

Daily Market Update

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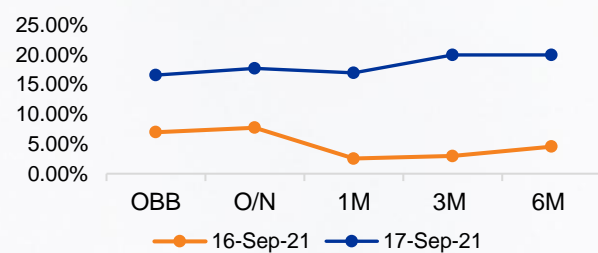
Money Market

System liquidity opened at a high of N337bn; attributable to the Retail SMIS refund that came into the system the previous day.

As market participants jostled to fund for the bi-weekly Retail SMIS auction, we witnessed a c.950bps increase in rates as OBB and Overnight rates closed the week at 16.50% and 16.75% respectively.

Ahead of the new week, we expect money market rates to decline as we do not foresee any significant funding activity in the market.

Money Market Rate Movement



Foreign Exchange

Closing the week, the Naira depreciated against the Dollar day on day by 27 kobo to close the week at \$/N412.30.

The paucity of funds continued at the Investors' and Exporters' Window as bids continue to outweigh offers in the market. Nevertheless, the Naira gained against the dollars by 19Kobo to close at \$/N412.88.

As anticipated, the CBN conducted its bi-weekly Retail SMIS auction today. We expect stability in rates in the market next week.

FX Rates	Current	Previous	%Δ
Indicative I&E Open	412.49	412.64	(0.04)
I&E Closing	412.88	413.07	(0.05)
NAFEX	412.30	412.03	0.06
BDC Rate	565.00	555.00	1.80

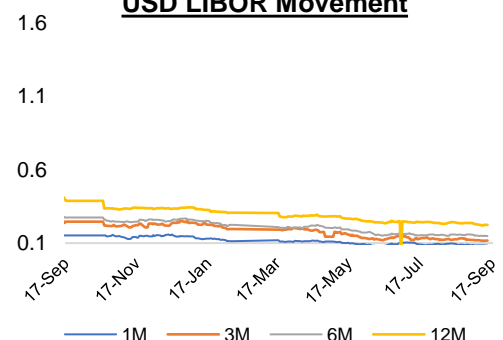
Treasury Bills

The Treasury Bills secondary market closed the week on a quiet note as market participants largely remained on the sidelines awaiting the results of the MPC meeting concluded today. As the trading day progressed, we observed some selling interest across the curve but with minimal trades consummated. Consequently, remained mostly unchanged from opening levels.

We expect the market to open on a quiet note next week as market players continue to trade cautiously.

Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
30-Sep-21	3.65	19-Oct-21	5.11
14-Oct-21	3.76	02-Nov-21	5.63
10-Feb-22	4.76	07-Dec-22	6.43
28-Apr-22	5.53	01-Mar-22	6.63
12-May-22	5.69	15-Mar-22	6.67





DOMESTIC NEWS

WHY CBN IS OPTIMISTIC OF 3% GDP GROWTH IN Q4: 2021

The Governor of Central Bank of Nigeria (CBN), Godwin Emefiele, has stated that with the continued improvements in the nation's economy closing the output gap brought about by the 2020 recession, the country's Gross Domestic Product (GDP) is expected to rise between 2.5 per cent and 3 per cent by the end of 2021. Emefiele, who made the projection at the 14th annual Chartered Institute of Bankers of Nigeria (CIBN) banking and finance conference in Abuja on Tuesday, added that Q2, 2021 growth also makes it the strongest growth since the fourth quarter of 2014.

According to the CBN Governor, Nigeria's GDP accelerated to 5.01 per cent in the second quarter (Q2) of 2021 for the third consecutive quarter following the negative growth rates recorded in the second and third quarters of 2020. He said: "With continued improvements in the economy, I am optimistic that by the end of the year, our economy will not only close the output gap brought about by the 2020 recession but that we would end the year with an annual GDP growth of between 2.5 – 3.0 per cent up from -1.92 per cent in 2020.

GLOBAL NEWS

DELTA VARIANT NOT INTERFERING WITH ECONOMY AS MUCH AS FEARED

The August numbers released Thursday by the government showed that the U.S. economy is proving more steadfast than what analysts had feared. Consumer spending at retailers was up last month, and employers retained employees at higher rates, both indicators of economic demand, as reported by The Wall Street Journal.

Retail sales were up 0.7% in August after a drop in July, according to the Commerce Department. August brought about school reopenings, which in turn boosted spending at major retailers, with an increase in furniture and hardware sales, as well as increased spending at grocery stores. This boost helped to counteract the continuing decrease in car sales with chip shortages continuing to impact the industry.

Initial jobless claims were up 20,000 to a total of 332,000 but are still at some of the lowest numbers they have been since the pandemic began. The boost was most likely due to layoffs from Hurricane Ida that roared through Louisiana and then caused havoc and flooding across much of the U.S. at the end of August. Initial jobless claims are typically a fair indicator for layoffs, meaning that employers are retaining employees at higher rates than they have for most of the last year and a half.

Sources: FMDQ, Access Bank Treasury Team, Abokifx, Bloomberg, Daily Independent.

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