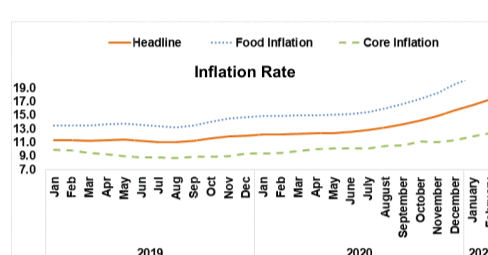
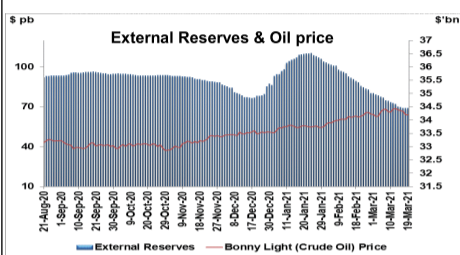
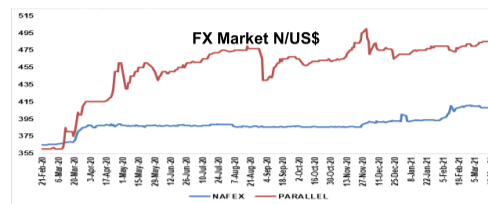
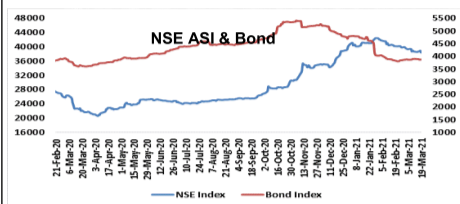


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	0.11	Q4 2020 — higher by 3.73% compared to -3.62% in Q3 2020
Broad Money Supply (N' trillion)	39.34	Decreased by 0.6% in January' 2021 from N39.57 trillion in December' 2020
Credit to Private Sector (N' trillion)	30.55	Increased by 1.4% in January' 2021 from N30.15 trillion in December' 2020
Currency in Circulation (N' trillion)	2.83	Decreased by 2.7% in January' 2021 from N2.91 trillion in December' 2020
Inflation rate (%) (y-o-y)	17.33	Increased to 17.33% in February 2021 from 16.47% in January 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)	34.44	March 17, 2021 figure — a decrease of 1.59% from March start
Oil Price (US\$/Barrel)	67.34	March 17, 2021 figure — a decrease of 2.96% from the prior week
Oil Production mbpd (OPEC)	1.49	February 2021, figure — an increase of 12.04% from January 2021 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	19/3/21	12/3/21	
NSE ASI	38,382.39	38,648.48	(0.69)
Market Cap(N'tr)	20.08	20.22	(0.69)
Volume (bn)	0.29	0.29	(1.14)
Value (N'bn)	4.02	3.77	6.58

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	19/3/21	12/3/21	
OBB	25.0000	13.3300	1167
O/N	25.5000	14.1700	1133
CALL	20.7500	15.3333	542
30 Days	3.1029	3.6114	(51)
90 Days	4.8437	5.3455	(50)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	19/3/21	12/3/21	19/2/21
Official (N)	379.00	379.00	379.00
Inter-Bank (N)	408.04	408.29	408.25
BDC (N)	0.00	0.00	0.00
Parallel (N)	485.00	485.00	478.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	19/3/21	12/3/21	
5-Year	3.42	3.39	3
7-Year	7.50	8.09	(59)
10-Year	8.06	7.62	44
15-Year	11.07	11.07	(0)
20-Year	10.83	10.58	25
25-Year	11.20	11.20	(0)
30-Year	11.22	11.22	(0)

Disclaimer
This report is based on information obtained from various sources believed to be reliable and no representation is made that it is accurate or complete. Reasonable care has been taken in preparing this document. Access Bank Plc shall not accept responsibility or liability for errors of fact or any opinion expressed herein. This document is for information purposes and private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior written consent of Access Bank Plc.

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: March 19 – March 26, 2021

Global Economy

The Bank of England voted unanimously to keep its benchmark interest rate on hold at a record low of 0.1% and to leave its bond-buying programme unchanged during its March 2021 meeting. This was on the premise that the UK GDP was projected to recover strongly over 2021 towards pre-Covid levels and CPI inflation was expected to return towards the 2% target in the spring. The Policymakers continued to envisage that the pace of government bond purchases could remain at around its current level, with flexibility to slow it later; but signaled that the central bank stood ready to increase the pace to ensure the effective transmission of monetary policy.

