Global Economy

The Bureau of Economic Analysis (BEA) revealed that the trade deficit in the US expanded to a new record of $89.6 billion in June 2021, from $71 billion in June 2021, from a $71 billion in the previous month, Imports climbed 2.1% in an all-inclusive slightly longer dated instruments like the 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) closed higher settings at 15.55% and 16.50% from 11.42% and 11.22% this week. The previous week, money market rates seems to have declined in a new following anticipated Open Market Operations (OMOs) maturity.

Domestic Economy

The board of directors of the International Monetary Fund (IMF) has approved the allocation of $3.35 billion to Nigeria as part of a historic general allocation of Special Drawing Rights (SDRs) of the international multilateral institution. This is the result of the approval of a general allocation of about SDR55 billion, an equivalent of $75 billion, by the IMF Board of Governors. The allocation, which was approved last week, aims to boost global liquidity at a time when the world is grappling with the economic impact of coronavirus pandemic. In a separate development, the Debt Management Office (DMO) has announced that the Federal Executive Council (FEC) has approved arrangements for the country to advise the country on the issue of Eurobonds issuance in its efforts to finance the 2021 budget deficit. This was disclosed in a statement by the DMO last week. The DMO had announced in April that plans are ongoing towards the issuance of Eurobonds and the plans to appoint transaction advisors through an open bid process. The debt office stated that 18 institutions responded to the expression of interest, of which 9 were pre-qualified as either international bond underwriters or joint lead managers. It said the Eurobonds would be used as one of the tools for raising N3.4 trillion (about $17.8 billion) debt to cover the 2021 Appropriation Act deficit.

Stock Market

The All-Share Index (ASI) and market capitalization settled lower at 58,160.70 points and N20.22 trillion from 58,486.79 points and N20.49 trillion last week. The DMO had announced in April that plans are ongoing towards the issuance of Eurobonds and the plans to appoint transaction advisors through an open bid process. The debt office stated that 18 institutions responded to the expression of interest, of which 9 were pre-qualified as either international bond underwriters or joint lead managers. It said the Eurobonds would be used as one of the tools for raising N3.4 trillion (about $17.8 billion) debt to cover the 2021 Appropriation Act deficit.

Bond Market

The last week, the Nigerian equities market was built on a high of 58,160.70 points and market capitalization settled lower at $20.22 trillion from $20.49 trillion last week. The DMO had announced in April that plans are ongoing towards the issuance of Eurobonds and the plans to appoint transaction advisors through an open bid process. The debt office stated that 18 institutions responded to the expression of interest, of which 9 were pre-qualified as either international bond underwriters or joint lead managers. It said the Eurobonds would be used as one of the tools for raising N3.4 trillion (about $17.8 billion) debt to cover the 2021 Appropriation Act deficit.