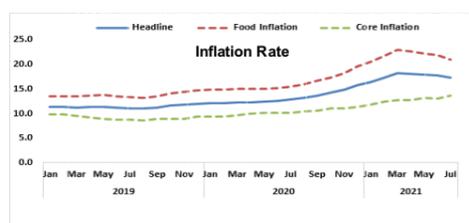
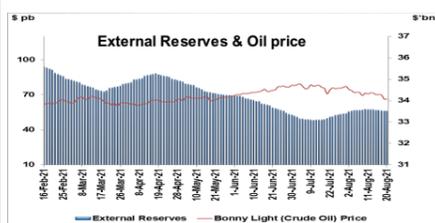
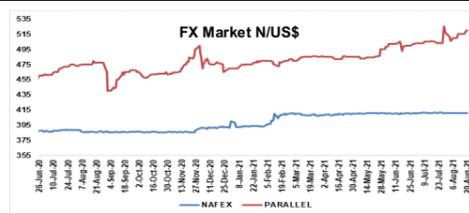
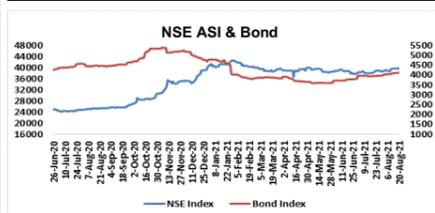


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	0.51	Q1 2021 — higher by 0.40% compared to 0.11% in Q4 2020
Broad Money Supply (N' trillion)	39.41	Decreased by 0.95% in June' 2021 from N39.78 trillion in May' 2021
Credit to Private Sector (N' trillion)	32.64	Increased by 1.63% in June' 2021 from N32.12 trillion in May' 2021
Currency in Circulation (N' trillion)	2.74	Decreased by 1.78% in June' 2021 from N2.79 trillion in May' 2021
Inflation rate (%) (y-o-y)	17.38	Decreased to 17.38% in July 2021 from 17.75% in June 2021
Monetary Policy Rate (%)	11.5	Adjusted to 11.5% in September 2020 from 12.5%
Interest Rate (Asymmetrical Corridor)	11.5 (+1/-7)	Lending rate changed to 12.5% & Deposit rate 4.5%
External Reserves (US\$ million)	33.52	August 19, 2021 figure — an increase of 0.10% from August start
Oil Price (US\$/Barrel)	66.18	August 19, 2021 figure— a decrease of 7.25% from the prior week
Oil Production mbpd (OPEC)	1.44	July 2021, figure — an increase of 3.23% from June 2021 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	20/8/21	13/8/21	
NSE ASI	39,483.08	39,522.34	(0.10)
Market Cap(N'tr)	20.57	20.59	(0.10)
Volume (bn)	0.28	0.19	48.58
Value (N'bn)	3.18	3.22	(1.06)

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	20/8/21	13/8/21	
OBB	23.3300	16.7500	658
O/N	23.8300	17.2500	658
CALL	22.5000	16.0000	650
30 Days	9.1291	11.6860	(256)
90 Days	10.4775	12.6026	(213)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	20/8/21	13/8/21	20/7/21
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	411.23	411.13	411.21
BDC (N)	0.00	0.00	0.00
Parallel (N)	520.00	515.00	505.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	20/8/21	13/8/21	
5-Year	4.88	4.89	(1)
7-Year	10.72	10.90	(18)
10-Year	9.34	9.65	(31)
15-Year	12.63	12.63	0
20-Year	12.15	12.37	(22)
25-Year	12.15	12.27	(12)
30-Year	12.72	12.73	(0)

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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: August 13 – August 20, 2021

Global Economy

The European Statistical Office reported that the Eurozone quarterly economic growth was lower than anticipated following two consecutive periods of contraction, as activity and demand recovered following the reopening of the economy, coupled with the rapid pace of COVID-19 vaccination and ongoing government support. Among the bloc's largest economies, Germany, France, Spain and the Netherlands returned to growth, while Italy's expansion gathered pace. Year-on-year, the GDP expanded 13.6% in Q2 2021, the most on record, reflecting a low base year triggered by the coronavirus crisis. In a separate development, the People's Bank of China (PBoC) left its benchmark interest rates for corporate and household loans steady for the 16th straight month at its August fixing. The one-year loan prime rate (LPR) was kept unchanged at 3.85%, while the five-year remained at 4.65%. Most new and outstanding loans in China are based on the one-year LPR while the five-year is used for the pricing of mortgages. Meantime, the PBoC reportedly has injected billions of yuan through medium-term loans into the financial system earlier this week.

