



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
JULY 2012***

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

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1.0 Summary

Growth in the key monetary aggregate was sluggish at the end of July 2012. On month-on-month basis, broad money (M_2) declined marginally by 0.7 per cent, due largely to the 1.6 and 2.3 per cent fall in domestic credit (net) and other assets (net) of the banking system, respectively. Relative to the level at end-December 2011, M_2 grew by 0.7 per cent, owing, largely, to the rise in foreign asset (net) of the banking system. Narrow money (M_1) fell by 3.0 per cent below the level at the end of the preceding month. Reserve money (RM), rose by 15.2 per cent over its level in the preceding month.

Available data indicated mixed developments in banks' deposit and lending rates in July 2012. The spread between the weighted average term deposit and maximum lending rates narrowed to 16.40 percentage points from 16.52 percentage points in June 2012. Similarly, the margin between the average savings deposit and maximum lending rates narrowed to 21.67 percentage points in the review month from 21.74 per cent in the preceding month. The weighted average interbank call rate rose to 15.19 per cent, from 14.92 per cent in the preceding month, reflecting the liquidity condition in the interbank funds market during the month.

The value of money market assets outstanding at end-July 2012 was ₦5,950.25 billion, showing an increase of 4.5 per cent, over the level at end-June 2012. The development was attributed to the increase of 9.4 and 2.0 per cent in the value of NTBs and FGN Bonds outstanding, respectively. Activities on the Nigerian Stock Exchange (NSE) in July 2012 were mixed.

Gross federally-collected revenue in July 2012 was estimated at ₦985.80 billion, showing an increase of 28.6 and 22.1 per cent above the receipts in the preceding month and the 2012 provisional monthly budget estimate, respectively. At ₦632.58 billion, gross oil receipts exceeded both the receipts in the preceding month and the provisional monthly budget estimate. This was attributed largely, to the rise in receipts from PPT and royalties.

Non-oil receipts, at ₦353.22 billion (35.8 per cent of the gross federally collected revenue), was 89.2 and 38.7 per cent higher than the receipts in the preceding month and the provisional monthly budget estimates, respectively. The

increase in non-oil revenue relative to the preceding month's level reflected, largely, the rise in corporate tax, customs and excise duties, educational tax and customs special levies. Federal Government estimated retained revenue in July 2012 was ₦254.94 billion, while total estimated expenditure was ₦372.08 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦117.14 billion, as against the estimated monthly budget deficit of ₦94.68 billion.

The dominant agricultural activities in July 2012 were post-planting and harvesting of vegetables in the southern states and harvesting of crops such as maize and vegetables in the northern states. Crude oil production, including condensates and natural gas liquids in April was estimated at 2.23 million barrels per day (mbd) or 69.13 million barrels for the month. Crude oil export was estimated at 1.78 million barrels per day (mbd) or 55.18 million barrels during the month. The average price of Nigeria's reference crude, the Bonny Light (37° API), was estimated at US\$103.99 per barrel, indicating an increase of 10.7 per cent above the level in the preceding month.

The end-period headline inflation rate (year-on-year), in July 2012, was 12.8 per cent, 0.1 percentage point below the level in the preceding month. Inflation rate on a twelve-month moving average basis rose by 0.3 percentage points to 11.6 per cent from the level in the preceding month.

Foreign exchange inflow and outflow through the CBN in July 2012 were US\$3.34 billion and US\$2.93 billion, respectively, and resulted in a net inflow of US\$0.41 billion. Foreign exchange sales by the CBN to the authorized dealers amounted to US\$2.64 billion, showing a decline of 38.8 per cent below the level in the preceding month.

Relative to the level in the previous month, the average Naira exchange rate vis-à-vis the US dollar appreciated in all the segments (WDAS, interbank and bureaux-de-change segments) of the foreign exchange market.

Non-oil export receipts increased marginally by 0.7 per cent above the level in the preceding month. The development was attributed, largely, to the increase in export earnings from the agricultural products and minerals sub-sectors.

World crude oil output in July 2012 was estimated at 89.43 million barrels per day (mbd), while demand was estimated at 87.69 million barrels per day (mbd), representing an excess supply of 1.74 mbd, compared with 88.20 and 87.46

mbd supplied and demanded, respectively, in the preceding month.

Other major international economic developments and meetings of relevance to the domestic economy during the review period included: the 19th Ordinary Summit of the Heads of State and Government of the African Union (AU) held in Addis Ababa, Ethiopia from July 15 – 16, 2012 with the theme “Boosting Intra-African-Trade. The Presidents and other government representatives of the member countries exchanged views on the development agenda of the continent and also deliberated on the future of the Union and its achievements.

In another development, the meeting of the Joint Technical Committee of the African Union Commission (AUC) and the Association of African Central Banks (AACB) was held in Abuja, Nigeria from July 23 – 25, 2012 to consider the draft Joint Strategy Paper for the Establishment of the African Central Bank, prepared by the Joint Study Group of the ACB.

Furthermore, the ECOWAS Central Bank Governors met and deliberated on recent developments during the Mid-Year 2012 Statutory Meetings of WAMA, WAMI and WAIFEM held in Monrovia, Liberia from July 11 – 12, 2012. The Governors considered the Reports of the West African Institute for Financial and Economic Management (WAIFEM) on training and capacity building programme, development of the research sub-unit of the Institute, administrative developments, publications and international relations. The Governors adopted all the WAIFEM reports, including the training programme, which recorded 15 sessions with 513 recipients during the first half of 2012. At the Board meeting of the West African Monetary Agency (WAMA), the Governors considered the work programme of the Agency since the engagement of the current Director-General in 2008, among others.

Finally, the Central Bank Governors met and considered the report of the College of Supervisors of WAMZ on the fringes of the ECOWAS institutions’ meetings on July 12, 2012 in Monrovia, Liberia. Predicated on the financial system stability in the Zone, the report identified the challenges of growing non-performing loans, excess liquidity in the banking system, high interest rates and expanding operation costs. The College proposed that WAMI should undertake a study to provide policy guide on increasing lending rates and wide interest rate spread in the region.

2.0 Financial Sector Developments

Growth in the major monetary aggregate was sluggish at the end of July 2012. Available data indicated mixed developments in banks' deposit and lending rate. The value of money market assets outstanding increased, owing, largely, to the rise in the value of FGN Bonds outstanding. Transactions on the Nigerian Stock Exchange (NSE) were mixed during the review month.

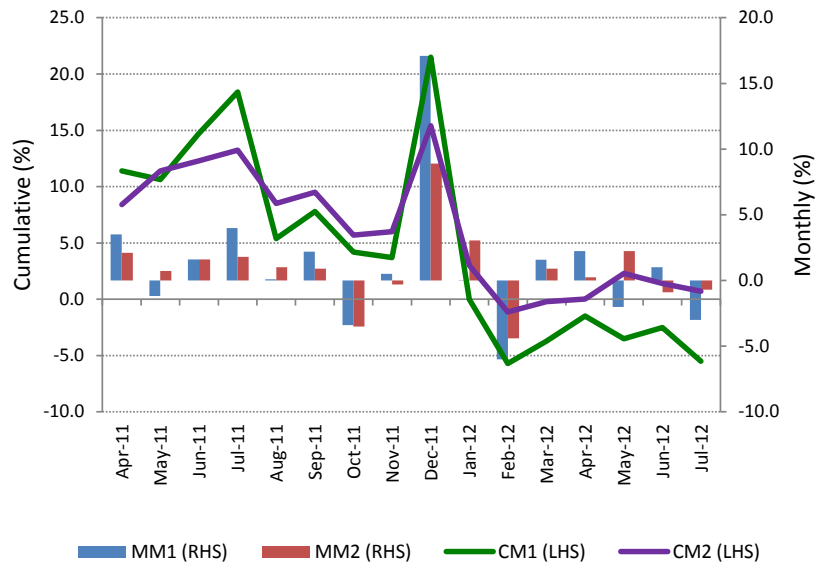
2.1 Monetary and Credit Developments

Provisional data indicated that growth in the major monetary aggregate was sluggish at end-July 2012. Broad money supply (M_2), at ₦13,391.4 billion, declined marginally by 0.7 per cent, compared with the decline of 0.9 per cent at the end of the preceding month. When compared with the level at the end of the corresponding month of 2011, it, however, increased by 1.8 per cent. The development was accounted for, largely, by the 1.6 and 2.3 per cent fall in domestic credit (net) and other asset (net), which more than offset the 3.9 per cent rise in foreign assets (net) of the banking system. Over the level at end-December 2011, M_2 grew by 0.7 per cent. The development was attributed largely to the 9.5 per cent increase in foreign asset (net) of the banking system.

Growth in the key monetary aggregate was sluggish in July 2012.

Similarly, narrow money supply (M_1), at ₦6,402.7 billion, declined by 3.0 per cent below the level at end-June 2012, in contrast to the 1.0 per cent increase at the end of the preceding month. The development was accounted for, largely, by the 3.4 per cent fall in its demand deposit component. Relative to the level at end-December 2011, (M_1) declined by 5.4 per cent, reflecting largely, the 13.5 per cent fall in currency outside banks during the review period (Fig. 1, Table 1).

Figure 1: Growth Rate of Narrow Money (M₁) and Broad Money (M₂)¹



At ₦13,098.8 billion, aggregate banking system credit (net) to the domestic economy at end-July 2012 fell by 1.6 per cent, on month-on-month basis, in contrast to the increase of 0.5 per cent at the end of the preceding month. The development reflected, largely, the 26.5 per cent fall in (net) claims on the Federal Government. Over the level at end-December 2011, aggregate banking system credit (net) to the domestic economy, fell by 4.3 per cent, reflecting largely, the 251.5 per cent fall in claims on the Federal Government.

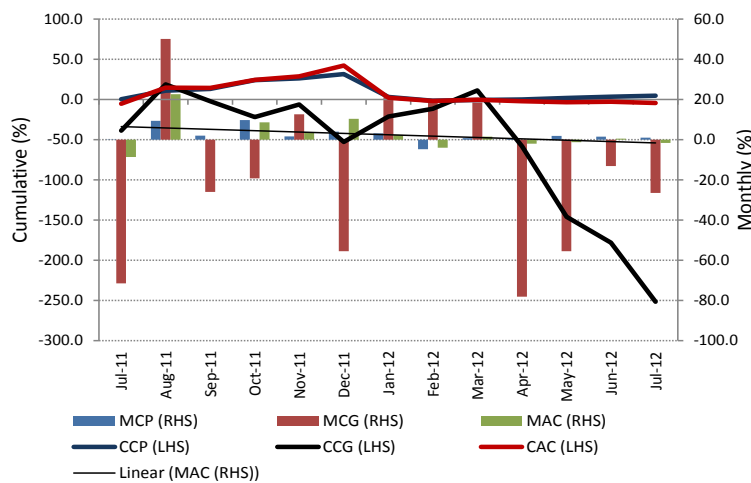
Banking system’s credit (net) to the Federal Government, on month-on-month basis, fell by 26.5 per cent to negative ₦1,746.6 billion, compared with the decline of 13.1 per cent at the end of the preceding month. The development was attributed, largely, to the decline in banking system’s holding of Federal Government securities. Over the level at end-December 2011, aggregate banking system’s claims (net) on the Federal Government fell significantly by 251.5 per cent, reflecting, largely, the same reason as

¹ MM1 and MM2 represent month-on-month changes, while CM1 and CM2 represent cumulative changes (year-to-date).

above. The Federal Government, however, remained a net lender to the banking system at the end of the review month.

Banking system’s credit to the private sector rose by 1.0 per cent to ₦14,845.4 billion, compared with 1.5 per cent recorded at the end of the preceding month, but in contrast with a decline of 0.2 in the corresponding period of 2011. Similarly, banking system’s claims on the core private sector rose by 1.0 per cent (to ₦14,253.0 billion) above the level in the preceding month, compared with the growth of 1.5 per cent at the end of the preceding month. The development reflected, largely, the 1.9 per cent rise in DMBs’ claims on the sector. Relative to the level at end-December 2011, banking system’s credit to the private sector rose by 4.7 per cent (Fig. 2, Table 1).

Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy²



At ₦7,815.1 billion, foreign assets (net) of the banking system rose by 3.9 per cent at end-July 2012, in contrast to the decline of 5.8 per cent at the end of the preceding month. The development was attributed to

Foreign assets (net) of the banking system rose on month-on-month basis at end July 2012.

² MCP, MCG and MAC represent month-on-month changes in credit to private sector, credit to government (net) and aggregate credit (net) to the domestic economy, respectively, while CCP, CCG and CAC, represent the cumulative changes (year-to-date).

the 4.5 and 1.1 per cent increase in the CBN and DMBs' holdings, respectively. Relative to the level at end-December 2011, foreign assets (net) of the banking system, grew by 9.5 per cent, reflecting largely, the 15.1 per cent increase in DMBs' holdings. Relative to the level at end-December 2011, foreign assets (net) of the banking system, also rose by 9.5 per cent, reflecting, largely, the 8.2 and 15.1 per cent increase in the CBN and DMBs' holdings.

At end-July 2012, quasi-money rose by 1.5 per cent, to ₦6,988.6 billion, as against the decline of 2.6 per cent in the preceding month. When compared with the level in the corresponding period of 2011, it showed an increase of 7.0 per cent. The development was attributed to the increase in savings and time deposits components. Over the level at end-December 2011, quasi-money, rose by 7.0 per cent, reflecting the increase in its time and savings deposits components.

Other assets (net) of the banking system, on a month-on-month basis, fell by 2.3 per cent to negative ₦7,522.5 billion, in contrast to the 3.6 per cent increase at the end of the preceding month. The decline reflected, largely, the fall in unclassified assets of the CBN. Relative to the level at end-December 2011, other assets (net) of the banking system, declined by 0.01 per cent.

Table 1: Growth in Monetary and Credit Aggregates (over preceding Month) (Percent)

| | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Domestic Credit (Net) | -8.6 | 22.7 | -0.1 | 8.7 | 3.5 | 22.0 | 2.0 | -3.5 | 1.6 | -2.0 | | | -1.6 |
| <i>Claims on Federal Government (Net)</i> | -71.4 | 50.2 | -25.9 | -19.2 | 12.7 | 55.4 | -35.8 | 20.3 | 18.6 | -78.1 | -55.5 | -13.1 | -26.5 |
| <i>Claims on Private Sector</i> | -0.1 | 9.4 | 2.1 | 9.8 | 1.7 | 14.6 | 3.2 | -4.3 | 0.8 | 0.5 | 2.0 | 1.5 | 1.0 |
| <i>Claims on Other Private Sector</i> | 0.5 | 9.3 | 2.3 | 9.8 | 2.0 | 14.2 | 3.5 | -4.5 | 0.6 | 0.4 | 1.9 | 1.9 | 1.0 |
| Foreign Assets (Net) | 16.3 | -7.1 | -4.4 | 0.8 | -1.5 | 7.8 | 3.9 | -2.5 | 1.0 | 5.3 | 3.8 | -5.8 | 3.9 |
| Other Assets (Net) | -2.3 | -36.8 | 9.6 | -33.9 | -4.5 | -33.7 | -1.2 | 0.9 | -2.2 | -1.0 | 2.1 | 3.7 | -2.3 |
| Broad Money Supply (M2) | 1.8 | 1.0 | 0.9 | -3.5 | 0.3 | 8.9 | 3.4 | -4.4 | 0.9 | 2.9 | 2.2 | -0.9 | -0.7 |
| Quasi-Money | -0.2 | 1.8 | -0.3 | -3.7 | 1.0 | 1.5 | 6.1 | -2.8 | 0.2 | -1.7 | 6.5 | -2.6 | 1.5 |
| Narrow Money Supply (M1) | 4.0 | 0.1 | 2.2 | -3.4 | -0.5 | 17.1 | 0.8 | -6.0 | 1.6 | 2.2 | -2.0 | 1.0 | -3.0 |
| Reserve Money (RM) | 5.1 | 2.0 | 3.6 | 24.0 | -1.0 | 18.9 | -3.4 | 2.6 | -8.4 | 2.5 | -3.2 | 3.3 | -3.2 |

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

At ₦1,362.6 billion, currency in circulation fell by 0.1 per cent in the review month, compared with the decline of 2.5 per cent at the end of the preceding month. The development reflected, wholly, the 1.1 per cent decline in currency outside banks. Relative to end-December 2011, currency in circulation fell by 13.0 per cent.

Total deposits at the CBN amounted to ₦6,937.7 billion, indicating an increase of 7.2 per cent above the level at the end of the preceding month. The development reflected, largely, the increase in DMBs' and Federal Government deposits. Of the total deposits, the percentage shares of the Federal Government, banks and "others" were 70.1, 22.1 and 7.8 per cent, respectively, compared with 72.9, 17.8 and 9.4 per cent in the preceding month.

The reserve money (RM) rose by 15.2 per cent to ₦2,895.3 billion at the end of the review month, reflecting the trends in private sector deposits with the CBN.

Reserve money (RM) rose during the month under review.

2.3 Money Market Developments

The money market experienced tight liquidity condition in July 2012 following the late sharing of the statutory revenue allocation to the three tiers of government. Consequently, interbank market rates trended upward for most part of the month. The Bank provided Standing Facilities (Lending and deposit) to DMBs and Discount Houses to enable them meet their liquidity needs. In addition, FGN Bonds and Nigerian Treasury Bills (NTBs) were issued at the primary market for fiscal operations of the Federal Government of Nigeria (FGN).

Provisional data indicated that the value of money market assets outstanding at end-July 2012 was ₦5,950.25 billion, indicating an increase of 4.5 per cent, in contrast to the decline of 5.1 per cent at end of the preceding month. The development was attributed to

the 9.4 and 2.0 per cent increase in NTBs and FGN Bonds outstanding, respectively.

2.3.1 Interest Rate Developments

Available data indicated mixed developments in banks' deposit and lending rates in July 2012. The average savings deposit rate rose from 1.70 per cent in the preceding month to 1.78 per cent in July. With the exception of the 7-day, 3-month and over-12 month deposit rates, which rose by 0.14, 0.77 and 1.63 percentage points to 4.61, 8.57 and 7.85 per cent, respectively, all other rates on deposits of various maturities fell from a range of 7.51 – 8.08 per cent in June 2012 to 6.62 – 7.54 per cent. At 7.05 per cent, the average term deposit rate for the review month rose by 0.13 percentage points above the level in the preceding month. The average prime and maximum lending rates also rose by 0.03 and 0.01 percentage points to 16.96 and 23.40 per cent, respectively. Consequently, the spread between the weighted average term deposit rates and average maximum lending rate narrowed to 16.40 percentage points from 16.52 percentage points in June 2012. Similarly, the margin between the average savings deposit and maximum lending rates narrowed to 21.67 percentage points in the review month from 21.74 per cent in the preceding month.

Interest rates development was mixed in July 2012.

At the interbank call segment, the weighted average rate, which stood at 14.92 per cent in June 2012, rose by 0.27 percentage point to 15.19 per cent. The weighted average rate at the open buy back (OBB) segment fell by 0.81 percentage point to 13.91 per cent in the review month from 14.72 per cent in June 2012. In line with the liquidity condition at the interbank funds market, the Nigerian interbank offered rate (NIBOR) for 7- and 30-day tenors, at 15.47 and 15.84 per cent, increased by 0.10 and 0.09 percentage point, respectively, above their levels in the preceding month. With the headline inflation rate at 12.8 per cent at end-July 2012, most rates, with the exception of the lending rates were negative in real terms (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

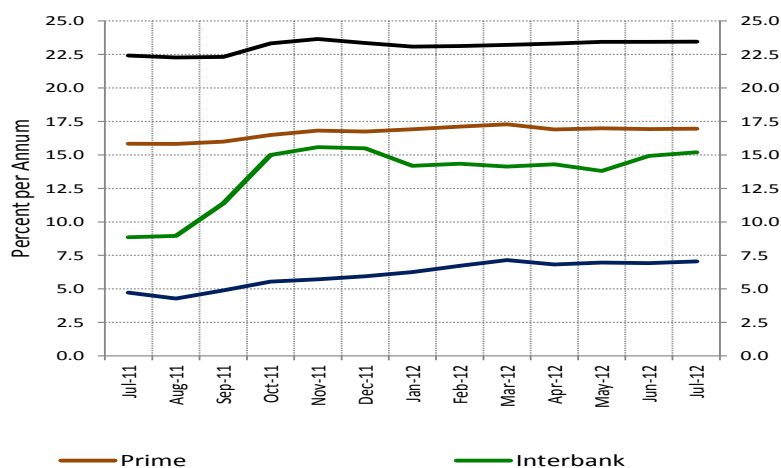


Table 2: Selected Interest Rates (Percent, Averages)

| | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Average Term Deposits | 4.70 | 4.28 | 4.89 | 5.54 | 5.93 | 5.94 | 4.39 | 6.72 | 7.15 | 6.83 | 6.96 | 6.92 | 7.05 |
| Prime Lending | 15.84 | 15.82 | 15.99 | 16.49 | 16.42 | 26.75 | 16.92 | 17.10 | 17.28 | 16.90 | 16.98 | 16.93 | 16.96 |
| Interbank | 8.85 | 8.18 | 11.38 | 15.00 | 15.58 | 15.50 | 14.19 | 14.50 | 14.13 | 14.30 | 13.80 | 14.92 | 15.19 |
| Maximum Lending | 22.42 | 22.27 | 22.32 | 23.32 | 23.66 | 23.35 | 23.08 | 23.10 | 23.21 | 23.31 | 23.44 | 23.44 | 23.45 |

2.3.2 Commercial Paper (CP)

The value of Commercial Paper (CP) held by the DMBs at end-July 2012 remained unchanged at ₦2.0 billion. Thus, CP constituted 0.03 per cent of the total value of money market assets outstanding at end-July 2012, compared with 0.04 per cent at the end of the preceding month.

2.3.3 Bankers' Acceptances (BAs)

The value of Bankers' Acceptances (BAs) declined by 10.8 per cent to ₦21.15 billion, in contrast to the increase of 47.2 per cent in the preceding month. The development in BAs reflected the fall in investments by deposit money banks and discount houses. As a proportion of total value of money market assets outstanding, BAs accounted for 0.4 per cent at end-July 2012, compared with 0.4 per cent at the end of the preceding month.

2.3.4 Open Market Operations

CBN Bills of 48-day maturities were used to mop-up excess liquidity from the banking system during the review period. Total amount offered was ₦70.0 billion, while public subscription stood at ₦17.3 billion. At ₦5.3 billion, allotment declined by 62.4 per cent relative to the level at end-June 2012. Bid rates ranged between 13.90 – 17.00 per cent, while the stop rates ranged between 13.90 – 14.10 per cent. Bills worth ₦341.4 billion matured for repayment in the review month, compared with ₦223.9 billion repaid in the preceding month. Activity in the two-way quote remained weak during the review period.

2.3.5 Primary Market

At the primary market segment, auctions were conducted on three tenors, namely 91-, 182- and 364-day for Nigerian Treasury Bills (NTBs). Total amount offered, subscribed to and allotted were ₦250.5 billion, ₦738.6 billion and ₦250.5 billion, respectively. The bid rates ranged from 12.25 - 18.00 per cent for the 91-day tenor, 13.00 - 17.70 per cent for the 182-day tenor and 14.00 – 18.99 per cent for the 360-day tenor. The observed high bid-to-cover ratio of 2.0 for the bills was attributed to the investors' strong preference for the issue. The repayment of ₦240.5 billion made during the review month resulted in a net outflow of ₦10.0 billion.

Three tranches of FGN Bonds re-opening during the month.

