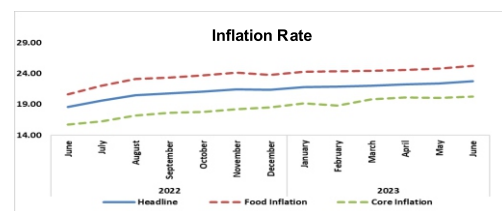
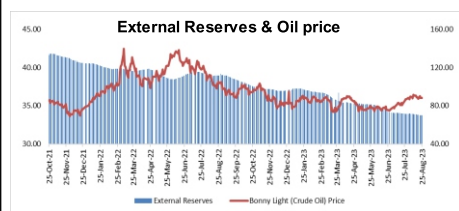
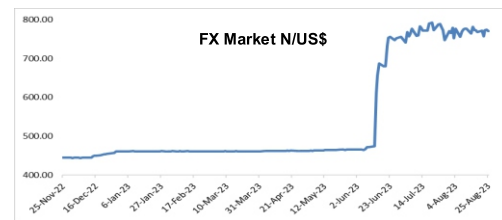
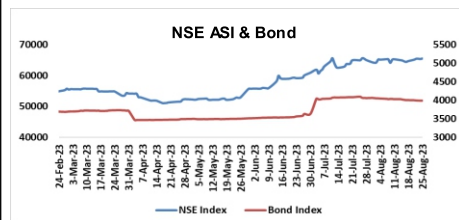


# Access Bank Rateswatch

## KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	2.51 Q2 2023	— lower by 0.2% compared to 2.31% in Q1 2023
Broad Money Supply (N' trillion)	65.47	Rose by 0.86% in July 2023 from N64.91 trillion in June 2023
Credit to Private Sector (N' trillion)	54.16	Rose by 2.56% in July 2023 from N52.81 trillion in June 2023
Currency in Circulation (N' trillion)	2.59	Decreased by 0.38% in July 2023 from N2.60 trillion in June 2023
Inflation rate (%) (y-o-y)	24.08	Increased to 24.08% in July 2023 from 22.79% in June 2023
Monetary Policy Rate (%)	18.75	Adjusted to 18.75% in July 2023 from 18.5% in May 2023
Interest Rate (Asymmetrical Corridor)	18.75(+1/ -3)	Lending rate changed to 19.75% & Deposit rate 15.75%
External Reserves (US\$ billion)	33.75	August 23, 2023 figure — a decrease of 0.56% from August start
Oil Price (US\$/Barrel) (Bonny Light)	87.99	August 24, 2023 figure — a increase of 0.63% from the prior week
Oil Production mbpd (OPEC)	1.08	July 2023, figure — an decrease of 13.6% from June 2023 figure



## STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	25/8/23	18/8/23	
NSE ASI	65,558.91	64,721.09	1.29
Market Cap(N'tr)	35.88	35.42	1.29
Volume (bn)	0.36	0.54	(33.77)
Value (N'bn)	4.23	9.39	(54.94)

## MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	25/8/23	18/8/23	
OPR	24.25	19.64	461.0
O/N	25.20	19.79	541
CALL	25.10	23.67	143.3
30 Days	12.58	14.00	(142)
90 Days	13.89	15.00	(111.0)

## FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	25/8/23	18/8/23	25/7/23
NAFEX (N)	770.86	768.18	789.22

## BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	25/8/23	18/8/23	
7-Year	10.64	10.67	(2.8)
10-Year	11.85	11.54	30.6
15-Year	14.93	14.58	35.6
20-Year	14.54	14.13	40.8
25-Year	15.13	14.13	99.1
30-Year	15.54	15.58	(4)

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Sources: CBN, Financial Market Dealers Quotation, NSE, NBS, Energy Information Agency, Oilprice, Bloomberg and Access Bank Economic Intelligence Group computation.

## Market Analysis and Outlook: August 25 - September 1, 2023

### Global Economy

The People's Bank of China (PBoC) slashed its 1-year loan prime rate (LPR) by 10 basis points (bps) to a record low of 3.45% while unexpectedly holding steady the 5-year rate, a reference for mortgages, at 4.2%. The decision followed a surprising reduction in both short-term loan rates and the medium-term policy rate by the central bank, as it seeks to strike a balance between helping the faltering Chinese economy and stemming further weakness in the market. The PBoC has repeatedly vowed to release more liquidity for the economy, amid slowing business activity, a growing deflationary outlook, and weak trade performance. Premier Li Qiang recently mentioned that meeting China's annual economic targets was not optional and highlighted the need to expand domestic demand, support private companies, and attract foreign investment. In a separate zone, South Africa's annual inflation rate fell further to a 2-year low of 4.7% in July 2023, from June's 5.4%, moving further within the central bank's target range of 3%-6%. According to Statistics South Africa, the moderation in inflation largely reflected a notable decline in prices of transportation and slower price growth for food and non-alcoholic beverages. The annual core inflation, which excludes prices of food, non-alcoholic beverages, fuel and energy, reached a 10-month low of 4.7% in July 2023, from 5% recorded in the prior month. On a monthly basis, consumer prices increased by 0.9% in July, the most in 4 months.

### Foreign Exchange Market

Trades at the forex market was skewed mainly to the bid side due to limited supply of Dollars. Hence, the Naira depreciated by ₦2.68 to close at ₦770.86/\$. This week, rates are expected to trade at similar levels as the CBN intervenes when necessary.

