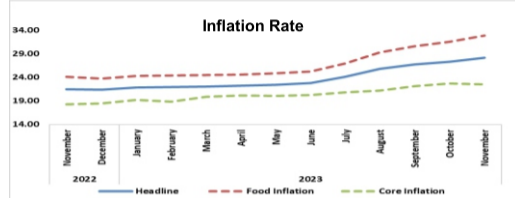
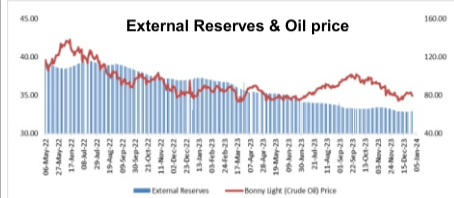
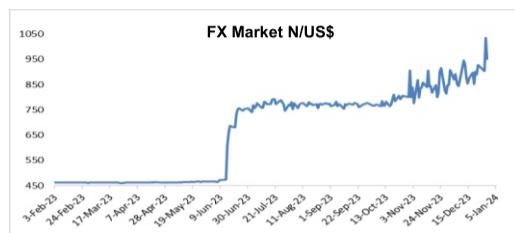
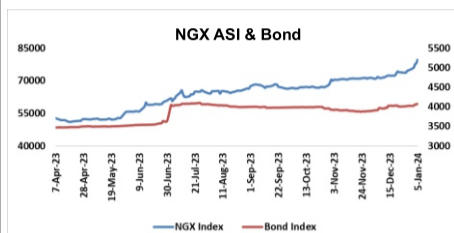


# Access Bank Rateswatch

## KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	2.54	Q3 2023 — Higher by 0.03% compared to 2.51% in Q2 2023
Broad Money Supply (N' trillion)	67.18	Rose by 2.64% in September 2023 from N65.45 trillion in August 2023
Credit to Private Sector (N' trillion)	58.60	Rose by 7.01% in September 2023 from N54.76 trillion in August 2023
Currency in Circulation (N' trillion)	2.76	Increased by 3.76% in September 2023 from N2.66 trillion in August 2023
Inflation rate (%) (y-o-y)	28.2	Increased to 28.2% in November 2023 from 27.33% in October 2023
Monetary Policy Rate (%)	18.75	Adjusted to 18.75% in July 2023 from 18.5% in May 2023
Interest Rate (Asymmetrical Corridor)	18.75(+1/ -3)	Lending rate changed to 19.75% & Deposit rate 15.75%
External Reserves (US\$ billion)	33.04	January 3, 2024 figure — an increase of 0.06% from January start
Oil Price (US\$/Barrel) (OPEC)	79.27	January 5, 2024 figure — a decrease of 2.16% from the prior week
Oil Production mbpd (OPEC)	1.25	November 2023, figure — a decrease of 7.41% from October 2023 figure



## STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	5/1/24	29/12/23	
NGX ASI	79,664.66	74,773.77	6.54
Market Cap(N'tr)	43.59	40.92	6.54
Volume (bn)	0.89	0.37	142.16
Value (N'bn)	14.33	12.82	11.77

## MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	5/1/24	29/12/23	
OPR	14.2500	15.0600	(81)
O/N	14.9000	15.4700	(57)
CALL	15.2500	16.0000	(75)
30 Days	15.3625	16.2500	(89)
90 Days	15.8750	16.5000	(63)

## FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	5/1/24	29/12/23	5/12/23
NAFEX (N)	895.92	951.79	891.98

## BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	5/1/24	29/12/23	
7-Year	12.13	12.15	(2)
10-Year	11.67	11.91	(24)
15-Year	14.69	15.16	(48)
20-Year	14.16	14.78	(62)
25-Year	15.25	15.59	(35)
30-Year	15.70	16.03	(33)

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## Market Analysis and Outlook: January 5, - January 12, 2024

