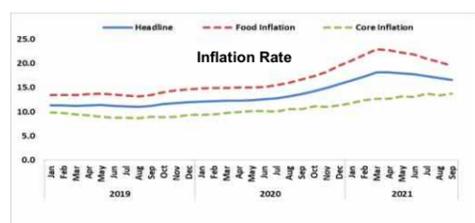
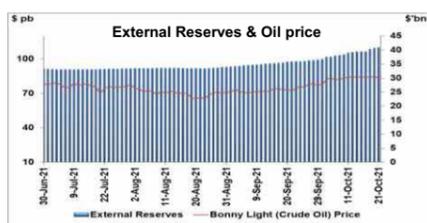
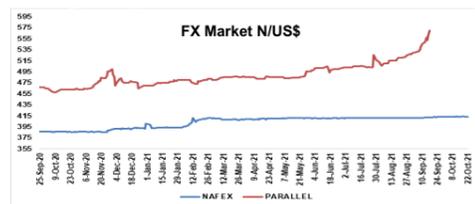
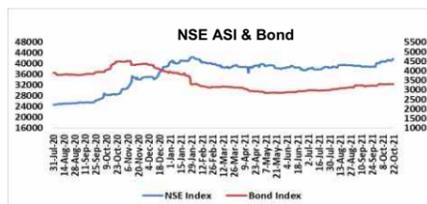


# Access Bank Rateswatch

## 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)	16.63	Decreased to 16.63% in September 2021 from 17.01% in August 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)	40.96	October 21, 2021 figure — an increase of 9% from October start
Oil Price (US\$/Barrel)(OPEC)	85.42	October 22, 2021 figure — a decrease of 0.28% from the prior week
Oil Production mbpd (OPEC)	1.45	September 2021, figure — an increase of 11.96% from August 2021 figure



## STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	22/10/21	15/10/21	
NSE ASI	41,763.26	41,438.15	0.78
Market Cap(N'tr)	21.79	21.62	0.78
Volume (bn)	0.51	0.73	(30.01)
Value (N'bn)	5.87	8.53	(31.24)

## MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	22/10/21	15/10/21	
OBB	19.0000	19.5000	(50)
O/N	19.2500	20.0000	(75)
CALL	17.4333	17.1667	27
30 Days	11.4689	10.4385	103
90 Days	12.5990	11.3074	129

## FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	22/10/21	15/10/21	22/9/21
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	413.44	413.37	412.58
BDC (N)	0.00	0.00	0.00
Parallel (N)	0.00	0.00	515.00

## BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	22/10/21	15/10/21	
5-Year	4.17	4.20	(2)
7-Year	10.23	10.14	9
10-Year	9.27	9.17	11
15-Year	12.76	12.82	(6)
20-Year	12.31	12.24	8
25-Year	12.82	13.05	(23)
30-Year	12.98	13.14	(16)

**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 18 – October 22, 2021

### Global Economy

The National Bureau of Statistics of China revealed that the Chinese economy expanded 4.9% year-on-year in the Q3 2021, easing sharply from a 7.9% growth in the previous period. It was the slowest pace of expansion since the third quarter last year, amid several headwinds including power shortages, supply chain bottlenecks, a persistent property bubble and COVID-19 outbreaks. Considering the first three quarters of the year, the economy grew 9.8% from a year earlier, with final consumption accounting for 64.8% of GDP growth. For 2021, China has set an economic growth target of above 6% after growing the least in over four decades in 2020. Elsewhere, Japan declared a trade deficit of JPY 622.76 billion in September 2021, reversing from a surplus of JPY 667.36 billion in the same month a year earlier according to the Ministry of Finance, Japan. This was the second straight month of trade deficit, as exports rose by 13% year-on-year to JPY 6,841 billion while imports rose at a steeper 38.6% to JPY 7,241 billion. Considering the first nine months of the year, the trade gap was at JPY 152.61 billion, down sharply from a deficit of JPY 605.66 billion in the same period of 2020.

