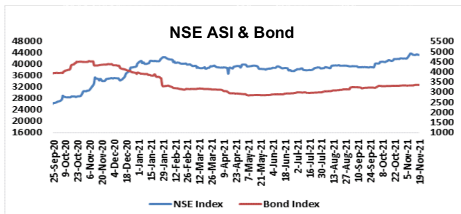
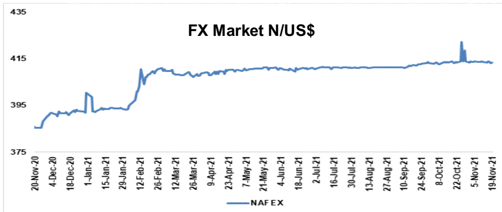
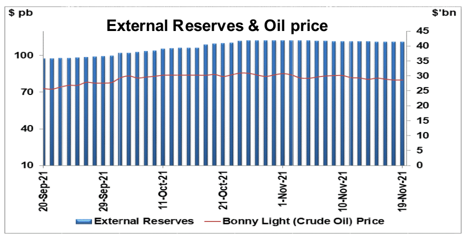
Access Bank Rateswatch

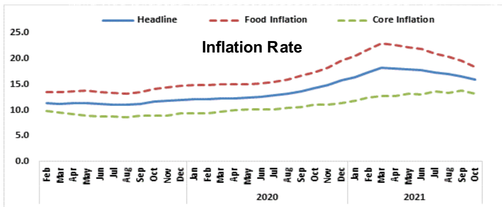
KEY MACROECONOMIC INDICATORS

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)	40.41	Declined by 1.27% in September 2021 from N40.93trillion in August 2021
Credit to Private Sector (N' trillion)	33.84	Increased by 1.29% in September 2021 from N32.41 trillion in August 2021
Currency in Circulation (N' trillion)	2.84	Increased by 2.16% in September' 2021 from N2.84 trillion in August' 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)	41.42	November 17, 2021 figure — a decrease of 0.89% from November start
Oil Price (US$/Barrel)(OPEC)	82.72	November 17, 2021 figure— a decrease of 1.38% 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 19/11/21	2 Weeks Ago 12/11/21	Change (%)
NSE ASI	43,199.27	43,253.01	(0.12)
Market Cap(N'tr)	22.54	22.57	(0.12)
Volume (bn)	0.20	0.31	(36.63)
Value (N'bn)	3.26	4.65	(29.97)

MONEY MARKET

NIBOR

Tenor	Last Week Rate (%) 19/11/21	2 Weeks Ago Rate (%) 12/11/21	Change (Basis Point)
OBB	19.0000	14.5000	450
O/N	20.0000	15.2500	475
CALL	18.5000	17.1667	133
30 Days	9.6566	9.6717	(2)
90 Days	10.6773	11.0158	(34)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/$) 19/11/21	2 Weeks Ago Rate (N/$) 12/11/21	1 Month Ago Rate (N/$) 18/10/21
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	413.46	413.64	413.44
BDC (N)	0.00	0.00	0.00
Parallel (N)	0.00	0.00	0.00

BOND MARKET

AVERAGE YIELDS

Tenor	Last Week Rate (%) 19/11/21	2 Weeks Ago Rate (%) 12/11/21	Change (Basis Point)
5-Year	4.29	4.26	2
7-Year	9.61	9.63	(2)
10-Year	9.35	9.33	1
15-Year	12.75	12.67	8
20-Year	12.38	12.23	15
25-Year	12.31	12.31	0
30-Year	13.03	13.01	2

COMMODITIES MARKET

Indicators	19/11/21	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil $/bbl)	82.72	(1.38)	28.33
Natural Gas ($/MMBtu)	4.96	(2.36)	62.30
Agriculture			
Cocoa ($/MT)	2585.00	2.17	33.52
Coffee ($/lb.)	237.90	11.59	82.72
Cotton ($/lb.)	115.76	0.74	49.37
Sugar ($/lb.)	20.18	0.85	31.64
Wheat ($/bu.)	829.75	0.15	91.41
Metals			
Gold ($/t oz.)	1862.07	0.79	41.33
Silver ($/t oz.)	24.92	(0.16)	44.97
Copper ($/lb.)	437.85	(0.07)	33.57

NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%) 19/11/21	2 Weeks Ago Rate (%) 12/11/21	Change (Basis Point)
1 Mnth	3.02	2.92	11
3 Mnths	3.61	4.80	(119)
6 Mnths	4.63	6.05	(142)
9 Mnths	5.88	6.05	(17)
12 Mnths	6.66	6.87	(21)

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week 19/11/21	2 Weeks Ago 12/11/21	Change (Basis Point)
Index	3,358.71	3,331.71	0.81
Mkt Cap Gross (N'tr)	14.74	14.75	(0.07)
Mkt Cap Net (N'tr)	9.82	9.85	(0.31)
YTD return (%)	36.73	35.63	1.10
YTD return (%)(US $)	-72.20	-73.21	1.01

TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	4,116.91	2.5	10-Nov-2021
182 Day	2,998.52	3.5	10-Nov-2021
364 Day	189,057.00	6.5	10-Nov-2021

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

Global Economy

In the United Kingdom, inflation rate spiked to 4.2% in October 2021. According to the Office for National Statistics, this marked the highest rate since December 2011. Further analysis showed that price changes were majorly due to cost of housing & utilities (6.8% from 1.9%), transport (9.9% from 8.4%), food and beverages (1.2% from 0.8%) and restaurants & hotel (6.3% from 5.1%). In a separate development, the South African Reserve Bank raised its anchor rate by 25 basis points to 3.75% in November 2021 on the back of inflationary pressures. This represents the first rate hike in 3 years.

