



CENTRAL BANK OF NIGERIA

***ECONOMIC REPORT
APRIL 2012***

The Central Bank of Nigeria Economic Report is designed for the dissemination of financial and economic information on the Nigerian economy on current basis. The Report analyses developments in the financial, fiscal, real and external sectors of the economy, as well as international economic issues of interest. The Report is directed at a wide spectrum of readers including economists and financial analysts in government and the private sector, as well as general readers.

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1.0 Summary

Growth in the key monetary aggregate was moderate in the month of April 2012. On month-on-month basis, broad money (M_2) rose marginally by 0.3 per cent, due largely to the 5.3 per cent growth in foreign asset (net) of the banking system. Narrow money (M_1) also grew by 2.2 per cent above the level at the end of the preceding month. Relative to the level at end-December 2011, M_2 grew by 0.01 per cent, owing, largely, to the rise in foreign asset (net) of the banking system. Reserve money (RM) grew by 2.5 per cent from its level in the preceding month.

Available data indicated mixed developments in banks' deposit and lending rates in April 2012. The spread between the weighted average term deposit and maximum lending rates widened by 0.42 percentage points to 16.48 per cent in April 2012. In contrast, the margin between the average savings deposit and maximum lending rates narrowed by 0.04 percentage points to 21.56 per cent at the end of the review month. The weighted average interbank call rate rose to 14.30 per cent from 14.13 per cent in the preceding month, reflecting the liquidity condition in the interbank funds market during the month.

The value of money market assets outstanding at end-April 2012 was N5,559.9 billion, showing an increase of 0.4 per cent, over the level at end-March 2012. The development was attributed to the increase of 1.2 per cent in the value of FGN Bonds outstanding. Activities on the Nigerian Stock Exchange (NSE) in April 2012 were mixed.

Gross federally-collected revenue in April 2012 was estimated at ₦899.94 billion, showing a decline of 11.2 per cent from the receipts in the preceding month, but exceeded the provisional monthly budget estimate of ₦807.71. At ₦730.91 billion, gross oil receipts fell below the level in the preceding month. This was attributed largely, to the decline in receipts from oil/gas and non-oil exports.

Non-oil receipts, at ₦169.03 billion (18.8 per cent of the gross federally collected revenue), was 25.6 and 33.6 per cent lower than the receipts in the preceding month and the provisional monthly budget estimates, respectively. The decline relative to the preceding month's level reflected, largely, the fall in independent revenue of the federal government. Federal Government estimated retained revenue in April 2012 was N242.97 billion, while total

estimated expenditure was N209.47 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated surplus of N33.49 billion, compared with the estimated monthly budget deficit of N109.68 billion.

The dominant agricultural activities in April 2012 included planting operations and harvesting of tree and root crops in the south and preparation of land for the cropping season and harvesting of vegetables in the northern part. Crude oil production, including condensates and natural gas liquids in April was estimated at 2.08 million barrels per day (mbd) or 62.40 million barrels for the month. Crude oil export was estimated at 1.63 million barrels per day (mbd) or 48.90 million barrels during the month. The average price of Nigeria's reference crude, the Bonny Light (37^o API), as at April 14, 2012, was estimated at US\$122.45 per barrel, indicating a decline of 4.6 per cent from the level in the preceding month.

The end-period headline inflation rate (year-on-year), in April 2012, was 12.9 per cent, 0.8 percentage points over the level in the preceding month. Inflation rate on a twelve-month moving average basis rose by 0.2 percentage points to 11.1 per cent from the level in the preceding month.

Foreign exchange inflow and outflow through the CBN in April 2012 were US\$3.24 billion and US\$1.75 billion, respectively, and resulted in a net inflow of US\$1.49 billion. Foreign exchange sales by the CBN to the authorized dealers amounted to US\$1.45 billion, showing a decline of 39.2 per cent below the level in the preceding month.

Relative to the level in the previous month, the average Naira exchange rate vis-à-vis the US dollar appreciated in all the segments (WDAS, interbank and bureaux-de-change segments) of the foreign exchange market.

Non-oil export receipts increased significantly by 204.8 per cent above the level in the preceding month; this was attributed, largely, to the increase in export earnings from the agricultural products and minerals sub-sectors.

World crude oil output in April 2012 was estimated at 90.31 million barrels per day (mbd), while demand was estimated at 88.67 million barrels per day (mbd), representing an excess supply of 1.64 mbd, compared with 89.64 and 88.7 mbd supplied and demanded, respectively, in the preceding month.

Other major international economic developments and meetings of relevance to the domestic economy during the review period included: the 2012 Spring Meetings of the Board of Governors of the World Bank Group and the International Monetary Fund (IMF) held in Washington D.C., USA, from April 16 – 22, 2012. Some of the key issues discussed included: the Global Financial and Economic Situation; Role and Reform of the International Financial Institutions (IFIs) and Infrastructure; Sustainable Development and Surveillance, amongst others.

In another development, the first round of negotiation of the Investment Promotion and Protection Agreement (IPPA) between Nigeria and Viet Nam was held in Hanoi, Viet Nam from April 24 – 27, 2012. During the Negotiation, a harmonised draft Agreement containing 16 Articles, excluding the Preamble, was adopted and a number of consensus were reached on most of the issues.

Furthermore, the 4th Session of the Nigeria - Iran Joint Commission was held in Tehran, Islamic Republic of Iran, from April 16 - 20, 2012. The purpose of the meeting was to further deepen trade and bilateral relations and cooperation existing between both countries.

Finally, the 17th Technical Commission/Plenary meeting of Governmental Action Group Against Money Laundering (GIABA) was held at Hotel Ivoire, Abidjan, Cote D'Ivoire from May 2 – 4, 2012. The purpose of the meeting was to examine the progress made by the member countries with respect to efforts at combating money laundering and terrorist activities, as well as follow-up on implementation of recommendations at previous meetings, particularly those countries that were rated Partially Compliant (PC) and Non-Compliant (NC) at the previous meetings.

2.0 *Financial Sector Developments*

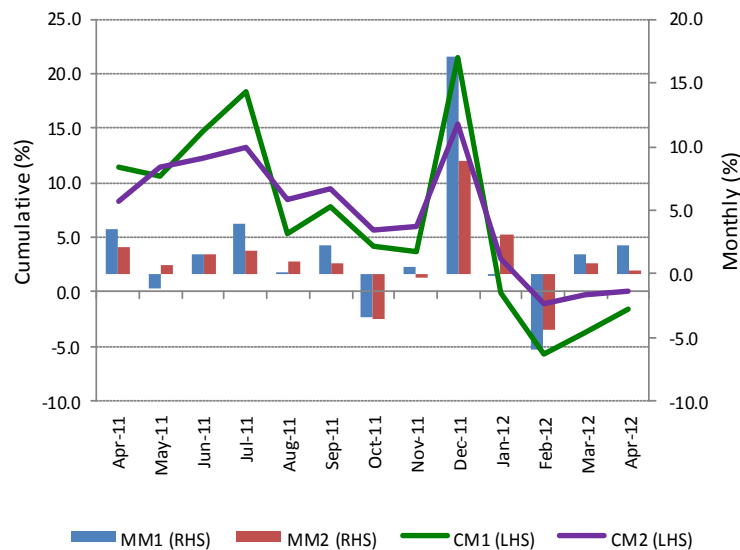
Growth in the major monetary aggregate was moderate at the end of the review month. Available data indicated mixed developments in banks' deposit and lending rates in April 2012. The value of money market assets outstanding increased, owing, largely, to the rise in the value of FGN Bonds outstanding. Transactions on the Nigerian Stock Exchange (NSE) was mixed during the review month.

2.1 **Monetary and Credit Developments**

Provisional data indicated that growth in the major monetary aggregate was sluggish at end-April 2012. Broad money supply (M_2), at ₦13,304.8 billion, rose marginally by 0.3 per cent, compared with the growth of 0.9 and 2.1 per cent at the end of the preceding month and the corresponding month of 2011, respectively. The development was accounted for, largely, by the 5.3 per cent increase in foreign asset (net), which more than off-set the 2.0 and 1.0 per cent decline in domestic credit (net) and other asset (net) of the banking system, respectively. Over the level at end-December 2011, M_2 grew by 0.01 per cent and 0.003 per cent on annualized basis. The development was attributed largely to the 7.8 per cent increase in foreign asset (net) of the banking system.

Growth in the key monetary aggregate was sluggish in April 2012.

Narrow money supply (M_1), at ₦6,668.8 billion, grew by 2.2 per cent over the level at end-March 2012, compared with the 1.6 per cent increase at the end of the preceding month. The development was accounted for, wholly, by the 3.3 per cent increase in its demand deposit component. Relative to the level at end-December 2011, (M_1) declined by 1.5 per cent, in contrast to a growth of 0.8 per cent at the end of the corresponding period of 2011 (Fig. 1, Table 1).

Figure 1: Growth Rate of Narrow Money (M₁) and Broad Money (M₂)¹

At ₦13,407.4 billion, aggregate banking system credit (net) to the domestic economy at end-April 2012 fell by 2.0 per cent, on month-on-month basis, in contrast to the increase of 1.6 per cent at the end of the preceding month. The development reflected, largely, the 78.1 per cent decline in (net) claims on the Federal Government. Over the level at end-December 2011, aggregate banking system credit (net) to the domestic economy, fell by 2.0 per cent, reflecting largely the 58.0 per cent fall in claims on the Federal Government.

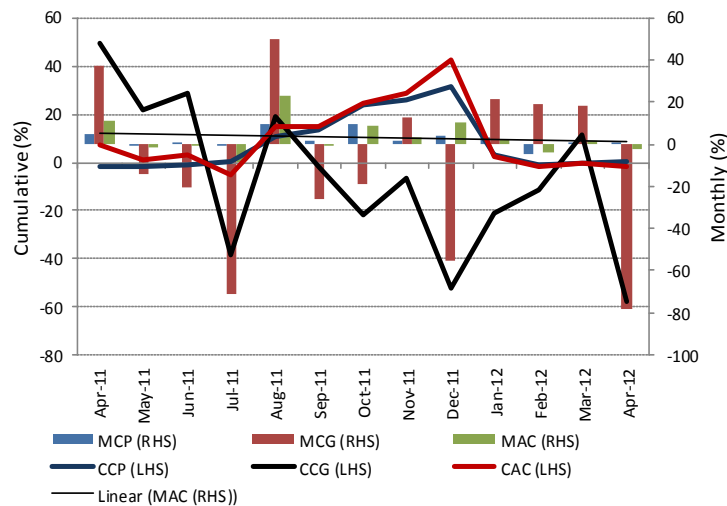
Banking system's credit (net) to the Federal Government, on month-on-month basis, fell by 78.1 per cent to negative ₦785.2 billion, in contrast to the growth of 18.6 per cent at the end of the preceding month. The development was attributed, largely, to the 1.8 and 8.1 per cent decline in the holdings of FGN Bonds and Nigerian Treasury Bills, respectively. Over the level at end-December 2011, aggregate banking system's claims (net) on the Federal Government fell by 58.0 per cent, reflecting, largely, the decline in DMBs' holding of Federal Government securities. The Federal

¹ MM1 and MM2 represent month-on-month changes, while CM1 and CM2 represent cumulative changes (year-to-date).

