 2024, reflecting sustained business optimism.

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

	Sep-24	Oct-24	Nov-24
Composite	**51.90**	**52.30**	**52.40**
Employment Level	50.00	49.80	50.00
New Business Orders	51.00	51.60	52.20
New Export Business Orders	48.40	48.90	49.20
Future Output	59.80	62.30	62.40
Input Prices	56.30	56.20	55.70
Output Prices	52.50	52.00	52.10
Manufacturing	**48.70**	**49.40**	**50.00**
Services (Business Activity)	**52.90**	**53.10**	**53.10**
New Business	52.40	52.70	53.00
New Export Business	51.50	50.70	51.40
Future Activity	60.40	63.20	62.70
Employment	50.40	50.20	50.30
Outstanding Business	50.10	49.40	50.90
Input Prices	57.40	57.30	56.40
Prices Charged	52.90	52.20	52.10

Source: J.P. Morgan

Note: Above 50 index points indicate expansion

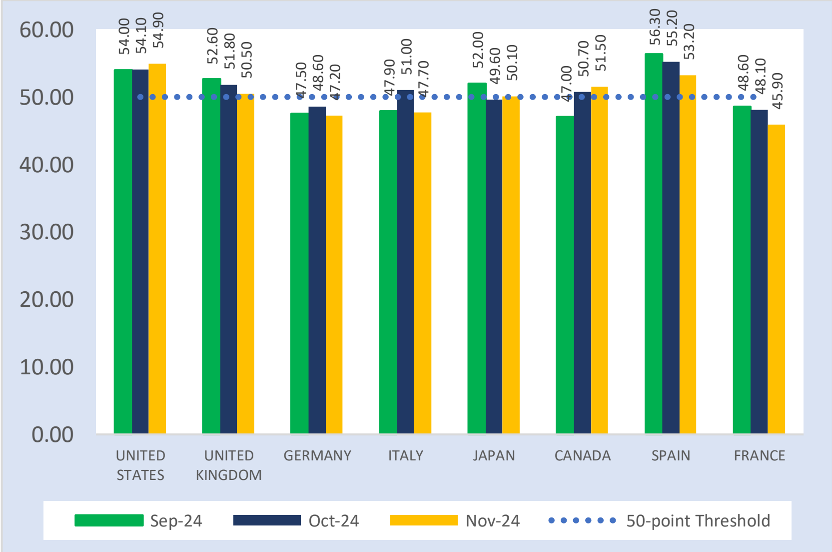
Economic Activity in Advanced Economies

Economic activity was uneven across the AEs in November 2024, due to diverse business sentiments. In Japan, economic activity expanded as the PMI rose to 50.10 index points from a contraction of 49.60 index points in October 2024. The uptick reflected improved business confidence, buoyed by expectations of lower that inflation and global uncertainty. Similarly, economic activity improved in the US and Canada as the PMI expanded to 54.90 and 51.50 index points, respectively, from 54.10 and 50.70 index points in the preceding month, driven by improved activities in the service and manufacturing sectors.

In the UK and Spain, the pace of economic expansion slowed, as their respective PMIs fell to 50.50 and 53.20 index points in the review period from 51.80 and 55.20 index points in the preceding period. The performance was attributed to lower demand for goods and services, fall in employment, and uptick in price pressures.

Economic activity in France and Germany, however, contracted further to 45.90 and 47.20 index points, respectively, in November 2024, from 48.10 and 48.60 index points in the preceding month, reflecting weaker demand, rising uncertainty, and budget constraints, amid increased input costs. In Italy, economic activity slowed with PMI contracting to 47.70 index points from 51.00 index points in October 2024. The downturn was attributed to a sharp decline in the private sector activity, decrease in new orders and employment level.

Figure 1: PMIs of Selected Advanced Economies



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

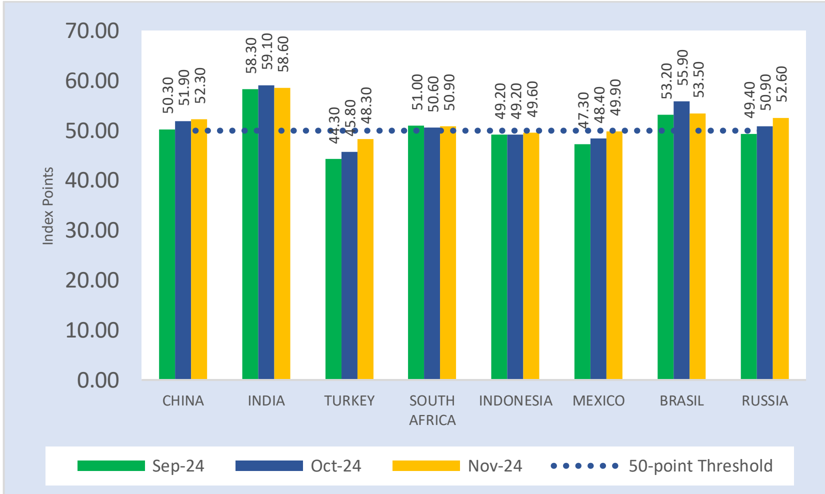
Economic Activity in EMDEs

Economic activity expanded in most EMDEs in the review period, reflecting broad-based rise in business optimism. The PMI in Russia and China expanded further to 52.60 and 52.30 index points, respectively, from 50.90 and 51.90 index points in the preceding month. The development in China was underpinned by an expansion in the private sector activity, following improvement in economic stimulus. The improvement in Russia reflected the rise in new orders, amid lower geopolitical tension. Similarly, South African PMI expanded to 50.90 index points in November 2024 from 50.60 index points in October 2024, reflecting improved private sector conditions, driven by rise in output and new orders.

In India and Brazil, economic activity slowed as the PMI fell to 58.60 and 53.50 index points in November 2024, respectively, from 59.10 and 55.90 index points in the preceding month. The slowdown was attributed to a decline in activities of the manufacturing and services sectors.

Economic activity improved in Turkey and Mexico to 48.30 and 49.90 index points, respectively, from 45.80 and 48.40 index points in the preceding month, but remained at the contraction region. The improvement in the PMIs signalled enhanced demand, as employment level increase, while manufacturers benefited from the easing inflation due to moderation in input costs. Similarly, the Indonesian PMI improved to 49.60 index points in the review period from 48.40 index points in the preceding month. Despite remaining in the contraction region, the improvement in the PMI reflected expansion in output and buying levels.

Figure 2: PMI in Selected Emerging Markets and Developing Economies



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

1.2 Global Inflation

Inflation trends in November 2024 were diverse across AEs and EMDEs, shaped by country-specific drivers, varying economic fundamentals and policy responses.

In most AEs, inflation showed modest increase. Consistent with market expectations in the US, inflation rose to 2.70 per cent in November 2024, from 2.60 per cent in the preceding month, driven by higher food costs. Similarly, in the UK and German, inflation rose to 2.60 and 2.20 per cent, respectively, from 2.30 and 2.00 per cent, in October 2024. The uptick in inflation was due to sticky service inflation and culture, and higher cost of fuel and clothing.

In Italy and Japan, inflation rose to 1.30 and 2.90 per cent, respectively, from 0.90 and 2.30 per cent, in the preceding month due, largely, to the increase in the prices of food & non-alcoholic beverages. Inflation also rose in Spain and France to 2.40 and 1.30 per cent, in November 2024, respectively, from 1.80 and 1.20 per cent in October 2024, driven by rising energy costs.

In Canada, however, inflation moderated to 1.90 per cent from 2.00 per cent in the preceding month, reflecting the fall in the prices of food and shelter.

Table 2: Inflation in Selected Economies

Country	Jul-24 (A)	Aug-24 (B)	Sep-24 (C)	Oct-24 (D)	Nov-24 (E)	Difference m-o-m (E-D)	Remark
US	2.90	2.50	2.40	2.60	2.70	0.10	Accelerate
UK	2.20	2.20	1.70	2.30	2.60	0.30	Accelerate
Germany	2.30	1.90	1.60	2.00	2.20	0.20	Accelerate
Italy	1.30	1.10	0.70	0.90	1.30	0.40	Accelerate
Japan	2.80	3.00	2.50	2.30	2.90	0.60	Accelerate
Canada	2.50	2.00	1.60	2.00	1.90	-0.10	Decelerate
Spain	2.80	2.30	1.50	1.80	2.40	0.60	Accelerate
France	2.30	1.80	1.10	1.20	1.30	0.10	Accelerate
China	0.50	0.60	0.40	0.30	0.20	-0.10	Decelerate
India	3.60	3.65	5.49	6.21	5.48	-0.73	Decelerate
Turkey	61.78	51.97	49.38	48.58	47.09	-1.49	Decelerate
South Africa	4.60	4.40	3.80	2.80	2.90	0.10	Accelerate
Indonesia	2.13	2.12	1.84	1.71	1.55	-0.16	Decelerate
Mexico	5.57	4.99	4.58	4.76	4.55	-0.21	Decelerate
Brazil	4.50	4.24	4.42	4.76	4.87	0.11	Accelerate
Russia	9.10	9.10	8.60	8.50	8.90	0.40	Accelerate

Source: *Trading Economics*

In EMDEs, inflation trend was diverse across selected countries during the month. Inflation fell in China to 0.20 per cent from 0.30 per cent, in the preceding month, signifying a continuous downward trajectory. The slowdown was driven by softened demand and declines in transport and housing costs. Similarly, India and Turkey recorded disinflation to 5.48 and 47.09 per cent, respectively, from 6.21 and 48.58 per cent, in the preceding month. The moderation in India was driven by the decline in the prices of fuel and light, while in Turkey it was driven, primarily, by lower costs of housing, water, electricity, gas, and other fuels.

Inflation in Indonesia and Mexico also reduced to 1.55 and 4.55 per cent, respectively, from 1.71 and 4.76 per cent in the preceding month. The lower inflation in Indonesia was due to easing food prices, arising from bumper harvest, while in Mexico, it was attributed to price declines in housing & utilities, and food & non-alcoholic beverages.

In South Africa, however, inflation rose to 2.90 per cent, from 2.80 per cent in October 2024, due to rising costs of food and fuel. Inflation in Brazil and Russia rose to 4.87 and 8.90 per cent, respectively, from 4.76 and 8.50 per cent, in the preceding month, driven by increased government spending, elevated energy prices, and rising cost of services.

1.3 Global Financial Market Development

The performance of global financial markets was mixed, largely, influenced by the outcome of the US election, particularly the implications of the tariff proposal. Equity markets in AEs outperformed those in the EMDEs with US stocks leading the pack. US equities recorded robust gains following optimism over Trump’s proposed domestic policies, which were perceived to favour domestic businesses – boost growth, reduce taxes, and ease regulations.

Hence, the Dow Jones, Nasdaq, and S&P 500 increased by 7.54, 6.21, and 5.73 per cent, respectively, with consumer discretionary (particularly automobile and retail stocks) and financials, being the best-performing segments. In the UK, the FTSE 100 rose by 2.18 per cent, following positive investor sentiment about the Autumn Budget 2024. In the Euro area, equity performance was mixed owing to political factors. While the Euro Stoxx 600 and Germany’s DAX inched up by 0.35 and 2.88 per cent, respectively, France’s CAC-40 and Italy’s FTSE MIB declined by 1.57 and 2.53 per cent, respectively. Similarly, the NIKKEI 225 and TOPIX in Japan declined by 2.23 and 0.55 per cent, respectively, as concerns over the potential rise in tariffs and other trade restrictions by the incoming US government weighed down investor sentiment particularly on large-cap stocks.

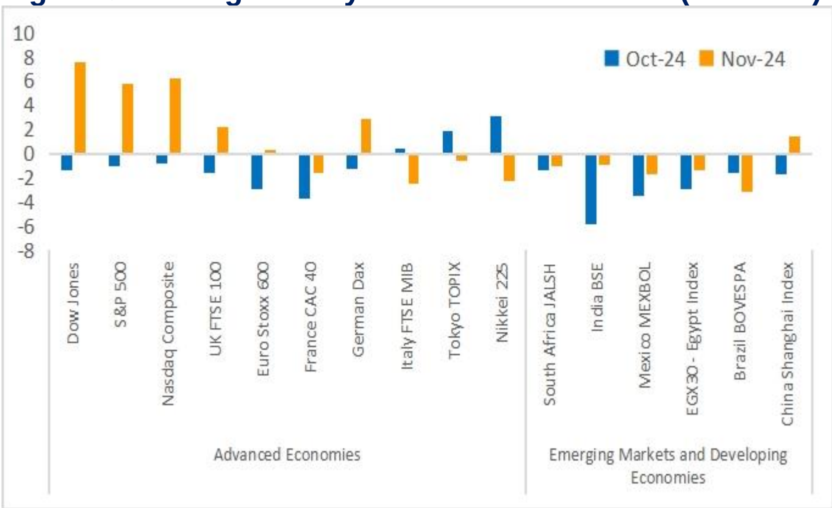
Most equities in EMDEs declined in the review month, as the potential impact of Trump's proposed trade policy, particularly on China, affected investor confidence. India's BSE Sensex and Mexico's MEXBOL indices were down by 0.87 and 1.67 per cent, respectively. The Indian stock market faced downward pressure due to weak corporate earnings while Mexico's stock index was impacted by peso volatility amid challenging business conditions. South Africa’s JALSH index also fell by 1.02 per cent, dragged down by a weaker rand, recurring power supply issues and slow economic growth. Weak market sentiment led to a 1.36 per cent depreciation in Egypt’s EGX 30. Conversely, China's Shanghai Index, rose by 1.42 per cent as the government launched large multifaceted stimulus measures to bolster the economy and restore investor confidence.

Table 3: Stock Indices in Some Selected Economies

Indices	31-Oct	30-Nov	Changes (%)
Dow Jones	*41,763.46*	*44,910.65*	*7.54*
S&P 500	*5,705.45*	*6,032.38*	*5.73*
Nasdaq Composite	*18,095.15*	*19,218.03*	*6.21*
UK FTSE 100	*8,110.10*	*8,287.30*	*2.18*
Euro Stoxx 600	*505.39*	*507.18*	*0.35*
France CAC 40	*7,350.37*	*7,235.11*	*-1.57*
German Dax	*19,077.54*	*19,626.45*	*2.88*
Italy FTSE MIB	*34,281.24*	*33,414.56*	*-2.53*
Tokyo TOPIX	*2,695.51*	*2,680.71*	*-0.55*
Nikkei 225	*39,081.25*	*38,208.03*	*-2.23*
South Africa JALSH	*85,384.82*	*84,510.44*	*-1.02*
India BSE	*79,389.06*	*78,699.07*	*-0.87*
Mexico MEXBOL	*50,661.05*	*49,812.64*	*-1.67*
EGX 30 - Egypt Index	*30,658.00*	*30,242.13*	*-1.36*
Brazil BOVESPA	*129,713.33*	*125,667.83*	*-3.12*
China Shanghai Index	*3,279.82*	*3,326.46*	*1.42*

Source: *Reuters*

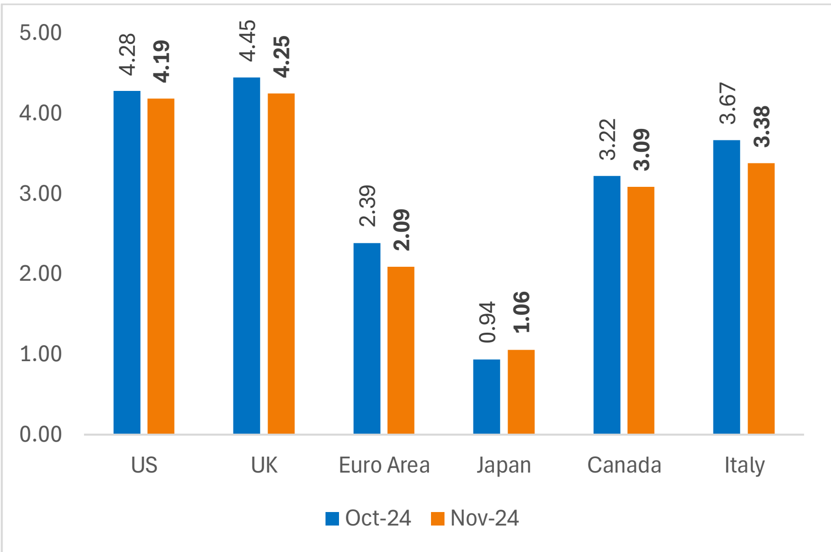
Figure 3: Change in Key Global Stock Indices (Per cent)



Source: *Reuters, Moscow Exchange, and MarketWatch*

Long-term sovereign bond yields trended downwards in most AEs and EMDEs. In AEs, the 10-year bond yield generally declined on the likelihood that US interest rates could remain high, longer than initially expected, following Trump's proposed tariff. Consequently, the US 10-year bond yield in November 2024 declined to 4.19 per cent from 4.28 per cent in the preceding month. A similar trajectory was observed in the UK as the long-term bond yield declined to 4.25 per cent from 4.45 per cent in the preceding month, driven by the Bank of England's cautious approach to monetary policy normalisation. Similarly, government bond yields declined in Canada to 3.09 per cent, from 3.22 per cent in the preceding month, Italy (3.38% from 3.67%), and the Euro area (2.09% from 2.39%). The increased likelihood of monetary policy changes, however, drove up the 10-year government bond yield in Japan to 1.06 per cent in November 2024 from 0.94 per cent in the preceding month.

