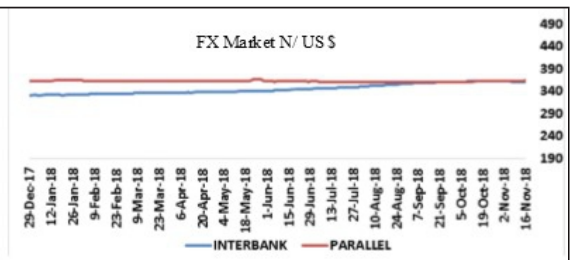
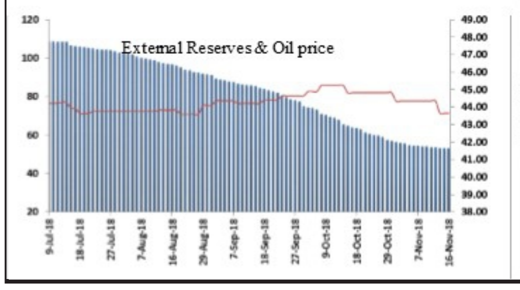
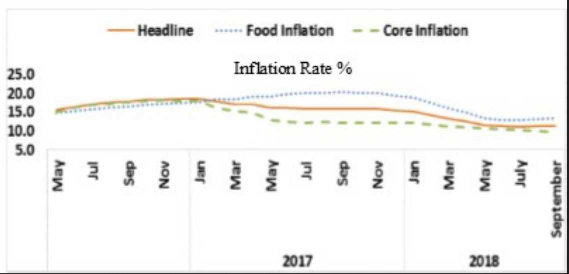
Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

GDP Growth (%)	1.50	Q2 2018 — lower by 0.45% compared to 1.95% in Q1 2018
Broad Money Supply (M2) (N' trillion)	25.28	Increased by 1.73% in Oct' 2018 from N25.28 trillion in Sept' 2018
Credit to Private Sector (N' trillion)	22.72	Increased by 0.72% in Oct' 2018 from N22.56 trillion in Sept' 2018
Currency in Circulation (N' trillion)	1.97	Increased by 1.54% in Oct' 2018 from N1.93 trillion in Sept' 2018
Inflation rate (%) (y-o-y)	11.28	Increased to 11.28% in September' 2018 from 11.23% in August' 2018
Monetary Policy Rate (%)	14	Raised to 14% in July '2016 from 12%
Interest Rate (Asymmetrical Corridor)	14 (+2/-5)	Lending rate changed to 16% & Deposit rate 9%
External Reserves (US$ million)	41.64	November 14, 2018 figure — a decrease of 0.72% from November start
Oil Price (US$/Barrel)	71.40	November 16, 2018 figure— a decrease of 8.12% from the prior week
Oil Production mbpd (OPEC)	1.75	October 2018 figure — a decrease of 0.96% from September 2018 figure







STOCK MARKET

Indicators	Friday 16/11/18	Friday 9/11/18	Change(%)
NSE ASI	32,058.28	32,200.21	(0.44)
Market Cap(N'tr)	11.70	11.76	(0.44)
Volume (bn)	0.16	0.12	35.46
Value (N'bn)	2.79	1.58	76.40

MONEY MARKET

NIBOR

Tenor	Friday Rate (%) 16/11/18	Friday Rate (%) 9/11/18	Change (Basis Point)
OBB	6.3300	4.2500	208
O/N	7.1700	5.0000	217
CALL	7.1250	4.2083	292
30 Days	11.9443	11.9443	0
90 Days	14.1529	13.8393	31

FOREIGN EXCHANGE MARKET

Market	Friday (N/$) 16/11/18	Friday (N/$) 9/11/18	1 Month Rate (N/$) 16/01/18
Official (N)	306.70	306.65	306.50
Inter-Bank (N)	360.52	361.73	362.48
BDC (N)	363.50	363.50	362.99
Parallel (N)	364.00	363.00	362.00

BOND MARKET

AVERAGE YIELDS

Tenor	Friday (%) 16/11/18	Friday (%) 9/11/18	Change (Basis Point)
3-Year	0.00	0.00	0
5-Year	15.23	15.09	14
7-Year	15.46	15.49	(3)
10-Year	15.50	15.48	3
20-Year	15.70	15.67	3

Sources: CBN, Financial Market Dealers Association of Nigeria, NSE and Access Bank Economic Intelligence Group computation.

