ACCESS
QUARTERLY
Q3 2023

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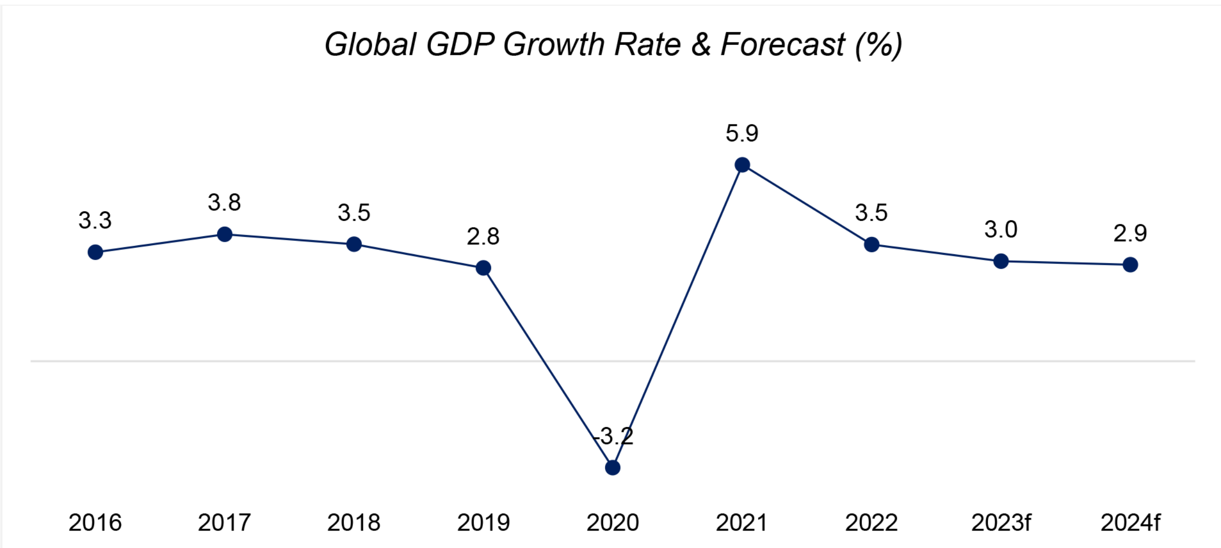
Section 0.1

GLOBAL ECONOMY

Global growth is projected to slow from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024, according to International Monetary Fund (IMF). The projections remain below the historical (2000–19) average of 3.8% as the world economy continue to grapple with various challenges, including inflation reaching levels not witnessed in several decades, tightening financial conditions across most regions, Russia's invasion of Ukraine, Middle East crisis and the persistent impact of the COVID-19 pandemic As policymakers work towards restoring inflation to target levels, the normalization of monetary and fiscal policies, which played a crucial role in providing unprecedented support during the pandemic, is now resulting in a moderation of demand.

The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine remains slow and uneven. Despite economic resilience earlier this year, with a reopening and progress in reducing inflation from last year's peaks, it is too soon to take comfort. Economic activity still falls short of its pre-pandemic path, especially in emerging markets and developing economies, and there are widening divergences among regions. The future well-being of the global economy hinges critically on the successful calibration of monetary policy, the trajectory of the conflict in Ukraine and Middel East, extreme weather effects and the potential for additional disruptions to the supply side due to the lingering effects of the pandemic.



Source: IMF
f – Forecast

GLOBAL ECONOMY
UNITED STATES/EURO AREA

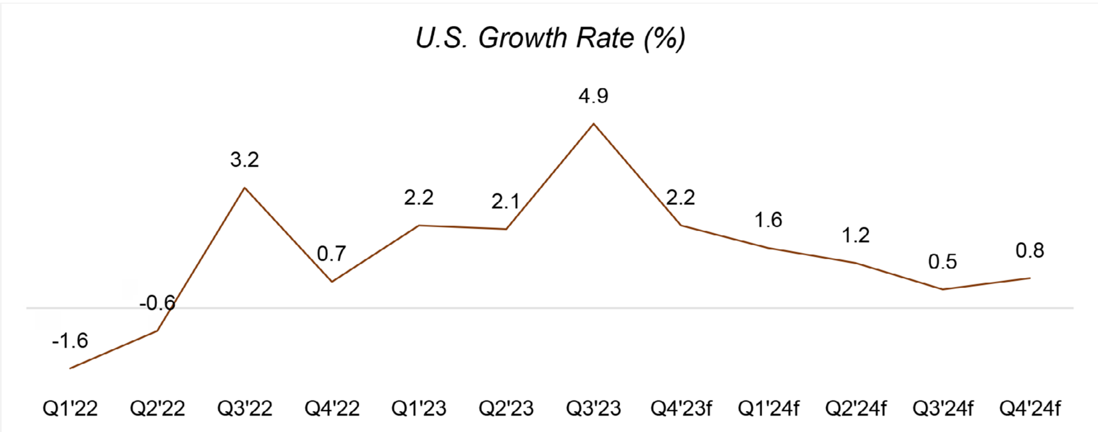
GDP Growth Rate & Forecast – U.S.A., Eurozone, and BRICS

United States

Gross Domestic Product (GDP) rose at 4.2% annual rate in Q3 2023, which was up from 2.1% in Q2 2023, the growth in the quarter is far stronger than what market expected a few months ago. The reading on gross domestic product was bolstered by consumer spending and inventory investment. While government spending picked up; business investment dipped for the first time in two years as outlays on equipment like computers declined. Though the impressive performance over the summer is likely not sustainable, it showcased the economy's resilience despite aggressive interest rate increases from the Federal Reserve. Growth may slow in the fourth quarter because of the United Auto Workers strikes, the resumption of student loan repayments by millions of Americans and the lagged effects of the rate hikes.

In September, the headline index in the United States remained stable, with inflation rising by 3.7% compared to the same period the previous year, mirroring the rate observed in August. While the Federal Reserve has a long-term goal of achieving a 2% annual inflation rate, officials do not anticipate reaching this target until 2026. Despite a thriving economy, a robust labor market, and inflation persisting above the central bank's target, the Federal Reserve opted to maintain benchmark interest rates at their current level.

The United States GDP is projected at 2.2% in Q4 2023 for the United States. The unemployment rate as of October The

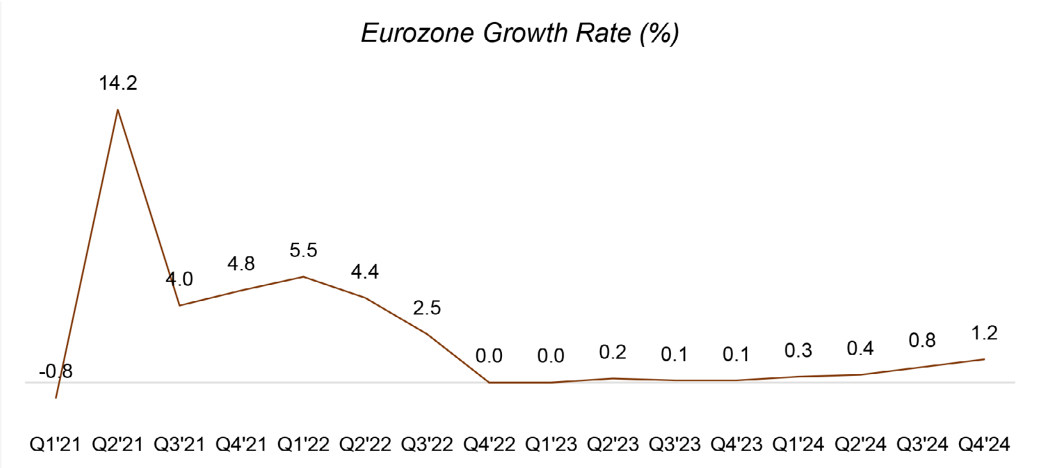


Source: Bloomberg
f – Forecast

unemployment rate as of October 2023 rose to 3.9% little change from 3.8% in the previous month, with the decrease coming as labour force participation increased to its highest level since before the COVID pandemic.

Euro Zone

Euro zone inflation fell in September 2023, and new growth figures showed economic activities slowed in the third quarter of this year. The euro zone economy grew by 0.1% year-on-year in Q3 2023, economic growth came in weaker than expected. GDP is forecast to grow by 0.1% Q4 2023.



Source: Bloomberg
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In September, headline inflation in the Euro area stood at 4.3%, a decrease from the 5.2% recorded in August. Nevertheless, it remains significantly higher than the European Central Bank's (ECB) 2% target for the 20-member bloc. The Netherlands (-0.3%), Denmark (0.6%), and Belgium (0.7%) reported the lowest annual rates, while Hungary (12.2%), Romania (9.2%), and Slovakia (9.0%) recorded the highest.

Compared to August, annual inflation decreased in twenty-one Member States, remained unchanged in one, and increased in five. In July 2023, the ECB raised the three key interest rates by 25 basis points, resulting in the main refinancing operations, marginal lending facility, and deposit facility rates increasing to 4.25%, 4.50%, and 3.75%, respectively.

