

Summary

Inflation Rate (As at September, 2021) 16.63%

2021 Quarter Two (Q2) GDP Growth Rate 5.01%

Exch. Rate (USD) (NAFEX as at Friday, November 12, 2021) ₦414.39

Exch. Rate (USD) (Black market as at Friday, November 12, 2021) ₦530

Monetary Policy Rate, MPR (As at Friday, November 12, 2021) 11.5%

Crude Oil Price in USD (As at Friday, November 12, 2021) \$82.0

Cryptocurrency Watch

The crypto market traded marginally bullish on Thursday as the market capitalization gained 1.67% to close at \$2.812 trillion, representing a \$46.26 billion gain, while Bitcoin gained 0.15% to close at \$65,020.43. Bitcoin, on the bullish trend had hit a new peak on Wednesday after the Bureau of Labour Statistics revealed that U.S consumer prices grew at the quickest pace in over 30 years, in October 2021, fuelling inflationary fears, which increased buying sentiments in the market. In the same vein, Ethereum and Ripple recorded 2.4% and 2.04% gain to close at \$4,745.22 and \$1.21796 respectively as of 10:49 pm on Thursday.

Crude oil price

Crude oil prices continued on a bearish note on Thursday, after Brent crude closed with a loss of 0.1% to \$82.56 per barrel. This came on the back of recent reports by the Energy Information Administration indicating an inventory build of 1 million barrels for the week ended November 5, 2021. West Texas Intermediate also dipped 0.18% to close at \$81.19 per barrel. On the other hand, Bonny Light gained 0.05% to close at \$83.78, while Brass River and Qua Iboe both traded bearish with a loss of 3.21% to close at \$82.43 per barrel. OPEC's crude oil production rose by 217,000 barrels per day (bpd) to 27.453 million bpd in October, but still fell short of the cartel's share of the 400,000 bpd total output hike. While OPEC's top producer and the world's largest oil exporter, Saudi Arabia, pumped nearly in perfect alignment to its quota and raised crude production by 110,000 bpd, several African members including Nigeria not only fell short of their quotas, but they also saw their respective output drop in October compared to September.

Treasury Bills

Last week, the Nigerian Treasury Bills ("NT-Bills") secondary market took a bullish turn as investors hunted for bargains across the curve. The week started on a quiet note, and maintained minimal trading activities, despite buoyant system liquidity (N68.4bn long as of Friday).

Consequently, average yield shed 5bps W-o-W (Week-On-Week) to settle at 5.33% from 5.48% the previous week. In more detail, the medium and long-dated instruments witnessed the most demand, contracting 26bps and 30bps W-o-W respectively, with the 09-Jan-2022(-72bps), 12-May-2022(-70bps) and 30-Jun-22 (-58bps) bills enjoying the most buying interests.

FGN BONDS

The domestic bonds secondary market had a mixed performance with a marginally bearish bias last week, as tepid sentiments were witnessed in the FGN bonds secondary market with minimal volume of trades executed across the curve. Consequently, average yield expanded marginally by 3bps to close at 11.30% from 11.28% the previous week. Major selloffs were witnessed on the medium-term instruments, specifically the Nov-2028 (+13bps) and Apr-2029 (+17bps) as yields expanded +11bp W-o-W. Conversely the long-dated instruments enjoyed the most buying interest (-4bps) as yields on Jul-2045 contracted -54bps.

FX

The exchange rate between the naira and the US dollar closed at N414.73/\$1 at the Investors and Exporters window, where forex is traded officially. Naira closed flat against the US dollar at N414.73/\$1 on Thursday, 11th November 2021, having gained 0.08% in the previous trading session from N415.07/\$1. In the same vein, the naira remained flat at the parallel market at N535/\$1 on Thursday, having recorded significant gains on Wednesday from N570/\$1 which it had maintained for the past few days. According to BDC operators interviewed by Naira metrics, the gain of the local currency is attributed to increased forex liquidity in the country, as the CBN continues to intervene in the market.