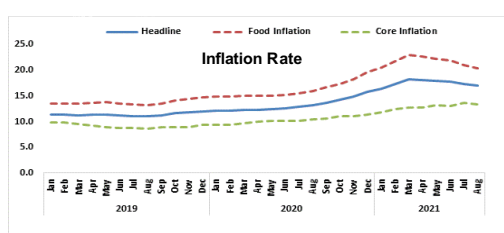
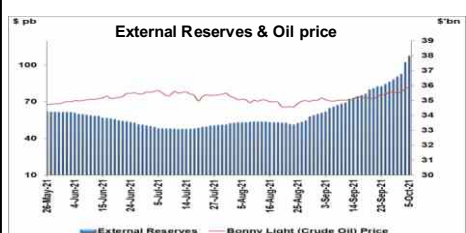
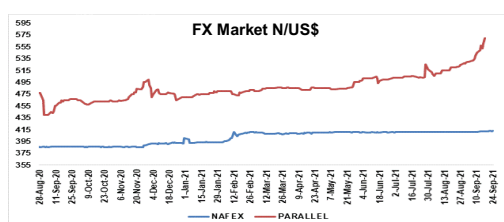
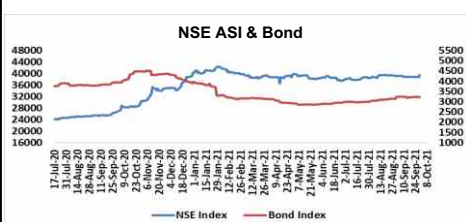


# Access Bank Rateswatch

## KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	5.01	Q2 2021 — higher by 4.5% compared to 0.51% in Q1 2021
Broad Money Supply (N' trillion)	40.88	Increased by 2.84% in August' 2021 from N39.75trillion in July 2021
Credit to Private Sector (N' trillion)	33.36	Increased by 1.52% in August' 2021 from N32.86 trillion in July' 2021
Currency in Circulation (N' trillion)	2.78	Decreased by 1.07% in August' 2021 from N2.81 trillion in July' 2021
Inflation rate (%) (y-o-y)	17.01	Decreased to 17.01% in August 2021 from 17.38% in July 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)	37.99	October 05 2021 figure — an increase of 1.12% from October start
Oil Price (US\$/Barrel)(OPEC)	81.13	October 07, 2021 figure— an increase of 3.87% from the prior week
Oil Production mbpd (OPEC)	1.27	August 2021, figure — a decrease of 8.97% from July 2021 figure



## STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	8/10/21	30/9/21	
NSE ASI	40,868.36	40,221.17	1.61
Market Cap(N'tr)	21.30	20.96	1.62
Volume (bn)	0.33	1.05	(68.37)
Value (N'bn)	2.92	7.42	(60.67)

## MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	8/10/21	30/9/21	
OBB	14.0000	15.0000	(100)
O/N	14.5000	15.7500	(125)
CALL	14.7250	14.7000	3
30 Days	9.0300	15.0274	(600)
90 Days	10.5066	16.1987	(569)

## FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	8/10/21	30/9/21	8/9/21
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	412.68	413.05	411.25
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)
	8/10/21	30/9/21	
5-Year	4.26	4.08	18
7-Year	10.03	9.61	42
10-Year	9.20	8.92	28
15-Year	12.70	12.50	20
20-Year	12.27	12.21	6
25-Year	13.02	12.95	7
30-Year	13.09	13.10	(1)

**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: October 04 – October 08 2021

### Global Economy

In the United States of America, unemployment rate dipped to 4.8% in September 2021 from 5.2% in the previous month. According to the US Bureau of Labor Statistics, the rate came in well below market expectations of 5.1% and marked the lowest jobless rate in 18 months as more workers go back into the labour force. Elsewhere in Brazil, the Institute of Brazil's statistics reported that inflation rose y-o-y to 10.25% in September 2021 from 9.68% in August 2021 on the back of reopening of the economy, currency depreciation effects and severe drought weight on prices. This marked the highest reading since February 2016. Yawning price hikes were mainly seen in transportation (17.93%), housing (14%) and food & drinks (12.54%). In a separate development, the Reserve Bank of India (RBI) left its benchmark interest rate unchanged at 4%. The decision was in line with policymakers aim to maintain an accommodative monetary policy stance, support economic growth and to help mitigate the negative impact of Covid-19. The RBI also slashed its forecast for retail inflation for the full year to 5.3% from 5.7% amidst food prices easing and base effects.

