CENTRAL BANK OF NIGERIA

MONTHLY ECONOMIC REPORT

MAY 2007

RESEARCH AND STATISTICS DEPARTMENT

CENTRAL BANK OF NIGERIA

MONTHLY REPORT

The Central Bank of Nigeria's Monthly Report is designed for the dissemination of financial and economic information on the Nigerian economy on current basis. The Re-Port analyses developments in the financial, 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

Available data indicated growth in the major monetary aggregate in May 2007. Broad money stock (M_2) rose by 2.3 per cent over the level in the preceding month, while narrow money supply (M_1) fell by 0.9 per cent from the level in April 2007. The development was attributable to the increase in both aggregate bank credit to the domestic economy (net) and foreign assets (net) of the banking system.

There was a general decline in banks' deposit and lending rates in May 2007. The spread between banks' weighted average deposit and maximum lending rates, narrowed from 10.75 percentage points in April, 2007 to 9.47 percentage points in May 2007. The margin between the average savings deposit and maximum lending rates, also, narrowed from 14.74 percentage points to 13.35. However, the weighted average inter-bank call rate rose from 7.54 per cent in the preceding month to 7.99 per cent.

The value of money market assets outstanding increased marginally by 0.3 per cent to ₦1,997.9 billion, compared with the increase of 12.1 per cent in the preceding month. The development was traceable largely to the 6.1 and 1.8 per cent rise in FGN bonds outstanding and bankers' acceptances, respectively. Available data indicated that activities on the Nigerian Stock Exchange were mixed during the review month as some of the major market indicators rose, while others trended downward.

The major agricultural activities in the review month included: preparation of land for the transplanting of tree crops from nurseries; planting of upland rice, maize and vegetables; application of fertilizers; and harvesting of fruits. The prices of most Nigerian major agricultural commodities at the London Commodities Market increased. At 282.6 (1990=100), the all-commodities price index, in dollar terms, rose by 2.9 per cent over the level in the preceding month.

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 2.10 million barrels per day (mbd) in May 2007, down from 2.15 mbd in the preceding month. Crude oil export was estimated at 1.65 mbd for the month, while deliveries to the refineries for domestic consumption remained at 0.45 mbd or 13.50 million barrels. The average price of Nigeria's reference crude, the Bonny Light (37^0 API), estimated at US\$70.40 per barrel, declined by 0.1 per cent from the level in April 2007.

The inflation rate on a year-on-year basis rose to 4.6 per cent in May 2007, from 4.2 per cent in the preceding month. The rise was attributable largely to the short-lived increase in the Value Added Tax (VAT) from 5 to 10 per cent and in the pump price of fuel from ₦65 to ₦75 which raised transportation cost and the prices of some food items during the period under review. Inflation rate on a twelve-month moving average was 6.0 per cent, compared with 6.5 per cent in April 2007.

Foreign exchange inflow and outflow through the Central Bank of Nigeria (CBN) in May 2007, amounted to US\$2.04 billion and US\$2.31 billion, respectively, resulting in a net outflow of US\$0.27 billion. Inflow declined by 10.9 per cent while outflow rose by 50 per cent relative to the preceding month's level. The fall in inflow was traceable to the decline in oil receipts and autonomous sources, while the rise in outflow was attributable to the increase in sales of forex at the WDAS, external debt service, other official payments and autonomous *sources. There was an upsurge in the demand for foreign exchange in May, 2007, as foreign exchange sales by the CBN to the authorized dealers increased by 92.5 per cent over the preceding month's level. The weighted average exchange rate of the Naira vis-à-vis the US dollar, appreciated marginally from ₦127.98 per dollar to ₦127.56 per dollar in May 2007. In the Bureaux de change segment of the market, the rate, however, depreciated slightly from ₦129.00 per dollar to ₦129.16 per dollar. Available data showed that Nigeria's gross external reserves fell by 0.9 per cent to US$43.13 billion in May 2007. Non-oil export earnings by Nigeria's top 100 exporters in May 2007 amounted to US$102.60 million, indicating a decline of 12.5 per cent from the level in preceding month. The development was attributable largely to the variation in prices at the international commodities market during the review month.*

Other major international economic developments of relevance to the domestic economy during the month included: the meetings of the West African Monetary Zone held in Abuja, Nigeria from May 7 -10, 2007. The meetings were attended by all the member countries namely, The Gambia; Ghana; Guinea; Nigeria; and Sierra Leone; ECOWAS Commission and West African Monetary Institute (WAMI). Also, present were the following observers: Liberia, West African Institute for Financial and Economic Management (WAIFEM), West African Monetary Authority (WAMA), West African Bankers Association (WABA), West African Central Bank (BCEAO), International Monetary Fund (IMF), African Development Bank (AfDB), West African Economic and Monetary Union (UEMOA), AU Commission and the African Business Roundtable. The meetings began with the 23rd Meeting of the Technical Committee of the West African Monetary Zone on May 7-8, 2007, followed by the Committee of Governors meeting which considered the report of the Technical Committee as well as the Convergence Council meeting held on May 10, 2007. Also, the G7/8 Finance Ministers met on May 19, 2007 to discuss global economic issues in preparation for the Summit of the G8 Heads of State and Government coming up on June 6-8, 2007 at Heiligengamm, Germany. In a related development, the Inter-Ministerial Meeting on the Group of Eight Developing Countries' (D-8) was held on May 21, 2007 at the Federal Ministry of Science and Technology (FMST) Abuja to review developments that had taken place since the 5th D-8 Summit and articulate Nigeria's position on current issues. The 42nd Annual Meetings of the Board of Governors of the African Development Bank (AfDB) Group and the 33rd Annual Meetings of the Board of Governors of the African Development Fund (AfDF) were held from May 16 -17, 2007 in Shanghai, China to consider the Annual reports of the three loan windows of the group, among others. Finally, the World Bank's Global Development Finance 2007 Report was launched in May 2007. The Report showed that 2006 was a good year for private capital flows to developing countries as flows to these countries reached its all record high of US$647.0 billion with Nigeria receiving US$7.0 billion.

2.0 FINANCIAL SECTOR DEVELOPMENTS

Money supply increased, while banks' deposit and lending rates recorded general decline in May, 2007. The value of money market assets outstanding increased marginally, following the 6.1 per cent rise in outstanding FGN bonds. Transactions on the Nigerian Stock Exchange were mixed during the review month as some of the major market indicators rose, while others trended downward.

2.1 Monetary and Credit Developments

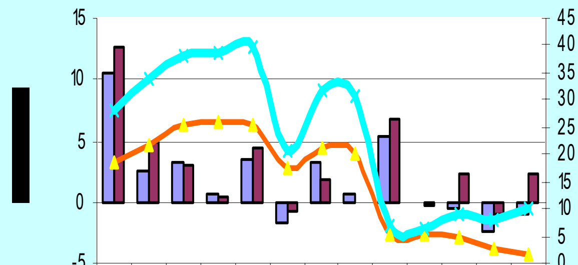
Available data indicated that broad money supply (M_2) rose by 2.3 per cent to ₦4,049.7 billion, in contrast to the decline of 0.9 per cent in the preceding month, while narrow money supply (M_1) fell by 0.9 per cent to ₦1,964.4 billion, compared with the decline of 2.3 per cent in April 2007. The rise in M_2 was attributable to the increase in both aggregate bank credit to the domestic economy (net) and foreign assets (net) of the banking system. Over the level at end-December 2006, M_1 and M_2, however, grew by 1.5 and 10.2 per cent, respectively, representing an annualized growth rate of 3.6 and 24.5 per cent for fiscal 2007 (fig.1 and table 1).