### Domestic Economy

The International Monetary Fund (IMF) reported that Nigeria's economy will grow by 2.6% this year and 2.7% in 2022. This is according to its October Regional Economic Outlook for Sub-sahara Africa. It stated that the growth would be driven by recovery in non-oil sectors and higher oil prices. "Growth will inch up slightly to 2.7% in 2022 and remain at this level over the medium term, allowing GDP per capita to stabilize at current levels, notwithstanding long-standing structural problems and elevated uncertainty," the report stated. The IMF outlook also estimated that Sub-Saharan Africa's economic growth would be 3.7% in 2021 and 3.8% in 2022. It attributed that the recovery would be supported by favourable external conditions on trade and commodity prices.

### Stock Market

The bullish run on the Nigerian Stock Market persisted last week as investors continued to take a risk-off stance in equities, helping to build a positive atmosphere around the market as the earnings season shapes up gradually. The All Share Index (NSE ASI) inched up 0.78% week-on-week to 41,763.26 points. Similarly market capitalization increased by 0.78% to end the week at N21.79 trillion from N21.62 trillion. The drivers of the performance seen in the market include consumer goods, oil & gas, transportation services and industrial goods sectors. This week we expect that the market will remain bullish as investors sentiment remain positive and in anticipation of the Q3 scorecards of listed companies

### Money Market

The debt market was illiquid last week as market participants funded for their bond auction debit. Consequently, short term instruments such as the Open Buy Back (OBB) and Overnight (O/N) rates closed at 19% and 19.25% almost unchanged from

prior week figures of 19.5% and 20%. Slightly longer dated instruments like the 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) in contrast jumped to 11.47% and 12.60% from 10.44% and 11.31% respectively the prior week. This week, we expects rates will remain elevated due to anticipated retail Secondary Market Intervention Sales (SMIS).

### Foreign Exchange Market

Last week, the local unit depreciated over the greenback at the Nigerian Autonomous Foreign Exchange (NAFEX) window. The NAFEX closed at N413.44/\$, a 0.02% or 7 kobo loss from the previous week's rate of N413.37/\$. The paucity of funds continued at the investor and exporter's window as market participants continued to bid for various obligations. This week, we expect that the apex bank will continue to intervene in the FX market through sales of dollars, thereby stabilizing rates around current levels.

### Bond Market

The FGN Bond market closed last week on a quiet note, as the unsuccessful participants at the auction sought to fill demand, while winners took profit. There were only a handful of trades consummated across board, with emphasis on the short-end of the curve (2024–2026 bonds). Yields on the 5-, 15-, 25- and 30- year debt papers closed lower at 4.17%, 12.76%, 12.82% and 12.98% from 4.20%, 12.82%, 13.05%, and 13.14%, respectively. The Access Bank bond index rose marginally by 4.09 points to close at 3,311.60 points from 3,307.51. This week, we expect chery picking skewed towards the 10- and 20- year on-the-run maturities given the relatively attractive yields on these instruments.

### Commodities

Oil prices barely changed on a weekly basis as coal and gas prices eased sapping demand and as investors continue to book profits on worries the market was nearing overbought territory. Bonny light, Nigeria's benchmark crude dipped marginally 0.28% to settle at \$85.42 barrel from \$85.66. Separately, precious metal prices surged upwards amid a softer US dollar and persistent inflationary pressures. Consequently, gold prices climbed 0.28% or \$5.02 to finish at \$1,786.81 per ounce from \$1,781.79 per ounce. Silver settled at \$24.41 per ounce, 4.85% higher than the prior week. This week, we expect oil prices will remain above \$80 as as concerns over the supply in the US outweighed the easing of energy crises. US crude inventories remain at historically low levels and OPEC+ has been struggling to add crude back to the market. Bullions might experience some sell off this week as the US dollar cut losses after Jerome Powell announced that the Federal Reserve is ready to begin tapering.

## Monthly Macro Economic Forecast

Variables	Oct'21	Nov'21	Dec'21
Exchange Rate (NAFEX) (N/\$)	413	412	411
Inflation Rate (%)	16.63	16.24	15.96
Crude Oil Price (US\$/Barrel)	80	78	82

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