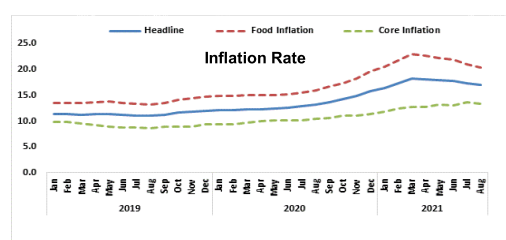
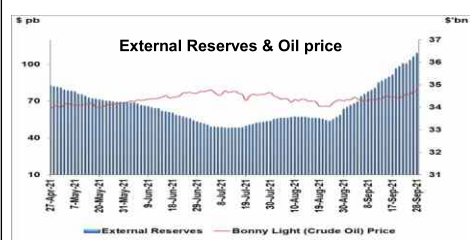
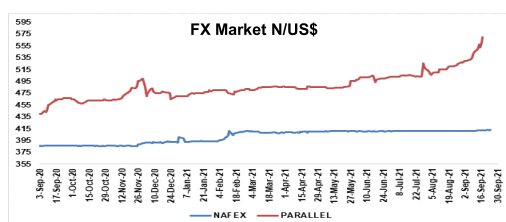
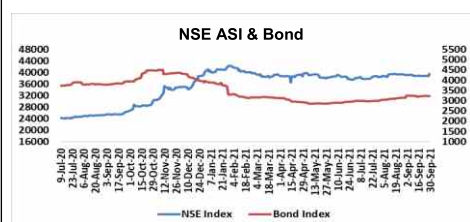


# Access Bank Rateswatch

## 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)	36.41	September 28, 2021 figure — an increase of 6.78 from September start
Oil Price (US\$/Barrel)(OPEC)	77.54	September 29, 2021 figure— an increase of 2.39% 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 (%)
	30/9/21	24/9/21	
NSE ASI	40,221.17	38,962.28	3.23
Market Cap(N'tr)	20.96	20.30	3.23
Volume (bn)	1.05	0.63	65.22
Value (N'bn)	7.42	6.45	15.07

## MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	30/9/21	24/9/21	
OBB	15.0000	16.0000	(100)
O/N	15.7500	17.2500	(150)
CALL	14.7000	19.6500	(495)
30 Days			
	15.0274	9.4687	556
90 Days			
	16.1987	10.1677	603

## FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	30/9/21	24/9/21	30/8/21
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	413.05	412.78	411.33
BDC (N)	0.00	0.00	0.00
Parallel (N)	0.00	0.00	527.00

## BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	30/9/21	24/9/21	
5-Year	4.08	4.30	(23)
7-Year	9.61	9.79	(18)
10-Year	8.92	9.00	(8)
15-Year	12.50	12.54	(4)
20-Year	12.21	12.19	2
25-Year	12.95	12.41	54
30-Year	13.10	12.98	12

**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: September 24 – September 30, 2021

### Global Economy

The US Fed left the fed funds rate unchanged at 0.25% and bond-buying at the current \$120 billion and monthly pace during the September 2021 meeting. Still, the central bank said the economy has made progress toward employment and inflation goals and that if progress continues broadly as expected, a moderation in the pace of asset purchases may soon occur. The Fed also signalled interest rate increases may follow more quickly than expected, with half of the policymakers projecting borrowing costs will need to rise in 2022. The Fed sees the economy growing 5.9% in 2021, less than 7% in the June projection but to expand faster in both 2022 (3.8% vs 3.3% in the June projection) and 2023 (2.5% vs 2.4%). Elsewhere, India's current account surplus shrank to \$6.5 billion in April-June 2021, from \$19.1 billion in the corresponding period of the previous year and was equivalent to 0.9% of the GDP according to the Reserve Bank of India. The goods deficit widened to \$30.7 billion from \$11 billion a year ago. On the other hand, the services surplus expanded to \$25.8 billion from \$20.8 billion due to robust performance of net exports of computer and business services and the secondary income surplus rose to \$19 billion from \$17 billion.

