Global Economy

The U.S. trade deficit widened to a fresh record high of $80.5 billion in September 2021 as reported by the Bureau of Economic Analysis. This came amid a full rebound in imports, which jumped to an all-time high. September imports were $287.6 billion, down by 5% from August, mainly due to nonmonetary gold, crude oil, other petroleum products, imports of machinery, and other items. The October report is expected to show an improvement.

Domestic Economy

The Central Bank of Nigeria (CBN) spent the sum of N568 billion to print 3.53 trillion notes valued at N1 trillion in 2020. In December, the CBN announced that they had printed 400 billion notes in 2021.

Commodities

Crude oil prices slumped slightly at the end of the week, ending November 5, 2021, amidst rising crude inventories, and as the White House said it will consider the full range of tools to bring prices down. On top of that, a report from AI Arabya said Saudi Arabia’s oil output will reach 10 million bpd in December, more than the OPEC+ forecast.

Stock Market

The Nigerian stock exchange witnessed a slight decline across all indices last week on the back of profit-taking by investors. Consequently, the Nigerian Stock Exchange All Share Index (NSE ASI) dropped by 0.06% week-on-week to 42,014.60 points. The drivers of the decline included consumer goods and financial services sectors. This week, we expect that the market will recover as market participants position for full year 2022 dividends and buy stocks with strong fundamentals.

Money Market

Last week, systemic liquidity improved boosted by the following factors: a decrease in interest rates in the short and mid-term money market, and an increase in OMOs supply. Consequently, Open Buy Back (OBB) and Overnight (O/N) rates remained at 12% and 12.28% from prior week's figures of 12%. Similarly, EAAI rates improved.