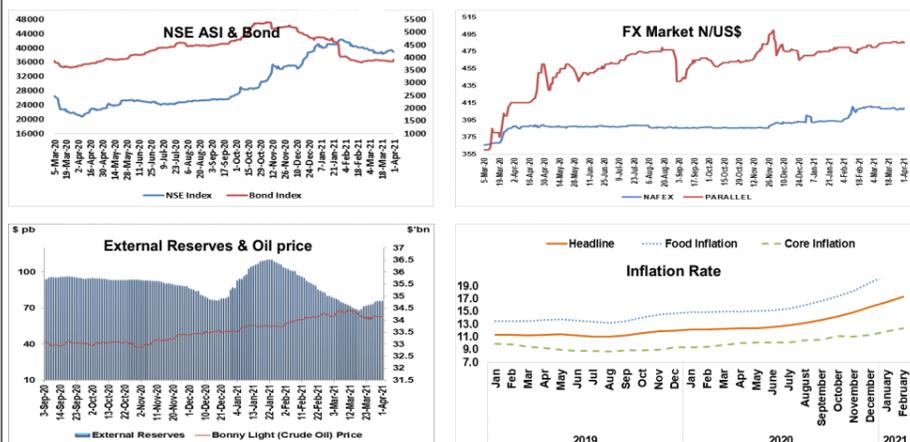


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	0.11	Q4 2020 — higher by 3.73% compared to -3.62% in Q3 2020
Broad Money Supply (N' trillion)	39.34	Decreased by 0.6% in January' 2021 from N39.57 trillion in December' 2020
Credit to Private Sector (N' trillion)	30.55	Increased by 1.4% in January' 2021 from N30.15 trillion in December' 2020
Currency in Circulation (N' trillion)	2.83	Decreased by 2.7% in January' 2021 from N2.91 trillion in December' 2020
Inflation rate (%) (y-o-y)	17.33	Increased to 17.33% in February 2021 from 16.47% in January 2021
Monetary Policy Rate (%)	11.5	Adjusted to 11.5% in September 2020 from 12.5%
Interest Rate (Asymmetrical Corridor)	11.5 (+1/-7)	Lending rate changed to 12.5% & Deposit rate 4.5%
External Reserves (US\$ million)	34.62	March 30, 2021 figure — a decrease of 0.59% from March start
Oil Price (US\$/Barrel)	61.39	March 30, 2021 figure— an increase of 2.74% from the prior week
Oil Production mbpd (OPEC)	1.49	February 2021, figure — a decrease of 12.04% from January 2021 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	1/4/21	26/3/21	
NSE ASI	38,916.74	39,216.20	(0.76)
Market Cap(N'tr)	20.36	20.52	(0.76)
Volume (bn)	0.24	0.25	(4.58)
Value (N'bn)	2.32	2.79	(17.01)

MONEY MARKET

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	1/4/21	26/3/21	
NIBOR			
OBB	30.0000	10.5000	1950
O/N	32.5000	10.7500	2175
CALL	11.6667	13.2500	(158)
30 Days	5.4421	4.2197	122
90 Days	6.9438	5.8333	111

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	1/4/21	26/3/21	1/3/21
Official (N)	379.00	379.00	379.00
Inter-Bank (N)	408.79	407.15	410.92
BDC (N)	0.00	0.00	0.00
Parallel (N)	485.00	485.00	482.00

BOND MARKET

AVERAGE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	1/4/21	26/3/21	
5-Year	3.17	3.20	(4)
7-Year	8.92	8.80	11
10-Year	8.24	8.14	10
15-Year	11.55	11.50	5
20-Year	11.11	10.98	13
25-Year	11.95	11.84	11
30-Year	11.83	11.67	16

Disclaimer
This report is based on information obtained from various sources believed to be reliable and no representation is made that it is accurate or complete. Reasonable care has been taken in preparing this document. Access Bank Plc shall not accept responsibility or liability for errors of fact or any opinion expressed herein. This document is for information purposes and private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior written consent of Access Bank Plc.

Sources: CBN, Financial Market Dealers Quotation, NSE, NBS, Energy Information Agency, Oilprice, Bloomberg and Access Bank Economic Intelligence Group computation.
* Crude oil (Bonny Light) is as at the previous day.

