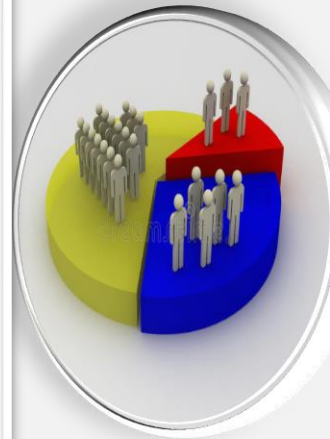


## Gross Domestic Product

Real GDP growth rate declined in 2018Q2, compared to 2018Q1. Growing at 1.5 percent (year-on-year)<sup>1</sup>, real GDP fell by 0.45 percent from 1.95 percent recorded the previous quarter. The decrease was mainly driven by declines in the oil sector – oil sector GDP fell significantly from 14.77 percent in 2018Q1 to -3.95 percent in 2018Q2. This may partly be attributable to the decrease in average daily crude oil output which stood at 1.84 MBPD from 2 MBPD. On the flip side, non-oil GDP grew by 2.05 percent, representing 1.29 percentage increase from 0.76 percent, and contributed 91.45 percent to GDP, driven by improvements in information and communication sub-sector. Going forward, there is need to undertake a holistic policy action towards augmenting the nation's infrastructure as a critical and indispensable element for significantly and sustainably boosting sectorial performance at all levels. Fast-tracking policy action in transport, electric power, water and sanitation is particularly vital.



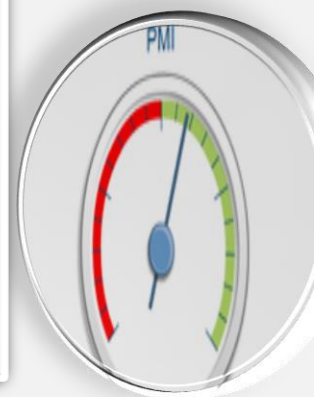
## Pension Asset

The Pension Fund Asset under Management as at 2018Q2 stood at N8.23 trillion as against N7.94 trillion in 2018Q1 – a quarter-over-quarter increase of 9.9 percent<sup>2</sup>. The increase may have sprung from investment gains and contributions, as the number of registered workers increased from 7.9 million to 8.1 million. About 70 percent of the fund was invested in federal government securities<sup>3</sup>, while the rest were distributed among investment portfolios such as domestic shares, green bonds, etc. As pension funds continue to play a dominant role in the securities market, the Pension Fund Asset is expected to grow in the medium-term. It is important to ensure more diversification of pension fund portfolio alongside sound governance, operational efficiency, and investment regulation.



## External Reserves

Latest data from the CBN shows that Nigeria's external reserves fell significantly in August 2018. As at the end of July, the reserve stood at \$47.11 billion; it dropped to \$45.83 billion by August 23<sup>4</sup> – losing as much as \$1.23 billion in the month. The CBN's continuous intervention along with affected foreign investment premised around political uncertainties<sup>5</sup>, may have triggered the decline in reserves. Policy actions that relay a message of future political stability and conducive business environment amid politicking for 2019 elections is critical to sustaining short-medium term investment flows.



<b>ECONOMIC SNAPSHOT</b>		
<b>Quarterly Indicators</b>	<b>'18Q1</b>	<b>'18Q2</b>
GDP Growth Rate (%)	1.95	1.5
Oil GDP (%)	14.77	-3.95
Non-oil GDP (%)	0.76	2.05
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US \$ Million)	246.62	261.4
Portfolio Investment (US \$Millions)	4,565.09	4,119.5
Other Investment (US \$Million)	1,491.93	1,132.8
External Debt (FGN & States- N'Billion)	6,746.27	6,750.91
Domestic Debt (FGN + States & FCT N'billion)	15,960.92	15,628.76
Manufacturing Capacity utilization (%)	NA	NA
<b>Monthly Indicators</b>	<b>Jun'18</b>	<b>Jul'18</b>
Headline Inflation (%)	11.23	11.14
Food Sub-Index (%)	12.98	12.95
Core Sub-Index (%)	10.4	10.2
External Reserves (End Period) (US\$ Million)	47,789	47,120
Official Rate Approx. (N/US\$)	305	305
BDC Rate Approx. (N/US\$)	362	362
Manufacturing PMI	57.0	56.8
Non-Manufacturing PMI	57.5	57.7
Crude Oil Price (US\$/Barrel)	75.38	NA
Petrol (PMS-N/litre)	148.1	146.8
Diesel (AGO -N/Litre)	204.97	204.32
Kerosene (HHK -N/Litre)	279.67	276.87
MPR (%)	14	14
CRR (%)	22.5	22.5
91 Day T-Bill Rate (%)	10.11	10.00
Savings Deposit (%)	4.07	4.07
Prime Lending (%)	16.78	16.83
Maximum Lending (%)	31.17	31.09
Narrow Money (N'Billion)	10,701.11	10,668.00
Broad Money (N'Billion)	24,814.00	24,971.10
Net Domestic Credit (N'Billion)	25,568.21	25,654.48
Credit to the Government (N'Billion)	3,286.34	3,393.27
Credit to the Private Sector(N'Billion)	2,228.19	2,226.12
Currency in Circulation (N'Billion)	1,519.90	1,468.30
FAAC (N'Billion)	821.86	NA

\*Revised GDP figures/tentative figures

NA: Not Available

<sup>1</sup>National Bureau of Statistics (2018). “Nigerian Gross Domestic Product Report (Q2 2018)”. Retrieved from, <http://www.nigerianstat.gov.ng/>

<sup>2</sup> National Bureau of Statistics (2018). “Pension Asset and Membership Data Q2 2018”. Retrieved from, <http://www.nigerianstat.gov.ng/>

<sup>3</sup>The Punch (2018). “Pension fund assets hit N8.14tn — PenCom”. Accessed September 3, 2018. <https://punchng.com/pension-fund-assets-hit-n8-14tn-pencom/>

<sup>4</sup>cbn.gov.ng

<sup>5</sup>The Punch (2018). “External reserves drop by \$1.2bn”. Accessed September 4, 2018. <https://punchng.com/external-reserves-drop-by-1-2bn/>

