GTCO

Guaranty Trust Holding Company plc

RC 1690945

Q3 2024

Macroeconomic Review & Outlook

for Q4 2024

OCTOBER 2024

Table of Contents

Economic Review of Q3-2024

Global Economy

Slow and Steady Growth in Challenging Environments

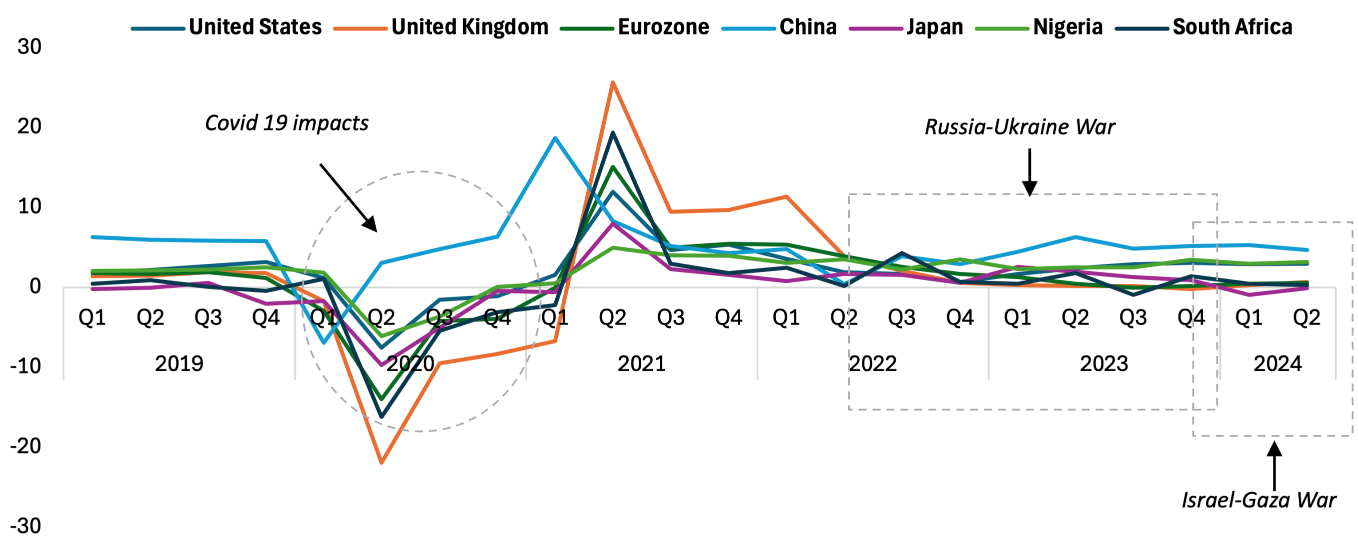
Global activity firmed up in the second half of 2024, with most countries maintaining positive and progressive growth. Although the GDP growth remained slow and below the pre-pandemic level in some countries, growth has not stalled or retracted in Q2-2024 despite the challenges faced by businesses over the past quarters – high interest rates, supply chain disruption, trade wars, high energy costs, geopolitical tensions, weak purchasing power, among others.

With the adoption of tight monetary policy by central banks and complementary efforts from fiscal authorities, these challenges are gradually fading. For instance, Advanced Economies witnessed a rebound in labour supply, improved consumer purchasing power, a slight reduction in interest rate, the fading of earlier energy price shocks, and development in the supply chain in Q2-2024. On a year-on-year basis, the economy of the United States, United Kingdom, and Eurozone grew by 3.0%, 0.7%, and 0.6% in Q2-2024, higher than the GDP growth of 2.9%, 0.3%, and 0.5%, respectively, in Q1-2024. Meanwhile, Emerging Market and Developing Economies (EMDEs) continued to struggle as GDP growth receded in China (Q3'24: 4.6% vs. Q2'24: 4.7%), India (Q2'24: 6.7% vs.

Q1'24: 7.8%), Russia (Q2'24: 4.1% vs. Q1'24: 5.4%), and South Africa (Q2'24: 0.3% vs. Q1'24: 0.5%).

The slight setback in GDP growth in China in Q2-2024 was attributed to the property downturn, weak domestic demand, falling yuan, and trade frictions with the West. The GDP growth in India was the slowest expansion in five quarters due to a sharp slowdown in government spending as the long-awaited general elections drove several usual government activities to a halt during the period. The Russian GDP growth slowed in Q2-2024 as massive government spending on defense to support the ongoing war in Ukraine weighed on economic growth. However, we attribute the sluggish GDP growth in South Africa in Q2-2024 to the setback in the transport, communication, and agriculture sectors.

Fig 1: GDP Growth Rate (year-on-year %)



