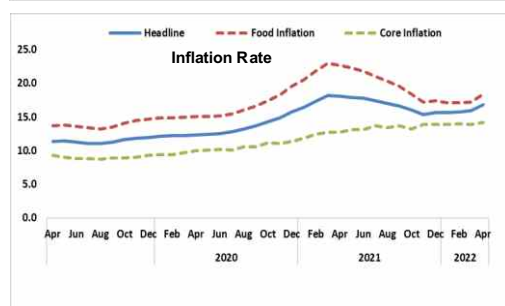
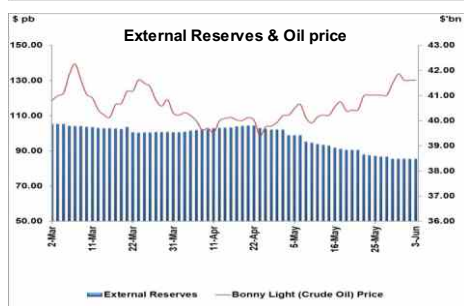
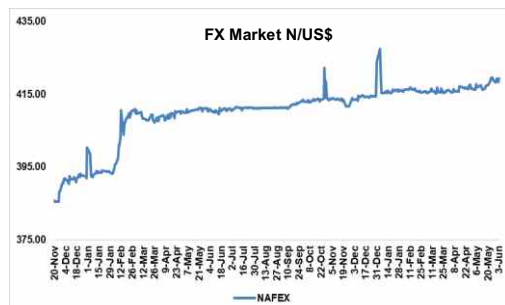


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	3.11	Q1 2022 — lower by 0.05% compared to 3.98% in Q4 2021
Broad Money Supply (N' trillion)	46.54	Rose by 1.95% in April 2022 from N45.65 trillion in March 2022
Credit to Private Sector (N' trillion)	37.13	Rose by 2.09% in April 2022 from N36.37 trillion in March 2022
Currency in Circulation (N' trillion)	3.309	Rose by 1.94% in April 2022 from N3.246 trillion in March 2022
Inflation rate (%) (y-o-y)	16.82	Increased to 16.82% in April 2022 from 15.92% in March 2022
Monetary Policy Rate (%)	13	Adjusted to 13% in May 2022 from 11.5%
Interest Rate (Asymmetrical Corridor)	14(+1/-7)	Lending rate changed to 14% & Deposit rate 6%
External Reserves (US\$ million)	38.48	May 31, 2022 figure — a decrease of 2.40% from May start
Oil Price (US\$/Barrel) (Bonny Light)	130.23	June 1, 2022 figure — an increase of 6.98% from the prior week
Oil Production mbpd (OPEC)	1.32	April 2022, figure — a decrease of 2.22% from March figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	3/6/22	27/5/22	
NSE ASI	52,908.24	54,085.30	(2.18)
Market Cap(N'tr)	28.52	29.16	(2.18)
Volume (bn)	0.28	0.51	(44.30)
Value (N'bn)	3.37	5.52	(38.92)

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	3/6/22	27/5/22	
OBB	6.6700	13.6700	(700)
O/N	7.0000	14.0000	(700)
CALL	7.5000	14.0000	(650)
30 Days	9.3600	9.3200	4
90 Days	10.0300	10.0500	(2)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	3/6/22	27/5/22	4/5/22
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	419.35	418.77	417.78
BDC (N)	0.00	0.00	0.00
Parallel (N)	0.00	0.00	0.00

COMMODITIES MARKET

Indicators	3/6/22	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil (\$/bbl)	130.02	6.81	101.71
Natural Gas (\$/MMBtu)	8.42	(3.88)	117.57
Agriculture			
Cocoa (\$/MT)	2,495.00	1.30	28.87
Coffee (\$/lb.)	234.45	4.02	80.07
Cotton (\$/lb.)	119.47	(3.25)	54.15
Sugar (\$/lb.)	19.28	(2.08)	25.77
Wheat (\$/bu.)	1,038.00	(10.23)	139.45
Metals			
Gold (\$/t oz.)	1,861.07	(0.06)	41.25
Silver (\$/t oz.)	22.16	(0.45)	28.91
Copper (\$/lb.)	448.65	4.47	36.87

NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	3/6/22	27/5/22	
1 Mnth	3.43	3.33	10
3 Mnths	3.74	3.79	(5)
6 Mnths	4.30	4.44	(14)
9 Mnths	5.49	5.27	22
12 Mnths	6.49	6.04	45

TREASURY BILLS PMA AUCTION

Tenor	Amount (million)	(N' Rate (%)	Date
91 Day	5364.28	2.5	25-May-2022
182 Day	3783.474	3.89	25-May-2022
364 Day	143884.922	6.49	25-May-2022

