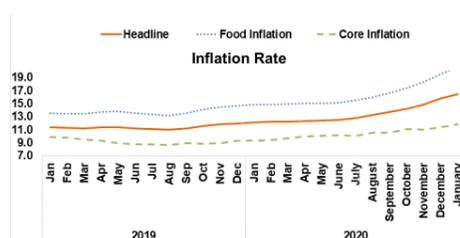
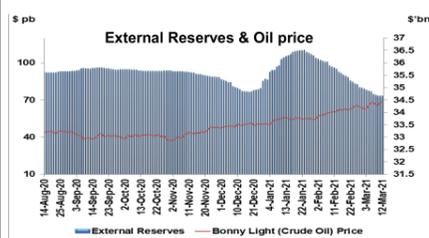
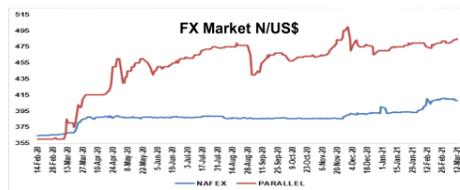
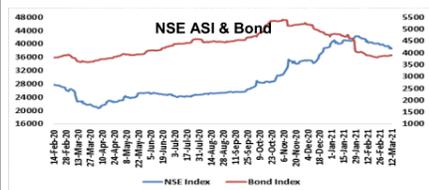


# Access Bank Rateswatch

## KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	0.11	Q4 2020 — higher by 3.73% compared to -3.62% in Q3 2020
Broad Money Supply (N' trillion)	39.34	Decreased by 0.6% in January' 2021 from N39.57 trillion in December' 2020
Credit to Private Sector (N' trillion)	30.55	Increased by 1.4% in January' 2021 from N30.15 trillion in December' 2020
Currency in Circulation (N' trillion)	2.83	Decreased by 2.7% in January' 2021 from N2.91 trillion in December' 2020
Inflation rate (%) (y-o-y)	16.47	Increased to 16.47% in January 2021 from 15.75% in December 2020
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)	34.67	March 10, 2021 figure — a decrease of 0.95% from March start
Oil Price (US\$/Barrel)	68.19	March 11, 2021 figure— an increase of 3.13% from the prior week
Oil Production mbpd (OPEC)	1.34	January 2021, figure — a decrease of 2.26% from December 2020 figure



## Market Analysis and Outlook: March 12 – March 19, 2021

### Global Economy

The United Kingdom's gross domestic product liquidity was boosted by Open Market Operations contracted by 1.7% in the three months to January (OMO) treasury bills maturity. Short-dated 2021, the first period of contraction since May-July placements such as the Open Buy Back (OBB) and according to the Office of National Statistics. In Over Night (O/N) rates declined to 13.33% and January alone, the GDP fell by 2.9%, as restrictions on 14.17% from 15.33% and 16.33% the previous week. activity were reintroduced in response to the COVID The slightly longer dated instruments such as 30-day pandemic. The services sector contracted by 3.5%, and 90-day Nigerian Interbank Offered Rate (NIBOR) led by drop in consumer-facing service industries and settled at 3.61% and 5.35% from 4.38% and 7.21% education, while output in the production sector fell by the prior week. This week, rates are expected to 1.5%, after manufacturing contracted for the first remain at these elevated levels despite coupon time since the initial pandemic-driven fall in output in payments and OMO maturity expected to hit the April 2020. In a separate development, the Ministry of system.

Statistics and Programme Implementation (MOSPI)

revealed that retail price inflation in India jumped to

5.03% in February 2021 from 4.06% in January. It is the

highest reading in 3 months. Food inflation

accelerated to 3.87% from 1.89% which was the

lowest since May 2019. Cost of clothing and footwear

also quickened while prices eased for miscellaneous

pan, tobacco and intoxicants.

