

## Rise in Foreign Trade

In the first quarter of 2019, total foreign trade increased to ₦8.24 trillion<sup>1</sup>. This figure is 2.5% higher compared to 2018Q4 and 7.5% higher relative to the corresponding quarter in 2018 (2018Q1). The boost in trade resulted from increased values of both imports and exports. The value of total imports increased to ₦3.70 trillion, representing a 3.39% rise relative to 2018Q4. Similarly, export value was recorded at ₦4.54 trillion, which signifies a 1.78% rise compared to the fourth quarter of 2018. Improvements in both imports and exports retained the balance of trade in the positive terrain: at ₦31.6 billion. The quarter's trade advancements may be attributed to export promotion policy, and more imports of agricultural products compared to the previous quarter. With the US\$30 billion export-financing deal signed by the Nigerian government in February 2019<sup>2</sup>, setting up special economic zones in Abia, Katsina, and Lagos, external trade is expected to increase significantly in the coming years. An important step in improving international trade is addressing non-trade barriers that undermine the country's ability to extensively participate in trade such as inadequate infrastructure and inefficient and opaque border administration procedures.

## Rise in Fuel and Gas Consumption/Production

The consumption of petroleum products (Petrol, diesel, and kerosene) across the country increased by about 30 million litres within one month. The NNPC's financial and operations report shows that consumption rose from 1.33 billion litres in February 2019, to 1.36 billion litres in March 2019<sup>3</sup>. Revenue earned by the NNPC from the consumption sales amounted to ₦174.62 billion in the review month<sup>4</sup>. Gas production also increased during the month, by 15.4% to 263.5 billion cubic feet in March 2019<sup>5</sup>. The increased consumption of fuel and gas indicates higher demand by Nigerians to satisfy growing domestic energy needs as well as commercial energy requirements. The domestic needs may have stemmed partly from increased possession or usage of household items and transportation means such as cars. On the other hand, the commercial demand (particularly for gas) is partly necessitated by the growing electricity generation needs in Nigeria. Going forward, investments are needed in local petroleum downstream value chain and gas exploration to ensure Nigeria's energy security, given the rising energy consumption and scope for further increases with sustained economic growth.

## Gains in Stock Market

Market indices at the Nigeria Stock Exchange closed the month of May in gains, compared to the previous month. Month-on-Month statistics show that the All Share index (ASI) added about 7% in points, from 29,171 points at the end of April, to 31,069 in May 2019<sup>6</sup>. Similarly, the market's capitalization gained 24.8% in value, from ₦10.96 trillion to ₦13.68 trillion. The market's bullish position during the month commemorates major additional listing that may have catalyzed the gains observed. The communications multinational, MTN Nigeria, got listed mid-month at the stock market, and a total of 105 million shares were traded in a few days, which boosted the stock market capitalization by about ₦1.8 trillion<sup>7</sup>. Also, improved demand for banking stocks, boosted by the MSCI portfolio rebalancing during the month<sup>8</sup>, weighed positively on the overall stock market performance. However, gains in the market emanate from a few companies, specifically MTN Nigeria and Dangote Group, leaving the market vulnerable to the performance of these companies. Achieving a more broad-based gain is contingent on building a more robust and efficient capital market by increasing the diversity and depth of product offerings, engendering investor confidence, and ensuring transparency and accountability.



<b>ECONOMIC SNAPSHOT</b>		
<b>Quarterly Indicators</b>	<b>'18Q4</b>	<b>'19Q1</b>
GDP Growth Rate (%)	2.38	2.1
Oil GDP (%)	-1.62	-2.40
Non-oil GDP (%)	2.7	2.47
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US \$ Million)	156.08	NA
Portfolio Investment (US \$Millions)	1,394.68	NA
Other Investment (US \$Million)	589.32	NA
External Debt (FGN & States- N'Billion)	7,759.22	NA
Domestic Debt (FGN + States & FCT N'billion)	16,627.84	NA
Manufacturing Capacity utilization (%)	55	NA
<b>Monthly Indicators</b>	<b>Mar'19</b>	<b>Apr'19</b>
Headline Inflation (%)	11.25	11.37
Food Sub-Index (%)	13.45	13.70
Core Sub-Index (%)	9.5	9.3
External Reserves (End Period) (US\$ Million)	44,420.10	44,792.70
Official Rate Approx. (N/US\$)	305	305
BDC Rate Approx. (N/US\$)	362	362
Manufacturing PMI	57.4	57.7
Non-Manufacturing PMI	58.5	58.7
Crude Oil Price (US\$/Barrel)	67.67	73.08
Petrol (PMS-N/litre)	145.30	145.90
Diesel (AGO -N/Litre)	229.16	230.67
Kerosene (HHK -N/Litre)	303.94	316.26
MPR (%)	14	13.5
CRR (%)	22.5	22.5
91 Day T-Bill Rate (%)	10.91	10.91
Savings Deposit (%)	4.07	4.07
Prime Lending (%)	14.92	18.23
Maximum Lending (%)	30.83	30.89
Narrow Money (N'Billion)	10,945.25	11,252.43
Broad Money (N'Billion)	33,809.57	35,167.53
Net Domestic Credit (N'Billion)	31,696.52	32,898.45
Credit to the Government (N'Billion)	7,741.33	8,001.77
Credit to the Private Sector(N'Billion)	23,955.19	24,896.67
Currency in Circulation (N'Billion)	2,153.22	2,158.70
FAAC (N'Billion)	617.56	616.20

\*Revised GDP figures/tentative figures

NA: Not Available

<sup>1</sup>National Bureau of Statistics (2019). “Foreign Trade in Goods Statistics (Q1 2019)”. Retrieved from, <http://www.nigerianstat.gov.ng/>

<sup>2</sup>Bloomberg (2019). “Nigeria Signs \$30 Billion Export-Financing Deal, ThisDay Reports”. Accessed June 11, 2019. <https://www.bloomberg.com/news/articles/2019-02-10/nigeria-signs-30-billion-export-financing-deal-thisday-reports>

<sup>3</sup>NNPC’s financial and operational report 2019. Accessed June 11, 2019. [www.nnpcgroup.com](http://www.nnpcgroup.com)

<sup>4</sup>Daily Trust (2019). “NNPC records N174.62bn petroleum product sales in March – Report”. Accessed June 11, 2019. <https://www.dailytrust.com.ng/nnpc-records-n174-62bn-petroleum-product-sales-in-march-report.html>

<sup>5</sup>Punch (2019). “Petroleum products consumption increase as NNPC makes N174.6bn”. Accessed June 11, 2019. <https://punchng.com/petroleum-products-consumption-increase-as-nnpc-makes-n174-6bn/>

<sup>4</sup>Nigeria Stock Exchange Market (2019). “Market Indices”. Accessed June 11, 2019. <http://www.nse.com.ng/>

<sup>5</sup>Vanguard (2019). “Investors Recover from Bearish May to Gain N2.7trn mtd”. Accessed June 12, 2019. <https://www.vanguardngr.com/2019/06/investors-recover-from-bearish-may-to-gain-n2-7trn-mtd/>

<sup>6</sup>Nairametrics (2019). “Morgan Stanley removes four stocks from its Nigerian indices”. Accessed June 12, 2019. <https://nairametrics.com/2019/05/14/mcsi-rebalances-nigeria-indexes/>