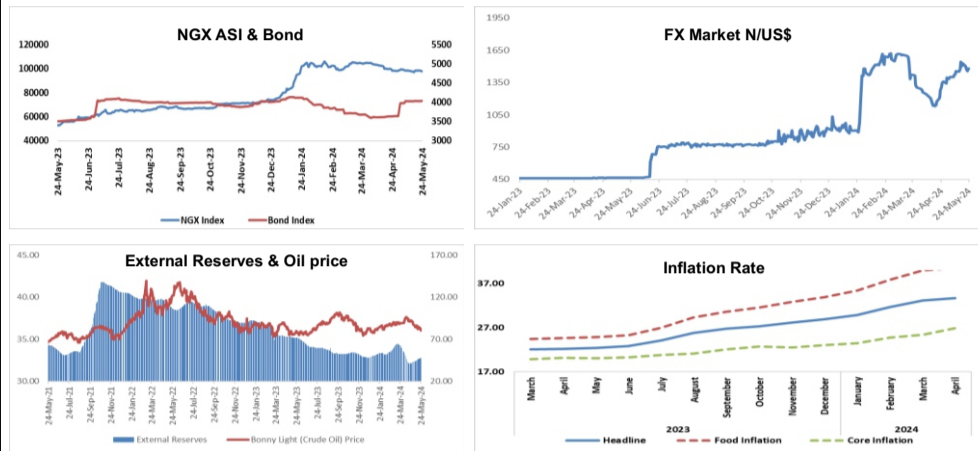


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	2.98	Q1 2024 — Lower compared to 3.46% in Q4 2024
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 (%)	26.25	Adjusted to 26.25% in May 2024 from 24.75% in March 2024
Interest Rate (Asymmetrical Corridor)	26.25(+1/-3)	Lending rate changed to 27.25% & Deposit rate 23.25%
External Reserves (US\$ billion)	32.61	May 21, 2024 figure — an increase of 1.39% from May start
Oil Price (US\$/Barrel) (OPEC)	80.59	May 24, 2024 figure — a decrease of 4.56% 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 (%)
	24/5/24	17/5/24	
NGX ASI	97,612.51	98,125.73	(0.52)
Market Cap(N'tr)	55.22	55.51	(0.52)
Volume (bn)	0.77	0.14	446.62
Value (N'bn)	15.74	9.42	67.12

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	24/5/24	17/5/24	
OPR	32.40	29.96	244.0
O/N	33.00	30.68	232
CALL	32.25	30.60	165.0
30 Days	23.71	21.80	191
90 Days	24.33	23.38	95.8

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	24/5/24	17/5/24	26/3/24
NAFEX (N)	1480.81	1531.03	1415.46

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	24/5/24	17/5/24	
3-Year	19.44	19.44	(1)
5-Year	18.82	18.81	1
7-Year	19.62	19.62	0
10-Year	18.99	18.27	72
15-Year	18.28	18.28	0
20-Year	18.68	18.75	(7)
25-Year	17.35	17.66	(31)
30-Year	17.54	17.54	(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 24, - May 31, 2024

Global Economy

The annual inflation rate in Japan fell to 2.5% in April 2024 from 2.7% in the previous month, moderating for the second straight month. Food prices rose the least in 19 months, to 4.3% against 4.8% in March. In addition, education prices fell for the first time since May 2021 to -0.9% against 1.3% in the previous month. By contrast, inflation was stable for clothes at 2.2%, housing at 0.6%, and miscellaneous at 1.1%. The core inflation rate dropped to 2.2% from 2.6% in March 2024, pointing to the lowest print since January. In a different space, the UK Manufacturing PMI increased to 51.3 in May 2024, compared to 49.1 in April and beating forecasts of 49.5. The reading pointed to the strongest expansion in the manufacturing sector since July 2022, with production rising the most since April 2022.

week begins, we anticipate that bears will continue to dominate the bourse, with investors shifting to the fixed income market to capitalize on the higher rates.

Money Market

Market liquidity improved last week due to inflows from FAAC and repo payments. However, a Treasury Bills auction at the end of the week reduced liquidity. Consequently, the Open Repo Rate (OPR) and Over Night (ON) rate rose to 32.40% and 33.00% from 29.69% and 30.68% recorded in the prior week. The 30-day Nigerian Interbank Offered Rate (NIBOR) increased to 23.71% from 21.80%. Rates are expected to hover around similar levels this week.

Foreign Exchange Market

At the forex market, supply was able to meet demand, resulting in the Naira appreciating by ₦50.22 to ₦1,480.81 from ₦1,531.03 in the previous week. This week, the Naira is expected to trade around these levels barring any significant market activity.

Domestic Economy

The National Bureau of Statistics (NBS) reported that the Nigerian economy expanded by 2.98% in Q1 2024. This figure is lower when compared to the 3.46% growth recorded in the fourth quarter of 2023, but a slight increase from the 2.31% growth observed in Q1, 2023. The primary drivers of this growth were the non-oil sectors. The sectors that experienced the highest growth rates were rail transport & pipelines (66.63%), financial institutions (33.30%), crude petroleum and natural gas (5.70%), and the Insurance sector (8.34%). However, this performance was dampened by negative growth in other sectors such as coal mining, quarrying and other minerals, oil refining, and livestock, which contracted by -62.93%, -60.96%, -33.38% and -23.29% respectively. In another event, the CBN MPC raised its key monetary policy rate by 150 bps to a new record high of 26.25% on May 21, 2024, following 400 basis point increases in February and 200 in March. This marks the third rate hike this year, aimed at curbing rising inflation and stabilizing the local currency. The CBN Governor, Olayemi Cardoso noted that while year-on-year inflation rose moderately, month-on-month food and core inflation declined significantly. He emphasized that the primary cause of rising inflation is the escalating cost of food, fuelled by factors such as increased transportation expenses, inadequate infrastructure, security concerns and fluctuations in exchange rates.

Bond Market

The FGN bond market remained quiet last week with minimal activity seen during the trading week. This was due to most investors participating in the treasury bill auction conducted by the DMO (Debt Management Office). Nevertheless, average yields on some bonds decreased. The average yields on the 3-, 20-, and 25- bonds declined to 19.43%, 18.68%, and 17.35 from 19.44%, 18.75%, and 17.66%. Access Bank bond index increased by 4.24 points, closing at 4,040.59 points compared to 4,036.36 points. This week, a similar trend is expected albeit with a bearish given the tight system liquidity.

Commodities

Oil prices fell further last week as prices soften ahead of a crucial OPEC (Organisation of Petroleum Exporting Countries) meeting in June and speculation over the possibility of an interest-rate hike by the Federal Reserve dulling the outlook for crude demand. As a result, Bonny Light, Nigeria's benchmark crude, declined by \$3.63, closing the week at \$80.59 per barrel (pb) compared to \$84.22pb in the previous week. In a separate development, gold prices fell to \$2,333, approaching two-week lows as expectations for Fed rate cuts diminished. Recent data shows that number of Americans filling for unemployment claims were less than expected, indicating strength in the labour market. The Fed May meeting minutes was released last week, revealing ongoing concerns about sticky inflation with several officials indicating an inclination to raise interest rates should price growth persist.

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

Stock Market

The Nigerian stock market declined last week as investors responded to the central bank's 1.50% interest rate increase. The insurance, banking, and consumer goods sectors all closed in the red as investors sought refuge in fixed income securities. Consequently, the All-Share Index (ASI) declined to 97,612.51 points, marking a decrease of 513.22 points. Furthermore, market capitalization saw a decline of ₦206 billion to settle at ₦55.22 trillion at the end of the week. As the new trading

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