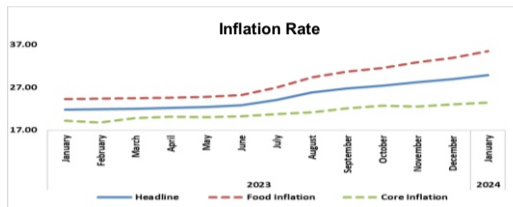
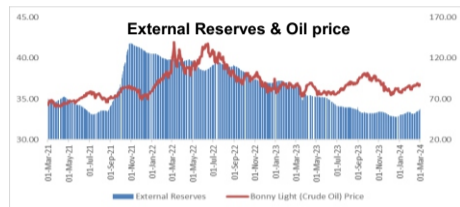
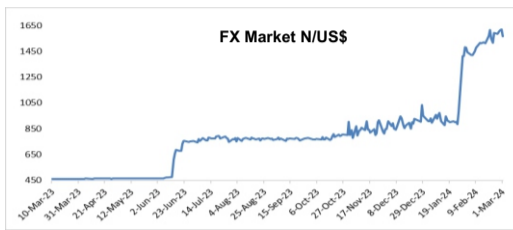
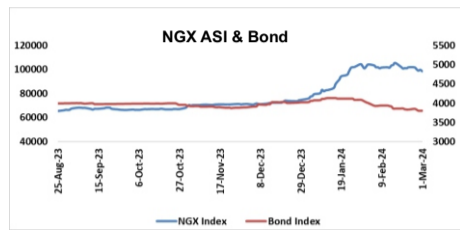


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	3.46	Q4 2023 — Higher by 0.92% compared to 2.54% in Q3 2023
Broad Money Supply (N' trillion)	93.72	Rose by 19.02% in January 2024 from N78.74 trillion in December 2023
Credit to Private Sector (N' trillion)	76.94	Rose by 23.06% in January 2024 from N62.52 trillion in December 2023
Currency in Circulation (N' trillion)	3.65	Unchanged in January 2024 from N3.65 trillion in December 2023
Inflation rate (%) (y-o-y)	29.9	Increased to 29.9% in January 2024 from 28.92% in December 2023
Monetary Policy Rate (%)	22.75	Adjusted to 22.75% in February 2024 from 18.75% in July 2023
Interest Rate (Asymmetrical Corridor)	22.75(+1/-7)	Lending rate changed to 23.75% & Deposit rate 15.75%
External Reserves (US\$ billion)	33.72	February 29, 2024 figure — an increase of 1.11% from February start
Oil Price (US\$/Barrel) (OPEC)	87.15	March 1, 2024 figure — an increase of 0.3% from the prior week
Oil Production mbpd (OPEC)	1.43	January 2024, figure — an increase of 6.72% from December 2023 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	1/3/24	23/2/24	
NGX ASI	98,751.98	102,088.30	(3.27)
Market Cap(N'tr)	54.04	55.86	(3.27)
Volume (bn)	0.37	0.29	26.33
Value (N'bn)	6.78	6.02	12.68

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	1/3/24	23/2/24	
OPR	27.1600	24.9100	225
O/N	28.1900	25.7500	244
CALL	26.6375	24.5000	214
30 Days	19.4800	18.4167	106
90 Days	20.1900	19.3333	86

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	1/3/24	23/2/24	1/2/24
NAFEX (N)	1567.65	1594.27	1478.12

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	1/3/24	23/2/24	
7-Year	16.54	16.40	15
10-Year	14.80	14.21	59
15-Year	17.63	17.11	52
20-Year	17.28	16.74	54
25-Year	17.82	17.82	(0)
30-Year	18.06	17.89	18

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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: March 1, - March 8, 2024

Global Economy

The Indian economy expanded 8.4% year-on-year (y-o-y) in Q4 2023, the strongest growth since Q2 2022, compared to an upwardly revised 8.1% in Q3. A report from the Ministry of Statistics and Programme Implementation (MOSPI) revealed that on the production side, faster increases were recorded for services, finance, and real estate. Also, the manufacturing sector continued to grow at a double-digit pace and production of utilities and construction remained robust. On the other hand, the farm sector contracted amid adverse weather conditions and the El Nino effect. On the expenditure side, private consumption rose faster and investment growth remained robust although it slowed. Both exports and imports rose at a slower pace and public expenditure contracted after soaring in Q3. Meanwhile, the estimate for the 2023/2024 fiscal year growth rate was revised higher to 7.6% from 7.3%. In another territory, the Eurostat revealed that the consumer price inflation rate in the Euro Area declined to 2.6% y-o-y in February 2024, down from 2.8% in the previous month. It was the lowest rate in 3 months but still exceeded the European Central Bank's target of 2%. Energy prices saw a decline while the pace of price rises moderated for services, food, alcohol & tobacco, and non-energy industrial goods. The core rate, excluding volatile food and energy prices also cooled, reaching its lowest point since March 2022. On a monthly basis, consumer prices increased by 0.6% in February, following a 0.4% drop in January.