COMMODITIES MARKET

Indicators	16/11/18	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil $/bbl)	71.40	(8.12)	10.77
Natural Gas ($/MMBtu)	4.02	12.29	31.54
Agriculture			
Cocoa ($/MT)	2215.00	(2.68)	14.41
Coffee ($/lb.)	114.00	(4.52)	(12.44)
Cotton ($/lb.)	78.23	(2.82)	0.94
Sugar ($/lb.)	12.68	(0.94)	(17.29)
Wheat ($/bu.)	514.50	2.49	18.69
Metals			
Gold ($/t oz.)	1216.22	(0.24)	(7.69)
Silver ($/t oz.)	14.30	(0.28)	(16.81)
Copper ($/lb.)	274.40	1.61	(16.29)

NIGERIAN INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Friday (%) 16/11/18	Friday (%) 9/11/18	Change (Basis Point)
1 Mnth	10.95	12.25	(129)
3 Mnths	13.30	13.24	5
6 Mnths	13.68	13.28	40
9 Mnths	14.83	15.03	(20)
12 Mnths	16.82	16.50	32

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Friday (%) 16/11/18	Friday (%) 9/11/18	Change (Basis Point)
Index	2,665.09	2,663.24	0.07
Mkt Cap Gross (N'tr)	8.32	8.31	0.06
Mkt Cap Net (N'tr)	5.19	5.20	(0.17)
YTD return (%)	8.49	8.42	0.07
YTD return (%)(US $)	-47.70	-47.24	(0.46)

TREASURY BILLS (MATURITIES)

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	3,384.18	10.95	14-Nov-2018
182 Day	16,920.90	13.16	14-Nov-2018
364 Day	107,938.48	14.45	14-Nov-2018

Market Analysis and Outlook: November 16 - November 23, 2018

Global

In China, export rose by 15.6% y-o-y customs data showed. Continued strong export growth in October reflected accelerated deliveries of export orders ahead of the U.S. tariff hike. Similarly, imports increased by 21.4% from a year earlier and suggest that Beijing's stimulus measures are having an impact. The trade surplus widened to $34 billion from $31.3 billion previously. The stronger-than-expected import figures for China soften the concerns about a slowdown in global demand. Elsewhere, in the UK, a preliminary estimate by the Office for National Statistics (ONS) showed that the economy grew by 0.6% q-o-q in the third quarter. This follows a 0.4% expansion in Q2 and marks the quickest growth rate since the end of 2016. Household spending grew by 0.5%, but business investment fell by 1.2%. This was the third quarterly contraction and likely reflects a hesitation from businesses to commit to investment given the persisting uncertainty surrounding Brexit. In a separate development, credit rating agency, Fitch, affirmed India's 'Long-Term Foreign-Currency Issuer Default Rating' (IDR) at 'BBB-' with a stable outlook. The rating agency said that a weak fiscal position continues to constrain the ratings and there were significant risks to macroeconomic outlook. Government debt at close to 70% of GDP and expenditures being difficult to control in the run-up to general elections were main reasons for the weak fiscal position. In a statement, Fitch said it expects India's real GDP growth to rise to 7.8% in the current year, from 6.7% last year.

