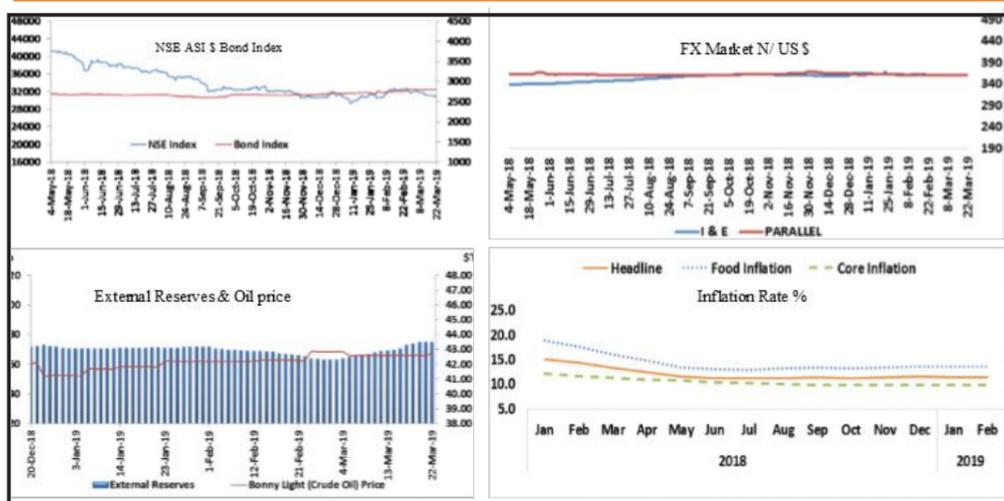


# Access Bank Rateswatch

## KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	2.38	Q4 2018 — Higher by 0.57% compared to 1.81% in Q3 2018
Broad Money Supply (M2) (N' trillion)	27.07	Decreased by 14.38% in Dec' 2018 from N31.79 trillion in Nov' 2018
Credit to Private Sector (N' trillion)	22.72	Decreased by 1.54% in Dec' 2018 from N23.08 trillion in Nov' 2018
Currency in Circulation (N' trillion)	23.29	Increased by 10.93% in Dec' 2018 from N2.1 trillion in Nov' 2018
Inflation rate (%) (y-o-y)	11.31	Decreased to 11.31% in February 2019 from 11.37% in January 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)	42.51	March 20, 2019 figure — an increase of 2.81% from March start
Oil Price (US\$/Barrel)	66.03	March 22, 2019 figure — an increase of 2.3% from the prior week
Oil Production mbpd (OPEC)	1.74	February 2019 figure — an increase of 0.58% from January 2019 figure



## STOCK MARKET

Indicators	Friday 22/03/19	Friday 15/03/19	Change (%)
NSE ASI	31,139.35	31,142.72	(0.01)
Market Cap(N'tr)	11.61	11.61	(0.01)
Volume (bn)	0.23	0.21	10.31
Value (N'bn)	2.62	3.33	(21.40)

## MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	22/03/19	15/03/19	
OBB	14.25	11.17	308.0
O/N	14.83	11.67	316
CALL	14.83	12.00	283.3
30 Days	9.84	10.38	(54)
90 Days	13.18	12.63	55.9

## FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	22/03/19	15/03/19	22/02/19
Official (N)	306.90	306.95	306.80
Inter-Bank (N)	360.43	360.61	361.48
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)
	22/03/19	15/03/19	
3-Year	0.00	0.00	0.0
5-Year	14.63	14.62	1.0
7-Year	14.38	14.30	8.2
10-Year	14.38	14.42	(4.8)
20-Year	14.34	14.23	10.3

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## Market Analysis and Outlook: March 22nd – March 29th, 2019

### Global Economy

In the US, the Federal Reserve left the target range for the federal funds rate at 2.25%-2.5% unchanged during its March meeting. It also lowered its forecast for US economic growth. Policymakers lowered its 2019 growth forecast to 2.1%, compared to 2.3% previously estimated; and that for 2020 was also cut to 1.9%, compared to 2%. The 2021 growth forecast remained unchanged at 1.8%. Fed officials now expect rates to remain at current levels at least until the end of the year, compared to December's projection of two rate hikes. Elsewhere, the Bank of England's Monetary Policy Committee voted unanimously to leave its benchmark interest rate constant at 0.75% during its March policy meeting. It also reaffirmed its pledge to gradual and limited rate rises over the forecast period, despite persistent concerns about Brexit. Policymakers also noted that softening in global GDP and trade growth has continued, while CPI inflation is expected to remain close to the 2% target over coming months. In a separate development, Japan's consumer price inflation was recorded at 0.2% year-on-year in February 2019, unchanged from the previous month's 15-month low figure according to statistics office of Japan. Prices of food and transport fell for the third month in a row, while cost of housing was flat after declining for 34 consecutive months.

