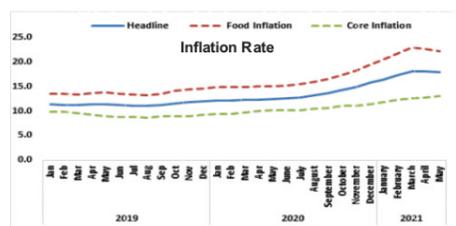
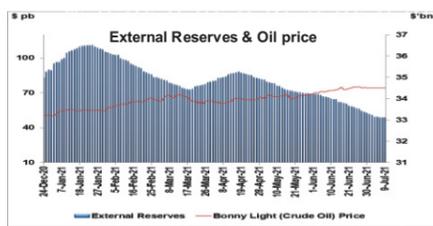
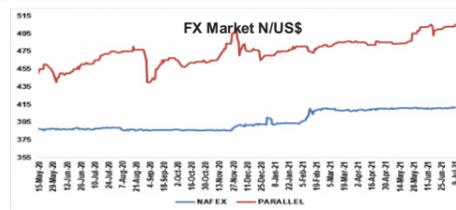
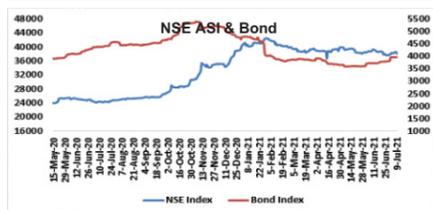


Access Bank Rateswatch

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)	17.93	Decreased to 17.93% in May 2021 from 18.12% in April 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)	33.12	July 6, 2021 figure — a decrease of 0.48% from July start
Oil Price (US\$/Barrel)	74.16	June 30, 2021 figure — a decrease of 0.78% from the prior week
Oil Production mbpd (OPEC)	1.39	May 2021, figure — a decrease of 4.9% from April 2021 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	9/7/21	2/7/21	
NSE ASI	37,994.19	38,212.01	(0.57)
Market Cap(N'tr)	19.80	19.92	(0.62)
Volume (bn)	0.24	0.21	15.61
Value (N'bn)	2.71	2.01	34.40

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	9/7/21	2/7/21	
OBB	19.75	12.00	775
O/N	20.50	12.50	800
CALL	20.07	13.67	640
30 Days	10.85	12.75	(191)
90 Days	12.06	13.94	(188)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	9/7/21	2/7/21	9/6/21
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	411.29	410.64	410.25
BDC (N)	500.00	500.00	0.00
Parallel (N)	505.00	503.00	502.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	09/07/2021	02/07/2021	
5-Year	5.45	5.47	(3)
7-Year	11.66	11.54	12
10-Year	10.06	9.92	13
15-Year	12.82	12.82	0
20-Year	12.52	12.39	14
25-Year	12.93	13.00	(7)
30-Year	13.02	13.03	(1)

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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 2 – July 9, 2021

Global Economy

The European Central Bank (ECB) announced a new monetary policy strategy last week, its first strategy review since 2003. The ECB adopted a 2% inflation target over medium term, compared to previous below but close to 2%. Policymakers also confirmed that the set of ECB interest rates remains the primary monetary policy instrument. Meanwhile, the central bank will also include climate change considerations in monetary policy operations. In a separate development, China's annual inflation rate fell to 1.1% in June 2021 from May's eight-month high of 1.3% according to the National Bureau of Statistics of China. This fall in prices came amid a sharp weakening in cost of food (-1.7% vs 0.3% in May), as pork prices dropped faster. On a monthly basis, consumer prices unexpectedly dropped by 0.4% in June, the fourth straight month of decrease, after a 0.2% drop in May.

Domestic Economy

The Senate approved a total of \$6.18 billion (N2.3 trillion) external loan request by President Muhammadu Buhari to fund the deficit in the 2021 Appropriation Act. According to the Senate, the amount authorised may be raised from multiple sources such as the international capital market and any other multilateral or bilateral sources as may be available. The Senate has directed the Minister of Finance, Budget and National Planning, the Director-General of the Debt Management Office, and the Governor of the Central Bank of Nigeria to submit to the National Assembly within ten (10) working days containing the United State Dollars amount so raised and received as a result of the above approval together with the applicable exchange rate.

Stock Market

Last week, indicators at the local stock exchange reversed its 2 weeks gain as it lost N12 billion on profit taking in highly capitalised stocks. The downward trend was led by services, telecommunication services, and financial services sector. Consequently, the All-Share Index (ASI) and market capitalization settled lower at 37,994.19 points and N19.80 trillion, respectively the previous week. This week, stocks are expected to remain pressured by higher yielding investments such as government bonds and treasury bills.

Money Market

Rates at the money market spiked up last week due to bi-weekly retail Secondary Market Intervention Sales (rSMIS). The outflow of funds led to surge in rates as lender's charge such as the Open Buy Back (OBB) and Overnight (O/N) rates jumped to 19.75% and 20.5% from 12% and 12.5% the previous week. However, slightly longer dated instruments like the 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) closed lower at 10.85%

and 12.06% from 12.75% and 13.94% the prior week. This week, money market rates are expected to decline following anticipated bond maturity and coupon payment.

Foreign Exchange Market

The local unit weakened against the dollar across most segments for the week ended July 9th, 2021. The Nigerian Autonomous Foreign Exchange (NAFEX) lost 65 kobo to close at N411.29/US\$ from N410.64/US\$ due to scarcity of the greenback. The parallel market also pared N2 closing at N505/US\$. This week, the naira is expected to remain volatile in the face of high demand despite CBN sustained interventions

Bond Market

There were improved offers across the on-the-run bonds while offers remain scarce for the illiquid maturities. Firm bids on the 2035 and 2050 papers hovered around 13% and 13.17% respectively. Consequently, yields on the 7-, 10-, and 20-year debt papers closed higher at 11.66%, 10.06% and 12.52% from 11.54%, 9.92%, and 12.39% respectively. The Access Bank Government Bond index decreased slightly by 2.09 points to settle at 3,969.61 points last week. We expect the market to continue to trade cautiously with a bullish run anticipated by mid-week due to circa N600 billion bond maturity and coupon payment.

Commodities

Crude oil price dipped last week as investors continue to worry that OPEC+ will not get any deal on output extension and countries would start to release crude independently. The cartel is yet to set a date for their next oil policy meeting after divergences between Saudi Arabia and the UAE over the extension of oil output. Brent crude oil price tapered 1.44% to close at \$75.05 per barrel. Precious metal prices went in diverging directions as the price of gold went up while silver went in opposite direction. Gold traded around the \$1,800 per ounce, hovering near 3-week highs amid lower treasury yields, a softer dollar and the spread of the more virulent Delta variant. Consequently, gold prices jumped 1.09% or \$19.38 to finish at \$1,803.54 per ounce from \$1,784.16 per ounce. Silver settled at \$26.03 per ounce, a 0.5% dip from preceding week due to profit taking. Energy Administration Agency (EIA) report of lower crude oil stock might stem the flow of losses and help oil price return to bullish territory. Bullions might continue to benefit from worsening infection rates throughout Asia as investors move to safe haven assets

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

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