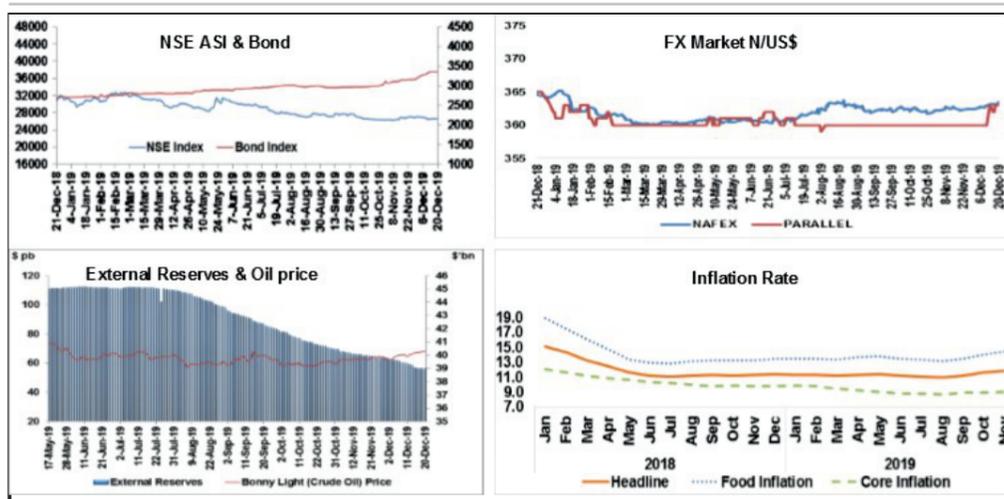


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS		
GDP Growth (%)	2.28	Q3 2019 — higher by 0.17% compared to 2.12% in Q2 2019
Broad Money Supply (N' trillion)	35.26	Increased by 0.66% in Oct' 2019 from N35.03 trillion in Sept' 2019
Credit to Private Sector (N' trillion)	25.80	Increased by 1.30% in Oct' 2019 from N25.47 trillion in Sept' 2019
Currency in Circulation (N' trillion)	2.06	Increased by 2.51% in Oct' 2019 from N2.01 trillion in Sept' 2019
Inflation rate (%) (y-o-y)	11.85	Increased to 11.85% in November 2019 from 11.61% in October 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)	39	December 18, 2019 figure — a decrease of 1.75% from December start
Oil Price (US\$/Barrel)	67.82	December 19, 2019 figure — an increase of 3.37% from the previous wk
Oil Production mbpd (OPEC)	1.80	November 2019, figure — a decrease of 0.33% from October 2019 figure



STOCK MARKET

Indicators	Friday 20/12/19	Friday 13/12/19	Change(%)
NSE ASI	26,526.35	26,536.21	(0.04)
Market Cap(N'tr)	12.80	12.81	(0.03)
Volume (bn)	0.34	0.16	119.91
Value (N'bn)	2.34	1.43	63.30

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	20/12/19	13/12/19	
OBB	2.1400	2.2100	(7)
O/N	2.9300	2.7900	14
CALL	2.9500	2.8500	10
30 Days	9.6444	12.7300	(309)
90 Days	10.3323	13.6600	(333)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	20/12/19	13/12/19	20/11/19
Official (N)	306.95	306.90	306.95
Inter-Bank (N)	363.55	363.12	362.21
BDC (N)	0.00	0.00	360.00
Parallel (N)	363.00	363.00	360.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	20/12/19	13/12/19	
3-Year	0.00	0.00	0
5-Year	10.01	9.79	22
7-Year	10.84	11.11	(27)
10-Year	11.27	11.02	25
20-Year	11.86	11.52	34
30-Year	12.88	12.44	44

Disclaimer

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

Market Analysis and Outlook: December 20 – December 27, 2019

Global Economy

In the U.K, gross domestic product (GDP) widened 1.1% year-on-year in the third quarter of 2019, the weakest growth rate since the second quarter of 2012. It is higher compared to a preliminary estimate of 1.0% and lower than the previous period's revised 1.2%. According to the office for National Statistics, private consumption continued to underpin activity amid low unemployment and solid wage rises (Q3: +0.4% qoq; Q2: +0.3% qoq), while government spending rose modestly (Q3: +0.3%; Q2: +1.1%). Contrastingly, fixed investment fell 0.2% in Q3 on lower public investment, less severely than Q2's 0.9% contraction. The net contribution from the external sector was 1.2% points, following Q2's 2.6%-point contribution. In a separate development, the Euro area witnessed the largest trade surplus in over 2 years in October 2019. Trade surplus expanded to EUR 28 billion in October 2019 from EUR 13.2 billion in the corresponding month of the previous year. Exports went up 4.1% from a year earlier to EUR 217.9 billion in October 2019, while imports dropped 3.2% to EUR 189.9 billion from EUR 196.1 billion. Intra-euro area trade fell 1.4% to EUR 174.9 billion from EUR 177.4 billion in October 2018. The trade surplus with the US increased to EUR 130.6 billion from EUR 116.7 billion, while the trade deficit with China advanced to EUR 166 billion from EUR 151.5 billion as reported by the European Statistical Office. Elsewhere, the Bank of Japan retained its key short-term interest rate at -0.1% during its December meeting, and kept the target for the 10-year Japanese government bond yield at around 0%. Policymakers also maintained its upbeat assessment of the economy, despite a consumption tax hike in October, while offered weaker views on exports, production and business sentiment mainly due to the impact of natural disasters and sluggish demand from overseas economies.

