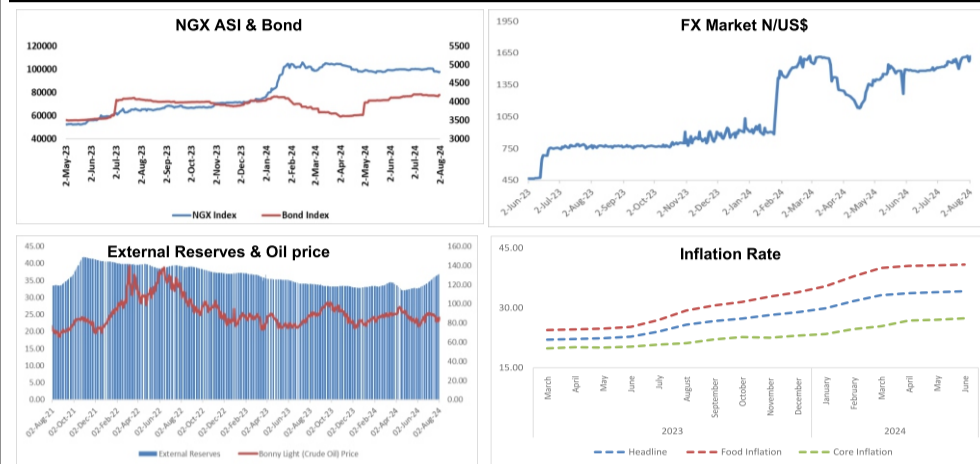


Access Bank Rateswatch

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)	98.99	Increased by 2.09% in May 2024 from N96.96 trillion in April 2024
Credit to Private Sector (N' trillion)	74.31	Increased by 1.91% in May 2024 from N72.92 trillion in April 2024
Currency in Circulation (N' trillion)	3.97	Rose by 1.07% in May 2024 from N3.92 trillion in April 2024
Inflation rate (%) (y-o-y)	34.19	Increased to 34.19 in June 2024 from 33.95% in May 2024
Monetary Policy Rate (%)	26.75	Adjusted to 26.75% in June 2024 from 26.25% in May 2024
Interest Rate (Asymmetrical Corridor)	26.75(+5/-1)	Lending rate changed to 31.75% & Deposit rate 25.75%
External Reserves (US\$ billion)	36.44	July 31, 2024 figure — an increase of 11.45% from the start of the year
Oil Price (US\$/Barrel) (OPEC)	85.57	August 1, 2024 figure — an increase of 0.71% from the prior week
Oil Production mbpd (OPEC)	1.28	June 2024, figure — an increase of 2.0% from May 2024 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	2/8/24	26/7/24	
NGX ASI	97,745.73	98,201.49	(0.46)
Market Cap (N'trn)	55.50	55.61	(0.19)
Volume (bn)	0.21	1.10	(80.88)
Value (N'bn)	3.95	21.60	(81.70)

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	2/8/24	26/7/24	
OPR	25.6111	26.1250	(51)
O/N	26.0556	26.6563	(60)
CALL	26.0000	27.1071	(111)
30 Days	26.3750	27.1429	(77)
90 Days	27.2500	28.0000	(75)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	2/8/24	26/7/24	17/2/04
NAFEX (N)	1600.26	1606.32	1509.52

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	2/8/24	26/7/24	
3-Year	20.20	19.63	57
5-Year	19.90	18.92	98
7-Year	21.02	21.01	1
9-Year	20.01	19.82	20
10-Year	19.12	18.63	49
15-Year	19.33	18.96	38
20-Year	17.74	17.50	24
25-Year	18.42	18.11	31
30-Year	18.11	17.96	15

COMMODITIES MARKET

Indicators	2/8/24	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil (\$/bbl)	85.57	0.71	7.87
Natural Gas (\$/MMBtu)	1.95	(2.99)	(49.61)
Agriculture			
Cocoa (\$/MT)	6574.00	(4.97)	239.57
Coffee (\$/lb.)	230.80	0.09	77.27
Cotton (\$/lb.)	68.43	0.60	(11.70)
Sugar (\$/lb.)	18.09	(1.68)	18.00
Wheat (\$/bu.)	540.00	1.36	24.57
Metals			
Gold (\$/t oz.)	2435.67	2.20	84.86
Silver (\$/t oz.)	28.43	2.78	65.39
Copper (\$/lb.)	410.35	(0.22)	25.18

NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	2/8/24	26/7/24	
1 Mnth	20.11	20.05	6
3 Mnths	21.13	21.27	(14)
6 Mnths	23.96	24.01	(5)
9 Mnths	27.54	27.99	(45)
12 Mnths	26.72	26.48	24

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	2/8/24	26/7/24	
Index	4,180.99	4,166.40	0.35
Mkt Cap Gross (N'trn)	28.41	28.31	0.35
Mkt Cap Net (N'trn)	16.05	16.00	0.31
YTD return (%)	70.21	69.61	0.60
YTD return (%) (US \$)	-642.41	-640.53	(1.88)

TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	13,141.38	18.5	24-Jul-2024
182 Day	6,402.54	19.5	24-Jul-2024
364 Day	258,420.47	22.1	24-Jul-2024

Market Analysis and Outlook: August 2, - August 9, 2024

Global Economy

The Bank of England voted 5-4 to cut the local capital markets to benefit the interest rates for the first time since early equity sector, we anticipate market 2020, signalling further reductions ahead sentiment to remain flat to negative this to provide some relief to households after week.

