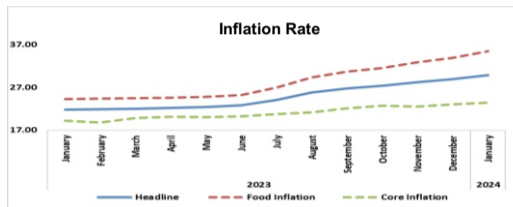
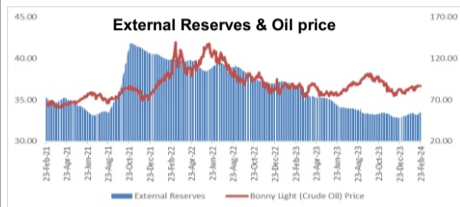
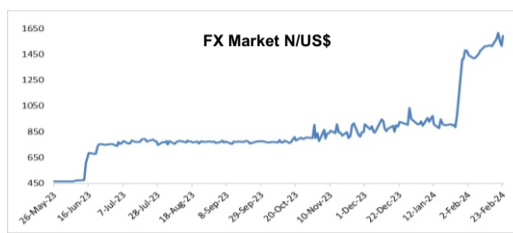
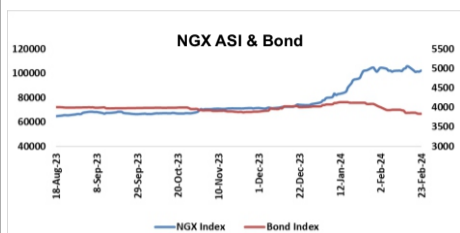


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	3.46	Q4 2023 — Higher by 0.92% compared to 2.54% in Q3 2023
Broad Money Supply (N' trillion)	93.72	Rose by 19.02% in January 2024 from N78.74 trillion in December 2023
Credit to Private Sector (N' trillion)	76.94	Rose by 23.06% in January 2024 from N62.52 trillion in December 2023
Currency in Circulation (N' trillion)	3.65	Unchanged in January 2024 from N3.65 trillion in December 2023
Inflation rate (%) (y-o-y)	29.9	Increased to 29.9% in January 2024 from 28.92% in December 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)	33.45	February 21, 2024 figure — an increase of 0.30% from February start
Oil Price (US\$/Barrel) (OPEC)	86.86	February 19, 2024 figure — an increase of 1.09% from the prior week
Oil Production mbpd (OPEC)	1.43	January 2024, figure — an increase of 6.72% from December 2023 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	23/2/24	16/2/24	
NGX ASI	102,088.30	105,722.78	(3.44)
Market Cap(N'tr)	55.86	57.85	(3.44)
Volume (bn)	0.29	0.34	(15.04)
Value (N'bn)	6.02	8.05	(25.23)

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	23/2/24	16/2/24	
OPR	24.91	16.25	866.0
O/N	25.75	16.93	882
CALL	24.50	16.75	775.0
30 Days	18.42	16.63	179
90 Days	19.33	17.25	208.3

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	23/2/24	16/2/24	23/1/24
NAFEX (N)	1594.27	1512.89	954.10

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	23/2/24	16/2/24	
7-Year	16.40	12.48	392.0
10-Year	14.21	13.80	41.4
15-Year	17.11	17.11	0.2
20-Year	16.74	16.02	71.5
25-Year	17.82	17.82	(0.1)
30-Year	17.89	17.89	0

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

Market Analysis and Outlook: February 23, - March 1, 2024

Global Economy

The Ministry of Statistics and Programme Implementation (MOSPI) revealed that the annual retail inflation in India eased to 5.1% in January 2024, the lowest in 3 months, from 5.69% in December 2023. The slowdown is mostly due to an ease in food inflation and favourable base effects from last year as inflation rose in January 2023. Food inflation fell to 8.3% from 9.5%. Prices rose less for vegetables, pulses, spices, and fruits and continued to fall for oils and fats. A slowdown was also seen in prices for pan, tobacco & intoxicants, clothing, and footwear, miscellaneous and housing while prices for fuel and light fell by 0.6% after a 1% drop. In a different zone, South Africa's annual inflation rate rose to 5.3% in January 2024, up from December's 5.1%, however, remaining within the South African Reserve Bank's 3 – 6% target range. Inflation report from Statistics South Africa revealed that the increase follows 2-months of consecutive declines, mainly on account of prices of restaurants & hotels, food & non-alcoholic beverages, health, transportation, miscellaneous goods & services. The annual core inflation, which excludes food and fuel prices, accelerated to a 5-month high of 4.6% in January, from 4.5% in December. Monthly, consumer prices edged up by 0.1% in January, after being flat in the prior month.

