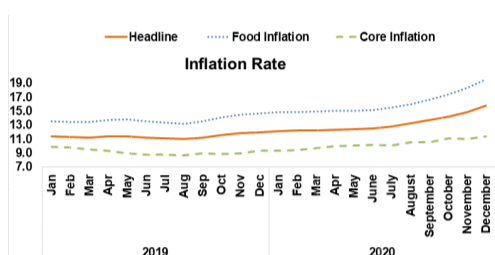
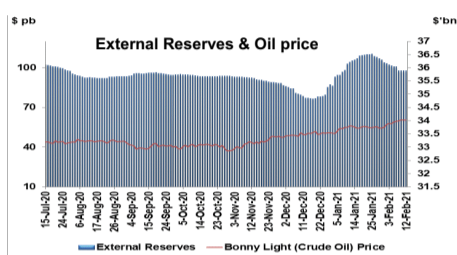
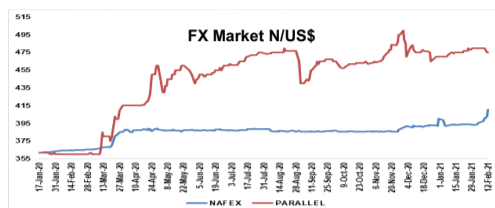
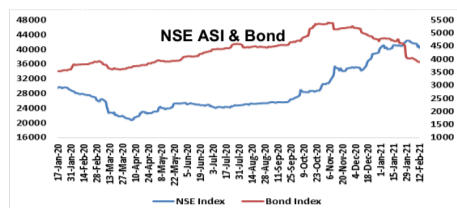


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	-3.62	Q3 2020 — higher by 2.48% compared to -6.1% in Q2 2020
Broad Money Supply (N' trillion)	38.67	Increased by 5.66% in December 2020 from N36.12 trillion in November 2020
Credit to Private Sector (N' trillion)	30.17	Increased by 2.57% in December 2020 from N29.41 trillion in November 2020
Currency in Circulation (N' trillion)	2.91	Increased by 9.35% in December 2020 from N2.66 trillion in November 2020
Inflation rate (%) (y-o-y)	15.75	Increased to 15.75% in December 2020 from 14.89% in November 2020
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)	35.89	February 9, 2021 figure — a decrease of 0.86% from February start
Oil Price (US\$/Barrel)	61.34	February 11, 2021 figure — an increase of 6.38% from the prior week
Oil Production mbpd (OPEC)	1.42	December 2020, figure — a decrease of 1.9% from November 2020 figure



Market Analysis and Outlook: February 12 – February 19, 2021

Global Economy

The UK gross domestic product contracted by 7.8% year-on-year in Q4 2020, following a revised 8.7% contraction in the previous three-month period. Household consumption dropped 8.4% (vs -8.6% in Q3) and fixed investment fell 3.5% (vs -7.0% in Q3). At the same time, net external demand contributed negatively to the GDP as exports slumped 23.5% and imports declined at a softer 8.9%. Public investment, however, grew 0.5%, following three consecutive periods of contraction. Over the year 2020 as a whole, GDP contracted by 9.9%, the largest annual fall on record according to the Office for National Statistics (ONS). In a separate development, the annual inflation rate in the US was steady at 1.4% in January 2021, the same as in December as reported by the U.S. Bureau of Labour Statistics. Main upward pressure came from food prices, used cars and trucks, utility gas service and new vehicles. Meanwhile, apparel prices fell and energy cost went down mainly due to gasoline. On a monthly basis, consumer prices went up 0.3%, driven by a 7.4% rise in gasoline cost. The indexes for electricity and natural gas declined, but the energy index rose 3.5%.

