In the United Kingdom, inflation rate spiked to 10.68% from 9.67% and 10.12% respectively over the previous week. This week, we expect rates to remain elevated at this significantly higher rate since December 2011. Further analysis of anticipated retail Secondary Market showed that price changes were majorly due to cost of housing & utilities (6.8% from 1.9%), transport (9.9% from 8.4%), food and beverages (1.2% from 0.8%) and restaurants & hotel (6.3% from 5.1%). In a separate development, the South African Reserve Bank raised its benchmark rate by 25 basis points to 7.5% in November 2021 in the face of inflationary pressures. This represents the first rate hike in 4 years.

**Domestic Economy**

The Nigerian economy advanced by 4.01% year-on-year in Q3 2021, following a 0.18% expansion in Q2 2021, which was the strongest since the last quarter of 2014. It is the fourth consecutive quarter of growth since the pandemic-induced recession in 2020 driven by the non-oil sector which grew 5.4% (vs 6.7% in Q1); mainly boosted by trade (11.9% vs 23.5%) and Q3, information and communication (9.7%), financial and insurance (23.2% vs 2.5%), Manufacturing (4.3% vs 5.5%), and Transportation and storage (20.6% vs 7.6%). Conversely, the oil sector shrank 10.7% such as the Open Buy Back (OBB) and Overnight position. Consequently, short term instruments rates ascended following the bond auction debit performance included construction, oil & gas and Agriculture.

**Stock Market**

Market analysis and outlook: November 12

Markets

- Commodity market
  - Gold (US$/t oz.) increased by 1.18% to close at $1,857.51 per ounce on the back of inflationary pressures. This is the highest price level since December 2011. Further analysis of the drivers of the market showed that price changes were majorly due to the back of inflationary pressures. This represents the first rate hike in 4 years.

**Market Analysis and Outlook: November 12 – November 19, 2021**

**Global Economy**

- The Federal Government of Nigeria (FGN) bond market closed the week on a calm note, with minor movements in yields across board. There were profit takings on some on-the-run bonds, while demand persisted on the short end of the curve.
- As local players funded for their obligations, the inactivity lingered till the end of the trading session. Yields on the 5-, 10-, 20-, 25- and 30-year debt papers finished higher at 4.29%, 9.35%, 12.75%, 12.38%, 12.31%, and 13.03% from 4.26%, 9.35%, 12.67%, 12.23%, 12.31% and 13.01% respectively. The Access Bank bond index rose by 27 points to close at 3,587.77 points from 3,553.71. We expect mixed reactions in the secondary market this week, with some cherry-picking across board.

**Crude Oil Prices**

- Crude oil prices were dragged down by dollar strength, demand concerns and a possible coordinated reserve release by major oil-consuming nations. The US asked other major oil consumers like China, India, Japan and South Korea to consider a coordinated release of oil reserves to bring prices down. Bonny light, Nigeria’s benchmark crude climbed by 1.58% to settle at $82.72 barrel from $81.88. Separately, precious metal prices were in varying directions last week. Gold prices gained after consolidating gains obtained since the start of November, while silver followed a similar path. Significant momentum was witnessed in base metals.

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