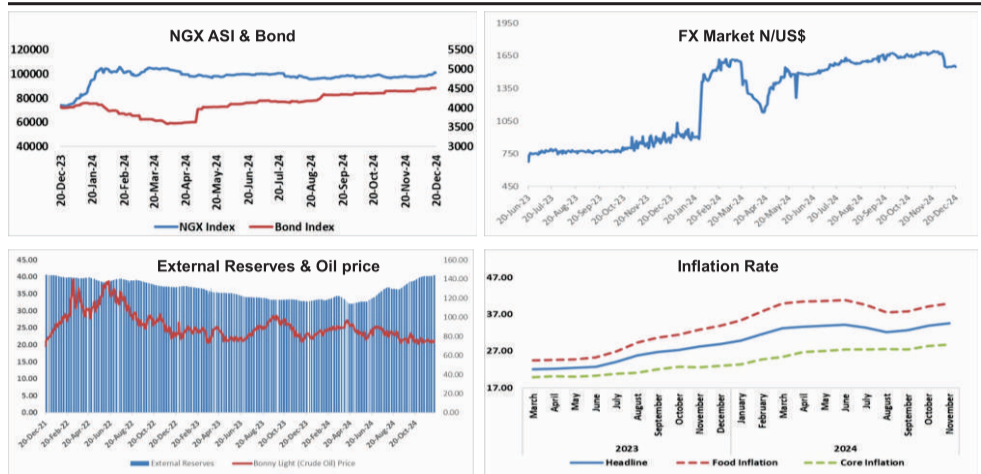


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	3.46	Q3 2024 — Higher than 3.19% in Q2 2024
Broad Money Supply (N' trillion)	107.66	Decreased by 1.6% in October 2024 from N109.41 trillion in September 2024
Credit to Private Sector (N' trillion)	73.95	Decreased by 2.49% in October 2024 from N75.83 trillion in September 2024
Currency in Circulation (N' trillion)	4.5	Rose by 5.52% in October 2024 from N4.31 trillion in September 2024
Inflation rate (%) (y-o-y)	34.60	Increased to 34.60% in November 2024 from 33.88% in October 2024
Monetary Policy Rate (%)	27.50	Adjusted to 27.5% in Nov 2024 from 27.25% in Sept. 2024
Interest Rate (Asymmetrical Corridor)	27.50(+5/-1)	Lending rate changed to 32.50% & Deposit rate 26.50%
External Reserves (US\$ billion)	40.76	Dec 20 2024 figure — an increase of 0.49% from the prior week
Oil Price (US\$/Barrel) (OPEC)	73.45	Dec 20, 2024 figure — a decrease of 3.09% from the prior week
Oil Production mbpd (OPEC)	1.49	November 2024, figure — an increase of 11.4% from October 2024 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	20/12/24	13/12/24	
NGX ASI	101,129.09	99,378.06	1.76
Market Cap (N'trn)	61.30	60.24	1.76
Volume (bn)	0.52	0.54	(5.27)
Value (N'bn)	16.49	10.63	55.09

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	20/12/24	13/12/24	
OPR	31.7917	32.5417	(75)
O/N	32.3333	32.9167	(58)
CALL	32.5500	32.6250	(8)
30 Days	28.6957	29.0000	(30)
90 Days	30.1031	29.1875	92

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	20/12/24	13/12/24	20/11/24
NAFEX (N)	1548.07	1549.50	1681.07

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	20/12/24	13/12/24	
3-Year	19.62	19.62	(0)
5-Year	21.14	21.07	7
7-Year	21.95	21.88	8
9-Year	20.70	20.70	0
10-Year	20.12	20.02	10
15-Year	18.63	18.62	0
20-Year	19.79	19.32	47
25-Year	17.36	17.36	0
30-Year	16.99	16.99	0

COMMODITIES MARKET

Indicators	20/12/24	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil (\$/bbl)	73.45	(0.66)	(7.49)
Natural Gas (\$/MMBtu)	3.60	8.43	(95.47)
Agriculture			
Cocoa (\$/MT)	12216.00	10.09	530.99
Coffee (\$/lb.)	328.40	2.87	152.23
Cotton (\$/lb.)	67.59	(99.39)	(12.79)
Sugar (\$/lb.)	19.37	(5.93)	26.35
Wheat (\$/bu.)	533.00	(3.44)	22.95
Metals			
Gold (\$/t oz.)	2621.59	(1.50)	98.97
Silver (\$/t oz.)	29.25	(4.04)	70.16
Copper (\$/lb.)	408.55	(2.45)	24.63

NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	20/12/24	13/12/24	
1 Mnth	23.84	22.22	162
3 Mnths	26.48	24.48	201
6 Mnths	25.38	25.79	(41)
9 Mnths	26.04	25.79	26
12 Mnths	27.78	27.88	(11)

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	20/12/24	13/12/24	
Index	4,524.96	4,493.92	0.69
Mkt Cap Gross (N'trn)	30.74	30.53	0.69
Mkt Cap Net (N'trn)	17.64	17.67	(0.17)
YTD return (%)	84.21	82.94	1.27
YTD return (%) (US \$)	-596.21	-596.04	(0.17)

TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	2,916.01	18	04-Dec-2024
182 Day	17,345.12	18.5	04-Dec-2024
364 Day	2,526,559.2	22.93	04-Dec-2024

