

Inflation Rate (As at August, 2021) 17.01%

2021 Quarter Two (Q2) GDP Growth Rate 5.01%

Exch. Rate (USD) (NAFEX as at Thursday, September 30, 2021) ₦413.71

Exch. Rate (USD) (Black market as at Tuesday, September 28, 2021) ₦574

Monetary Policy Rate, MPR (As at Thursday, September 30, 2021) 11.5%

Crude Oil Price in USD (As at Thursday, September 30, 2021) \$78.79

Global Economy

Saudi Arabia's citizen unemployment rate fell to 11.3% in the second quarter compared to 11.7% in the first quarter as the economy continued to recover from the pandemic while the government intensified efforts to create jobs for nationals. According to data released on Thursday by the General Authority for Statistics, Saudi male unemployment declined to 6.1% in the period from March to June, from 7.2% in the first quarter, while female unemployment rose to 22.3%, from 21.2%. Saudi labour force participation fell slightly, to 49.4%, suggesting that some citizens are dropping out of the job market.

Indonesia's parliament approved a \$190 billion state budget for next year, while moving closer to passing sweeping reforms to the country's tax system that should help fund spending and cut reliance on debt. Lawmakers passed the 2022 budget into law at a plenary meeting on Thursday, with state spending seen at 2,714.2 trillion rupiah, slightly lower than the 2,750 trillion rupiah set for this year. It set a faster economic growth forecast of 5.2% for 2022, while reducing its budget deficit to 4.85% of gross domestic product from a projected 5.8% this year. Indonesia joins its neighbours in finding solutions to improve finances as a protracted coronavirus outbreak depletes government coffers. While Thailand has been forced to raise its public debt ceiling and Malaysia weighs doing the same, Indonesia has stood by its pledge to bring its budget deficit back to 3% of GDP by 2023 by streamlining spending and expanding revenue sources. Southeast Asia's biggest economy expects to return its GDP growth trajectory to over 5% next year.

PARIS (Reuters) - French inflation rose in September to reach its highest rate in nearly a decade according to the preliminary data from the French National Institute for Statistics and Economic Studies (INSEE) statistics agency released on Thursday. INSEE said its EU-harmonised consumer prices index fell 0.2% from August, giving a 12-month inflation rate of 2.7%, up from 2.4% in August. The September rate was the highest since December 2011, but was slightly below an average forecast for 2.8% in a Reuters poll of 24 economists' expectations. As is the currently the case in many countries, surging energy prices are driving the inflation spike in France. They rose 14.4% over one year in September, INSEE said

Company sues CBN for using the name ‘eNaira’

After the successful deployment of the Central Bank eNaira website and days away from the activation of the eNaira itself, a cease and desist notification has been sent to the Central Bank of Nigeria (CBN) concerning the use of the name “eNaira.” This is according to a document titled: “Infringement of Trademark & Violation of Corporate Name cease and desist Notification to the Central Bank of Nigeria.” signed by Olakule Agbebi Esq for Olakule Agbebi & Co . According to the Notification from the solicitor, his client “ENAIRA PAYMENT SOLUTIONS LIMITED (RC 508500)” has been incorporated since 7th April 2004 registered in class 36 and class 42. It stated that the launch of the eNaira is a threat and shows wilful infringement of his client’s trademark adding that his client is now exposed to damages, loss of business and loss of goodwill. “For these reasons, our client has approached the Federal High Court in Suit No: FHC/AB/CS/113/2021 between ENAIRA PAYMENT SOLUTIONS LIMITED vs CENTRAL BANK OF NIGERIA to seek a restraining order including an order to restrain CBN from proceeding in the launch on 1st October 2021,” the Notice stated.

External Reserve Watch

Nigeria’s foreign reserve gained further by \$152 million on Tuesday, 28th September 2021 to close at \$36.413 billion compared to \$36.261 billion recorded the previous day. The latest increase represents a 0.42% boost in the country’s foreign reserve and the highest level since February of this year. The reserve has now gained \$2.324 billion in the month of September 2021, putting the year-to-date gain at \$1.038.77 billion. The recent increase in the reserve position, which has continued since the 25th of August is in line with recent reports suggesting that Nigeria’s foreign reserve position could grow as high as \$40 billion by the end of September 2021.

Treasury Bills

Last week, the Nigerian Treasury Bills ("NT-Bills") secondary market sustained its bearish trend amidst pressured liquidity levels, which fell to N211.01bn short on Friday. Sell-offs were witnessed on short- and medium-term bills at the early trading sessions of the week. However, buying interest was recorded on the long-dated maturities as average yield contracted 10bps W-o-W (Week-On-Week) to close at 6.59%. Consequently, the average yield across all NTB instruments inched 4bps W-o-W to close at 5.61%.

FGN BONDS

The FGN bonds secondary market performance turned bullish, as funds were channelled from unmet bids at the PMA. As a result, average yield across all maturities dipped 7bps W-o-W to settle at 11.23% (from 11.31% the previous week), with the most buying interests recorded on the 17-Mar-27 (-68bps W-o-W) and 22-Jan-26 (-41bps W-o-W) maturities. At the PMA, the Debt Management Office's ("DMO") total offer of N150.0bn which was met with strong demand, recording an overall subscription of 2.2x. In addition, the highest subscription at the auction was recorded on the 2050s which had

N156.3bn subscription. Furthermore, the DMO maintained the previous stop rate for the 2028s and 2036s, while the 2050s was improved to 13.00% (+20bps).

FX

The naira fell at the official market despite a massive 266.2% increase in dollar supply. The local currency is still hitting record lows against the US dollar at the black market despite the news of Nigeria's Eurobond sales, which is meant to boost the nation's external reserves. Available data show that Naira depreciated against the US dollar at the official window on Wednesday, to close at N414.73/\$1, representing a 0.06% drop when compared to N414.50/\$1 recorded on Tuesday 28th September 2021 while, the exchange rate at the parallel market closed at N574/\$1 on Tuesday.