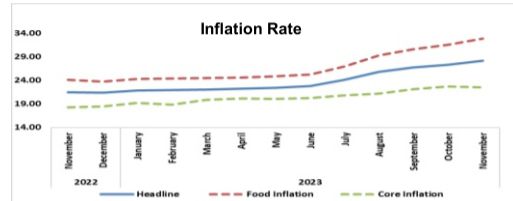
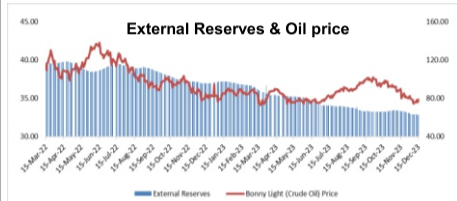
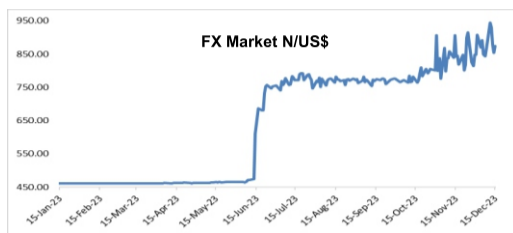
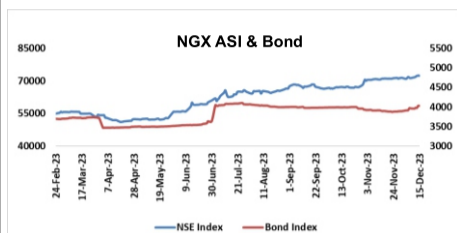


# Access Bank Rateswatch

## 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 in 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)	27.33	Increased to 27.33% in October 2023 from 26.72% in September 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)	32.84	December 14, 2023 figure — a decrease of 0.39% from December start
Oil Price (US\$/Barrel) (OPEC)	78.56	December 15, 2023 figure — an increase of 0.32% from the prior week
Oil Productionmbpd(OPEC)	1.25	November 2023, figure — a decrease of 7.41% from October 2023 figure



## STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	15/12/23	8/12/23	
NGX ASI	72,389.23	71,299.66	1.53
Market Cap(N'tr)	39.61	39.02	1.53
Volume (bn)	0.31	0.49	(37.66)
Value (N'bn)	6.57	6.92	(5.04)

## MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	15/12/23	8/12/23	
OPR	22.2500	19.1700	308
O/N	23.2500	19.5800	367
CALL	23.0000	19.0500	395
30 Days	20.2500	17.7500	250
90 Days	21.2500	18.5000	275

## FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	15/12/23	8/12/23	15/11/23
NAFEX (N)	874.23	867.49	842.70

## BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	15/12/23	8/12/23	
7-Year	12.91	12.92	(1)
10-Year	12.05	12.18	(13)
15-Year	15.13	15.91	(78)
20-Year	14.84	15.17	(33)
25-Year	15.80	16.80	(100)
30-Year	16.22	17.09	(87)

### Disclaimer

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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 15, - December 22, 2023

### Global Economy

The Federal Reserve (Fed) kept the fed funds rate steady at 5.25% - 5.5% for a 3<sup>rd</sup> consecutive meeting in December 2023, indicating a 75 basis points (bps) cut in 2024. Policymakers said that recent indicators suggest that economic growth has slowed, and job gains have moderated but remain strong, and the unemployment rate has remained low. Inflation has eased over the past year but remains elevated. The central bank also published new projections. GDP growth is expected higher this year (2.6% vs 2.1% in the September projection), but slightly lower in 2024 (1.4% vs 1.5%). Also, inflation was revised lower for both 2023 (2.8% vs 3.3%) and 2024 (2.4% vs 2.5%) as well as core inflation which is seen at 3.2% in 2023 (vs 3.7%) and 2.4% (vs 2.6%) next year. Unemployment projections remained steady at 3.8% for 2023 and 4.1% for next year. In a different territory, The European Central Bank (ECB) maintained interest rates at multi-year highs for the second consecutive meeting and signalled an early conclusion to its last remaining bond purchase scheme, all as part of efforts to combat high inflation. The main refinancing operations rate remained at a 22-year high of 4.5%, while the deposit facility rate held steady at a record of 4%. The ECB also said full reinvestment under the Pandemic Emergency Purchase Programme (PEPP) will end on June 30, 2024, and the portfolio will then fall by €7.5 billion per month until the end of 2024. The ECB has projected inflation to average 5.4% in 2023, 2.7% in 2024, 2.1% in 2025 and 1.9% in 2026. The core rate is seen slightly higher at 5.0% in 2023, 2.7% in 2024, 2.3% in 2025 and 2.1% in 2026. Policymakers did not discuss any rate cuts, reiterating that future decisions would be data-dependent.

