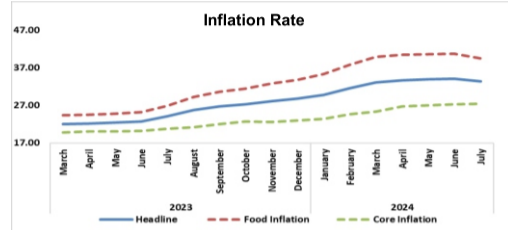
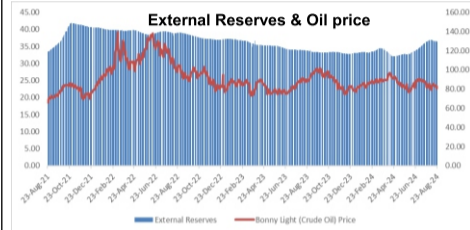
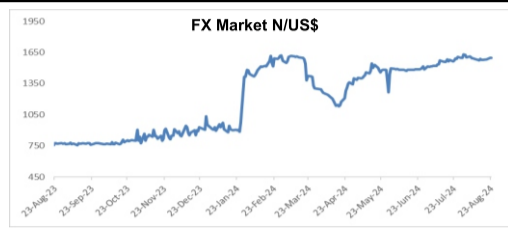
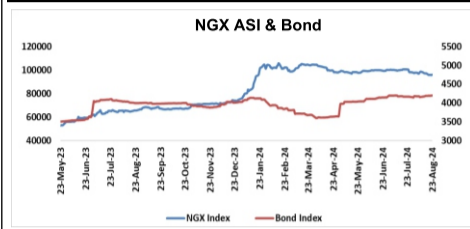


# Access Bank Rateswatch

## 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)	101.34	Increased by 2.37% in June 2024 from N98.98 trillion in May 2024
Credit to Private Sector (N' trillion)	73.12	Decreased by 1.60% in June 2024 from N74.31 trillion in May 2024
Currency in Circulation (N' trillion)	4.05	Rose by 2.11% in June 2024 from N3.97 trillion in May 2024
Inflation rate (%) (y-o-y)	33.4	Decreased to 33.4 % in July 2024 from 34.19% in June 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	Aug 22, 2024 figure — an decrease of 1.04% from the start of the month
Oil Price (US\$/Barrel) (OPEC)	82.64	August 23, 2024 figure — a decline of 0.83% from the prior week
Oil Production mbpd (OPEC)	1.31	July 2024, figure — an increase of 2.43% from July 2024 figure



## STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	23/8/24	16/8/24	
NGX ASI	95,973.45	97,100.31	(1.16)
Market Cap (N'trn)	55.13	55.13	(0.00)
Volume (bn)	0.33	0.35	(6.21)
Value (N'bn)	4.61	7.46	(38.25)

## MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	23/8/24	16/8/24	
OPR	25.7778	32.3000	(652)
O/N	26.1667	32.9800	(681)
CALL	25.9643	32.7000	(674)
30 Days	26.1786	28.1500	(197)
90 Days	27.2143	28.4167	(120)

## FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	23/8/24	16/8/24	23/7/24
NAFEX (N)	1598.07	1579.74	1572.03

## BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	23/8/24	16/8/24	
3-Year	20.39	20.39	1
5-Year	20.08	19.68	39
7-Year	20.75	20.85	(10)
9-Year	21.09	21.51	(43)
10-Year	20.00	20.09	(8)
15-Year	18.85	18.84	0
20-Year	19.16	19.17	(1)
25-Year	17.74	17.74	0
30-Year	18.24	18.21	3

## COMMODITIES MARKET

Indicators	23/8/24	1-week Change (%)	YTD Change (%)
<b>Energy</b>			
Crude Oil (\$/bbl)	82.64	(0.83)	4.08
Natural Gas (\$/MMBtu)	2.02	(6.48)	(97.46)
<b>Agriculture</b>			
Cocoa (\$/MT)	7777.00	10.09	301.70
Coffee (\$/lb.)	244.50	1.22	87.79
Cotton (\$/lb.)	70.98	6.13	(8.41)
Sugar (\$/lb.)	18.36	1.44	19.77
Wheat (\$/bu.)	535.00	(2.51)	23.41
<b>Metals</b>			
Gold (\$/t oz.)	2515.29	1.12	90.91
Silver (\$/t oz.)	29.68	4.73	72.66
Copper (\$/lb.)	423.35	1.86	29.15

## NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	23/8/24	16/8/24	
1 Mnth	19.11	19.67	(56)
3 Mnths	20.12	24.99	(486)
6 Mnths	22.72	26.20	(348)
9 Mnths	25.03	26.20	(117)
12 Mnths	25.06	26.26	(120)

## ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	23/8/24	16/8/24	
Index	4,197.22	4,188.96	0.20
Mkt Cap Gross (N'trn)	28.51	28.46	0.18
Mkt Cap Net (N'trn)	16.18	16.16	0.12
YTD return (%)	70.87	70.53	0.34
YTD return (%) (US \$)	-637.75	-634.21	(3.54)

## TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	61,137.78	18.2	21-Aug-2024
182 Day	56,522.49	19.2	21-Aug-2024
364 Day	909,451.08	20.9	21-Aug-2024

