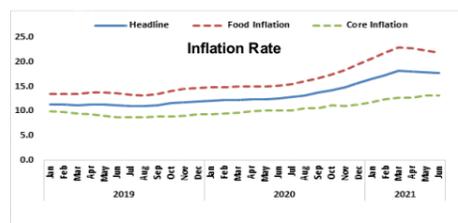
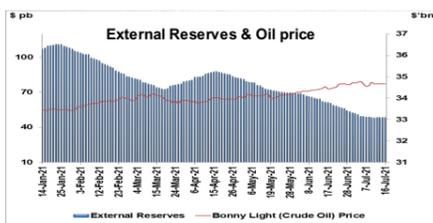
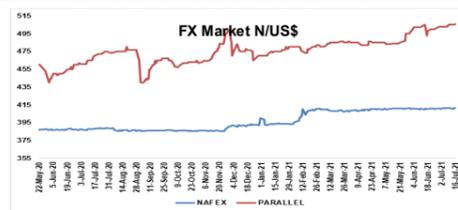
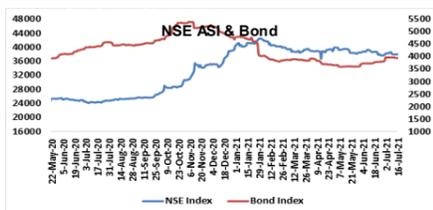


Access Bank Rateswatch

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)	40.01	Increased by 2.38% in May' 2021 from N39.08 trillion in April' 2021
Credit to Private Sector (N' trillion)	32.20	Decreased by 0.93% in May' 2021 from N31.90 trillion in April' 2021
Currency in Circulation (N' trillion)	2.79	Decreased by 0.20% in May' 2021 from N2.8 trillion in April' 2021
Inflation rate (%) (y-o-y)	17.75	Decreased to 17.75% in June 2021 from 17.93% in May 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)	33.10	July 13, 2021 figure — a decrease of 0.53% from July start
Oil Price (US\$/Barrel)	77.14	July 12, 2021 figure— a decrease of 1.62% from the prior week
Oil Production mbpd (OPEC)	1.40	June 2021, figure — a decrease of 0.57% from May 2021 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	16/7/21	9/7/21	
NSE ASI	37,947.18	37,994.19	(0.12)
Market Cap(N'tr)	19.77	19.80	(0.12)
Volume (bn)	0.27	0.24	10.30
Value (N'bn)	3.04	2.71	12.41

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	16/7/21	9/7/21	
OBB	4.5000	19.7500	(1525)
O/N	4.7500	20.5000	(1575)
CALL	5.4750	20.0667	(1459)
30 Days	11.9839	10.8461	114
90 Days	12.9429	12.0557	89

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	16/7/21	9/7/21	16/6/21
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	411.23	411.29	411.13
BDC (N)	500.00	500.00	0.00
Parallel (N)	506.00	505.00	502.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	16/7/21	9/7/21	
5-Year	5.50	5.45	5
7-Year	11.61	11.66	(6)
10-Year	10.07	10.06	1
15-Year	13.16	12.82	34
20-Year	12.80	12.52	28
25-Year	13.22	12.93	30
30-Year	13.25	13.02	22

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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: July 9 – July 16, 2021

Global Economy

In China, the economy expanded 7.9% year-on-year in Q2 2021, a sharp decline from the 18.3% growth seen in Q1 2021 according to the National Bureau of Statistics of China. A slowdown in factory activity, higher raw material costs, and new COVID-19 outbreaks in some regions all weighed on the recovery momentum. During the first half of the year, the economy grew by 12.7%, amid a low base effect from last year's coronavirus-triggered slump. China has set an economic growth target of "above 6%" for 2021 after expanding the least in over four decades of 2.3% in 2020. Elsewhere, the Bank of Japan left its key short-term interest rate unchanged at -0.1% and kept the target for the 10-year Japanese government bond yield at around 0% during its July meeting. In a quarterly outlook report, the central bank lowered its projected rates of the GDP for the current full year to 3.8% from earlier forecasts of 4% made in April, amid the impact of COVID-19. The board, however, maintained its view the economy was headed for a moderate recovery, revising up its growth forecast for next full year 2021 to 2.7% from 2.4% as vaccinations accelerate. The board revised consumer inflation forecast for the current year to 0.6% from earlier predictions of 0.1%, due to higher energy prices.

