



19th Status Quo Since 2016



MPR - Ship Without An Anchor

Who Needs An MPC?

Rates Are Already Down

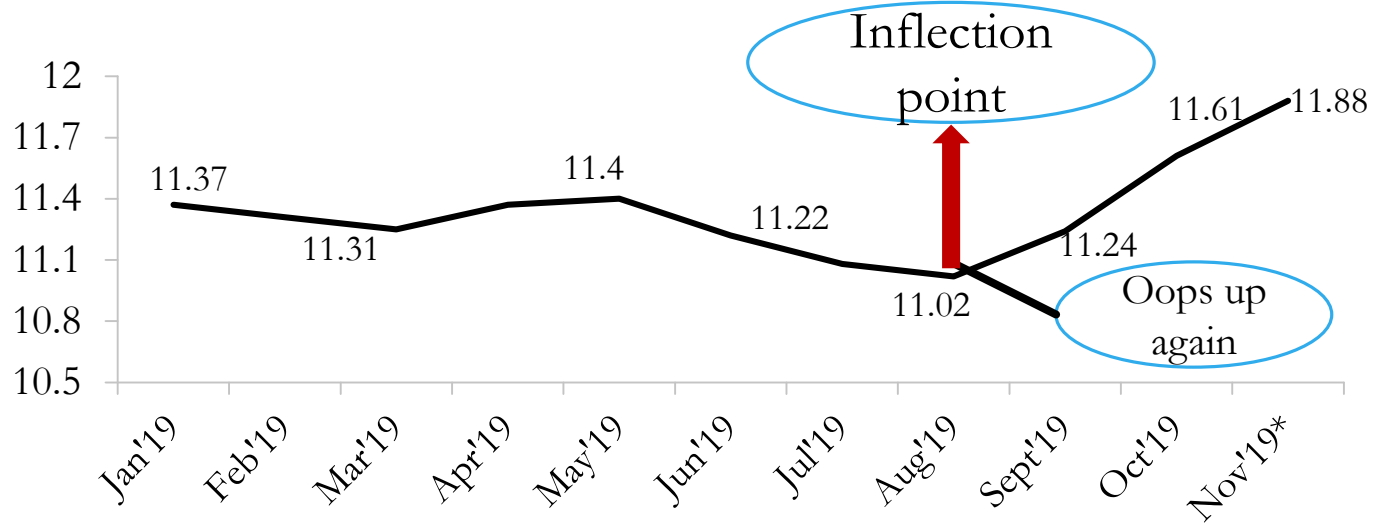


	September	November	% Change	
91-day T/Bills (%)	11.1 p.a	7.8 p.a	-3.3	↓
Lending rates (%)	21.00 p.a	16.0 p.a	-5.0	↓



What Goes Down ↓ Will Go Up Again ↑

Considerations – Inflation Up Again (11.61%)



- ✓ Inflation up & Growth up
- ✓ Food inflation spiked - especially rice
- ✓ Core inflation down

