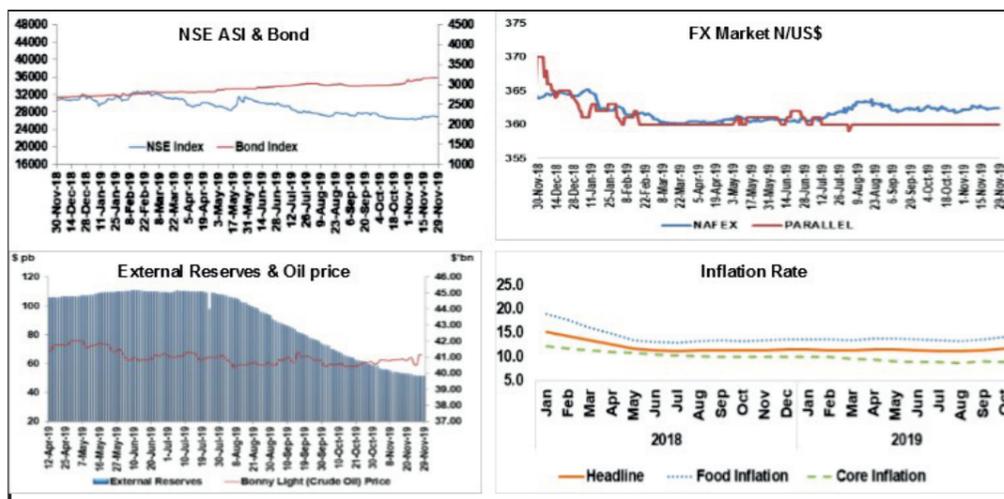


Access Bank Rateswatch

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)	11.61	Increased to 11.61% in October 2019 from 11.24% in September 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)	39.83	November 27, 2019 figure — a decrease of 1.49% from November start
Oil Price (US\$/Barrel)	64.05	November 29, 2019 figure — an increase of 0.23% from the previous wk
Oil Production mbpd (OPEC)	1.81	October 2019 figure — a decrease of 2% from September 2019 figure



STOCK MARKET

Indicators	Friday 29/11/19	Friday 22/11/19	Change(%)
NSE ASI	27,002.15	26,991.42	0.04
Market Cap(N'tr)	13.03	13.03	0.04
Volume (bn)	0.23	0.21	9.54
Value (N'bn)	3.66	2.84	28.99

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	29/11/19	22/11/19	
O/N	3.7900	3.7140	8
CALL	4.5000	4.4300	7
30 Days	4.6250	4.4500	18
90 Days	12.4500	13.6066	(116)
	13.0300	12.7589	27

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	29/11/19	22/11/19	29/10/19
Official (N)	307.00	306.95	306.95
Inter-Bank (N)	362.45	362.40	362.01
BDC (N)	360.00	360.00	360.00
Parallel (N)	360.00	360.00	360.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	29/11/19	22/11/19	
3-Year	0.00	0.00	0
5-Year	11.47	11.79	(32)
7-Year	12.18	12.05	12
10-Year	12.15	12.31	(16)
20-Year	12.66	12.74	(8)
30-Year	13.31	13.36	(5)

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: November 29 – December 06, 2019

Global Economy

In the U.S, gross domestic product (GDP) growth rate came in at a revised 2.1% year-on-year in Q3 2019, following a 2% expansion in the previous quarter. Private inventories were revised higher and business investment fell. According to the Bureau of Economic Analysis (BEA), consumer spending growth was unchanged as net exports fell. Personal consumption expenditure contributed the largest to growth, boosted by spending on goods and services. Net external demand weighed on growth for the second straight quarter even as exports rose by 0.9% and imports increased by 1.5%. Elsewhere, Eurozone inflation accelerated 1% in November from a near three year low of 0.7% in October. Prices increased at a faster pace for services and processed foods. Core inflation, which excludes the volatile prices of energy rose to 1.3% from 1.1% the previous month.

