Interbank Offered Rate (NIBOR) closed higher at 11.70% in April compared to 11.45% in March. The Interbank Rate (INTER) also advanced in April, increasing by 0.15% to 15.12% in April from 14.97% in March. The Monetary Policy Rate (MPR) was unchanged at 11.50% for the 12th consecutive month, as authorities held off on raising rates. However, multiple rate hikes have been observed in the preceding periods. Consequently, the repo rate is now at the highest level since March 2018. Bank deposit rates also advanced, with 12-month deposits increasing by 2.65% to 13.25% in April from 10.60% in March. This week, rates are expected to remain in double digit territory as the apex bank conducts its bi-weekly retail Secondary Market Intervention Sales (SMIS) and Foreign Exchange Market (FEXM). The naira went in varying direction across market segments last week. The Nigerian Autonomous Foreign Finance (NAFF) strengthened by 1.90% to close at N408.00/US$ from N407.03/US$. The parallel market strengthened by 5.09% to close at N640.00/US$ from N613.00/US$. The parallel market employers have been complaining that they cannot find enough workers to respond to growing demand. The N4 exchange forecasts the greenback to the maximum profit. We expect FX rates to trend around current levels this week given the Central Bank’s continued intervention in the forex market. Bank of India left its benchmark repo rate unchanged at 4% during its June meeting and announced additional bond purchases, saying it was maintaining an accommodative monetary policy stance as long as it was relatively active this week and also to counteract the economic recovery and help mitigate the negative impact of COVID-19. The bank calendar, where the Debt Management Office (DMO) also kept the reverse repo rate, the borrowing rate, at unchanged at 3.50%. Meanwhile, officials projected GDP growth at 9.0% in the fiscal year 2021/22, down from 10.5% in the previous forecast of 10.1%. DomesticEconomy The Nigerian National Petroleum (NNPC) reported that crude oil export proceeds plummeted by 34% in April due to the release of the revised 2Q Dangote oil issuance. Consequently, the NIGERIA INTERBANK TR volume (bn) index jumped to 0.35 billion from 0.14 billion in March. The Nigeria Interbank Traded Volume index (NITV) settled higher at 38,726.10 points and the Domestic gas receipts for the month increased by 123.93 points to settle at 3,728.52 points last week. We expect the market to be relatively quiet this week as attention will be focused on the Treasury bill and FX auctions expected to happen this week.

Commodity Oil prices surged last week housing the highest price October 2018 amid signs of a post-pandemic economic recovery. Oil prices touched the $10 mark, supported by signs of a recovery in fuel demand, as vaccination programs allowed economies to reopen, coupled with the prospect of supply discipline from major oil producers. OPEC+ agreed to gradually ease supply cuts through July, signaling the ongoing strengthening of market fundamentals. Brent, oil’s benchmark crude climbed 2.65% to close at $70.09/ barrel. Previous month went south last week expecting slightly from 5-month highs as investors weighed a solid economic recovery, fears of persistent runaway inflation and a quicker normalization of Federal Reserve monetary policy. Consequently, gold prices declined 0.13% or $10.09 to finish at $1,890.34/ ounce, compared to March. The NNPC said in a report that the country maintained its 1.52 million barrels per day production capacity. The corporation said its lifted 7.62 billion barrels of crude in March, compared to 10.70 billion in February, and exported 66.67 billion barrels. The NNPC revealed that the country maintained its 1.52 million barrels per day production capacity. The world’s largest refiner also announced the first spot delivery to China, with the oil priced at a discount. The NNPC said that the country maintained its 1.52 million barrels per day production capacity. The world’s largest refiner also announced the first spot delivery to China, with the oil priced at a discount.

Money Market

The boxed regime controlled the Nigerian Stock Exchange (NGX) exchange following positive indexes in the index close at the last week. The upward trend was led by stocks in the healthcare, printing, consumer goods, and financial sectors following investors demand for blue chip stocks. This week, we expect that market will remain around prevailing levels pending any economic update. Bond Market

Borrowing costs tapered last week following Open Market Operations (OMO) maturity of N15 billion. The inflow of funds led to a decline in rates as short-term lender charge such as the Open Buy Back (OBB) and Overnight (O/N) rates showed an increase of 1.25% in April from N21.00 billion in March. The All-Share Index (ASI) and market capitalization settled higher at 38,726.10 points and N19.20 trillion from 38,259.35 points and N18.94 trillion respectively the preceding week. This week, we expect that market will remain around prevailing levels pending any economic update.

Monetary Policy

This index is based on information obtained from various sources and analysts' views. It is not all-inclusive and cannot be regarded as such. It is updated on a regular basis. The index contains a list of the current monetary policy instruments as well as other indicators related to inflation and exchange rate. The index should be used for general information purposes and potential investors should consult their financial advisor before investing. This index contains information that can be understood by individuals with a basic understanding of the financial markets. It is not intended for use by professional investors or those who require a higher level of analysis before making investment decisions.

Market Analysis and Outlook: June 4 – June 11, 2021

Global Economy

The U.S. Bureau of Labour Statistics revealed that the US unemployment rate declined to 5.8% in June 2021, the lowest since March 2020, adding to signs that the job market consolidated its recovery as the economy further reopened. The rate remains well above the 3.5% recorded in February 2020, just before the virus tore through the economy. A steady decline in the number of COVID-19 infections and vaccinations cases due to vaccinations has allowed many people to return to work. The defined market capitalization numbers of 15 billion stock bonds were observed in the market, with authorities to lift restrictions on businesses, but the number of unemployed people declined by 496,600 million, while employment rose by 444,000, from May start to June 2021.

Domestic Economy

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For enquiries, contact: Retail Bankers (Team Lead, Economic Intelligence) 09177213333 contact.pbellenekun@accessbankng.com