



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
FEBRUARY 2019***

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 Summary¹

Monetary policy stance remained, largely, non-expansionary to rein in inflationary pressures. Broad money supply (M_3), grew by 1.4 per cent (month on month) to ₦33,824.86 billion at end-January 2019, compared with the growth of 16.4 per cent recorded at the end of the preceding month. The growth in M_3 reflected the increase of 4.0 per cent in domestic credit (net), which more than offset the 3.2 per cent and 0.3 per cent decline in foreign assets (net) and other assets (net) of the banking system, respectively. Narrow money supply (M_1), fell by 5.3 per cent (month on month) to ₦11,135.89 billion at end-January 2019 relative to the level at the end of the preceding month and reflected the 9.0 per cent and 4.5 per cent decrease in its currency outside banks and demand deposits components, respectively.

Movements in banks' deposit rates were mixed. While lending rates trended upwards in February 2019, the average savings and 1-month deposit rates remain unchanged at their preceding month's levels of 4.07 per cent and 9.00 per cent, respectively. With the exception of the 7-day deposit rate, which rose by 0.16 percentage point to 3.73 per cent, all other rates of various maturities fell from a range of 9.69 per cent - 10.66 per cent in the preceding month to a range of 9.44 per cent - 10.57 per cent in February 2019.

The weighted average prime and maximum lending rates rose by 0.08 percentage point and 0.02 percentage point to 16.09 per cent and 30.50 per cent, respectively, at end-February 2019. Consequently, the spread between the average term deposit and the average maximum lending rates widened by 0.14 percentage point to 21.70 percentage points at end-February 2019. Similarly, the spread between the average savings deposit and maximum lending rates widened by 0.02 percentage point to 26.43 percentage points at end-February 2019.

The total value of money market assets outstanding in February 2019 stood at ₦12,142.25 billion, showing an increase of 1.3 per cent, in contrast to the 0.3 per cent decline in the preceding month. Developments on the Nigerian Stock Exchange (NSE) were bullish in February 2019, as all the major market indicators trended upward.

Federally-collected revenue (gross) was estimated at ₦797.21 billion in February 2019. This was below the monthly budget estimate and the receipts in January 2019 by 28.0 per cent and 7.1 per cent, respectively. Oil and non-oil receipts (gross), at ₦479.54 billion and ₦317.67 billion in the review month, constituted 60.2 per cent and 39.8 per cent of total revenue, respectively. Federal Government retained revenue and estimated expenditure for February 2019 were ₦272.15 billion and ₦495.72 billion, respectively, resulting in an estimated deficit of ₦223.57 billion.

Agricultural activities in February 2019 were preparation of land for early wet season planting, and harvesting of tree-crops as well as

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

irrigation-fed vegetables. In the livestock sub-sector, farmers intensified efforts towards raising of poultry birds and cattle in preparation for the festivities in April.

Domestic crude oil production was estimated at 1.82 mbd or 50.96 million barrels (mb) in February 2019. Crude oil export was estimated at 1.37 mbd or 38.4 mb. The average spot price of Nigeria's reference crude oil, the Bonny Light (37° API), rose by 8.3 per cent to US\$65.83 per barrel in February 2019.

The end-period headline inflation, on year-on-year and twelve-month moving average bases, stood at 11.31 per cent and 11.56 per cent, respectively, in February 2019, compared with 11.37 per cent and 11.80 per cent, in January 2019.

Foreign exchange inflow into and outflow from the CBN in February 2019 were US\$5.07 billion and US\$5.94 billion, respectively, and resulted in a net outflow of US\$0.87 billion. Aggregate foreign exchange inflow into and outflow from the economy were US\$10.41 billion and US\$6.15 billion, respectively, resulting in a net inflow of US\$4.26 billion. Foreign exchange sales by the CBN to the authorised dealers amounted to US\$4.02 billion, in the review period, compared with US\$3.17 billion in the preceding month.

The average exchange rate of the naira at the inter-bank, the BDC segment and the "investors" and "exporters" window were ₦306.75/US\$, ₦359.73/US\$ and ₦361.95/US\$, respectively, in February 2019. The gross external reserves was US\$42.34 billion at end-February 2019, compared with US\$42.52 billion at end-January 2019.

The major international economic developments and meetings of importance to the domestic economy in the review period included: The 39th Meeting of the Technical Committee of the West African Institute for Financial and Economic Management (WAIFEM) held in Gold Coast City, Accra, Ghana on February 3, 2019; the 44th Meeting of the Technical Committee (TC) of the West African Monetary Zone (WAMZ) held in Gold Coast City, Accra, Ghana from February 4 – 5, 2019; and the 2018 End-of-Year Statutory meetings of the West African Monetary Agency (WAMA) held in Dakar, Senegal from February 18 – 21, 2019.

2.0 Financial Sector Developments

2.1 Monetary and Credit Developments

Broad money supply (M3) grew, while narrow money supply (M1) fell in January 2019. Developments in banks' deposit rates were mixed, while lending rates trended upwards in the review month. The value of money market assets outstanding rose, owing, largely, to the increase in FGN Bonds Outstanding. Developments on the Nigerian Stock Market were bullish in the review month, as the market indicators trended upward.

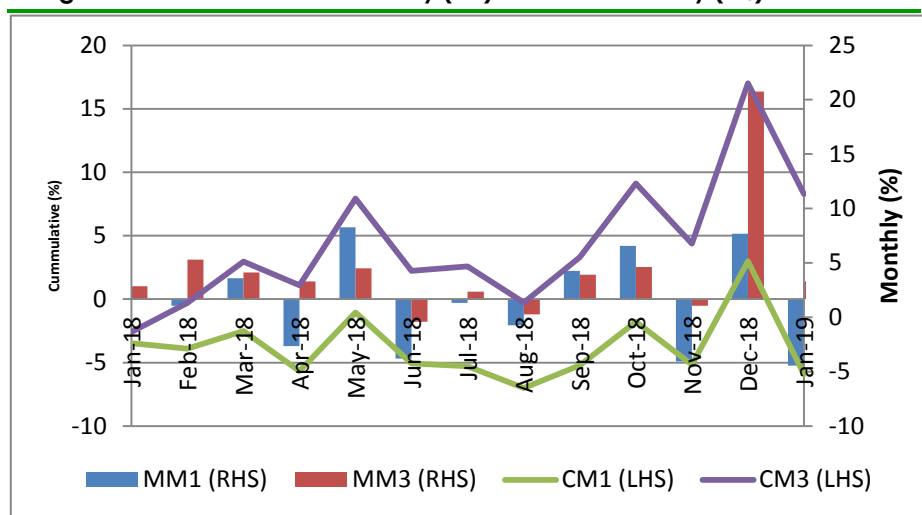
The stance of monetary policy remained, largely, non-expansionary in the review period. Major monetary aggregate, however, trended upwards. Broad money supply (M₃), grew by 1.4 per cent, (month-on-month) to ₦33,824.86 billion at end-January 2019, compared with the growth of 16.4 per cent at the end of the preceding month, but was in contrast to the 1.6 per cent decline in the corresponding period of 2018. The growth in M₃ reflected the increase of 4.0 per cent in domestic credit (net), which more than offset the 3.2 per cent and 0.3 per cent decline in foreign assets (net) and other assets (net) of the banking system, respectively.

On month-on-month basis, the major monetary aggregates rose in January 2019.

Narrow money supply (M₁), fell by 5.3 per cent (month-on-month) to ₦11,135.88 billion at end-January 2019, in contrast to the 5.2 per cent growth recorded at the end of the preceding month. Compared with the level in the corresponding period of 2018, Narrow money supply (M₁) declined by 2.4 per cent. The decline in M₁ reflected the 9.0 per cent and 4.5 per cent decrease in its currency outside banks and demand deposits components, respectively (Figure 1, Table 1).

Quasi-money grew by 2.0 per cent (month-on-month) to ₦15,623.78 billion at end-January 2019, compared with the growth of 18.1 per cent and 0.7 per cent at the end of the preceding month and the corresponding period of 2018, respectively. The development reflected the increase in time and savings deposits of commercial banks.

Figure 1: Growth of Narrow Money (M₁) and Broad Money (M₃)²

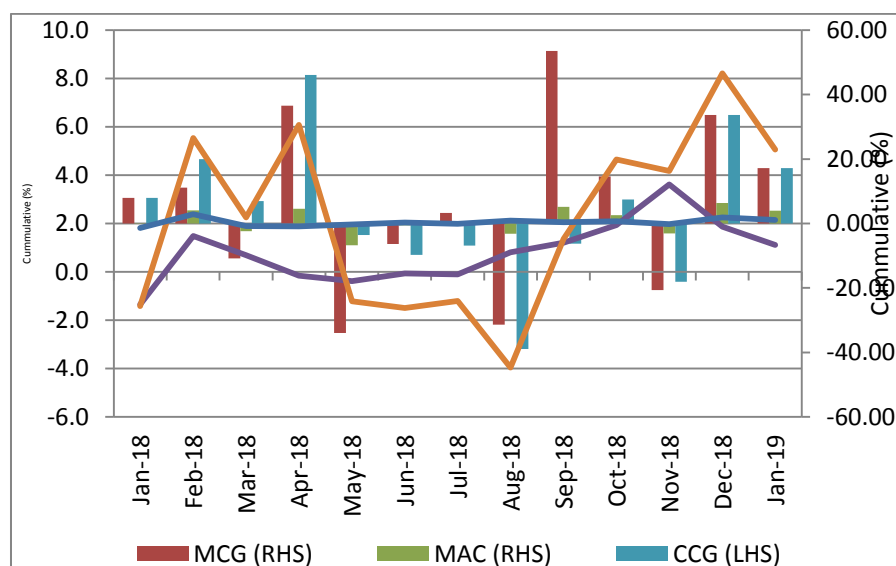


Aggregate credit to the domestic economy, at ₦28,664.39 billion, grew by 4.0 per cent at end-January 2019, compared with the growth of 6.3 per cent and 0.1 per cent at the end of the preceding month and the corresponding period of 2018, respectively. The growth in aggregate domestic credit reflected the increase of 17.2 and 1.1 per cent in net claims on the Federal Government and claims on the private sector, respectively.

Net claims on the Federal Government rose by 17.2 per cent to ₦5,703.67 billion at end-January 2019, compared with the growth of 33.7 per cent and 9.2 per cent at the end of the preceding month and the corresponding period of 2018. The development was on account of increased holdings of Government securities by banks.