Domestic

The Central Bank of Nigeria (CBN) has released its Consumer Expectations Survey Report for Q3 2018. According to the report, the Consumer Overall Confidence rose to 1.5 Index points, compared to the previous quarter of Q2 2018 when the index was recorded at -6.3 points. Respondents attributed the change in outlook to improved economic conditions. The consumer outlook for the next quarter and next 12 months were also positive at 24.7 and 30.1 points respectively, attributable to the expected increase in net household income, the anticipated improvement in Nigeria's economic conditions, and expectations of increased savings over the next 12 months. The survey covered a sample size of 1,770 Households randomly selected from 207 Enumeration Areas (EAs) across the country, with a response rate of 96.9%. In another development, the CBN reported that Nigerian banks recorded 20,768 cases of frauds and forgeries (attempted and successful) amounting to N19.77 billion in the first half of 2018. The apex bank disclosed this in its economic report for the first half of 2018. According to the CBN, the actual loss by banks to frauds and forgeries, amounted to N12.06 billion, compared with the N0.78 billion and $0.03 million, suffered in the first half of 2017. It noted that fraud and forgery incidences were perpetrated by both bank staff and non-bank culprits.

Stock Market

The stock market closed last week on a negative note amid tepid investor sentiment. The All Share Index (ASI)- the main index that tracks share prices at the Nigerian Stock Exchange (NSE) dropped by 141.93 points, representing a loss of 0.44% to close at 32,058.28points. Aggregate market capitalisation of quoted equities similarly declined by N5 billion to close at N11.70 trillion. This week, we expect the market to remain largely downbeat in the absence of any immediate positive impetus.

Money Market

Money market rate increased marginally amidst a quiet week. Net outflow for the week was N6 million which might explain the slight upward trend. Consequently, short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates edged up to 6.33% and 7.17% from 4.25% and 5% respectively the previous week. Longer dated placements settled in varying directions, as the 30-day NIBOR closed lower at 11.94% from 13.09% and 90-day NIBOR settled higher at 14.15% from 13.84%. This week, rates are expected to trend upwards due to expected Retail Secondary Market Intervention Sales

Foreign Exchange Market

The naira-dollar exchange rate depreciated at most market segments last week. At the official window, it lost 5 kobo to settle at N306.70/$ from N306.65/$ the previous week. Similarly, at the parallel market the local unit weakened N1 to close at N364/$ from N363/$. Meanwhile, at the interbank market the currency appreciated by 60kobo to settle at N360.52/$ from N361.73/$. The weakening seen in the official and interbank markets comes amidst sustained intervention in the FX market by the monetary regulator. This week, we expect the naira to continue trading within current rates in all markets as the CBN continues to supply FX.

Bond Market

Bond yields inched higher across most maturities. Sell-off were witnessed majorly among long-dated instrument such as the 2034 and 2037 bond. Yields on the five-, seven-, ten- and twenty-year debt papers settled at 15.23%, 15.46%, 15.50% and 15.70% from 15.09%, 15.49%, 15.48% and 15.67%respectively the previous week. The Access Bank Bond index increased slightly by 1.85 points to close at 2,665.09 points from 2,663.24 points the previous week. This week, we expect the market to remain quiet, with trades largely order-driven as market participants anticipate the outcome of the MPC meeting.

Commodities

Oil prices retreated last week, as fears of a supply squeeze receded following the US government's decision to permit eight nations to keep buying some crude from Iran despite a new set of sanctions against the OPEC member. Bonny light, Nigeria's crude oil benchmark, settled $6.31 lower at $71.4 per barrel. Precious metals prices declined on muted demand and stronger dollar. Gold was down 0.24% at $1,216.22 per ounce, while silver eased 0.3% to $14.30 per ounce. This week, oil prices will likely be supported by expectations OPEC would start withholding supply soon. For precious metals, we expect prices to draw strength from on-going Brexit turmoil in the UK and trade tensions between US and China.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Nov'18	Dec'18	Jan'18
Exchange Rate (Official) (N/$)	363	364	365
Inflation Rate (%)	11.30	11.32	11.45
Crude Oil Price (US$/Barrel)	75	77.00	78.00

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