Aggregate banking system credit (net) to the domestic economy increased by 48.3 per cent to ₦685.0 billion, compared with the increase of 68.8 per cent in April 2007. The development was traceable to the rise in banking system credit to the private sector during the review period. In the first five months of the year, cumulative banking system credit (net), however, fell by 9.1 per cent.

Banking system's credit (net) to the Federal Government in May 2007, fell by 0.1 per cent, in contrast to the increase of 0.1 per cent recorded in the preceding month. The development reflected wholly the 34.1 per cent decline in Deposit Money Banks' (DMBs) holdings of treasury securities. Over the level at end-December 2006, banking system credit (net) to the Federal Government fell by 50.6 per cent.

Banking system's credit (net) to the private sector rose by 7.1 per cent to ₦3,414.4 billion, compared with the increase of 6.1 per cent in the preceding month. The rise reflected the 73.4 and 6.3 per cent increase in CBN and DMBs' claims on the sector. Over the level at end-December 2006, banking system's credit to the private sector rose by 33.1 per cent.

Figure 1: Aggregate Money Supply in Nigeria (Monthly & Cumulative Growth Rates in Per cent)



	May .06	Jun. 06	Jul. 06	Aug. 06	Sept. 06	Oct. 06	Nov. 06	Dec. 06	Jan. 07	Feb. 07	Mar. 07	Apr. 07	May-07
MM1	10.6	2.6	3.2	0.7	3.4	-1.6	3.2	0.7	5.4	-0.1	-0.5	-2.3	-0.9
MM2	12.7	4.9	2.9	0.5	4.3	-0.8	1.8	-0	6.7	-0.4	2.3	-0.9	2.3
CM1	18.4	21.5	25.3	26.2	25.6	17.5	21.3	20.3	5.4	5.4	4.8	2.4	1.5
CM2	27.8	34.1	38	38.6	39.9	20.7	32	30.9	6.7	6.3	8.8	7.8	10.2

At ₦7,360.0 billion, foreign assets (net) of the banking system increased by 3.6 per cent, compared with the increase of 1.2 per cent in April 2007. The development was attributable to the growth in both the CBN and DMB's holdings. Over the level at end-December 2006, foreign assets (net) of the banking system rose by 18.3 per cent.

Similarly, quasi money increased by 5.4 per cent to ₦2,085.3 billion, compared with the increase of 0.4 per cent in the preceding month. The development was attributable to the rise in all the components namely, time, savings and foreign currency deposits of the DMBs during the month. Over the level at end-December 2006, quasi-money, rose by 19.9 per cent.

Other assets (net) of the banking system, however, declined by 10.7 per cent in May 2007, compared with the decline of 9.3 per cent in the preceding month. The development reflected the fall in unclassified assets of both the CBN and DMBs during the review period.

2.2 Currency-in-circulation and Deposits at the CBN

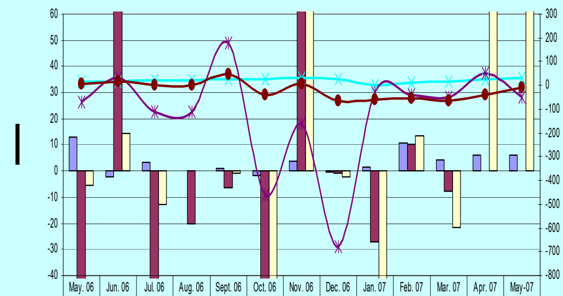
At ₦745.1 billion, currency in circulation fell by 2.7 per cent in May 2007, compared with the level in the preceding month. The decline was traceable to the 8.4 per cent decrease in currency outside banks. This was, however, moderated by the 21.5 per cent increase in vault cash.

Total deposits at the CBN amounted to ₦4,103.3 billion, indicating a decline of 12.1 per cent from the level in the preceding month. The development was attributable largely to the 13.7 per cent decline in Federal Government's deposits, reinforced by the 85.1 per cent decline in private sector deposits. The proportion of the Federal Government, banks and "others" in total deposits at the CBN were 92.4, 7.0 and 0.6 per cent, respectively, compared with 95.2, 2.4 and 2.4 per cent, in the preceding month.

2.3 Interest Rate Developments

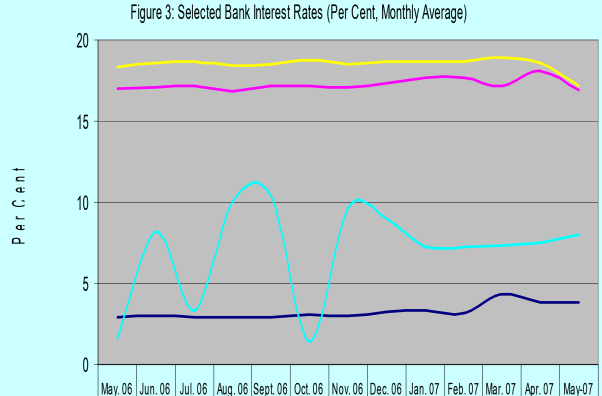
Available data indicated general decline in banks' deposit and lending rates in May 2007. The average savings rate fell by 0.02 percentage points to 3.82 per cent, while other rates on deposits of various maturities fell to a range of 5.46–10.35 per cent from a range of 5.56–10.61 per cent in the preceding month. Similarly, the weighted average prime lending rate declined by 1.11 percentage point to 16.94 per cent. The weighted average maximum lending rate, also, declined by 1.41 percentage point to 17.17 per cent. Consequently, the spread between the

Figure 2:Aggregate Domestic Credit To The Economy (Monthly &Cumulative Growth Rate)



	May. 06	Jun. 06	Jul. 06	Aug. 06	Sept. 06	Oct. 06	Nov. 06	Dec. 06	Jan. 07	Feb. 07	Mar. 07	Apr. 07	May-07
MCP	13	-2	3.5	0.2	1.1	-1.7	3.7	-0.2	1.7	10.6	4.1	6.1	6.1
MCG	-80.9	5,358.10	-108.4	-20.1	-6.3	-228.6	82.7	-0.8	-27	10.2	-7.6	0.1	0.1
MAC	-5.39	14.4	-12.9	-0.1	-0.8	-58.2	69.8	-2.2	-59.3	13.6	-21.5	68.8	68.6
CCP	17.1	14.8	18.8	19	28.1	26	30.6	28.2	1.7	12.5	17.1	24.3	33.07
CCG	-68.4	28.9	-110.9	-113.1	178.6	-458.2	-161.9	-676.2	-27	-40	-50.7	50.5	-50.6
CAC	5.8	16.6	1.6	1.6	48	-38.1	5.1	-65	-59.3	-53.7	-63.7	-38.7	-9.1

Figure 3: Selected Bank Interest Rates (Per Cent, Monthly Average)



	May. 06	Jun. 06	Jul. 06	Aug. 06	Sept. 06	Oct. 06	Nov. 06	Dec. 06	Jan. 07	Feb. 07	Mar. 07	Apr. 07	May-07
Savings	2.95	2.96	2.94	2.91	2.93	3.08	2.97	3.25	3.36	3.19	4.3	3.84	3.82
Prime	16.97	17.08	17.17	16.81	17.19	17.19	17.06	17.33	17.64	17.63	17.18	18.05	16.94
Maximum	18.36	18.61	18.7	18.39	18.52	18.71	18.54	18.66	18.70	18.64	18.92	18.58	17.17
Inter-bank	1.57	8.16	3.37	10.03	10.45	1.40	9.70	8.98	7.25	7.25	7.33	7.54	7.99

weighted average deposit and maximum lending rates narrowed from 10.75 percentage points in April 2007 to 9.47 percentage points in May 2007. The margin between the average savings deposit and maximum lending rates, also, narrowed from 14.74 percentage points in the preceding month to 13.35 percentage points.

