

Financial Inclusion

Information from the Apex bank shows a likelihood of not attaining the financial inclusion target of 2020 as stated in the Nigeria Financial Inclusion Strategy (NFIS) of 2012. Precisely, the CBN's 2016 financial inclusion report states that only 58.4 percent of Nigerian adults were financially included as against the overall financial inclusion rate targeted at 80 percent. Similarly, only about 48.6 percent use formal financial services compared to the targeted 70 percent¹. Related to the targets are 22 key performance indicators that Nigeria still lags behind in. Leveraging on technology to boost financial inclusion would be a significant step forward. With a high mobile phone penetration rate of 84 percent, interventions that involve mobile-based platforms, such as the E-Wallet, should be strongly considered in order to capture the left behind groups.



External Reserve

Available figures from the CBN shows that the external reserve fell week-on-week, following preceding weeks of gains. The reserve dropped by \$171 million in seven days, to reach \$47.6 billion at the end of the review week². The reduction may have been triggered by a net outflow –given a possible marginal reduction in crude oil revenue occasioned by moderation in price and the CBN's forex market intervention and dollar injections. There is need for the monetary and fiscal authorities to keep local assets attractive to foreign investors and further stimulate exports.



Stock Market

The All Share index (ASI) and Market Capitalization (MCAP) depreciated in the review week. ASI fell marginally by 232.82 points to 37,392.77 points, MCAP dropped from N13.63 trillion to N13.55 trillion³. Most stock prices depreciated during the week, causing the market volume and value to decline, in addition to investors selling position ahead of expected Q2 earnings reports⁴ – possibly due to uncertainty of the direction of the reports when released. Closely linked to the decline in stock prices and the reduced activity on the stock market is the uncertainty in the political environment. As politicking increases in view of the 2019 elections, we expect more volatility in the stock market in near term. Going forward, the government needs to adopt pragmatic strategies that would guarantee peaceful campaigns and stabilize the polity to ensure a sustainable market rebound.



ECONOMIC SNAPSHOT		
Quarterly Indicators	'17Q4	'18Q1
GDP Growth Rate (%)	2.11	1.95
Oil GDP (%)	11.20	14.77
Non-oil GDP (%)	1.45	0.76
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US \$ Million)	378.41	246.62
Portfolio Investment (US \$Millions)	3,477.53	4,565.09
Other Investment (US \$Million)	1,526.92	1,491.93
External Debt (FGN & States- N'Billion)	5,787.51	NA
Domestic Debt (FGN-N'billion)	3,348.77	NA
Manufacturing Capacity utilization (%)	NA	NA
Monthly Indicators	Apr'18	May'18
Headline Inflation (%)	12.48	11.61
Food Sub-Index (%)	14.8	13.45
Core Sub-Index (%)	10.9	10.7
External Reserves (End Period) (US\$ Million)	47,492	47,605
Official Rate Approx. (N/US\$)	305	305
BDC Rate Approx. (N/US\$)	362	362
Manufacturing PMI	56.9	56.5
Non-Manufacturing PMI	57.5	57.3
Crude Oil Price (US\$/Barrel)	NA	NA
Petrol (PMS-N/litre)	151.4	150.2
Diesel (AGO -N/Litre)	204.35	205.67
Kerosene (HHK -N/Litre)	278.49	280.29
MPR (%)	14	14
CRR (%)	22.5	22.5
91 Day T-Bill Rate (%)	11.43	11.43
Savings Deposit (%)	4.07	4.07
Prime Lending (%)	17.24	17.08
Maximum Lending (%)	31.56	31.29
Narrow Money (N'Billion)	10,670.63	11,226.31
Broad Money (N'Billion)	24,620.65	25,169.01
Net Domestic Credit (N'Billion)	27,476.80	25,716.58
Credit to the Government (N'Billion)	5,222.73	3,509.84
Credit to the Private Sector(N'Billion)	2,225.40	2,220.67
Currency in Circulation (N'Billion)	1,957.21	1,930.63
FAAC (N'Billion)	701	NA

*Revised GDP figures/tentative figures

NA: Not Available

¹CBN (2018). “Exposure Draft of the National Financial Inclusion Strategy Refresh”. Retrieved from, [https://www.cbn.gov.ng/Out/2018/CCD/Exposure%20Draft%20of%20the%20National%20Financial%20Inclusion%20Strategy%20Refresh July%202018.pdf](https://www.cbn.gov.ng/Out/2018/CCD/Exposure%20Draft%20of%20the%20National%20Financial%20Inclusion%20Strategy%20Refresh%20July%202018.pdf)

²CBN (2018). “The Movement in Reserves (30-Day Moving Average with effect from November 2011)”. Accessed July 18, 2018.

³NSE (2018). “Stock Market Report For July 13th 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%2013-07-2018.pdf

⁴TRWSTOCKBROKERS (2018). “Rebound Likely On NGSE, As Investors Position For Q2 Earnings Season”. Accessed July 18, 2018. <https://trwstockbrokers.wordpress.com/page/3/>

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