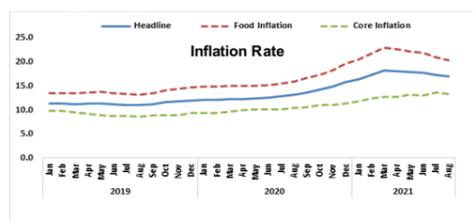
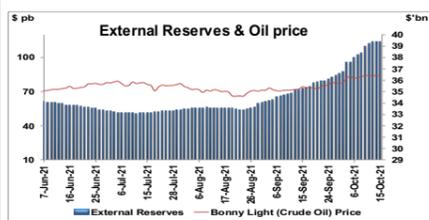
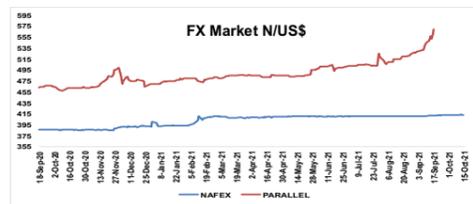
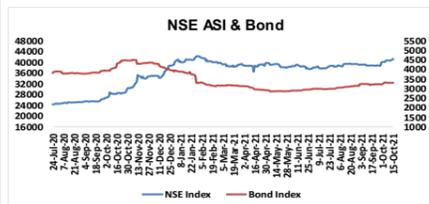


Access Bank Rateswatch

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)	40.88	Increased by 2.84% in August' 2021 from N39.75trillion in July 2021
Credit to Private Sector (N' trillion)	33.36	Increased by 1.52% in August' 2021 from N32.86 trillion in July' 2021
Currency in Circulation (N' trillion)	2.78	Decreased by 1.07% in August' 2021 from N2.81 trillion in July' 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)	39.42	October 13, 2021 figure — an increase of 4.9% from October start
Oil Price (US\$/Barrel)(OPEC)	84.1	October 11, 2021 figure— an increase of 3.66% 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	2 Weeks Ago	Change (%)
	15/10/21	8/10/21	
NSE ASI	41,438.15	40,868.36	1.39
Market Cap(N'tr)	21.62	21.30	1.54
Volume (bn)	0.73	0.33	120.19
Value (N'bn)	8.53	2.92	192.25

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	15/10/21	8/10/21	
OBB	19.50	14.00	550
O/N	20.00	14.50	550
CALL	17.17	14.73	244
30 Days	10.44	9.03	141
90 Days	11.31	10.51	80

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	15/10/21	8/10/21	15/9/21
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	413.37	412.68	411.88
BDC (N)	0.00	0.00	0.00
Parallel (N)	0.00	0.00	552.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	10/15/2021	10/8/2021	
5-Year	4.20	4.26	(6)
7-Year	10.14	10.03	10
10-Year	9.17	9.20	(3)
15-Year	12.82	12.70	12
20-Year	12.24	12.27	(3)
25-Year	13.05	13.02	3
30-Year	13.14	13.09	5

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Market Analysis and Outlook: October 08 – October 15, 2021

Global Economy

In China, annual inflation rate declined to 0.7% in 2021 from 0.8% a month earlier according to the National Bureau of Statistics of China. This was the lowest reading since March, mainly due to a steeper decline in cost of food (-5.2%). On a monthly basis, consumer prices were flat in September. Beijing has set a 2021 CPI growth target of around 3%, compared with 3.5% last year. Elsewhere, India's trade deficit was revised lower to \$22.59 billion in September, compared to a preliminary estimate of \$22.94 billion and a \$2.72 billion gap a year earlier as reported by the Ministry of Commerce and Industry. Still, it was the biggest trade deficit on record as imports grew much faster than exports. Imports surged 84.77% to \$56.39 billion, mostly due to purchases of crude oil (199.3%), as oil prices roughly doubled in the last 12 months. Meanwhile, exports rose at a much slower 22.63% to \$33.79 billion, mainly driven by sales of coffee, cashew, and petroleum products. During the April-September period of 2021, the trade deficit widened to \$78.13 billion, compared to \$26.31 billion in the same period of the previous year.

