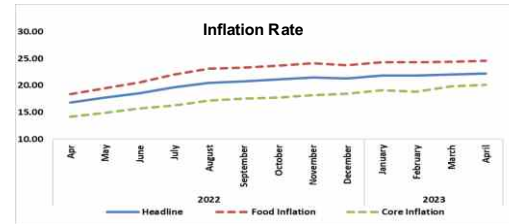
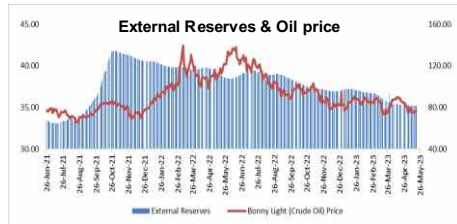
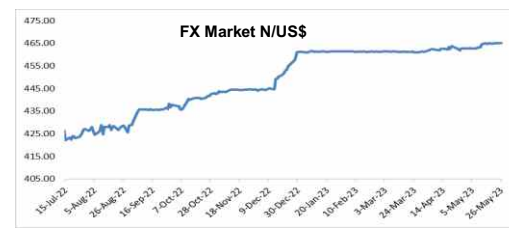
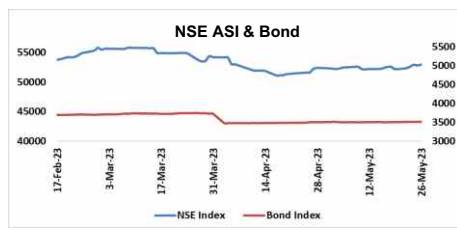


# Access Bank Rateswatch

## KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	2.31	Q4 2022 — lower by 1.21% compared to 3.52% in Q4 2022
Broad Money Supply (N' trillion)	56.04	Rose by 2.58% in April 2023 from N54.63 trillion in March 2023
Credit to Private Sector (N' trillion)	44.1	Rose by 2.39% in April 2023 from N43.07 trillion in March 2023
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)	22.22	Increased to 22.22% in April 2023 from 22.04% in March 2023
Monetary Policy Rate (%)	18.5	Adjusted to 18.5% in May 2023 from 18% in March 2023
Interest Rate (Asymmetrical Corridor)	18.5(+1/-7)	Lending rate changed to 19.5% & Deposit rate 11.5%
External Reserves (US\$ billion)	35.18	May 23, 2023 figure — a decrease of 0.28% from May start
Oil Price (US\$/Barrel) (Bonny Light)	78.64	May 26, 2023 figure — an increase of 1.98% from the prior week
Oil Production mbpd (OPEC)	0.99	April 2023, figure — an decrease of 24.43% from March 2023 figure



## STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	26/5/23	19/5/23	
NSE ASI	52,973.88	52,187.93	1.51
Market Cap(N'tr)	28.84	28.42	1.48
Volume (bn)	0.46	0.81	(43.04)
Value (N'bn)	7.67	8.20	(6.46)

## MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	26/5/23	19/5/23	
OPR	12.75	14.88	(213.0)
O/N	13.25	15.63	(238)
CALL	13.10	16.45	(335.0)
30 Days	12.41	13.83	(141)
90 Days	13.68	14.64	(96.2)

## FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	26/5/23	19/5/23	26/4/23
NAFEX (N)	465.13	464.80	461.92

## BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	26/5/23	19/5/23	
7-Year	11.48	11.50	(2.0)
10-Year	11.31	11.37	(5.9)
15-Year	14.81	14.81	0.1
20-Year	14.71	14.71	(0.4)
25-Year	15.50	15.55	(5.0)
30-Year	15.61	15.67	(5)

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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: May 26 - June 2, 2023

### Global Economy

Ratings agency Fitch has taken a negative dated placements like the Open Repo Rate stance on the United States' "AAA" rating, (OPR) and Over Night (ON) declined to placing it under watch, as discussions 12.75% and 13.25% from 14.88% and regarding the country's debt ceiling 15.63% recorded in the preceding week, continue. The agency specifically respectively. On the other hand, longer-highlighted the growing political dated placements such as the 30-day partisanship that is impeding the progress Nigerian Interbank Offered Rate (NIBOR) towards a resolution to raise or suspend the declined to 12.41% from 13.83%. This week, debt limit, despite the impending X-date. it is anticipated that money market rates will Fitch emphasized that the failure to reach an experience an increase due to the CBN Retail agreement before the X-date would send a Secondary Market Intervention Sales (SMIS) negative signal about the overall governance debit.