The weighted average inter-bank call rate, however, rose from 7.54 per cent in the preceding month to 7.99 per cent (fig. 3).

2.4 Money Market Developments

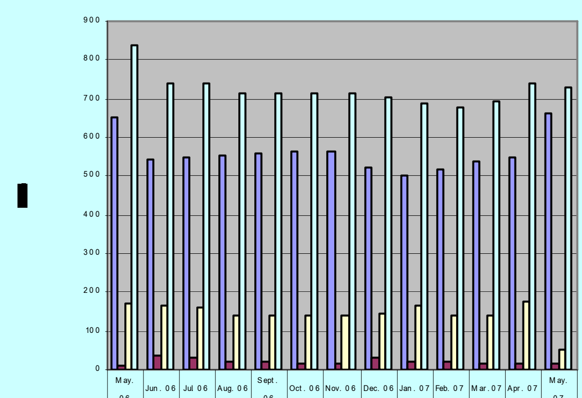
Available data indicated that money market activity remained vibrant as the value of money market assets outstanding at end-May 2007 increased by 0.3 per cent to ₦1,997.9 billion, compared with the increase of 12.1 per cent in the preceding month. The rise was traceable largely to the 6.1 and 1.8 per cent rise in outstanding FGN bonds and bankers acceptances (BAs), respectively. Treasury bills outstanding, however, declined by 1.5 per cent below the level in the preceding month to ₦727.7 billion.

Treasury bills worth ₦115.1 billion were offered in May 2007, compared with ₦137.0 billion in the preceding month. Subscriptions and allotment stood at ₦360.3 billion and ₦115.1 billion, compared with ₦203.3 billion and ₦137.0 billion, respectively, in April 2007. Analysis of allotment showed that investment by the deposit money banks (DMBs) and discount houses jointly accounted for ₦33.8 billion or 29.4 per cent of the total, while the non-bank public accumulated for the balance of ₦81.3 billion or 70.6 per cent.

Holdings of treasury bills outstanding showed that the DMBs and discount houses' holdings rose by 21.0 per cent to ₦662.3 billion. Holdings by the non-bank public, however, declined by 71.13 per cent to ₦51.4 billion. Consequently, the CBN's holding rose from ₦13.9 billion in April 2007 to ₦14.0 billion in May 2007.

The CBN standing facilities constituted the hub of the new framework of monetary policy implementation, which was designed to achieve price stability by influencing the short-term interest rate. It provided financial valves for absorbing surplus funds and injecting overnight funds on a last-resort basis. Furthermore, the lending and deposit facilities provided the rates corridor within which market players,

Figure 4: Treasury Bills Holdings (N'Bbn)



	May. 06	Jun. 06	Jul 06	Aug. 06	Sept. 06	Oct. 06	Nov. 06	Dec. 06	Jan. 07	Feb. 07	Mar. 07	Apr. 07	May. 07
Banks/ D.H	653.3	541.1	548.5	552.5	558.7	561.9	561.9	520.6	501.9	515.2	538.2	547.2	662.3
CBN	10.8	35.8	30.5	20.5	18.4	15.2	15.2	33.4	22.9	20.6	16.4	13.9	14.0
Others	171.2	164.2	162.1	142.2	138.2	138.2	138.2	147.4	165.5	139.7	141	177.9	51.4
Total	835.4	741.1	741.1	715.3	715.3	715.3	715.3	701.4	690.3	675.5	695.6	739	727.7

with suitable securities were expected to trade. These facilities were fully utilized by the market players during the month. Overall, the sum of ₦3.0 billion was lent to DMBs under the lending facility in May 2007.

Cumulative overnight deposits made by deposit money banks and discount houses amounted to ₦2,273.4 billion during the month, compared with ₦1,668.7 billion in April 2007. It was, however, noted that banks that accessed the standing facilities also had credit balances at the end of the day and this could be attributable to some teething IT problems that made it impossible to determine the accurate reserve positions/balances and hence the settlement balances. Overnight special deposit/placement at the CBN amounted to ₦767.3 billion, compared with ₦1,344.9 billion in the preceding month. The deposit money banks/discount houses were remunerated at 0.1 per cent for such special deposits.

2.5 Capital Market Developments

Available data indicated that activities on the Nigerian Stock Exchange (NSE) in the month of May 2007 were mixed. The volume of traded securities rose by 6.3 per cent to 12.5 billion shares, compared with 11.8 billion shares in the preceding month, while the value of traded securities fell by 30.8 per cent to ₦96.7 billion as against ₦139.7 billion in April 2007. The banking sub-sector remained the most active on the exchange, with a trading volume of 7.9 billion shares worth ₦123.6 billion in 106,764 deals during the period. Transactions in the Federal Government and industrial loans/preference stocks, however, remained dormant during the month. Transactions on the Over-the-Counter (OTC) bond market, indicated that a turnover of 167.64 million units worth ₦179.67 billion in 1,165 deals was recorded in the review month, compared with 85.44 million units valued at ₦90.36 billion in 714 deals recorded in April 2007. The most active bond was the FGN Bond 2010 with a traded volume of 11.75 million units valued at ₦12.6 billion. In the first five months of the year, total turnover amounted to 50.6 billion shares valued at ₦572.0 billion.

In the new issues market, the 5-year ₦50.0 billion 4th FGN Bond 2012 series 5 was admitted to the Daily Official List with a coupon rate of 9.2 per cent and a subscription rate of 11 per cent. The issue was over-subscribed in excess of ₦55.4 billion. Also, a total of 10.4 billion ordinary shares of 50 kobo each of Continental Reinsurance Plc was admitted to the Daily Official List in the Insurance sub-sector by way of introduction. The shares were listed at ₦1.26 each. This brought the number of listed companies and securities to 203 and 291, respectively. Also, a total of seven supplementary listings involving five bonuses, one right issue and one staff scheme shares were listed on the exchange.

In another development, the shares of Aviation Development Co. Plc and that of Albarka Air Plc was suspended following the revocation of their operating licences by Nigerian Civil Aviation Authority (NCAA). Also, a full suspension was imposed on BHN Plc to enable the implementation of the company’s restructuring arrangement. A Technical Suspension was placed on Access Bank Plc shares following the receipts of the bank’s application to undertake supplementary public offering. Technical suspensions were also imposed on Royal Exchange Assurance (Nig) Plc and Cement Co. of Nigeria Plc on receipt of their applications to execute mergers and supplementary Right Offering, respectively. The Technical Suspensions on United Bank for Africa Plc, Oceanic Bank International Plc, Diamond Bank Plc and African Petroleum Plc were, however, lifted during the month under review.

The All-Share Index rose by 6.0 per cent to close at 49,930.19 (1984 = 100), while the total market capitalization of the 291 listed securities rose by 7.7 per cent to ₦8.4 trillion in the review month. The development was attributable largely to price gains recorded by the highly capitalized companies in the banking, insurance and food beverages and tobacco sub-sectors, quoted on the Exchange.

Following the completion of the reconstruction works and redesign of the Lagos Trading Floor, stock-brokers who had earlier been barred from using the floor, resumed activities on the Floor on Friday, May 25, 2007. The reconstructed and redesigned floor now accommodates over 200 stockbroking firms, as against 134 before its reconstruction. At the commissioning of the new floor, the Exchange announced the upward review of the trading hours by one hour. Thus, with effect from May 28, 2007, trading on The Exchange would start at 9.30 am and close at 12.30 pm.

