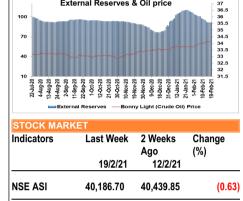


## **KEY MACROECONOMIC INDICATORS Current Figures** Comments GDP Growth (%) Q4 2020 — higher by 3.74% compared to -3.62% in Q3 2020 0.11 Broad Money Supply (N' trillion) 38.67 Increased by 5.66% in December' 2020 from N36.12 trillion in November' 2020 Credit to Private Sector (N' trillion) 30.17 Increased by 2.57% in December' 2020 from N29.41 trillion in November' 2020 Currency in Circulation (N' trillion) 2.91 Increased by 9..35% in December' 2020 from N2.66 trillion in November' 2020 Inflation rate (%) (y-o-y) 16.74 Increased to 16.74% in January 2021 from 15.75% in December 2020 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) February 16, 2021 figure — a decrease of 1.71% from February start 35.58 Oil Price (US\$/Barrel) 64.59 February 17, 2021 figure— an increase of 5.3% from the prior week Oil Production mbpd (OPEC) 1.34 January 2021, figure — a decrease of 2.26% from December 2020 figure





Volume (bn)	(	0.31	0.40	(22.20
Value (N'bn)	:	2.91	5.19	(44.03
MONEY MAR	RKET			
Tenor	Last Week Rate (%)	2 Week Rate	_	Change (Basis Point)
	19/2/21	12/2/21		,
ОВВ	20.0000	4.5000	1	550
O/N	20.5000	4.7500	1	575

4.9250

2.0527

2.4078

14.3250

1.6892

3.0494

21.03

21.16

940

(36)

64

(0.61)

Market Cap(N'tr)

CALL

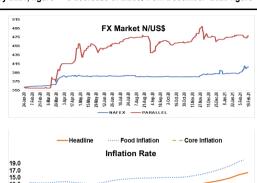
30 Days

90 Days

FOREIGN EXC			
Market	Last Week Rate (N/\$)		
	19/2/21	12/2/21	19/1/21
Official (N)	379.00	379.00	379.00
Inter-Bank (N)	408.25	410.50	394.03
BDC (N)	0.00	0.00	0.00
Parallel (N)	478.00	475.00	475.00

BOND M	ARKET		
AVERAGE			
Tenor	Last Week Rate (%)	2 Weeks A Rate (%)	
	19/2/21	12/2/21	
5-Year	3.71	3.75	(4)
7-Year	8.55	8.12	43
10-Year	8.10	7.75	35
15-Year	10.95	10.45	50
20-Year	10.71	10.34	37
25-Year	11.71	10.41	130
30-Year	11.19	10.85	34

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Jan
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2020

2019

COMMODITIES MARKET					
Indicators	19/2/21	1-week Change (%)	YTD Change (%)		
Energy					
Crude Oil \$/bbl)	64.59	5.30	0.20		
Natural Gas (\$/MMBtu)	3.13	8.30	2.42		
Agriculture					
Cocoa (\$/MT)	2416.00	(1.35)	24.79		
Coffee (\$/lb.)	130.00	5.43	(0.15)		
Cotton (\$/lb.)	90.27	2.84	16.48		
Sugar (\$/lb.)	16.87	7.11	10.05		
Wheat (\$/bu.)	666.25	4.51	53.69		
Metals					
Gold (\$/t oz.)	1784.35	(1.77)	35.43		
Silver (\$/t oz.)	27.48	1.59	59.86		
Copper (\$/lb.)	402.90	7.20	22.91		

TIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	19/2/21	12/2/21	
1 Mnth	0.65	0.95	(30)
3 Mnths	0.94	1.10	(16)
6 Mnths	1.65	1.94	(29)
9 Mnths	1.97	2.26	(29)
12 Mnths	2.20	2.57	(36)

Last

TREASURY BILLS

2 Weeks

Change

	Week	Ago	(E	Basis Point
Indicators	19/2/21	12	/2/21	
Index	3,833.32	3,89	91.07	(1.48
Mkt Cap Gross (N'tr)	12.56	; <sub>1</sub>	12.75	(1.48
Mkt Cap Net (N'tr)	8.80	)	9.01	(2.32
YTD return (%)	56.05	; ;	58.40	(2.3
YTD return (%)(US \$)	-36.33	3 -3	33.98	(2.35
TREASURY BILLS I	PMA AUCTIC	N		
Tenor	Amount (N million)	' Rate (	(%)	Date
91 Day	11,388.75	0.55	5 2	7-Jan-2021
182 Day	47,476.88	1.3	2	7-Jan-2021
364 Day	123,113.73	2	2	7-Jan-2021

## Market Analysis and Outlook: February 19 – February 26, 2021

The European Statistical Office revealed that the Eurozone amidst profit taking. investors will position ahead of dividend economy shrank by 0.6% in the three months to December newsamidst profit taking

lockdowns. The latest reading followed a record 12.4% Market liquidity was sucked up last week following Open expansion in the previous three-month period and an Market Operations (OMO) sales of N180 billion and bond unprecedent 11.7% contraction in the second quarter due to auction sales of N202 billion. Short-dated placements such as the COVID-19 crisis. Among the bloc's largest economies, Open Buy Back (OBB) and Over Night (O/N) rates jumped to France, Italy and the Netherlands contracted in the fourth 20% and 20.5% from 4.5% and 4.75% the previous week. The ıarter, while GDP growth in Germany and Spain slowed slightly longer dated instruments such as 30-day and 90-day sharply. Year-on-year, the GDP shrank by 5%, also revised lower Nigerian Interbank Offered Rate (NIBOR) settled at 1.69% and from a preliminary 5.1% decline. Elsewhere, Japan's economy 3.05% from 2.05% and 2.41% the prior week. This week, rates surged in the fourth quarter of 2020, but it was not enough to are expected to decline following anticipated inflows from keep the country from negative growth for the full year 2020. OMO maturities and coupon payments The economy advanced by 3% between October and Foreign Exchange Market