Inflation Stoking Factors



High powered money

M1 + Bank reserves

Transmission effect 6.43%



Naira stable

No pass through effect

September	November
N359/\$	N359/\$



Bottlenecks/aberrational factors

*Border closure
≈ 0.5% impact*



Wage-induced inflation

*Not yet felt
(estimate: 0.8-1.0%)*

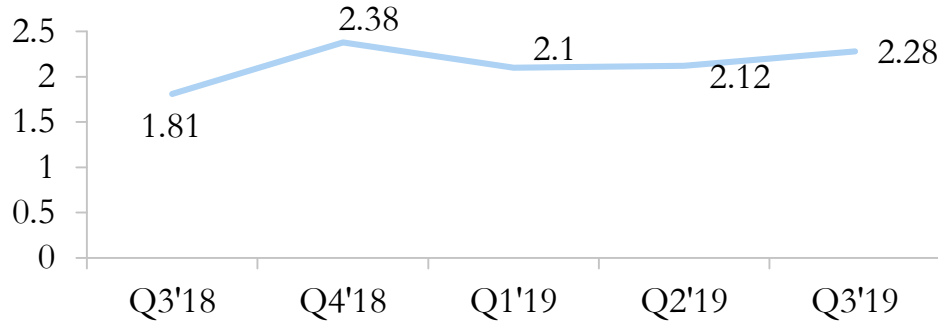


GDP Up –

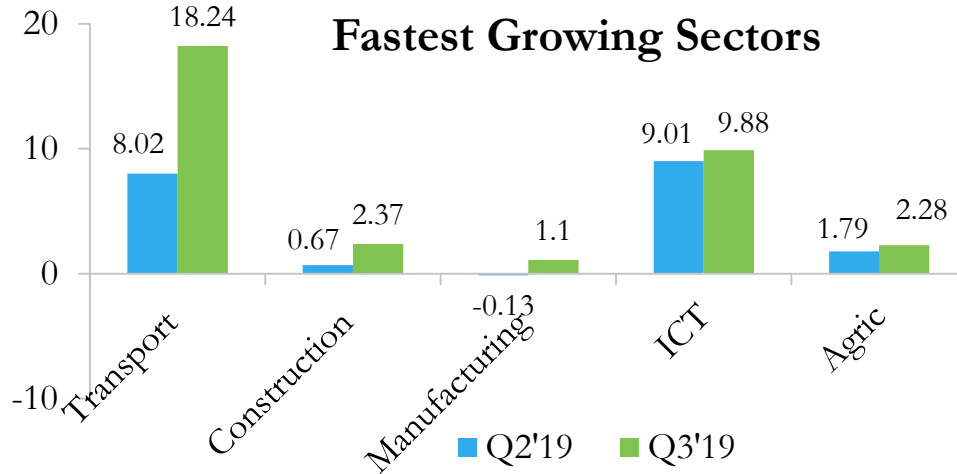
Thank God



GDP Growth (%)



Fastest Growing Sectors



Oil

The White Knight



Introducing...



**BEST VALUE
FOR MONEY
BY FAR**

**UP TO 50%
STRONGER
AFTER 1 DAY**

**THE KING
OF CEMENT**

IDEAL FOR ALL

BLOCK & CONCRETE

APPLICATIONS

Economic Scorecard -

Stable

5 Greens

3 Reds



	September	November	% change
Real GDP (%)	2.12 (Q2'19)	2.28 (Q3'19)	0.16
Money supply (M2)	27.66	27.63 (Oct)	-0.11
Exchange rate (N/\$)	360.00	359.00	-0.28
Credit to the private sector (N'trn)	25.47	25.80 (Oct)	1.30
Lending rates (%)	21.00	19.00	2.00

	September	November	% change
Inflation (%)	11.24	11.61 (Oct)	0.37
External reserves (\$bn)	41.85	39.95	-4.54
Stock market cap (N'trn)	13.45	13.03	3.12

“If You Cannot Afford Rice, Eat Yam” - BJR

Three Months Of Border Closure

The Culprits



Commodities	Current Prices	Direction
Rice (50kg)	27,500	↑
Chicken (1kg)	1,800	↑
Garri (50kg)	6,900	↑

Commodities	Current Prices	Direction
New Yam	500	↓
Tomatoes (50kg)	10,000	↓
Beans (Oloyin) (50kg)	15,000	↓

