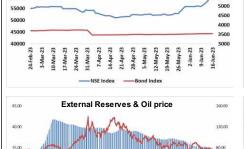


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS **Current Figures** Comments GDP Growth (%) 2.31 Q4 2022 — lower by 1.21% compared to 3.52% in Q4 2022 Rose by 2.58% in April 2023 from N54.63 trillion in March 2023 Broad Money Supply (N' trillion) 56.04 Rose by 2.39% in April 2023 from N43.07 trillion in March 2023 Credit to Private Sector (N' trillion) 44.1 Currency in Circulation (N' trillion) 2.38 Increased by 41.67% in April 2023 from N1.68 trillion in March 2023 Inflation rate (%) (y-o-y) 22.41 Increased to 22.41% in May 2023 from 22.22% in April 2023 18.5 Adjusted to 18.5% in May 2023 from 18% in March 2023 Monetary Policy Rate (%) 18.5(+1/-7) Lending rate changed to 19.5% & Deposit rate 11.5% Interest Rate (Asymmetrical Corridor) External Reserves (US\$ billion) 34.67 June 14, 2023 figure — a decrease of 1.20% from June start Oil Price (US\$/Barrel) (Bonny Light) June 16, 2023 figure — an increase of 0.64% from the prior week 77.90 Oil Production mbpd (OPEC) May 2023, figure — an increase of 19.19% from April 2023 figure 1.18



NSF ASI & Bond

		10.700	
STOCK MARKE	T		
Indicators	Last Week	2 Weeks Ago	Change (%)
	16/6/23	9/6/23	
NSE ASI	58,974.36	55,930.97	5.44
Market Cap(N'tr)	32.11	30.45	5.44
Volume (bn)	0.62	0.57	7.16
Value (N'bn)	6.42	6.09	5.56

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	16/6/23	9/6/23	
OPR	11.6000	11.7000	(10)
O/N	12.1000	12.1000	0
CALL	11.9600	13.5600	(160)
30 Days	12.0200	12.7000	(68)
90 Days	12.8700	13.4700	(60)

MONEY MARKET

FOREIGNEX	CHANGE WAR	KEI	
Market			1 Month Ago I/ Rate (N/\$)
	16/6/23	9/6/23	16/5/23
NAFEX (N)	686.96	471.40	464.58

BOND MA AVERAGE			
Tenor		2 Weeks Ago Rate (%)	Change (Basis Point)
	16/6/23	9/6/23	
7-Year	11.42	11.44	(2)
10-Year	11.06	11.04	3
15-Year	14.68	14.68	0
20-Year	14.49	14.51	(1)
25-Year	15.40	15.30	10
30-Year	15.55	15.47	8

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YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	16/6/23	9/6/23	
1 Mnth	4.21	3.98	23
3 Mnths	4.98	5.99	(101)
6 Mnths	6.02	7.43	(141)
9 Mnths	7.77	7.43	33
12 Mnths	8.86	8.35	51

ACCESS BANK NIGE	ERIAN GOV	'T BOND II	NDEX
Indicators	Last Week	2 Weeks Ago	Change (Basis Point
Indicators	16/6/23	9/6/23	
Index	3,543.72	3,538.21	0.16
Mkt Cap Gross (N'tr)	21.20	21.16	0.19
Mkt Cap Net (N'tr)	11.67	11.69	(0.17)
YTD return (%)	44.26	44.04	0.22
YTD return (%)(US \$)	-154.95	-90.94	(64.01)
·			

TREASURY E	BILLS PMA AUCTIO	V	
Tenor	Amount (N' million)	Rate (%)	Date
91 Day	1,101.072	4.89	14-June-2023
182 Day	1,284.65	5.12	14-June-2023
364 Day	32,154.897	8.24	14-June-2023

Market Analysis and Outlook: June 16 - June 23, 2023

Global Economy

holding the target range steady allows them their fulfil their obligations. to assess additional information and its implications for monetary policy but noted Foreign Exchange Market they would be prepared to adjust it if risks Last week, there was a significant emerge that could impede the attainment of turnaround in the forex market. The CBN their goals. According to the U.S. Bureau of announced that forex should be traded at Labor Statistics, annual inflation rate the market-determined rates. This is part of declined to 4% in May 2023 from 4.9% the policy reforms of the new administration printed in the prior month. The funds rate is to unify the exchange rate. Consequently, now seen higher at 5.6% this year, compared the Naira at the NAFEX window weakened to 5.1% projected in March. GDP growth and significantly by 45.7% to close the week at inflation rate are seen rising 1% and 3.2%, N686.96/\$ relative to N471.40/\$ traded the respectively at the end of the year. In another prior week. The demand pressure on the zone, the European Central Bank (ECB) Naira, at the official window, is expected to raised interest rates by another 25 basis subside as the gap between the official and points (bps) during its June meeting, parallel market gradually converge. Also, we bringing the rate on main refinancing expect naira to strengthen this week as we operations to 4%, the highest level since the anticipate increasing forex inflows from 2008 financial crisis, and the rate on the Foreign Portfolio Investors.

deposit facility to a 22-year high of 3.5%. This marked the 8th consecutive rate hike, **Bond Market** - basis point increase in rates over the past dictatemarketsentimentinthenewweek. year. This is the fastest tightening pace in the history of the bank.

