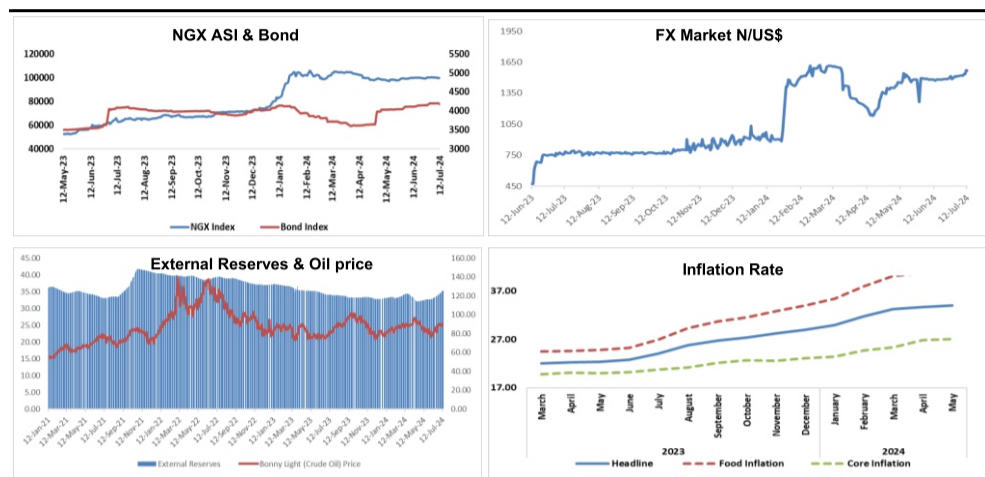


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	2.98	Q1 2024 — Lower by 0.48% compared to 3.46% in Q4 2023
Broad Money Supply (N' trillion)	96.97	Increased by 5.01% in April 2024 from N92.34 trillion in March 2024
Credit to Private Sector (N' trillion)	72.92	Increased by 2.4% in April 2024 from N71.21 trillion in March 2024
Currency in Circulation (N' trillion)	3.92	Rose by 1.39% in April 2024 from N3.86 trillion in March 2024
Inflation rate (%) (y-o-y)	33.95	Increased to 33.95 in May 2024 from 33.69% in April 2024
Monetary Policy Rate (%)	26.25	Adjusted to 26.25% in May 2024 from 24.75% in March 2024
Interest Rate (Asymmetrical Corridor)	26.25(+1/-3)	Lending rate changed to 27.25% & Deposit rate 23.25%
External Reserves (US\$ billion)	34.66	July 11, 2024 figure — an increase of 6.85% from the start of the year
Oil Price (US\$/Barrel) (OPEC)	86.11	July 11, 2024 figure — a decrease of 0.81% from the prior week
Oil Production mbpd (OPEC)	1.25	May 2024, figure — a decrease of 2.34% from April 2024 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	12/7/24	5/7/24	
NGX ASI	99,671.28	100,022.03	(0.35)
Market Cap	56.44	56.58	(0.25)
Volume (bn)	0.42	0.41	2.00
Value (N'bn)	6.82	6.02	13.26

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	12/7/24	5/7/24	
OPR	31.6136	32.0556	(44)
O/N	32.4545	32.5278	(7)
CALL	32.5833	32.4250	16
30 Days	27.0417	25.1250	192
90 Days	27.6667	26.0833	158

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	12/7/24	5/7/24	13/6/24
NAFEX (N)	1569.62	1521.73	1471.42

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	12/7/24	5/7/24	
3-Year	19.62	18.65	98
5-Year	18.90	18.69	20
7-Year	21.00	20.19	80
9-Year	21.77	21.07	70
10-Year	19.40	18.79	61
15-Year	18.63	18.62	0
20-Year	18.94	18.77	18
25-Year	17.50	17.50	0
30-Year	17.74	17.57	17

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Sources: CBN, Financial Market Dealers Quotation, NGX, NBS, Energy Information Agency, Oilprice, Bloomberg and Access Bank Economic Intelligence Group computation.

Market Analysis and Outlook: July 12 - July 19, 2024

Global Economy

After rising to 3.3% in May, the US annual inflation rate dropped for a third consecutive month to 3% in June 2024 - the lowest level since June 2023 - below estimates of 3.1%. Energy costs rose at a slower pace to 1.0% against 3.7% in the previous month, due to gasoline declining to -2.5% from 2.2% and fuel oil to 0.8% from 3.6% while utility gas service accelerated to 3.7% against 0.2% in the period. On the other hand, food inflation edged up to 2.2% from 2.1%. Compared to May, the monthly consumer price index (CPI) unexpectedly declined 0.1%, the first fall since May 2020, compared to expectations of a 0.1% rise. In another region, China's trade surplus soared to USD 99.05 billion in June 2024, up from USD 69.80 billion in the same period last year, exceeding market expectations of USD 85 billion. This marked the largest trade surplus since July 2022, driven by a rise in exports and a decline in imports. Exports increased by 8.6% year-on-year, the fastest growth rate in 15 months, surpassing the projected 8% gain. Conversely, imports fell by 2.3%, contrary to the forecasted 2.8% growth and following a 1.8% rise in May. For the first half of 2024, China reported a surplus of USD 435 billion, with exports rising 3.6% to USD 1.71 trillion and imports growing 2.0% to USD 1.27 trillion.

