Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS **Current Figures** Comments GDP Growth (%) 3.19 Q2 2024 — Higher by 0.21% compared to 2.98% in Q1 2024 101.34 Increased by 2.37% in June 2024 from N98.98 trillion in May 2024 Broad Money Supply (N' trillion) Credit to Private Sector (N' trillion) 73.12 Decreased by 1.60% in June 2024 from N74.31 trillion in May 2024 Currency in Circulation (N' trillion) 4.05 Rose by 2.11% in June 2024 from N3.97 trillion in May 2024 Inflation rate (%) (y-o-y) 33.4 Decreased to 33.4 % in July 2024 from 34.19% in June 2024 26.75 Adjusted to 26.75% in June 2024 from 26.25% in May 2024 Monetary Policy Rate (%) Lending rate changed to 31.75% & Deposit rate 25.75% Interest Rate (Asymmetrical Corridor) 26.75(+5/-1) External Reserves (US\$ billion) 36.32 Aug 29, 2024 figure — an decrease of 1.29% from the start of the month Oil Price (US\$/Barrel) (OPEC) 84.28 August 30, 2024 figure - an increase of 1.98% from the prior week Oil Production mbpd (OPEC) 1.31 July 2024, figure — an increase of 2.43% from July 2024 figure



NGX ASI & Bond

	External Reserves Bo	onny Light (Crude Oil) Price	
STOCK MARK	ET		
Indicators	Last Week	2 Weeks Ago	Change (%)
	30/8/24	23/8/24	
NGX ASI	96579.54	95,973.45	0.63
Market Cap	55.48	55.13	0.63
Volume (bn)	0.57	0.33	75.37
Value (N'bn)	31.58	4.61	585.06

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	30/8/24	23/8/24	
OPR	18.11	25.78	(766.7)
O/N	20.06	26.17	(611)
CALL	20.25	25.96	(571.4)
30 Days	23.60	26.18	(258)
90 Days	24.64	27.21	(257.3)

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/ \$)	1 Month Ago Rate (N/\$)
	30/8/24	23/8/24	30/7/24
NAFEX (N)	1602.85	1598.07	1598.30
l'	•	•	•

FOREIGN EXCHANGE MARKET

BOND MA	RKET		
AVERAGE Y	TELDS		
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	30/8/24	23/8/24	
3-Year	19.41	20.39	(99)
5-Year	19.80	20.08	(28)
7-Year	19.60	20.75	(115)
9-Year	20.05	21.09	(103)
10-Year	19.20	20.00	(80)
15-Year	18.22	18.85	(62)
20-Year	18.97	19.16	(19)
25-Year	17.49	17.74	(25)
30-Year	17.10	18.24	(114)

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	Inflation Rate
47.00	
37.00	
27.00	
37.00 27.00 17.00	March May May May Jah May
27.00	March Agril May June July August September October Movember December Agril March Agril May

COMMODITIES MARK	EI		
Indicators	30/8/24	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil (\$/bbl)	0.00	(100.00)	(100.00)
Natural Gas (\$/MMBtu)	2.15	6.44	(44.44)
Agriculture			
Cocoa (\$/MT)	7809.00	0.41	303.36
Coffee (\$/lb.)	249.65	2.11	91.74
Cotton (\$/lb.)	69.70	(1.80)	(10.06)
Sugar (\$/lb.)	19.71	7.35	28.57
Wheat (\$/bu.)	549.50	2.71	26.76
Metals			
Gold (\$/t oz.)	2513.00	(0.09)	90.73
Silver (\$/t oz.)	29.08	(2.02)	69.17
Copper (\$/lb.)	423.15	(0.05)	29.09
NIGERIA INTERBAN	NK TREA	ASURY E	BILLS TRUE

-	renor	Rate (%)	Rate (%)	(Basis Point)
		30/8/24	23/8/24	
	1 Mnth	18.04	19.11	(107)
)	3 Mnths	19.27	20.12	(85)
	6 Mnths	21.28	22.72	(144)
	9 Mnths	22.81	25.03	(222)
	12 Mnths	23.40	25.06	(166)

ACCESS BANK NIGE	RIAN GOV	'T BOND II	NDEX
Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
Indicators	30/8/24	23/8/24	
Index	4278.18	4197.22	1.93
Mkt Cap Gross (N'tr)n	26.07	28.51	(8.56)
Mkt Cap Net (N'trn)	16.70	16.18	3.21
YTD return (%)	74.16	70.87	3.29
YTD return (%)(US \$)	-637.33	-637.75	0.42

Tenor	Amount (N ⁱ million)	Rate (%)	Date
91 Day	61,137.78	18.2	21-Aug-2024
182 Day	56,522.49	19.2	21-Aug-2024
364 Day	909,451.08	20.9	21-Aug-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: August 30, - September 06, 2024