Source: TradingEconomics, NBS, GTCO

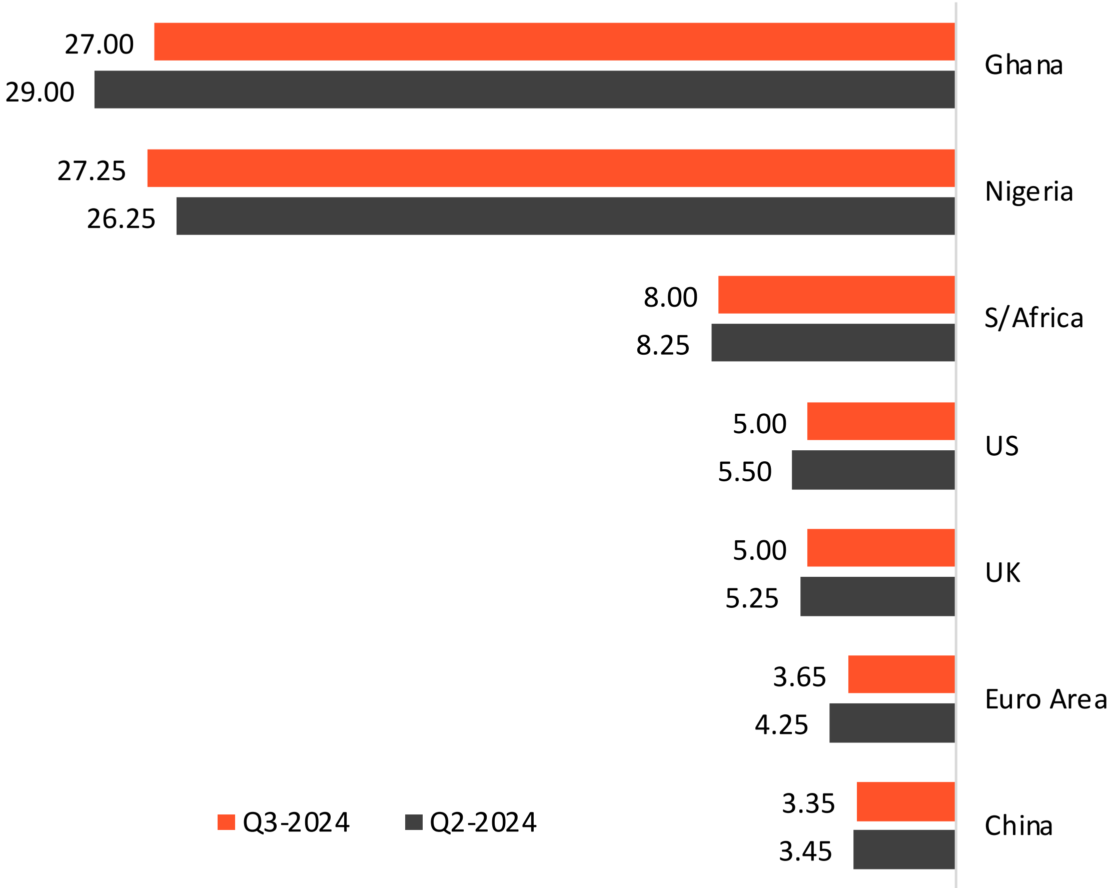
Policy Rate

Monetary policy shifts in Q3-2024 as inflation approach targets

The significant progress seen in inflation figures and sluggish GDP growth in most countries led to the shifts in tight monetary policy in Q3-2024 as some countries adopted dovish monetary policy. In contrast, others were less aggressive in policy tightening by maintaining policy rates. For instance, the US Fed, Bank of England (BOE), European Central Bank (ECB), and China cut their respective key policy rates in Q3-2024 as inflation slowed. The Federal Reserve cut the fed funds rate, for the first time since Q1-2020, by 50 bps to 5.00% in Q3-2024 (Q2-2024: 5.50%). The BOE and ECB also lowered policy rate by 25 bps and 60 bps to 5.00% (Q2-2024: 5.25%) and 3.65% (Q2-2024: 4.25%), respectively, in Q3-2024 as inflation is gradually approaching the benchmark of 2%.

In addition, the People's Bank of China cut the 1-year loan prime rate (the benchmark for most corporate and household loan) by 10 bps to 3.35% but maintained the 5-year rate (a reference for property mortgages) at 3.85% in Q3-2024. In Africa, the Bank of Ghana and South African Reserve Bank also cut policy rates by 200bps and 25bps to 27% and 8%, respectively, in Q3-2024 as inflation receded during the period. Meanwhile, the Central Bank of Nigeria raised the policy rate by 100 bps to 27.25% in Q3-2024.

Fig 2: Policy Rate (%)



Source: CBN, Trading Economics, GTCO

Inflation

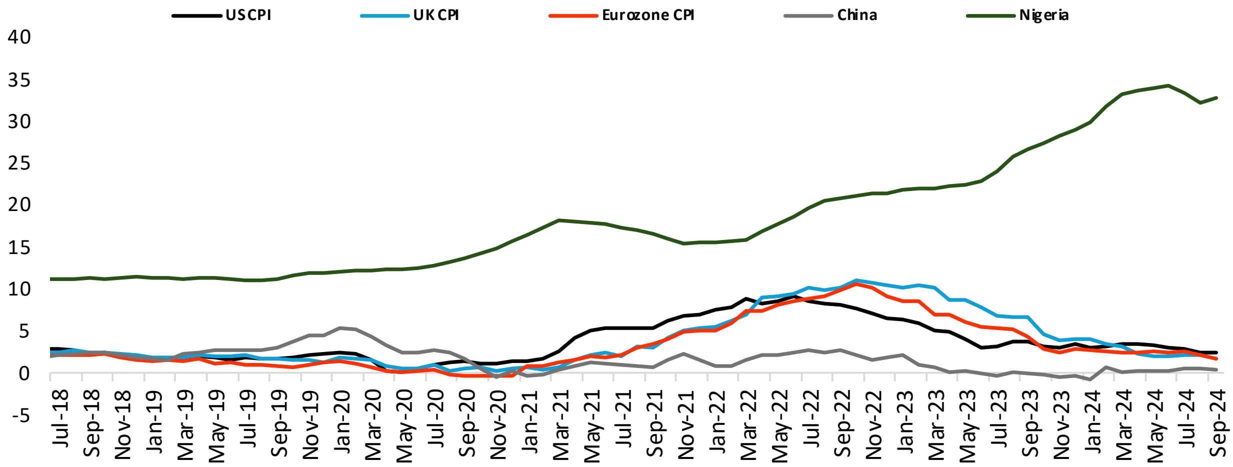
Inflation slows down in Q3-2024

Although service price inflation is holding up pressure on disinflation and complicating monetary policy normalisation, some countries have achieved notable progress in dragging down the consumer price index in Q3-2024. The slowdown was due to reduced energy prices and the cumulative effects of the past monetary policy. For instance, inflation in the United States fell by 60 bps to 2.4% in Q3-2024 from 3.0% in Q2-2024 as inflation eased for gasoline, fuel oil, natural gas, food, transportation, new vehicles, and used cars/trucks.

Inflation in the United Kingdom fell by 30 bps to 1.7% in Q3-2024 due to the reduction in transport costs, energy prices, housing and utilitie prices. In addition, Inflation in the Eurozone was below the ECB's 2% target as the consumer price index slowed down by 80bps to 1.7% in Q3-2024, driven by the base effect, fall in energy prices, and non-energy industrial costs.

Meanwhile, Emerging Markets & Developing Economies witnessed mixed outcomes in Q3-2024. For instance, inflation in China and India grew by 20 bps and 41 bps to 0.4% and 5.49%, respectively, in Q3-2024 due to elevated food prices. On the other hand, inflation slowed down in Argentina and Ghana by 6,250 bps and 130 bps to 209.0% and 21.5%, respectively, in Q3-2024, mainly driven by effective monetary policy, further decline in food inflation and reduced energy prices.

Fig 3: Global Inflation Trend (%)



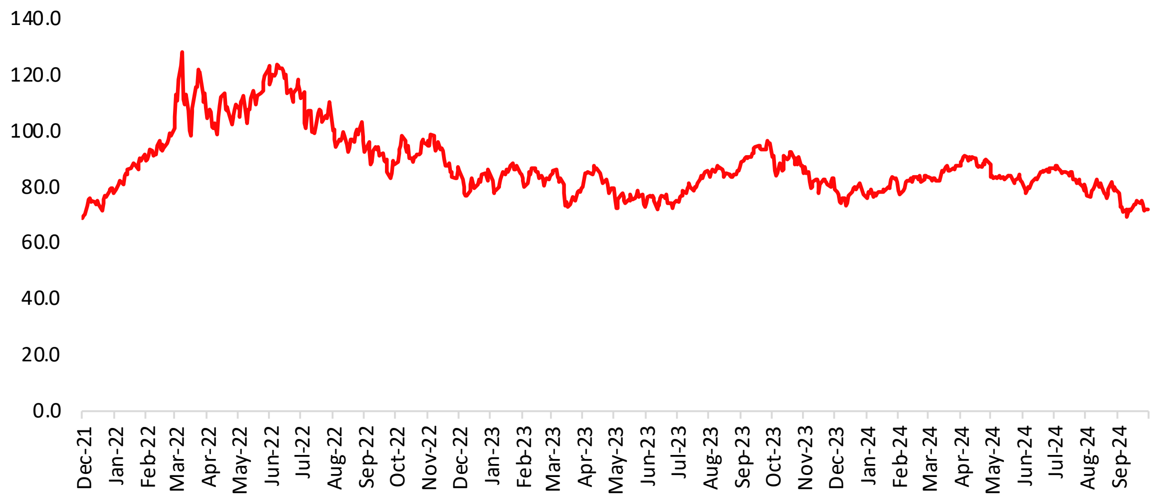
Source: TradingEconomics, NBS, GTCO

Crude Oil

Crude oil price falls on weak demand

In the third quarter of 2024, the Organization of the Petroleum Exporting Countries and its allies (OPEC+) extended their production cuts of 2.2 million barrels per day further through November. They planned to phase out those voluntary cuts from December until November 2025. In addition, the geopolitical tension in the Middle East, which accounts for 31.5% of the global oil production, extended to the third quarter of the year. Despite the extension of oil output cuts and ongoing geopolitical tension in the Middle East, the quarterly average price of Brent crude oil and WTI fell by 7.43% and 6.68% to $78.71 and $75.27 per barrel, respectively, in Q3-2024 (on a quarter-on-quarter). The decline in the price of crude oil was attributed to the waning demand from China (the world's largest oil importer) and the expectation of a reversal of the OPEC+ oil output cut.