Domestic Economy

Nigeria's inflation rate fell for the fourth consecutive month in July amid decelerating increase in food prices according to data by the National Bureau of Statistics. The statistics office revealed that the prices of goods and services, measured by the Consumer Price Index (CPI), rose by 17.38% lower than 17.75% recorded in June. This is the year-on-year change, which means that while prices continued to rise in July 2021 over July 2020, the pace of the increase was slower when compared to June 2021 versus June 2020. The composite food index rose by 21.03% in July 2021 compared to 21.83% in June 2021. The rise in the prices of milk, cheese and eggs, coffee, tea and cocoa, vegetables, bread and cereals, soft drinks and meat.

Stock Market

The Nigeria's equity market was bearish for the week ended August 20, 2021. The market negative performance was driven by price depreciation in large and medium capitalized stocks. Consequently, the All-Share Index (ASI) and market capitalization settled lower at 39,483.08 points and N20.57 trillion from 39,522.34 points and N20.59 trillion, respectively the preceding week. Stocks in the agriculture, printing, consumer goods, and financial services, contributed to the downturn. This week, we anticipate that investors will continue to reposition their portfolio in lieu of half year scorecards being released by companies.

Money Market

Last week, money market rates spiked as market participants scrambled to fund for the bond auction. The outflow of funds led to higher rates as lender's charge such as the Open Buy Back (OBB) and Overnight (O/N) rates dropped to 23.33% and 23.83% from 16.75% and 17.25% the previous week. In contrast, slightly longer dated instruments like the 30-day and 90-day

Nigerian Interbank Offered Rate (NIBOR) closed lower settling at 9.13% and 10.48% from 11.69% and 12.60% the prior week. This week, cost of borrowing is expected to decline following anticipated Open Market Operations (OMO) maturity.

Foreign Exchange Market

The local unit depreciated against the dollar at the interbank market, the local unit lost 10 kobo to close at N411.23/\$ from N411.13/\$. The parallel market towed the same line as the currency slumped by N5 to finish N520/\$ from N515/\$ due to dollar scarcity and volatility in the market. This week, we expect that the naira will continue to meander around current levels as the apex bank supply dollars in the FX market to keep rates stable.

Bond Market

Average bond yields declined following improved offers on the long end of the curve. Consequently, yields on the 5-, 7-, 10-, 20-, 25- and 30-year debt papers closed lower at 4.88%, 10.72%, 9.34%, 12.15%, 12.15% and 12.72% from 4.89%, 10.90%, 9.65%, 12.37%, 12.27% and 12.73% respectively. Accordingly, the Access Bank Bond index increased by 31.48 points to close at 4,134.72 points from 4,103.24 points. We expect a bullish trend in the market this week given the expected inflows into the money market.

Commodities

Oil prices plunged with a stronger dollar compounding latest virus risks. The ongoing spread of the COVID-19 Delta variant and disappointing economic data is driving up concerns the global economic comeback might be diminished as several countries re-introduced travel restrictions and limit air traffic. Bonny light, Nigeria's benchmark crude declined 7.25% to settle at \$66.18 barrel. Separately, precious metal prices went in divergent direction. Gold prices rose as a worldwide spike in COVID-19 infections and some signs the economy is slowing in both China and the US offered some support to the yellow metal. Consequently, gold prices rose by 1.32% or \$23.27 to finish at \$1,784.84 per ounce from \$1,761.57 per ounce. Silver prices dropped as investors took back profit from previous higher prices. Silver settled at \$23.21 per ounce, a 0.94% drop from prior week. This week, oil prices is expected to remain bearish as persistent concerns about the rapid spread of the coronavirus delta strain and the effects it will have on the economic recovery and fuel demand weigh on investors sentiment. Rising worries over the spread of the Delta variant and its impact on the global economic recovery is expected to boost safe haven appeal for precious metals.

Monthly Macro Economic Forecast

Variables	Aug'21	Sept'21	Oct'21
Exchange Rate (NAFEX) (N/\$)	411	412	411
Inflation Rate (%)	17.38	16.9	16.5
Crude Oil Price (US\$/Barrel)	70	72	70

For enquiries, contact: Rotimi Peters (Team Lead, Economic Intelligence) (01) 2712123 rotimi.peters@accessbankplc.com