Money Market

The debt market was illiquid last week as retail Secondary Market Intervention Sales (rSMIS) and Cash Reserve Ratio (CRR) debit wiped off funds from the system. Short-dated and more volatile placements such as the Open Buy Back (OBB) and Over Night (O/N) rates spiked up to 25% and 25.5% from 13.33% and 14.17% the previous week. The slightly longer dated instruments such as 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) settled at 3.1% and 4.84% from 3.61% and 5.35% the prior week. This week, significant progress is being made in eliminating spare capacity and achieving the 2 percent inflation target Operation (OMO) maturity but remain at double digits levels.

Foreign Exchange Market

The naira was majorly stable against the dollar across most market segments last week. The parallel market and CBN official window were unchanged at N485/US\$ and N379/US\$ from preceding week figures. However, the Nigerian Autonomous Foreign Exchange (NAFEX) rate gained 25 kobo to close at N408.04/US\$ from N408.29/US\$. We expect the naira to continue to trend of the same magnitude, in the degree of monetary stimulus. The policy makers emphasizes that its view for the next meeting will continue to depend on the evolution of economic activity, the balance of risks, and inflation projections and expectations.

Domestic Economy

According to recently reported unemployment data by the National Bureau of Statistics, the jobless rate in Nigeria rose to 33.3% in the three months through five, and thirty-year debt remained unchanged at 11.07%, 11.20% and 11.22%. The Access Bank Bond index declined 26.81 points to settle at 3,874.91 points last week. This week, we anticipate improved activities owing to the bond auction expected to be conducted by them unemployed. Imo state had the highest number of unemployed people while Osun state had the lowest rate of unemployment. Nigeria's jobless rate has more than quadrupled over the last five years as the economy went through two recessions. Nigeria's inflation rate spiked to 17.33% in February 2021, the highest reading since February 2017, from 16.47% in January according to data by the National Bureau of Statistics. It marks the 18th consecutive month of rising inflation following the Covid-19 induced plunge in oil prices, depreciation in the local currency and disruption to food supply due to dollar scarcity, movement restrictions and lockdown to stem the spread of the virus. Consequently, these events raised food and transportation costs. For February, food inflation jumped 21.79% from 20.57% in January, the highest since October 2005 while core inflation rose 12.38% from 11.85% in the prior month.

Commodities

Crude oil price tanked last week dragged by rising US inventories and as investors have grown concerned that a slow vaccination campaign in Europe and surging cases in parts of the world might derail an already tepid demand for crude. Bonny light, Nigeria's benchmark crude sank 2.98% to close at \$67.34 per barrel. Precious metal prices rose on the back of a weaker dollar after the Federal Reserve reiterated the importance of keeping monetary policy extremely easy for the foreseeable future to support the US economy. Consequently, gold prices edged up 1.98% or \$33.76 to finish at \$1,736.24 per ounce from \$1,702.48 per ounce. Silver settled at \$26.07 per ounce, a 3.29% jump from previous week. Stronger U.S. Dollar, rising U.S. crude and fuel inventories and renewed worries over demand recovery might pressure oil prices this week. Bullions might come under fire amid a rebound in the US dollar and Treasury yields after the Federal Reserve announced it will let the leverage ratio for big banks expire March 31st.

Stock Market

Indicators at the local stock market were hammered last week as the euphoria that greeted the completion of its demutualisation gave way to apprehension and anxiety among stakeholders. Consequently, the All Share Index (ASI) and market capitalization closed at 38,382.39 points and ₦20.08 trillion from 38,648.48 points and ₦20.22 trillion respectively the preceding week. This week, we expect that the market will remain bearish as investors await more clarity on the next step the

Monthly Macro Economic Forecast

Variables	Mar'21	Apr'21	May'21
Exchange Rate (NAFEX) (N/\$)	408	408	410
Inflation Rate (%)	17.33	18.29	19.5
Crude Oil Price (US\$/Barrel)	66	67	69

For enquiries, contact: Rotimi Peters (Team Lead, Economic Intelligence) (01) 2712123 rotimi.peters@accessbankplc.com