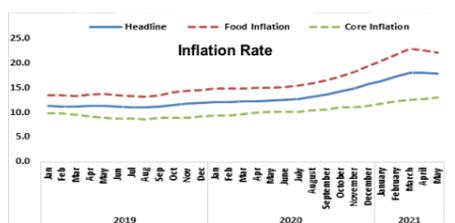
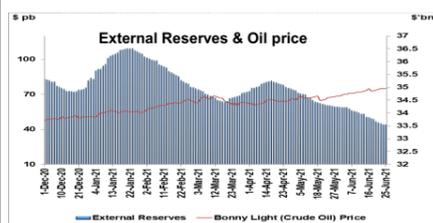
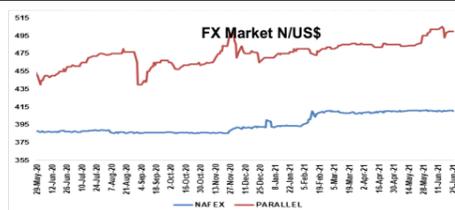
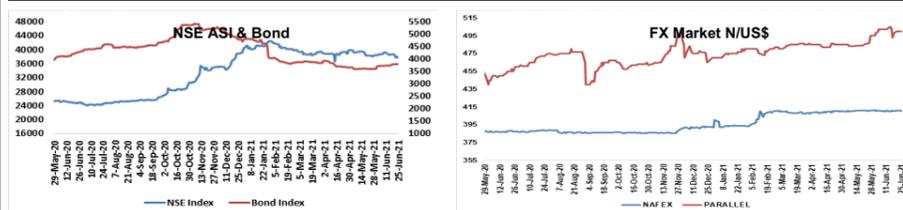


Access Bank Rateswatch

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)	39.07	Increased by 1.88% in April' 2021 from N38.65 trillion in March' 2021
Credit to Private Sector (N' trillion)	31.82	Increased by 1.22% in April' 2021 from N31.44 trillion in March' 2021
Currency in Circulation (N' trillion)	2.8	Decreased by 0.44% in April' 2021 from N2.81 trillion in March' 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)	33.55	June 24, 2021 figure — a decrease of 3.56% from June start
Oil Price (US\$/Barrel)	74.74	June 24, 2021 figure— an increase of 2.01% 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 (%)
	25/6/21	18/6/21	
NSE ASI	37,658.26	38,648.91	(2.56)
Market Cap(N'tr)	19.63	20.14	(2.56)
Volume (bn)	0.20	0.22	(8.12)
Value (N'bn)	2.41	2.53	(4.75)

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	25/6/21	18/6/21	
OBB	22.00	18.75	325.0
O/N	23.00	19.25	375
CALL	25.10	17.73	736.7
30 Days	9.86	11.09	(123)
90 Days	11.28	12.41	(113.6)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	25/6/21	18/6/21	25/5/21
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	410.38	410.43	411.00
BDC (N)	0.00	0.00	490.00
Parallel (N)	500.00	498.00	495.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	25/6/21	18/6/21	
5-Year	5.75	5.75	(0.7)
7-Year	12.26	12.21	5.1
10-Year	10.34	10.36	(1.3)
15-Year	13.13	13.41	(28.2)
20-Year	12.66	12.84	(17.7)
25-Year	13.00	13.35	(34.7)
30-Year	13.50	13.28	21

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 25 – July 2, 2021

Global Economy

The U.S. Bureau of Economic Analysis revealed that the US current account deficit expanded to \$195.7 billion or 3.6% of the GDP in Q1 2021 from a downwardly revised \$175.1 billion in the prior period. It is the highest current account deficit since Q1 2021. This widened deficit is due to an increased deficit on goods and a reduced surplus on primary income. Both exports and imports were up, led by industrial supplies and materials, primarily petroleum and products, that were partly offset by a decrease in automotive vehicles, parts, and engines. Elsewhere, the Bank of England voted unanimously to keep its benchmark interest rate on hold at 0.1% during its June 2021 meeting, and by a majority of 8-1 to leave its bond-buying programme unchanged as widely expected. The central bank also echoed that it does not intend to tighten monetary policy at least until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2 percent inflation target sustainably. Policymakers said the economy would experience a temporary period of strong GDP growth following the relaxation of restrictions on economic activity, after which it will fall back.

