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Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS **Current Figures** Comments GDP Growth (%) Q4 2020 — higher by 3.73% compared to -3.62% in Q3 2020 0.11 Decreased by 0.6% in January' 2021 from N39.57 trillion in December' 2020 Broad Money Supply (N' trillion) 39.34 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 17.33 Inflation rate (%) (y-o-y) 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% March 17, 2021 figure — a decrease of 1.59% from March start External Reserves (US\$ million 34.44 Oil Price (US\$/Barrel) 67.34 March 17, 2021 figure — a decrease of 2.96% from the prior week Oil Production mbpd (OPEC) 1.49 February 2021, figure — an increase of 12.04% from January 2021 figure





Market Cap(N'tr)	20.08	20.22	(0.69
Volume (bn)	0.29	0.29	(1.14
Value (N'bn)	4.02	3.77	6.5
MONEY MARKE	Т		
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	19/3/21	12/3/21	,

25.0000

25.5000

20.7500

3.1029

4.8437

13.3300

14.1700

15.3333

3.6114

5.3455

1167

1133

542

(51)

овв

O/N

CALL

30 Days

90 Days

FOREIGN EXC	FOREIGN EXCHANGE MARKET					
Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (\$)	1 Month Ago N/Rate (N/\$)			
	19/3/21	12/3/21	19/2/21			
Official (N)	379.00	379.00	379.00			
Inter-Bank (N)	408.04	408.29	408.25			
BDC (N)	0.00	0.00	0.00			
Parallel (N)	485 00	485 00	478 00			

BOND M	ARKET		
AVERAGE	YIELDS		
Tenor	Last Week Rate (%)	2 Weeks A Rate (%)	
	19/3/21	12/3/21	
5-Year	3.42	3.39	3
7-Year	7.50	8.09	(59)
10-Year	8.06	7.62	44
15-Year	11.07	11.07	(0)
20-Year	10.83	10.58	25
25-Year	11.20	11.20	(0)
30-Year	11.22	11.22	(0)

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2020

BILLS

2019

COMMODITIES MARK			
Indicators	19/3/21	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil \$/bbl)	67.34	(2.98)	4.47
Natural Gas (\$/MMBtu) Agriculture	2.48	(6.42)	(18.85)
Cocoa (\$/MT)	2480.00	(3.61)	28.10
Coffee (\$/lb.)	129.20	(1.79)	(0.77)
Cotton (\$/lb.)	83.80	(2.73)	8.13
Sugar (\$/lb.)	15.58	(4.12)	1.63
Wheat (\$/bu.) Metals	629.75	(1.56)	45.27
Gold (\$/t oz.)	1736.24	1.98	31.78
Silver (\$/t oz.)	26.07	3.29	51.66
Copper (\$/lb.)	405.30	(0.86)	23.64

Rate (%)		Rate (%)	(Basis Point)	
	19/3/21	12/3/21		
1 Mnth	0.93	1.31	(37)	
3 Mnths	1.99	1.72	27	
6 Mnths	3.22	3.06	16	
9 Mnths	4.59	3.36	123	
12 Mnths	5.70	4.16	154	

Indicators	Last Week		Weeks .go	Change (Basis Point)
Indicators	19/3	3/21	12/3/2	1
Index	3,874	4.91	3,901.7	2 (0.69
Mkt Cap Gross (N'tr)	12	2.70	12.7	9 (0.69
Mkt Cap Net (N'tr)	8	3.85	8.9	6 (1.19
YTD return (%)	57	7.74	58.8	4 (1.10
YTD return (%)(US \$)	-3	4.64	-33.5	55 (1.09
TREASURY BILLS F	MA AUC	TION		
	Amount million)	(N'	Rate (%)	Date
91 Day	11,388.	75	0.55	27-Jan-2021
182 Day	47,476.	88	1.3	27-Jan-2021
364 Day	123,113.	.73	2	27-Jan-2021

Market Analysis and Outlook: March 19 – March 26, 2021

The Bank of England voted unanimously to keep its exchange would take to ensure smooth transition to its benchmark interest rate on hold at a record low of 0.1% new status.

and to leave its bond-buying programme unchanged

during its March 2021 meeting. This was on the premise Money Market

that the UK GDP was projected to recover strongly over The debt market was illiquid last week as retail 2021 towards pre-Covid levels and CPI inflation was Secondary Market Intervention Sales (rSMIS) and Cash expected to return towards the 2% target in the spring. Reserve Ratio (CRR) debit wiped off funds from the Policymakers continued to envisage that the pace of system. Short-dated and more volatile placements government bond purchases could remain at around its such as the Open Buy Back (OBB) and Over Night (O/N) current level, with flexibility to slow it later; but signaled rates spiked up to 25% and 25.5% from 13.33% and that the central bank stood ready to increase the pace to 14.17% the previous week. The slightly longer dated ensure the effective transmission of monetary policy. instruments such as 30-day and 90-day Nigerian The central bank also said it does not intend to tighten Interbank Offered Rate (NIBOR) settled at 3.1% and monetary policy at least until there is clear evidence that 4.84% from 3.61% and 5.35% the prior week. This week, significant progress is being made in eliminating spare rates are expected to decline due to Open Market capacity and achieving the 2 percent inflation target Operation (OMO) maturity but remain at double digits sustainably. The Central Bank of Brazil unexpectedly levels