Global Economy

mid-2021, strengthening the case for the to prevail as investors increasingly favour European Central Bank (ECB) to consider equities with strong fundamentals. further interest rate cuts in the coming weeks. According to data released by Money Market Jerome Powell, along with officials from the around similar levels this week. ECB and the Bank of England, indicated a clear direction towards lower interest rates. Foreign Exchange Market Investors are now anticipating two or three Last week at NAFEX, the Naira continued additional ECB rate cuts this year, with to fall due to a shortage of FX. Buyers further reductions expected in 2025. The found few sellers, causing the Naira to drop ECB's historic rate cut in June marked the by N4.78 over the week, closing at beginning of a reversal in the aggressive N1,602.85. We anticipate mixed monetary tightening measures that were sentiments in the trading session this implemented to control the inflation surge, week. which peaked at 10.6% in 2022. In another region, the Canadian economy grew by Bond Market 1.6% growth.

vear in Q2 2024, accelerating from 2.98% towards the equities market. in the previous three-month period. The crucial oil sector expanded by 10.15% in Commodities Q2, much faster than 5.70% in the previous Last week, gold prices gained momentum market.

Stock Market

Nigeria's equities market traded positively last week as investor confidence grew, buoved by the optimism stemming from the favourable Q2 GDP report released by the National Bureau of Statistics (NBS). Consequently, the All-Share Index (ASI) increased by 606.09 points, closing the week at 96,579.54 points, which represents a 0.63% increase week-onweek. Market capitalization also rose by ₩348.35 billion, closing at ₩55.48 trillion.

Euro-area inflation to its lowest level since This week, bullish sentiment is anticipated

Eurostat, consumer prices increased by Liquidity in the money market improved 2.2% year-over-year in August, down from last week owing to credits to states and July's 2.6%. Core inflation, which excludes other remittances by CBN which caused volatile items such as food and energy, rates to decline. The Open Repo Rate also decreased to 2.8%, following three (OPR) and Overnight (ON) rate decreased months at 2.9%, as economists had to 18.11% and 20.06%, respectively, from anticipated. This favourable inflation report the previous week's 25.78% and 26.17%. bolsters the optimistic sentiment observed The 30-day Nigerian Interbank Offered at the Federal Reserve's annual Jackson Rate (NIBOR) also declined to 23.60% Hole symposium last week, where Chair from 26.18%. We expect rates to hover

0.5% in the second quarter of 2024, up The Federal Government Bond market from a 0.4% increase in the previous opened the week with a bullish momentum quarter, marking its second consecutive during the early trading session of last quarter of expansion. This growth was week. The bullish run was a result of the largely driven by a 1.5% increase in CBN circular on the new modalities for government spending, spurred by higher Standing Deposit Facility (SDF) and wages and a rebound in government Standing Lending Facility (SLF) with the purchases of goods and services at the Central Bank. Consequently, average federal, provincial, and territorial levels, yields declined, the 3-, 7-, 9-, and 30-year following previous declines. On an bonds decreased to 19.41%, 19.60%, annualized basis, Canada's GDP grew by 20.05% and 17.10% from 20.39% 2.1% in Q2, the highest rate since Q1 2023, 20.75%, 21.09% and 18.24% respectively. accelerating from a revised 1.8% in the The Access Bank bond index increased prior quarter and surpassing the expected marginally by 80.97 points, closing at 4,278.18 points compared to 4,197.22 points. We expect the bullish momentum to persist this week albeit on a less Nigeria's economy grew by 3.19% year-on-aggressive note as investor interest shift

period, driven by increased oil output and traded above \$2,500 per ounce as Additionally, the non-oil sector maintained expectations of upcoming rate cuts from solid growth at 2.80%, consistent with the major global monetary authorities lowered pace in Q1, primarily driven by robust the opportunity cost of holding nonperformance in the services sector, which interest-bearing bullion. Recent US data expanded by 3.79% and accounted for revealed that the Federal Reserve's 58.76% of GDP. Key contributors included preferred inflation indicators, both the Financial and Insurance services (28.79%) headline and core PCE price indices, were and Information and Communication, revised downwards, suggesting a more particularly telecommunications, which significant slowdown in the second quarter. grew by 5.17%. Meanwhile, the industrial Despite the upward adjustment to the US sector advanced by 3.53% and the GDP, the market maintained its pricing of agricultural sector rose by 1.41%. In 100 basis points in rate cuts during the another news, the Nigerian Federal Fed's remaining three meetings this year. Government has issued a \$500 million In another news, crude oil futures ended domestic dollar bond with a 9.75% interest last week at \$84.28 per barrel, marking a rate. The bond, maturing in 2029, required potential second monthly drop due to a minimum investment of \$10,000 and demand concerns. China's slowing offered semi-annual interest payments. It economy, likely missing growth targets, was open to Nigerians, non-Nigerians in raises fears of lower demand in Asia. Major Nigerian, Nigerians abroad, and Qualified banks have lowered oil forecasts citing Institutional Investors. The auction closed economic issues in key markets. Tight last week, and settlement is on September global supply worries are limiting further 6, 2024. This bond aims to enhance price declines. Analyst noted Iraq will cut oil infrastructure development, financial production in September to address inclusion, and the domestic securities overproduction compared to its OPEC+ quota. Libya's halt at five export terminals has halved its output, with ongoing Middle East tensions.

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

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