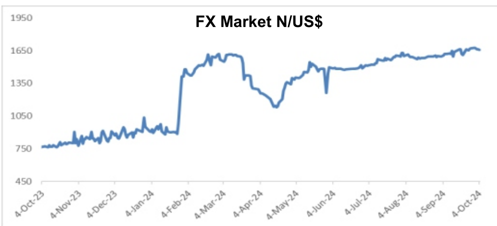
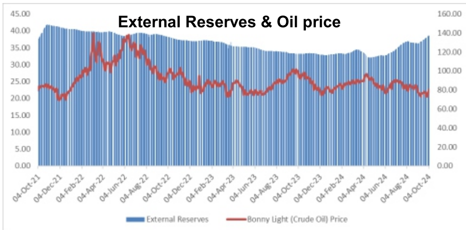
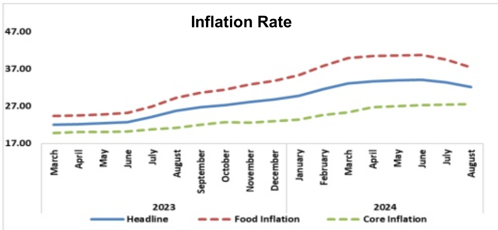
Access Bank Rateswatch

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)	38.56	Oct 3 2024 figure — an increase of 1.36% from the prior week
Oil Price (US$/Barrel) (OPEC)	80.71	Oct 4, 2024 figure — an increase of 10.06% 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 4/10/24	2 Weeks Ago 27/9/24	Change (%)
NGX ASI	97,520.54	98,458.68	(0.95)
Market Cap (N'trn)	56.04	56.58	(0.95)
Volume (bn)	0.32	0.80	(59.77)
Value (N'bn)	6.02	6.66	(9.54)

MONEY MARKET

NIBOR

Tenor	Last Week Rate (%) 4/10/24	2 Weeks Ago Rate (%) 27/9/24	Change (Basis Point)
OPR	32.23	29.43	280
O/N	32.77	30.02	275
CALL	32.43	26.54	589
30 Days	29.29	27.83	146
90 Days	30.16	28.78	138

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/$) 4/10/24	2 Weeks Ago Rate (N/ $) 27/9/24	1 Month Ago Rate (N/$) 4/9/24
NAFEX (N)	1655.66	1668.97	1606.33

BOND MARKET

AVERAGE YIELDS

Tenor	Last Week Rate (%) 4/10/24	2 Weeks Ago Rate (%) 27/9/24	Change (Basis Point)
3-Year	19.08	19.09	(1)
5-Year	19.25	18.29	97
7-Year	21.10	20.45	65
9-Year	20.65	21.02	(37)
10-Year	19.32	19.12	20
15-Year	18.37	17.94	43
20-Year	18.99	18.44	55
25-Year	17.40	17.37	2
30-Year	16.94	16.97	(4)

COMMODITIES MARKET

Indicators	4/10/24	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil ($/bbl)	80.71	10.06	1.65
Natural Gas ($/MMBtu)	2.87	(0.35)	(25.84)
Agriculture			
Cocoa ($/MT)	7,031	(14.24)	263.17
Coffee ($/lb.)	254.40	(5.37)	95.39
Cotton ($/lb.)	73.04	0.14	(5.75)
Sugar ($/lb.)	22.77	1.34	48.53
Wheat ($/bu.)	594.25	2.72	37.08
Metals			
Gold ($/t oz.)	2660.00	0.47	101.89
Silver ($/t oz.)	32.35	2.15	88.19
Copper ($/lb.)	456.30	(1.26)	39.20

NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%) 4/10/24	2 Weeks Ago Rate (%) 27/9/24	Change (Basis Point)
1 Mnth	18.06	17.21	86
3 Mnths	19.71	18.13	158
6 Mnths	23.68	21.95	173
9 Mnths	23.37	22.31	106
12 Mnths	23.90	23.17	73

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
Indicators	4/10/24	27/9/24	
Index	4,383.34	4,352.44	0.71
Mkt Cap Gross (N'trn)	29.78	29.57	0.71
Mkt Cap Net (N'trn)	17.34	17.19	0.87
YTD return (%)	78.44	77.18	1.63
YTD return (%)(US $)	(663.11)	(654.38)	1.33

TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	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

