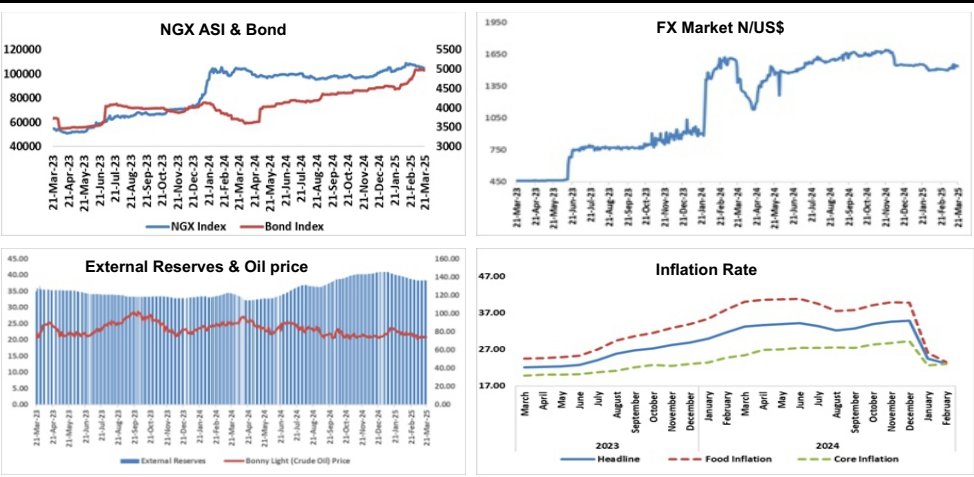


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS			
Indicators	Current Figures		Comments
GDP Growth (%)	3.84	Q4 2024	— Higher than 3.46% in Q3 2024
Broad Money Supply (N' trillion)	110.98	Increased by 1.85% in January 2025 from N108.97 trillion in November 2024	
Credit to Private Sector (N' trillion)	74.89	Decreased by 1.41% in January 2025 from N75.96 trillion in November 2024	
Currency in Circulation (N' trillion)	5.24	Rose by 7.32% in January 2025 from N4.88 trillion in November 2024	
Inflation rate (%) (yo-y)	23.18	Decreased to 23.18% in February 2025from 24.48% in January 2025	
Monetary Policy Rate (%)	27.50	Retained at 27.50% in January 2025 the same as in November 2024	
Interest Rate (Asymmetrical Corridor)	27.50(+5/- 1)	Lending rate retained at 32.50% & Deposit rate 26.50%	
External Reserves (US\$ billion)	38.36	Mar 19 2025 figure — a decrease 0.04% from the prior week	
Oil Price (US\$/Barrel) (OPEC)	74.04	Mar 20 2025 figure — an increase of 0.43% from the prior week	
Oil Production mbpd (OPEC)	1.47	February 2025, figure —a decrease of 4.79% from January 2025 figure	



STOCK MARKET			
Indicators	Last Week	2 Weeks Ago	Change (%)
	21/3/25	14/3/25	
NGX ASI	104,962.96	105,955.13	(0.94)
Market Cap (N'trn)	65.82	66.35	(0.80)
Volume (bn)	0.40	0.75	(47.08)
Value (N'bn)	14.17	11.06	28.16

MONEY MARKET			
NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	21/3/25	14/3/25	
OPR	32.4000	32.4000	0
O/N	32.9000	32.8000	10
CALL	32.9000	32.8333	7
30 Days	28.3277	28.4075	(8)
90 Days	28.2240	28.5532	(33)

FOREIGN EXCHANGE MARKET			
Market	Last Week Rate(N/\$)	2 Weeks Ago Rate(N/\$)	1Month Ago Rate(N/\$)
	21/3/25	14/3/25	21/2/25
NAFEX (N)	1540.50	1519.00	1506.45

BOND MARKET			
AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	21/3/25	14/3/25	
3-Year	19.20	19.25	(5)
5-Year	18.50	18.50	(0)
7-Year	19.55	19.53	2
9-Year	20.24	18.60	164
10-Year	18.98	18.72	26
15-Year	18.32	18.32	0
20-Year	18.79	18.66	13
25-Year	17.53	17.41	12
30-Year	16.91	16.91	(0)

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Sources: CBN, Financial Market Dealers Quotation, NGX, NBS, Energy Information Agency, Oilprice, Bloomberg and Access Bank Economic Intelligence Group computation.

Market Analysis and Outlook: March 21, - March 28, 2025

Global Economy

At its March 2025 meeting, the US Federal Reserve held the federal funds rate steady at 4.25% - 4.50%, aligning with market expectations and extending the pause in its rate-cut cycle initiated in January. Despite growing economic uncertainty, policymakers maintained their outlook for a total 50 basis point reduction this year, consistent with December's projections. The Fed also revised its GDP growth forecasts downward for the coming years, lowering expectations for 2025, 2026, and 2027 to 1.7%, 1.8%, and 1.9%, respectively — compared to prior estimates of 2.1%, 2%, and 1.9%. Meanwhile, inflation forecasts rose, with Personal Consumption Expenditure (PCE) inflation now expected to hit 2.7% in 2025 (up from 2.5% in December 2024) and 2.2% in 2026 (up from 2.1%), while the 2027 forecast remained unchanged at 2%. The unemployment rate is projected to edge up to 4.4% this year from 4.3%, though it is expected to hold steady at 4.3% in both 2026 and 2027. In Japan, headline inflation eased to 3.7% year-on-year in February, retreating from the two-year high of 4% recorded in January. Nonetheless, this marks the 35th consecutive month that inflation has stayed above the Bank of Japan's (BOJ) 2% target. Core inflation, which excludes fresh food prices, exceeded expectations at 3% in February, reinforcing the case for further rate hikes. The BOJ indicated that core inflation is likely to remain elevated through the 2025 fiscal year, driven by rising rice prices and the phasing out of government measures aimed at curbing inflation. On a monthly basis, Japan's consumer price index (CPI) slipped by 0.1% - the first decline since September 2024 - following a 0.5% rise in January.

