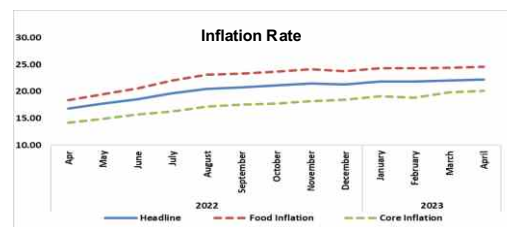
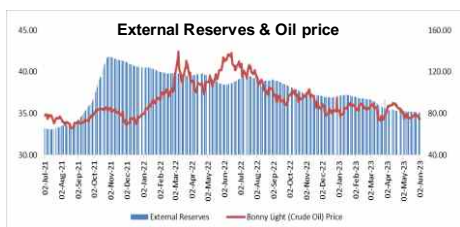
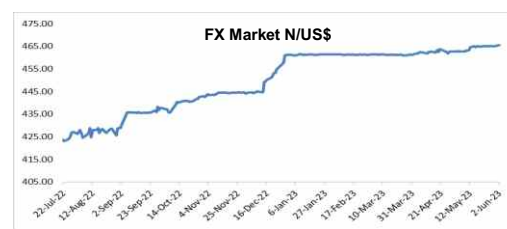


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	2.31	Q4 2022 — lower by 1.21% compared to 3.52% in Q4 2022
Broad Money Supply (N' trillion)	56.04	Rose by 2.58% in April 2023 from N54.63 trillion in March 2023
Credit to Private Sector (N' trillion)	44.1	Rose by 2.39% in April 2023 from N43.07 trillion in March 2023
Currency in Circulation (N' trillion)	2.38	Increased by 41.67% in April 2023 from N1.68 trillion in March 2023
Inflation rate (%) (y-o-y)	22.22	Increased to 22.22% in April 2023 from 22.04% in March 2023
Monetary Policy Rate (%)	18.5	Adjusted to 18.5% in May 2023 from 18% in March 2023
Interest Rate (Asymmetrical Corridor)	18.5(+1/-7)	Lending rate changed to 19.5% & Deposit rate 11.5%
External Reserves (US\$ billion)	35.09	May 30, 2023 figure — a decrease of 0.54% from May start
Oil Price (US\$/Barrel) (Bonny Light)	74.65	June 01, 2023 figure — an decrease of 5.1% from the prior week
Oil Production mbpd (OPEC)	0.99	April 2023, figure — an decrease of 24.43% from March 2023 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	2/6/23	26/5/23	
NSE ASI	55,820.50	52,973.88	5.37
Market Cap(N'tr)	30.39	28.84	5.39
Volume (bn)	0.46	0.46	(1.30)
Value (N'bn)	6.12	7.67	(20.21)

COMMODITIES MARKET

Indicators	2/6/23	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil \$/bbl	74.65	(5.07)	15.81
Natural Gas (\$/MMBtu)	2.18	(3.54)	(43.67)
Agriculture			
Cocoa (\$/MT)	3,006.00	(0.89)	55.27
Coffee (\$/lb.)	184.00	1.18	41.32
Cotton (\$/lb.)	81.53	3.14	5.20
Sugar (\$/lb.)	24.67	(0.64)	60.93
Wheat (\$/bu.)	612.75	(0.04)	41.35
Metals			
Gold (\$/t oz.)	1,979.02	1.32	50.20
Silver (\$/t oz.)	23.90	3.06	39.03
Copper (\$/lb.)	376.95	2.77	14.99

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	2/6/23	26/5/23	
OPR	11.5000	12.7500	(125)
O/N	11.8750	13.2500	(138)
CALL	12.1833	13.1000	(92)
30 Days	11.2500	12.4125	(116)
90 Days	11.8500	13.6750	(183)

NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	2/6/23	26/5/23	
1 Mnth	2.97	2.36	60
3 Mnths	0.00	3.87	(387)
6 Mnths	5.32	4.92	39
9 Mnths	6.98	6.75	24
12 Mnths	8.37	8.30	7