### Domestic Economy

The National Bureau of Statistics revealed in a report that rates will meander around current levels as the titled Nigeria Foreign Trade report Q4 2020 that the apex bank sustains its intervention in the FX market.

total foreign trade for Q4 2020 rose to N9.12 trillion,

representing an increase of 8.88% compared to N8.38

trillion recorded in the prior quarter. According to the

report, total imports stood at N5.93 trillion, 10.1% picked up on the short and long tenored maturities. At

increase compared to N5.38 trillion recorded in Q3 the close of market last week, yields on the five-,

2020, while total export rose by 6.72% from N2.99 seven-, ten-, fifteen-, twenty-five, and thirty-year

trillion to N3.19 trillion. Nigeria's trade balance debt papers finished at 3.39%, 8.09%, 7.62%,

plunged further by 14.3% from a N2.39 trillion deficit 11.07%, 10.58% and 11.22% from 3.47%, 9.05%,

recorded in the third quarter of 2020 to N2.73 trillion 8.04%, 11.20%, 10.62% and 11.37%. The Access

deficit in Q4 2020. The foreign trade report shows that Bank Bond index increased 33.95 points to settle at

crude oil exports, which contributes the highest to 3,901.72 points last week. This week, we anticipate

total exports increased by 3.98% between Q3 2020 that the market will open the week with mixed

and Q4 2020 while the non-crude oil exports and non- sentiments given the current level of yields in the

oil exports rose by 18.37% and 12.14% respectively. In secondary market.

a separate development, latest data obtained from

the Central Bank of Nigeria (CBN) shows that Nigeria's

foreign reserves fell to its lowest level in 10 months. As

at 10<sup>th</sup> of March, Nigeria's foreign exchange reserves supply restrictions from major oil producers and signs

stood at \$34.67 billion, representing a year-to-date of a recovery in fuel consumption. Demand outlook

decline of \$981 million (2.75%). The foreign reserve improved with the rollout of COVID-19 vaccines and

has recorded a steady decline despite the recent government stimulus. Bonny light, Nigeria's

bullish run in the global oil market. Brent crude oil benchmark crude surged 0.21% to close at \$68.19 per

topped \$70 per barrel earlier in the week before it barrel. Precious metal prices rose as the weaker dollar

slumped back to \$65.57. The decline in the external and lower US Treasury yields helped metals regain

reserve may be attributed to the intervention of the ground. Consequently, gold prices climbed 0.53% or

CBN in the foreign exchange market to stabilize the \$8.98 to finish at \$1,702.48 per ounce from \$1,693.50

exchange rate. per ounce. Silver settled at \$25.24 per ounce, a 0.16%

rise from preceding week. This week, oil prices might

decline as the Organisation of Petroleum Exporting

Countries (OPEC) in its monthly oil report lowered its

negative territory as stocks took a pummeling last crude demand forecast for Q1 and Q2 by 180,000

week. The All-Share Index (ASI) and market barrels per day and 310,000 barrels per day each due

capitalization declined further by 1.74% to 38,648.48 to extended measures to control COVID-19 in many

points and N20.22 trillion from 39,331.61 points and countries, particularly in Europe. Prospects of an

N20.58 trillion, respectively the preceding week driven economic recovery fueled by large stimulus packages

by price depreciation in large and medium capitalised globally and a gradual rollout of vaccines might spook

stocks. The downtrend was majorly in sectors such as investors away from safe-haven assets.

real estate and financial services sector. This week, we

expect that the stock market will continue its

downwards path as the uptick in treasury bill yields from the fixed income space creates an attractive

investment outlet for investors.

### Money Market

The cost of short-term borrowing dipped slightly as

### Foreign Exchange Market

The local unit went in diverging directions against the

dollar across most market segments last week. The

Nigerian Autonomous Foreign Exchange (NAFEX)

rate gained N1.5 kobo to close at N408.29/US\$ from

N409.79/US\$. However, the parallel market rate lost

N5 settling at N485/US\$ while at the CBN official

window, the naira remained unchanged winding up at

N379/US\$, same as preceding week. We anticipate

that rates will meander around current levels as the

apex bank sustains its intervention in the FX market.

### Bond Market

Average bond yields declined last week as activities

picked up on the short and long tenored maturities. At

the close of market last week, yields on the five-,

seven-, ten-, fifteen-, twenty-five, and thirty-year

trillion to N3.19 trillion. Nigeria's trade balance

debt papers finished at 3.39%, 8.09%, 7.62%,

11.07%, 10.58% and 11.22% from 3.47%, 9.05%,

8.04%, 11.20%, 10.62% and 11.37%. The Access

Bank Bond index increased 33.95 points to settle at

3,901.72 points last week. This week, we anticipate

that the market will open the week with mixed

sentiments given the current level of yields in the

secondary market.

