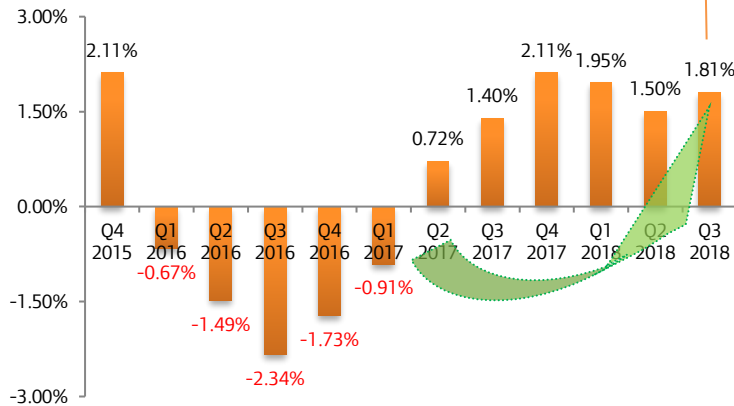




# GDP Update: Q3 2018

MPR: 14%  
Oct'18 Inflation Rate: 11.26%

Y-o-Y Real GDP Growth Rates



Q3 2018 Real Output Growth Improves to 1.81% on Telecoms, Agric and Trade Sectors.

- Nigeria's real Gross Domestic Product grew year-on-year (y-o-y) by 1.81% to N18.08 trillion in Q3 2018, faster than 1.50% growth to N16.58 trillion recorded in Q2 2018. However, the growth rate was still slower than the 1.95% registered in Q1 2018. The non-oil sector accounted for the increased GDP number as it grew y-o-y by 2.32% to N16.38 trillion. This was majorly attributed to the double-digit growth, 12.09%, in information & Communication sector to N1.91 trillion (of which telecoms which accounts for eighty per cent of the sector rose by 14.97%).
- In addition, the Trade sector rebounded by 0.98% to N2.86% (from a 2.14% decline in the Q2 2018) while the agric sector expanded by 1.91% to N5.29 trillion in Q3 2018.
- Conversely, Oil and Gas sector further contracted y-o-y by 2.91% to N1.69 trillion in Q3 2018 despite quarterly increases in both average crude oil price and production.
- Much of the outstanding 9.05% quarter on quarter (q-o-q) GDP growth was propelled by oil sector which rose by 19.64%.

The improved 39.56% q-o-q growth in agricultural sector, despite flooding and attacks on farmers, 15% annual growth in telecoms and boost in manufacturing, suggests greater diversification of the economy. We expect further growth in Q4 given anticipated increase in electioneering and festivity spending activities as well as greater business and consumer confidence levels.

Major Sectors	Q3 2018	Q2 2018	Q-o-Q %Change
Oil & Gas (N 'Trn)	1.69	1.42	19.64%
Y-o-Y %Change	-2.91%	-3.95%	
Non-Oil Sector (N 'Trn)	16.38	15.16	8.06%
Y-o-Y %Change	2.32%	2.05%	
Quarter GDP (N 'Trn)	18.08	16.58	9.05%

Share of Real GDP (%)	Q3 '18 Share of Real GDP	Q3 '18 y-o-y Growth (%)	Q2 '18 y-o-y Growth (%)
Agriculture	29.25%	1.91%	1.19%
Trade	15.80%	0.98%	-2.14%
Info & Comm	10.55%	12.09%	11.81%
Mining & Quarrying	9.53%	-2.81%	-3.84%
Manufacturing	8.84%	1.92%	0.68%
Real Estate	6.50%	-2.68%	-3.88%
Profes, Sci & Tech Services	3.75%	1.93%	2.07%
Construction	3.01%	0.54%	7.66%
Financial Services	2.52%	-4.81%	1.28%
Education	2.14%	-0.42%	-0.67%
Other Economic Activities	8.10%		
Q3 2018 Real GDP	N18.08 Trn	1.81%	1.50%

Source: National Bureau of Statistics, Cowry Research

IMPORTANT DISCLOSURES: This report is produced by the Research Desk, Cowry Asset Management Limited (COWRY) as a guideline for Clients that intend to invest in securities on the basis of their own investment decision without relying completely on the information contained herein. The opinion contained herein is for information purposes only and does not constitute any offer or solicitation to enter into any trading transaction. While care has been taken in preparing this document, no responsibility or liability whatsoever is accepted by any member of COWRY for errors, omission of facts, and any direct or consequential loss arising from the use of this report or its contents