raised its benchmark interest rate by 75 basis points

from an all-time low of 2% in their February meeting. The Foreign Exchange Market

decision was unanimous. The Committee said that the The naira was majorly stable against the dollar across continuing increase in commodities prices, measured in most market segments last week. The parallel market local currency, are affecting current inflation and CBN official window were unchanged at N485/US\$ triggered additional increases in inflation forecasts for and N379/US\$ from preceding week figures. However, the next months, especially through its effects on fuel the Nigerian Autonomous Foreign Exchange (NAFEX) prices. The Committee foresees the continuation of the rate gained 25 kobo to close at N408.04/US\$ from partial normalization process with another adjustment, N408.29/US\$. We expect the naira to continue to trend of the same magnitude, in the degree of monetary around current levels especially at the I&E window given stimulus. The policy makers emphasizes that its view for CBN constant interventions in the forex market the next meeting will continue to depend on the

evolution of economic activity, the balance of risks, and Bond Market inflation projections and expectations.

Domestic Economy

The bond market was majorly stable with very minimal trades across the curve as bearish undertone remain evident among participants. The mid to long tenure

According to recently reported unemployment data by bonds continue to trade above the 11% handle. At the $the \ National \ Bureau \ of \ Statistics, \ the \ jobless \ rate \ in \ close of market last week, yields on the fifteen-, twenty-like in the last week in t$ Nigeria rose to 33.3% in the three months through five, and thirty-year debt remained unchanged at December. This is up from 27.1% in the second quarter of 11.07%, 11.20% and 11.22%. The Access Bank Bond 2020, the last period for which the agency released index declined 26.81 points to settle at 3,874.91 points labour-force statistics. A third of the 69.7 million-strong last week. This week, we anticipate improved activities labor force in Africa's most-populous nation either did owing to the bond auction expected to be conducted by nothing or worked for less than 20 hours a week, making the Debt Management Office.

them unemployed. Imo state had the highest number of $unemployed \,people\,while\,Osun\,state\,had\,the\,lowest\,rate\,\, {\color{red}\textbf{Commodities}}$

of unemployment. Nigeria's jobless rate has more than Crude oil price tanked last week dragged by rising US quadrupled over the last five years as the economy went inventories and as investors have grown concerned that through two recessions. Nigeria's inflation rate spiked to a slow vaccination campaign in Europe and surging 17.33% in February 2021, the highest reading since cases in parts of the world might derail an already tepid February 2017, from 16.47% in January according to data demand for crude. Bonny light, Nigeria's benchmark by the National Bureau of Statistics. It marks the 18th crude sank 2.98% to close at \$67.34 per barrel. Precious consecutive month of rising inflation following the metal prices rose on the back of a weaker dollar after the Covid-19 induced plunge in oil prices, depreciation in the Federal Reserve reiterated the importance of keeping local currency and disruption to food supply due to dollar monetary policy extremely easy for the foreseeable scarcity, movement restrictions and lockdown to stem future to support the US economy. Consequently, gold the spread of the virus. Consequently, these events prices edged up 1.98% or \$33.76 to finish at \$1,736.24 raised food and transportation costs. For February, food per ounce from \$1,702.48 per ounce. Silver settled at inflation jumped 21.79% from 20.57% in January, the \$26.07 per ounce, a 3.29% jump from previous week. highest since October 2005 while core inflation rose Stronger U.S. Dollar, rising U.S. crude and fuel 12.38% from 11.85% in the prior month.

Indicators at the local stock market were hammered last yields after the Federal Reserve announced it will let the $week \ as \ the \ euphoria \ that \ greeted \ the \ completion \ of its \ leverage \ ratio for \ big \ banks \ expire \ March 31 st.$ demutualisation gave way to apprehension and anxiety Monthly Macro Economic Forecast among stakeholders. Consequently, the All Share Index (ASI) and market capitalization closed at 38,382.39 points and $\square 20.08$ trillion from 38,648.48 points and 20.22 trillion respectively the preceding week. This week, we expect that the market will remain bearish as investors await more clarity on the next step the

inventories and renewed worries over demand recovery might pressure oil prices this week. Bullions might come

Variables	Mar'21	Apr'21	May'21
Exchange Rate	408	408	410
(NAFEX) (N/\$)	400	400	410
Inflation Rate (%)	17.33	18.29	19.5
Crude Oil Price			
(US\$/Barrel)	66	67	69

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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