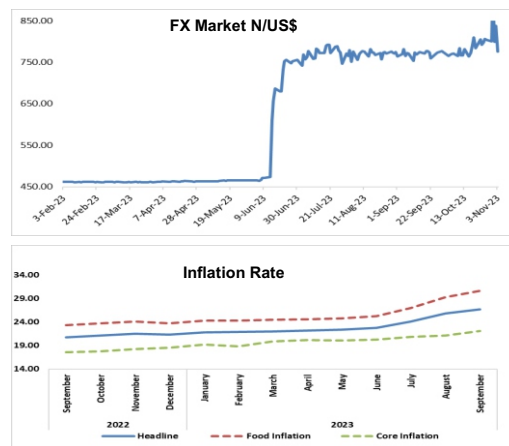
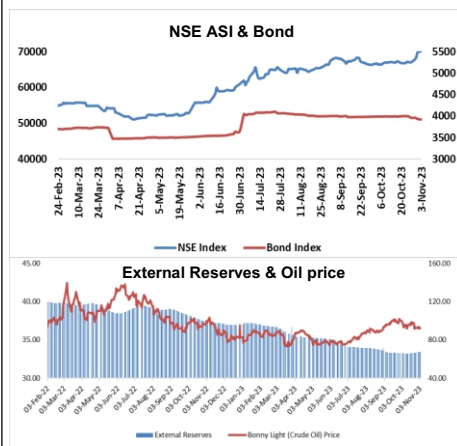


# Access Bank Rateswatch

## KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	2.51	Q2 2023- lower by 0.2% compared to 2.31% in Q1 2023
Broad Money Supply (N' trillion)	67.18	Rose by 2.64% in September 2023 from N65.45 trillion in August 2023
Credit to Private Sector (N' trillion)	58.60	Rose by 7.01% in September 2023 from N54.76 trillion in August 2023
Currency in Circulation (N' trillion)	2.76	Increased by 3.76% in September 2023 from N2.66 trillion in August 2023
Inflation rate (%) (yo-y)	26.72	Increased to 26.72% in September 2023 from 25.80% in August 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)	33.40	October 31, 2023 figure — a increase of 0.51% from October start
Oil Price (US\$/Barrel) (Bonny Light)	91.89	November 03, 2023 figure—a decrease of 1.33% from the prior week
Oil Productionmbpd (OPEC)	1.35	September 2023, figure — an increase of 14.41% from August 2023 figure



## STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	3/11/23	27/10/23	
NSE ASI	70,472.04	67,136.58	4.97
Market Cap(N'tr)	38.71	36.89	4.94
Volume (bn)	0.37	0.21	73.81
Value (N'bn)	8.61	8.61	0.00

## MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	3/11/23	27/10/23	
OPR	16.1700	14.4000	177
O/N	16.6900	14.7500	194
CALL	19.7500	14.5000	525
30 Days	18.0000	15.6667	233
90 Days	18.8750	16.6667	221

## FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	3/11/23	27/10/23	3/10/23
NAFEX (N)	780.23	804.11	765.47

## BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	3/11/23	27/10/23	
7-Year	14.40	12.35	205
10-Year	13.04	12.54	50
15-Year	15.89	15.75	14
20-Year	15.62	15.43	19
25-Year	16.53	15.84	69
30-Year	16.91	16.49	42

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

## Market Analysis and Outlook: November 03, - November 10, 2023

### Global Economy

The Federal Reserve (Fed) kept the target range for the federal funds rate at its 22-year high of 5.25% - 5.5% for the 2<sup>nd</sup> consecutive time in November, reflecting policymakers' dual focus on returning inflation to the 2% target while avoiding excessive monetary tightening. Policymakers emphasized that the extent of any additional policy tightening would consider the cumulative impact of previous interest rate hikes, the time lags associated with how monetary policy influences economic activity and inflation, and developments in both the economy and financial markets. During the press conference, Powell stated the Fed had not discussed any rate cuts yet, while the primary focus remains on whether the central bank will need to implement additional rate hikes. In a separate space, the Bank of England maintained its benchmark interest rate at a 15-year high of 5.25% for the 2<sup>nd</sup> consecutive time during its November meeting, as policymakers evaluate recent signs of an economic slowdown in the UK, while simultaneously grappling with the ongoing challenge of stubbornly high inflation. The Committee voted 6-3 in favour of keeping rates unchanged, with three members advocating for a 25 basis points increase. The central bank also emphasized that monetary policy is likely to remain restrictive for an extended period to steer inflation back towards the 2% target. Meanwhile, inflation projections were revised slightly higher, while the GDP growth forecasts suggest that the UK economy stagnated in the last quarter and will only experience marginal growth in the final three months of this year.

### Domestic Economy

Nigeria's composite Purchasing Managers Index (PMI) dropped to 49.1 in October 2023, down from September's reading of 51.1, to signal the first contraction in the country's private sector since March this year. New business decreased at a solid pace, thereby ending a six-month sequence of growth, as the steep inflationary environment acted to depress customer demand. Business activity also declined, falling for the 2<sup>nd</sup> time in the past 3 months and to the largest extent since the cash crisis earlier in the year. As a result, firms reduced their purchasing activity for the 1<sup>st</sup> time in 7 months. On a more positive note, employment continued to rise amid company expansion plans.