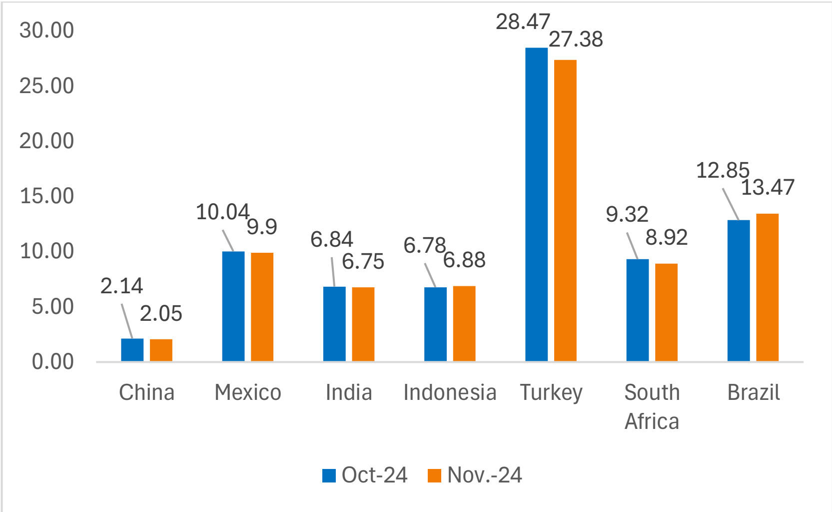
Figure 4: 10-year Government Bond Yields for Selected Advanced Economies (Per cent)



Source: *Reuters*

Government bond yields within EMDEs varied across countries. China's 10-year bond yields declined as investors anticipate a slow recovery in economic activity. In Mexico, South Africa, and India, the 10-year bond yields also declined to 9.90, 8.92, and 6.75 per cent in November 2024, respectively, from 10.04, 9.32, and 6.84 per cent in the preceding month. Similarly, bond yields in Turkey declined to 27.38 per cent from 28.47 per cent in October 2024, largely due to domestic economic factors. The 10-year bond yield in Brazil and Indonesia, however, rose to 13.47 and 6.88 per cent in the review period from 12.85 and 6.75 per cent in the preceding month, driven by sentiments surrounding the fiscal reforms in these countries.

Figure 5: 10-year Government Bond Yields for Selected Emerging Market and Developing Economies (Per cent)

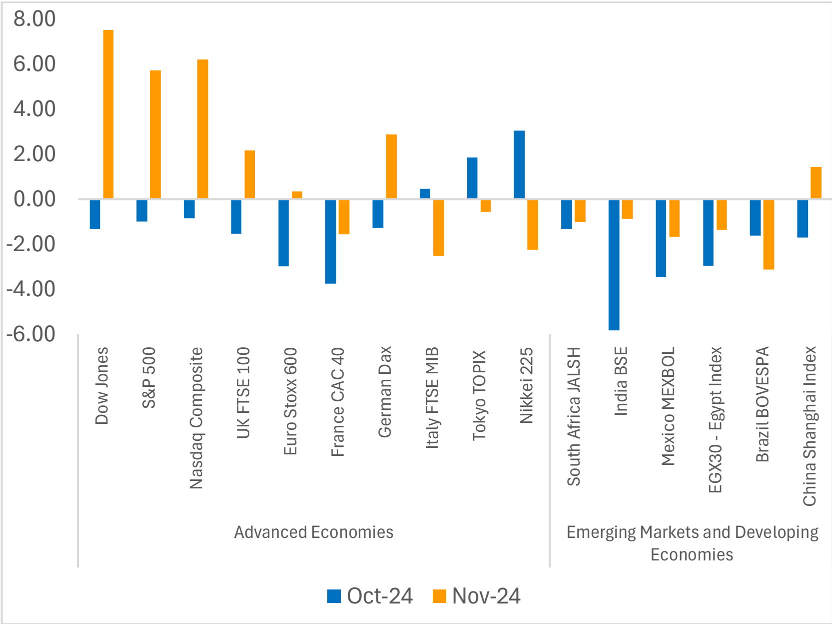


Source: *Reuters*

Most of the major global currencies depreciated against the US dollar in November 2024 due, primarily, to stronger economic data which bolstered confidence in the dollar. The euro and British pound depreciated by 2.49 and 2.28 per cent in November 2024, respectively, on account of interest rate differentials and positive US employment and consumer spending data. The Japanese yen and the Canadian dollar depreciated against the US dollar by 2.28 and 1.57 per cent, respectively, due to slower economic recovery and divergent monetary policy stance in Japan.

Heightened economic uncertainties in EMDEs steered investors to seek relative safety in the US dollar. The Chinese yuan and the Mexican peso depreciated by 1.62 and 3.17 per cent, respectively in November 2024, following uncertainties surrounding the planned US tariff. Similarly, the Indian rupee and Brazilian real depreciated by 0.36 and 3.16 per cent, respectively. Furthermore, the Russian rubble depreciated against the US dollar by 4.62 per cent, following new US sanctions on Russia's financial sector, which disrupted foreign trade payments, especially for oil and gas. The Indonesian rupiah and the South African rand depreciated by 0.94, and 2.07 per cent, respectively. The fall in the rupiah was attributed to higher inflation expectations for November 2024, while the rand fell following government's wider budget deficits and anticipated higher debt over the next three years.

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



Source: *Reuters*

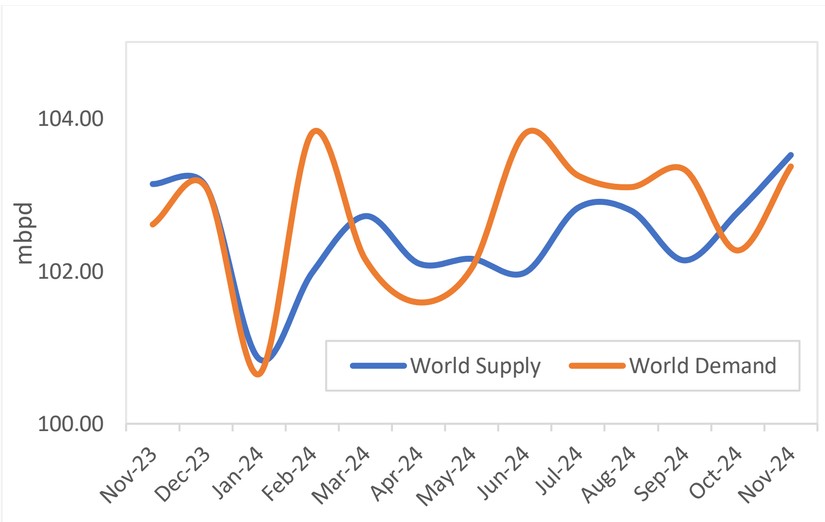
1.4 Global Commodity Market

Global Crude Oil Supply and Demand

World crude oil supply rose slightly in November 2024, driven, majorly, by increased non-OPEC output. Global crude oil supply, including natural gas liquids (NGLs) rose by 0.73 per cent to 103.52 million barrels per day (mbpd) in November 2024, from 102.77 mbpd in the preceding month. Non-OPEC crude supply rose by 1.05 per cent to 71.54 mbpd in November 2024, from 70.80 mbpd in the previous month due, primarily, to increased production in the US, Canada, and Mexico. OPEC crude supply increased marginally by 0.03 per cent to 31.98 mbpd in the preceding month, owing to improved production in Nigeria, Iran, and Libya.

Global crude oil demand, including natural gas liquids (NGLs) rose by 1.08 per cent to 103.37 mbpd in November 2024, from 102.27 mbpd in the preceding month. The development was driven by improved economic activities in non-OECD countries, particularly in Asian countries.

Figure 7: Global Crude Supply and Demand



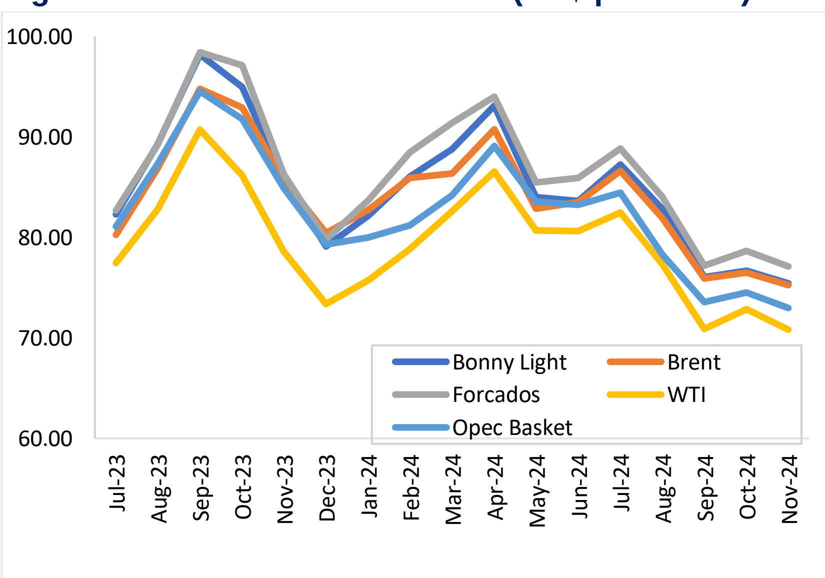
Source: *Energy Information Administration*

Crude Oil Prices

Global crude oil prices fell in November 2024 due, primarily, to the prospects of de-escalating geopolitical tensions in the Middle East and weak demand. The average spot price of Nigeria's reference crude oil, the Bonny Light, declined by 1.63 per cent to US$75.44 per barrel (pb) in November 2024, compared with US$76.69 pb in the preceding month.

Similarly, the prices of other crude benchmarks trended downwards, with prices falling to US$75.26 pb for Brent; Forcados to (US$77.12 pb); WTI to (US$70.83 pb); and the OPEC Reference Basket to (US$72.98 pb), from US$76.51 pb, US$78.65 pb, US$72.84 pb, and US$74.50 pb, respectively, in the preceding month.

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



Source: *Refinitiv Eikon (Thomson Reuters)*

Other Mineral Commodities

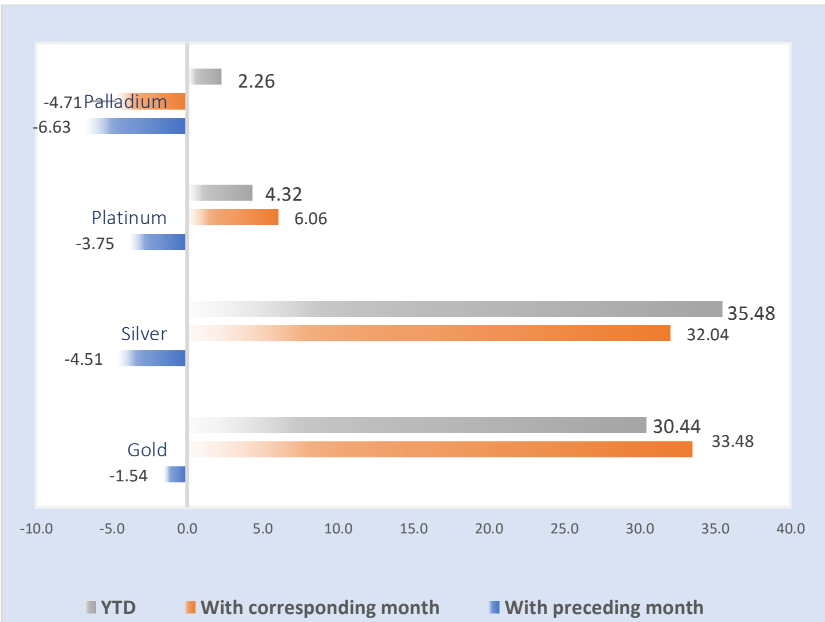
Prices of precious metals declined in November 2024, driven by a decrease in global industrial activity, especially in OECD countries. The average spot prices of gold and silver fell by 1.54 and 4.50 per cent, respectively, to US$2,649.80 and US$31.02 per ounce, from

US$2,691.37 and US$32.48 per ounce in the preceding month.

Similarly, the average spot prices of platinum and palladium decreased by 3.75 and 6.63 per cent, respectively, to US$959.73 and US$1,001.06 per ounce, from US$997.15 and US$1,072.14 per ounce in the preceding month.

The decline in the price of gold was, primarily, attributed to a stronger US dollar which in turn had a knock-on effect on silver, platinum, and palladium prices. The development was further exacerbated by weaker overall demand for industrial metals.

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



Source: *Refinitiv Eikon (Thomson Reuters)*

Global prices of selected agricultural commodities rose in November 2024 due, majorly, to supply-chain challenges and rising agro-related input costs**.** The all-commodity price index rose by 2.83 per cent, to 151.31 points, from 147.14 points in the preceding month. The increase was driven by a rise in the prices of cocoa (18.54%), palm oil (8.48%) and coffee (1.94%). The surge in prices was influenced by a decrease in supply, following weather-related challenges in key producing areas, amidst rising demand. However, the prices of wheat (7.00%), rubber, (3.88%), cotton (2.33%), groundnut (2.11%) and soya bean (1.46%) declined on account of improved 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	Nov. 2023	Oct. 2024	Nov. 2024	% Change	
				(1) & (3)	(2) & (3)
	1	2	3	4	5
All Commodities	***124.14***	***147.14***	***151.31***	***21.89***	***2.83***
Cocoa	*114.26*	*188.93*	*223.95*	*96.01*	*18.54*
Cotton	*116.87*	*107.83*	*105.32*	*-9.88*	*-2.33*
Coffee	*174.99*	*316.51*	*322.65*	*84.38*	*1.94*
Wheat	*140.94*	*135.62*	*126.12*	*-10.51*	*-7.00*
Rubber	*48.73*	*66.18*	*63.61*	*30.54*	*-3.88*
Groundnut	*170.47*	*130.97*	*128.21*	*-24.79*	*-2.11*
Palm Oil	*99.95*	*129.65*	*140.64*	*40.71*	*8.48*
Soya Beans	*126.88*	*101.43*	*99.95*	*-21.23*	*-1.46*

Sources: *World Bank Pink Sheet*

2.0 DOMESTIC ECONOMIC DEVELOPMENTS

2.1 REAL SECTOR DEVELOPMENTS

Summary

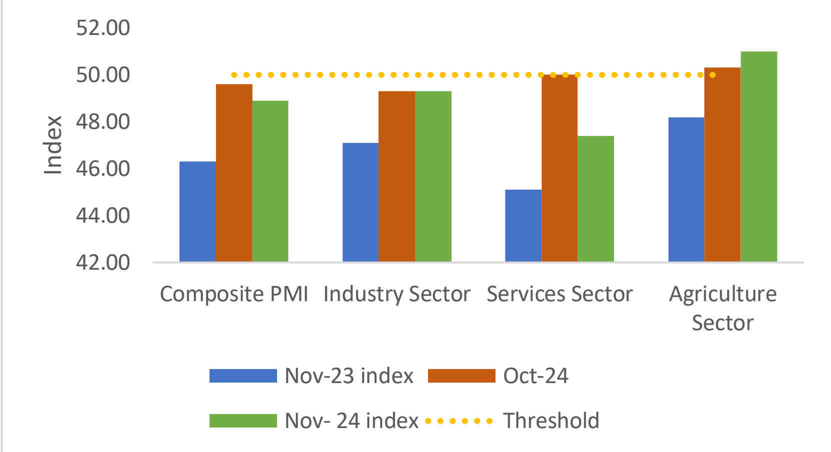
Business activity in November 2024 slowed due to weaker performance in the industry and services sectors following persisting inflation pressures. The continued rise in inflation reflected the sustained effects of elevated energy costs and exchange rate pass through. Domestic crude oil production rose in November 2024, driven by enhanced anti-theft efforts and the revival of dormant fields through increased investments.

