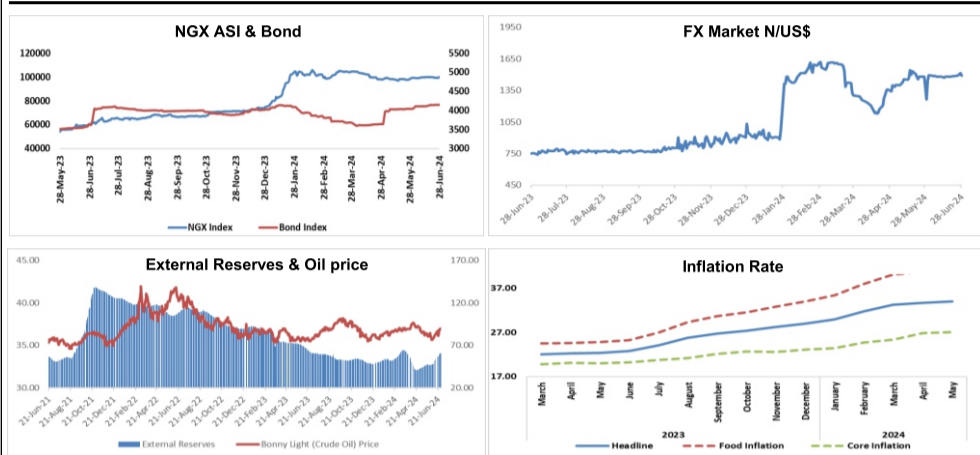


# Access Bank Rateswatch

## 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)	96.97	Increased by 5.01% in April 2024 from N92.34 trillion in March 2024
Credit to Private Sector (N' trillion)	72.92	Increased by 2.4% in April 2024 from N71.21 trillion in March 2024
Currency in Circulation (N' trillion)	3.92	Rose by 1.39% in April 2024 from N3.86 trillion in March 2024
Inflation rate (%) (y-o-y)	33.95	Increased to 33.95 in May 2024 from 33.69% in April 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)	34.14	June 27, 2024 figure — an increase of 3.41% from the start of the year
Oil Price (US\$/Barrel) (OPEC)	89.66	June 28, 2024 figure — an increase of 10.51% from the prior week
Oil Production mbpd (OPEC)	1.25	May 2024, figure — a decrease of 2.34% from April 2024 figure



## STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	28/6/24	21/6/24	
NGX ASI	100,057.49	99,743.05	0.32
Market Cap (N'trn)	56.60	56.42	0.32
Volume (bn)	0.51	0.62	(17.42)
Value (N'bn)	9.88	11.35	(12.88)

## MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	28/6/24	21/6/24	
OPR	24.17	25.25	(108.3)
O/N	25.00	26.04	(104)
CALL	24.85	26.54	(169.2)
30 Days	23.30	24.00	(70)
90 Days	24.10	23.64	45.7

## FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	28/6/24	21/6/24	26/3/24
NAFEX (N)	1488.21	1485.42	1415.46

## BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	28/6/24	21/6/24	
3-Year	18.65	18.66	(1)
5-Year	18.68	18.66	2
7-Year	20.19	20.00	19
9-Year	21.07	19.99	108
10-Year	18.79	19.10	(31)
15-Year	18.76	18.77	(1)
20-Year	18.76	18.73	3
25-Year	17.50	17.50	0
30-Year	17.51	17.47	3

## COMMODITIES MARKET

Indicators	28/6/24	1-week Change (%)	YTD Change (%)
<b>Energy</b>			
Crude Oil (\$/bbl)	89.66	10.51	12.92
Natural Gas (\$/MMBtu)	2.65	(2.57)	(31.52)
<b>Agriculture</b>			
Cocoa (\$/MT)	7636.00	(14.86)	294.42
Coffee (\$/lb.)	226.70	0.73	74.12
Cotton (\$/lb.)	74.73	3.62	(3.57)
Sugar (\$/lb.)	20.09	5.18	31.05
Wheat (\$/bu.)	576.75	(0.73)	33.04
<b>Metals</b>			
Gold (\$/t oz.)	2326.59	(0.57)	76.58
Silver (\$/t oz.)	29.26	(2.47)	70.22
Copper (\$/lb.)	440.45	(0.58)	34.37

## NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	28/6/24	21/6/24	
1 Mnth	18.94	18.33	60
3 Mnths	19.31	19.00	31
6 Mnths	21.47	20.81	65
9 Mnths	24.50	23.57	93
12 Mnths	25.34	25.11	23

## ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	28/6/24	21/6/24	
Index	4145.85	4143.40	0.06
Mkt Cap Gross (N'tr)	28.17	28.15	0.07
Mkt Cap Net (N'tr)	16.02	16.04	(0.12)
YTD return (%)	68.77	68.68	0.09
YTD return (%) (US \$)	599.62	-584.27	1183.89

## TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	29,833.974	16.3	26-Jun-2024
182 Day	30,671.051	17.44	26-Jun-2024
364 Day	168,211.622	20.68	26-Jun-2024

