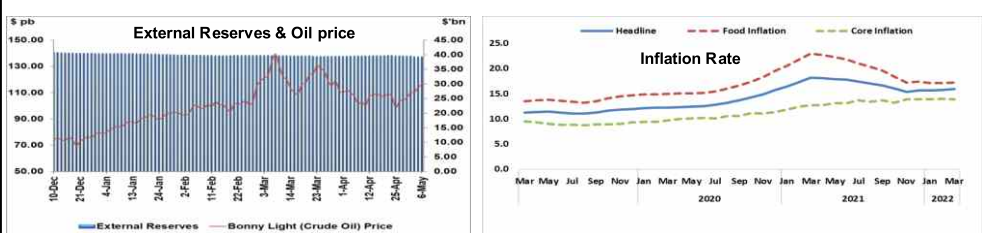
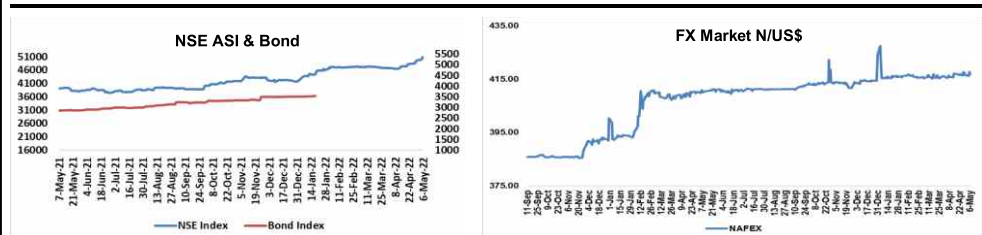


# Access Bank Rateswatch

## KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	3.98	Q4 2021 — lower by 0.05% compared to 4.03% in Q3 2021
Broad Money Supply (N' trillion)	45.65	Rose by 2.03% in March 2022 from N44.74 trillion in February 2022
Credit to Private Sector (N' trillion)	36.37	Rose by 1.06% in March 2022 from N35.99 trillion in February 2022
Currency in Circulation (N' trillion)	3.246	Declined by 0.12% in March 2022 from N3.250 trillion in February 2022
Inflation rate (%) (y-o-y)	15.92	Increased to 15.92% in March 2022 from 15.70% in February 2022
Monetary Policy Rate (%)	11.5	Adjusted to 11.5% in September 2020 from 12.5%
Interest Rate (Asymmetrical Corridor)	11.5 (+1/-7)	Lending rate changed to 12.5% & Deposit rate 4.5%
External Reserves (US\$ million)	39.43	May 04, 2022 figure — a decrease of 0.28% from April start
Oil Price (US\$/Barrel) (Bonny Light)	110.45	May 04, 2022 figure — a increase of 0.31% from the prior week
Oil Production mbpd (OPEC)	1.35	March 2022, figure — a decrease of 4.9% from February figure



## Market Analysis and Outlook: April 29 - May 06, 2022

### Global Economy

The Federal Reserve (Fed), during its May 2022 meeting, raised the target for the fed funds rate by 0.5% to 0.75% - 1%. This is the 2<sup>nd</sup> consecutive rate hike and the highest borrowing costs since 2000, aimed at curbing soaring inflation. Policymakers noted that the invasion of Ukraine and related events are creating additional pressure on economic activities. The rate-setting committee also noted that COVID-related lockdowns in China are likely to exacerbate supply chain snarls. In another development, the Bank of England (BoE), during its May 2022 meeting, raised the key policy rate by 0.25% to 1%, making it the 4<sup>th</sup> consecutive rate hike and highest borrowing costs since early 2009. UK Policymakers noted that global inflationary pressures have intensified sharply following Russia's invasion of Ukraine which has led to a material deterioration in the outlook for UK's growth.

### Money Market

The market for short term funds was relatively liquid last week, bringing down interbank borrowing costs. This liquidity was funded by the Open Market Operations (OMO) maturity. Consequently, short-dated placements such as Open Repo Rates (OPR) and Over Night (O/N) rates waned to 4.75% and 4.93% from 12.25% and 12.50% respectively. Longer dated placements such as the 30-day Nigerian Interbank Offered Rate (NIBOR) rose to 9.25% from 7.31% the prior week. This week, rates may hover around these levels barring any significant activity.

### Foreign Exchange Market

The Central Bank of Nigeria (CBN) intervened in the forex market by making Dollar funds available for legitimate SMEs and Invisible transactions. Consequently, the Nigerian Autonomous Foreign Exchange fixing (NAFEX) gained 27 kobo to close the week at N416.82/\$. The naira is expected to trade at similar levels this week, buoyed by the Central Bank's continued injection of liquidity to the market.

