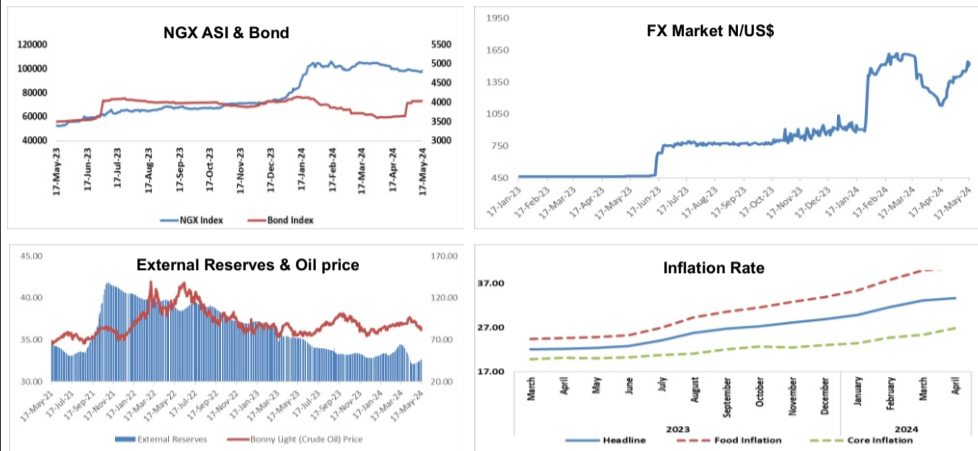


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	3.46	Q4 2023 — Higher by 0.92% compared to 2.54% in Q3 2023
Broad Money Supply (N' trillion)	92.34	Declined by 3.37% in March 2024 from N95.56 trillion in February 2024
Credit to Private Sector (N' trillion)	71.21	Declined by 11.93% in March 2024 from N80.86 trillion in February 2024
Currency in Circulation (N' trillion)	3.87	Rose by 4.88% in March 2024 from N3.69 trillion in February 2024
Inflation rate (%) (y-o-y)	33.69	Increased to 33.69 in April 2024 from 33.2% in March 2024
Monetary Policy Rate (%)	24.75	Adjusted to 24.75% in March 2024 from 22.75% in February 2024
Interest Rate (Asymmetrical Corridor)	24.75(+1/-3)	Lending rate changed to 25.75% & Deposit rate 21.75%
External Reserves (US\$ billion)	32.61	May 15, 2024 figure — an increase of 1.0% from May start
Oil Price (US\$/Barrel) (OPEC)	83.3	May 16, 2024 figure — a decrease of 1.17% from the prior week
Oil Production mbpd (OPEC)	1.28	April 2024, figure — an increase of 4.1% from March 2024 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	17/5/24	10/5/24	
NGX ASI	98,125.73	98,248.73	(0.13)
Market Cap(N'tr)	55.51	55.57	(0.11)
Volume (bn)	0.14	0.28	(0.49)
Value (N'bn)	9.42	6.14	0.53

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	17/5/24	10/5/24	
OPR	29.9600	28.0000	196
O/N	30.6800	28.6300	205
CALL	30.6000	29.3929	121
30 Days	21.8000	23.2143	(141)
90 Days	23.3750	24.1429	(77)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	17/5/24	10/5/24	17/4/24
NAFEX (N)	1531.03	1455.51	1128.83

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	17/5/24	10/5/24	
3-Year	19.44	19.45	(1)
5-Year	18.81	18.80	1
7-Year	19.62	19.75	(13)
10-Year	18.27	18.84	(58)
15-Year	18.28	18.27	0
20-Year	18.75	18.76	(1)
25-Year	17.66	17.58	8
30-Year	17.54	17.55	(0)

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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: May 17, - May 24, 2024

