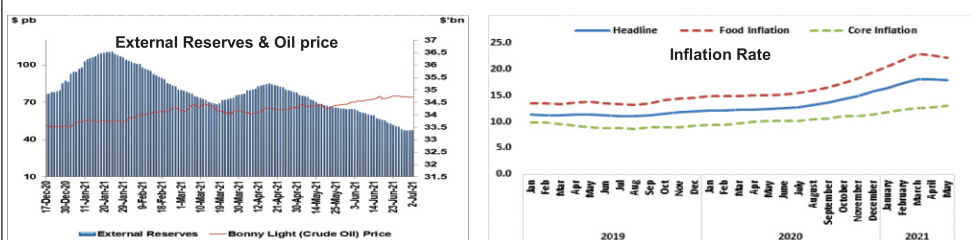
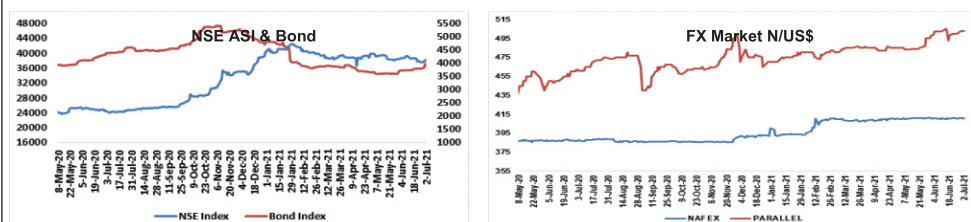


Access Bank Rateswatch

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)	40.01	Increased by 2.38% in May' 2021 from N39.08 trillion in April' 2021
Credit to Private Sector (N' trillion)	32.20	Decreased by 0.93% in May' 2021 from N31.90 trillion in April' 2021
Currency in Circulation (N' trillion)	2.79	Decreased by 0.20% in May' 2021 from N2.8 trillion in April' 2021
Inflation rate (%) (y-o-y)	17.93	Decreased to 17.93% in May 2021 from 18.12% in April 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)	33.37	June 29, 2021 figure — a decrease of 4.07% from June start
Oil Price (US\$/Barrel)	74.16	June 30, 2021 figure— a decrease of 0.78% from the prior week
Oil Production mbpd (OPEC)	1.39	May 2021, figure — a decrease of 4.9% from April 2021 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	2/7/21	25/6/21	
NSE ASI	38,212.01	37,658.26	1.47
Market Cap(N'tr)	19.92	19.63	1.49
Volume (bn)	0.21	0.20	3.19
Value (N'bn)	2.01	2.41	(16.35)

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	2/7/21	25/6/21	
OBB	12.0000	22.0000	(1000)
O/N	12.5000	23.0000	(1050)
CALL	13.6667	25.1000	(1143)
30 Days	12.7527	9.8588	289
90 Days	13.9359	11.2787	266

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	2/7/21	25/6/21	2/6/21
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	410.64	410.38	410.33
BDC (N)	500.00	495.00	0.00
Parallel (N)	503.00	500.00	498.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	2/7/21	25/6/21	
5-Year	5.47	5.75	(27)
7-Year	11.54	12.26	(72)
10-Year	9.92	10.34	(42)
15-Year	12.82	13.13	(31)
20-Year	12.39	12.66	(28)
25-Year	13.00	13.00	0
30-Year	13.03	13.50	(47)

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: June 25 - July 2, 2021

Global Economy

The U.S. Bureau of Labour Statistics (BLS) maturity. The inflow of funds led to tapered rates as unemployment rate climbed up to 5.9% in June. Lender's charge such as the Open Buy Back (OBB) 2021, almost unchanged from May's 14-month low, and Overnight (O/N) rates declined to 12% and as the number of unemployed people increased by 12.5% from 22% and 23% the previous week. 168,000 to 9.48 million, while employment levels fell. However, slightly longer dated instruments like the 30-day and 90-day Nigerian Interbank Offered Rate force participation rate was unchanged at 61.6%. (NIBOR) closed higher at 12.75% and 13.94% from The labour market has continued to show signs of 9.86% and 11.28% the prior week. This week, recovery supported by broader economic re- money market rates are expected to rise due to bi-opening, amid the rapid pace of vaccination and the weekly retail Secondary Market Intervention Sales ongoing government support. However, employers (rSMIS).

across the country have been complaining about the struggle to fill open positions, citing ongoing labour shortages due to enhanced benefits, concerns about contracting COVID-19 and finding childcare.