and willingness of the U.S. to fulfil its obligations promptly, which would be **Foreign Exchange Market** inconsistent with maintaining a 'AAA' rating. As the illiquidity persisted, trade activity in In another space, the South African Reserve the foreign market was predominantly on Bank (SARB) increased its main lending rate the bid side. Consequently, Naira exchanged by 50 basis points (bps) to 8.25% during its against the Dollar at the Nigerian May meeting, pushing borrowing costs to Autonomous Foreign Exchange (NAFEX) for their highest level since May 2009. This N464.80/\$, depreciating by N0.30 week-on-latest rate hike by the SARB marked the 10th week. This week, the policy stance of the consecutive increase in interest rates, MPC will determine if there will be a aggregating 475bps since the policy significant inflow to the forex market. Bond tightening began in November 2021. MarketThe bond market closed the week on Policymakers cited concerns regarding the a relatively active note as pockets of demand significant depreciation of the rand and the were seen across the curve. Yields on the 10-mounting pressures of inflation as key , 15-, and 30-year debt papers closed lower drivers behind the rate adjustment. The at 11.37%, 14.81%, and 15.67% from SARB also revised its inflation forecasts, with 11.46%, 14.96%, and 15.72% respectively. inflation for 2023 now projected to average The Access Bank bond index rose by 2.12 6.2%, up from the previous estimate of points to close at 3,501.38 points from 6.0%. Additionally, the SARB adjusted its 3,499.26 points. The outcome of the MPC 2023 GDP forecast, with the economic meeting is expected to dictate market growth now expected at 0.3%, a slight sentiment this week increase from the previous estimate of 0.2%.

### Domestic Economy

The Nigerian economy advanced by 2.31% in various supply-side disruptions. Coupled Q1 2023, relatively lower than the 3.52% rise with the US announcement to purchase up in the previous three-month period. The to 3 million barrels of crude oil to replenish its decline could be partly attributed to the depleted Strategic Petroleum Reserve, the adverse impacts of fuel scarcity and cash International Energy Agency (IEA) forecast crunch during the period. The non-oil sector global oil demand to exceed supply by 2 contracted at 2.77% from 4.44% recorded in million barrels per day in the second part of the previous quarter. The sector, however, 2023 with China accounting for a substantial remained the main catalyst of the country's part of it. On the supply side, wildfires in economic expansion boosted by increasing major oil-producing regions in Canada and economic activities in the services sector. the seizure of oil tankers by Iran threatened Meanwhile, the oil sector contracted at a to disrupt flows. Consequently, Bonny Light, slower pace (-4.21% vs -13.38%). In a Nigeria's benchmark crude price inched separate development, The Central Bank of higher by \$0.44 per barrel (pb) to close the Nigeria (CBN) raised the Monetary Policy week at \$76.66pb from \$76.22pb posted in Rate (MPR) by another 50bps to 18.5%. This the preceding week. In a separate marks the 3rd consecutive rate hike so far development, bullion prices were on a loss this year, bringing borrowing costs to their track, last week, as growing optimism over highest since the monetary policy rate was the US debt ceiling negotiations and hawkish adopted in 2006. The decision was driven by signals from the Federal Reserve weighed on continued upside risks to the inflationary the metal. Subsequently, gold price fell by \$47.03 or 2.3% to sit at \$1,964.84 per ounce. Similarly, silver price fell by \$0.28 or 1.2% to sit at \$23.66 per ounce. This week, outlook

### Stock Market

The sentiment in the Nigerian stock market movement in oil prices largely hinges on the swung to the bullish side as stocks rallied on outcome of investor's assessment of the the expectation of a peaceful transition of economic outlook in the US and China which the incoming government. Consequently, are 2 of the world's biggest oil consumers. the All-Share Index (ASI) closed at 52,973.88 On the other hand, bullion prices might points gaining 785.95 points. Similarly, continue to cool off. Bullion is highly sensitive market capitalization ascended by N420 to the rates outlook as higher interest rates billion closing at N28.84 trillion. This week, raise the opportunity cost of holding non-the market is expected to remain in the yielding bullion, making it less attractive for green space as investors continue to take investors. strategic positions in the country's equities. Thanks to the investors' anticipating that peaceful transition and new policies of the incoming government will bode well for the Nigerian economy.

### Monthly Macro Economic Forecast

Variables	May'23	Jun'23	Jul'23
Exchange Rate (NAFEX) (N/\$)	463	464.5	466.5
Inflation Rate (%)	22.0	23.0	23.5
Crude Oil Price (US\$/Barrel)	85	83.5	80

### Money Market

The inflow from the Federation Account Allocation Committee (FAAC) into the system improved liquidity despite the increase in the MPR. Consequently, short-

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