BRICS

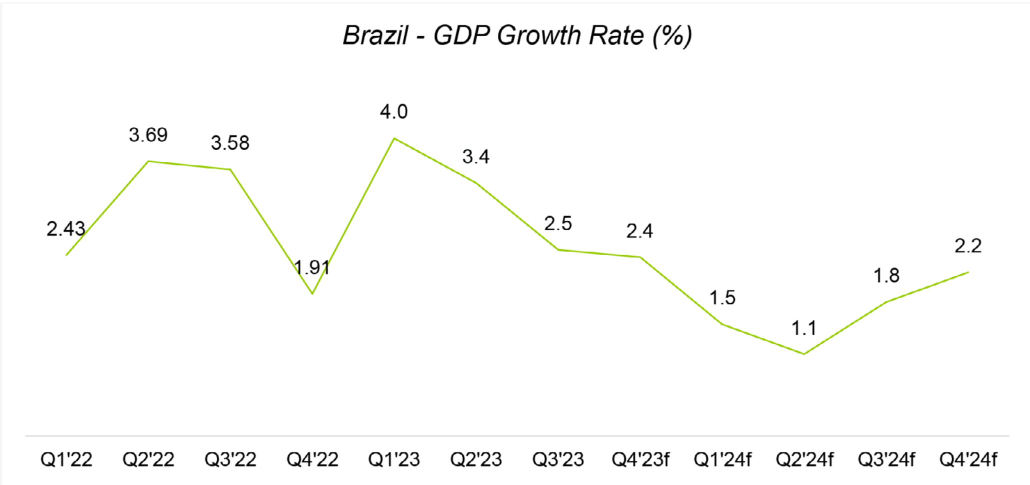
In 2023, the BRICS economy saw an increase in momentum as economic activities gained pace. Nonetheless, the recovery faced challenges due to lingering effects of the ongoing crisis, elevated energy prices, and currency depreciation, among other factors. Among the BRICS nations, India experienced a 4.4% growth in GDP in Q3 2023, while China and Brazil recorded year-on-year economic growth rates of 4.9% and 3%, respectively, for the same quarter.

Despite these positive trends, the BRICS economies grappled with persistently high inflation surpassing the target range and a rising benchmark interest rate, both of which had adverse effects on growth prospects.

Brazil

The commencement of the third quarter saw the Brazilian economy exhibiting a stronger- than-anticipated pace, further supporting recent positive adjustments to the country's GDP growth forecast for 2023. In the second quarter of 2023, Brazil's economy expanded by 3.40% compared to the same quarter in the previous year. In response to the unexpectedly robust activity during this period, Brazil's Finance Ministry revised its projection for economic growth in 2023, raising it to 3.2% from the earlier estimate of 2.5% in July.

Brazil GDP is expected to grow at 2.4% in the fourth quarter of 2023.



Source: Bloomberg
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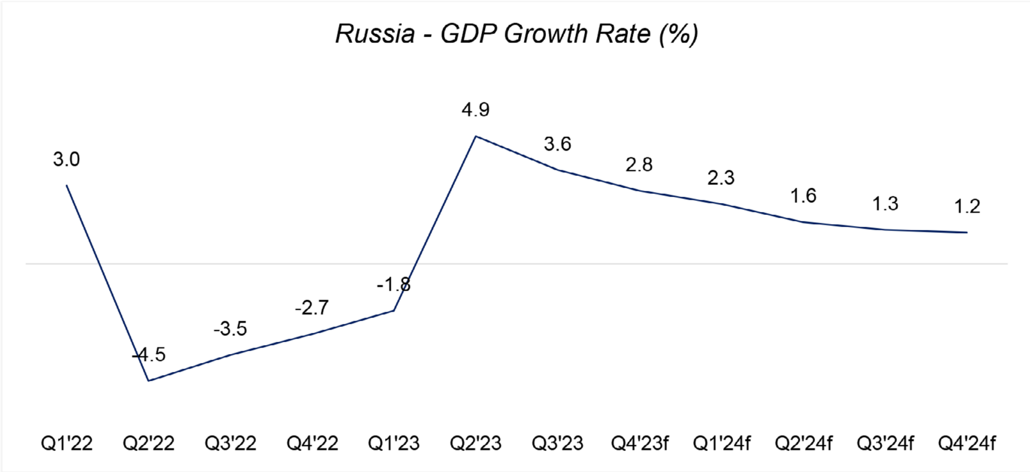
In its recent policy meeting, the Central Bank of Brazil cut its monetary policy rate. The bank's rate-setting committee cut its Selic policy rate to 12.75% in September 2023, compared with 13.25% in the previous month. The rate hike in September 2022 was recognized as the most aggressive global monetary tightening at that point in time.

Russia

The forecast for Russia is for a rise from –2.1% in 2022 to 2.2% in 2023, with an upward revision of 0.7% for 2023. The rise in growth reflects a substantial fiscal stimulus, strong investment, and resilient consumption in the context of a tight labor market. Russian GDP in Q2 2023 increased 4.9% compared to Q2 2022 after declining 1.8% in Q1 2023.

GDP is forecast to grow by 2.8% in Q4 2023.



Source: Bloomberg
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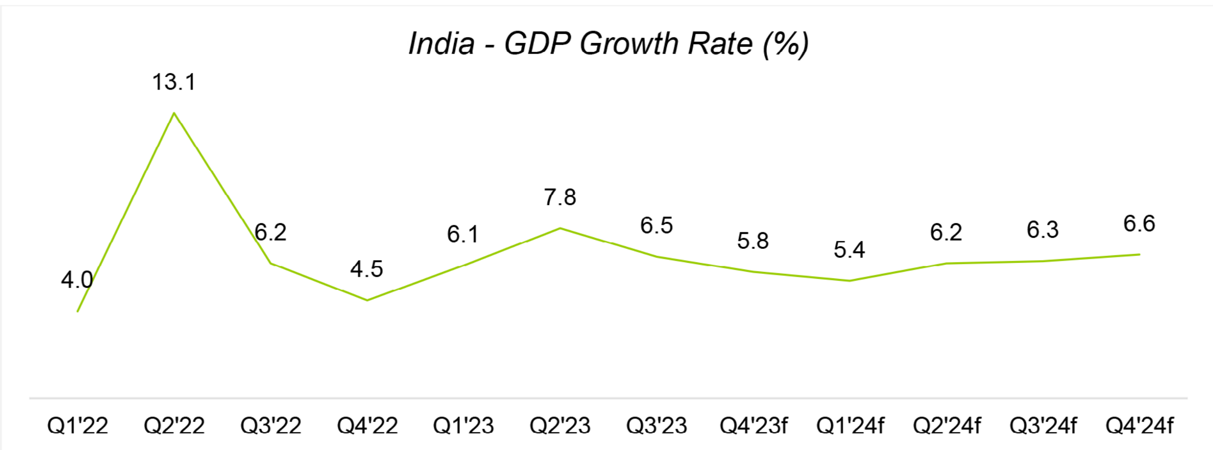
The annual inflation rate in Russia rose to 6.0% in September 2023 from 5.13% in the preceding month. the highest in six months and in line with market expectations, and above the Central Bank's target of 4%. The bank hiked its key rate by a larger-than- expected 100 basis points to 13.00% in September 2023.

India

Growth in India is projected to remain strong, at 6.3% in both 2023 and 2024, reflecting stronger-than-expected consumption during April-June. India's real GDP growth accelerated from 6.1% year-on-year in Q1 to 7.8% in Q2. 2023. On a year-on-year basis, analysts project GDP to grow by 6.5% and 5.8% in Q3 and Q4 2023 respectively.

Growth is expected to be constrained by slower consumption growth and challenging external conditions. India's retail price inflation dropped to 5.02% year-on-year in September 2023, down from 6.83% in the previous month and well below the market consensus of 5.5%.

The Reserve Bank of India held its key interest rate unchanged at 6.5% to monitor the impact of a series of hikes over the past year.



Source: Bloomberg
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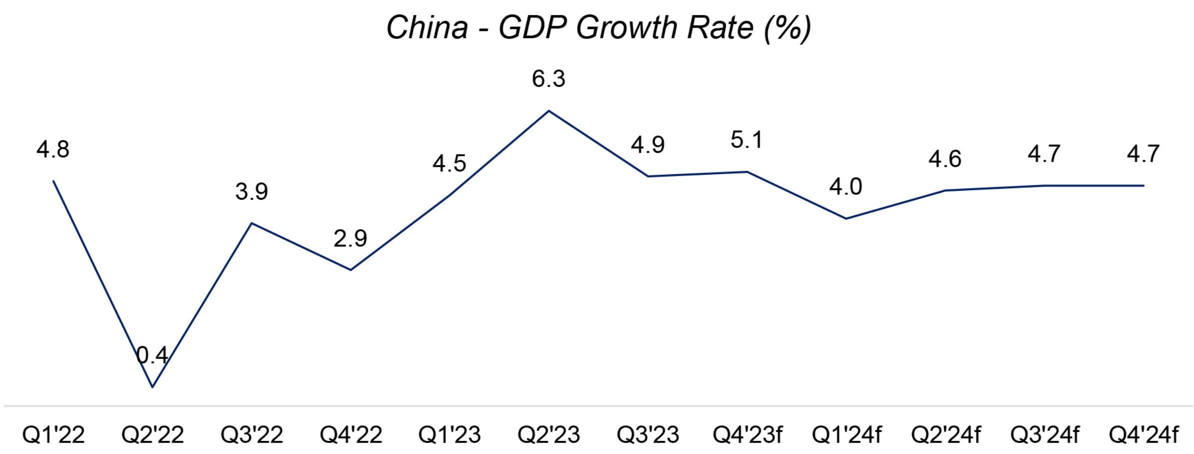
China

The Chinese economy is on track to meet the government's 2023 growth target, reflecting a strong post-COVID recovery. The country's GDP expanded 4.9% in the third quarter (Q3) from 6.3% in Q2. China only needs GDP growth of 4.4% year-on-year in the fourth quarter to meet its annual growth target of around 5%.