nber compared to the same period in 2019 according to The naira went in diverging directions against the greenback the Cabinet Office. Growth was considerably slower than in the last week. The Nigerian Autonomous Foreign Exchange Rate previous quarter, when the economy expanded 5.3%. Japan's (NAFEX) appreciated while the parallel market rate economy shrank 4.8% over the full year, its first contraction depreciated. The official rate was unchanged from prior week since 2009. The world's third-largest economy suffered its figure. The Nigerian Autonomous Foreign Exchange Rate worst post-war quarterly contraction between April and June, (NAFEX) gained N2.25 to close at N408.25/US\$. The parallel as the global pandemic hit domestic consumption and exports, market rate lost N3 to settle at N478/US\$. The official FX umption and exports, which are both key drivers of the window rate remained unchanged from preceding week figures Japanese economy, also fuelled a rebound in the second half of at N379/US\$. We expect rates to trade around current levels the year. Stronger economic growth globally in the third and this week supported by the CBN intervention in the FX market. fourth quarters also helped Japanese businesses sell more of **Bond Market** 

## their products overseas

economy advanced 0.1% year-on-year (y-o-y) in Q4 2020, tenored securities. The long-tenored maturities (2049 and following a 3.6% contraction in the prior period. It marks the first 2050) traded on a very quiet note as yields continue to remain positive quarterly growth in the last three quarters, reflecting above the 12% handle. Yields on the five-, seven-, ten-,  $the \textit{gradual return} of economic \textit{activities} following \textit{the easing} \textit{of } \textit{fifteen-, twenty-, twenty-five-, and thirty-year debt} \textit{papers} \textit{of } \textit{fifteen-, twenty-five-, twenty-five-, and thirty-year debt} \textit{papers} \textit{of } \textit{fifteen-, twenty-five-, twenty-f$ restricted movements and limited local and international finished at 8.55%, 8.10%, 10.95%, 10.71%, 11.71% and ercial activities in the preceding quarters. The non-oil 11.19% from 8.12%, 7.75%, 10.45%, 10.34%, 10.41% and sector was the major driver of the recovery seen in Q4 2020 as it 10.85%. The Access Bank Bond index shed 57.75 points to expanded by 1.7%, recovering modestly from a 2.5% decline in settle at 3,833.32 points last week. This week, we expect a bit Q3, boosted by telecommunications & information services of interest on the short-tenored bonds, arising from increased (17.6% vs 17.4%). Other important contributions came from system liquidity due to the c.N99 billion coupon payments agriculture (3.4% vs 1.4%) and real estate (2.8% vs -13.4%). expected

# while, the oil sector plunged 19.8%, following a 13.9% Commodities

nuary 2021, up by 0.48% when compared with 11.37 recorded in December 2020.

# Stock Market

The bears retained solid grip on the Nigerian stock market last Monthly Macro Economic Forecast week. The downtrend was majorly in sectors such as financia services, pharmaceutical and mining sector. The All-Share Index (ASI) and market capitalization dipped by 0.61% to 40,186.70 points and 21.03 trillion from 40,439.85 points and 21.16 trillion, respectively the preceding week. This week, we expect that investors will position ahead of dividend news

seen at 10.2% and 11% for 2026 and 2029 bond maturities

Average bond yields inched upwards last week. Firm bids were

slump, amid lower crude oil production (1.56 million barrels per Crude oil prices extended gains last week following a large day (mbpd), down from 1.67 mbpd in Q3 and 2 mbpd a year ago). than-estimated fall in the US crude oil inventories and supply The surprise rebound means Africa's largest economy may disruptions in the US. Sentiment was also lifted by reports that recover faster than expected as the oil price and output both new COVID-19 infections and the number of people increase this year. It could also point to the growing importance hospitalized in the US fell for the fifth week in a row. At the same of the non-crude sector. Overall, in 2020, the annual growth of time, improvement in vaccination drive globally continued, real GDP was estimated at -1.92%, a decline of -4.20% points paving the way for a robust demand recovery. Bonny light, development. Nigeria's annual inflation rate climbed for the 17th barrel. Precious metal prices went in different directions as consecutive month to 16.47% in January 2021 as revealed by gold prices dipped while the price of silver rose. Gold was the National Bureau of Statistics (NBS). It was the highest pressured by a combination of a stronger dollar and rising US inflation rate since April 2017, as food inflation hit an over 12- Treasury yields, while silver buoyed by expectations of gh of 20.57% linked to pandemic disruptions and dollar increased industrial demand as investors bet on a swift global food items despite the reopening of the country's borders. At or \$32.10 to finish at \$1,784.35 per ounce from \$1,816.45 per the same time, the incessant attacks on farmers and farmlands ounce. Silver settled at \$27.48 per ounce, a 1.59% rise from evented farmers from operating at optimal capacity. The preceding week. This week, oil prices are expected to dwindle "All items less farm produce" or core inflation, which excludes as production gradually resumed in Texas after frigid weather the prices of volatile agricultural produce stood at 11.85% in shut a record amount of US crude output. Signals that the Fed foreseeable future has lent some optimism to bullions this

Variables e	Feb'21	Mar'21	Apr'21
Exchange Rate (NAFEX) (N/\$)	405	408	407
Inflation Rate (%)	16.7	16.89	16.95
Crude Oil Price (US\$/Barrel)	62	65	65

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.

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