2.6 Deposit Money Banks' Activities

Available data indicated that total assets/liabilities of deposit money banks stood at ₦7,609.8 billion in May 2007, representing an increase of 4.4 per cent over the level in the preceding month. The development was attributable largely to the rise in reserves from ₦564.9 billion in April 2007 to ₦776.3 billion, reinforced by the 9.6 per cent increase in foreign assets. Funds, which were sourced mainly from the accumulation of demand deposits and sales of government securities, were utilized largely to build reserves and extend credit to the core private sector.

Aggregate credit to the domestic economy by the DMBs amounted to N3,913.6 billion, representing a decline of 2.4 per cent from the level in the preceding month. The development was traceable largely to the 34.1 per cent fall in claims on central government during the period.

Central Bank's credit to the DMBs fell by 1.0 per cent to ₦9.8 billion, compared with the level in the preceding month. The development reflected the liquidity surfeit in the system, especially after the release of N61.9 billion excess crude oil proceeds.

Total specified liquid assets of the DMBs stood at ₦2,113.9 billion, or 46.2 per cent of their total deposit liabilities. This level of liquid assets was 26.1 percentage points lower than the preceding month's level, and 6.2 percentage points above the stipulated minimum ratio of 40.0 per cent for fiscal 2007. The loans-to-deposit ratio, at 68.1 per cent, was 11.9 percentage points below the prescribed maximum target of 80.0 per cent.

2.7 Discount Houses

Available data indicated that total assets/liabilities of the discount houses stood at ₦195.0 billion in May 2007, representing a decline of 5.7 per cent from the level in the preceding month. The decline in assets was attributable largely to the 82.7 and 35.9 per cent fall in "cash and balances with banks" and "claims on Federal Government", respectively, while the contraction in liabilities was attributable largely to the 63.3 and 32.2 per cent reduction in "borrowing" and "other liabilities", respectively, during the period. Their investments in Federal Government securities of less than 91 days maturity stood at ₦73.4 billion, representing 43.1 per cent of their total deposit liabilities. This level of investment was 19.3 and 16.9 per cent lower than the level in the preceding month, and the prescribed minimum of 60.0 per cent for fiscal 2007, respectively.

Total borrowing by discount houses was ₦0.1 billion, while their capital and reserves amounted to ₦15.0 billion, resulting in a gearing ratio of 5.9:1, compared with the prescribed maximum target of 50:1 for the year.

3.0 DOMESTIC ECONOMIC CONDITIONS

The predominant agricultural activities in May 2007 were preparation of land for transplanting of tree crops from nurseries; planting of upland rice, maize and vegetables; application of fertilizers; and harvesting of fruits. Crude oil production was estimated at 2.10 million barrels per day (mbd) or 63.0 million barrels for the month. The inflation rate for May 2007, on a year-on-year basis, was 4.6 per cent, compared with 4.2 per cent recorded in the preceding month.

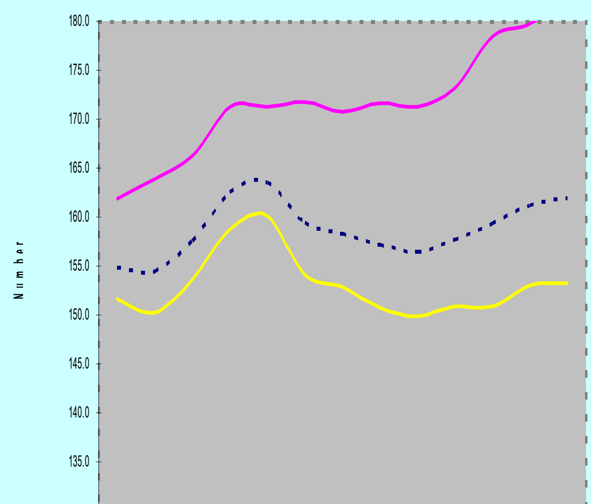
3.1 Agricultural Sector

The predominant agricultural activities during the month of May 2007 centered on the preparation of land for transplanting of tree crops from nurseries; planting of upland rice, maize and vegetables; application of fertilizers; and harvesting of fruits. In the Southern States, farmers engaged in weeding, staking of yam and harvesting of late maize, while farmers in the Northern States continued with the cultivation of various crops at the onset of rainfall.

The sum of ₦96.3 million was guaranteed to 627 farmers under the Agricultural Credit Guarantee Scheme (ACGS) during the review month, representing a decline of 78.4 and 5.8 per cent from the levels in the preceding month and the corresponding period of 2006, respectively. A sub-sectoral analysis showed that the food crop sub-sector with 458 beneficiaries, obtained the largest amount of ₦51.2 million (53.2 per cent), livestock sub-sector got ₦28.2 million (29.2 per cent) for 113 beneficiaries, while ₦11.6 million (12.0 per cent) was guaranteed to 44 beneficiaries in the fisheries sub-sector. The cash crops sub-sector got ₦3.9 million (4.1 per cent) for 10 beneficiaries, while ₦1.5 million (1.5 per cent) was granted to 2 beneficiaries in "others". Analysis of the loans guaranteed by states showed that eleven states benefited from the scheme with the highest guaranteed sum of ₦24.6 million (25.6 per cent) to farmers in Imo State, and the lowest sum of ₦0.6 million (0.6 per cent) granted to farmers in Anambra State.

Retail prices of the major staples recorded mixed trends in May 2007. Eight of the fourteen commodities monitored, namely local rice, white beans, brown beans,

Figure 5: Monthly Consumer Price Indices in Nigeria (2003=100)



	May. 06	Jun. 06	Jul. 06	Aug. 06	Sep. 06	Oct. 06	Nov. 06	Dec. 06	Jan. 07	Feb. 07	Mar. 07	Apr. 07	May. 07
Composite	154.7	154.4	157.5	162.5	163.5	159.4	158.3	157.1	156.4	157.6	159.2	161.1	161.9
Urban	161.9	163.9	166.3	171.2	171.2	171.7	170.8	171.6	171.3	173.1	178.4	179.7	182.0
Rural	151.6	150.3	153.6	158.8	160.1	154.1	152.9	150.8	149.9	150.9	150.9	153.0	153.2

millet, yellow maize, white maize, yam flour and groundnut oil recorded price declines of 2.3, 3.3, 1.5, 2.8, 3.5, 1.8, 1.4, and 1.1 per cent, respectively, from their levels in the preceding month. This was, however, moderated by the components of guinea corn, white garri, yellow garri, eggs, palm oil and vegetable oil whose prices increased by 0.3, 3.9, 3.6, 3.6, 3.2 and 1.7 per cent, respectively, during the review month.

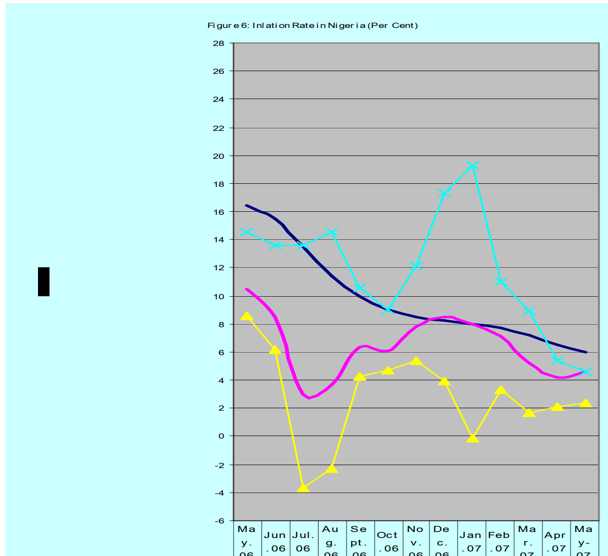
In a related development, the prices of most Nigerian major agricultural commodities at the London Commodities Market recorded increases during the review month. At 282.6 (1990=100), the all-commodities price index in dollar terms increased by 2.9 and 30.9 per cent over their levels in the preceding month and the corresponding period of 2006, respectively. Further analysis showed that five out of the six commodities monitored, namely, cocoa, coffee, copra, palm oil and soya bean recorded price increase of 2.4, 5.6, 7.8, 7.3 and 24.4 per cent, respectively, while cotton recorded a price decline of 3.7 per cent, when compared with the level in the preceding month.