Domestic Economy

Nigeria's headline inflation rate eased to 23.18% in February 2025, reflecting a 1.30% drop from the 24.48% recorded in January 2025. On a year-on-year basis, inflation slowed significantly, coming in 8.52 percentage points lower than the 31.70% reported in February 2024 - though the figures reflect a different base year of November 2009. Month-on-month, inflation stood at 2.04% for February 2025. The rise in the headline index on both a year-on-year and month-on-month basis was driven by increased costs across select divisions within the basket of goods and services. Food inflation moderated to 23.51%, down from 26.1% in January, signalling some relief in food prices. In contrast, core inflation - which excludes volatile agricultural and energy prices - climbed to 23.51%, up from 22.60% the previous month, indicating underlying price pressures remain. The Consumer Price Index (CPI) rose by 2.52% on a monthly basis, reflecting persistent but slowing price increases across key sectors of the economy.

Stock Market

Nigeria's equities market extended its losing streak last week, recording a 0.94% week-on-week (w/w) decline, driven by subdued investor sentiment. The benchmark All-Share Index (ASI) shed 992.17 points, closing at 104,962.96, while market capitalization contracted by ₦532.17 billion to ₦65.82 trillion. Looking ahead to this week, a potential bullish rebound appears likely as investors seek to capitalize on the release of full-year 2024 financial results and dividend announcements, which may reignite buying interest and restore market confidence.

Money Market

Market liquidity held steady last week, resulting in minimal movements across key rates. The Open Repo Rate (OPR) remained unchanged at 32.40%, while the Overnight (O/N) rate edged slightly higher to 32.90% from 32.80% in the previous week. Meanwhile, the 30-day Nigerian Interbank Offered Rate (NIBOR) dipped marginally to

28.33% from 28.41%, signalling tighter liquidity conditions. Looking forward, rates are expected to hover around current levels, barring any major market disruptions or liquidity injections.

Foreign Exchange Market

The NAFEX rate depreciated by ₦21.50 last week, closing at \$/₦1,540.50 from ₦1,519.00/USD in the previous week. This decline was primarily driven by heightened dollar demand, despite ongoing interventions by the Central Bank of Nigeria (CBN) aimed at stabilizing the market. Looking ahead, we anticipate a modest rebound in the naira, supported by prevailing market supply conditions.

Bond Market

The bond market began last week on a quiet note, with subdued activity persisting throughout the trading sessions. Demand continued to outpace supply across the bond curve, keeping market momentum restrained. By the week's close, yields on the 7-, 9-, 10-, 20-, and 25-year bonds ticked higher to 19.55%, 20.24%, 18.98%, 18.79%, and 17.53%, respectively - compared to the previous week's levels of 19.53%, 18.60%, 18.72%, 18.66%, and 17.41%. The Access Bank Bond Index dipped slightly by 13.35 points, closing at 4,964.19. Looking ahead, we anticipate cautious trading as market participants position themselves ahead of the upcoming bond auction.

Commodities

Gold closed last week around \$3,014, remaining near record highs, driven by sustained safe-haven demand and signals of a dovish Federal Reserve. The metal's rally was fueled by the Fed's confirmation of two anticipated rate cuts this year, alongside acknowledgments of rising economic uncertainties. Fed Chair Jerome Powell reiterated that President Trump's proposed tariffs would have only a "transitory" effect on inflation, while reaffirming that rate cuts are not immediately necessary. Geopolitical tensions escalated further as Israel expanded its Gaza operations, Hamas launched strikes on Tel Aviv and the US continued airstrikes against Houthi targets in Yemen. Markets are also bracing for the April 2 deadline for Trump's reciprocal tariffs on nations imposing duties on US goods, adding another layer of global trade anxiety. Year-to-date, gold has surged more than 15%. Meanwhile, Brent crude futures ended the week at \$74.04 per barrel, marking their strongest performance since early January. Supply concerns intensified following fresh US sanctions on Iran and OPEC+ commitments to extend output cuts. The US Treasury introduced new sanctions targeting vessels transporting Iranian crude to China and, for the first time, a Chinese refinery - part of President Trump's "maximum pressure" strategy to push Iran's oil exports to zero. This marked the fourth round of sanctions since February, with analysts projecting Iranian exports to drop by as much as one million barrels per day. OPEC+ reinforced supply constraints, announcing output cuts across seven member nations, trimming production by 189,000 to 435,000 barrels per day (bpd) monthly until June 2026. However, production increases from Kazakhstan, Iraq, and Russia are expected to partially offset these cuts, balancing the market through 2025.

Monthly Macro Economic Forecast

Variables	Mar-2025	April - 2025	May - 2025
Exchange Rate (NAFEX) (N/\$)	1,500	1,480	1,450
Inflation Rate (%)	23.90	23.35	22.60
Crude Oil Price (US\$/Barrel)	76.50	75.00	75.00

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