Market Analysis and Outlook: April 1 – April 9, 2021

Global Economy

In the UK, GDP shrank 7.3% year-on-year in the last three months of 2020, according to the Office of National Statistics (ONS). Business investment fell much less than initially estimated (-7.4% vs -10.3%) and the drop for both exports (-18.9% vs -23.5% the preliminary estimate) and imports (-4.7% vs -8.9%) was revised lower. On the other hand, household spending fell 9.2%, the same as in the preliminary estimate. The contraction for 2020 was also revised to 9.8%, from the first estimate of a 9.9% decline. In a separate development, the Reserve Bank of India, reported that India had current account deficit of \$1.7 billion in the last three months of 2020, equivalent to 0.2% of the GDP. It is the first gap after three consecutive quarter of surplus, mainly due to a wider merchandise goods gap (-\$34.5 billion from -\$14.8 billion in the preceding quarter), and an increase in net investment income payments. On the other hand, the services surplus increased to \$23.6 billion amid higher export earnings from computer services. For the first nine months of the current financial year (April to December), the current account showed a surplus equivalent to 1.7% of GDP versus a 1.2% deficit in same period last year.

Foreign Exchange Market

The naira was majorly stable against the dollar across most market segments last week except at the Nigerian Autonomous Foreign Exchange window. The parallel market and CBN official window were unchanged at N485/US\$ and N379/US\$ from preceding week figures. However, the NAFEX rate lost N1.64 to close at N408.79/US\$ from N407.15/US\$. We expect the naira to continue to remain around current levels given the targeted intervention approach adopted by the apex bank.

Bond Market

The Federal Government of Nigeria bond market closed last week on a bearish note as the stop rate on the 1-Yr treasury bill printed 100 basis points (bps) higher than the preceding auction held within the week. The long end of the bond curve traded firmly above 12% and as such, there was a bit of interest at these elevated levels. Yields on the 7-, 10-, 15-, 20-, 25, and 30-year debt papers finished at 8.92%, 8.24%, 11.55%, 11.11%, 11.95%, and 11.83% from 8.8%, 8.14%, 11.5%, 10.98%, 11.84%, and 11.67%, respectively. The Access Bank Government Bond index increased by 81.21 points to settle at 3,920.04 points last week. This week, the bearish run is expected to continue as demand for bonds continue to dwindle.

Domestic Economy

The Nigerian States and Federal Debt Stock data as of 31st December 2020 reflected that the country's total public debt portfolio stood at N32.92 trillion according to data from the National Bureau of Statistics. Nigeria's total public debt showed that N12.71 trillion or 38.60% of the debt was external while N20.21 trillion or 61.40% of the debt was domestic. Further breakdown of Nigeria's foreign debt showed that \$17.93 billion of the debt was bilateral; \$4.06 billion was bilateral from the Agence Francaise de Developpement (AFD), Exim Bank of China, Japan International Cooperation Agency (JICA), India, and Kreditanstalt für Wiederaufbau (KfW) while \$11.17 billion was commercial which are Eurobonds and Diaspora Bonds and \$186.7 billion as promissory notes. The total States and Federal Capital Territory (FCT) domestic debt was put at N4.19 trillion with Lagos state accounting for 12.15% of the debt stock while Jigawa State has the least debt stock in this category with a contribution of 0.74%.

Oil Prices

Oil prices climbed last week as investors eyed an OPEC+ meeting where major producers are likely to extend the current production cut into May, amid concerns about extended restrictive measures in Europe, slow vaccine rollouts and rising COVID-19 cases in India and Brazil. Bonny light, Nigeria's benchmark crude inched up 2.74% to close at \$63.40 per barrel. Precious metal prices dipped further amid soaring dollar and Treasury yields as investors continue to bet that further fiscal spending and vaccine rollout will prompt a strong economic recovery in the US. Consequently, gold prices declined by 0.83% or \$14.31 to finish at \$1,730.52 per ounce from \$1,730.52 per ounce. Silver settled at \$24.42 per ounce, a 3.1% drop from previous week. This week, oil prices would be determined by the decision of the OPEC+ on its production policy. Safe-haven assets will likely remain bearish as bets of a brighter economic outlook and fears over a spike in inflation and debt levels, might prompt a bond sell-off and a dollar rally, raising the opportunity cost of holding bullion.

Stock Market

Indicators at the local stock exchange went back into negative territory last week due to profit taking by investors. The downtrend was majorly in the agricultural and financial services sector. Consequently, the All-Share Index (ASI) and market capitalization closed at 38,916.74 points and N20.36 trillion from 39,216.20 points and N20.52 trillion, respectively the preceding week. This week, we expect that the market might remain bearish given the higher yields seen in treasury bills as investors tilt in favour of the treasury market.

Monthly Macro Economic Forecast

Variables	Apr'21	May'21	Jun'21
Exchange Rate (NAFEX) (N/\$)	408	408	410
Inflation Rate (%)	18.29	18.9	19.5
Crude Oil Price (US\$/Barrel)	66	67	69

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