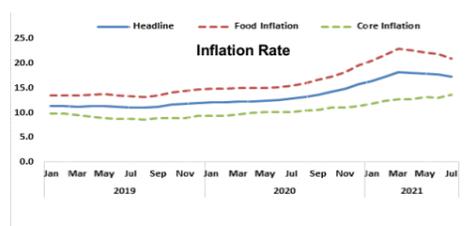
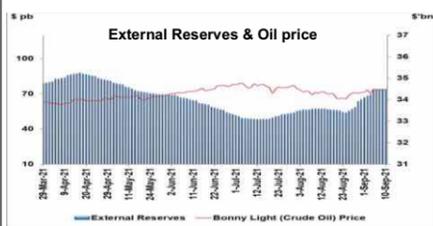
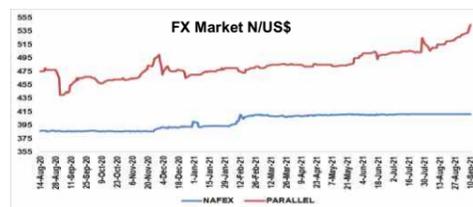
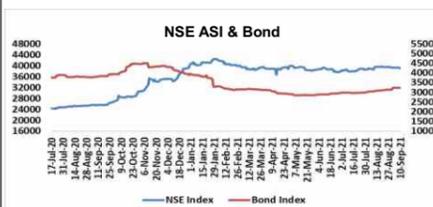


Access Bank Rateswatch

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) | 39.79 | Increased by 0.89% in July' 2021 from N39.44 trillion in June' 2021 |
| Credit to Private Sector (N' trillion) | 32.84 | Increased by 0.64% in July' 2021 from N32.63 trillion in June' 2021 |
| Currency in Circulation (N' trillion) | 2.81 | Increased by 2.55% in July' 2021 from N2.74 trillion in June' 2021 |
| Inflation rate (%) (y-o-y) | 17.38 | Decreased to 17.38% in July 2021 from 17.75% in June 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) | 34.8 | September 9, 2021 figure — an increase of 2.05% from September start |
| Oil Price (US\$/Barrel)(OPEC) | 71.33 | September 9, 2021 figure— a decrease of 0.99% from the prior week |
| Oil Production mbpd (OPEC) | 1.44 | July 2021, figure — an increase of 3.23% from June 2021 figure |



STOCK MARKET

| Indicators | Last Week | 2 Weeks Ago | Change (%) |
|------------------|-----------|-------------|------------|
| | 10/9/21 | 3/9/21 | |
| NSE ASI | 38,921.78 | 39,261.01 | (0.86) |
| Market Cap(N'tr) | 20.28 | 20.46 | (0.86) |
| Volume (bn) | 0.15 | 0.18 | (14.28) |
| Value (N'bn) | 2.27 | 1.72 | 31.55 |

MONEY MARKET

| NIBOR | | | |
|---------|--------------------|----------------------|----------------------|
| Tenor | Last Week Rate (%) | 2 Weeks Ago Rate (%) | Change (Basis Point) |
| | 10/9/21 | 3/9/21 | |
| OBB | 14.00 | 13.00 | 100 |
| O/N | 14.50 | 13.50 | 100 |
| CALL | 14.10 | 12.27 | 183 |
| 30 Days | 12.58 | 8.95 | 364 |
| 90 Days | 13.43 | 9.65 | 378 |

FOREIGN EXCHANGE MARKET

| Market | Last Week Rate (N/\$) | 2 Weeks Ago Rate (N/\$) | 1 Month Ago Rate (N/\$) |
|----------------|-----------------------|-------------------------|-------------------------|
| | 10/9/21 | 3/9/21 | 10/8/21 |
| Official (N) | 0.00 | 0.00 | 0.00 |
| Inter-Bank (N) | 411.08 | 411.21 | 411.17 |
| BDC (N) | 0.00 | 0.00 | 0.00 |
| Parallel (N) | 545.00 | 530.00 | 510.00 |

BOND MARKET

| AVERAGE YIELDS | | | |
|----------------|--------------------|----------------------|----------------------|
| Tenor | Last Week Rate (%) | 2 Weeks Ago Rate (%) | Change (Basis Point) |
| | 10/09/2021 | 03/09/2021 | |
| 5-Year | 4.57 | 4.84 | (27) |
| 7-Year | 10.28 | 10.18 | 10 |
| 10-Year | 9.01 | 9.01 | (0) |
| 15-Year | 12.72 | 12.25 | 47 |
| 20-Year | 11.90 | 11.76 | 14 |
| 25-Year | 12.00 | 12.32 | (32) |
| 30-Year | 12.54 | 12.48 | 6 |

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: September 3 – September 10, 2021

