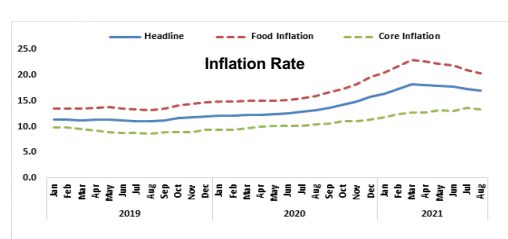
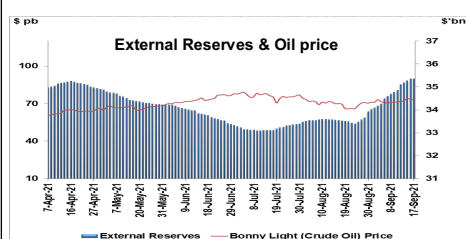
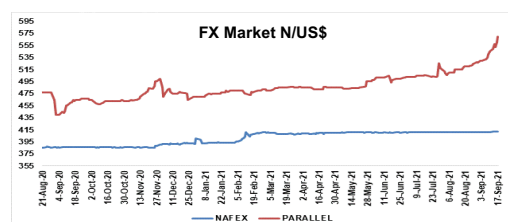
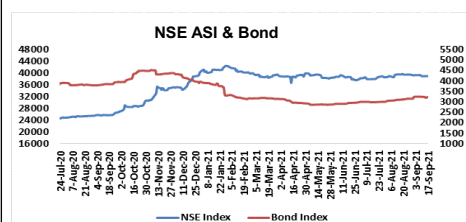


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	5.01	Q2 2021 — higher by 4.5% compared to 0.51% in Q1 2021
Broad Money Supply (N' trillion)	39.79	Increased by 0.89% in July' 2021 from N39.44 trillion in June' 2021
Credit to Private Sector (N' trillion)	32.84	Increased by 0.64% in July' 2021 from N32.63 trillion in June' 2021
Currency in Circulation (N' trillion)	2.81	Increased by 2.55% in July' 2021 from N2.74 trillion in June' 2021
Inflation rate (%) (y-o-y)	17.01	Decreased to 17.01% in August 2021 from 17.38% in July 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)	35.37	September 16, 2021 figure — an increase of 1.45% from September start
Oil Price (US\$/Barrel)(OPEC)	73.6	September 16, 2021 figure— an increase of 3.18% from the prior week
Oil Production mbpd (OPEC)	1.27	August 2021, figure — a decrease of 8.97% from July 2021 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	17/9/21	10/9/21	
NSE ASI	38,943.87	38,921.78	0.06
Market Cap(N'tr)	20.29	20.28	0.05
Volume (bn)	0.16	0.15	0.35
Value (N'bn)	1.95	2.27	(14.19)

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	17/9/21	10/9/21	
OBB	16.5000	14.0000	250
O/N	17.7500	14.5000	325
CALL	15.1000	14.1000	100
30 Days	10.5427	12.5845	(204)
90 Days	11.4405	13.4291	(199)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	17/9/21	10/9/21	17/8/21
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	412.30	411.08	411.17
BDC (N)	0.00	0.00	0.00
Parallel (N)	570.00	545.00	515.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	17/9/21	10/9/21	
5-Year	4.32	4.57	(25)
7-Year	10.00	10.28	(28)
10-Year	9.18	9.01	17
15-Year	12.76	12.72	4
20-Year	12.19	11.90	29
25-Year	12.41	12.00	41
30-Year	12.94	12.54	40

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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: September 10 – September 17, 2021

Global Economy

In the US, annual inflation rate eased to 5.3% in August from a 13-year high of 5.4% reported in June and July, according to the U.S Bureau of Labour. A slowdown was seen in cost of used cars and trucks and transportation services and inflation was steady for shelter and apparel. Increases were seen in cost of gasoline, household furnishings and operations, food and shelter. Elsewhere, India's trade deficit was revised lower to \$13.81 billion in August 2021, as reported by the Ministry of Commerce and Industry. However, the trade gap nearly doubled from an \$8.2 billion gap a year ago. Imports jumped 51.72%, year-on-year to \$47.09 billion, mainly due to purchases of crude oil (81%). Meanwhile, exports rose at a softer 45.76% to \$33.28 billion, mainly driven by exports of petroleum products (144.6%); gems and jewelry (88.3%); engineering goods (59.01%), cotton and handloom products (55.84%). In a separate development, Japan posted a trade deficit of JPY635.36 billion in August 2021, according to the Ministry of Finance. This was the first trade deficit since May, as exports rose by 26.2% year-on-year to JPY6,606 trillion while imports rose at a faster 44.7% to JPY7,241 trillion. Considering the first eight months of the year, the country registered a trade gap of JPY807.85 billion, down sharply from a deficit of JPY1.27 trillion in the same period of 2020.

