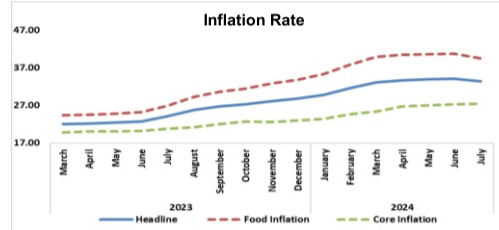
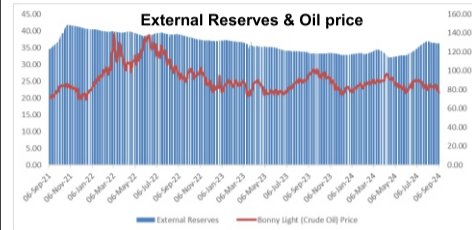
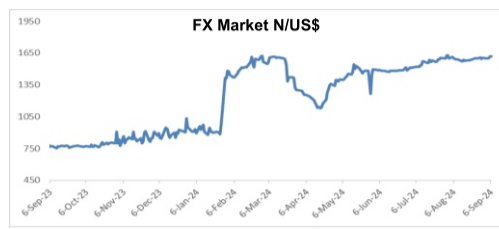
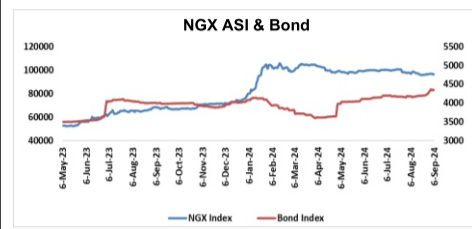


# Access Bank Rateswatch

## 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)	106.27	Increased by 4.74% in July 2024 from N101.46 trillion in June 2024
Credit to Private Sector (N' trillion)	75.48	Increased by 3.13% in July 2024 from N73.19 trillion in June 2024
Currency in Circulation (N' trillion)	4.05	Rose by 0.12% in July 2024 from N4.048 trillion in June 2024
Inflation rate (%) (y-o-y)	33.4	Decreased to 33.4% in July 2024 from 34.19% in June 2024
Monetary Policy Rate (%)	26.75	Adjusted to 26.75% in July 2024 from 26.25% in May 2024
Interest Rate (Asymmetrical Corridor)	26.75(+5/-1)	Lending rate changed to 31.75% & Deposit rate 25.75%
External Reserves (US\$ billion)	36.30	Sept 04, 2024 figure — an decrease of 0.002% from the prior week
Oil Price (US\$/Barrel) (OPEC)	77.0	Sept 05, 2024 figure — a decrease of 8.64% from the prior week
Oil Production mbpd (OPEC)	1.31	July 2024, figure — an increase of 2.43% from July 2024 figure



## STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	6/9/24	30/8/24	
NGX ASI	96,433.53	96,579.54	(0.15)
Market Cap (N'trn)	55.39	55.48	(0.15)
Volume (bn)	0.39	0.57	(31.61)
Value (N'bn)	12.02	31.58	(61.92)

## MONEY MARKET

NIBOR				
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)	
	6/9/24	30/8/24		
OPR	31.25	18.11	1314	
O/N	31.70	20.06	1164	
CALL	31.66	20.25	1141	
30 Days	26.79	23.60	319	
90 Days	27.66	24.64	302	

## FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	6/9/24	30/8/24	6/8/24
NAFEX (N)	1619.95	1602.85	1601.25

## BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	6/9/24	30/8/24	
3-Year	19.10	19.41	(31)
5-Year	19.01	19.80	(79)
7-Year	19.44	19.60	(16)
9-Year	19.76	20.05	(29)
10-Year	19.04	19.20	(17)
15-Year	17.93	18.22	(30)
20-Year	18.77	18.97	(20)
25-Year	17.49	17.49	0
30-Year	17.03	17.10	(6)

## COMMODITIES MARKET

Indicators	6/9/24	1-week Change (%)	YTD Change (%)
<b>Energy</b>			
Crude Oil (\$/bbl)	77.00	(7.23)	(3.02)
Natural Gas (\$/MMBtu)	2.28	6.05	(41.09)
<b>Agriculture</b>			
Cocoa (\$/MT)	7,270	(6.90)	275.52
Coffee (\$/lb.)	239.20	(4.19)	83.72
Cotton (\$/lb.)	68.32	(1.98)	(11.85)
Sugar (\$/lb.)	19.20	(2.59)	25.24
Wheat (\$/bu.)	575.50	4.73	32.76
<b>Metals</b>			
Gold (\$/t oz.)	2514.78	0.07	90.87
Silver (\$/t oz.)	28.52	(1.93)	65.91
Copper (\$/lb.)	409.25	(3.28)	24.85

## NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	6/9/24	30/8/24	
1 Mnth	17.57	18.04	(47)
3 Mnths	18.05	19.27	(122)
6 Mnths	19.96	21.28	(132)
9 Mnths	21.05	22.81	(176)
12 Mnths	21.60	23.40	(180)

## ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	6/9/24	30/8/24	
Index	4,346.72	4,278.18	1.60
Mkt Cap Gross (N'trn)	29.53	26.07	13.27
Mkt Cap Net (N'trn)	17.25	16.70	3.29
YTD return (%)	76.95	74.16	3.76
YTD return (%) (US \$)	(645.90)	(637.33)	1.34

## TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	41,743.24	17	04-Sep-2024
182 Day	17,966.80	17.5	04-Sep-2024
364 Day	1,069,707.31	18.94	04-Sep-2024

