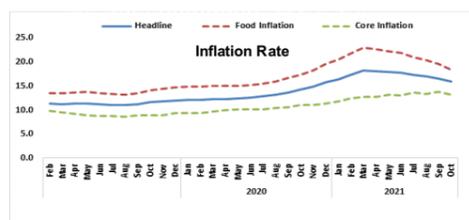
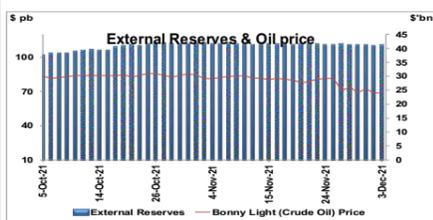
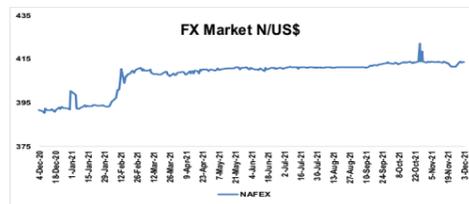
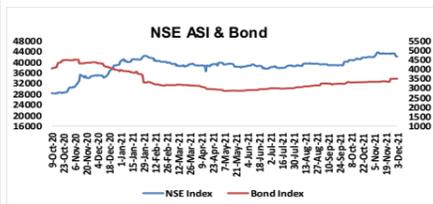


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	4.03	Q3 2021 — lower by 0.98% compared to 5.01% in Q2 2021
Broad Money Supply (N' trillion)	40.41	Declined by 1.27% in September 2021 from N40.93trillion in August 2021
Credit to Private Sector (N' trillion)	33.84	Increased by 1.29% in September 2021 from N32.41 trillion in August 2021
Currency in Circulation (N' trillion)	2.84	Increased by 2.16% in September 2021 from N2.84 trillion in August 2021
Inflation rate (%) (y-o-y)	15.99	Decreased to 15.99% in October 2021 from 16.63% in September 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)	41.12	December 2, 2021 figure — a decrease of 1.61% from November start
Oil Price (US\$/Barrel)(OPEC)	71.54	November 30, 2021 figure— an increase of 14.65% from the prior week
Oil Production mbpd (OPEC)	1.35	October 2021, figure — an decrease of 3.57% from September figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	3/12/21	26/11/21	
NSE ASI	42,167.91	43,308.29	(2.63)
Market Cap(N'tr)	22.00	22.60	(2.63)
Volume (bn)	0.18	0.31	(40.73)
Value (N'bn)	2.43	3.58	(32.21)

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	3/12/21	26/11/21	
OBB	15.5000	15.0000	50
O/N	15.7500	15.6700	8
CALL	14.1000	9.4000	470
30 Days	11.3467	9.3606	199
90 Days	11.8194	9.6242	220

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	3/12/21	26/11/21	3/11/21
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	413.53	413.54	413.58
BDC (N)	0.00	0.00	0.00
Parallel (N)	0.00	0.00	0.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	3/12/21	26/11/21	
5-Year	4.13	4.13	0
7-Year	10.61	9.59	101
10-Year	9.43	9.50	(7)
15-Year	12.72	12.80	(8)
20-Year	12.38	12.49	(10)
25-Year	12.31	12.31	0
30-Year	13.11	13.07	4

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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: November 26 – December 3, 2021

Global Economy

The economy of Brazil grew by 4% year-on-year in Q3 2021 marking its 3rd consecutive quarterly positive growth. According to the data published by the Brazilian Institute of Geography and Statistics (IBGE), Q3 2021 growth declined from 12.3% growth recorded in Q2 2021. While the services and industry sector grew by 5.8% and 1.3% respectively, the agricultural sector dipped by 9% owing to lower production of coffee, cotton, corn, orange, and sugar cane. Fixed investment, household consumption and government spending grew by 18.8%, 4.2% and 3.5% respectively.

In a separate development, India's trade deficit widened sharply to \$23.3 billion in November 2021, from \$9.9 billion in the corresponding month of the previous year, according to the Ministry of Commerce and Industry, India. It is the largest monthly trade shortfall ever recorded, as imports jumped 57.2% to \$53.15 billion, mainly boosted by purchases of crude oil (132.6%); coal, coke and briquettes (135.5%) and gold (39.7%). Meanwhile, exports advanced at a slower 26.5% to a nine-month low of \$29.88 billion, driven by sales of petroleum products (145.3%); engineering goods (37%) and inorganic chemicals (32.5%). During the April-November period of 2021, the trade gap expanded to \$121.98 billion, compared to \$45.05 billion in the same period of 2020.