### Foreign Exchange Market

The local unit depreciated against the dollar for the week ended September 30, 2021. At the interbank market, the naira lost 27 kobo to settle at N413.05/\$ from N412.78/\$ recorded the preceding week as demand for dollar outweighed supply. This week, we expect rates will remain around prevailing levels as the CBN continues to supply funds to the foreign exchange market.

### Bond Market

The Nigerian local bond market was majorly muted and this trend lingered throughout last week. Bids on the 2035 maturity remained above 12.65% while there was scarcity of offers in the market. Offers for the on-the-run bonds were quoted at 11.50%, 12.75% and 12.95% for the 2028, 2036 and 2050 maturities, respectively. Just a few trades were consummated as bids remained circa 20 basis points (bps) higher than auction stop rates. Yields on the 20-, 25- and 30 years bond finished at 12.21%, 12.95% and 13.10% respectively from 12.19%, 12.41% and 12.98% the previous week. The Access Bank bond index declined by 7.58 points to close at 3,224.44 points from 3,232.03 points. We expect a quiet start into this week as investors continue to trade cautiously.

### Domestic Economy

According to the foreign portfolio investment report, total transaction at the nation's bourse decreased marginally by 0.39% to N89.42 billion from N89.77 billion in August 2021. The total value of transactions executed by Domestic Investors by Foreign Investors by circa 44%. A further analysis of the total transactions executed between the current and prior month (July 2021) revealed that total domestic transactions decreased by 13.71% to N64.06 billion in August from N74.24 billion in July 2021. However, total foreign transactions increased by 63.30% to N25.36 billion (about \$61.69 million) from N15.53 billion (about \$37.75 million) between July 2021 and August 2021. Institutional Investors outperformed Retail Investors by 0.44%. A comparison of domestic transactions in the current and prior month (July 2021) revealed that retail transactions decreased by 15.16% to N31.89 billion in August 2021 from N37.59 billion in July 2021. Similarly, the institutional composition of the domestic market decreased by 12.22% to N32.17 billion in August 2021 from N36.65 billion in July 2021. The performance of the current month when compared to the performance in August 2020 (N94.45 billion) revealed that total transactions decreased by 5.33%.

### Commodities Market

Oil prices rose as traders shrugged off an unexpected rise in crude inventory levels on bets that OPEC+ nations will stick to gradual increments in output. Bonny light, Nigeria's benchmark crude edged up 2.39% to settle at \$77.54 barrel. Separately, precious metal prices declined, as the dollar index continued to march higher to a near 11-month high on rising prospects the Federal Reserve would start cutting back on its monetary stimulus as soon as November and that a rate hike could follow in 2022. Consequently, gold prices tapered by 1.53% or \$26.83 to close at \$1,725.60 per ounce from \$1,752.43 per ounce. Silver settled at \$21.53 per ounce, 4.69% lower than the prior week. This week, we expect oil prices might decline amid concerns of a slowdown on the global economic recovery. US initial jobless claims rose for a third straight week while PMI data suggested China's factory activity entered contraction territory in September, amid a nationwide power crisis. Safe haven assets might continue to suffer losses amid a strong dollar and as Treasury yields hold at high level.

### Stock Market

The bulls retained dominance at the local stock market, ending the month of September on a high. The financial services, consumer goods, pharmaceutical, and publishing sectors were majorly responsible for the uptrend. The All Share Index (ASI) rose to its highest in 8 months amid bullish buying interest closing at 40,221.17 points from 38,962.28 points the preceding week. Market capitalization also gained N6.6 billion or 3.23% to close at N20.96 trillion during the same period. This week we expect that investors will remain cautious, rebalancing portfolios to take advantage of bullish sentiments.

### Monthly Macro Economic Forecast

Variables	Oct'21	Nov'21	Dec'21
Exchange Rate (NAFEX) (N/\$)	411	412	411
Inflation Rate (%)	16.81	16.5	16.01
Crude Oil Price (US\$/Barrel)	70	72	70

### Money Market

Last week, inflows from the Federation Accounts Allocation Committee (FAAC) led to lower interbank lending rates despite retail Secondary Market Intervention Sales (rSMIS) and the treasury bill sales. Short term lending rates declined marginally as the

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