2.3.6 Bonds Market

Federal Government of Nigeria (FGN) Bonds of 5-year 7-year and 10-year tranches amounting to ₦75.0 billion were reopened and offered to the market during the month under review. Total amount subscribed to and allotted were ₦120.87 billion and ₦75.00 billion, respectively. The bid rates for the three tranches ranged between 16.19 -16.59. In the preceding month, ₦83.91 billion of 5-year, 7-year and 10-year FGN Bond tranches were offered to the market, while subscription amounted ₦120.6 billion.

2.3.7 CBN Standing Facilities

Aggregate standing lending facility (SLF) granted during the period under review was ₦3,322.5 billion,

compared with ₦3,320.2 billion at end-June 2012, showing an increase of 0.1 per cent. The aggregate standing deposit facility (SDF) stood at ₦301.0 billion with daily average of ₦13.7 billion in July 2012, compared with ₦274.8 billion in the preceding month. The development reflected the liquidity condition in the market during the review period.

2.4 Deposit Money Banks' Activities

Available data indicated that total assets and liabilities of the deposit money banks (DMBs) amounted to ₦20,335.2 billion, showing an increase of 1.8 per cent above the level at end-June 2012. Funds were sourced mainly from increase in unclassified liabilities (₦365.2 billion), disposal of Federal Government securities (₦297.4 billion) and deposit mobilisation (₦105.0 billion). The funds were used, largely, in the build-up of reserves (₦394.9 billion), provision of credit to the private sector (₦180.7 billion) and acquisition of unclassified assets (₦160.4 billion).

At ₦12,585.9 billion, DMBs' credit to the domestic economy fell by 0.4 per cent below the level in the preceding month. On a month-on-month basis, credit to the private sector rose by 1.9, while credit to the government fell by 9.2 per cent relative to the level in the preceding month.

DMBs' Credit to the domestic economy fell by 0.4 per cent below the level in the preceding month.

Central Bank's credit to the DMBs fell by 4.0 per cent to ₦295.0 billion at end-July 2012, while specified liquid assets of the DMBs stood at ₦5,493.7 billion, representing 41.6 per cent of their total current liabilities. This level of liquid assets was 1.7 percentage points below the preceding month's ratio of 43.3, but 11.6 percentage points above the stipulated minimum ratio of 30.0 per cent. The loan-to-deposit ratio was 45.1 per cent and was 34.9 percentage points below the stipulated maximum target of 80.0 per cent.

2.5 Discount Houses' Activities

Provisional data indicated that total assets and liabilities of the discount houses stood at ₦320.7 billion at end-

July 2012, showing a decline of 11.2 per cent below the level at end-June 2012. The development was accounted for, largely, by the 50.7 and 23.3 per cent decline in cash and balances with banks, and claims on Federal Government, respectively. Correspondingly, the decline in total liabilities was attributed, largely, to the 25.2 and 10.6 per cent fall in borrowings and money-at-call, respectively.

Discount houses' investment in Federal Government securities of less than 91-day maturity fell to ₦52.9 billion and accounted for 21.8 per cent of their total deposit liabilities. Thus, investment in Federal Government Securities was 38.2 percentage points below the prescribed minimum level of 60.0 per cent. At that level, discount houses' investment on NTBs declined by 12.6 per cent below the level at the end of the preceding month. Total borrowing by the discount houses was ₦33.7 billion, while their capital and reserves amounted to ₦34.6 billion. This resulted in a gearing ratio of 2.8:1, compared with the stipulated maximum target of 50:1 for fiscal 2012.

Discount Houses investment in government securities was 38.2 percentage points below the prescribed minimum ratio of 60.0 per cent.

2.6 Capital Market Developments

2.6.1 Secondary Market

Available data indicated that activities on the Nigerian Stock Exchange (NSE) in the month of July 2012 were mixed. The volume and value of transactions fell by 40.6 and 2.5 per cent to 6.3 billion shares and ₦46.9 billion, respectively, in 87,977 deals, compared with 10.6 billion shares, valued at ₦48.1 billion, in 74,472 deals in the preceding month. Activities on the Exchange was driven largely, by transactions in the financial services sector with 4.5 billion shares valued at ₦27.1 billion traded in 50,486 deals. The banking sub-sector was the most active with a traded volume of 3.7 billion shares, valued at ₦25.5 billion in 47,734 deals. This was followed by the

conglomerates sub-sector with 310.6 million shares valued at ₦559.5 million in 2,897 deals.

Figure 4: Volume and Value of Traded Securities

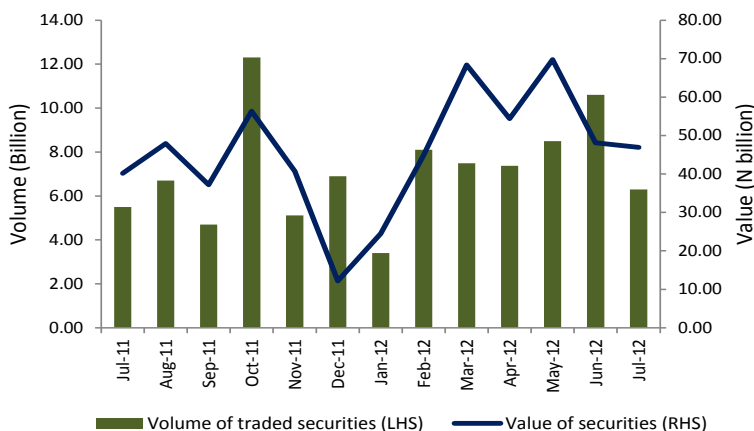


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

| | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Volume (Billion) | 5.50 | 6.70 | 4.70 | 12.30 | 5.12 | 6.90 | 4.10 | 8.10 | 7.49 | 7.37 | 8.52 | 10.60 | 6.30 |
| Value (₦ Billion) | 40.20 | 47.90 | 37.20 | 54.60 | 27.80 | 9.40 | 31.80 | 44.95 | 68.37 | 54.40 | 69.78 | 48.10 | 46.90 |

2.6.2 Over-the-Counter (OTC) Bonds Market

Transactions on the Over-the-Counter (OTC) bond market indicated a turnover of 605.46 million units, worth ₦577.53 billion in 3,997 deals during the month.

2.6.3 New Issues Market

There were one new and two supplementary listings in the review month as shown in table 4 below.

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

| S/N | Company | Additional Shares (Units) | Reasons | Listing |
|-----|-------------------------------------|---------------------------|----------------------------|---------------|
| 1 | Federal Government of Nigeria | 50 Million | 16% FGN JUNE 2019 Series 3 | New |
| 2 | Ecobank Transnational Incorporation | 401.2 Million | Scheme Shares | Supplementary |
| 3 | Niger Insurance Plc. | 2.7 billion | Rights Issue | Supplementary |

2.6.4 Market Capitalization

The aggregate market capitalisation of the listed securities stood at ₦12.97 trillion, indicating an increase of 4.6 per cent over ₦12.40 trillion in the preceding month. The equities market capitalisation rose by 7.5 per cent (to ₦7.42 trillion) over the level in June 2012 and accounted for 57.2 per cent of the total, while the debt component accounted for the balance (42.8 per cent).

2.6.5 NSE All-Share Index

The All-Share Index, which opened at 21,599.57 in the beginning of the month, closed at 23,061.38, representing an increase of 6.8 per cent above the level in the preceding month. The four sectorial indices, namely the NSE Consumer Goods, NSE Banking, NSE Insurance and NSE Oil/Gas rose by 10.8, 14.6, 7.5 and 2.2 per cent, respectively. The newly introduced NSE Lotus Islamic Index (NSE LII) closed the month at 1,350.57.

Figure 5: Market Capitalization and All-Share Index

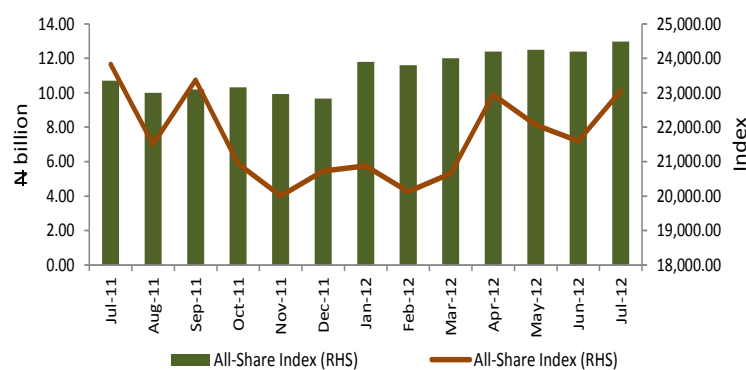


Table 5: Market Capitalization and All Share Index (NSE)

| | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Market Capitalization (trillion) | 10.7 | 10.0 | 10.2 | 10.3 | 9.9 | 10.2 | 11.8 | 11.6 | 12.0 | 12.4 | 12.5 | 12.4 | 13.0 |
| All Share Index | 23,827.00 | 21,497.60 | 23,373.00 | 20,935.00 | 20,003.36 | 25,271.60 | 23,806.99 | 20,123.51 | 20,632.47 | 22,045.66 | 22,066.40 | 21,599.57 | 23,061.38 |

3.0 Fiscal Operations

3.1 Federation Account Operations

Estimated gross federally-collected revenue stood at ₦985.8 billion in July 2012, showing an increase 28.6 and 22.1 per cent above the receipts in the preceding month and the 2012 provisional monthly budget estimate, respectively. The increase relative to the level in the preceding month was attributed to the rise in both oil and non-oil revenue during the review month (Fig. 6, Table 6).

Gross federally-collected revenue rose above the level in the preceding month.

Figure 6: Components of Gross Federally-Collected Revenue

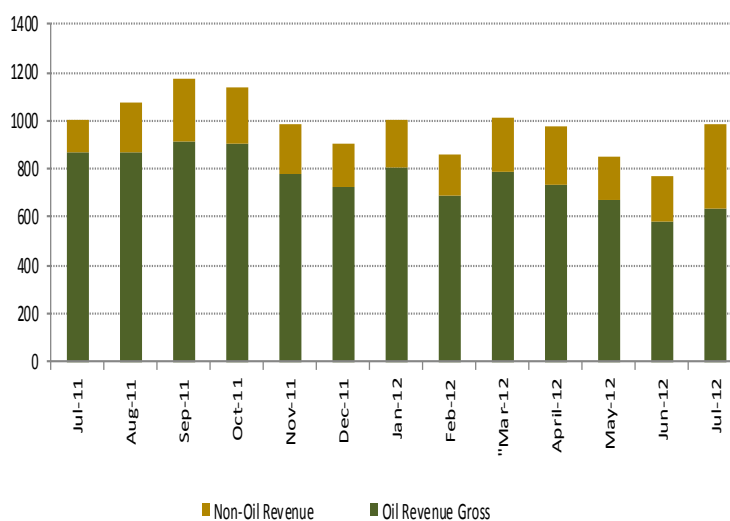


Table 6: Gross Federation Account Revenue (₦ billion)

| | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Federally-collected revenue (Gross) | 1048.7 | 1109.5 | 1149.0 | 1143.3 | 990.0 | 902.6 | 1105.0 | 862.4 | 1013.6 | 974.8 | 855.1 | 766.3 | 985.8 |
| Oil Revenue | 865.3 | 865.6 | 911.9 | 904.2 | 778.0 | 726.0 | 901.1 | 688.5 | 786.4 | 730.9 | 671.1 | 579.6 | 632.6 |
| Non-Oil Revenue | 183.3 | 243.9 | 237.1 | 239.1 | 211.8 | 176.6 | 203.9 | 173.9 | 227.2 | 243.9 | 184.0 | 186.7 | 352.2 |

At ₦632.58 billion, gross oil receipts, which constituted 64.2 per cent of the total revenue, exceeded both the receipts in the preceding month and the provisional

Relative to the preceding month's level, oil receipts rose in July 2012.

monthly budget estimate by 9.1 and 14.4 per cent, respectively. The development relative to the preceding month was attributed, largely to the increase in receipts from PPT and royalties during the review month (Fig. 7, Table 7).