Domestic Economy

In a recent circular by the Central Bank of Nigeria (CBN) titled 'Automation of Form NCX on the trade monitoring system' the CBN said that it had automated the Non-Commercial Exports form for stakeholders in the business sector. When payments are not expected for goods to be shipped to any destination outside Nigeria, NCX form is required to be completed by shippers or their agents and submitted to the bank for approval subject to the stipulated guidelines in the foreign exchange manual. The circular read, "This is to inform all authorised dealers, Nigerian Customs Service, shipping lines and airlines, national museum and monuments and the general public of the deployment of e-Form NCX. "Accordingly, the e-Form NCX shall replace the hard copy of the Form NCX for non-commercial exports, with effect from November 30, 2021." The circular said all authorised dealers were required to ensure that the processing of Form NCX should only be done electronically on the Trade Monitoring System's website. According to the CBN, the e-Form NCX is web-based and allows non-commercial exporters to initiate the form from the offices or homes and submit same to the authorised dealer bank. It said, "A charge of N5,000 as fee per declaration of e-Form NCX is applicable with effect from November 30, 2021 and henceforth.

Stock Market

The Nigeria bourse witnessed a negative turnaround as the bears reigned supreme last week. The All Share Index (NSE ASI) dipped by 2.63% week-on-week to 42,167.91 points. In the same vein, market capitalization lost 2.63% to end the week at N22 trillion from N22.6 trillion. The bearish performance was led by stocks in information communication and technology, agriculture, consumer goods and financial services sectors. We envisage that investors would target fundamentally sound and dividend-paying stocks for possible capital appreciation as the year draws down.

Money Market

Interbank rates remained almost unchanged for the week ended December 3, 2021 despite Open Market Maturity (OMO) maturity of N54.3 billion.

Consequently, short term instruments such as the Open Buy Back (OBB) and Overnight (O/N) rates closed at 15.5% and 15.75%, a marginal increase from 15% and 15.67% recorded the prior week. Slightly longer dated instruments like the 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) inched up to 11.35% and 11.82% from 9.36% and 9.62% respectively the previous week. This week, we expect rates to remain elevated following anticipated retail Secondary Market Intervention Sales (rSMIS).

Foreign Exchange Market

The paucity of dollars persisted last week at the Investors' and Exporters' window as the demand for the greenback continued to overshadow the limited supply. Nevertheless, the Naira recorded minimal gain of 1kobo against the Dollar to close at 413.53/US\$ at the Nigerian Autonomous Foreign Exchange (NAFEX). This week, we do not foresee a significant change in the current FX rates.

Bond Market

The FGN Bond market closed the week with a bearish undertone across the benchmark bonds. There was a bit of interest on the 2050 bond at 13.40%, just a few trades were consummated on this maturity. Yields on the 10-, 15-, and 20- year debt papers finished lower at 9.43%, 12.72%, and 12.38% from 9.5%, 12.8% and 12.49%, respectively while yields on the 5 year and 25 year bond closed on the same level as prior week. The Access Bank bond index rose by 8.35 points to close at 3,499.39 points from 3,491.03 points. We expect a similar trend this week pending an improvement in investors' appetite.

Commodities

Crude oil prices plunged last week after US Fed Chair, Jerome Powell, said that the Fed likely will discuss a faster withdrawal of its massive bond-buying program at its next meeting, supported by a strong economic recovery in the US. A report also raised doubts over the effectiveness of existing vaccines against the Omicron variant, sparking fears in the possibility of new lockdowns and more travels curbs, weighing in the demand prospects for the commodity. Bonny light, Nigeria's benchmark crude slumped by 14.65% to settle at \$71.54 barrel from \$83.32. Separately, precious metal prices declined amidst a decline in industrial demand and expectations of higher interest rate. The Fed Chair iterated the need to be prepared to the possibility that inflation may not decline in H2 2022 as experts forecast amidst the forthcoming US bond tapering. Gold prices dipped 2.14% or \$38.77 to settle at \$1,771.90 per ounce from \$1,810.67 per ounce. While, silver finished at \$22.34 per ounce, 5.50% lower than the previous week. This week, we expect oil prices might recover as OPEC+ pledged to act swiftly if oil demand suffered from measures to contain the Omicron variant. US deputy energy secretary, previously said President Biden's administration could alter the timing of its planned release of strategic crude oil stockpiles if global energy prices drop significantly. Safe haven assets might remain under pressure as investors digest a

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Monthly Macro Economic Forecast

Variables	Dec'21	Jan'22	Feb'22
Exchange Rate (NAFEX) (N/\$)	413	412	411
Inflation Rate (%)	15.04	14.97	14.64
Crude Oil Price (US\$/Barrel)	80	82	78

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