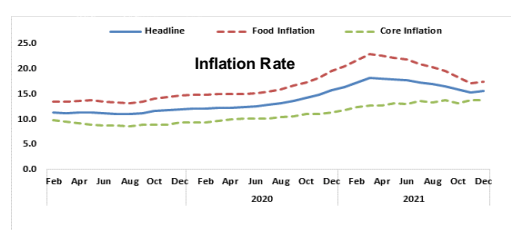
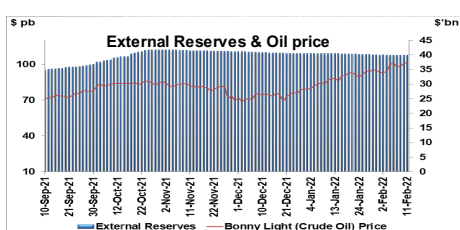
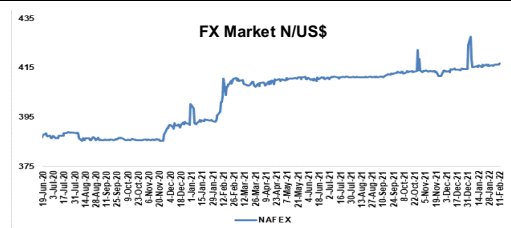
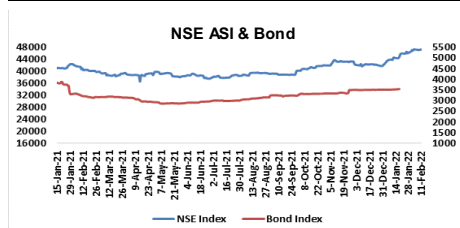


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	4.03	Q3 2021 — lower by 0.98% compared to 5.01% in Q2 2021
Broad Money Supply (N' trillion)	43.95	Rose by 3.15% in December' 2021 from N42.60 trillion in November' 2021
Credit to Private Sector (N' trillion)	35.73	Rose by 0.98% in December' 2021 from N35.38 trillion in November' 2021
Currency in Circulation (N' trillion)	3.33	Rose by 5.61% in December' 2021 from N3.15 trillion in November' 2021
Inflation rate (%) (y-o-y)	15.63	Increased to 15.63% in December 2021 from 15.4% in November 2021
Monetary Policy Rate (%)	11.5	Adjusted to 11.5% in September 2020 from 12.5%
Interest Rate (Asymmetrical Corridor)	11.5 (+1/-7)	Lending rate changed to 12.5% & Deposit rate 4.5%
External Reserves (US\$ million)	39.9	February 9, 2022 figure — a decrease of 0.22% from February start
Oil Price (US\$/Barrel) (Bonny Light)	100.99	February 10, 2022 figure— an increase of 8.22% from the prior week
Oil Production mbpd (OPEC)	1.4	January 2022, figure — an increase of 6.15% from November figure



Market Analysis and Outlook: February 4, - February 11, 2022

Global Economy

The US inflation rate accelerated to 7.5% in January 2022, the highest since February 1982. The increase, according to the U.S. Bureau of Labour Statistics, was due to soaring energy costs, labour shortages, and supply disruptions coupled with strong demand. Energy remained the biggest contributor (27% vs 29.3% in December), with gasoline prices surging 40% (49.6% in December). Inflation quickened for shelter (4.4% vs 4.1%); food (7% vs 6.3%); new vehicles (12.2% vs 11.8%); used cars and trucks (40.5% vs 37.3%); and medical care services (2.7% vs 2.5%). Excluding volatile energy and food categories, the composite price index rose 6%, the most since August of 1982. In a separate development, data from the Office for National Statistics revealed that the UK economy grew at 6.5% year-on-year in Q4 2021, a decline from 7% recorded in the previous quarter. Government spending recorded the biggest increase (11.6%), followed by household expenditure (8.9%) and gross fixed capital formation (2.3%). On the other hand, business investment declined 0.8%, exports fell 0.6% and imports 5.3%. Considering full 2021, the economy advanced 7.5%, the most since 1941, after a record contraction of 9.4% in 2020.

buoyed by a huge credit as a result of an unexpected Open Market Operations (OMO) maturity into the system. This inflow led short-dated placements such as Open Repo Rates (OPR) and Overnight (O/N) rates to decline to 3.33% and 4% from 13% and 13.25% previous week. In the same vein, slightly longer dated instruments like the 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) decreased marginally. The 30-day and 90-day NIBOR closed at 9.58% and 10.91% from 9.60% and 10.93% the prior week. We expect rates to inch up this week following anticipated retail Secondary Market Intervention Sales (rSMIS).

Foreign Exchange Market

The dearth of funds at the foreign exchange market persisted with demand surpassing the meagre supply. This led to a weakening in the naira at the Nigerian Autonomous Foreign Exchange fixing (NAFEX) window as the naira lost 55 kobo to close the day at 416.79/\$. This week, we expect the naira to meander around the current level as the apex bank intervenes in the market amidst higher oil prices.