Figure 7: Gross Oil Revenue and Its Components

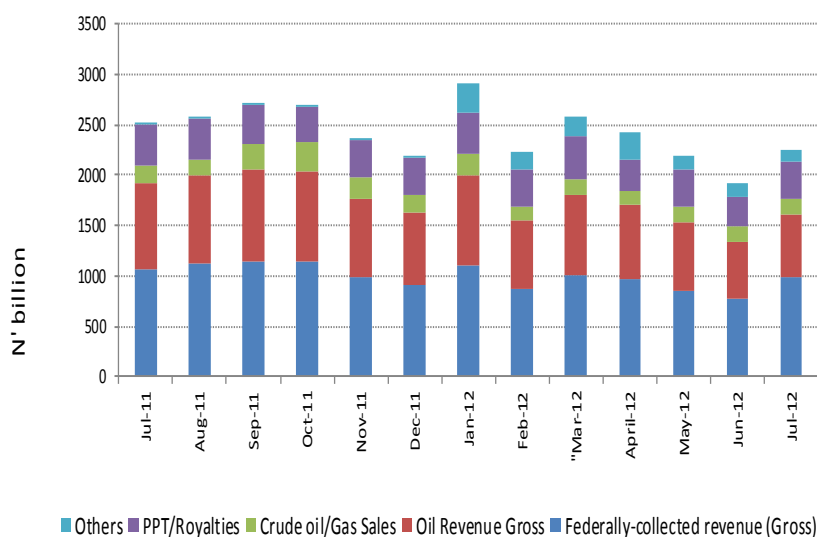


Table 7: Components of Gross Oil Revenue (N' billion)

| | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Oil Revenue | 621.5 | 576.5 | 694.5 | 865.3 | 865.6 | 911.9 | 904.2 | 778.0 | 726.0 | 901.1 | 688.5 | 786.4 | 730.9 | 671.1 | 579.6 | 632.6 |
| Crude oil/Gas Sales | 153.5 | 155.8 | 217.4 | 176.0 | 163.5 | 257.4 | 290.7 | 207.0 | 185.6 | 212.0 | 137.8 | 156.7 | 136.2 | 171.2 | 145.1 | 149.4 |
| Domestic crude oil/G | 227.9 | 170.5 | 203.4 | 287.4 | 285.3 | 264.3 | 278.8 | 190.3 | 183.2 | 275.3 | 182.6 | 193.9 | 271.4 | 137.4 | 130.1 | 98.3 |
| PPT/Royalties | 239.9 | 249.9 | 273.3 | 401.7 | 415.0 | 389.7 | 334.4 | 380.2 | 356.2 | 406.0 | 360.2 | 427.9 | 315.3 | 354.4 | 296.4 | 377.0 |
| Others | 0.5 | 0.3 | 0.3 | 0.3 | 0.3 | 1.8 | 0.5 | 0.2 | 0.4 | 7.9 | 7.8 | 8.0 | 8.0 | 145.5 | 137.9 | 106.2 |

At ₦353.22 billion, gross non-oil receipts, constituted 35.8 per cent of the total and was 89.2 and 38.7 per cent above the receipts in the preceding month and the provisional monthly budget estimates, respectively. The rise relative to the receipts in the preceding month's level reflected, largely, the increase in corporate tax, customs and excise duties, educational tax and customs special levies.

On cumulative basis, total federally collected revenue for the period January to July 2012 was estimated at

The performance of non-oil receipts rose relative to both the monthly budget estimate and the preceding month's receipts

₦6,563.02 billion, reflecting an increase of 130.1 and 16.1 per cent over the actual receipts in the corresponding period of 2011 and the budget estimate for the period, respectively. Of this amount, oil receipts represented 76.0 per cent, while non-oil receipts accounted for the balance of 24.0 per cent.

Figure 8: Gross Non-Oil Revenue and its Components

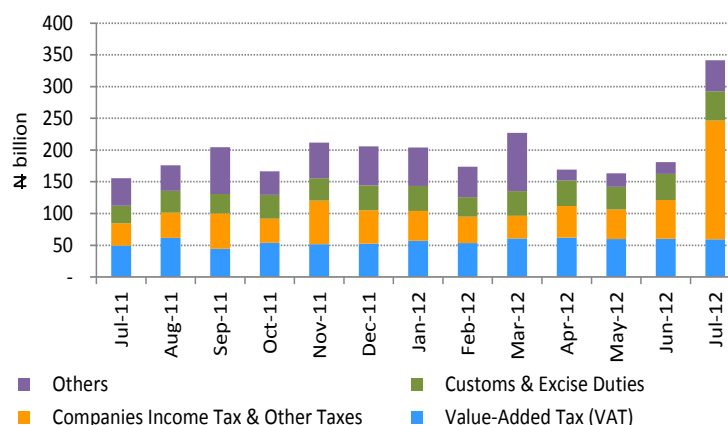


Table 8: Components of Gross Non-Oil Revenue (₦ billion)

| | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Non-Oil Revenue | 196.7 | 264.6 | 237.1 | 237.1 | 211.8 | 176.6 | 205.7 | 159.2 | 227.2 | 243.9 | 184.0 | 186.7 | 353.2 |
| Value-Added Tax (VAT) | 54.7 | 66.0 | 57.0 | 60.7 | 51.6 | 52.3 | 54.9 | 53.2 | 60.6 | 62.0 | 59.7 | 60.1 | 59.2 |
| Companies Income Tax & Other Taxes | 65.2 | 84.7 | 107.1 | 79.2 | 68.6 | 52.5 | 66.8 | 41.6 | 35.8 | 49.5 | 46.8 | 61.1 | 187.5 |
| Customs & Excise Duties | 36.5 | 40.3 | 36.1 | 39.9 | 35.6 | 39.5 | 38.6 | 30.9 | 39.0 | 40.6 | 35.7 | 41.3 | 46.2 |
| Others | 40.4 | 73.5 | 37.0 | 59.3 | 56.0 | 144.3 | 160.0 | 33.5 | 91.8 | 91.7 | 41.8 | 24.2 | 60.4 |

Of the gross federally-collected revenue during the month, the sum of ₦456.27 billion was transferred to the Federation Account for distribution among the three tiers of government and the 13.0% Derivation Fund. The Federal Government received ₦218.31 billion, while the states and local governments received ₦110.73 billion and ₦85.37 billion, respectively. The balance of ₦41.86 billion went to the 13.0% Derivation Fund for distribution by the oil-producing states. Also, the Federal Government received ₦8.53 billion from the VAT Pool Account, while the state and local governments

received ₦28.43 billion and ₦19.90 billion, respectively. Furthermore, the sum ₦35.55 billion was distributed as the Subsidy Reinvestment and Empowerment Programme (SURE-P) among the three tiers of government and the 13% Derivation Fund as follows: Federal Government (₦16.29 billion), States Government (₦8.26 billion), Local Governments (₦6.37 billion) and 13% Derivation Fund (₦4.62 billion).

In addition, the NNPC Refund was shared by the sub-national governments and 13% Derivation Fund as follows: State Governments (₦3.74 billion), Local Governments (₦2.88 billion) and 13% Derivation Fund (₦0.99 billion).

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

At ₦254.94 billion, the estimated Federal Government retained revenue for July 2012, was higher than the receipts in the preceding month by 2.4 percent, but lower than the monthly budget estimate by 23.1 per cent. Of this amount, the Federation Account, SURE-P, Federal Government Independent Revenue and VAT Pool Account accounted for 85.6, 6.4, 4.6 and 3.4 per cent, respectively (Fig. 9).

Federal government estimated retained revenue was higher than the preceding month but lower than the monthly budget estimate.

Figure 9: Sources of Federal Government Retained Revenue

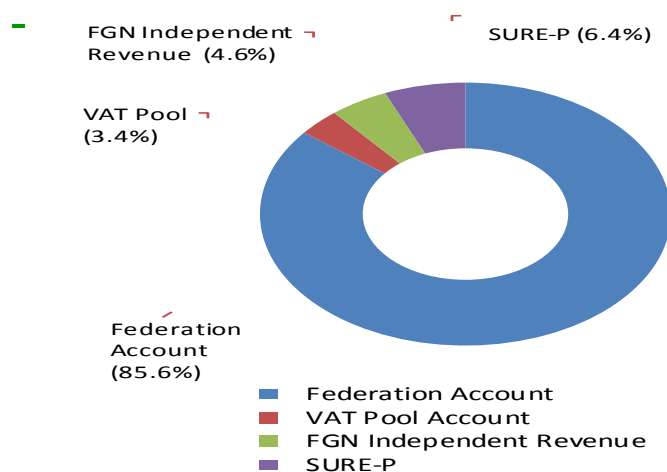


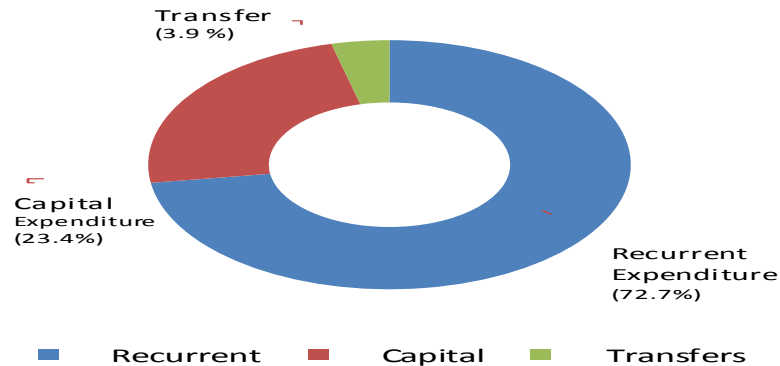
Table 9: Federal Government Fiscal Operations (₦ billion)

| | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Retained Revenue | 613.9 | 280.9 | 279.1 | 282.6 | 285.1 | 233.6 | 287.0 | 251.2 | 429.1 | 340.2 | 262.9 | 248.9 | 254.9 |
| Expenditure | 354.9 | 405.3 | 450.7 | 326.0 | 458.2 | 350.0 | 179.2 | 355.8 | 419.7 | 304.7 | 378.6 | 379.8 | 372.1 |
| Overall Balance: (+)/(-) | 313.6 | 313.6 | -171.6 | -43.5 | 173.1 | -116.4 | 107.8 | -104.6 | 9.4 | 35.5 | -115.7 | -130.9 | -117.1 |

At ₦372.08 billion, total estimated expenditure for July 2012 was lower than the level in the preceding month and the provisional monthly budget estimate by 2.0 and 12.7 per cent, respectively. A breakdown of total expenditure showed that the recurrent accounted for 72.7 per cent, while the capital expenditure and transfer components accounted for the balance of 23.4 and 3.9 per cent, respectively. Non-debt-obligations accounted for 84.8 per cent of the total recurrent expenditure, while debt service payments accounted for the balance of 15.2 per cent (Fig. 10).

Total estimated expenditure for July 2012 fell below the level in the preceding month and the provisional monthly budget estimate.

Figure 10: Federal Government Expenditure



Thus, the fiscal operations of the Federal Government in July 2012, resulted in an estimated deficit of ₦117.14 billion, in contrast to the provisional monthly budgeted estimate of ₦94.68 billion deficit.

The fiscal operations of the FG resulted in an estimated deficit of ₦117.14 billion in July 2012.

3.2.2 Statutory Allocations to State Governments

Total receipts by state governments, including the share of VAT and the Federation Account stood at ₦198.64 billion in July 2012. This was lower than the levels in the preceding month and the corresponding period of 2011 by 2.9 and 58.2 per cent, respectively.

The breakdown showed that, at ₦28.43 billion, receipt from the VAT Pool Account was lower than the level in the preceding month by 1.4 per cent, but exceeded the receipt in the corresponding period of 2011 by 8.3 per cent. At ₦170.21 billion, state governments' receipt from the Federation Account fell below the level in the preceding month and the level in the corresponding month of 2011 by 3.1 and 62.1 per cent, respectively.