Fig 4: Trend in Brent Crude Oil Price ($)



Source: Bloomberg, GTCO

Nigeria

Gross Domestic Product

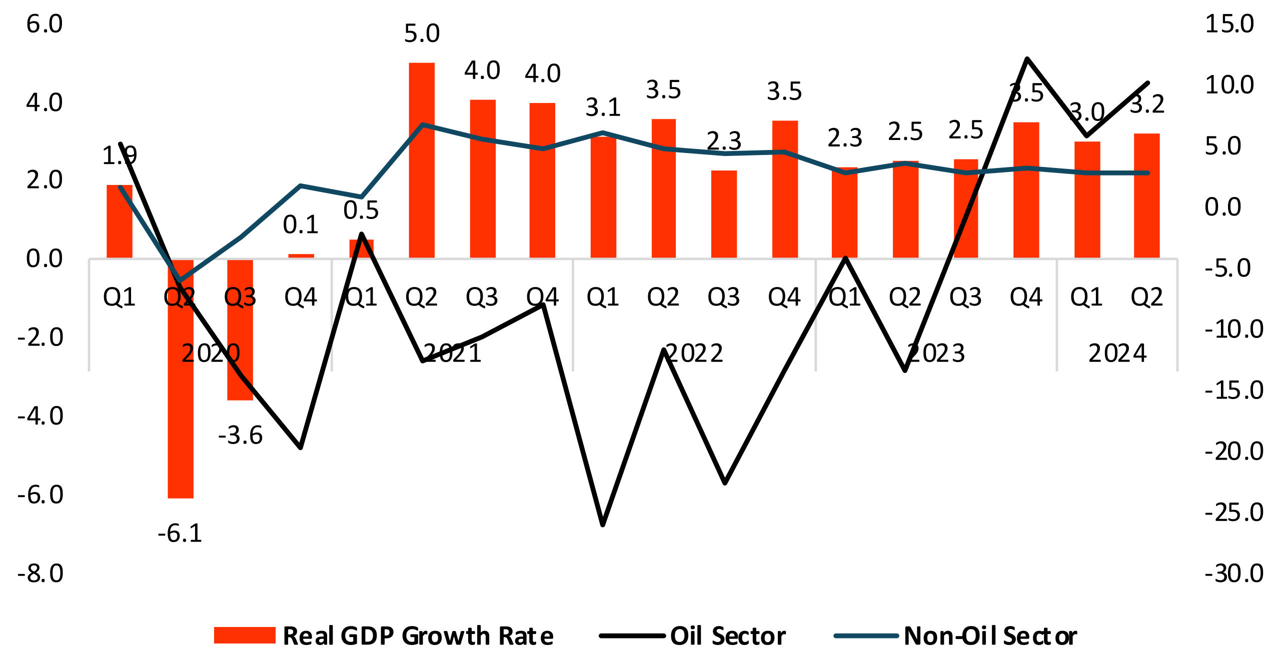
Nigeria's GDP grows by 3.19% in Q2-2024 amid elevated inflation and devaluation

Nigeria maintained resilient growth as the country's Gross Domestic Product (GDP) grew by 3.19% (year-on-year), in real terms, in the second quarter of 2024. According to the data from the National Bureau of Statistics (NBS), the growth rate recorded in Q2-2024 is 21 bps and 68 bps higher than the 2.98% and 2.51% recorded in Q1-2024 and Q2-2023 respectively (Fig. 5). On a year-on-year basis, the growth in the country's GDP in Q2-2024 was driven by the Oil sector which grew by 10.15% (Q2-2023: -13.43%). Meanwhile, the growth in the Non-Oil sector slowed to 2.80% in Q2-2024 (Q2-2023: 3.58%), reflecting the impacts of high inflation, elevated interest rate, and depreciation of Naira (Fig. 7). In line with our expectation, the real GDP grew slightly by 0.04% in Q2-2024 (quarter-on-quarter), indicating a fragile growth.

The Services sector of the economy recorded a growth rate of 3.79% in Q2-2024 (Q2-2023: 4.42%), driven by the growth in Financial Institutions (+30.4%) Insurance (+13.3%) and Telecoms & Information Services sub-sector (+5.2%). The Agriculture sector grew by 1.41% in Q2-2024 (Q2-2023: 1.50%), mainly driven by the growth in crop production (+1.6%), forestry (+2.8%), and fishing sub-sector (+0.4%). The Industrial sector also grew by 3.53% in Q2-2024 (Q2-2023: -1.94%), mainly caused by the growth in the Crude Petroleum & Natural Gas (+10.2%) and Cement sub-sector (+1.7%), among others. Regarding contribution to the aggregate GDP in the second quarter of 2024, the Services sector remains the most significant contributor to the nation's GDP as it contributed 58.76%, followed by Agriculture (22.61%) and the Industries sector (18.62%).

At basic price, the aggregate GDP stood at ₦60.93 trillion in nominal terms in Q2-2024. This performance is 16.9% and 3.5% higher than the aggregate nominal GDP of ₦58.86 trillion and ₦52.10 trillion recorded in Q1-2024 and Q2-2023, respectively.

Fig 5: Trend in Real GDP, Oil Sector & Non-Oil Sector Growth Rate (%)



Source: NBS, GTCO

Nigeria's inflation moderates on base effects and extension of tight monetary policy in Q3-2024

After nineteen (19) months of consecutive increase, Nigeria's headline inflation declined to 32.70% (year-on-year) in Q3-2024, which is 149bps lower than the 34.19% reported in Q2-2024. The base effect and slowdown in food prices drove the progress seen in the headline inflation. Food inflation fell by 310% to 37.77% in Q3-2024 (Q2-2024: 40.87%) due to the impact of the harvest season. Meanwhile, core inflation rose further by 3 bps to 27.43% in Q3-2024 (Q2-2024: 27.40%), mainly due to high energy prices and persistent depreciation of the Naira.

