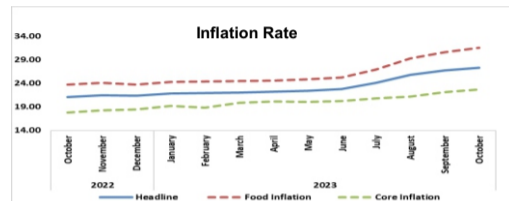
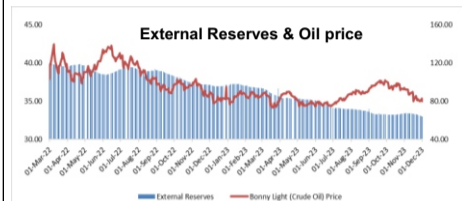
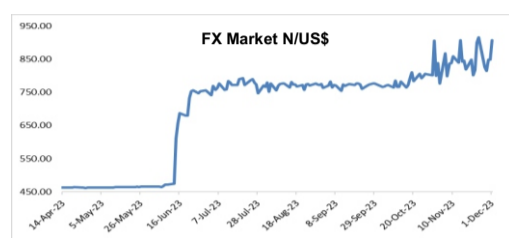
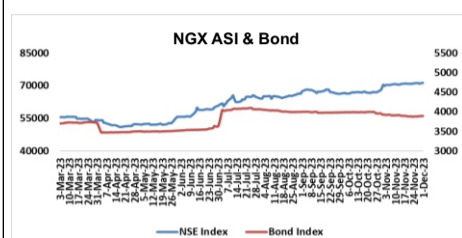


# Access Bank Rateswatch

## 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)	67.18	Rose by 2.64% in September 2023 from N65.45 trillion August 2023
Credit to Private Sector (N' trillion)	58.60	Rose by 7.01% in September 2023 from N54.76 trillion 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)	27.33	Increased to 27.33% in October 2023 from 26.72% in September 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)	33.00	November 30, 2023 figure — a decrease of 1.20% from November start
Oil Price (US\$/Barrel) (Bonny Light)	79.90	December 1, 2023 figure — a decrease of 4.33% from the prior week
Oil Productionmbpd (OPEC)	1.35	October 2023, figure —an increase of 0.3% from September 2023 figure



## STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	1/12/23	24/11/23	
NGX ASI	71,365.25	71,230.48	0.19
Market Cap(N'tr)	39.32	39.17	0.38
Volume (bn)	0.36	0.58	(38.04)
Value (N'bn)	10.23	4.27	139.47

## MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	1/12/23	24/11/23	
OPR	15.7500	23.7500	(800)
O/N	16.3200	24.5800	(826)
CALL	17.2500	24.2500	(700)
30 Days	16.7500	20.0000	(325)
90 Days	16.7500	19.6667	(292)

## FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	1/12/23	24/11/23	1/11/23
NAFEX (N)	907.33	915.11	799.32

## BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	1/12/23	24/11/23	
7-Year	14.30	15.12	(82)
10-Year	13.04	13.48	(44)
15-Year	16.48	16.48	0
20-Year	16.19	16.19	0
25-Year	17.13	17.13	0
30-Year	17.55	17.54	1

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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: December 01, - December 08, 2023

### Global Economy

The Euro Area economy stalled in Q3 2023 compared to a year earlier. It is the weakest economic performance since the contractions in 2020. Quarter-on-Quarter (Q-o-Q), the economy contracted by 0.1% in Q3 2023, marking a reversal from a downwardly revised 0.1% growth in the preceding three-month period. It was the first decline in GDP volumes since the final quarter of 2022, primarily attributed to a negative contribution of 0.3% changes in inventory. On a more positive note, household consumption rose by 0.3%, ending a three-period of either contraction or stagnant growth, while public spending also advanced by 0.3%. Data from Eurostat revealed that among the bloc's largest economies, there were contractions in Germany (-0.1%), France (-0.1%), and the Netherlands (-0.2%), while both Spain and Italy expanded by 0.3% and 0.1%, respectively. In a separate space, the Cabinet Office, Japan revealed that the Japanese economy shrank 1.6% year-on-year in Q3 2023 relative to 2% recorded in the preceding quarter. Q-o-Q, the Japanese economy shrank 0.7% after a downwardly revised 0.9% growth in Q2. It was the first GDP contraction since Q3 2022, amid elevated cost pressure and mounting global headwinds. There were declines in both private consumption and capital expenditures. Net trade was also a drag on the GDP, as exports rose less than imports.

