

Access Bank Rateswatch

KEY MACROECONOMIC 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 25, 2024 figure — an increase of 10.36% from the start of the year Oil Price (US\$/Barrel) (OPEC) July 26, 2024 figure — an increase of 0.19% from the prior week Oil Production mbpd (OPEC 1.28 June 2024, figure — an increase of 2.0% from May 2024 figure

Indicators

Energy

Crude Oil (\$/bbl)

Agriculture

Cocoa (\$/MT)

Coffee (\$/lb.)

Cotton (\$/lb.)

Sugar (\$/lb.)

Wheat (\$/bu.)

Gold (\$/t oz.)

Silver (\$/t oz.)

Copper (\$/lb.)

Metals

Tenor

1 Mnth

3 Mnths

Natural Gas (\$/MMBtu)

FX Market N/US\$

26/7/24

84.97

2.01

6918.00

230.60

68.02

18.40

532.75

2383.13

27.66

411.25

2 Weeks Ago

19/7/24

19.46

20.92

Rate (%)

INTERBANK TREASURY

Last Week

26/7/24

20.05

21.27

Rate (%)

1-week

Change

(3.55)

(3.37)

(13.21)

(2.29)

(4.48)

(3.09)

YTD Change

7.02

257.33

77.11

(12.23)

20.03

22.90

80.87

60.91

25.46

Change

(Basis Point)

59

35



NGX ASI & Bond

STOCK MARK	ET		
Indicators	Last Week	2 Weeks Ago	Change (%)
	26/7/24	19/7/24	
NGX ASI	98201.49	100539.40	(2.33)
Market Cap (N'trn)	55.61	56.93	(2.33)
Volume (bn)	1.10	0.60	82.71
Value (N'bn)	21.60	9.16	135.65

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	26/7/24	19/7/24	
OPR	26.13	31.39	(526.5)
O/N	26.66	32.02	(536)
CALL	27.11	32.25	(514.3)
30 Days	27.14	26.20	94
90 Days	28.00	26.95	105.0

FOREIGN EXCHANGE MARKET				
Market			1 Month Ago N/ Rate (N/\$)	
	26/7/24	19/7/24	26/6/24	
NAFEX (N)	1606.32	1578.71	1502.43	

BOND MARKET					
AVERAGE \	/IELDS				
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)		
	26/7/24	19/7/24			
3-Year	19.63	19.62	0		
5-Year	18.92	18.91	1		
7-Year	21.01	21.00	1		
9-Year	22.02	21.94	8		
10-Year	19.82	19.73	9		
15-Year	18.63	18.63	0		
20-Year	18.96	18.95	1		
25-Year	17.50	17.50	0		
30-Year	18.11	17.96	15		

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ity for errors of fact or any opinion expressed herein. This documen
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6 Mnths	24.01	:	23.88	13
9 Mnths	27.99) :	26.68	131
12 Mnths	26.48	3	25.92	56
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Indicators		Last Week	2 Weeks Ago	Change (Basis Point)
Indicators		26/7/24	19/7/24	
Index		4166.40	4167.19	(0.02)
Mkt Cap Gross	(N'tr)n	28.31	28.31	0.00
Mkt Cap Net (N	'trn)	16.00	16.04	(0.25)
YTD return (%)		69.61	69.64	(0.03)

TREASURY B	ILLS PMA AUCTIO	ON	
Tenor	Amount (I million)	N' 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

-640.53

-634.79

(5.74)

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

YTD return (%)(US \$)

Market Analysis and Outlook: July 26, - August 2, 2024

Global Economy

of 2024. Compared to the first quarter, the around similar levels this week. acceleration in real GDP in the second quarter primarily reflected an upturn in Foreign Exchange Market private inventory investment and an Despite CBN's intervention in the Nigerian goods, the leading contributors were motor activity. vehicles and parts, recreational goods and vehicles, furnishings and durable Bond Market household equipment, and gasoline and At last week's bond auction, the Debt older population.

The Monetary Policy Committee (MPC) of weak appetite for the bond market. the Central Bank of Nigeria (CBN) raised its benchmark lending rate by 50 basis points to 26.75%, marking the fourth Commodities consecutive increase this year. This Crude oil futures fell over 2% to \$84.97 per prices will moderate soon.

Stock Market

week, market performance is expected to that do not yield interest returns. improve as investors take advantage of the dip to invest in value stocks.