Workers & Unemployed – Suffering & Sobbing

Working Class *Squeezed*



School Fees *Increase*



House rent *Increase*



Transportation *Flat lining*



Minimum wage *Increase*



Unemployed *Suffering*



Suffering



Increase

Dependency ratio



Misery index



Increase



Crime rate



Increase



Elite – Even The Rich Are Crying



Intl School Fees

Flat lining



House rent

Increase



Medical bills

Increase



Airfares

Increase



Corporate profits
& dividend

Decline



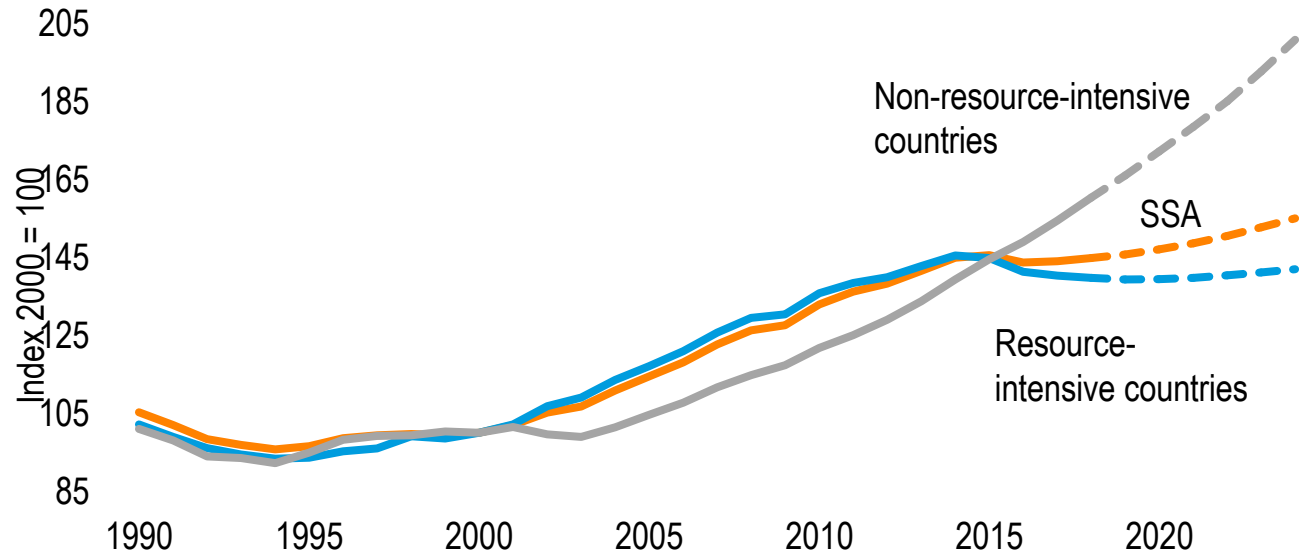
Stock market cap

Decline



SSA growth remains bifurcated, with non-resource intensive countries outpacing resource-rich ones

Real GDP per Capita, 1990–2024



Source: IMF World Economic Outlook database.



Get Extra
from your savings

| *Open an*
**Ecobank Super
Savers Account**

Up to
8.5%
p.a. interest

Features

- High yield on savings
- Flexible access to funds
- Zero maintenance fee
- Multiple digital channels for easy, secure and convenient transactions

