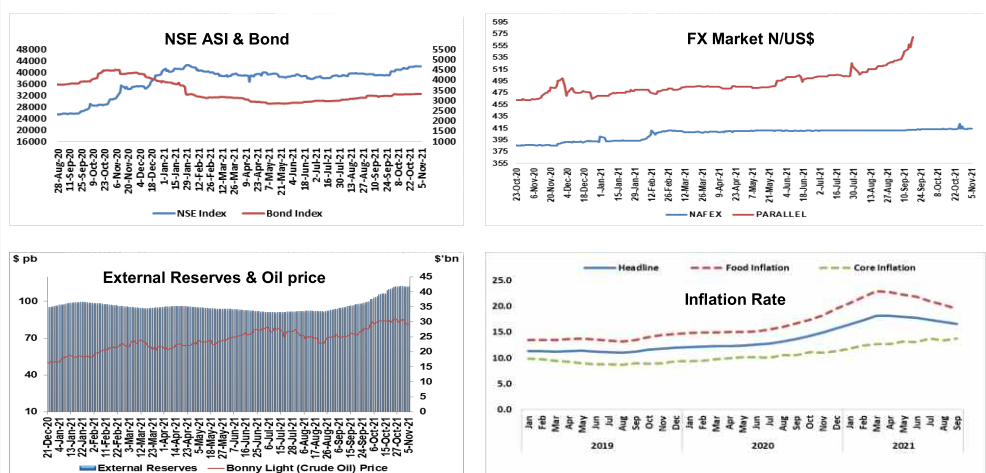


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	5.01	Q2 2021 — higher by 4.5% compared to 0.51% in Q1 2021
Broad Money Supply (N' trillion)	40.41	Decreased by 1.26% in September' 2021 from N40.93 trillion in August' 2021
Credit to Private Sector (N' trillion)	33.84	Increased by 1.27% in September' 2021 from N33.41 trillion in August' 2021
Currency in Circulation (N' trillion)	2.84	Increased by 2.10% in September' 2021 from N2.78 trillion in August' 2021
Inflation rate (%) (y-o-y)	16.63	Decreased to 16.63% in September 2021 from 17.01% in August 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)	41.73	November 4, 2021 figure — an decrease of 0.08% from November start
Oil Price (US\$/Barrel)(OPEC)	85.35	November 1, 2021 figure— a decrease of 0.28% from the prior week
Oil Production mbpd (OPEC)	1.45	September 2021, figure — an increase of 11.96% from August 2021 figure



STOCK MARKET

Indicators	Last Week 5/11/21	2 Weeks Ago 29/10/21	Change (%)
NSE ASI	42,014.50	42,038.60	(0.06)
Market Cap(N'tr)	21.93	21.94	(0.06)
Volume (bn)	0.28	1.13	(75.48)
Value (N'bn)	2.38	13.78	(82.71)

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	5/11/21	29/10/21	
OBB	12.0000	18.0000	(600)
O/N	12.3800	18.5000	(612)
CALL	13.5250	26.5000	(1298)
30 Days	9.4828	9.6540	(17)
90 Days	10.2896	10.7940	(50)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	5/11/21	29/10/21	5/10/21
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	413.88	413.95	413.30
BDC (N)	0.00	0.00	0.00
Parallel (N)	0.00	0.00	509.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	5/11/21	29/10/21	
5-Year	4.03	4.06	(3)
7-Year	10.59	10.48	11
10-Year	9.31	9.23	8
15-Year	12.65	12.59	6
20-Year	12.19	12.10	10
25-Year	12.31	12.85	(54)
30-Year	13.01	12.95	6

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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 most recent data on CBN.

Market Analysis and Outlook: October 29 – November 05, 2021

Global Economy

In the US, trade deficit widened to a fresh record high of \$80.9 billion in September 2021 as reported by the Bureau of Economic Analysis. This came amid a fall in exports while imports jumped to an all-time high. September exports were \$207.6 billion, down by 3% from August, mainly due to nonmonetary gold, crude oil, other petroleum products. Imports meanwhile edged up 0.6% to a record \$288.5 billion, mainly due to computers, electric apparatus, industrial supplies and materials, organic chemicals and cell phones and other household goods. The deficit with China widened by \$3.4 billion to \$31.5 billion and the gap with Mexico expanded by \$2.3 billion to \$8.8 billion. In a separate development, the Bank of England voted by a majority of 7-2 to hold its benchmark interest at a record low of 0.1% during its November meeting, and by a majority of 6-3 to leave its bond-buying programme unchanged, as policymakers weighed concerns over rising prices against the downside risks from slowing global growth and a potential upturn in UK unemployment following the end of the furlough schemes in September. The central bank also said that it would probably become necessary to increase rates over coming months in order to return inflation to the 2% target.