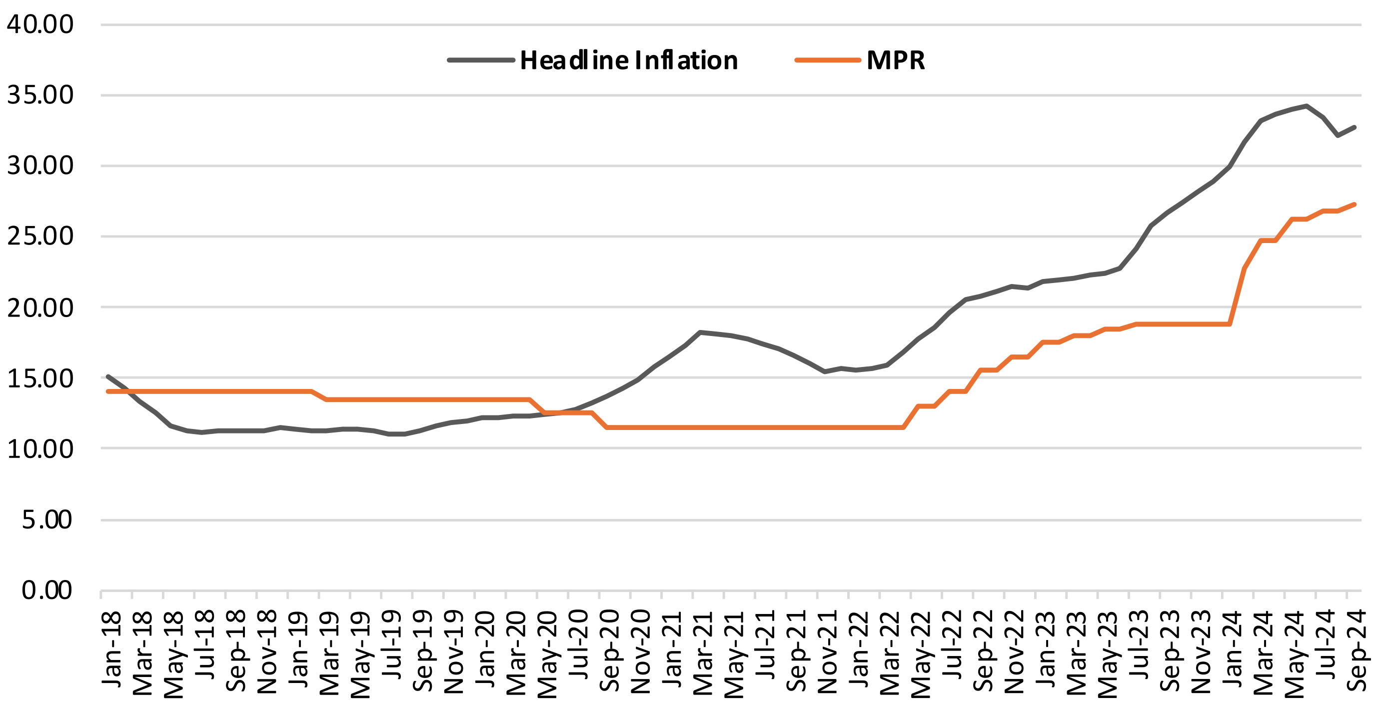
The base effects and the tight monetary policy adopted by the Central Bank of Nigeria (CBN) might have reduced inflation in the third quarter of the year. The purchasing power of most Nigerians remained weak due to high energy prices, high transportation costs, and weak local currency. In addition, food prices remained elevated due to poor infrastructure and insecurity in essential food-producing states in Nigeria. On a year-on-year basis, headline inflation was highest in Bauchi (46.46%), followed by Kebbi (37.51%) and Jigawa (37.43%) in Q3-2024. Meanwhile, Benue (25.13%), Delta (26.86%), and Imo (28.05%) recorded the slowest rise in headline inflation in August 2024.

The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) held two meetings in the third quarter of 2024 where it:

i. Raised MPR by 100 bps to 27.25% in Q3-2024 (50 bps rise in July and another 50 bps rise in Sept. 2024) to keep reining in inflation and attracting foreign portfolio investments.
ii. Raised the Cash Reserve Ratio (CRR) for Commercial and Merchant Banks by 500 bps and 200 bps to 50.0% and 16.0%, respectively, in Q3-2024 to mop up excess liquidity in the system.
iii. Retained the liquidity ratio at 30% in Q3-2024.
iv. Adjusted the Asymmetric Corridor to +500/-100 bps around the MPR in Q3-2024 (from -300/+100 bps in Q2-2024) as the Apex Bank continued to mop up excess liquidity in the system.

Therefore, the Standing Lending Facility (SLF) and Standing Deposit Facility (SDF) rates moved to 32.25% and 26.25% in Q3-2024, though with changes on SDF. The CBN pegged the SDF rate at 19.0% for excess deposits above the initial ₦3.00 billion (Commercial and Merchant Banks) and ₦1.5 billion (Payment Service Banks). It is believed that maintaining CRR of 500bps would significantly impair the ability of banks to achieve the LDR ratio of 50%.

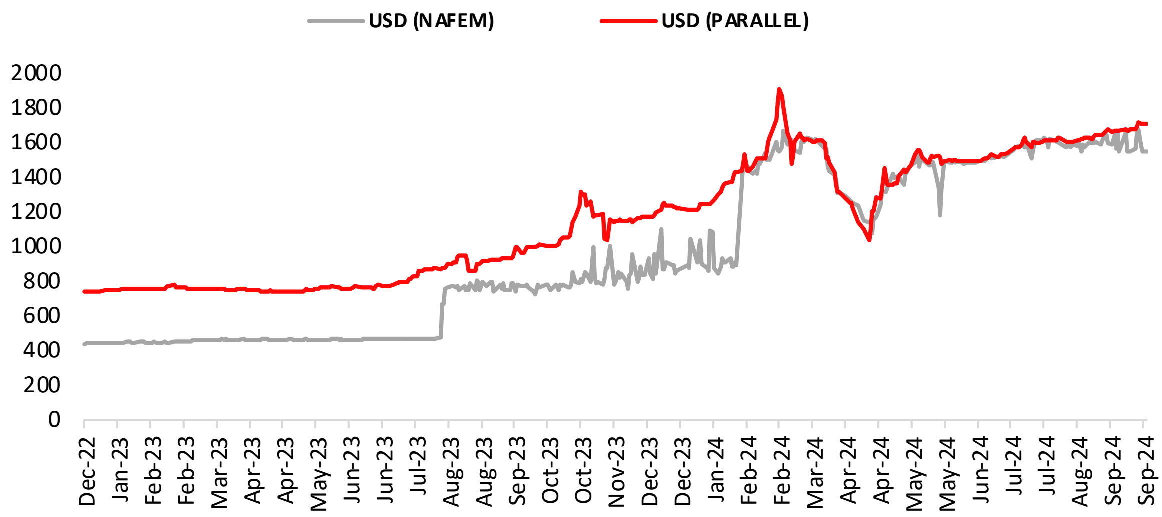
Fig 6: Nigeria's Inflation and MPR Trend (%)



Source: NBS, CBN, GTCO

On a quarter-on-quarter basis, the Naira depreciated further against the greenback by 2.43% and 11.93% at the official NAFEM and parallel market to close at ₦1,541.94 (Q2-2024: ₦1,505.30) and ₦1,707.00 (Q2-2024: ₦1,525.00) respectively in Q3-2024 despite the interventions by the CBN and the conduction of Retails Dutch Auction System (rDAS). To reduce the demand pressure in the foreign exchange market and stabilize the Naira, the CBN allowed end users to bid through Authorised Dealer banks for their outstanding legitimate needs. The CBN allocated $815.37mm towards successful bids and introduced other interventions in the FX market. Persistent demand, however, continued to weigh on the exchange rate, leading to further depreciation in the NAFEM and unofficial market.

