Stanbic IBTC Bank
A member of Standard Bank Group

PMI® By IHS Markit

This PMI is endorsed and adopted by NBS

NATIONAL BUREAU OF STATISTICS

News Release

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
Embargoed until: 09:45 (Abuja) / 08:45 (UTC) December 5th 2018

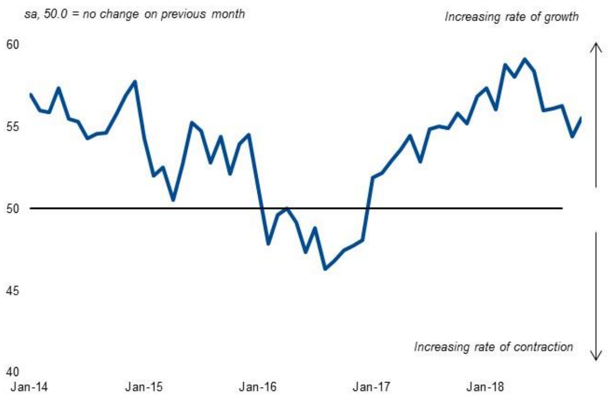
Stanbic IBTC Bank Nigeria PMI®

Output growth regains some ground in November

Data collected 12-28 November

- Faster rises in output and new orders
- Near-record increase in backlogs of work
- Softer inflationary pressures

Stanbic IBTC Bank Nigeria PMI



Sources: Stanbic IBTC Bank, IHS Markit

Growth in the Nigerian private sector regained some momentum in November, having softened in October. Faster increases in output and new orders were recorded, albeit with rates of expansion remaining below those seen earlier in 2018.

Inflationary pressures showed signs of easing in the latest survey period. Overall input costs rose at the slowest pace since February 2015, while the pace at which companies increased their charges also softened.

The headline figure derived from the survey is the Purchasing Managers' Index™ (PMI®). Readings above 50.0 signal an improvement in business conditions on the previous month, while readings below 50.0 show a deterioration.

Commenting on November's survey findings, Gbolahan Taiwo, Economist at Stanbic IBTC Bank said:

"Although the November reading of the Stanbic IBTC PMI at 55.5 showed a slight uptick over October's reading of 54.4, the pace of growth particularly for output and new orders have waned significantly when compared to the year-to-date average. Sure, business conditions in the Nigerian private sector have improved this year when compared to last year in line with general economic conditions. However, they are still nowhere close to levels seen before the oil price crash in 2015. The relative stability in the foreign exchange market over the course of this year have largely supported. The significant downtrend recorded for input prices and purchase costs in November continued to reflect the moderating inflationary pressures which was also evident in the last headline inflation reading at 11.26% y/y."

The main findings of the November survey were as follows:

The PMI posted 55.5 in November, signalling a marked monthly improvement in the health of the Nigerian private sector. The reading was up from October's 16-month low of 54.4, thereby pointing to a reacceleration in the rate of improvement. That said, business conditions strengthened to a lesser extent than the average for 2018 so far.

The same was true for both output and new orders in November, with growth rates improving from October but remaining below the respective year-to-date averages. Where increases were registered, panellists generally linked this to improving customer demand.

Higher new business fed through to another monthly rise in backlogs of work in November. Furthermore, the rate of accumulation was the second-sharpest since the survey began in January 2014. Increased pressure on capacity amid rising new orders led companies to take on extra staff for the nineteenth consecutive month. The rate of job creation was faster than in October, but remained modest.

November data pointed to an easing of inflationary pressures in the Nigerian private sector. Overall input prices increased marginally, and to the least extent in 45 months. A slowdown in the rate of purchase cost inflation was recorded, while staff costs increased modestly. Companies responded to higher input prices by increasing their output charges. The rate of inflation eased, however, amid reports from panellists of discounts being offered to help secure new business.

Improvements in customer demand encouraged firms to engage in input buying during November. Purchasing activity rose sharply, and to a greater extent than in the previous month. The rate of accumulation also accelerated, with inventories up markedly.