Banking system's credit to the private sector, grew by 1.1 per cent to ₦22,960.73 billion, compared with the growth of 1.9 per cent at the end of the preceding month. This was in contrast to the decrease of 1.3 per cent recorded at the end of the corresponding period of 2018. The growth in private sector credit relative to the preceding month's level was attributed to the 0.8 per cent increase in claims on the core private sector.

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

Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy³

Net Foreign Assets (NFA) of the banking system, declined by 3.2 per cent to ₦17,814.23 billion at end-January 2019, in contrast to the growth of 18.5 per cent and 0.5 per cent recorded at the end of the preceding month and the corresponding period of 2018. The fall in NFA was due to the 5.7 per cent decline in foreign asset holdings of the CBN.

Other assets (net) of the banking system fell by 0.3 per cent to negative ₦12,653.77 billion, at end-January 2019, in contrast to the 1.3 per cent growth recorded at the end of the preceding month. Compared with the level at the end of the corresponding period of 2018, other assets (net) also fell by 4.5 per cent. The decline was due to the fall in unclassified assets of the CBN.

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

	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Domestic Credit (Net)	-0.6	0.3	-3.2	5.2	2.6	-3.0	6.3	4.0
Claims on Federal Government (Net)	-6.4	3.3	-31.4	53.6	14.6	-20.6	33.7	17.2
Claims on Private Sector	0.3	-0.1	0.9	0.4	0.7	-0.2	1.9	1.1
Claims on Other Private Sector	0.2	0.2	1.4	1.8	-0.3	-0.2	1.9	0.8
Foreign Assets (Net)	0.2	-3.0	3.5	2.2	-0.4	1.2	18.5	-3.2
Other Assets (Net)	-5.2	6.6	-2.5	-10.9	2.7	3.2	1.3	-0.3
Broad Money Supply (M3)	-1.8	0.6	-1.2	1.9	2.5	-0.5	16.4	1.4
Quasi-Money	1.2	1.4	0.8	1.3	-0.1	-0.1	18.1	2.0
Narrow Money Supply (M1)	-4.7	-0.3	-2.1	2.2	4.2	-4.9	5.2	-5.3
Money Supply (M2)	-1.4	0.6	-0.5	1.7	1.7	-2.2	12.1	-1.1
Reserve Money (RM)	-6.0	4.1	1.0	1.7	7.7	-7.1	10.1	4.9

³ 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).

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

Currency-in-circulation, at ₦2,329.71 billion, on month-on-month basis, rose by 10.9 per cent at end-December 2018, compared with the growth of 7.4 per cent at the end of the preceding month. The development relative to the preceding month reflected the increase in currency held by commercial banks.

Deposits of banks and the private sector with the CBN, on month-on-month basis, rose, while that of the Federal Government fell, relative to the levels at the end of the preceding month. Overall, aggregate deposit at the CBN declined by 2.6 per cent to ₦15,703.93 billion at end-December 2018. Of the total deposits at the CBN, the shares of the Federal Government, banks and the private sector were 49.6 per cent, 30.6 per cent and 19.8 per cent, respectively.

Reserve money (RM) rose in the review month.

Reserve money rose by 4.8 per cent to ₦7,135.73 billion at end-December 2018. The upward movement in reserve money reflected the 2.0 per cent and 10.9 per cent increase in DMBs demand deposits with CBN and CIC, respectively.

2.3 Money Market Developments

Key financial market indicators remained stable despite mixed liquidity trends in the domestic money market. In pursuance of the Bank's tight monetary policy stance, observed liquidity inflow arising, mainly, from maturing CBN bills worth ₦2,104.25 billion and fiscal injections, were persistently mopped up through Open Market Operation (OMO) auctions. Consequently, major money market rates trended in tandem with the level of liquidity during the review period.

The total value of money market assets outstanding in February 2019 stood at ₦12,142.25 billion, showing an increase of 1.3 per cent, in contrast to the 0.3 per cent decline in the preceding month. The development was attributed, largely, to the 1.7 per cent growth in FGN Bonds Outstanding.

2.3.1 Interest Rate Developments

Money market rates were generally stable and moved in tandem with the level of liquidity in the review period. Provisional data indicated that movements in banks' deposit rates were mixed, while lending rates trended upwards in February 2019. The average savings and 1-month deposit rates remain unchanged at their preceding month's levels of 4.07 per cent and 9.00 per cent, respectively. With the exception of the 7-day deposit rate, which rose by 0.16 percentage point to 3.73 per cent, all other rates of various maturities fell from a range of 9.69 per cent - 10.66 per cent in the preceding month to a range of 9.44 per cent - 10.57 per cent in February 2019.

The weighted average prime and maximum lending rates rose by 0.08 percentage point and 0.02 percentage point to 16.09 per cent and 30.50 per cent, respectively, at end-February 2019. Consequently, the spread between the average term deposit and the average maximum lending rates widened by 0.14 percentage point to 21.70 percentage points at end-February 2019. Similarly, the spread between the average savings deposit and maximum lending rates widened by 0.02 percentage point to 26.43 percentage points at end-February 2019.

Average inter-bank rate, which stood at 15.00 per cent at end-January 2018, rose by 1.45 percentage points to 16.45 per cent at end-February 2019. Open-buy-back (OBB) rate, which stood at 19.71 per cent in the preceding month, fell by 0.92 percentage point to 18.79 per cent at end-February 2019. The Nigerian inter-bank offered rate (NIBOR), for the 30-day tenor, declined to 8.59 per cent in the review period, compared with 15.21 per cent at end-January 2019. With the headline inflation which stood at 11.31 per cent in February 2019, all deposit rates remained negative in real terms, while lending rates were positive in real terms (Figure 3, Table 2).

Staff Estimates indicated that banks' deposit rates were mixed, while lending rates trended upwards in the review month.

Figure 3: Selected DMBs Interest Rates (Average)

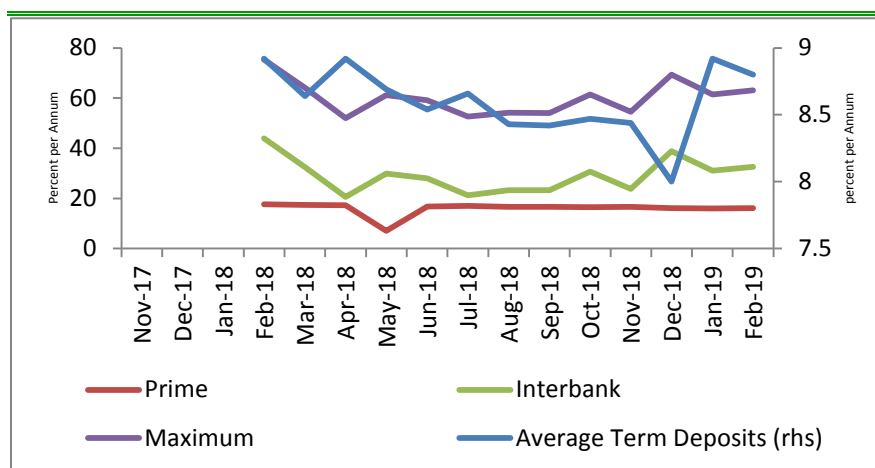


Table 2: Selected Interest Rates (Percent, Averages)

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Average Term Deposits	8.92	8.64	8.92	8.69	8.54	8.68	8.43	8.42	8.47	8.44	8	8.92	8.8
Prime Lending	17.71	17.35	17.23	17.08	16.78	16.83	16.65	16.59	16.53	16.59	16.17	16.01	16.09
Interbank Call	26.19	15.16	3.34	22.77	11.23	4.2	6.64	6.64	14.18	7.17	22.68	15	16.45
Maximum Lending	31.4	31.55	31.45	31.29	31.17	31.09	30.93	30.77	30.67	30.79	30.52	30.48	30.5

2.3.2 Commercial Paper (CP)

Commercial Paper (CP) outstanding held by DMBs stood at ₦13.03 billion at the end of the review month, showing a decrease of 0.6 per cent, compared with ₦13.11 billion, recorded in the January 2019. Thus, CP constituted 0.1 per cent of the total value of money market assets outstanding during the review period, same as in the preceding month.

2.3.3 Bankers' Acceptances (BAs)

At end-February 2019, BAs stood at ₦10.87 billion, representing an increase of 30.9 per cent, compared with ₦8.30 billion recorded in the preceding month. Consequently, BAs accounted for 0.1 per cent of the total value of money market assets outstanding at the end of the review period.

2.3.4 Certificate of Deposits (CDs)

Certificate of Deposits (CDs) grew marginally by 0.03 per cent to ₦59.66 billion in the review period, compared with ₦59.64 billion recorded in January 2019. At that level, CDs constituted 0.5 per cent of total money market outstanding in February 2019.

2.3.5 Open Market Operations

The Bank continued to intervene through the conduct of direct Open Market Operations (OMO), to influence liquidity in the system in February 2019. The tenors of the instruments ranged from 58 to 364 days. Total amount offered, subscribed to and allotted, stood at ₦3,118.21 billion, ₦3,104.94 billion and ₦2,857.58 billion, respectively. The bid rates ranged from 11.00 to 15.00 per cent, while the stop rates were from 11.90 to 15.00 per cent. Repayment and maturity of CBN bills was ₦2,104.25 billion, translating to a net withdrawal of ₦753.33 billion.

2.3.6 Primary Market

NTBs of 91-, 182- and 364-day tenors, amounting to ₦233.63 billion, ₦1,165.14 billion and ₦268.50 billion were offered, subscribed to and allotted, respectively, at the three auctions held in February 2019 on behalf of the Debt Management Office (DMO). The bid rates ranged from: 10.40 per cent to 16.30 per cent; 12.00 to 14.50 per cent; and 14.00 per cent to 16.52 per cent, for the 91-, 182- and 364-day tenors, respectively. In the same vein, the stop rates were from: 10.90 per cent to 11.01 per cent; 13.01 per cent to 13.40 per cent; and 14.37 per cent to 14.95 per cent, respectively.

