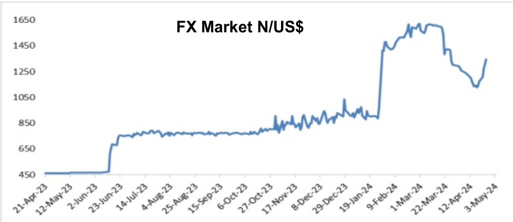
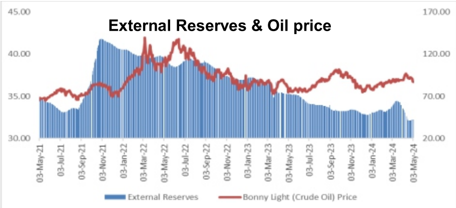
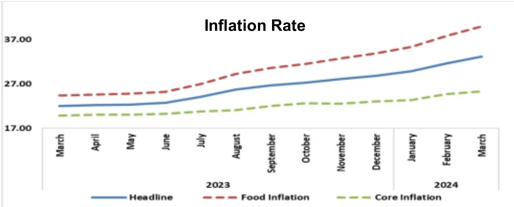
# Access Bank Rateswatch

## KEY MACROECONOMIC INDICATORS

| Indicators | Current Figures | Comments |
|---|---|---|
| GDP Growth (%) | 3.46 | Q4 2023 — Higher by 0.92% compared to 2.54% in Q3 2023 |
| 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) | 33.2 | Increased to 33.2% in March 2024 from 31.7% in February 2024 |
| Monetary Policy Rate (%) | 24.75 | Adjusted to 24.75% in March 2024 from 22.75% in February 2024 |
| Interest Rate (Asymmetrical Corridor) | 24.75(+1/-3) | Lending rate changed to 25.75% & Deposit rate 21.75% |
| External Reserves (US$ billion) | 32.25 | April 30, 2024 figure — a decrease of 3.93% from April start |
| Oil Price (US$/Barrel) (OPEC) | 86.87 | May 3, 2024 figure — a decrease of 5.15% from the prior week |
| Oil Production mbpd (OPEC) | 1.23 | March 2024, figure — a decrease of 6.82% from February 2024 figure |


## STOCK MARKET

| Indicators | Last Week | 2 Weeks Ago | Change (%) |
|---|---|---|---|
| | 3/5/24 | 26/4/24 | |
| NGX ASI | 99,255.86 | 98,152.91 | 1.12 |
| Market Cap(N'tr) | 56.14 | 55.51 | 1.12 |
| Volume (bn) | 0.39 | 0.27 | 46.92 |
| Value (N'bn) | 5.99 | 5.02 | 19.35 |

## MONEY MARKET

NIBOR

| Tenor | Last Week Rate (%) | 2 Weeks Ago Rate (%) | Change (Basis Point) |
|---|---|---|---|
| | 3/5/24 | 26/4/24 | |
| OPR | 26.2500 | 30.2500 | (400) |
| O/N | 27.0800 | 31.2500 | (417) |
| CALL | 27.6000 | 30.8333 | (323) |
| 30 Days | 24.3000 | 23.7917 | 51 |
| 90 Days | 24.0000 | 23.5000 | 50 |

## FOREIGN EXCHANGE MARKET

| Market | Last Week Rate (N/$) | 2 Weeks Ago Rate (N/$) | 1 Month Ago Rate (N/$) |
|---|---|---|---|
| | 3/5/24 | 26/4/24 | 3/4/24 |
| NAFEX (N) | 1402.19 | 1361.00 | 1276.59 |

