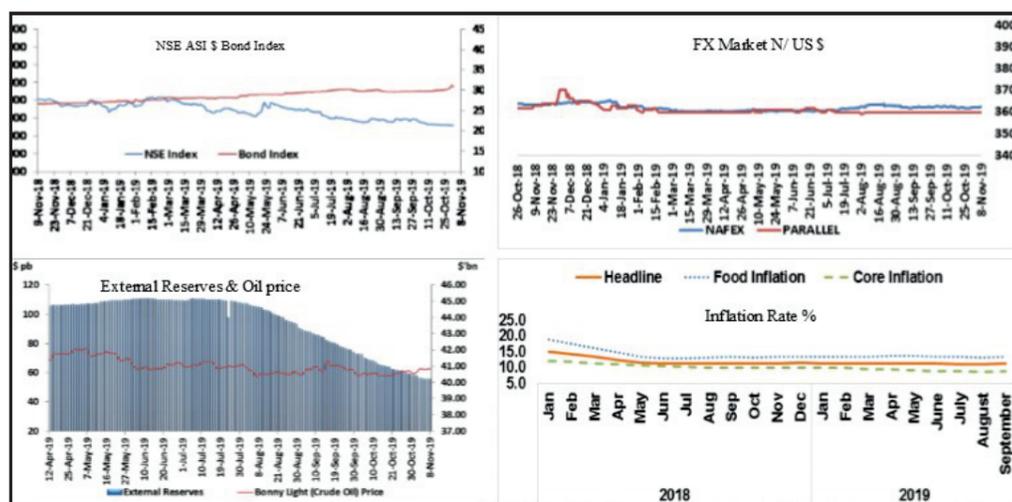


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS		
GDP Growth (%)	1.94	Q2 2019 — lower by 0.16% compared to 2.10% in Q1 2019
Broad Money Supply (N' trillion)	35.03	Decreased by 0.53% in Sep' 2019 from N35.22 trillion in Aug' 2019
Credit to Private Sector (N' trillion)	25.47	Increased by 2.61% in Sep' 2019 from N24.82 trillion in Aug' 2019
Currency in Circulation (N' trillion)	2.01	Decreased by 0.66% in Sep' 2019 from N2.02 trillion in Aug' 2019
Inflation rate (%) (y-o-y)	11.24	Increased to 11.24% in September 2019 from 11.02% in August 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)	40.23	November 6, 2019 figure — a decrease of 0.5% from November start
Oil Price (US\$/Barrel)	62.7	November 7, 2019 figure — an increase of 5.45% from the previous wk
Oil Production mbpd (OPEC)	1.86	September 2019 figure — a decrease of 0.85% from August 2019 figure



STOCK MARKET			
Indicators	Friday 8/11/19	Friday 1/11/19	Change(%)
NSE ASI	26,314.49	26,293.30	0.08
Market Cap(N'tr)	12.81	12.80	0.08
Volume (bn)	0.43	0.25	71.37
Value (N'bn)	5.58	3.75	48.89

MONEY MARKET			
NIBOR	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
Tenor	8/11/19	1/11/19	
O/N	5.57	4.07	150
CALL	4.94	3.75	119
30 Days	13.25	12.09	115
90 Days	13.95	12.51	144

FOREIGN EXCHANGE MARKET			
Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	8/11/19	1/11/19	8/10/19
Official (N)	306.90	307.00	306.90
Inter-Bank (N)	362.77	362.22	362.45
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)
	8/11/19	1/11/19	
3-Year	0.00	0.00	0
5-Year	12.07	12.81	(74)
7-Year	12.34	12.77	(42)
10-Year	12.81	13.18	(37)
20-Year	13.19	13.38	(19)
30-Year	13.81	13.91	(10)

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Market Analysis and Outlook: November 8 – November 15, 2019

Global Economy

In the UK, the Bank of England's Monetary Policy Committee voted by a majority of 7-2 to hold Bank Rate at 0.75% during its October policy meeting, amid Brexit uncertainties and global trade wars. The Bank also cut its GDP forecasts, which now points to 1% expansion by the end of this year, 1.6% by the end of 2020, 1.8% by the end of 2021, and 2.1% by the end of 2022. Policymakers noted that monetary policy could respond in either direction to changes in the economic outlook in order to ensure a sustainable return of inflation to the 2% target. Elsewhere, data from the General Administration of Customs revealed that China trade surplus expanded, the largest trade surplus since July. Trade surplus widened to \$42.81 billion in October of 2019 from \$32.97 billion in the corresponding month a year earlier, as exports declined 0.9% year-on-year to \$212.93 billion, while imports dropped at a faster 6.4% to \$170.12 billion. In a separate development, Moody's Investors Service changed India's sovereign credit rating outlook to negative from stable and affirmed the debt grade at 'Baa2'. It cited that the main trigger behind the revision was increasing risks that economic growth will remain materially lower than in the past, partly reflecting lower government and policy effectiveness at addressing long-standing economic and institutional weaknesses than Moody's had previously estimated. This has led to a gradual rise in the debt burden from already high levels.