2.3.7 Bonds Market

Tranches of the 5-, 7-, and 10-year bonds were re-opened and offered for sale in February 2019. Terms to maturity of the bonds were 4 years 2 months to 19 years. Total amount offered, subscribed to and allotted were ₦150.00 billion, ₦234.35 billion and ₦150.00 billion, respectively. There was no allotment on non-competitive basis and none of the available tranches matured for redemption. The bid rates ranged from 14.50 to 16.00 per cent, while the marginal rates for the 5-, 7-, and 10-year bonds were 14.52, 14.80 and 14.94 per cent, respectively. For all the tenors, the marginal rates ranged from 14.52 to 14.94 per cent. The bid to cover ratio was 1.68, while the auction was oversubscribed by 31.39 per cent. This could be attributable, largely, to the renewed investors' confidence in the market.

2.3.8 CBN Standing Facilities

The trend at the CBN standing facilities window showed more patronage at the Standing Lending Facility (SLF) window. Applicable rates for the Standing Lending Facility (SLF) and SDF remained at 16.00 per cent and 9.00 per cent, respectively.

The total SLF granted during the review period was ₦2,980.50 billion, (inclusive Intra-day Lending Facility (ILF) converted to overnight repo). Daily average was ₦175.22 billion in the 17 transaction days in February 2019. Total interest earned was ₦1,958.25 billion.

The total SDF granted during the review period was ₦520.21 billion with daily average of ₦30.60 billion in the 17 transaction days. Daily request ranged from ₦1.90 billion to ₦99.35 billion. Cost incurred on SDF in the month stood at ₦0.19 billion.

2.4 Banks' Activities

Total assets and liabilities of the banks amounted to ₦37,753.28 billion at end-January 2018, showing a 1.5 per cent increase, compared with the level at the end of the preceding month. Funds were sourced, mainly, from mobilisation of time, savings and foreign currency deposits, and reduction in claims on the Federal Government and draw-down on capital accounts. The funds were used mainly to acquire foreign assets and boost reserves.

Banks' credit to the domestic economy fell by 0.7 per cent to ₦20,520.59 billion at end-January 2019, compared with the level at the end of the preceding month. The development was attributed, mainly, to the fall in claims on the Federal Government.

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

Total specified liquid assets of banks stood at ₦13,356.20 billion at end-January 2019, representing 60.0 per cent of their total current liabilities. At that level, the liquidity ratio was 1.2 percentage point and 30.0 percentage points above the levels at the end of the preceding month and the stipulated minimum liquidity ratio of 30.0 per cent, respectively. The loans-to-deposit ratio at 60.17 per cent, was 0.6 percentage point higher than the level at the end of the preceding month, but was lower than the maximum ratio of 80.0 per cent by 19.3 percentage points.

2.5 Capital Market Developments

2.5.1 Secondary Market

Activities on the Nigerian Stock Exchange (NSE) in the month of February 2019 were bullish as all the major market indicators trended upward. The volume and value of traded equities rose by 26.3 per cent and 56.1 per cent to 7.9 billion shares and ₦93.02 billion, respectively, in 89,393 deals, compared with 6.24 billion shares worth ₦59.58 billion, in

80,888 deals, at end-January 2019 (Figure 4, Table 3).

Figure 4: Volume and Value of Traded Securities

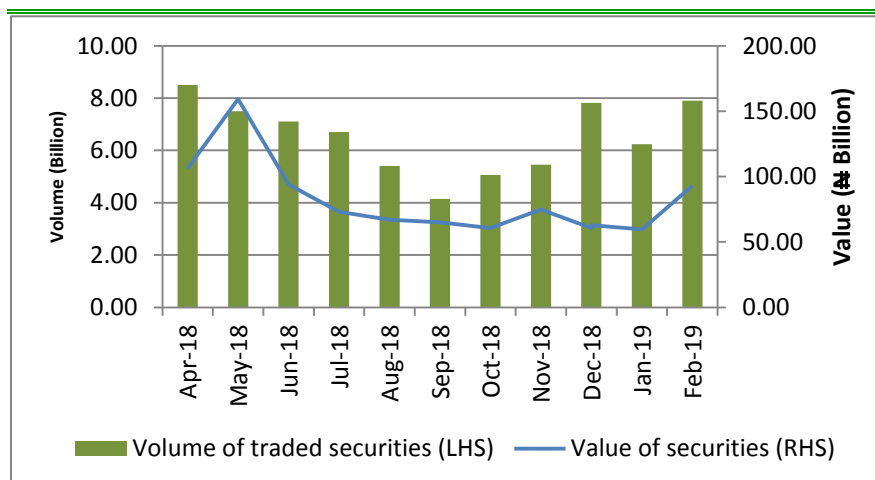


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Volume (Billion)	11.9	10.2	8.5	7.5	7.1	6.7	5.4	4.2	5.1	5.5	7.8	6.2	7.9
Value (₦ Billion)	106.1	136.2	106.1	159.2	93.9	73.0	66.9	65.1	60.7	74.9	62.9	59.6	93.0

2.5.2 New/Supplementary Issues Market

There was one supplementary equity listing in the review period (Table 4).

Table 4: New & Supplementary Listing on the Nigerian Stock Exchange February 2018

S/N	Company	Additional Shares (Units)	Reasons	Listing
1	Consolidated Hallmark Insurance PLC	1.13 billion ordinary Shares	Additional Shares	Supplementary

2.5.3 Market Capitalisation

The aggregate market capitalisation on the Exchange increased by 0.7 per cent to ₦21.82 trillion during the review period, compared with ₦21.68 trillion at end-January 2018. Similarly, market capitalisation for the equities segment rose by 3.7 per cent to ₦11.84 trillion, and constituted 54.2 per cent of the total, compared with ₦11.42 trillion and 52.7 per cent at the end of the preceding month (Figure 5, Table 4).

2.5.4 NSE All-Share Index

The All-Share Index, which opened at 30,557.20 at the beginning of the month, closed at 31,721.76, representing an increase of 3.8 per cent, compared with the level in the preceding month. Developments in the sectoral indices

were, however, mixed. With the exception of the NSE industrial Index, which fell by 2.8 per cent, all other sectoral indices rose in the review period. The NSE-Insurance, NSE Oil/Gas, NSE Banking, NSE-Consumer Goods, NSE Premium, NSE Pension, NSE-Lotus Islamic, and NSE-AseM indices rose by 8.9 per cent, 6.5 per cent, 5.7 per cent, 4.6 per cent, 4.4 per cent, 3.5 per cent, 1.7 per cent and 1.5 per cent, respectively, at the end of the preceding month (Figure 5, Table 5).

Figure 5 : Market Capitalisation and All-Share Index

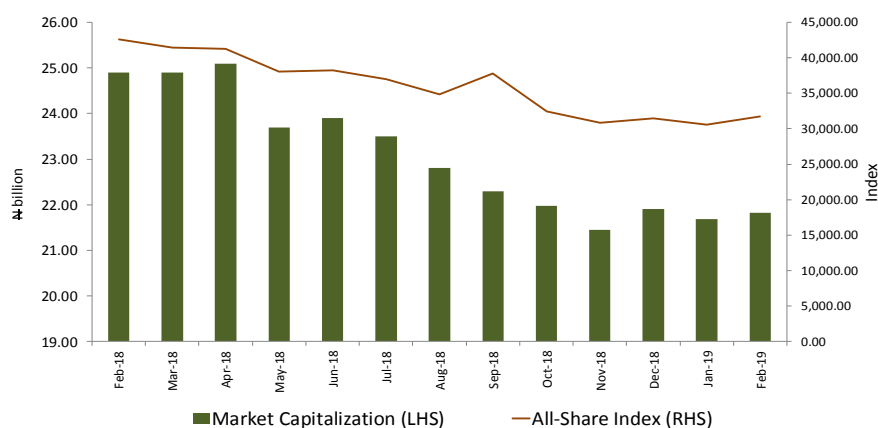


Table 5: Aggregate Market Capitalisation and All Share Index (NSE)

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Aggregate Market Capitalization (₦ trillion)	23.5	22.8	22.3	21.97	21.44	21.9	21.68	21.82
All-Share Index	37,017.78	34,848.45	37,766.37	32,466.27	30,874.17	31,430.50	30,557.20	31,721.76

3.0 Fiscal Operations⁴

Federally-collected revenue in February 2019 was below the monthly budget estimate by 28.0 per cent, but was above the receipts collected in January 2019 by 7.1 per cent. Federal Government retained revenue for the review month was ₦272.15 billion, while total provisional expenditure was ₦495.72 billion, resulting in an estimated deficit of ₦223.57 billion.

3.1 Federation Account Operations

At ₦797.21 billion, the estimated federally-collected revenue (gross) in February 2019 fell below the provisional⁵ monthly budget estimate of ₦1,107.12 billion by 28.0 per cent. It, however, exceeded the receipt of ₦744.68 billion in the preceding month by 7.1 per cent. The decrease, relative to the provisional monthly budget estimate, was attributed to a shortfall in both oil and non-oil revenue (Fig. 6, Table 6).

At ₦797.21 billion, the estimated federally-collected revenue (gross) in February 2019 fell short of the monthly budget estimate of ₦1,107.12 billion by 28.0 per cent.

Figure 6: Components of Gross Federally-Collected Revenue

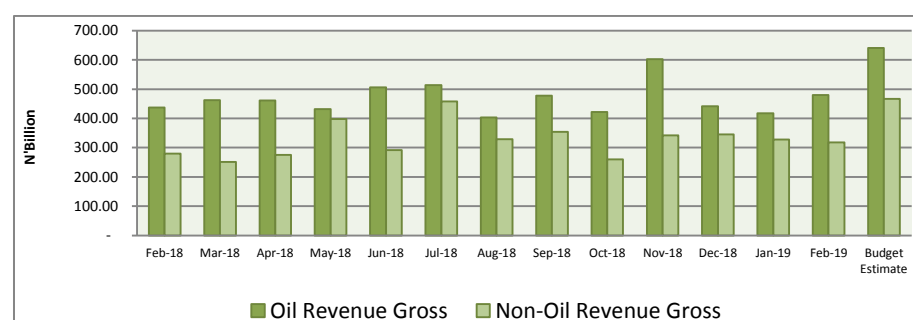


Table 6: Gross Federation Account Revenue (₦ billion)

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Monthly Budget Est
Federally-collected Revenue(Gross)	716.6	713.1	736.0	829.0	797.2	971.3	731.9	831.5	682.1	943.8	786.3	744.7	797.2	1,107.1
Oil Revenue	436.9	461.7	460.8	431.4	505.9	513.5	403.6	477.1	422.1	601.9	441.3	417.3	479.5	640.2
Non-oil Revenue	279.8	251.4	275.2	397.6	291.2	457.8	328.3	354.4	259.9	341.9	345.1	327.4	317.7	466.9

Oil receipts (gross), at ₦479.54 billion or 60.2 per cent of total revenue, was below the provisional monthly budget estimate of ₦640.21 billion by 25.1 per cent. It, however, was above the collection of ₦417.32 billion in January 2019 by 14.9 per cent. The fall in oil revenue relative to the provisional monthly

At ₦479.54 billion, oil receipts (gross) was below the provisional monthly budget estimate by 25.1 per cent, and constituted 60.2 per cent of the total revenue.

