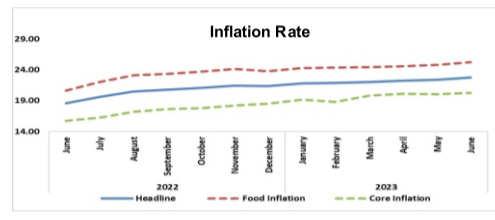
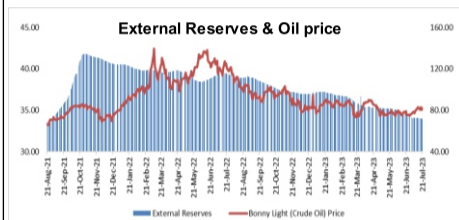
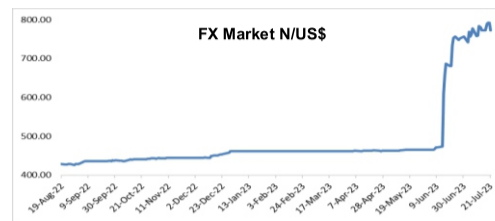
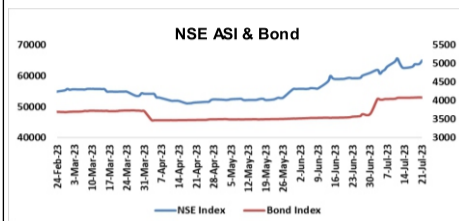


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	2.31	Q1 2023—lower by 1.21% compared to 3.52% in Q4 2022
Broad Money Supply (N' trillion)	64.91	Rose by 16.33% in June 2023 from N55.80 trillion in May 2023
Credit to Private Sector (N' trillion)	52.81	Rose by 19.45% in June 2023 from N44.21 trillion in May 2023
Currency in Circulation (N' trillion)	2.60	Increased by 2.77% in June 2023 from N2.53 trillion in May 2023
Inflation rate (%) (y-o-y)	22.79	Increased to 22.79% in June 2023 from 22.41% in May 2023
Monetary Policy Rate (%)	18.5	Adjusted to 18.5% in May 2023 from 18% in March 2023
Interest Rate (Asymmetrical Corridor)	18.5(+1/-7)	Lending rate changed to 19.5% & Deposit rate 11.5%
External Reserves (US\$ billion)	33.97	July 20, 2023 figure—a decrease of 0.15% from July start
Oil Price(US\$/Barrel) (Bonny Light)	81.78	July 21 2023 figure—a decrease of 1.39% from the prior week
Oil Production mbpd(OPEC)	1.25	June 2023, figure—an increase of 5.93% from May 2023 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	21/7/23	14/7/23	
NSE ASI	65,003.39	62,569.73	3.89
Market Cap(N'tr)	35.39	34.07	3.89
Volume (bn)	0.77	0.60	28.36
Value (N'bn)	14.26	8.83	61.60

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	21/7/23	14/7/23	
OPR	20.4300	1.1100	1932
O/N	21.0000	1.5800	1942
CALL	17.6000	1.9650	1564
30 Days	10.6400	4.8625	578
90 Days	10.9000	5.9875	491

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	21/7/23	14/7/23	21/6/23
NAFEX (N)	772.35	772.21	732.79

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	21/7/23	14/7/23	
7-Year	9.03	9.51	(47)
10-Year	10.68	10.66	2
15-Year	13.99	14.01	(3)
20-Year	13.32	13.21	11
25-Year	14.24	14.33	(8)
30-Year	14.23	14.40	(18)

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: July 21 - July 28, 2023

Global Economy

The Japanese annual inflation rate edged up to 3.3% in June 2023 from 3.2% printed in the prior month. According to the Ministry of Internal Affairs & Communications, cost continued to rise for food, housing, transport, furniture & household utensils, clothes, medical care, culture & recreation, education, and miscellaneous. Meanwhile, prices of fuel, light, and water charges decreased for the 5th month in a row, mainly due to electricity. Core inflation also ticked higher to 3.3% in June from 3.2% in May but stayed outside the Bank of Japan's 2% target for the 15th month. On a monthly basis, consumer prices rose 0.2% after being flat in May. In another space, the South African Reserve Bank (SARB) held rate steady, leaving the key repo rate at a 14-year high of 8.25% during its July 2023 meeting and marking a pause in its tightening cycle after 10 consecutive rate hikes. However, the apex bank Governor noted the decision does not represent the end of the hiking cycle neither that interest rates have peaked, and the next steps will depend on inflation. Policymakers expect lower inflation this year at 6% (vs 6.2%), mainly due to softer food and core prices, although upside risks still hold. Headline inflation fell to 5.4% in June, back to the central bank's target of 3% - 6% for the first time in 14 months. Meanwhile, policymakers raised the growth forecast for this year to 0.4% from 0.3% but noticed that energy and logistical constraints continue limiting economic activity and increasing costs.