### Domestic Economy

The Q3 2023 foreign trade report published by the National Bureau of Statistics (NBS) revealed that Nigeria recorded a positive trade balance in the quarter. This is the 4<sup>th</sup> consecutive quarter of trade surplus as exports outweighed imports by ₦1.89 trillion. Comparing the Q3 2023 export figure to the Q2 2023 figure, exports increased by 60.78% to reach ₦10.35 trillion, thanks to improving oil production. On the other hand, imports grew, but at a slower pace, increasing by 47.70% to reach ₦8.46 trillion. The significant increase in both exports and imports could also be attributed to the naira depreciation. Overall, total trade volume rose by 54.62% to reach ₦18.80 trillion, up from the ₦12.16 trillion recorded in the previous quarter. Nigeria's top five export trading partners for Q3 2023 were Spain, India, the Netherlands, Indonesia, and France while the top 5 import trading partners were China, Belgium, India, Malta, and the USA.

### Stock Market

Profit-taking activities weighed down the Nigerian bourse last week as the leading market performance index closed on a negative note. Pension, banking, and industrial stocks led the laggards on the return of the bears to the market. As a result, the All-Share Index (ASI) declined by 65.59 points to close the week at 71,299.66 points. Also, market capitalization descended by ₦300 billion to close the week at ₦39.02 trillion. Going into trading this week, we expect increasing activities on the bourse as portfolio managers are poised to rebalance their assets as we approach the end of the year.

### Money Market

Liquidity in the money market shrank owing to the Cash Reserve Requirement (CRR) maintenance debit and the Nigerian Treasury Bills (NTB) auction settlement. Consequently, the Open Repo Rate (OPR) and Over Night (ON) rose to 19.17% and 19.58% from 15.75% and 16.32% recorded in the prior week. Also, relatively longer-dated placements such as the 30-day Nigerian Interbank Offered Rate (NIBOR) rose to 17.75% from 16.75%. Barring any significant inflow, rates might remain on an upward trajectory this week.

### Foreign Exchange Market

Despite heavy demand, a few bilateral trades were executed. Hence, the Naira appreciated by ₦39.84 to close at ₦867.49. This week, forex rates are expected to trade at similar levels.

### Bond Market

Bullish sentiment swept through the bond market as sustained buying witnessed. Consequently, average yields on the 7-, 10-, 15-, 20-, 25-, and 30-year settled lower at 12.92%, 12.18%, 15.91%, 15.17%, 16.80% and 17.09% from 14.30%, 13.04%, 16.48%, 16.19%, 17.13% and 17.55%. Also, the Access Bank bond index increased by 70.27 points to close at 3,965.65 points from 3,895.38 points. Going into the new trading week, an active market is expected as local players shift focus to the Bond auction where the Debt Management Office (DMO) is set to offer a total of ₦360 billion across the 2029, 2033, 2038 and 2053 instruments.

### Commodities

Oil prices continued a downward trend amid signs of increasing global supplies and weakening demand. Heightened economic uncertainties in top crude importer China also weighed on the market, with Moody's cutting its outlook on China's government credit rating from stable to negative. Consequently, the Organization of the Petroleum Exporting Countries (OPEC) basket price declined by \$6.69 to close the week at \$78.31 per barrel (pb) from \$85.00pb posted in the preceding week. Bullion prices retreated after a stronger-than-expected US jobs report challenged calls for the Federal Reserve (Fed) to expedite rate cuts in 2024. Subsequently, gold price lost \$6.5 or 0.3% to sit at \$2,029.90 per ounce. Also, silver lost \$1.32 or 5.3% to sit at \$23.82 per ounce. Oil prices might stay muted as demand uncertainty rises. On the other hand, bullion prices might stay muted as investors brace for more data that could provide clues on the future path of interest rates.

### Monthly Macro Economic Forecast

Variables	Nov'23	Dec'23	Jan'24
Exchange Rate (NAFEX) (N/\$)	780	750	700
Inflation Rate (%)	28.2	29.5	27.1
Crude Oil Price (US\$/Barrel)	87	85	85

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