## BOND MARKET

AVERAGE YIELDS

| Tenor | Last Week Rate (%) | 2 Weeks Ago Rate (%) | Change (Basis Point) |
|---|---|---|---|
| | 3/5/24 | 26/4/24 | |
| 3-Year | 19.45 | 19.23 | 22 |
| 5-Year | 19.10 | 0.00 | 1910 |
| 7-Year | 19.51 | 19.60 | (9) |
| 10-Year | 18.81 | 19.07 | (26) |
| 15-Year | 18.55 | 18.56 | (2) |
| 20-Year | 18.90 | 19.08 | (17) |
| 25-Year | 18.65 | 18.65 | (0) |
| 30-Year | 18.46 | 18.46 | (0) |



## COMMODITIES MARKET

| Indicators | 3/5/24 | 1-week Change (%) | YTD Change (%) |
|---|---|---|---|
| **Energy** | | | |
| Crude Oil ($/bbl) | 86.87 | (5.15) | 34.77 |
| Natural Gas ($/MMBtu) | 2.02 | 27.85 | (47.80) |
| **Agriculture** | | | |
| Cocoa ($/MT) | 7,563.00 | (30.13) | 290.65 |
| Coffee ($/lb.) | 206.10 | (8.54) | 58.29 |
| Cotton ($/lb.) | 75.71 | (7.17) | (2.31) |
| Sugar ($/lb.) | 19.25 | (1.28) | 25.57 |
| Wheat ($/bu.) | 614.50 | (0.69) | 41.75 |
| **Metals** | | | |
| Gold ($/t oz.) | 2301.42 | (1.99) | 74.67 |
| Silver ($/t oz.) | 26.56 | (3.80) | 54.51 |
| Copper ($/lb.) | 449.30 | (2.23) | 37.07 |

## NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

| Tenor | Last Week Rate (%) | 2 Weeks Ago Rate (%) | Change (Basis Point) |
|---|---|---|---|
| | 3/5/24 | 26/4/24 | |
| 1 Mnth | 18.34 | 18.30 | 4 |
| 3 Mnths | 18.52 | 18.41 | 11 |
| 6 Mnths | 20.15 | 20.08 | 8 |
| 9 Mnths | 22.99 | 22.61 | 38 |
| 12 Mnths | 25.01 | 25.19 | (18) |

## ACCESS BANK NIGERIAN GOV'T BOND INDEX

| Indicators | Last Week | 2 Weeks Ago | Change (Basis Point) |
|---|---|---|---|
| Indicators | 3/5/24 | 26/4/24 | |
| Index | 3,979.92 | 3,643.04 | 9.25 |
| Mkt Cap Gross (N'tr) | 27.04 | 24.75 | 9.25 |
| Mkt Cap Net (N'tr) | 15.40 | 13.34 | 15.44 |
| YTD return (%) | 62.02 | 48.31 | 28.38 |
| YTD return (%)(US $) | (513.21) | (443.24) | 15.79 |

## TREASURY BILLS PMA AUCTION

| Tenor | Amount (N' million) | Rate (%) | Date |
|---|---|---|---|
| 91 Day | 7,846.504 | 16.24 | 24-Apr-2024 |
| 182 Day | 12,954.579 | 17 | 24-Apr-2024 |
| 364 Day | 121,767.962 | 20.7 | 24-Apr-2024 |

*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 03, - May 10, 2024

### Global Economy

For the 6th consecutive time, the Federal Reserve (Fed) held the federal funds rate target range at 5.25% to 5.50% during its May meeting. This is because persistent inflationary pressures and a tight labour market point to a stall in the process of bringing inflation back down to the Fed's 2% target this year. Though it has moderated over the previous year, policymakers recognised that inflation is still high and that recent efforts to get the central bank closer to its objective have not shown much promise. Jerome Powell, the Chair of the Federal Reserve of the United States, indicated that the existing policy is adequately stringent to achieve the 2% inflation goal, thus making a rate increase improbable. The Fed has also declared its intention to reduce the speed of its quantitative tightening starting from June 1st, an adjustment that will involve cutting the maximum amount of Treasury securities being removed from the balance sheet by over 50%, down to $25 billion monthly from the previous $60 billion. In a separate event, the S&P Global UK Manufacturing Purchasing Managers' Index (PMI) declined to 49.1 points in April 2024 down from March's 20-month high of 50.3 points. After brief increases in March, both output and new orders fell back into contraction territory due to erratic market circumstances, customer destocking, and supply-chain disruption. Additionally, there have been reports of decreased imports from Germany, Ireland, Asia, and the US, extending the drop in new export business to 27 consecutive months. Additionally, employment decreased for the 19th straight month. Regarding prices, output charge inflation reached an 11-month high and input price inflation increased to its highest level since February 2023.

