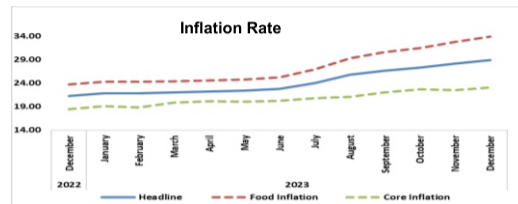
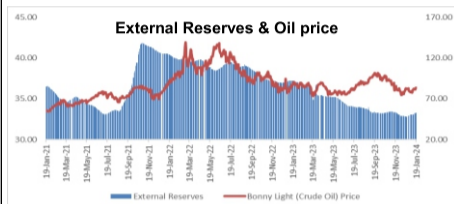
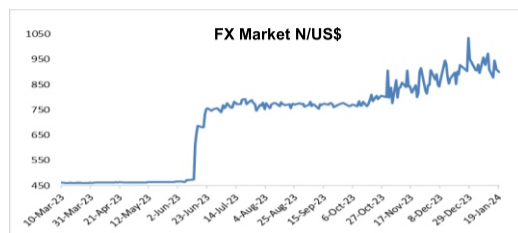


# Access Bank Rateswatch

## KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	2.54	Q3 2023 — Higher by 0.03% compared to 2.51% in Q2 2023
Broad Money Supply (N' trillion)	70.01	Rose by 4.21% in November 2023 from N67.18 trillion in September 2023
Credit to Private Sector (N' trillion)	59.74	Rose by 1.95% in November 2023 from N58.60 trillion in September 2023
Currency in Circulation (N' trillion)	3.35	Increased by 21.4% in November 2023 from N2.76 trillion in September 2023
Inflation rate (%) (y-o-y)	28.92	Increased to 28.92% in December 2023 from 28.2% in November 2023
Monetary Policy Rate (%)	18.75	Adjusted to 18.75% in July 2023 from 18.5% in May 2023
Interest Rate (Asymmetrical Corridor)	18.75(+1/-3)	Lending rate changed to 19.75% & Deposit rate 15.75%
External Reserves (US\$ billion)	33.25	January 18, 2024 figure — an increase of 0.7% from January start
Oil Price (US\$/Barrel) (OPEC)	83.36	January 19, 2024 figure — an increase of 2.42% from the prior week
Oil Production mbpd (OPEC)	1.34	December 2023, figure — an increase of 7.2% from November figure



## STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	19/1/24	12/1/24	
NGX ASI	94,538.12	83,042.96	13.84
Market Cap(N'tr)	51.74	45.44	13.85
Volume (bn)	0.84	0.60	40.60
Value (N'bn)	15.04	9.10	65.36

## MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	19/1/24	12/1/24	
OPR	22.1000	16.5800	552
O/N	23.2500	17.8000	545
CALL	21.1000	22.7000	(160)
30 Days	15.3500	18.7000	(335)
90 Days	16.0000	17.1000	(110)

## FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	19/1/24	12/1/24	19/12/23
NAFEX (N)	900.57	909.40	851.53

## BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	19/1/24	12/1/24	
7-Year	12.09	12.11	(2)
10-Year	11.56	11.28	28
15-Year	14.37	14.22	15
20-Year	14.23	13.79	43
25-Year	14.99	14.98	1
30-Year	15.31	15.22	9

**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, NGX, NBS, Energy Information Agency, Oilprice, Bloomberg and Access Bank Economic Intelligence Group computation.

## Market Analysis and Outlook: January 19, - January 26, 2024

### Global Economy

The annual inflation rate for the British economy unexpectedly rose to 4% in December 2023 from a nearly 2-year low of 3.9% in November, as published by the Office for National Statistics. It is the first increase in inflation rate in 10 months, with the biggest upward contribution coming from prices of alcohol and tobacco, mainly due to a rise in tobacco duty and recreation and culture, namely DVDs, computer software, computer games consoles, sports equipment, toys, and package holidays. Inflation also increased for clothing and footwear, furniture and household equipment, and communication. Compared to the previous month, the Consumer Price Index (CPI) went up 0.4%. Meanwhile, the core CPI rose 0.6%, leaving the annual rate unchanged at 5.1%. In a different space, the Ministry of Internal Affairs & Communications revealed that the annual inflation rate in Japan fell to 2.6% in December 2023 from 2.8% in the prior month, pointing to the lowest figure since July 2022, as food prices rose the least in 14 months. Also, cost moderated for both healthcare and communication. At the same time, prices of fuel, and light fell for the 11th consecutive month, due to electricity and gas. Meanwhile, the core inflation rate was down to 2.3%, the lowest in 18 months, from 2.5% in November, staying outside the Bank of Japan's 2% target for the 21st month. Monthly, consumer prices edged up 0.1% in December, after being flat in November.

