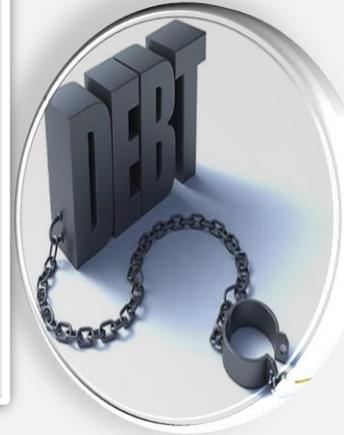


Portfolio Investment

Analysis of transactions at the stock market for the month ended May 2018 reveals an increase in total transaction by a significant 50 percent. From N212.2 billion recorded in April to N318.3 billion in May 2018¹. Foreign transactions also increased by 57 percent to N193 billion and accounted for 61 percent of total transactions at the bourse. Similarly, domestic investment increased by 40 percent to N125 billion with a 49 percentage share of total transactions. With a growing foreign investors' participation, foreign portfolio investment outperformed domestic investment by 21.3 percent, and for the second consecutive month. The rise in foreign transactions casts positive outlook on the Nigerian economy. However, to ensure long-term impact, foreign partners should be incentivized towards non-resource sectors to allow private investors leverage on their capacity to build and expand the range of local products and services.



Crude Oil Price

Global crude oil price fell for the first week following several weeks of gains. At the Global Commodity market, Brent crude sold for \$74.98 per barrel at the end of the review week, down by \$2.46 from \$77.44 exchanged for a barrel in the preceding week². Premised around accumulating supply concerns amidst a rather unchanging demand levels, the price slip was occasioned by a 1.3 million barrels increase in the US oil inventory³ - an unexpected build in crude oil supply during the week, from a Non-OPEC member. However, at \$76.7 per barrel, Nigeria's Bonny Light remained unchanged week-on-week⁴. Although the inflow into Nigeria's Sovereign Wealth Funds (SWF) will decline, the budget operations will remain unaffected since the 2018 budget oil price benchmark stands at \$51. To preserve budget operations from volatility in the long term, there is a need to invest a portion of the SWF, particularly the Future Generations Fund, to augment the processing and export of other main natural resources such as cocoa, rubber, and refined oils.



Business Expectation Index

The CBN's Business expectation survey reveals that respondent expressed more optimistic outlook on the business environment for the month of June 2018, relative to May 2018. Precisely, the overall confidence of small, medium and large organizations covering both import-and export-oriented businesses, improved to 34.7 index points, about 5.8 index points higher than the preceding month⁴. Amidst constraints, outlook remained positive likely at the back drop of improvements in some macroeconomic indices. Going forward, there is need for fiscal authorities to support the sustainable growth of private sector businesses by fostering pro-business policies and programs such as easing the cost of doing business.



ECONOMIC SNAPSHOT		
Quarterly Indicators	'17Q4	'18Q1
GDP Growth Rate (%)	2.11	1.95
Oil GDP (%)	11.20	14.77
Non-oil GDP (%)	1.45	0.76
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US \$ Million)	378.41	246.62
Portfolio Investment (US \$Millions)	3,477.53	4,565.09
Other Investment (US \$Million)	1,526.92	1,491.93
External Debt (FGN & States- N'Billion)	5,787.51	NA
Domestic Debt (FGN-N'billion)	3,348.77	NA
Manufacturing Capacity utilization (%)	NA	NA
Monthly Indicators	Apr'18	May'18
Headline Inflation (%)	12.48	11.61
Food Sub-Index (%)	14.8	13.45
Core Sub-Index (%)	10.9	10.7
External Reserves (End Period) (US\$ Million)	47,492	47,605
Official Rate Approx. (N/US\$)	305	305
BDC Rate Approx. (N/US\$)	362	362
Manufacturing PMI	56.9	56.5
Non-Manufacturing PMI	57.5	57.3
Crude Oil Price (US\$/Barrel)	NA	NA
Petrol (PMS-N/litre)	151.4	150.2
Diesel (AGO -N/Litre)	204.35	205.67
Kerosene (HHK -N/Litre)	278.49	280.29
MPR (%)	14	14
CRR (%)	22.5	22.5
91 Day T-Bill Rate (%)	11.43	11.43
Savings Deposit (%)	4.07	4.07
Prime Lending (%)	17.24	17.08
Maximum Lending (%)	31.56	31.29
Narrow Money (N'Billion)	10,670.63	11,226.31
Broad Money (N'Billion)	24,620.65	25,169.01
Net Domestic Credit (N'Billion)	27,476.80	25,716.58
Credit to the Government (N'Billion)	5,222.73	3,509.84
Credit to the Private Sector(N'Billion)	2,225.40	2,220.67
Currency in Circulation (N'Billion)	1,957.21	1,930.63
FAAC (N'Billion)	701	NA

*Revised GDP figures/tentative figures

NA: Not Available

¹NSE (2018). “DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING—May 2018”. Retrieved from, http://www.nse.com.ng/market_data-site/other-market-information-site/FPI%20Report/NSE%20Domestic%20and%20FPI%20Report%20%20May%202018.pdf

²Y-Charts (2018). “Brent Crude Oil Spot Price”. Accessed July 12, 2018. https://ycharts.com/indicators/brent_crude_oil_spot_price

³CNBC (2018). “US crude rises 1.2 percent, settling at \$73.80, but posts weekly loss on supply concerns” Accessed July 12, <https://www.cnbc.com/2018/07/06/oil-markets-tense-as-us-and-china-on-brink-of-trade-war.html>

⁴cbn.gov.ng

⁵CBN (2018). “Monthly Business Expectations Survey Report: June 2018”. Retrieved from, https://www.cbn.gov.ng/Out/2018/SD/June%202018%20BES%20Report_Final.pdf

CSEA