Fig 7: Exchange Rate Trend (US$/₦)

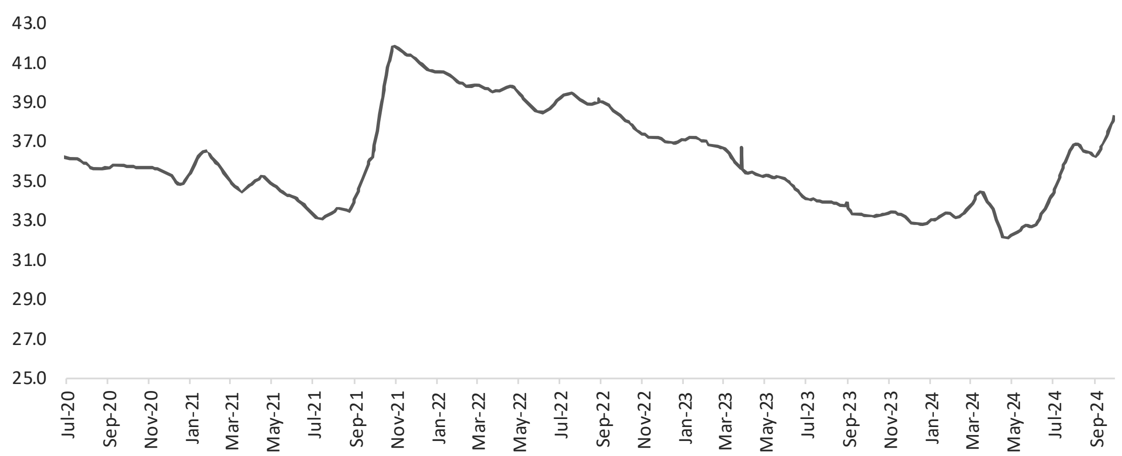


Source: Bloomberg (BGN), AbokiFX, GTCO

Foreign reserve rises on improved FX inflows in Q3-2024

Nigeria's foreign exchange reserves rose by 12.17% ($4.16 billion) to $38.35 billion in Q3-2024 (vs. $34.19 billion in Q2-2024), driven by improved FX inflows arising primarily from oil-related receipts, improved diaspora remittances, foreign investment inflows and issuance of domestic foreign currency-denominated bonds during the period. In addition, the low FX demand from the refined petroleum importers and the wait-and-see intervention approach adopted by the apex bank in the foreign exchange market also contributed to the robust growth witnessed in the country's external reserves during the period. To further grow the external reserves, we recommend that the monetary authority raise the policy rate to an attractive level. This will attract foreign portfolio investments, while high interest rates will encourage domestic investment in fixed-income instruments and put less pressure on dollar demand. In addition, the government needs to embrace an accommodative fiscal policy to boost production and encourage commodity exports.

Fig 8: CBN Foreign Reserves Trend ($Billion)

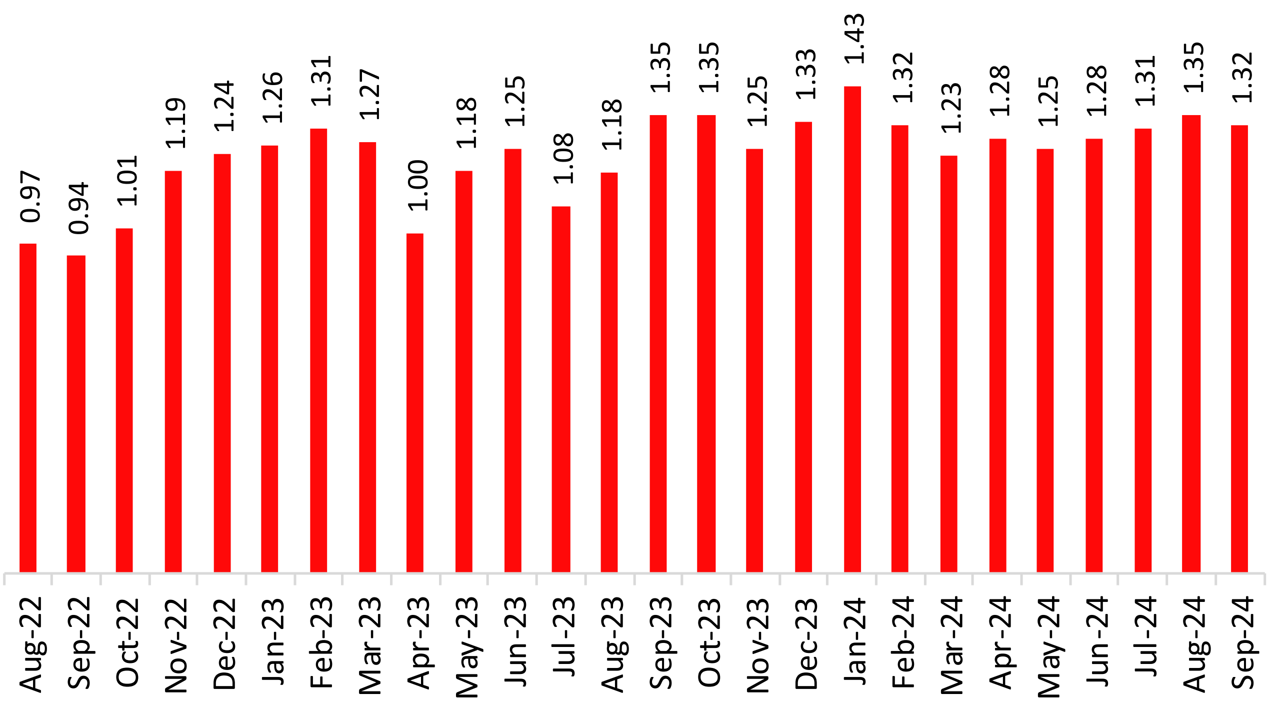


Source: CBN, GTCO

The effort of the Nigerian government to curb oil theft and pipeline vandalism yielded positive results in Q3-2024 as the quarterly average crude oil production rose by 4.5% to 1.33 million barrels per day (bpd) from 1.27 million bpd in Q2-2024. Although there was an improvement in crude oil production in Q3-2024, when compared with the previous quarter, the figure achieved so far is still below the 1.78 million bpd of Nigeria's 2024 budget benchmark and 1.5 million bpd of the Organization of Petroleum Exporting Countries (OPEC) production quota.

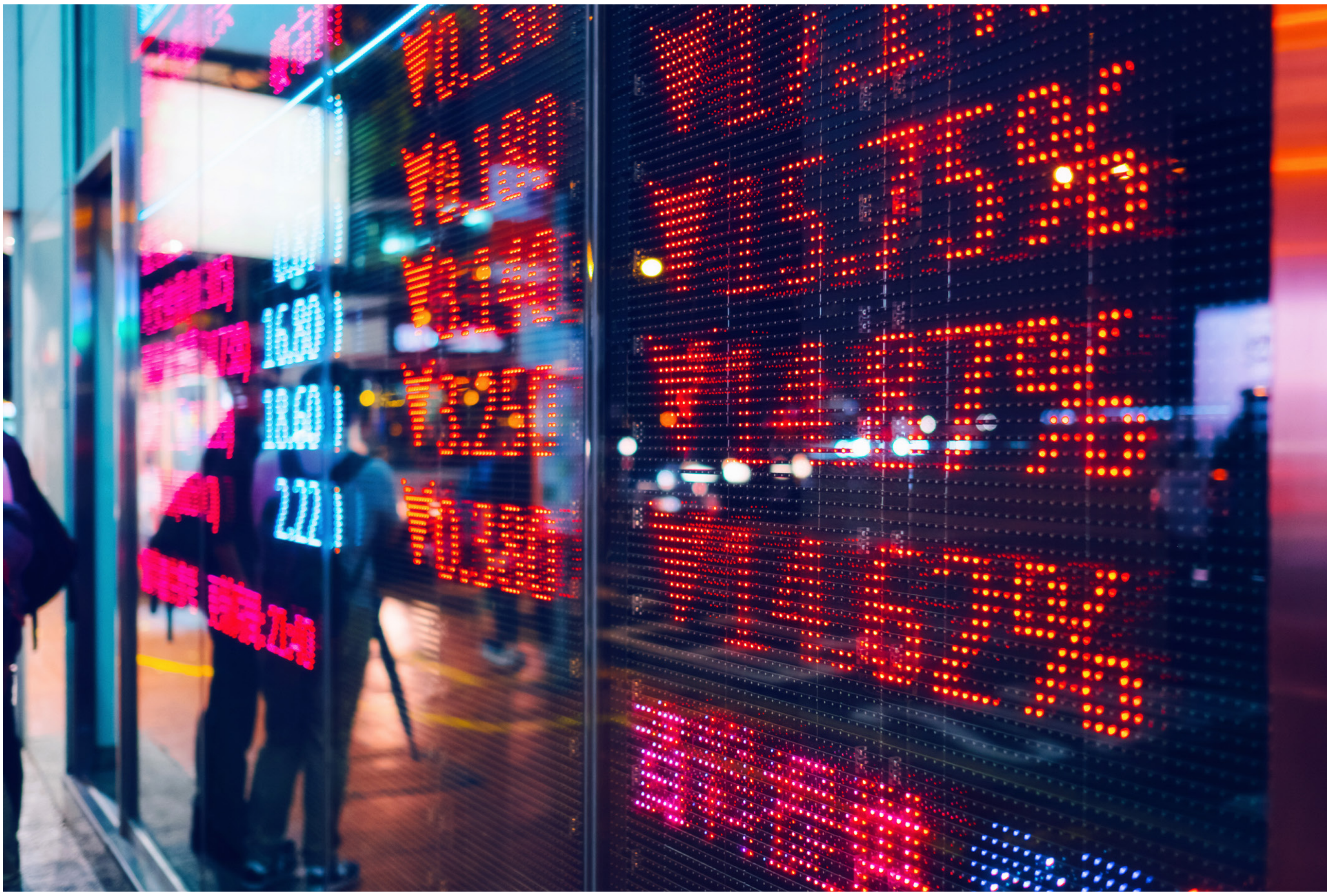
The sluggish growth in crude oil production was due to the lack of additional investment in the upstream sector. However, oil theft and pipeline vandalism also contributed significantly to this challenge. To improve crude oil production and meet the OPEC quota in the coming quarters, we maintain that the government of Nigeria needs to create an enabling environment for investment in the upstream sector and reduce oil theft to a significant level.

