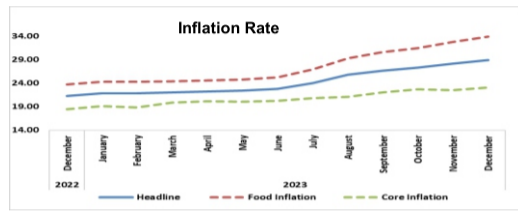
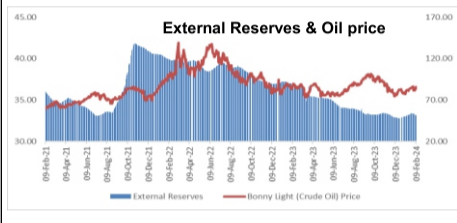
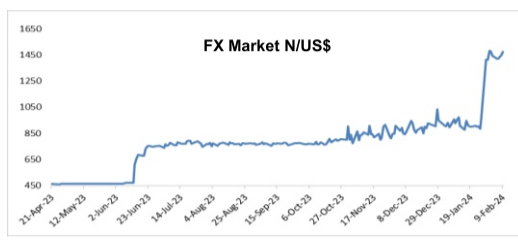
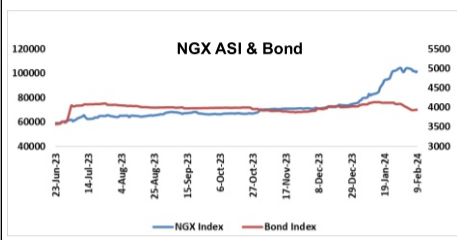


Access Bank Rateswatch

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)	78.74	Rose by 12.47% in December 2023 from N70.01 trillion in November 2023
Credit to Private Sector (N' trillion)	62.52	Rose by 4.65% in December 2023 from N59.74 trillion in November 2023
Currency in Circulation (N' trillion)	3.65	Increased by 8.96% in December 2023 from N3.35 trillion in November 2023
Inflation rate (%) (y-o-y)	28.92	Increased to 28.92% in December 2023 from 28.2% in November 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)	33.17	February 5, 2024 figure — a decrease of 0.54% from February start
Oil Price (US\$/Barrel) (OPEC)	85.90	February 9, 2024 figure — an increase of 3.66% from the prior week
Oil Production mbpd (OPEC)	1.34	December 2023, figure — an increase of 7.2% from November figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	9/2/24	2/2/24	
NGX ASI	101,858.37	104,421.23	(2.45)
Market Cap(N'tr)	55.74	57.16	(2.49)
Volume (bn)	0.32	0.94	(65.88)
Value (N'bn)	7.35	23.48	(68.67)

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	9/2/24	2/2/24	
OPR	15.50	20.20	(470)
O/N	17.00	21.20	(420)
CALL	18.94	22.50	(356)
30 Days	18.13	16.56	156
90 Days	18.44	16.56	188

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	9/2/24	2/2/24	12/12/23
NAFEX (N)	1476.13	1444.24	929.26

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	9/2/24	2/2/24	
7-Year	12.49	12.50	(1)
10-Year	13.03	12.62	41
15-Year	17.01	16.15	86
20-Year	15.81	15.12	69
25-Year	16.41	15.74	68
30-Year	16.55	16.40	15

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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: February 9, - February 16, 2024

Global Economy

The National Bureau of Statistics of China revealed that the Chinese economy is currently experiencing deflation as consumer prices declined at -0.8% in January 2024 relative to -0.3% posted in the prior month. It was the 4th straight month of decline in the Consumer Price Index (CPI), the longest streak of drop since October 2009. Food prices declined at a record pace while non-food inflation was down as a decline in transport prices quickened while costs continued to rise for clothing, housing, health, and education. Core consumer prices, which exclude prices of food and energy, increased in January, the softest rise since last June. Monthly, the CPI rose by 0.3%, indicating the 2nd straight month of increase and hitting its highest level since last August. In 2023, consumer prices rose by 0.2%. In another zone, the Reserve Bank of India (RBI) held its benchmark policy repo at 6.5% for the 6th consecutive meeting in February 2024 amid persistent price pressures. The latest move came after annual inflation accelerated to a 4-month high of 5.69% in December 2023 due to rising food prices but stayed within the RBI's 2 - 6% target range in the medium term. RBI Governor reaffirmed its commitment to bring down inflation to 4% in a timely and sustainable manner. Additionally, the central bank projected the inflation for FY2024 unchanged at 5.4%, and GDP growth at 7.3%. The RBI also kept both the marginal standing facility (MSF) and bank rates unchanged at 6.75% while holding the standing deposit facility (SDF) rate at 6.25%

