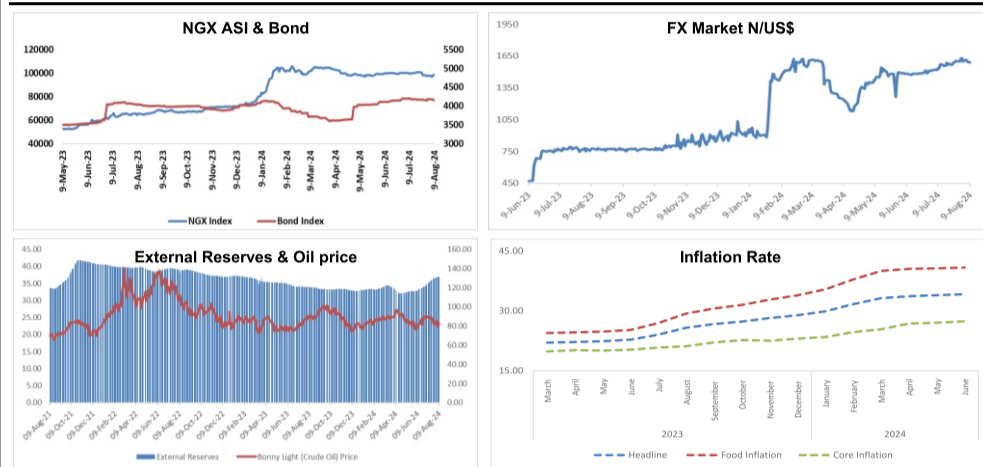


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	2.98	Q1 2024 — Lower by 0.48% compared to 3.46% in Q4 2023
Broad Money Supply (N' trillion)	98.99	Increased by 2.09% in May 2024 from N96.96 trillion in April 2024
Credit to Private Sector (N' trillion)	74.31	Increased by 1.91% in May 2024 from N72.92 trillion in April 2024
Currency in Circulation (N' trillion)	3.97	Rose by 1.07% in May 2024 from N3.92 trillion in April 2024
Inflation rate (%) (y-o-y)	34.19	Increased to 34.19 in June 2024 from 33.95% in May 2024
Monetary Policy Rate (%)	26.75	Adjusted to 26.75% in June 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)	36.85	August 8, 2024 figure — an increase of 11.6% from the start of the year
Oil Price (US\$/Barrel) (OPEC)	82.8	August 9, 2024 figure — an increase of 1.91% from the prior week
Oil Production mbpd (OPEC)	1.28	June 2024, figure — an increase of 2.0% from May 2024 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	9/8/24	2/8/24	
NGX ASI	98,592.12	97,745.73	0.87
Market Cap (N'trn)	55.98	55.50	0.87
Volume (bn)	0.48	0.21	126.37
Value (N'bn)	8.17	3.95	106.72

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	9/8/24	2/8/24	
OPR	33.39	25.61	778
O/N	33.97	26.06	792
CALL	36.71	26.00	1071
30 Days	27.42	26.38	104
90 Days	28.25	27.25	100

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	9/8/24	2/8/24	9/7/24
NAFEX (N)	1589.17	1600.26	1534.51

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	9/8/24	2/8/24	
3-Year	20.38	20.20	18
5-Year	20.75	19.90	85
7-Year	21.14	21.02	13
9-Year	22.30	22.52	(22)
10-Year	20.37	20.01	36
15-Year	19.06	19.12	(5)
20-Year	19.62	19.33	29
25-Year	17.74	17.74	(0)
30-Year	18.41	18.42	(1)

COMMODITIES MARKET

Indicators	9/8/24	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil (\$/bbl)	82.80	1.91	4.28
Natural Gas (\$/MMBtu)	2.14	9.74	(44.70)
Agriculture			
Cocoa (\$/MT)	7,266	10.53	275.31
Coffee (\$/lb.)	231.30	0.22	77.65
Cotton (\$/lb.)	68.34	(0.13)	(11.82)
Sugar (\$/lb.)	18.45	1.99	20.35
Wheat (\$/bu.)	544.00	0.74	25.49
Metals			
Gold (\$/t oz.)	2429.38	(0.26)	84.38
Silver (\$/t oz.)	27.43	(3.52)	59.57
Copper (\$/lb.)	399.90	(2.55)	22.00

NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	9/8/24	2/8/24	
1 Mnth	20.21	20.11	9
3 Mnths	21.37	21.13	24
6 Mnths	26.37	23.96	241
9 Mnths	27.29	27.54	(26)
12 Mnths	26.72	26.72	0

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	9/8/24	2/8/24	
Index	4,159.70	4,180.99	(0.51)
Mkt Cap Gross (N'trn)	28.26	28.41	(0.53)
Mkt Cap Net (N'trn)	15.99	16.05	(0.37)
YTD return (%)	69.34	70.21	(1.24)
YTD return (%) (US \$)	634.74	(642.41)	(198.81)

TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	21,829.95	18.5	07-Aug-2024
182 Day	33,455.76	19.5	07-Aug-2024
364 Day	431,581.33	21.89	07-Aug-2024

