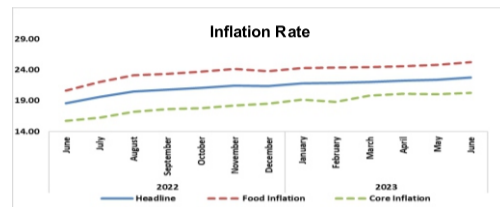
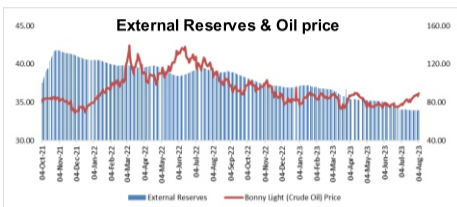
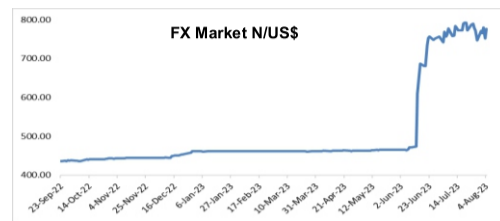
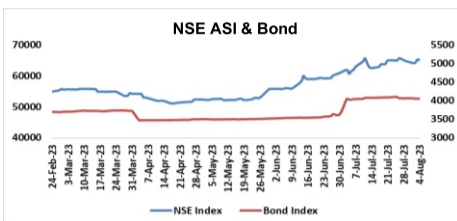


Access Bank Rateswatch

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 (%)	18.75	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)	33.97	August 02, 2023 figure — an increase of 0.09% from August start
Oil Price (US\$/Barrel) (Bonny Light)	89.71	August 04, 2023 figure — a increase of 3.46% 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 (%)
	4/8/23	28/7/23	
NSE ASI	65,198.08	65,056.39	0.22
Market Cap(N'tr)	35.48	35.40	0.22
Volume (bn)	0.36	0.46	(21.02)
Value (N'bn)	6.07	5.35	13.62

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	4/8/23	28/7/23	
OPR	5.8300	0.9000	493
O/N	6.8300	1.4000	543
CALL	4.8500	2.2500	260
30 Days	10.1700	5.7500	442
90 Days	11.8000	7.0000	480

FOREIGN EXCHANGE MARKET

Market	Last Week 2 Weeks Ago		1 Month Ago
	Rate (N/\$)	Rate (N/\$)	
	4/8/23	28/7/23	4/7/23
NAFEX (N)	776.16	746.75	755.94

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	4/8/23	28/7/23	
7-Year	9.62	8.99	63
10-Year	11.06	10.95	12
15-Year	14.30	14.07	22
20-Year	13.68	13.54	14
25-Year	14.80	14.68	13
30-Year	15.09	14.86	23

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.

Market Analysis and Outlook: August 04 - August 11, 2023

Global Economy

Fitch Ratings downgraded the United States' long-term foreign currency issuer default rating from AAA to AA+, citing factors such as "the expected fiscal deterioration over the next 3 years, a high and growing general government debt burden, and the erosion of governance" relative to peers. The rating agency pointed to "the repeated debt-limit political standoffs and last-minute resolutions" that have eroded market confidence in the country's fiscal management. Fitch placed the US' AAA rating on negative watch in May at the height of the debt ceiling impasse. The agency also highlighted the rising general government deficit, which it anticipates will rise to 6.3% of GDP in 2023, as well as a combination of tightening credit conditions, weakening business investment and a slowdown in consumption that could lead to a mild recession. In separate space, the Bank of England raised its policy interest rate by 25 basis points to 5.25% during its August 2023 meeting, marking a 14th consecutive increase, and bringing borrowing costs to fresh 2008 highs, as the central bank continues to battle high inflation. Policymakers noted that given the significant increase in interest rates since the start of the tightening cycle, the current monetary policy stance is restrictive. However, they expressed commitment to ensure the Bank Rate is sufficiently restrictive for sufficiently long to return inflation to the 2% target sustainably in the medium term.