3.2.3 Statutory Allocations to Local Government Councils

Total receipts by the local governments from the Federation and VAT Pool Accounts during the month of July 2012, stood at ₦114.52 billion. This was lower than the levels in the preceding month and the

corresponding period of 2011 by 0.2 and 53.8 per cent, respectively. Of this amount, receipts from the Federation Account was ₦94.62 billion (82.6 per cent of the total), while the VAT Pool Account accounted for ₦19.90 billion (17.4 per cent of the total).

4.0 Domestic Economic Conditions

The dominant agricultural activities in July 2012 were post-planting and harvesting of crops such as maize and vegetables. In the livestock sub-sector, farmers were finishing broilers for the Eid-El Fitr festivity. Crude oil production was estimated at 2.23 million barrels per day (mbd) or 69.13 million barrels during the month. The end-period inflation rate for July 2012, on a year-on-year basis, was 12.8 per cent, 0.1 percentage point below the level in the preceding month. The inflation rate on a 12-month moving average basis was 11.6 per cent, compared with the preceding month's level of 11.3 per cent.

4.1 Agricultural Sector

Available data indicated that while agricultural activities in the southern parts of the country were dominated by post-planting operations and harvesting of vegetables, activities in the northern parts were harvesting of crops such as maize and vegetables. In the livestock sub-sector, farmers were finishing broilers for the Eid-El Fitr festivity.

A total of ₦695.75 million was guaranteed to 4,760 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in July 2012. This represented a decline of 10.9 and 49.5 per cent below the levels in the preceding month and the corresponding period of 2011, respectively. A sub-sectoral analysis of the loans guaranteed indicated that the food crop sub-sector had the largest share of ₦429.7 million (61.8 per cent) guaranteed to 3,346 beneficiaries, the livestock sub-sector received ₦145.4 million (20.9 per cent) for 447 beneficiaries, while fisheries sub-sector received ₦33.7 million (4.8 per cent) guaranteed to 87 beneficiaries. The cash crops sub-sector had ₦11.1 million (1.6 per cent) for 48 beneficiaries. "Others" received ₦49.1 million (7.1 per cent) for 49 beneficiaries, while the mixed crops received ₦26.8 million (3.9 per cent) guaranteed to 393 beneficiaries.

Analysis by state showed that 33 states (including the FCT) benefited from the Scheme during the month under review, with the highest and lowest sums of

₦138.6 million (19.9 per cent) and ₦0.4 million (0.1 per cent) guaranteed to Katsina and Borno States, respectively.

At end-July 2012, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement stood at ₦198.00 billion for two hundred and fifty eight (258) projects/promoters (Table 10).

At end-July 2012, the total amount released by the CBN under the CACS to the participating banks stood at ₦ 198.00 billion.

Table 10: Disbursement of Credit under the Commercial Agriculture Credit Scheme (CACS) July 2012.

| S/N | Participating Banks | Amount Disbursed (₦ billion) | Number of Projects |
|-----|----------------------------------|------------------------------|--------------------|
| 1 | United Bank for Africa (UBA) Plc | 41.76 | 35 |
| 2 | Zenith Bank Plc | 26.96 | 18 |
| 3 | First Bank | 22.19 | 60 |
| 4 | Union Bank of Nigeria Plc | 17.92 | 20 |
| 5 | Unity Bank Plc | 19.51 | 21 |
| 6 | Stanbic IBTC Bank | 11.74 | 23 |
| 7 | Access Bank Plc | 10.33 | 11 |
| 8 | Skye Bank | 9.22 | 7 |
| 9 | Fidelity Bank Plc | 8.58 | 8 |
| 10 | GTB Plc | 5.80 | 9 |
| 11 | Sterling Bank Plc | 6.76 | 10 |
| 12 | Eco Bank | 3.67 | 6 |
| 13 | Mainstreet Bank Plc | 2.00 | 1 |
| 14 | Diamond Bank Plc | 2.74 | 12 |
| 15 | Citibank | 3.00 | 3 |
| 16 | Wema Bank Plc | 0.72 | 4 |
| 17 | FCMB | 4.72 | 7 |
| 18 | Enterprise Bank | 0.38 | 3 |
| | TOTAL | 198.00 | 258 |

4.2 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at an average of 2.23 million barrels per day (mbd) or 69.13 million barrels for July 2012. This was 0.06 mbd or 2.8 per cent above the average of 2.17 mbd or 65.10 million barrels produced in the preceding month. The marginal increase was attributed to the increase in crude oil

Crude oil and natural gas production was estimated at an average of 2.23 million barrels per day.

production from the deep-water offshore and traditional on-shore fields in the Niger Delta region.

Crude oil export was estimated at 1.78 mbd or 55.18 million barrels. This represented an increase of 3.5 per cent above the 1.72 mbd or 51.60 million barrels recorded in the preceding month. Deliveries to the refineries for domestic consumption stood at 0.45 mbd or 13.95 million barrels during the month under review.

At an estimated average of US\$103.99 per barrel, the price of Nigeria’s reference crude, the Bonny Light (37° API), rose by 10.7 per cent above the level in the preceding month. The increase in price was attributed to the rise in demand for crude oil mainly from Japan and supply shortages from some parts of North America as well as production problems in the North Sea. The average prices of other competing crudes, namely the West Texas Intermediate, U.K Brent and Forcados, at US\$87.17, US\$103.24 and US\$104.55 per barrel, respectively, also showed similar trend as the Bonny Light.

The average price of Nigeria’s reference crude the Bonny Light rose by 10.7 per cent above the level in the preceding month to US\$103.99 per barrel.

The average price of OPEC’s basket of eleven crude streams increased by 5.9 per cent to US\$99.55 per barrel, above the level recorded in the preceding month, but indicated a decline of 10.8 percent when compared with the level in the corresponding month of 2011 (Fig. 11, Table 11).

Figure11: Trends in Crude Oil Prices

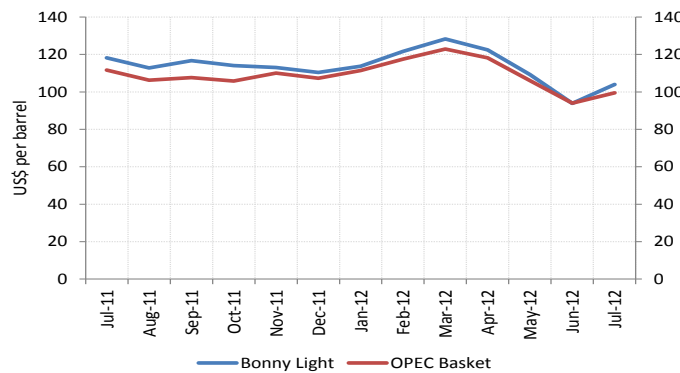


Table 11: Average Crude Oil Prices in the International Oil Market

| | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Bonny Light | 118.21 | 112.81 | 116.71 | 114.05 | 114.05 | 110.45 | 113.69 | 121.71 | 128.29 | 122.45 | 109.32 | 93.94 | 103.99 |
| OPEC Basket | 111.62 | 106.32 | 107.61 | 105.87 | 105.87 | 107.34 | 111.49 | 117.48 | 122.97 | 118.18 | 106.08 | 93.98 | 99.55 |

4.3 Consumer Prices

Available data showed that the all-items composite Consumer Price Index (CPI) in July 2012 was 135.7 (November 2009=100), representing an increase of 0.3 per cent over the level in the preceding month. The development was attributed to the rise in the price of food and non-alcoholic beverages, clothing and footwear; housing, water, electricity/gas, and other fuels; communication; recreation & culture; transport; education; restaurant & hotel; health services and other miscellaneous goods & services.

The urban all-items CPI at end-July 2012 was 134.5 (November 2009=100), indicating an increase of 0.3 per cent above the level in the preceding month. The rural all-items CPI for the month, was 136.9 (November 2009=100), also showing an increase of 0.3 per cent above the preceding month's level (Fig. 12, Table 11).

The end-period inflation rate for July 2012, on a year-on-year basis, was 12.8 per cent, indicating a decrease of 0.1 percentage point below the actual level of 12.9 per cent in the preceding month. The inflation rate on a twelve-month moving average basis for July 2012 was 11.6 per cent, compared with 11.3 per cent in the preceding month (Fig. 13, Table 12).

The composite food index for July 2012 was 135.0, indicating an increase of 0.4 per cent. The development was accounted for by the increase in the price indices of oils and fats, vegetables, soft drinks, as well as fruit classes, the latter being a key dietary component during the traditional breaking of fast during the month of Ramadan.

The general price level rose in April, relative to March 2012, owing to the increase in the indices of food and non-alcoholic beverages, among others.

The year-on-year headline inflation rate declined by 0.1 percentage point below the level in the preceding month.

Figure12: Consumer Price Index

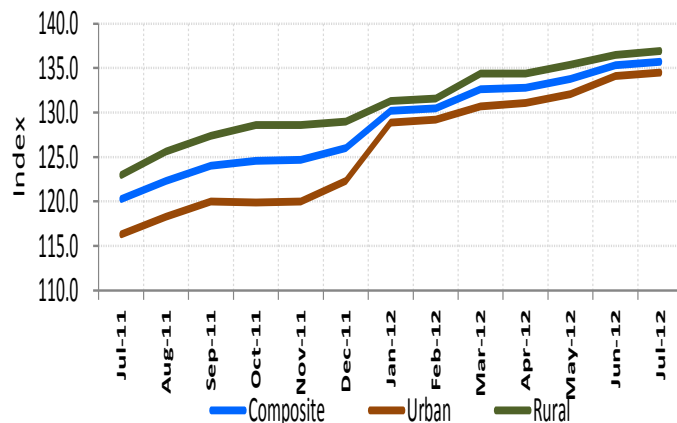


Table 12: Consumer Price Index (November 2009=100)

| | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Composite | 120.3 | 122.3 | 124.0 | 124.6 | 124.7 | 126.0 | 130.2 | 130.5 | 132.6 | 132.8 | 133.8 | 135.3 | 135.7 |
| Urban | 116.3 | 118.3 | 120.0 | 119.9 | 120.0 | 122.3 | 128.9 | 129.2 | 130.7 | 131.1 | 132.1 | 134.1 | 134.5 |
| Rural | 123.0 | 125.6 | 127.4 | 128.6 | 128.6 | 129.0 | 131.3 | 131.6 | 134.4 | 134.4 | 135.4 | 136.5 | 136.9 |
| CPI - Food | 120.4 | 123.7 | 124.8 | 125.0 | 125.4 | 128.1 | 129.3 | 129.1 | 132.1 | 132.3 | 133.9 | 134.5 | 135.0 |
| CPI - Non Food | 120.1 | 121.2 | 123.5 | 124.8 | 124.6 | 124.8 | 129.1 | 129.3 | 135.1 | 135.2 | 136.7 | 138.0 | 138.1 |

Figure13: Inflation Rate

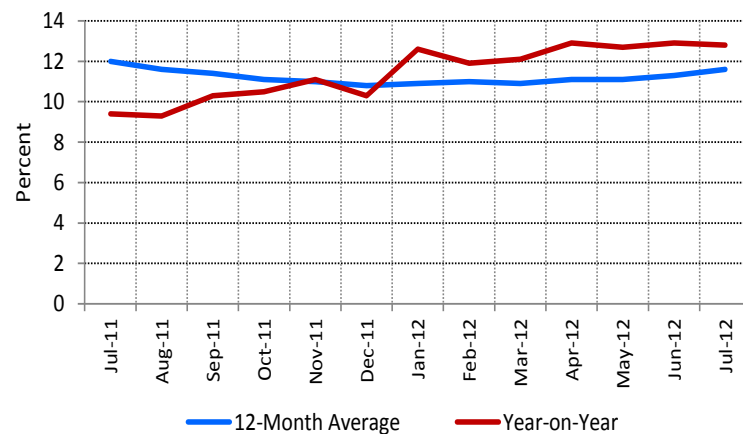


Table 13: Headline Inflation Rate (%)

| | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 12-Month Average | 12.0 | 11.6 | 11.4 | 11.1 | 11.0 | 10.8 | 10.9 | 11.0 | 10.9 | 11.1 | 11.1 | 11.3 | 11.6 |
| Year-on-Year | 9.4 | 9.3 | 10.3 | 10.5 | 11.1 | 10.3 | 12.6 | 11.9 | 12.1 | 12.9 | 12.7 | 12.9 | 12.8 |

5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow through the CBN rose by 6.0 per cent above the level in the preceding month, while outflow fell by 36.3 per cent. Total non-oil export receipts by banks rose marginally by 0.7 per cent above the level in the preceding month. The gross external reserves rose by 3.4 per cent above the preceding month's level. The average exchange rate of the Naira vis-à-vis the US dollar, appreciated by 0.01 per cent to ₦157.43 per US dollar at the Wholesale Dutch Auction System (wDAS).

