In the United States of America, the economy growth shrank by 4.8% in Q1 2020, ending the longest period of economic expansion in the country's history. The U.S. Bureau of economic analysis documented this as the steepest pace of contraction since GDP Q4 2008 owing to the imposed lockdown measures of several states as a result of the evolving Corona virus pandemic. As part of the stimulus, the Federal Reserve left the federal funds rate unchanged at 0.0-0.25% at the last meeting. According to the Federal Reserve, policymakers took into consideration the weight of the ongoing public health crisis on economic activity, employment and inflation as well as the unemployment rate in the economic outlook in the medium term while making this decision to cushion the impact. Elsewhere in Japan, the unemployment rate edged up to 2.5% in March 2020 from 2.4% in February 2020. The unemployed persons increased to 1.7 million, a 3.6% increase from the previous period. This however marked the highest unemployment rate in a year arising from the persisting COVID-19 pandemic escalation as reported by the Ministry of Internal Affairs & Communications. In a separate development, the European Commission recorded a plunge in the Euro area economic sentimnts to 67 points in April 2020 from 94.2 points in the prior month, a 27.2 points dip and significantly the lowest level in 11 years attributed to the coronavirus saga. Morale deteriorated sharply among service providers (-51.5 vs. -2.3 in March), retailers (-28.3 vs. -8.6) and manufacturers (-30.4 vs. -11.2) amongst others. In another continent, lending spilled in Brazil in March 2020 with loan growth rising by 2.5% to BRL 3,587.4 billion. According to the Central Bank of Brazil, this peaked the loan growth since September 2008 as lending to companies soared by 6.4% and lending to households rose by 0.3%.

**Domestic**

The Central Bank of Nigeria, in a press release on 29 April 2020, announced the resumption of dollar sales for school fees payments and SMEDs wishing to make essential imports needed to revamp economic activities across the country. In view of the gradual easing of the COVID-19 pandemic, the CBN will provide N100 million per week to meet the necessary legitimate needs. In another development, Nigeria cut oil exports for May and June to meet the Organisation of Petroleum Exporting Countries (OPEC) deal. The downward revision was as a result of the agreement between OPEC and its allies to cut their combined output by 23% monthly or 9.7 million barrels per day, courtesy of the oil price dwindling from demand scarcity.

**Stock Market**

Last week, the Nigerian stock exchange market ended the week as bullish as it recorded an upturn in the trading activities on the back of demand for high cap stocks. Top stocks were seen in the banking and telecommunications sectors. The all-share index climbed 1.86% to settle at 23,021.01 points from 22,555.14 points in the preceding week. Similarr, market capitalization was up 1.86% to N11.95 trillion from N11.17 trillion in the prior week. This week, the market may take a turn as investors observe the market play out on the first week of lockdown easing.

**Money Market**

The money market witnessed liquidity in the various buckets. Short term rates such as the Open Buy Back (OBB) and Overnight (ON) fell to 2.25% and 2.25% from 20.33% and 21.08% the previous week. On the other hand, rates on longer term notes such as the 30- and 90-day Nigerian Interbank Offered Rate (NIBOR) closed higher at 9.52% and 10.09% from 7.60% and 8.43% respectively. One anticipate relatively stable rates this week riding on easing and normalization of the economy.

**Foreign Exchange Market**

Across the windows of the local unit, the Naira mainly retained a flat note as the Apex Bank resumed sales of foreign exchange for the SME segments last week in a bid to ease up the economic lockdown. The official rate remained unchanged at N460/$. The local currency bought at the Nigerian Interbank Foreign Exchange (NAFEX) window lost N1.34 to close at N567.63/$US on June 28th. An increase demand for dollar from future contracts amidst the system illiquidity. In the same vein, the parallel market depreciated at N10/$ to N450/$ in the preceding week. We expect slight appreciation of the currency in spite of the lockdown easing which commences this week.

**Bond Market**

At the bond market, although a few consummated trades were recorded, market participants generally received demand for select maturities fuelled mainly by local investors. Subsequently, average yields dipped as yields on the seven-, ten- and thirty-year debt papers finished at 8.43%, 9.51% and 12.45% from 9.96%, 9.84% and 9.71%, respectively. The Access Bank Government Bond Index gained 12.39 points to settle at 385.32 points last week. We anticipate mixed sentiments this week as market participants take position in line with their market views.

**Commodities**

The oil market continued in its downward trend last week as the coronavirus pandemic wreaked havoc on the global economy at large thereby causing a stall in demand for oil, accumulating storage costs and instilling pressure on the market. Bonny light, Nigeria's benchmark crude lurched 4.45% or $0.57 per barrel to settle below $13 per barrel from $17.28 per barrel. In another light, precious metal prices tetered due to expected dollar depreciation as lockdown measures are relaxed. Gold prices slid 0.46% to settle at $1,716.47 per ounce from $1,724.41 per ounce while silver rose 0.78% to settle at $11.51 per ounce. We anticipate lower energy prices amidst the COVID-19 negative impact. Commodity prices may take an upward turn this week as investors take advantage of its safe haven appeal.

**Monthly Maco Economic Forecast**

<table>
<thead>
<tr>
<th>Variables</th>
<th>April</th>
<th>May</th>
<th>June</th>
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</thead>
<tbody>
<tr>
<td>Exchange Rate (NAFEX)</td>
<td>367</td>
<td>386</td>
<td>378</td>
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<tr>
<td>Inflation Rate (%)</td>
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<tr>
<td>Crude Oil Price (US/Dollar)</td>
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<td>21</td>
<td>23</td>
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