## Market Analysis and Outlook: September 6, - September 13, 2024

### Global Economy

In the second quarter of 2024, the Euro Area's GDP grew by 0.2%, slightly below the initial 0.3% estimate and the previous quarter's 0.3% rise. Government spending increased by 0.6%, household consumption dropped by 0.1%, and investment decreased by 2.2% due to high prices and interest rates. Exports rose by 1.4%, with imports up by 0.5%. France, Italy and Spain grew by 0.2%, 0.2% and 0.8% respectively, while Germany's GDP grew by 0.6%, aligning with previous estimates. The European Central Bank (ECB) projected growth of 0.9% for 2024, 1.4% for 2025, and 1.6% for 2026. In August, U.S. hiring figures fell below expectations, accompanied by downward revisions to the prior two months. Private-sector payrolls increased by an average of 96,000 over the past three months, marking the first time this figure has dropped below 100,000 since the onset of the pandemic. This development is expected to intensify the ongoing debate surrounding the Federal Reserve's approach to interest rate cuts. Following the release of the jobs report, Federal Reserve Governor Christopher Waller emphasized that the latest data "requires action" and suggested he would support "front-loading" rate cuts if deemed appropriate. In response, the yield on two-year Treasuries declined, and futures markets indicated increased investor expectations of a half-point rate cut by the Fed this month, with projections for at least a full percentage point reduction by the end of 2024.

### Domestic Economy

The Central Bank of Nigeria (CBN) has reported a surge in remittance inflows, totalling \$553 million in July 2024. This represents a 130% increase compared to the same period in 2023, marking the highest monthly inflow ever recorded. The surge is primarily driven by a series of strategic policy measures implemented by the CBN. These include the introduction of additional International Money Transfer Operators (IMTOs), the adoption of a willing buyer-willing seller model and enhanced access to naira liquidity for IMTOs. Collectively, these initiatives have facilitated the flow of remittances into the country, addressing liquidity challenges and boosting the availability of foreign exchange. Remittance inflows have increasingly become a vital source of foreign exchange for Nigeria, supplementing traditional sources such as foreign direct investment (FDI) and portfolio investments. As these inflows continue to rise, they play an essential role in stabilizing the currency and supporting Nigeria's broader economic objectives.

### Stock Market

The Nigerian stock market closed the week on a bearish note, primarily driven by price declines in large and medium-cap stocks across the industrial, insurance, and oil and gas sectors. As a result, the All-Share Index (ASI) dropped by 146.01 points to settle at 96,433.53, marking a 0.15% week-on-week decline. In tandem, the market capitalization contracted by ₦83.55 billion, closing at ₦55.39 trillion. However, the market outlook for this week is positive as investors are expected to take advantage of stocks with attractive valuations, potentially leading to a rebound in the marked leading index.

### Money Market

Liquidity in the money market declined last week owing to OMO auction held by the C

BN caused rates to increase. The Open Repo Rate (OPR) and Overnight (ON) rate rose to 31.25% and 31.70% respectively, from the previous week's 18.11% and 20.06%. The 30-day Nigerian Interbank Offered Rate (NIBOR) also increased to 26.79% from 23.60%. We expect rates to hover around similar levels this week.

### Foreign Exchange Market

The Naira weakened last week due to a shortage of foreign exchange (FX), as market participants sought U.S. Dollars to meet their obligations, driving up demand for the greenback. As a result, the Naira depreciated by ₦17.10 over the week, closing at ₦1,619.95. We anticipate that the CBN will remain active in the FX market this week.

### Bond Market

Last week, the FGN bond market traded on a quiet note as investors focused on the Nigerian Treasury Bills auction. Consequently, average yields declined, the 3-, 7-, 9-, and 30-year bonds decreased to 19.10%, 19.44%, 19.76% and 17.03% from 19.41%, 19.60%, 20.05% and 17.10% respectively. The Access Bank bond index increased marginally by 68.54 points, closing at 4,346.72 points compared to 4,278.18 points. We expect similar market sentiment to persist this week given the tight system liquidity.

### Commodities

Gold prices declined following a mixed U.S. jobs report, which intensified the debate over how aggressively the Federal Reserve will cut interest rates in its September meeting. Spot gold fell 0.3% to \$2,508.67 per ounce on September 6, 2024, after reaching a record high of \$2,531.75 in August. According to the Bureau of Labor Statistics, nonfarm payrolls rose by 142,000 in the last month, bringing the three-month average to its lowest level since mid-2020. Treasury yields and the U.S. dollar fluctuated, while gold erased an early gain, trading as much as 0.6% lower. Swap traders increased their bets on a half-point Fed rate cut this month, as they try to gauge the extent and timing of rate reductions. Analysts suggest that "gold needs to see continuous rate cuts" to sustain upward momentum. Federal Reserve officials have indicated a growing focus on labour market risks over inflation, which has moderated from pandemic-era highs, increasing the likelihood of rate cuts starting this month. Meanwhile, crude oil futures hovered around \$77 per barrel last week, with expectations of a decline due to demand concerns in major markets. Weaker manufacturing data from China and the U.S. raised fears of subdued demand, while potential supply increases from Libya, driven by political agreements, added downward pressure. However, an unexpectedly large drawdown in U.S. crude inventories provided some support, with the EIA reporting a 6.9-million-barrel drop - far exceeding the forecasted 1.1-million-barrel decline - marking nine consecutive months of shrinking crude stocks.

## 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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