Domestic Economy

In the third quarter of 2019, the total value of capital importation into the country stood at \$5.37billion, a decrease of 7.78% over the previous quarter. The largest amount of capital importation by type was received through Portfolio Investment (55.88%), followed closely by Other Investment which accounted for 40.39% and Foreign Direct Investment (FDI) accounting for 3.73% of the total capital imported into the nation in Q3 2019. The United Kingdom emerged as the top source of capital investment during the period, accounting for 37.47% (\$2.01billion) of the total capital inflow. Lagos emerged the top destination of capital investment in Nigeria, accounting for 92.71% (\$4.98billion) of the total capital inflow in Q3 2019. In other news, the Manufacturing Purchasing Managers' Index (PMI) stood at 59.3 index points in November 2019, indicating an expansion in the manufacturing sector for the thirty-second consecutive month. The index grew at a faster pace when compared to the previous month (58.2 points) as shown in the latest PMI report by the Central Bank of Nigeria. A PMI above 50 points indicates that the manufacturing sector is generally expanding, while a reading below 50 points indicates a contraction. Thirteen of the sub-sectors surveyed recorded growth during the month, however, the paper products subsector alone recorded decline in the review period.

Stock Market

The local bourse witnessed a marginal increase in the last trading week of November, supported by gains in the consumer, industrial goods, financial services and Information and Communications Technology (ICT) sectors. Consequently, the All Share Index (ASI) added a marginal gain of 0.04% to end at 27,002.15 points from 26,991.42 points the preceding week. Similarly, market capitalization rose 0.04% to N13.03 trillion from N13.02 trillion the prior week. We envisage that investors would target fundamentally sound and dividend-paying stocks for possible capital appreciation as the year draws down.

Money Market

Interbank rates rose marginally in the week ended November 29, 2019 as the market remained liquid due to Open Market Operation (OMO) maturity of about N337billion during the week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates increased marginally to 3.79% and 4.50% from 3.71%

and 4.43% respectively the previous week. The longer dated instruments such as the 30-day and 90-day Nigeria Interbank Offered Rate (NIBOR) stood at 12.45% and 13.03% from 13.61% and 12.76% the prior week. This week, rates, especially for short term tenors, are expected to trend upwards whilst remaining in the single digit range due to the expected retail SMIS auction during the week.

Foreign Exchange Market

At the CBN official window, the Naira depreciated against the greenback to close at N307/US\$ from N306.95/US\$ the prior week. Likewise, at the Nigerian Autonomous Foreign Exchange (NAFEX) segment, the local currency depreciated by 5kobo to close at N362.45/US\$ from N362.40/US\$ the week before. The local currency remained unchanged at the parallel market segment, trading at N360/US\$. The maturing futures contract of \$1.47 billion led to pressure in the market as market participants sought for dollars to cover their positions, thus resulting in the marginal depreciation at the NAFEX end of the market. This week, we expect rates to trend around current levels without a significant change due to the expected apex bank's intervention.

Bond Market

The bond market witnessed modest decline in average yields across tenors last week as market participants anticipated the outcome of the Monetary Policy Committee (MPC) meeting and the Treasury Bills Primary Market Auction (PMA). Nonetheless, minimal demand was observed for select maturities thus resulting in a marginal decline in the average yields. Yields on the five-, ten-, twenty- and thirty-year debt papers closed at 11.47%, 12.15%, 12.66% and 13.31% from 11.79%, 12.31%, 12.74% and 13.36% respectively, the previous week. The Access Bank Bond index rose marginally by 15.43 points to close at 3,181.44 points from 3,166.01 points the prior week. Yields are expected to continue the current trend given surfeit liquidity in the system.

Commodities

Oil prices rose marginally on concerns that arose from U.S. President Donald Trump signing into law a bill backing protesters in Hong Kong, fuelling tensions in China. Bonny light, Nigeria's benchmark crude gained 0.23% or 15 cents to close the week at \$64.05 per barrel. For precious metals, optimism about a deal between Beijing and Washington dampened demand. Consequently, gold slid 0.89% to \$1,457.27 per ounce and silver dropped by 1.40% to \$16.93 per ounce. This week, oil prices may soar on expectations of the December meeting by the OPEC+ (Organization of the Petroleum Exporting Companies and Russia). Hopes for an interim U.S.-China trade deal may stifle demand for precious metals in the new week.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Dec'19	Jan'20	Feb'20
Exchange Rate (NAFEX) (N/\$)	363	362	363
Inflation Rate (%)	11.70	11.81	12.1
Crude Oil Price (US\$/Barrel)	65	66	67