Domestic Economy

The National Bureau of Statistics recently released its latest report on Nigerian Capital Importation for Q4 2020. The data were compiled using information on banking transactions from all registered financial institutions in Nigeria. The total value of capital imported in Q4 2020 was estimated at \$1.1 billion, representing decreases of 27% quarter-on-quarter and 72% year-on-year. For the full year 2020, total capital imported into Nigeria stood at \$9.7 billion in 2020 compared with \$23.7 billion recorded in 2019. The data are gross, and not adjusted for capital exports. The category named other investment inflows accounted for the largest share (73%) of total capital importation; its core driver were loans, while other claims represented 15% of the inflows for this category. As for portfolio investment inflows, there was a quarter-on-quarter decrease of 91% in Q4. Money market instruments accounted for 49% of total portfolio investments but contracted by 95% quarter-on-quarter. In a separate development, the Central Bank of Nigeria (CBN) reacted to condemnations trailing the directive to Deposit Money Banks (DMBs) to desist from transacting in cryptocurrencies. In a statement by Acting Director, Corporate Communications, clarified that the CBN circular of February 5, 2021 did not place any new restrictions on cryptocurrencies. He recalled that all banks in the country had earlier been forbidden, through CBN's circular dated January 12, 2017, not to use, hold, trade and/or transact in cryptocurrencies. He noted that the CBN's position on cryptocurrencies is not an outlier as many countries, central banks, international financial institutions, and distinguished investors and economists have also warned against its use. He said China, Canada, Taiwan, Indonesia, Algeria, Egypt, Morocco, Bolivia, Kyrgyzstan, Ecuador, Saudi Arabia, Jordan, Iran, Bangladesh, Nepal and Cambodia have all placed certain level of restrictions on financial institutions facilitating cryptocurrency transactions. CBN said in China, cryptocurrencies are completely banned and all exchanges closed as well.

Stock Market

The bears dominated transactions for the second consecutive week at the local bourse for the week ended February 12, 2020 amid renewed profit-making seen across the market spectrum. The downtrend was majorly in sectors such as financial services, agriculture and industrial goods sector. Consequently, the All-Share Index (ASI) and market capitalization dipped by 3.04% to 40,439.85 points and N21.16 trillion from 41,709.09 points and N21.82 trillion, respectively the preceding week. This week, we expect that investors will position ahead of dividend news amidst profit taking.

Money Market

Interbank lending rates at the money market declined last week following Open Market Operations (OMO) maturity of 201 billion and Net Nigeria Treasury Bill (NTB) of N39 billion. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates tapered to 4.5% and 4.75% from 17.5% and 18% previous week. The slightly longer dated instruments such as 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) settled at 2.05% and 2.41% from 1.26% and 1.19% the prior week. This week, rates are expected to move into double digit territory due to retail Secondary Market Intervention Sales (SMIS).

Foreign Exchange Market

The local unit went in varying directions last week. The Nigerian Autonomous Foreign Exchange Rate (NAFEX) depreciated while the parallel market rate appreciated. The official rate was unchanged from prior week figure. The Nigerian Autonomous Foreign Exchange Rate (NAFEX) lost N14.57 to close at N410.50/US\$. The parallel market rate gained N5 to settle at N475/US\$. The official window rates remained unchanged from preceding week figures at N379/US\$. We expect FX rates at the various market to stabilize around its current levels at CBN continues strategic interventions in the market.

Bond Market

The FGN bond market was muted as attention shifted to this week's Open Market Operations (OMO) Auction. There were limited offers on the short tenored maturities mostly the 2024 and 2025 bonds. Also, few demands were seen on the longer end maturities (2045 and 2049) with bids above the 10% handle. An interplay of these activities resulted in a slight increase in average benchmark bond yield. Yields on the five-, seven-, ten-, fifteen-, twenty-, twenty-five-, and thirty-year debt papers finished at 3.75%, 8.12%, 7.75%, 10.45%, 10.34%, 10.41% and 10.85% from 2.96%, 6.34%, 6.48%, 10.11%, 9.20%, 10.35% and 10.53%. The Access Bank Bond index shed 132.32 points to settle at 3,891.07 points last week. We expect the bearish sentiments to continue next week as investors' appetite remain low.

