

Macro-Economic Spotlight Report for August 2018



Nigeria's growth prospects in August 2018 was primarily generated by the increased activities of the manufacturing and oil sectors respectively.

Decreased Inflation Rate: The Consumer Price Index Report, which measures inflation rate, dropped by 0.37% from 11.61% in May 2018 to 11.23% in June 2018. The report stated that this was the 17th consecutive month since January 2017 that the index would be recording continuous decline. In addition to this, the food index dropped to 12.98% in June from 13.45% recorded in May 2018. Generally, there will be a reduction in the prices.

Drop in External Reserves: The nation's external reserves fell by \$669mn in July 2018. The reserves which stood at \$47.788bn as of June 29th and rose to ~~₦~~\$47.798bn on July 2, dropped by 1.4% to close at \$47.119bn on July 31st 2018. The drop of 1.4% may not have much of a significant effect on residents of Lagos unless the drop is sustained over the next 3months or so. Since the foreign exchange paucity started circa 4years ago, many people have shifted to sourcing materials and inputs locally, as the CBN is resolute to maintain a level of foreign reserves. However if the drop continues month on month, then it would put pressure on the Naira against the USD.

Increased Mobile Payments Transactions: From April to June, a total of 20.7mn transactions were carried out in the country through the mobile payment platforms. Data from the National Bureau of Statistics (NBS) for Q2 2018 put the values of these transactions at ~~₦~~\$10.5bn.

Electricity Generation Drops to 2,684MW: The nation's power generation plunged to 2,648MW megawatts as output from the hydropower plants and some gas-fired stations, including Egbin in Lagos, suffered several declines.

Updated Key Macro-Economic Indices

Inflation (July 2018)	↓	11.14%
GDP Growth (Q2 2018)	↓	1.5%
Oil GDP Growth (Q2 2018)	↓	-3.95%
Non-Oil GDP Growth (Q2 2018)	↑	2.05%
PMI (August 2018)	↑	57.1



Key Macro-Economic Highlights

↑ Highs

- 1) Nigeria's Economy attracts ₦8.5trn investments in 3 years.
- 2) Nigeria's Manufacturing Sector records a total output of ₦1.75trn in Q2 2018.
- 3) South Korea renews 14-year MoU on Nigeria's mining sector.
- 4) FG generates ₦1.4trn from operating surplus in 11 years.
- 5) World food prices down 3.7% in July – FAO
- 6) 'CBN's Anchor Borrowers' Programme creates 1.5 million jobs'
- 7) NIBSS targets 500,000 agents to boost financial inclusion
- 8) AfDB projects \$3tr for Nigeria's infrastructure financing by 2044
- 9) Mobile payments record 4.1% growth in three months

↓ Lows

- 1) External reserves lost \$669mn in July 2018.
- 2) 10,291 manufacturing jobs lost in 2017 due to exchange rate fluctuations-MAN
- 3) US cuts Nigerian oil imports by 62%
- 4) 40mn Nigerians denied access to Internet – NCC
- 5) 43% of Nigerians remain financially excluded –LBS



MSME Corner

- 1) SMEs can cut advertising budgets using digital technology.
- 2) NAFDAC to publish compendium of registered products
- 3) Ecobank introduces initiatives to support SMEs.
- 4) Diamond Bank disburses ₦1bn to SMEs.
- 5) Nestlé targets 10mn youths with business opportunities.
- 6) FG to increase loans to artisans.
- 7) Sokoto govt, UNIDO to establish EDC For MSMEs.
- 8) CBN injects \$210mn into forex market, supports SMEs.
- 9) FG and Bol support traders with interest-free loans
- 10) Jumia and HP offer ₦3.7mn scholarship to students.



Consumer Insights and Forecasts

- 1) UBA and GTB provide banking services through WhatsApp. Other banks to emulate trend in coming months.
- 2) WhatsApp to start charging business users. Additional business services may include advertising for businesses.
- 3) DSTV subscription rate increases for all packages. Users switch to alternative platforms such as GoTv and web-supported platform.
- 4) Samsung releases new Note 9 Gadget.
- 5) Apple becomes 1st private company worth \$1 trillion.

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