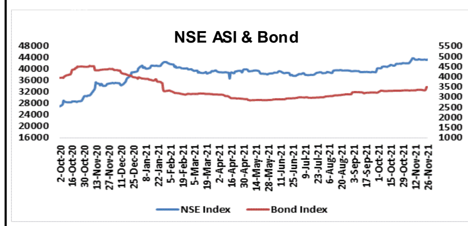
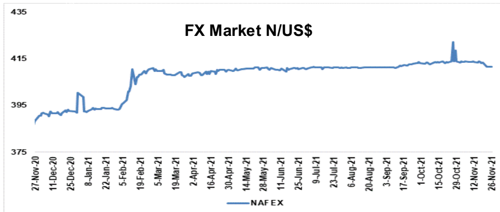
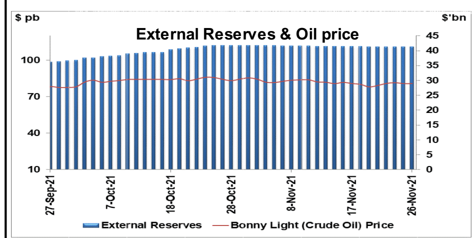
Access Bank Rateswatch

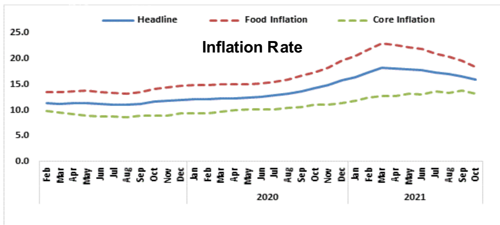
KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	4.03	Q3 2021 — lower by 0.98% compared to 5.01% in Q2 2021
Broad Money Supply (N' trillion)	40.41	Declined by 1.27% in September 2021 from N40.93trillion in August 2021
Credit to Private Sector (N' trillion)	33.84	Increased by 1.29% in September 2021 from N32.41 trillion in August 2021
Currency in Circulation (N' trillion)	2.84	Increased by 2.16% in September' 2021 from N2.84 trillion in August' 2021
Inflation rate (%) (y-o-y)	15.99	Decreased to 15.99% in October 2021 from 16.63% in September 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)	41.33	November 24, 2021 figure — a decrease of 1.12% from November start
Oil Price (US$/Barrel)(OPEC)	83.82	November 24, 2021 figure— an increase of 1.33% from the prior week
Oil Production mbpd (OPEC)	1.35	October 2021, figure — an decrease of 3.57% from September figure









STOCK MARKET

Indicators	Last Week 26/11/21	2 Weeks Ago 19/11/21	Change (%)
NSE ASI	43,308.29	43,199.27	0.25
Market Cap(N'tr)	22.60	22.54	0.24
Volume (bn)	0.31	0.20	53.03
Value (N'bn)	3.58	3.26	9.87

MONEY MARKET

NIBOR

Tenor	Last Week Rate (%) 26/11/21	2 Weeks Ago Rate (%) 19/11/21	Change (Basis Point)
OBB	15.00	19.00	(400.0)
O/N	15.67	20.00	(433)
CALL	9.40	18.50	(910.0)
30 Days	9.36	9.66	(30)
90 Days	9.62	10.68	(105.3)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/$) 26/11/21	2 Weeks Ago Rate (N/$) 19/11/21	1 Month Ago Rate (N/$) 26/10/21
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	411.46	413.64	413.95
BDC (N)	0.00	0.00	0.00
Parallel (N)	0.00	0.00	0.00

BOND MARKET

AVERAGE YIELDS

Tenor	Last Week Rate (%) 26/11/21	2 Weeks Ago Rate (%) 19/11/21	Change (Basis Point)
5-Year	4.13	4.29	(15.9)
7-Year	9.59	9.61	(1.9)
10-Year	9.50	9.35	15.5
15-Year	12.80	12.75	4.9
20-Year	12.49	12.38	10.8
25-Year	12.31	12.31	0.1
30-Year	13.07	13.01	7

COMMODITIES MARKET

Indicators	26/11/21	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil $/bbl)	83.32	1.33	32.52
Natural Gas ($/MMBtu)	5.76	16.13	88.48
Agriculture			
Cocoa ($/MT)	2545.00	(1.55)	31.46
Coffee ($/lb.)	201.50	(15.30)	54.76
Cotton ($/lb.)	114.14	(1.40)	47.28
Sugar ($/lb.)	19.59	(2.92)	27.79
Wheat ($/bu.)	769.75	(7.23)	77.57
Metals			
Gold ($/t oz.)	1810.67	(2.76)	36.42
Silver ($/t oz.)	23.64	(5.14)	39.91
Copper ($/lb.)	443.95	1.39	35.43

NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%) 26/11/21	2 Weeks Ago Rate (%) 19/11/21	Change (Basis Point)
1 Mnth	3.22	3.02	20
3 Mnths	3.90	3.61	29
6 Mnths	5.05	4.63	42
9 Mnths	6.68	5.88	80
12 Mnths	7.60	6.66	95

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week 26/11/21	2 Weeks Ago 19/11/21	Change (Basis Point)
Index	3491.03	3358.71	3.94
Mkt Cap Gross (N'tr)	15.45	14.74	4.81
Mkt Cap Net (N'tr)	9.77	9.82	(0.49)
YTD return (%)	42.12	36.73	5.39
YTD return (%)(US $)	-66.84	-72.20	5.36

TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	4,116.91	2.5	10-Nov-2021
182 Day	2,998.52	3.5	10-Nov-2021
364 Day	189,057.00	6.5	10-Nov-2021