2.1.1 Economic Conditions

Purchasing Managers Index

Business activity slowed for the second consecutive month due, primarily, to persisting inflation pressures, as reflected in the contraction of the purchasing managers' index (PMI). Increasing input costs and output prices led to declining output and consumer demand, respectively. Consequently, new orders, employment levels, and business activity fell, leading to a further contraction in the composite purchasing managers' index (PMI) to 48.90 index points from 49.60 index points in October 2024.

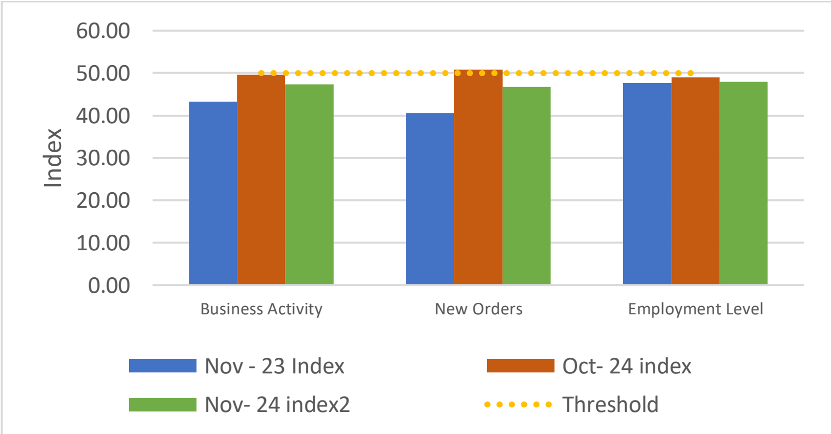
Figure 10: Composite, Industry, Services and Agriculture PMI



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

Further analysis revealed that services sector activities weakened in November 2024, as the PMI contracted to 47.40 index points from 50.00 index points in October 2024. The development was attributed to a decline in new orders following a fall in consumer demand, especially in the education services sector.

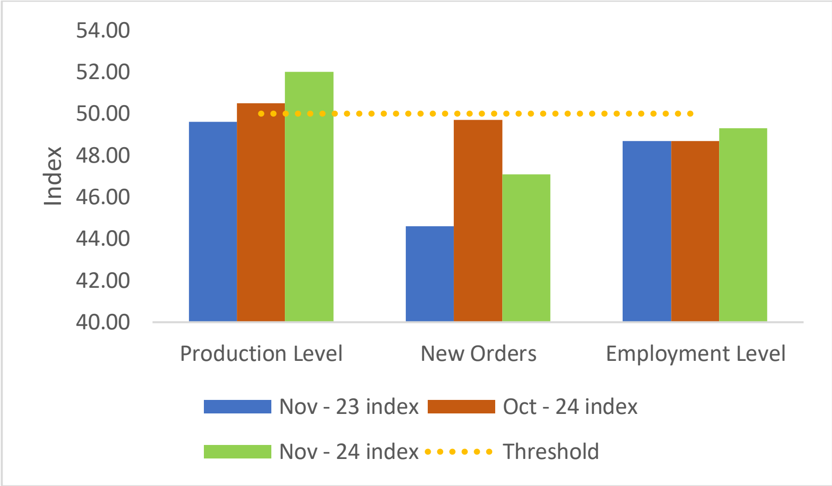
Figure 11: Services Sector PMI



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

The industry sector PMI remained unchanged at 49.30 index points as in the preceding period, due to lull in new orders and high input costs.

Figure 12: Industry Sector PMI



Source: *Central Bank of Nigeria*

The Agriculture PMI expanded further to 51.00 index points from 50.30 index points in the previous month. The development was attributed, largely, to increases in new orders, employment levels, and output as the harvest of food crops continued in the period.

Figure 13: Agriculture Sector PMI

Source: *Central Bank of Nigeria*

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

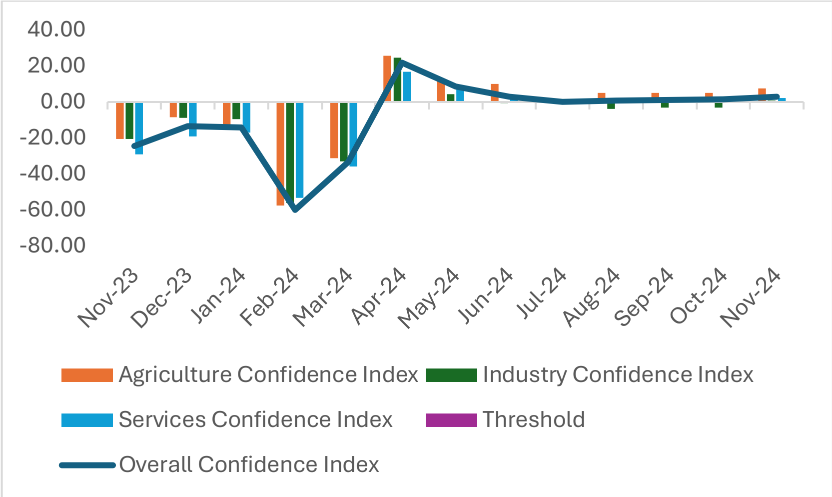
Components	Oct- 24	Nov–24
Composite PMI	**49.60**	**48.90**
Output	50.50	49.60
New Orders	49.70	48.10
Employment Level	48.70	49.00
Raw Material Inventory	49.20	48.80
Supplier Delivery Time	47.10	49.10
Industry Sector PMI	**49.30**	**49.30**
Production Level	50.50	52.00
New Orders	49.70	47.10
Supplier Delivery Time	48.70	49.10
Employment Level	49.20	49.30
Raw Material Inventory	47.10	49.10
Services Sector PMI	**50.00**	**47.40**
Business Activity	49.60	47.40
New Orders	50.80	46.80
Employment Level	49.00	48.00
Inventory	50.70	47.60
Agricultural Sector PMI	**50.30**	**50.30**
New Orders	53.20	51.20
Employment Level	49.50	50.60
Inventories	50.40	51.00
Output	53.20	51.40

Source: Central Bank of Nigeria

Business Confidence Index

The Business confidence index (BCI) showed an optimistic outlook despite slow business performance in the review period. The BCI improved to 3.10 index points compared with 1.40 index points in the preceding month. The sectoral indices of agriculture, services, and industry also showed an optimistic outlook at 7.70, 2.10, and 0.80 index points, respectively, compared to the levels in the preceding period. The development was on account of the increase in average capacity utilisation in most sectors of the economy.

Figure 14: Business Confidence Index



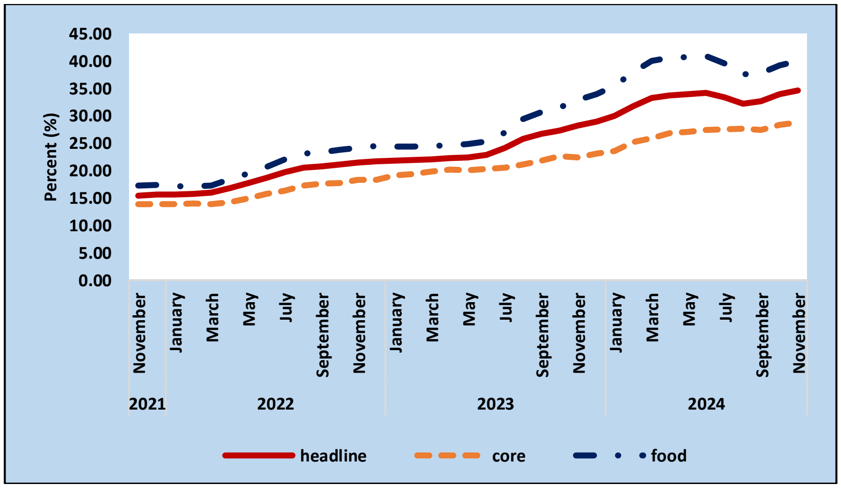
Source: *Central Bank of Nigeria*

2.1.2 Inflation

Headline Inflation

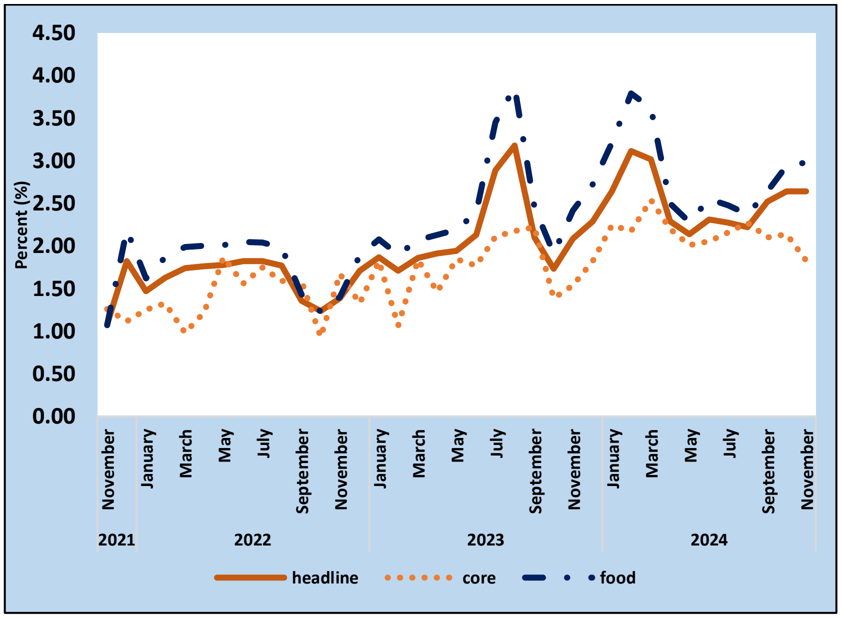
Headline inflation continued to increase owing to rises in both food and non-food components of the CPI basket. Headline inflation (year-on-year) rose to 34.60 per cent from 33.88 per cent in the preceding month. The increase was on account of elevated energy and import costs. On a month-on-month basis, inflation stood at 2.64 per cent, same as in October 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)



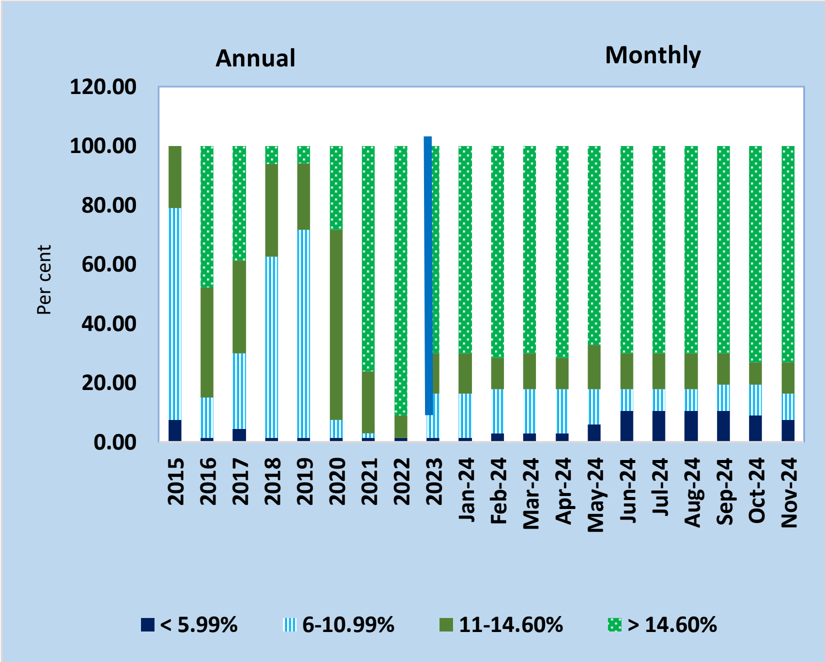
Source: *Staff compilation based on National Bureau of Statistics data*

Inflation Pervasiveness

Inflation remained widespread across the components of the CPI basket during the review period, as statistical evidence showed that it was as pervasive in November 2024 as 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[1])

[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.

Figure 17: Inflation Pervasiveness[2]



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

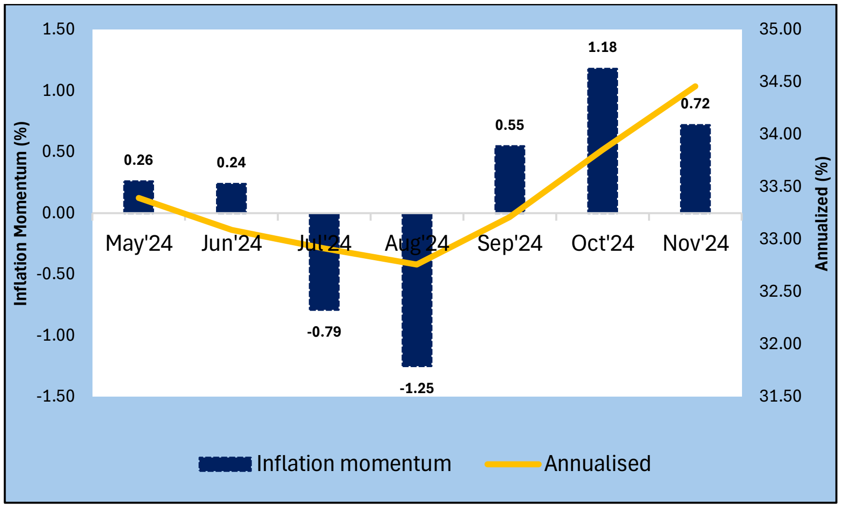
Inflation Momentum

Although inflation remained elevated at 34.60 per cent in November 2024, the rate of increase slowed, after a two consecutive month rise. The pace of inflation declined to 0.72 percentage point, compared with 1.18 percentage points in the preceding month.

---

[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*

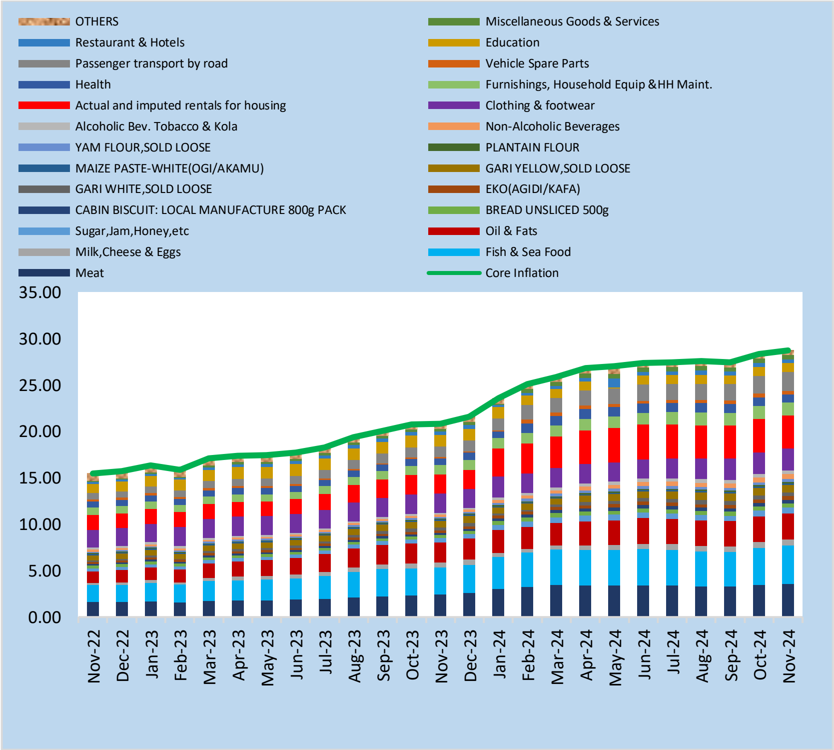
Measures of underlying Inflation

Core inflation (excluding farm produce and energy) inched up in the month under review to 28.75 per cent, from 28.37 per cent in the preceding month. The rise was due, majorly, to higher import costs and expectations of further price increases. On a month-on-month basis, core inflation, however, moderated to 1.83 per cent from 2.14 per cent in the preceding month. The decline was supported by the sustained monetary tightening by the Bank.

