**Global Economy**

In the US, headline CPI inflation accelerated to 1.9% y-o-y in March from 1.5% in February. The pickup was largely driven by higher fuel prices, reflecting the recent rally in oil prices. Core PCE inflation remained benign, with core inflation moderating to 2.1% y-o-y from 2.2%. On balance, the softer-than-expected inflation prints will likely support the Federal Reserve's resolve to keep the policy rate on hold this year as it waits to see how the economy weathered the expected global slowdown and the wind-down of domestic fiscal stimulus.

In a separate development in China, the trade surplus increased sharply in March, coming in at $52.4bn after slumping to $4.12bn in February according to customs data. This was a result of dollar-denominated exports surging by 14.2% y-o-y while imports continued to contract, falling by 7.6%. The released exports data possibly reflects seasonal factors as business activity resumed following the Lunar New Year holidays, while the fall in imports suggests that domestic demand remained subdued. These latest trade figures come as the US and China iron out details of a possible trade deal. The two sides agreed to set up “enforcement offices” to monitor the implementation of any agreed-upon deal, removing a key stumbling block in the talks. Elsewhere in Japan, consumer prices declined from February to March to 0.5% in March, marking the sixth straight drop, official government data showed. Core PCE was marked by a continued depression in consumer prices overall their livelihood category and their willingness to buy durable goods. Job prospects waned significantly, while confidence about income growth recorded a notable increase. Real GDP growth expectations of higher prices rose slightly in March, with 86.4% of respondents expecting prices to trend higher (up 0.4 percentage points from last month’s survey). The consumer confidence index measures consumers’ expectations for the next six months on a scale of 0-100; a figure of 100 indicates expectations that all respondents see their living standards improving.

**Domestic Economy**

The Consumer Price Index (CPI) which comprises inflation rose by 12.3% year-on-year in the month of March 2019, which is 0.6% points lower than the 12.91% recorded in February 2019. The food index increased by 13.45% (year-on-year) in the reference month, slightly lower than 13.47% recorded in February 2019, thus indicating declining pressure in the prices of food items. The core sub-index, which excludes prices of farm produce declined by 0.35% to settle at 9.5% in February 2019 from the previous month’s figure of 9.8% year-on-year. During the month, the highest increases were seen in the prices of soft drinks, fish, bread and cereals, vegetables, meat, fruits, potatoes, yam and other tubers, oils and fats. Others are domestic services and household services, tobacco, household appliances, dental services, medical & hospital services, actual and input rental for housing. In a separate development, the Nation’s external reserves rose to $44.7 billion as at the 16th of April 2019, the highest level since January 2020. This is as a result of foreign portfolio investors, FPIs, sustained dollar purchases in the week. In the week, the highest increases were seen in the prices of soft drinks, fish, bread and cereals, vegetables, meat, fruits, potatoes, yam and other tubers, oils and fats. Others are domestic services and household services, tobacco, household appliances, dental services, medical & hospital services, actual and input rental for housing.

**Stock Market**

The Nigerian Stock Exchange market ended the week above the 30,000 psychological mark due to bargain hunting by investors upon the release of Q1 2019 financial cornme of Access Bank PLC. All Share Index by close 1.76% to close at 30,066.31 points from 29,555.95 points the preceding week. Similarly, market capitalization added 1.76% to settle at N11.30 trillion from N11.10 trillion the prior week. We anticipate more big momentum in this new week due to more anticipated releases.

**Money Market**

The system was awash with liquidity during the past week as market participants had the ability to assess the CBN window. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) were at close to N900.64/$ to N905.94/$, mark a 5.6% appreciation from the previous week. Similarly, longer dated placements headed southwards with the 30-day and 90-day placements closing at 1.81% and 1.98% respectively the previous week. Rates are expected to move higher due to reported Secondary Market Intervention Sales (SMIS) auction this week.

**Foreign Exchange Market**

The naira maintained its relative stability across all market segments in the week ended April 18th, 2019. At the NAFEX window the local currency depreciation pressure eased, as the official rate closed at N350.34/$. Meanwhile, at the official window it ended at N350.95/$, a 5 kobo appreciation from the previous week. However, the parallel market remained unchanged at N380/$ from 2 the previous week. We see the naira hovering around and patience increasing levels this week due to higher oil prices and CBK FX interventions.

**Bond Market**

Average bond yields pushed lower in the week ended April 18th, 2019. This movement was driven by demand on most tenures placements. Yields on the five-, and ten-year debt instruments closed lower at 14.70% and 14.30% from 14.81% and 14.35% respectively the preceding week. Consumers were markedly more pessimistic about their overall livelihood category and their willingness to buy durable goods, job prospects waned significantly, while confidence about income growth recorded a notable increase. Real GDP growth expectations of higher prices rose slightly in March, with 86.4% of respondents expecting prices to trend higher (up 0.4 percentage points from last month’s survey). The consumer confidence index measures consumers’ expectations for the next six months on a scale of 0-100; a figure of 100 indicates expectations that all respondents see their living standards improving.

**Commodities**

Oil prices jumped last week as the US crude inventories fell by 1.4 million barrels. China’s Q1 economic growth of 6.4% and a further 3.2% year-on-year recovery also boosted the rise in oil prices. Bobby Knight, the Nigerian Benchmark crude, rose by $0.8, or 5.7% to $72.93 per barrel. Contrarily, Gold prices were bearish as heightened buying in riskier equities dented the appeal of safe-haven metal. Gold shed $18.70, or 1.44%, to close at $1,275.51 an ounce. Silver also declined by 10 cents or 0.7% to $14.98 an ounce. This week, we expect oil prices to trend lower as the OPEC+ deal comes to an early end as a result of the double-digit interest rate on Nigeria’s fixed income instruments.