### Stock Market

The Nigerian bourse crossed the 70,000 psychological mark last week on renewed investors' confidence after Nigeria showed its commitment to defend the country's currency. The Central Bank of Nigeria (CBN) took steps to clear a backlog of matured foreign-currency forward contracts that have hampered dollar inflows. Also, the rally in the market was partly driven by the impressive financials released by some listed banks. As a result, the All-Share Index (ASI) rose by 3,335.46 points to close the week at 70,472.04 points. Similarly, market capitalization ascended by ₦1.82 trillion to close the week at ₦38.71 trillion. Going into trading this week, we expect the bullish trend to persist as renewed investors' confidence is expected to drive the market further north.

### Money Market

The Cash Reserve Requirement (CRR) and Open Market Operations debit shrunk liquidity in the system. Consequently, the Open Repo Rate (OPR) and Over Night (ON) rose to 16.17% and 16.69% from 14.40% and 14.75% recorded in the prior week. Also, longer-dated placements such as the 30-day Nigerian Interbank Offered Rate (NIBOR) rose to 18.00% from 15.67%. This week, rates are expected to inch higher as banks fund their obligations.

### Foreign Exchange Market

Positive sentiments stemming from the clearing of FX forwards backlog by the CBN strengthened the local currency. Hence, the Naira appreciated by ₦23.88 to close at ₦780.23/\$. This week, the forex rate is expected to trade at improved levels as the CBN continues to take action to restore investors' confidence in the Nigerian market.

### Bond Market

The bond market ended on a relatively quiet note as the news of the OMO auction announcement filtered into the secondary market, causing the supply of bonds to increase relative to demand. Consequently, average yields on the 7-, 10-, 15-, 20-, 25-, and 30-year settled higher at 14.40%, 13.04%, 15.89%, 15.62%, 16.53, and 16.91% from 12.35%, 12.54%, 15.75%, 15.43%, 15.84, and 16.49%. However, the Access Bank bond index rose further by 35.32 points to close at 3,924.05 points from 3,959.37 points. Going into the new trading week, minimal activity is expected in the bond market as investors maintain a cautious trading approach due to the rising yield environment.

### Commodities

Oil prices declined for the 2<sup>nd</sup> consecutive week amid an uncertain global demand outlook and as concerns that the Middle East conflict would disrupt supply eased. Also, weaker-than-expected manufacturing activity data in the US and China clouded the demand outlook in two of the world's largest oil consumers. Consequently, Bonny Light, Nigeria's benchmark crude, price declined by \$1.24 per barrel (pb) to close the week at \$91.89pb from \$93.13pb posted in the preceding week. In different news, gold prices steadied, supported by a weaker dollar and lower Treasury yields amid growing expectations that the US Federal Reserve is done hiking interest rates. Subsequently, gold price gained \$3.59 or 0.2% to sit at \$1,987.57 per ounce. However, silver lost \$0.25 or 1.1% to sit at \$22.63 per ounce. This week, oil prices are expected to stay muted as investors also continue to monitor geopolitical developments in the Middle East. On the other hand, bullion prices are expected to remain elevated as markets bet that the Fed will not raise rates further as the impact of previous hikes on the economy has yet to materialize.

## Monthly Macro Economic Forecast

Variables	Nov'23	Dec'23	Jan'24
Exchange Rate (NAFEX) (N/\$)	780	750	700
Inflation Rate (%)	27.2	28.5	26.1
Crude Oil Price (US\$/Barrel)	87	85	85

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## COMMODITIES MARKET

Indicators	3/11/23	1-week Change (%)	YTD Change (%)
<b>Energy</b>			
Crude Oil (\$/bbl)	91.89	(1.33)	42.55
Natural Gas (\$/MMBtu)	3.48	4.82	(10.08)
<b>Agriculture</b>			
Cocoa (\$/MT)	3,847.00	0.76	98.71
Coffee (\$/lb.)	169.70	5.18	30.34
Cotton (\$/lb.)	79.96	(4.75)	3.17
Sugar (\$/lb.)	-27.44	(200.40)	(279.00)
Wheat (\$/bu.)	-565.75	(197.92)	(230.51)
<b>Metals</b>			
Gold (\$/t oz.)	1,987.57	0.18	50.85
Silver (\$/t oz.)	22.63	(1.09)	31.65
Copper (\$/lb.)	366.40	0.44	11.78

## NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	3/11/23	27/10/23	
1 Mnth	6.49	3.67	282
3 Mnths	7.57	5.17	241
6 Mnths	10.72	9.05	167
9 Mnths	13.72	11.03	270
12 Mnths	16.11	13.66	245

## ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change
	3/11/23	27/10/23	(Basis Point)
Index	3,924.05	3,959.37	(0.89)
Mkt Cap Gross (N'tr)	25.36	25.21	0.60
Mkt Cap Net (N'tr)	14.26	14.20	0.42
YTD return (%)	59.75	61.18	(2.34)
YTD return (%) (US \$)	(250.04)	(244.27)	2.36

## TREASURY BILLS PMA AUCTION

Tenor	Amount (million)	(N'Rate (%)	Date
91 Day	2,846.504	5.999	25-Oct-2023
182 Day	7,954.579	9	25-Oct-2023
364 Day	97,329.781	13	25-Oct-2023