In naira terms, at 3,490.1 (1990=100), the all-commodities price index rose by 2.7 and 33.1 per cent over their levels in the preceding month and the corresponding period of 2006, respectively. Further analysis showed that five out of the six commodities monitored, namely cocoa, coffee, copra, palm oil and soya bean recorded price increase of 1.9, 5.1, 7.3, 6.8 and 23.9 per cent, respectively, over their levels in the preceding month. This was, however, moderated by cotton whose price declined by 4.2 per cent, during the period.

3.2 Petroleum Sector

Nigeria's crude oil production including condensates and natural gas liquids, was estimated at 2.10 million barrels per day (mbd) or 65.1 million barrels for May 2007, compared with 2.15 mbd or 66.65 million barrels in the preceding month. Crude oil export was estimated at 1.65 mbd or 51.15 million barrels for the month, compared with 1.70 mbd or 51.0 million barrels in April, 2007. Deliveries to refineries for domestic consumption remained at 0.45 mbd or 13.80 million barrels for the month.

The average price of Nigeria's reference crude, the Bonny Light (37º API), was estimated at US$70.40 per barrel, indicating a decline of 0.1 per cent from the level in the preceding month. Similarly, the prices of other competing crudes, namely the West Texas Intermediate, the U.K Brent, the Arab Light and the Forcados fell by 0.03, 0.4, 0.7 and 0.1 per cent to US$63.67, US$67.56, US$62.43 and US$70.06, respectively, in the review month. The development was attributable to slack in demand due to refinery maintenance schedules in the United States of America.



	May. 06	Jun .06	Jul. 06	Aug. 06	Sept. 06	Oct .06	Nov. 06	Dec. 06	Jan .07	Feb .07	Mar. 07	Apr .07	May-07
Inlation 12-MMA	16	16	14	11	10	9	8.5	8.2	8	7.7	7.2	6.5	6
Inflation Yr-on-Yr	11	8.5	3	3.7	6.3	6.1	7.8	8.5	8	7.1	5.2	4.2	4.6
Food Inflation	8.6	6.2	-4	-2	4.3	4.7	5.4	3.9	-0	3.3	1.7	2.1	2.4
Core Inflation	15	14	14	15	11	9	12	17	19	11	8.90	5.4	4.6

3.3 Consumer Prices

Data from the National Bureau of Statistics (NBS) showed that the all-items composite Consumer Price Index (CPI) for May 2007 was 161.9 (May 2003=100), representing an increase of 0.5 and 4.7 per cent over the levels in the preceding month and the corresponding period of 2006, respectively. The development was attributable to the increase in the following components: miscellaneous goods & services; restaurant and hotels; education; recreation and culture; communication; transport; furnishings, housing equipment & household maintenance; housing, water, electricity, gas & other fuel; food and non alcoholic beverages; and food whose indices increased by 2.1, 3.0, 2.8, 2.1, 0.6, 6.7, 2.5, 2.5, 0.3 and 0.3 per cent, respectively. This was, however, moderated by the components of health; clothing and foot wear; and alcoholic beverages, tobacco & kola whose indices declined by 3.0, 4.0, and 0.4 per cent, respectively.

The urban all-items CPI for May 2007 stood at 182.0 (May 2003=100), representing an increase of 1.3 and 12.4 per cent over the levels in the preceding month and the corresponding period of 2006, respectively. Similarly, the rural all-items CPI for April 2007, stood at 153.2 (2003=100), indicating an increase of 0.1 and 1.1 per cent over the levels in the preceding month and the corresponding period of 2006, respectively.

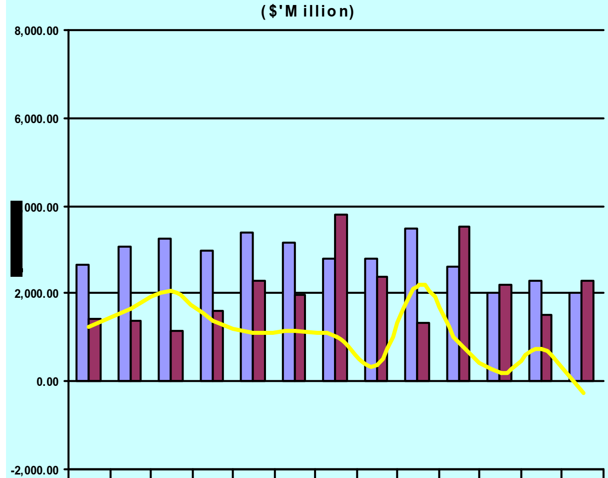
The rate of inflation for May 2007, on a year-on-year basis was 4.6 per cent, compared with 4.2 per cent in the preceding month. The rise was attributable largely to the short-lived increase in the Value Added Tax (VAT) from 5 to 10 per cent and in the pump price of fuel from ₦65 to ₦75 which raised transportation cost and prices of some food items. The inflation rate on a twelve-month moving average basis for the month under review was 6.0 per cent, compared with 6.5 per cent recorded in April 2007.

4.0 EXTERNAL SECTOR DEVELOPMENTS

4.1 Foreign Exchange Flows

Foreign exchange inflow and outflow through the CBN, amounted to US$2.04 billion and US$2.31 billion, respectively, in May 2007 compared with US$2.29 billion and US$1.54 billion, respectively, in the preceding month. This

Figure 7: Foreign Exchange Flows Through the CBN ($'Million)



	May.06	Jun.06	Jul.06	Aug.06	Sep.06	Oct.06	Nov.06	Dec.06	Jan.07	Feb.07	Mar.07	Apr.07	May-07
Inflow	2,677.39	3,050.33	3,249.12	2,991.52	3,385.70	3,160.70	2,779.33	2,787.84	3,497.86	2,632.69	2,015.66	2,289.01	2,039.14
Outflow	1,440.3	1,379.2	1,164.8	1,610.8	2,293.7	1,991.1	3,800.9	2,403.9	1,311.6	3,516.8	2,188.61	1,537.14	2,313.47
Netflow	1,237.1	1,671.2	2,084.3	1,380.7	1,092.0	1,169.7	1,021.6	384.0	2,186.3	884.2	172.95	751.87	-274.33

Months

resulted in a net outflow of US$0.27 billion, as against a net inflow of US$0.75 billion in April 2007. Inflow declined by 10.9 per cent relative to the preceding month's level, while outflow rose by 50 per cent over the preceding month's level. The fall in inflow was attributable to the decline in oil receipts and autonomous sources, while the increase in outflow was traceable to the increase in the sales of forex in the WDAS, external debt service, other official payments and autonomous sources during the period.

Available data on aggregate foreign exchange flows through the economy in May 2007 showed that total inflow declined by 6.2 per cent to US$3.86 billion. Oil sector receipts, which accounted for 46.9 per cent of the total, fell by 11.0 per cent to US$1.81 billion from the level in the preceding month. Also, non-oil public sector inflows and autonomous inflow declined by 9.9 and 0.4 per cent to US$0.22 billion and US$1.82 billion, respectively, and accounted for 5.9 and 47.1 per cent of the total inflows.

