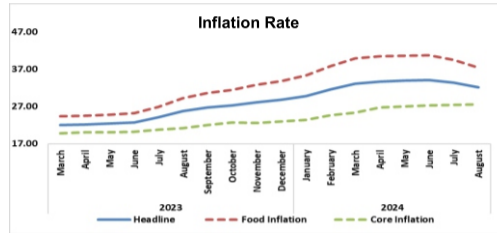
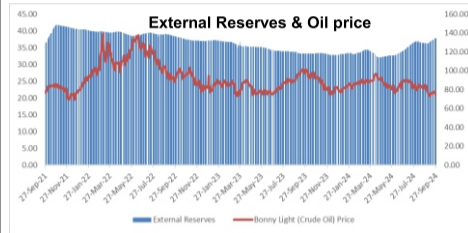
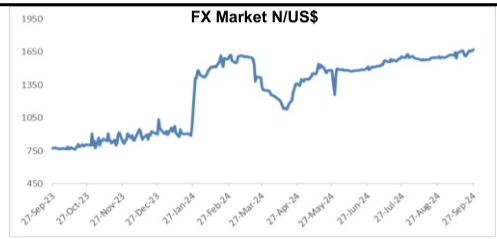


Access Bank Rateswatch

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)	107.19	Increased by 0.79% in August 2024 from N106.36 trillion in July 2024
Credit to Private Sector (N' trillion)	74.73	Decreased by 1.03% in August 2024 from N75.51 trillion in July 2024
Currency in Circulation (N' trillion)	4.14	Rose by 2.25% in August 2024 from N4.05 trillion in July 2024
Inflation rate (%) (y-o-y)	32.15	Decreased to 32.15 % in August 2024 from 33.4% in July 2024
Monetary Policy Rate (%)	27.25	Adjusted to 27.25% in September 2024 from 26.75% in July 2024
Interest Rate (Asymmetrical Corridor)	27.25(+5/-1)	Lending rate changed to 32.25% & Deposit rate 26.25%
External Reserves (US\$ billion)	37.87	Sept 25, 2024 figure — an increase of 1.06% from the prior week
Oil Price (US\$/Barrel) (OPEC)	73.8	Sept 26, 2024 figure — a decrease of 4.37% 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 (%)
	27/9/24	20/9/24	
NGX ASI	98458.68	98,247.99	0.21
Market Cap (N'trn)	56.58	56.46	0.21
Volume (bn)	0.80	0.55	43.84
Value (N'bn)	6.66	10.12	(34.23)

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	27/9/24	20/9/24	
OPR	29.43	29.69	(25.6)
O/N	30.02	29.97	5
CALL	26.54	31.77	(522.5)
30 Days	27.83	27.87	(4)
90 Days	28.78	28.31	46.5

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	27/9/24	20/9/24	27/8/24
NAFEX (N)	1668.97	1611.97	1602.56

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	27/9/24	20/9/24	
3-Year	19.09	19.11	(1)
5-Year	18.29	18.29	(1)
7-Year	20.45	20.07	38
9-Year	21.02	20.22	80
10-Year	19.12	19.12	(0)
15-Year	17.94	17.94	0
20-Year	18.44	18.38	5
25-Year	17.37	17.37	0
30-Year	16.97	16.97	0

COMMODITIES MARKET

Indicators	27/9/24	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil (\$/bbl)	73.80	(5.28)	(7.05)
Natural Gas (\$/MMBtu)	2.88	22.03	(25.58)
Agriculture			
Cocoa (\$/MT)	8198.00	6.68	323.45
Coffee (\$/lb.)	268.85	6.92	106.49
Cotton (\$/lb.)	72.94	(1.65)	(5.88)
Sugar (\$/lb.)	22.47	0.67	46.58
Wheat (\$/bu.)	578.50	1.45	33.45
Metals			
Gold (\$/t oz.)	2647.54	1.25	100.94
Silver (\$/t oz.)	31.67	1.64	84.24
Copper (\$/lb.)	462.10	6.56	40.97

NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	27/9/24	20/9/24	
1 Mnth	17.21	17.39	(18)
3 Mnths	18.13	18.26	(13)
6 Mnths	21.95	20.67	128
9 Mnths	22.31	21.49	82
12 Mnths	23.17	22.38	79

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	27/9/24	20/9/24	
Index	4352.44	4355.16	(0.06)
Mkt Cap Gross (N'trn)	29.57	29.59	(0.07)
Mkt Cap Net (N'trn)	17.19	17.24	(0.29)
YTD return (%)	77.18	77.30	(0.12)
YTD return (%) (US \$)	-654.38	-631.88	(22.50)

TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	N' Rate (%)	Date
91 Day	30,653.64	17	25-Sep-2024
182 Day	23,194.10	17.5	25-Sep-2024
364 Day	250,420.04	20	25-Sep-2024