Domestic Economy

Data from the National Bureau of Statistics revealed that the Federation Account Allocation Committee (FAAC) disbursed ₦1.62 trillion in December 2023. This reflects an increase of 20% and 37.3% from ₦1.35 trillion and ₦1.18 trillion recorded in the prior month and the corresponding month of 2022. While the federal government received ₦402.87 billion, the state government and local government received ₦351.7 billion and ₦258.81 billion respectively. The remaining ₦606.96 billion was shared as cost of collections to revenue generating agencies, 13% derivation fund allocation, transfer to non-oil excess account, amongst others. For the month under review, Delta State received the highest FAAC allocation at ₦34.76 billion while Gombe State received the lowest FAAC allocation at ₦6.75 billion.

Stock Market

The performance of the stock market dipped for the first time in 9 weeks as investors rebalanced their portfolios, divesting from equities to accommodate higher-yielding Nigerian Treasury Bills. Sell-offs were significant in the pension segment of the market. As a result, the All-Share Index (ASI) closed at 101,858.37 points, losing 2,562.86 points. Also, market capitalization declined by ₦1.42 trillion to close the week at ₦55.74 trillion. Going into trading this week, losses might be

sustained as more funds move out of the equities markets to the fixed-income market.

Money Market

The money market was awash with funds, thanks to the maturity of the Nigerian Treasury Bills (NTB) recorded last week. Consequently, the Open Repo Rate (OPR) and Over Night (ON) declined to 15.50% and 17.00% from 20.20% and 21.20% recorded in the prior week. However, relatively longer-dated placements such as the 90-day Nigerian Interbank Offered Rate (NIBOR) increased to 18.44% from 16.56%. This week, rates could look northwards as market participants fund their obligations.

Foreign Exchange Market

At the forex market, last week, trading activity was with mixed sentiment, yet the persistent demand for USD outpaced its availability, leading to a depreciation of the Naira. Hence, the Naira lost ₦31.89 to close at ₦1,476.13. This week, the forex market might see increased offers which will provide some gains for the Naira.

Bond Market

Bearish sentiment persisted in the bond market as investors' attention shifted towards the NTB auction. Consequently, average yields on the 7-, 10-, 15-, 20-, 25-, and 30-year inched higher at 13.03%, 17.01%, 15.81%, 16.41% and 16.55% from 12.62%, 16.15%, 15.12%, 15.74% and 16.40%. Also, the Access Bank bond index declined by 65.81 points to close at 3,940.76 points from 4,006.58 points. Going into the new trading week, the quiet trend might persist as the tight system liquidity continues to dampen investors' buying appetite.

Commodities

Oil prices closed last week in the green zone as persistent geopolitical tensions in the Middle East continued to drive up oil prices. Consequently, Bonny Light, Nigeria's benchmark crude price lost \$3.03 to close the week at \$85.90 per barrel (pb) from \$82.87pb posted in the preceding week. In a separate development, bullion prices reversed gains, pressured by a strong dollar and Treasury yields as robust US jobs data further dented sentiment around interest rate cuts. Safe-haven demand driven by persistent geopolitical tensions in the Middle East also failed to lift bullion prices. Consequently, gold price lost \$21.39 or 1.0% to sit at \$2,034.11 per ounce. Also, silver price lost \$0.55 or 2.4% to sit at \$22.67 per ounce. This week, renewed tensions in the Middle East further which stokes supply disruption fears could drive up oil prices further north. On the other hand, bullion prices might remain subdued, as Federal Reserve (Fed) officials pushed back against early rate cut bets, keeping higher rates in sight.

Monthly Macro Economic Forecast

Variables	Jan'24	Feb'24	Mar'24
Exchange Rate (NAFEX) (N/\$)	850	800	800
Inflation Rate (%)	27.1	26.2	25.7
Crude Oil Price (US\$/Barrel)	80	82	85

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