5.1 Foreign Exchange Flows

Foreign exchange inflow and outflow through the CBN in the month of July 2012 was US\$3.34 billion and US\$2.93 billion, respectively, resulting in a net inflow of US\$0.41 billion, in contrast to the net outflow of US\$1.4 billion recorded in June 2012. Relative to the level in the preceding month, inflow rose by 6.0 per cent, but showed a decline of 28.1 per cent below the level in the corresponding period of 2011. The increase in inflow during the review period reflected a 57.3 per cent rise in the receipts from crude oil sales. On the other hand, outflow fell by 36.3 and 23.5 per cent below the levels in the preceding month and the corresponding period of 2011, respectively. The development relative to the preceding month was attributed to the 38.1 per cent reduction in wDAS utilization. A breakdown of the total wDAS utilization, showed that wDAS sales accounted for the bulk (73.8 per cent) of the total, cash sales to Bureau-de-Change (BDC) operators (15.9 per cent) and WDAS-forward contract (1.7 per cent)(Fig. 14, Table 14).

Foreign exchange inflow through the CBN rose by 6.0 per cent, while outflow declined by 36.3 per cent in July 2012.

Figure 14: Foreign Exchange Flows through the CBN

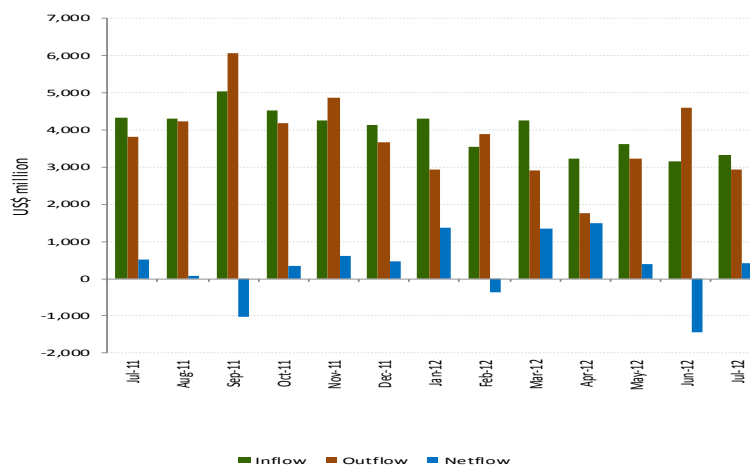


Table 14: Foreign Exchange Flows through the CBN (US\$ million)

| | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
|---------|--------|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--------|
| Inflow | 4327.7 | 4315.0 | 5030.4 | 4523.1 | 4265.0 | 4132.3 | 4307.0 | 3546.2 | 4266.6 | 3242.9 | 3627.1 | 3151.0 | 3340.6 |
| Outflow | 3818.6 | 4234.1 | 6060.7 | 4184.3 | 4880.3 | 3667.1 | 2945.8 | 3902.3 | 2912.4 | 1754.9 | 3239.7 | 4600.2 | 2928.6 |
| Netflow | 509.1 | 81.7 | -1030.3 | 338.8 | 624.3 | 465.2 | 1361.2 | -356.1 | 1354.2 | 1488.0 | 387.4 | -1449.3 | 412.0 |

Provisional data on aggregate foreign exchange flows through the economy indicated that total inflow was US\$7.83 billion, representing a decrease of 1.5 per cent and 19.3 per cent below the levels at the end of the preceding month and the corresponding month of 2011, respectively. The decline in inflow relative to the level in the preceding month was due largely to the 19.3 per cent fall in receipts from CBN due to the 96.7 per cent fall in interest on reserves and investments. Inflow through the CBN accounted for 42.7 per cent of the total, while inflow from autonomous sources accounted for the balance of 57.3 per cent.

Non-oil public sector inflow into the economy rose by 15.8 per cent and accounted for 1.5 per cent of the total in July 2012.

At US\$3.22 billion, oil sector receipts increased by 5.7 per cent above the level in the preceding month and accounted for 41.1 per cent of the total inflow. On a month-on-month basis, non-oil public sector inflow, at US\$119.13 million, rose by 15.8 per cent and accounted for 1.5 per cent of the total inflow, while autonomous inflow, at US\$4.49 billion, fell by 6.4 per cent, accounting for 57.3 per cent of the total.

At US\$3.10 billion, aggregate foreign exchange outflow from the economy fell by 36.0 per cent below the level in the preceding month. Thus, foreign exchange flows through the economy resulted in a net inflow of US\$4.7 billion in the month under review, compared with US\$3.10 billion and US\$5.76 billion in the preceding month and the corresponding month of 2011, respectively. The outcome reflected, largely, a decline in the wDAS utilization of foreign exchange during the month.

5.2 Non-Oil Export Earnings by Exporters

Total non-oil exports earnings, at US\$174.5 million, increased marginally by 0.7 per cent above the level in the preceding month. The development reflected, largely, the increase in receipts in respect of industrial and agricultural products sub-sector. A breakdown of receipts showed that proceeds of agriculture, manufactured, industrial, minerals and food products sub-sectors stood at US\$24.7, US\$64.1, US\$61.6, US\$20.5, and US\$3.6 million, respectively.

The shares of agriculture, manufactured, industrial, minerals and food products sub-sectors in non-oil export proceeds were 14.2, 36.7, 35.3, 11.7 and 2.1 per cent, respectively.

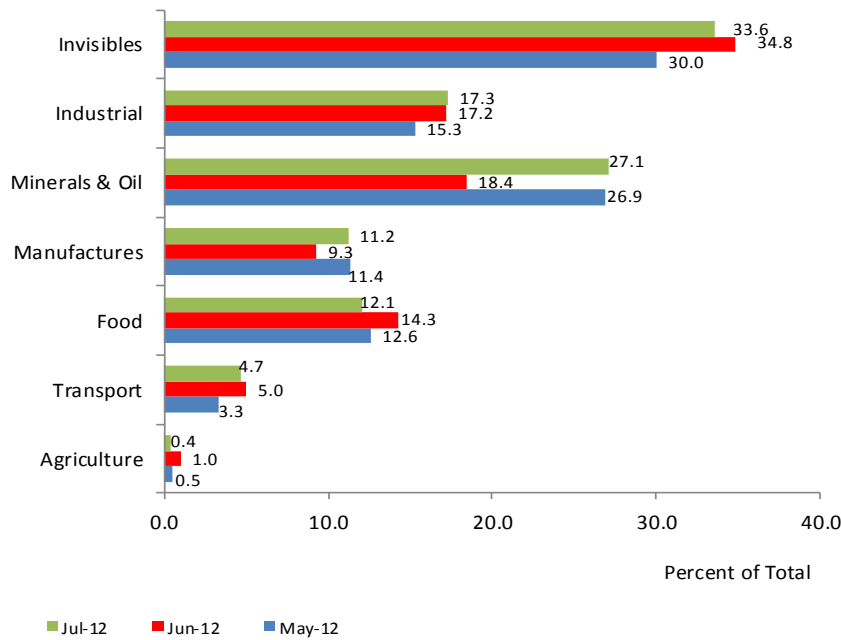
5.3 Sectoral Utilisation of Foreign Exchange

The invisible sector accounted for the bulk (33.6 per cent) of total foreign exchange disbursed in July 2012, followed by minerals and oil sector (20.7 per cent). Other beneficiary sectors, included: industrial sector (17.3), food products (12.1 per cent), manufactured product (11.2 per cent), transport (4.7 per cent) and agricultural products (0.4 per cent) (Fig.15).

Total non-oil export earnings rose marginally on account of increases in the earnings from industrial and agricultural products sub-sector.

The invisible sector accounted for the bulk of the total foreign exchange disbursed in July 2012.

Figure 15: Sectoral Utilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

Aggregate demand for foreign exchange by authorized dealers under the Wholesale Dutch Auction System (wDAS), Bureau-de-change (BDC) and wDAS-Forward contract was US\$2.60 billion in July 2012, showing a decline of 22.8 and 27.5 per cent below the levels in the preceding month and the corresponding month of 2011, respectively. The decline in aggregate demand relative to the preceding month’s level was attributed to the increase in supply of foreign exchange by oil companies at the interbank foreign exchange market during the month under review. A total of US\$2.64 billion was sold by the CBN to authorized dealers, reflecting a decrease of 38.8 and 16.6 per cent below the levels in the preceding month and the corresponding period of 2011, respectively (Fig.16, Table 15).

Demand for foreign exchange by authorized dealers fell by 22.8 and 27.5 per cent below the levels in the preceding month and the corresponding month of 2011, respectively.

Figure16: Demand for and Supply of Foreign Exchange

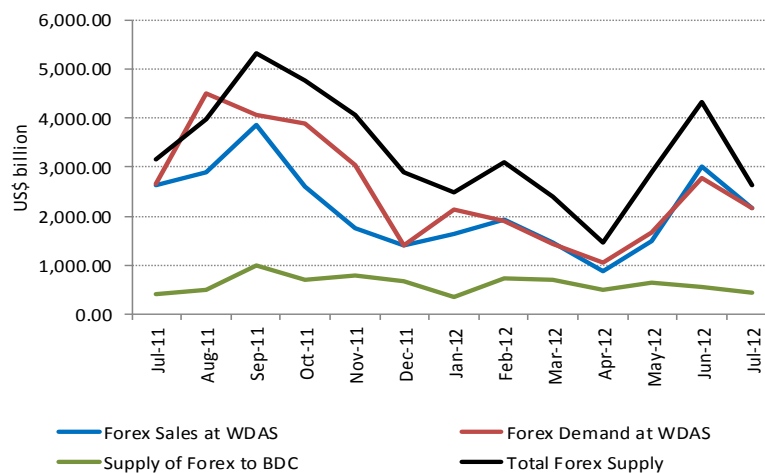


Table 15: Demand for and Supply of Foreign Exchange (US\$ billion)

| | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | Jan-00 | Jun-12 | Jul-12 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Forex Sales at WDAS | 2643.3 | 2889.1 | 3850.0 | 2607.0 | 1749.6 | 1397.9 | 1640.7 | 1942.2 | 1452.8 | 891.5 | 1487.0 | 3000.0 | 2161.7 |
| Forex Demand at WDAS | 3065.4 | 4504.5 | 4081.2 | 3900.0 | 3054.4 | 1415.3 | 2133.0 | 1892.0 | 1426.5 | 1052.9 | 1681.3 | 2777.6 | 2166.3 |
| Supply of Forex to BDC | 398.2 | 504.3 | 995.7 | 716.8 | 795.4 | 675.7 | 365.7 | 720.6 | 698.2 | 492.8 | 633.8 | 544.8 | 435.9 |
| Total Forex Supply | 3293.7 | 3677.0 | 5157.6 | 3923.0 | 4056.3 | 3151.5 | 2492.6 | 3101.5 | 2387.9 | 1451.3 | 2895.0 | 4317.2 | 2642.5 |

Under the wDAS, the average exchange rates of the Naira vis-à-vis the US dollar, appreciated by 0.01 per cent, to ₦157.43 per US dollar, compared with the level in the preceding month. It also, appreciated at both the interbank and BDC segments of the market by 0.6 and 0.1 per cent to ₦161.33 and ₦163.32 per US dollar, respectively.

