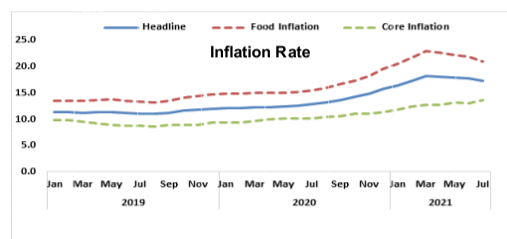
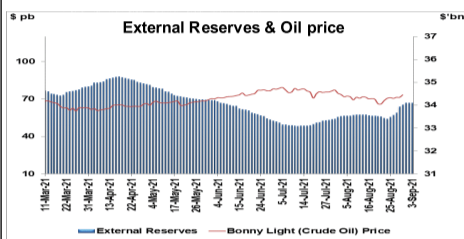
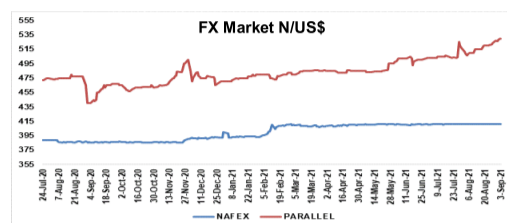
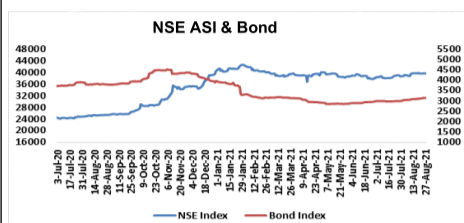


Access Bank Rateswatch

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)	17.38	Decreased to 17.38% in July 2021 from 17.75% in June 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)	34.1	September 1, 2021 figure — an increase of 1.85% from August start
Oil Price (US\$/Barrel)	73.18	August 31, 2021 figure— an increase of 3.1% from the prior week
Oil Production mbpd (OPEC)	1.44	July 2021, figure — an increase of 3.23% from June 2021 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	3/9/21	27/8/21	
NSE ASI	39,261.01	39,485.65	(0.57)
Market Cap(N'tr)	20.46	20.57	(0.57)
Volume (bn)	0.18	0.23	(22.57)
Value (N'bn)	1.72	1.85	(6.84)

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	3/9/21	27/8/21	
OBB	13.0000	8.3333	467
O/N	13.5000	8.5000	500
CALL	12.2667	11.4000	87
30 Days	8.9480	11.5254	(258)
90 Days	9.6514	12.4014	(275)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	3/9/21	27/8/21	3/8/21
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	411.21	411.23	411.08
BDC (N)	0.00	0.00	0.00
Parallel (N)	530.00	524.00	509.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	3/9/21	27/8/21	
5-Year	4.84	4.72	12
7-Year	10.18	10.26	(8)
10-Year	9.01	9.08	(7)
15-Year	12.25	12.60	(35)
20-Year	11.76	11.90	(14)
25-Year	12.32	12.02	30
30-Year	12.48	12.64	(16)

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: August 27 – September 3, 2021

Global Economy

In India, the economy advanced at a record 20.1% year-on-year in Q2 2021, amid a low base effect from last year and despite a second wave of covid-19 infections and localised lockdowns. This is compared with the massive 24.4% slump a year earlier when the coronavirus crisis hit the economies hard. The Ministry of Statistics and Programme Implementation (MOSPI) reported that the construction sector surged 68.3% in Q2 2021; manufacturing jumped 49.6%; trade, hotels, transport and communication 34.3%; mining 18.6%; and the financial and real estate sector 3.7%. On the consumption side, private expenditure increased 19.3%, investment 55.3%, exports 39.1% and imports 60.2% while public expenditure dropped 4.8%. In separate development, the Brazilian economy expanded 12.4% year-on-year Q2 2021, the most on record rebounding sharply from a steep fall caused by COVID-19 restrictions last year according to the Brazilian Institute of Geography and Statistics. The industry sector grew by 17.8%, mainly boosted by manufacturing (25.8%), in particular by the production of automotive vehicles, other transport equipment, machinery and equipment and metallurgy. On the expenditure side, fixed investment surged 32.9% and household consumption climbed 10.8%, while net trade contributed negatively to the GDP as exports rose less than imports.

