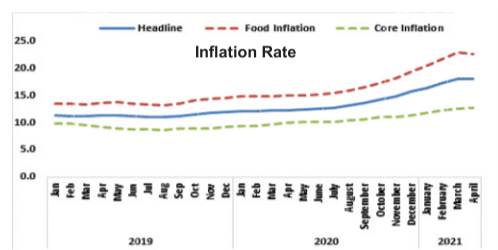
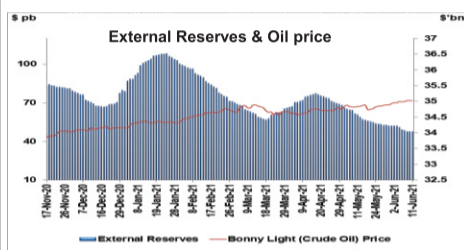
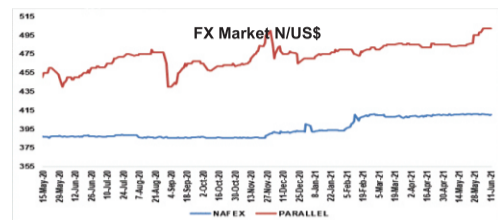
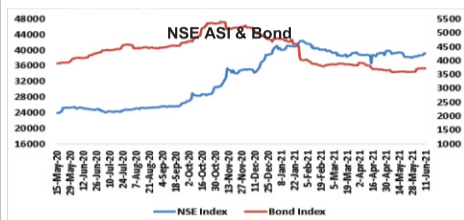


# Access Bank Rateswatch

## KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	0.51	Q1 2021 — higher by 0.40% compared to 0.11% in Q4 2020
Broad Money Supply (N' trillion)	39.07	Increased by 1.88% in April' 2021 from N38.65 trillion in March' 2021
Credit to Private Sector (N' trillion)	31.82	Increased by 1.22% in April' 2021 from N31.44 trillion in March' 2021
Currency in Circulation (N' trillion)	2.8	Decreased by 0.44% in April' 2021 from N2.81 trillion in March' 2021
Inflation rate (%) (y-o-y)	18.12	Decreased to 18.12% in April 2021 from 18.17% in March 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)	34.05	June 9, 2021 figure — a decrease of 0.5 % from June start
Oil Price (US\$/Barrel)	80	June 8, 2021 figure— an increase of 14.25 % from the prior week
Oil Production mbpd (OPEC)	1.39	May 2021, figure — a decrease of 4.9% from April 2021 figure



## STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	11/6/21	4/6/21	
NSE ASI	39,156.28	38,726.10	1.11
Market Cap(N'tr)	20.41	20.18	1.11
Volume (bn)	0.29	0.20	45.22
Value (N'bn)	3.55	1.59	122.84

## MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	11/6/21	4/6/21	
OBB	22.33	15.00	733
O/N	22.93	15.25	768
CALL	21.35	15.01	634
30 Days	12.00	11.70	30
90 Days	13.20	12.90	31

## FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	11/6/21	4/6/21	11/5/21
Official (N)	0.00	0.00	379.00
Inter-Bank (N)	410.63	410.85	409.84
BDC (N)	498.00	495.00	0.00
Parallel (N)	502.00	502.00	485.00

## BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	11/6/2021	4/6/2021	
5-Year	5.62	5.71	(9)
7-Year	12.05	11.94	11
10-Year	10.44	10.36	8
15-Year	13.75	13.63	12
20-Year	13.26	13.17	9
25-Year	14.07	13.78	29
30-Year	13.93	14.06	(13)

**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: June 11– June 18, 2021

### Global Economy

In the US, annual inflation rate quickened to 5% in May (OBB) and Overnight (O/N) rates increased to 22.33% 2021 from 4.2% in April as revealed by the U.S. Bureau and 22.93% from 15% and 15.25% the previous week. of Labour Statistics. It is the highest reading since Also, the slightly longer dated instruments like the 30- August of 2008 amid low base effects from last year day and 90-day Nigerian Interbank Offered Rate when the coronavirus pandemic hit the economy hard, (NIBOR) closed higher at 12% and 13.2% from 11.70% rising consumer demand as the economy reopens, and 12.90% the prior week. This week, rates are soaring commodity prices, supply constraints and expected to remain in double digit territory despite higher wages as companies grapple with a labour expected Open Market Operations (OMO) maturity. shortage. The largest price increases were recorded

