In the U.K., the Bank of England voted unanimously to keep its benchmark interest rate unchanged at a record low of 0.1% and left its bond-buying program unchanged during its February meeting. Committee members noted it would be appropriate to start the preparations so that it could set a negative rate in 6 months but stressed it should not be interpreted as a signal. The central bank also said that the coronavirus vaccine rollout in a number of countries, including the United Kingdom, has improved the economic outlook, but voiced concerns about the recent increase in cases, including from newly identified strains of the virus, and associated reimposition of restrictions.

Elsewhere, the Reserve Bank of India (RBI) left its benchmark repurchase rate at 4% during its February meeting, saying it was maintaining an accommodative stance as long as necessary to support the economy hit by the COVID-19 crisis, while ensuring that inflation remains within the target going forward. The central bank revised its inflation forecast to 5.2% in H1, 2021-22 and 4.5% for Q2 2021-22. At the same time, the reverse repo rate at which RBI borrows money from banks was kept unchanged at 3.5% and the marginal standing facility (MSF) rate and the bank rate at 4.25%. The central bank revised its policy rate in May last year.

Global Economy
The Central Bank of Nigeria in a recent circular has placed a ban on all regulated financial institutions from providing services to crypto exchanges in the country. According to the central bank’s notice, the ruling is an extension of earlier warnings from the bank about the risks associated with digital currencies. As part of the ban, the CBN has directed all commercial banks to close accounts belonging to crypto-exchanges and other businesses transacting in crypto currencies in the country. The CBN also warned of stiff penalties to any bank or financial institution that fails to comply with the directive.

In a separate development, Nigeria plans to use unclaimed dividends held by companies and dormant bank accounts to finance its growing deficit in an economy hobbled by low oil prices. The government will transfer company dividends which have been unclaimed for more than six years, totaling more than $18 billion ($472 million), into a fund managed by Nigeria’s debt office and then use that money to finance government spending. Dormant bank accounts will also be included in the plan by the government of Nigeria, which relies on oil for most of its revenues and foreign exchange. The government has been searching for ways to support falling revenue after an oil price crash tipped the economy into its second recession in five years.

Stock Market
Indicators at the Nigeria stock exchange witnessed a round of closed and negative territory as profit taking was seen across the board. The downturn was majorly in sectors such as financial services, oil & gas, telecommunication and consumer goods. Consequently, the All-Share Index and 4.25% for Q2 2021-22. At the same time, the reverse repo rate at which RBI borrows money from banks was kept unchanged at 3.5% and the marginal standing facility (MSF) rate and the bank rate at 4.25%. The central bank revised its policy rate in May last year.

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