Domestic Economy

- The annual inflation rate rose for the 4th campaign bolstered the demand outlook in consecutive month to a near 18-year high of the world's two biggest oil consumers. Oil 22.41% in May 2023, up from 22.22% in the markets also got a boost from a sharp to 24.82% in May, after jumping by 24.61% in makes oil cheaper for holders of other April, mainly on account of higher prices of currencies and drives up risk appetite in the vegetables, oils, bread, fruits, meat, and markets. Consequently, Bonny Light, tubers. The annual core inflation rate, which Nigeria's benchmark crude price rose by excludes farm produce, was 20.06% in May, \$0.64 per barrel (pb) to close the week at easing from a record high of 20.14% in the \$77.90pb from \$77.26pb posted in the prior month. On a monthly basis, consumer preceding week. In a separate news, bullion prices increased by 1.94% in May, the most in prices shredded more gains as the Dollar

run for the 4th consecutive week, posting \$1,964.27 per ounce. Similarly, silver price impressive gains week-on-week as demand lost \$0.32 or 1.3% to sit at \$24.03 per ounce. for the country equities surged on the This week, oil prices might reverse gains as recently announced pro-market policies. investors remain cautious about global Investors ramped up their holdings after economic uncertainties, with weak Chinese Nigeria announce the harmonisation of economic data and further interest rate multiple exchange rates by allowing market hikes by other major central banks clouding forces to determine the fair value of the bullish demand outlook. On the other hand, naira. Consequently, the All-Share Index bullion prices might reroute north, (ASI) rose to 58,974.36 points gaining benefiting mainly from the dollar's weakness 3,043.39 points. Similarly, market as the Fed paused its tightening campaign at capitalization ascended by N1.66 trillion a time other major central banks are still closing at N32.11 trillion. Going into trading raising interestrates. this week, we expected the demand momentum to slow as investors are poised to book profit from the recent rallies in the Nigerian stock market.

Money Market

Money market rates hovered around similar levels, as seen in the preceding week, due to low level of funding activities. Consequently, short-dated placements like the Open Repo

The US Federal Reserve (Fed) left the target Rate (OPR) declined marginally to 11.60% for the funds rate unchanged at 5% - 5.25% from 11.70% posted in the preceding week in June 2023, but signalled rates may go to while Over Night (ON) remained unchanged 5.6% by year-end if the economy and at 12.10%. On the other hand, longer-dated inflation do not slow down more. This is the placements such as the 30-day Nigerian first pause in the tightening campaign Interbank Offered Rate (NIBOR) also following 10 consecutive hikes that lifted declined to 12.02% from 12.70%. This week, borrowing costs to the highest level since we opine that there will be uptick in rates as September 2007. Policymakers said that market participants are expected to fulfil

even though the bloc entered a recession at. The bond market closed the week on a quiet the beginning of 2023, and as both the note as pockets of demand were witnessed headline and core inflation rates remain across the curve. Yields on the 7-, and 20- significantly above the ECB's target of 2%. year debt papers closed lower at 11.42%, During a news conference, President and 14.49% from 11.44%, and 14.51%, Lagarde stated that the ECB had more respectively. The Access Bank bond index ground to cover and would likely continue rose slightly by 5.51 points to close at raising rates in July. ECB officials have 3,543.72 points from 3,538.21 points. The already implemented an unprecedented 400 outcome of the Bond auction is expected to

Commodities

Oil prices held gains as interest rate cuts in China and a pause in the Fed's tightening prior month. Food inflation rate accelerated decline in the Dollar, as a weaker greenback 7 years, up from a 1.91% rise in prior month. strengthened after the Fed paused its tightening campaign but hinted at further interest rate hikes this year. Subsequently, The Nigerian bourse extended the bullish gold price lost \$0.41 or 0.02% to sit at

Monthly Macro Economic Forecast

Variables	May'23	Jun'23	Jul'23
Exchange Rate	463	650	650
(NAFEX) (N/\$) Inflation Rate (%)	22.0	26	26
Crude Oil Price	85	83.5	80
(US\$/Barrel)	03	00.0	30

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.