Market Analysis and Outlook: August 9, - August 16, 2024

Global Economy

Canada's unemployment rate held steady at 6.4% in July 2024, mirroring the peak from January 2022 and falling slightly under the projected 6.5%. Despite faring better than expected, it indicates the anticipated weakening of Canada's job market that the Bank of Canada predicted with its recent rate reductions. The unemployed population decreased by 8,600 to 1,398,500. Unemployment rates increased for young men to 16%, stayed virtually the same for young women at 12.3%, and decreased marginally for core-aged men to 5.3% and for core-aged women to 4.9%. In another region, the foreign exchange reserves of the Reserve Bank of India (RBI) climbed to a new high of \$674.9 billion at the beginning of the month of August. This increase can be attributed to the substantial inflow of foreign capital into the Indian market, propelled by strong economic performance and the anticipated addition of Indian securities to JPMorgan's prominent emerging market debt index, enticing foreign investors. Evidence of this influx is the Sensex reaching unprecedented levels and the 10-year government bond yields dipping below 7%. Furthermore, with the yen and yuan rebounding, the RBI has been focusing on maintaining the competitiveness of Indian exports, suggesting active intervention from the central bank to bolster foreign exchange reserves through significant purchases.

Domestic Economy

During the previous week, the Central Bank of Nigeria (CBN) launched a Retail Dutch Auction System (rDAS), aimed at managing forex market volatility and meeting the rising forex demand from end users. The CBN required all authorized dealer banks to provide a detailed and verified list of their customers' unmet forex needs. This initiative began last week and is intended to alleviate demand pressures on the FX market and stabilize the Naira's exchange rate. A total of US\$1.18 billion in bids was received from 32 Authorized Dealers Banks. Out of this, bids worth US\$876.26 million from 26 banks were considered valid, whereas bids worth US\$13.69 million from six banks were deemed invalid. Aligning with the CBN's goal of infusing FX liquidity and facilitating price discovery, the Bank set a cut-off rate of N1495/US\$ for the rDAS.

Stock Market

The Nigerian stock market reversed its bearish trend, owing largely to the upward trend in the banking sector, insurance, oil and gas and consumer goods sector. Consequently, the All-Share Index (ASI) rose by 846.39 points, closing the week at 98,592.12 points, which represents a 0.87% increase week-on-week. Market capitalization also increased by N480.83 billion, closing at N55.98 trillion. As we enter trading this week, we anticipate the bullish trend to persist as investors strategically position themselves ahead of the forthcoming half-year financial reports, with a particular focus on banking stocks.

Money Market

The money market experienced a liquidity squeeze due to the retail foreign exchange auction, which caused rates to rise. The Open Repo Rate (OPR) and Overnight (ON) rate decreased to 33.39% and 33.97%, respectively, from

the previous week's 25.61% and 26.06%. The 30-day Nigerian Interbank Offered Rate (NIBOR) also declined to 27.42% from 25.61%. We expect rates to hover around similar levels this week.

Foreign Exchange Market

Following the announcement that the Retail Dutch Auction System (RDAS) will be re-introduced, market offers improved, leading to an appreciation of the Naira by N11.09, ending the week at N1,589.17/\$. We anticipate that rates will continue to improve this week, barring any significant market activity.

Bond Market

Last week saw a relatively subdued level of activity in the Bond market, as traders exercised caution amidst a liquidity crunch caused by the retail foreign exchange auction. Average yields on the 3-, 5-, 7y, 10- and 20-year bonds saw increases to 20.38%, 20.75%, 21.14%, 20.37% and 19.62% from 20.20%, 19.90%, 21.02%, 20.01% and 19.33% respectively. However, the Access Bank bond index decreased marginally by 21.29 points, closing at 4,159.70 points compared to 4,180.99 points. We expect similar market sentiment to persist this week given the weak investors' appetite in the bond market.

Commodities

Crude oil futures edged up near \$82.8 per barrel at the end of the previous week and are on track for its first weekly gain in recent times, buoyed by US employment data that eased recession concerns. Tensions are high as markets anticipate potential Iranian retaliation against Israel, which could intensify Middle East conflict and affect oil supply. Calls from Qatar, Egypt, and the US for Israel and Hamas to return to ceasefire talks add to the situation. Oil supply is further threatened by disruptions at Libya's Sharara oil field and unexpected attacks in Russia by Ukraine. The upward trend in crude prices is also supported by the latest EIA report showing a significant drop in crude inventories, reaching a six-month low. In another news, gold experienced a decrease to around \$2,430 per ounce at last week's close, following an increase of nearly 2% the week prior. Yet, gold is still seeing advantages from ongoing geopolitical risks and the anticipation of a rate reduction by the Federal Reserve. The demand for gold as a haven surged amidst increased geopolitical frictions, with market expectations of Iran's retaliation against Israel and following an unusual attack by Ukraine on Russia. Furthermore, while predictions of a Fed rate cut in September are still alive, investors' expectations have moderated, with opinions split on whether the US central bank may go for a substantial 50-bps cut or a more conservative 25 bps reduction. Despite this, over the course of the week, gold is on track for a dip, offsetting the significant gains recorded in the previous week.

Monthly Macro Economic Forecast

Variables	Aug-2024	Sep-2024	Oct-2024
Exchange Rate (NAFEX) (N/\$)	1,480	1,450	1,420
Inflation Rate (%)	33.90	33.20	32.85
Crude Oil Price (US\$/Barrel)	88.70	86.50	85.00

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

For enquiries, contact: Oluwaseun Oloaye (Team Lead, Economic Intelligence) (01) 2712123
oluwaseun.olaoeye@accessbankplc.com