Fig 9: Oil Production Trend (Million Barrel Per Day)



Source: OPEC, GTCO

Financial Market Performance



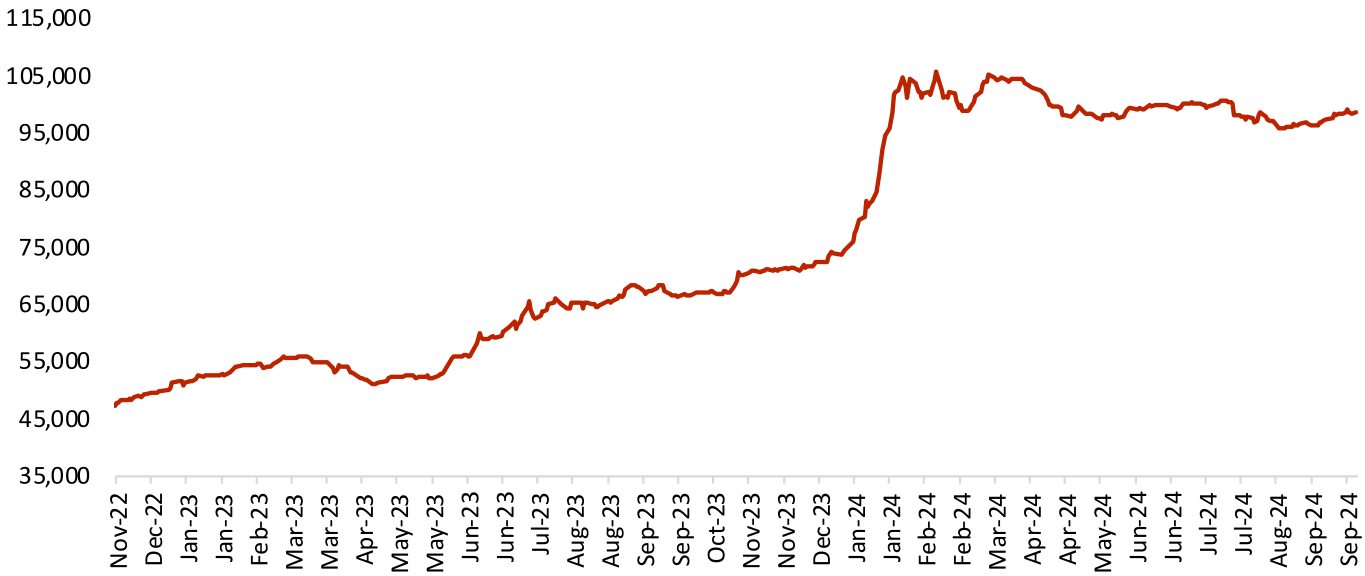
Equities Market

Nigerian stock market extends bearish trend to Q3-2024

There was a migration from the equities to the fixed-income market by investors to take advantage of the high-interest environment in Q3-2024. Consequently, the sell-off activities during the period led to the setback in the Nigerian bourse as the NGX All-Share Index depreciated by 1.50% to 98,558.79 points in Q3-2024, while market capitalization grew slightly by 0.07% to ₦56.64 trillion in Q3-2024, mainly due to the listing of International Breweries Plc's rights issue of 141,429,525,556 ordinary shares at ₦3.65 per share (₦516.22 billion). During the period, the Oil & Gas sector (+38.19%) emerged the best-performing sector, mainly driven by Oando Plc (+450.7%), Eterna Plc (+87.50%), and Total Plc (+73.28%). Meanwhile, the Industrial Goods sector was the worst-performing index due to the setback in Cutix Plc (-45.23%), BUA Cement Plc (-23.18%), and Dangote Cement Plc (-18.99%).

The total transactions at the Nigerian Exchange grew by 46.30% to ₦3.97 trillion (year-to-date) in September 2024, from ₦2.71 trillion in September 2023, as investors reacted strongly to the pro-market policies of the Nigerian government during the period. Of the total equity transactions of ₦3.97 trillion (year-to-date) at the Nigerian Exchange in 9M-2024, foreign participation accounted for 17.56% (9M-2023: 9.51%), while domestic participation accounted for 82.44% (9M-2023: 90.49%) as few domestic investors readjusted their portfolio in favor of high-yield fixed-income instruments.

