



WEEKLY ECONOMIC AND FINANCIAL HIGHLIGHTS

NEWSLETTER

2nd-6th November, 2020

Highlights:

- Global Oil Benchmark rises above \$40 a Barrel
- Nigeria's Debt to Hit N38.68trn in 2021
- Nigeria gets \$26.942bn Foreign Development Assistance in 6years
- FG moves to Exclude Foreign Firms from Contract Below N5billion
- VAT Hits 424.71bn in Q3 2020
- FG Seeks \$1.2bn Loan from Brazil

Global Economy: The global benchmark, rose 74cents, or 1.9%, to \$39.71 a barrel

On ICE Futures Europe after trading as high as \$40.45. Based on the front months, WTI and Brent prices settled at their highest since Oct 27. Sentiments on oil has Turned more positive s supply appears more constrained than previously thought And concerns about demand may be easing.

Rate Monitor

Inflation Rate	13.71%
GDP Rate	3.2%
MPR Rate	11.5%

Domestic Economy: The Finance Minister, Ahmad Zainab has said Nigeria's total public debt is expected to hit N38.68trn by December, 2021. The total public debt stock comprising the External and Homes debts of the Federal and State Government and the federal capital territory stood at N31.01trn. it is projected, based on existing approval, to rise to N32.51trn by December 2020 and N38.68trn by December 2021.

Nigeria has received \$26.942 billion Development Assistance funds from international donors between 2015 and 2020, according to minister of state for Budget and National Planning. He explained that these donations came from the European Development Fund, United Nations Development Systems, China through the Bilateral Agreement between the Government of Nigeria and the People's Republic of China, Japan International Cooperation Agency, Korean International Cooperation Agency, and Department for International Development, United States Agency for International Development and the German International Cooperation.

The Federal Government declared that contracts not above N5 billion will no longer be awarded to any foreign firms in the country. The government said this is to patronize and strengthen indigenous firms as part of an amendment in the local content laws in the country. Making the declaration at the public hearing conducted by the National Assembly joint committees on Local Content, the Minister of State, Works and Housing, Abubakar Aliyu, said contracts worth N5billion and below would be the exclusive preserve of indigenous firms. "As part of

Measures being put in place for the strengthening of local content laws in the country, contracts that are not more than N5billion are to be the exclusive preserve of indigenous firms or companies for bidding, award, and execution,” he said.

The National Bureau of Statistics said that a total of N424.71 billion was generated as Value Added Tax (VAT) in Q3 2020 as against N327.20 billion generated in Q2 2020. The NBS noted that N275.12 billion was generated in Q3 2019 representing 29.80 percent increase quarter on quarter and 54.37 percent increase year on year. The Bureau also revealed that commercial and trading generated N21.18billion while mining generated the least and closely followed by textile and garment industry.

Zainab Ahmed disclosed that the Federal Government sent a request to the National Assembly to approve the loan from the Brazilian government to address issues in the agriculture value chain as Nigeria. Ahmed also said the Federal Government would acquire 100,000 hectares of land in each state for food production, adding that link roads would be built in such locations to provide access for farmers to move farm produce to markets and reduce post-harvest losses. Ahmed said, “For borrowing to improve industry, we are before the parliament. I request for the approval for loan that we call the Green Imperative Programme which is for loan of \$1.2bn from the Brazilian government. “It is a programme that is addressing the whole of agricultural value chain from mechanization, production, processing and selling. It is meant to lend to businessmen for tractors, plants at all levels.”



DEBT MANAGEMENT OFFICE NIGERIA
NIGERIA’S EUROBONDS AND DIASPORA BOND CLOSING PRICES AND YIELDS
AS AT TUESDAY, NOVEMBER 3, 2020

Bond Name	6.75% US\$500M JAN 2021 Eurobond	5.625% US\$300M JUN 2022 Diaspora Bond	6.375% US\$500M JUL 2023 Eurobond	7.625% US\$1.118BN NOV 2025 Eurobond	6.500% US\$1.5BN NOV 2027 Eurobond	7.143% US\$1.25BN FEB 2030 Eurobond	8.747% US\$1.0BN JAN 2031 Eurobond	7.875% US\$1.5BN FEB 2032 Eurobond	7.696% US\$1.25BN FEB 2038 Eurobond	7.625% US\$1.5BN NOV 2047 Eurobond	9.248% US\$750M JAN 2049 Eurobond
Price (US\$)	100.942	102.150	104.869	106.270	98.384	98.239	105.461	99.025	94.209	93.592	104.021
Yield (%)	2.593	4.254	4.429	6.159	6.791	7.406	7.953	8.005	8.332	8.218	8.856
Yield at Issue (%)	7.000	5.625	6.625	7.625	6.500	7.143	8.747	7.875	7.696	7.625	9.248

Source: Bloomberg

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