

## Inflation

The National Bureau of Statistics report shows that Inflation rate continued its upward trajectory in January 2017. Consumer Price Index (CPI), the measure of headline inflation rose by 0.17 percentage points from 18.55 percent recorded in December 2016, to 18.72 percent in January 2017<sup>1</sup> – the highest inflation rate recorded in 12 years. Food sub-index grew by 0.43 percentage points to 17.82 percent – driven by sustained increase in prices of domestic and imported food items. Core sub-index recorded a slower pace of increase at 17.9 percent. Going forward, strategies that can enhance self-sufficiency in food production remain critical towards dousing the ongoing upward inflation trajectory.



## Crude Oil Statistics

Recent domestic Crude oil statistics from the Nigerian National Petroleum Corporation (NNPC), reveals an increase in total crude oil export sales in December 2016. Relative to November 2016, total export sales of crude oil rose from \$166.18 million to \$195.40 million in December 2016 – representing 17.6 percentage (Month-on-Month) increase<sup>4</sup>. The increase is attributable to a rise in crude oil production following a drastic (Year-on-Year) reduction in pipeline vandalism in the preceding month<sup>5</sup>. Given that improvement in oil revenue is critical to fiscal sustainability and external balance, intensified efforts should be implemented towards the maintenance and sustainability of peace in the Niger Delta region.



## Monetary Focus

Recently released Money and Credit data by the Central Bank of Nigeria shows that broad money supply increased (Month-on-Month) by 6.5 percent to N23.84 trillion in December 2016<sup>6</sup>. Additionally, CBN credit to the government increased by 20.85 percent to N38.0 trillion – possibly on account of necessitated increase in government spending; while credit to the private sector declined by 2.9 percent to N22.4 trillion – likely due to higher lending rates and liquidity squeeze arising from TSA (Treasury Single Account) implementation. The current decline in credit to the private sector would have a depressing effect on investment in the economy and this could elongate the potential recovery span from the ongoing economic recession in the country.



## Oil and Gas Sector

Refined Petroleum Products Reports by the National Bureau of Statistics show significant increase in the average selling price of PMS (Petrol), AGO (Diesel), HHK (Kerosene) and LPG (Cooking Gas) in January 2017. Average prices rose from N146.7/litre (PMS), N196.25/litre (AGO), N231.85/litre (HHK), and N2002.16/5kg (LPG) in December 2016 to N148.7<sup>7</sup>, N240.52<sup>8</sup>, N433.84<sup>9</sup>, and N2567.56<sup>10</sup> respectively in January 2017. The rise in average selling price of the refined petroleum products over the weeks may have been attributed to continuous depreciation of naira in the parallel market which could drive up the petroleum importers' purchase price. Going forward, a substantial investment towards increasing domestic refinery capacity is essential to address the high cost of gasoline import, douse exchange rate pressure, and conserve foreign reserve.