Foreign Exchange Market

The naira depreciated against the greenback across most segments for the week ended July 2nd, 2021. Elsewhere, India recorded a current account deficit of \$8.1 billion in January-March 2021, equivalent to 1% of GDP, compared with a surplus of \$0.6 billion in January-March 2020. According to the Reserve Bank of India, the goods deficit advanced to \$41.7 billion from \$35.0 billion, while the primary income gap jumped to \$8.7 billion from \$4.8 billion. dollar pressure though, we expect the CBN to Meanwhile, the services surplus climbed to \$23.5 billion from \$22.0 billion a year ago, and the secondary income surplus was also up to \$18.9 billion from \$18.4 billion.

Bond Market

Bond market was bullish as counterparties sought to exit auction winnings. Emphasis on this week's trades skewed towards the 2050 and 2035 maturity bonds. Consequently, yields on the 5-, 7-, 10-, 15-, 20-, and 30-year debt papers finished lower at 5.47%, 11.54%, 9.92%, 12.82%, 12.39%, and 13.03% from 5.75%, 12.26%, 10.34%, 13.13%, 12.66%, and 13.5% respectively. The Access Bank Government Bond index increased by 175.61 points to settle at 3,971.70 points last week. We expect improved activity in the secondary market to this week, with a bullish undertone ahead of the bond maturity.

Domestic Economy

Data from the Nigerian Stock Exchange revealed that total transaction at the nation's bourse decreased by 39.23% to N97.19 billion in May 2021 from N159.93 billion in April 2021. In May 2021, the total value of transactions executed by domestic investors outperformed transactions executed by foreign investors by 58%. Total domestic transactions declined by 41.7% to N76.90 billion in May 2021 from N131.91 billion in April. Similarly, total foreign transactions decreased by 27.59% to N20.29 billion from N28.02 billion between April and May 2021. Institutional investors outperformed retail investors by 14%. A comparison of domestic transactions in the current and prior month (April 2021) revealed that retail transactions decreased by 9.75% to N32.94 billion in May 2021 from N36.50 billion in April 2021. In the same vein, institutional transactions decreased by 53.93% to N43.96 billion in May 2021 from N95.41 billion in April 2021. The performance of the current month when compared to the performance in May 2020 (N119.15 billion) revealed that total transactions decreased by 58%.

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Commodities

Oil prices edged lower last week, after OPEC+ said it will postpone a decision on the return of more barrels to the oil market. Prices dropped amid an internal disagreement in the cartel, with United Arab Emirates unsure about joining the agreement to add a total 2 million barrels per day (bpd) to combined production between August and December. Bonny light, Nigeria's benchmark crude dipped slightly 0.78% to close at \$74.16 per barrel. Precious metal prices went southwards as fresh positions built up by participants led to the rise in prices. Consequently, gold prices inched up 0.36% or \$6.37 to finish at \$1,784.16 per ounce from \$1,777.79 per ounce. Silver settled at \$26.16 per ounce, a 0.54% rise from preceding week. The decision by OPEC+ on oil production is expected to influence the price of oil this week. Robust sentiment for the greenback is expected to weigh on the appeal of safe-haven metals as the US economy continues its post-pandemic rebound.

Stock Market

The Nigeria stock exchange climbed higher after bullish sentiments for blue-chip stocks were rekindled on renewed buying interests. The upward trend was supported by stocks in the hotels, printing, IT services, consumer and industrial goods sector. Consequently, the All-Share Index (ASI) and market capitalization closed higher at 38,212.01 points and N19.91 trillion from 37,658.26 points and N19.63 trillion, respectively the previous week. This week, we expect the market to remain bullish as investors and traders position themselves for high yielding stocks.

Monthly Macro Economic Forecast

Variables	Jul'21	Aug'21	Sept'21
Exchange Rate (NAFEX) (N/\$)	411	412	411
Inflation Rate (%)	17.7	17.34	17.01
Crude Oil Price (US\$/Barrel)	70	72	71

Money Market

The debt market was liquid last week following inflows from Open Market Operations (OMO)

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