Government, however, remained a net lender to the banking system at the end of the review month.

Banking system's credit to the private sector rose marginally by 0.5 per cent to ₦14,192.62 billion, compared with 0.8 and 4.8 per cent recorded at the end of the preceding month and the corresponding period of 2011, respectively. Similarly, banking system's claims on the core private sector rose marginally by 0.4 per cent to ₦13,640.5 above the level in the preceding month, compared to the growth of 0.6 per cent at the end of the preceding month. The development reflected, largely, the rise in both the monetary authorities and DMBs' claims on the core private sector. Relative to the level at end-December 2011, banking system's credit to the private sector fell by 0.1 per cent (Fig. 2, Table 1).

Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy²



At ₦7,692.1 billion, foreign assets (net) of the banking system rose by 5.3 per cent at end-April 2012, compared with the increase of 1.0 per cent at the end of the preceding month. The development was attributed to the 6.0 and 2.5 per cent increase in the

Foreign assets (net) of the banking system rose on month-on-month basis at end April 2012.

² MCP, MCG and MAC represent month-on-month changes in credit to private sector, credit to government (net) and aggregate credit (net) to the domestic economy, respectively, while CCP, CCG and CAC, represent the cumulative changes (year-to-date).

CBN and DMBs' holdings, respectively. Relative to the level at end-December 2011, foreign assets (net) of the banking system, grew by 7.8 per cent, reflecting largely, the 20.9 per cent increase in DMBs' holdings.

At end-April 2012, quasi-money fell by 1.7 per cent, to ₦6,636.0 billion, as against the growth of 0.2 and 0.9 per cent in the preceding month and the corresponding period of 2011, respectively. The development was attributed to the increase in its savings and time deposit component. Over the level at end-December 2011, quasi-money, however, rose by 1.6 per cent, reflecting the increase in time and savings deposits at the DMBs.

Other assets (net) of the banking system, on a month-on-month basis, fell by 1.0 per cent to negative ₦7,794.70 billion, compared with 2.2 per cent decline at the end of the preceding month. The decline reflected, largely, the fall in unclassified assets of both the CBN and the DMBs. Relative to the level at end-December 2011, other assets (net) of the banking system, also declined by 3.6 per cent.

Table 1: Growth in Monetary and Credit Aggregates (over preceding Month) (Percent)

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
Domestic Credit (Net)	11.2	-1.7	-0.6	-8.6	22.7	-0.1	8.7	3.5	22.0	2.0	-3.5	1.6	-2.0
<i>Claims on Federal Government (Net)</i>	37.3	-13.9	-20.2	-71.4	50.2	-25.9	-19.2	12.7	55.4	-35.8	20.3	18.6	-78.1
<i>Claims on Private Sector</i>	4.8	-0.5	1.3	-0.1	9.4	2.1	9.8	1.7	14.6	3.2	-4.3	0.8	0.5
<i>Claims on Other Private Sector</i>	-3.3	-0.7	0.9	0.5	9.3	2.3	9.8	2.0	14.2	3.5	-4.5	0.6	0.4
Foreign Assets (Net)	-10.2	1.3	1.5	16.3	-7.1	-4.4	0.8	-1.5	7.8	3.9	-2.5	1.0	5.3
Other Assets (Net)	1.2	4.7	4.5	-2.3	-36.8	9.6	-33.9	-4.5	-33.7	-1.2	0.9	-2.2	-1.0
Broad Money Supply (M2)	2.1	0.7	1.6	1.8	1.0	0.9	-3.5	0.3	8.9	3.4	-4.4	0.9	0.3
Quasi-Money	0.9	2.4	1.5	-0.2	1.8	-0.3	-3.7	1.0	1.5	6.1	-2.8	0.2	-1.7
Narrow Money Supply (M1)	3.5	-1.2	1.6	4.0	0.1	2.2	-3.4	-0.5	17.1	0.8	-6.0	1.6	2.2
Reserve Money (RM)	-0.6	3.2	17.9	5.1	2.0	3.6	24.0	-1.0	18.9	-3.4	2.6	-8.4	2.4

2.2 Currency-in-circulation (CIC) and Deposits at the CBN

At ₦1,422.4 billion, currency in circulation fell by 0.7 per cent in the review month, compared with the decline of 0.4 per cent at the end of the preceding month. The development reflected, wholly, the 2.7 per cent decline in currency outside banks. Relative to end-December 2011, currency in circulation fell by 9.2 per cent.

Total deposits at the CBN amounted to ₦5,985.9 billion, indicating an increase of 7.1 per cent above the level at the end of the preceding month. The development reflected, largely, the increases in all its components, namely DMBs, "others" and Federal Government deposits. Of the total deposits, the percentage shares of the Federal Government, banks and "others" were 69.7, 19.5 and 10.8 per cent, respectively, compared with 70.0, 20.0 and 10.0 per cent in the preceding month.

The reserve money (RM) rose by 2.5 per cent to ₦2,589.5 billion at the end of the review month, reflecting the trends in DMBs' deposits with the CBN.

Reserve money (RM) rose during the month under review.

2.3 Money Market Developments

The money market experienced liquidity ease in April 2012 following the release of statutory revenue allocation and repayment of matured bills. Consequently, there was intervention in the money market, through sale of Nigerian Treasury Bills (NTBs) of various maturities and repurchase transactions to stabilize the market. Besides, FGN Bonds were issued at the primary market for fiscal operations of the Federal Government. The restrictive monetary policy stance helped to stabilize the market as money market rates moved around the upper limit of the Monetary Policy Rate (MPR) corridor, while yields on fixed income securities remained real and attractive for Foreign Direct Investment (FDI) inflows.

Provisional data indicated that the value of money market assets outstanding at end-April 2012 was ₦5,862.78 billion, indicating an increase of 0.4 per cent, compared with the increase of 4.2 per cent at end of the preceding month. The development was attributed to the 1.2 per cent increase in FGN Bonds outstanding.

2.3.1 Interest Rate Developments

Available data indicated mixed developments in banks' deposit and lending rates in April 2012. With the exception of the average savings and the 7-day deposit rates, which rose by 0.14 and 0.06 percentage points to 1.75 and 4.46 per cent, respectively, all other rates on deposits of various maturities fell from a range of 7.33 – 8.25 per cent in March 2012 to 6.68 – 8.15 per cent. At 6.83 per cent, the average term deposit rate for the review month fell by 0.32 percentage points below the level in the preceding month. The average prime lending rate also fell by 0.38 percentage points to 16.90 per cent, while the maximum lending rate rose by 0.10 percentage point to 23.31 per cent in the review month. Consequently, the spread between the weighted average term deposit rates and average maximum lending rate widened by 0.42 percentage points to 16.48 per cent, while the margin between the average savings deposit and maximum lending rates narrowed by 0.04 percentage point to 21.56 per cent in the review month from 21.60 per cent in the preceding month.

Interest rates generally fell in April 2012.

At the interbank call segment, the weighted average rate, which stood at 14.13 per cent in March 2012, rose by 0.17 percentage point to 14.30 per cent. Similarly, the weighted average rate, at the open buy back (OBB) segment, rose by 0.01 percentage point to 13.80 per cent in the review month from 13.79 per cent in March 2012. In line with the liquidity condition at the interbank funds market, the Nigerian interbank offered rate (NIBOR) for 7- and 30-day tenor, at 14.88 and 15.44 per cent declined by 0.10 and 0.07 percentage point, respectively, below their levels in the preceding month. With the headline inflation rate at 12.9 per cent at end-April 2012, most rates, with the exception of the lending

rates and the average interbank rate were negative in real terms (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

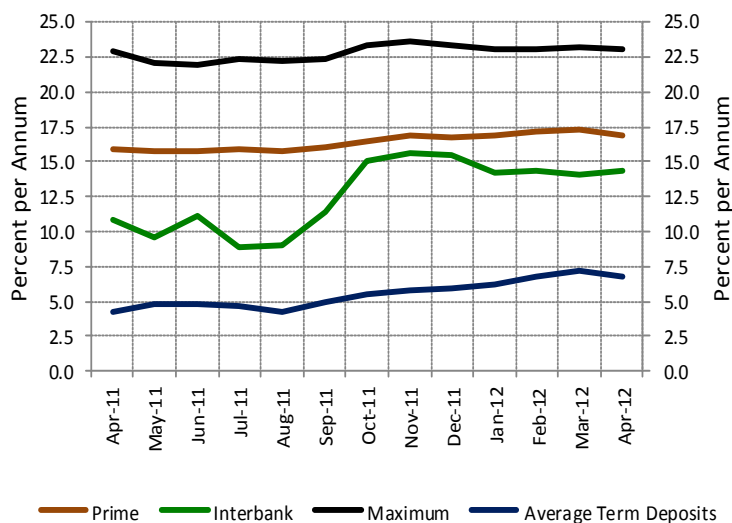


Table 2: Selected Interest Rates (Percent, Averages)

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
Average Term Deposits	4.3	4.8	4.8	4.7	4.3	4.9	5.5	5.9	5.9	4.4	6.7	7.2	6.8
Prime Lending	15.9	15.8	15.8	15.8	15.8	16.0	16.5	16.4	26.8	16.9	17.1	17.3	16.9
Interbank	10.8	9.6	11.2	8.9	8.2	11.4	15.0	15.6	15.5	14.2	14.5	14.1	14.3
Maximum Lending	22.9	22.1	22.0	22.4	22.3	22.3	23.3	23.7	23.4	23.1	23.1	23.2	23.3

2.3.2 Commercial Paper (CP)

The value of Commercial Paper (CP) held by the DMBs at end-April 2012 fell by 5.6 per cent to ₦184.9 billion, compared with the decline of 5.3 per cent at end-March 2012. Thus, CP constituted 3.2 per cent of the total value of money market assets outstanding at end-April 2012, compared with 3.4 per cent at the end of the preceding month.

2.3.3 Bankers' Acceptances (BAs)

The value of Bankers' Acceptances (BAs) declined by 28.9 per cent to ₦20.2 billion, compared with the decline of 25.5 per cent in the preceding month. The development in BAs reflected the fall in investments by deposit money banks and discount houses. As a

proportion of total value of money market assets outstanding, BAs accounted for 0.3 per cent, of the total value of money market assets outstanding at end-April 2012, compared with 0.5 per cent at the end of the preceding month.

