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## Foreign Trade

In the third quarter of 2017, NBS report show that Nigeria recorded a marginal quarter-over-quarter and significant Year-on-Year increases in the value (in Naira terms) of merchandise (goods) foreign trade. At N5.92 trillion<sup>1</sup>, total merchandise trade increased 3.9 percent over the preceding quarter and 23.9 percent over the corresponding quarter in 2016. Specifically, with exports rising QOQ by 15.2 percent to N3.57 trillion and imports shrinking by 9.4 percent to N2.35 trillion, trade balance amounted to a surplus of N1.22 trillion in 2017Q3- a substantial 142 percentage increase (QOQ) in trade surplus value. This is at the backdrop of improved and sustained growth in export trade, characterized predominantly by crude oil exports which grew QOQ by 22.5 percent and accounted for 83.2 percent of total merchandise trade despite efforts to diversify. However, oil trade was largely supported by the 2017 rise in crude oil production as well as improved global crude prices. The continuous dominance of oil in the merchandise trade still predisposes the country's external sector to shocks. Diversifying export base away from oil remains critical towards mitigating external shocks and maintenance of stable external balance.



## Agricultural Sector

Month-on-Month figures from the NBS reveal a further contraction in prices of selected food items for the month of November 2017. Relative to October 2017, average growth rate of selected food prices contracted by 1.34 percent<sup>2</sup>. Thus, average prices reportedly paid by households for daily food items such as eggs, beans, beef, bread and rice amongst others, reduced during the month. This may be as a result of the seasonal effects of continued harvest of some of the crops (direct), stability of both exchange rate and fuel price, and effects of the drop in the prices of food at the international market<sup>3</sup>. In essence, food and crops supply were relatively available for purchase and consumption during the review period. Going forward, there is need to sustain the low prices even after harvest period. In this regard, the government should address the issue of poor and limited farming inputs such as seedlings and pesticides that lead to low yield per hectare.



## Inflation

Inflation rate for the month of November 2017 reduced very marginally to 15.90 percent<sup>4</sup>, from 15.91 percent in October 2017. Although a slight reduction, it represents a slowdown in inflation rate for the tenth consecutive month. Food sub-index reduced from 20.31 percent to 20.30 percent, while core sub-index moderated to 12.20 percent, from 12.14 percent. The recent downward inflation trajectory is indicative of the effectiveness of monetary policy tools. However, it is important to take cognizance of the likely upward pressure in the general price level that could follow increased demand during the upcoming yuletide period especially in December 2017.



## Petroleum Statistics

Data from the NBS show a decrease in the average prices of refined petroleum products across all states in November 2017. Precisely, AGO (diesel) sold for N199.26 per litre, down from N201.96 in October 2017<sup>5</sup>; PMS (Fuel) price reduced marginally from N146/litre to N145.6/litre<sup>6</sup>; and HHK (Kerosene) exchanged for N267.14/litre from N273.44/litre<sup>7</sup>. The continued, though slight decrease in prices of petroleum products may have been triggered by the positive effects of NNPC's earlier intervention which is the sustained improvement in the supply of the products and remodeling of distribution channels<sup>8</sup>. However, this is transient; thus efforts should be made to resolve the distribution challenges to ensure that prices of petroleum products remain low in all states.



## ECONOMIC INDICATORS

<b>QUARTERLY ECONOMIC INDICATORS</b>	<b>2017Q1</b>	<b>2017Q2</b>	<b>2017Q3</b>
<b>GDP Growth Rate (%)</b>	-0.91*	0.72*	1.40
<b>Oil GDP (%)</b>	-11.64	3.52*	25.89
<b>Non-Oil GDP (%)</b>	0.72	0.45	-0.76
<b>Unemployment Rate (%)</b>	NA	NA	NA
<b>Underemployment Rate (%)</b>	NA	NA	NA
<b>Foreign Direct Investment (US \$'Million)</b>	211.38	274.4	117.60
<b>Portfolio Investment (US \$'Million)</b>	313.61	770.5	2,767.42
<b>Other Investments (US \$'Million)</b>	383.28	747.5	1,260.08
<b>External Debt (FGN &amp; States - N'Billion)</b>	4,229.96	4,602.88	4,693.91
<b>Domestic Debt (FGN - N'Billion)</b>	11,971.34	15,034.11	15,678.0
<b>Manufacturing Capacity Utilisation (%)</b>	53.7	NA	NA
<b>MONTHLY ECONOMIC INDICATORS</b>	<b>September-2017</b>	<b>October-2017</b>	<b>November-2017</b>
<b>Headline Inflation (%)</b>	15.98	15.91	15.90
<b>Food Sub-Index (%)</b>	20.32	20.31	20.30
<b>Core Sub-Index (%)</b>	12.12	12.14	12.20
<b>External Reserve (US\$ Million)</b>	32,028.3	33,825.1	34,945.6
<b>All Share Index (Points)</b>	35,439.98	36,484.30	37,029.32
<b>Market Capitalization (N' Billion)</b>	NA	NA	NA
<b>Exchange Rate (BDC - N/US\$)</b>	366	362	364
<b>Official Rate (N/US\$)</b>	305.75	305.80	306.0
<b>Manufacturing PMI</b>	55.3	55.0	55.9
<b>Non-Manufacturing PMI</b>	54.9	55.3	57.6
<b>Crude Oil Price(US\$/Barrel)</b>	56.8	NA	NA
<b>Petrol (PMS - N/litre)</b>	144.5	146.0	145.6
<b>Diesel (AGO - N/litre)</b>	184.8	201.96	199.26
<b>Kerosene (NHK - N/litre)</b>	264.48	273.44	267.14
<b>MPR (%)</b>	14	14	14
<b>Private Sector CRR (%)</b>	22.5	22.5	22.5
<b>Public Sector CRR (%)</b>	22.5	22.5	22.5
<b>91 Day T-Bill Rate (%)</b>	13.2	13.18	NA
<b>Savings Deposit (%)</b>	4.08	4.08	NA
<b>Prime Lending (%)</b>	17.88	17.86	NA
<b>Maximum Lending (%)</b>	31.39	31.39	NA
<b>Narrow Money (N'Billion)</b>	10,064.24	10,393.06	NA
<b>Broad Money (N'Billion)</b>	21,953.99	22,500.62	NA
<b>Net Domestic Credit (N'Billion)</b>	26,985.31	27,174.81	NA
<b>Credit to Government (N'Billion)</b>	4,963.41	5,245.89	NA
<b>Credit to Private Sector (N'Billion)</b>	2,202.19	2,192.82	NA
<b>Currency in Circulation (N'Billion)</b>	1,781.05	1,791.19	NA
<b>FAAC (N' Billion)</b>	558.08*	NA	NA

