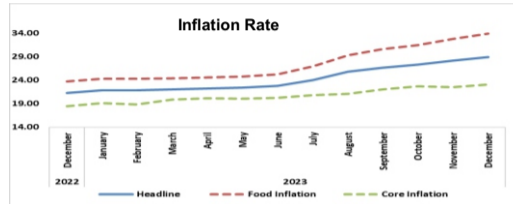
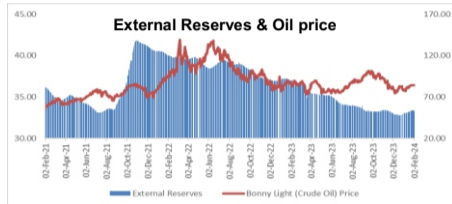
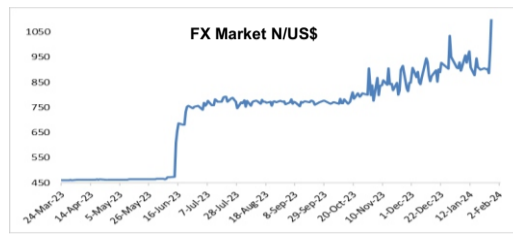
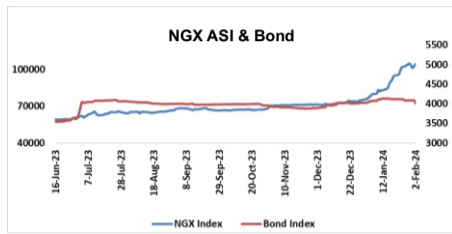


Access Bank Rateswatch

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)	78.74	Rose by 12.47% in December 2023 from N70.01 trillion in November 2023
Credit to Private Sector (N' trillion)	62.52	Rose by 4.65% in December 2023 from N59.74 trillion in November 2023
Currency in Circulation (N' trillion)	3.65	Increased by 8.96% in December 2023 from N3.35 trillion in November 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)	33.35	January 30, 2024 figure — an increase of 1.0% from January start
Oil Price (US\$/Barrel) (OPEC)	82.87	February 1, 2024 figure — a decrease of 1.82% 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 (%)
	2/2/24	26/1/24	
NGX ASI	104,371.14	102,401.88	1.92
Market Cap(N'tr)	57.13	56.04	1.95
Volume (bn)	0.89	0.52	71.47
Value (N'bn)	21.97	8.85	148.25

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	2/2/24	26/1/24	
OPR	20.2000	17.5800	262
O/N	21.2000	18.3300	287
CALL	22.5000	19.5500	295
30 Days	16.5625	15.5500	101
90 Days	16.5625	16.3500	21

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	2/2/24	26/1/24	2/1/24
NAFEX (N)	1444.24	975.14	907.80

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	2/2/24	26/1/24	
7-Year	12.50	11.99	51
10-Year	12.62	11.76	86
15-Year	16.15	14.98	117
20-Year	15.12	14.53	59
25-Year	15.74	15.14	60
30-Year	16.40	15.33	107

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Sources: CBN, Financial Market Dealers Quotation, NGX, NBS, Energy Information Agency, Oilprice, Bloomberg and Access Bank Economic Intelligence Group computation.

Market Analysis and Outlook: February 2, - February 9, 2024

Global Economy

The Federal Reserve (Fed) kept the Fed Funds rate unchanged at a 23-year high of 5.25% - 5.5% for a 4th consecutive meeting in January 2024. Policymakers added that they do not expect it will be appropriate to reduce the rates until they have gained greater confidence that inflation is moving sustainably toward 2%. During the press conference, Chair Powell said it would be appropriate to begin reducing rates sometime this year, but the central bank will continue to make decisions on a meeting-by-meeting basis and he does not think a March 2024 cut is likely. Meanwhile, the Fed removed reference to further rate hikes from the statement, saying that the risks to achieving its employment and inflation goals are moving into better balance, but noting it would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of such goals. In a different territory, the Bank of England (BoE) kept the key Bank Rate unchanged at a 16-year high of 5.25% for the 4th consecutive time during its first meeting of 2024. The central bank said monetary policy will need to remain restrictive for sufficiently long to return inflation to the 2% target sustainably in the medium term, but dropped a reference to further tightening and acknowledged that the risks to inflation are more balanced. Still, key indicators of inflation persistence remain elevated although services inflation and wage growth have fallen by somewhat more than expected.