2.3.4 *Open Market Operations*

Auction of Nigerian Treasury Bills (NTBs) of various maturities was used to mop-up excess liquidity from the banking system. Total amount offered was ₦210.0 billion, while public subscription stood at ₦973.6 billion. At ₦304.2 billion, allotment declined by 38.1 per cent relative to the level at end-March 2012. Bid rates ranged between 13.70 – 18.50 per cent, while the stop rate ranged between 14.08 – 15.56 per cent. Bills worth ₦332.7 billion matured for repayment in the review month, resulting in a net injection of ₦28.5 billion.

2.3.5 *Primary Market*

At the primary market segment, auctions were conducted in three tenors, namely 91-, 182- and 364-day for Nigerian Treasury Bills (NTBs). Total amount offered, subscribed to and allotted were ₦324.3 billion, ₦1,014.2 billion and ₦324.3 billion, respectively. Bid rates ranged from 13.00 - 16.00 per cent for the 91-day tenor, 14.50 - 17.25 per cent for the 182-day tenor and 14.64 - 15.07 per cent for the 360-day tenor. The observed high bid-to-cover ratio of 3.13 for the bills was attributed to the sizeable capital importation by offshore investors and the increased public awareness of investment in NTBs. The repayment of ₦285.3 billion made during the review month resulted in net injection of ₦39.0 billion.

There were two re-openings and one fresh bond issuance during the month.

2.3.6 *Bonds Market*

Federal Government of Nigeria (FGN) Bonds of 3-year and 10-year tranches were reopened, while a 5-year tranche was issued during the month under review. The 3-year and 10-year bonds were re-opened with term to maturity of 1 year 11 months and 9 years 9 months, respectively. Total amount subscribed to and allotted were ₦62.38 billion and ₦20.00 billion for the 3-year, ₦79.12 billion and ₦35.00 billion for the 5-year, and ₦65.33 billion and ₦35.00 billion for the 10-year tranche.

The bid rates for the three tranches ranged between 13.00 -16.68 per cent, 12.00 - 17.69 per cent and 12.00 - 17.22 per cent, respectively. In the preceding month, ₦20.00 billion and ₦30.00 billion of the 10-year FGN Bond tranches were offered to the market, with marginal rates of 15.30 and 15.41 per cent, respectively.

2.3.7 CBN Standing Facilities

Aggregate standing lending facility (SLF) granted during the period under review was ₦2,173.0 billion, compared with ₦1,664.9 billion at end-March 2012, showing an increase of 30.5 per cent. The aggregate standing deposit facility (SDF) stood at ₦258.1 billion with daily average of ₦13.6 billion in April 2012, compared with ₦305.8 billion with daily average of ₦14.6 billion in the preceding month. The development reflected the liquidity in the market during the review period.

2.4 Deposit Money Banks' Activities

Available data indicated that total assets and liabilities of the deposit money banks (DMBs) amounted to ₦19,886.7 billion, showing an increase of 0.2 per cent above the level at end-March 2012. Funds sourced mainly from increase in Federal Government deposit (N131.3 billion), deposit mobilisation (N128.0 billion) and unclassified liabilities (N125.2 billion). The funds were used, largely, in the build-up of foreign assets holdings (N114.2 billion) and purchase of Federal Government securities (N83.7 billion).

At ₦12,259.5 billion, DMBs' credit to the domestic economy fell by 0.2 per cent below the level in the preceding month. The breakdown, on a month-on-month basis, showed that, while credit to the private sector rose by 0.3, credit to the government fell by 2.1 per cent relative to the level in the preceding month.

DMBs' Credit to the domestic economy fell by 0.2 per cent below the level in the preceding month.

Central Bank's credit to the DMBs rose by 6.3 per cent to ₦291.5 billion at end-April 2012, while specified liquid assets of the DMBs stood at ₦5,958.4 billion, representing 47.3 per cent of their total current liabilities.

This level of liquid assets was 0.8 percentage point above the preceding month's ratio of 46.5 and 17.3 percentage points above the stipulated minimum ratio of 30.0 per cent. The loan-to-deposit ratio was 50.3 per cent and was 29.7 percentage points below the stipulated maximum target of 80.0 per cent.

2.5 Discount Houses' Activities

Provisional data indicated that total assets and liabilities of the discount houses stood at ₦297.5 billion at end-April 2012, showing a decline of 14.9 per cent below the level at end-March 2012. The development was accounted for, largely, by the 8.7 and 45.7 per cent decline in claims on Federal Government and other assets, respectively. Correspondingly, the decline in total liabilities was attributed, largely, to the 43.4 and 44.0 per cent decline in other liabilities and other amount owing to other financial institutions.

Discount houses' investment in Federal Government securities of less than 91-day maturity fell to ₦53.5 billion and accounted for 25.3 per cent of their total deposit liabilities. Thus, investment in Federal Government Securities was 34.7 percentage points below the prescribed minimum level of 60.0 per cent. At that level, discount houses' investment on NTBs declined by 34.8 per cent below the level at the end of the preceding month. Total borrowing by the discount houses was ₦20.0 billion, while their capital and reserves amounted to ₦41.8 billion. This resulted in a gearing ratio of 1.8:1, compared with the stipulated maximum target of 50:1 for fiscal 2012.

2.6 Capital Market Developments

2.6.1 Secondary Market

Available data indicated that activities on the Nigerian Stock Exchange (NSE) in April 2012 were mixed. The volume and value of traded securities fell by 1.6 and 25.7 per cent to 7.37 billion shares and ₦54.4 billion, respectively, in 76,586 deals, compared with 7.49 billion

shares, valued at ₦68.37 billion, in 83,537 deals in the preceding month. The banking sub-sector was the most active on the Exchange with a traded volume of 4.8 billion shares, valued at ₦35.81 billion, in 41,975 deals. This was followed by the conglomerates sub-sector with a traded volume of 723.7 million shares, valued at ₦366.6 million, in 542 deals.

Figure 4: Volume and Value of Traded Securities

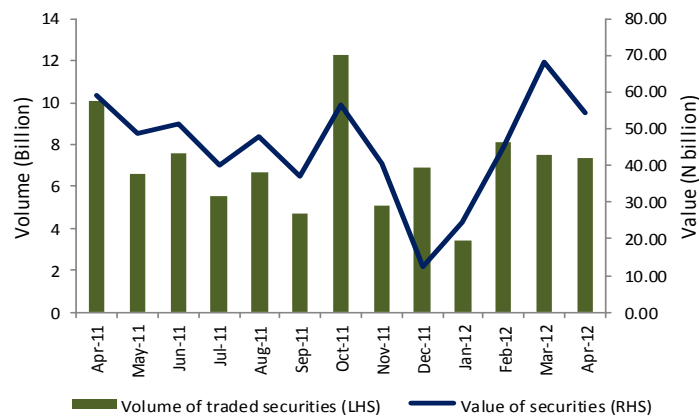


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
Volume (Billion)	10.10	6.58	7.60	5.50	6.70	4.70	12.30	5.12	6.90	4.10	8.10	7.49	7.37
Value (N Billion)	59.00	48.80	51.30	40.20	47.90	37.20	54.60	27.80	9.40	31.80	44.95	68.37	54.40

2.6.2 Over-the-Counter (OTC) Bonds ` Market

Transactions on the Over-the-Counter (OTC) bonds market indicated a turnover of 448.74 million units worth ₦383.66 billion in 3,253 deals recorded during April 2012. The most active bond during the month was the 16.39% 9th FGN January 2022 Series 1 bond with a traded volume of 96.58 million units valued at ₦104.73 billion in 797 deals, followed by the 7.00% 6th FGN October 2019 Series 4 bond with a traded volume of 64.87 million units, valued at ₦42.63 billion in 417 deals.

2.6.3 New Issues Market

There were (4) supplementary listing in April, as shown in table 4 below.

Table 4: Supplementary Listing on the Nigerian Stock Exchange

S/N	Company	Additional Shares (billion)	Reasons
1	FCMB Plc	2.4	Bonus issue of 3 for 20
2	Poly Products Nigeria P	0.0	Bonus issue 1 for 24
3	Union Bank of Nigeria	14.4	Conclusion of Placing of shares to Amcon&Union Global Partners Ltd
4	Afromedia Plc	0.2	Bonus of 1 for 20

2.6.4 Market Capitalization

The aggregate market capitalization of the listed securities stood at ₦12.44 trillion, indicating an increase of 3.9 per cent over ₦11.97 trillion recorded in the preceding month. Listed equities accounted for 56.5 per cent (₦7.03 trillion) of the total market capitalization, while the debt component accounted for the balance.

2.6.5 NSE All-Share Index

The All-Share Index, which opened at 20,652.47 in the beginning of the month, closed at 22,045.66, representing an increase of 6.8 per cent above the level in the preceding month. The NSE Oil/Gas index declined by 4.76 per cent, while others, namely; NSE Consumer goods, NSE Insurance and NSE Banking indices increased by 4.7, 1.9 and 12.0 per cent, respectively.

Figure 5: Market Capitalization and All-Share Index

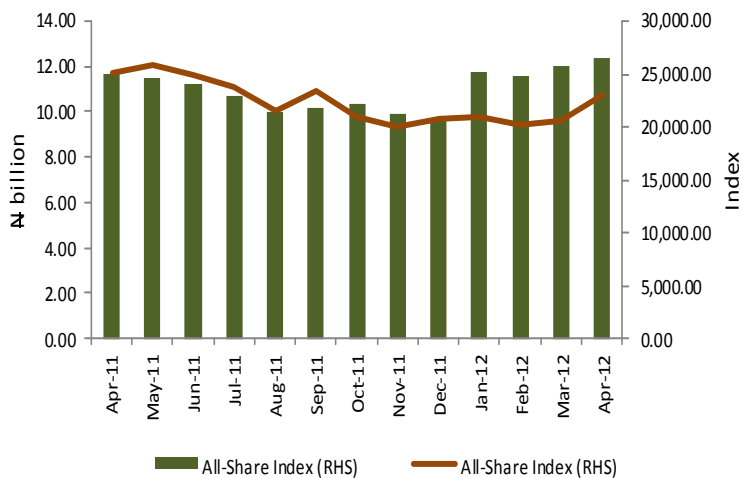


Table 5: Market Capitalization and All Share Index (NSE)

	Apr-11	May-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
Market Capitalization (N trillion)	11.7	11.5	10.7	10.0	10.2	10.3	9.9	10.2	11.8	11.6	12.0	12.4
All-Share Index	25041.7	25866.6	23827.0	21497.6	23373.0	20935.0	20003.4	25271.6	23827.0	20123.5	20652.5	22045.7

3.0 Fiscal Operations

3.1 Federation Account Operations

Estimated gross federally-collected revenue stood at ₦899.94 billion in April 2012, showing a decline of 11.2 per cent below the receipts in the preceding month, but exceeded the monthly budget estimate for 2012, by 11.4 per cent. The decline relative to the level in the preceding month was attributed to the drop in both oil and non-oil revenue during the review month (Fig. 6, Table 6).

Gross federally-collected revenue fell below the level in the preceding month.