At US$2.34 billion, aggregate foreign exchange outflow from the economy increased by 49.8 per cent over the preceding month's level, reflecting the 83.6, 56.5, 16.9 and 4.1 per cent rise in DAS utilisation, external debt service, other official payments and autonomous sources, respectively.

4.2 Non-Oil Export Proceeds by top 100 Exporters

Non-oil export earnings by Nigeria's top 100 exporters amounted to US$102.60 million in May 2007, indicating a decline of 12.5 per cent from the preceding month's level.

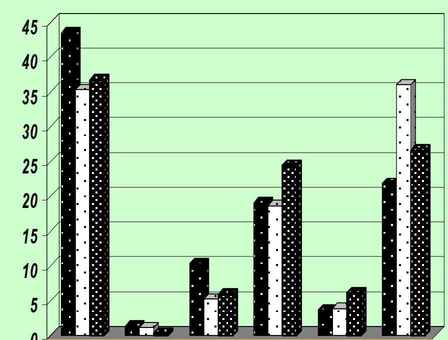
Analysis of the proceeds showed that proceeds in respect of the agricultural and 'others' sub-sectors fell by 55.4 and 18.8 per cent to US$27.82 million and US$12.21 million, respectively, in the review month. The proceeds in respect of manufacturing sub-sector, however, rose by 55.7 per cent over the level in the preceding month to US$62.00 million.

The decline in non-oil export proceeds was attributable largely to the variations in world commodity prices at the International Commodities Market. The agricultural sector accounted for 27.1 per cent of the total non-oil export proceeds during the month, as against 53.2 per cent in the preceding month while the manufacturing sub-sector accounted for 60.4 per cent, compared with 34.0 per cent in the preceding month. The share of "others" sub-sector declined from 12.8 per cent to 11.9 per cent. The top 100 exporters accounted for 99.4 per cent of all the non-oil export proceeds in May, 2007.

4.3 Sectoral Utilisation of Foreign Exchange

The invisibles sector accounted for 36.0 per cent of the total foreign exchange disbursed in May 2007, followed by the industrial sector which accounted for 35.3 per cent. Other beneficiary sectors in a descending order, included: general

Figure 8:Sectoral Utilization of Foreign Exchange (Percentage of Total)



	Industrial	Agricultural	Foods	G/Merchandise	Transport	Invisibles
May. 06	43.5	1.4	10.4	19.1	3.7	21.9
May. 07	35.3	1.2	5.3	18.7	3.9	36
Apr. 07	36.7	0.3	5.9	24.4	6.1	26.6

merchandise sector (18.7 per cent), food (5.8 per cent), transport (3.9 per cent), and agricultural products (1.2 per cent) (Fig.8).

4.4 Foreign Exchange Market Developments

The demand pressure in the foreign exchange market moderated in May 2007, as foreign exchange sales by the CBN to authorized dealers amounted to US$1.28 billion, representing an increase of 92.5 per cent over the level in the preceding month. The development was attributable to the bid to pay for oil blocks by some companies, coupled with lull in activities at the inter-bank foreign exchange market. The weighted average exchange rate of the Naira vis-à-vis the US dollar appreciated from ₦127.98 per dollar in April to ₦127.56 per dollar in May 2007. In the bureaux de change segment of the market, the rate, however, depreciated marginally from ₦129.00 per dollar in April to ₦129.16 per dollar in May 2007.

Consequently, the premium between the official and bureaux de change rates widened from 0.8 per cent in the preceding month to 1.3 per cent.

4.5 External Reserves

Available data showed that Nigeria's gross external reserves at end-May 2007 stood at US$43.13 billion, representing a decline of 0.9 per cent from the level of US$43.53 billion recorded in the preceding month. When compared with the level at end-may, 2006, it rose by 26.6 per cent. At the current rate of foreign exchange commitments, the level of reserves could finance about 19.6 months of current foreign exchange disbursement, compared with 20.1 months in April 2007.

5.0 OTHER INTERNATIONAL ECONOMIC DEVELOPMENTS

World crude oil output in May 2007 was estimated at 84.33 million barrels per day (mbd), while demand was estimated at 84.00 mbd, compared with 84.90 mbd and 84.40 mbd, respectively, in the preceding month, indicating an excess supply of 0.33 mbd. The fall in demand was attributable to refinery outages and maintenance schedules in United States.

Other major international economic developments of relevance to the domestic economy during the month included: the meetings of the West African Monetary Zone held in Abuja, Nigeria from May 7 - 10, 2007. The meetings were attended by all member countries namely, The Gambia, Ghana, Guinea, Nigeria and Sierra Leone; ECOWAS Commission and West African Monetary Institute (WAMI). Also present were the following observers: Liberia, West African Institute for Financial and Economic Management (WAIFEM), West African Monetary Authority (WAMA), West African Bankers Association (WABA), West African Central Bank (BCEAO), International Monetary Fund (IMF), African Development (AfDB), West African Economic and Monetary Union (UEMOA), AU Commission and the African Business Roundtable. The meetings began with the 23rd Meeting of the Technical Committee of the West African Monetary Zone from May 7-8, 2007. Issues discussed at the Technical Committee meeting included: Quoting and Trading in WAMZ currencies, Cheque Standardization and Automation, Single Economic Space and Prosperity Agreement as well as Payments System Statute. The Committee of Governors Meeting was held after the Technical Committee meeting on May 9, 2007. The Governors considered the report of the Technical Committee which indicated that countries were on course for the December 2009 launch of the monetary union, especially The Gambia and Nigeria who had met the four primary convergence criteria. The Governors expressed their desire to deepen institutional and structural reforms to sustain the momentum, while emphasizing the importance of trade liberalisation, elimination of barriers, and domestication of relevant legislations as key building blocks for a credible monetary union.

The Convergence Council Meeting was held on May 10, 2007. The recommendations by the Committee of Governors which were adopted by the Convergence Council included the following:

- The adoption of Fiscal Responsibility Act by member countries as a strategy to ensure fiscal prudence.
- Countries should demonstrate their commitment to the WAMZ project in particular, the ratification and domestication of WAMZ statutes into national laws and the payment of all outstanding financial obligations. Nigeria and Ghana should endeavour to ratify the WAMZ statutes quickly because of their unique position in the regional integration.
- The quoting and trading of WAMZ currencies should be adopted. However, the scheme should be purely private sector driven without the involvement of the central banks. Furthermore, all the vestiges of exchange control should be abolished from the statute books of member countries. Central banks were enjoined to provide the macroeconomic environment necessary for a stable exchange rate regime.
- The Committee recommended the adoption of the WAMZ Cheque Standard and the Automated Cheque Processing Standard (ACP) as a model for the member countries.
- The National Sensitization Committees should engage WAMZ stakeholders, particularly, the parliamentarians, captains of industry, civil society groups and the general public. National sensitisation infrastructure should be reviewed for effective communication of WAMZ activities, and terms of reference provided to incorporate clear activities and timelines.

In another development, the G7/8 Finance Ministers met on May 19, 2007 to discuss global economic issues in preparation for the Summit of the G8 Heads of State and Government coming up on June 6-8, 2007 at Heiligendamm, Germany. The following were the highlights of the meeting:

- The Ministers noted that global growth remained robust and was more balanced across regions and within their countries. Risks for the outlook had abated, but high and volatile energy prices remained a concern.
- The Ministers noted that all participants have the responsibility to ensure a successful outcome of the Doha Development Round. They remained committed to resisting protectionist sentiment while noting that all countries have the responsibility for ensuring that Aid for Trade will help secure the full benefits of trade for developing countries.
- The Finance Ministers of Cameroon, Ghana, Mozambique, Nigeria and South Africa and the President of the African Development Bank (AfDB) were reminded of the importance of good financial governance in Africa in achieving the Millennium Development Goals. The G8 Action Plan for Good Financial Governance in Africa strongly support efforts to

increase the effectiveness and efficiency of public financial management in Africa, including capacity building with special attention to particular needs of post-conflict and fragile states.

