

Inflation Rate (As at September, 2021) 16.63%

2021 Quarter Two (Q2) GDP Growth Rate 5.01%

Exch. Rate (USD) (NAFEX as at Friday, October 22, 2021) ₦414.10

Exch. Rate (USD) (Black market as at Friday, October 22, 2021) ₦570

Monetary Policy Rate, MPR (As at Friday, October 22, 2021) 11.5%

Crude Oil Price in USD (As at Friday, October 22, 2021) \$84.60

### **Headline Inflation Increases by 16.63% YoY in September 2021**

The recently released Consumer Price Index, (CPI) report by the National Bureau of Statistics, indicates that inflation increased by 16.63% year-on-year in September 2021 representing 0.38% points decrease compared to the rate (17.01%) recorded in August 2021. On month-on-month basis, the Headline Index increased by 1.15 percent in September 2021 which is 0.13 percent rate higher than the rate recorded in August 2021 (1.02) percent. Food inflation, which is a closely watched index dropped to 19.57% in September from 20.3% recorded in the prior month while core inflation rose to 13.74%, up by 0.33% when compared with 13.41% recorded in August 2021.

### **External Reserve Watch**

Nigeria's foreign reserve gained \$377.04 million on Wednesday, 20th October 2021 to close at \$40.76 billion compared to \$40.39 billion recorded as of the previous day. The latest increase represents a 0.93% increase in the country's foreign reserve position. The nation's foreign reserve has gained \$3.98 billion so far in October, on the back of the \$4 billion raised by the federal government from the issuance of Eurobond in the international debt market. The gains recorded so far in the month is higher than the \$2.76 billion gain recorded in the month of September 2021, while the recent increase puts the year-to-date gain at \$5.39 billion.

### **Treasury Bills**

Last week, the Nigerian Treasury Bills ("NT-Bills") secondary market furthered its bullish performance for a third consecutive week. This was on the back of sustained demand, which was triggered by unmet Primary Market Auction ("PMA") bids. Consequent on this, average secondary NT-Bills market yields contracted 7bps W-o-W (Week-On-Week) to settle at 5.20% from 5.27% the previous week. Particularly, long-dated NT-Bills recorded the most demand, with the 30-Jun-22, 28-Apr-22 and 14-Jul-22 bills declining the most by 65bps, 52bps and 46bps W-o-W respectively. On Wednesday last week, the Apex Bank conducted a PMA where a total of N121.7bn worth of NT-Bills were offered across the 91- (N5.2bn), 182- (N8.8bn),

and 364-Day (N107.6bn) tenors. The offer maintained a strong level of demand as its total subscription ratio stood at 4.1x (N493.0bn total subscribed). In addition, stop rates on all offers were maintained, save for the long-term instrument, which moderated 25bps to 7.25% from 7.50% at the last auction.

## **FGN BONDS**

The FGN Bonds secondary market performance was mixed last week, as average yield on secondary market bonds fell marginally by 1bp W-o-W to settle at 11.33% (from 11.34% the previous week). In more detail, the 17-Mar-27 maturity witnessed the most demand, contracting 31bps W-o-W but was offset by sell-offs on the 22-Jan-26 and 23-Mar-25 maturities which expanded 20bps and 10bps W-o-W respectively.

## **FX**

A=Data from FMDQ Security Exchange states that exchange rate between the naira and the US dollar opened at ₦414.10/\$1 on Friday October 22, after it closed at ₦415.07 to a \$1 on Thursday, 21 October 2021. Available data show that the exchange rate between the naira and the US dollar opened at ₦413.94/\$1 on 21st October 2021 and closed at ₦415.07/\$1 with forex turnover at \$103.16 million. Sources from Bureau De Change (BDC) states that the Lagos Parallel Market (Black Market), the dollar-naira exchange rate opened at N570.00 to a \$1 on Friday, October 22.