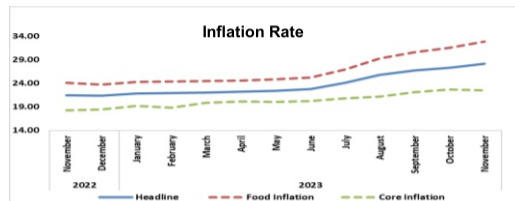
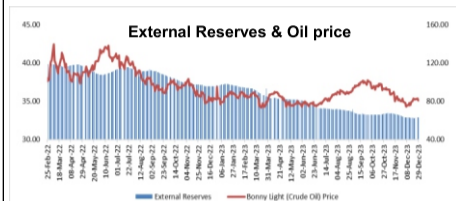
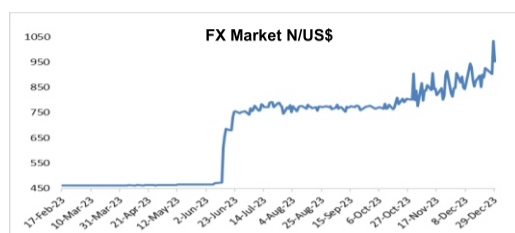


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	2.54	Q3 2023 — Higher by 0.03% compared to 2.51% in Q2 2023
Broad Money Supply (N' trillion)	67.18	Rose by 2.64% in September 2023 from N65.45 trillion in August 2023
Credit to Private Sector (N' trillion)	58.60	Rose by 7.01% in September 2023 from N54.76 trillion August 2023
Currency in Circulation (N' trillion)	2.76	Increased by 3.76% in September 2023 from N2.66 trillion in August 2023
Inflation rate (%) (yo-y)	28.2	Increased to 28.2% in November 2023 from 27.33% in October 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)	32.87	December 27, 2023 figure — a decrease of 0.30% from December start
Oil Price (US\$/Barrel) (OPEC)	81.02	December 28, 2023 figure — an decrease of 1.7% from the prior week
Oil Production mbpd(OPEC)	1.25	November 2023, figure — a decrease of 7.41% from October 2023 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	29/12/23	22/12/23	
NGX ASI	74,773.77	74,023.27	1.01
Market Cap(N'tr)	40.92	40.51	1.01
Volume (bn)	0.37	0.42	(12.92)
Value (N'bn)	12.82	16.58	(22.70)

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	29/12/23	22/12/23	
OPR	15.0600	14.8600	20
O/N	15.4700	15.2900	18
CALL	6.0000	15.7500	(975)
30 Days	16.2500	16.3333	(8)
90 Days	16.5000	17.1667	(67)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)	Change
	29/12/23	22/12/23	29/11/23	
NAFEX (N)	951.79	927.38	823.76	

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	29/12/23	22/12/23	
7-Year	12.15	12.90	(76)
10-Year	11.91	12.01	(10)
15-Year	15.16	15.22	(6)
20-Year	14.78	14.84	(5)
25-Year	15.59	15.72	(13)
30-Year	16.03	16.19	(16)

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

Market Analysis and Outlook: December 29, 2023 - January 5, 2024

Global Economy

A report from the Office for National Statistics revealed that the annual inflation rate in the UK slowed to 3.9% in November 2023, the lowest since September 2021, from 4.6% in October. The largest downward contribution came from transport: mainly downward effects from motor fuels and, to a lesser extent, second-hand cars, maintenance and repairs, and airfares. Other downward pressure came from prices for recreation and culture, food and non-alcoholic beverages, alcoholic beverages and tobacco, clothing and footwear, health, housing and utilities. Annual core inflation also declined to 5.1%, the lowest since January 2022. In a separate space, the Reserve Bank of India disclosed that India's current account deficit narrowed to \$8.3 billion in Q3 2023, or 1% of GDP, compared with \$30.9 billion, or 3.8% of GDP, in the corresponding quarter of the preceding year. The goods gap decreased to \$61.0 billion from \$78.3 billion posted a year ago, while the services surplus rose to \$40.0 billion from \$34.4 billion. However, the primary income deficit widened to \$12.2 billion from \$11.8 billion, and the secondary income gap slightly increased to \$25.0 billion from \$24.8 billion. Between April and September, the current account deficit shrank to \$17.5 billion from \$48.8 billion in the corresponding period of the previous year.

liquidity in the money market diminished from previous levels. Consequently, the Open Repo Rate (OPR) and Over Night (ON) rose to 15.06% and 15.47% from 14.86% and 15.29% recorded in the prior week. However, relatively longer-dated placements such as the 90-day Nigerian Interbank Offered Rate (NIBOR) declined further to 16.50% from 17.17%. This week, rates are expected to hover around these similar levels barring any significant funding activity.