## Market Analysis and Outlook: August 23, - August 30, 2024

### Global Economy

The dollar experienced a sharp drop after investors move to the fixed income market to take advantage of the higher rates. Federal Reserve Chair Jerome Powell signalled that an interest rate cut is likely next month, igniting gains in the currencies of major global economies. A Bloomberg index measuring the dollar's strength fell to its lowest point since January, following Powell's remarks at the Kansas City Fed's annual conference in Jackson Hole, Wyoming. Friday's decline in the gauge marked the largest drop since November 2023, when a weaker-than-expected inflation report caused Treasury yields to tumble, prompting traders to heavily bet that the Federal Reserve had finished raising interest rates. The dollar's downturn led to notable gains in other major currencies, including the British pound, Japanese yen, and the Australian and New Zealand dollars. The pound surged over 1% to \$1.3230, its highest level since March 2022, while the yen rose more than 1% to a session high of 144.60 per dollar. In another region, Japan's annual inflation rate in July 2024 was 2.8%, unchanged for the third consecutive month and the highest since February. Electricity prices surged the most since March 1981, hitting 22.3% from 13.4% in June. Gas costs also rose sharply to 7.4% from 2.4% after energy subsidies ended in May. Core inflation reached a five-month high of 2.7% in July, increasing for the third month, suggesting possible further interest rate hikes by the central bank. On a monthly basis, the CPI climbed by 0.2% in July, the smallest rise in three months, following a 0.3% increase in June.

### Money Market

Liquidity in the money market improved in the last week owing to FAAC credit by CBN which caused rates to decline. The Open Repo Rate (OPR) and Overnight (ON) rate decreased to 25.78% and 26.17%, respectively, from the previous week's 32.30% and 32.98%. The 30-day Nigerian Interbank Offered Rate (NIBOR) also declined to 25.96% from 32.70%. We expect rates to hover around similar levels this week.

### Foreign Exchange Market

At the NAFEX last week, the demand for US Dollars remained higher than the supply. As a result, the Naira depreciated by N18.33, closing the week at N1,598.07. We anticipate mixed sentiments in the trading session this week.

### Bond Market

At the bond auction that took place last week, DMO offered ₦190bn across the APR 2029, FEB 2031, and FEB 2033 bonds. Total subscription stood at ₦460.18bn and the DMO sold ₦374.75bn across the curve with 84% allocation tilted towards the 2033 papers. Stop rate was 20.30%, 20.90% and 21.50% across the 2029, 2031 and 2033 bonds, respectively. Average yields on the 3-, 5-, and 30-year bonds increased marginally to 20.39%, 20.08%, and 18.24% from 20.37%, 19.68%, and 18.21% respectively. The Access Bank bond index increased marginally by 8.25 points, closing at 4,197.22 points compared to 4,188.96 points. We expect the bullish momentum to persist this week albeit on a less aggressive note given the sharp decline in yields.

### Domestic Economy

Based on a survey conducted by the Central Bank of Nigeria, businesses anticipate that the naira will continue to weaken until the end of this year but expect the currency to recover in value next year. The survey, which took place in late July and involved 1,600 firms, suggests that the naira is likely to depreciate over the next two months but may appreciate in the following six months. Since June 2023, when the naira was allowed to trade more freely to improve investor confidence, it has lost roughly 70% of its value against the dollar. This significant devaluation has caused financial losses for various companies due to higher costs associated with dollar-denominated obligations. The survey also highlights major business challenges in Nigeria, such as insecurity, high-interest rates, inadequate power supply, multiple taxation, and corruption. Additionally, businesses voiced concerns about the high inflation rate, which was 34.19% in June but slightly decreased to 33.4% by July. The central bank reintroduced this monthly survey to increase public access to economic indicators and enhance transparency.

### Commodities

Crude oil futures climbed to over \$74 per barrel at the end of last week, continuing their rebound from the seven-month low of \$71.9 reached the previous week, as markets evaluated how major suppliers might react to increasing signs of slowing energy demand. Industry reports highlighting expectations of reduced energy consumption among the world's top fuel consumers contributed to the pessimism already noted in OPEC+'s revised outlooks. This led markets to speculate that the oil cartel might postpone its plans to phase out output cuts in the last quarter of the year, potentially limiting supply from major oil exporters. In another news, gold held steady around \$2,490 per ounce at the end of last week, after retreating from record highs and dropping over 1% in the previous session. This came as markets anticipated Fed Chair Jerome Powell's speech at the Jackson Hole symposium on Friday. He mentioned that the FOMC has gained increased confidence that inflation is moving closer to the central bank's 2% target, suggesting that it is time to shift monetary policy towards less restrictive conditions.

### Stock Market

The Nigerian stock market continued its downward trend last week as investors redirected their attention to the bond auction conducted by the Debt Management Office (DMO) and the Treasury Bills auction held by the Central Bank of Nigeria (CBN). Consequently, the All-Share Index (ASI) declined by 1,126.86 points, closing the week at 97,100.31 points, which represents a 1.16% decrease week-on-week. Market capitalization also fell by ₦2.45 billion, closing at ₦55.129 trillion. Entering the new trading week, we expect the bears to maintain dominance on the bourse as

### 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

### Disclaimer

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