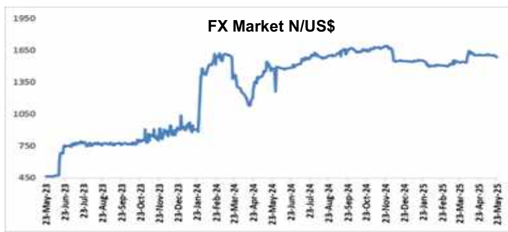
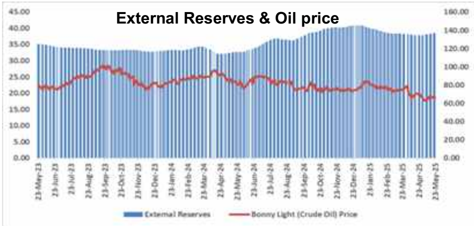
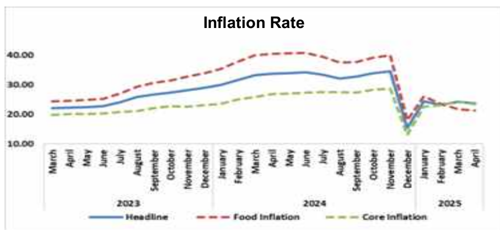
Access Bank Rateswatch

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 May 2025 the same as in February 2025
Interest Rate (Asymmetrical Corridor)	27.50(+5/-1)	Lending rate retained at 32.50% & Deposit rate 26.50%
External Reserves (US$ billion)	38.54	May 21 2025 figure — an increase of 0.43% from the prior week
Oil Price (US$/Barrel) (BONNY LIGHT)	66.28	May 23 2025 figure — an increase of 0.14% 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 (%)
	23/5/25	16/5/25	
NGX ASI	109028.62	109,710.37	(0.62)
Market Cap (N'trn)	68.75	68.95	(0.29)
Volume (bn)	0.64	0.43	47.66
Value (N'bn)	18.12	8.60	110.75

MONEY MARKET

NIBOR

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	23/5/25	16/5/25	
OPR	26.42	26.50	(8.3)
O/N	26.92	26.96	(4)
CALL	26.80	26.83	(3.3)
30 Days	27.39	27.47	(7)
90 Days	27.93	28.02	(8.8)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/$)	2 Weeks Ago Rate (N/ $)	1 Month Ago Rate (N/$)
	23/5/25	16/5/25	23/4/25
NAFEX (N)	1587.38	1601.75	1607.29

BOND MARKET

AVERAGE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	23/5/25	16/5/25	
3-Year	19.12	19.13	(1)
5-Year	19.46	19.45	1
7-Year	19.87	19.92	(5)
9-Year	19.74	19.95	(21)
10-Year	19.44	19.50	(5)
15-Year	18.73	18.72	1
20-Year	18.96	18.96	0
25-Year	17.37	17.37	0
30-Year	16.98	16.99	(0)

COMMODITIES MARKET

Indicators	23/5/25	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil ($/bbl)	66.28	0.14	(16.52)
Natural Gas ($/MMBtu)	3.34	(0.89)	(13.70)
Agriculture			
Cocoa ($/MT)	9721.00	(8.53)	402.12
Coffee ($/lb.)	359.65	(1.06)	176.23
Cotton ($/lb.)	66.13	1.85	(14.67)
Sugar ($/lb.)	17.27	(1.26)	12.65
Wheat ($/bu.)	540.50	3.00	24.68
Metals			
Gold ($/t oz.)	3358.69	5.76	154.92
Silver ($/t oz.)	33.32	4.00	93.83
Copper ($/lb.)	477.20	4.20	45.58

NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	23/5/25	16/5/25	
1 Mnth	18.13	18.07	6
3 Mnths	18.91	19.34	(43)
6 Mnths	20.46	20.53	(7)
9 Mnths	22.94	22.77	17
12 Mnths	24.05	23.95	10

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	23/5/25	16/5/25	
Index	5142.87	5134.44	0.16
Mkt Cap Gross (N'trn)	34.94	34.88	0.17
Mkt Cap Net (N'trn)	20.48	20.46	0.10
YTD return (%)	109.36	109.02	0.34
YTD return (%)(US $)	595.18	602.82	7.64

TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	114,296.15	18.5	09-Apr-2025
182 Day	107,088.95	19.5	09-Apr-2025
364 Day	905,557.60	19.63	09-Apr-2025

