Indicators Friday  Friday  Change (%)
Credit to Private Sector (N' trillion)  22.59  Declined by 0.3% in Sep'2016 from N22.66 trillion in Aug'2016
GDP Growth (%)   -2.06  Q2 2016 — a decline of 1.7% from 0.36 in Q1 2016
Broad Money Supply (M2) (N' trillion)  22.13  Increased by 2.2% in Sep'2016 from N21.64 trillion in Aug'2016

Global Economy
In the US, consumer prices rose 1.6% y-o-y in October, up 0.1% from 1.5% y-o-y recorded in September, a newly released inflation report by the US Bureau of Labour Statistics showed. This new figure represents the highest inflation rate since October 2014 largely driven by rising shelter and energy cost. A further breakdown of the report shows that food inflation continued by 0.4%, following a 0.1% rise in September while in contrast, core inflation rose by 2.1%, driven down from 2.2% posted in September. In a separate report, in Asia, the Reserve Bank of India adopted an accommodative posture by cutting it’s six-month interest rate by 50bps to 6.17%, and lowering its inverse repo rate to 6.15% while it kept its cash reserve ratio unchanged at 4%. This was reached at the Bank of India’s Monetary Policy Committee meeting held last week of which note it’s decision to adopt an accommodative stance will help to bring inflation rate back to central bank’s 4% target in the medium-term while supporting growth. India’s consumer prices index rose 5.9% y-o-y in August, easing from its 6% increase in July. The interest rate is now at its lowest since November 2010. Elsewhere, in South America, the central bank of Brazil lowered its benchmark interest rate by 25bps to 14%, its first cut in four years amid a debate over the c o n t r a c t i o n  a n d  s i g n s  o f  s l o w i n g  of the economy according to the policy makers. Recent indicators suggest economic fall out beyond expectations. However, gradual recovery is underway. The Brazilian economy shrank by 0.6% in the second quarter of 2016, the sixth straight quarter of contraction. Furthermore, industrial production fell by 1.8% in August, the biggest N455/$1/5 recorded in March, down by 1.8% in August, falling further by 0.5% for the second straight month in August.

MARKET DATA
Nigerian equities market for the month of October rose to 18.31, its highest reading since October 2005, according to figures released by the National Bureau of Statistics. The NSE All Share Index rose 19.5% y-o-y last week, to 26,170.88 points from 22,537.54 points, the index for the second consecutive week as the main board appreciated by 2.4% due to a 10.7% rise in the National Insurance PLC, that was mainly attributed to higher demand on the shares by institutional investors. The upward movement was also spurred by reports of a 0.02% decrease in the average interbank lending rate to 14.87% from 15.13% as the positive sentiment continues in the nation’s weak macroeconomic fundamentals. The CCI also rose 3.7% to close at 141.59 from 137.10, its highest level since June 2016.

MONETARY POLICY
QE 2016 — a decline of 1.7% from 0.36 in Q1 2016

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