The continuation of the rally, with investors increasing their holdings in valued stocks in anticipation of a substantial dividend yield for the year 2023. The Bond auction and Nigerian Treasury Bills (NTB) auction settlement worsened the liquidity position of participants in the money market. Consequently, the Open Repo Rate rose further to 22.25% and 23.25% from 19.17% and 19.58% recorded in the prior week. Also, relatively longer-dated placements such as the 90-day Nigerian Interbank Offered Rate (NIBOR) rose to 21.25% from 18.50%. This week, the scarcity of funds is expected to keep rates further north.

Trading at the forex market was mainly on the buy side as very few counterparties had the greenback to offer. Hence, the Naira depreciated by ₦6.74 to close at ₦874.23. This week, slower activity is expected as market participants wind down for the holidays.

The bullish sentiment persisted in the bond market with special interest witnessed for on-the-run debt papers. Consequently, average yields on the 7-, 10-, 15-, 20-, 25-, and 30-year settled lower at 12.91%, 12.05%, 15.13%, 14.84%, 15.80% and 16.22% from 12.92%, 12.18%, 15.91%, 15.17%, 16.80% and 17.09%. Also, the Access Bank bond index increased by 64.86 points to close at 4,030.51 points from 3,965.65 points. Going into the new trading week, a rally is anticipated owing to the c. ₦211.80 billion coupon payment on the on-the-run bonds and Sukuk 2025 and 2027 bonds.

### Domestic Economy

A recent report from the National Bureau of Statistics (NBS) revealed that the annual inflation rate for the Nigerian economy increased to 28.20% in November 2023, the highest since August 2005, up from 27.3% printed the previous month. On a year-on-year basis, the headline inflation rate was 6.73 percentage points higher than the rate recorded in November 2022, which stood at 21.47%. Inflation accelerated for food & non-alcoholic beverages, clothing & footwear, housing & utilities, health, recreation & culture, and restaurants & hotels. Conversely, prices eased for communication, education, and miscellaneous goods & services. On a monthly basis, consumer prices grew 2.09% in November, following a 1.73% rise in October.

### Stock Market

As anticipated, the local bourse re-routed north last week as investors continue to strategically position themselves in value stocks ahead of the full-year results. Rallies in the industrial, consumer goods, insurance, oil and gas drove impressive market performance. As a result, the All-Share Index (ASI) rose by 1,089.57 points to close the week at 72,389.23 points. Also, market capitalization rose by ₦600 billion to close the week at ₦39.61 trillion. Going into trading this week, we expect the

## COMMODITIES MARKET

Indicators	15/12/23	1-week Change (%)	YTD Change (%)
<b>Energy</b>			
Crude Oil (\$/bbl)	78.56	0.32	21.87
Natural Gas (\$/MMBtu)	2.50	(4.21)	(35.40)
<b>Agriculture</b>			
Cocoa (\$/MT)	4257.00	2.31	119.89
Coffee (\$/lb.)	189.90	7.05	45.85
Cotton (\$/lb.)	80.01	(3.50)	3.24
Sugar (\$/lb.)	22.10	(4.66)	44.16
Wheat (\$/bu.)	625.25	(1.84)	44.23
<b>Metals</b>			
Gold (\$/t oz.)	2033.36	0.17	54.33
Silver (\$/t oz.)	23.99	0.71	39.56
Copper (\$/lb.)	388.80	1.49	18.61

## NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	15/12/23	8/12/23	
1 Mnth	3.45	4.89	(144)
3 Mnths	5.40	10.48	(508)
6 Mnths	7.76	13.63	(587)
9 Mnths	11.47	13.63	(217)
12 Mnths	14.28	16.59	(231)

## ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	15/12/23	8/12/23	
Index	4,030.51	3,965.65	1.64
Mkt Cap Gross (N'tr)	26.54	26.11	1.65
Mkt Cap Net (N'tr)	15.26	14.77	3.32
YTD return (%)	64.08	61.44	2.64
YTD return (%) (US \$)	-273.56	-288.90	15.34

## TREASURY BILLS PMA AUCTION

Tenor	Amount (million)	(N' Rate (%)	Date
91 Day	1,101.072	9.0	13-Dec-2023
182 Day	1,284.65	13.0	13-Dec-2023
364 Day	11,199.078	15.75	13-Dec-2023

## 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

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