a year of the UK's highest borrowing costs in a generation. Governor Andrew Bailey's casting vote secured the quarter-point reduction in the benchmark rate to 5%. According to the meeting minutes, the decision was "finely balanced" for some supporters and opposed by a minority of four on the nine-member Monetary Policy Committee. This rate cut aligns the BOE with a slow-to-start wave of easing across advanced economies, which might soon include the US Federal Reserve after Chair Jerome Powell indicated that officials are likely to cut rates in September unless inflation progress stalls. However, the BOE did not provide specific guidance on where rates may settle or the speed of future adjustments. Conversely, the Bank of Japan (BoJ) raised its benchmark short-term interest rate from the 0-0.1% range set in March to approximately 0.25% at its July 2024 meeting. Moving toward a more normal monetary policy, the central bank also announced plans to reduce its monthly bond-buying program. These changes are part of the BoJ's strategy to gradually exit the bond market and reduce its over USD 5 trillion balance sheet. In a quarterly outlook, the BoJ forecasted core inflation for FY 2024 to be approximately 2.5%, lower than the 2.8% predicted in April. Additionally, policymakers adjusted the 2024 GDP growth forecast to 0.6% from 0.8% due to a statistical revision. In a different region, China's General Manufacturing PMI fell short of market expectations, coming in at 49.8 in July 2024 as opposed to 51.8 in June. Due to weaker demand conditions and lower client budgets, new orders declined after growing during the previous 11 months, marking the first decline in manufacturing activity since October of last year.

Domestic Economy
Nigeria's PMI fell below 50, reaching an eight-month low of 49.2 in July 2024 from 50.1 in the prior month, indicating a contraction in the private sector of the country. A seven-month growth run has come to an end as a result of sharp price hikes that have significantly impacted customer demand and decreased company activity and new orders. Despite this, companies increased staffing levels, with job creation reaching its highest rate in 2024. Additionally, input prices surged in July, marking the third consecutive month of rising inflation, although the pace of output price inflation slowed. Headline inflation, which peaked in June, is expected to moderate in the second half of 2024 as the effects of PMS subsidy removal and currency depreciation fade, along with the start of the primary harvest season, potentially boosting economic activities.

Stock Market
The Nigerian stock market maintained its bearish trend, largely due to uncertainty in the local environment, leading investors to trade cautiously. Consequently, the All-Share Index (ASI) fell by 455.76 points, closing the week at 97,745.73 points, which represents a 0.46% decline week-on-week. Market capitalization also dropped by ₦107.69 billion, closing at ₦55.49 trillion. Without any significant positive developments in

the local capital markets to benefit the equity sector, we anticipate market sentiment to remain flat to negative this to provide some relief to households after week.

Money Market

Liquidity in the money market improved last week resulting in declining rates. The Open Repo Rate (OPR) and Overnight (ON) rate decreased to 25.61% and 26.06%, respectively, from the previous week's 26.13% and 26.66%. The 30-day Nigerian Interbank Offered Rate (NIBOR) also declined to 25.61% from 26.13%. We expect rates to hover around similar levels this week.

Foreign Exchange Market

The Naira appreciated against the US dollar at the end of last week's trading, as the CBN actively engaged as a willing seller of the foreign currency. As a result, the Naira appreciated in value marginally, gaining by ₦6.06 to close the week at ₦1,600.32/\$. We expect rates to trade around these levels this week, barring any significant market activity.

Bond Market

The Bonds market opened on a relatively quiet note in the last week as most market participants' attention was skewed towards OMO auction that happened in the week. Average yields on the 3-, 5-, 9y, 15- and 20-year bonds saw increases to 20.20%, 19.90%, 22.52%, 19.12% and 19.33% from 19.63%, 18.92%, 22.02%, 18.63% and 18.96% respectively. The Access Bank bond index also increased marginally by 14.59 points, closing at 4,180.99 points compared to 4,166.40 points. We expect similar market sentiment to persist this week given the weak investors' appetite in the bond market.

Commodities

Brent crude futures climbed to approximately \$85.6 per barrel at the end of the last week, partially recovering from a nearly 2% drop the previous week. This rebound comes as investors assess the risks to supply from escalating geopolitical tensions in the Middle East against concerns over global oil demand. Simultaneously, weak PMI data from the US and China are heightening worries about oil demand. The ISM Manufacturing PMI indicated a sharper-than-expected contraction in the US manufacturing sector, the deepest in eight months, while China's factory activity unexpectedly declined, marking its first drop since last October. Oil prices are on track for a fourth consecutive weekly decline. In another news, gold rose to around \$2,435 per ounce at the end of last week, approaching record highs and on track for a weekly gain, driven by recent weak US economic data that bolstered expectations of Federal Reserve rate cuts. Additionally, jobless claims rose to 249 thousand, the highest in nearly a year. Meanwhile, the escalating risk of a broader conflict in the Middle East is enhancing gold's appeal as a haven.

Monthly Macro Economic Forecast

Variables	Aug-2024	Sep-2024	Oct-2024
Exchange Rate (NAFEX) (N/\$)	1,480	1,450	1,420
Inflation Rate (%)	33.90	33.20	32.85
Crude Oil Price (US\$/Barrel)	88.70	86.50	85.00

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For enquiries, contact: Oluwaseun Oloaye (Team Lead, Economic Intelligence) (01) 2712123
oluwaseun.olaoeye@accessbankplc.com