Global Economy
In the US, consumer prices rose 2.4% in March from a year earlier - the largest annual gain in a year and following February’s 2.2% increase - a Labour Department report showed. Excluding the volatile food and energy categories, core prices ticked up 2.1% from a year ago, after increasing 1.8% in February. The core CPI was lifted by rents and healthcare costs. Healthy incomes were also supported by personal and business investment. Year over year, the food index grew 1.1% in China, the Gross domestic product (GDP) advanced 6.8% year-on-year in the first quarter of 2018, the same pace of growth seen in the fourth quarter of 2017, data from the National Bureau of Statistics showed. With this outcome, the GDP growth rate for the first quarter of the year was revised lower by 0.6% to 6.4%. The biggest declines were recorded in the production and manufacturing. According to official data, the production from the production and manufacturing sector advanced by 6.3% from a year earlier, accelerating from a 5.7% pace in the fourth quarter. In the Unite Kingdom, retail sales plunged in March as unusually cold and snowy weather kept consumers indoors and disrupted deliveries of stock. Data from the Office for National Statistics (ONS) showed that retail sales volumes dropped by 1.9% in March. Retail sales sales registered a gain of 0.8% in the prior month. For the whole of the first quarter, sales dropped by 0.5% with the final three months of 2017 - the biggest fall since Q1 2017. The biggest declines were recorded in the production and manufacturing sector. For the United States, consumer prices rose 2.4% in March from a year earlier as gasoline and other energy costs climbed. This was the strongest increase since December 2014. Consumer prices rose 2.4% in March from a year earlier as gasoline and other energy costs climbed. This was the strongest increase since December 2014.

Market Analysis and Outlook: April 20 - 27, 2018
The Nigerian stock exchange market closed on a negative note last week as the major market indicators trended downwards. The AllShare Index (ASI) declined by 113.81 points to close at 40,614.89 points from 40,728.70 points the previous week, representing a 0.28% decrease. Similarly, market capitalization shed 0.28% to close at N14.74 trillion from N14.78 trillion the previous week. Last week’s market downturn was triggered by profit taking activities by investors. This week, we expect that the direction of the market’s trend will, in the near term, be dependent on the news and earnings scores that filter into the market.

Money Market
Money market rates ascended last week as Open Market Operation (OMO) sales exceeded the 13-week OMO auction sales. Similarly, the local unit was stable at the official foreign exchange rate of N385.00, unchanged from the previous week. In fact, the local unit was stable at the official foreign exchange rate of N385.00, unchanged from the previous week. The relative stability of the local currency continues to be influence by the intervention in the foreign exchange market. This week, we expect the naira to remain stable, boosted by the Central Bank’s ability to intervene on the current market trend, amid rising foreign exchange reserves and higher crude prices.

Bond Market
Bond yields trended downwards for the third consecutive week due to increased demand fueled by government market Operation (PMO) and OMO market operations. Yields on the five-, seven-, and ten-year debt paper settled at 12.20%, 12.45%, 12.75% and 12.93% from 13.13%, 13.17%, 13.15% and 13.42% respectively the previous week. The use of the international debt market financing which used the proceeds of its Eurobond issue to refinance more expensive domestic interest rate are high like in Nigeria, the countries to forex refinancing risk and possible default. The International Monetary Fund (IMF) has stressed the importance for fiscal adjustment in Nigeria as the Fund urged the Federal Government (FGN) to ensure it disburses borrowed funds on time for high priority investments and infrastructures. The Assistant Director, Fiscal Affairs Department, IMF, stated during the launch of the Fiscal Monitoring and Financial Review report, at the ongoing IMF/World Bank meetings in Washington DC. The Fund also pointed out that rising debt levels in Nigeria currently exposes the country to interest rate and market risks. It, therefore, emphasized the need to create fiscal buffers in the nation. Nigeria’s external debt stood at $125 billion (N5.75 trillion) at the end of December 2017, while domestic debt rose to N9.63 trillion, bringing the total debt stock of the country to N21.72 trillion ($70.92 billion), according to the latest data released by the Debt Management Office (DMO). The Assistant Director also noted that rising debt then create fiscal risk that will affect the country’s ability to fund out-spending priorities. In a separate development, the global bond rating agency Fitch, in a recent report observed that the increased use of international capital markets in sub-Saharan Africa may increase refinancing risk, amount of international debt, and defaults. It stated in its report that maturities appear manageable in the near term but public financial management (PFM) in the region remains weak. Sub-Saharan Africa sovereigns are making greater use of the international bond debt market financing such as Kenya ($30 billion) and Cote d’Ivoire (EUR17 billion) and Nigeria ($150 billion) and Ghana’s parliament last approved plans for a 10-year extension that would push the production cuts. However, that will not...