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	2/6/23	26/5/23	2/5/23
NAFEX (N)	465.44	465.13	462.63

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	2/6/23	26/5/23	
Index	3,524.09	3,508.93	0.43
Mkt Cap Gross (N'tr)	21.08	20.58	2.43
Mkt Cap Net (N'tr)	11.63	11.31	2.83
YTD return (%)	43.46	42.85	1.42
YTD return (%) (US \$)	(91.08)	(91.39)	(0.34)

TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	9,962.53	2.29	24-May-2023
182 Day	1,817.86	4.99	24-May-2023
364 Day	168,666.291	7.99	24-May-2023

Disclaimer
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Sources: CBN, Financial Market Dealers Quotation, NSE, NBS, Energy Information Agency, Oilprice, Bloomberg and Access Bank Economic Intelligence Group computation.
* Crude oil (Bonny Light) is as at the previous day.

Market Analysis and Outlook: June 2 - June 9, 2023

Global Economy

The consumer price inflation rate in the Euro Area fell to 6.1% in May 2023, down from 7.0% in the prior month, as energy prices eased pressure on the cost of living across the region. The rate hit its lowest level since February 2022, though it remained significantly higher than the European week, respectively. On the other hand, Central Bank's target of 2.0%. Data from longer-dated placements such as the 30-Eurostat revealed that the decrease in day Nigerian Interbank Offered Rate inflation was primarily driven by a 1.7% (NIBOR) also declined further to 11.25% decline in energy prices, following a 2.4% from 12.41%. This week, money market increase in April. Additionally, there was a slowdown in cost pressures for food, alcohol, and tobacco, non-energy industrial goods, and services. Furthermore, the core inflation rate, which excludes energy, food, alcohol, and tobacco, also eased more than expected, reaching 5.3%. In another zone, the Indian economy expanded 6.1% year-on-year in Q1 2023, higher than an upwardly revised 4.5% in Q4 2022. According to the Ministry of Statistics and Programme Implementation (MOSPI), growth was mainly boosted by private consumption, services exports, and manufacturing amid easing input cost pressures. Also, services emerged as a major driver, contributing more than half to the GDP. Private spending rose at a faster pace, public expenditure rebounded, stocks recovered, and exports increased way more than imports. On the production side, the manufacturing sector grew for the first time in 3 quarters and faster increases were recorded for the farm sector, construction, financial and real estate, and public administration.

Money Market

The money market witnessed influx of liquidity as rates tapered. Consequently, short-dated placements like the Open Repo Rate (OPR) and Over Night (ON) declined further to 11.50% and 11.88% from 12.75% and 13.25% recorded in the preceding week, respectively. On the other hand, Central Bank's target of 2.0%. Data from longer-dated placements such as the 30-Eurostat revealed that the decrease in day Nigerian Interbank Offered Rate inflation was primarily driven by a 1.7% (NIBOR) also declined further to 11.25% decline in energy prices, following a 2.4% from 12.41%. This week, money market increase in April. Additionally, there was a slowdown in cost pressures for food, alcohol, and tobacco, non-energy industrial goods, and services. Furthermore, the core inflation rate, which excludes energy, food, alcohol, and tobacco, also eased more than expected, reaching 5.3%. In another zone, the Indian economy expanded 6.1% year-on-year in Q1 2023, higher than an upwardly revised 4.5% in Q4 2022. According to the Ministry of Statistics and Programme Implementation (MOSPI), growth was mainly boosted by private consumption, services exports, and manufacturing amid easing input cost pressures. Also, services emerged as a major driver, contributing more than half to the GDP. Private spending rose at a faster pace, public expenditure rebounded, stocks recovered, and exports increased way more than imports. On the production side, the manufacturing sector grew for the first time in 3 quarters and faster increases were recorded for the farm sector, construction, financial and real estate, and public administration.