Global Economy

The Cabinet Office of Japan has revealed that the Japanese economy advanced 1.9% on an annualized basis in the Q2 2021, compared with the preliminary estimate of a 1.3% expansion. Household consumption, business investment, and government spending all rebounded, amid a recovery in the economy from the coronavirus disruption as virus vaccinations accelerated. In the meantime, net trade contributed negatively to the GDP as imports rose more than exports. Elsewhere,

the South African economy advanced by 19.3% year-on-year in the second quarter of 2021, after a downwardly revised 2.6% decline in the previous period according to Statistics, South Africa. It was the first economic expansion after four quarters of contraction and the strongest on record, reflecting a low base last year and helped by the relaxation of Covid-19 restrictions during the period. In a separate development, the annual inflation rate in Brazil increased to 9.68% in August from 8.99% in July 2021, according to the Brazilian Institute of Geography and Statistics. It is the highest reading since February 2016 as the reopening of the economy, alongside global supply issues, the effects of a weaker currency, and a severe drought continued to weigh on prices. On a monthly basis, consumer prices inched up 0.87%, higher than market expectations of 0.71% and the highest inflation for August since 2000.

Domestic Economy

Total merchandise trade stood at N12 trillion representing 23.28% increase over the value (N9.75 trillion) recorded in Q1 2021 and 88.71% increase compared to Q2 2020 based on data from the National Bureau of Statistics. This increase resulted from the sharp increase in export value during the quarter under review. The export component of trade was valued at N5.08 trillion or 42.22%. Import was valued at N6.95 trillion or 57.78%. The trade balance narrowed to N1.87 trillion from N1.93 trillion in the same period a year ago. Crude oil, the major component of export trade, stood at N4.07 trillion or 80.29% of total export. This further shows a sharp increase of 111.32% in crude oil value in Q2 2021 compared to (N1.92 trillion) recorded in Q1 2021 while the non-crude oil export recorded N1 trillion or 19.71% of total export trade during Q2 2021.

Stock Market

The Nigeria Stock Exchange suffered another week of loss on the back of selling pressure and seeming profit-taking. Stocks responsible for the downtrend witnessed were information & communication technology, financial services and consumer goods sectors. Accordingly, the All Share Index (ASI) tapered 0.86% to 38,921.78 points from 39,261.01 points the preceding week. Market capitalization also fell by N17.67 billion to N20.28 trillion from N20.46 trillion the prior week. This week, we anticipate bullish performance as bargain hunters take advantage of low prices of equity to position.

Money Market

Cost of borrowing spiked last week despite the Open Market Operations (OMO) maturity of N119 billion as banks funded for their obligations. The outflow of funds led to higher rates as lender's

charge such as the Open Buy Back (OBB) and Overnight (O/N) rates rose marginally to 14% and 14.5% from 13% and 13.5% the previous week. In the same vein, slightly longer dated instruments like the 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) finished higher settling at 12.58% and 13.43% from 8.95% and 9.65% the prior week. This week, money market rates are expected to rise further due to anticipated retail Secondary Market Intervention Sales (rSMIS).

Foreign Exchange Market

The naira went in divergent directions against the greenback at the FX market segments last week. At the interbank market, the naira gained 13 kobo to settle at N411.08/\$ from N411.21/\$ recorded the prior week. The parallel market lost N15 to finish N545/\$ from N530/\$ as FX buyers piled demand pressure on the limited supply of this informal market segment following the ban on dollar sales to Bureau De Changes. This week, we envisage the stability in the market especially at the interbank window, would continue due to consistent FX liquidity injections by the CBN. The parallel market will likely see more depreciation at panic buying persist in the market.

Bond Market

The Federal Government of Nigeria (FGN) bond market witnessed significant demand last week with emphasis on the 2035, 2036 and 2050 bonds. Deals were consummated at the 13.11% for the 30-year instrument at the peak of the market. Consequently, yields on the 7-, 15-, 20- and 30-year debt papers closed higher at 10.28%, 12.72%, 11.90% and 12.54% from 10.18%, 12.25%, 11.76% and 12.48%, respectively. Accordingly, the Access Bank Bond index decreased by 8.63 points to close at 3,235.36 points from 3,243.99 points. We expect demand in the secondary market to persist as local players continue to re-invest their outstanding maturities.

Commodities

Crude oil prices decreased slightly pressured by China's state reserves administration saying it would release crude oil reserves to the market to stabilize domestic market supply and demand and to guarantee energy security. Bonny light, Nigeria's benchmark crude tapered 0.99% to settle at \$71.33 barrel. Separately, precious metal prices declined as the US dollar hovered near a one-week high while the benchmark US 10-year Treasury yield also rose. Consequently, gold prices slumped by 1.1% or \$19.86 to finish at \$1,793.22 per ounce from \$1,813.08 per ounce. Silver settled at \$24.06 per ounce, unchanged from prior week. This week, we expect oil prices might suffer more losses as investors digest China's unprecedented intervention in the global oil market. Bullions might recover as jewelers build inventories for the upcoming festive season.

Monthly Macro Economic Forecast

| Variables | Sept'21 | Oct'21 | Nov'21 |
|-------------------------------|---------|--------|--------|
| Exchange Rate (NAFEX) (N/\$) | 411 | 412 | 411 |
| Inflation Rate (%) | 16.9 | 16.5 | 16.01 |
| Crude Oil Price (US\$/Barrel) | 70 | 72 | 70 |

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