previous week. The slightly longer dated instruments like the 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) closed lower at 9.86% and 11.28% from 11.09% and 12.41% the prior week. This week, lending rates are expected to remain in the double-digit territory despite expected inflows from Open Market Operations (OMO) maturity.

Foreign Exchange Market

The local unit went in varying direction across most segments last week. The Nigerian Autonomous Foreign Exchange (NAFEX) strengthened by 5 kobo to close at N410.38/US\$ from N410.43/US\$ as the CBN intervened through FX sales to foreign portfolio investors. The parallel market depreciated by N2 closing at N500/US\$. The naira is expected to trend around current levels as the CBN continues its intervention in the FX market to keep the naira stable.

Bond Market

The bond auction held last week and there was some demand on the 2050 FGN bond maturity with very few trades been consummated. Consequently, yields on the 10-, 15-, 20-, and 25-year debt papers finished lower at 10.34%, 13.13%, 12.66%, and 13% from 10.36%, 13.41%, 12.84%, and 13.35% respectively.

Domestic Economy

The Debt management Office (DMO) in its debt service payment report for Q1 2021 revealed that the Nigerian government spent a sum of N1.02 trillion on domestic and foreign debt service in Q1 2021. This represents a 35.7% year-on-year increase compared

The Access Bank Government Bond index increased by 16.31 points to settle at 3,796.09 points last week. This week, we expect market participants to trade cautiously in the absence of significant market triggers.

Commodities

to N753.7 billion spent in the corresponding period of 2020. The report reveals that N612.71 billion was spent on domestic debt service, while N410.1 billion was expended on servicing of external debt. The debt expense for the period represents 30.7% of the total N3.32 trillion budgeted for debt service for the entire year 2021.

Crude oil prices rose slightly on expectations that demand recovery would continue and supply remains in check. The Energy Information Administration's (EIA) petroleum status report showed the US crude oil inventories fell by 7.61 million barrels last week. Bonny light, Nigeria's benchmark crude rose 2.01% to close at \$74.74 per barrel. Precious metal prices were almost unchanged as investors digested mixed signals from US Federal Reserve officials on interest rate hikes and awaited more economic data to gauge inflationary pressures. Consequently, gold prices shrank 0.06% or \$1.02 to finish at \$1,777.79 per ounce from \$1,778.81 per ounce. Silver settled at \$26.02 per ounce, a 0.15% dip from preceding week. This week, we anticipate that oil prices will remain bullish as falling inventories and demand recovery hopes outweigh news that OPEC+ is planning a further gradual increase of oil output from August. Stronger US dollar and treasury yield might keep price of bullions pressured.

Stock Market

The Nigerian Stock Exchange (NSE) extended losses by N516 billion for the week ended June 25, 2021 due to sell pressure in blue chips stocks. The downward trend, triggered by profit taking, was led by stocks in the financial sectors, oil & gas and industrial goods sector. Consequently, the All-Share Index (ASI) and market capitalization settled lower at 37,658.26 points and N19.63 trillion from 38,648.91 points and N20.14 trillion, respectively the previous week. This week, we expect that market participants will reposition their portfolio in favour of higher yielding alternative investments.

Money Market

Short term interbank lending rates at the debt market spiked following bi-weekly retail Secondary Market Intervention Sales (rSMIS). The outflow of funds led to a jump in rates as lender's charge such as the Open Buy Back (OBB) and Overnight (O/N) rates increased to 22% and 23% from 18.75% and 19.25% the

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