Foreign Exchange Market

The Dollar illiquidity persisted at the forex market as participants continued to source funds to meet their obligations. Consequently, Naira exchanged against the Dollar at the Nigerian Autonomous Foreign Exchange (NAFEX) for N465.44/\$, depreciating by N0.31 week-on-week. This week, exchange rate might hover around similar levels barring any significant funding services exports, and manufacturing amid easing input cost pressures. Also, services emerged as a major driver, contributing more than half to the GDP. Private spending rose at a faster pace, public expenditure rebounded, stocks recovered, and exports increased way more than imports. On the production side, the manufacturing sector grew for the first time in 3 quarters and faster increases were recorded for the farm sector, construction, financial and real estate, and public administration.

Bond Market

The Bond market continued to witness sustained buy interest as bids improved further, particularly on the new off-the-run Bonds. Yields on the 7-, 10-, 20-25-, and 30-year debt papers closed lower at 11.46%, 11.23%, 14.56%, 15.36% and 15.52% from 11.48%, 11.31%, 14.71%, 15.50%, and 15.61% respectively. The Access Bank bond index rose by 15.16 points to close at 3,508.93 points from 3,501.38 points. Looking ahead to the next week, a continuation of the prevailing sentiment is expected, with increased appetite expected for the short-dated securities.

Domestic Economy

The Federal Inland Revenue Service (FIRS) has revised Nigeria's tax-to-GDP ratio for 2021 from 6% to 10.86%, following an adjustment to incorporate revenues collected by other government agencies. The adjusted ratio is higher than the range of 5% - 6% recorded within the past 12 years. Despite being the largest economy in Africa, Nigeria has one of the lowest tax collection rates globally. However, there has been a significant increase in tax receipts, after reaching a record 10 trillion naira (\$22 billion) in 2022, representing a growth of 56%. The tax-to-GDP ratio is a measure of a country's economy which is measured by the GDP. It is a pointer to the effectiveness of fiscal policies implemented in an economy. Higher tax-to-GDP means that the government have sufficient ability to provide public goods and services for its populace. Despite the improvement of Nigeria's tax-to-GDP, it remains below the World Bank's benchmark of above 15% which is seen as a key ingredient for poverty reduction and economic growth.

Oil prices lost more than 3% last week, hinged on demand concerns and an uncertain outlook for OPEC+ production policy. A pessimistic economic outlook in China also continued to weigh on oil prices. A consumer posted mixed Purchasing Managers' Index (PMI) figures for May 2023. Consequently, Bonny Light, Nigeria's benchmark crude price declined by \$3.99 per barrel (pb) to close the week at \$74.65pb. In a separate news, Bullion prices signaled that it could pause its interest rate hikes this month. Subsequently, gold price gained \$25.79 or 1.3% to sit at \$1,979.02 per ounce. Similarly, silver price gained \$0.71 or 3.1% to sit at \$23.90 per ounce. This week, the movement of oil prices will significantly be decided by the outcome of the Organisation of the Petroleum Exporting Countries Plus (OPEC+) meeting. On the other hand, the price of precious metals might continue to look north as fixed income securities becomes unattractive to investors due to a likely "hold" stance by the Fed.

Stock Market

The bulls maintained grip on the Nigerian bourse on renewed investors' confidence in the country's equities. Thanks to the peaceful transition of government and positive expectations from the policies of the new government. Pension, banking, insurance oil and gas stock rallied to boost the value of equity holdings. Consequently, the All-Share Index (ASI) jumped to 55,820.50 points gaining 2,846.62 points. Similarly, market capitalization ascended by N1.55 trillion closing at N30.39 trillion. This week, the bullish momentum is expected to persist as more investors continue to cherry pick stocks that are perceived to be fundamentally sound.

Monthly Macro Economic Forecast

Variables	May'23	Jun'23	Jul'23
Exchange Rate (NAFEX) (N/\$)	463	464.5	466.5
Inflation Rate (%)	22.0	23.0	23.5
Crude Oil Price (US\$/Barrel)	85	83.5	80

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