

## **Summary**

2021 Quarter Three (Q3) GDP Growth Rate 4.03%

Inflation Rate (As at December, 2021) 15.63%

Exch. Rate (USD) (NAFEX as at Wednesday, January 26, 2022) ₦415.36

Exch. Rate (USD) (Black market as at Thursday, January 27, 2022) ₦570

Monetary Policy Rate, MPR (As at Thursday, January 27, 2022) 11.5%

Crude Oil Price in USD (As at Thursday, January 20, 2022) \$90.07

## **CBN's eNaira records less than 10% P2P transactions after 3months**

After three months since its launch, Africa's first digital currency, eNaira, has recorded less than 10% in P2P transactions. The Governor of the Central Bank of Nigeria, Godwin Emefiele, disclosed this at the first MPC meeting of 2022. An increase in P2P transactions is indicative of increased use of the eNaira amongst citizens for their daily transactions. However, the CBN governor disclosed that the Person to Bank and Bank to Person constitute 90% eNaira transactions. This shows that users of eNaira transact more with banks than with each other, as Person to Person (P2P); or Person to Merchant (P2M) accounted for the remaining 10% of the eNaira transactions.

## **CBN disburses N47.83 billion to power sector under its mass metering programme**

The Central Bank of Nigeria (CBN) has revealed that it has disbursed the sum of N47.83 billion for the procurement and installation of 856,026 electricity meters across the country under the National Mass Metering Programme (NMMP) in the scheme's phase 0. The NMMP is a metering initiative introduced by the Federal Government geared towards mass metering of Nigerians by providing loan facilities to the electricity distribution companies (DisCos) for the procurement of meters for its customers; and the local meter Manufacturers, for the manufacturing and assembling of meters. This disclosure is contained in a communique issued by the CBN Governor, Godwin Emefiele, after the 140th MPC meeting held on Monday, January 24, 2022, and Tuesday, January 25, 2022.

## **External reserve**

Nigeria's external reserve dropped by 0.07% on Tuesday, 25th January 2022 to close at \$40.21 billion, which represents a decline of \$26.77 million from the \$40.24 billion recorded as of the previous day. The continuous decline in the country's reserve level can be attributed to the Central Bank's intervention in the official market in ensuring the stability of the exchange rate.

It is worth noting that the nation's foreign reserve gained \$5.99 billion in the month of October, as a result of the \$4 billion raised by the federal government from the issuance of Eurobond in the international debt market. However, in the month of November, Nigeria's external reserve lost \$611.01 million in value as against a gain of \$5.99 million recorded in the previous month and a \$2.76 million gain in September 2021. In December 2021, the reserve dipped by \$66.17 million, while in January 2022 a total of \$307.19 million has been lost in the reserve level.

### **Treasury Bills**

Last week at the Nigerian Treasury Bills ("NT-Bills") secondary market, activity levels were muted as most instruments closed flat W-o-W. This was on the back of investors digesting the recently released CPI/Inflation data for the month of December 2021, which grew at 15.6% Y-o-Y. Consequently, average yields expanded 2bps W-o-W to close at 4.41% from 4.39% the previous week. In more detail, the average yield at the medium- and long-end of the curve closed flat for the week, while the short-end of the curve gained 11bps W-o-W to close at 3.23%.

### **FGN BONDS**

The FGN Bonds secondary market reversed its bullish sentiment last week as market participants focused on the PMA. The average yield in the market subsequently advanced 47bps W-o-W to close at 11.41% from 10.94% the previous week. Specifically, activities were mixed across the curve as the average yields on short- and medium-tenured maturities dipped 46bps and 4bps W-o-W respectively to close at 7.99% and 12.40% in that order. While the average yield at the long-end of the curve surged 151bps W-o-W with the introduction of the 2042s instrument.

### **FX**

The exchange rate between the naira and the US dollar at the official Investors and Exporters (I&E) window closed at N416.25/\$1 on Wednesday 26 January 2022, while it traded as high as N444/\$1 before settling lower. Naira gained further against the US dollar on Wednesday albeit a marginal appreciation of 0.02% to close at N416.16/\$1 compared to N416.33/\$1 recorded in the previous trading session. The exchange rate has maintained an average of N416.69 to a dollar since the beginning of the New Year.