Consequently, the premium between the wDAS and bureau-de-change rates narrowed to 3.7 per cent from 3.8 per cent in the preceding month. It also narrowed at the interbank market to 2.5 per cent from 3.1 per cent in the preceding month.

The Naira exchange rate vis-à-vis the US dollar, on average, appreciated at the three segments of the market.

Figure 17: Average Exchange Rate Movement

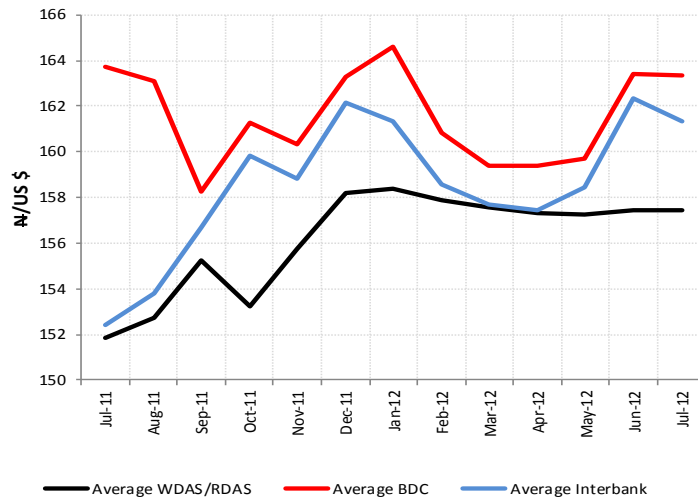
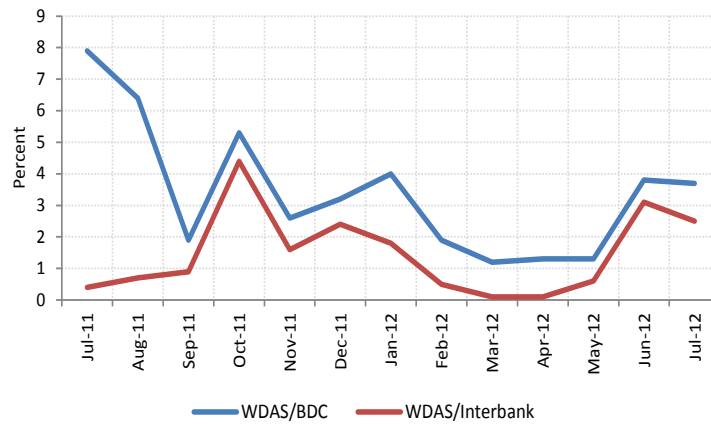


Table 16: Exchange Rate Movements and Exchange Rate Premium

| | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Average Exchange Rate (N/\$) | | | | | | | | | | | | | |
| WDAS/RDAS | 151.9 | 152.7 | 155.3 | 153.3 | 155.8 | 158.2 | 158.4 | 157.9 | 157.6 | 157.3 | 157.3 | 157.4 | 157.4 |
| BDC | 163.7 | 163.1 | 158.2 | 161.2 | 160.4 | 163.4 | 164.7 | 160.9 | 159.4 | 159.7 | 159.7 | 163.4 | 163.3 |
| Interbank | 152.4 | 153.8 | 156.7 | 159.8 | 158.8 | 162.2 | 161.3 | 158.6 | 157.7 | 157.4 | 158.5 | 162.3 | 161.3 |
| Premium (%) | | | | | | | | | | | | | |
| WDAS/BDC | 2.5 | 7.9 | 6.4 | 1.9 | 2.6 | 3.2 | 4.0 | 1.9 | 1.2 | 1.3 | 1.3 | 3.8 | 3.7 |
| WDAS/Interbank | 0.4 | 0.9 | 0.8 | 0.4 | 0.7 | 0.9 | 1.6 | 2.6 | 0.4 | 0.1 | 0.6 | 3.1 | 2.5 |

Figure 18: Exchange Rate Premium

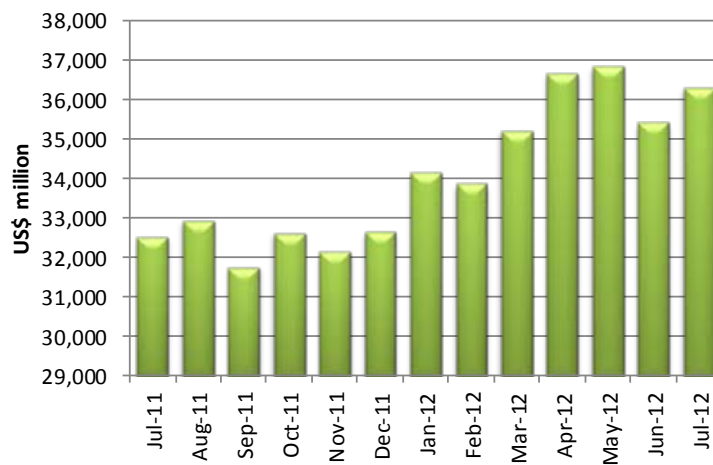


5.5 Gross External Reserves

The gross external reserves at the end of July 2012 stood at US\$36.29 billion, indicating an increase of 2.5 and 11.5 per cent above the levels in the preceding month and the corresponding period of 2011, respectively. A breakdown of the reserves showed that the Federation Account portion (Excess Crude) was US\$8.46 billion (23.3 per cent); Federal Government holding, US\$3.14 billion (8.7 per cent) and CBN reserves, US\$24.68 billion (68.0 per cent), (Fig. 19, Table 16).

Gross external reserves increased in July 2012.

Figure 19: Gross External Reserves



External Reserves (US\$ million)

| | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| External Reserves | 32,521.77 | 32,914.97 | 31,740.02 | 32,594.69 | 32,125.22 | 32,639.78 | 34,136.57 | 33,857.37 | 35,190.79 | 36,661.89 | 36,839.53 | 35,412.50 | 36,295.32 |

6.0 Other International Economic Developments and Meetings

World crude oil output in July 2012 stood at 89.43 million barrels per day (mbd), while demand was 87.69 million barrels per day (mbd), compared with 88.20 and 87.46 mbd supplied and demanded, respectively, in the preceding month. The marginal increase in demand was attributed to the summer heat and shutdown of most of Japan's nuclear power plants, which led to increase in the use of crude and fuel oil-burning.

Other major international economic developments and meetings of relevance to the domestic economy during the review month included: the 19th Ordinary Summit of the Heads of State and Government of the African Union (AU) held in Addis Ababa, Ethiopia from July 15 – 16, 2012 with the theme "Boosting Intra-African-Trade. The Presidents and other representatives of member countries exchanged views on the development agenda of the continent and also deliberated on the future of the Union and its achievements.

In another development, the meeting of the Joint Technical Committee of the African Union Commission (AUC) and the Association of African Central Banks (AACB) was held in Abuja, Nigeria from July 23 – 25, 2012 to consider the draft Joint Strategy Paper for the Establishment of the African Central Bank, prepared by the Joint Study Group of the ACB. The summary of the Draft Strategy covered the following areas: preconditions for a successful economic and monetary union; lessons and challenges to economic and monetary integration; recommendations of the joint strategy and way forward.

Furthermore, the ECOWAS Central Bank Governors met and deliberated on recent developments during the Mid-Year 2012 Statutory Meetings of WAMA, WAMI and WAIFEM held in Monrovia, Liberia from July 11 – 12, 2012. The Governors considered the reports of the West African Institute for Financial and Economic

Management (WAIFEM) on training and capacity building programme, development of the research sub-unit of the Institute, administrative developments, publications and international relations. The Governors adopted all the WAIFEM reports, including the training programme, which recorded 15 sessions with 513 recipients during the first half of 2012. At the Board meeting of the West African Monetary Agency (WAMA), Governors considered the work programme of the Agency since the engagement of the current Director-General in 2008. Further deliberations were held on multilateral surveillance of ECOWAS member countries, statistical and policy harmonization, international financial reporting standards (IFRS), developments on exchange rates of member countries, research papers, and accession of Cape Verde to WAMA. On the fringes of the WAMA meeting, the Governors had a presentation from the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) on: "Revised Financial Action Task Force (FATF) Standards: Implications for Member States". The Governors noted the paper, which dwelt on the role of the central banks in the fight against money laundering and terrorism financing, support of GIABA to member countries, status implementation of regulations, the impact of new technologies on the transparency of banking transactions and the identification of suspicious transactions. At the meeting of the West African Monetary Institute (WAMI), the Governors deliberated on the reports of the WAMZ macroeconomic convergence, policy papers, payments system development project, trade integration study, ACBF-Funded Project on institutional strengthening, quoting and trading in WAMZ currencies, audited financial statements for 2011 and mid-year budget review. After considering the macroeconomic performance, the Governors noted the report and urged member countries to redouble efforts to achieve the stipulated primary and secondary criteria for the WAMZ common currency. This is pertinent because of the limited time to the 2015 deadline for the take-off of the WAMZ common currency and 2020 for the ECOWAS monetary union.

Finally, the Central Bank Governors also considered the report of the College of Supervisors of WAMZ on the fringes of the ECOWAS institutions' meetings on July 12, 2012 in Monrovia, Liberia. Predicated on the financial system stability in the Zone, the report identified the challenges of growing non-performing loans, excess liquidity in the banking system, high interest rates and expanding operation costs. The College proposed that WAMI should undertake a study to provide policy guide on increasing lending rates and wide interest rate spread in the region.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

