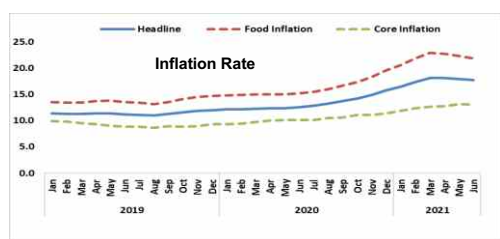
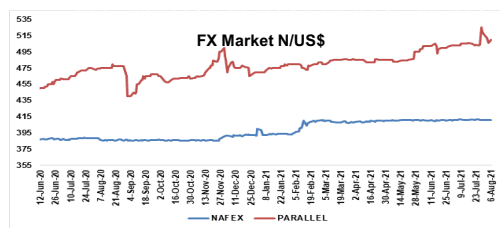
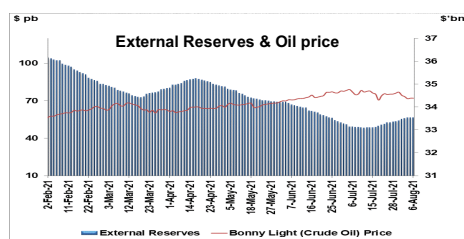
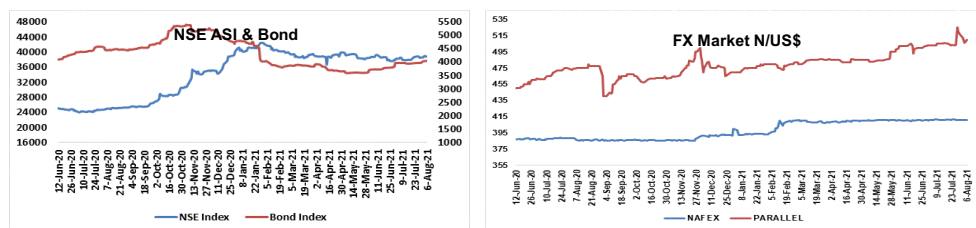


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	0.51	Q1 2021 — higher by 0.40% compared to 0.11% in Q4 2020
Broad Money Supply (N' trillion)	39.41	Decreased by 0.95% in June' 2021 from N39.78 trillion in May' 2021
Credit to Private Sector (N' trillion)	32.64	Increased by 1.63% in June' 2021 from N32.12 trillion in May' 2021
Currency in Circulation (N' trillion)	2.74	Decreased by 1.78% in June' 2021 from N2.79 trillion in May' 2021
Inflation rate (%) (y-o-y)	17.75	Decreased to 17.75% in June 2021 from 17.93% in May 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)	33.54	August 4, 2021 figure — an increase of 0.78% from July start
Oil Price (US\$/Barrel)	72.25	August 5, 2021 figure— a decrease of 4.27% from the prior week
Oil Production mbpd (OPEC)	1.40	June 2021, figure — a decrease of 0.57% from May 2021 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	6/8/21	30/7/21	
NSE ASI	38,810.75	38,547.08	0.68
Market Cap(N'tr)	20.22	20.08	0.68
Volume (bn)	0.17	0.39	(56.66)
Value (N'bn)	1.66	3.82	(56.41)

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	6/8/21	30/7/21	
OBB	20.0000	7.5000	1250
O/N	20.5000	7.7500	1275
CALL	18.0000	8.6667	933
30 Days	15.6483	11.9194	373
90 Days	16.9273	13.5026	342

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)	Change (Basis Point)
	6/8/21	30/7/21	2/6/21	
Official (N)	0.00	0.00	0.00	
Inter-Bank (N)	411.24	411.10	410.33	
BDC (N)	0.00	0.00	0.00	
Parallel (N)	510.00	517.00	498.00	

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	6/8/21	30/7/21	
5-Year	5.09	5.10	(1)
7-Year	11.30	11.39	(9)
10-Year	9.90	10.01	(11)
15-Year	13.18	13.26	(8)
20-Year	12.62	12.78	(16)
25-Year	12.52	12.52	(0)
30-Year	13.17	13.24	(7)