Terms and Conditions Apply

☎ 0700 500 0000, 01 270 1323,
0708 065 3700

📧 @ecobank_nigeria
📍 @EcobankNGR

✉ ENGcontactcentre@ecobank.com

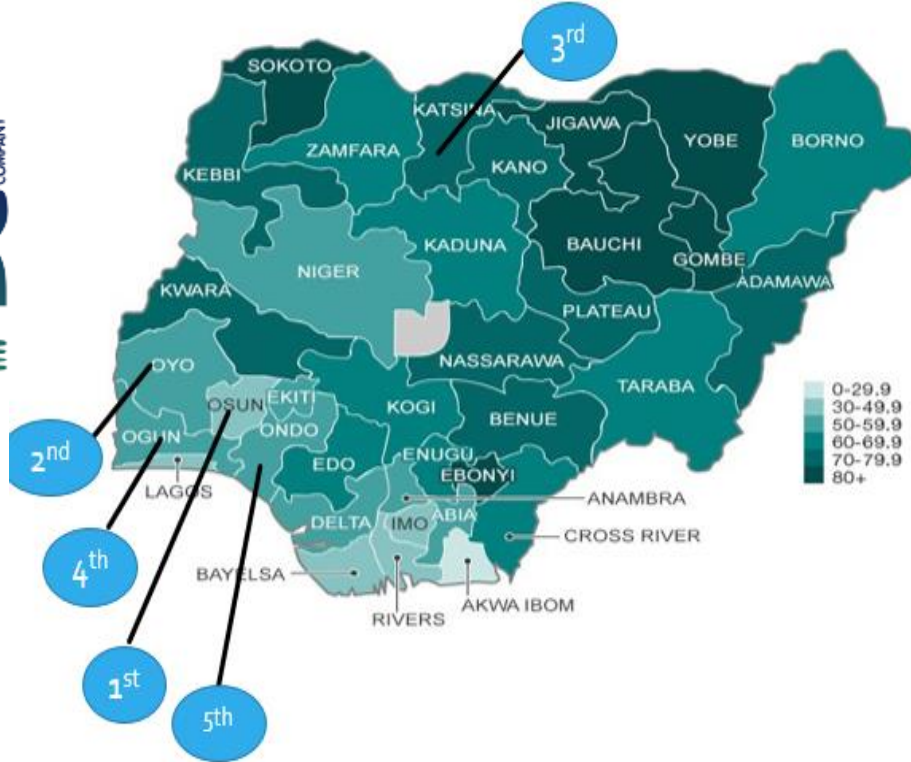
ecobank.com



Ecobank
The Pan African Bank

The Best Places to Live in Nigeria

Lowest Misery Index

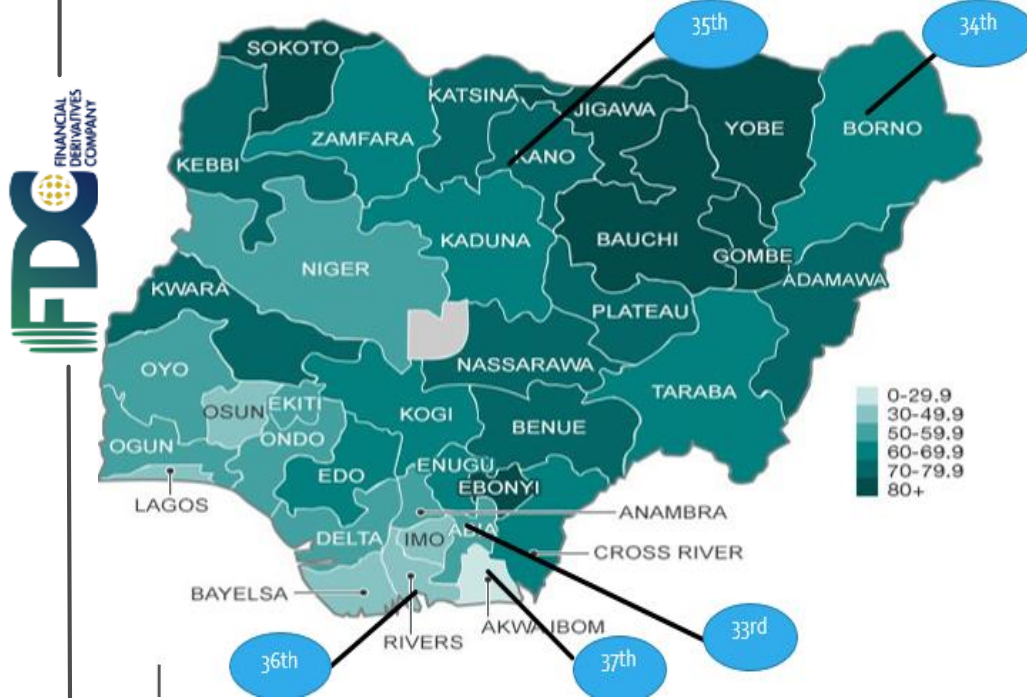


States	Unemployment (%)	Inflation (%)	Misery Index	Rank
<u>Osun</u>	10.07	12.00	22.07	1 st
Oyo	10.34	12.28	22.62	2 nd
<u>Katsina</u>	14.33	9.29	23.61	3 rd
Lagos	14.55	12.87	27.43	4 th
<u>Ondo</u>	14.24	13.74	27.98	5 th

- Mainly in the South-West
- Non resource intensive states
- Shares boundaries with Republic of Benin

The Worst Places to Live in Nigeria

Highest Misery Index



States	Unemployment (%)	Inflation (%)	Misery Index	Rank
<u>Akwa Ibom</u>	37.72	11.54	49.26	37 th
Rivers	36.38	11.77	48.15	36 th
Kano	31.25	12.43	43.68	35 th
<u>Borno</u>	31.39	11.31	42.70	34 th
<u>Abia</u>	31.61	10.88	42.49	33 rd

- Why the paradox?
 - Fiscal abuse
 - Internal conflict
 - Complacency
 - Governance breaches
 - False sense of entitlement

Strong Naira During Xmas



Purchasing Power Parity			
Nov-19			
	=N=	US \$	PPP ('=N=/US\$)
Bottle of Pepsi (50cl)	100	2.65	37.74
Beer (60cl)	260	2.91	89.35
Hamburger (Johnny Rockets)	3,800	4.59	827.89
Indomie	2,100	3.65	575.34
Toyota Corolla	21,000,000	21,980	955.41
Bottled Water (150cl)	120	1.31	91.60
Big Loaf Bread	400	2.39	167.36
Irish Spring Soap (1 cake)	250	0.86	290.70
Chicken Drumsticks (1 kilo)	1,800	4.15	433.73
Eggs (Big Size)	1,000	4.47	223.71
Average PPP			369.28
Naira Price at IEFX			362.64
PPP (%)			
Decision: Naira is		overvalued	1.83%
Spot Rate (Parallel)			360
Outcome: Compared to IFEX rate of N363.22/\$1, the Naira is overvalued by 1.83%			

- Terms of trade down 6.29% to 26.8
- External reserves lost 4.54% in the last 2 months
- Currently \$39.95bn

December Outlook – Merry Xmas

Budget will be approved – N10.33trn

Minimum wage will be paid (18% of money supply)

Headline inflation to increase to 11.9% (December)

OPEC to decide on oil quota – Dec 5/6 (\$63pb)

External reserves to fall to \$38bn (December)

LDR at 65% - Banks will struggle



*Thank
you*

