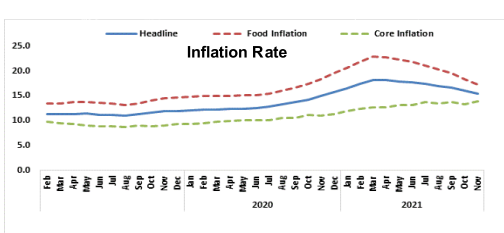
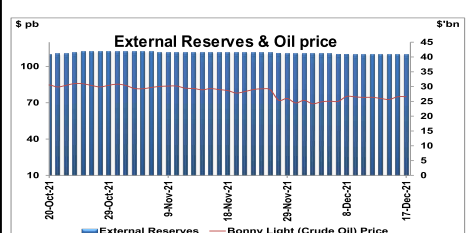
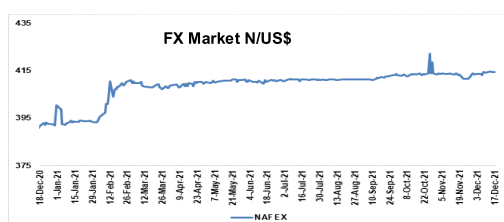
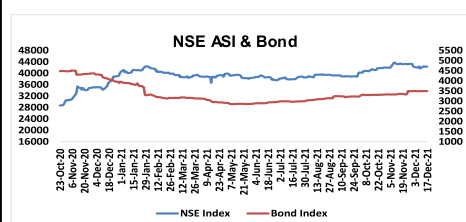


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	4.03	Q3 2021 — lower by 0.98% compared to 5.01% in Q2 2021
Broad Money Supply (N' trillion)	41.37	Increased by 2.28% in October* 2021 from N40.45 trillion in September* 2021
Credit to Private Sector (N' trillion)	34.51	Increased by 1.69% in October* 2021 from N33.94 trillion in September* 2021
Currency in Circulation (N' trillion)	2.97	Increased by 4.54% in October* 2021 from N2.84 trillion in September* 2021
Inflation rate (%) (y-o-y)	15.99	Decreased to 15.99% in October 2021 from 16.63% in September 2021
Monetary Policy Rate (%)	11.5	Adjusted to 11.5% in September 2020 from 12.5%
Interest Rate (Asymmetrical Corridor)	11.5 (+1/-7)	Lending rate changed to 12.5% & Deposit rate 4.5%
External Reserves (US\$ million)	40.71	December 15, 2021 figure — a decrease of 1.09% from December start
Oil Price (US\$/Barrel)(OPEC)	74.15	December 14, 2021 figure— a decrease of 1.28% from the prior week
Oil Production mbpd (OPEC)	1.35	October 2021, figure — an decrease of 3.57% from September figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	17/12/21	10/12/21	
NSE ASI	42,353.31	41,882.97	1.12
Market Cap(N'tr)	22.11	21.85	1.16
Volume (bn)	0.34	0.44	(23.21)
Value (N'bn)	3.06	3.42	(10.64)

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	17/12/21	10/12/21	
OBB	11.2500	17.5000	(625)
O/N	11.7500	17.7500	(600)
CALL	14.5000	12.8333	167
30 Days	9.6290	10.0682	(44)
90 Days	10.4040	10.7722	(37)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	17/12/21	10/12/21	17/11/21
Official (N)	0.00	0	0.00
Inter-Bank (N)	414.24	414.20	413.46
BDC (N)	0.00	0	0.00
Parallel (N)	0.00	0	0.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	17/12/21	10/12/21	
5-Year	3.81	4.10	(29)
7-Year	10.58	10.59	(1)
10-Year	9.62	9.63	(1)
15-Year	12.90	12.80	10
20-Year	12.71	12.67	4
25-Year	12.00	12.10	(10)
30-Year	13.05	13.06	(1)

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.

Market Analysis and Outlook: December 10 – December 17, 2021

Global Economy

The Bank of England voted by a majority of 8-1 to increase its benchmark rate by 15 basis points to 0.25% during its December meeting for the first time since the start of the pandemic, as inflation pressures mounted in Britain. The Committee continues to judge that there are two-sided risks around the inflation outlook in the medium term, but that some modest tightening of monetary policy over the forecast period is likely to be necessary to meet the 2% inflation target sustainably. Elsewhere, the Bank of Japan (BoJ) left its key short-term interest rate unchanged at -0.1% and that for 10-year bond yields around 0% during its final meeting of the year, by an 8-1 vote. Simultaneously, policymakers decided to taper their corporate debt buying to pre-pandemic levels while extending emergency pandemic funding by six months until the end of September 2022, amid efforts to support the financing of small and medium-sized firms. The BoJ noted that Japan's economy has picked up, despite remaining in a severe situation due to the impact of COVID-19. The board reiterated it will not hesitate to take extra easing measures if necessary while expecting short-and long-term rates to stay at their present or lower levels.