⁴ Data on government (general, federal and state) revenue and expenditure are provisional and subject to changes

⁵ The 2018 approved budget is used as the provisional budget estimate for 2019, pending the approval of the 2019 Appropriation Bill

budget estimate was attributed to shut-ins and short-downs at some NNPC terminals (Figure 7, Table 7).

Figure 7: Gross Oil Revenue and its Components

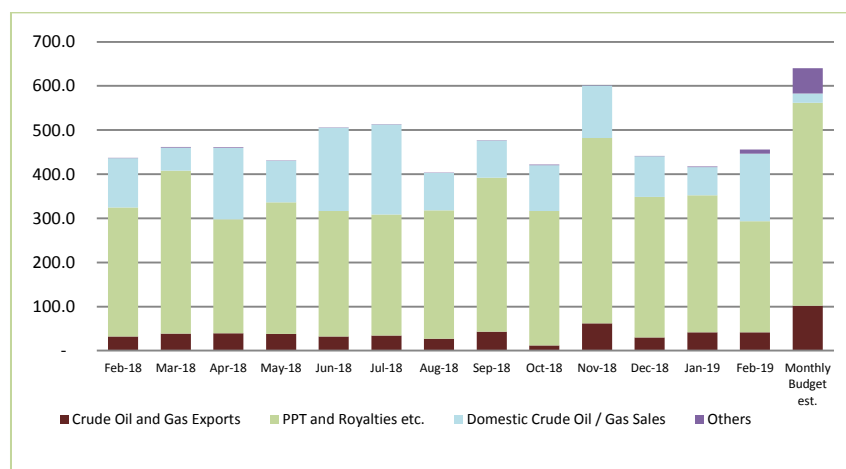


Table 7: Components of Gross Oil Revenue (₦ billion)

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Monthly Budget
Oil Revenue	436.9	461.7	460.8	431.4	505.9	513.5	403.6	477.1	422.1	601.9	441.3	417.3	456.2	640.2
Crude Oil and Gas Exports	32.5	38.9	39.2	38.0	32.1	34.3	26.8	43.4	11.6	62.2	29.8	41.8	41.5	101.9
PPT and Royalties etc.	292.2	368.8	258.5	298.3	284.2	274.2	291.5	348.8	305.0	420.1	319.1	310.5	252.2	459.7
Domestic Crude Oil / Gas Sales	111.7	52.6	161.9	94.2	189.1	204.2	84.4	84.3	103.8	118.8	91.5	63.8	153.0	21.0

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

At ₦317.67 billion, non-oil receipts (gross) was lower than the monthly budget estimate by 32.0 per cent and constituted 39.8 per cent of total revenue.

Similarly, at ₦317.67 billion or 39.8 per cent of total revenue, non-oil revenue (gross) was below both the provisional monthly budget estimate of ₦466.91 billion and the preceding month's receipt of ₦327.36 billion by 32.0 and 3.0 per cent, respectively. The lower collection relative to the provisional monthly budget was due to the shortfalls in mainly, Corporate Tax, and 'Others' (Figure 8, Table 8).

Figure 8 : Gross Non-Oil Revenue and its Components

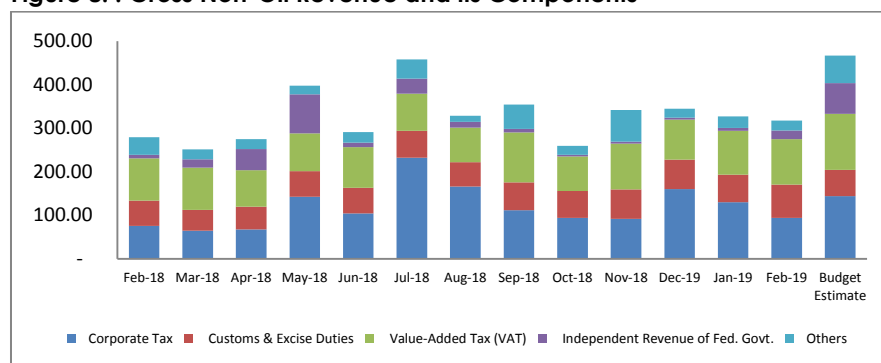


Table 8: Components of Gross Non-Oil Revenue (₦ billion)

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-19	Jan-19	Feb-19	Monthly Budget Est
Non-Oil Revenue	279.8	251.4	275.2	397.6	291.2	457.8	328.3	354.4	259.9	341.9	345.1	327.4	317.7	466.9
Corporate Tax	75.7	64.9	67.6	142.9	104.7	232.7	166.0	112.0	94.0	92.5	160.6	130.5	94.5	144.3
Customs & Excise Duties	58.4	48.1	52.5	58.5	58.7	61.4	55.8	63.8	62.2	67.0	67.1	62.8	76.1	60.0
Value-Added Tax (VAT)	96.6	96.6	83.7	86.9	93.4	85.3	79.8	114.5	79.2	105.2	92.1	100.8	104.5	128.7
Independent Revenue of Fed. Govt.	8.1	19.3	48.3	89.3	9.9	34.6	13.3	8.1	3.8	4.4	4.4	6.6	19.7	70.7
Others ^{1/}	40.9	22.4	23.1	20.1	24.6	43.7	13.4	55.9	20.8	72.9	20.8	26.8	22.9	63.3

^{1/} Includes Education Tax, Customs special levies (Federation and Non-Federation) & National Information Technology Development Fund (NITDF), Solid Minerals and Other Mining Revenue.

Of the total ₦626.69 billion retained in the Federation Account, the sums of ₦100.29 billion, ₦19.74 billion and ₦22.86 billion were transferred to the VAT Pool Account, the Federal Government Independent Revenue and "Others", respectively; leaving a balance of ₦483.80 billion for distribution to the three (3) tiers of government.

Of this amount, the Federal Government received ₦232.78 billion, while the state and local governments got ₦118.07 billion and ₦91.03 billion, respectively. The balance of ₦41.92 billion was shared among the oil producing states as 13% Derivation Fund.

Similarly, from the ₦100.29 billion transferred to the VAT Pool Account, the Federal Government received ₦15.04 billion, while the state and local governments received ₦50.14 billion and ₦35.10 billion, respectively.

In addition, the sum of ₦0.65 billion was distributed in the month as Exchange Gain with the Federal, state and local governments receiving ₦0.31 billion, ₦0.16 billion and ₦0.12 billion, respectively, while the 13% Derivation Fund received ₦0.07 billion.

An additional ₦8.12 billion was shared among the three tiers of government as Non-oil Excess revenue from recovered excess bank charges. The Federal government received ₦4.28 billion, while the state and local governments received ₦2.17 billion and ₦1.67 billion, respectively.

Overall, total allocation to the three tiers of government in February 2019 amounted to ₦592.87 billion. This was below the provisional monthly budget estimate of ₦967.43 billion and the preceding month's allocation of ₦627.67 billion, by 38.7 and 5.5 per cent, respectively.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

At ₦272.15 billion, the estimated Federal Government retained revenue was below the monthly budget estimate by 56.8 per cent.

At ₦272.15 billion, the estimated Federal Government retained revenue for the month of February 2019 was below the monthly budget estimate of ₦629.44 billion by 56.8 per cent. A breakdown showed that Federation Account was 85.5 per cent of the total retained revenue, while FGN Independent Revenue, VAT, Non-Oil Excess, and Exchange Gain amounted to 7.3, 5.5, 1.6 and 0.1 per cent, respectively (Figure 9, Table 9).

Figure 9: : Federal Government Retained Revenue

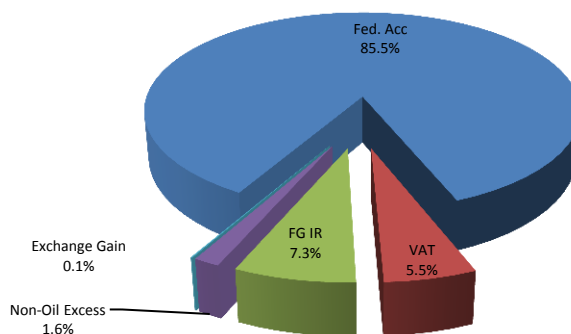


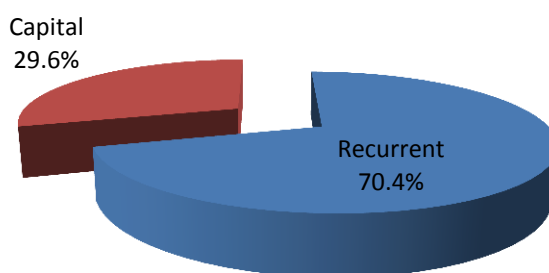
Table 9: Federal Government Fiscal Operations (N billion)

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	2019 Monthly Budget Est.
Retained Revenue	287.5	733.3	323.4	271.4	290.1	316.6	488.4	315.6	348.1	355.3	350.1	414.6	342.6	364.4	276.8	272.1	629.4
Expenditure	439.2	1116.9	698.0	623.1	844.8	563.1	625.0	454.4	574.2	574.6	808.9	735.1	669.0	590.6	303.2	495.7	792.3
Overall Balance: (+)/(-)	-151.7	-383.5	-374.6	-351.7	-554.7	-246.5	-136.6	-138.7	-226.1	-219.3	-458.7	-320.6	-326.4	-226.3	-26.4	-223.6	-162.9

At ₦495.72 billion, the estimated total expenditure of the Federal Government was below the monthly budget

estimate of ₦792.31 billion by 37.4 per cent, but was above the ₦303.15 billion recorded in the preceding month by 63.5 per cent. A breakdown showed that recurrent expenditure, and capital expenditure constituted 70.4 and 29.6 per cent of the total expenditure, respectively. Of the recurrent expenditure, non-debt obligation was 83.8 per cent, while debt service payments accounted for 16.2 per cent of the total (Figure 10).

