



ECONOMIC AND FINANCIAL HIGHLIGHTS

NEWSLETTER

16th 18th November, 2020

Highlights:

- FG, States, LGs Shared N2.054tn in Q3, Says NEITI
- Price Hike: FG to Support Marketers on Petrol Import
- Resurgence Threatening Oil Price, 2021 Budget, Finance Minister Raises Alarm
- FG Loses N1.3trn in Solid Mineral Revenue Annually
- Nigeria Treasury Bill Falls to minus 0.09%
- 35 States get 66.5bn for amended COVID-19 Responsive 2020 Budget

Global Economy:

Global benchmark Brent crude for January, 2021 delivery rose \$1.79 or 42% to \$44.57 per barrel. Oil prices jumped more than 4 percent after Moderna Inc reported its experimental vaccine was 94.5 percent effective in Preventing COVID-19 and as OPEC+ members mull the possibility of extending Output cuts to next year.

RATE MONITOR

Inflation Rate	➡	14.23%
GDP Rate	➡	3.2%
MPR Rate	➡	11.5%

Domestic Economy:

The Federation Account Allocation Committee disbursed a total of N2.05tn to the three tiers of government and other statutory recipients in the third quarter of the year, figures released by the Nigeria Extractive Industries Transparency Initiatives. NEITI, this was despite the COVID-19 pandemic and its attendant socioeconomic consequences. A breakdown of the figures showed that the Federal Government received N812.22bn; state governments, N676.5bn; while Local Government Areas got N429.16bn. "This was the first time that total disbursement has exceeded N2tn for a quarter in 2020," NEITI stated in its latest Quarterly Review. The review analyzed FAAC disbursements in the third quarter of 2020, using data from the National Bureau of Statistics and the Revenue Mobilization, Allocation and Fiscal Commission. "Total disbursements of N2.05tn in 2020 Q3 were 6.2 per cent higher than total disbursements of N1.93tn in 2020 Q2, and 5.6 per cent higher than total disbursements of N1.95tn in 2020 Q1," the report stated. However, the disbursements in 2020 Q3 were lower than those of the corresponding quarters in 2019 and 2018 as a whole to the three tiers of government.

According to Punch News, It was learnt that oil marketers met with officials of the Federal Ministry of Finance on the need to make the foreign exchange available for petrol imports. This, according to marketers, would halt the current monopoly in the importation of petrol. The Nigerian National Petroleum Corporation has been the major importer of petrol for more than two years. Other players in the downstream oil business purchase the product from NNPC to dispense in their retail outlets. The National President, Independent Petroleum Marketers Association of Nigeria, Chinedu Okonkwo, told journalists on Monday that petroleum product dealers would soon start importing PMS soon.

The Minister of Finance, Budget and National Planning, Zainab Ahmed has said that the second wave of COVID-19 in Europe, is threatening oil price and the proposed 2021 budget. She also said that there was no plan to hike the Value Added Tax (VAT). However, 2021 budget was predicated on \$40 per barrel but the current price of the crude oil in the market stands at \$37. The minister informed lawmakers that a new Finance bill is ready.

The Nigerian Interbank Treasury Bills True Yield went negative for a 90-day Treasury Bill trading for -0.0109%. The 6 months, 3 months, and 9 months treasury bills true yield traded at -0.0369%, 0.0689%, and -0.0920% respectively. This suggests investors are now willing to pay the Government to keep their money for them.

Federal Government has disbursed the sum of N66.5billion (\$175 million) to 35 eligible states on the basis of the amended COVID-19 Responsive 2020 Budget results achievement. Ahmed explained that the disbursement followed compliance with the Amended COVID-19 responsive Y2020 budget. She stressed that the programme was wholly financed with a loan amount of \$750million from the International Development Association, a member of the World Bank Group. The Minister said each state received the total sum of N1.9bn equivalent of \$5million, adding that the disbursement was under the performance-based grant component of the World Bank-assisted States Fiscal Transparency, Accountability, and Sustainability (SFTAS) Programme for results. According to her, “the amended 2020 state budget must also include standardized budget documentation to enhance clarity, transparency and accountability.



DEBT MANAGEMENT OFFICE NIGERIA

NIGERIA'S EUROBONDS AND DIASPORA BOND CLOSING PRICES AND YIELDS AS AT WEDNESDAY, NOVEMBER 18, 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\$)	100.913	103.040	106.486	110.243	102.751	103.071	110.725	105.476	101.042	99.849	110.561
Yield (%)	1.860	3.652	3.772	5.269	6.014	6.691	7.237	7.155	7.585	7.638	8.273
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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