A disaggregated analysis of the drivers of core inflation revealed that fish & seafood at 4.16 percentage points (pp); meat (3.57pp); actual & input rentals for housing (3.55pp); oil & fats (2.83pp); and clothing & footwear (2.35pp), 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

Although 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.[4] The core measure of underlying inflation was 7.04 and 6.99 percentage points higher than the trimmed mean and median measures, indicating that more items remained volatile, hence were excluded from the trimmed measures of underlying

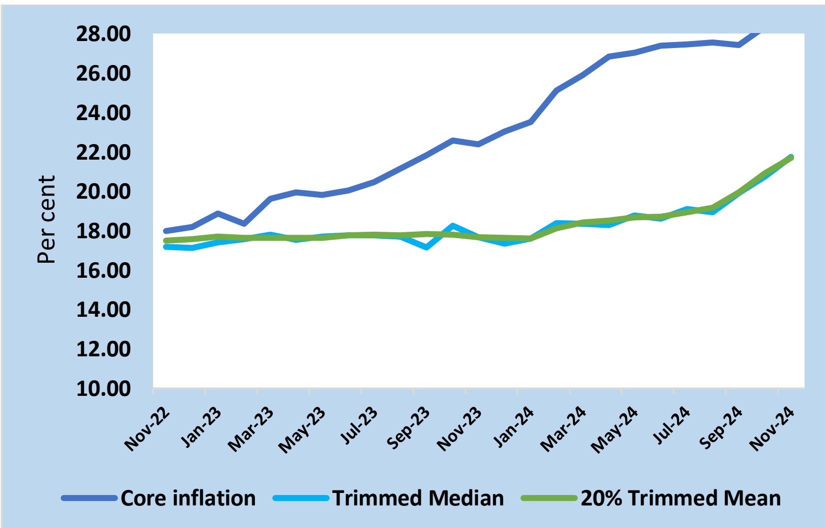
[4] **Core inflation**: measure of underlying inflation defined as headline less farm produce less energy prices.

Trimmed Mean: measure of underlying inflation derived using the average rate of inflation after trimming away a certain percentage of the distribution of price changes outliers at both ends of that distribution**. In our case we trim 20 per cent (14 items from the 67 items that makes up the inflation basket).**

Trimmed Median: measure of underlying inflation derived by obtaining median values from inflation of CPI components. **In our case we trim 20 per cent (14 items from the 67 items that makes up the inflation basket).**

inflation. Thus, fish which rose by 38.38 per cent; oils & fats (38.97%); tobacco (39.97%); passenger transport by road (40.87%); bread & cereals (43.61%); gas (43.78%); and potatoes, yam & other tubers (43.91%); were excluded from the upper band. While telephone & telefax services at 1.03 per cent; telephone & telefax equipment (1.51%); motorcycles (4.23%); motor cars (5.24%); musical instrument (5.06%); passenger transport by sea & inland waterway (6.02%); and water supply (6.50%) were excluded from the lower band.

Figure 20: Measures of Underlying Inflation

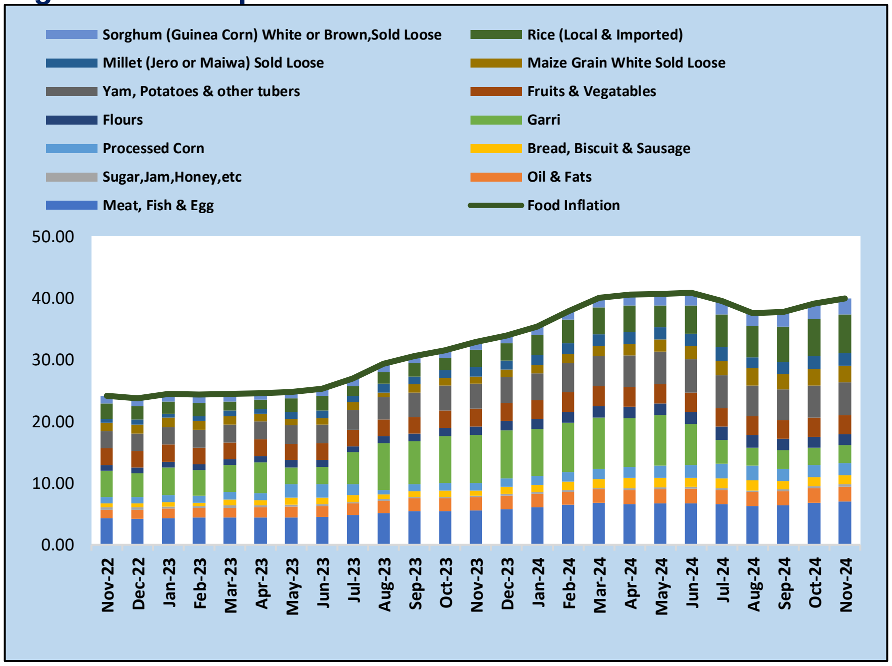


Source: *Staff compilation based on National Bureau of Statistics data*

Food Inflation

Food inflation rose to 39.93 per cent (year-on-year) in November 2024, from 39.16 per cent in the preceding month, as elevated energy cost led to increased transport and logistics costs. The continued rise in the cost of farm inputs also contributed to food inflation. On a month-on-month basis, food inflation rose to 2.98 per cent from 2.94 per cent in the preceding month.

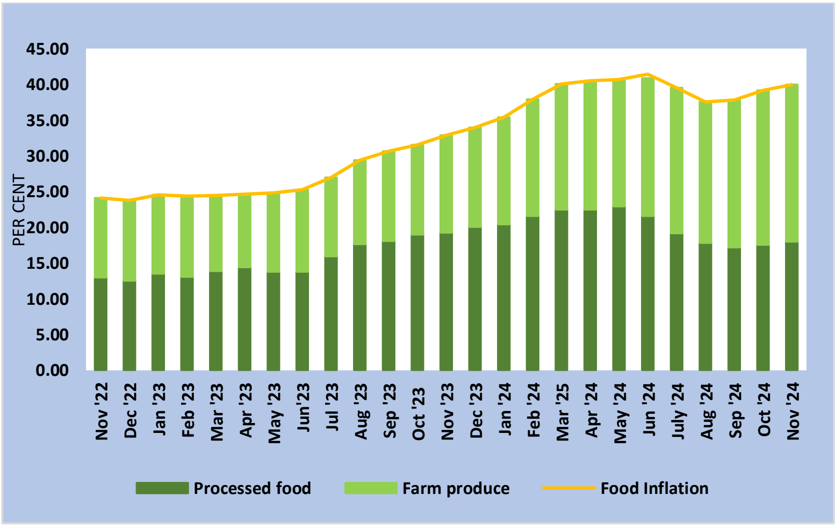
Figure 21: Component Drivers of Food Inflation



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

The key contributors to food inflation in November 2024 were meat, fish & egg at 7.06 pp; rice (6.33 pp); yam, potatoes & other tubers (5.29 pp); fruits & vegetables (3.12 pp); and garri (2.84 pp).

Figure 22: Contribution of Processed Food and Farm Produce to Food Inflation



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

Although the processed and farm produce components of the food inflation increased during the period under review. The farm produce component contributed 21.98 percentage points to the total food inflation in November 2024, owing to persisting supply challenges. The processed food component contributed 17.94 percentage points to food inflation due to rising prices of meat, fish, sea food and eggs.

2.1.3 Domestic Crude Oil Market Developments

Crude Oil Production and Export

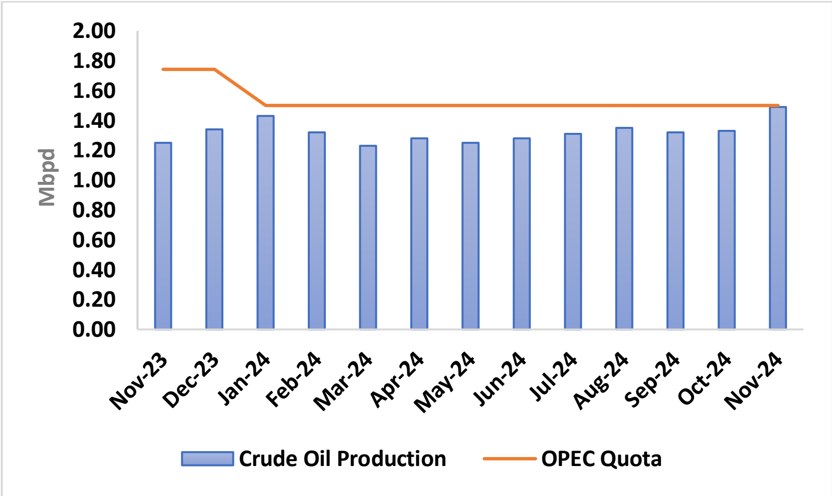
Domestic crude oil production experienced a rise in November 2024, driven by enhanced anti-theft efforts and the revival of dormant fields through increased investments. Nigeria's crude oil production, excluding condensates rose to 1.49 mbpd in November 2024, from 1.33 mbpd in October 2024, representing an increase of 12.03 per cent.

The increase was attributed, primarily to intensified anti-theft operations, including intelligence-driven patrols, which significantly reduced disruptions to major pipelines and curtailed oil theft.

Total production, including blended and unblended condensates increased to 1.69 mbpd in November 2024, from 1.54 mbpd in October 2024. Blended condensates contributed 0.05 mbpd, while unblended condensates accounted for 0.16 mbpd.

Additionally, Nigeria achieved 98.00 per cent of its OPEC quota of 1.50 mbpd in November 2024, falling short by only 0.01 mbpd.

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



Source: *Nigerian Upstream Petroleum Regulatory Commission*

Box Information 1:
Prices of Selected Domestic Agricultural Commodities in November 2024

Prices of selected domestic agricultural commodities maintained an upward trend in November 2024 due, largely, to rising energy and transportation costs. Notable increases ranged from 0.99 per cent for yam tubers to 7.32 per cent for agric. egg. However, the price of tomato decreased by 2.69 per cent on account of increase in supply of the product.

		Nov. 2023/a	Oct. 2024/a	Nov. 2024/b	% Change	% Change
	UNIT	1	2	3	(1) & (3)	(2) & (3)
Agric eggs medium size	*1kg*	*1202.18*	*2671.60*	*2867.15*	*138.50*	*7.32*
Beans: brown, sold loose	*"*	*838.85*	*2798.50*	*2929.55*	*249.23*	*4.68*
Beans: white, black eye, sold loose	*"*	*800.49*	*2603.32*	*2715.14*	*239.19*	*4.30*
Gari white, sold loose	*"*	*548.95*	*1198.05*	*1238.37*	*125.59*	*3.37*
Gari yellow, sold loose	*"*	*581.09*	*1266.31*	*1321.43*	*127.41*	*4.35*
Groundnut oil: 1 bottle, specify bottle	*"*	*1738.96*	*2928.92*	*3034.07*	*74.48*	*3.59*
Irish potato	*"*	*872.63*	*1733.48*	*1765.20*	*102.29*	*1.83*
Maize grain white, sold loose	*"*	*557.33*	*1080.44*	*1110.48*	*99.25*	*2.78*
Maize grain yellow, sold loose	*"*	*559.18*	*1080.91*	*1105.00*	*97.61*	*2.23*
Onion bulb	*"*	*683.78*	*1251.52*	*1270.46*	*85.80*	*1.51*
Palm oil: 1 bottle, specify bottle	*"*	*1370.16*	*2146.99*	*2298.33*	*67.74*	*7.05*
Rice agric, sold loose	*"*	*916.69*	*2023.68*	*2099.43*	*129.02*	*3.74*
Rice local, sold loose	*"*	*867.18*	*1944.64*	*2011.32*	*131.94*	*3.43*
Rice, medium grained	*"*	*936.25*	*2068.20*	*2141.34*	*128.72*	*3.54*
Rice, imported high quality, sold loose	*"*	*1137.40*	*2471.28*	*2544.44*	*123.71*	*2.96*
Sweet potato	*"*	*490.80*	*898.53*	*921.43*	*87.74*	*2.55*
Tomato	*"*	*758.65*	*1465.99*	*1426.55*	*88.04*	*-2.69*
Vegetable oil: 1 bottle, specify bottle	*"*	*1610.18*	*2719.16*	*2793.96*	*73.52*	*2.75*
Wheat flour: pre-packaged (Golden Penny)	*2kg*	*1884.62*	*3747.87*	*3864.75*	*105.07*	*3.12*
Yam tuber	*1kg*	*772.72*	*1705.58*	*1722.48*	*122.91*	*0.99*

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

2.2 FISCAL SECTOR DEVELOPMENTS

Summary

Provisional data showed that fiscal operations improved in November 2024, on account of higher collections from oil and non-oil revenue sources. Federally collected revenue rose by 21.23 per cent relative to the level in October 2024, but was 19.65 per cent below the monthly target. Similarly, FGN retained revenue rose by 7.08 per cent above the level in the preceding month, but was 49.92 per cent short of the monthly target. FGN aggregate expenditure declined by 5.80 and 28.03 per cent, relative to the preceding month and the monthly target, respectively. Fiscal deficit narrowed by 15.00 per cent, compared with the level in the preceding month, but was 18.72 per cent above the target.

2.2.1 Federation Account Operations

Drivers of Federation Revenue

Gross Federation Account earnings rose, following higher receipts from oil and non-oil revenue. At ₦2.41 trillion, provisional gross federation account receipt was 21.23 per cent above the level in the preceding month, but was 19.65 per cent short of the target. The improvement was attributed, largely, to higher collections from petroleum profit tax (PPT), royalties, company income tax (CIT) upstream, customs & excise duties and corporate tax.[5] The composition of gross federation revenue showed that non-

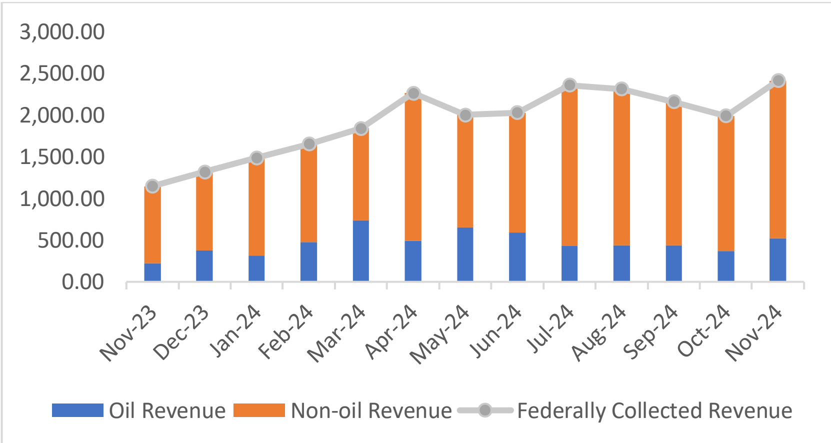
[5] Corporate tax is composed of company income tax, withholding tax and capital gain tax.

oil revenue remained dominant, accounting for 78.34 per cent, while oil revenue constituted the balance.

Oil revenue increased by 42.63 per cent to ₦0.52 trillion from its level in October 2024, on account of higher collections from petroleum profit tax (PPT), royalties, company income tax (CIT) upstream. It however, fell short of the target by 70.46 per cent.

Similarly, non-oil revenue, at ₦1.90 trillion rose by 16.40 and 53.19 per cent relative to the levels in the preceding month and the monthly target, respectively. The rise was due to higher receipts from corporate tax and customs & excise duties.