Figure 6: Components of Gross Federally-Collected Revenue

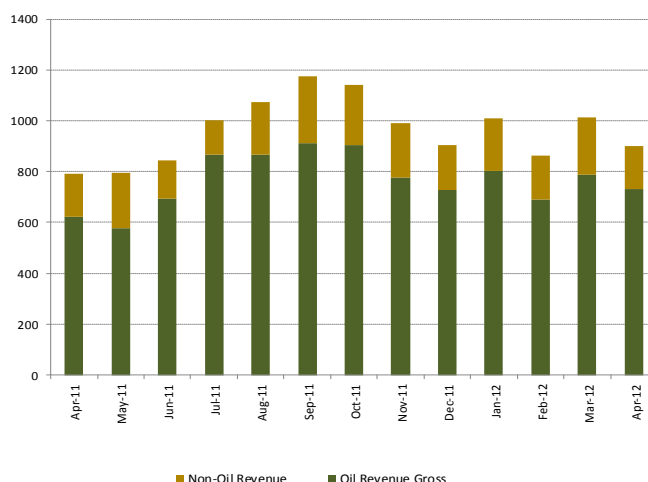


Table 6: Gross Federation Account Revenue (₦ billion)

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
Federally-collected revenue (Gross)	781.8	748.8	848.3	1048.7	1109.5	1149.0	1143.3	949.7	902.6	1105.0	862.4	1013.6	899.9
Oil Revenue	621.5	576.5	694.4	865.3	865.6	911.9	904.2	778.0	726.0	901.1	688.5	786.4	730.9
Non-Oil Revenue	173.1	196.8	153.9	183.3	243.9	237.1	239.1	211.8	176.6	203.9	173.9	227.2	169.0

Gross oil receipts, at ₦730.91 billion, constituted 81.2 per cent of the total revenue and was lower than the receipts in the preceding month by 7.1 per cent. It, however, exceeded the monthly budget estimate by 32.2 per cent. The decline in oil receipts relative to the level in the preceding month was attributed, largely to

Relative to the preceding month's level, oil receipts fell in April 2012.

the decline in crude oil exports as a result of several operational issues and safety challenges in Bonga, Brass, Bonny and Qua Iboe terminals (Fig. 7, Table 7).

Figure 7: Gross Oil Revenue and Its Components

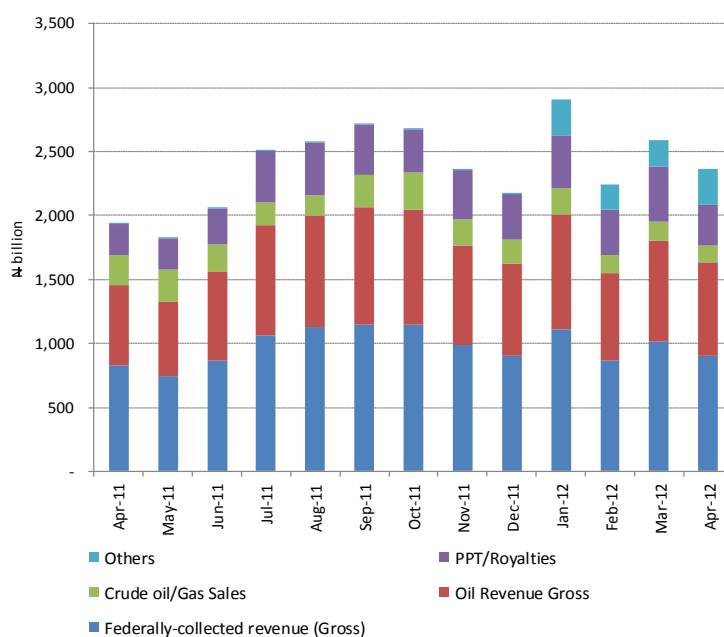


Table 7: Components of Gross Oil Revenue (₦ billion)

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
Oil Revenue	621.5	576.5	694.5	865.3	865.6	911.9	904.2	778.0	726.0	901.1	688.5	786.4	730.9
Crude oil/Gas Sales	153.5	155.8	217.4	176.0	163.5	257.4	290.7	207.0	185.6	212.0	137.8	156.7	136.2
Domestic crude oil/G	227.9	170.5	203.4	287.4	285.3	264.3	278.8	190.3	183.2	275.3	182.6	193.9	271.4
PPT/Royalties	239.9	249.9	273.3	401.7	415.0	389.7	334.4	380.2	356.2	406.0	360.2	427.9	315.3
Others	0.5	0.3	0.3	0.3	0.3	1.8	0.5	0.2	0.4	7.9	7.8	8.0	8.0

The performance of non-oil receipts declined relative to both the monthly budget estimate and the preceding month's receipts

Gross non-oil receipts, at ₦169.03 billion or 18.8 per cent of the total was 25.6 and 33.6 per cent lower than the receipts in the preceding month and the monthly budget estimates, respectively. The decline relative to the receipts in the preceding month's level reflected, largely, the decline in independent revenue of the Federal Government.

On cumulative basis, total federally collected revenue for the period January to April 2012 was estimated at ₦3,880.96 billion, reflecting an increase of 22.2 per cent over the actual receipts in the corresponding period of

2011. Of this amount, oil receipts represented 80.1 per cent, while non-oil receipts accounted for the balance of 19.9 percent.

Figure 8: Gross Non-Oil Revenue and its Components

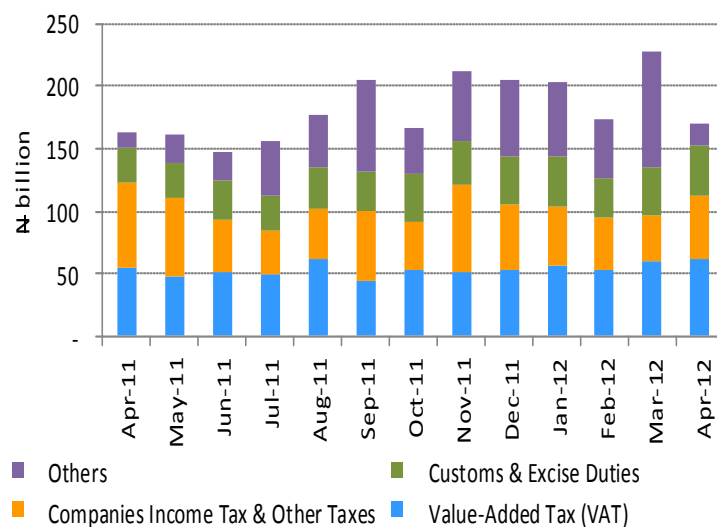


Table 8: Components of Gross Non-Oil Revenue (₦ billion)

	Apr-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
Non-Oil Revenue	208.7	173.1	196.7	264.6	237.1	237.1	211.8	176.6	205.7	159.2	227.2	169.0
Value-Added Tax (VAT)	61.6	53.8	54.7	66.0	57.0	60.7	51.6	52.3	54.9	53.2	60.6	62.0
Companies Income Tax & Other Taxes	39.8	38.2	65.2	84.7	107.1	79.2	68.6	52.5	66.8	41.6	35.8	49.5
Customs & Excise Duties	34.2	37.6	36.5	40.3	36.1	39.9	35.6	39.5	38.6	30.9	39.0	40.6
Others	73.1	43.6	40.4	73.5	37.0	59.3	56.0	144.3	160.0	33.5	91.8	16.9

Of the gross federally-collected revenue during the month, the sum of ₦497.73 billion was transferred to the Federation Account for distribution among the three tiers of government and the 13.0% Derivation Fund. The Federal Government received ₦233.96 billion, while the states and local governments received ₦118.67 billion and ₦91.49 billion, respectively. The balance of ₦53.61 billion was credited to the 13.0% Derivation Fund for sharing by the oil-producing states. From the VAT Pool Account, the Federal Government received ₦8.93 billion, while the state and local governments received ₦29.76 billion and ₦20.84 billion, respectively. Furthermore, the Federal Government got ₦22.38

billion, the state and local governments received ₦15.09 billion and ₦11.63 billion, respectively, as share of exchange rate gain. Overall, the total allocation to the three tiers of government from the Federation and VAT Pool Accounts in April 2012 amounted to ₦613.70 billion. This was above the monthly budget estimate of ₦570.57 billion by 7.6 per cent.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

Federal government estimated retained revenue was lower than both the monthly budget estimate and the level in the preceding month.

At ₦242.97 billion, the estimated Federal Government retained revenue for April 2012, was lower than the monthly budget estimate and receipts in the preceding month by 23.2 and 43.4 per cent, respectively. Of this amount, the share from Federation Account accounted for 96.3 per cent, while VAT Pool Accounts, accounted for the balance of 3.7 per cent. (Fig. 9).

Figure 9: Sources of Federal Government Retained Revenue

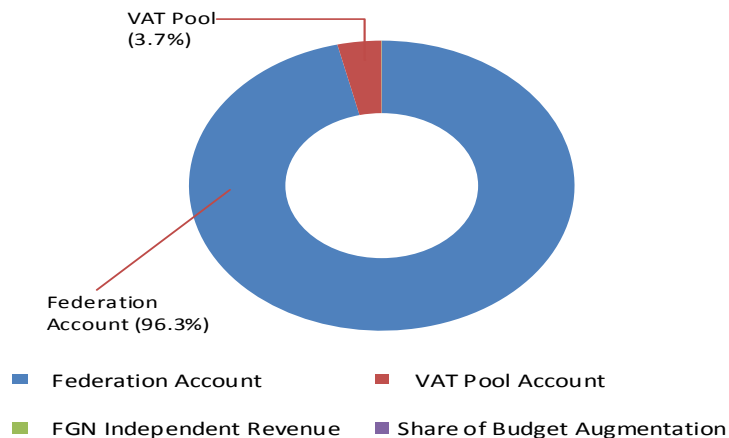


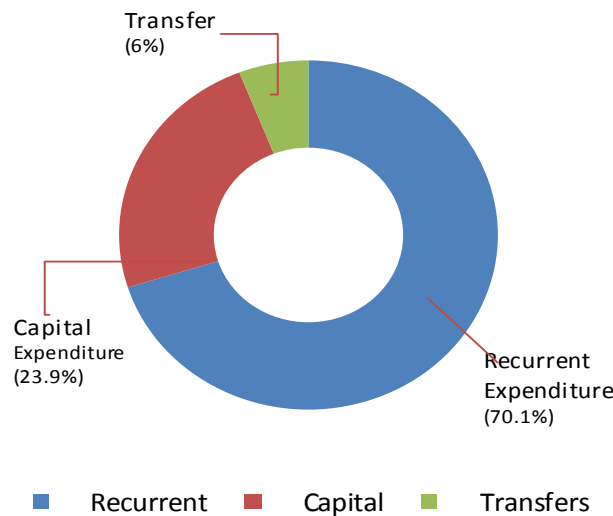
Table 9: Federal Government Fiscal Operations (₦ billion)

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
Retained Revenue	250.4	229.9	275.5	613.9	280.9	279.1	282.6	285.1	233.6	287.0	251.2	429.1	243.0
Expenditure	298.4	304.1	330.8	354.9	405.3	450.7	326.0	458.2	350.0	179.2	355.8	419.7	209.5
Overall Balance: (+)/(-)	-117.6	-74.2	-117.6	313.6	313.6	-171.6	-43.5	173.1	-116.4	107.8	-104.6	9.4	33.5

At ₦209.47 billion, total estimated expenditure for April 2012 was lower than both the monthly budget estimate and the level in the preceding month by 50.8 and 50.1 per cent, respectively. A breakdown of total expenditure showed that the recurrent accounted for 70.1 per cent, while the capital expenditure and transfer components accounted for the balance of 23.9 and 6.0 per cent, respectively. Non-debt-obligations accounted for 63.9 per cent of the total recurrent expenditure, while debt service payments accounted for the balance of 36.1 per cent (Fig. 10).

