**Global Economy**

In Brazil, the economy shrank 3.5% year-on-year in the third quarter of 2020, following a downwardly revised 10.1% drop in the previous period and extending the decline for a third consecutive quarter due to the coronavirus pandemic. Brazil’s Central Bank in September decided to cut the interest rate to a record low of 2.75% from 3.00% previously to support the struggling economy. The central bank revised its economic forecast to a contraction of 3.7% from a decline of 9.5% projected in October. The naira went in varying directions last week. The Nigerian Autonomous Foreign Exchange Rate (NAFEX) depreciated, and the parallel market appreciated against the dollar while the official rate remained unchanged week-on-week. The NAFEX settled at 386.15/US$ from 386.45/US$ while on the parallel market, the naira gained N20 to close at 475.00/US$ from 495.00/US$. For the week, oil prices have also been supported by news on some recent sanctions (Iran and Venezuela) on the US and the recent move by OPEC+ to extend output cuts. Oil prices increased by 1.8% or $32.51 to finish at $1,841.71 per barrel. In the same vein, gold prices increased by 1.8% or $32.51 to finish at $1,841.71 per ounce. The naira went in varying directions last week. The Nigerian stock market sustained its bullish run for the third consecutive week. In a recent meeting held last week, the apex bank to improve liquidity in the forex market and address the retail secondary market with its own retail intervention. Consequently, the All Share Index (ASI) and market capitalization increased by 2.48% or 30.36 trillion, respectively the week to week. The debt market was illiquid following the Retail Secondary Market Intervention Sales (SSMS) auction last week as well as the system-wide Cash Reserve Ratio (CRR) debt. These outflows led to an increase in short-term lender’s charge such as the Open Buy Back (OBB) to 3.45% from 2.25% respectively. Longer tenor rates such as the 90- and 90-day Nigerian Interbank Offered Rate (NIBOR) settled at 0.23% and 0.25% from 0.24% and 0.36%, respectively. We expect the naira to maintain its current levels with no significant funding activity.

**Stock Market**

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**Foreign Exchange Market**

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**Bond Market**

The bond market traded with slight downside undertone as witnessed on some recent sanctions (Iran and Venezuela). Bonds. Consequently, average yields on the 5-, 10-, 30- and 30-year papers climbed to 0.15%, 1.51%, 3.85% and 6.79% from 0.88%, 0.50%, 0.65% and 6.79% in the last week. The Access Bank Nigerian Government Bond Index declined to 5.346 points from 5.221 points, 21.70 points lower. We expect mixed sentiments this week as investors continue to trade cautiously.

**Commodities**

The price of crude oil rose after OPEC+ in a recent meeting decided to extend slumps by 7.2 million barrels per day till January. The decision is an improvement from earlier calls within the organization to trade output by 2 million bpd. The cartel will now meet once a month to review the compromise, but monthly increases will not exceed 500,000/US$/barrel. The decision was made as crude production has increased by nearly 2.5 million barrels per day due to lack of OPEC+ adherence. The global economy is now between the I&E window and the black market. The official rate remained at 367.15/US$/ while the parallel market appreciated against the dollar while the official rate remained unchanged week-on-week. The NAFEX settled at 386.15/US$/ from 386.45/US$/ while on the parallel market, the naira gained N20 to close at 475.00/US$/ from 495.00/US$. For the week, oil prices have also been supported by news on some recent sanctions (Iran and Venezuela) on the US and the recent move by OPEC+ to extend output cuts. Oil prices increased by 1.8% or $32.51 to finish at $1,841.71 per barrel. In the same vein, gold prices increased by 1.8% or $32.51 to finish at $1,841.71 per ounce. The naira went in varying directions last week. The Nigerian stock market sustained its bullish run for the third consecutive week. In a recent meeting held last week, the apex bank to improve liquidity in the forex market and address the retail secondary market with its own retail intervention. Consequently, the All Share Index (ASI) and market capitalization increased by 2.48% or 30.36 trillion, respectively the week to week. The debt market was illiquid following the Retail Secondary Market Intervention Sales (SSMS) auction last week as well as the system-wide Cash Reserve Ratio (CRR) debt. These outflows led to an increase in short-term lender’s charge such as the Open Buy Back (OBB) to 3.45% from 2.25% respectively. Longer tenor rates such as the 90- and 90-day Nigerian Interbank Offered Rate (NIBOR) settled at 0.23% and 0.25% from 0.24% and 0.36%, respectively. We expect the naira to maintain its current levels with no significant funding activity.

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