**Global Economy**

In the Eurozone, growth slowed in the final quarter of 2019 as the French and Italian economies both unexpectedly contracted. Prolonged weakness in the bloc’s industrial sector amid weak external demand, coupled with policy uncertainties at home have likely continued to constrain growth. Consequently, annual economic expansion was revised lower to 0.9% in Q4 2019, from 1.2% in the previous quarter. According to Eurostat, this is the weakest rate since Q4 2013. GDP growth slowed in Germany, France and Spain. In a separate development, U.S. annual inflation rate climbed to 2.5% in January 2020 from 2.3% a year earlier. The rate was boosted by a jump in gasoline cost. Food inflation remained steady at 1.8% while core inflation rose by 2.3%, same as unchanged at November month. Elsewhere, China’s current account surplus narrowed to $40.1 billion in Q4 2019 from $56.4 billion in the same period of the previous year. For 2019 full year, the current account surplus widened sharply to $177.5 billion from $49.1 billion the year before, as the goods surplus increased to $462.8 billion, the services deficit declined to $261.4 billion and the net inflow of direct investment stood at $59.1 billion.

**Domestic Economy**

The President of Nigeria has asked the National Assembly to approve the sale of $3.3 billion in Eurobonds, marking the potential return of Africa’s top oil producer to debt markets after staying out for years. The Finance Minister said in December that the country was seeking funds for the implementation of the 2020 budget and will first talk to concessional lenders before considering fresh loans. Investors’ appetite for high-yielding debt remains strong despite growing concerns about the impact the coronavirus outbreak could have on the economies of high-indented African nations. In a separate development, the Central bank published a new circular titled “milk and dairy products importation”. The banking watchdog said that as parts of its effort to increase local production of milk, its derivatives and dairy products it has engaged with some companies in the industry who have signed into the bank’s backward integration program to enhance their capacity and improve local milk production. The companies include Frieslandcampina Wamco Nigeria, Chi Limited, TG Arla Dairy Products Limited, Promasidor Nigeria Limited, Nestle Nigeria PLC (MSK only) and Integrated diaries limited.

**Commodities**

Oil prices recovered slightly last week as investors bet the economic impact of the coronavirus would be short-lived and hoped for further Chinese central bank stimulus to offset lockdowns. Precious metal prices went in varying directions as the price of gold went up while the price of silver declined. Gold prices increased as a result of the coronavirus outbreak concerns that global demand was expected to fall. Silver prices dropped due to low demand. The slightly longer dated instruments went in varying directions as the price of gold went up while the price of silver declined. Declined. Gold prices increased as a result of the coronavirus outbreak concerns that global demand was expected to fall. Silver prices dropped due to low demand. The slightly longer dated instruments went in varying directions as the price of gold went up while the price of silver declined. Declined. Gold prices increased as a result of the coronavirus outbreak concerns that global demand was expected to fall. Silver prices dropped due to low demand. The slightly longer dated instruments went in varying directions as the price of gold went up while the price of silver declined. Declined.

**Currency/Hedge**

The foreign exchange market continued to remain at single digits due to excess liquidity in the market. The market recorded demand for some select maturities particularly the 2049 and 2025 securities. Yields on the five-, seven-, and twenty-year debt papers finished at 7.86%, 7.93% and 10.65% from 8.25%, 9.91% and 11.08% respectively. The Access Bank Bond index increased by 14.23 points to close at 1,750.15 points from 1,735.92 points the prior week. This week, we expect mixed market sentiments this week following the current system liquidity and the anticipated February Bondaugiontation.

**Bond Market**

The local unit was steady across most market segment except at the Nigerian corporate bond segment in the NIFEX where it depreciated against the dollar. The official rate and parallel market rate remained steady at 25.3% and 20.0% respectively. Elsewhere, Nigeria’s benchmark crude rose $1.89 or $1.05 cents to close the week at $57.15 per barrel. Precious metal prices were mixed. Silver prices increased as a result of the coronavirus outbreak concerns that global demand was expected to fall. Silver prices dropped due to low demand. The slightly longer dated instruments went in varying directions as the price of gold went up while the price of silver declined. Declined. Gold prices increased as a result of the coronavirus outbreak concerns that global demand was expected to fall. Silver prices dropped due to low demand. The slightly longer dated instruments went in varying directions as the price of gold went up while the price of silver declined. Declined.

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