In September 2023, the national consumer price index (CPI) was flat at 0.1% on a year- on-year basis. The producer price index (PPI) fell 2.5% from a year earlier, the narrowest decline since March.

GDP is expected to grow by 5% in Q4 2023.



Source: Bloomberg
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The one-year loan prime rate (LPR) was kept at 3.45%, while the five-year LPR was unchanged at 4.20% in October, better-than-expected third quarter gross domestic product (GDP) and retail sales data suggest China's economic recovery has started to improve, needing less monetary support.

GLOBAL ECONOMY
AFRICA

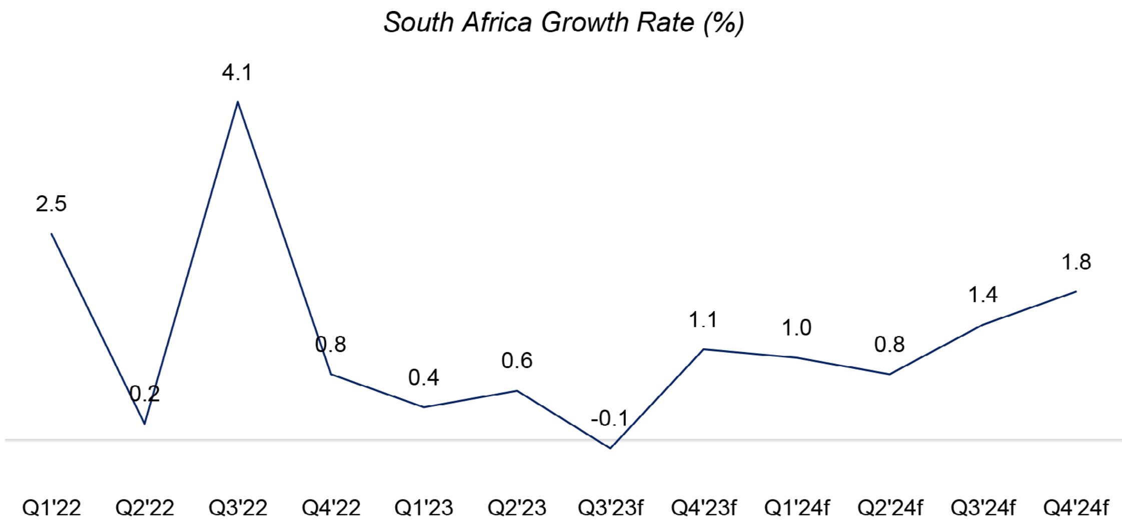
South Africa

In the second quarter of 2023, South Africa's real GDP saw a growth of 0.6%, following a 0.4% increase in the preceding quarter. The expansion was driven by growth in six industries on the supply side, with manufacturing and finance playing significant roles. On the demand side, the country experienced a notable increase in investments in machinery and equipment, particularly in the renewable energy sector. Despite an overall decline in household consumption, there was increased spending on restaurants and hotels.

Manufacturing production saw a substantial increase of 2.2%, primarily attributed to the growth in petroleum, chemical products, rubber, and plastic products. The finance industry also saw a modest rise of 0.7%, driven by financial intermediation, insurance, and real estate services.

After two consecutive quarters of contraction, South African agriculture rebounded with a positive growth of 4.2%. This upturn was fuelled by increased production in field crops and horticulture products, supported by favourable weather conditions, expanded cultivation, and rising export demand.

In September 2023, annual consumer price inflation reached 5.4%, up from 4.8% in August 2023. The Consumer Price Index (CPI) recorded a month-on-month increase of 0.6% in the same period. The South African Reserve Bank (SARB) maintained the interest rate at 8.25% during the Monetary Policy meeting held in September.



Source: Bloomberg
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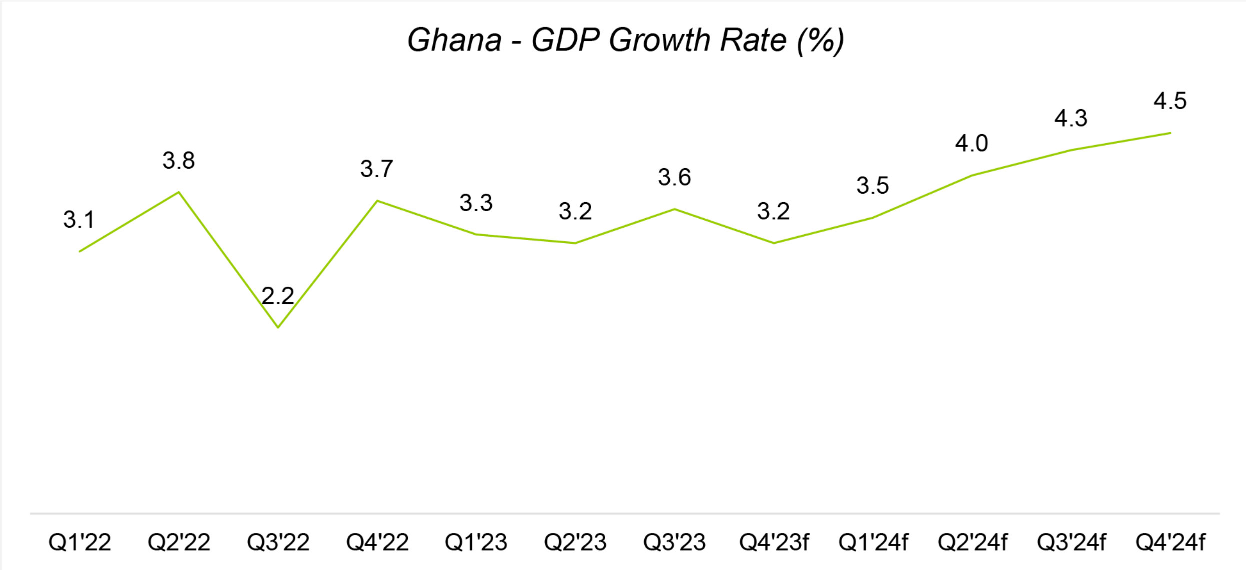
Ghana

In the second quarter, the year-on-year GDP growth in Ghana moderated to 3.2%, down from a revised 3.3% in the first quarter. The industrial sector contracted by 1.9% annually in Q2, marking a less severe decline compared to the 2.6% decrease in Q1. Meanwhile, the agricultural sector experienced a slowdown, growing at 6.0% in Q2, a slight decrease from the 6.4% year-on-year growth recorded in Q1. The services sector maintained its growth rate at 6.3%, consistent with Q1.

Various factors impeded growth in the second quarter, including the implementation of new taxes and rises in utility prices, resulting in increased production costs. Additionally, frontloaded fiscal consolidation measures, integral to the country's IMF deal, contributed to the challenges.

As of September 2023, the year-on-year inflation rate, measured by the Consumer Price Index (CPI), stood at 38.1%, with a monthly change rate of 1.9%. The Food and Non- alcoholic beverages inflation rate registered a year-on-year inflation rate of 49.3% in September 2023, while the Non-Food group recorded a year-on-year inflation rate of 29.3%. Despite a slowdown to 38.1% in September, Ghana's inflation remains significantly above the central bank's comfort level of 6% - 10%.

Maintaining its stance, Ghana's central bank kept its main interest rate steady at 30.00%, citing lower inflation, a stable exchange rate, and relatively robust economic growth.



Source: Bloomberg
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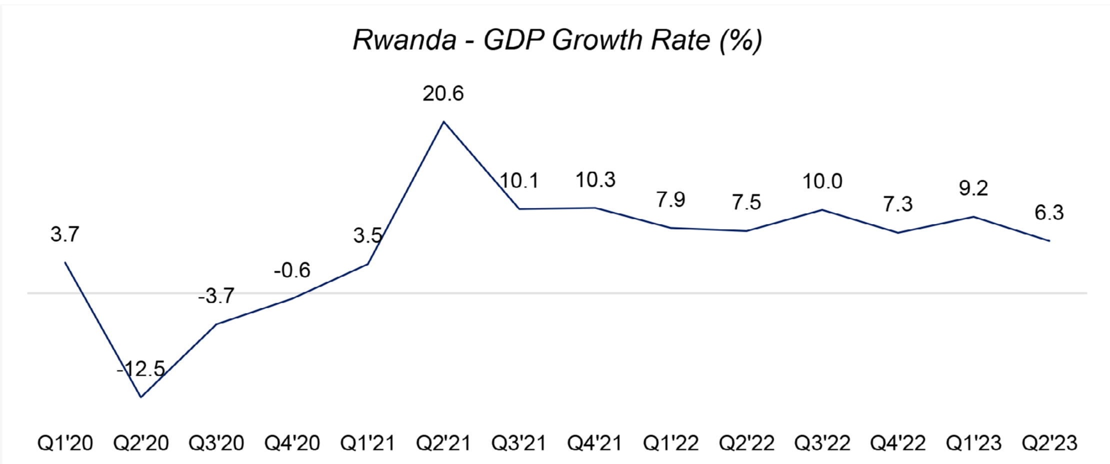
Rwanda

Rwanda recorded 6.3% GDP growth in Q2 2023 following 9.2% growth in Q1. Agriculture sector did not record any growth when compared to Q2 2022. Industry sector grew by 6% and contributed 1.1 percentage points to overall GDP growth. The growth in manufacturing is mainly due to an increase of 9% increase in food processing. Service sector increased by 10% and contributed 4.8 percentage points to overall GDP growth.

