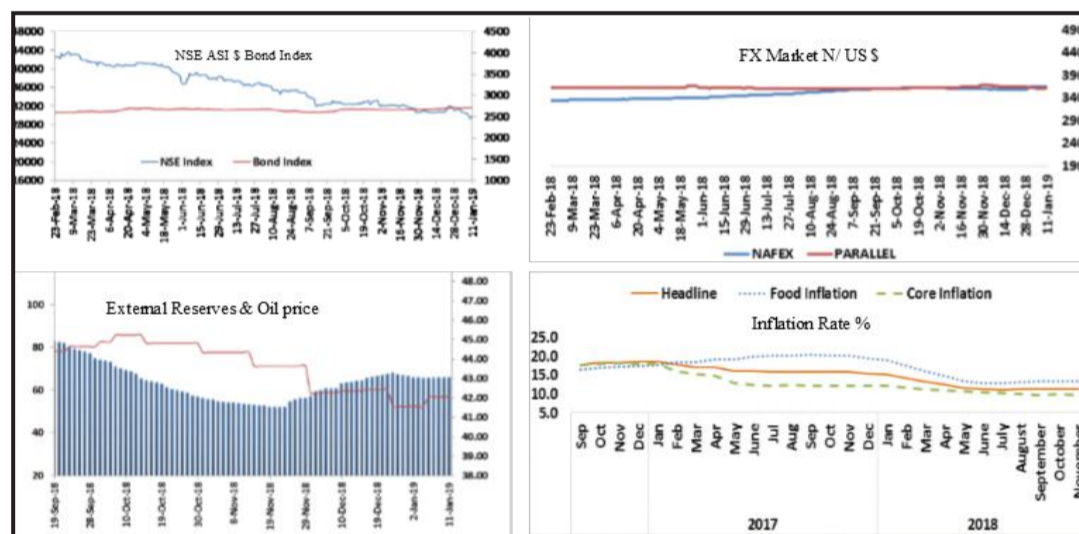


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	1.81	Q3 2018 — Higher by 0.31% compared to 1.50% in Q2 2018
Broad Money Supply (M2) (N' trillion)	31.79	Decreased by 0.007% in Nov' 2018 from N32.03 trillion in Oct' 2018
Credit to Private Sector (N' trillion)	23.08	Decreased by 0.002% in Nov' 2018 from N23.14 trillion in Oct' 2018
Currency in Circulation (N' trillion)	2.1	Increased by 0.074% in Nov' 2018 from N1.93 trillion in Oct' 2018
Inflation rate (%) (y-o-y)	11.28	Increased to 11.28% in November 2018 from 11.26% in October' 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)	43.05	January 9, 2018 figure — a decrease of 0.07% from January start
Oil Price (US\$/Barrel)	56.82	January 11, 2019 figure — an increase of 8.39% from the prior week
Oil Production mbpd (OPEC)	1.736	November 2018 figure — a decrease of 1.64% from October 2018 figure



STOCK MARKET

Indicators	Friday 11/01/19	Friday 04/01/19	Change(%)
NSE ASI	29,830.70	30,638.90	(2.64)
Market Cap(N'tr)	11.12	11.43	(2.64)
Volume (bn)	0.20	0.33	(41.15)
Value (N'bn)	2.39	1.77	35.02

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	11/01/19	04/01/19	
OBB	20.00	20.00	0
O/N	22.50	23.75	(125)
CALL	21.00	15.29	571
30 Days	15.95	15.84	11
90 Days	14.97	13.84	113

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	11/01/19	04/01/19	11/12/18
Official (N)	306.90	306.95	306.90
Inter-Bank (N)	364.84	364.50	359.64
BDC (N)	0.00	364.50	364.50
Parallel (N)	363.00	361.00	365.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	11/01/19	04/01/19	
3-Year	0.00	0.00	0
5-Year	15.35	15.40	(5)
7-Year	15.41	15.54	(13)
10-Year	15.29	15.39	(11)
20-Year	15.48	15.49	(1)

Disclaimer

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Market Analysis and Outlook: January 11th – January 18th, 2019

Global Economy

In the Eurozone, unemployment rate dipped to 7.9% in November 2018 from 8% recorded the previous month. According to the European Statistical Office, it is the lowest jobless rate seen since October 2008 as the number of unemployed people declined further. Among EU Member States, the lowest unemployment rates in November were recorded in Czech Republic (1.9%), Germany (3.3%) and the Netherlands (3.5%). The highest unemployment rates were observed in Greece (18.6% in September 2018) and Spain (14.7%). Compared with a year ago, the largest decreases were registered in Croatia (7.8% from 10%), Greece (18.6% from 20.8% between November 2018 and November 2017) and Spain (14.7% from 16.5%). In a separate development, China's consumer price inflation dipped to 1.9% in December from 2.2% reported in November. This slowdown came on the back of lower prices seen in non-food, while food inflation remained at its lowest level in three months according to the National Bureau of Statistics, China. Annual core inflation, which strips out volatile food and energy prices, stood at 1.8 percent in December, unchanged from the previous month. Elsewhere in Japan, unemployment rate notched up to 2.5% in November 2018 from 2.4% in the prior month according to the statistics office of Japan. Jobs-to-applicants ratio edged up to 1.63 from 1.62 in October. However compared to a year earlier the unemployment rate was higher at 2.7%.

