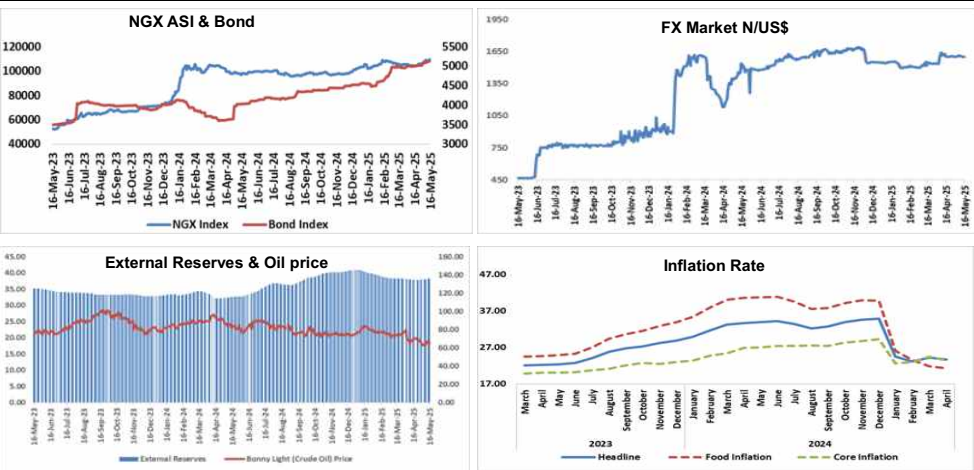


Access Bank Rateswatch

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)	114.22	Increased by 3.18% in Mar 2025 from N110.71 trillion in February 2025	
Credit to Private Sector (N' trillion)	76.27	Increased by 0.02% in Mar 2025 from N76.26 trillion in February 2025	
Currency in Circulation (N' trillion)	5.00	Decreased by 0.68% in Mar 2025 from N5.04 trillion in February 2025	
Inflation rate (%) (y-o-y)	23.71	Decreased to 23.71% in April 2025 from 24.23% in March 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)	38.34	May 15 2025 figure — an increase of 0.58% from the prior week	
Oil Price (US\$/Barrel) (BONNY LIGHT)	65.57	May 16 2025 figure — an increase of 1.55% from the prior week	
Oil Production mbpd (OPEC)	1.49	April 2025, figure — an increase of 6.06% from March 2025 figure	



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	16/5/25	9/5/25	
NGX ASI	109,710.37	108,733.40	0.90
Market Cap (N'trn)	68.95	68.34	0.90
Volume (bn)	0.43	0.46	(5.97)
Value (N'bn)	8.60	11.16	(22.98)

MONEY MARKET			
NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	16/5/25	9/5/25	
OPR	26.5000	26.5000	0
O/N	26.9583	26.9500	1
CALL	26.8333	26.8417	(1)
30 Days	27.4667	26.9683	50
90 Days	28.0167	27.6833	33

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	16/5/25	9/5/25	16/4/25
NAFEX (N)	1601.75	1609.50	1607.11

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	16/5/25	9/5/25	
3-Year	19.13	19.14	(1)
5-Year	19.45	19.43	2
7-Year	19.92	20.00	(8)
9-Year	19.95	19.83	12
10-Year	19.50	19.52	(2)
15-Year	18.72	18.71	1
20-Year	18.96	19.03	(7)
25-Year	17.37	17.46	(9)
30-Year	16.99	17.04	(5)

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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: May 16 - May 23, 2025

Global Economy

The British economy expanded by 1.3% year-on-year in the first quarter of 2025, slightly below the 1.5% growth recorded in the previous quarter but in line with market expectations, according to preliminary estimates. The services sector grew by 1.5%, down from 1.9% in Q4, while construction output increased by 0.9%, matching the growth seen in the previous quarter. Conversely, industrial production continued its decline, although at a slower pace, contracting by 0.2% compared to a sharper 1.1% drop in Q4. On the expenditure front, household spending growth moderated to 0.7% from 1.2%, while government spending also slowed to 1.3%, down from 2.6%. Exports declined marginally by 0.3%, a smaller contraction compared to the 3.5% drop in the prior quarter, while imports grew by 7.6%, up from 5.0%. On a quarterly basis, GDP rose by 0.7%, marking the strongest growth in three quarters. In the United States, the annual inflation rate eased to 2.3% in April 2025, the lowest level since February 2021, down from 2.4% in March and below the 2.4% forecast. The decline was driven in part by a 3.7% drop in energy costs, which was a steeper decline than the 3.3% fall in March. Gasoline and fuel oil prices decreased at a faster pace, while natural gas prices surged. Food inflation also slowed to 2.8%, down from 3%, and transportation inflation eased to 2.5%, from 3.1%. However, prices for used cars and trucks, as well as new vehicles, increased at a faster rate. On a monthly basis, the Consumer Price Index (CPI) rose by 0.2%, recovering from a 0.1% decline in March but falling short of the expected 0.3% increase. Meanwhile, the annual core inflation rate held steady at 2.8%, in line with expectations.