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 23 - May 30, 2025

Global Economy

In a continued effort to maintain ample liquidity within the financial system, the People's Bank of China (PBoC) has injected CNY 500 billion into financial institutions via its one-year Medium-Term Lending Facility (MLF). The central bank announced that the operation was conducted using a combination of fixed-quantity interest-rate bidding and multiple-price bidding mechanisms. This month's net injection represents a moderation compared to the CNY 600 billion provided in the previous month. After accounting for CNY 125 billion in maturing MLF funds, the net liquidity infusion totalled CNY 375 billion-marking the third consecutive monthly increase in MLF operations. Since March, the PBoC has adopted a multiple-price bidding format for its MLF operations, discontinuing the publication of a fixed policy rate. Previously considered the cornerstone of China's monetary policy framework, the MLF rate has now taken a backseat as the central bank pivots towards more agile, short-term instruments to more precisely steer market interest rates. Meanwhile, across the Pacific, Moody's Investors Service has downgraded the credit rating of the United States from Aaa to Aa1, altering the outlook from negative to stable. This marks the first time Moody's has withdrawn its highest rating from the U.S., citing growing unease over the nation's fiscal trajectory. Key concerns include persistent budget shortfalls, soaring government debt, and a sharp rise in interest expenses. Moody's also pointed to entrenched political divisions as a major impediment to enacting meaningful fiscal reforms, highlighting the absence of a credible medium-term plan to stabilize debt levels. The downgrade could lead to higher long-term borrowing costs and reshape investor sentiment regarding U.S. debt sustainability. According to the agency's projections, federal debt is expected to climb from 98% of GDP in 2024 to 134% by 2035, with fiscal deficits projected to approach 9% of GDP. While the U.S. dollar's global reserve currency status may temper immediate market volatility, the move serves as a stark warning about the long-term implications of delayed fiscal consolidation.

Domestic Economy

The Central Bank of Nigeria (CBN) has opted to maintain its Monetary Policy Rate (MPR) at 27.50%, reflecting a measured approach as both global and domestic uncertainties persist. The Monetary Policy Committee (MPC) pointed to a series of encouraging macroeconomic developments - including a narrowing exchange rate gap, an improving balance of payments position, and softening fuel prices - as indicators of emerging stability and grounds for cautious optimism. The committee also highlighted notable progress in food inflation, attributing the trend to sustained government initiatives aimed at enhancing agricultural productivity and bolstering national security. Structural reforms targeted at increasing domestic production capacity and curbing foreign exchange demand were acknowledged, alongside renewed emphasis on boosting foreign exchange inflows from gas, oil, and non-oil exports. Despite these gains, the MPC flagged several lingering risks to Nigeria's economic outlook, particularly declining global oil prices and ongoing trade tensions, which could adversely impact fiscal revenue. In light of these dynamics, the committee unanimously agreed to keep the policy rate unchanged, signaling a wait-and-see approach to better monitor near-term economic trends.

Stock Market

Nigeria's equities market lost ground last week, snapping its recent bullish streak with a 0.62% decline as profit-taking outweighed bargain-hunting activity. The benchmark All-Share Index (ASI) shed 681.75 points to close at 109,028.62, while the total market capitalization dropped by ₦201.39 billion, settling at ₦68.75 trillion. Despite the dip, we anticipate a shift in sentiment the week, with investor attention likely to return to fundamentally strong stocks.

Money Market

Liquidity conditions in Nigeria's financial system improved last week, supported by Open Market Operations (OMO) maturities and coupon payments. However, money market rates remained relatively stable, reflecting a balanced liquidity environment. The Open Buy Back (OPR) rate edged down slightly to 26.42% from 26.50%, while the Overnight (O/N) rate dipped to 29.92% from 29.96% in the previous week. Similarly, the 30-day Nigerian Interbank Offered Rate (NIBOR) declined modestly to 27.39% from 27.47%. With the CBN maintaining all key policy parameters at its recently concluded Monetary Policy Committee (MPC) meeting, market rates are expected to remain within a similar band in the near term.

Foreign Exchange Market

Improved dollar inflows from Foreign Portfolio Investors (FPIs) and significant CBN injection contributed to enhanced market stability last week, leading to a strengthening of the Naira against the US Dollar. The local currency appreciated by ₦14.37, closing at ₦1,587.38 per US dollar. This week, we anticipate that rates will remain sensitive to shifts in liquidity and market demand.

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. By the week's close, yields on the 3-, 5-,7-, 9-, and 10-year benchmark bonds fell slightly to 19.12%, 19.46%, 19.87%, 19.74% and 19.44%, respectively, compared to 19.13%, 19.45%, 19.92%, 19.95% and 19.50% in the prior week. However, the Access Bank Bond Index gained 8.43 points, finishing at 5,142.87. Looking ahead, we anticipate this positive momentum to continue, as market participants position ahead of the Bond auction this week.

Commodities

Gold closed at $3,358.69 per ounce last week, reducing losses from the previous session and recording a weekly gain of 5.8%, due to its perceived stability amid ongoing concerns over the US fiscal outlook. A pullback in the US dollar increased demand by making gold more affordable for international buyers. The recently passed US tax bill in the House, now moving to the Senate, is estimated by the Congressional Budget Office to cost nearly $4 trillion, raising concerns about long-term fiscal instability. Earlier in the week, gold also gained support from renewed geopolitical tensions following reports that Israel may strike Iranian nuclear sites, which could escalate conflicts in the Middle East. Crude oil futures closed at $66 per barrel last week, influenced by the possibility of OPEC+ increasing crude production. The group is reportedly considering a third consecutive monthly increase in output quotas, potentially adding 411,000 barrels per day in July, though no agreement has been finalized. This has contributed to concerns about oversupply, following an unexpected rise in US crude stockpiles earlier last week. Data from The Tank Tiger also indicated that US crude storage demand has recently surged to levels last seen during the COVID-19 pandemic, as traders prepare for a potential supply increase from OPEC+ in the coming months. Markets are closely monitoring US-Iran nuclear talks following earlier reports of possible Israeli strikes on Iranian nuclear facilities.

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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