

Poverty Rate

According to the World Bank, poverty level in Nigeria increased in 2017 with almost half the Nigerian population living in extreme poverty. As stated in the “Nigeria Biannual Economic Update” report, approximately 49.2 percent of Nigeria’s population live below the PPP \$1.90 per capita per day poverty line in 2017¹ – an uptick of 0.8 percentage points. Particularly important is that despite emergence from recession in 2017, poverty and unemployment levels increased. The World Bank suggests that prospects for poverty reduction have been jeopardized by limited connective infrastructure, and policy makers’ inability to identify interventions best suited for development potentials. Aside infrastructure, increased investments in human capital in the form of quality education, proper health care and increased opportunities will build a more inclusive economic growth and lift more people out of poverty.



Sectoral Banking Credit

The Banking sector made available the sum of N15.60 trillion as credit to the private sector in 2018Q1². This represents a quarter-over-quarter decrease of N140 billion, a little lower than the N15.74 trillion in 2017Q4. Top credit sectors - Oil and Gas and Manufacturing sectors, received slightly lower credit in the quarter (N3.42 trillion and N2.07 trillion respectively) when compared with previous quarter. In the future, credit to the agriculture sector, which employs about half of the country’s working population, should be significantly increased. Steps should be taken by stakeholders in the sector to improve the financial literacy and collateral strength of farmers in a bid to increase their access to credit.



Purchasing Managers’ Index

Purchasing managers’ index sustained expansions for the month of April, in both Manufacturing and Non-manufacturing sectors. Manufacturing PMI rose marginally from 56.7 to 56.9 index points, and Non-manufacturing PMI from 57.2 to 57.5 index points³. The slight increase was driven by sustained growth in most of the subsectors. Twelve out of fifteen subsectors recorded growth in the review month, among which are petroleum, food products, textiles, etc. Going forward, achieving and sustaining growth in the manufacturing and non-manufacturing sectors requires the implementation of reforms that will open up and attract investments into key subsectors such as the manufacturing and agro-processing sub-sectors. Macroeconomic stability, good governance and provision of infrastructure are supporting factors that will improve productivity and output across sectors and create opportunities along value chains.



Stock Market

The Nigeria Stock Exchange Market recorded a marginal decrease in twin market indices. All-share index and market capitalization dropped by 26.17 points and N10 billion respectively to 41,218.7 points and N14.93 trillion. The week-long decline may have been driven by sell-offs in high capitalization stocks and profit taking activities⁵. We expect the trend to reversed in the succeeding week given the ongoing dividend payment season and the release of Q1 macroeconomic and market performance results may trigger investors’ positive responses.



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	Feb'18	Mar'18
Headline Inflation (%)	14.33	13.34
Food Sub-Index (%)	17.59	16.08
Core Sub-Index (%)	11.70	11.20
External Reserves (End Period) (US\$ Million)	42,492.67	NA
Official Rate Approx. (N/US\$)	305	305
BDC Rate Approx. (N/US\$)	362	362
Manufacturing PMI	56.3	56.7
Non-Manufacturing PMI	56.1	57.2
Crude Oil Price (US\$/Barrel)	NA	NA
Petrol (PMS-N/litre)	172.5	163.4
Diesel (AGO -N/Litre)	209.89	206.41
Kerosene (HHK -N/Litre)	288.57	268.99
MPR (%)	14	14
CRR (%)	22.5	22.5
91 Day T-Bill Rate (%)	11.88	11.84
Savings Deposit (%)	4.07	4.07
Prime Lending (%)	17.53	17.35
Maximum Lending (%)	31.40	31.55
Narrow Money (N'Billion)	10,730.86	10,912.60
Broad Money (N'Billion)	24,019.09	24,303.05
Net Domestic Credit (N'Billion)	26,909.59	26,267.11
Credit to the Government (N'Billion)	4,288.31	3,823.35
Credit to the Private Sector(N'Billion)	2,262.12	2,244.37
Currency in Circulation (N'Billion)	1,937.33	1,668.38
FAAC (N'Billion)	647.4	626.82

*Revised GDP figures/tentative figures

NA: Not Available

¹World Bank (2018). “NIGERIA BIENNIAL ECONOMIC UPDATE: Connecting to Compete”. Retrieved from, <https://openknowledge.worldbank.org/bitstream/handle/10986/29787/WP-NigeriaBiannualEconomicUpdateAprilFinalVersion-PUBLIC.pdf?sequence=1&isAllowed=y>

²National Bureau of Statistics (2018). “**Selected Banking Sector Data**”. Retrieved from, <http://nigerianstat.gov.ng/elibrary>

³CBN (2018). “Purchasing Managers’ Index (PMI) Survey Report”. Retrieved from, https://www.cbn.gov.ng/Out/2018/SD/PMI_Report_April%202018.pdf

⁴NSE (2018). “STOCK MARKET REPORT FOR MAY 4TH 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%2004-05-2018.pdf

⁵Trwstockbrokers (2018). “**Political Risks Cast Shadows On Nigeria’s Robust Economic Prospects, As Equity Index Stays Red**”. Accessed May 9, 2018. <https://trwstockbrokers.wordpress.com/page/8/>