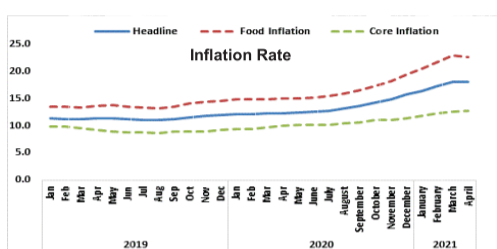
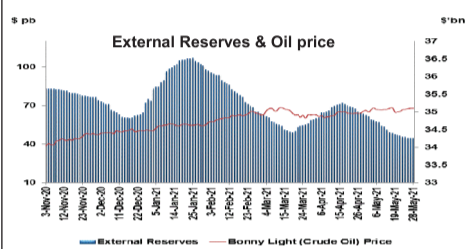
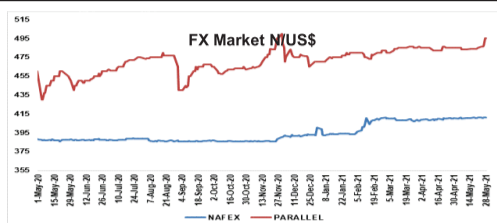
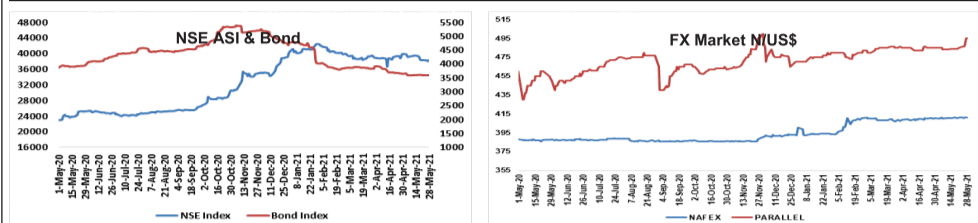


Access Bank Rateswatch

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)	34.27	May 26, 2021 figure — a decrease of 1.49% from May start
Oil Price (US\$/Barrel)	68.21	May 27, 2021 figure — an increase of 4.03% from the prior week
Oil Production mbpd (OPEC)	1.55	April 2021, figure — an increase of 5.09% from March 2021 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	28/5/21	21/5/21	
NSE ASI	38,256.95	38,324.07	(0.18)
Market Cap(N'tr)	19.94	19.98	(0.18)
Volume (bn)	0.23	0.17	31.19
Value (N'bn)	3.67	1.95	88.01

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	28/5/21	21/5/21	
OBB	18.67	16.50	217.0
O/N	19.17	17.00	217
CALL	18.37	18.00	36.7
30 Days	11.18	11.20	(2)
90 Days	12.27	12.34	(7.1)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	28/5/21	21/5/21	28/4/21
Official (N)	0.00	0.00	379.00
Inter-Bank (N)	411.00	411.18	409.58
BDC (N)	490.00	0.00	0.00
Parallel (N)	495.00	485.00	485.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	28/5/21	21/5/21	
5-Year	5.90	5.23	67.6
7-Year	12.43	12.49	(5.8)
10-Year	10.67	10.71	(4.3)
15-Year	14.06	14.00	5.9
20-Year	13.49	13.53	(4.3)
25-Year	14.05	14.15	(10.3)
30-Year	14.16	14.23	(7)

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: May 28 – June 4, 2021

Global Economy

The US Bureau of Economic Analysis, reported that the economy expanded by an annualized 6.4% in Q1 2021, matching the advance estimate and following a 4.3% expansion in the previous three-month period. Upward revisions to consumer spending and non-residential fixed investment were offset by downward revisions to exports and private inventory investment. Imports were revised up. In a separate development, the unemployment rate in Brazil rose to a record 14.7% in the Q1 2021 from 13.9% in the quarter ending December 2020 according to the Brazilian Institute of Geography and Statistics. During the January-March period, Brazil became the global epicenter of the pandemic due to a resurgence in COVID-19 infections, which led to the reimposition of lockdowns across the country and the cancellation of the world-famous carnival festival. The number of unemployed persons went up by 880,000 to an all-time high of 14.81 million while those employed shrank by 529,000 to 85.9 million. The labour force participation rate was unchanged at 56.8% and the employment rate edged down by 0.5 percentage points to 48.4%.

However, the slightly longer dated instruments like the 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) settled lower at 11.18% and 12.27% from 11.2% and 12.34% the prior week. This week, rates are expected to decline this week following Cash Reserve Ratio (CRR) credit and Open Market Operations (OMO) maturity.

The naira went in diverging direction across market segments last week. The Nigerian Autonomous Foreign Exchange (NAFEX) gained 18 kobo to close at N411/US\$ from N411.18/US\$ following an intervention by the CBN for foreign portfolio investors. The parallel market closed at N495/US\$ from N485/US\$, depreciating by N10. This week, rates are expected to meander around current levels as the apex bank sustains its interventions in the forex market.

Average bond yields declined last week as very limited offers met the demand in the market, despite interests in the mid and long end of the curves. Consequently, yields on the 7-, 10-, 20-, 25-, and 30-year debt papers finished lower at 12.43%, 10.67%, 13.49%, 14.05% and 14.16% respectively. The Access Bank Government Bond index increased by 1.12 points to settle at 3,602.60 points last week. This week, we expect no significant movement in yields as investors' appetite remain unchanged for these instruments.

Crude oil prices surged up as solid economic data for the US boosted prospects of strong fuel demand and as investors shrugged off concerns over more crude supply from Iran. Bonny light, Nigeria's benchmark crude inched up 4.03% to \$68.21 per barrel. Precious metal went southwards last week as treasury yields retreated and the dollar eased off of its more than two-week highs. Core inflation in the US, which exclude volatile food and energy cost, surged 3.1% from a year earlier in April, the highest since the 1990s, adding to the bullish tone seen in safe-haven assets. This cemented expectations of a roaring comeback for the US economy and increased price pressures, boosting the metal's appeal as an inflation hedge. Consequently, gold prices jumped 1.13% or \$21.31 to finish at \$1,900.43 per ounce. Silver settled at \$27.82 per ounce, a 0.07% rise from previous week. This week, oil prices are expected to remain bullish as signs of a brighter global demand outlook more than offset concerns over potentially more Iranian supply. Bullions might be pressured this week as safe-haven appeal gets hit by bets for signs of faster global economic recovery.

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The downward trend was led by stocks in the printing, agriculture, industrial goods, and financial sectors. Consequently, the All-Share Index (ASI) and market capitalization closed lower at 38,256.95 points and N19.94 trillion from 38,324.07 points and N19.98 trillion, respectively the preceding week. This week, we expect that investors will position amidst changing sentiments in the hope of improved liquidity and positive economic indices.

Money Market

The cost of borrowing climbed up as banks funded for the bi-weekly retail Secondary Market Intervention Sales (rSMIS). The outflow of funds led to an increase in rates as short-term lender's charge such as the Open Buy Back (OBB) and Overnight (O/N) rates edged up to 18.67% and 19.17% from 16.5% and 17% the previous week.

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)	66	67	69

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