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)

	Nov-23	Oct-24 /1	Nov-24 /1	*Budget
Federally Collected Revenue	***1,146.20***	***1,988.47***	***2,410.63***	***3,000.01***
Oil	***222.25***	***366.03***	***522.08***	***1,767.19***
Crude Oil & Gas Exports	*18.18*	*23.57*	*18.84*	*122.03*
PPT	*38.50*	*81.23*	*125.35*	*885.31*
Royalties	*156.45*	*207.62*	*273.67*	*535.30*
Domestic Crude Oil/Gas Sales	*0.00*	*0.00*	*0.00*	*8.75*
Others	*9.12*	*53.61*	*104.23*	*215.80*
Non-oil	***923.95***	***1,622.44***	***1,888.55***	***1,232.82***
Corporate Tax	*227.33*	*394.90*	*480.45*	*271.40*
Customs & Excise Duties	*210.51*	*282.80*	*334.21*	*239.07*
Value-Added Tax (VAT)	*347.34*	*583.68*	*668.29*	*329.51*
Independent Revenue of Fed. Govt.	*119.63*	*338.92*	*384.85*	*224.40*
*Others***	*19.13*	*22.14*	*20.75*	*168.44*
Total Deductions/Transfers	***517.68***	***1,320.23***	***1,682.00***	***705.17***
Federally Collected Revenue Less Deductions & Transfers*	***628.52***	***668.24***	***728.63***	***2,294.84***
plus:				
Additional Revenue	***278.44***	***630.63***	***683.11***	***14.52***
Excess Crude Revenue	*0.00*	*0.00*	*0.00*	*0.00*
Non-oil Excess Revenue/ EMTL	*75.55*	*168.44*	*117.11*	*14.52*
Exchange Gain	*202.89*	*462.19*	*566.00*	*0.00*
Total Distributed Balance	***906.96***	***1,298.87***	***1,411.74***	***2,309.36***
Federal Government	***323.35***	***424.87***	***433.02***	***1,096.02***
Statutory	*274.84*	*343.34*	*339.67*	*1,050.23*
VAT	*48.52*	*81.53*	*93.35*	*45.79*
State Government	***307.72***	***450.96***	***490.70***	***474.85***
Statutory	*145.99*	*179.20*	*179.54*	*322.22*
VAT	*161.72*	*271.76*	*311.16*	*152.63*
13% Derivation	***50.67***	***90.42***	***132.40***	***216.74***
Local Government	***225.21***	***332.62***	***355.62***	***521.75***
Statutory	*112.00*	*142.40*	*137.81*	*414.91*
VAT	*113.21*	*190.22*	*217.81*	*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 ₦2.41 trillion, a net balance of ₦1.41 trillion was distributed to the three tiers of government after accounting for additional revenue, statutory deductions and transfers. The federal, state, and local governments received ₦0.43 trillion, ₦0.49 trillion and ₦0.36 trillion, respectively, while the balance of ₦0.13 trillion was allocated to the 13% Derivation Fund for oil-producing states. Net disbursement was 8.69 per cent above the level in the preceding month, but was 38.87 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 VAT pool and exchange gain. At ₦0.82 trillion, provisional FGN retained revenue was 7.08 per cent above the level in the previous month but 49.92 per cent short of the target.

Table 7: FGN Retained Revenue (₦ Billion)

	Nov-23	Oct-24 /1	Nov-24 /1	*Budget
FGN Retained Revenue	**448.97**	**763.79**	**817.87**	**1,633.21**
Federation Account	164.96	43.04	24.88	1,048.05
VAT Pool Account	45.28	81.53	93.35	45.79
FGN Independent Revenue	119.63	338.92	384.85	224.40
Excess Oil Revenue	0.00	0.00	0.00	0.00
Excess non-oil/EMTL	2.18	81.79	55.24	2.18
Exchange Gain	93.32	218.51	259.55	0.00
*Others***	23.60	0.00	0.00	312.79

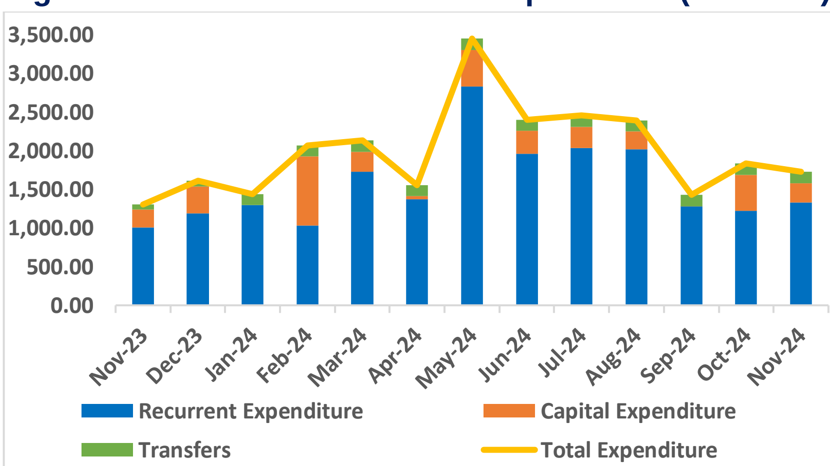
***Source**: Office of the Accountant General of the Federation*
/1 Provisional
** Budget is based on the 2024 Appropriation Act.*
*** Others include revenue from Special Accounts and Special Levies.*

Federal Government Expenditure

The provisional aggregate expenditure of the FGN declined, owing to lower capital spending. At ₦1.73 trillion, provisional aggregate expenditure in November 2024 was 5.80 per cent below the level in the preceding month, and 28.03 per cent short of the target. The fall in expenditure was attributed, largely, to the lower capital spending which dropped by 46.01 and 69.78 per cent relative to the levels in preceding month and the monthly target, respectively.

Further analysis of total expenditure showed that recurrent accounted for 77.00 per cent, while capital and transfer payments contributed 14.58 and 8.42 per cent, respectively.

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 narrowed in November 2024. Provisional data showed that overall deficit contracted by 15.00 per cent relative to the preceding month but was 18.72 per cent above the target. The contraction reflected lower capital spending due, largely, to delay in capital releases.

Table 8: Fiscal Balance (₦ Billion)

	Nov-23	Oct-24 /1	Nov-24 /1	Budget
Retained revenue	448.97	763.79	817.87	1,633.21
Aggregate expenditure	1,304.20	1,832.23	1,726.00	2,398.12
Recurrent	1,005.53	1,220.78	1,329.04	1,419.96
Non-debt	400.80	526.78	528.26	730.71
Debt Service	586.35	685.16	792.59	689.25
Capital	230.58	466.22	251.72	832.93
Transfers	68.10	145.23	145.23	145.23
Primary balance	**-268.88**	**-383.29**	**-115.54**	**-75.66**
Overall balance	**-855.23**	**-1,068.45**	**-908.13**	**-764.91**

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

2.3 MONETARY AND FINANCIAL DEVELOPMENTS

Summary

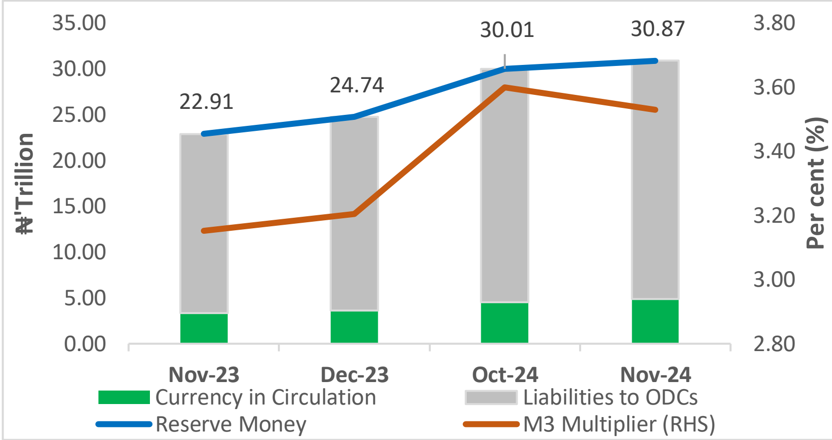
The Bank maintained its regulatory oversight to sustain the resilience, safety, and soundness of the financial sector in November 2024. Monetary aggregates grew during the month driven by currency depreciation. The expansion in broad money supply reflected the growths in both net foreign assets and net domestic assets. With improved liquidity in the banking system, short-term interest rates declined in the money market. In the capital market, the observed bearish performance was driven by the tight monetary policy stance, bargain-hunting, and profit-taking behaviour of investors across various market segments.

2.3.1 Monetary Developments

Reserve Money

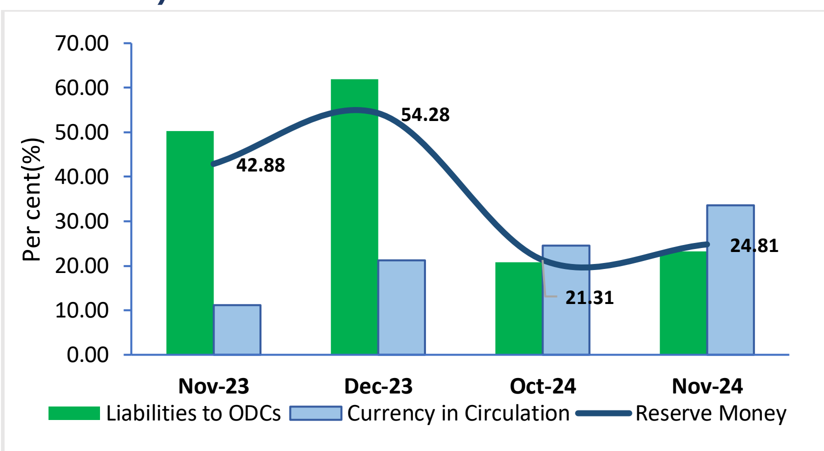
Provisional data indicated an increase in reserve money increased in the review period, reflecting the increases in currency in circulation (CIC) and liabilities to other depository corporations (ODCs). Relative to the level at end-December 2023, reserve money grew by 24.81 per cent to ₦30.87 trillion, exceeding the 2024 benchmark by 9.20 per cent. The growth in reserve money was on account of the 33.53 and 23.30 per cent increases in CIC and liabilities to ODCs to ₦4.88 trillion and ₦25.99 trillion, respectively.

Figure 26: Developments in Reserve Money and Money Multiplier



Source: *Central Bank of Nigeria*

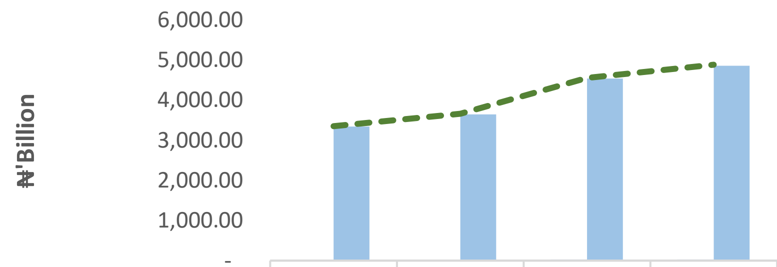
Figure 27: Growth in Reserve Money (over Preceding December)



Source: *Central Bank of Nigeria*

The value of notes and coins, which constituted the largest component of CIC, rose by 7.26 per cent to ₦4.86 trillion, compared with the level at end-October 2024. Similarly, the eNaira component increased by 30.97 per cent to ₦0.18 trillion, from the level at end-December 2023, but remained unchanged as in the preceding period.

Figure 28: Composition of Currency-in-Circulation



	Nov-23	Dec- 23	Oct-24	Nov-24
eNaira	12.53	13.98	18.31	18.31
Notes and Coins	3,335.19	3,639.32	4,530.90	4,859.81
Currency in Circulation	3,347.72	3,653.30	4,549.22	4,878.13

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

Analysis of broad money (M3) indicated a 37.49 per cent expansion to ₦108.97 trillion relative to the level in preceding December, as broad money multiplier rose to 3.53 in November 2024 from 3.20 at end-December 2023,

Broad Money Supply

On the asset side, M3 growth was attributed to the increases in both net foreign assets (NFA) and net domestic assets (NDA). NFA increased by 85.76 per cent to ₦17.35 trillion, contributing 10.11 percentage points to the overall growth in M3, due, largely, to the revaluation effect that followed the depreciation of the naira.

Similarly, NDA grew by 31.05 per cent to ₦91.62 trillion and contributed 27.39 percentage points to the growth in M3. The growth in NDA was driven by net claims on central government and claims on other sectors. Net claims on central government increased by 18.09 per cent, contributing 7.66 percentage points to the growth in M3, while claims on other sectors grew by 21.46 per cent and contributed 16.94 percentage points to the growth in M3.

Claims on private sector witnessed the most significant increase, growing by 32.92 per cent and contributing 17.18 percentage points to M3 growth. Also, claims on public non-financial corporations grew by 17.63 per cent, contributing 0.71 percentage points to overall money supply growth.

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

Monetary Aggregates	Nov-23	Dec-23	Nov-24	Annualised growth (Nov-24)	Contribution to M3 Growth (Nov-24)
Net Foreign Assets	**201.00**	**142.99**	**85.76**	**93.56**	**10.11**
Claims on Non-residents	87.57	113.87	92.70	101.13	58.10
Liabilities to Non-residents	65.08	108.09	94.30	102.87	47.99
Net Domestic Assets	**25.43**	**44.62**	**31.05**	**33.87**	**27.39**
Domestic Claims	**29.27**	**45.31**	**20.28**	**22.12**	**24.59**
Net Claims on Central Government	**8.88**	**41.61**	**18.09**	**19.73**	**7.66**
Claims on Central Government	34.20	63.3	35.80	39.05	25.30
Liabilities to Central Government	90.77	111.78	62.24	67.90	17.64
Claims on Other Sectors	**40.65**	**47.38**	**21.46**	**23.41**	**16.94**
Claims on Other Financial Corporations	46.03	47.76	-4.30	-4.69	-0.75
Claims on State and Local Government	11.89	18.52	-3.95	-4.31	-0.21
Claims on Public Nonfinancial Corporations	-1.76	-4.72	17.63	19.23	0.71
Claims on Private Sector	48.02	57.78	32.92	35.91	17.18
Total Monetary Assets (M_3)	**38.36**	**51.86**	**37.49**	**40.90**	**37.49**
Currency Outside Depository Corporations	19.90	33.67	35.49	38.72	1.54
Transferable Deposits	28.64	46.83	18.48	20.16	6.22
Narrow Money (M_1)	**27.56**	**45.20**	**20.42**	**22.28**	**7.76**
Other Deposits	45.14	56.88	49.20	53.67	30.24
Broad Money (M_2)	**38.10**	**52.2**	**38.20**	**41.67**	**38.00**
Securities Other than Shares	73.42	7.04	-95.30	-103.96	-0.51
Total Monetary Liabilities(M_3)	**38.36**	**51.86**	**37.49**	**40.90**	**37.49**

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

On the liability side, the expansion in money supply was driven by the effects of naira depreciation and higher interest rate on savings and time deposits, other deposits, currency outside depository corporations (CODCs), and transferable deposits. “Other deposits” rose by 49.50 per cent and contributed 30.24 percentage points to overall M3 growth. Also, CODCs grew by 35.49 per cent, contributing 1.54 percentage points to M3 growth. Furthermore, transferable deposits grew by 18.48 per cent, adding 6.22 percentage points to the expansion of M3. Securities other than shares, however, declined significantly by 95.30 per cent, reducing M3 growth by 0.51 percentage point.

2.3.2 Sectoral Credit Utilisation

Sectoral credit utilisation increased by 1.18 per cent to ₦59.04 trillion at end-November 2024, relative to the preceding month’s position of ₦58.35 trillion. The services sector at 53.94 per cent, received the largest share of the total credit. This was followed by the industrial sector (41.53%) per cent, and the agricultural sector (4.53%).