Commodities

Oil prices surged upwards for the second consecutive week buoyed by a hope of quick economic recovery and production curbs from the major producers. Improvement in worldwide vaccination efforts and more government spending brightened the global economic outlook, paving the way for a robust demand recovery. Bonnylight, Nigeria's benchmark crude ascended 6.38% to close at \$61.34 per barrel, the highest since the pandemic started. In a similar vein, precious metal prices jumped as the dollar eased further following weaker than expected inflation data for the US. Consequently, gold prices rose 0.58% or \$10.56 to finish at \$1,816.45 per ounce from \$1,805.89 per ounce. Silver settled at \$27.05 per ounce, a 1.62% rise from preceding week. This week, oil prices might come under fire after OPEC reduced its fuel demand outlook for 2021 due to persistent coronavirus-induced restrictions and the spread of new variants and the International Energy Agency warned the market was still over-supplied. This week, prospects for stimulus and vaccine-fuelled economic recovery might dim the appeal of safe-haven assets.

STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	12/2/21	5/2/21	
NSE ASI	40,439.85	41,709.09	(3.04)
Market Cap (N'tr)	21.16	21.82	(3.04)
Volume (bn)	0.40	0.48	(17.95)
Value (N'bn)	5.19	5.58	(6.98)

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	12/2/21	5/2/21	
OBB	4.50	17.50	(1300)
O/N	4.75	18.00	(1325)
CALL	4.93	13.50	(858)
30 Days	2.05	1.26	80
90 Days	2.41	1.19	122

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	12/2/21	5/2/21	12/1/21
Official (N)	379.00	379.00	379.00
Inter-Bank (N)	410.50	395.93	393.83
BDC (N)	0.00	0.00	0.00
Parallel (N)	475.00	480.00	475.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	12/2/21	5/2/21	
5-Year	3.75	2.96	3
7-Year	8.12	6.34	-44
10-Year	7.75	6.48	13
15-Year	10.45	10.11	-6
20-Year	10.34	9.20	52
25-Year	10.41	10.35	-15
30-Year	10.85	10.53	12

Disclaimer
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COMMODITIES MARKET

Indicators	12/2/21	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil \$/bbl	61.34	6.38	(4.84)
Natural Gas (\$/MMBtu)	2.89	(4.62)	(5.43)
Agriculture			
Cocoa (\$/MT)	2449.00	(0.04)	26.50
Coffee (\$/lb.)	123.30	(1.20)	(5.30)
Cotton (\$/lb.)	87.78	3.62	13.26
Sugar (\$/lb.)	15.75	(3.08)	2.74
Wheat (\$/bu.)	637.50	(0.27)	47.06
Metals			
Gold (\$/t oz.)	1816.45	0.58	37.86
Silver (\$/t oz.)	27.05	1.62	57.36
Copper (\$/lb.)	375.85	4.46	14.66

NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	12/2/21	5/2/21	
1 Mnth	0.95	0.46	49
3 Mnths	1.10	0.46	64
6 Mnths	1.94	0.99	95
9 Mnths	2.26	1.30	96
12 Mnths	2.57	1.72	85

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	12/2/21	5/2/21	
Index	3,891.07	4023.39	(3.29)
Mkt Cap Gross (N'tr)	12.75	13.18	(3.29)
Mkt Cap Net (N'tr)	9.01	9.46	(4.78)
YTD return (%)	58.40	63.79	(5.39)
YTD return (%) (US \$)	-33.98	-28.60	(5.38)

TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	11,388.75	0.55	27-Jan-2021
182 Day	47,476.88	1.3	27-Jan-2021
364 Day	123,113.73	2	27-Jan-2021

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.

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Monthly Macro Economic Forecast

Variables	Feb'21	Mar'21	Apr'21
Exchange Rate (NAFEX) (N/\$)	392	393	393
Inflation Rate (%)	16.15	16.89	16.95
Crude Oil Price (US\$/Barrel)	58	56	57