The naira went in diverging directions across most segments last week. The Nigerian Autonomous Foreign Exchange (NAFEX) gained 6 kobo to close at N411.23/US\$ from N411.29/US\$. However, the parallel market depreciated by N21 closing at N506/US\$. We anticipate that rates will meander around current levels as the apex bank sustains its intervention in the FX market. Average bond yields closed higher last week in reaction to the release of July's Bond offer circular by the Debt Management Office (DMO). There were improved offers across the on-the-run bonds as market players positioned themselves ahead of the auction. Consequently, yields on the 5-, 10-, 15-, 20-, 25-, and 30-year debt papers closed higher at 5.5%, 10.07%, 13.16%, 12.80%, 13.22%, and 13.25% from 5.45%, 10.06%, 12.82%, 12.52%, 12.93% and 13.02% respectively. The Access Bank Government Bond index decreased slightly by 25.56 points to settle at 3,944.05 points last week. This week, average yields will be determined by the bond's auction scheduled to hold by the Debt Management Office (DMO). and despite an official 7.7%-naira devaluation in May. Similarly, the annual core inflation, which excludes the prices of volatile agricultural produce hit 13.09% in May, the highest since April of 2017. On a monthly basis, consumer prices inched up 1.06%, following a 1.01% rise in the previous month.

Domestic Economy

Nigeria's annual inflation rate eased for the third straight month to 17.75% in June 2021 from 17.93% in May, according to the National Bureau of Statistics (NBS). This was amid a slight slowdown in prices of food & non-alcoholic beverages & tobacco (21.83% vs 22.28% in May) and despite an official 7.7%-naira devaluation in May. Similarly, the annual core inflation, which excludes the prices of volatile agricultural produce hit 13.09% in May, the highest since April of 2017. On a monthly basis, consumer prices inched up 1.06%, following a 1.01% rise in the previous month.

Stock Market

Bearish activities dominated transactions on the floor of the Nigerian stock exchange on the back of profit taking in highly capitalised stocks. The downward trend was led by stocks in the road transportation, agriculture and financial services sector. Consequently, the All-Share Index (ASI) and market capitalization settled slightly lower at 37,994.19 points and N19.80 trillion from 38,212.01 points and N19.91 trillion, respectively the previous week. This week, we expect that the stock market might continue its downwards path due to higher yielding investment and profit taking.

Money Market

Cost of borrowing tapered last week following inflow of funds from bond maturity of N602 billion, promissory note maturity of N312 billion and Open Market Operations (OMO) maturity of N16 billion. The inflow of funds led to lower rates as lender's charge such as the Open Buy Back (OBB) and Overnight (O/N) rates declined to 4.5% and 4.75% from 19.75% and 20.50% the previous week. However, slightly longer dated

instruments like the 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) closed higher at 11.98% and 12.94% from 10.85% and 11.98% the prior week. This week, money market rates are expected to rise due to bi-weekly retail Secondary Market Intervention Sales (rSMIS).

Foreign Exchange Market

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Bond Market

Average bond yields closed higher last week in reaction to the release of July's Bond offer circular by the Debt Management Office (DMO). There were improved offers across the on-the-run bonds as market players positioned themselves ahead of the auction. Consequently, yields on the 5-, 10-, 15-, 20-, 25-, and 30-year debt papers closed higher at 5.5%, 10.07%, 13.16%, 12.80%, 13.22%, and 13.25% from 5.45%, 10.06%, 12.82%, 12.52%, 12.93% and 13.02% respectively. The Access Bank Government Bond index decreased slightly by 25.56 points to settle at 3,944.05 points last week. This week, average yields will be determined by the bond's auction scheduled to hold by the Debt Management Office (DMO).

Commodities

Oil prices slipped for the week ended July 16th, 2021 amid oversupply concerns. Saudi Arabia and the UAE reached a compromise this week, paving the way for OPEC+ to finalize an agreement that would allow the UAE to increase its baseline production to 3.65 million barrel per day. Bonny light, Nigeria's benchmark crude declined 1.62% to close at \$77.14 per barrel. Precious metal prices rose to levels not seen in a month. Prices rose following dovish comments from Fed Chair Powell and worries over global growth and the spread of the coronavirus delta variant. Consequently, gold prices jumped 0.89% or \$16.07 to finish at \$1,819.61 per ounce from \$1,803.54 per ounce. Silver settled at \$26.10 per ounce, a 0.27% rise from preceding week. Oil prices might see a boost as the agreement between OPEC+ and member nations improves investors sentiment. We expect that market participants will keep moving to the safe-haven asset amid growing concerns that new coronavirus variants could slow down the global economic recovery.

Monthly Macro Economic Forecast

Variables	Jul'21	Aug'21	Sept'21
Exchange Rate (NAFEX) (N/\$)	411	412	411
Inflation Rate (%)	17.7	17.34	17.01
Crude Oil Price (US\$/Barrel)	70	72	71

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