Table 10: Sectoral Credit Allocation

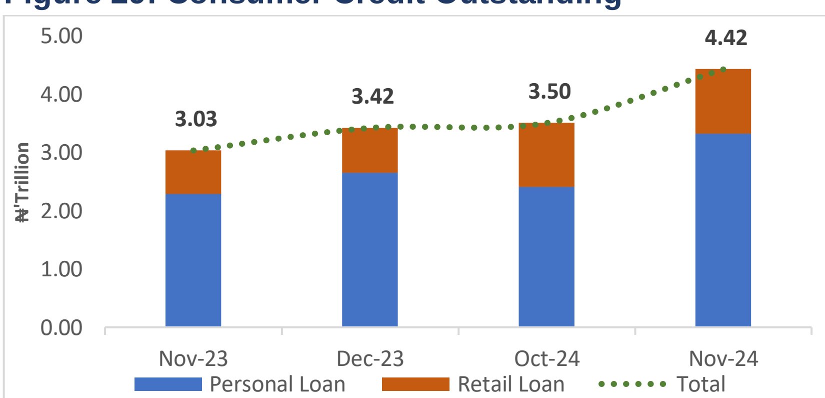
SECTORS	Allocation (₦ trillion)			Share in Total (%)			Growth (%)
	23-Nov	24-Oct	24-Nov	23-Nov	24-Oct	24-Nov	(3) & (2)
	-1	-2	-3	-4	-5	-6	
[a] Agriculture	2.11	2.41	2.67	5.06%	4.12%	4.53%	10.79%
[b] Industry	17.74	25.28	24.52	42.60%	43.31%	41.53%	-3.01%
of which Manufacturing	7.45	8.50	8.47	17.89%	14.56%	14.36%	-0.35%
[c] Services	21.80	30.68	31.84	52.34%	52.57%	53.94%	3.78%
of which:							
Finance, Insurance & Capital Market	4.03	7.49	7.50	9.68%	12.84%	12.70%	0.13%
Trade/General Commerce	3.46	4.01	4.07	8.30%	6.86%	6.89%	1.49%
TOTAL	41.65	58.35	59.04	100%	100%	100%	1.18%

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

Consumer Credit

Consumer credit outstanding increased significantly by 26.29 per cent to ₦4.42 trillion from the level in the preceding month, due, largely, to inflation expectations. Personal loans grew by 37.76 per cent to ₦3.32 trillion, from ₦2.41 trillion at end-October 2024. Similarly, retail loans increased by 1.83 per cent to ₦1.11 trillion from ₦1.09 trillion in the preceding month. Personal loans accounted for 74.95 per cent of total consumer credit, while retail loans constituted the balance.

Figure 29: Consumer Credit Outstanding



Source: *Central Bank of Nigeria*

2.3.3 Financial Developments

2.3.3.1 Money Market Developments

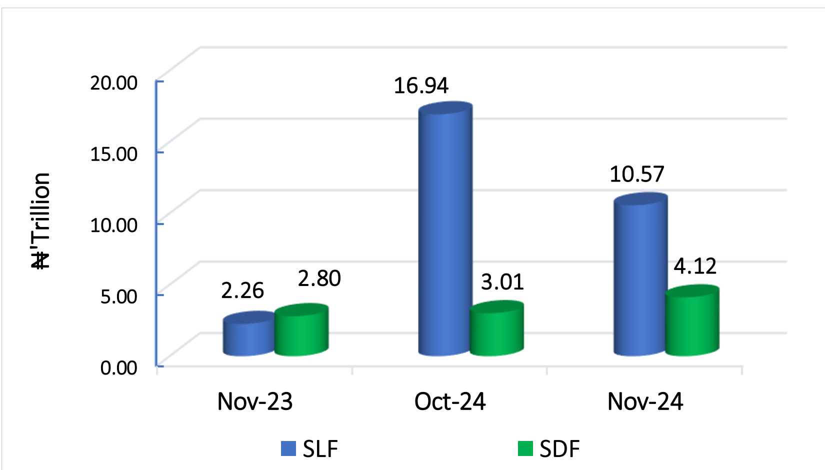
Industry Liquidity Condition

Average banking system liquidity increased in November 2024, relative to the level in the preceding month driven by injections into the banking system from FAAC disbursements, OMO repayments, cash reserves requirements (CRR) refunds and Nigerian Treasury Bills (NTBs) repayments. Provisional data showed that average net industry balance increased by 25.27 per cent to ₦0.14 trillion, from ₦0.11 trillion recorded in October 2024.

Discount Windows

Activities at the standing deposit facility (SDF) window increased while that of the standing lending facility (SLF) window recorded a decline. Total transactions at the SDF window recorded a 36.88 per cent increase to ₦4.12 trillion in November 2024, from ₦3.01 trillion in the preceding month. At the SLF window, the value of transactions decreased significantly by 37.60 per cent to ₦10.57 trillion from ₦16.94 trillion in the preceding month.

Figure 30: Transactions at the CBN Standing Facility Window

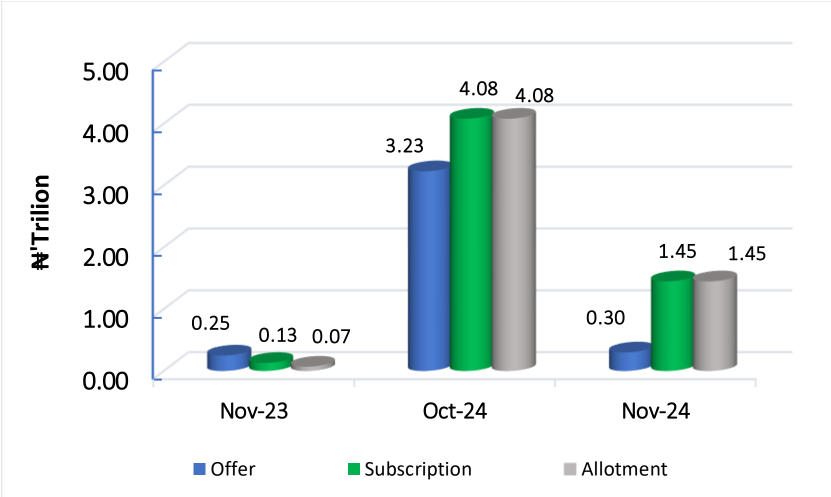


***Source**: Central Bank of Nigeria*

Open Market Operations

Analysis of the open market operations revealed that the total amount offered, subscribed, and allotted were ₦0.30, ₦1.45, and ₦1.45 trillion respectively, compared with ₦3.23 trillion, ₦4.08 trillion, and ₦4.08 trillion recorded in the preceding month. The stop rate was 24.28 (±0.00) per cent, relative to 24.85(±0.55) per cent in the preceding month.[6]

Figure 31: Open Market Operations



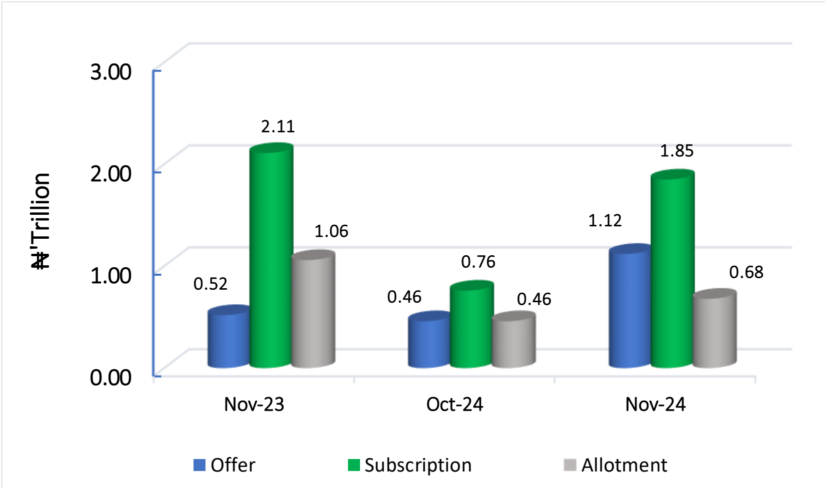
***Source**: Central Bank of Nigeria*

Government Securities

In the review period, the demand for short-tenored government securities rose, while that of long-tenored securities declined. Total NTBs (91-, 182- and 364-day maturities) offered, subscribed, and allotted in November 2024 amounted to ₦1.12 trillion, ₦1.85 trillion and ₦0.68 trillion respectively, relative to ₦0.46 trillion, ₦0.76 trillion, and ₦0.46 trillion, in the preceding month. The stop rate at the November 2024 auction was 23.25(±0.25) per cent, relative to 18.83 (±1.83) per cent, in the preceding month.

[6] Note that the stop rate of 24.28% was for 364-day maturity, as there were no sales in the other tenors.

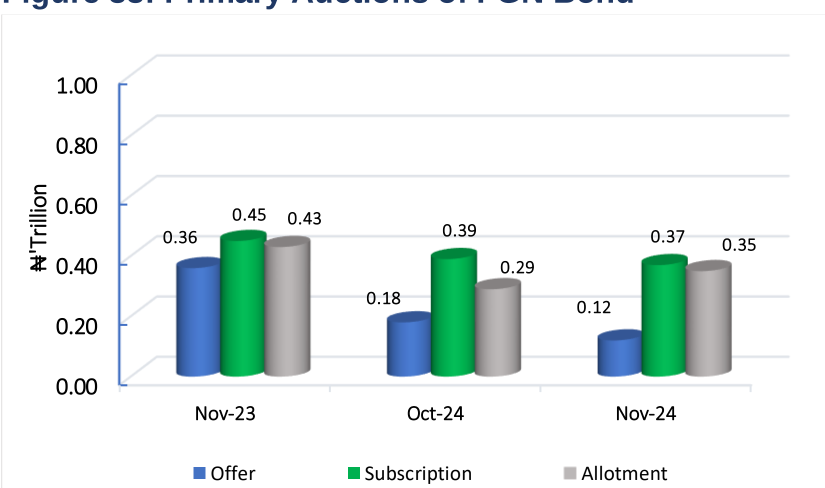
Figure 32: Primary Market NTBs



Source: *Central Bank of Nigeria*

The demand for longer-dated government securities decreased in November 2024. FGN bonds offering, subscription, and allotment were ₦0.12 trillion, ₦0.37 trillion, and ₦0.35 trillion respectively, relative to the preceding month's level of ₦0.18 trillion, ₦0.39 trillion, and ₦0.29 trillion respectively. Despite the rise in marginal rates to 21.50(±0.50) per cent in the review month's auction, relative to 21.25(±0.50) per cent in the preceding month, investors' demand moderated.

Figure 33: Primary Auctions of FGN Bond

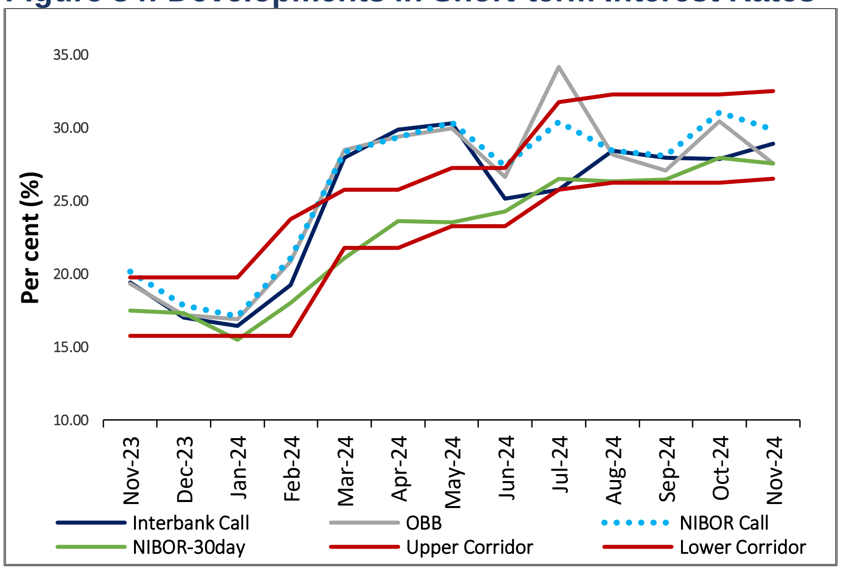


Source: *Central Bank of Nigeria*

Interest Rate Development

Key short-term interest rates fell but remained within the asymmetric corridor. The average open buy back (OBB) rate declined by 2.86 percentage points to 27.56 per cent in November 2024. At the Nigeria interbank offered rate (NIBOR) segment, the NIBOR-call and NIBOR-30-day rates fell to 29.88 and 27.56 per cent, respectively, from 31.04 and 27.93 per cent in the preceding month. The decline in key interest rates followed rising liquidity in the banking system, relative to the level in the preceding month. Conversely, the average interbank call rate rose to 28.88 per cent, relative to 27.83 per cent recorded in the preceding month.

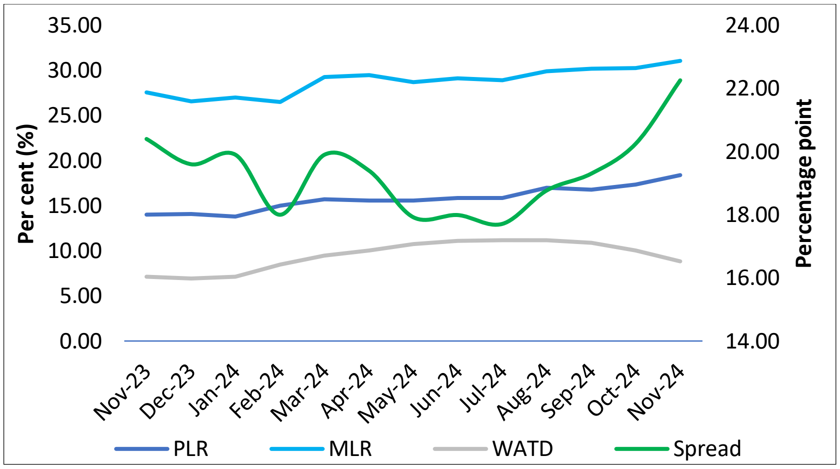
Figure 34: Developments in Short-term Interest Rates



Source: *Central Bank of Nigeria*

Lending rates showed an upward trend, as the prime and maximum lending rates increased by 1.04 and 0.79 percentage points to 18.39 and 31.06 per cent, respectively, in the review period. The weighted average term deposit rate declined by 1.22 percentage point to 8.80 per cent, resulting to a wider spread of 22.26 percentage points between the weighted average term deposit and maximum lending rates, relative to 20.25 percentage points spread in October 2024.

Figure 35: 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

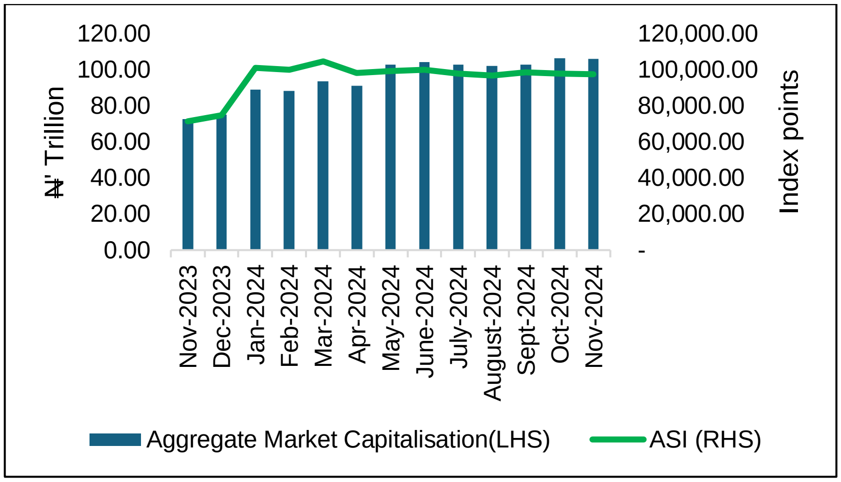
Market Capitalisation

The performance of the Nigerian capital market was bearish in November 2024, driven by the combined effect of higher policy rate, bargain-hunting, and profit-taking behaviour of investors across various market segments. The aggregate market capitalisation declined by 0.12 per cent to ₦106.03 trillion from ₦106.16 trillion at end-October 2024. A disaggregation of the aggregate market capitalisation, showed that the equities and debt components fell by 0.12 and 0.13 per cent to close at ₦59.11 trillion and ₦46.88 trillion, respectively, from ₦59.18 trillion and ₦46.94 trillion at end-October 2024, respectively. Similarly, the exchange traded fund (ETF) declined by 6.62 per cent to close at ₦28.63 billion, relative to ₦30.66 billion at end-October 2024. Further analysis indicated that the equities component upheld its dominance, accounting for 55.76 per cent of the aggregate market capitalisation, while the debt and ETF components constituted 44.22 and 0.02 per cent, respectively.

NGX All-Share Index

The NGX All-Share Index (ASI) fell by 0.15 per cent to 97,506.87 index points relative to 97,651.23 index points recorded at the end of the preceding month. The development underscored the investors' preference for fixed-income assets due to their attractive yield.