Fig. 10: NGX All-Share Index Trend



Source: Bloomberg (BGN), GTCO

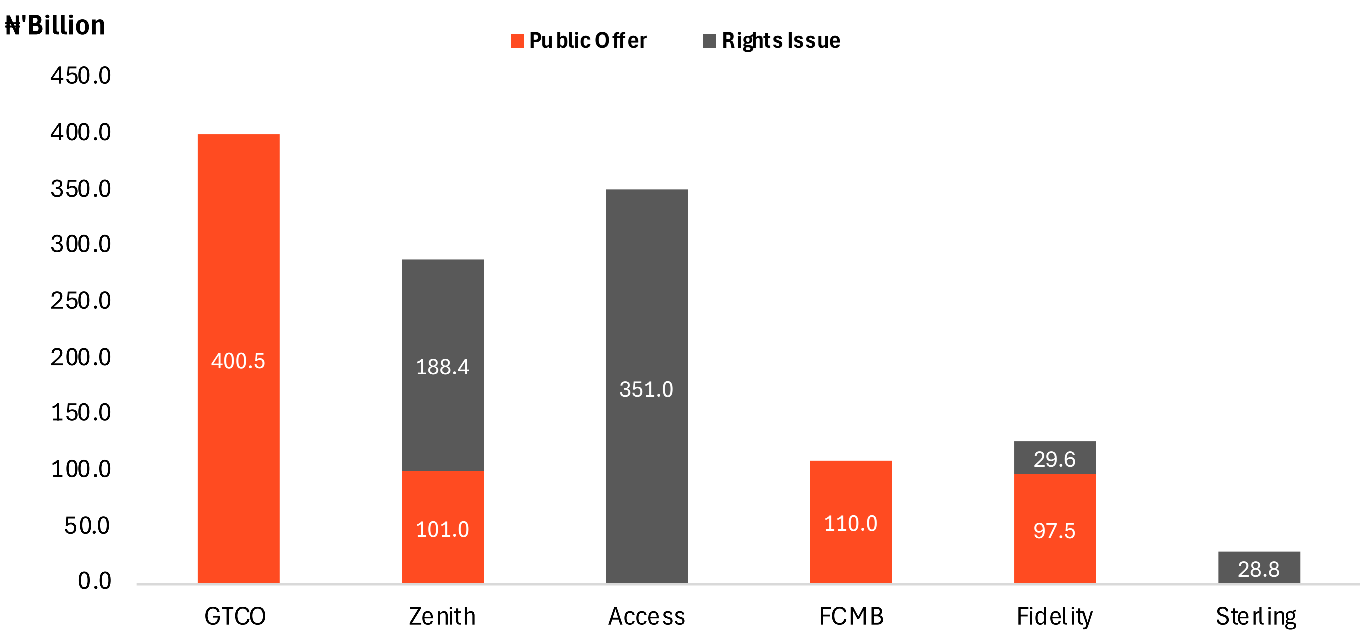
Table 1: Sector/Index Performance in Q3-2024

S/N	INDEX	28-Jun-24	30-Sep-24	% CHANGE
1	NGX OIL & GAS	1,440.67	1,990.84	38.19%
2	NGX BANKING	830.2	944.48	13.77%
3	NGX INSURANCE	390.57	429.93	10.08%
4	NGX PENSION	3,762.21	4,012.95	6.66%
5	NGX ASEM	1,504.55	1,583.71	5.26%
6	NGX CONSUMER GOODS	1,581.55	1,564.09	-1.10%
7	NGX 30	3,710.32	3,661.41	-1.32%
8	NGX LOTUS II	6,287.43	6,108.53	-2.85%
9	NGX PREMIUM	9,864.01	9,050.21	-8.25%
10	NGX INDUSTRIAL GOODS	4,696.04	3,806.57	-18.94%

Source: NGX, GTCO

The CBN announced a new recapitalization requirement and informed commercial banks to increase minimum capital to ₦500bn for banks with international authorization and ₦200bn for banks with national coverage. In Q3-2024, some banks began the recapitalization process to raise additional capital through a rights issue and a public offer. Fidelity Bank informed the public about its decision to raise ₦127.1 billion via rights issue (₦9.25 per unit) and public offer (₦9.7 per unit); GTCO planned to raise ₦400.5 billion via public offer (₦44.50); Access Bank aimed at raising ₦351 billion via rights issue (₦19.75); Zenith Bank intended to raise ₦290 billion via right issue (₦36.0) and public offer (₦36.50); FCMB commenced a ₦110 billion public offer at ₦7.30; Sterling Bank also commenced capital raising of ₦28.79 billion via rights issue (₦4.00). Although we expect some banks to meet the new capital requirement on or before March 2026, the introduction of a windfall tax may discourage investors, especially foreign investors, from investing in Nigeria's banking sector.

Fig. 11: NGX All-Share Index Trend



Source: GTCO, Zenith, Access, FCMB, Fidelity, Sterling

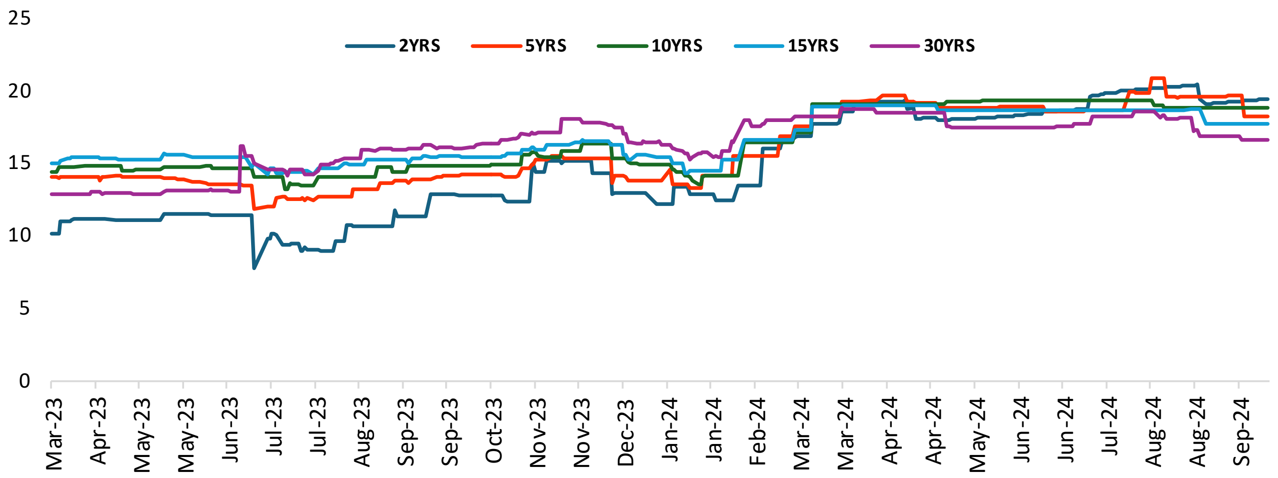
Fixed Income Market

Investors seek higher yields in the secondary market.

In the fixed-income market, we witnessed improvement in yields of FGN bonds in the secondary market despite the persistent fall in inflation during the period. The average yield of FGN bonds in the secondary market rose by 18bps to close at 18.80% in Q3-2024 (vs. 18.62% average yield of Q2-2024) as the market reacted strongly to the policy rate hike and tight liquidity in July and August. Meanwhile, we witnessed a mixed performance in the primary market in Q3-2024 as stop rates improved in July due to the policy rate hike but declined in August and September on the back of persistent fall in inflation.

Despite the relatively high yields in Nigeria and the slowdown in US treasury notes/bonds, foreign portfolio investors shunned Nigerian bonds due to the weak economic outlook and volatility of Nigerian currency in the foreign exchange market.

Fig. 12: Movement in Bond Yields (Secondary Market)

