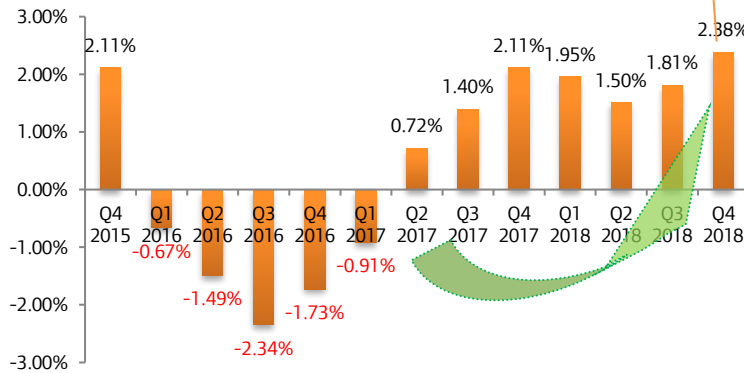




GDP Update: Q4 2018

MPR: 14%
Dec'18 Inflation Rate: 11.44%

Y-o-Y Real GDP Growth Rates



Telecoms, Agric and Manufacturing Sectors Drive Q4 2018 Real Output Growth by 2.38% Y-o-Y.

- Nigeria's real Gross Domestic Product grew year-on-year (y-o-y) by 2.38% to N19.04 trillion in Q4 2018, faster than 1.83% growth to N18.08 trillion registered in Q3 2018. The non-oil sector which accounted for the improved GDP number grew y-o-y by 2.70% to N17.70 trillion. This was majorly attributed to the double-digit growth, 13.20%, witnessed in information & Communication sector to N2.36 trillion from N1.91 trillion in Q3 2018 (telecoms share of GDP constitute 12.40%).
- In addition, the Agricultural sector revved by 2.46% to N4.98 trillion (from a 1.91% rise in Q3 2018) on account of the harvest season. Similarly, the manufacturing sector expanded by 2.35% to N1.69 trillion in Q4 2018 (from a 1.92% rise recorded in Q3 2018).
- However, Oil & Gas sector further contracted y-o-y by 1.62% to N1.34 trillion in Q4 2018 (albeit, slower than the 2.91% decline in Q3 2018) This was chiefly due to the drop in crude oil price in the last quarter. Quarterly average crude oil price fell to USD69.10 per barrel in Q4 2018 from USD76.79 in Q3 2018.
- The effect of the decline in crude oil price resulted in a slower quarter on quarter (q-o-q) GDP growth, 5.31%, despite the 8.01% growth recorded in non-oil sector.

The improved annual GDP growth, 1.93%, which was in line with our expectation, was partly due to festivity spending and political activities in the last quarter of 2018. We expect boost in economic activity as Nigeria crosses the political bridge in Q1 2019 and focuses on expansionary economic policy going forward.

Major Sectors	Q4 2018	Q3 2018	Q-o-Q %Change
Oil & Gas (N 'Trn)	1.34	1.69	-20.77%
Y-o-Y %Change	-1.62%	-2.91%	
Non-Oil Sector (N 'Trn)	17.70	16.38	8.01%
Y-o-Y %Change	2.70%	2.32%	
Quarter GDP (N 'Trn)	19.04	18.08	5.31%

Share of Real GDP (%)	Q4 '18 Share of Real GDP	Q4 '18 y-o-y Growth (%)	Q3 '18 y-o-y Growth (%)
Agriculture	26.15%	2.46%	1.91%
Trade	16.50%	1.02%	0.98%
Info & Comm	12.40%	13.20%	12.09%
Manufacturing	8.86%	2.35%	1.92%
Mining & Quarrying	7.23%	-1.23%	-2.81%
Real Estate	6.60%	-3.85%	-2.68%
Profes, Sci & Tech Services	3.71%	0.46%	1.93%
Construction	3.48%	2.05%	0.54%
Financial Services	2.72%	-1.76%	-4.81%
Education	2.51%	0.35%	-0.42%
Other Economic Activities	9.85%		
Q4 2018 Real GDP	N19.04 Trn	2.38%	1.81%

Source: National Bureau of Statistics, Cowry Research
Growth Rates: Year-on-Year

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