Domestic Economy

A report from the National Bureau of Statistics revealed that Nigeria's year-on-year economic growth accelerated to 3.46% in Q4 2023, up from 2.54% in the prior period. This marks the 13th consecutive quarter of economic expansion and the strongest in a year, driven mainly by the non-oil sector (3.07% vs 2.75% in Q3). Notably, the services sector recorded a growth of 3.98%, contributing 56.55% to the aggregate GDP, primarily due to finance & insurance (+29.8%) and information & communication (+6.3%). Meanwhile, the oil sector experienced a sharp rebound (12.1% vs -0.83%), ending over 3 years of contraction, as production increased to 1.55 million barrels per day (mbpd), from 1.34mbpd a year earlier. Considering the entire year of 2023, Nigeria's economic growth reached 2.74%, compared to 3.10% recorded a year earlier.

Stock Market

Trading activity on the Nigerian Exchange slowed as investors shifted their focus to the fixed-income market, attracted by increasing yields. The market saw a downturn, particularly in the pension, banking, consumer goods, and insurance sectors. Consequently, the All-Share Index (ASI) ended at 102,088.30 points, reflecting a decrease of 3,634.48 points. Furthermore, the market capitalization fell by ₦1.99 trillion, concluding the week at ₦55.86 trillion. As the trading week progresses, it is anticipated that investors will approach the market with caution, awaiting the

upcoming Monetary Policy Committee (MPC) decision.

Money Market

The Nigerian Treasury Bills (NTB) auction settlement spurred illiquidity in the money market. Consequently, the Open Repo Rate (OPR) and Over Night (ON) rose to 24.91% and 25.75% from 16.25% and 16.93% recorded in the prior week. Also, relatively longer-dated placements such as the 90-day Nigerian Interbank Offered Rate (NIBOR) increased to 19.33% from 17.25%. This week, rates might inch higher as banks fund their obligations.

Foreign Exchange Market

At the forex market, trading activities were conducted with mixed sentiments, yet the persistent demand for the greenback outweighed its availability. Hence, the Naira further lost ₦81.38 to close at ₦1,594.27. This week, the forex rate is expected to hover around similar levels barring any funding relief for the market.

Bond Market

The FGN Bond market closed on a relatively quiet note with minimal activity seen across the bond curve. Consequently, average yields on the 7-, 10-, and 20-year inched higher at 16.40%, 14.21%, and 16.74% from 12.48%, 13.80%, and 16.02%. Also, the Access Bank bond index declined by 24.47 points to close at 3,837.94 points from 3,862.42 points. Going into the new trading week, the outcome of the MPC meeting is expected to dictate market sentiment.

Commodities

Oil prices held gains after the latest Energy Information Administration (EIA) report showed a smaller-than-expected storage build last week. Consequently, Bonny Light, Nigeria's benchmark crude price gained \$0.94 to close the week at \$86.86 per barrel (pb) from \$85.92pb posted in the preceding week. In separate news, bullion prices finished the week higher, underpinned by a weaker dollar and safe-haven demand. Those moves came amid growing uncertainty about the timing and scale of an interest rate cut from the Federal Reserve this year given mixed US economic data. Consequently, gold price gained \$26.97 or 1.3% to sit at \$2,025.7 per ounce. However, silver price lost \$0.18 or 0.8% to sit at \$22.75 per ounce. This week, oil prices might stay muted as investors assess various demand and supply factors. On the other hand, bullion prices may stay on the northwards trajectory as rising geopolitical tensions in the Middle East lift demand for the non-yielding metal.

Monthly Macro Economic Forecast

Variables	Feb'24	Mar'24	April'24
Exchange Rate (NAFEX) (N/\$)	1500	1450	1400
Inflation Rate (%)	30.5	30	29.2
Crude Oil Price (US\$/Barrel)	80	82	85

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