Total estimated expenditure for April 2012 fell below both the monthly budget estimate and the level in the preceding month by 50.8 and 50.1 per cent, respectively.

Figure 10: Federal Government Expenditure



The fiscal operations of the FG resulted in an estimated surplus of ₦33.49 billion in April 2012.

Thus, the fiscal operations of the Federal Government in April 2012, resulted in an estimated surplus of ₦33.49

billion, in contrast to the provisional monthly budgeted estimate of N109.68 billion deficit.

3.2.2 Statutory Allocations to State Governments

Total receipts by state governments, including the share of VAT and the Federation Account stood at N224.46 billion in April 2012. This was lower than the level in the preceding month by 1.7 per cent, but exceeded the level in the corresponding period of 2011 by 44.5 per cent.

The breakdown showed that, at ₦29.76 billion, receipts from the VAT Pool Account were higher than the level in the preceding month and the level in the corresponding period of 2011 by 2.3 and 0.6 per cent, respectively. At ₦194.7 billion, state governments receipt from the Federation Account fell below the level in the preceding month by 2.2 per cent but exceeded the level in the corresponding month of 2011 by 54.8 per cent.

3.2.3 Statutory Allocations to Local Government Councils

Total receipts by the local governments from the Federation and VAT Pool Accounts during the month of April 2012, stood at ₦123.95 billion. This was lower than the level in the preceding month by 0.5 per cent but exceeded the level in the corresponding period of 2011 by 40.7 per cent. Of this amount, receipts from the Federation Account was ₦103.12 billion (83.2 per cent of the total), while the VAT Pool Account accounted for ₦20.83 billion (16.8 per cent of the total).

4.0 Domestic Economic Conditions

The dominant agricultural activities in April 2012 included planting operations and harvesting of tree and root crops and vegetables. In the livestock sub-sector, farmers re-stock broilers and layers to replenish sales during the Easter festive season of 2012. Crude oil production was estimated at 2.08 million barrels per day (mbd) or 62.4 million barrels during the month. The end-period inflation rate for April 2012, on a year-on-year basis, was 12.9 per cent, 0.8 percentage point above the level in the preceding month. The inflation rate on a 12-month moving average basis was 11.1 per cent, compared with the preceding month's level of 10.9 per cent.

4.1 Agricultural Sector

Available information indicated that while agricultural activities in the southern parts of the country were dominated by planting operations and harvesting of tree and root crops, activities in the northern parts were preparation of land for the cropping season and harvesting of vegetables. In the livestock sub-sector, farmers re-stock broilers and layers to replenish sales during the Easter festive season of 2012.

A total of ₦502.68 million was guaranteed to 3,561 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in April 2012. This represented an increase of 65.1 and 19.4 per cent above the levels in the preceding month and the corresponding period of 2011, respectively. A sub-sectoral analysis of the loans guaranteed indicated that the food crop sub-sector had the largest share of ₦398.96 million (79.4 per cent) guaranteed to 3,384 beneficiaries, the livestock sub-sector received ₦65.9 million (13.1 per cent) for 123 beneficiaries, while fisheries sub-sector received ₦17.71million (3.5 per cent) guaranteed to 15 beneficiaries. The cash crops sub-sector had ₦13.75 million (2.7 per cent) for 24 beneficiaries. "Others" received ₦5.36million (1.1 per cent) for 14 beneficiaries, while the mixed crops received ₦1million (0.2 per cent) guaranteed to 1 beneficiary.

Analysis by state showed that 26 states (including the FCT) benefited from the Scheme during the month

under review, with the highest and lowest sums of ₦83.7 million (16.7 per cent) and ₦0.4 million (0.07 per cent) guaranteed to Sokoto and Ogun States, respectively.

At end-April 2012, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACs) to the participating banks for disbursement stood at ₦178.27 billion for two hundred and twenty seven (227) projects/promoters (Table 10).

At end-April 2012, the total amount released by the CBN under the CACS to the participating banks for disbursement stood at N 178.27 billion (for 227 projects).

Table 10: Disbursement of Credit under the Commercial Agriculture Credit Scheme (CACs) April 2012.

S/N	Participating Banks	Amount Disbursed (₦ billion)	Number of Projects
1	United Bank for Africa (UBA) Plc	39.76	34
2	Zenith Bank Plc	25.76	17
3	First Bank	19.17	56
4	Union Bank of Nigeria Plc	18.54	20
5	Unity Bank Plc	16.78	17
6	Stanbic IBTC Bank	11.21	20
7	Access Bank Plc	10.33	11
8	Skye Bank	9.20	7
9	Fidelity Bank Plc	7.58	8
10	GTB Plc	5.55	8
11	Sterling Bank Plc	4.76	9
12	Eco Bank	2.67	5
13	Mainstreet Bank Plc	2.00	1
14	Diamond Bank Plc	1.90	6
15	Citibank	1.50	1
16	Wema Bank Plc	0.72	4
17	FCMB	0.58	2
18	Enterprise Bank	0.27	1
	TOTAL	178.28	227

4.2 Petroleum Sector

Crude oil and natural gas production was estimated at an average of 2.08 million barrels per day.

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at an average of 2.08 million barrels per day (mbd) or 62.4 million barrels for April 2012. This was 0.04 mbd or 2.0 per cent above the average of 2.04 mbd or 61.2 million barrels produced in the preceding month. The marginal increase was attributed to the commencement of

crude oil production at Total's "Usan" deep-water offshore field.

Crude oil export was estimated at 1.63 mbd or 48.9 million barrels. This represented an increase of 2.5 per cent above the 1.59 mbd or 47.7 million barrels recorded in the preceding month. Deliveries to the refineries for domestic consumption stood at 0.45 mbd or 13.5 million barrels during the month under review.

At an estimated average of US\$122.45 per barrel (as at April 14, 2012), the price of Nigeria's reference crude, the Bonny Light (37° API), fell by 4.6 per cent below the level in the preceding month. The decline in price was attributed to the gloomy and weak demand for crude oil from the major consumer nations and economic outlook. The average prices of other competing crudes, namely the West Texas Intermediate, U.K Brent and Forcados at US\$97.27, US\$121.00 and US\$124.54 per barrel, respectively, also showed similar trend as the Bonny Light.

The average price of Nigeria's reference crude the Bonny Light fell by 4.6 per cent below the level in the preceding month. Prices of the U.K Brent, Forcados and West Texas Intermediate also fell in April 2012.

The average price of OPEC's basket of eleven crude streams fell by 3.9 per cent to US\$118.18 per barrel, below the level recorded in the preceding month, but exceeded the US\$117.70 per barrel recorded in the corresponding month of 2011 (Fig. 11, Table 11).

Figure 11: Trends in Crude Oil Prices

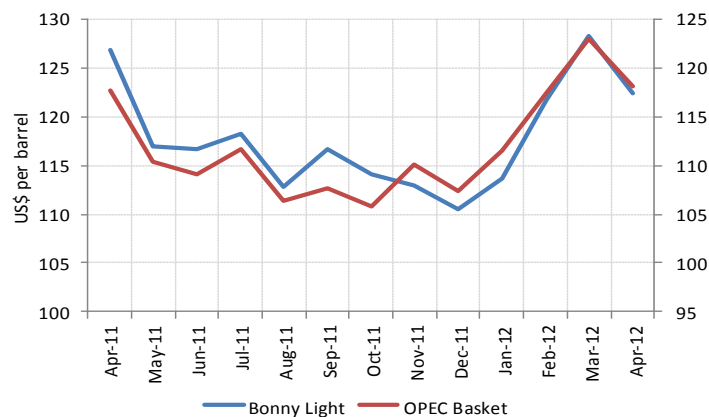


Table 11: Average Crude Oil Prices in the International Oil Market

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
Bonny Light	126.91	116.99	116.66	118.21	112.81	116.71	114.05	114.05	110.45	113.69	121.71	128.29	122.45
OPEC Basket	117.70	110.39	109.04	111.62	106.32	107.61	105.87	105.87	107.34	111.49	117.48	122.97	118.18

4.3 Consumer Prices

The general price level rose in April, relative to March 2012, owing to the increase in the indices of staple food and non-alcoholic beverages, housing, water, electricity, gas and other fuel etc.

Available data showed that the all-items composite Consumer Price Index (CPI) in April 2012 was 132.8 (November 2009=100), representing an increase of 0.2 per cent over the level in the preceding month. The development was attributed to the rise in the price of food and non-alcoholic beverages, clothing and footwear; housing, water, electricity/gas, and other fuels; furnishing and household equipment maintenance; transport; and health services.

The urban all-items CPI at end-April 2012 was 131.1 (November 2009=100), indicating an increase of 0.3 per cent above the level in the preceding month. The rural all-items CPI for the month, was 134.4 (November 2009=100), same as in preceding month's level (Fig. 12, Table 11).

The year-on-year headline inflation rate rose by 0.8 percentage points over the level in the preceding month.

The end-period inflation rate for November 2011, on a year-on-year basis, was 12.9 per cent, indicating an increase of 0.8 percentage points over the actual level of 12.1 per cent in the preceding month. The inflation rate on a twelve-month moving average basis for April 2012 was 11.1 per cent, compared with 10.9 per cent in the preceding month. (Fig. 13, Table 12).

The composite food index for April 2012 was 132.3, indicating an increase of 0.2 per cent. This development was accounted for by the marginal increase in the prices of bread, cereals, meat, fish, yams and other tubers as they become relatively scarce due to the increasing cost of other food products.