### Domestic Economy

The Purchasing Managers' Index (PMI) for the Nigerian economy came at came in at 51.1 points in April 2024, an uptick from 51 points recorded in the previous month. The reading pointed to a 5th consecutive monthly improvement in business conditions in the private sector, but one that was only slight overall. The rates of growth in output and new orders remained largely unchanged in April compared to the previous month, as conditions for firms continued to be heavily influenced by movements in the Naira and the ripple effect on prices. On the price front, price increases were less pronounced than in March, amid a strengthening naira, although the rates of inflation remained elevated

### Stock Market

The bulls resurfaced on the floor of the Nigerian Exchange last week as activities of bargain hunters pushed the market-leading index northward. Consequently, the All-Share Index (ASI) rose to 99,255.86 points, marking an increase of 1,102.95 points. Furthermore, market capitalization saw an increase of ₦620 billion, settling at ₦56.14 trillion at the end of the week. Entering the new trading week, the market is expected to maintain an upward trajectory as investors continue to leverage the dip to maximize overall portfolio returns.

### Money Market

Coupon payment of ₦203.65 billion improved the liquidity in the money market last week. Consequently, the Open Repo Rate (OPR) and Over Night (ON) rate declined to 26.25% and 27.08% from 30.25% and 31.25% recorded in the prior week. However, the 30-day Nigerian Interbank Offered Rate (NIBOR) increased to 24.30% from 23.79%. This week, rates are expected to hover around similar levels barring any significant market activity.

### Foreign Exchange Market

Due to heightened demand paired with insufficient supply, the Naira weakened against the Dollar last week, losing ₦41.19 to settle at ₦1,402.19. This week, more offers are expected to calm the pressure on the demand side of the greenback.

### Bond Market

Oil prices fell as worries over a broader Middle East conflict subsided and signs of robust United States crude supplies alongside growing uncertainty on the demand outlook weighed on prices. As a result, Bonny Light, Nigeria's benchmark crude, declined by $4.72, closing the week at $86.87 per barrel (pb) compared to $91.59pb in the previous week. In a different development, bullion prices lost further ground as investors continued to assess the Fed's policy decision. Last week, the Fed maintained its interest rates at current levels, noting that it was unlikely that the next move would be a rate hike. Consequently, gold price decreased by $46.78 or 2.0% to reach $2,301.42 per ounce. Also, silver prices declined by $1.05 or 3.8%, settling at $26.56 per ounce. Talks of production cut by the Organization of the Petroleum Exporting Countries Plus (OPEC+) might keep prices from falling further this week. On the other hand, bullion prices might stay the same as traders scale back their expectations for the Fed's first rate cut in 2024, influenced by robust economic data and persistent inflation. Additionally, geopolitical tensions in the Middle East have eased, reducing gold's safe-haven appeal, thanks to increasing optimism for a ceasefire agreement between Israel and Hamas mediated by Egypt.

### Monthly Macro Economic Forecast

| Variables | Apr'24 | May'24 | Jun'24 |
|---|---|---|---|
| Exchange Rate (NAFEX) (N/$) | 1150 | 1100 | 1080 |
| Inflation Rate (%) | 33.0 | 32.8 | 31.4 |
| Crude Oil Price (US$/Barrel) | 90 | 91.5 | 92.3 |

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