Domestic Economy

Data from the National Bureau of Statistics revealed that inflation rate for November 2019 increased to 11.85% year-on-year from 11.61% in October 2019. This represents a 0.24% rise in the rate compared to the previous month and majority due to increases in the price of food. Core inflation increased to 8.99% when compared to 8.88% in the previous month and food inflation spiked to 14.48% from 14.09% in November 2019. Food items that saw the highest increases were bread & cereals, fish, meat, potatoes, yams & other tubers and fats & oils. Food inflation on a year-on-year basis was highest in Kebbi state (18.77%) and lowest in Bauchi state (12.44%). In a separate development, The federal government has ruled out any possibility of releasing additional funds to finance the capital components of the 2019 budget. The minister of finance, budget and national planning confirmed this during the public presentation of the 2020 budget in Abuja last week. She also disclosed that government's revenue as of the end of September stood at N4.25tn. She said that with about 10 days to the end of the year, and with the 2020 budget becoming operational on January 1, it would be practically impossible to make further releases to Ministries, Departments and Agencies of government for capital projects and that as at November 12, the Federal Government had released about N1.21tn for capital projects' implementation.

Stock Market

Indicators at the local stock exchange remained bearish for the week ended December 20th, 2019. There was increased sell-off in mostly bell-weather counters. Consequently, the All Share Index (ASI) dipped 0.04% to end at 26,526.34 points from

26,536.21 points the preceding week. Similarly, market capitalization fell by 0.03% to N12.80 trillion from N12.81 trillion the prior week. We expect that investors to take advantage of the correctional profit-taking and low supply to position ahead of the year-end rally as capital flow and repositioning in value stocks continue.

Money Market

Rates at the money market mostly declined due to excess liquidity in the system. Short-dated placements such as Open Buy Back (OBB) declined to 2.14% from 2.21% and the previous week. The longer dated instruments such as the 30-day and 90-day Nigeria Interbank Offered Rate (NIBOR) settled at 9.64% and 10.33% from 12.73% and 13.66% the prior week. This week, short tenored rates are expected to hover around current levels due to OMO maturity of N906 billion.

Foreign Exchange Market

Last week, the naira depreciated across most market except at the parallel market where it remained unchanged week -on-week. The official window saw a marginal decline as it ended N306.95/\$, a 5 kobo loss from the prior week, while at the Nigerian Autonomous Foreign Exchange (NAFEX) segment the local currency depreciated by 43kobo to close at N363.55/US\$ from N363.12/US\$ the previous week. The parallel market closed at N363/US\$ same as previous week. This week, rates are expected to remain around current levels with the apex bank's continuous interventions.

Bond Market

The bond market was bearish for the first time in two months as international investors sold off bonds in a bid to realign their portfolio as the year comes to an end. Consequently, market sell-offs for most maturities across the curve. Yields on the five-, ten- twenty- and thirty-year debt papers finished at 10.01%, 11.27%, 11.86% and 12.88% from 9.79%, 11.11%, 11.52% and 12.44% respectively, the previous week. The Access Bank Bond index declined marginally by 22.41 points to close at 3,347.32 points from 3,369.73 points the prior week. We expect that market activities will be mixed due to excess liquidity in the system and investors need for portfolio re-balance.

Commodities

Oil prices extended its gains last week as thawing trade relations between the United States and China supported global markets. Bonny light, Nigeria's benchmark crude added 3.32% or \$2.21 to close the week at \$67.82 per barrel. Precious metal prices inched up as the U.S. House of Representatives voted to impeach the President, causing political uncertainty in Washington. Consequently, gold gained 0.33% to \$1,477.66 per ounce and silver rose by 0.35% to \$17.04 per ounce. This week oil prices are expected to drop due to a crude oil inventory build up. Precious metal prices might trade lower amid increased risk appetite after US Treasury Secretary said the United States and China would sign Phase one trade pact early next year.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Dec'19	Jan'20	Feb'20
Exchange Rate (NAFEX) (N/\$)	363	362	363
Inflation Rate (%)	11.90	11.98	12.1
Crude Oil Price (US\$/Barrel)	65	66	67