Disclaimer
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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: July 30 – August 6, 2021

Global Economy

The Bureau of Economic Analysis (BEA) revealed that the trade deficit in the US expanded to a new record of \$75.7 billion in June 2021, from a \$71 billion in the previous month. Imports climbed 2.1% to an all-time high, adding to signs that domestic demand consolidated its recovery from the pandemic hit, while exports rose at a softer 0.6%. In a separate development, Brazil's central bank recently announced its fourth interest rate hike in 2021 and the biggest in almost two decades, raising the Selic rate by 100 basis points to 5.25%. The Committee aims to prevent high current inflation from spilling over into next year and foresees another adjustment of the same magnitude in September. Elsewhere, the Reserve Bank of India (RBI) kept its target repo rate at 4% during its August meeting, saying it was maintaining an accommodative monetary policy stance as long as necessary to support the economic recovery and to help mitigate the negative impact of COVID-19. The Bank also left the reverse repo rate, the borrowing rate, unchanged at 3.35%. Meanwhile, the RBI raised its projection for retail inflation for full year 2021/22 to 5.7% from 5.1% previously, adding to concerns about a need to reverse policy if price pressures fail to abate.

The lender's charge such as the Open Buy Back (OBB) and Overnight (O/N) rates jumped to 20% and 20.50% from 7.5% and 7.75% the previous week. In the same vein, slightly longer dated instruments like the 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) closed higher settling at 15.65% and 16.93% from 11.92% and 13.50% the prior week. This week, money market rates are expected to decline following anticipated Open Market Operation (OMO) maturity.

Foreign Exchange Market

The local unit went in varying paths against the dollar at the FX market segments last week. At the interbank market, the local unit depreciated by 14 kobo to close at N411.24/\$ from N411.10/\$. Meanwhile, at the parallel market, the currency gained N7 to finish N510/\$ from N517/\$ on the strength of rising market optimism and ease of panic over the stoppage of foreign exchange sale to the bureau de change (BDC) operators. This week, we expect that the naira will meander around current rate as CBN funds dollar demands and commercial banks provide for dollars to meet legitimate demand.

Domestic Economy

The board of governors of the International Monetary Fund (IMF) has approved the allocation of \$3.35 billion to Nigeria as part of a historic general allocation of Special Drawing Rights (SDRs) of the international multilateral institution. This is a result of the approval of a general allocation of about SDR456 billion, an equivalent of \$650 billion, by the IMF Board of Governors. The allocation which was approved last week aims to boost global liquidity at a time when the world is grappling with the coronavirus pandemic. In a separate development, the Debt Management Office (DMO) has announced that the Federal Executive Council (FEC) has approved eight transaction institutions to advise the country on its Eurobonds issuance in its bid to finance the 2021 budget deficit. This was disclosed in a statement by the DMO last week. The DMO had announced in April that plans are ongoing towards the issuance of Eurobonds and its plans to appoint transaction advisers through an open bid process. The debt office stated that 38 institutions responded to the expression of interest, of which after a rigorous evaluation to ascertain the technical capacities of the bidders, only the eight institutions selected were qualified. According to the statement, JP Morgan, Citigroup, Standard Chartered Bank and Goldman Sachs were approved as international bookrunners/joint lead managers. It said the Eurobonds will be used as one of the tools for raising N2.343 trillion (about \$6.2 billion) debt to cover the 2021 Appropriation Act deficit.

Bond Market

Average bond yield declined due to increased demand. Interest was skewed towards the belly and tail of the curve. The on-the-run bonds had the most activity, with trades on the 2036 maturity printing at c13.14% while the 2050 bond traded at a high of 13.35%. Consequently, yields on the 5-, 7-, 10-, 15-, 20-, and 30-year debt papers closed lower at 5.09%, 11.30%, 9.90%, 13.26%, 12.62% and 13.17% from 5.1%, 11.39%, 10.01%, 13.26%, 12.78% and 13.24%, respectively. Consequently, the index increased by 76.34 points to close at 4,049.52 points from 3,973.18 points. This week, we expect the buying to calm as market participants re-assess their positions ahead of the monthly bond auction.