Commodities

Last week, oil prices soared as investors weighed a surprise decline in US crude inventories against signs of progress in reviving the Iran nuclear deal. Oil has scaled 2014 highs recently as demand recovery combined with falling stockpiles and supply disruptions pushed prices higher. Capacity constraints among OPEC members and geopolitical tensions in Eastern Europe also contributed to elevated energy prices. Bonny light, Nigeria's benchmark crude rose by 8.22% to close the week at \$100.99/barrel from \$93.32/barrel posted in the preceding week. In other news, price of precious metals recorded modest gains last week relative to two weeks ago sponsored by safe-haven demand from the ongoing tensions surrounding Russia and Ukraine and concerns over broadening price pressures. Gold prices rose by 0.73% or \$13.25 to settle at \$1,826.96 per ounce from \$1,813.71 per ounce. Also, silver rose by 1.41% or \$0.32 at \$22.95 per ounce from \$22.63 per ounce. This week, it is expected that oil price growth will be stalled as the prospects of a nuclear agreement with Iran has become more likely after talks resumed in Vienna. On the other hand, the price of precious metals will likely rise as a strong inflation reading is expected to boost gold's appeal as a hedge. However, a higher interest rates raise the opportunity cost of holding non-yielding bullion.

Domestic Economy

The International Monetary Fund (IMF) in a recently issued statement said that Nigeria had adequate capacity to repay its loan. The Executive Board of the Washington-based institution said this following the conclusion of its 2021 article IV consultation with Nigeria. At the onset of the COVID-19 pandemic, Nigeria received a \$3.4 billion facility from the IMF in April 2020. The IMF Board commended the proactive approach of Nigeria's authorities to contain the COVID-19 pandemic and its economic impacts. It, however, said the country's outlook remains subject to significant risks, including from the pandemic trajectory, oil price uncertainty, and security challenges. The directors emphasized the need for major reforms in the fiscal, exchange rate, trade, and governance areas to lift long-term inclusive growth.

Stock Market

The local bourse closed on a bearish note in the week ended February 11, 2022 as performance indicators declined. This decline came on the back of profit taking by investors especially in industrial goods, consumer goods, pharmaceutical and financial services sector. The All share index (ASI) shrank by 0.16% week-on-week to close at 47,202.3 points. Also, market capitalization lost N41.8 billion to settle, for the week, at N25.4 trillion. This week, we expect that the market will regain its bullish momentum as investors take positions ahead of the dividend season amidst pockets of profit-taking.

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Monthly Macro Economic Forecast

Variables	Feb'22	Mar'22	Apr'22
Exchange Rate (NAFEX) (N/\$)	415	416	417
Inflation Rate (%)	15.04	14.97	14.64
Crude Oil Price (US\$/Barrel)	88	86	88

STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	11/2/22	4/2/22	
NSE ASI	47,202.30	47,279.92	(0.16)
Market Cap (N'tr)	25.44	25.48	(0.16)
Volume (bn)	0.31	0.23	38.02
Value (N'bn)	4.39	2.39	83.82

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	11/2/22	4/2/22	
OBB	3.33	13.00	(967)
O/N	4.00	13.25	(925)
CALL	4.00	23.00	(1900)
30 Days	9.58	9.60	(2)
90 Days	10.91	10.93	(2)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	11/2/22	4/2/22	11/1/22
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	416.79	416.24	416.00
BDC (N)	0.00	0.00	0.00
Parallel (N)	0.00	0.00	0.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	11/2/22	4/2/22	
5-Year	0.00	0.00	0
7-Year	0.00	0.00	0
10-Year	0.00	0.00	0
15-Year	0.00	0.00	0
20-Year	0.00	0.00	0
25-Year	0.00	0.00	0
30-Year	0.00	0.00	0

Disclaimer
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COMMODITIES MARKET

Indicators	11/2/22	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil (\$/bbl)	100.99	8.22	56.67
Natural Gas (\$/MMBtu)	3.98	(20.40)	2.84
Agriculture			
Cocoa (\$/MT)	2791.00	2.88	44.16
Coffee (\$/lb.)	255.65	5.38	96.35
Cotton (\$/lb.)	123.37	(3.39)	59.19
Sugar (\$/lb.)	17.86	(2.19)	16.50
Wheat (\$/bu.)	784.50	3.39	80.97
Metals			
Gold (\$/t oz.)	1826.96	0.73	38.66
Silver (\$/t oz.)	22.95	1.41	33.51
Copper (\$/lb.)	456.60	1.94	39.29

NIGERIA INTERBANK TREASURY BILLS TRUE

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	11/2/22	4/2/22	
1 Mnth	2.71	2.89	(18)
3 Mnths	3.47	3.45	2
6 Mnths	4.37	4.36	1
9 Mnths	5.09	5.06	2
12 Mnths	5.77	5.63	14

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	11/2/22	4/2/22	
Index	0.00	0.00	0.00
Mkt Cap Gross (N'tr)	0.00	0.00	0.00
Mkt Cap Net (N'tr)	0.00	0.00	0.00
YTD return (%)	0.00	0.00	0.00
YTD return (%) (US \$)	0.00	0.00	0.00

TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	2,684.83	2.5	26-Jan-2022
182 Day	3,536.20	3.44	26-Jan-2022
364 Day	217,532.85	5.5	26-Jan-2022

Sources: CBN, Financial Market Dealers Quotation, NSE, NBS, Energy Information Agency, Oilprice, Bloomberg and Access Bank Economic Intelligence Group computation.
* Crude oil (Bonny Light) is as at the previous day.

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