### Foreign Exchange Market

The local unit strengthened against the greenback last week at the Nigerian Autonomous Foreign Exchange (NAFEX) market, closing at N412.68/\$, a 0.09% or 37 kobo improvement from the previous week's rate of N413.05/\$. The strengthening of the naira could be attributed to the effort of the Central Bank of Nigeria (CBN) to curb illegal demand for forex. This week, naira will likely trade around prevailing levels as the apex bank continues to supply dollars to meet legitimate transactions.

### Domestic Economy

President Buhari presented the proposed 2022 budget with expenditure of N16.39 trillion and revenue of N10.13 trillion. The projected spending plan has a budget deficit of N6.26 trillion. The parameters & fiscal assumptions underpinning the 2022 appropriation were; oil price at \$57 per barrel, oil production at 1.88 million barrels per day, exchange rate at N410.15 per dollar, projected economic growth of 4.20% and inflation rate at 13%. In another development, the Debt Management Office (DMO) disclosed spending of \$1.3 billion on debt servicing in H1 2021. This was subsequent to the reported 97.6% of the country's estimated earnings (N3.42 trillion) spent on servicing debt obligations in the first 5 months of the year. The Federal Government spent \$1.003 billion and \$298.96 million in Q1 & Q2 2021, respectively. A few of the creditors that benefited from this servicing fund were the International Development Association (IDA), Asian Development Bank (ADB), French Development Agency (FDA), German State-owned investment and development bank and the KfW Group.

### Bond Market

The bond market closed on a bearish note last week with uptick in yields on the 2036 and 2050 maturities as offers hovered around 13.05% and 13.20% respectively with minimal trades consummated across the actively traded instruments. Yields on the 5-, 7-, 10-, and 15-year debt papers closed higher at 4.26%, 10.03%, 9.20% and 12.27% from 4.08%, 9.61%, 8.92% and 12.70%, respectively. The Access Bank government bond index ascended by 77.75 points to close at 3,302.20 points from 3,224.44 points. This week, we expect average yields to rise as buying interest by local players may likely be muted given the elevated bond yields in the market.

### Commodities Market

Oil prices soared last week as the Organisation of Petroleum Exporting Countries (OPEC) and its allied partners confirmed their decision to continue its current output policy as demand for petroleum products rebounded. This announcement came despite pressure from some countries for a bigger boost to production. Bonny light, Nigeria's benchmark crude advanced 3.59% to settle at \$81.13 per barrel. Separately, precious metal prices edged up as investors sort safe haven assets for hedging purposes. Consequently, gold prices added 1.81% or \$31.28 to finish at \$1,756.88 per ounce from \$1,725.60 last week. Silver prices settled at \$22.77 per ounce, 5.76% higher than the prior week. This week, we expect oil prices to sustain the upward trend buoyed by muted output production by the OPEC. Precious metal prices are expected to rise supported by its safe haven appeal.

### Stock Market

Performance indicators at the nation's stock market ascended last week. The Nigerian Stock Exchange All Share Index (NSE ASI) inched up by 1.61% week-on-week to 40,868.36 points. Similarly, market capitalization increased by 1.62% to end the week at N21.3 trillion from N20.9 trillion two weeks ago. The positive performance on the stock market came on the back of gains in the financial services, publishing and services sector. This week, we expect market performance to slightly improve due to portfolio repositioning by investors taking position ahead of yet-to-be released Q3 financial scorecard of quoted firms.

### Monthly Macro Economic Forecast

Variables	Oct'21	Nov'21	Dec'21
Exchange Rate (NAFEX) (N/\$)	413	412	411
Inflation Rate (%)	17.01	16.62	16.24
Crude Oil Price (US\$/Barrel)	80	72	70

### Money Market

Last week, interbank lending rates declined following net inflow of funds into the short term funding market. The Open Buy Back (OBB) and Overnight (O/N) rates declined to 14% and

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