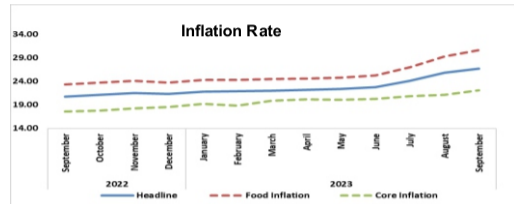
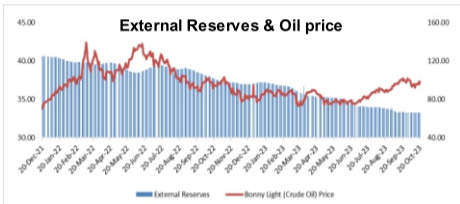
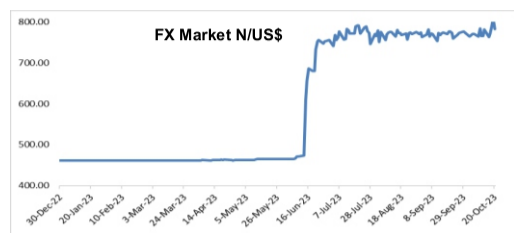
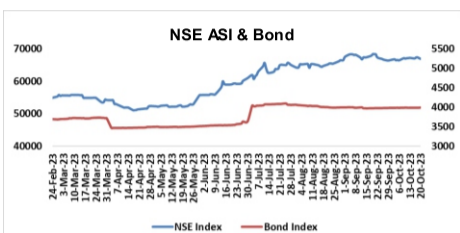


Access Bank Rateswatch

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 (%) (y-o-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)	33.24	October 18, 2023 figure — a increase of 0.06% from October start
Oil Price (US\$/Barrel) (Bonny Light)	98.26	October 20, 2023 figure — a increase of 4.77% from the prior week
Oil Production mbpd(OPEC)	1.35	September 2023, figure — an increase of 14.41% from August 2023 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	20/10/23	13/10/23	
NSE ASI	66,915.41	67,200.69	(0.42)
Market Cap(N'tr)	36.76	36.92	(0.42)
Volume (bn)	0.21	0.22	(8.11)
Value (N'bn)	6.38	4.16	53.20

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	20/10/23	13/10/23	
OPR	1.5000	1.0000	50
O/N	2.2000	1.6700	53
CALL	2.7000	2.0000	70
30 Days	6.1200	8.8750	(276)
90 Days	7.3500	10.0000	(265)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)	Change
	20/10/23	13/10/23	20/9/23	
NAFEX (N)	783.64	781.87	776.61	

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	20/10/23	13/10/23	
7-Year	12.37	12.78	(41)
10-Year	12.17	12.21	(5)
15-Year	15.28	15.19	9
20-Year	15.06	15.06	1
25-Year	15.64	15.63	0
30-Year	16.03	15.95	8

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Market Analysis and Outlook: October 20, - October 27, 2023

Global Economy

The Ministry of Internal Affairs & Communications revealed that the annual inflation rate for the Japanese economy fell to 3.0% in September 2023 from 3.2% printed in the prior month, pointing to the lowest reading since September 2022. Prices eased for furniture & household utensils, clothes, and culture & recreation. In addition, prices of fuel, light, and water charges fell much faster, down for the 8th month due to electricity and gas. Simultaneously, costs increased faster for housing and transport. Meanwhile, food prices rose the most since July 1976. Core inflation rate dropped to a 13-month low of 2.8% while staying outside the Bank of Japan's 2% target for the 18th month. On a monthly basis, consumer prices rose 0.3% in September, after a 0.2% gain in August. In separate space, South Africa's annual inflation rate accelerated for the 2nd successive month to 5.4% in September 2023, up from 4.8% posted in August. However, it remains within the 3% - 6% target band. A report from Statistics South Africa revealed that the main upward pressure came from prices of food & non-alcoholic beverages and transportation. Furthermore, housing and utilities prices remained at an elevated primarily due to significant rises in electricity and other fuel tariffs as well as water costs. The annual core inflation, which excludes prices of food, non-alcoholic beverages, fuel, and energy, eased to a 13-month low of 4.5% in September 2023, from 4.8% in the previous month. On a monthly basis, consumer prices rose by 0.6% in September, after a 0.3% increase in August.

