

**Summary:**

Inflation Rate (As at July, 2021) 17.38%

2021 Quarter One (Q1) GDP Growth Rate 0.51%

Exch. Rate (USD) (NAFEX as at Friday, August 20, 2021) ₦411.71

Exch. Rate (USD) (Parallel market as at Friday, August 20, 2021) ₦520

Monetary Policy Rate, MPR (As at Friday, August 20, 2021) 11.5%

Crude Oil Price in USD (As at Friday, August 20, 2021) \$66.42

**Nigeria's inflation rate drops to 17.38% in July 2021**

Reports from According to the recently published consumer price index report by the National Bureau of Statistics (NBS), Nigeria's inflation rate dropped further in July 2021 to 17.38% compared to 17.75% recorded in June 2021 marking the 4th consecutive decline in the inflation rate. It is worth noting that despite the subtle decline recorded in the review month, prices of goods and services increased significantly, as the CPI surged by 17.38% compared to the corresponding period of 2020. On month-on-month basis, the Headline index increased by 0.93% in July 2021, which is 0.13% points lower than the 1.06%, recorded in June 2021.

**Treasury Bills**

The Nigerian Treasury Bills ("NT-Bills") secondary market witnessed a sustained bullish run last week as funds that lost out of the Primary Market Auction ("PMA") were positioned in the secondary market. In addition, system liquidity levels improved (N26.1bn as at Friday) as N51.5bn worth of matured NT-Bills hit the market on Thursday. Consequently, average yield across all maturities dipped 95bps to settle at 4.67% from 5.62% the previous week. At the PMA last week, the Central Bank offered a total of N51.5bn across the 91-Day (N8.4bn), 182-Day (N16.0bn), and 364-Day (N27.0bn). This was met with mixed demand as the short- and mid-tenured bills were undersubscribed while the longest dated bill witnessed an oversubscription of 14.3x which put pressure on the stop rate to lose 85bps and close at 7.35% from 8.20% at the previous auction.

**FGN BONDS**

The FGN Bonds secondary market sustained its bullish trend as buying interests in the market continue to force yields downwards. As a result, the average yield in the market shed 38bps to

close 11.56% from 11.94% the previous week. Specifically, average yield in the short-end of the curve fell the most, contracting 62bps W-o-W (Week-On-Week) to settle at 9.30% from 9.92%. The average yield in the long-end of the curve also dipped 33bps W-o-W to close at 11.56% and the average yield at the mid-end of the curve shed 26bps to close at 12.06% for the same period.

## **FX**

According to abokiFX.com, naira fell against the U.S. dollar at the black market to close at N520.00 per \$1 as against the N517.00 rate it traded last week. This represents a N3.00 or 1.00 per cent devaluation from the N517.00 per \$1 it exchanged hands with the greenback from the previous session. The currency however, appreciated slightly against the U.S dollar at the official window on Thursday after recording a marginal loss in the previous session on Wednesday. Data recorded on the FMDQ Security Exchange shows that the currency closed at N411.67 per \$1 on Thursday which implies a N0.08 or 0.02 per cent appreciation from the N411.75 rate it exchanged in the previous session on Wednesday.