### Foreign Exchange Market

transportation services and apparel. In a separate The local unit remained majorly stable across market development, South African Reserve Bank reported segments last week. The Nigerian Autonomous that the current account surplus expanded to ZAR Foreign Exchange (NAFEX) strengthened by 22 kobo 267.3 billion in Q1 2021, from ZAR 197.8 billion in the to close at N410.63/US\$ from N410.85/US\$ as the previous 3-month period. It was the second-largest CBN injected funds into the market for foreign current account surplus since available records began portfolio investors and provided funds for SMEs and in 1960. The goods surplus widened to ZAR 430.5 invisible transactions. The parallel market closed at billion from ZAR 425.2 billion in the last quarter, as N502/US\$ same as previous week. We expect the exports rose to a new all-time high and imports naira at the official window to trend around prevailing increased slower. Also, the shortfall on the services, levels sustained by the constant interventions of the income and current transfer account shrank to ZAR CBN.

### Bond Market

163.1 billion from ZAR 227.4 billion, due to a noticeably smaller deficit of the income account, along with a softer decline in the services deficit, while net current Average bond yields inched up following improved transfer payments were little changed. As a ratio of offers for the on-the-run bonds with firm yields GDP, the current account surplus rose to 5.0% in the quoted at 12.80%, 13.80% and 13.85% on the 2027, quarter ended March 2021 from 3.7% in the previous 2035 and 2049 bonds, respectively. Consequently, yields on the 7-, 10-, 15-, 20-, and 25-year debt papers finished higher at 12.05%, 10.44%, 13.75%, 13.26%, and 14.07% from 11.94%, 10.36%, 13.63%, 13.17%, and 13.78% respectively. The Access Bank released by the National Bureau of Statistics (NBS), the Government Bond index increased by 2.97 points to total value of Nigeria's merchandise trade increased by settle at 3,729.49 points last week. This week, we 7% quarter-on-quarter and 14% year-on-year to N9.8 anticipate a marginal yield increase as investors trillion in Q1 2021. This was driven by an increase in continue to seek for higher yields from alternative imports (up 15.6% quarter-on-quarter to N6.9 trillion) investments securities.

### Domestic Economy

while exports declined, down 9% quarter-on-quarter to N2.9 trillion in Q1 2021 as the nation's compliance Crude oil prices rose last week as investors focused on oil receipts despite rising crude oil price. The total prospects of a strong oil demand. The oil cartel, value of imports is the highest recorded in a decade. organization of petroleum exporting countries Consequently, the rise in imports compared with the (OPEC), said in its June report that oil demand would decline in exports led to the sixth consecutive quarter rise by 5.95 million barrels per day (bpd) this year, of trade deficit in Q1 2021 (N3.9 trillion) and the highest unchanged from its May forecast. Bonny light, trade deficit since 2011. The increase in total trade is Nigeria's benchmark crude climbed 14.25% to close at broadly reflective of the gradual recovery in the global \$80 per barrel. Precious metal prices went in varying economy. Although trade activities continue to directions. Gold declined amid a slightly higher dollar recover, nonetheless, the recovery is not broad-based. and ahead of the highly anticipated May US inflation report. Market participants seek further guidance about the path of crisis-era stimulus, amid concerns

### Commodities

The bulls remained firmly in control of the Nigerian that rising inflation could force the Fed to start Stock exchange following positive indices seen at the reducing its bond-purchase program sooner than close of last week. The upward trend was led by stocks expected. Consequently, gold prices declined 0.35% in the financial sectors, consumer and industrial goods or \$6.60 to finish at \$1,883.74 per ounce from following investors demand for blue chip stocks. \$1,890.34 per ounce. Silver settled at \$28.18 per ounce, a 1.44% rise from previous week. This week, oil capitalization settled higher at 39,156.28 points and prices are expected to remain bullish due to rising N20.41 trillion from 38,726.10 points and N20.19 vaccinations rate leading to higher mobility in the US trillion, respectively the preceding week. This week, we and Europe. Bullions might be pressured as a rise in expect the market to remain positive as smart money risk appetite send global stocks to record levels. positions for stocks with high returns.

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### Money Market

The market for short term debt was illiquid as banks funded the bi-weekly retail Secondary Market Intervention Sales (rSMIS), effectively wiping system liquidity. The outflow of funds led to a jump in rates as short-term lender's charge such as the Open Buy Back

## Monthly Macro Economic Forecast

Variables	Jun'21	Jul'21	Aug'21
Exchange Rate (NAFEX) (N/\$)	411	412	411
Inflation Rate (%)	18.2	18.45	18.7
Crude Oil Price (US\$/Barrel)	70	72	71

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