Figure 10: : Federal Government Expenditure



Consequently, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦223.57 billion, compared with the provisional monthly budget deficit of ₦162.87 billion.

The fiscal operations of the FG resulted in an estimated deficit of ₦223.57 billion, relative to the monthly budget deficit of ₦162.87 billion.

3.2.2 Statutory Allocations to State Governments

Total estimated statutory allocations to the State Governments amounted to ₦212.53 billion. This was lower than the provisional budget estimate of ₦354.04 billion and the preceding month's receipt of ₦223.67 billion, by 40.0 and 5.0 per cent, respectively.

The Federation Account allocation at ₦162.39 billion or 76.4 per cent of the total statutory allocation, was below the provisional monthly budget estimate of ₦292.28 billion by 44.4 per cent. Similarly, the allocation from the VAT Pool Account, at ₦50.14 billion or 23.6 per cent of the total, fell below the provisional monthly budget estimate of ₦61.76 billion by 18.8 per cent.

3.2.3 Statutory Allocations to Local Government Councils

Allocation to Local Governments from the Federation and VAT Pool Accounts in the month of February 2019 stood at ₦127.92 billion. This represented a shortfall of 34.8 per cent, relative to the provisional monthly budget estimate of ₦196.25 billion.

At ₦92.82 billion or 72.6 per cent the total allocation from the Federation Account, was below the monthly budget estimate of ₦153.01 billion by 39.3 per cent. Similarly, the

share from the VAT Pool Account at ₦35.10 billion or 27.4 per cent of the total, fell below the provisional monthly budget estimate of ₦43.23 billion by 18.8 per cent (Table 10).

Table 10: Statutory Allocation to State Governments and Local Government Councils (₦ Billion)

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Monthly Budget Est
SG Federation Account	178.5	188.2	185.9	189.9	189.4	181.2	210.4	192.5	187.4	202.6	216.3	175.3	162.4	292.3
SG VAT	46.4	42.9	40.2	41.7	44.8	41.0	38.3	55.0	38.0	50.5	44.2	48.4	50.1	61.8
SG Total	224.9	231.1	226.1	231.6	234.2	222.2	248.7	247.5	225.4	253.1	260.5	223.7	212.5	354.0
LG Federation Account	97.5	100.9	100.2	108.0	105.1	110.9	119.6	107.5	103.9	111.4	122.6	100.0	92.8	153.0
LG VAT	32.5	30.1	28.1	29.2	31.4	28.7	26.8	38.5	26.6	35.3	30.9	33.9	35.1	43.2
LG Total	130.0	130.9	128.3	137.2	136.5	139.6	146.5	146.0	130.5	146.7	153.5	133.8	127.9	196.3
Total Statutory Revenue and VAT	354.9	362.0	354.4	368.8	370.7	361.8	395.2	393.5	355.9	399.8	414.0	357.5	340.5	550.3

4.0 Domestic Economic Conditions

The predominant farming activities across the country in February 2019 were the preparation of land for early wet season planting, harvesting of tree-crops and irrigation-fed vegetables. In the livestock sub-sector, farmers intensified efforts towards raising of poultry birds and cattle in preparation for the festivities in April. The end-period headline inflation, on year-on-year and twelve month moving average bases, stood at 11.31 per cent and 11.56 per cent, respectively, in February 2019.

4.1 Agricultural Sector

Dry weather conditions continued in most parts of the country. However, sporadic rainfalls were recorded in some Southern states during the month. The predominant agricultural activities across the country in February 2019 were the preparation of land for early wet season planting, harvesting of tree-crops and irrigation-fed vegetables. In the livestock sub-sector, farmers intensified efforts towards raising of poultry birds and cattle in preparation for the festivities in April. In addition, as a way of helping displaced cattle farmers in the North, the Food and Agricultural Organisation (FAO) distributed 150 cattle to displaced cattle farmers in Jere and Konduga local government areas of Borno state.

4.2 Agricultural Credit Guarantee Scheme

The Agricultural Credit Guarantee Scheme (ACGS) guaranteed a total of ₦427.6 million to 5,084 farmers in January 2019. The amount represented an increase of 22.7 per cent and 78.1 per cent over the respective levels in the preceding month and the corresponding period of 2018. Sub-sectoral analysis showed that food crops got the largest share, amounting to ₦269.2 million (63.0%) guaranteed to 4,315 beneficiaries, followed by livestock, ₦63.5 million (14.8 per cent) guaranteed to 276 beneficiaries. The sum of ₦45.6 million (10.7%) was guaranteed to cash crops sub-sector, in favour of 245 beneficiaries; while fisheries, mixed crops, and 'others' received ₦24.5 million (5.7 per cent), ₦16.1 million (3.8 per cent) and ₦8.7 million (2.0 per cent), guaranteed to 74, 130, and 44 beneficiaries, respectively.

Analysis by State showed that 21 states and the Federal Capital Territory benefited from the Scheme in January 2019, with the highest and lowest sums of ₦97.1 million (22.7 per cent) and ₦0.5 million (0.1 per cent) guaranteed to Oyo and Cross River states, respectively.

4.3 Commercial Agriculture Credit Scheme

At end-January 2019, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACs) to participating banks for disbursement, amounted to ₦605.02 billion in respect of 584 projects (Table 11).

Table 11: Disbursement of Credit under the Commercial Agriculture Credit Scheme (CACs) as at end-December 2018.

S/N	Participating Banks	Amount Disbursed (₦ billion)	Number of Projects/State Governments
1	UBA Plc	83.06	51
2	Zenith Bank	122.16	74
3	First Bank of Nigeria Plc	50.52	102
4	Unity Bank Plc	29.79	30
5	Union Bank Plc	28.91	39
6	Stanbic IBTC Plc	28.10	46
7	Sterling Bank	72.17	42
8	Access Bank Plc	36.66	26
9	Fidelity Bank Plc	23.67	17
10	Polaris Bank Limited	13.77	10
11	FCMB Plc.	18.53	29
12	Ecobank	6.38	10
13	GTBank	39.85	29
14	Diamond Bank Plc	4.85	23
15	Heritage Bank	6.81	14
16	Citibank Plc	3.00	2
17	Keystone Bank	30.05	22
18	WEMA Bank Plc	2.89	13
19	Jaiz Bank Plc	2.00	2
20	Suntrust Bank Ltd	1.85	3
	TOTAL	605.02	584

4.4 Petroleum Sector

Domestic crude oil and natural gas production was 1.82 million barrels per day.

Nigeria's crude oil production, including condensates and natural gas liquids, was 1.82 mbd or 50.96 million barrels (mb) in the review month. This represented a decrease of 0.02 mbd or 1.1 per cent, compared with 1.84 mbd or 57.0 million barrels (mb) produced in the preceding month. Crude oil export was estimated at 1.37 mbd or 38.4 mb, representing a decrease of 1.4 per cent, compared with 1.39 mbd or 43.1 mb recorded in the preceding month. The allocation of crude oil for domestic consumption was 0.45 mbd or 13.95 mb in the review month.

The average prices of Nigeria's reference crude, the Bonny Light and all other competing crudes rose in the review month.

The average spot price of Nigeria's reference crude oil, the Bonny Light (37° API), at end-February 2019, was US\$ 65.83 per barrel, representing an increase of 8.3 per cent over the US\$60.80/b recorded in January 2019. The rise in crude oil price in the month was due, largely, to decreased global output as a result of the U.S sanction on Venezuela and Iran and major output cuts from OPEC countries, particularly Saudi Arabia, Kuwait and UAE. The UK Brent at US\$64.30/b, WTI at US\$55.02/b, and the Forcados at US\$65.80/b exhibited similar trend as the Bonny Light.

The OPEC basket of fifteen selected crude streams was US\$63.80/b in February 2019. This reflected an increase of 9.2 per cent, compared with the US\$58.42/b recorded in the preceding month. It, however, showed an increase of 0.42 per cent, compared with US\$63.53/b in the corresponding period of 2018 (Figure 11, Table 12).

Figure 11: Trends in Crude Oil Prices

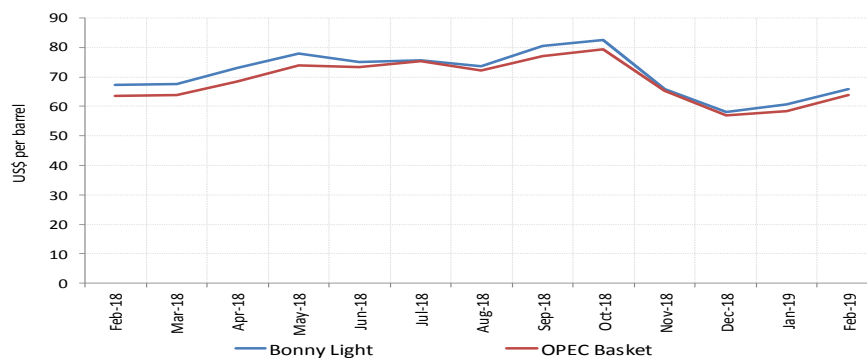


Table 12: Average Crude Oil Prices in the International Oil Market

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Bonny Light	70.75	67.20	67.46	73.16	77.86	75.11	75.68	73.70	80.50	82.53	65.99	60.80	65.83
OPEC Basket	66.85	63.52	63.76	68.40	73.00	73.22	73.30	72.23	77.21	79.40	65.32	58.42	63.80

4.5 Consumer Prices

The all-items composite Consumer Price Index (CPI) was 278.8 (November 2009=100) in February 2019, representing 0.8 per cent and 11.4 per cent increase, compared with the respective levels in January 2019 and the corresponding period of 2018.

The general price level rose in February 2019, compared with the level in the preceding month.

