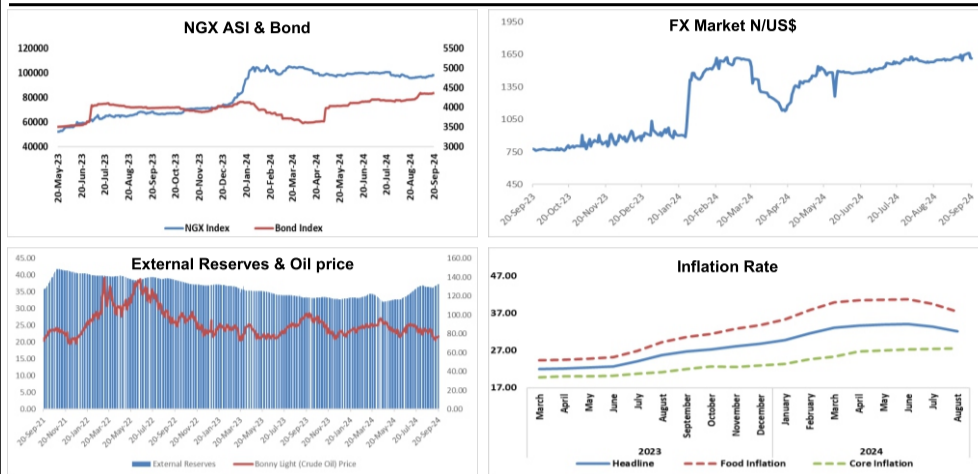


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	3.19	Q2 2024 — Higher by 0.21% compared to 2.98% in Q1 2024
Broad Money Supply (N' trillion)	106.27	Increased by 4.74% in July 2024 from N101.46 trillion in June 2024
Credit to Private Sector (N' trillion)	75.48	Increased by 3.13% in July 2024 from N73.19 trillion in June 2024
Currency in Circulation (N' trillion)	4.05	Rose by 0.12% in July 2024 from N4.048 trillion in June 2024
Inflation rate (%) (y-o-y)	32.15	Decreased to 32.15 % in August 2024 from 33.4% in July 2024
Monetary Policy Rate (%)	26.75	Adjusted to 26.75% in July 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)	37.31	Sept 18, 2024 figure — an increase of 1.0% from the prior week
Oil Price (US\$/Barrel) (OPEC)	77.18	Sept 19, 2024 figure — an increase of 1.61% from the prior week
Oil Production mbpd (OPEC)	1.35	August 2024, figure — an increase of 3.05% from July 2024 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	20/9/24	13/9/24	
NGX ASI	98,247.99	97,456.62	0.81
Market Cap (N'trn)	56.46	56.00	0.81
Volume (bn)	0.55	0.41	34.23
Value (N'bn)	10.12	6.47	56.49

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	20/9/24	13/9/24	
OPR	29.6875	31.2000	(151)
O/N	29.9688	31.7250	(176)
CALL	31.7667	31.8750	(11)
30 Days	27.8748	28.3750	(50)
90 Days	28.3143	28.9167	(60)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	20/9/24	13/9/24	20/8/24
NAFEX (N)	1611.97	1639.20	1585.61

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	20/9/24	13/9/24	
3-Year	19.11	19.10	0
5-Year	18.29	19.56	(127)
7-Year	20.07	19.96	11
9-Year	20.22	20.25	(3)
10-Year	19.12	19.17	(5)
15-Year	17.94	17.93	0
20-Year	18.38	18.82	(43)
25-Year	17.37	17.37	0
30-Year	16.97	17.03	(6)

COMMODITIES MARKET

Indicators	20/9/24	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil (\$/bbl)	77.18	1.61	(2.80)
Natural Gas (\$/MMBtu)	2.36	0.85	(97.03)
Agriculture			
Cocoa (\$/MT)	7685.00	0.79	296.95
Coffee (\$/lb.)	251.45	(2.90)	93.13
Cotton (\$/lb.)	74.16	5.09	(4.31)
Sugar (\$/lb.)	22.32	13.70	45.60
Wheat (\$/bu.)	570.25	(4.12)	31.55
Metals			
Gold (\$/t oz.)	2614.79	1.39	98.46
Silver (\$/t oz.)	31.16	1.73	81.27
Copper (\$/lb.)	433.65	2.58	32.29

NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	20/9/24	13/9/24	
1 Mnth	17.39	16.81	59
3 Mnths	18.26	20.64	(238)
6 Mnths	20.67	21.37	(70)
9 Mnths	21.49	21.37	12
12 Mnths	22.38	22.42	(4)

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	20/9/24	13/9/24	
Index	4,355.16	4,343.30	0.27
Mkt Cap Gross (N'trn)	29.59	29.51	0.27
Mkt Cap Net (N'trn)	17.24	17.19	0.29
YTD return (%)	77.30	76.81	0.49
YTD return (US \$)	-631.88	-658.78	26.90

TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	17,801.66	16.63	11-Sep-2024
182 Day	6,158.99	17.0	11-Sep-2024
364 Day	41,743.24	18.94	11-Sep-2024