Domestic Economy

Recent data from the National Bureau of Statistics revealed that Nigeria's annual inflation rate eased for a fifth consecutive month to 17.01% in August 2021, from 17.38% in July. It is the lowest inflation rate since January, mainly driven by another slowdown in food prices (20.3% vs 21.03% in July) and despite the naira's ongoing devaluation at the parallel market. Core inflation, which excludes prices of farm produce, also fell to 13.41% in August from 13.72% in July. In a separate development, the Central Bank of Nigeria (CBN) voted unanimously to leave its monetary policy rate unchanged at 11.5% during its September 2021 meeting. The decision came against the backdrop of decelerating inflation and is aimed at supporting the domestic economic recovery. Policymakers noted that Nigeria's annual inflation eased for a fifth straight month to 17.01% in August after the pace of food price growth slowed. Meanwhile, the country's GDP expanded by 5.01% from a year earlier in the second quarter of 2021, the strongest growth since the last quarter of 2014. The banking watchdog cut its growth projections to 2.86% in 2021, down from a forecast of 3.15% in July and compared with the International Monetary Fund's 2.5% prediction.

Stock Market

The losing streak at the Nigerian Stock Exchange (NSE) was halted last week as the bulls dominated. The turnaround was largely driven by bargain hunting in bellwether counters. The financial services sector was majorly responsible for the uptrend. The All Share Index (ASI) rose marginally 0.86% to 38,943.87 points from 38,921.78 points the preceding week. Market capitalization also added N17.67 billion to N20.28. This week, we anticipate a continuation of the buying sentiment as investors reshuffling portfolios in anticipation of interim earnings reports of dividend-paying companies.

Money Market

The direction of money market rates trended upwards last week due to retail Secondary Market Intervention Sales (rSMIS). The outflow of funds led to higher rates as lender's charge such as the Open Buy Back (OBB) and Overnight (O/N) rates rose marginally to 16.5% and 17.75% from 14% and 14.5% the previous week. In contrast, slightly longer dated instruments like the

30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) closed lower at 10.54% and 11.44% from 12.58% and 13.43% the prior week. This week, we expect the market to be liquid on the back of anticipated Open Market Operations (OMO) maturing inflows.

Foreign Exchange Market

The local unit depreciated against the dollar at the FX market segments for the week ended September 17, 2021. At the interbank market, the naira lost N1.22 to settle at N412.30/\$ from N411.08/\$ recorded the prior week. The parallel market slumped by N25 to finish N570/\$ from N545/\$ as individuals and companies hoarded available dollars to hedge against further devaluation of the currency. This week, the naira is expected to remain around current levels at the investors and exporters window due to the apex bank's continuous market intervention activities. The parallel market will likely see more depreciation due to increased demand and speculative tendencies by participants at that FX market segment.

Bond Market

Average bond yields inched up last week as market players continued to resist the secondary market yields across the benchmark bonds. Consequently, yields on the 10-, 15-, 20-, 25- and 30-year debt papers closed higher at 9.18%, 12.76%, 12.19%, 12.41% and 12.94% from 9.01%, 12.72%, 11.90%, 12% and 12.54%, respectively. The Access Bank bond index whittled by 18.88 points to close at 3,216.47 points from 3,235.36 points. We expect a quiet opening this week as market participants position themselves ahead of the bond auction where Debt Management Office (DMO) is expected to offer N150 billion across the 2028, 2036 and 2050 maturities.

Commodities Market

Oil prices climbed amid a bigger-than-expected draw in US crude inventories. Energy International Agency (EIA) data showed crude stocks fell by 6.42 million in the latest week, almost the double of market forecasts. Inventories at Cushing, Oklahoma also fell. American Petroleum Institute (API) data also showed a bigger-than-expected 5.44 million drop in inventories while stocks of gasoline and distillate also declined. Bonny light, Nigeria's benchmark crude jumped 3.18% to settle at \$73.60 barrel. Separately, precious metal prices declined amid a firmer dollar and as traders await the Federal Open Market Committee (FOMC) meeting next week for clues on how soon the central bank will start to reduce stimulus. Consequently, gold prices dipped by 1.56% or \$27.97 to finish at \$1,765.25 per ounce from \$1,793.22 per ounce. Silver settled at \$23.10 per ounce, 3.99% lower than the prior week. This week, we expect oil prices to become bearish amid signs of more supply entering the market as US production continues to slowly recover from the damage caused by Hurricane Ida in August. Bullions might continue to suffer losses as stronger than expected US economic data supports the dollar index.

Monthly Macro Economic Forecast

Variables	Sept'21	Oct'21	Nov'21
Exchange Rate (NAFEX) (N/\$)	411	412	411
Inflation Rate (%)	17.01	16.5	16.01
Crude Oil Price (US\$/Barrel)	70	72	70

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