### Domestic Economy

The Organisation of Petroleum Exporting Countries (OPEC) and its allies known as OPEC+ have agreed to gradually release just over 400,000 barrels per day of oil into the market. The meeting also saw the oil exporting group increase Nigeria's production allocation for June to 1.77million barrels per day (mbpd), even though the country had been underperforming for over a year and was barely able to drill 1.4mbpd. The country's inability to raise its production therefore means that it's not able to benefit from high oil prices, which is currently above \$100/b. An OPEC production schedule allocating next month's oil production ration showed Nigeria's share of global crude drilling will increase by 19,000bpd for the month, rising from 1.75mbpd in May to 1.77mbpd in June.

### Commodities

Oil prices nudged higher last week, attributed to concerns about tight global supply and an impending EU embargo on Russian oil outweighed uncertainties about global economic growth. Bonny light, Nigeria's benchmark crude rose by 8.72% to close the week at \$116.43/barrel from \$107.09/barrel posted in the previous week. In another news, the price of precious metals dipped last week owing to a rebound in the greenback and Treasury yields as investors continued to bet on further Fed tightening to bring decades-high inflation under control. The price of the yellow metal fell 1.76% or \$33.75 to settle at \$1,880.93 per ounce. Also, the price of the white metal dropped by 3.35% or \$0.78 to close at \$22.47 per ounce. Oil prices are expected to remain elevated this week sponsored by the EU's proposal to phase out supplies of Russian crude in six months and refined products by the end of 2022. On the other hand, given the hike in Fed fund rate, the greenback and treasury yields will remain strengthened, thus whittling the prices of previous metals this week.

### Stock Market

Activities at the Nigerian Exchange Limited (NGX) showed impressive performance as the All-Share Index (ASI) passed 50,000 basis point, highest since August 2008. Investors' buy interests in consumer goods, industrial, pension and insurance sector stocks drove performance. Consequently, the All Share Index gained 2.62% to close at 50,937.01 points last week. Similarly, market capitalization rose by 2.62% to finish the week at N27.46 trillion. We expect cautious trading as investors continue to hunt for the right counters to beat the prevailing economic realities.

### Monthly Macro Economic Forecast

Variables	Apr'22	May'22	Jun'22
Exchange Rate (NAFEX) (N/\$)	415	416	417
Inflation Rate (%)	15.75	16	16.2
Crude Oil Price (US\$/Barrel)	110	100	98

## STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	6/5/22	29/4/22	
NSE ASI	50,937.01	49,638.94	2.62
Market Cap(N'tr)	27.46	26.76	2.62
Volume (bn)	0.47	0.64	(27.21)
Value (N'bn)	5.31	3.02	75.56

## MONEY MARKET

NIBOR	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	6/5/22	29/4/22	
Tenor			
OBB	4.7500	12.2500	(750)
O/N	4.9250	12.5000	(758)
CALL	9.2500	9.4000	(15)
30 Days	9.2483	7.3100	194
90 Days	10.3273	8.1139	221

## FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	6/5/22	29/4/22	6/4/22
Official (N)	0.00	0.00	0.00
Inter-Bank (N)	416.82	416.55	415.60
BDC (N)	0.00	0.00	0.00
Parallel (N)	0.00	0.00	0.00

## BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	6/5/22	29/4/22	
5-Year	0.00	0.00	0
7-Year	0.00	0.00	0
10-Year	0.00	0.00	0
15-Year	0.00	0.00	0
20-Year	0.00	0.00	0
25-Year	0.00	0.00	0
30-Year	0.00	0.00	0

## COMMODITIES MARKET

Indicators	6/5/22	1-week Change (%)	YTD Change (%)
<b>Energy</b>			
Crude Oil (\$/bbl)	116.43	8.72	80.62
Natural Gas (\$/MMBtu)	8.83	27.23	128.17
<b>Agriculture</b>			
Cocoa (\$/MT)	2,511.00	(2.52)	29.70
Coffee (\$/lb.)	216.25	(2.04)	66.09
Cotton (\$/lb.)	148.57	0.26	91.70
Sugar (\$/lb.)	18.61	(2.87)	21.40
Wheat (\$/bu.)	1,095.50	1.20	152.71
<b>Metals</b>			
Gold (\$/t oz.)	1,880.93	(1.76)	42.76
Silver (\$/t oz.)	22.47	(3.35)	30.72
Copper (\$/lb.)	431.10	(3.06)	31.51

## NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	6/5/22	29/4/22	
1 Mnth	2.93	2.93	(0)
3 Mnths	0.00	0.00	(0)
6 Mnths	3.29	3.30	(1)
9 Mnths	3.79	3.80	(1)
12 Mnths	4.47	4.52	(5)
	5.04	4.99	4

## ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	6/5/22	29/4/22	
Index	0.00	0.00	0.00
Mkt Cap Gross (N'tr)	0.00	0.00	0.00
Mkt Cap Net (N'tr)	0.00	0.00	0.00
YTD return (%)	0.00	0.00	0.00
YTD return (%) (US \$)	0.00	0.00	0.00

## TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	2,684.833	1.74	27-April-2022
182 Day	2,018.65	3	27-April-2022
364 Day	116,268.774	4.79	27-April-2022

**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.

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