Commodities

Crude oil prices slumped amidst concerns that the rapid spread of the Delta variant of the COVID-19 in top consuming countries will cut fuel demand. Both the US and China are witnessing a spike in coronavirus cases amid the highly contagious delta variant, threatening demand at the peak summer driving season and limiting air traffic. Bonny light, Nigeria's benchmark crude dipped 4.27% to settle at \$72.25 per barrel. Separately, precious metal prices eased gains, after data showed that the US services sector grew more than expected to an all-time high more than offset the disappointing release of the US Automatic Data Processing (ADP) report. Gold prices declined 1.67% or \$30.45 to finish at \$1,797.81 per ounce from \$1,828.26 per ounce. Silver settled at \$25.05 per ounce, a 1.92% drop from prior week. Rising tensions in the Middle East, increasing inventories, and demand concerns might continue to pressure the price of oil this week. Bullions might continue to decline driven by stronger dollar. Investors will be keenly watching US jobs report for cues on the Federal Reserve's future policy stance to determine market trajectory.

COMMODITIES MARKET

Indicators	6/8/21	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil (\$/bbl)	72.25	(4.27)	12.09
Natural Gas (\$/MMBtu)	4.14	3.76	35.47
Agriculture			
Cocoa (\$/MT)	2,449.00	250.86	26.50
Coffee (\$/lb.)	174.20	(7.81)	33.79
Cotton (\$/lb.)	90.81	2.03	17.17
Sugar (\$/lb.)	18.64	2.25	21.59
Wheat (\$/bu.)	716.25	2.61	65.22
Metals			
Gold (\$/t oz.)	1,797.81	(1.67)	36.45
Silver (\$/t oz.)	25.05	(1.92)	45.72
Copper (\$/lb.)	438.95	(2.83)	33.91

NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	6/8/21	30/7/21	
1 Mnth	2.60	3.43	(83)
3 Mnths	3.52	4.29	(77)
6 Mnths	4.72	5.33	(61)
9 Mnths	7.10	7.63	(53)
12 Mnths	8.43	8.72	(29)

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	6/8/21	30/7/21	
Index	4,049.52	3,973.18	1.92
Mkt Cap Gross (N'tr)	13.28	13.03	1.92
Mkt Cap Net (N'tr)	8.92	8.74	2.06
YTD return (%)	64.85	61.75	3.10
YTD return (%) (US \$)	-43.32	-46.44	3.12

TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	3,174.99	2.5	28-July-2021
182 Day	3,536.20	3.5	28-July-2021
364 Day	258,527.90	8.2	28-July-2021

Stock Market

Last week, the Nigerian equities market was bullish as investors reacted to impressive half year (H1) unaudited results declared by listed companies. Consequently, the All-Share Index (ASI) and market capitalization settled lower at 38,810.75 points and N20.22 trillion from 38,547.08 points and N20.08 trillion, respectively the preceding week. Stocks in the hotels/lodging service, industrial, financial services, and oil & gas sectors contributed to the uptrend seen in the market. This week, we envisage the bullish run of the market will continue as corporate scorecards are being released and the low prices spur bargain hunting activities on attractively priced counters.

Money Market

Liquidity at the debt market was strained as banks made provision for retail Secondary Market Intervention Sales (SMIS). The outflow of funds led to higher rates as

Monthly Macro Economic Forecast

Variables	Aug'21	Sept'21	Oct'21
Exchange Rate (NAFEX) (N/\$)	411	412	411
Inflation Rate (%)	17.7	17.34	17.01
Crude Oil Price (US\$/Barrel)	74	76	75

For enquiries, contact: Rotimi Peters (Team Lead, Economic Intelligence) (01) 2712123 rotimi.peters@accessbankplc.com