Rwanda's Consumer Price Index (CPI), main gauge of inflation increased by 13.9% y-on- y in September 2023 up from 12.3% in August 2023.

In September 2023, 'Food and non-alcoholic beverages' increased by 29.6% on an annual basis and increased by 9% on monthly basis. 'Alcoholic beverages, tobacco and narcotics' increased by 12.2% on annual basis and increased by 0.2% on monthly basis.

The World Bank projected that growth for 2023 will be recorded at 6.2%.



Source: Bloomberg
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Section 2

THE NIGERIAN ECONOMY

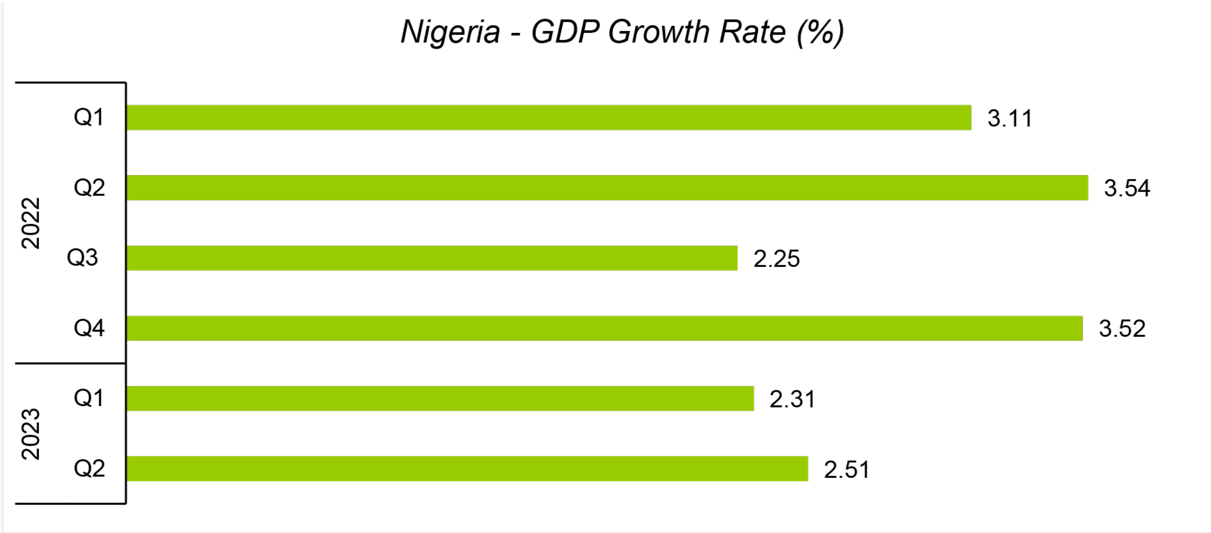
The impact of the implementation of policy reforms rolled out by the current government in Q2 2023 gradually became evident in Q3 2023. Inflation rate sat at 26.72% in September, rising by 393 basis point from 22.79% printed in June 2023, driven by higher food and energy prices. Consumers' purchasing power declined significantly as prices looked northward, thus worsening the misery index. The Naira witnessed a slight improvement as the exchange rate at the Nigerian Autonomous Foreign Exchange Market (NAFEM) window, which replaced the Investors' and Exporters (I&E), settled at ₦755.27/$ at the end of Q3 2023 relative to ₦769.25 posted in the preceding quarter, reflecting a currency appreciation of 1.81%. The timely intervention of the Central Bank of Nigeria (CBN) amidst burgeoning demand assisted the value preservation of the Naira. Oil prices remained firmly above $80/b in Q3 2023 as the price of Bonny Light crude oil closed the quarter at $96.35/b from $76.22/b posted in the previous quarter. The further production cuts implemented by Organization of the Petroleum Exporting Countries Plus (OPEC+) leaders, Saudi Arabia, and Russia amidst the declining crude oil inventories in the US kept oil prices elevated.

A snapshot of the domestic economy for Q3 2023 is presented below:

Real GDP declined to 2.51% in Q2 2023 compared to 2.31% in Q1 2023	Oil prices rose to $96.35/b in Sep. 2023 from $76.22/b posted in Jun. 2023	Exchange rate at the NAFEM window declined to ₦755.27/$ in Sep. 2023 from ₦769.25/$ in Jun. 2023
The ASI jumped to 66,382.14 points in Sep. 2023 from 60,968.27 points in Jun.	Reserves dropped to $33.24bn in Sep. 2023 from $34.12bn in Jun. 2023	Inflation printed at 26.72% in Sep. 2023 compared to 22.79% in Jun. 2023
Composite PMI rose to 49.1 points in Sep. 2023 from 53.2 points posted in Jun. 2023	MPR rose to 18.75% in July 2023 from 18.5% recorded in May. 2023	Total public debt increased to ₦87.38trn in Q2 2023 from ₦49.85trn in Q1 2023

2.1. GDP Growth

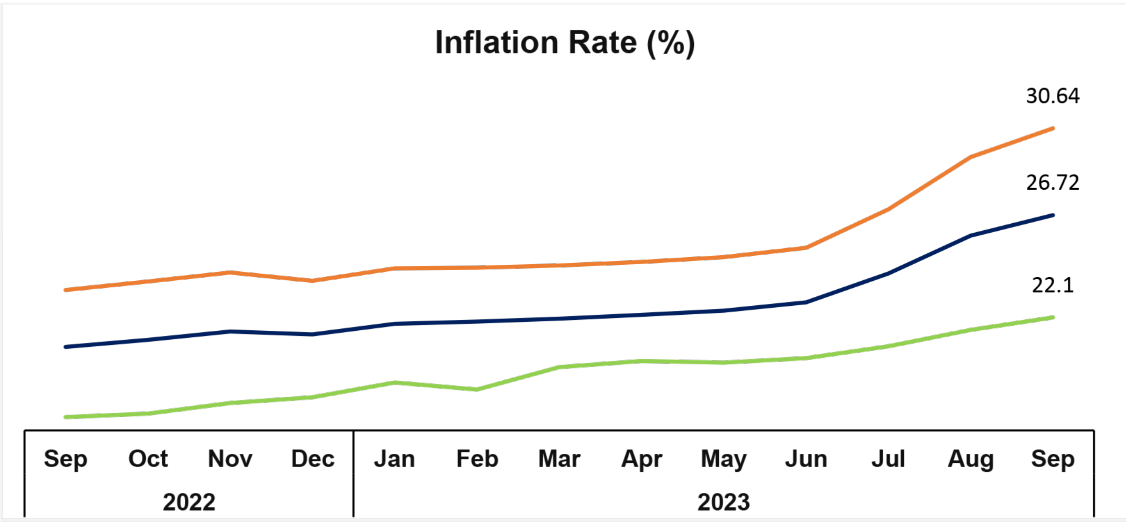
The National Bureau of Statistics (NBS) revealed that Nigeria's economy advanced at a faster 2.51% from a year ago in Q2 2023, compared to 2.31% posted in the preceding quarter. This marks the 11th consecutive quarter of economic expansion, underpinned by growth in the non-oil sector at 3.58% relative to 2.77% posted in the prior quarter. Performance of the non-oil sector in Q2 2023 was supported mainly by the telecommunications, financial institutions, trade, crop production, construction, real estate, food, beverage & tobacco industries. Conversely, the oil sector contracted for the 13th consecutive quarter (-13.43% vs -4.21%) as the sector embattled several challenges such as oil theft, production shut down of specific periods, amongst others. In terms of GDP contribution, the non-oil sector maintained dominance, contributing 94.66% while the oil sector contributed 5.34% during the reference period.