Money Market

Liquidity in the money market improved last week due to FAAC inflow into the system, resulting in declining rates. The Open Repo Rate (OPR) and Overnight (ON) rate decreased to 26.13% and 26.66%, respectively, from the previous

The U.S. Bureau of Economic Analysis has week's 31.39% and 32.02%, However, the released an "advance" estimate showing 30-day Nigerian Interbank Offered Rate that the United States' real GDP grew at an (NIBOR) saw a slight increase, rising to annual rate of 2.8% in the second quarter 27.14% from 26.20%. We expect rates

acceleration in consumer spending. These Autonomous Foreign Exchange market movements were partly offset by a (NAFEM), the local currency depreciated downturn in residential fixed investment, against the dollar due to high demand for The increase in consumer spending the green back. As a result, the Naira reflected increases in both services and declined in value, depreciating by ₩27.61 goods. Within services, the leading to close the week at ₩1,606.32/\$. We contributors were health care, housing and expect rates to trade around these levels utilities, and recreation services. Within this week, barring any significant market

other energy goods. In another region, the Management Office (DMO) offered ₦300 number of people registered as out of work billion across the APR 2029, FEB 2031, in mainland France rose by 18.3 thousand and MAY 2033 bonds. The total from the previous month to 2.835 million in subscription was ₩279.67 billion, and the June of 2024. It was the second DMO sold #225.72 billion across the consecutive monthly increase, lifting curve, with 89% of the allocation focused French unemployment to its highest since on the 2033 papers. The stop rates closed October 2022, challenging the recent at 19.89% (+25bps), 21.00% (+81bps), strength in the French and European job and 21.98% (+48bps) for the 2029, 2031, market. Among different age groups, and 2033 bonds, respectively. Average unemployment rose by 11.7 thousand to yields on the 9-, 10-, and 30-year bonds 1.658 million in the core-aged population saw slight increases to 22.02%, 19.82%, and increased by 4.1 thousand to 394 and 18.11% from 21.95%, 19.73%, and thousand for the younger population. In the 17.96%, respectively. However, the meantime, unemployment edged higher Access Bank bond index decreased by 2.5 thousand to 723 thousand for the marginally by 0.79 points, closing at 4,166.40 points compared to 4,167.19 points. We expect similar market sentiment to persist this week given the

follows rate hikes of 150 basis points in barrel at the last week, the lowest since May, 200 basis points in March, and 400 June 10, due to weak Chinese demand, basis points in February - the largest despite positive US inventory data. Oil increase in 17 years. The move aims to prices are set for a third consecutive combat rising inflation, which reached weekly decline amid concerns about 34.19% in June, driven by the partial China's growth, as Beijing cut rates to removal of fuel subsidies and naira boost its economy. China's reduced oil depreciation. Additionally, the committee imports and refinery activity due to slow adjusted the asymmetric corridor around economic growth weighed on the market. the MPR to +500/-100 basis points from Also, ceasefire talks between Israel and +100/-300 basis points. It retained the Hamas eased supply concerns, pressuring Liquidity Ratio at 30.00% and the Cash prices. Meanwhile, strong US Q2 2024 Reserve Ratio for Deposit Money Banks at economic growth suggested potential Fed 45.00% and for Merchant Banks at rate cuts in September, which could boost 14.00%. The MPC emphasized the oil demand. In the week, the EIA reported a urgency of addressing inflationary larger-than-expected drop in US crude pressures while expressing optimism that inventories by 3.7 million barrels and a significant decrease in gasoline stocks by 5.6 million barrels. Looking ahead, market watchers are divided on whether OPEC+ Bearish sentiments persisted on the will ease output curbs next quarter, with a Nigerian Exchange as the recent key meeting scheduled for August 1. In another interest rate hike exerted sell pressure on news, gold edged higher to the \$2,383 per the country's equities. Stocks in the ounce level at the end of the week, pension, banking, consumer goods and trimming the 1% decline from the previous industrial sectors contributed to the poor session as markets continued to parse the market performance last week. As a result, latest economic data for hints on the the All-Share Index (ASI) dropped by Federal Reserve's policy outlook. Also, the 2,337.91 points, closing at 98,201.49 People's Bank of China (PBoC) points recording a decline of 2.33% week- extraordinarily cut the rate on its Mediumon-week. Similarly, market capitalization term facility. The decline in borrowing costs fell by ₩1.34 trillion, closing at ₩55.61 supports bullion demand for gold due to the trillion. Looking ahead to the new trading lower opportunity cost of holding assets

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

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