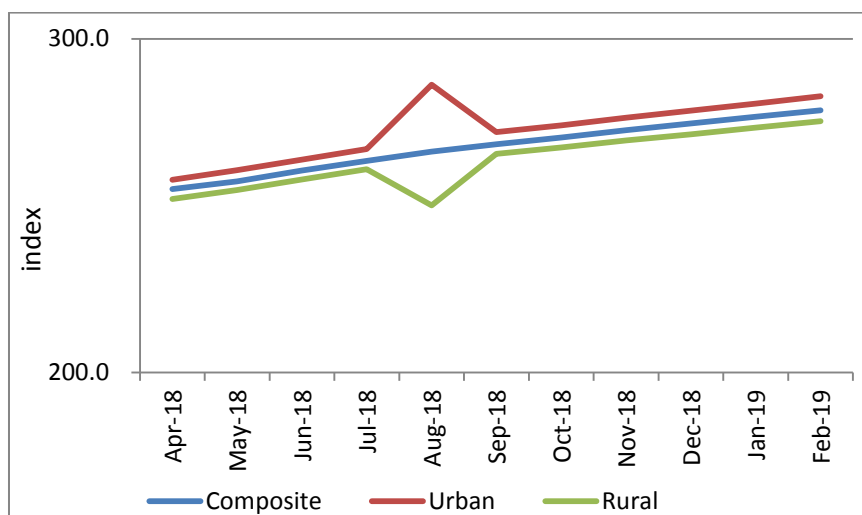
The composite food index (with a weight of 50.7 per cent) for February 2019 stood at 301.3, compared with 298.9 and 265.5 in the preceding month and the corresponding period of 2018, respectively. This represented an increase of 0.8 per cent and 13.5 per cent over the levels in the comparable periods. The price increase relative to the preceding month was attributed to the rise in prices of food items, owing to expected hike in prices during the 2019 general elections (Figure 12, Table 13).

Table 13: Consumer Price Index (November 2009=100)*6

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Composite	248.4	250.3	252.4	255.0	257.3	260.5	263.4	266.2	268.4	270.4	272.6	276.6	278.6
Urban	251.3	253.4	255.6	257.7	260.6	263.8	267.0	269.7	272.0	274.1	278.5	280.6	282.8
Rural	246.0	247.9	249.9	252.0	254.7	257.8	260.9	263.4	265.5	267.4	271.4	273.4	275.3
CPI - Food	263.3	265.5	267.9	270.4	273.9	278.2	282.2	286.2	289.0	291.4	294.0	298.9	301.3
CPI - Non Food	235.4	237.2	239.2	241.3	243.6	246.1	248.1	250.1	251.7	253.7	255.4	258.8	261.0

*Source: NBS

Figure 12: Consumer Price Index



The year-on-year headline inflation stood at 11.31 per cent in February 2019.

Headline inflation stood at 11.31 per cent in February 2019, compared with the preceding month's level of 11.37 per cent and 14.33 per cent in the corresponding month of 2018. The Twelve-Month Moving Average (12MMA) inflation for February 2019 was 11.56 per cent, compared with 11.80 per cent and 15.90 per cent in the preceding month and the corresponding period of 2018, respectively (Figure 13, Table 14).

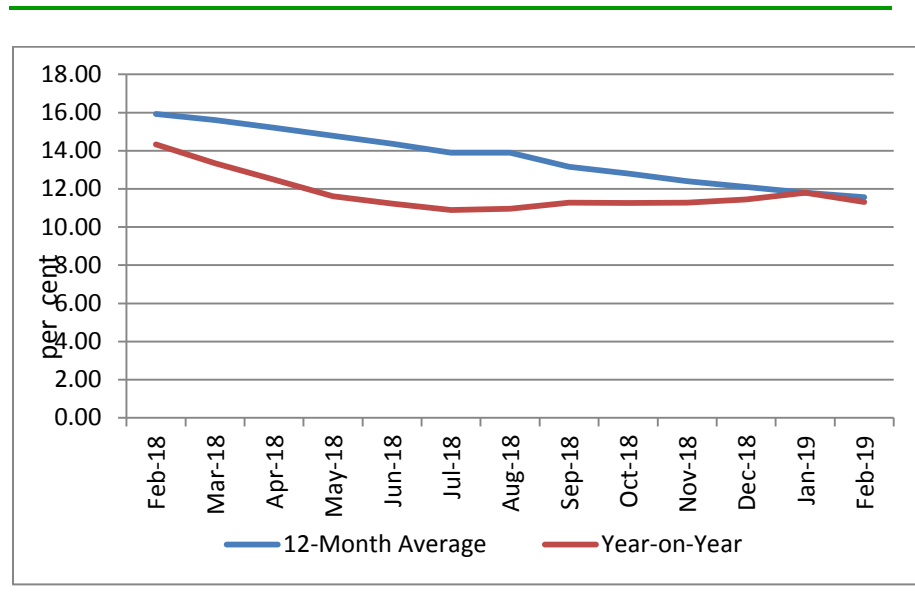
Table 14: Headline Inflation Rate (%)

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
12-Month Average	15.93	15.60	15.20	14.79	14.37	13.95	13.55	13.16	12.78	12.41	12.10	11.80	11.56
Year-on-Year	14.33	13.34	12.48	11.61	11.23	11.14	11.23	11.28	11.26	11.28	11.44	11.37	11.31

*Source: NBS

February figures on CPI and components are estimated.

Figure 13: Inflation Rate



5.0 External Sector Developments⁷

On month-on-month basis, foreign exchange inflow into the CBN fell by 6.1 per cent to US\$5.07 billion, while outflow from the CBN rose by 12.8 per cent to US\$5.94 billion in February 2019. Total non-oil export receipts by banks fell by 3.4 per cent below the level in January 2019. The average exchange rate at the inter-bank, BDC segment, and the I&E window were ₦306.75/US\$, ₦359.73/US\$ and ₦361.95/US\$, respectively, in the review month. The gross external reserves was US\$42.34 billion at end-February 2019.

5.1 Foreign Exchange Flows

The external sector performance remained stable in the review month. The price of crude oil increased due to the OPEC-led cut in supply and US sanctions on Venezuela and Iran. Notwithstanding, aggregate foreign exchange inflow into the CBN, at US\$5.07 billion, showed a decline of 6.1 per cent and 30.6 per cent below the levels in the preceding month and the corresponding period of 2018, respectively. The fall in aggregate foreign exchange inflow into the CBN, relative to the preceding month's level, was attributed, largely, to the decrease in non-oil receipts.

Aggregate outflow of foreign exchange from the Bank rose by 4.4 per cent in February 2019 to US\$5.94 billion, compared with the level at the end of the preceding month. It, however, indicated 87.9 per cent increase over the level at the end of the corresponding period of 2018. The development, relative to end-January 2019, reflected, wholly, the 12.8 per cent rise in 'Interbank Utilisation'.

Overall, foreign exchange flows through the Bank in the month of February 2019 resulted in a net outflow of US\$0.87 billion, compared with US\$0.29 billion in January 2019. In the corresponding period of 2018, a net inflow of US\$4.14 billion was, however, recorded (Figure 14, Table 15).

⁷ Data on foreign exchange flows through the CBN and the Economy are provisional and subject to change.

Figure 14: Foreign Exchange Flows through the CBN

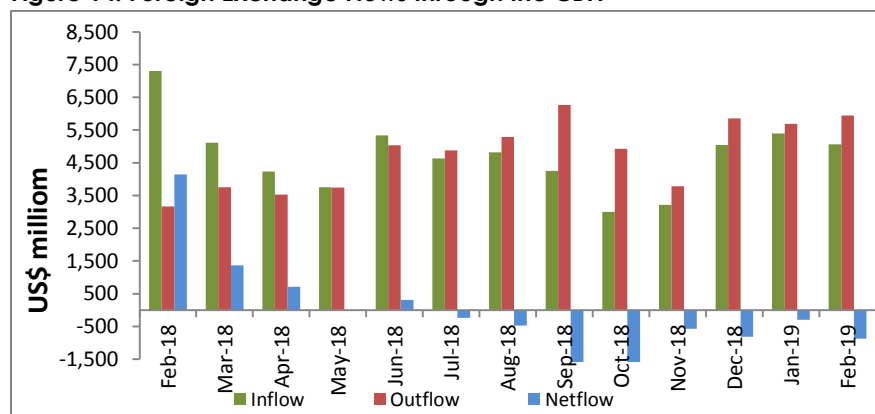


Table 15: Foreign Exchange Flows through the CBN (US\$ million)

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Inflow	7,303.2	5,117.3	4,232.7	3,751.7	5,340.8	4,631.5	4,817.1	4,248.3	2,995.5	3,212.6	5,044.3	5,397.4	5,068.3
Outflow	3,163.3	3,754.1	3,523.0	3,742.9	5,030.9	4,874.5	5,289.2	6,270.2	4,929.0	3,786.9	5,856.8	5,690.2	5,941.9
Netflow	4,139.9	1,363.1	709.7	8.8	309.9	(13)	(472.1)	(2,021.9)	(1,933.5)	(574.3)	(812.6)	(292.8)	(873.5)

Aggregate foreign exchange inflow into the economy amounted to US\$10.41 billion, showing a decline of 3.9 per cent and 4.4 per cent, below the levels at the end of the preceding month and the corresponding period of 2018, respectively. The fall was as a result of 6.1 per cent and 1.7 per cent decline in inflow through the Bank and autonomous sources, respectively.

Aggregate foreign exchange outflow from the economy, at US\$6.15 billion, rose by 4.3 per cent and 70.4 per cent, above the levels in the preceding month and the corresponding period of 2018, respectively. This was attributed, mainly, to the rise in outflow through the Bank.

Inflow through autonomous sources, dropped by 1.7 per cent to US\$5.34 billion in February 2019, compared with the level at end-January 2019. Outflow from autonomous sources on month-on-month basis rose by 0.5 per cent, to US\$0.21 billion, reflecting the increase in invisible imports.

Thus, foreign exchange flows through the economy, resulted in a net inflow of US\$4.26 billion in the review period, compared with US\$4.93 billion and US\$7.28 billion at end-January 2019 and February 2018, respectively.

