



S&P downgrades Nigeria' credit rating

Financial Markets

Standard & Poor's Rating Services on Friday cut *Nigeria's* credit rating by one notch to 'B+' from 'BB-', citing the effect of falling oil prices and growing political risks before the delayed elections due next week in the West African country. Nigeria, which derive 90% of export earnings and 70% of government revenues from oil, has struggled with oil prices having halved since June last year. The country's currency has depreciated 18% against the dollar in the past 6 months, the worst performance after Zambia's kwacha among African currencies.

High Income Economies

Pointing to continued growth at least in the short-term, the Conference Board leading economic index for the *U.S.* edged up by 0.2% (m/m) in February, matching the increase seen in January. The increase was in line with economist estimates. The increase reflect positive contributions from seven of the ten indicators, including the interest rate spread, stock prices, building permits, and the Leading Credit Index. The coincident economic index also rose by 0.2% for the second consecutive month, while the lagging economic index increased by 0.3% in February following a matching increase in January.

The Conference Board leading economic index for *Germany* rose 0.4% (m/m) in January after a 0.8% climb in December. Six of the seven components of the index contributed to the increase. The coincident index, which reflects the current economic situation, increased 0.3% following the 0.2% gain in December. "Taken together, the behavior of the composite indexes suggests that the economy should continue to expand, and may see a slight pickup in the near-term," the Conference Board said.

Developing Economies

Europe and Central Asia

Illustrating the continued adverse economic effects of the fallout with Russia over Crimea and the associated insurgency, the Ukrainian economy contracted 14.8% (y/y) in Q4, on top of the 5.4% decline in Q3. On a quarterly basis, GDP fell 3.8% (q/q) in Q4, following the 2.1% drop in Q3. For 2014 as a whole, Ukraine GDP contracted 5.8%.

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