Market Analysis and Outlook: September 27, - October 4, 2024

Global Economy

The People's Bank of China (PBoC) has lowered the reserve requirement ratio (RRR) for banks by 50 basis points, marking the second such reduction this year aimed at supporting the nation's slowing economy. This adjustment had been signalled earlier by Governor Pan Gongsheng, bringing the weighted average RRR down to 6.6%. As a result, approximately CNY 1 trillion will be released for new lending, with further reductions potentially on the horizon, according to the central bank. Additionally, the PBoC has cut the 7-day reverse repo rate by 20 basis points, now at 1.5%, a key rate influencing China's main lending rates. The central bank also confirmed that interest rates for 14-day reverse repos, as well as temporary repos and reverse repos, will continue to adjust in line with movements in the 7-day reverse repo rate. China has ramped up its policy interventions, pledging additional fiscal and monetary support to prevent further economic downturn. In Ghana, the Bank of Ghana has launched a new gold coin aimed at enhancing liquidity in the money market and boosting local savings. Crafted from gold mined in Africa's top gold-producing nation, the coin is refined to 99.99% purity, according to Governor Ernest Addison. Issued and backed by the central bank, the coins will be available in one-ounce, half-ounce, and quarter-ounce denominations. This initiative allows the Bank of Ghana to manage excess liquidity in the banking sector while complementing its liquidity management tools. Additionally, it offers an alternative investment option for residents in line with the Bank of Ghana's domestic gold purchase program. The coins will soon be available through commercial banks and can be purchased in cedis, with prices determined by the London Bullion Market Association auction price. Since the launch of the domestic gold purchase program in June 2021, the central bank has acquired 65.4 tons of gold, valued at approximately \$5 billion, to bolster its foreign reserves.

Domestic Economy

At its September 2024 meeting, the Central Bank of Nigeria decided unanimously to further raise its benchmark interest rate by 50 basis points, reaching a new record high of 27.25%. This marks the fifth consecutive increase this year. The move is intended to curb inflation, stabilize the naira, and attract investments. Governor Olayemi Cardoso highlighted that the series of rate hikes have contributed to moderating inflation and reiterated the bank's dedication to controlling it. The MPC observed that while headline inflation has decreased due to lower food inflation, core inflation remains high, mainly driven by increasing energy prices.

Stock Market

Despite the recent hike in the Central Bank of Nigeria's (CBN) monetary policy rate (MPR), bullish sentiment persisted in the stock market last week, driven by investor focus on industrial and oil and gas stocks. As a result, the All-Share Index (ASI) rose by 210.69 points, closing at 98,458.68. Simultaneously, market capitalization saw an increase of ₦121.07 billion, reaching ₦56.58 trillion. The outlook for the market this week remains positive, with investors expected to continue seeking opportunities in stocks with appealing valuations.

Money Market

Market liquidity improved last week, supported by FAAC inflows and coupon payments from the Central Bank of Nigeria (CBN). The Open Repo Rate year aimed at supporting the nation's (OPR) saw a slight decline, dropping to 29.43% from 29.69% the previous week, while the Overnight (ON) rate edged up marginally to 30.02% from 29.97%. Additionally, the 30-day Nigerian Interbank Offered Rate (NIBOR) eased slightly, decreasing to 27.83% from 27.87%. We expect rates to remain at elevated levels opening this week as market participants expect a significant decline in liquidity.

Foreign Exchange Market

Despite the Central Bank of Nigeria's (CBN) intervention in the foreign exchange market as a willing seller, the Naira depreciated against the US dollar, primarily due to the elevated levels at which funds were offered. Over the week, the Naira weakened by ₦57, closing at ₦1,668.97. 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 selling interest was seen across the board, following the spike in the 1-year rate at the NTB auction. Average yields were relatively flat, with the 3-, and 5-year bonds decreasing to 19.09% and 18.29% respectively, from the previous week's 19.11% and 18.29%. Additionally, the Access Bank bond index fell marginally by 2.72 points, ending the week at 4,352.44 points, compared to 4,355.16 points previously. We expect the bearish sentiment to persist this week as the Apex Bank continues to implement its hawkish policies.

Commodities

Gold hovered around \$2,650 per ounce on at the end of the previous week, staying close to the record high of \$2,600 set in the previous session. In August, both headline and core Personal Consumption Expenditures (PCE) price indices remained stable, while personal income and spending slowed more than expected. This data reinforces the view that the Fed may lower its funds rate further to address a softening labour market. Consequently, market expectations have risen for back-to-back 50bps rate cuts at the Fed's November meeting. Lower interest rates reduce the opportunity cost of holding non-yielding assets like gold, and the dovish stance from central banks globally helped gold sustain its record levels, marking a third consecutive week of gains by the end of September. Meanwhile, Brent crude oil futures dropped toward \$71 per barrel on Friday, marking a third consecutive decline amid concerns of oversupply. Reports indicate that Saudi Arabia may abandon its \$100 per barrel target and increase production in December, even if prices remain low. This comes in anticipation of OPEC+ raising output starting in December after an earlier delay. Additionally, Libya's oil fields are set to reopen following an agreement on a new central bank governor, which resolves the standoff that had halted oil production and exports.

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 purpose.

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

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