## Market Analysis and Outlook: June 28, - July 5, 2024

### Global Economy

Britain's economy pulled out of recession at a faster pace than expected. The economy grew 0.3% year-on-year in the first quarter of 2024, slightly higher than 0.2% in the initial estimate, and rebounding from a 0.2% fall in the previous quarter. The services sector rose 0.4%, rebounding from a 0.2% fall in Q4 2023. Production went up less than expected by 0.3% but recovered from a 0.1% fall. Construction on the other hand, fell 0.4%, extending a 0.6% decline in the previous quarter. In expenditure terms, there were increases in the volume of net trade and household spending, partially offset by falls in gross capital formation and government consumption. The household saving ratio is estimated to be 11.1% in the latest quarter, up from 10.2% in Q4 2023. Real households' disposable income (RHD) is estimated to have grown by 0.7% in Quarter 1 2024, maintaining the same growth as the previous quarter. Compared to the previous quarter, the GDP in the UK expanded 0.7%, exiting recession, and better than 0.6% in the first estimate. In another space, Japan's unemployment rate remained at 2.6% in May 2024, holding steady for the fourth consecutive month and aligning with market expectations. This marks the highest unemployment rate since September 2023. The number of unemployed individuals decreased by 10,000 to 1.82 million, while employment increased by 10,000 to a three-month high of 67.61 million. The labour force grew by 10,000 to 69.44 million, and the number of people not participating in the labour force dropped by 150,000 to 40.44 million.

Rate (OPR) and Over Night (ON) rate declined to 24.17% and 25.00% from 25.25% and 26.04% recorded in the prior week. Also, the 30-day Nigerian Interbank Offered Rate (NIBOR) declined to 24.85% from 26.54%. This week rates are expected to hover around similar levels, barring any significant funding activity.

### Domestic Economy

Data released by CBN at the end of last week, showed Nigeria's foreign exchange reserves rose to a three-month high of \$34.14 billion as of June 27, up from \$33.02 billion at the start of the year. The increase in the country's FX reserves is attributed to inflows from foreign investors lured by the central bank's high yields on treasury bills auctions. However, crude oil production experienced a decline, falling to 1.25 million barrels per day (bpd) in May 2024, according to the Organisation of Petroleum Exporting Countries (OPEC). This marks a decrease of 30,000 bpd from the 1.28 million bpd recorded in April and represents the second-lowest production level in 2024. Despite this drop, Nigeria remained the largest oil producer in Africa, with Libya in second place, producing 901,000 bpd in May.

### Stock Market

The local bourse witnessed a marginal increase in the last trading week of June 2024, supported by gains in the banking, industrial, consumer goods and oil & gas sectors. The All-Share Index (NSE ASI) increased marginally by 0.32% week-on-week to 100,057.49 points. In the same vein, market capitalization nudged up 0.32% to end the week at N56.60 trillion from N56.42 trillion. As trading kicks off this week, we expect investors to remain cautious in the stock market, opting to move their assets into fixed-income securities, which are currently providing higher yields.

### Money Market

Despite last week's Treasury Bills auction, market liquidity stayed in surplus, leading to a decline in rates. Open Repo

### Foreign Exchange Market

The Naira weakened against the US Dollar in the previous week. NAFEM traded predominantly on the buy-side as many market participants sought funds to meet their obligations, leading to an increase in demand. Week-on-week, the naira depreciated by ₦2.79, settling at ₦1,488.21 per dollar. We anticipate that CBN would continue the intervention this week.

### Bond Market

The Bonds market opened on a relatively quiet note in the previous week as most market participants' attention was skewed towards both the NTB and Bond auction that happened in the week. Average yields on 5-, 7-, 9-, and 20-year bonds saw slight increases to 18.68%, 20.19%, 21.07% and 18.76% respectively. Access Bank bond index increased marginally by 2.45 points, closing at 4,145.85 points compared to 4,143.40 points. We expect improved post-auction market activities this week.

### Commodities

Gold decreased to \$2,326 per ounce at the end of the week, down from \$2,340 per ounce the previous week, marking a 0.60% week-on-week decline. This drop occurred as investors became cautious ahead of key US inflation data, seeking insights into the Federal Reserve's policy outlook. The Fed's preferred inflation gauge, annual Personal Consumption Expenditures (PCE) inflation is expected to ease from 2.7% to 2.6%, while the core PCE is anticipated to slow from 2.8% to 2.6%. Meanwhile, recent data suggested a slowdown in the US economy, with wholesale inventories falling short of expectations and unemployment claims reaching their highest level since late 2021, indicating a weakening labour market. The results aligned with the market's general expectation that the Fed would begin its rate-cutting cycle in September, followed by a second rate cut later in the year. Crude oil futures rose to above \$89.7 per barrel at the end of the last week, nearing a two-month high as supply concerns due to escalating conflict in the Middle East outweighed a surprise increase in US stockpiles. Tensions between Israel and Lebanon's Hezbollah have heightened, raising fears of a broader conflict involving Iran. The US Energy Information Administration reported a 3.6-million-barrel increase in crude oil stocks and a 2.7-million-barrel rise in gasoline stocks, contrary to expectations for a drawdown.

### Monthly Macro Economic Forecast

Variables	Jul - 2024	Aug - 2024	Sep - 2024
Exchange Rate (NAFEX) (N/\$)	1,450	1,380	1,350
Inflation Rate (%)	33.60	33.15	32.85
Crude Oil Price (US\$/Barrel)	85.55	88.70	90.00

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

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