Source: NBS

2.2 Inflation

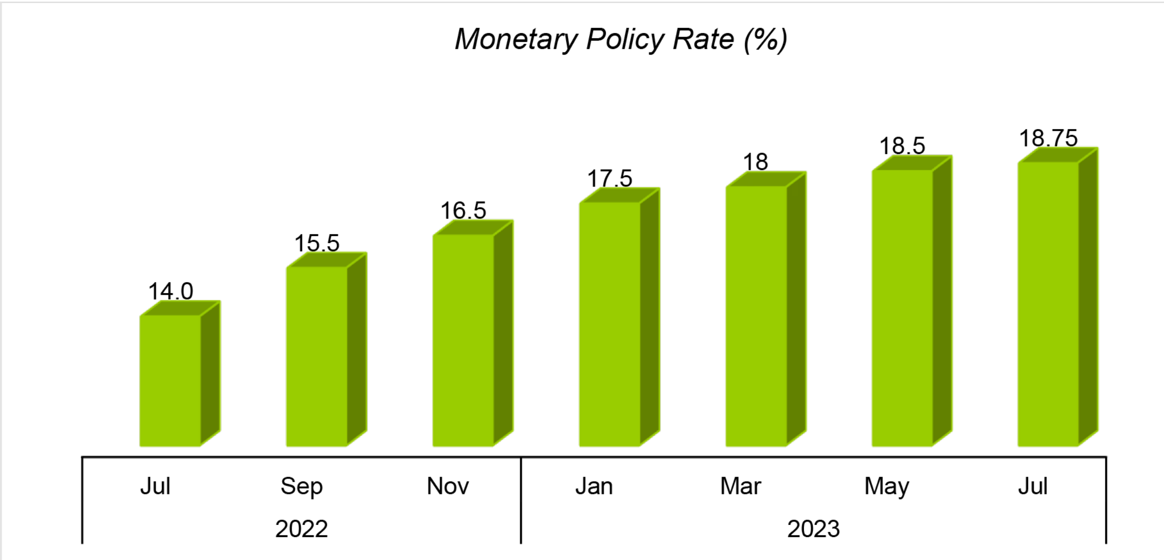
Nigeria's annual inflation rate continued to soar, reaching an over 18-year high of 26.72% in September 2023, up from June's figure of 22.79%, mainly attributed to second-round effects of the removal of petrol subsidy and the devaluation of the naira. Prices of food, which is the most relevant in the CPI basket, jumped to 30.64% in September, the highest since August 2005, from 25.25% printed at the end of the prior quarter. The increase was



Source: NBS

2.3 Monetary Policy

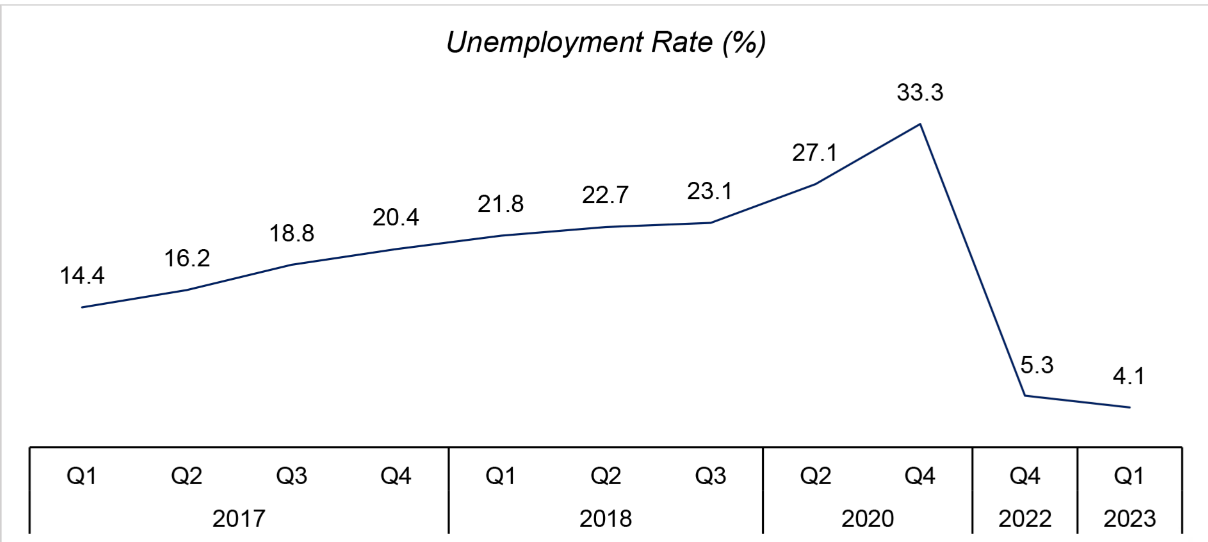
The Monetary Policy Committee (MPC) of the CBN lifted its benchmark interest rate by 25 bps to 18.75% in a decision announced on July 25th, 2023. It marks the fourth consecutive rate hike so far this year, bringing borrowing costs to their highest since the monetary policy rate was adopted in 2006. The decision is the first under the leadership of the Acting CBN Governor, Folashodun Shonubi. The CBN's hawkish decision is premised on the expected liquidity injections into the economy from the recent policy developments and the likely impact on inflation. However, the MPC meeting for the month of September was suspended given the leadership change in the CBN. Dr. Yemi Cardoso alongside four (4) new deputy governors assumed office on September 2023.



Source: NBS

2.4 Unemployment

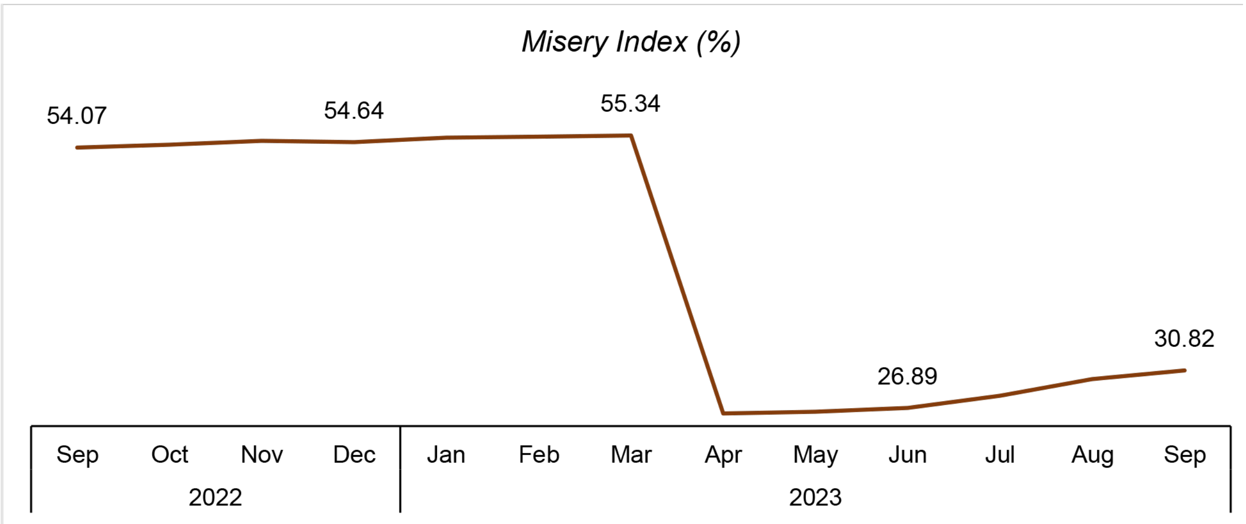
The adoption of a new methodology in calculating the labour force statistics led to the decline in unemployment rate to 5.3% and 4.1% in Q4 2022 and Q1 2023 respectively from 33.3% posted in Q4 2020. According to the NBS, the new methodology is in line with International Labour Organisation (ILO) guidelines. The new methodology adopts a larger working age population which initially ranged between 15 years and 64 years but now ranges between 15 years and above. Also, according to the new methodology, a person who works at least one (1) hour a week rather than 20 hours in a week is considered employed, amongst other significant changes.



Source: NBS

2.5 Misery Index

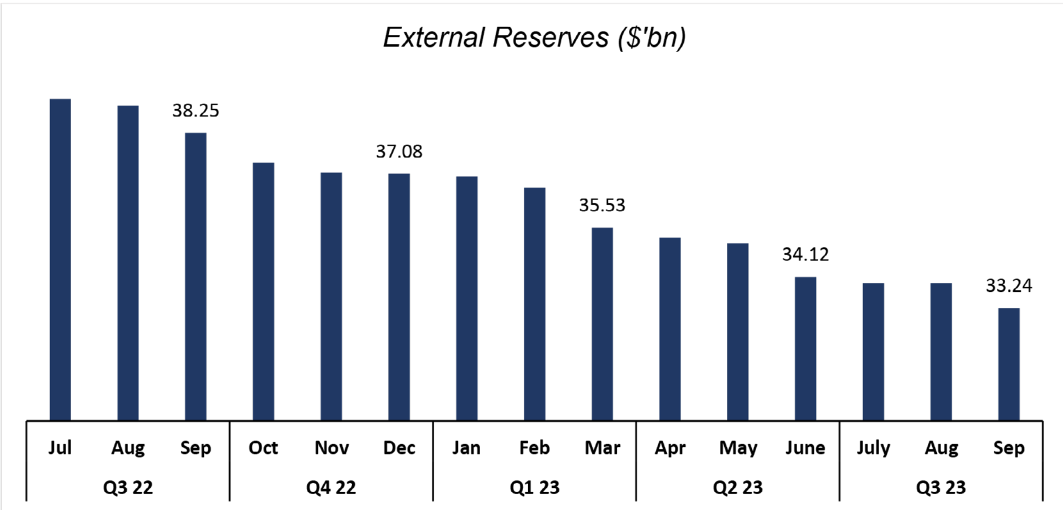
The misery index, which is a combination of the inflation rate and unemployment rate, rose by 393 basis points (bps) to settle at 30.82% in September 2023 compared with 26.89% posted in June 2023. One of the negative impacts of the fuel subsidy removal and exchange rate unification is deteriorating standard of living as prices of goods and services continues to surge.