Figure.12:Consumer.Price.Index

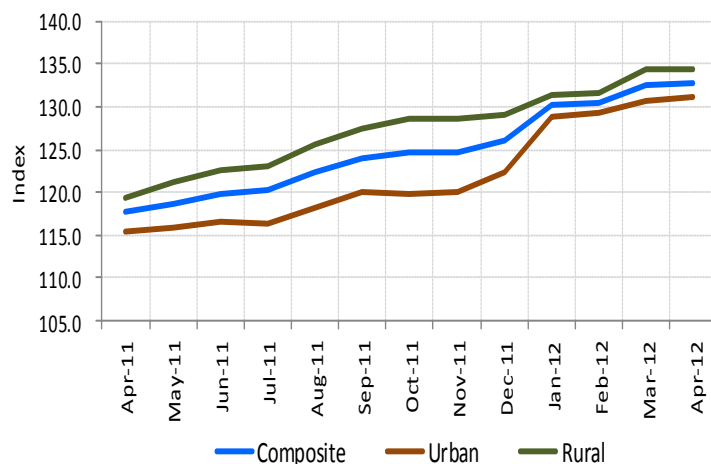


Table 12: Consumer Price Index (November 2009=100)

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
Composite	117.7	118.7	119.9	120.3	122.3	124.0	124.6	124.7	126.0	130.2	130.5	132.6	132.8
Urban	115.5	115.8	116.6	116.3	118.3	120.0	119.9	120.0	122.3	128.9	129.2	130.7	131.1
Rural	119.4	121.2	122.6	123.0	125.6	127.4	128.6	128.6	129.0	131.3	131.6	134.4	134.4
CPI - Food	119.0	118.5	120.1	120.4	123.7	124.8	125.0	125.4	128.1	129.3	129.1	132.1	132.3
CPI - Non Food	117.9	118.9	119.8	120.1	121.2	123.5	124.8	124.6	124.8	129.1	129.3	135.1	135.2

Figure13: Inflation Rate

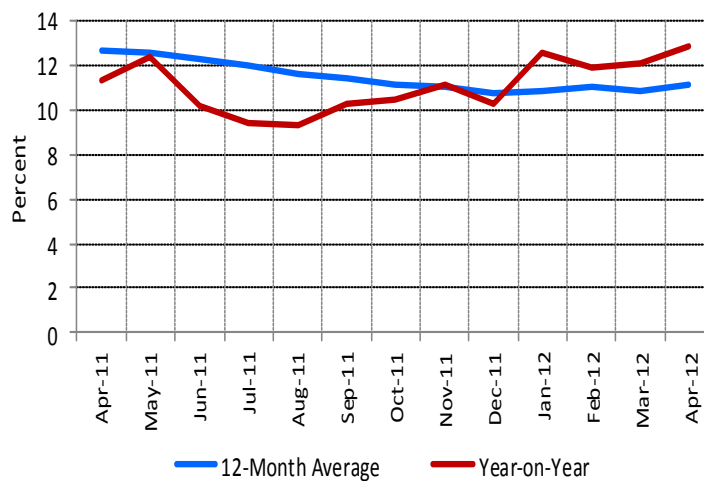


Table 13: Headline Inflation Rate (%)

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
12-Month Average	12.7	12.6	12.3	12.0	11.6	11.4	11.1	11.0	10.8	10.9	11.0	10.9	11.1
Year-on-Year	11.3	12.4	10.2	9.4	9.3	10.3	10.5	11.1	10.3	12.6	11.9	12.1	12.9

5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow and outflow through the CBN declined by 24.1 and 39.9 per cent, respectively, below their levels in the preceding month. Total non-oil export receipts by banks rose significantly by 204.8 per cent above the level in the preceding month. The gross external reserves rose by 4.0 per cent above the preceding month's level. The average exchange rate of the Naira vis-à-vis the US dollar, appreciated by 0.2 per cent to N157.33 per US dollar at the Wholesale Dutch Auction System (wDAS).

5.1 Foreign Exchange Flows

Foreign exchange inflow and outflow through the CBN in the month of April was US\$3.24 billion and US\$1.75 billion, respectively, resulting in a net inflow of US\$1.49 billion, compared with the net inflow of US\$1.36 billion recorded in March 2012. Relative to the level in the preceding month, inflow fell by 24.1 per cent, but showed an increase of 29.9 per cent above the level in the corresponding period of 2011. The decline in inflow during the review period reflected a 24.3 per cent fall in the receipts from crude oil sales. Similarly, outflow fell by 39.9 per cent below the level in the preceding month due mainly to the decline in wDAS utilization. A breakdown of foreign exchange outflow showed that wDAS sales accounted for the bulk (81.4 per cent) of the total, cash sales to Bureau-de-Change (BDC) operators, 28.1 per cent, and WDAS-forward contract 2.5 per cent. Other official payments, at US\$0.27 billion, fell by 34.5 per cent below the level in the preceding month, driven largely by the fall in NNPC/JV cash calls payments (Fig. 14, Table 14).

Foreign exchange inflow and outflow through the CBN declined by 24.1 and 39.9 per cent, respectively, in April 2012.

Figure 14: Foreign Exchange Flows through the CBN

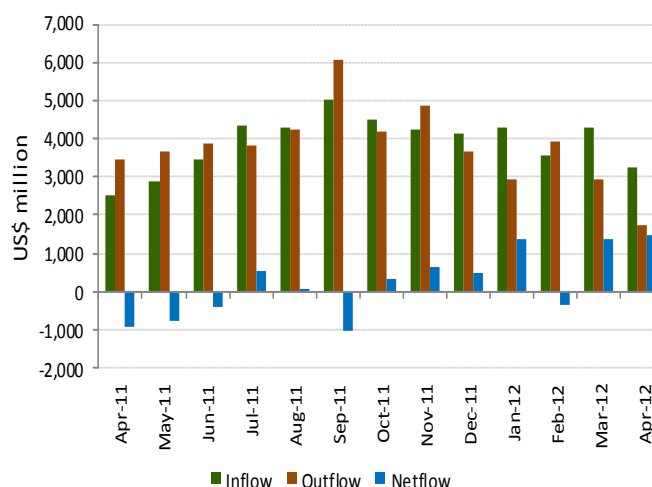


Table 14: Foreign Exchange Flows through the CBN (US\$ million)

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
Inflow	2495.6	2896.1	3463.2	4327.7	4315.0	5030.4	4523.1	4265.0	4132.3	4307.0	3546.2	4266.6	3242.9
Outflow	3439.7	3657.2	3873.7	3818.6	4234.1	6060.7	4184.3	4880.3	3667.1	2945.8	3902.3	2912.4	1754.9
Netflow	-944.1	-761.1	-410.5	509.1	81.7	-1030.3	338.8	-624.3	465.2	1361.2	-356.1	1354.2	1488.0

Provisional data on aggregate foreign exchange flows through the economy indicated that total inflow was US\$9.97 billion, representing an increase of 0.8 per cent and 25.8 per cent over the levels at the end of the preceding month and the corresponding month of 2011, respectively. The increase in inflow over the level in the preceding month was due to the 19.7 per cent rise in receipts from autonomous sources, though moderated by a 24.3 per cent decline in oil receipts. Inflow through the Central Bank of Nigeria (CBN) accounted for 32.5 per cent of the total, while inflow from autonomous sources accounted for 67.5 per cent.

Non-oil inflow into the economy fell by 18.1 per cent and accounted for 1.6 per cent of the total inflow in April 2012.

At US\$3.09 billion, oil sector receipts declined by 24.3 per cent below the level in the preceding month and accounted for 30.9 per cent of the total inflow. On a month-on-month basis, non-oil public sector inflow, at ₦157.15 million, fell by 18.1 per cent and accounted for 1.6 per cent of the total inflow, while autonomous inflow, at ₦6.73 billion, rose by 19.7 per cent, accounting for 67.5 per cent of the total.

At US\$1.89 billion, aggregate foreign exchange outflow from the economy fell by 38.1 per cent below the level in the preceding month. Thus, foreign exchange flows through the economy resulted in a net inflow of US\$8.1 billion in the month under review, compared with US\$6.8 billion and US\$4.4 billion in the preceding month and the corresponding month of 2011, respectively. The outcome reflected, largely, a decline in the wDAS utilization of foreign exchange during the month.

5.2 Non-Oil Export Earnings by Exporters

Total non-oil exports earnings at US\$597.38 million, increased significantly by 204.8 per cent above the level in the preceding month. The development reflected, largely, the increase in receipts in respect of agricultural products and mineral sector. A breakdown of receipts showed that proceeds of agriculture, manufactured, industrial, minerals and food products sub-sectors stood at US\$456.72, US\$67.71, US\$50.86, US\$19.86, and US\$2.23 million, respectively.

The shares of agriculture, manufactured, industrial, minerals and food products sub-sectors in non-oil export proceeds were 76.5, 11.3, 8.5, 3.3, and 0.4 per cent, respectively.

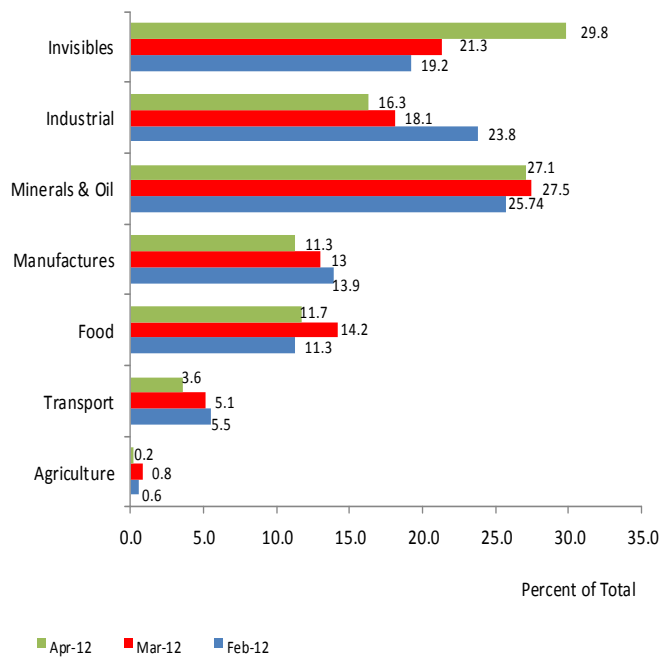
5.3 Sectoral Utilisation of Foreign Exchange

The invisible sector accounted for the bulk (29.8 per cent) of total foreign exchange disbursed in April 2012, followed by minerals and oil sector (27.1 per cent). Other beneficiary sectors, in a descending order included: industrial sector (16.3), food products (11.7 per cent), manufactured product (11.3 per cent), transport (3.6 per cent) and agricultural products (0.2 per cent) (Fig.15).

Total non-oil export earnings by exporters rose significantly in April 2012, on account of large increases in the earnings from exports of agricultural products and minerals sector.

The invisible sector accounted for the bulk of the total foreign exchange disbursed in April 2012.

Figure15: Sectoral Utilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

Aggregate demand for foreign exchange by authorized dealers under the Wholesale Dutch Auction System (wDAS), Bureau-de-change (BDC) and wDAS-Forward contract was US\$1.67 billion in April 2012, showing a decline of 25.0 and 40.2 per cent below the levels in the preceding month and the corresponding month of 2012, respectively. The decline in aggregate demand relative to the preceding month's level was attributed to the high autonomous inflow in the months under review. A total of US\$1.45 billion was sold by the CBN to authorized dealers during the period, reflecting a decline of 39.2 and 50.3 per cent below the levels in the preceding month and the corresponding period of 2011, respectively (Fig.16, Table 15).