### Local Economy

The Federal Government said it will prioritise borrowing from concessional lenders such as the World Bank and African Development Bank (AfDB) as it seeks to curb interest payments. According to the Director-General, Debt Management Office (DMO), the preferred option is to explore concessional sources if FG is to issue Eurobonds. One of the major objectives of the 2019 budget is to reduce debt-service costs, and it envisaged the government issuing about N1.65 trillion (\$4.6 billion) of new debt, half of which would be in foreign currency. In separate development, the CBN governor at a post-election economic agenda conference last week described the foreign capital inflows to the bond market as an indication of investors' continued confidence in the strength of the economy. This he said, is a knock-on effect of the successful conduct of the general election, with the inflow of over \$6 billion into the local bond market. Nigeria's bond market remains one of the most attractive investment destinations in the Bloomberg Emerging-Market Local-Currency Government Bonds index, which covers major emerging markets, including Nigeria, South Africa and Argentina. The apex bank chief said Nigeria's inflation post-election is expected to rise to 12% and subsequently ease, while the monetary policy is projected to be maintained at its current level.

### Stock Market

Indicators at the local bourse were bearish for most of the week as intense profit taking was seen in the market. However, on the last day of the trading week, the market returned to positive territory with lots of buying interest in the banking industry, leaving the market virtually unchanged from the previous week. The All Share Index (ASI) eased by 0.01% to 31,139.35 points from 31,142.72 points the preceding week. Similarly, Market capitalization contracted by 0.01% to N11.61 trillion from N11.61 trillion the prior week. This week, we envisage market volatility will also continue as investors and fund

managers reposition their portfolios, with eyes fixed on earnings reports.

### Money Market

Money market rates trended upwards as the central bank conducted several open market auctions last week thereby causing liquidity levels to decline. Accordingly, short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates climbed to 14.25% and 14.83% from 11.17% and 11.67% respectively the previous week. Conversely, longer-tenured interbank rates, such as the 30- and 90-day NIBOR declined to 10.38% and 12.63% from 11% and 13.03% the previous week. This week, Retail Secondary Market Intervention Sales might likely drive rates higher.

### Foreign Exchange Market

The naira appreciated against the dollar across most market segments last week. At the Investors' and Exporters window, it gained 18 kobo to settle at N360.43/\$ from N360.61/\$ the previous week. Similarly at the official window, it appreciated by 5 kobo to settle at N306.9/\$ compared to N306.95/\$ the prior week. The parallel market remained unchanged at N360/\$ from the prior week. The appreciation and stability recorded in the parallel and official market segments may be attributed to the apex bank's regular efforts to boost FX liquidity and alleviate dollar shortages. This week, we envisage the stability in the market would continue due to consistent FX liquidity injections by the CBN.

### Bond Market

The Bond market remained quiet with minimal activity across the curve, this is evidenced by the negligible change seen in bond index price week-on-week. Yields on the five-, seven- and twenty year- debt papers closed higher at 14.63%, 14.38% and 14.34% from 14.62%, 14.30% and 14.23% respectively the preceding week. The Access Bank Bond index reduced slightly by 0.94 points to close at 2,800.11 points from 2,801.05 points the previous week. This week, we expect activity to pick up in view of the scheduled bond auction.

### Commodities Market

Oil prices were propped up by an unexpected 9.6 million barrel (mmb) crude oil withdrawal from storage last week according to the Energy Information Administration. This is the third consecutive week of decline in US crude inventories. Bonny light, Nigerian benchmark crude, gained \$1.52 to close at \$67.55 a barrel, 2.3% higher from the previous week. In a similar vein, precious metal prices edged up for the second consecutive time due to a surprisingly more dovish tone coming from the FOMC statement. Consequently, gold prices notched up by 0.68% to \$1,311.66 per ounce last week. Silver prices also edged up by 10 cents, or 0.7%, to \$15.47 per ounce. This week, oil prices will largely depend on the outcome of the U.S. and Chinese trade negotiations. For precious metals, prices are likely to trend around current level buoyed by present sentiments of the US key interest rate halt.

## MONTHLY MACRO ECONOMIC FORECASTS

Variables	Mar'19	Apr'19	May'19
Exchange Rate (NAFEX) (N/\$)	364	364	365
Inflation Rate (%)	11.5	11.55	11.6
Crude Oil Price (US\$/Barrel)	60	59	62