Domestic Economy

Nigeria's annual inflation rate moderated to 23.71% in April 2025, down from 24.23% in March, signalling easing in price pressures. Food inflation, which constitutes the largest share of the inflation basket, remained elevated but also eased to 21.26% from 21.79% in the previous month. This reduction was largely driven by price adjustments in key food items such as maize, wheat, yam, and rice. Core inflation, which excludes the volatile components of food and energy, stood at 23.39%, down from 24.43% in March, reflecting a broad-based easing of non-food inflationary pressures. On a monthly basis, consumer prices rose by 1.86%, a significant deceleration from the 3.90% increase recorded in the prior month, suggesting a stabilization of price movements. This indicates that while inflation remains high, the pace of price increases has slowed compared to previous months. In the oil sector, Nigeria's oil production showed a marginal increase, rising to 1.48 million barrels per day (mbpd) in April, up from 1.4 mbpd in March, excluding condensates (which bring the total to 1.68 mbpd). This output represents 99% of Nigeria's OPEC production quota of 1.5 million bpd. Notably, Nigeria's oil output remained the highest in Africa, surpassing that of other major producers such as Algeria and Angola. This sustained output underscores Nigeria's dominant position in the African oil market despite the challenges it faces.

Stock Market

Nigeria's equities market sustained its bullish momentum last week, recording a 0.90% gain on the back of heightened investor interest in consumer goods, banking, and insurance stocks. This increased demand drove the All-Share Index (ASI) up by 976.97 points to close at 109,710.37. In tandem, the overall market capitalization expanded by ₦613.99 billion, settling at ₦68.95 trillion. Going into trading this week, we anticipate that the positive trend will persist as investors continue to price in easing trade tensions amid ongoing tariff negotiations, which could further bolster market confidence and support risk-on sentiment.

Money Market

Liquidity conditions remained relatively stable last week as money market rates remained relatively unchanged. The Open Buy Back (OPR) rate was unchanged at 26.50% compared to the previous week, while the Overnight (O/N) lending rate inched up slightly to 26.96% from 26.95%. Similarly, the 30-day Nigerian Interbank Offered Rate (NIBOR) increased to 27.47%, from 26.97% the week prior. Looking ahead, in the absence of significant shifts in market fundamentals, short-term rates are expected to remain broadly around current levels.

Foreign Exchange Market

Improved dollar inflows from Foreign Portfolio Investors (FPIs) contributed to enhanced market stability last week, leading to narrower bid-ask spreads and a strengthening of the Naira against the US Dollar. The local currency appreciated by ₦7.75, closing at ₦1,601.75 per US dollar. We anticipate continued stability in the foreign exchange market this week, provided foreign inflows remain consistent and demand pressures are kept in check.

Bond Market

The Federal Government of Nigeria (FGN) bond market saw a marked uptick in investor interest last week, driven by a boost in trading activity. Investors predominantly shifted their focus towards short- to medium-term instruments, reflecting a preference for more liquid, near-term exposure. By the week's close, yields on the 5-, 9-, and 15-year benchmark bonds inched higher to 19.45%, 19.95%, and 18.72%, respectively, compared to 19.43%, 19.83%, and 18.71% in the prior week. Additionally, the Access Bank Bond Index gained 38.09 points, finishing at 5,134.44. Looking ahead, we anticipate this positive momentum to continue, with investor demand for short- to medium-term bonds expected to remain the dominant theme this week.

Commodities

Gold closed at approximately \$3,175.88 per ounce last week, marking a decline of over 4.8% as a result of easing global trade tensions, which diminished its appeal as a safe-haven asset. The recent 90-day tariff reduction agreement between the US and China helped alleviate concerns surrounding the ongoing trade conflict. Meanwhile, geopolitical risks appeared to subside, with the India-Pakistan truce holding steady. However, progress in the Russia-Ukraine negotiations showed signs of decelerating. Additionally, favourable inflation data from the US reinforced expectations that the Federal Reserve may implement at least two interest rate cuts this year, which typically supports demand for the non-yielding metal. In parallel, crude oil futures closed at \$65.57 per barrel, reflecting a weekly gain of 1.5%. The positive momentum was driven by developments in US-China trade relations, which appeared to outweigh concerns about global oversupply. Nonetheless, gains were capped by reports suggesting that Iran could strike a deal with the US to ease sanctions, raising the prospect of increased Iranian oil supply. President Trump also signalled progress in long-term peace talks with Iran, further fuelling expectations of supply growth. Additionally, US government data showed an unexpected rise in crude inventories, while the International Energy Agency (IEA) raised its global supply forecast by 380,000 barrels per day, citing production increases from Saudi Arabia and other OPEC+ members as they gradually unwind production cuts.

Monthly Macro Economic Forecast

Variables	May-2025	June-2025	July-2025
Exchange Rate (NAFEX) (N/\$)	1,550	1,500	1,500
Inflation Rate (%)	23.45	22.85	22.00
Crude Oil Price (US\$/Barrel)	68.00	65.00	65.00

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