Local Economy

The World Bank has projected Nigeria's economic growth in 2019 at 2.2% and 2.45% in 2020-21, slightly upgrading its earlier estimate of 2.1% in June 2018. This is based on the assumption that oil production will recover and a slow improvement in private demand will constrain growth in the non-oil industrial sector. It also projected oil price at \$67 per barrel for the current year and next year (2020). This is \$2 dollar below its initial projections in June 2018. In a separate development, the Nigerian Stock Exchange (NSE) in its monthly Domestic & Foreign Portfolio Investment report for the month of November 2018 revealed that transactions at the nation's bourse jumped by 23.28% to N149.72 billion from N121.45 billion recorded in October 2018. Total foreign transactions increased slightly by 1.05% to N84.36 billion from N83.48 billion the previous month. In the same light, total domestic transactions surged by 72.13% to N65.36 billion from N37.97 billion in October. A breakdown of foreign transactions showed that there was decrease in foreign inflows in the month under review by 16.72% to N34.97 billion from N40.82 billion in the prior month. In contrast, foreign outflows edged up by 15.78% to N49.39 billion in November from N42.66 billion in the preceding month. The cumulative transactions from January 2018 to November 2018 increased by 10.48% to N2.278 trillion compared to the same period in 2017 (N2.062 trillion).

Stock Market

Last week, the Nigerian Stock Market hit a record low as the market fell below the 30,000 points psychological line amidst high selling pressure ahead of the 2019 presidential election holding on February 16. The All Share Index (ASI) lost 2.64% or 808.20 points to close at 29,830.70 points from 30,638.90 points the previous week. Similarly, market capitalization fell by 2.64% to close at N11.12 trillion from N11.42 trillion the previous week. This week, we expect market volatility to continue as investors and fund managers rebalance their portfolios, while watching the political space and ahead of full year company earnings position and post-election market dynamics.

Money Market

Cost of borrowing at the money market recorded mixed movements last week. On one hand Open Buy Back (OBB) remained unchanged at 20% while overnight (O/N) rates fell slightly to 22.50% from 23.75%. Longer tenured interbank rates increased across other rate buckets. The 30-day and 90-day Nigerian Interbank Offer Rates (NIBOR) climbed to settle at 15.95% and 14.97% from 15.84% and 13.84% respectively. The market experienced tight liquidity as the CBN mopped up funds through Open Market Operations (OMO) and a special OMO session. This week, we expect rates to nudge higher due to expected Retail Secondary Market Intervention Sales (SMIS).

Foreign Exchange Market

The local currency took a beating in most market segments last week. At the Investors' and Exporters' (NAFEX) window the naira lost 0.09% to close at N364.84/\$ compared to N364.50/\$ the previous week. The parallel rate also trended lower, settling at N363/\$ relative to N361/\$ the week before. In contrast, the official window slightly appreciated by 5 kobo to close at N306.90/\$ from N306.95/\$. The relative stability of the local currency continues to be supported by the intervention of the apex Bank. This week, we envisage the naira remaining at prevailing levels, as the CBN continues to support the currency.

Bond Market

Bond yields declined last week following demand from institutional investors which pushed up price of bond. Yields on the five-, seven-, ten- and twenty year debt papers finished at 15.35%, 15.41%, 15.21% and 15.48% from 15.40%, 15.54%, 15.39% and 15.49% respectively the previous week. The Access Bank Bond Index rose marginally by 8.20 points or 0.30% to 2,712.39 points from 2,704.19 points the previous week. This week we expect the market to remain quiet as investors look forward to macroeconomic news to determine their position.

Commodities Market

Oil prices surged last week fueled by hopes of near-term trade deal with China, a weaker U.S. dollar and the impact of Organization of Petroleum Exporting Countries (OPEC) supply cuts. OPEC's 1.2 million barrels per day in production cuts appear to have offset the continued surge in U.S. output, which hit a record 11.7 million barrels per day last week. Bonny light, Nigerian benchmark crude gained \$4.40 to settle at \$56.82 a barrel, 8.4% up from the previous week. In a similar vein, precious metals prices inched higher for the fourth consecutive week. This was supported by a weak dollar on expectations that the US Federal Reserve may pause on its monetary tightening cycle in 2019. Gold prices edged up 0.3% to \$1,294.95 per ounce last week, while silver prices closed 2 cents, or 0.1%, higher at \$15.73 per ounce. This week, concerns over rising U.S. production and the end of the trade talks could begin to weigh on crude oil prices. Precious metals prices are expected to remain bullish, buoyed by partial US government shutdown and the US president's threat to declare an emergency.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Jan'19	Feb'19	Mar'19
Exchange Rate (NAFEX) (N/\$)	364	364	365
Inflation Rate (%)	11.30	11.61	11.45
Crude Oil Price (US\$/Barrel)	57	58.00	62.00