Source: NBS

2.6 External Reserves

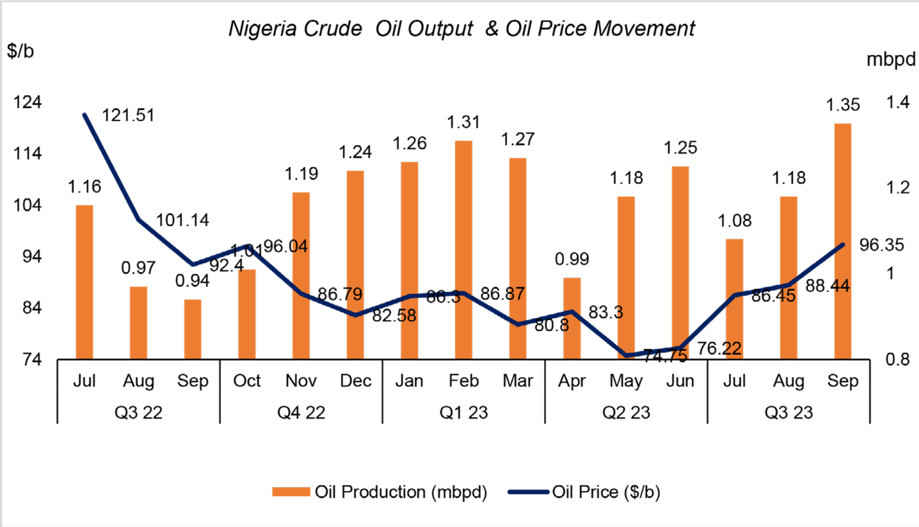
Accretion of the reserves slowed in Q3 2023 as inflow from Foreign Portfolio Investment (FPIs) and diaspora remittances remained weak. Also, the intervention of the CBN in the forex market to cater for burgeoning demand of forex stalled the growth of the reserves. Consequently, external reserves fell by 0.88% to settle at $33.24 billion at the end of Q3 2023 relative to $34.12 billion posted at the end Q2 2023.



Source: CBN

2.7 Oil Price & Production

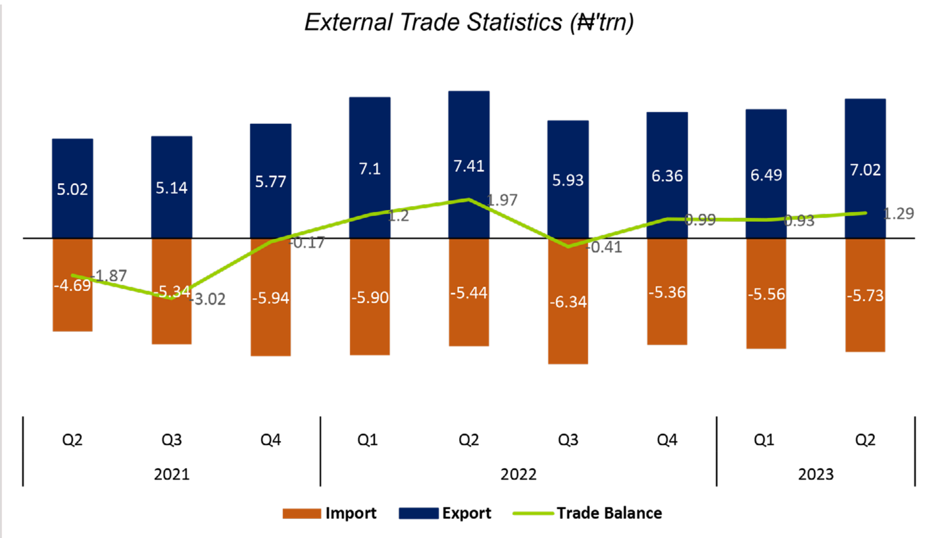
Oil prices remained firmly above $80/b in Q3 2023 as the price of Bonny Light crude oil closed the quarter at $96.35/b from $76.22/b posted in the previous quarter. The further production cuts implemented by Organization of the Petroleum Exporting Countries Plus (OPEC+) leaders, Saudi Arabia, and Russia amidst the declining crude oil inventories in the US kept oil prices elevated. On the other hand, the effort of the government to curb oil theft amidst other factors reflected in the end of quarter oil production. Oil production rose to 1.35 million barrels per day (mbpd) in September relative to 1.25mbpd posted in the previous quarter.



Source: CBN

2.8 External Trade

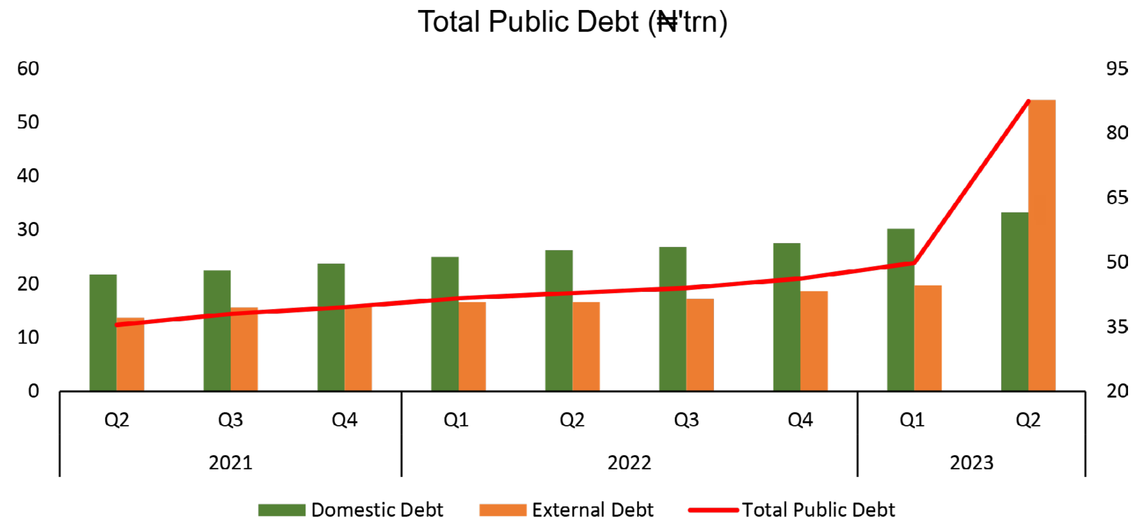
The Q2 2023 foreign trade report published by the National Bureau of Statistics (NBS) revealed that Nigeria recorded a positive trade balance in the quarter. This is the third consecutive quarter of trade surplus as exports outweighed imports by ₦1.29 trillion. Comparing Q2 2023 export figures to Q1 2023, exports increased by 8.15% to reach ₦7.02 trillion. Petroleum oils and oils obtained from bituminous minerals and crude remained the chief contributor to export earnings, accounting for 79.63% of total exports in Q2 2023. On the other hand, imports grew, but at a slower pace, increasing by 2.99% to reach ₦5.73 trillion. Overall, total trade volume rose by 5.73% to reach ₦12.74 trillion, up from the ₦12.05 trillion recorded in the previous quarter. Nigeria's top 5 export trading partners for Q2 2023 were the Netherlands, the USA, Indonesia, France, and Spain while the top 5 import trading partners were China, the USA, Belgium, India, and the Netherlands.



Source: NBS

2.9 Total Public Debt

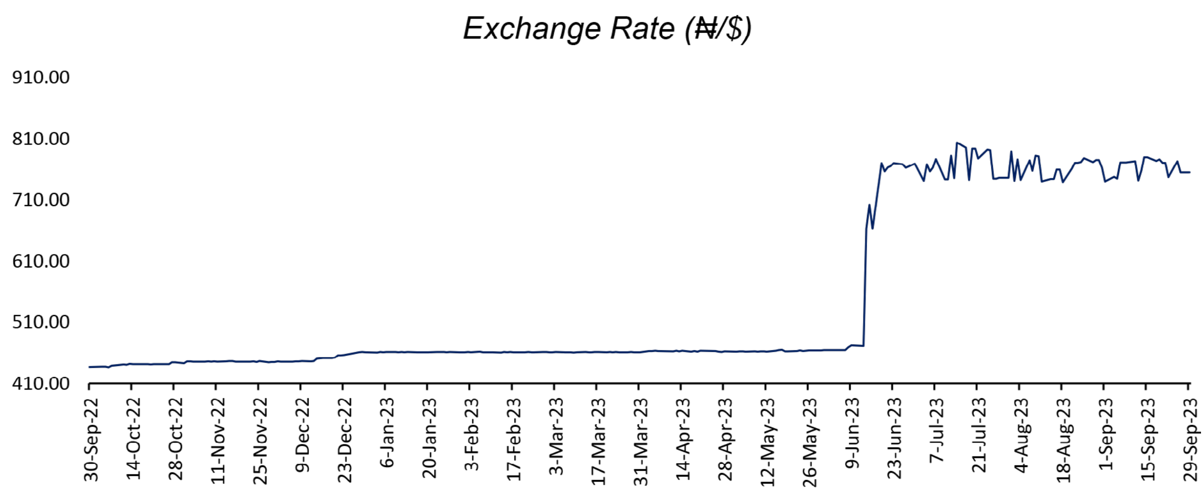
Nigeria's public debt continued to expand, hitting ₦49.85 trillion in Q1 2023 from ₦46.25 trillion posted in Q4 2022, reflecting a growth of 7.78%. Domestic debt grew faster than external debt as the former grew by 9.66% while the latter grew by 5.03%. According to the Debt Management Office (DMO), domestic debt accounted for 60.6% to settle at ₦30.21 trillion in Q1 2023 from ₦27.55 trillion recorded in Q4 2022 while external debt contributed 39.4% of total public debt, settling at ₦19.64 trillion from ₦18.70 trillion, within the reference period.



