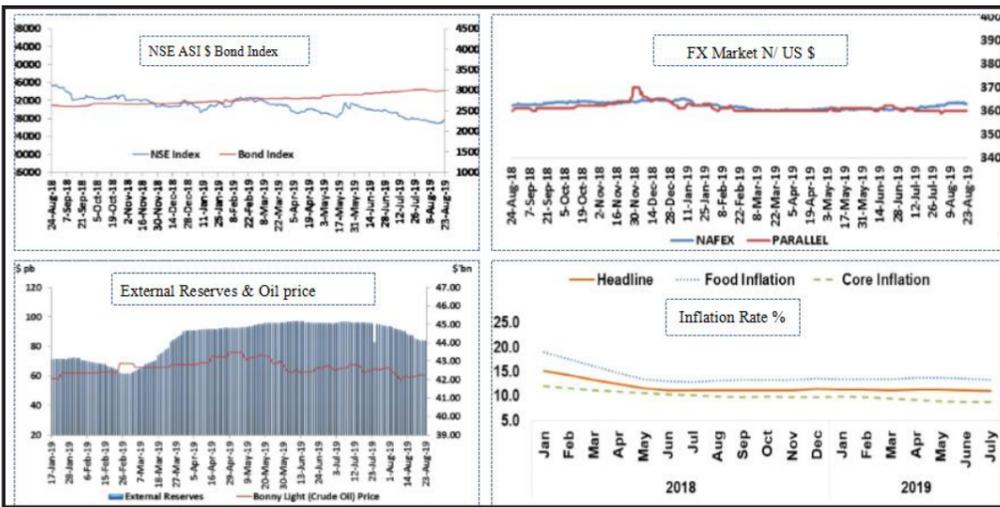


# Access Bank Rateswatch

## KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	2.01	Q1 2019 — lower by 0.38% compared to 2.39% in Q4 2018
Broad Money Supply (N' trillion)	34.89	Decreased by 0.77% in May' 2019 from N35.17 trillion in Apr' 2019
Credit to Private Sector (N' trillion)	24.86	Decreased by 0.13% in May' 2019 from N24.89 trillion in Apr' 2019
Currency in Circulation (N' trillion)	2.11	Decreased by 2.22% in May' 2019 from N2.16 trillion in Apr' 2019
Inflation rate (%) (y-o-y)	11.08	Decreased to 11.08% in July 2019 from 11.22% in June 2019
Monetary Policy Rate (%)	13.5	Adjusted to 13.5% in March 2019 from 14%
Interest Rate (Asymmetrical Corridor)	13.5 (+2/-5)	Lending rate changed to 15.5% & Deposit rate 8.5%
External Reserves (US\$ million)	44.13	August 21, 2019 figure — a decrease of 1.67% from August start
Oil Price (US\$/Barrel)	60.33	August 23, 2019 figure — an increase of 6.35% from the previous wk
Oil Production mbpd (OPEC)	1.786	July 2019 figure — a decrease of 1.21% from June 2019 figure



### STOCK MARKET

Indicators	Friday 23/08/19	Friday 16/08/19	Change(%)
NSE ASI	27,818.50	26,925.29	3.32
Market Cap(N'tr)	13.53	13.12	3.14
Volume (bn)	1.14	0.26	342.02
Value (N'bn)	2.26	3.53	(36.00)

### MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	23/08/19	16/08/19	
OBB	17.71	18.00	(29.0)
O/N	18.79	19.57	(78)
CALL	19.17	17.69	147.9
30 Days	15.37	14.75	62
90 Days	14.88	13.81	107.1

### FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	23/08/19	16/08/19	23/07/19
Official (N)	306.95	306.90	306.90
Inter-Bank (N)	363.01	363.42	361.75
BDC (N)	0.00	0.00	0.00
Parallel (N)	360.00	360.00	360.00

### BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	23/08/19	16/08/19	
3-Year	0.00	0.00	0.0
5-Year	14.49	14.25	23.9
7-Year	14.05	14.04	0.3
10-Year	14.29	14.31	(2.5)
20-Year	14.33	14.55	(22.4)
30-Year	14.50	14.55	(5)

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## Market Analysis and Outlook: August 23– August 30, 2019

### Global Economy

In the US, industrial production declined by 0.2% month-on-month (m-o-m) in July as mining and manufacturing output fared particularly poorly. In the case of mining, Hurricane Barry saw oil extraction in the Gulf of Mexico decrease in July. Manufacturing production was down 0.4% m-o-m with the biggest fall recorded in the durable goods category. Output for utilities was sharply up. In a separate development, the trade surplus in China increased to \$45.06 billion (bn) in July, from \$27.49bn a year ago. Exports rebounded from a 1.3% contraction in June and registered the fastest rate of expansion since March. China's trade surplus with the US declined to \$27.97bn, from \$29.92bn in June. From January to July, the trade surplus with the US measured \$168.5bn. Elsewhere in the Eurozone, the IHS Markit flash composite output index rose to 51.8 in August from 51.5 in July. The survey revealed a wide divergence in performance between the manufacturing and service sectors. The services Purchasing Managers' Index modestly improved to 53.4 from 53.2 a month ago. At the same time, the manufacturing sector remained in the negative territory in August. The indicator fell to 47.0 versus 46.5 in July.

