

Aviation Sector

The national accounts for 2017Q4 show that the aviation sector grew year-on-year by 4.7 percent in real terms - significantly higher than the 0.48 percent in preceding quarter but significantly lower than the 13.3 percent in the corresponding quarter of 2016¹. Drawing from the data recently provided by the NBS, it can be inferred that the increase in the number of both domestic and international passenger traffic in the fourth quarter (by 4.9 percent YOY to 3.7 million passengers)², may have partly driven the YOY real growth in the sector. This is in addition to remarkable increases in aircrafts and mail movements – by 4.6 percent and 229.6 percent respectively. The month of December attracted the most traffic given increased patronage during festive and holiday period. Going forward, the finalization of a tentative timeline for release of funds for aviation infrastructure projects pending in the 2017 budget and the proposed 2018 budget is important to support substantial real growth of the sector.



Portfolio Investment

Total transactions at the National Bureau of Statistics decreased in the month of January 2018, relative to December 2017. Total portfolio investment declined from N480.40 billion to N394.44 billion³ – a 17.9 percentage month-on-month decline. Both domestic and foreign components of the portfolio investment declined in the review month by 16.7 percent and 19.4 percent respectively. Perhaps, the decline indicates that investors were repositioning for the new year 2018. A closer review also shows that foreign investors pulled out N74.6 billion (outflow), about 125.8 percentage higher than what was pulled out in the preceding month. Going forward, the Nigerian government needs to improve the ease of doing business and address some of the challenging infrastructural problems in order to attract and sustain longer term investment flows that are less interest rate sensitive and more sustainable.



External Reserve

Nigeria's external reserve rose significantly by 9.2 percent from the beginning of 2018, to reach a five-year high of \$42.5 billion as at the end of February 2018⁴. The continued addition to the foreign reserves has been attributed to sustained positive effects of previous efforts by the apex bank: drastically reducing unnecessary importation (banning some 41 import items). This is complemented by improved receipts from exports, particularly non-oil exports, and increased inflow from the I&E forex window⁵. Going forward, a sustained improvement in exports (especially the non-oil exports) vis-à-vis import is germane towards maintaining recent favourable trade balance and the growing foreign reserves.



Stock Exchange

The Nigeria Stock Exchange closed on a bullish note from March, 2-9, 2018. All share index and market capitalization rose by 0.7 percent to close at 43,167.86 and N15.508 trillion respectively⁶. The uptrend which consolidates the previous week's positive performance, is at the backdrop of the increase investor appetite; triggered by strong earnings and impressive macroeconomic scorecards recently released⁷. However, a continued positive outlook for the succeeding week may be hinged on sustained affirmative Q1 earnings and expected economic reports which should give clearer direction to market investors. An outlook of stronger economic growth together with stability in macro-policy environment would help strengthen the recent stock market performance.



ECONOMIC SNAPSHOT		
Quarterly Indicators	'17Q3	'17Q4
GDP Growth Rate (%)	1.40	1.92
Oil GDP (%)	25.89	8.38
Non-oil GDP (%)	-0.76	1.45
Unemployment Rate (%)	18.8	NA
Foreign Direct Investment (US \$ Million)	117.60	378.41
Portfolio Investment (US \$Millions)	2,767.42	3,477.53
Other Investment (US \$Million)	1,260.08	1,526.92
External Debt (FGN & States- N'Billion)	4,693.91	NA
Domestic Debt (FGN-N'billion)	15,678.0	NA
Manufacturing Capacity utilization (%)	NA	NA
Monthly Indicators	Dec'17	Jan'18
Headline Inflation (%)	15.37	15.13
Food Sub-Index (%)	19.42	18.92
Core Sub-Index (%)	12.10	12.10
External Reserves (US\$ Million)	NA	NA
Official Rate (N/US\$)	NA	NA
BDC Rate (N/US\$)	NA	NA
Manufacturing PMI	59.3	57.3
Non-Manufacturing PMI	62.1	58.5
Crude Oil Price (US\$/Barrel)	56.83	NA
Petrol (PMS-N/litre)	171.80	190.90
Diesel (AGO -N/Litre)	205.81	213.82
Kerosene (HHK -N/Litre)	284.30	288.85
MPR (%)	14	14
CRR (%)	22.5	22.5
91 Day T-Bill Rate (%)	13.05	12.27
Savings Deposit (%)	4.08	4.07
Prime Lending (%)	17.71	17.50
Maximum Lending (%)	30.99	31.39
Narrow Money (N'Billion)	11,036.35	10,779.9
Broad Money (N'Billion)	24,001.41	23,831.92
Net Domestic Credit (N'Billion)	25,863.28	25,846.38
Credit to the Government (N'Billion)	3,574.03	3,857.43
Credit to the Private Sector(N'Billion)	2,228.95	2,198.90
Currency in Circulation (N'Billion)	2,157.23	1,945.44
FAAC (N'Billion)	655.17	636

*Revised GDP figures/tentative figures

NA: Not Available

¹National Bureau of Statistics (2018). “Nigerian Gross Domestic Product Report (Q4 & Full Year 2017)”. Retrieved from, <http://www.nigerianstat.gov.ng/>

² National Bureau of Statistics (2018). “Air Transportation Data (Q4 & Full Year 2017)”. Retrieved from, <http://www.nigerianstat.gov.ng/>

³NSE (2018). “Domestic & Foreign Portfolio Participation in Equity Trading – January 2018”. Retrieved from, http://www.nse.com.ng/market_data-site/other-market-information-site/FPI%20Report/NSE%20Domestic%20and%20FPI%20Report%20-%20January%202018.pdf

⁴CBN (2018). “The Movement in Reserves (30-Day Moving Average with effect from November 2011)”. Accessed March 14, 2018. <https://www.cbn.gov.ng/IntOps/Reserve.asp>

⁵Vanguard (2018). “Nigeria’s external reserves hit \$46bn”. Accessed March 14, 2018 <https://www.vanguardngr.com/2018/03/nigerias-external-reserves-hit-46bn/>

⁶NSE (2018). “Stock Market Report for March 9th 2018”. Retrieved from, http://www.nse.com.ng/market_data-site/other-market-information-site/Week%20Market%20Report/Weekly%20Market%20Report%20for%20the%20Week%20Ended%2009-03-2018.pdf

⁷Trwstockbrokers (2018). “Investors Reposition for Dividend, Expected Numbers Ahead Of Earnings Season Peak”. Accessed March 14, 2018. <https://trwstockbrokers.wordpress.com/page/6/>