### Domestic Economy

The latest inflation report released by the National Bureau of Statistics (NBS) showed that the annual inflation rate, for the Nigerian economy, continued to accelerate to hit a nearly 30-year high of 28.92% in December 2023, up from 28.2% printed in the prior month. Headline inflation has consistently exceeded the upper boundary of the central bank's target range of 6% to 9% since 2015, primarily due to the substantial depreciation of the naira. Prices of food, which is the most relevant in the CPI basket, jumped to 33.93% in December, the highest since August 2005, from 32.84% recorded in the prior month. The annual core inflation rate quickened to a multi-year high of 23.07% in December, from 22.55% posted in November. On a monthly basis, consumer prices advanced by 2.3% in December, following a 2.1% rise in the previous month.

### Stock Market

The stock market continued to surpass unprecedented levels, crossing 90,000 points, as investors were actively buying stocks and capitalizing on the relative cheapness of some counters. More buying activities were recorded in the pension, oil & gas, industrial, and consumer goods segments of the market. As a result, the All-Share Index (ASI) topped up 11,495.16 points to close the week at 94,538.12 points. Also, market capitalization rose by ₦6.29 trillion to close the week at

₦51.74 trillion. Going into trading this week, performance is expected to remain bullish as investors strategically position themselves ahead of full-year results and corporate actions.

### Money Market

Liquidity in the money market worsened as market participants funded their obligations. Consequently, the Open Repo Rate (OPR) and Over Night (ON) rose further to 22.10% and 23.25% from 16.58% and 17.80% recorded in the prior week. However, relatively longer-dated placements such as the 90-day Nigerian Interbank Offered Rate (NIBOR) declined to 16.00% from 17.10%. This week, if illiquidity persists, rates might climb higher.

### Foreign Exchange Market

The forex market witnessed improved liquidity as a few counterparties' requests were met. Hence, the Naira gained ₦8.83 to close at ₦900.57. This week, the forex rate is expected to trade around a similar rate barring any significant funding activity.

### Bond Market

Sentiments in the bond market swung to the bearish side as investors traded cautiously. Consequently, average yields on the 10-, 15-, 20-, 25-, and 30-year inched higher at 11.56%, 14.37%, 14.23%, 14.99% and 15.31% from 11.28%, 14.22%, 13.79%, 14.98% and 15.22%. Also, the Access Bank bond index declined by 16.13 points to close at 4,119.76 points from 4,135.89 points. Going into the new trading week, this quiet trend is expected to persist as local players shift focus to the anticipated Bond auction calendar.

### Commodities

Oil prices held recent advances as a widening conflict in the Middle East and an improving global oil demand outlook bolstered prices. Geopolitical risks in the Middle East continued to boost the oil market as the US carried out more strikes on Houthi targets in Yemen in response to the rebel group's repeated attacks. Consequently, Bonny Light, Nigeria's benchmark crude price further gained \$1.97 to close the week at \$83.36 per barrel (pb) from \$81.39pb posted in the preceding week. In a separate event, bullion prices reversed gains, ending the week lower as the Dollar and Treasury yields rallied after solid US data and hawkish Federal Reserve (Fed) messaging tempered expectations on interest rate cuts. Consequently, gold price lost \$12.89 or 0.6% to sit at \$2,031.77 per ounce. Also, the silver price lost \$0.19 or 0.8% to sit at \$22.80 per ounce. This week, worsening geopolitical risks in the Middle East will support higher prices. On the other hand, bullion prices might stay muted as hopes of rate cuts dwindle.

### Monthly Macro Economic Forecast

Variables	Jan'24	Feb'24	Mar'24
Exchange Rate (NAFEX) (N/\$)	850	800	800
Inflation Rate (%)	27.1	26.2	25.7
Crude Oil Price (US\$/Barrel)	80	82	85

For enquiries, contact: Oluwaseun Oloaye (Team Lead, Economic Intelligence) (01) 2712123 [oluwaseun.olaoeye@accessbankplc.com](mailto:oluwaseun.olaoeye@accessbankplc.com)