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

Global Economy

In the US, goods trade deficit shrank to $82.9 billion in October 2021 from an upwardly revised high of a $97 billion trade gap in September, according to the US Census Bureau. Exports of goods increased 10.7% to $157.4 billion, led by higher sales of foods, feeds, & beverages (16.6%), automotive vehicles (14.4%), and industrial supplies (11.9%). Imports rose 0.5% to $240.3 billion, boosted by purchases of automotive vehicles (5.7%), and foods, feeds, & beverages (1.9%), while purchases of industrial supplies declined 1.2%.Elsewhere, Brazil's current account deficit broadened to $4.5 billion in October 2021 from $1.2 billion in the same month of the previous year as reported by the Central Bank of Brazil. The latest reading reflects a sharp decrease in the goods trade surplus to $1.3 billion, from $3.7 billion a year earlier, as imports soared 52% to $21.5 billion, while exports rose a slower 27.8% to $22.8 billion. Meanwhile the services deficit tapered slightly to $1.5 billion from $1.7 billion in October 2020, whilst the primary income gap expanded to $4.6 billion, compared with $3.3 billion a year earlier and the secondary income surplus doubled to $0.3 billion. .

Domestic Economy

The Central Bank of Nigeria (CBN) voted unanimously to keep its monetary policy rate steady at 11.5% for a seventh straight time in November 2021. The decision came against the backdrop of decelerating inflation and is aimed at continue supporting the fragile economic recovery. Policymakers noted that Nigeria's annual inflation eased to a ten-month low of 15.99% in October, largely due to a sustained slowdown in food prices and further slowdown in prices is expected due to a bumper harvest. Meanwhile, the country's annual economic growth slowed to 4.03% in the Q3 of 2021, from an over six-year high of 5% in the Q2, amid poor performance in the oil sector. Persistent insecurity in large parts of the country was pointed as a major downside risk to the recovery of Africa's biggest economy. However, the CBN Bank raised its growth projections to 3.1% in 2021, from a forecast of 2.86% in September and compared with the International Monetary Fund's 2.6% prediction.

Stock Market

The local bourse witnessed a marginal increase in the last trading week of November, supported by gains in the transportation, printing & publishing and financial services sectors. The All Share Index (NSE ASI) increased a tad by 0.25% week-on-week to 43,308.29 points. In the same vein, market capitalization added 0.24% to end the week at N22.60 trillion from N22.54 trillion. We envisage that investors would target fundamentally sound and dividend-paying stocks for possible capital appreciation as the year draws down.

Money Market

Market liquidity was boosted by the November Federal Accounts Allocation Committee (FAAC) disbursement estimated at N322 billion and Open Market Operations (OMO) credit of 60.20 billion for the week ended November 26, 2021. Consequently, short term instruments such as the Open Buy Back (OBB) and Overnight (O/N) rates closed at 15% and 15.67% lower than prior week figures of 19% and 20%. Slightly longer dated instruments like the 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) decline to 9.36% and 9.62% from 9.66% and 10.68% respectively the previous week. This week, we expect rates to decline further on the back of inflows of Open Market Operations (OMO) maturity.

Foreign Exchange Market

Last week, the local unit appreciated against the greenback despite the illiquidity in the FX market persisting with market participants bidding for funds to clear their outstanding obligations. The Nigerian Autonomous Foreign Exchange (NAFEX) rate settled at N413.46/$, a 0.04% or 18 kobo gain from last week's rate of N413.64/$. We expect stability in the market this week boosted by the Central Bank of Nigeria's intervention in the market.

Bond Market

The FGN bond market closed the week on a soft note, as local players stayed on the sidelines to fund their obligations. There was minimal interest on the mid to long-tenored bonds while we saw a bit of interest on the short end of the curve. Yields on the 10-, 15-, 20-, 25- and 30- year debt papers finished higher at 9.5%, 12.8%, 12.49%, 12.31% and 13.07% from 9.35%, 12.75%, 12.38%, 12.31% and 13.03% respectively. The Access Bank bond index rose by 132 points to close at 3,491.03 points from 3,358.71. We expect some more profit-taking as market participants close their books for the month.

Commodities

Oil prices climbed up as concerns about the coordinated international oil release faded and traders weighed expectations of a retaliation by OPEC+ countries. Bonny light, Nigeria's benchmark crude jumped by 1.33% to settle at $83.82 barrel from $82.72. Separately, precious metal prices declined as Federal Reserve chairman Jerome Powell's reappointment pushed the dollar and bond yields higher. The news bolstered expectations for further policy tightening as the outlook for US interest rates grew increasingly hawkish, with at least three Fed officials having openly discussed a faster pace of stimulus tapering. Gold prices dipped 2.76% or $51.40 to settle at $1,810.67 per ounce from $1,862.07 per ounce. While, silver finished at $23.64 per ounce, 5.14% lower than the previous week. This week, we expect oil prices to decrease amid a weakening demand outlook as a new Covid-19 variant triggered concern about the potential for travel restrictions. The UK raised the alarm over a new South African COVID variant that could make vaccines less effective, prompting Britain to introduce travel restrictions on South Africa and five neighboring countries. Safe haven assets might bounce back as bullions gain on reports of a new COVID-19 variant detected in South Africa that may be able to evade immune responses and counter vaccine effectiveness.

Monthly Macro Economic Forecast

Variables	Dec'21	Jan'22	Feb'22
Exchange Rate (NAFEX) (N/$)	413	412	411
Inflation Rate (%)	15.04	14.97	14.64
Crude Oil Price (US$/Barrel)	80	82	78

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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