Demand for foreign exchange by authorized dealers fell by 25.0 and 40.2 per cent below the levels in the preceding month and the corresponding month of 2011, respectively.

Figure 16: Demand for and Supply of Foreign Exchange

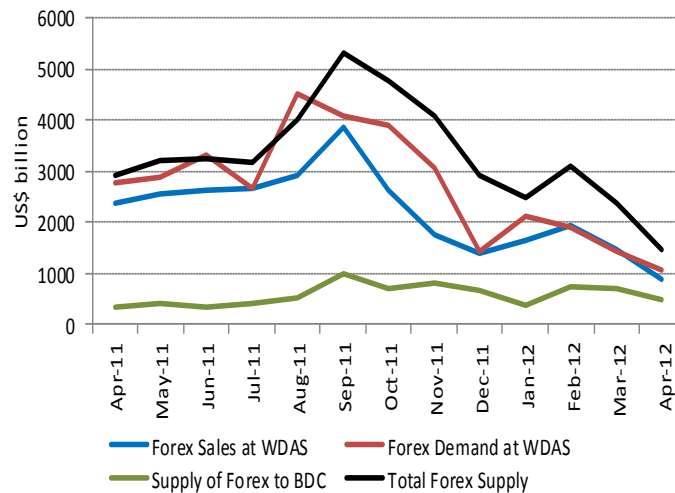


Table 15: Demand for and Supply of Foreign Exchange (US\$ billion)

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
Forex Sales at WDAS	2375.6	2549.9	2643.3	2643.3	2889.1	3850.0	2607.0	1749.6	1397.9	1640.7	1942.2	1452.8	891.5
Forex Demand at WDAS	2780.4	2878.4	3325.5	3065.4	4504.5	4081.2	3900.0	3054.4	1415.3	2133.0	1892.0	1426.5	1052.9
Supply of Forex to BDC	322.3	392.0	347.3	398.2	504.3	995.7	716.8	795.4	675.7	365.7	720.6	698.2	492.8
Total Forex Supply	2707.8	3217.2	3242.3	3293.7	3677.0	5157.6	3923.0	4056.3	3151.5	2492.6	3101.5	2387.9	1451.3

Under the wDAS, the average exchange rates of the Naira vis-à-vis the US dollar, appreciated by 0.2 per cent, to ₦157.33 per US dollar, compared with the level in the preceding month. It also, appreciated at both the interbank and BDC segments of the foreign exchange market by 0.2 and 0.02 per cent to ₦157.44 and ₦159.37 per US dollar, respectively.

Consequently, the premium between the wDAS and bureau-de-change rates widened to 1.3 per cent from 1.2 per cent in the preceding month, while at the interbank market, it narrowed to 0.1 per cent from 0.4 per cent in the preceding month.

The Naira exchange rate vis-à-vis the US dollar, on average, appreciated at the wDAS, BDC and interbank segments of the foreign exchange market.

Figure 17: Average Exchange Rate Movement

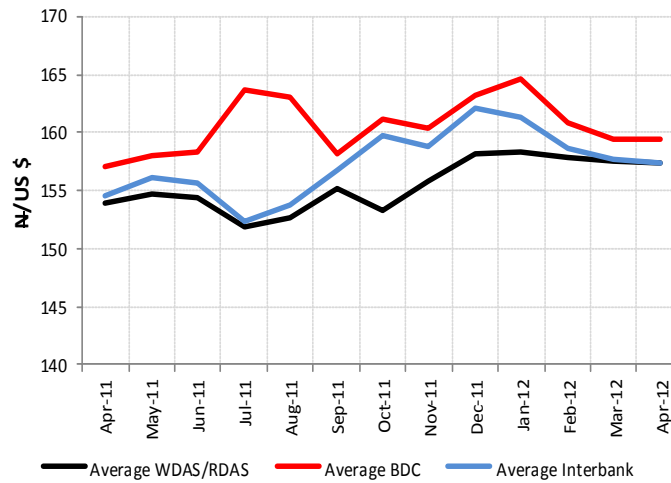
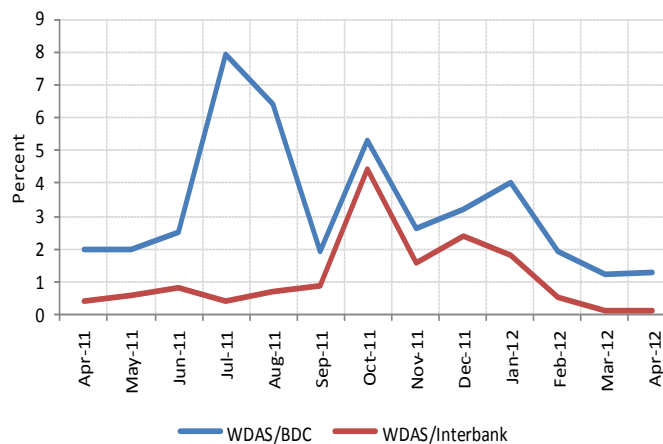


Table 16: Exchange Rate Movements and Exchange Rate Premium

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
Average Exchange Rate (N/\$)													
WDAS/RDAS	154.0	154.8	154.5	151.9	152.7	155.3	153.3	155.8	158.2	158.4	157.9	157.6	157.3
BDC	157.1	158.1	158.3	163.7	163.1	158.2	161.2	160.4	163.4	164.7	160.9	159.4	159.4
Interbank	154.6	156.2	155.7	152.4	153.8	156.7	159.8	158.8	162.2	161.3	158.6	157.7	157.4
Premium (%)													
WDAS/BDC	3.0	2.0	2.0	2.5	7.9	6.4	1.9	2.6	3.2	4.0	1.9	1.2	1.3
WDAS/Interbank	0.7	0.5	1.8	0.4	0.9	0.8	0.4	0.7	0.9	1.6	2.6	0.4	0.1

Figure 18: Exchange Rate Premium



5.5 Gross External Reserves

The gross external reserves at the end of April 2012 stood at US\$36.66 billion, indicating an increase of 4.2 and 11.5 per cent above the levels in the preceding month and the corresponding period of 2011, respectively. A breakdown of the reserves showed that the Federation Account portion (Excess Crude) was US\$4.86 billion (13.3 per cent), Federal Government holding was US\$2.59 billion (7.0 per cent) and CBN reserves stood at US\$29.22 billion (79.7 per cent), (Fig. 19, Table 16).

Gross external reserves increased in April 2012.

Figure 19: Gross External Reserves

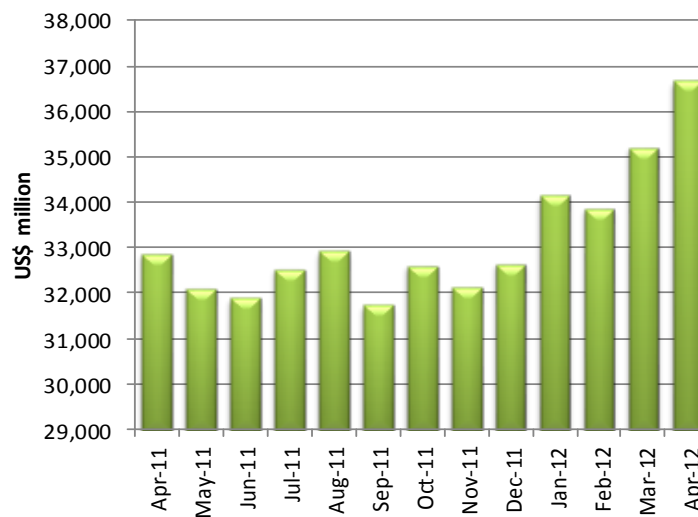


Table 17: Gross External Reserves (US\$ million)

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
External Reserves	32866.9	32100.8	31890.5	32521.7	32915.0	31740.2	32594.7	32125.2	32639.8	34136.6	33857.4	35190.8	36660.9

6.0 *Other International Economic Developments and Meetings*

World crude oil output in April 2012 was estimated at an average of 90.31 million barrels per day (mbd), while demand was estimated at 88.67 million barrels per day (mbd), compared with 89.64 and 88.7 mbd supplied and demanded, respectively, in the preceding month. The marginal decline in demand was attributed to the on-going concerns in the US and the Eurozone as crude stock rose by 13.5 million barrels during the month under review.

Other major international economic developments and meetings of relevance to the domestic economy during the review period included: the 2012 Spring Meetings of the Board of Governors of the World Bank Group and the International Monetary Fund (IMF) held in Washington D.C., USA, from April 16 – 22, 2012. The Ministers of the Inter-governmental Group of 24, the International Monetary and Finance Committee and the Development Committee met and discussed issues relating to the Global Financial and Economic Situation; Role and Reform of the International Financial Institutions (IFIs) and Infrastructure; Sustainable Development and Surveillance, amongst others. The meetings noted that, while recent policy actions have reduced immediate threats arising from the Euro area crisis, downside risks remained high. It also called for a steep increase in investment in infrastructure over the next few decades in order to realize the growth potential of developing economies. The Development Committee also called on the World Bank Group to continue to pursue multi-sectoral solutions to food insecurity and malnutrition through instruments such as the Global Agriculture and Food Security Programme.

In another development, the first round of negotiation of the Investment Promotion and Protection Agreement (IPPA) between Nigeria and Viet Nam was held in Hanoi, Viet Nam from April 24 – 27, 2012. During the

negotiation, a harmonised draft agreement containing 16 Articles, excluding the preamble, was adopted and a number of consensus were reached on most of the issues.

Furthermore, the 4th Session of the Nigeria - Iran Joint Commission was held in Tehran, Islamic Republic of Iran, from April 16 - 20, 2012. The purpose of the meeting was to further deepen trade and bilateral relations and cooperation existing between both countries. Decisions adopted after extensive deliberations by the technical experts, included the following:

- Nomination and introduction of some banks to cooperate with each other in order to establish correspondent banking relationship;
- The Nigerian delegation agreed to facilitate money transfer required for the implementation of technical and engineering projects launched by Iranian companies in Nigeria;
- Exchange of experiences between the two countries in the field of banking regulations through workshops and seminars; and
- Settling of commercial transactions between the two countries in conformity with international best practices.

At the end of the Session, the two countries signed a MOU with follow-up Committees to meet twice a year alternately in Tehran and Abuja.