| | Dec 11 | Jan 12 | Feb 12 | Mar 12 | Apr 12 | May-12 | Jun-12 | Jul-12 |
|---|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Domestic Credit (Net) | 13,694.98 | 13,962.3 | 13,478.0 | 13,679.1 | 13,407.4 | 13,251.7 | 13,313.1 | 13,098.8 |
| <i>Claims on Federal Government (Net)</i> | (531.94) | (722.6) | (576.2) | (440.8) | (785.2) | (1,220.9) | (1,380.5) | (1,746.6) |
| Central Bank (Net) | (3,549.53) | (3,581.4) | (3,299.6) | (3,202.6) | (3,494.5) | (3,998.6) | (3,969.9) | (4,097.3) |
| Banks | 3,017.58 | 2,858.8 | 2,723.4 | 2,761.8 | 2,709.3 | 2,772.7 | 2,584.5 | 2,345.8 |
| Non Interest Banks | | | | | | - | - | - |
| <i>Claims on Private Sector</i> | 14,226.92 | 14,684.9 | 14,054.1 | 14,119.9 | 14,192.6 | 14,472.6 | 14,693.6 | 14,845.4 |
| Central Bank | 4,612.48 | 4,628.3 | 4,622.5 | 4,599.33 | 4,642.4 | 4,730.6 | 4,645.2 | 4,610.2 |
| Banks | 9,614.45 | 10,056.6 | 9,431.7 | 9,520.6 | 9,550.2 | 4,742.0 | 10,048.4 | 10,234.8 |
| Non Interest Banks | | | | | | 4.9 | 4.9 | 4.9 |
| <i>Claims on Other Private Sect</i> | 13,713.70 | 14,190.8 | 13,546.0 | 13,581.8 | 13,640.5 | 13,900.5 | 14,107.3 | 14,253.0 |
| Central Bank | 4,612.48 | 4,628.3 | 4,622.5 | 4,599.3 | 4,642.4 | 4,730.6 | 4,645.2 | 4,610.2 |
| Banks | 9,101.23 | 9,562.5 | 8,923.5 | 8,982.4 | 8,998.2 | 9,169.8 | 9,462.1 | 9,642.4 |
| Non Interest Banks | | | | | | - | - | 0.4 |
| <i>Claims on State and Local Gov</i> | 513.22 | 494.2 | 508.1 | 538.1 | 552.1 | 572.1 | 586.3 | 592.4 |
| Central Bank | | | | | | - | - | - |
| Banks | 513.21 | 494.2 | 508.1 | 538.1 | 552.1 | 572.1 | 586.3 | 592.4 |
| Non Interest Banks | | | | | | - | - | - |
| <i>Claims on Non-financial Public Enterprises</i> | | | | | | | | |
| Central Bank | | | | | | | | |
| Banks | | | | | | | | |
| Foreign Assets (Net) | 7,138.67 | 7,413.6 | 7,228.1 | 7,306.7 | 7,692.1 | 7,984.8 | 7,525.2 | 7,815.1 |
| Central Bank | 5,823.79 | 5,933.7 | 5,600.0 | 5,755.8 | 6,102.7 | 6,290.6 | 6,028.3 | 6,301.3 |
| Banks | 1,314.88 | 1,480.0 | 1,628.1 | 1,550.9 | 1,589.4 | 1,694.2 | 1,496.9 | 1,513.8 |
| Non Interest Banks | | | | | | - | - | - |
| Other Assets (Net) | (7,536.15) | (7,626.6) | (7,558.0) | (7,714.8) | (7,794.7) | (7,633.3) | (7,354.9) | (7,522.5) |
| Total Monetary Assets (M2) | 13,297.51 | 13,749.3 | 13,148.1 | 13,271.0 | 13,304.8 | 13,601.1 | 13,483.4 | 13,391.4 |
| Quasi-Money 1/ | 6,531.91 | 6,928.4 | 6,733.2 | 6,748.0 | 6,636.0 | 7,068.6 | 6,883.7 | 6,988.6 |
| Money Supply (M1) | 6,765.59 | 6,820.9 | 6,414.9 | 6,522.9 | 6,668.8 | 6,534.5 | 6,599.7 | 6,402.7 |
| <i>Currency Outside Banks</i> | 1,245.14 | 1,093.7 | 1,081.7 | 1,141.4 | 1,111.1 | 1,121.6 | 1,088.3 | 1,076.8 |
| <i>Demand Deposits 2/</i> | 5,520.46 | 5,727.2 | 5,333.3 | 5,381.6 | 5,557.7 | 5,412.9 | 5,511.4 | 5,325.9 |
| Total Monetary Liabilities (M2) | 13,297.51 | 13,749.3 | 13,148.1 | 13,271.0 | 13,304.8 | 13,603.1 | 13,483.4 | 13,391.4 |
| <i>Memorandum Items:</i> | | | | | | | | |
| Reserve Money (RM) | 2,784.07 | 2,689.4 | 2,760.0 | 2,527.6 | 2,589.5 | 2,506.7 | 2,512.5 | 2,895.3 |
| <i>Currency in Circulation (CIC)</i> | 1,566.05 | 1,476.1 | 1,438.6 | 1,432.8 | 1,422.4 | 1,399.0 | 1,363.7 | 1,362.6 |
| <i>DMBs Demand Deposit with CBN</i> | 1,218.02 | 1,213.3 | 1,321.3 | 1,094.8 | 1,167.1 | 1,107.7 | 1,148.7 | 1,532.7 |

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

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

Table A2: Money and Credit Aggregates (Growth Rates)

| | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
|---|--|--------|--------|--------|--------|--------|--------|--------|
| | Growth over Preceding December(%) | | | | | | | |
| Domestic Credit (Net) | 57.3 | 2.0 | -1.6 | -0.1 | -2.0 | -3.2 | -2.7 | -4.3 |
| <i>Claims on Federal Government (Net)</i> | 52.7 | -35.9 | -8.3 | 11.3 | -58.0 | -145.7 | -177.9 | -251.5 |
| <i>Claims on Private Sector</i> | 44.7 | 3.2 | -1.2 | -0.4 | 0.1 | 2.0 | 3.6 | 4.7 |
| <i>Claims on Other Private Sector</i> | 45.0 | 3.5 | -1.2 | -0.6 | -0.2 | 1.7 | 3.2 | 4.3 |
| <i>Claims on State and Local Government</i> | 38.8 | -3.2 | -1.0 | 4.9 | 7.6 | 11.5 | 14.2 | 15.4 |
| <i>Claims on Non-financial Public Enterprises</i> | | | | | | | | |
| Foreign Assets (Net) | 9.7 | -3.9 | 1.3 | 2.4 | 7.8 | 11.9 | 5.4 | 9.5 |
| Other Assets (Net) | -104.3 | -3.5 | -0.3 | -2.6 | -3.6 | -1.5 | 2.2 | 0.0 |
| Total Monetary Assets (M2) | 15.4 | 3.4 | -1.1 | -0.2 | 0.0 | 2.3 | 1.4 | 0.7 |
| Quasi-Money 1/ | 9.7 | 6.1 | 3.1 | 3.3 | 1.6 | 8.2 | 5.4 | 7.0 |
| Money Supply (M1) | 21.5 | 0.8 | -5.2 | -3.7 | -1.5 | -3.5 | -2.5 | -5.5 |
| <i>Currency Outside Banks</i> | 15.1 | -12.2 | -13.1 | -8.3 | -10.8 | -9.9 | -12.6 | -13.5 |
| <i>Demand Deposits 2/</i> | 23.0 | 3.7 | -3.4 | -2.6 | 0.6 | -2.1 | -0.3 | -3.6 |
| Total Monetary Liabilities (M2) | 15.4 | 3.4 | -1.1 | -0.2 | 0.0 | 2.3 | 1.4 | 0.7 |
| Memorandum Items: | | | | | | | | |
| Reserve Money (RM) | 50.9 | -3.4 | -0.9 | -9.2 | -7.0 | -10.0 | -7.0 | -10.0 |
| <i>Currency in Circulation (CIC)</i> | 13.6 | -5.8 | -8.1 | -8.5 | -9.2 | -10.7 | -12.9 | -13.0 |
| <i>DMBs Demand Deposit with CBN</i> | 160.5 | 11.0 | 8.5 | -10.1 | -4.2 | -9.1 | -5.7 | 25.8 |
| | Growth over Preceding Month (%) | | | | | | | |
| Domestic Credit (Net) | 22.0 | 2.0 | -3.5 | 1.6 | -2.0 | -1.2 | 0.5 | -1.6 |
| <i>Claims on Federal Government (Net)</i> | 55.4 | -35.8 | 20.3 | 18.6 | -78.1 | -55.5 | -13.1 | -26.5 |
| <i>Claims on Private Sector</i> | 14.6 | 3.2 | -4.3 | 0.8 | 0.5 | 2.0 | 1.5 | 1.0 |
| <i>Claims on Other Private Sector</i> | 14.2 | 3.5 | -4.5 | 0.6 | 0.4 | 1.9 | 1.5 | 1.0 |
| <i>Claims on State and Local Government</i> | 26.6 | -3.7 | 2.8 | 5.9 | 2.6 | 3.6 | 2.5 | 1.0 |
| <i>Claims on Non-financial Public Enterprises</i> | | | | | | | | |
| Foreign Assets (Net) | 7.8 | 3.9 | -2.5 | 1.0 | 5.3 | 3.8 | -5.8 | 3.9 |
| Central Bank | 13.3 | 1.9 | -5.6 | 2.7 | 6.0 | 3.1 | -4.2 | 4.5 |
| Banks | -11.3 | 12.6 | 10.0 | -4.7 | 2.5 | 6.6 | -11.6 | 1.1 |
| Other Assets (Net) | -33.7 | -1.2 | 0.9 | -2.2 | -1.0 | 2.1 | 3.7 | -2.3 |
| Total Monetary Assets (M2) | 8.9 | 3.4 | -4.4 | 0.9 | 0.3 | 2.2 | -0.9 | -0.7 |
| Quasi-Money 1/ | 1.5 | 6.1 | -2.8 | 0.2 | -1.7 | 6.5 | -2.6 | 1.5 |
| Money Supply (M1) | 17.2 | 0.8 | -6.0 | 1.6 | 2.2 | -2.0 | 1.0 | -3.0 |
| <i>Currency Outside Banks</i> | 16.5 | -12.2 | -1.1 | 5.5 | -2.7 | 0.9 | -3.0 | -1.1 |
| <i>Demand Deposits 2/</i> | 17.3 | 3.7 | -6.9 | 0.8 | 3.3 | -2.6 | 1.8 | -3.4 |
| Total Monetary Liabilities (M2) | 8.9 | 3.4 | -4.4 | 0.9 | 0.3 | 2.2 | -0.9 | -0.7 |
| Memorandum Items: | | | | | | | | |
| Reserve Money (RM) | 18.9 | -3.4 | 2.6 | -8.4 | 2.5 | -3.2 | 3.3 | -3.2 |
| <i>Currency in Circulation (CIC)</i> | 12.6 | -5.8 | -2.5 | -0.4 | -0.7 | -1.7 | -2.5 | -0.1 |
| <i>DMBs Demand Deposit with CBN</i> | 28.1 | 11.0 | 9.0 | -17.2 | 6.6 | -5.1 | 3.7 | 33.4 |

Table A3: Federal Government Fiscal Operations (₦ billion)

| | Jul-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Dec-31 | Jan-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Retained Revenue | 613.9 | 282.6 | 285.1 | 233.6 | 285.7 | 285.1 | 233.6 | 287.0 | 251.2 | 282.6 | 273.7 | 429.1 | 340.2 | 262.9 | 248.9 | 254.9 |
| Federation Account | 222.5 | 260.7 | 208.7 | 194.1 | 213.6 | 208.7 | 194.1 | 213.6 | 173.5 | 260.7 | 173.5 | 189.2 | 234.0 | 207.6 | 218.2 | 218.3 |
| VAT Pool Account | 7.9 | 8.8 | 7.4 | 7.5 | 6.8 | 7.4 | 7.5 | 8.2 | 7.7 | 8.8 | 7.7 | 8.7 | 8.9 | 8.6 | 8.7 | 8.5 |
| FGN Independent Revenue | 19.8 | 13.1 | 17.1 | 4.6 | 10.6 | 17.1 | 4.6 | 14.9 | 33.4 | 13.1 | 6.9 | 77.2 | 74.9 | 20.6 | 5.7 | 11.8 |
| Excess Crude | 363.8 | 0.0 | 52.0 | 0.0 | 0.0 | 52.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 34.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Others | 0.0 | 0.0 | 0.0 | 27.4 | 0.0 | 0.0 | 27.4 | 50.3 | 36.7 | 0.0 | 0.0 | 119.6 | 22.4 | 16.3 | 16.3 | 16.3 |
| Expenditure | 354.9 | 326.0 | 458.2 | 350.0 | 318.0 | 458.2 | 350.0 | 179.2 | 355.8 | 326.0 | 424.9 | 419.7 | 304.7 | 378.6 | 379.8 | 372.1 |
| Recurrent | 300.4 | 208.9 | 292.7 | 263.8 | 239.2 | 292.7 | 263.8 | 141.5 | 308.4 | 208.9 | 289.2 | 264.3 | 240.4 | 273.3 | 260.6 | 270.4 |
| Capital | 32.4 | 66.5 | 136.2 | 64.0 | 77.1 | 136.2 | 64.0 | 0.0 | 0.0 | 66.5 | 135.7 | 155.4 | 51.8 | 85.4 | 108.4 | 87.3 |
| Transfers | 22.1 | 21.6 | 21.0 | 22.2 | 13.3 | 21.0 | 22.2 | 37.7 | 47.4 | 20.5 | 20.6 | 20.2 | 20.2 | 18.5 | 18.9 | 17.9 |
| Overall Balance: Surplus(+)/Deficit(-) | 259.1 | -43.5 | -173.1 | -116.4 | -116.8 | -173.1 | -116.4 | 107.8 | -104.6 | -43.5 | 151.2 | 9.4 | 33.5 | -115.7 | -130.9 | -117.1 |