Market Analysis and Outlook: December 20, - December 27, 2024

Global Economy

The People's Bank of China (PBOC) maintained its key lending rates for the second consecutive month during the December fixing, aligning with market expectations. The one-year Loan Prime Rate (LPR), a benchmark for most corporate and household loans, remained at 3.1%, while the five-year LPR, primarily used as a reference for property mortgages, held steady at 3.6%. Both rates are at historically low levels, following reductions earlier in July and October. This decision coincides with the Chinese government's commitment in early December to increase the 2025 budget deficit to 4% of GDP - a record high - aimed at stimulating economic recovery and driving consumer spending. Meanwhile, the U.S. economy expanded at an annualized rate of 3.1% in Q3 2024, surpassing the 2.8% previously estimated and the 3% recorded in Q2. This marks the highest growth rate in 2024. The acceleration in real GDP during Q3 was largely driven by growth in exports, consumer spending, and federal government expenditures, although partially offset by reductions in private inventory investment and a more pronounced decline in residential fixed investment. The U.S. economy remains buoyed by robust employment levels, income growth, and consumer spending, alongside productivity gains that are helping to moderate inflationary pressures. Looking ahead to 2025, these dynamics are expected to persist, providing the Federal Reserve with the flexibility to carefully calibrate its monetary policies.

Domestic Economy

Nigeria's inflation rate climbed for the third consecutive month in November 2024, hitting a nearly 30-year high of 34.6%, up from 33.9% in October. This persistent rise, which began in September after brief relief in July and August, is largely driven by the lingering effects of naira volatility and successive petrol price hikes. In a bid to tame inflation, the central bank has implemented six rate hikes this year, resulting in a cumulative increase of 875 basis points. Food inflation surged to 39.93% in November from 39.16% in October, significantly exceeding the 32.84% recorded in November 2023, primarily due to soaring prices of staple foods. Core inflation, excluding volatile agricultural and energy prices, reached a record high of 28.75%, up from 28.37% the previous month. On a monthly basis, the Consumer Price Index (CPI) grew by 2.64% in November, matching the pace recorded in October.

Stock Market

Nigeria's equities market sustained its upward momentum last week, posting a 1.76% week-on-week (w/w) gain as investors intensified their pursuit of value ahead of the year-end. Consequently, the All-Share Index (ASI) rose by 1,751.03 points to close at 101,129.09, while market capitalization expanded by ₦1.06 trillion, reaching ₦61.30 trillion. The market outlook for this week remains optimistic, driven by investor interest in stocks with attractive valuations. Also, we anticipate sustained activity as market participants position themselves to capitalize on year-end opportunities.

Money Market

The Open Repo Rate (OPR) and Overnight (ON) rate closed higher but experienced a

slight week-on-week decline, reflecting a marginal increase in market liquidity. The OPR settled at 31.79%, down from 32.54%, while the ON rate closed at 32.33%, compared to 32.92% the previous week. Similarly, the 30-day Nigerian Interbank Offered Rate (NIBOR) eased to 28.70%, down from 29.00%. Looking ahead, interest rates are expected to remain elevated in the near term, as market dynamics continue to influence short-term liquidity conditions.

Foreign Exchange Market

The Naira recorded a week-on-week appreciation, driven by improved supply as the Central Bank of Nigeria (CBN) actively participated in the market. Over the period, the currency strengthened by ₦1.43, closing at ₦1,548.07. Looking ahead, the exchange rate is expected to remain stable at this level, barring any significant market disruptions.

Bond Market

The bond market opened quietly last week, with weak investor appetite continuing to weigh on market activity. As a result, average yields on select tenors saw modest increases. The 5-, 7-, 10-, and 20-year bonds closed at 21.14%, 21.95%, 20.12%, and 19.79%, respectively, up from 21.07%, 21.88%, 20.02%, and 19.32%. The Access Bank Bond Index also edged higher, rising by 31.04 points to 4,524.96, compared to 4,493.92 in the previous period. Looking ahead, market sentiment is expected to remain subdued, with participants exercising caution due to concerns over the anticipated 2025 budget deficit.

Commodities

Gold traded around \$2,600 per ounce at the end of last week, marking a 1.5% decline over the week due to a hawkish stance from the Federal Reserve. Throughout the week, the Fed signalled a more cautious approach to monetary easing, with dot plot projections indicating only two rate cuts next year. Additionally, recent US GDP data highlighted economic resilience, particularly with upward revisions to consumer spending, reinforcing expectations for slower monetary easing. This outlook has dampened demand for gold, as limited easing reduces the appeal of non-yielding assets like bullion. Further challenges for gold in the near term may arise from declining physical demand in India, a key market, where officials expect a significant drop in gold imports in December. Despite these pressures, the metal has gained approximately 25% this year, driven by US monetary easing, safe-haven demand, and central bank purchases. Crude oil futures fell to around \$73.45 per barrel last week, experiencing a 0.7% weekly decline, as the strong US dollar continued to exert pressure on the dollar-denominated commodity. Additionally, Sinopec, China's largest refiner, reported that the nation's gasoline demand peaked last year, further dampening the outlook for the world's top crude importer. Early in the week, oil found some support from EIA data showing a larger-than-expected draw in US crude stocks in mid-December, as well as Kazakhstan's endorsement of OPEC+'s extended cuts, reversing previous plans to increase output. Nevertheless, crude is on track for a yearly decline, trading within its narrowest range since 2019, amid weak Chinese demand and rising non-OPEC production.

Monthly Macro Economic Forecast

Variables	Dec - 2024	Jan - 2025	Feb - 2025
Exchange Rate (NAFEX) (N/\$)	1,500	1,450	1,450
Inflation Rate (%)	34.10	32.20	30.05
Crude Oil Price (US\$/Barrel)	76.00	74.50	74.00

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

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