\*Revised GDP figures

NA: Not Available

<sup>1</sup>National Bureau of Statistics (2017). “Foreign Trade in Goods Statistics (Q3 2017)”. Retrieved from, <http://www.nigerianstat.gov.ng/>

<sup>2</sup> National Bureau of Statistics (2017). “Selected Food Prices (November 2017)”. Retrieved from, <http://nigerianstat.gov.ng/elibrary>

<sup>3</sup> Food and Agricultural Organization of the United Nation (2017). “FAO Food Price Index”. Accessed December 19, 2017. <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>

<sup>4</sup>National Bureau of Statistics (2017). “CPI and Inflation Report November 2017”. Retrieved from, <http://nigerianstat.gov.ng/elibrary>

<sup>5</sup>National Bureau of Statistics (2017). “Automotive Gas Oil (Diesel) Price Watch (November 2017)”. Retrieved from, <http://nigerianstat.gov.ng/elibrary>

<sup>6</sup>National Bureau of Statistics (2017). “Premium Motor Spirit (Petrol) Price Watch (November 2017)”. Retrieved from, <http://nigerianstat.gov.ng/elibrary>

<sup>7</sup>National Bureau of Statistics (2017). “National Household Kerosene Price Watch (November 2017)”. Retrieved from, <http://nigerianstat.gov.ng/elibrary>

<sup>8</sup>NNPC (2017). “NNPC Crashes Petrol, Cooking Gas Prices Nationwide”. Accessed December 19, 2017.

<http://nnpcgroup.com/PublicRelations/NNPCinthenews/tabid/92/articleType/ArticleView/articleId/843/NNPC-Crashes-Petrol-Cooking-Gas-Prices-Nationwide.aspx>

Vanguard (2017). “Breaking: Senate Passes MTEF, increases oil price benchmark to \$47”. Accessed December 13, 2017. <https://www.vanguardngr.com/2017/12/breaking-senate-passes-mtef-increases-oil-price-benchmark-to-47/>

<sup>2</sup>OPEC (2017). “OPEC Basket Price”. Accessed December 13, 2017. [http://www.opec.org/opec\\_web/en/data\\_graphs/40.htm](http://www.opec.org/opec_web/en/data_graphs/40.htm)

<sup>3</sup>Reuters (2017). “Oil settles at two-week low on surprise U.S. fuel stock rise”. Accessed December 13, 2017. <https://www.reuters.com/article/us-global-oil/oil-settles-at-two-week-low-on-surprise-u-s-fuel-stock-rise-idUSKBN1E005Q>

<sup>4</sup>cbn.gov.ng

<sup>5</sup>Reuters (2017). “Oil settles at two-week low on surprise U.S. fuel stock rise”. Accessed December 13, 2017. <https://www.reuters.com/article/us-global-oil/oil-settles-at-two-week-low-on-surprise-u-s-fuel-stock-rise-idUSKBN1E005Q>

<sup>6</sup>cbn.gov.ng

<sup>7</sup>Abokifx (2017). “Previous Lagos Black Market rates”. Accessed December 13, 2017. [https://abokifx.com/ratetypes/?rates=lagos\\_previous](https://abokifx.com/ratetypes/?rates=lagos_previous)

<sup>8</sup>This Day (2017). “CBN Injects \$210m into Forex Market”. Accessed December 13, 2017. <https://www.thisdaylive.com/index.php/2017/12/13/cbn-injects-210m-into-forex-market/>

<sup>9</sup>NSE (2017). “Stock Market Report for December 8<sup>th</sup>, 2017”. Retrieved from, [http://www.nse.com.ng/market\\_data-site/other-market-information-site/Week%20Market%20Report/Weekly%20Market%20Report%20for%20the%20Week%20Ended%2008-12-2017.pdf](http://www.nse.com.ng/market_data-site/other-market-information-site/Week%20Market%20Report/Weekly%20Market%20Report%20for%20the%20Week%20Ended%2008-12-2017.pdf)

<sup>10</sup>Trwstockbrokers (2017). “Though Profit Takers Lurk, Inflow of Funds Power Equity Prices Higher In Santa Claus Rally”. Accessed December 14, 2017. <https://trwstockbrokers.wordpress.com/page/4/>