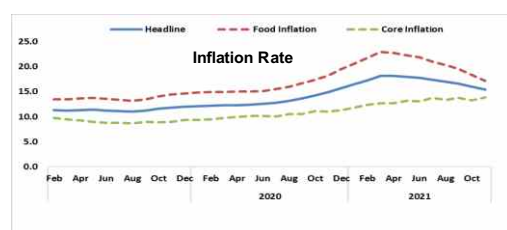
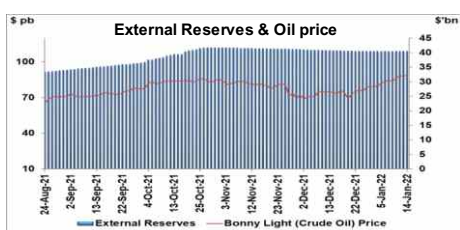
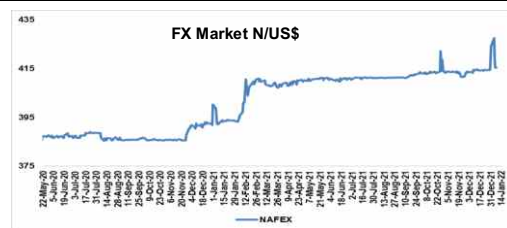
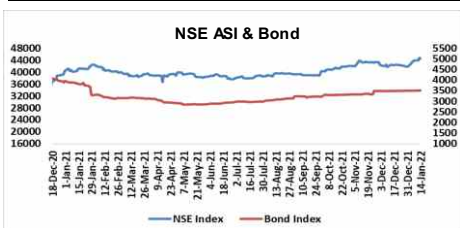


# Access Bank Rateswatch

## 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)	42.58	Rose by 2.65% in November' 2021 from N41.48 trillion in September' 2021
Credit to Private Sector (N' trillion)	35.31	Rose by 1.99% in November' 2021 from N34.62 trillion in September' 2021
Currency in Circulation (N' trillion)	3.15	Rose by 6.06% in November' 2021 from N2.97 trillion in September' 2021
Inflation rate (%) (y-o-y)	15.4	Decreased to 15.4% in November 2021 from 16.63% in October 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)	40.52	January 12 2022 figure — a decrease of 0.02% from January start
Oil Price (US\$/Barrel) (Bonny Light)	88.51	January 13, 2022 figure— an increase of 6.01% from the prior week
Oil Production mbpd (OPEC)	1.42	November 2021, figure — an increase of 4.41% from October figure



## STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	14/1/22	7/1/22	
NSE ASI	44,454.67	43,854.42	1.37
Market Cap(N'tr)	23.95	23.63	1.36
Volume (bn)	0.41	0.40	1.44
Value (N'bn)	9.83	12.40	(20.74)

## MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	14/1/22	7/1/22	
OBB	14.00	14.00	0
O/N	14.75	14.75	0
CALL	14.00	14.50	(50)
30 Days	10.13	10.15	(2)
90 Days	10.95	10.53	42

## FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	14/1/22	7/1/22	14/12/21
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	416.00	415.28	414.55
BDC (N)	0.00	0.00	0.00
Parallel (N)	0.00	0.00	0.00

## BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	1/14/2022	1/7/2022	
5-Year	3.70	3.84	(15)
7-Year	10.52	10.54	(1)
10-Year	9.56	9.62	(6)
15-Year	12.90	12.90	0
20-Year	12.62	12.70	(7)
25-Year	12.00	12.00	0
30-Year	13.15	13.18	(3)

**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: January 07, – January 14, 2022

### Global Economy

The US inflation rate reached a new high since June 1982, settling at 7% in December 2021 compared to 6.8% posted in the preceding month. According to the US Bureau of Labour Statistics, inflation rate was largely driven by increase in energy prices. Other drivers included rise in the prices of food, new vehicles, used cars and trucks, apparel and medical care services. Inflation soared in 2021 due to pandemic-induced supply constraints, soaring energy costs, labour shortages, increasing demand and a low 2020 base effect. In a separate development, the Office for National Statistics reported that UK's GDP grew by 0.9% in November 2021 from 0.2% recorded in the preceding month, pushing GDP above its pre-pandemic level for the first time. The service sector advanced 0.7%, driven by a sharp increase in retail trade. Also other services, industrial production and construction sectors rose by 0.6%, 1.0% and 3.5% respectively.