Foreign Exchange Market

The Naira depreciated against the Dollar due to tight liquidity at the FX market as participants bidded to meet varying obligations. Consequently, the local unit lost 4 kobo to close at ₦414.24/US\$ at the Nigerian Autonomous Foreign Exchange (NAFEX) window. This week, the Naira is expected to meander around current levels as the central bank intervenes in the FX market to keep the Naira stable.

Bond Market

The bond market witnessed improved offers across the board, with little bids to match as the bond auction took center stage. The focus was on the shorter end of the curve (2023 & 2024 bonds), which were trading at low rates of 7% and 9% respectively. Yields on the 5-, 7-, 10-, 25- and 30-year debt papers finished lower at 3.81%, 10.58%, 9.62%, 12% and 13.05% from 4.1%, 10.59%, 9.63%, 12.1% and 13.06%, respectively. The Access Bank bond index inched up by 4.36 point to close at 3,496.92 points from 3,492.56 points. We expect interest to filter into the secondary market given the improved offers across the on-the-run bonds.

Domestic Economy

Data from the National Bureau of Statistics revealed that the Nigeria's annual inflation rate fell for the eighth straight month to 15.4% in November 2021 from 15.99% in October. It was the lowest rate since November last year, amid the continued deceleration in food inflation (17.21% in November vs 18.34% in October). Meanwhile, the annual core inflation rate, which excludes the prices of agricultural produce, rose to 13.85% in November, the highest since April of 2017, from 13.24% in the prior month. On a monthly basis, consumer prices inched up by 1.08%, after a 0.98% increase in the prior month.

Commodities

Oil prices weakened last week as traders reassessed the demand outlook amid rising Covid cases globally, while prospects of higher interest rates also weighed on sentiment. Daily Covid-19 cases in the UK jumped to a record and continued to rise across Asia, while hospitalizations surged in the US. The International Energy Agency warned that a surge in Covid cases would dent global oil demand at a time when supply is set to increase, especially in the US. Bonny light, Nigeria's benchmark crude dipped by 1.28% to settle at \$74.15 barrel from \$75.11. Precious metal prices surged as the dollar weakened amid a rush of global central bank policy adjustments. The dollar retreated from recent highs as other major central banks are catching up with the Federal Reserve's tightening schedule, with the European Central Bank scaling back pandemic-era asset buying and the Bank of England surprising markets by raising rates for the first time since the pandemic began. Gold prices nudged up 1.62% or \$28.79 to settle at \$1,809.63 per ounce from \$1,780.84 per ounce. While, silver finished at \$22.64 per ounce, 2.44% lower than the previous week. This week, oil prices might experience a reprieve as official Energy Information Agency (EIA) data showed US crude inventories fell by 4.6 million barrels last week, much more than market expectations for a 2.1 million barrel decrease. Safe haven assets might continue to enjoy the bullish sentiment as a global tightening cycle is also underway, with the Fed signaling three rate hikes next year.

Stock Market

Performance at the Nigeria stock exchange trended upwards last week, a broad-based advance aided by gains from food and beverages, banking and industrial goods sectors' shares. The Nigerian Stock Exchange All Share Index (NSE ASI) increased by 1.12% week-on-week to 42,353.31 points. In the same vein, market capitalization gained 1.16% to end the week at N22.10 trillion. Investors will likely continue to nudge up 1.62% or \$28.79 to settle at \$1,809.63 per ounce from \$1,780.84 per ounce. While, silver finished at \$22.64 per ounce, 2.44% lower than the previous week. This week, oil prices might experience a reprieve as official Energy Information Agency (EIA) data showed US crude inventories fell by 4.6 million barrels last week, much more than market expectations for a 2.1 million barrel decrease. Safe haven assets might continue to enjoy the bullish sentiment as a global tightening cycle is also underway, with the Fed signaling three rate hikes next year.

Money Market

Lenders charge amongst banks declined due to inflows from bridge facilities by the Federal government to various state governments and Open Market Operations (OMO) maturity. Consequently, short term instruments such as the Open Repo Rates (OPR) and Overnight (O/N) rates closed at 11.25% and 11.75%, from 17.5% and 17.15% recorded the previous week. In the same vein, slightly longer dated instruments like the 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) declined to 9.63% and 10.40% from 10.07% and 10.77% respectively the prior week. This week, we expect rates to inch upwards due to the retail Secondary Market Intervention Sales (rSMIS) expected to hold this week..

Monthly Macro Economic Forecast

Variables	Dec'21	Jan'22	Feb'22
Exchange Rate (NAFEX) (N/\$)	413	415	416
Inflation Rate (%)	15.04	14.97	14.64
Crude Oil Price (US\$/Barrel)	80	82	78

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