Domestic Economy

The Central Bank of Nigeria (CBN) spent the sum of N58.6 billion to print 2.52 billion notes valued at N1.1 trillion in 2020. Disclosing these yesterday in its Annual Currency Operations report for 2020, the apex bank also said it utilized \$1.83 billion within the same year to fund Bureaux De Changes (BDCs) and Ministries, Agencies and Departments (MDAs) operations. The currency printing cost, however, indicated a significant decrease year-on-year as it spent N75.5 billion and N64.04 billion in 2019 and 2018 respectively for the same purpose. The current management of the CBN under the leadership of Godwin Emefiele, has been driving the cashless policy with a view to cutting the cost of printing banknotes and cash management in the country. The new e-Naira was also initiated in line with the policy. CBN indicated in the report that the notes were printed in-country by the Nigerian Security Printing and Minting (NSPM) Plc.

Stock Market

The Nigerian stock exchange witnessed a slight decline across all indicators last week on the back of profit taking by investors. Consequently, the Nigerian Stock Exchange All Share Index (NSE ASI) dropped by 0.06% week-on-week to 42,014.50 points. Similarly, market capitalization lost N126 million, or 0.06%, to end the week at N21.93 trillion from N21.94 trillion. The drivers of the decline included consumer goods and financial services sectors. This week, we expect that the market will recover as market participants position for full year 2021 dividends and buy stocks with strong fundamentals.

Money Market

Last week, systemic liquidity improved boosted by FAAC disbursement into the system of about N438 billion. Open Market Operation Maturity of N58 billion and inflow to the GenCos and refunds to some state government also supported the liquidity in the market. Consequently, the Open Buy Back (OBB) and Overnight (O/N) rates closed at 12% and 12.38% from prior week figures of 18% and 18.5%. Similarly, slightly

longer dated instruments like the 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) dropped to 9.48% and 10.29% from 9.65% and 10.79%, respectively. This week, we expect rates to inch upwards as the apex bank conducts its bi-weekly retail Secondary Market Intervention Sales (rSMIS).

Foreign Exchange Market

The local unit strengthened against the dollar at the Nigerian Autonomous Foreign Exchange (NAFEX) window last week. The central bank intervened to boost the supply of funds through FX sales to foreign portfolio investors, consequently naira closed at N413.88/\$, a 0.02% or 7 kobo gain from previous week. The naira will likely meander around current levels as the apex bank sustains its interventions in the market.

Bond Market

The Federal Government of Nigeria (FGN) bond market began the month of November on a quiet note and this persisted throughout last week's trading session. There was profit taking around the mid tenored bonds, with interest skewed towards the 2037 maturity at 12.9%. Overall, just a handful of trades were consummated across board. Yields on the 7-, 10-, 15-, 20- and 30- year debt papers closed higher at 10.59%, 9.31%, 12.65%, 12.19% and 13.01% from 10.48%, 9.23%, 12.59%, 12.10% and 12.95% respectively. The Access Bank FGN bond index remained almost unchanged as it closed at 3,328.19 points from 3,327.68 points. We expect the investors will remain cautious this week as they cherry pick securities.

Commodities

Crude oil prices dipped slightly at the end of the week ended November 5, 2021 amid rising US crude inventories, and as the White House said it will consider the full range of tools to bring prices down. On top of that, a report from Al Arabiya TV said Saudi Arabia's oil output will reach 10 million bpd in December, the most since the COVID-19 pandemic started and Iran announced it will resume talks with the world powers later this month aimed at reviving the Iran nuclear deal. Bonny light, Nigeria's benchmark crude slipped marginally 0.28% to settle at \$85.35 barrel from \$85.42. Appetite for non-yielding assets such as precious metals returned, after big central banks showed divergences with market hawks on interest rate and tapering outlooks. Consequently, gold prices climbed 0.91% or \$16.31 to finish at \$1,813.78 per ounce from \$1,797.47 per ounce. Silver settled at \$24.14 per ounce, 0.37% higher than the prior week. This week, we expect oil prices will remain around \$80 per barrel as OPEC and its allies agreed to raise output by a pre-agreed 400,000 barrels per day from December defying US pressure to help cool the market. Bullions are expected to remain bullish supported by the hawkish decisions of central banks around the world.

Monthly Macro Economic Forecast

Variables	Nov'21	Dec'21	Jan'22
Exchange Rate (NAFEX) (N/\$)	413	415	416
Inflation Rate (%)	16.24	16.03	15.96
Crude Oil Price (US\$/Barrel)	80	80	75

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