### Domestic Economy

IData from the National Bureau of Statistics (NBS) revealed that capital importation soared by 97.71% to reach \$1.73 billion in Q3 2021 relative to \$875 million reported in Q2 2021. Foreign Portfolio Investment (FPI) accounted for 70.3% of total capital imported, more than doubling to reach \$1.2 billion in Q3 2021 from \$551 million posted in Q2 2021. This signalled a boost in foreign investors' confidence in the Nigerian economy. Other investments and Foreign Direct Investment (FDI) contributed 23.47% and 6.23% respectively to the capital imported in Q3 2021. The United Kingdom and Lagos maintained their spots as the top source of, and the top destination for capital import in Q3 2021 respectively.

### Stock Market

Shares at the Nigerian Exchange Group (NGX) showed an impressive performance last week as the All Share Index (ASI) kept on its northwards path. ASI further grew by 1.37% week-on-week to close at 44,454.67 points. Also, market capitalization gained N0.32 trillion to settle, for the week, at N23.95 trillion. The increase reflects positive market sentiments and could be attributed to gains recorded in large and medium capitalised stocks. This week, the positive, but cautious, momentum is likely to be maintained as the stock market maintains its attractiveness owing to improving corporate performance.

### Money Market

The money market witnessed no significant funding activity as the Open Repo Rates (OPR) and Overnight (O/N) rates remained unchanged week-on-week closing at the same 14% and 14.75% as recorded two weeks ago. On the other hand, slightly longer dated instruments like the 30-day and 90-day Nigerian Interbank Offered Rate (NIBOR) moved in the opposite direction. While the 30-day NIBOR declined by 0.02% to close at 10.13%, the 90-day NIBOR rose by 0.42% to close at 10.95%. This week, rates are expected to decline on the back of the inflow of 130 billion in Open Market Operations (OMO) maturity on 18<sup>th</sup> January.

### Foreign Exchange Market

There was no significant improvement in liquidity at the foreign exchange market as market players bidding for funds to meet their foreign currency obligations were met with limited offers. Consequently, the Naira depreciated against the Dollar at the Nigerian Autonomous Foreign Exchange (NAFEX) window to close at 416/\$ last week relative to N415.28/\$ posted two weeks ago. Rates are expected to trade at similar levels this week.

### Bond Market

Bids were seen at slightly elevated levels for the 4-year reopening due to market reaction to the recently released Q1 2022 bond calendar where the Debt Management Office (DMO) offered around N160 billion across two maturities (2026 and 2042). Most trades executed centered around the on-the-run instrument. Yields on the 5-, 7-, 10-, 20- and 30-year debt papers finished lower at 3.7%, 10.52%, 9.56%, 12.62 and 13.15% from 3.84%, 10.54, 9.62%, 12.7%, 13.18% respectively. The Access Bank bond index rose by 0.33% to close at 3,519.59 points from 3,508.07 points. This week, a mixed sentiment is expected as market participants trade cautiously ahead of the week's bond auction.

### Commodities

Although oil prices slipped slightly last week as investors took profits after a strong rally, prices headed for a fourth consecutive weekly advance driven by market tightening as global consumption resisted the impact of the omicron variant, supply interruptions in Libya and Kazakhstan, concerns over the ability of OPEC countries to deliver on planned increases and falling crude inventories in the US. Bonny light, Nigeria's benchmark crude rose by 6.27% to close the week at \$88.51/barrel from \$83.29/barrel posted in the preceding week. In other news, price of precious metals turned northwards, supported by a weaker dollar and Treasury yields as November 2021 annual inflation rate surged to 7% and investors unwound hawkish bets on the US rates outlook. Gold prices rose by 1.89% or \$33.78 to settle at \$1,823.03 per ounce from \$1,789.25 per ounce. Also, silver rose by 4.33% or \$0.96 at \$23.14 per ounce from \$ 22.18 per ounce. This week, oil price growth is expected to slow down as investors remain cautious of a potential hit to demand from Covid-induced restrictions in China and prospects of aggressive US interest rate hikes. Also, the upward movement in the price of precious metals is not guaranteed as investors will remain concerned of a hawkish surprise by the Fed, rising prices and surging COVID-19 cases.

### Monthly Macro Economic Forecast

Variables	Dec'21	Jan'22	Feb'22
Exchange Rate (NAFEX) (N/\$)	413	415	416
Inflation Rate (%)	15.04	14.97	14.64
Crude Oil Price (US\$/Barrel)	80	82	78

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