Foreign Exchange Market

A significant movement in the exchange rate was witnessed in the official market last week. This could be attributed to the change by FMDQ in the methodology of the closing forex rate in line with recent market developments. Hence, the Naira lost ₦1,444.24 to close at ₦1,444.24. This week, the forex rate is expected to trade with mixed sentiments.

Bond Market

The FGN Bond market traded with a weak sentiment last week as selling interest was seen across board. Consequently, average yields on the 7-, 10-, 15-, 20-, 25-, and 30-year inched higher at 12.50%, 12.62%, 16.15%, 15.12%, 15.74% and 16.40% from 11.99%, 11.76%, 14.98%, 14.53%, 15.14% and 15.33%¹. Also, the Access Bank bond index declined by 83.08 points to close at 4,006.58 points from 4,089.66 points. Going into the new trading week, the bearish momentum is expected to persist as the low system liquidity continues to dampen investors' appetite.

Domestic Economy

The Purchasing Managers' Index (PMI) further rose to 54.5 points in January 2024 from 52.7 points recorded in the previous month. The latest record pointed to a solid improvement in the country's private sector, marking the highest record since December 2022, as output and new orders sharply grew, signalling an extended strong demand. Also, business activity rose for the 2nd month in a row and at its fastest pace in 21 months. Moreover, purchasing activity expanded at a quicker rate along with stocks of input. Meanwhile, employment increased at a softer pace, amid reports of difficulties in paying staff. Finally, business confidence was higher than the previous month, as firms remained positive that the output would grow over the year ahead.

Stock Market

Nigerian bourse closed last week on a positive note despite the sell-off in the second and third trading days of the week as the Naira plunged on new CBN FX pricing methodology and the introduction of a limit on banks' Net Open Positions (NOP). Nevertheless, equities rebounded during the week on renewed investors' interest. As a result, the All-Share Index (ASI) closed at 104,421.23 points, adding 2,019.35 points. Also, market capitalization rose by ₦1.12 trillion to close the week at ₦57.16 trillion. Going into trading this week, renewed bargains on bellwether counters would see the market maintain positive performance.

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

Money Market

Liquidity in the money market shrunk owing to the Cash Reserve Requirement

COMMODITIES MARKET

Indicators	2/2/24	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil (\$/bbl)	82.87	(1.82)	28.56
Natural Gas (\$/MMBtu)	2.07	(20.38)	(46.51)
Agriculture			
Cocoa (\$/MT)	4,971.00	7.48	156.77
Coffee (\$/lb.)	193.55	3.53	48.66
Cotton (\$/lb.)	86.42	1.60	11.51
Sugar (\$/lb.)	23.62	(1.75)	54.08
Wheat (\$/bu.)	610.00	0.29	40.72
Metals			
Gold (\$/t oz.)	2055.50	1.64	56.01
Silver (\$/t oz.)	23.22	1.40	35.08
Copper (\$/lb.)	384.25	(0.26)	17.22

NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	2/2/24	26/1/24	
1 Mnth	6.31	2.78	353
3 Mnths	7.82	4.69	313
6 Mnths	9.41	6.98	243
9 Mnths	12.81	9.30	351
12 Mnths	15.01	11.04	397

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	2/2/24	26/1/24	
Index	4,006.58	4,089.66	(2.03)
Mkt Cap Gross (N'tr)	27.22	27.24	(0.07)
Mkt Cap Net (N'tr)	15.70	15.89	(1.20)
YTD return (%)	63.11	66.49	(5.08)
YTD return (%) (US \$)	(526.43)	(284.47)	85.06

TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	N' Rate (%)	Date
91 Day	7846.504	5.00	24-Jan-2024
182 Day	6437.75	7.15	24-Jan-2024
364 Day	217532.85	11.54	24-Jan-2024

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