Domestic Economy

The Nigerian economy advanced by 4.03% year-on-year in Q3 2021, following a 5.01% expansion in Q2 2021, which was the strongest since the last quarter of 2014. It is the fourth consecutive quarter of growth since the pandemic-induced recession in 2020 driven by the non-oil sector which grew 5.4% (vs 6.7% in Q2), mainly boosted by trade (11.9% vs 22.5% in Q2), information and communication (9.7%), financial and insurance (23.2% vs -2.5%); Manufacturing (4.3% vs 3.5%); and Transportation and storage (20.6% vs 76.8%). Conversely, the oil sector shrank 10.7%, following a 12.7% plunge in Q2, reflecting lower oil output as the average daily crude oil production stood at 1.57 million barrels per day (mbpd), down from 1.61 mbpd in Q2 and 1.67 mbpd a year ago. On a quarterly basis, the GDP output jumped 11.1%, following a 0.8% fall in Q2 2021. In a separate development, Nigeria's annual inflation rate fell for the seventh straight month to 15.99% in October of 2021, from 16.63% in September according to the National Bureau of Statistics. It was the lowest rate since last December, largely due to a sustained moderation in food inflation since April (18.34% vs 19.57% in September) and despite the naira's ongoing depreciation. The annual core inflation rate, which excludes the prices of agricultural produce, also dropped to a four-month low of 13.24% in October, from 13.74% in the prior month. On a monthly basis, consumer prices increased by 0.98%, following a 1.15% rise in the previous month.

Stock Market

Indicators at the local stock exchange trended lower last week on the back of profit taking from investors. The All Share Index (NSE ASI) dipped 0.12% week-on-week to 43,199.27 points. In the same vein, market capitalization decreased by 0.12% to end the week at N22.54 trillion from N22.57 trillion. The drivers of the market performance included construction, oil & gas and financial services sectors. This week we envisage a bullish momentum as investors reposition for full year dividends.

Money Market

Systemic liquidity remained low last week as rates ascended following the bond auction debit of N225 billion forcing the market into a negative position. Consequently, short term instruments such as the Open Buy Back (OBB) and Overnight (O/N) rates closed at 19% and 20% an increase from prior week figures of 14.50% and 15.25%. Slightly longer dated instruments like the 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) declined marginally to 9.66% and 10.68% from 9.67% and 11.02% respectively the previous week. This week, we expect rates to remain elevated at double digit figures due to anticipated retail Secondary Market Intervention Sales (rSMIS).

Foreign Exchange Market

The naira strengthened against the dollar for the week ended November 19, 2021 as the apex bank intervened to boost the supply of funds through FX sales to foreign portfolio investors. The Nigerian Autonomous Foreign Exchange (NAFEX) rate settled at N413.46/$, a 0.04% or 18 kobo gain from last week's rate of N413.64/$. We expect stability in the market this week boosted by the Central Bank of Nigeria's intervention in the market.

Bond Market

The Federal Government of Nigeria (FGN) bond market closed the week on a calm note, with minimal movement in yields across board. There were profit-takings on some of the on-the-run bonds, while demand persisted on the short end of the curve. As local players funded for their obligations, the inactivity lingered till the tail end of the trading session. Yields on the 5-, 10-, 15-, 20-, 25- and 30- year debt papers finished higher at 4.29%, 9.35%, 12.75%, 12.38%, 12.31% and 13.03% from 4.26%, 9.33%, 12.67%, 12.23%, 12.31% and 13.01% respectively. The Access Bank bond index rose by 27 points to close at 3,358.71 points from 3,331.71. We expect mixed reactions in the secondary market this week, with some cherry-picking across board.

Commodities

Crude oil prices were dragged down by dollar strength, demand concerns and a possible coordinated reserve release by major oil-consuming nations. The US asked other major oil consumers like China, India, Japan and South Korea to consider a coordinated release of oil reserves to bring prices down. Bonny light, Nigeria's benchmark crude slipped by 1.38% to settle at $82.72 barrel from $83.88. Separately, precious metal prices went in varying directions last week. Gold prices gained after consolidating gains obtained since the start of November, driven by inflation-hedging and a shift towards safe-haven assets amid economic and policy uncertainties. Gold prices climbed 0.79% or $14.63 to settle at $1,862.07 per ounce from $1,847.44 per ounce. In contrast, silver finished at $24.92 per ounce, 0.16% lower than the previous week on the back of profit taking. This week, we expect oil prices to rise as buyers believe the crude market remains fundamentally tight and that any volumes released from reserves are unlikely to affect the global balance. Safe haven assets will remain in positive territory as global inflation rates hit decade highs due to rising input prices and supply chain disruptions.

Monthly Macro Economic Forecast

Variables	Nov'21	Dec'21	Jan'22
Exchange Rate (NAFEX) (N/$)	413	412	411
Inflation Rate (%)	15.56	15.04	14.97
Crude Oil Price (US$/Barrel)	80	82	78

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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