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

Market Analysis and Outlook: October 4, - October 11, 2024

Global Economy

The UK Composite PMI fell to 52.6 in September 2024, down from 53.8 in August, as private-sector companies grew increasingly cautious about anticipated tax hikes and spending cuts expected in Prime Minister Keir Starmer's budget on October 30. Despite this decline, the PMI marked its 11th consecutive month of solid private-sector growth, underscoring a divergence from the contraction seen in the Eurozone. While new orders continued to rise, the pace of growth slowed compared to the previous month, with survey respondents citing weakened client confidence and ongoing inventory reductions as contributing factors. On the pricing front, firms faced a notable increase in cost pressures, rebounding from last month's 45-month low, although the rate of inflation for output prices eased to its lowest level in over three years. In the Euro Area, the unemployment rate remained steady at 6.4% in August 2024, matching market expectations and representing a record low. This resilience highlights the strength of the bloc's labour market despite the European Central Bank's historical monetary tightening. The number of unemployed individuals dropped by 94,000 to 10.925 million, while youth unemployment, covering those under 25, declined to 14.1%, affecting 2.231 million young people. Unemployment remained highest in Spain (11.3%), Greece (9.5%), Sweden (8.4%), and Finland (8.3%), while Poland (2.9%), Malta (3%), Slovenia (3.3%), and Germany (3.5%) reported the lowest jobless rates.

Domestic Economy

The Composite PMI for September 2024 rose to 50.5 index points from 50.2 in the previous month, signalling a continued expansion in economic activity for the second consecutive month. A sectoral breakdown reveals that the Services Sector expanded for the fourth straight month, while the Agricultural Sector grew for the second consecutive month. Although the Industry Sector remained in contraction, the pace of contraction slowed compared to August 2024. Of the 36 subsectors reviewed across the Industry, Services, and Agriculture sectors, 23 sub-sectors experienced growth, with Cement posting the strongest growth during the review month. Conversely, 10 subsectors reported declines, with Transportation & Warehousing recording the steepest decline. The Non-metallic Mineral Products, Petroleum & Coal Products, and Textile, Apparel, Leather & Footwear sectors remained unchanged. Key indicators such as Output (50.7), New Orders (52.2), and Stock of Raw Materials (51.4) all signalled growth. However, Suppliers' Delivery Time (48.4) and Employment (49.1) reflected declines in September 2024.

Stock Market

The Nigerian stock market reversed its bullish trend last week, owing largely to the downward trend in the consumer goods and industrial sector. As a result, the All-Share Index (ASI) fell by 938.14 points, closing at 97,520.54. Simultaneously, market capitalization saw a decrease of ₦539.09 billion, reaching ₦56.04 trillion. We expect a mixed performance in the local market as investors reevaluate their portfolios, focusing on selective bargains and strategic dividend opportunities.

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 (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

The Naira appreciated in the last week owing to the Central Bank of Nigeria's (CBN) intervening in the foreign exchange market as a willing seller. Over the week, the Naira appreciated by ₦13.31, closing at ₦1,655.66. We anticipate that rates will maintain these levels this week, barring any significant market activity

Bond Market

The bond market opened on a subdued note last week, remaining quiet throughout the trading session as investor attention shifted towards the OMO auction held during the week. Despite the calm, average yields on select bonds increased, with the 5-, 7-, 10-, 15-, and 20-year bonds rising to 19.25%, 21.10%, 18.37%, 19.32%, and 18.99%, respectively, from previous levels of 18.29%, 20.45%, 19.12%, 17.94%, and 18.44%. Additionally, the Access Bank Bond Index saw a marginal increase of 30.90 points, closing the week at 4,383.34 points, up from 4,352.44 points. We expect a similar sentiment this week as market participants await the Q4 Bond Calendar.

Commodities

Brent crude oil futures surged above $80 per barrel at the close of the previous week, reaching a four-week high and recorded its largest weekly gain in recent times. The rise was driven by escalating conflict in the Middle East, which raised concerns over potential supply disruptions. Tensions intensified as Tel Aviv vowed to retaliate against Iran and escalated its activity in Beirut amid clashes with Hezbollah. However, fears of a supply shock were tempered by OPEC's spare production capacity and the continued stability of global crude supplies. Additionally, Libya's oil production resumed across all fields and export terminals, reinforcing the case for sufficient supply. On the demand side, signs of a strong U.S. economy bolstered expectations for fuel consumption, with positive labour market data last week fuelling optimism ahead of the key jobs report. Meanwhile, gold prices remained near record highs, trading at around $2,660 per ounce at the end of the week, as the metal benefited from its haven appeal amid heightened geopolitical risks. However, robust U.S. labour market data tempered gold's upward momentum, reducing the likelihood of the Federal Reserve adopting a more lenient monetary policy.

Monthly Macro Economic Forecast

Variables	Oct - 2024	Nov - 2024	Dec - 2024
Exchange Rate (NAFEX) (N/$)	1,580	1,535	1,500
Inflation Rate (%)	31.30	30.15	29.85
Crude Oil Price (US$/ Barrel)	80.00	80.40	85.00

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