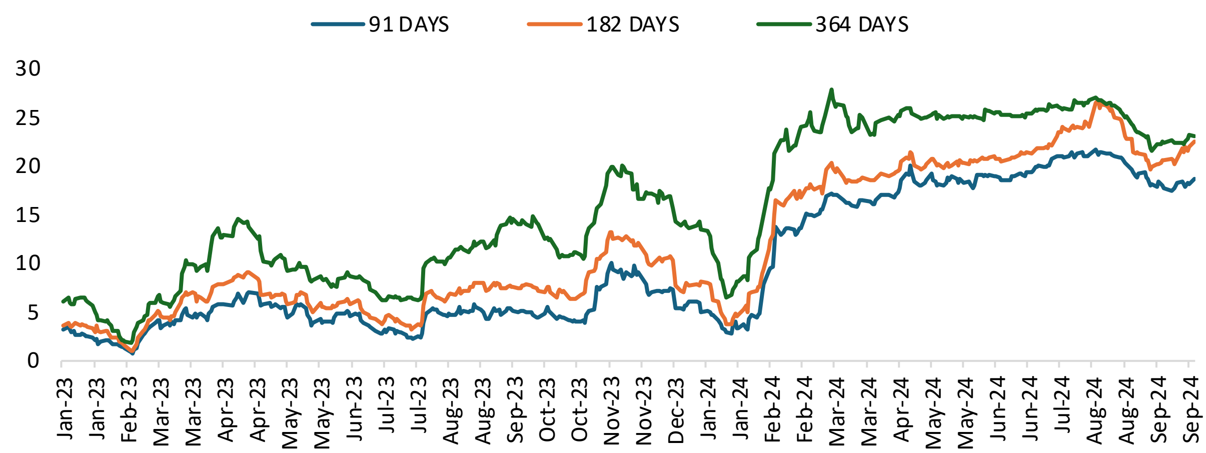


Source: Bloomberg (BGN), GTCO

The average yield of Treasury Bills in the secondary market rose significantly by 120 bps to close at 22.44% in Q3-2024 (vs. 21.24% average yield of Q2-2024) as the market reacted to the rise in policy rate, liquidity squeeze, and high stop rates in the primary market. In addition, the average stop rate of Treasury Bills in the primary market rose by 64 bps to close at 18.73% in Q3-2024 (vs. 18.09% average stop rate of the auction results for Q2-2024) as investors demanded higher rates to reflect the high interest rate environment during the period.

The average yield of Eurobonds grew by 14 bps to close at 9.98% in Q3-2024 (vs. 9.84% average market yield in Q2-2024) despite the increase in Nigeria's external reserves. We attribute the setback in the prices of Nigeria's international bonds to the uncertain economic outlook and the fall in crude oil prices. In line with our expectations, the Federal Government of Nigeria introduced a 5-year Domestic US Dollar Bond in Q3-2024, aiming to raise a minimum of $500m from local and international investors. The bond, which has a coupon of 9.75%, was 180% oversubscribed as Nigeria's government raised around $900 million in its first domestic sale as local investors embraced the dollar-denominated bonds to hedge against currency devaluation.

Fig. 13: Movement in Treasury Bills Yields (Secondary Market)



Source: Bloomberg (BGN), GTCO

Economic And Market Outlook For Q4-2024

Global Economy

We project an improvement in global economic growth in the fourth quarter of 2024 due to the stimulus in China, the gradual easing of monetary policy in Advanced Economies, and the expectation of elevated consumption in various countries. We expect improvement in aggregate economic output in the United States in Q4-2024 due to the success recorded in the supply chain, a rebound in labour supply, improved consumers' purchasing power, and a reduction in interest rate. In addition, IMF projected the United Kingdom to witness robust growth of 1.1% in FY-2024 (compared with 0.3% in FY-2023) due to the multiplier effect of policy rate cooling on aggregate output. Despite the recent stimulus measures provided by China, the IMF expects economic growth in China to slow down to 4.8% in FY-2024 from 5.2% in FY-2023 due to the previous feeble demand and weak foreign direct investment. Consequently, global growth is projected to slow to 3.2% in 2024 (from 3.3% in 2023) due to the slowdown in EMDEs and moderate growth in Advanced Economies.

We maintain that global inflation will continue to trend downward in Q4-2024 due to the expectation of monetary policy tightening extension in some countries. Advanced Economies are expected to return sooner to the inflation rate near their pre-pandemic (2017–2019) average in Q4-2024 mainly due to the effectiveness of the past contractionary monetary policy. Although we expect a slight slowdown in inflation in Emerging Market and Developing Economies, the consumer price index will remain above the target of most countries due to geopolitical tensions, flooding, weak local currencies, and poor fiscal policy, especially in Africa. Consequently, IMF expects global inflation to slow down to 5.8% in FY-2024 (FY-2023: 6.7%), with a forecast of 2.6% (FY-2023: 4.6%) and 7.9% (FY-2023: 8.1%) for Advanced Economies and EMDEs respectively in FY-2024.

We anticipate more cooling of monetary policy rates in Advanced Economies in Q4-2024 as inflation is gradually approaching the targets of most countries. In addition, we expect EMDEs to be less aggressive in tightening in Q4-2024 to support fragile economic growth and avoid economic recession. Nevertheless, we expect key interest rates to remain high in EMDEs to attract foreign portfolio investors and strengthen local currencies.

We expect global crude production to decline in Q4-2024 due to possible extension of OPEC+ crude oil production cuts and escalation of conflicts within the Middle East (which accounts for over 31.5% of the world's total crude oil production). Consequently, we forecast an increase in the price of crude oil in Q4-2024.

Domestic Economy

The challenging economic conditions witnessed in the previous quarters may extend to Q4-2024 as we expect high inflation, the possibility of further depreciation of Naira, and high energy prices to weigh on aggregate economic output in the country. In addition, the increase in borrowing costs, caused by the tight monetary policy adopted by the apex bank, may raise input costs and weaken aggregate economic output in Q4-2024. Nevertheless, IMF expects Nigeria's GDP to improve by 2.9% in FY-2024, from 2.74% recorded in FY-2024, mainly due to the impressive performance in the oil sector and resilient growth in the non-oil sector in H1-2024.

We project that headline inflation will remain elevated in Q4-2024 due to the implementation of the higher minimum wage, the increase in PMS price, exchange rate volatility, and the yuletide spending. Although we do not expect a significant increase in headline inflation in Q4-2024 due to the base effect, extension of tight monetary policy, and benefits from harvest season, we expect inflation in Q4-2024 to be around 35% - 36%. This is significantly higher than the projection of 21.4% by the federal government of Nigeria.

We maintain that the Monetary Policy Committee of the Central Bank of Nigeria will maintain a tight monetary policy in Q4-2024 in a bid to rein in high inflation, reduce money supply, and attract foreign portfolio investors into the country. Consequently, we expect borrowing costs to remain high in Q4-2024.

We expect the Naira to remain under pressure against the US dollar and other major currencies in the foreign exchange market in Q4-2024, mainly due to high FX demand and weak capital inflows. Consequently, we expect the Nigerian Naira to trade between ₦1,600 and ₦1,700 against the US Dollar at the Nigerian Autonomous Foreign Exchange Market (NAFEM) and between ₦1,700 and ₦1,800 at the parallel market in Q4-2024. Meanwhile, possible constant interventions by the CBN at the official/parallel market, positive sentiments from foreign portfolio investors, and less pressure on FX demand for importation of refined petroleum products are significant upside potentials to our outlook for Q4-2024.

Equities Market

We expect the Nigerian equities market to be dominated by bearish sentiments in Q4-2024. With the recent hike in the policy rate and anticipation of higher yields/rates, we anticipate the movement of investors from the equities market to the fixed-income market to take advantage of relatively high rates/yields in Q4-2024. Nonetheless, we expect the Nigerian equities market to sustain impressive performance in FY-2024, mainly due to the outstanding performance reported in the first half of the year.

Fixed Income Market

Again, we maintain that yields of bonds and treasury bills will remain elevated in the primary and secondary market in Q4-2024 due to the recent decision of the apex bank to raise MPR further. In addition, a possible extension of tight monetary policy by the Apex bank and expectation of high inflation are projected to result in high yields/rates in the fixed income market in Q4-2024.

We anticipate improved demand for Nigeria's Eurobonds in Q4-2024 as we expect investment flows from Advanced Economies after the recent policy rate cuts in the United States, Eurozone, and the United Kingdom, among others to seek higher yielding assets. In addition, the recent growth in Nigeria's external reserves and the expectation of improvement in crude oil price and production may encourage foreign portfolio investors to pick up Nigeria's Eurobonds.

GTCO

www.gtcoplc.com