5.2 Non-Oil Export Earnings by Exporters⁸

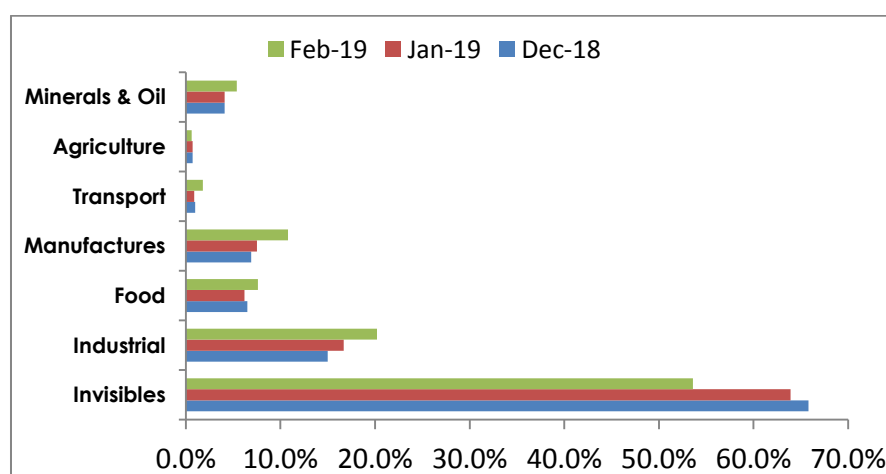
Total non-oil export earnings, at US\$329.00 million, indicated a decline of 3.4 per cent below the level in January 2019, but showed an increase of 122.2 per cent above the level in the corresponding period of 2018. The decrease in earnings from non-oil exports in February 2019 was due to 66.7 per cent, 9.6 per cent, 9.2 per cent, 7.8 per cent, 4.5 per cent, and 2.2 per cent fall in the proceeds from transport, food products, agricultural, manufacturing, industrial, and mineral sub-sectors, to US\$0.06 million, US\$7.95 million, US\$38.91 million, US\$48.81 million, US\$37.62 million and US\$195.69 million, respectively.

The shares of the various sectors in non-oil export proceeds were: minerals, 59.5 per cent; manufactured products, 14.8 per cent; agricultural products, 11.8 per cent; industrial sector, 11.4 per cent; and food products, 2.5 per cent.

5.3 Sectoral Utilisation of Foreign Exchange

Aggregate sectoral utilisation of foreign exchange declined by 6.6 per cent to US\$2.64 billion in February 2019, compared with the level in the preceding month. The invisible sector accounted for the bulk (53.6 per cent) of total foreign exchange disbursed in the review month, followed by components of the visible sub-sector listed in descending order as follows: Industrial sector (20.2 per cent); manufactured products (10.8 per cent); food products (7.6 per cent); minerals and oil (5.4 per cent); transport (1.8 per cent); and agricultural products (0.6 per cent) (Figure 15).

Figure 15: : Sectoral Utilisation of Foreign Exchange



⁸ Data on non-oil export earnings and sectoral utilization of foreign exchange are provisional.

5.4 Foreign Exchange Market Developments

The Bank continued to intervene in the foreign exchange market to further sustain the improved liquidity and relative stability in the market. Thus, a cumulative sum of US\$4.02 billion was sold by the Bank to authorised dealers in February 2019, compared with US\$3.56 billion supplied in January 2019. This indicated an increase of 12.8 per cent and 119.4 per cent above the levels in the preceding month and the corresponding period of 2018, respectively. Forwards contracts disbursed at maturity, BDC sales, Interbank sales and swaps transaction rose by 12.0 per cent, 6.0 per cent, 101.0 per cent and 294.2 per cent to US\$1.61 billion US\$137 billion, US\$0.53 billion and US\$0.30 billion, respectively, compared with the levels in the preceding month. However, sales at I&E window declined by 59.0 per cent to US\$0.20 billion, compared with the level in the preceding month (Figure 16, Table 16).

Figure 16: : Supply of Foreign Exchange

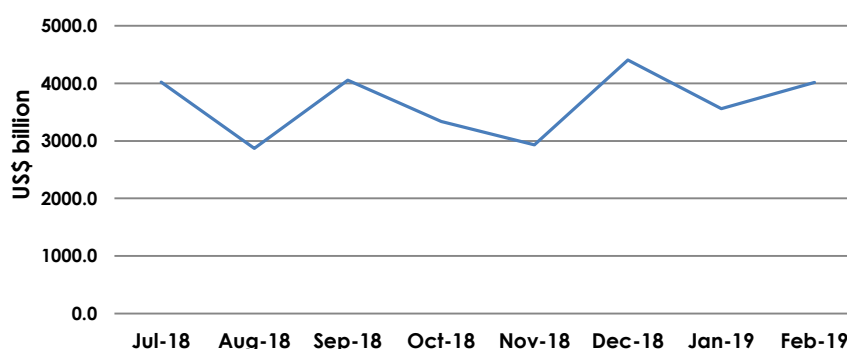


Table 16: Supply of Foreign Exchange (US\$ billion)

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Total Forex Supply	4.02	2.88	4.05	3.34	4.26	4.4	3.56	4.02

The average exchange rate of the naira to the US-dollar, at the inter-bank segment, was ₦306.75/US\$, representing an appreciation of 0.03 per cent over the level in the preceding month. It, however, depreciated by 0.3 per cent, compared with the level in the corresponding period of 2018. The average rate at the BDC segment appreciated by 0.3 per cent and 0.8 per cent to ₦359.73/US\$, relative to the respective levels in the preceding month and the corresponding period of 2018. At the “Investors” and “Exporters” (I&E) window, the average exchange rate of the

naira vis-à-vis the US dollar, at ₦361.95/US\$, also appreciated by 0.5 per cent above the level in the preceding month, but depreciated by 0.4 per cent, compared with the level in the corresponding period of 2018 (Figure 17, Table 17).

Consequently, the premium between the exchange rates at the interbank and BDC segments narrowed to 17.3 per cent from 17.6 per cent in January 2018. Similarly, the premium between the BDC and I&E rates narrowed by 0.2 percentage point to 0.6 per cent.

Figure 17: Average Exchange Rate Movement

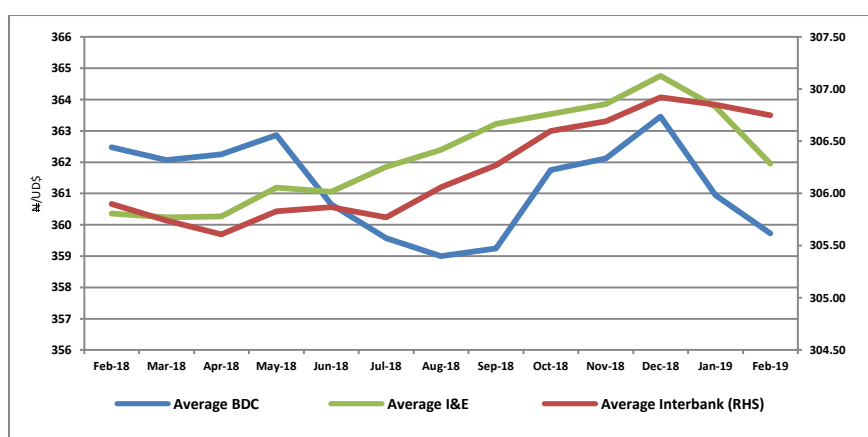


Table 17: Exchange Rate Movements

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Average Exchange Rate (₦/\$)													
Interbank	305.90	305.74	305.61	305.83	305.87	305.77	306.06	306.27	306.60	306.69	306.92	306.85	306.75
BDC	362.48	362.07	362.25	362.86	360.66	359.57	359.00	359.25	361.75	362.12	363.46	360.94	359.73
I&E Window	360.36	360.24	360.27	361.19	361.06	361.85	362.39	363.22	363.54	363.86	364.76	363.76	361.95

5.5 Gross External Reserves

The gross external reserves stood at US\$42.34 billion at end-February 2019, indicating a decline of 0.4 per cent below the US\$42.52 billion recorded at end-January 2019. The external reserves position would cover 6.8 months of import for goods and services, and 12.1 months of import for goods only, using the estimated import figures for third quarter 2018. A breakdown of the external reserves by ownership showed that the share of Federation reserves was US\$0.18 billion (0.4%); Federal Government reserves, US\$6.86 billion (16.2 %); and the CBN reserves, US\$35.30 billion (83.4%) of the total (Figure. 18, Table 18).

Gross external reserves fell from US\$42.52 billion to US\$42.34 billion at end-February 2019.

Figure 18: Gross Official External Reserves

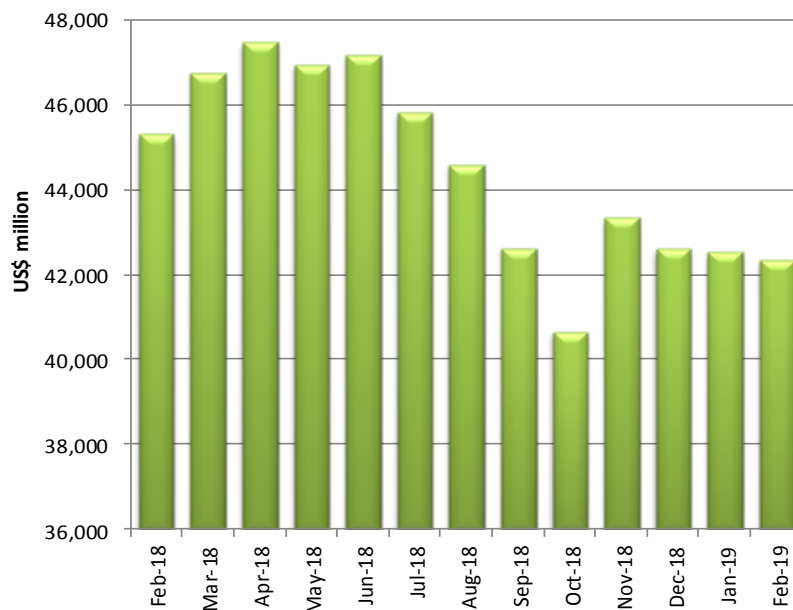


Table 18: Gross Official External Reserves (US\$ million)

Period	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
External Reserves	45,798.98	44,580.40	42,607.27	40,651.23	43,323.05	42,594.84	42,516.66	42,345.68

6.0 Other International Economic Developments and Meetings

World crude oil output and demand in February 2019 were estimated at an average of 99.43 mbd and 100.00 mbd, compared with 99.94 mbd and 100.08 mbd supplied and demanded, respectively, in January 2019. The slight decline in world crude oil demand was attributed, largely, to low demand from OECD, America, Europe Latin America and Middle East.⁹

Other major international economic developments and meetings of importance to the domestic economy in the review period included: The 39th Meeting of the Technical Committee of the West African Institute for Financial and Economic Management (WAIFEM) held in Gold Coast City, Accra, Ghana on February 3, 2019. The purpose of the Meeting was to review WAIFEM's work-programme for 2019, as well as, review administrative issues at the Institute for the financial year 2018. Highlights of the points discussed included:

- Training and capacity building activities;
- Business Development and Consultancy Unit (BD&CU);
- E-Learning Programmes;
- Research Department;
- Administrative developments;
- International Relations; and
- Outlook for the next six months.