### Bond Market

Sentiments at the bond market was bearish as market participants focused on the Treasury bills market. Consequently, average yields on the 10-, 15-, and 20-year debt papers closed higher at 11.85%, 14.93%, and 14.54% from 11.54%, 14.58%, and 14.13%. The Access Bank bond index declined further by 14.22 points to close at 3,995.18 points from 4,009.40 points. Going into a new trading week, buying sentiment is expected owing to anticipated improvement in system liquidity arising from the FAAC economic expansion, underpinned by the non-oil sector (3.58% vs 2.77%), with the services sector playing a significant role. Conversely, the oil sector contracted for the 13th consecutive quarter (-13.43% vs -4.21%) as the sector was buffeted with several challenges such as oil theft, crude, price rose by \$0.55 per barrel (pb) to close the week at \$87.99pb from \$87.44pb posted. In another event, the adoption of a new methodology in calculating the labour force statistics led to the decline in unemployment rate to 5.3% and 4.1% in Q4 2022 and Q1 2023 from 33.3% and 33.3% respectively. Subsequently, gold price rose by \$10.8 or 0.6% to sit at \$1,905.22 per ounce. Also, silver gained, adding \$1.59 or 7.0% to sit at \$24.38 per ounce. This week, oil prices might lose steam as demand concerns from China dampen prices. On the other hand, bullion prices might stay elevated as traders scale back bets on further tightening from the Federal Reserve and the European Central Bank.

### Domestic Economy

The National Bureau of Statistics (NBS) reported that Nigeria's economy advanced at a faster 2.51% from a year ago in Q2 2023, compared to 2.31% in the preceding quarter. This marks the 11th consecutive quarter of economic expansion, underpinned by the non-oil sector (3.58% vs 2.77%), with the services sector playing a significant role. Conversely, the oil sector contracted for the 13th consecutive quarter (-13.43% vs -4.21%) as the sector was buffeted with several challenges such as oil theft, crude, price rose by \$0.55 per barrel (pb) to close the week at \$87.99pb from \$87.44pb posted. In another event, the adoption of a new methodology in calculating the labour force statistics led to the decline in unemployment rate to 5.3% and 4.1% in Q4 2022 and Q1 2023 from 33.3% and 33.3% respectively. Subsequently, gold price rose by \$10.8 or 0.6% to sit at \$1,905.22 per ounce. Also, silver gained, adding \$1.59 or 7.0% to sit at \$24.38 per ounce. This week, oil prices might lose steam as demand concerns from China dampen prices. On the other hand, bullion prices might stay elevated as traders scale back bets on further tightening from the Federal Reserve and the European Central Bank.

### Commodities

Oil prices rebounded last week as investors balanced the supply and demand dynamics in the oil market. Nigeria's benchmark Bonny Light, crude, price rose by \$0.55 per barrel (pb) to close the week at \$87.99pb from \$87.44pb posted. In another event, the adoption of a new methodology in calculating the labour force statistics led to the decline in unemployment rate to 5.3% and 4.1% in Q4 2022 and Q1 2023 from 33.3% and 33.3% respectively. Subsequently, gold price rose by \$10.8 or 0.6% to sit at \$1,905.22 per ounce. Also, silver gained, adding \$1.59 or 7.0% to sit at \$24.38 per ounce. This week, oil prices might lose steam as demand concerns from China dampen prices. On the other hand, bullion prices might stay elevated as traders scale back bets on further tightening from the Federal Reserve and the European Central Bank.

### Monthly Macro Economic Forecast

Variables	Aug'23	Sep'23	Oct'23
Exchange Rate (NAFEX) (N/\$)	780	775	776
Inflation Rate (%)	24.5	24.79	24.9
Crude Oil Price (US\$/Barrel)	85	83.5	80

### Stock Market

Renewed interests in pension, banking, industrial, consumer goods, insurance, oil and gas stocks bolstered the performance of the local bourse. The All-Share Index (ASI) gained 837.82 points to close at 65,558.91 points. Similarly,

## COMMODITIES MARKET

Indicators	25/8/23	1-week Change (%)	YTD Change (%)
<b>Energy</b>			
Crude Oil (\$/bbl)	87.99	0.63	36.50
Natural Gas (\$/MMBtu)	2.51	(2.71)	(35.14)
<b>Agriculture</b>			
Cocoa (\$/MT)	3465.00	(0.32)	78.98
Coffee (\$/lb.)	151.85	2.74	16.63
Cotton (\$/lb.)	87.16	3.74	12.46
Sugar (\$/lb.)	24.39	2.35	59.10
Wheat (\$/bu.)	618.75	(1.24)	42.73
<b>Metals</b>			
Gold (\$/t oz.)	1905.22	0.57	44.60
Silver (\$/t oz.)	24.38	6.98	41.83
Copper (\$/lb.)	377.00	1.37	15.01

## NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	25/8/23	18/8/23	
1 Mnth	3.79	3.58	21
3 Mnths	5.47	5.17	30
6 Mnths	7.93	7.12	82
9 Mnths	9.85	9.29	55
12 Mnths	11.87	11.39	49

## ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	25/8/23	18/8/23	
Index	3995.18	4009.40	(0.35)
Mkt Cap Gross (N'tr)	24.86	24.95	(0.36)
Mkt Cap Net (N'tr)	14.34	14.46	(0.83)
YTD return (%)	62.64	63.22	(0.58)
YTD return (%) (US \$)	-220.72	-215.42	(5.30)

## TREASURY BILLS PMA AUCTION

Tenor	Amount (million)	(N'Rate (%))	Date
91 Day	4,522	5.0	9-Aug-2023
182 Day	1,314.9	5.9	9-Aug-2023
364 Day	283,043.581	13.97	23-Aug-2023

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