Figure 36: Aggregate Market Capitalisation and All-Share Index

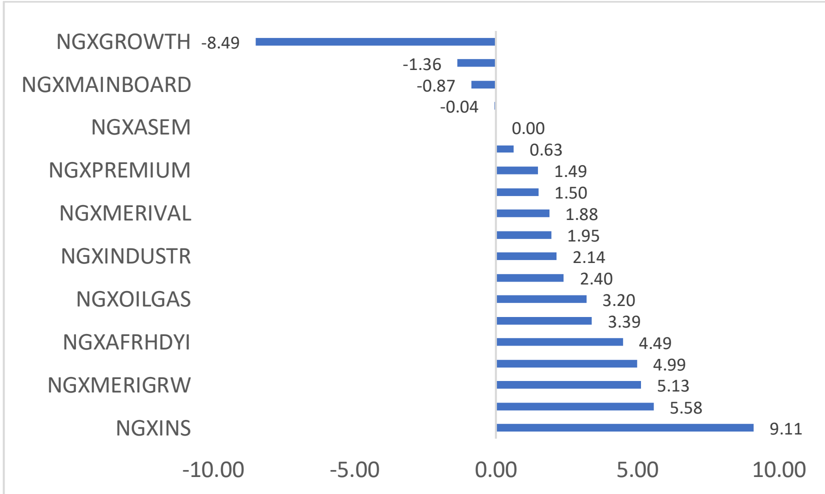


Source: *Nigerian Exchange (NGX) Limited*

Sectoral Indices

Although most of the sectoral indices in the equities market trended upwards there were declines in the NGX-MAINBOARD (0.87%), NGX-30 (0.04%), NGX-GROWTH (8.49%) and NGX-SOVBND (1.36%). The NGX-ASEM was unchanged from the outcome in the preceding month.

Figure 37: Month-on-Month Changes in Sectoral Indices (Per cent)



Source: *Nigerian Exchange (NGX) Limited*

Table 11: Nigerian Exchange (NGX) Limited Sectorial Indices

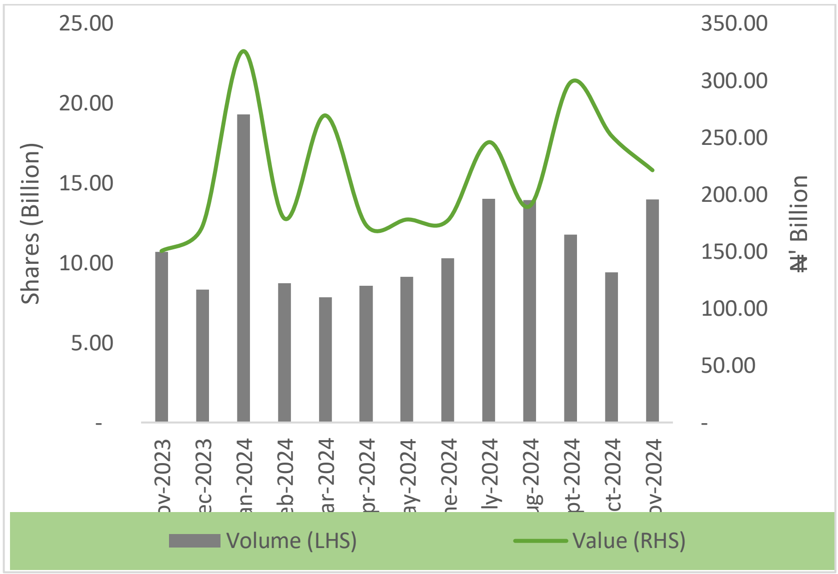
	October 2024	November 2024	Change (%)
NGX-INS	447.16	487.91	9.11
NGX-LOTUSISLM	5,819.64	6,144.14	5.58
NGX-MERIGRW	5,749.57	6,044.39	5.13
NGX-AFRBVI	2,249.40	2,361.71	4.99
NGX-AFRHDYI	14,291.35	14,933.04	4.49
NG-XBNK	989.65	1,023.22	3.39
NGX-OILGAS	2,307.45	2,381.31	3.20
NGX-CNSMRGDS	1,552.32	1,589.61	2.40
NGX-INDUSTR	3,452.35	3,526.38	2.14
NGX-CG	2,558.17	2,608.09	1.95
NGX-MERIVAL	9,362.44	9,538.84	1.88
NGX-PENSION	4,204.28	4,267.47	1.50
NGX-PREMIUM	9,028.00	9,162.86	1.49
NGX-PENBRD	1,729.92	1,740.89	0.63
NGX-ASEM	1,583.71	1,583.71	0.00
NGX-30	3,667.91	3,666.31	-0.04
NGX-MAINBOARD	4,781.16	4,739.66	-0.87
NGX-SOVBND	631.32	622.71	-1.36
NGX-GROWTH	6,755.54	6,182.19	-8.49

Source: *Nigerian Exchange (NGX) Limited*

Market Transactions

The Exchange experienced a significant rise in trading activities in November 2024, as the volume traded and number of deals rose by 48.72 and 2.88 per cent, respectively, to 13.98 billion shares in 196,064 deals. However, the value of traded securities declined by 12.01 per cent to ₦221.18 billion relative to ₦251.36 billion in the preceding month.

Figure 38: Volume and Value of Traded Equities



Source: *Nigerian Exchange (NGX) Limited*

NGX Listings

In November 2024, there was a total of ten listings on the Exchange: six new listings and four supplementary listings. There was a delisting of one firm from the Exchange.

Table 12: Listings on the Nigerian Exchange Limited

Firm/Security	Shares Units/Price	Remarks
Transnational Corporation Plc	10,161,997,574 Units of Ordinary Shares	**New listing**
Transnational Corporation Plc	40,647,990,293 Units	**Delisting**
FBN Holdings Plc	Issued 5,982,548,799 ordinary shares of 50 Kobo each at ₦25.00 per share. ***Right Issues***	**New listing**
17.084% FGN OCT 2026	Issued 1,024,114 units of bonds	**New listing**
18.084% FGN OCT 2027	Issued 2,944,518 units of bonds	**New listing**
19.30% FGN APR 2029	Issued 57,236,801 units of bonds	**Supplementary listing**
18.50% FGN FEB 2031	Issued 232,360,472 units of bonds	**Supplementary listing**
Chapel Hill Denham Nigeria Infrastructure Debt Fund (NIDF)	218,084 units of shares	**Supplementary listing**
United Bank for Africa Plc	Issued 6,839,884,274 ordinary shares of 50 Kobo each at ₦35.00 per share. ***Right Issues***	**New listing**
Haldane McCall Plc	Issued 3,122,000,000 Ordinary Shares of 50 Kobo each at ₦3.84 Per Share	**New listing**
Chapel Hill Denham Management Limited, Infrastructure Debt Fund (NIDF)	Issued 93,950,000 units of ordinary shares of ₦100 each at ₦109.43 per unit	**Supplementary listing**

Source: *Nigerian Exchange (NGX)Limited*

2.3.3.3 Financial Soundness Indicators

The financial soundness indicators were within regulatory benchmarks, revealing banking system stability, during the review period. The banking industry's capital adequacy ratio, at 13.70 per cent, was below 13.97 per cent recorded in the preceding period, but above the 10.00 per cent benchmark for banks with national and regional licenses. The decrease, compared to the previous month, was attributed to foreign currency revaluation, which levitated the size of risk weighted assets. The non-performing loans (NPLs) of the industry increased to 4.90 per cent from 4.80 per cent in October 2024 but remained below the prudential threshold of 5.00 percent. The industry liquidity ratio, at 49.30 per cent, was higher than the 47.28 per cent recorded in the preceding period and surpassed the regulatory benchmark of 30.00 per cent, underscoring the ability of the banks to meet their financial obligations.

2.4 EXTERNAL SECTOR DEVELOPMENTS

Summary

The performance of the external sector in November 2024 remained robust, driven by a favourable trade balance. The development was buoyed by increased export receipts and lower import bills. Foreign capital inflow, however, declined due, primarily, to lower inflow of loans. The economy recorded a lower net foreign exchange inflow, on account of decreased inflow through the Bank. The external reserves stood at US$40.38 billion as at end-November 2024, from US$39.71 billion at end-October 2024. The reserves could cover 9.16 months of import for goods and services or 13.71 months for goods only. The average exchange rate at the NFEM depreciated by 1.78 per cent to ₦1,670.78/US$, from ₦1,641.12/US$ in the preceding month.

2.4.1 Trade Performance

Trade performance in the review period resulted in a surplus due to higher export receipts and a decline in import bills. Provisional data revealed an increase in the trade surplus to US$1.33 billion, from US$1.13 billion in October 2024. Export receipts rose by 3.44 per cent to US$4.51 billion, from US$4.36 billion in the preceding month, driven by higher exports of both crude oil and non-oil products. Import bills, however, declined by 2.45 per cent to US$3.18 billion from US$3.26 billion in October 2024, due to lower importation of petroleum products.

Analysis of export by composition showed that crude oil and gas exports, accounted for 86.27 per cent of total export receipts, while non-oil exports, accounted for the balance. In terms of import, non-oil imports accounted for 65.02 per cent, with oil import accounting for the balance.

Figure 39: Export, Import and Trade Balance (US$ Billion)

Source: *Central Bank of Nigeria*

Crude Oil and Gas Export Earnings

Oil export earnings increased, driven by a significant increase in domestic crude oil production. Provisional data showed that total receipts from crude oil and gas exports increased to US$3.89 billion, from US$3.74 billion in October 2024. The increase was due to higher domestic crude oil production which rose to 1.49 million barrels per day (mbpd), from 1.33 mbpd in the preceding month. A disaggregation indicated that crude oil export receipts rose by 4.66 per cent to US$2.92 billion, from US$2.79 billion in the preceding month. Similarly, gas export earnings increased marginally to US$0.97 billion, from US$0.96 billion in October 2024.

Non-Oil Export

Non-oil export earnings increased in November 2024, driven, majorly by higher receipts from the export of agricultural commodities. Non-oil export earnings increased by 0.72 per cent to US$0.62 billion, relative to the level in October 2024. Analysis indicated that the Netherlands as the major destination for Nigeria's non-oil export products accounting for 32.75 per cent of total. This was followed by Brazil (11.23%), China (7.79%), Germany (4.85%), Belgium (4.72%), and Malaysia (4.67%). The major commodities exported were cocoa beans, which represented the largest share at 45.60 per cent, followed by urea (11.70%); sesame seeds (9.38%), cocoa products (6.17%), aluminium (3.80); and copper (1.86%).

Receipts from the top five non-oil exporters increased to US$0.25 billion, from US$0.24 billion in October 2024. Analysis of the major exporters indicated that Starlink Global & Ideal Ltd. and Outspan Nigeria Ltd. with shares of 16.61 and 10.10 per cent, respectively, were the leading exporters with the exports of sesame seeds and cocoa. Dangote Fertilizer Ltd. (8.00%) ranked third, with the export of urea, followed by Olatunde International Ltd. (7.47%) with the export of cocoa beans, and Tulip Cocoa Processing Ltd. (4.06%), from the export of cocoa products.

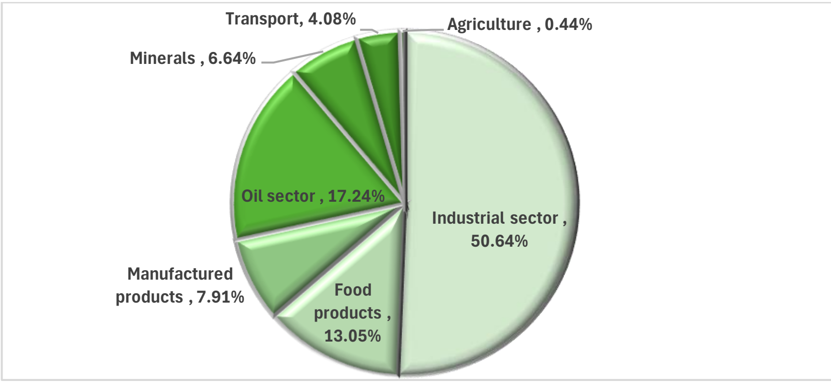
Import

Merchandise import decreased, due to a decline in oil and non-oil imports. Provisional data showed that the value of total import declined by 2.45 per cent to US$3.18 billion, from US$3.26 billion in October 2024. A disaggregation indicated that the import of petroleum products, decreased by 2.01 per cent to US$0.99 billion from its level in the preceding month. Similarly, non-oil import decreased slightly to US$2.20 billion, from US$2.22 billion in the preceding month.

Sectoral Utilisation of Foreign Exchange

a breakdown of the sectoral utilisation of foreign exchange for visible import showed that the industrial sector import had the largest share of 50.64 per cent, followed by the oil sector (17.24%), food products (13.05%), manufactured products (7.91%), minerals (6.64%), transport (4.08%), and agriculture (0.44%).

Figure 40: Import by Sector (Per cent)

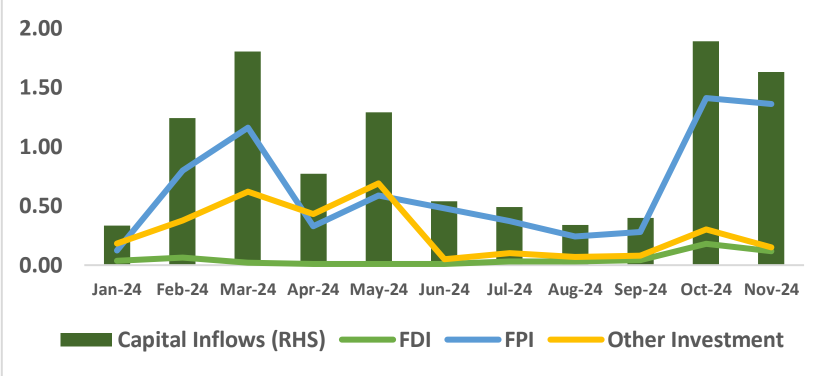


Source: Central Bank of Nigeria

Capital importation

Capital inflow declined due, majorly, to lower inflow of loans. Capital inflow declined to US$1.63 billion in November 2024, from US$1.89 billion in October 2024. A breakdown showed that portfolio investment inflow decreased to US$1.36 billion, from US$1.41 billion due, mainly, to lower purchases of equity and shares. Similarly, foreign direct investment decreased to US$0.12 billion from US$0.18 billion in October 2024. 'Other investments', mainly loans, also decreased to US$0.15 billion from US$0.30 billion in the preceding month.

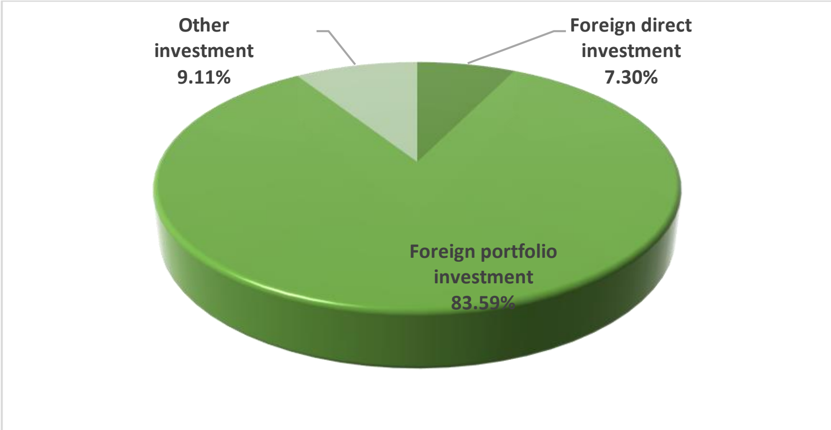
Figure 41: Capital Inflows (US$ Billion)



Source: *Central Bank of Nigeria*

In terms of share, portfolio investment inflow constituted 83.59 per cent, while 'other investment' and direct investment accounted for 9.11 and 7.30 per cent, respectively.

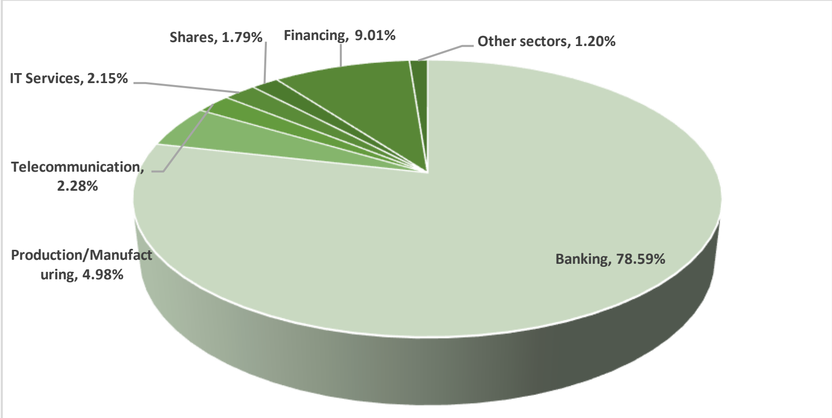
Figure 42: Capital Inflow by Share (Per cent)



Source: Central Bank of Nigeria

Analysis of capital importation by sector indicated that inflow into the banking sector accounted for 78.59 per cent of total inflow. This was followed by the financing sector (9.01%), production and manufacturing sector (4.98%), telecommunication (2.28%), IT services (2.15%), and shares (1.79%), while other sectors accounted for the balance.