Domestic Economy

The composite Purchasing Managers' Index (PMI) declined to 51.7 points in July 2023 from 53.2 points recorded in the prior month, data from Stanbic IBTC revealed. Both output and new orders growth rates eased to the weak levels as inflationary pressures weighed down demand. Input prices rose at the joint-fastest pace since the series began in January 2014, driven by higher fuel costs following the PMS subsidy removal, currency weakness and rising wages. As a result, firms increased output prices accordingly, at one of the strongest rates recorded. Also, business confidence weakened to more than 9-year low. The Purchasing Managers' Index (PMI) is an index that shows the prevailing direction of economic trends in the manufacturing and service sectors.

Stock Market

The Nigerian Exchange closed positive last week as investors continued on increasing demand for the country's equities. Rallies in pension, banking, industrial goods, consumer goods and insurance stocks propelled the marked lead indices northward. Consequently, the All-Share Index (ASI) rose to 65,198.08 points gaining 141.69 points. Similarly, market capitalization ascended by ₦80 billion closing at ₦35.47 trillion. Going into trading this week, we expect the rallies to continue as investors remain optimistic about the Nigerian market. However, profit-taking is expected to surface in stocks that are in over-bought regions.

Money Market

Last week, rates went up as banks adjusted to the impact of the Cash

Reserve Requirement (CRR) debit by the Apex Bank. Consequently, the Open Repo Rate (OPR) and Over Night (ON) rose to 5.83% and 6.83% from 0.90% and 1.40% recorded in the prior week, respectively. Also, longer-dated placements such as the 30-day Nigerian Interbank Offered Rate (NIBOR) ascended to 10.17% from 5.75%. This week, rates are expected to increase further given the additional CRR debits that took place last week.

Foreign Exchange Market

At the forex market, trading was skewed to the bid side as many participants sought to purchase the Greenback for their foreign currency obligations. However, due to limited supply, only a few trades were completed at the end of the trading week. As a result, the Naira depreciated by ₦29.41 to close the week at ₦776.16/\$. This week, rates might remain at these levels barring any significant market activity.

Bond Market

The bond market closed on a relatively quiet note as most market participants traded cautiously due to uncertainty in market direction. Consequently, average yields on the 7-, 10-, 15-, 25- and 30-year debt papers closed higher at 9.62%, 11.06%, 14.30%, 13.68%, 14.80% and 15.09% from 8.99%, 10.95%, 14.07%, 13.54% and 14.86%. The Access Bank bond index declined by 12.07 points to close at 4,052.17 points from 4,064.24 points. Going into a new trading week, market sentiment is expected to remain weak given the depressed system liquidity arising from the CRR debits.

Commodities

Oil prices were on track for more gains, underpinned by Saudi Arabia and Russia's announcement that they would extend voluntary supply cuts through next month. Saudi Arabia said it would extend its 1 million barrels per day production cut for another month, while Russia said it will also reduce its oil exports by 300,000 bpd in September. Bonny Light, Nigeria's benchmark crude, price rose by \$3.00 per barrel (pb) to close the week at \$89.71pb from \$86.71pb posted in the preceding week. In another news, bullion prices ended last week lower, pressured by a strong dollar and rising Treasury yields amid the release of series of solid US economic data. Subsequently, gold price lost \$27.19 or 1.4% to sit at \$1,932.94 per ounce. Similarly, the silver price lost \$0.85 or 3.5% to sit at \$23.49 per ounce. This week, concerns about a subdued recovery in China and most European countries might stall further growth in oil prices. On the other hand, bullion prices might continue its southward trajectory as higher interest rates weaken the appeal to hold precious metals.

Monthly Macro Economic Forecast

Variables	Aug'23	Sep'23	Oct'23
Exchange Rate (NAFEX) (N/\$)	790	785	787
Inflation Rate (%)	24	21	20
Crude Oil Price (US\$/Barrel)	85	85	85

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