Market Analysis and Outlook: May 27 - June 03, 2022

Global Economy

The Brazilian economy advanced 1.7% year-on-year in Q1 2022, picking up from 1.6% posted in the preceding quarter, reflecting the fifth consecutive quarter of economic expansion. Instituto Brasileiro de Geografia e Estatística (IBGE) revealed that growth was driven by a 2.2% increase in household consumption amid higher demand for in-person services as Covid restrictions were relaxed. Also, government expenditure grew by 3.3%. However, gross fixed capital formation declined by 7.2%, halting five consecutive quarters of growth amid lower levels of domestic production and imports of capital goods. In another news, the National Bank of Ukraine (NBU), after its June 2022 meeting, hiked its policy rate to 25% from 10%. The decision to increase was to protect hryvnia savings, increase the attractiveness of hryvnia assets, reduce foreign exchange market pressures, and strengthen the bank's ability to ensure exchange rate and consumer price stability during the ongoing war. The NBU expects that inflation should be on the rise in coming months, although the tighter monetary setting and increasing supply from domestic producers should restrain the acceleration. Annual inflation accelerated to 16.4% in April 2022 from 13.7% posted in preceding month.

Domestic Economy

The Organisation of Petroleum Exporting Countries (OPEC) increased Nigeria's production quota to about 1.8 million barrels per day (mbpd). The increase in Nigeria's oil production quota creates a 400,000 barrels per day deficit as the country has only been able to ramp up an average of 1.4 mbpd. OPEC and its allies would increase oil production by 648,000 barrels per day in July, as opposed to the 400,000 bpd initially approved and the subsequent increase to 432,000bpd.

Stock Market

Impressive performance at the Nigerian Exchange Limited (NGX), once again, came to a halt as fixed income rates appealed to investors owing to the increase in the policy rate. Consequently, the All-Share Index (ASI) closed the week at 52,908.24 points losing 1,177.06 points. Similarly, market capitalization declined by 2.18% to finish the week at N28.52 trillion. This week, market performance might remain depressed as equities remain unattractive due to appealing yields on fixed income assets.

Money Market

The market was awashed with funds as the Federation Accounts Allocation Committee (FAAC) disbursement for May 2022 was credited into the system. Consequently, short-dated placements such as Open Repo Rates (OPR) and Over

Night (O/N) rates declined to 6.67% and 7.00% from 13.67% and 14.00% respectively. Longer dated placements such as the 30-day Nigerian Interbank Offered Rate (NIBOR) moved the other direction slightly rising to 9.36% from 9.32% posted in the prior week. This week rates are expected to hover around similar levels, barring any significant funding activity.

Foreign Exchange Market

In the previous retail Secondary Market Intervention Sales (SMIS) auction, customers demand for FX was met with insufficient supply. Consequently, the Naira in the Nigerian Autonomous Foreign Exchange (NAFEX) window weakened by N0.58 against the Dollar to close at N19.35/\$. This week, NAFEX rate is expected to remain relatively stable.

Commodities

Oil prices extended gains for the third consecutive week after a keenly anticipated Organisation of Petroleum Exporting Countries plus (OPEC+) meeting delivered only a modest increase in output despite speculations of a bigger supply boost. Consequently, Bonny Light, Nigeria's benchmark crude held its gains, rising by 6.81% to close last week at \$130.02/barrel from \$121.73/barrel posted in the preceding week. In a separate news, the price of precious metals slightly declined after the payrolls report showed the US economy added more jobs than expected and price pressures continued to ease in May, strengthening the case for the Fed to continue its tightening plans. Consequently, the price of gold declined by 0.06% or \$1.13 to settle at \$1,861.07 per ounce. Also, the price of the silver declined by 0.45% or \$0.10 to close at \$22.16 per ounce. This week, oil prices are expected to remain elevated as the modest increase by the OPEC+ is seen as hardly enough to compensate for lost supply from Russia. On the other hand, the price of precious metals is expected to remain depressed as traders bet interest rates will need to rise to contain inflation. However, risks to the global economic outlook arising from the war in Ukraine, rising borrowing costs, ongoing supply disruptions and high commodity prices, offer the price of precious metals some support.

Monthly Macro Economic Forecast

Variables	May'22	Jun'22	Jul'22
Exchange Rate (NAFEX) (N/\$)	418.77	419.20	416.30
Inflation Rate (%)	16.82	16.92	17.1
Crude Oil Price (US\$/Barrel)	121.73	110.29	110.16

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.

For enquiries, contact: Rotimi Peters (Team Lead, Economic Intelligence) (01) 2712123 rotimi.peters@accessbankplc.com