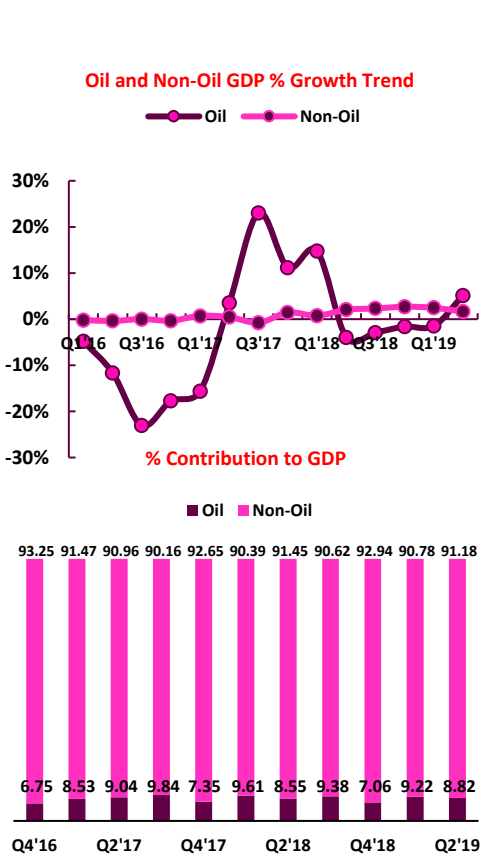
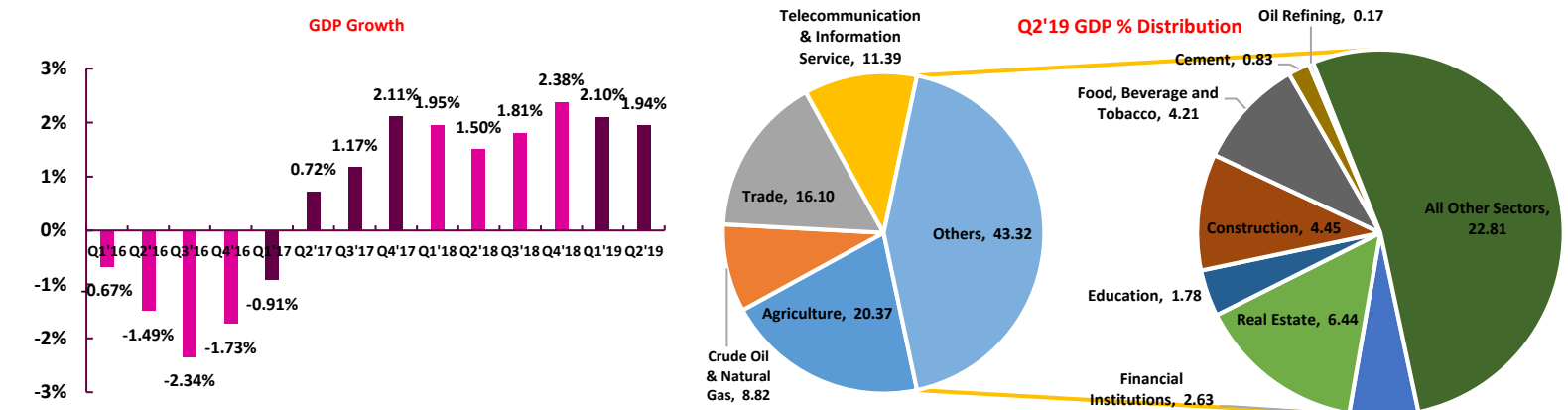


Key Statistics - % Growth (YoY)	Q2'19	Q1'19
<b>Real GDP</b>	1.94	2.10
<b>Oil Sector</b>	5.15	-1.46
<b>Non-Oil Sector</b>	1.64	2.47
<b>Agriculture Sector</b>	1.79	3.17
<b>Industrial Sector</b>	2.10	0.42
<b>Services Sector</b>	1.94	2.41

## Q2'19 Gross Domestic Product (GDP) Update

- According to the Nigerian Bureau of Statistics (NBS), the nation's GDP grew by 1.94% YoY in terms of Real GDP to ₦16.90tn. This was 0.44% points higher than the recorded GDP growth of 1.50% in Q2'18. However, GDP growth for Q2'19 is 0.16% lower than the 2.10% growth recorded in Q1'19. On a Quarter-on-Quarter (QoQ) basis, Real GDP growth advanced by 2.85% in Q2'19 (vs -13.69% QoQ in Q1'19).
- In nominal terms, Q2'19 GDP grew by 13.83% YoY and 9.80% QoQ to ₦34.94tn, indicating the persistent effect of high consumer prices within the economy relative to real product growth. We note that the 1.94% YoY Real GDP growth (albeit below expectation) was aided by the stability oil output as well as the successful political transition in the same period.



- The Oil sector Real GDP contribution came in at 8.82% in Q2'19 which is 0.27% higher than the recorded rate of Q2'18 (+8.55%) but 0.39% lower than the GDP contribution captured in Q1'19. Furthermore, crude oil production averaged 1.98 million barrels per day (mbpd) in the quarter, which was 0.14mbpd higher than the daily average production in Q1'18 and 0.01mbpd higher than the Q1'19 figure. Real growth rate of the sector advanced by 5.15% YoY in the period, which is 9.10% and 6.16% higher than Q2'18 and Q1'19 growths respectively. On a Quarter on Quarter basis, the Real GDP for the Oil Sector contracted by 1.55% in Q2'19.
- The non-oil sector grew by 1.64% YoY in real terms in Q2'19, lower by 0.40% and 0.83% points in comparison to the figures captured in Q2'18 (+2.05%) and Q1'19 (+2.47%) respectively. The sector growth was driven mainly by Information and Communication Services. Other notable drivers were Agriculture, Transportation, Storage and Other Services. In real terms, the non-oil sector contributed 91.18% to the GDP in Q2'19 (vs. 91.45% in Q1'18 and 90.78% in Q2'19).
- Q2'19 GDP growth was buoyed by activities in the Oil & Gas space, as both global oil prices and domestic production volume in the period helped offset the gap created by minimal fiscal spending and slow economic growth exacerbated by sluggish actions from the Executive arm of the government.**
- We expect that with the appointment of the Federal cabinet members, there should be improved fiscal releases for capital expenditure in the next two quarters, thus translating to improved Real GDP growths in the period (H2'19 average growth rate of >2.7% YoY is required to meet the IMF FY'19 Country GDP forecast of 2.3%). The on-going U.S-China trade tensions remains a downside risk.**