Domestic Economy

The annual inflation rate in Nigeria quickened for the 6th month to a multidecade high of 22.79% in June 2023, up from 22.41% printed in the prior month. The National Bureau of Statistics (NBS) revealed that food inflation, climbed further to 25.25% in June from 24.82% in February, significantly impacted by insecurity in major food-producing areas, and activities of middlemen in the food distribution channels. The annual core inflation rate, which excludes farm produce, accelerated to a record high of 20.27% from 20.06% for the reference period. Additionally, upward pressure came from the impact of the removal of fuel subsidy and the unification of the exchange rate.

Stock Market

The local bourse resumed its bullish run as investors showed interest in both penny and value stocks. The rallies in pension, banking, industrial goods, consumer goods, insurance, oil and gas stocks pushed the market leading indicators northward. Consequently, the All-Share Index (ASI) rose to 65,003.39 points gaining 2,433.66 points. Similarly, market capitalization ascended by ₦1.32 trillion closing at ₦35.39 trillion. Going into trading this week, we expect market to rally in the earlier days of this week. However, we expect profit-taking activities to resume toward the end of the week.

Money Market

Following the Bond auction settlement

last week, market liquidity declined significantly causing money market rates to soar. Consequently, the Open Repo Rate (OPR) and Over Night (ON) jumped to 20.43% and 21.00% from 1.11% and 1.58% recorded in the prior week, respectively. Also, longer-dated placements such as the 30-day Nigerian Interbank Offered Rate (NIBOR) ascended to 10.64% from 4.86%. Rates are expected to decline this week as market players anticipate Federation Account Allocation Committee (FAAC) inflows.

Foreign Exchange Market

Persistent demand for the Dollar was met with limited supply throughout the trading session, last week. As a result, the Naira lost value, depreciating by ₦0.14 to close the week at ₦772.35/\$. This week, rates are expected to hover around similar levels as the Central Bank of Nigeria (CBN) is likely to further intervene in the forex market.

Bond Market

Owing to the liquidity squeeze from the Bond auction settlement, there was a weak demand for most of the debt papers. Consequently, yields on the 7-, 15-, 25- and 30-year debt papers closed lower at 9.03%, 13.99%, 13.21%, 14.24% and 14.23% from 9.51%, 14.01%, 14.33% and 14.40%. The Access Bank bond index rose slightly by 7.26 points to close at 4,086.92 points from 4,079.65 points. Going into a new trading week, market participants are expected to trade cautiously ahead of the Monetary Policy Committee (MPC) meeting, holding this week.

Commodities

Oil prices lost it gains momentum as it rerouted southwards. This comes as investors continued to assess the outlook for the oil market in the second half of the year. The price of Bonny Light, Nigeria's benchmark crude, declined by \$1.15 per barrel (pb) to close the week at \$81.78pb from \$82.93pb posted in the preceding week. In another event, gold price steadied and was set to gain for the 3rd consecutive week, as easing US inflation raised hopes that the Federal Reserve is close to the end of its current monetary policy tightening cycle. Subsequently, gold price gained \$10.31 or 0.5% to sit at \$1,965.52 per ounce. On the other hand, silver price lost \$0.18 or 0.7% to sit at \$24.77 per ounce. Expectations that the end of the current monetary policy tightening cycle is getting closer gives oil prices a bullish outlook this week. On the other hand, bullion prices might be muted as investors cautiously await policy decisions of key central banks given softer-than-expected inflation figures.

Monthly Macro Economic Forecast

Variables	May'23	Jun'23	Jul'23
Exchange Rate (NAFEX) (N/\$)	463	650	650
Inflation Rate (%)	22.0	26	26
Crude Oil Price (US\$/Barrel)	85	83.5	80

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