As has been the case for more than a year, suppliers' delivery times improved. The rate at which lead times shortened was substantial and much greater than that seen in October.

-Ends-

For further information, please contact:

Stanbic IBTC Bank:

Gbolahan Taiwo, Economist, Research
Telephone +234 (1) 422 8290
Email Gbolahan.taiwo@stanbicibtc.com

Usman Imanah, Communications Manager
Telephone +234 7066 3172 67
Email usman.imanah@stanbicibtc.com

IHS Markit:

Andrew Harker, Associate Director
Telephone +44-1491-461-016
Email andrew.harker@ihsmarkit.com

Joanna Vickers, Corporate Communications
Telephone +44-207-260-2234
Email joanna.vickers@ihsmarkit.com

Note to Editors:

The Stanbic IBTC Bank Nigeria Purchasing Managers' Index™ is based on data compiled from monthly replies to questionnaires sent to purchasing executives in approximately 400 private sector companies, which have been carefully selected to accurately represent the true structure of the Nigerian formal economy, including agriculture, manufacturing, services, construction and retail. The panel is stratified by Standard Industrial Classification (SIC) group, based on industry contribution to GDP. Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'.

The Purchasing Managers' Index (PMI®) is a composite index based on five of the individual indexes with the following weights: New Orders - 0.3, Output - 0.25, Employment - 0.2, Suppliers' Delivery Times - 0.15, Stock of Items Purchased - 0.1, with the Delivery Times index inverted so that it moves in a comparable direction.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

IHS Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from IHS Markit. Please contact economics@ihsmarkit.com.

Stanbic IBTC Bank:

Stanbic IBTC Bank is a subsidiary of Stanbic IBTC Holdings Plc, a full service financial services group with a clear focus on three main business pillars - Corporate and Investment Banking, Personal and Business Banking and Wealth Management. Standard Bank Group, to which Stanbic IBTC Holdings belongs, is rooted in Africa with strategic representation in 20 key sub-Saharan countries and other emerging markets; Standard Bank has been in operation for over 151 years and is focused on building first-class on-the-ground banks in chosen countries in Africa and connecting other selected emerging markets to Africa and to each other.

About IHS Markit (www.ihsmarkit.com)

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. To learn more go to https://ihsmarkit.com/products/pmi.html.

Disclaimer

Please note that the Stanbic IBTC Bank Nigeria PMI should not be taken as a substitute for official statistics, but may be used in conjunction with them.

Stanbic IBTC Bank Nigeria ("**Stanbic IBTC**") has issued and is responsible for production of this publication. This publication should be regarded as being for information only and should not be considered as an offer or solicitation to sell, buy or subscribe to any financial instruments, securities or any derivative instrument, or any other rights pertaining thereto (together, "**investments**"). Stanbic IBTC does not express any opinion as to the present or future value or price of any investments referred to in this publication. This publication may not be reproduced without the consent of Stanbic IBTC.

The information contained in this publication has been compiled from sources believed to be reliable, but, neither Stanbic IBTC, nor any of its directors, officers, or employees accepts liability for any loss arising from the use hereof or makes any representations as to its accuracy and completeness. The information contained in this publication is valid as at the date of this publication. This information is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the matters discussed herein.

This publication does not constitute investment advice and has been prepared without regard to individual financial circumstances, objectives or particular needs of recipients. Readers should seek their own financial, tax, legal, regulatory and other advice regarding the appropriateness or otherwise of investing in any investments or pursuing any investment strategies. Investec operates exclusively on an execution only basis.

An investment in any of the investments discussed in this publication may result in some or all of the money invested being lost. Past performance is not a reliable guide to future performance. To the extent that this publication is deemed to contain any forecasts as to the performance of any investments, the reader is warned that forecasts are not a reliable indicator of future performance. The value of any investments can fall as well as rise. Foreign currency denominated investments are subject to fluctuations in exchange rates that may have a positive or adverse effect on the value, price or income of such investments. Certain transactions, including those involving futures, options and other derivative instruments, can give rise to substantial risk and are not suitable for all investors.