Foreign Exchange Market

The forex market continued to experience a shortage of funds last week with the persistent demand for Dollars surpassing its supply. Hence, the Naira depreciated by ₦24.41 to close at ₦951.79. This week, the forex rate is expected to hover around similar level barring any significant funding activity.

Bond Market

The bond market closed the year on a bullish note as cherry-picking was witnessed across the curve. Consequently, average yields on the 7-, 10-, 15-, 20-, 25-, and 30-year settled lower at 12.15%, 11.91%, 15.16%, 14.78%, 15.59% and 16.03% from 12.90%, 12.01%, 15.22%, 14.84%, 15.72% and 16.19%. Also, the Access Bank bond index decreased by 18.41 points to close at 4,026.82 points from 4,008.41 points. Going into the new trading week, a quiet trading session is expected as market participants observe the market for policy directions for the new year.

Domestic Economy

Total equity transactions improved for November 2023, rising to ₦300.67 billion from ₦220.94 billion and ₦104.38 billion recorded in the previous month and the corresponding month of the preceding year, respectively. This reflected a month-on-month increase of 36.09% and a year-on-year increase of 188.05%. The increase reflects re-ignited interest in Nigerian stocks as a few top companies, especially those in the banking sectors, posted impressive financial numbers. Relative to the prior month, while foreign portfolio equity transactions rose significantly by 113.94% to settle at ₦71.37 billion in November, domestic portfolio equity also rose by 22.24% to settle at ₦229.30 billion for the reference period. The domestic portfolio equity remained the chief contributor to the total equity bourse, accounting for 76.26% while foreign portfolio equity accounted for 23.74%.

Commodities

Oil prices lost winning steam amid concerns about increasing global crude supplies and slowing demand growth, while geopolitical conflicts and Organization of the Petroleum Exporting Countries Plus (OPEC+) production cuts failed to lift prices. Consequently, Bonny Light, Nigeria's benchmark crude price lost \$1.42 to close the week at \$81.02 per barrel (pb) from \$82.44pb posted in the preceding week. In a separate development, gold price was set to end the year higher on firm expectations that the US Federal Reserve (Fed) will start cutting interest rates early next year. The metal climbed more than 13% in 2023 for its first annual gain in 3 years and has logged a new record high within the year. Week-on-Week, gold price gained \$25.97 or 1.3% to sit at \$2,074.17 per ounce. However, silver recorded an annual loss declining by 0.08%. Week-on-Week, silver price lost \$0.43 or 1.8% to sit at \$23.93 per ounce. This week, oil prices might remain depressed owing to mounting signs of rising crude production, especially from non-OPEC countries, coupled with an uncertain demand outlook. On the other hand, bullion prices are expected to go higher as the Fed taking a dovish stance in the new year becomes more likely.

Stock Market

The bullish trend in the Nigerian stock market persisted last week as investors continued to increase their holdings in anticipation of impressive financial year 2023 results. Stocks in the pension, industrial, consumer goods, insurance and oil and gas rallied to provide a boost to the market leading index. As a result, the All-Share Index (ASI) rose by 750.50 points to close the week at 74,773.77 points. Also, market capitalization rose by ₦410 billion to close the week at ₦40.92 trillion. Entering the trading week, our anticipation was for the ongoing bullish trend to persist, driven by investors positioning themselves in stocks with robust fundamentals

Monthly Macro Economic Forecast

Variables	Nov'23	Dec'23	Jan'24
Exchange Rate (NAFEX) (N/\$)	780	750	700
Inflation Rate (%)	28.2	29.5	27.1
Crude Oil Price (US\$/Barrel)	87	85	85

Money Market

Owing to the Cash Reserve Requirement (CRR) maintenance debit and Nigerian Treasury Bills (NTB)

For enquiries, contact: Oluwaseun Olaye (Team Lead, Economic Intelligence) (01) 2712123 oluwaseun.olaye@accessbankplc.com