## ECONOMIC INDICATORS

<b>QUARTERLY ECONOMIC INDICATORS</b>	<b>2016Q1</b>	<b>2016Q2</b>	<b>2016Q3</b>
<b>GDP Growth Rate (%)</b>	-0.36	-2.06	-2.24
<b>Oil GDP (%)</b>	-1.89	-17.48	-22.01
<b>Non-Oil GDP (%)</b>	-0.18	-0.38	0.03
<b>Unemployment Rate (%)</b>	12.10	13.10	13.9
<b>Underemployment Rate (%)</b>	19.10	19.30	19.7
<b>Foreign Direct Investment (US \$'Million)</b>	174.46	184.29	340.64
<b>Portfolio Investment (US \$'Million)</b>	271.04	337.31	920.32
<b>Other Investments (US \$'Million)</b>	265.47	520.57	561.16
<b>Total Revenue (FG) (N' Billion)</b>	535.96	977.82	1,185.52
<b>Total Expenditure (FG) (N' Billion)</b>	1,082.44	1,407.38	1,344.71
<b>FG Fiscal (Deficit)/Surplus (N' Billion)</b>	-546.49	-429.56	-159.19
<b>MONTHLY ECONOMIC INDICATORS</b>	<b>Oct-2016</b>	<b>Nov-2016</b>	<b>Dec-2016</b>
<b>Headline Inflation (%)</b>	18.3	18.5	18.55
<b>Food Sub-Index (%)</b>	17.1	17.2	17.4
<b>Core Sub-Index (%)</b>	18.1	18.2	18.1
<b>External Reserve (US\$ Million)</b>	23,689.87	25,081.22	26,990.58
<b>All Share Index (Points)</b>	27,663.26	25,333.39	26,874.62
<b>Market Capitalization (N' Billion)</b>	9,501.79	8,720.80	9,246.92
<b>Exchange Rate (BDC - N/US\$)</b>	462.03	415.36	455.26
<b>Official Rate (N/US\$)</b>	305.21	305.18	305.22
<b>Manufacturing PMI</b>	44.1	46.00	52.00
<b>Non-Manufacturing PMI</b>	43.4	42.80	47.10
<b>Crude Oil Price(US\$/Barrel)</b>	51	45.25	53.48
<b>Petrol (PMS - N/litre)</b>	145.9	146.7	146.7
<b>Diesel (AGO - N/litre)</b>	187.25	195.67	196.25
<b>Kerosene (NHK - N/litre)</b>	292.73	282.86	231.85
<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>	13.96	13.99	13.96
<b>Savings Deposit (%)</b>	4.08	4.28	4.18
<b>Prime Lending (%)</b>	17.1	17.06	17.09
<b>Maximum Lending (%)</b>	27.69	28.53	28.55
<b>Exports (FOB) (US\$ Million)</b>	2,663.21	2,871.23	2,880.83*
<b>Imports (CIF) (US\$ Million)</b>	2,696.53	3,134.96	2,695.10*
<b>Imports (FOB) (US\$ Million)</b>	2,527.49	2,937.15	2,539.91*
<b>Total Trade (US\$ Million)</b>	5,359.75	6,006.19	5,575.94*
<b>Balance of Trade (US\$ Million)</b>	-33.32	-263.72	185.73*
<b>Currency in Circulation (N'Billion)</b>	1,825.66	1,907.86	2,179.17
<b>FAAC (N' Billion)</b>	420*	386*	400*

\*Provisional Figures (Subject to change)

<sup>1</sup> National Bureau of Statistics (2017). “Consumer Price Index January 2017. Retrieved from, <http://www.nigerianstat.gov.ng/report/511>

<sup>2</sup> Proshare (2017). “Inflation climbs once again to 18.72%, the 15th consecutive month of increase”. Accessed February 20, 2017.

<https://www.proshareng.com/news/Nigeria%20Economy/Inflation-climbs-once-again-to-18.72Percent--the-15th-consecutive-month-of-increase/33765>

<sup>3</sup> CBN Statistical Database. “Average Monthly Exchange Rate”. [cbn.gov.ng](http://cbn.gov.ng)

<sup>4</sup> NNPC (2017). “Monthly Financial and Operations Report for the Month of December 2016”. Retrieved from,

<http://nnpcgroup.com/Portals/0/Monthly%20Financial%20and%20Operations%20Data/Full%20Reports/NNPC%20Monthly%20Financial%20&%20Operations%20Report%20for%20the%20month%20of%20December%202016.pdf>

<sup>5</sup> NNPC (2017). “Monthly Financial and Operations Report for the Month of November 2016”. Retrieved from,

<http://nnpcgroup.com/Portals/0/Monthly%20Financial%20and%20Operations%20Data/Full%20Reports/NNPC%20Monthly%20Financial%20&%20Operations%20Report%20for%20the%20month%20of%20November%202016.pdf>

<sup>6</sup> CBN (2017). Money and Credit Statistics. [cbn.gov.ng](http://cbn.gov.ng)

<sup>7</sup> National Bureau of Statistics (2017). “Premium Motor Spirit (Petrol) Price Watch (January 2017)”. Retrieved from, <http://www.nigerianstat.gov.ng/report/512>

<sup>8</sup> National Bureau of Statistics (2017). “Automotive Gas Oil (Diesel) Price Watch (JANUARY 2017)”. Retrieved from, <http://www.nigerianstat.gov.ng/report/515>

<sup>9</sup> National Bureau of Statistics (2017). “National Household Kerosene Price Watch (January 2017)”. Retrieved from, <http://www.nigerianstat.gov.ng/report/514>

<sup>10</sup> National Bureau of Statistics (2017). “Liquefied Petroleum Gas (Cooking Gas) Price Watch (JANUARY 2017)”. Retrieved from, <http://www.nigerianstat.gov.ng/report/513>