### Global Economy

The S&P Global US Manufacturing Purchasing Managers' Index (PMI) was revised lower to 47.9 points in December 2023 compared to 49.4 points recorded in November, pointing to a bigger deterioration in manufacturing conditions. Output returned to decline and the downturn in new orders gathered pace, reflecting weakness in both domestic and external demand conditions, with firms adjusting their input buying and hiring activity accordingly. Signs of greater spare capacity were seen through a faster fall in backlogs and destocking, with firms also seeking to better manage cash flow. Meanwhile, inflationary pressures intensified as cost burdens rose at a sharper pace, led by supplier prices for metals and plastics, alongside greater transportation charges. Nonetheless, business confidence picked up to a three-month high. In a similar event, the S&P Global India Manufacturing PMI dropped to 54.9 points in December 2023 from 56.0 posted a month earlier, pointing to the lowest print since June 2022. Output expanded the least since October 2022 even as it remained above its long-run average, and new orders growth was at its lowest level in 1.5 years. On prices, input cost continued to rise but the inflation level was negligible by historical standards and was the second weakest in 3.5 years. The rate of charge inflation eased to a 9-month low, surpassing that of input prices for the fourth month running. Finally, confidence stood at a 3-month peak, lifted by advertising efforts, better customer relations, and new inquiries.

### Domestic Economy

President Bola Ahmed Tinubu, on the first day of 2024, signed the 2024 budget into law, after the budget got the National Assembly's approval. The signed budget at ₦28.7 trillion surpassed the proposed budget of ₦27.5 trillion by ₦1.2 trillion. This is to accommodate more funding for capital projects and other spending. The capital expenditure was revised upwards to ₦9.99 trillion from ₦7.72 trillion initially proposed while the recurrent expenditure was revised downwards to ₦8.76 trillion from ₦9.92 trillion. The budget deficit was reduced from 6.1% of the GDP to 3.8%, signalling more revenue generation, and less borrowings.

### Stock Market

The Nigerian bourse closed the first trading week of 2024 on a positive note as the bulls sustained dominance on the exchange. Pension, banking, insurance, industrial and consumer goods stocks rallied significantly as investors ramped up their positions in the country's stocks in anticipation of the release of full-year financials and dividend payments. As a result, the All-Share Index (ASI) rose by 4,890.89 points to close the week at 79,664.66 points. Also, market capitalization rose by ₦2.68 trillion to close the week at ₦43.59 trillion. Going into trading this

week, buy-interest is expected to persist, providing more boost to weekly market performance.

### Money Market

The money market was awash with funds, thus boosting liquidity in the system. Consequently, the Open Repo Rate (OPR) and Over Night (ON) declined to 14.25% and 14.90% from 15.06% and 15.47% recorded in the prior week. Also, relatively longer-dated placements such as the 90-day Nigerian Interbank Offered Rate (NIBOR) declined further to 15.88% from 16.50%. This week, rates are expected to inch higher as banks fund their obligations.

### Foreign Exchange Market

An uptick in the supply of forex was witnessed as a few demands were met. Hence, the Naira appreciated by ₦55.87 to close at ₦895.92. This week, the forex rate is expected to trade at a similar level barring any significant market activity.

### Bond Market

The bullish momentum in the Bond market persisted into the new year as demands were seen across the board. Consequently, average yields on the 7-, 10-, 15-, 20-, 25-, and 30-year settled lower at 12.13%, 11.67%, 14.69%, 14.16%, 15.25% and 15.70% from 12.15%, 11.91%, 15.16%, 14.78%, 15.59% and 16.03%. Also, the Access Bank bond index increased by 50.76 points to close at 4,077.58 points from 4,026.82 points. Going into the new trading week, the bullish momentum is expected to persist.

### Commodities

Oil prices declined as official data showed that US gasoline inventories jumped by 10.9 million barrels, the largest week-on-week increase in more than 3 decades, amongst signs of weakening global demand. Consequently, Bonny Light, Nigeria's benchmark crude price further lost \$1.75 to close the week at \$79.27 per barrel (pb) from \$81.02pb posted in the preceding week. In a separate development, bullion prices kicked off 2024 on a negative note as markets scaled back bets on interest rate cuts from major central banks. Consequently, gold price lost \$35.96 or 1.7% to sit at \$2,038.21 per ounce. Also, silver price lost \$0.98 or 4.1% to sit at \$22.95 per ounce. This week, oil prices are expected to rebound as investors weighed signs of weakening US demand against supply disruptions in Libya. On the other hand, bullion prices might reverse loss as traders recalibrated their bets on the first interest rate cut from the US Federal Reserve (Fed) after mixed US data.

### Monthly Macro Economic Forecast

Variables	Jan'24	Feb'24	Mar'24
Exchange Rate (NAFEX) (N/\$)	850	800	800
Inflation Rate (%)	27.1	26.2	25.7
Crude Oil Price (US\$/Barrel)	80	82	85

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

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