- The Ministers encouraged the use of the debt sustainability framework by all borrowers and creditors in their decisions, and further lent their support to the development of a charter for responsible lending.
- They endorsed the "G8 Action Plan for Developing Local Bond Markets in Emerging Market Economies and Developing Countries" which is aimed at fostering growth and financial stability. The plan identifies measures in several areas where further progress should be made.
- They also welcomed the Financial Stability Forum's (FSF) update of its 2000 Report on Highly Leveraged Institutions and supported its recommendations. The global hedge fund industry should review and enhance existing sound practices benchmarks for hedge fund managers, in particular in the areas of risk management, valuations and disclosure to investors and counterparties in the light of expectations for improved practices set out by the official and private sectors.
- In order to ensure energy security and address climate change, the Ministers considered energy efficiency and the promotion of energy diversification, including advance energy technologies such as renewable, nuclear, and clean coal, to be important.
- They expressed their commitment to fighting money laundering, terrorist financing and other illicit financing involving similar risks to the stability and integrity of the financial markets. The Financial Action Task Force (FATF) were asked to examine the risks involved in weapons of mass destruction proliferation finance.

In a related development, the Inter-Ministerial Meeting on the Group of Eight Developing Countries' (D-8) was held on May 21, 2007 at the Federal Ministry of Science and Technology (FMST), Abuja. In attendance were representatives of various ministries and government agencies. The meeting was convened to review developments that had taken place since the 5th D-8 Summit and articulate Nigeria's position on current issues. The highlights of the meeting were as follows:

- On the discussion of the 3rd Working Group Meeting on Energy held in Indonesia in July 2006, member countries were advised to provide adequate information and carry out reforms in the field of energy; develop alternative sources of energy to assist each other; develop uniform database on energy for member countries; design adequate and comprehensive training programmes to build capacity in member countries and ensure the participation of the private sector in the development of energy.
- It was reported that the agreement on the simplification of visa procedures had been signed, and what should be done next was the domestication of the agreement.
- At the 22nd Session of the D-8 Commission held in November, 2006 in Jakarta, Indonesia it was

agreed that member countries should step up actions in capacity building programmes in various fields of development cooperation to assist member countries in areas which each member has comparative advantage.

- The Committee studied Nigeria's microfinance policy which aims at poverty reduction through provision of credit, economic growth, employment generation, savings mobilization in the rural areas and crime reduction. They therefore reiterated the need to intensify microfinance sensitization /mobilization programme in Nigeria and admonished prospective microfinance customers to "think big but start small".
- A sub-committee was constituted to prepare Nigeria's capacity building programme. The terms of reference of the Sub-committee included preparation of Nigeria's capacity building programme for onward delivery to the D-8 Secretariat in Turkey and incorporation of the views of other stakeholders. The Central Bank of Nigeria is the Chair of the sub-committee. The Sub-committee was directed to produce its report by end-August, 2007.

The 42nd Annual Meetings of the Board of Governors of the African Development Bank (AfDB) Group and the 33rd Annual Meetings of the Board of Governors of the African Development Fund (ADF) were held from May 16 -17, 2007 in Shanghai, China. Over 2,500 top government officials, business leaders, representatives of Non-Governmental Organizations (NGOs), civil society, members of the academic community and the media participated at the Annual Meetings which were preceded by three days of symposiums and seminars on a host of topical economic, trade, social and environmental issues.

The following were the major highlights of the meetings:

- The meeting approved the selection of KPM (France) as external auditors of the Bank and the Fund for the financial year 2007 through 2011.
- The Annual Reports of the three loan windows of the Group and statements for the financial year ended 31 December 2006 were adopted.
- 14 persons from the member countries were elected to fill slots of members who were leaving the Bank's 18-person Board of Directors.
- The meeting also approved the report of the Governors Consultative Committee (GCC) extending the temporary relocation of the Bank Group's operations to Tunis for 12 months with effect from 3 June 2007 and reaffirmed that "the headquarters of the Bank shall remain in Abidjan, Cote d'Ivoire".
- Three reports were launched namely: 'The African Economic Outlook 2006', the 'African Competitiveness Report, 2007' and results of research on 'Consumption and Price Levels in African Countries'.
- The Bank Group's balance sheet and operations in 2006 were also presented. All three windows of the institution reported a combined income of US$372.5 million with the ADB window accounting for a gross income of US$291 million in fiscal 2006.
- The Bank continued to enjoy the highest possible ratings from all the

rating agencies that reaffirmed triple AAA and AA+ rating for the Bank's senior and sub-ordinated debt, respectively.

- The meetings observed that the outlook for Africa remained positive with 31 countries growing at a rate above that of population increase, half of them above 5 per cent while nine others were growing above 7 per cent. Post-conflict countries like Liberia, Central African Republic, DRC and Burundi, were reported to be recovering.
- An agreement was signed with South Africa for the country's accession to the African Development Fund (ADF). Other agreements were signed with Côte d'Ivoire, Cameroon and Djibouti granting each of them US$ 500,000 to help finance national efforts against Avian Flu.
- The Bank also signed an agreement worth US$497,528 with Sao Tome and Principe, as well as with Burkina Faso for 88,859,888 Yen to support poverty reduction efforts in these countries.
- The Board of Governors resolved to hold the next Annual Meetings of the Bank Group in Maputo, Mozambique, on 14-15 May 2008.

In another development, the World Bank's Global Development Finance 2007 report which was launched in May 2007 stated that 2006 was a good year for private capital flows to developing countries. According to the report, flows reached a record of $647 billion in 2006 with Nigeria receiving US$7 billion. In GDP terms, developing countries grew by 7.3 per cent, while worldwide growth was 4 per cent.

The report further showed that the shift from sovereign to private borrowers is altering the conventional assessment of risks, and while the outlook was robust, there was some concern about cyclical factors that could cause higher borrowing spreads and risks for developing countries. Corporations in emerging markets were raising large sums of capital and their surging participation in global finance is the defining feature of capital flows to developing countries. Access to global capital markets allows these corporations to diversify their sources of funds, improve risk management, borrow at longer maturities, and reduce their cost of capital.

The Global Development Finance report also stated that emerging Europe attracted an increasing share of the overall flows and equity financing grew much faster than debt; and that despite commitments made by donors, aid flows were disappointing and the shift from official to private sources of finance continued. Equity flows exceeded $400 billion in 2006, accounting for almost three-quarters of capital flows, up from two-thirds in 2004, the report stated. Strong gains were recorded in both portfolio equity and foreign direct investment (FDI) in emerging markets and other developing countries. A wave of cross-border mergers and acquisitions boosted FDI flows to developing countries in 2006 to a new high of $325 billion, roughly one-fourth of worldwide flows of $1.2 trillion.

In 2006, private and state-owned corporations in developing countries raised $333 billion through syndicated bank loans and international bond issuance which rose sharply from $88 billion in 2002. Regionally, firms from emerging Europe and Central Asia stood out with debt expanding by $135 billion in 2006.

Financial corporations, particularly banks from India, Kazakhstan, the Russian Federation and Turkey were at the forefront of this apparent foreign credit boom. According to the report, this new landscape for development finance, particularly the shift from sovereign to private borrowers alters the conventional assessment of risks, and would likely have important implications for growth and financial stability.