Domestic Economy

The country's Finance Minister announced that Nigeria will launch its planned Eurobond issue on October 11. The Minister also said the country would hold roadshows for the dollar-denominated issuance, which aims to raise roughly \$3 billion, in Lagos and New York. The government is also targeting raising the same amount via multilateral and bilateral borrowing to fund its 2021 budget deficit. The National Assembly in July approved external borrowing of roughly \$6.2 billion. In a separate development, the Central Bank of Nigeria (CBN) announced the formal engagement of global fintech company, Bitt Inc., as technical partner for its proposed digital currency, also known as e-Naira. The central bank Governor has said that the Central Bank Digital Currency (CBDC) would bring about increased cross-border trade, accelerate financial inclusion, and lead to cheaper and faster remittance inflow.

Stock Market

The bears dominated the nation's stock market last week, with sell pressures witnessed in the information & communication technology, financial services, agriculture, and consumer goods sectors. Accordingly, the All Share Index (ASI) declined 0.57% to 39,261.01 points from 39,485.65 points the preceding week. Market capitalization also fell by N11.7 billion to N20.46 trillion from N20.57 trillion the prior week. This week, we envisage that the market will remain bearish amidst profit-taking and investors reshuffling their portfolios in anticipation of interim earnings reports of dividend-paying companies.

Money Market

Rates at the money market edged up as banks funded for the retail Secondary Market Intervention Sales (SMIS) auction. The outflow of funds led to higher rates as lender's charge such as the Open Buy Back (OBB) and Overnight (O/N) rates surged to 13% and 13.5% from 8.33% and 8.5% the previous week. In contrast,

slightly longer dated instruments like the 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) finished lower settling at 8.95% and 9.65% from 11.53% and 12.40% the prior week. This week, interbank rates are expected to decline due to anticipated Open Market Operations (OMO) maturities.

Foreign Exchange Market

The local unit went in divergent directions against the dollar at the FX market segments last week. At the interbank market, the naira gained 2 kobo to settle at N411.21/\$ from N411.21/\$ recorded the prior week. The parallel market lost N6 to finish N530/\$ from N524/\$ due to dollar scarcity and volatility in the market. The local unit will hover around current prices at the official window as the CBN continues to supply dollars in the FX market through banks to keep it stable.

Bond Market

Average bond yields declined for the week ended September 3, 2021 following improved bids with very few offers to match these bids around the mid and long tenored securities. Offers on the 2036 & 2050 maturities were quoted at 12.18% and 12.67%, respectively. Consequently, yields on the 7-, 10-, 15-, 20-, and 30-year debt papers closed lower at 10.18%, 9.01%, 12.25%, 11.76% and 12.48% from 10.26%, 9.08%, 12.60%, 11.90% and 12.64%, respectively. Accordingly, the Access Bank Bond index increased by 101.40 points to close at 3,243.99 points from 3,142.59 points. We expect the demand in the secondary market to persist as local players continue to re-invest their outstanding maturities.

Commodities

Oil prices rose as investors continue to anticipate fuel demand rebound despite the risks posed by the covid-19 delta variant after OPEC+ agreed to stick to a plan to add 400,000 barrels per day each month to the end of December. The organization also raised its demand forecast for 2022. Bonny light, Nigeria's benchmark crude spiked 3.1% to settle at \$73.18 barrel. Separately, precious metal prices rose amid a weaker dollar and a dovish Powell stance. The Fed Chair said last week at the Jackson Hole meeting that the central bank will likely begin to ease off its monetary stimulus packages this year. Sentiments over slowing growth in China and the spread of the delta variant also supported safe haven metals. Consequently, gold prices jumped by 0.86% or \$15.38 to finish at \$1,813.08 per ounce from \$1,797.70 per ounce. Silver settled at \$24.06 per ounce, a 1.6% rise from prior week. This week, we expect the bullish momentum in oil prices to continue as investors digest the damage caused by hurricane Ida in the US Gulf of Mexico production and OPEC's output decision. Bullions will continue to benefit from the rising cases of the Delta variant as investors move to safe haven assets.

Monthly Macro Economic Forecast

Variables	Sept'21	Oct'21	Nov'21
Exchange Rate (NAFEX) (N/\$)	411	412	411
Inflation Rate (%)	16.9	16.5	16.01
Crude Oil Price	70	72	70

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