In the UK, GDP grew by 4.1% in the three months to November 2020, the least since the economic recovery began in the June-August period according to data by the Office for National Statistics in London. The GDP fell by 2.6% following six consecutive monthly increases as restrictions on activity were reintroduced in some parts of the UK in response to the coronavirus pandemic. The services sector acted as the drag on growth (-2.4% vs 0.3% in October) led by the hotel, restaurant, vehicle and retail trade, as well as food and beverage activities. Also, industrial output fell marginally (-0.1% vs 1.1%), due to contractions in mining & quarrying, utilities and water supply, while construction activity expanded for a seventh straight month (0.1% vs 1.5%), suggesting this sub-sector was largely unaffected by the new restrictive measures. Elsewhere, China’s trade surplus jumped to a fresh record high of $37.1 billion in December 2020 from $47.21 billion in the same month in 2019 as revealed by the General Administration of Customs. Exports soared 16.8% year-on-year, the seventh straight month of growth, amid improving global demand. The country’s trade surplus with the US UK to $32.12 billion in December from $31.42 billion in November. For full year 2020, the trade surplus was $553.05 billion, the largest since 2015, up 23.7% from $442.96 billion in 2019. Exports to the US increased 7.9% to $411.8 billion, with imports from the US up 8.3% to $114.0 billion bringing trade surplus of $316.8 billion.

Domestic Economy
Nigeria’s annual inflation rate soared for a 16th straight month to 17.3% in December 2020 according to the Nigerian Bureau of Statistics. It was the highest inflation rate since November 2017, on spiralling food prices and as government rates, particularly the short end of the interest rate curve reopen the country’s borders to trade. The acceleration in inflation continued to be attributed to dollar shortages and emerging market commodities. The higher food inflation, driven by shortages, reflects the lingering disruptions from the COVID-19 pandemic. The "all items less farm produce" or core inflation, which excludes the prices of volatile agricultural produce also rose 11.3% in December 2020, up by 0.12% when compared to November 2020. In a separate development, the Central Bank of Nigeria recently issued a framework that would guide Quick Response (QR) Code Payments in Nigeria. It is a proactive move by the apex bank towards ensuring the safety and stability of the Nigerian Financial System, as well as promoting the use and adoption of electronic payments and fostering innovation in the payments system. Quick Response (QR) codes are matrix barcodes representing information presented as square grids, made up of black squares against a contracting background that can be scanned by an imaging device, processed and transmitted by appropriate technology. The codes are used to present, capture and transmit payments information across payment infrastructure and further enable the mobile channel to facilitate payments and present another avenue for promoting electronic payments for micro and small enterprises. Stock Market
The Nigerian stock exchange swung to bullish levels last week on enhanced buying interest. Lack of viable alternative investment opportunities have driven the interests in stocks upward. The uptick was driven by stocks in sectors such as telecommunication, agriculture, and consumer goods sector. Consequently the All-Share Index (ASI) and market capitalization rose by 3.71% to 41,176.14 points and N21.53 trillion, respectively the All-Share Index (ASI) and market capitalization rose by 3.71% to 41,176.14 points and N21.53 trillion, respectively. Also, industrial output fell marginally (-0.1% vs 1.1%), due to contractions in mining & quarrying, utilities and water supply, while construction activity expanded for a seventh straight month (0.1% vs 1.5%), suggesting this sub-sector was largely unaffected by the new restrictive measures. Elsewhere, China’s trade surplus jumped to a fresh record high of $37.1 billion in December 2020 from $47.21 billion in the same month in 2019 as revealed by the General Administration of Customs. Exports soared 16.8% year-on-year, the seventh straight month of growth, amid improving global demand. The country’s trade surplus with the US UK to $32.12 billion in December from $31.42 billion in November. For full year 2020, the trade surplus was $553.05 billion, the largest since 2015, up 23.7% from $442.96 billion in 2019. Exports to the US increased 7.9% to $411.8 billion, with imports from the US up 8.3% to $114.0 billion bringing trade surplus of $316.8 billion. The FGN bond market closed lower on aberrant sell-off, with trades on the long end of the curve printing above the 5% handle. We witnessed a handful of trades at the belly of the curve (2016 – 2020) papers) at 8.8% – 8.80% levels, forcing yields up. Consequently, average yields on the 5-, 7-, 10-, 15- to 20- and 30-year papers jumped to 1.77%, 5.56%, 6.04%, 8.23%, 7.89% and 8.63% from 1.01% from 1.77%, 5.46%, 6.15%, 8.5%, 7.89%, 8.09% and 7.77% accordingly. The Access Bank Nigeria Government Bond Index declined to 4,697.88 points from 4,778.64 points, 85.59 points lower. We expect the market to open on a similar note this week, with pockets of demand across the curve at these elevated levels. Credit oil price sustained its bull run supported by upbeat Chinese import data, prospects of more economic stimulus in the US and Saudi Arabia’s pledges to limit supply. Brent Light, Nigeria’s benchmark crude rocketed 7.4% to finish at $51.48 per barrel. The US oil category gained 3.46% or $2.37 to finish at $72.10 per barrel. The acceleration rate since November 2017, on spiralling food prices and as government rates, particularly the short end of the interest rate curve reopen the country’s borders to trade. The acceleration in inflation continued to be attributed to dollar shortages and emerging market commodities. The higher food inflation, driven by shortages, reflects the lingering disruptions from the COVID-19 pandemic. The "all items less farm produce" or core inflation, which excludes the prices of volatile agricultural produce also rose 11.3% in December 2020, up by 0.12% when compared to November 2020. In a separate development, the Central Bank of Nigeria recently issued a framework that would guide Quick Response (QR) Code Payments in Nigeria. It is a proactive move by the apex bank towards ensuring the safety and stability of the Nigerian Financial System, as well as promoting the use and adoption of electronic payments and fostering innovation in the payments system. Quick Response (QR) codes are matrix barcodes representing information presented as square grids, made up of black squares against a contracting background that can be scanned by an imaging device, processed and transmitted by appropriate technology. The codes are used to present, capture and transmit payments information across payment infrastructure and further enable the mobile channel to facilitate payments and present another avenue for promoting electronic payments for micro and small enterprises. Stock Market
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