Domestic Economy

Data from the National Bureau of Statistics revealed that Nigeria's annual inflation rate eased for the sixth straight month to 16.63% in September down from 17.01% in August. It was the lowest rate since January, largely due to a sustained moderation in food inflation (19.57% vs 20.3% in August) and despite the naira's ongoing depreciation. The annual core inflation rate, which excludes the prices of agricultural produce, rose to 13.74% in September from 13.41% in the prior month. On a monthly basis, consumer prices increased by 1.15%, following a 1.02% rise in the previous month.

Stock Market

Last week, trading indicators at the local stock exchange inched higher following a rise in demand for blue-chip stocks, a possible affirmation of increasing investor confidence in the market. The All Share Index (NSE ASI) edged up 1.39% week-on-week to 41,438.15 points. Similarly market capitalization increased by 1.54% to end the week at N21.62 trillion from N21.3 trillion. The positive performance on the stock market came on the back of gains in the conglomerates and financial services sector. This week, we expect that the market will remain bullish as investor sentiments remain positive and in anticipation of Q3 scorecards of listed companies.

Money Market

Cost of borrowing surged last week as market participants funded their operating accounts to accommodate the FX auction and Cash Reserve Ratio (CRR) debits by the apex bank. Consequently, short term instruments such as the Open Buy Back (OBB) and Overnight (O/N) rates closed at 19.5% and 20% compared to 14% and 14.50% the previous week. Slightly longer dated instruments like the 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR)

also ascended to 10.44% and 11.31% from 9.03% and 10.51% respectively the prior week. This week, we anticipate a decline in rates following expected inflows from Open Market Operations (OMO) maturing treasury bills.

Foreign Exchange Market

The naira depreciated against the dollar last week at the official market. The Nigerian Autonomous Foreign Exchange Rate (NAFEX) fixing closed at N413.37/\$, a 0.17% or 69 kobo loss from the previous week's rate of N412.68/\$. Increased demand and inadequate supply of the dollar were responsible for the depreciation. This week, the local unit will hover around current rate as the CBN sustains intervention in the FX market to keep the naira stable.

Bond Market

Last week, the FGN bond market traded on a quiet note with bearish undertones especially on the 30-year reopening (2050 bond). There was increased selling sentiments across the curve as market participants sought to exit positions. However, interest was focused on the shorter-tenure maturities (2023-2025 bonds) but not many trades were consummated given the scarcity of the debt papers. Yields on the 7-, 10-, 15-, 25- and 30-year debt papers closed higher at 10.14%, 12.82%, 13.05% and 13.14% from 10.03%, 12.70%, 13.02% and 13.09%, respectively. The Access Bank bond index rose marginally by 5.32 points to close at 3,307.51 points from 3,302.20 points. This week, we expect some position taking on the on-the-run bonds as the bond auction draws nearer.

Commodities

Crude oil prices surged above \$84 last week, a level not seen since October 2018 on the back of growing signs of market tightness and as shortages of natural gas and coal in Europe and Asia boosted demand for oil. Bonny light, Nigeria's benchmark crude expanded 3.66% to settle at \$84.10 per barrel. Separately, precious metal prices edged up for its best week in over five months, supported by softening of the US dollar and a retreat in treasury yields. Consequently, gold prices jumped by 1.42% or \$24.91 to finish at \$1,781.79 per ounce from \$1,756.88 per ounce. Silver settled at \$23.28 per ounce, 2.24% higher than the prior week. This week, we expect oil prices will remain bullish as analysts forecast a supply deficit of roughly 1 million barrels a day, citing risks were skewed to the upside in the weeks ahead. Bullions will trade around current levels as recent pull backs in the dollar and bond yields lift the metal's appeal.

Monthly Macro Economic Forecast

Variables	Oct'21	Nov'21	Dec'21
Exchange Rate (NAFEX) (N/\$)	413	412	411
Inflation Rate (%)	17.01	16.62	16.24
Crude Oil Price (US\$/Barrel)	80	72	70