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A. ANALYSIS OF RECENT ECONOMIC/FINANCIAL DEVELOPMENTS

News/Development	Relevance/Implications
 **Capital Importation Hits $4.14bn High Last Recorded in 2015.** As the economy persists to recover from recession, capital importation in Q3 2017 records a significant increase of $4.145.1million compared to the last few quarters representing an increased value of 147.5% on a year on year basis. The National Bureau of Statistics (NBS) in a report released on Monday, 4th December 2017 said the investment inflow in the third quarter was a significant improvement over the $1.79bn and $908.26m recorded in the second and first quarters respectively. This capital inflow of over $4,000 million in a quarter is the first time since 2015. The boom was mainly driven by significant growth in portfolio investment at $2.76bn constituting 67% of the total amount expanding at a year-on-year growth rate of 200.7% and other investment. Capital import in the form of equity recorded $117.5m and remained the majority of total FDI in the third quarter of 2017, while other capital fell from $0.3m to $0.13m from the second to the third quarter. So far, a total investment of $6.85bn has been attracted into the economy this year.	*This development will bring about tremendous development in the manufacturing sector whereby raising the Purchasing Managers Index above the 50 points threshold. In terms of contribution, Foreign Portfolio Investment (FPI) is responsible for most of the inflow in the country. Where Foreign Direct Investment (FDI) represents real long-term investment, the FPI is well thought-out as empirically fluctuating capital therefore; changing capital importation in favour of FDI in key sectors will pave way for faster growth. Implicatively, any occurrence of severe oil price shock would negatively impact foreign investments. Oil sector investments are capital intensive and so the multiplier effect on job opportunities is hardly significant as the oil sector, which accounts for about 10 per cent of the country's GDP, employs less than five per cent of the labour force.*
 **OPEC Maintains Cut To 2018 Ending** The 173rd Meeting of the Conference of the Organization of the Petroleum Exporting Countries (OPEC) was held in Vienna, Austria, on Thursday, 30 November 2017 where it took note of oil market developments since it last met on 25 May 2017. OPEC reviewed the oil market outlook for the remainder of 2017 and 2018 and global economic growth since May with oil demand growth now standing above 1.5mbpd for both 2017 and 2018. Nigeria and Libya are to join the deal to cut global oil production. Considering the decisions taken at its 171st and 172nd Meetings, the Conference decided to amend its production adjustments to take effect for the whole year of 2018 while assuring full and timely conformity.	*This will further drive the Nigerian system towards diversifying the productive base of the economy and reduce concentration on the oil sector in a bid to finance its budget. With the oil price cut reinstated to 1.8mbpd, this will negatively impact the 2018 budget proposal which is based on production at 2.3mbpd which may operate at a higher deficit.*

Do you know?

Securities and Exchange Commission (SEC) in February 1993 stopped vetting prospectus which became the preserve of the NSE and also pricing of new issues in line with the on-going deregulation of the market which was determined by President Ibrahim Babangida in an NSE Annual General Meeting relegating the task to issuing houses assisted by stock brokers. This was followed by an executive pronouncement directing the SEC board to include representatives of the Nigerian Stock Exchange (NSE) inorder to improve communication and expertise within the capital market.

B. PERFORMANCE OF SELECTED ECONOMIC INDICATORS

The NSE All Share Index closed the week ended 30th November, 2017 at 37,944.6 points, rising by1.863% week-to-date, 7.5% month-to-date, 41.2% year-to-date and 50.3% year-on-year. Similarly, the equities market capitalisation ended the week at N13.2 trillion growing by 1.86% week-to-date, 8.57% month-to-date, 44.3% year-to-date and 52.1% year-on-year.

In the Unlisted Securities Market, the USI ended the week lower by 0.2% concluding the week at 600.0 points. The index also lost 0.01% MTD, 3% YTD and 6.25% YoY. In view of that, the USI market capitalization completed the week at N406.0bn declining by 0.2% WTD, 0.01% MTD, 3.05% YTD and 0.7% YoY. Accessible data showed the net asset value of Collective Investment Schemes which stood at N402.5bn at the end of the period under check indicating a growth by 1.8% WTD, 9.5% MTD, 80.1% YTD and 89.4% YoY.

In the money market, the Open Buy Back (OBB) and Over Night (ON) rates both finished the week lower at 25.8% and 29.1% declining by 6.7 and 6.3 percentage points in that order.

In the products market, the black gold fell by 0.6% to close at $63.5pb during the week but gained 13.3% from the beginning of the month, 14.4% from the beginning of the year and 25.7% in the last one year. In the last one year, Gold gained by 8.8%, Wheat by 9.6%, Corn by 3.2%, Cotton by 2.1% but Cocoa fell by 14.6%.

The parallel exchange rate concluded the week at N364/US$ going flat week to date and month to date but gaining 34.6% year to date and 31.9% year on year. consequently, the interbank exchange rate finished the week at N306/US$ losing 0.065%, 0.098%, 0.33% and 0.3% week to date, month to date, year to date and year on year respectively. Obtainable data provided by the Central Bank of Nigeria (CBN) reveals the country's external reserve at $34.8bn as the week ended, gaining 0.5% Week-to-Date, 6.3% Month-to-Date, 33.4% Year-to-Date and by 40.8% Year-on-Year. The Standard & Poor's 500 index ended the week higher by 1.6% from the beginning of the week, 4.247% from the beginning of the month, 17% from the beginning of the year and 20.2% in the last one year.

Market	Indicator	Value* @ 30-Nov-17	WTD (%)	MTD (%)	YTD (%)	YoY (%)
Equities (NSE)	All Share Index (ASI)	37,944.6	1.863	7.5	41.2	50.3
	Market Capitalisation (N'tn)	13.2	1.86	8.57	44.3	52.1
Unlisted (NASD)	Unlisted Securities Index (USI)	600.0	-0.2	-0.01	-3.0	-6.25
	Market Capitalisation (N'bn)	406.0	-0.2	-0.01	-3.05	-0.7
Collective Investment	Net Asset Value (N'bn)	402.5	1.8	9.5	80.1	89.4
Money	O/N (%)	29.1	-6.3	17.5	20.3	18.3
	OBB (%)	25.8	-6.7	14.9	17.6	15.8
	Crude Oil ($/b)	63.5	-0.6	13.3	14.4	25.7
Commodities	Gold($/t oz)	1,276.7	-1.71	0.2	9.9	8.8
	Cocoa($/mt)	2,041.0	-3.1	-2.0	-5.8	-14.6
	Wheat($/bu)	4.4	2.9	-1.5	8.4	9.6
	Corn($/bu)	3.6	2.1	2.9	1.0	3.2
	Cotton($/lb)	73.1	2.6	8.3	1.8	2.1
	Interbank Ex-rt (N/US$)	306	-0.065	-0.098	-0.33	-0.3
External	Parallel Ex-rt (N/US$)	364	-	-	34.6	31.9
	External Reserves ($'bn)	34.8	0.5	6.3	33.4	40.8
	S&P 500	2,642.2	1.6	4.247	17.0	20.2