Source: DMO

2.10 Exchange Rate

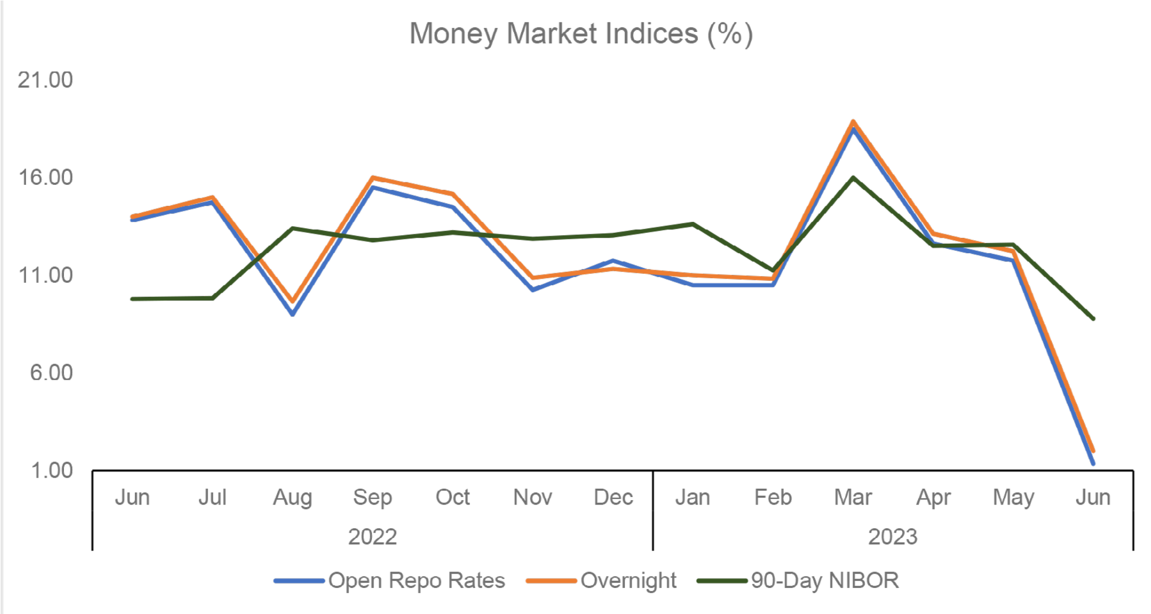
The Naira witnessed a slight improvement as the exchange rate at the Nigerian Autonomous Foreign Exchange Market (NAFEM) window, which replaced the Investors' and Exporters (I&E), settled at ₦755.27/$ at the end of Q3 2023 relative to ₦769.25 posted in the preceding quarter, reflecting a currency appreciation of 1.81%. The timely intervention of the Central Bank of Nigeria (CBN) amidst burgeoning demand assisted the value preservation of the Naira.



Source: FMDQ

2.11. Money Market

Liquidity in the money market was truncated as banks funded their obligations. The Cash Reserve Requirement (CRR) debits, Bond auction and Treasury Bills auction settlement dampened liquidity despite inflow of the Federation Account Allocation Committee (FAAC) disbursement during the quarter. The Open Repo Rate (OPR) and Over Night (ON) edged to 2.70% and 3.40% at the end of Q3 2023 from 1.36% and 2.00% recorded at the end of the prior quarter, respectively. However, longer-dated placements such as the 90-day Nigerian Interbank Offered Rate (NIBOR) declined to 8.67% from 8.78%.

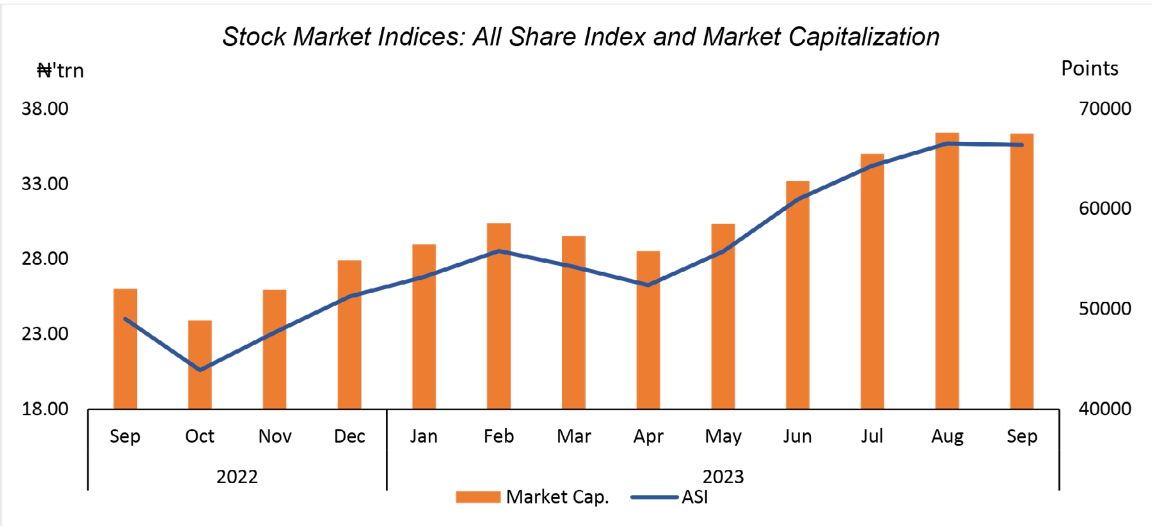


Source: FMDQ

2.12. The Stock Market

The local bourse sustained uptrend during the quarter as investors sustained their buy- interests in Nigerian stocks. The stellar performance could be attributed to rallies of bellwether stocks especially in the banking, pension, and oil & gas segment of the market. Quarter-on-Quarter, the All-Share Index (ASI) gained 5,414 points to settle at 66,382 points. Similarly, market capitalization ascended by ₦3.13 trillion to close the quarter at ₦36.33 trillion relative to the prior quarter.

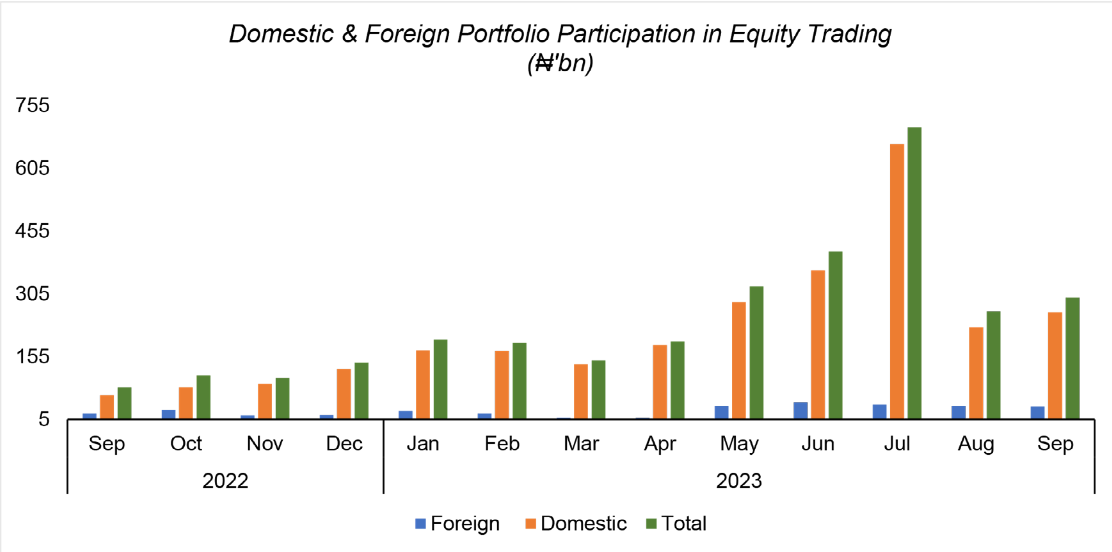
Nigerian Exchange Limited: All Share Index and Market Capitalization



Source: NGX

2.13. Portfolio Investment – NGX

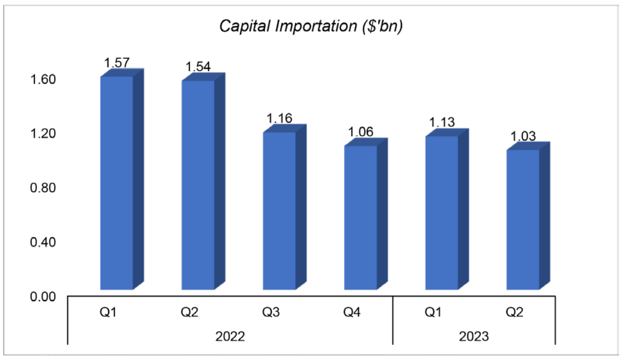
Total equity transaction at the end of Q3 2023 declined significantly as impact of key policy announcements caused market jitters. Total equity transactions fell from ₦295.8 billion from ₦406.75 billion recorded at the end of the preceding quarter. This reflects a decline of 27.28% quarter-on-quarter. The decline could also be attributed to the reaction of market participants to widening real return as inflation rate remained flexible upwards. Relative to the prior quarter, while foreign portfolio equity transactions declined by 22.96% to settle at ₦35.24 billion in September, domestic portfolio equity also plummeted by 27.82% to settle at ₦260.56 billion for the reference period. Domestic investors remained key participants in the equity market contributing 88.09% to the total transactions carried out in Q3 2023.