The finance report claimed that in addition to benefiting from another year of strong growth and high commodity prices, low-income countries' ability to access private debt markets has been boosted by recent major international debt-relief initiatives that have cut their debt burdens and improved their creditworthiness. Several countries bought back large amounts of outstanding debt and refinanced existing debt by issuing longer maturities on more favorable terms. A handful of countries led by Algeria, Nigeria and Russia, repaid their external debt to official creditors.

Finally, appraising the World Bank Group under the leadership of the outgoing President, Mr. Paul Wolfowitz (June 1, 2005 –June 30, 2007), the following achievements were recorded based on the Global Development Finance Report:

- High levels of support were provided in 2006 to the poorest countries of the world including the provision of $9.5 billion through the International Development Association (IDA); the Multilateral Debt Relief Initiative completed; and cancellation of $38 billion of debt owed by the HIPC countries to IDA.
- Also in 2006, part of the Bank Group income $950 million, was transferred to IDA, including the first-ever transfer from the International Finance Corporation (IFC) to IDA. The quantity of resources available to the poorest countries has been increased through IDA.
- The Bank helped developing countries, including Nigeria strengthen systems of governance and supported their efforts to fight corruption and to recover stolen assets.
- In the last 18 months, the Bank approved over $360 million in assistance for anti-malaria programs, compared with $50 million in the first five years of this decade.
- The Bank helped lead successful donor conferences for many post-conflict countries including Afghanistan, Lebanon and Liberia.
- The International Finance Corporation which works with the private sector has been setting impressive records, including $8 billion in new commitments. The IFC through the “Doing Business” report is helping developing countries identify the obstacles to private sector growth.
- The Bank also supported the interest of the developed countries to mobilize global resources for common purposes, such as containing the spread of Avian flu, and preserving the planet’s environmental heritage, as it is doing in Brazil and the DR Congo, by supporting Amazon Basin and Congo River Basin initiatives.
- The Bank developed the Clean Energy Investment Framework. The framework enables the world mobilize resources to diversify energy sources, reduce carbon emissions, avoid deforestation and

help countries deal with the effects of climate change. The World Bank Group continues to be in a unique position to facilitate investment flows. The Global Environment Facility and the Clean Energy Investment Framework form the foundation on which the Bank Group can build.

- Under Mr. Wolfowitz, two African women were appointed as Vice-Presidents in key positions including Dr. (Mrs.) O. Ezekwesili, former Nigerian Federal Minister of Education as Vice President, African Region.
- In the month of April, the Bank delivered nearly $1 billion of support for Africa, an innovative new strategy for the Bank work in the health sector, and a strategy for Bank Group support for financial sector work in developing countries, among others.

TABLE 1
MONETARY AND CREDIT DEVELOPMENTS
(=N=Million)

		MAY 2007	APRIL 2007	MARCH 2007	DECEMBER 2006	CHANGE BETWEEN (1&2)		CHANGE BETWEEN (2&3)		CHANGE BETWEEN (1&4)	
		(1)	(2)	(3)	(4)	ABSOLUTE	PER CENT	ABSOLUTE	PER CENT	ABSOLUTE	PER CENT
1	Domestic Credit	685,025.80	461,894.70	273,599.40	753,808.20	223,131.1	48.3	188,295.3	68.8	(68,782.4)	(9.1)
(a)	Claims on Federal Government (Net)	(2,729,389.10)	(2,726,202.60)	(2,730,183.20)	(1,812,021.80)	(3,186.5)	(0.1)	3,980.6	0.1	(917,367.3)	(50.6)
	By Central Bank (Net)	(3,295,495.40)	(3,585,162.80)	(3,312,619.40)	(2,796,026.90)	289,667.4	8.1	(272,543.4)	(8.2)	(499,468.5)	(17.9)
	By Banks (Net)	566,106.30	858,960.20	582,436.20	984,005.10	(292,853.9)	(34.1)	276,524.0	47.5	(417,898.8)	(42.5)
(b)	Claims on Private Sector	3,414,414.90	3,188,097.20	3,003,782.60	2,565,830.00	226,317.7	7.1	184,314.6	6.1	848,584.9	33.1
	By Central Bank	66,896.60	38,574.20	39,329.00	41,532.10	28,322.4	73.4	(754.8)	(1.9)	25,364.5	61.1
	By Banks	3,347,518.30	3,149,523.00	2,964,453.60	2,524,297.90	197,995.3	6.3	185,069.4	6.2	823,220.4	32.6
(i)	Claims on State and Local Governments	37,076.50	49,030.60	58,991.30	62,196.10	(11,954.1)	(24.4)	(9,960.7)	(16.9)	(25,119.6)	(40.4)
	By Central Bank	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0
	By Banks	37,076.50	49,030.60	58,991.30	62,196.10	(11,954.1)	(24.4)	(9,960.7)	(16.9)	(25,119.6)	(40.4)
(ii)	Claims on Non-Financial Public Enterprises	13,249.40	13,249.40	13,249.40	13,249.40	0.0	0.0	0.0	0.0	0.0	0.0
	By Central Bank	13,249.40	13,249.40	13,249.40	13,249.40	0.0	0.0	0.0	0.0	0.0	0.0
	By Banks	-	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0
(iii)	Claims on Other Private Sector	3,364,089.00	3,125,817.20	2,931,541.90	2,490,384.50	238,271.8	7.6	194,275.3	6.6	873,704.5	35.1
	By Central Bank	53,647.20	25,324.80	26,079.60	28,282.70	28,322.4	111.8	(754.8)	(2.9)	25,364.5	89.7
	By Banks	3,310,441.80	3,100,492.40	2,905,462.30	2,462,101.80	209,949.4	6.8	195,030.1	6.7	848,340.0	34.5
2	Foreign Assets (Net)	7,360,033.80	7,107,156.40	7,026,114.50	6,219,007.70	252,877.4	3.6	81,041.9	1.2	1,141,026.1	18.3
	By Central Bank	6,592,064.60	6,423,197.20	6,398,558.90	5,617,317.60	168,867.4	2.6	24,638.3	0.4	974,747.0	17.4
	By Banks	767,969.20	683,959.20	627,555.60	601,690.10	84,010.0	12.3	56,403.6	9.0	166,279.1	27.6
3	Other Assets (Net)	(3,995,404.90)	(3,608,744.10)	(3,301,617.70)	(3,298,174.00)	(386,660.80)	(10.71)	(307,126.4)	(9.3)	-697,230.9	-21.1
	Total Monetary Assets (M_2)	4,049,654.70	3,960,307.00	3,998,096.20	3,674,641.90	89,347.7	2.3	(37,789.2)	(0.9)	375,012.8	10.2
	Quasi - Money 1/	2,085,251.60	1,978,319.20	1,969,714.60	1,739,636.90	106,932.4	5.4	8,604.6	0.4	345,614.7	19.9
	Money Supply (M_1)	1,964,403.00	1,981,987.80	2,028,381.60	1,935,005.00	(17,584.8)	(0.9)	(46,393.8)	(2.3)	29,398.0	1.5
	Currency Outside Banks	568,095.80	620,273.50	603,519.30	690,841.50	(52,177.7)	(8.4)	16,754.2	2.8	(122,745.7)	(17.8)
	Demand Deposits 2/	1,396,307.20	1,361,714.30	1,424,862.20	1,244,163.50	34,592.9	2.5	(63,147.9)	(4.4)	152,143.7	12.2
	Total Monetary Liabilities	4,049,654.70	3,960,307.00	3,998,096.20	3,674,641.90	89,347.7	2.3	(37,789.2)	(0.9)	375,012.8	10.2

Notes:

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

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

3/ Provisional.