Commodities

The price of oil rose last week supported by ongoing

supply restrictions from major oil producers and signs

of a recovery in fuel consumption. Demand outlook

improved with the rollout of COVID-19 vaccines and

government stimulus. Bonny light, Nigeria's

benchmark crude surged 0.21% to close at \$68.19 per

barrel. Precious metal prices rose as the weaker dollar

and lower US Treasury yields helped metals regain

ground. Consequently, gold prices climbed 0.53% or

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crude demand forecast for Q1 and Q2 by 180,000

barrels per day and 310,000 barrels per day each due

to extended measures to control COVID-19 in many

countries, particularly in Europe. Prospects of an

economic recovery fueled by large stimulus packages

globally and a gradual rollout of vaccines might spook

investors away from safe-haven assets.

### Monthly Macro Economic Forecast

Variables	Mar'21	Apr'21	May'21
Exchange Rate (NAFEX) (N/\$)	408	408	410
Inflation Rate (%)	16.7	16.89	16.95
Crude Oil Price (US\$/Barrel)	66	67	69

## STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	12/3/21	5/3/21	
NSE ASI	38,648.48	39,331.61	(1.74)
Market Cap (N'tr)	20.22	20.58	(1.74)
Volume (bn)	0.29	0.59	(49.98)
Value (N'bn)	3.77	13.62	(72.31)

## MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	12/3/21	5/3/21	
OBB	13.33	15.33	(200)
O/N	14.17	16.33	(216)
CALL	15.33	13.00	233
30 Days	3.61	4.38	(77)
90 Days	5.35	7.21	(186)

## FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	12/3/21	5/3/21	12/2/21
Official (N)	379.00	379.00	379.00
Inter-Bank (N)	408.29	409.79	410.50
BDC (N)	0.00	0.00	0.00
Parallel (N)	485.00	480.00	475.00

## BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	12/3/21	5/3/21	
5-Year	3.39	3.47	(8)
7-Year	8.09	9.05	(96)
10-Year	7.62	8.04	(42)
15-Year	11.07	11.20	(13)
20-Year	10.58	10.62	(4)
25-Year	11.20	11.18	2
30-Year	11.22	11.37	(15)

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## COMMODITIES MARKET

Indicators	12/3/21	1-week Change (%)	YTD Change (%)
<b>Energy</b>			
Crude Oil (\$/bbl)	68.19	3.13	5.79
Natural Gas (\$/MMBtu)	2.65	(2.93)	(13.29)
<b>Agriculture</b>			
Cocoa (\$/MT)	2573.00	0.08	32.90
Coffee (\$/lb.)	131.55	0.30	1.04
Cotton (\$/lb.)	86.15	0.31	11.16
Sugar (\$/lb.)	16.25	0.62	6.00
Wheat (\$/bu.)	639.75	(1.65)	47.58
<b>Metals</b>			
Gold (\$/t oz.)	1702.48	0.53	29.21
Silver (\$/t oz.)	25.24	0.16	46.83
Copper (\$/lb.)	408.80	1.86	24.71

## NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	12/3/21	5/3/21	
1 Mnth	1.31	0.88	43
3 Mnths	1.72	1.27	44
6 Mnths	3.06	2.11	96
9 Mnths	3.36	2.49	87
12 Mnths	4.16	3.28	88

## ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	12/3/21	5/3/21	
Index	3,901.72	3867.77	0.88
Mkt Cap Gross (N'tr)	12.79	12.68	0.88
Mkt Cap Net (N'tr)	8.96	8.86	1.03
YTD return (%)	58.84	57.45	1.39
YTD return (%) (US \$)	33.55	-34.93	1.38

## TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	11,388.75	0.55	27-Jan-2021
182 Day	47,476.88	1.3	27-Jan-2021
364 Day	123,113.73	2	27-Jan-2021

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.

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