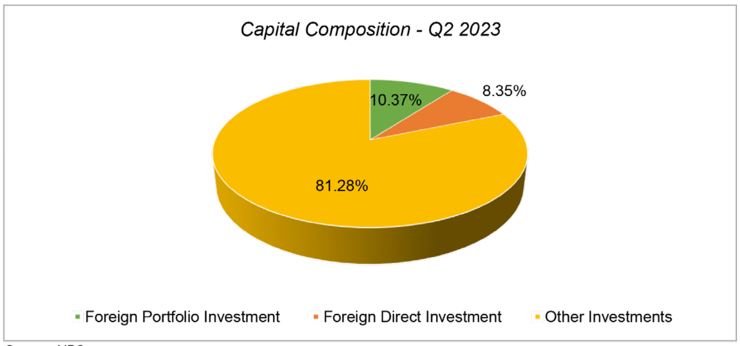


Source: NGX

2.14. Capital Importation

Report from the NBS showed that capital imports into Nigeria declined by 9.04% to settle at $1.03 billion in Q2 2023, compared to $1.13 billion recorded in the first quarter of 2023. Other Investments contributed the most to the capital imported in Q2 2023, accounting for 81.28% to settle at $0.84 billion. Foreign Portfolio Investment (FPI) and Foreign Direct Investment (FDI) contributed 10.37% and 8.35% to the capital imported in the reference period, respectively. The United States of America overtook the United Kingdom as the leading source of capital import to Nigeria while Lagos remained the top destination for capital import.

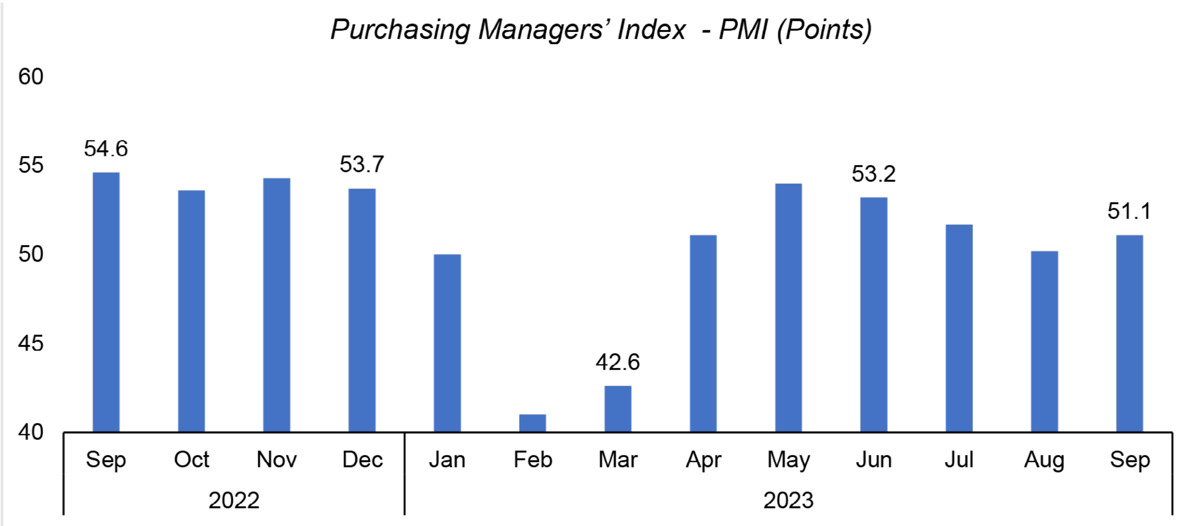




Source: NBS

2.15. Purchasing Managers' Index

The Purchasing Managers' Index (PMI), which is an index that shows the prevailing direction of economic trends in the manufacturing and service sectors, declined to 51.1 points in September from 53.2 points recorded in June 2023. Input prices rose at the joint- fastest pace driven by higher fuel costs following the fuel subsidy removal, weak currency, and rising wages. As a result, firms increased output prices accordingly, at one of the strongest rates recorded. Also, business confidence weakened to more than 9-year low.



Source: Stanbic IBTC

2.16. Credit Ratings

Fitch Ratings, an international credit rating agency affirmed Nigeria's Long-Term Foreign- Currency Issuer Default Rating (IDR) at 'B-' with a Stable Outlook. The 'B-' rating is supported by a large economy, a developed and liquid domestic debt market, and large oil and gas reserves. However, the rating is constrained by weak governance, structurally very low non-oil revenue, high hydrocarbon dependence, security challenges, high inflation, low net FX reserves and ongoing weakness in the exchange-rate framework. The government has taken important steps to reduce fuel subsidies and reform the exchange rate framework. However, there has recently been some backtracking on reforms, notably a lower degree of price discovery in the FX market than in late June, raising doubt about the strength of this positive momentum, hence the stable outlook.

S&P Global Rating, an international credit rating agency affirmed Nigeria's credit rating at "B-" revising the outlook to "stable" from negative. The revision hinges on S&P belief that the government latest policy reforms could positively impact the country's overall growth. According to the credit agency, "Nigeria's newly elected government has moved quickly to implement a series of fiscal and monetary reforms, which we believe will gradually benefit public finances and the balance of payments". The bold policy moves of fuel subsidy removal and exchange rate unification are expected to restore foreign investors' confidence and will help in propel the much-needed sustainable growth.

2.17. Socio-Economic Landscape

The Presidential Petition Election Court (PREPEC), on the 6th of September 2023, dismissed the petition brought before it by Atiku Abubakar of the People's Democratic Party (PDP), Peter Obi of the Labour Party (LP) and Allied Peoples Movement (APM), upholding the victory of President Bola Ahmed Tinubu of the All Progressives Congress (APC). The judgment was delivered by a 5-man panel of the Tribunal led by Justice Haruna Tsammani. According to the panel unanimously agreed that the main opposition parties failed to prove claims of electoral malpractice against the incumbent government. Hence, Justice Haruna Tsammani concluded that the petition of the plaintiffs lacked merit.

2.18. Financial Sector Developments

The MPC lifted its benchmark interest rate by 25 bps to 18.75% in a decision announced on July 25th, 2023. It marks the fourth consecutive rate hike so far this year, bringing borrowing costs to their highest since the monetary policy rate was adopted in 2006. However, the MPC meeting for the month of September was suspended given the leadership change in the CBN. Dr. Yemi Cardoso alongside 4 new deputy governors assumed office, in September 2023, as the new faces of the apex monetary authority for Nigeria.

President Bola Tinubu nominated Dr. Olayemi Michael Cardoso to serve as the new Governor of the Central Bank of Nigeria (CBN), for a term of five (5) years at the first instance. The nomination was confirmed, in September 2023, by the Senate alongside the new deputies which include Dr. Bala M. Bello to head the Corporate Services Directorate, Mr. Muhammad Sani Abdullahi to head the Economic Policy Directorate, Mr. Philip Ikeazor to head the Financial System Stability Directorate and Mrs. Emem Nnana Usoro to head the Operations Directorate.

Section 3

OUTLOOK FOR Q4 2023

GDP Growth

Nigeria is anticipated to achieve economic growth surpassing 2.5%; nonetheless, the potential adverse effects of fuel subsidy removal and exchange rate unification on inflationary pressures pose a downside risk to this optimistic projection.

Foreign Exchange

Expectations for improvement in reserves is expected to strengthen the naira in coming months. We expected the naira to trade around ₦850/$ on the official window. However, insufficient supply to meet demand will further widen the gap between the official and parallel market rates.

Crude Oil

Oil price is expected to end the year above $80/b as fears of global supply disruptions outweighs demand concerns from top consuming countries.

Monetary Policy

The CBN may likely increase the monetary policy rate, by another 25bps, to dial back inflationary pressure worsened by the removal of fuel subsidy and unification of the exchange rate.

Foreign Reserves

Forex inflow is expected to improve in the final quarter of 2023. However, the intervention of the CBN to ensure Naira stability is expected to keep reserves at an average between $33 billion - $35 billion.

Inflation

Inflation rate is expected to end the year above 25% given higher spending induced by the yuletide season amidst the existing impact of policy reforms. This will translate to a higher misery index for the quarter.