Domestic Economy

The Development Bank of Nigeria (DBN) has announced that it is partnering with the Nigerian Stock Exchange to explore ways of building capacity and bringing Micro Small and Medium Enterprises (MSMEs) to the floor of the Exchange. Speaking during the closing gong ceremony at the Exchange last Friday, Chief Executive Officer, DBN, explained that the proposed collaboration with the NSE will involve sourcing or prospecting for SME companies. He added that the collaboration is in line with the NSE's objective of trying to bring SMEs to the stock market while adding that the Bank is working with them in that area as well as other areas to see how Information Technology (IT) can make an impact in that segment. He further revealed that DBN has plans of listing its shares on the Exchange in the long term so as to raise capital beyond its current funding. In a separate development, the total value of banking sector credit to the private sector rose by 2.6% or N646 billion to N25.466 trillion at the end of September, up from the N24.819 trillion recorded at the end of August. The Central Bank of Nigeria (CBN), in its money and credit statistics report attributed the rise in lending to the aggressive push for banks to lend to the real sector of the economy, which necessitated the hike in the minimum loan-to-deposit (LDR) ratio. The Central Bank had raised the minimum LDR to 65 percent, with a December 31, 2019, up from the 60 percent it had prescribed. It recently debited 12 banks a total of N499 billion for failing to meet the September 30 deadline to meet the LDR target. The policy was to encourage lending to SMEs, retail, mortgage and consumer lending. The CBN had vowed to impose stiffer sanctions on any commercial bank and blacklist customers that flout the policy, after it debited the 12 banks for defaulting.

Stock Market

Indicators at the local stock exchange witnessed a positive turnaround for the first time in a month following the positive sentiment for high cap stocks that supported the benchmark index rise. Consequently, the All Share Index (ASI) climbed 0.08% to 26,314.49 points from 26,293.30 points the preceding week. Similarly, market capitalization rose 0.08% to N12.81 trillion from N12.80 trillion the prior week. This week, we anticipate further

positive momentum as macroeconomic indicators look seemingly positive ahead of Monetary Policy Committee statements and economic reforms.

Money Market

Cost of borrowing went up slightly as a result of Retail Secondary Market Intervention Sales (SMIS) that held last week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates rose slightly to 4.43% and 5.57% from 3% and 4.07% respectively the previous week. The 30-day and 90-day Nigeria Interbank (NIBOR) rate also increased to 13.25% and 13.95% from 12.09% and 12.51% the prior week. This week, we envisage that rates will remain at single digit level barring any unusual open market operations from the Central Bank.

Foreign Exchange Market

The naira went in varying directions for the week ended November 8th, 2019. The official window saw an appreciation as it went up by 10 kobo to settle at N306.90/\$. At the NAFEX window, saw a depreciation of 55 kobo to close at N362.77/\$. The parallel market remained unchanged at N360/\$. The relative stability of the local currency continues to be supported by the intervention of the apex Bank across various market segments. This week, the naira is expected to remain around prevailing levels due to the apex bank's sustained supply of liquidity.

Bond Market

The Bond market traded with bullish sentiments last week following speculations which suggested a likely prohibition of retail and corporate client from investing in Treasury Bills. The panic buying interest was observed for all maturities across the curve. Yields on the five-, seven-, ten-, twenty-year, and thirty-year debt papers closed lower at 12.07%, 12.34%, 12.81%, 13.19% and 13.81% from 12.81%, 12.77%, 13.18%, 13.38% and 13.91% respectively the previous week. The Access Bank Bond index increased by 32.47 points to finish at 3111.80 points from 3079.32 points the previous week. This week, we expect the market to remain bullish in the absence of a reversal in the recently introduced CBN policy.

Commodities

Oil price spiked last week as signs of a trade breakthrough between the U.S. and China continue to gain steam and OPEC hints at making deeper production cuts. Bonny light, Nigeria's benchmark oil crude, went up \$3.24, or 5.45%, to \$62.70 a barrel. In the same light, precious metal prices tapered further week-on-week as traders chose riskier equities after the market sentiment improved. Gold dipped to \$1,466.40 an ounce, down 3.02% from the previous week's price, while the silver settled lower at \$16.98 per ounce, compared to the preceding week's close of \$18.09 per ounce. This week, we anticipate that oil prices might trend upwards as OPEC's largest producer and de facto leader Saudi Arabia will be pressuring non-compliant cartel members to fall in line with their quotas, but will nevertheless seek higher oil prices ahead of the listing of Aramco expected for December. Precious metal prices are expected to remain pressured by strengthening U.S dollar.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Nov'19	Dec'19	Jan'20
Exchange Rate (NAFEX) (N/\$)	363	362	363
Inflation Rate (%)	11.3	11.3	11.4
Crude Oil Price (US\$/Barrel)	65	66	67