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

Global Economy

In the United States, the Federal Reserve reduced the target range for the fed funds rate by a significant 50 basis points to 4.75%-5%, marking the first decrease in borrowing costs since March 2020 in its September 2024 meeting. Although the rate cut was widely anticipated, there was debate regarding whether the central bank would opt for a more modest 25 basis point reduction instead. Alongside this decision, the Federal Reserve also issued updated economic forecasts. Policymakers are projecting a total easing of 100 basis points by the end of the year, implying two additional 25 basis point cuts in the upcoming months. Federal Reserve Chair Jerome Powell explained that the aggressive action on Wednesday was intended to make sure that high borrowing costs, put in place to fight inflation, would not end up hurting the US economy. Elsewhere, the Bank of Japan (BoJ) unanimously decided to keep its key short-term interest rate at approximately 0.25% during its September meeting, matching market expectations, and maintaining it at the highest level since 2008. This decision highlighted that the central bank was not eager to raise rates further after previous hikes in March and July this year. The board also emphasized the need for additional time to observe financial markets amidst some members' hawkish views. Additionally, the BoJ reaffirmed its outlook that Japan's economy is still on a path to moderate recovery, despite certain weak spots. Private consumption has continued to increase, supported by rising corporate profits and business investments. However, exports and industrial production have remained largely stable.

Domestic Economy

Nigeria's headline inflation rate cooled for the second consecutive time to a six-month low of 32.15% from 33.4% in the previous month. Base effects and declining food prices amidst the harvest season primarily drove the reduction in the headline inflation rate. Food inflation, which makes up a significant part of the country's inflation basket, reduced to 37.52%, down from July's 39.53%. Prices also slowed down a bit for housing & utilities 28.1% against 29.4% in July, restaurants & hotels and health to 29.3% and 22.5% from 29.9% and 23.2% respectively. Conversely, the annual core inflation rate, which excludes farm produce and energy, increased slightly to 27.58% in August from 27.47%. On a monthly basis, consumer prices increased by 2.22% in August, compared to a 2.28% in the prior month.

Stock Market

Nigeria's stock market continued its upward trend as investors focused on banking, insurance, and oil & gas stocks. Consequently, the All-Share Index (ASI) climbed by 791.37 points, closing at 98,247.99. In parallel, market capitalization surged by ₦454.86 billion, reaching ₦56.46 trillion. The market outlook for this week remains positive, with investors anticipated to continue taking positions in stocks that offer attractive valuations.

Money Market

Market liquidity remained tight in the last week owing to debits for FX intervention and other remittances to the CBN. However, Open Repo Rate (OPR) and Overnight (ON) rate fell to 26.69% and 29.97% respectively, from the previous week's 31.20% and 31.73%. Additionally, the 30-day Nigerian Interbank Offered Rate (NIBOR) declined to 27.87%, up from 28.38%. We expect rates to decline this

week due to the Bond coupon and FAAC that was credited into the system at the end of the previous week.

Foreign Exchange Market

The Central Bank of Nigeria (CBN) intervened as a willing seller of the USD causing the Naira to appreciate marginally on a week-on-week basis. The Naira appreciated by ₦27.23 over the week, closing at ₦1,611.97. We anticipate that the CBN will remain active in the FX market this week.

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 tight system liquidity. Average yields saw a decline, with the 5-, 9-, 10-, and 20-year bonds decreasing to 18.29%, 20.22%, 19.12%, and 18.38%, respectively, from the previous week's 19.56%, 20.25%, 19.17%, and 18.32%. Additionally, the Access Bank bond index rose marginally by 11.86 points, ending the week at 4,355.16 points, compared to 4,343.30 points previously. We expect an active market this week as local players shift focus to the Bond auction where the DMO is set to offer a total of ₦150bn across the 2029, 2031 and 2033 instruments.

Commodities

Gold surpassed \$2,600 per ounce at the end of last week, marking a new all-time high, as markets weighed monetary policy decisions from major central banks amid increased demand for haven assets due to rising geopolitical tensions. Also, the Fed made its first interest rate cut since early 2020. Additionally, Fed officials predicted that the benchmark rate would decrease by another half percentage point by the end of the year. This action is anticipated to make gold more attractive by reducing the opportunity cost of holding non-interest-bearing assets. Meanwhile, the People's Bank of China (PBoC) unexpectedly left its benchmark lending rates unchanged, and both the Bank of England (BoE) and BoJ kept their policy rates steady. Gold's status as a shelter asset was further reinforced by escalating tensions in the Middle East. In another news, Brent crude oil futures were around \$77.18 per barrel at the end of the previous week, set for a second weekly increase due to optimism about demand and potential supply risks amid escalating Middle East tensions. Reports suggested that US refineries are preparing for their lightest maintenance in three years, which could boost oil demand in the coming months. This development follows the Federal Reserve's larger-than-anticipated rate cut, which might stimulate economic activity and enhance the outlook for US fuel consumption. Additionally, concerns about a broader Middle East conflict affecting crude supplies are supporting oil prices, as Israel moves closer to the Lebanon border, raising fears of Iran's involvement, a significant oil producer. Oil prices also benefited from decreased Libyan production and exports, coupled with a larger-than-expected drawdown in US crude inventories last Wednesday.

Monthly Macro Economic Forecast

Variables	Sep-2024	Oct-2024	Nov-2024
Exchange Rate (NAFEX) (N/\$)	1,550	1,500	1,480
Inflation Rate (%)	32.20	31.65	30.45
Crude Oil Price (US\$/Barrel)	86.50	85.00	85.00

Disclaimer
This report is based on information obtained from various sources believed to be reliable and no representation is made that it is accurate or complete. Reasonable care has been taken in preparing this document. Access Bank Plc shall not accept responsibility or liability for errors of fact or any opinion expressed herein. This document is for information purposes and private circulation only and may not be reproduced, distributed or published by any recipient for any

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

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