Global Economy

The Euro Area's annual inflation rate was confirmed in April 2024 to be 2.4%, unchanged from March, and it is still at levels not seen in almost three years. The rate of inflation was far higher, at 7%, a year ago. Costs of non-energy industrial items declined to 0.9% against 1.1% in April 2023 and services at 3.7% against 4% in April 2023 both showed a slowdown. Energy prices dropped more to -0.6% against -1.8% a year ago. However, the cost of food, drink, and tobacco increased marginally to 2.8% compared to 2.6% a year ago. The core rate, which does not include food, energy, alcohol, or tobacco, decreased for the 9th straight month to 2.7% - its lowest level since February 2022. On a monthly basis, the CPI in the increased by 0.6% in April 2024 over the previous month, following a 0.8% increase in March 2024. The European Commission stated in its Spring 2024 Economic Forecast that inflation will decline more quickly than anticipated and will reach 2.1% in 2025. In the Euro Area, the countries with the greatest yearly rates were Belgium (4.9%), Croatia (4.7%), and Romania (6.2%). Finland (0.6%), Denmark (0.5%), and Lithuania (0.4%) had the lowest yearly rates in April 2024. In fifteen Member States, annual inflation decreased, stayed stable in four, and increased in eight in April 2024 when compared to March 2024. In another news, the US Consumer Price Index (CPI) increased by 3.4% year-on-year and 0.3% month-on-month in April 2024. Little gains in the cost of services (like food services) offset the persistently high increases in rent and gas prices, causing inflation to decline. Although the journey back to the Federal Reserve's 2% target is not over just yet, progress is still being made. This may position authorities to announce their first rate cut later this year.

Domestic Economy

The headline index sustained upward momentum in April 2024 as the latest data released by NBS shows that the inflation rate rose to 33.69% in the month relative to 33.2% recorded in March 2024. However, the rate at which prices increased in April was slower than in the previous month. The increase in the headline index was primarily attributed to a surge in prices, as evidenced by the rise in both food and core inflation rates (year-on-year) to 40.53% and 26.84% respectively in April 2024, compared to 40.01% and 25.90% in the preceding month.

Stock Market

The Nigerian bourse closed on a negative note last week as investors maintained a cautious stance in trading in the county's stocks. The bearish trend was fuelled by a decline in the prices of stocks in the oil and gas, insurance, and industrial sectors. Consequently, the All-Share Index (ASI) declined to 98,125.73 points, marking a decrease of 123.0 points. Furthermore, market capitalization saw a decline of ₦63 billion to settle at ₦55.51 trillion at the end of the week. Entering the new trading week, we expected the bears to maintain dominance on the bourse as investors maintain a cautious stance in

anticipation of a possible rate hike by the Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) this week.

Money Market

Liquidity shrunk in the money market because of the bond auction settlement that happened in the past week. Consequently, the Open Repo Rate (OPR) and Over Night (ON) rate rose to 29.96% and 30.68% from 28.00% and 28.63% recorded in the prior week. However, the 30-day Nigerian Interbank Offered Rate (NIBOR) decreased to 21.80% from 23.21%. This week, if no significant inflow is recorded, rates could inch higher as banks fund their obligations.

Foreign Exchange Market

The forex market continued to face a fund shortage due to increased demand from various counterparties meeting legitimate obligations. Hence, the Naira weakened against the Dollar, losing ₦75.52 to settle at ₦1,531.03. This week, the exchange rate is expected to trade around these levels.

Bond Market

The FGN bond market remained relatively quiet as investors were cautious due to the liquidity squeeze following the bond auction. Nevertheless, average yields on some bonds decreased. The average yields on the 3-, 7-, 10-, and 20-year bonds declined to 19.44%, 19.62%, 18.27%, and 18.75% from 19.44%, 19.75%, 18.84% and 18.76%. Access Bank bond index increased by 8.53 points, closing at 4,036.36 points compared to 4,027.82 points. This week, a similar trend is expected as market participants remain on the sidelines ahead of the outcome of the MPC meeting..

Commodities

Oil prices fell further after the International Energy Agency revised global demand growth for this year, down by 140,000 barrels per day to 1.1 million. As a result, Bonny Light, Nigeria's benchmark crude, declined by \$2.23, closing the week at \$84.22 per barrel (pb) compared to \$86.45pb in the previous week. In a different event, Silver climbed past \$29 per ounce, its highest level since January 2013 and up more than 25% year-to-date, fuelled by robust investment and industrial demand. Recent data shows US natural gas futures traded around \$2.5/MMBtu as investors weigh a decrease in output and predictions of warmer weather for the next two weeks against the significant oversupply of gas still in storage. This week, oil prices are expected to rise, underpinned by the continuous decline in US crude oil inventories and growing optimism that the US Fed Reserve will cut rates this year. Conversely, OPEC remains optimistic about future oil demand, projecting an increase of 2.25 million barrels per day in 2024 and 1.85 million barrels per day in 2025.

Monthly Macro Economic Forecast

Variables	June'24	July'24	Aug'24
Exchange Rate (NAFEX) (N/\$)	1450	1380	1300
Inflation Rate (%)	32.8	31.5	30.2
Crude Oil Price (US\$/Barrel)	84.5	85.4	87.5

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