However, the return of bargain hunters is expected to drive the level of activities in the market this week. The Ministry of Internal Affairs & Communications revealed that the annual inflation rate for the Japanese economy fell to 3.0% in September 2023 from 3.2% printed in the prior month, pointing to the lowest reading since September 2022. Prices eased for furniture & household utensils, clothes, and culture & recreation. In addition, prices of fuel, light, and water charges fell much faster, down for the 8th month due to electricity and gas. Simultaneously, costs increased faster for housing and transport. Meanwhile, food prices rose the most since July 1976. Core inflation rate dropped to a 13-month low of 2.8% while staying outside the Bank of Japan's 2% target for the 18th month. On a monthly basis, consumer prices rose 0.3% in September, after a 0.2% gain in August. In separate space, South Africa's annual inflation rate accelerated for the 2nd successive month to 5.4% in September 2023, up from 4.8% posted in August. However, it remains within the 3% - 6% target band. A report from Statistics South Africa revealed that the main upward pressure came from prices of food & non-alcoholic beverages and transportation. Furthermore, housing and utilities prices remained at an elevated primarily due to significant rises in electricity and other fuel tariffs as well as water costs. The annual core inflation, which excludes prices of food, non-alcoholic beverages, fuel, and energy, eased to a 13-month low of 4.5% in September 2023, from 4.8% in the previous month. On a monthly basis, consumer prices rose by 0.6% in September, after a 0.3% increase in August.

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Domestic Economy

A recent report from the National Bureau of Statistics (NBS) revealed that Nigeria's annual inflation rate continued to soar, reaching an over 18-year high of 26.72% in September 2023, up from August's figure of 25.80%, mainly attributed to second-round effects of the removal of petrol subsidy and the devaluation of the naira. Prices of food, which is the most relevant in the CPI basket, jumped to 30.64% in September, the highest since August 2005, from 29.3% in the prior month, also linked to security issues in food-producing regions. The annual core inflation rate climbed further to 22.1% in September, quickening from 21.2% in August. On a monthly basis, consumer prices rose by 2.1% in September, following a 3.2% surge in the prior month.

Stock Market

The Nigerian bourse closed on a negative note last week as activities slowed on the exchange after the county's headline index raced to the highest level in 18 years. Prevailing bearish sentiment weighed down the pension, banking, industrial, consumer goods and insurance segments with market market-leading index closing south week-on-week. As a result, the All-Share Index (ASI) declined by 285.28 points to close at 66,915.41 points. Similarly, market capitalization descended by ₦160 billion to close the week at ₦36.76 trillion. Going into trading this week, we expect the bears to maintain their grip on the market.

Money Market

Bond auction settlement and Cash Reserve Requirement (CRR) maintenance sapped liquidity from the system. Consequently, the Open Repo Rate (OPR) and Over Night (ON) rose to 1.50% and 2.20% from 1.00% and 1.67% recorded in the prior week. However, longer-dated placements such as the 30-day Nigerian Interbank Offered Rate (NIBOR) declined to 6.12% from 8.88%. This week, rates might inch higher barring any significant inflow into the system.

Foreign Exchange Market

Increased demand for forex was met with a modest supply of Dollars during the trading session over the just concluded week. Hence, the Naira depreciated by ₦1.77 to close at ₦783.64/\$. This week, the Naira is expected to exchange the Dollar at a relatively similar rate barring any significant inflow of the latter.

Bond Market

The Federal Government of Nigeria (FGN) Bond market closed on a relatively quiet note with minimal interest seen on the long-end maturities. Consequently, average yields on the 15-, 20-, 25-, and 30-year settled higher at 15.28%, 15.06%, 15.64, and 16.03% from 15.19%, 15.06%, 15.63, and 15.95%. Also, the Access Bank bond index rose further by 6.88 points to close at 3,997.23 points from 3,990.35 points. Owing to the payment of coupon of c. ₦254 billion on the 2029, 2032 and 2049 bonds, market sentiment is expected to improve.

Commodities

Oil prices were on track to advance for the second consecutive week, underpinned by fears that the Israel-Hamas conflict may spread in the Middle East and cause supply disruptions in the region. Oil prices also remained supported by expectations of a wider market deficit in the 4th quarter after top producers Saudi Arabia and Russia extended supply cuts to the end of the year. Consequently, Bonny Light, Nigeria's benchmark crude, price rose by \$4.47 per barrel (pb) to close the week at \$98.26pb from \$93.79pb posted in the preceding week. In another development, bullion prices extended further gains, hovering at their highest levels in 3 months as escalating tensions in the Middle East prompted a surge in demand for precious metals as safe-haven assets. Subsequently, gold price gained \$96.48 or 5.1% to sit at \$1,977.75 per ounce. Also, silver gained \$0.96 or 4.3% to sit at \$23.09 per ounce. This week, failure to de-escalate tensions in the Middle East could see oil & bullion prices rise further.

Monthly Macro Economic Forecast

Variables	Aug'23	Sep'23	Oct'23
Exchange Rate (NAFEX) (N/\$)	780	775	780
Inflation Rate (%)	24.5	26.04	26.80
Crude Oil Price (US\$/Barrel)	85	83.5	80