

Inflation Rate (As at August, 2021) 17.01%

2021 Quarter Two (Q2) GDP Growth Rate 5.01%

Exch. Rate (USD) (NAFEX as at Friday, October 15, 2021) ₦415.09

Exch. Rate (USD) (Black market as at Thursday, October 14, 2021) ₦570

Monetary Policy Rate, MPR (As at Friday, October 15, 2021) 11.5%

Crude Oil Price in USD (As at Friday, October 08, 2021) \$84.69

Oil price hits \$85 a barrel — first time in three years

Brent oil, the global oil benchmark has crossed the \$85 mark (the highest level since October 2018) in what is a potential boost to Nigeria's oil export revenue. Brent crude futures traded as high as \$85.07 a barrel on Friday morning. US West Texas Intermediate (WTI) crude futures rose 0.85 percent to \$82 a barrel. The surge followed a rise in demand for energy that resulted from the decision of the Organisation of Petroleum Exporting Countries (OPEC) and its allies to maintain its gradual monthly oil production increase. The crude oil market has continued to boom amidst surging gas prices, gradual global recovery from the COVID-19 pandemic and vaccine rollout. The rise in crude oil price will result in increased revenue for Nigeria, but the country's subsidy shortfall payments may erode the gains.

Treasury Bills

The Nigerian Treasury Bills ("NT-Bills") secondary market maintained a bullish run last week as liquidity levels were elevated at N124.3bn at the beginning of the week. Investors cherry-picked instruments with relatively attractive yields in the market. Consequently, the average yield contracted by 9bps W-o-W (Week-On-Week) to close at 5.27% from 5.36% the preceding week. Specifically, most declines were recorded on the 28-Oct-21 (-85bps), 11-Nov-21 (-81bps), and 25-Nov-21 (-77bps) bills respectively.

FGN BONDS

Trading in the domestic bonds secondary market experienced a hand full of sell-offs as benchmark bonds experienced a 14bps increase in average yield W-o-W from 11.2% to 11.3%. Precisely, average yield across short, medium, and long tenors expanded 25bps, 11bps and 10bps W-o-W respectively, with the 17-Mar-27 (69bps), 22-Jan-26 (45bps), and 23-Mar-25 (42bps) instruments recording the most sell-offs.

FX

The value of the naira fell further by 1.68 per cent against the dollar at the official market on Thursday. At the Investor & Exporter foreign exchange window, the local currency opened at 413.15/\$1 on Thursday but closed at 422.07/\$1. The naira had depreciated by 0.19 per cent to 415.10/\$1 on Wednesday after closing at 414.30/\$1 on Tuesday. At the parallel market, the dollar was bought at N565 and sold for N570, according to some operators in the black market. The Central Bank of Nigeria, however, maintained N410.91/\$1 as its official rate on its website.