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Enquiries: research@sec.gov.ng
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A. ANALYSIS OF RECENT ECONOMIC/FINANCIAL DEVELOPMENTS

News/Development	Relevance/Implications
 **Nigeria's GDP grew by 1.4% in Q3, 2017** The National Bureau of Statistics (NBS), on Monday, 20th November 2017, released the Q3 2017 Gross Domestic Product (GDP) report. According to the report, the nation's Gross Domestic Product (GDP) grew in Q3 2017 by 1.40% (year-on-year) in real terms, the second consecutive positive growth since the exit of the economy from recession in Q2 2017. This growth is 3.74% points higher than the rate recorded in the corresponding quarter of 2016 (-2.34%) and higher by 0.68% points from the rate recorded in the preceding quarter, which was revised to 0.72% from 0.55% (Q2 was revised following revisions by NNPC to oil output and hence led to revisions to Oil GDP) . Growth was primarily driven by improvements in the country's oil sector. Relative calm in the Niger-Delta region has allowed producers in the country to ramp up domestic production. Average Oil output increased to 2.03mbpd in Q3 from 1.82mbpd in Q2. Real growth of the oil sector stood at 25.89% (y-o-y) from 3.53% in Q2. The sector accounted for 10.04% of GDP, compared to 9.04% in Q2. Meanwhile the non-oil sector contracted by 0.76% in real terms. The biggest decliners were, Transportation (-6.25%), Finance & Insurance (-5.96%), Telecoms (-5.68%) while other gainers were Agriculture (3.06%) and Construction (0.46%).	*This is fantastic news for Nigeria as it marks the second consecutive positive growth in the GDP after its exit from recession. With the economy turning to a positive trajectory, it is expected that the tightened financial conditions in the economy will ease off thereby raising average income, increasing investment and employment rates as well as enhancing profitability of firms. However, with 7 out of 10 biggest non-oil sectors recording negative growth, this leaves Nigeria's economic growth still dependent on its oil sector and raises concerns about sustainability. It is essential to intensify efforts, going forward, to implement the ERGP, the 2017 budget and to ensure quick passage of the 2018 appropriation bill to achieve desired outcome, including sustained inclusive growth, further diversification of the economy, job creation and improved business conditions.*
 **The Monetary Policy Committee (MPC) keeps Monetary Policy Rate at 14% as Inflation slows further to 15.91%** The Monetary Policy Committee(MPC), at a meeting held on 20th and 21st November 2017, retained the Monetary Policy Rate(MPR) at 14% alongside other policy parameters for the 8th consecutive time. The MPC voted to retain the MPR at 14.0 per cent, the CRR at 22.5 per cent, the Liquidity Ratio at 30.0 per cent as well as the Asymmetric corridor at +200 and -500 basis points around the MPR. The Committee argued that fact that key variables have continued to improve in line with the current stance of macroeconomic policy and should be allowed to fully manifest.This is coming at a time when Inflation declines further for the ninth consecutive time to 15.91% year-on-year as reported by the NBS on Wednesday, 15th November, 2017. This signifies 0.07 percentage points as against the rate recorded in September 2017. On a month-on-month basis, the Headline index increased by 0.76 percent in October 2017, 0.02 percent points lower from the rate of 0.78 percent recorded in September.	*Although the MPC believes that holding the rate would allow key variables to fully evolve in line with the current macroeconomic condition, loosening the MPR could strengthen growth and stimulate aggregate demand especially in the non-oil sector of the economy. This is especially at a time when Inflation has been moderating consistently. The outlook is for the CBN to lower interest rate and this is expected to boost investment in the equities market and ease companies'access to finance.*

Do you know?
The Nigerian Capital Market Development Fund (NCMDF) was incorporated on 7th August, 2017 and launched on 30th October, 2017 with a take-off grant of five billion naira. The mandate of the fund is to provide funding for the Nigerian Capital Market's developmental initiatives that will spur growth of the Market and the Nigerian economy. The NCMDF, among other responsibilities is also expected to initiate and carry out plans and programmes aimed at the development of the capital market, generate and provide funds for financing of market development programmes, facilitate the introduction of new products aimed at deepening the market; and also undertake and sponsor research and scholarly projects aimed at advancing knowledge and understanding of the capital market.