Finally, the 17th Technical Commission/Plenary meeting of Governmental Action Group Against Money Laundering (GIABA) was held at Hotel Ivoire, Abidjan, Cote D'Ivoire from May 2 – 4, 2012 to examine the progress made by the member countries with respect to efforts at combating money laundering and terrorist activities, as well as follow-up on implementation of recommendations at previous meetings, particularly those countries that were rated Partially Compliant (PC) and Non-Compliant (NC) at the previous meetings. Major considerations during the meeting included:

- Consideration of GIABA Mid-Year report and its Communication Strategy;
- Memorandum on the endorsement of the International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation;
- Mandate and appointment of members of the GIABA Working Group and Mutual Evaluation and Implementation (WGMEI);
- FATF Secretariat presentation on the International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation; and
- Regional Financial Intelligent Unit (FIU) form and Round Table with Development Partners

From the Mutual Evaluation Reports and the Secretariat analysis, Nigeria was commended for strengthening its AML/CFT framework through the enactment of the Money Laundering (Prohibition) Act, 2011 and the prevention of Terrorism Act 2011. It was also noted that Nigeria had issued and gazetted Terrorism Prevention Regulations (Freezing of International Terrorist Funds and other Related Measures) in September 2011 to implement the United Nations Security Council Resolutions (UNSCRs) 1267 and 1373. The country also established/strengthened AML/CFT Units in stakeholder's institutions to serve as contact points.

It was also reported that the Central Bank of Nigeria (CBN) developed the AML/CFT regulations (2009) as amended and AML/CFT Risk-Based Supervision (RBS) Framework in 2011. Nigeria is also undertaking other actions, including the development of National AML/CFT Strategy and a National Counter Terrorism Strategy (NACTEST) to implement AML/CFT measures of acceptable international standards in a more coordinated manner.

Thus, WGMEI agreed to maintain Nigeria on the Expedited Regular Follow-Up process and called on the country to continue to strengthen its AML/CFT measures especially in the areas of terrorism. Nigeria

is to submit its Fifth Follow-Up Report to the plenary in May, 2013.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12
Domestic Credit (Net)	10,848.39	11,226.98	13,694.98	13,962.26	13,477.98	13,679.08	13,407.42
<i>Claims on Federal Government</i>	(1,364.71)	(1,191.65)	(531.94)	(722.63)	(576.17)	(440.80)	(785.20)
Central Bank (Net)	(3,988.61)	(3,668.98)	(3,549.53)	(3,581.41)	(3,299.56)	(3,202.62)	(3,494.48)
Banks	2,623.89	2,477.32	3,017.58	2,858.76	2,723.40	2,761.81	2,709.28
<i>Claims on Private Sector</i>	12,213.10	12,418.63	14,226.92	14,684.90	14,054.14	14,119.88	14,192.62
Central Bank	2,720.19	2,705.24	4,612.48	4,628.29	4,622.48	4,599.33	4,642.38
Banks	9,492.91	9,713.39	9,614.45	10,056.61	9,431.66	9,520.55	9,550.23
<i>Claims on Other Private Se</i>	11,780.28	12,013.11	13,713.70	14,190.75	13,546.01	13,581.77	13,640.50
Central Bank	2,720.19	2,705.24	4,612.48	4,628.29	4,622.48	4,599.33	4,642.38
Banks	9,060.09	9,307.87	9,101.23	9,562.46	8,923.53	8,982.43	8,998.22
<i>Claims on State and Local</i>	432.83	405.52	513.22	494.15	508.12	538.11	552.11
Central Bank							
Banks	432.83	405.52	513.21	494.15	508.13	538.11	552.11
<i>Claims on Non-financial Public Enterprises</i>							
Central Bank							
Banks							
Foreign Assets (Net)	6,724.54	6,623.23	7,138.67	7,413.62	7,228.11	7,306.72	7,692.05
Central Bank	5,304.24	5,141.50	5,823.79	5,933.67	5,600.01	5,755.80	6,102.65
Banks	1,420.30	1,481.73	1,314.88	1,479.95	1,628.10	1,550.91	1,589.39
Other Assets (Net)	(5,395.78)	(5,637.07)	(7,536.15)	(7,626.57)	(7,557.97)	(7,714.82)	(7,794.69)
Total Monetary Assets (M2)	12,177.15	12,213.14	13,297.51	13,749.31	13,148.12	13,270.97	13,304.78
Quasi-Money 1/	6,374.30	6,437.19	6,531.91	6,928.39	6,733.18	6,748.03	6,635.95
Money Supply (M1)	5,802.85	5,775.95	6,765.59	6,820.92	6,414.94	6,522.94	6,668.82
<i>Currency Outside Banks</i>	1,038.22	1,069.14	1,245.14	1,093.73	1,081.68	1,141.35	1,111.09
<i>Demand Deposits 2/</i>	4,764.64	4,706.81	5,520.46	5,727.19	5,333.25	5,381.58	5,557.72
Total Monetary Liabilities (M2)	12,177.15	12,213.14	13,297.51	13,749.31	13,148.12	13,270.97	13,304.78
Memorandum Items:	-						
Reserve Money (RM)	2,366.21	2,341.93	2,784.07	2,689.36	2,759.96	2,527.60	2,589.53
<i>Currency in Circulation (CIC)</i>	1,359.58	1,390.70	1,566.05	1,476.07	1,438.62	1,432.83	1,422.43
<i>DMBs Demand Deposit with CB</i>	1,006.62	951.23	1,218.02	1,213.29	1,321.34	1,094.76	1,167.09

1/ Quasi-money consist of Time, Savings and Foreign Currency Deposit at Deposit Money Banks excluding Takings from Discount Houses.

2/ Demand Deposits consists of State, Local and Parastatals Deposits at CBN, State, Local Government and Private Sector Deposits as well as Demand Deposits of non-financial Public Enterprises at Deposit Money Banks.

Table A2: Money and Credit Aggregates (Growth Rates)

	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
Growth over Preceding December(%)							
Domestic Credit (Net)	24.6	29.9	57.3	2.0	-1.6	-0.1	-2.0
<i>Claims on Federal Government (Net)</i>	-21.7	-6.2	52.7	-35.9	-8.3	11.3	-58.0
<i>Claims on Private Sector</i>	24.2	26.3	44.7	3.2	-1.2	-0.4	0.1
<i>Claims on Other Private Sector</i>	24.5	27.0	45.0	3.5	-1.2	-0.6	-0.2
<i>Claims on State and Local Government</i>	17.0	9.7	38.8	-3.2	-1.0	4.9	7.6
<i>Claims on Non-financial Public Enterprises</i>							
Foreign Assets (Net)	3.4	1.8	9.7	-3.9	1.3	2.4	7.6
Other Assets (Net)	-46.2	-52.8	-104.3	-3.5	-0.3	-2.6	-3.6
Total Monetary Assets (M2)	5.7	6.0	15.4	3.4	-1.1	-0.2	0.0
Quasi-Money 1/	7.1	8.1	9.7	6.1	3.1	3.3	1.6
Money Supply (M1)	8.8	3.7	21.5	0.8	-5.18	-3.7	-1.5
<i>Currency Outside Banks</i>	-4.1	-1.2	15.1	-12.2	-13.1	-8.3	-10.8
<i>Demand Deposits 2/</i>	6.9	4.9	23.0	3.7	-3.4	-2.6	0.6
Total Monetary Liabilities (M2)	5.7	6.0	15.4	3.4	-1.1	-0.2	0.0
Memorandum Items:							
Reserve Money (RM)	28.2	26.9	50.9	-3.4	-0.9	-9.2	-7.0
<i>Currency in Circulation (CIC)</i>	-1.4	0.9	13.6	-5.8	-8.1	-8.5	-9.2
<i>DMBs Demand Deposit with CBN</i>	115.3	103.4	160.5	11.0	8.5	-10.1	-4.2
Growth over Preceding Month (%)							
Domestic Credit (Net)	8.7	3.5	22.0	2.0	-3.47	1.6	-2.0
<i>Claims on Federal Government (Net)</i>	-19.3	12.7	55.4	-35.8	20.3	18.6	-78.1
<i>Claims on Private Sector</i>	9.8	1.7	14.6	3.2	-4.3	0.8	0.5
<i>Claims on Other Private Sector</i>	9.8	2.0	14.2	3.5	-4.5	0.6	0.4
<i>Claims on State and Local Government</i>	8.2	-6.3	26.6	-3.7	2.8	5.9	2.6
<i>Claims on Non-financial Public Enterprises</i>							
Foreign Assets (Net)	0.8	-1.5	7.8	3.9	-2.5	1.0	5.3
Central Bank	1.3	-3.1	13.3	1.9	-5.6	2.7	6.0
Banks	25.2	4.3	-11.3	12.6	10.0	-4.7	2.5
Other Assets (Net)	-46.2	-4.5	-33.7	-1.2	0.9	-2.2	-1.0
Total Monetary Assets (M2)	3.5	0.3	8.9	3.4	-4.37	0.9	0.3
Quasi-Money 1/	3.7	1.0	1.5	6.1	-2.8	0.2	-1.7
Money Supply (M1)	-3.4	-0.5	17.2	0.8	-6.0	1.6	2.2
<i>Currency Outside Banks</i>	2.6	2.9	16.5	-12.2	-1.1	5.5	-2.7
<i>Demand Deposits 2/</i>	0.5	-1.2	17.3	3.7	-6.9	0.8	3.3
Total Monetary Liabilities (M2)	1.8	0.3	8.9	3.4	-4.4	0.9	0.3
Memorandum Items:							
Reserve Money (RM)	24.0	-1.0	18.9	-3.4	2.6	-8.4	2.5
<i>Currency in Circulation (CIC)</i>	1.2	2.3	12.6	-5.8	-2.5	-0.4	-0.7
<i>DMBs Demand Deposit with CBN</i>	77.9	-5.5	28.1	11.0	9.0	-17.2	6.6

Table A3: Federal Government Fiscal Operations (₦ billion)

	Jul-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
Retained Revenue	613.9	282.6	285.1	233.6	287.0	251.2	429.1	243.0
<i>Federation Account</i>	222.5	260.7	208.7	194.1	213.6	173.5	189.2	234.0
<i>VAT Pool Account</i>	7.9	8.8	7.4	7.5	8.2	7.7	8.7	8.9
<i>FGN Independent Revenue</i>	19.8	13.1	17.1	4.6	14.9	33.4	77.2	0.1
<i>Excess Crude</i>	363.8	0.0	52.0	0.0	0.0	0.0	34.4	0.0
<i>Others</i>	0.0	0.0	0.0	27.4	50.3	36.7	119.6	0.0
Expenditure	354.9	326.0	458.2	350.0	179.2	355.8	419.7	209.5
<i>Recurrent</i>	300.4	208.9	292.7	263.8	141.5	308.4	264.3	146.9
<i>Capital</i>	32.4	66.5	136.2	64.0	0.0	0.0	155.4	50.1
<i>Transfers</i>	22.1	21.6	21.0	22.2	37.7	47.4	0.0	12.5
Overall Balance: Surplus(+)/Deficit(-)	259.1	-43.5	-173.1	-116.4	107.8	-104.6	9.4	33.5