Money Market

Despite the inflow from the Federation Account Allocation Committee (FAAC) into the system, liquidity remained tight given the contractionary stance of the CBN. Consequently, the Open Repo Rate (OPR) and Over Night (ON) rose further to 27.16% and 28.19% from 24.91% and 25.75% recorded in the prior week. Also, relatively longer-dated placements such as the 90-day Nigerian Interbank Offered Rate (NIBOR) increased to 20.19% from 19.33%. This week, rates are expected to hover around similar levels as participants digest the policy outcomes of the MPC.

Foreign Exchange Market

The forex market traded actively with some market participants trading two-way leading to price discovery. Hence, the Naira further gained ₦26.62 to close at ₦1,567.65. This week, the forex rate is expected to hover around similar levels barring any significant inflow.

Bond Market

The FGN Bond market traded with a weak sentiment last week as selling interest was seen across board. Consequently, average yields on the 7-, 10-, 15-, 20-, 25-, and 30-year inched higher at 12.50%, 12.62%, 16.15%, 15.12%, 15.74% and 16.40% from 11.99%, 11.76%, 14.98%, 14.53%, 15.14% and 15.33%¹. Also, the Access Bank bond index declined by 83.08 points to close at 4,006.58 points from 4,089.66 points. Going into the new trading week, the bearish momentum is expected to persist as the low system liquidity continues to dampen investors' appetite.

Domestic Economy

The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) raised the key benchmark interest rate by 400 basis points (bps) to 22.75% on February 27th, 2024. It is the first monetary policy meeting since July 2023 and the first under the leadership of Dr Olayemi Cardoso. The Cash Reserve Requirement (CRR) and asymmetric Corridor were increased to 45% from 32.5% and +100/-700bps from +100/-300bps respectively. However, the Liquidity Ratio was retained at 30%. The increase in the Monetary Policy Rate (MPR) is expected to rein in soaring inflation, close the negative gap of real returns, make savings/investment more attractive and encourage foreign inflows.

Commodities

Oil prices advanced further amidst speculation that the Organization of the Petroleum Exporting Countries Plus (OPEC+) will extend supply cuts, as well as due to continued tensions in the Middle East. Uncertainty surrounding ceasefire talks between Israel and Hamas, as well as ongoing Houthi attacks on Red Sea shipping also added a risk premium to oil prices. Consequently, Bonny Light, Nigeria's benchmark crude price gained \$0.29 to close the week at \$87.15 per barrel (pb) from \$86.86pb posted in the preceding week. In another development, gold added gains for the 2nd consecutive week as the latest US inflation data offered no surprises, keeping bets for Federal Reserve interest rate cuts this year intact. Consequently, gold price gained \$26.64 or 1.3% to sit at \$2,052.34 per ounce. However, silver price lost \$0.10 or 0.4% to sit at \$22.65 per ounce. This week, the outcome of the OPEC+ meeting will determine the direction of oil prices. On the other hand, bullion prices might stay elevated as lower borrowing costs boost the appeal of holding non-yielding assets.

Stock Market

Last week, the Nigerian stock market saw a significant downturn as investors shifted their focus to the fixed-income market following the Central Bank of Nigeria's decision to hike the Monetary Policy Rate by an unprecedented 400 basis points. Consequently, the All-Share Index (ASI) closed at 98,751.98 points, reflecting a decrease of 3,336.32 points. Furthermore, the market capitalization fell by ₦1.83 trillion, concluding the week at ₦54.04 trillion. Going into the new trading week, market performance is expected to reroute north as investors leverage the dip to invest in value stocks.

Monthly Macro Economic Forecast

Variables	Feb'24	Mar'24	April'24
Exchange Rate (NAFEX) (N/\$)	1500	1450	1400
Inflation Rate (%)	30.5	30	29.2
Crude Oil Price (US\$/Barrel)	80	82	85

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