### Local Economy

The Nigerian Stock Exchange (NSE) published its monthly Domestic & Foreign Portfolio investment report for July 2019. The report revealed that the total transactions at the nation's bourse decreased by 61.82% to N113.47 billion from N297.25 billion recorded in June 2019. In July 2019, the total value of transactions executed by foreign investors outperformed transactions executed by domestic investors by 2%. Total domestic transactions decreased significantly by 72.22% to N55.69 billion from N200.51 billion in June 2019. Likewise, total foreign transactions decreased by 40.27% from N96.74 billion to N57.78 billion between June and July 2019. Total domestic transactions which is split into retail and institutional investors revealed that institutional investors outperformed retail investors by 8%. Institutional composition of the domestic market notched lower by 33.28% to N30.25 billion in July 2019 from N45.34 billion in June 2019. In the same light, total retail transactions dipped by 83.59% to N25.44 billion in the reference month from N155.12 billion in June. The performance of the current month when compared to the performance in the same period (July 2018) of the prior year revealed that total transactions also decreased by 22.31%. In a separate development, the Nigeria Bureau of Statistics in its "Foreign Trade in Goods Statistics" revealed that total trade grew by 2.50% to N8.2trillion in Q1 2019 compared to Q4 2018, and 7.52% relative to the corresponding quarter in 2018. Total exports was recorded at N4.5trillion, which represents a 1.78% rise compared to the fourth quarter of 2018 but a 3.9% fall compared to the first quarter of 2018. Similarly, the value of total imports increased to N3.7 trillion, representing an increase of 3.39% relative to Q4 2018 and 29.84% compared with Q1 2018. The trade balance remained positive at N831.6 billion in Q1 2019, boosted by increase in both exports and imports.

### Stock Market

The Nigerian Stock exchange witnessed a turnaround from its past bearish performance as the market closed in the positive. This upturn was on the back of interim dividend expectations and payouts. Accordingly, the All Share Index (ASI) edged up 3.32% to 27,818.50 points from 26,925.29 points the preceding

week. Market capitalization also increased by N41 billion to N13.53 trillion from N13.12 trillion the prior week. This week, we envisage that the market will remain bullish as bargain hunter's reposition, taking advantage of the seeming improvement in economic indices that were released recently and the corporate earnings that revealed the true position of listed companies.

### Money Market

Cost of borrowing witnessed a slight decline as OMO maturity of N92 billion hit the system bringing relief to the tight liquidity seen in the market. Consequently, short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates settled at 17.71% and 18.79% from 18% and 19.57% respectively last week. This week, rates are expected to remain elevated as expected Retail Secondary Market Intervention Sales (SMIS) keeps market liquidity pressured.

### Foreign Exchange Market

The local unit witnessed mixed performance against the dollar across the major market segments monitored last week. The NAFEX window, saw a slight appreciation of 41 kobo to close at N363.01/\$. The parallel market remained unchanged at N360/\$ week-on-week. In contrast, the official window saw a slight depreciation as it ended N306.95/\$, a 5 kobo loss from the prior week. This week, we expect the naira to hover around prevailing levels at the various windows, boosted by the Central Bank's sustained supply of liquidity to the market.

### Bond Market

The Bond market experienced renewed interest at the end of last week as investors purchased 2028 and 2026 maturities. Yields on ten- and thirty- year debt papers dipped to settle at 14.29% and 14.50 from 14.31% and 14.55%. The Access Bank Bond index increased by 18.31 points to 2992.54 points from 2974.23 points the previous week. This week, market is expected to remain flat, due to tight liquidity in the system.

### Commodities Market

Oil prices soared last week as the combination of the OPEC+ cuts, the worsening supply disruptions in Iran and Venezuela, and a slowdown in U.S. shale have led to the support seen in oil prices. Nigeria's crude oil benchmark, bonny light, edged up, recording a 6.35% increase to \$60.33 per barrel compared to \$56.73 the previous week. In contrast, precious metals prices dipped on account of profit booking. Investors are looking for clarity on monetary policy after minutes of the US central bank's July meeting tempered hopes of aggressive rate cuts. Gold declined by 1.21%, settling at \$1,495.13 per ounce, while silver ended up 0.58% lower at \$17.07 per ounce. This week, we anticipate oil prices will decline following China's unveiling of retaliatory tariffs against about \$75bn (£60bn) worth of US goods. Precious metal are expected to react in the opposite direction as ongoing geopolitical and trade tensions spur safe-haven demand.

### MONTHLY MACRO ECONOMIC FORECASTS

Variables	Aug'19	Sep'19	Oct'19
Exchange Rate (NAFEX) (N/\$)	362	361	362
Inflation Rate (%)	11.2	11.2	11.5
Crude Oil Price (US\$/Barrel)	65	67	67