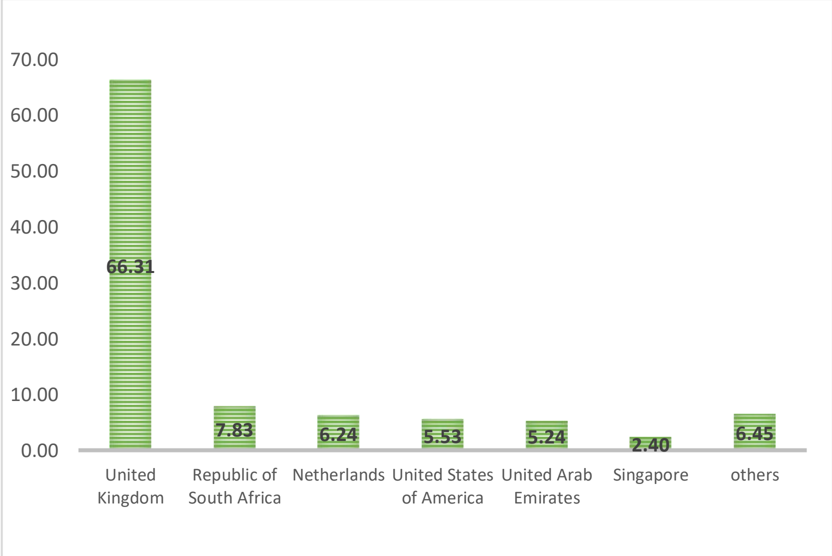
Figure 43: Capital Inflow by Nature of Business



Source: *Central Bank of Nigeria*

Capital inflow by originating country showed that the UK was the major source of capital, accounting for 66.31 per cent of the total. This was followed by Republic of South Africa (7.83%); the Netherlands (6.24%); the United States of America (5.53%); the United Arab Emirates (5.24%); and Singapore (2.40%). Other countries accounted for the balance.

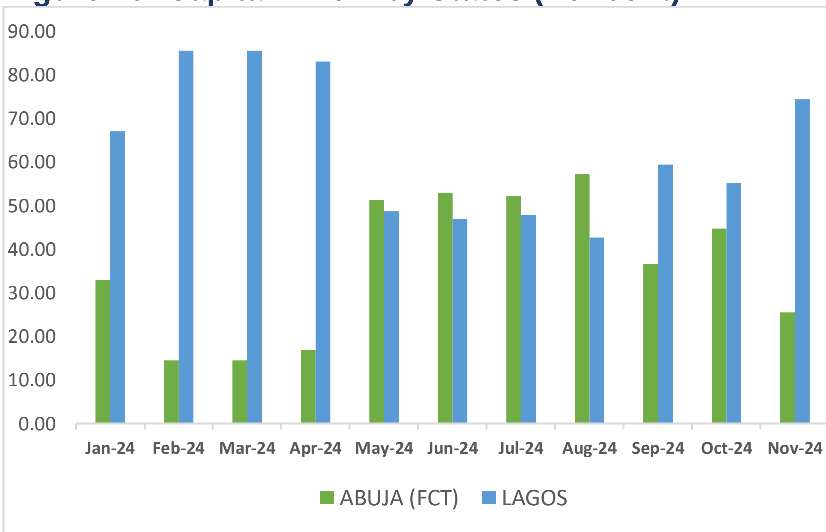
Figure 44: Capital Inflow by Originating Country (Per cent)



Source: *Central Bank of Nigeria*

Capital importation by destination indicated Lagos State and the Federal Capital Territory as the only recipients, with shares of 74.44 and 25.56 per cent, respectively.

Figure 45: Capital Inflow by States (Per cent)



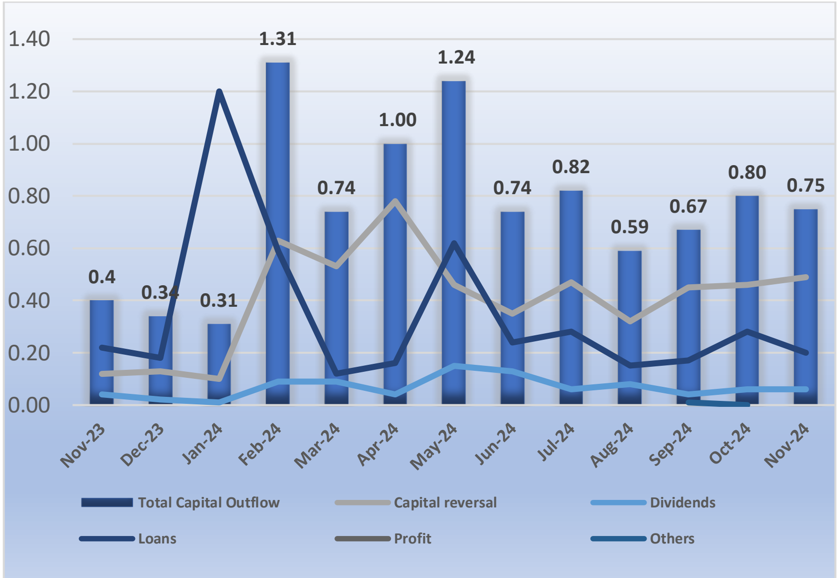
Source: *Central Bank of Nigeria*

Capital Outflow

Capital outflow moderated in November 2024 due, largely, to lower loan repayments. Capital outflow decreased to US$0.75 billion, from US$0.80 billion in the preceding period. A disaggregation showed that loan repayments and repatriation of dividends declined to US$0.20 billion and US$0.06 billion, respectively. Capital reversals, however, increased by 6.86 per cent to US$0.49 billion, compared with the level in October 2024.

In terms of share in total outflow, capital reversals constituted 65.51 per cent, followed by repayment of loans and repatriation of dividends at 26.70 and 7.53 per cent, respectively. Other forms of outflow accounted for the balance.

Figure 46: Capital Outflow (US$ Billion)



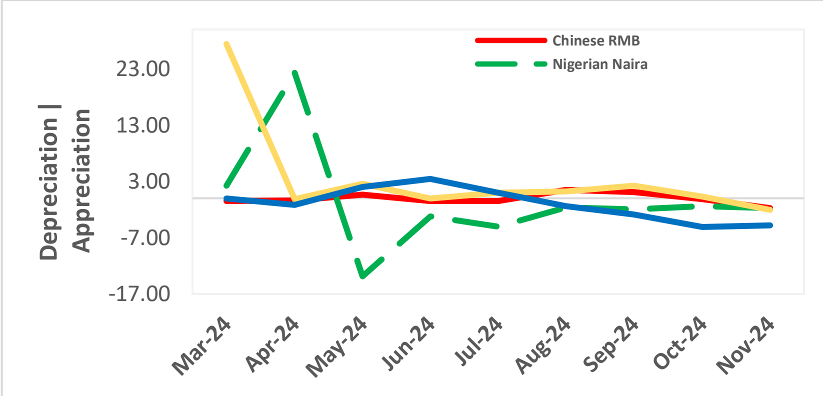
Source: *Central Bank of Nigeria*

2.4.2 Emerging Markets Currencies

Emerging Markets Currencies

Analysis of the emerging markets currencies indicated broad depreciation especially for the Russian ruble (4.81%) South African rand (2.06%), Nigerian naira (1.78%) and Chinese renminbi (1.75%) against the US dollar. The depreciation of the Russian ruble was due, largely, to the fresh sanctions imposed by the United States on major financial institutions. The South African rand and the Chinese renminbi fell during the month on account of the increased U.S. tariff risks.

Figure 47: Depreciation/Appreciation of EMEs Currencies to the US Dollar



Source: *Central Bank of Nigeria*

Table 13: EMEs Currencies' Rates to the US Dollar

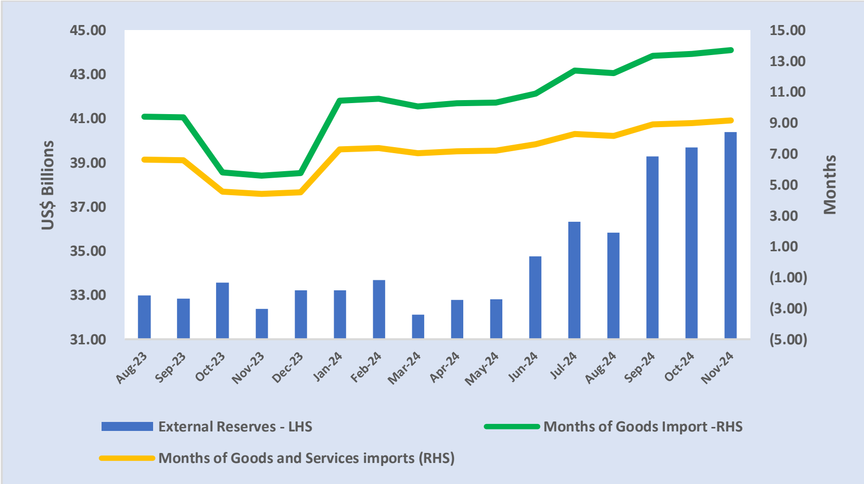
Period	Chinese RMB/US $	Nigerian Naira/US$	South African Rand/US$	Russian Ruble/US$
November-23	7.21	836.22	18.53	90.58
October-24	7.08	1,641.12	17.56	96.09
November-24	7.21	1,670.78	17.93	100.95

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

2.4.3 International Reserves

The external reserves rose in the review month and were above the international benchmark of three months of import cover. The international reserves rose to US$40.38 billion at end-November 2024, from US$39.71 billion at end-October 2024. This position could cover 9.16 months of import for goods and services or 13.71 months for goods only.

Figure 48: External Reserves and Months of Import Cover



Source: *Central Bank of Nigeria*

2.4.4 Foreign Exchange Flows through the Economy

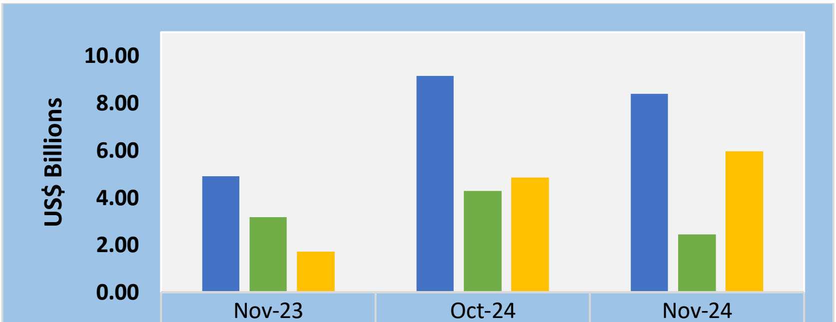
Foreign Exchange Flows through the Economy

The economy recorded a lower net foreign exchange inflow in November 2024, on account of decreased inflow through the Bank. Foreign exchange flows through the economy amounted to a net inflow of US$5.95 billion, relative to US$4.86 billion in October 2024. Aggregate foreign exchange inflow declined to US$8.40 billion, from US$9.15 billion in the preceding month. Similarly, foreign exchange outflow decreased to US$2.45 billion, from US$4.29 billion in the preceding month.

Foreign exchange inflow through the Bank declined to US$2.91 billion, from US$4.48 billion in the preceding month, while autonomous inflow increased to US$5.49 billion, from US$4.67 billion in the preceding month. Outflow through the Bank fell to US$2.09 billion, from US$3.73 billion in the preceding month, while autonomous outflow fell to US$0.36 billion, from US$0.56 billion in October 2024.

Consequently, the Bank recorded a net inflow of US$0.82 billion, compared with US$0.75 billion in October 2024, while a net inflow of US$5.13 billion was recorded through autonomous sources, relative to US$4.11 billion in the preceding month.

Figure 49: Foreign Exchange Flows Through the Economy (US$ Billions)



	Nov-23	Oct-24	Nov-24
Inflow	4.91	9.15	8.4
Outflow	3.18	4.29	2.45
Netflow	1.72	4.86	5.95

Source: *Central Bank of Nigeria*

2.4.5 Exchange Rate Movement

Average Exchange Rate

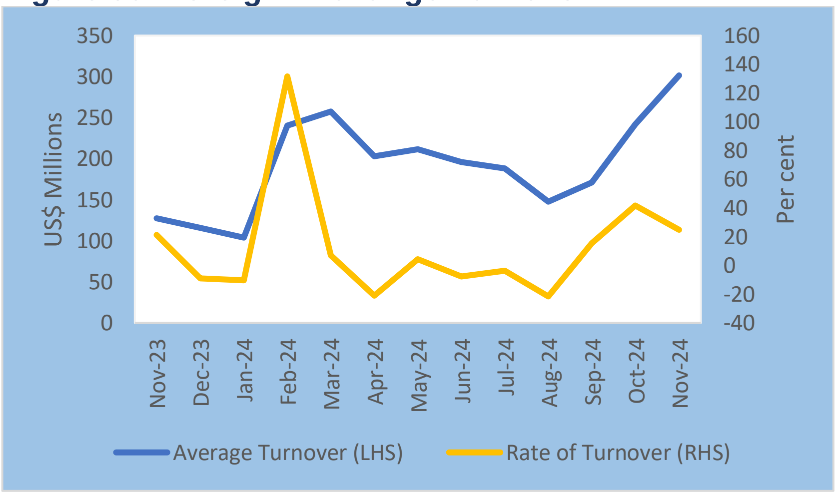
The naira depreciated against the US dollar at the Nigerian foreign exchange market during the review period. The average exchange rate of the naira per US dollar at the Nigerian foreign exchange market (NFEM) depreciated by 1.78 per cent to ₦1,670.78/US$, from ₦1,641.12/US$ in the preceding month. Conversely, the end-period NFEM rate appreciated by 0.39 per cent to ₦1,663.90/US$, from ₦1,670.47/US$ at end-October 2024.

2.4.6 Foreign Exchange Turnover

Foreign Exchange Turnover

The average foreign exchange turnover at the NFEM rose by 24.78 per cent to US$301.52 million, from US$241.65 million in October 2024, due to increased activity in the window.

Figure 50: Foreign Exchange Turnover



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

3.0 ECONOMIC OUTLOOK

3.1 Global Outlook

The global economic growth is projected to moderate to 3.20 per cent in 2024 from 3.30 per cent in 2023. An optimistic outlook for the US counterbalances the pessimistic outlook for other AEs, especially in Europe. In the AEs, growth projection is estimated at 1.80 per cent in 2024 from 1.70 per cent in 2023. Growth in EMDEs is estimated to moderate to 4.20 per cent in 2024 from 4.40 per cent in 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 anticipated to moderate to 5.90 per cent in 2024, from 6.70 per cent in 2023 due to unravelling supply-side limitations, cooling labour markets, falling energy prices, and 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 contingent on successful implementation of the government reforms and programmes, stable crude oil prices, improved crude oil production, increased domestic refining capacity, relative stability of the exchange rate, and improved economic activities. However, potential risks such as decline in crude oil prices, insecurity, and reduction in economic activities could undermine the outlook.

Inflation is anticipated to remain elevated in the remaining part of the year. This expected rise is on account of the lingering effects of both fuel subsidy removal and high exchange rates at the foreign exchange market. Furthermore, given the seasonal effect of the yuletide as well as other structural factors, inflation is expected to remain elevated. However, a gradual moderation is expected from January 2025, mainly, due to a slight reduction in the price of PMS in late December 2024 and the Bank's sustained measures to tackle the instability at foreign exchange market.

The fiscal outlook for the short- to medium-term is bright. This is underscored by the potential passage of the tax bill under legislative review, resuscitation of the Warri and Port Harcourt refineries, and high crude oil prices. Additionally, the sustained momentum in economic activity over the last four quarters is expected to enhance tax revenue, while the continued implementation of expenditure rationalisation reforms, is likely to improve fiscal operation.