Domestic Economy

In Q1 2024, Nigeria's total capital importation reached US\$3.38 billion, a significant increase from the US\$1.13 billion recorded in Q1 2023, marking a rise of 198.06%. Compared to the previous quarter, capital importation surged by 210.16% from US\$1.09 billion in Q4 2023. Foreign Portfolio Investment (FPI) led with US\$2.08 billion, making up 61.48% of the total, followed by Other Investments at US\$1.18 billion, representing 34.99%. Foreign Direct Investment was the lowest, totalling US\$119.18 million (3.53%) of the total capital importation in Q1 2024. The Banking sector attracted the highest inflow with US\$2.07 billion, accounting for 61.24% of the total capital imported in Q1 2024, followed by the Trading sector at US\$494.93 million (14.66%) and the Production/Manufacturing sector at US\$191.92 million (5.68%). Lagos State remained the leading destination with US\$2.78 billion, representing 82.42% of the total capital imported, followed by Abuja (FCT) with US\$593.58 million (17.58%), and Ekiti State with US\$0.01 million.

Stock Market

The stock market continued its bearish trend last week with investors maintaining risk-off stance due to the current yields on Nigerian Treasury Bills. Mainly the consumer goods oil & gas sector witnessed sell-off which drove the market southwards. Consequently, the All-Share Index (ASI) declined to 99,671.28 points falling short by 350.75 points. Similarly, market capitalization descended by ₦139.89 billion closing at ₦56.44 trillion. Going into this week, bearish trends may continue as investors adopt a cautious approach to taking positions in stocks.

Money Market

The money market continued with its low liquidity last week consequently causing rates to moderate marginally. Open Repo Rate (OPR) and Over Night (ON) rate fell

slightly to 31.61% and 32.45% from 32.06% and 32.53% recorded in the prior week. Also, the 30-day Nigerian Interbank Offered Rate (NIBOR) rose to 27.04% from 26.06%. We expect rates to hover around similar levels opening this week as the illiquidity persists.

Foreign Exchange Market

In the Nigerian Autonomous Foreign Exchange market (NAFEM), market participants sought for funds to meet their various obligations leading to a high demand of the greenback. As a result, the Naira declined in value, depreciating by ₦47.89 to close the week at ₦1,569.62/\$. This week, it is expected that rates will remain at these levels barring any significant supply into the market.

Bond Market

The Bond market opened on a quiet note last week and remained subdued during the trading session as market participants continue to trade on a cautious note due to the bearish market environment. Average yields on 3-, 7-, 9- and 10-year bonds saw slight increases to 19.62%, 21.00%, 21.77% and 19.40% respectively. Access Bank bond index decreased marginally by 18.67 points, closing at 4,176.46 points compared to 4,195.13 points. We expect the weak sentiment to persist this week as the tight system liquidity continues to dampen investors' appetite.

Commodities

Crude oil futures rose past \$89.5 per barrel at the end of the week, rising for the third straight session, driven by positive market sentiment following a lower-than-expected inflation print for the US, the world's largest oil consumer. June's deceleration in US consumer prices has heightened expectations for a Federal Reserve rate cut. Additionally, signs of strong summer demand are supporting oil prices. On a four-week moving average, US jet fuel demand has reached its highest level for this time of year since 2019, while gasoline demand has surged to the highest level since 2021. In another news, Gold surged past the \$2,410 per ounce threshold in the previous week, the highest since touching a record-high close of \$2,426 in late May as key metrics of the US economy continued to pave the way for the Federal Reserve to lower interest rates. Views of a softening labour market following the downward revisions in US payrolls, the data strengthened expectations that developments in the US macroeconomic backdrop are consistent with what the Fed requires to commence its rate-cutting cycle. 85% of the market has positioned for a Fed cut in June, over 10bps higher than the previous session. This coincides with bets of incoming cuts by the European Central Bank (ECB), the Bank of England (BoE), and the People's Bank of China (PBoC), reducing the opportunity cost of holding bullion assets

Monthly Macro Economic Forecast

Variables	Jul - 2024	Aug - 2024	Sep - 2024
Exchange Rate (NAFEX) (N/\$)	1,450	1,380	1,350
Inflation Rate (%)	33.60	33.15	32.85
Crude Oil Price (US\$/Barrel)	85.55	88.70	90.00

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