B. PERFORMANCE OF SELECTED ECONOMIC INDICATORS

The Nigerian Stock Exchange (NSE) All Share Index closed at 36,703.6, a decline of 1.63% Week-to-Date. The index gained 4.0% Month-to-Date, 36.6% Year-to-Date and 43.4% Year-on-Year. Consequently, the equities market capitalisation at the end of the week closed at N12.8trn, gaining 4.95%, 39.5% and 45% Month-to-Date, Year-to-Date and Year-on-Year respectively but losing 1.08% Week-to-Date.

In the unlisted securities market, the USI ended the week at 603.3 points losing 1.6% by the end of the week, 2.5% by the end of the year and 1.50% Year-on-Year. On the other hand, it gained 0.55% by the end of the month. In the same vein, the USI market capitalization ended the week at N408.3bn rising by 0.55% Month-to-Date but falling by 1.6%, 2.51% and 1.50% Week-to-Date, Year-to-Date and Year-on-Year respectively. Given the data available, the Net Asset Value of Collective Investment Schemes stood at N393.3bn at the end of the period; representing a gain of 3.2% WTD, 7.0% MTD, 75.9% YTD and 82.6% YoY.

In the Money Market, the Over Night and Open Buy Back rates both ended the week higher at 27.7% and 26.7% increasing by 7.9 and 8.8 percentage points respectively. This could be attributed to the Treasury bills auction of about 120 billion dollars by the Central Bank of Nigeria.

In the commodities market, Crude oil price fell by 0.7% to close at $62.7bn during the week. This could be linked by an unexpected rise in U.S Shale production and uncertainty in global demands. It gained 12% during the month, 13.1% during the year and 34.9% in the last one year. As the week ended, Gold, wheat, corn and cotton gained by 1.38%, 0.1%, 3.7% and 0.6% respectively while cocoa fell by 3.3%. Year-to-Date, prices of Cocoa, corn and Cotton fell while wheat gained by 9%.

The parallel exchange rate finished the week at N366/US$ strengthening by 33.9% and 27% YTD and YOY respectively with little reduction of 0.82% and 0.55% in the WTD and MTD respectively. The interbank rate closed at N305.95/US$ gaining 0.016% WTD but losing 0.082%, 0.31% and 0.1% MTD, YTD and YoY. Data released by the Central Bank of Nigeria showed the country's external reserve at $34.4bn at the end of the week, gaining 0.2%, 4.9% and 31.5% in the week, month and year respectively. This could be explained by the relative stability in the price of crude oil in the international market. The S&P500 index finished the week higher at 2,575.9, falling by 0.3% week to date.

Market	Indicator	Value* @ 17-Nov-17	WTD (%)	MTD (%)	YTD (%)	YoY (%)
Equities (NSE)	All Share Index (ASI)	36,703.6	-1.631	4.0	36.6	43.4
	Market Capitalisation (N'tn)	12.8	-1.08	4.95	39.5	45.0
Unlisted (NASD)	Unlisted Securities Index (USI)	603.3	-1.6	0.55	-2.5	-1.50
	Market Capitalisation (N'bn)	408.3	-1.6	0.55	-2.51	-1.5
Collective Investment	Net Asset Value (N'bn)	393.3	3.2	7.0	75.9	82.6
Money	O/N (%)	27.7	7.9	16.1	18.9	14.6
	OBB (%)	26.7	8.8	15.8	18.4	14.3
Commodities	Crude Oil ($/b)	62.7	-0.7	12.0	13.1	34.9
	Gold($/t oz)	1,296.5	1.38	1.7	11.6	6.5
	Cocoa($/mt)	2,140.0	-3.3	2.8	-1.2	-11.5
	Wheat($/bu)	4.4	0.1	-1.0	9.0	5.6
	Corn($/bu)	3.6	3.7	1.6	-0.3	1.5
	Cotton($/lb)	69.4	0.6	2.7	-3.4	-4.4
External	Interbank Ex-rt (N/US$)	305.95	0.016	-0.082	-0.31	-0.1
	Parallel Ex-rt (N/US$)	366	-0.82	-0.55	33.9	27.0
	External Reserves ($'bn)	34.4	0.2	4.9	31.5	41.4
	S&P 500	2,575.9	-0.3	1.628	14.1	17.8