The 44th Meeting of the Technical Committee (TC) of the West African Monetary Zone (WAMZ) held in Gold Coast City, Accra, Ghana from February 4 – 5, 2019. The objective of the Meeting was to deliberate on the status of implementation of the WAMZ work programme, as well as, activities under the ECOWAS Single Currency Programme. All the WAMZ Member States, ECOWAS Commission and WAMI were represented at the meeting. At the Meeting, member states were encouraged to, among others:

- Deepen structural reforms and diversify their economic base given the strong linkages between structural reforms and macroeconomic development;

⁹ Source: Reuters, OPEC Monthly report, EIA Report

- Address the multiple legal and regulatory constraints as well as infrastructure and logistic weaknesses to capitalise on the potential competitive advantage in several manufacturing subsectors, which if nurtured, could accelerate industrialisation; and
- Monitor infrastructure development which were financed by external borrowing to ensure that revenue streams (generated in local currencies) were adequate to meet debt obligations when they fall due.

Finally, the 2018 End-of-Year Statutory Meetings of the West African Monetary Agency (WAMA) was held in Dakar, Senegal from February 18 - 21 2019. The Technical Committee reviewed the following documents and presented recommendations for approval to the Committee of Governors. The reviewed documents were as follows:

- Director General's Progress Report;
- Report on the ECOWAS Monetary Cooperation Programme for 2018;
- Report on Exchange Rate Developments of ECOWAS Currencies at End-December 2018;
- Study on the Effectiveness of the Interest Rate Channel of Monetary Policy Transmission Mechanism in ECOWAS; and
- Proposed WAMA Budget and Work Programme 2019.

APPENDIX TABLES

Table A1: Money and Credit Aggregates (₦ billion)

	Oct-18	Nov-18	Dec-18	Jan-19
Domestic Credit (Net)	26,633,160.8	26,075,974.6	27,574,309.9	28,664,399.5
<i>Claims on Federal Government (Net)</i>	3,909,434.7	2,980,818.9	4,866,094.4	5,703,674.4
Central Bank (Net)	335,262.1	(908,664.9)	342,214.3	1,440,677.3
Banks	3,574,172.6	3,889,483.8	4,523,880.2	4,262,997.1
<i>Claims on Private Sector</i>	22,723,726.1	23,095,155.7	22,708,215.5	22,960,725.1
Central Bank	6,431,581.1	6,453,891.4	6,574,674.5	6,703,142.2
Banks	16,128,889.5	16,641,264.3	16,133,541.0	16,257,582.9
<i>Claims on Other Private Sect.</i>	21,113,044.0	21,483,378.1	21,109,720.7	21,269,533.3
Central Bank	5,738,389.0	5,751,503.1	5,873,283.7	5,902,849.2
Banks	15,374,655.0	15,731,874.9	15,236,437.1	15,366,684.2
<i>Claims on State and Local Govt.</i>	1,565,824.9	1,566,929.4	1,553,644.8	1,551,639.6
Central Bank	656,531.4	657,530.6	656,531.4	660,731.4
Banks	909,293.5	909,398.8	897,113.4	890,908.2
<i>Claims on Non-financial Public Ent.</i>				
Foreign Assets (Net)	18,735,273.0	18,990,400.8	18,397,816.9	17,814,233.0
Central Bank	17,982,700.6	18,606,572.9	18,181,445.8	17,139,190.4
Banks	752,572.4	383,827.8	216,371.1	675,042.6
Other Assets (Net)	(10,251,465.7)	(13,206,901.4)	(12,612,878.3)	(12,653,771.2)
Total Monetary Assets (M₃)	35,116,968.1	31,859,474.0	33,359,248.5	33,824,861.3
Quasi-Money 1/	14,583,446.7	14,779,216.9	15,316,017.1	15,623,781.8
Money Supply (M1)	11,130,260.9	10,688,208.7	11,752,558.0	11,135,887.4
<i>Currency Outside Banks</i>	1,607,120.9	1,712,092.9	1,912,975.6	1,740,890.0
<i>Demand Deposits 2/</i>	9,523,140.0	8,976,115.8	9,839,582.4	9,394,997.4
Money Supply (M₂)	25,713,707.6	25,467,425.6	27,068,575.1	26,759,669.2
CBN Bills held by Non-Bank Sectors	9,403,260.5	6,392,048.5	6,290,673.5	7,065,192.1
Total Monetary Liabilities (M₃)	35,116,968.1	31,859,474.0	33,359,248.5	33,824,861.3
<i>Memorandum Items:</i>				
Reserve Money (RM)	7,329,269.0	6,811,192.4	7,135,729.3	7,488,235.7
<i>Currency in Circulation (CIC)</i>	1,956,009.4	2,100,129.9	2,329,706.6	2,139,666.4
<i>DMBs Demand Deposit with CBN</i>	5,373,259.5	4,711,062.5	4,806,022.7	5,348,569.3

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

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

Table A2: Money and Credit Aggregates (Growth Rates)

	Oct-18	Nov-18	Dec-18	Jan-18
	Growth Over Preceding December (%)			
Domestic Credit (Net)	2.7	0.6	6.3	4.0
<i>Claims on Federal Government (Net)</i>	7.4	-18.1	33.7	17.2
<i>Claims on Private Sector</i>	1.9	3.6	1.9	1.1
<i>Claims on Other Private Sector</i>	1.9	3.7	1.9	0.8
<i>Claims on State and Local Government</i>	1.4	1.4	0.6	-0.1
<i>Claims on Non-financial Public Enterprises</i>				
Foreign Assets (Net)	20.7	22.4	18.5	-3.2
Other Assets (Net)	0.4	-3.3	1.3	-0.3
Total Monetary Assets (M3)	12.7	11.1	16.4	1.4
Quasi-Money 1/	12.5	14.0	18.1	2.0
Money Supply (M1)	-0.4	-4.4	5.2	-5.3
<i>Currency Outside Banks</i>	-9.9	-4.0	7.3	-9.0
<i>Demand Deposits 2/</i>	1.4	-4.4	4.8	-4.5
Total Monetary Liabilities (M2)	6.5	5.5	12.1	-1.1
CBN Bills held by Non-Bank Sectors	34.0	41.1	38.9	12.3
Total Monetary Assets (M3)	12.7	11.1	16.4	1.4
<i>Memorandum Items:</i>				
Reserve Money (RM)	13.0	5.0	10.1	4.9
<i>Currency in Circulation (CIC)</i>	-9.3	-2.7	8.0	-8.2
<i>DMBs Demand Deposit with CBN</i>	24.2	8.9	11.1	11.3
	Growth Over Preceding Month (%)			
Domestic Credit (Net)	5.2	-3.0	6.3	4.0
<i>Claims on Federal Government (Net)</i>	53.6	-20.6	33.7	17.2
<i>Claims on Private Sector</i>	0.4	-0.2	1.6	1.6
<i>Claims on Other Private Sector</i>	1.8	-0.2	1.9	1.1
<i>Claims on State and Local Government</i>	-16.9	0.1	0.6	-0.1
<i>Claims on Non-financial Public Enterprises</i>				
Foreign Assets (Net)	2.2	1.2	18.5	-3.2
Central Bank	1.6	3.3	20.1	-5.7
Banks	28.7	-49.0	-44.0	212.0
Other Assets (Net)	-10.9	3.2	1.3	-0.3
Total Monetary Assets (M3)	1.9	-0.5	16.4	1.4
Quasi-Money 1/	1.3	-0.1	18.1	2.0
Money Supply (M1)	2.2	-4.9	5.2	-5.3
<i>Currency Outside Banks</i>	4.3	6.9	7.3	-9.0
<i>Demand Deposits 2/</i>	-3.2	-6.9	4.8	-4.5
Total Monetary Liabilities (M2)	-0.5	-2.2	12.1	-1.1
CBN Bills held by Non-Bank Sectors	-3.3	6.8	38.9	12.3
Total Monetary Assets (M3)	-1.2	-0.5	16.4	1.4
<i>Memorandum Items:</i>				
Reserve Money (RM)	1.0	-7.1	10.1	4.9
<i>Currency in Circulation (CIC)</i>	5.7	7.4	8.0	-8.2
<i>DMBs Demand Deposit with CBN</i>	-0.8	12.3	11.1	11.3

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

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Monthly Budget Est
Retained Revenue	271.4	290.1	316.6	488.4	315.6	348.1	355.3	350.1	414.6	342.6	364.4	276.8	272.1	629.4
Federation Account	249.4	257.6	222.4	276.3	268.8	279.7	269.8	274.9	263.4	284.4	280.9	255.2	232.8	381.0
VAT Pool Account	13.9	12.9	12.1	12.5	13.5	12.3	11.5	16.5	11.4	15.1	13.3	14.5	15.0	18.5
FGN Independent Revenue	8.1	19.3	48.3	89.3	9.9	34.6	37.7	13.3	31.9	38.1	20.0	6.6	19.7	70.7
Excess Crude Account	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others/Exchange Gain/Recovery	0.0	0.3	33.8	110.2	23.5	21.5	36.2	45.5	107.9	5.0	50.2	0.5	4.6	159.3
Expenditure	623.1	844.8	563.1	625.0	454.4	574.2	574.6	808.9	735.1	669.0	590.6	303.2	495.7	792.3
Recurrent	418.7	534.6	401.5	481.1	369.4	534.4	494.8	589.0	542.4	364.2	428.9	225.5	349.2	509.0
Capital	166.4	272.2	123.5	105.9	46.9	1.8	41.8	181.8	154.6	266.8	123.7	39.6	146.5	239.1
Transfers	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	0.0	44.2
Overall Balance:														
Surplus(+)/Deficit(-)	-351.7	-554.7	-246.5	-136.6	-138.7	-226.1	-219.3	-458.7	-320.6	-326.4	-226.3	-26.4	-223.6	-162.9
1/ Revised														
2/ Provisional														

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

