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Portfolio Investment

Recent report by the Nigeria Stock Exchange shows a decrease in portfolio investment in February 2017, relative to January 2017. Specifically, total portfolio transaction at the bourse declined by 22.3 percent to N74.11 billion in February 2017¹. Domestic portfolio investment (N39.57 billion) slightly outperformed Foreign Portfolio Investment (N34.54 billion) for the second consecutive month in 2017. Foreign investor confidence seems yet to be fully restored, following several challenges in the macro-economy since mid-2014. Going forward, the recently released Economic Recovery and Growth Plan (ERGP) by the government will go a long way in guiding investment decisions in the economy. However, there is need to improve on the current exchange rate policy of the Central Bank of Nigeria (CBN) and eliminate multiple exchange rates, as well as ensure full flexibility of the foreign exchange market to improve foreign investors' confidence.



Transport Sector

Recently released report by the National Bureau of Statistics indicates decline in output and contribution to GDP in the Nigeria aviation sub-sector. In real terms, output in the sub-sector decreased annually by 4.9 percent between 2015 and 2016; and declined by 13.3 percent (Year-on-Year) in 2016Q4² – the largest quarterly decline in 2016. The sectoral fall in output was supply-side driven: increased cost of operations prompted cut-back on services provided by the sector as well as termination of some aviation operations. Going forward, recent improvement in forex supply in the interbank and BDC channel would enhance forex access to airline operators and facilitate smooth running of the airline industry.



Crude Oil Price

Crude Oil prices rose week-on-week on April 7, 2017. OPEC weekly basket price increased from \$51.59 to \$53.25³; Nigeria's bonny light also traded at \$52.71 per barrel on April 7, 2017 – 1.5 percentage increase from \$51.92 per barrel on March 31, 2017⁴. Global oil price responded to investor speculations of prospective supply disruptions from the key oil production region (middle-east), following US airstrikes on Syria in the review week⁵. The strikes could however spread conflict that could disrupt crude oil shipments from the key region, thus possibly moderating global oil price in the near term. Going forward, the Nigerian government should increasingly expand its revenue base away from oil, and could explore modern methods of safeguarding its volatile crude oil revenues such as oil derivatives.



Stock Market

The Nigeria Stock Exchange All-Share Index (ASI) and Market Capitalization (MCAP) appreciated (week-on-week) by 0.9% to close the week at 25,746.52 and N8.91 trillion respectively⁶. The positive performance is likely attributable to significant gains from stocks in the financial services industry followed by the consumer goods segment.⁶ Going forward, there should be more gains from stocks in the near term as companies begin to report positive earnings alongside the gradual rebounding of the Nigerian economy.



Compiled by the Information and Data Management (IDM) Unit, CSEA

ECONOMIC INDICATORS

QUARTERLY ECONOMIC INDICATORS	2016Q2	2016Q3	2016Q4
GDP Growth Rate (%)	-2.06	-2.24	-1.30
Oil GDP (%)	-17.48	-22.01	-12.38
Non-Oil GDP (%)	-0.38	0.03	-0.33
Unemployment Rate (%)	13.10	13.9	NA
Underemployment Rate (%)	19.30	19.7	NA
Foreign Direct Investment (US \$'Million)	184.29	340.64	344.63
Portfolio Investment (US \$'Million)	337.31	920.32	284.22
Other Investments (US \$'Million)	520.57	561.16	920.03
Total Revenue (FG) (N' Billion)	977.82	1,185.52	NA
Total Expenditure (FG) (N' Billion)	1,407.38	1,344.71	NA
FG Fiscal (Deficit)/Surplus (N' Billion)	429.56	159.19	NA
MONTHLY ECONOMIC INDICATORS	Dec-2016	Jan-2017	Feb-2017
Headline Inflation (%)	18.55	18.72	17.78
Food Sub-Index (%)	17.4	17.82	18.53
Core Sub-Index (%)	18.1	17.90	16.00
External Reserve (US\$ Million)	26,990.58	28,592.98	29,975.38
All Share Index (Points)	26,874.62	26,036.24	25,329.08
Market Capitalization (N' Billion)	9,246.92	8,972.99	8,765.92
Exchange Rate (BDC - N/US\$)	455.26	493.29	494.7
Official Rate (N/US\$)	305.22	305.20	305.31
Manufacturing PMI	52.00	48.20	44.6
Non-Manufacturing PMI	47.10	49.40	44.5
Crude Oil Price(US\$/Barrel)	53.48	55.01	46.39
Petrol (PMS - N/litre)	146.7	148.7	149.8
Diesel (AGO - N/litre)	196.25	240.52	249.38
Kerosene (NHK - N/litre)	231.85	433.84	352.42
MPR (%)	14	14	14
Private Sector CRR (%)	22.5	22.5	22.5
Public Sector CRR (%)	22.5	22.5	22.5
91 Day T-Bill Rate (%)	13.96	13.95	13.75
Savings Deposit (%)	4.18	4.22	4.22
Prime Lending (%)	17.09	16.91	17.13
Maximum Lending (%)	28.55	28.88	29.26
Narrow Money (N'Billion)	11,404.91	11,267.71	10,212.65
Broad Money (N'Billion)	23,725.13	23,380.94	22,365.65
Net Domestic Credit (N'Billion)	27,153.88	26,627.28	26,771.07
Credit to Government (N'Billion)	4,806.98	4,284.26	4,408.656
Credit to Private Sector (N'Billion)	2,234.69	2,234.30	2,2362.41
Currency in Circulation (N'Billion)	2,179.17	1,994.58	1,978.887
FAAC (N' Billion)	400	465*	514.15

*Provisional Figures (Subject to change)

NA: Not Available

¹Nigeria Stock Exchange (2017). “Stock Market Report for April 7th, 2017”. Retrieved from,

²NBS (2017). “Q4 2016 and Full Year 2016 Air Transportation Data”. Retrieved from,

<http://www.nigerianstat.gov.ng/report/534>

³OPEC (2017). “Weekly Basket Price”. Accessed April 11, 2017.

http://www.opec.org/opec_web/en/data_graphs/40.htm

⁴cbn.gov.ng

⁵The Week (2017). “Oil price spikes after US air strikes on Syria”. Accessed April 11, 2017.

<http://www.theweek.co.uk/oil-price/60838/oil-price-spikes-after-us-air-strikes-on-syria>

⁶Nigeria Stock Exchange (2017). “Stock Market Report For April 7th, 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%2007-04-2017.pdf