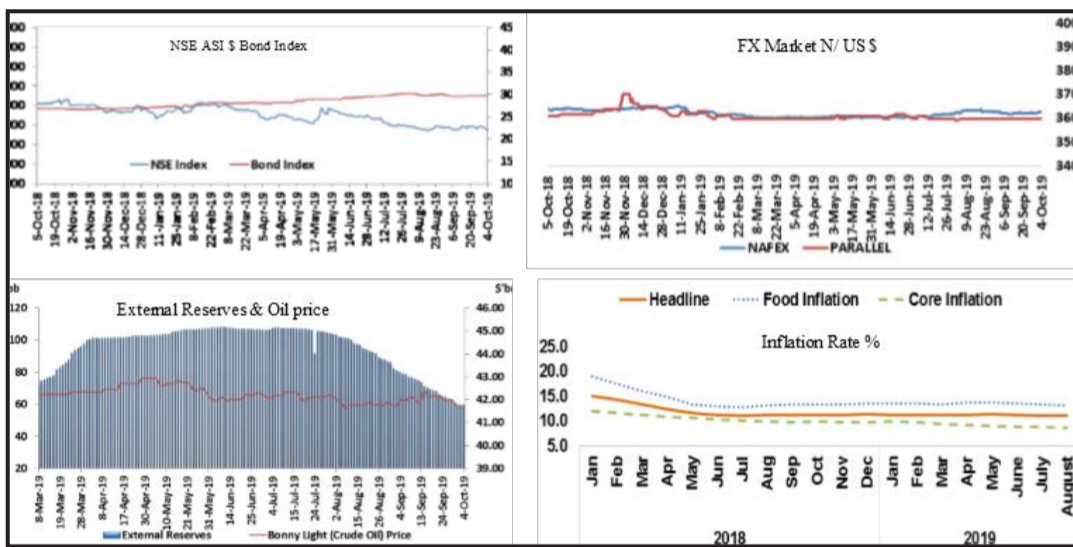


# Access Bank Rateswatch

## KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	1.94	Q2 2019 — lower by 0.16% compared to 2.10% in Q1 2019
Broad Money Supply (N' trillion)	35.68	Increased by 1.88% in July' 2019 from N35.02 trillion in Jun' 2019
Credit to Private Sector (N' trillion)	24.27	Decreased by 1.93% in July' 2019 from N24.75 trillion in Jun' 2019
Currency in Circulation (N' trillion)	2.00	Decreased by 0.55% in July' 2019 from N2.01 trillion in Jun' 2019
Inflation rate (%) (y-o-y)	11.02	Decreased to 11.02% in August 2019 from 11.08% in July 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)	41.77	October 2, 2019 figure — a decrease of 3.67% from September start
Oil Price (US\$/Barrel)	58.16	October 3, 2019 figure — a decrease of 4.25% from the previous wk
Oil Production mbpd (OPEC)	1.87	August 2019 figure — a decrease of 4.8% from July 2019 figure



## STOCK MARKET

Indicators	Friday 4/10/19	Friday 27/09/19	Change(%)
NSE ASI	307.00	306.95	306.95
Market Cap(N'tr)	362.77	362.02	362.40
Volume (bn)	0.00	0.00	0.00
Value (N'bn)	360.00	360.00	360.00

## MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	4/10/19	27/09/19	
OBB	2.7100	9.2900	(658)
O/N	3.4300	8.4300	(500)
CALL	4.1000	9.1875	(509)
30 Days	13.7675	13.1621	61
90 Days	14.0448	13.6934	35

## FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	4/10/19	27/09/19	4/09/19
Official (N)	307.00	306.95	306.95
Inter-Bank (N)	362.77	362.02	362.40
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)
	4/10/19	27/09/19	
3-Year	0.00	0.00	0
5-Year	14.38	14.38	(1)
7-Year	14.24	14.30	(6)
10-Year	14.22	14.29	(7)
20-Year	14.38	14.43	(5)
30-Year	14.64	14.57	7

## Disclaimer

This report is based on information obtained from various sources believed to be reliable and no representation is made that it is accurate or complete. Reasonable care has been taken in preparing this document. Access Bank Plc shall not take responsibility or liability for errors or fact or for any opinion expressed herein. This document is for information purposes and private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of Access Bank Plc.

## Market Analysis and Outlook: October 4 – October 11, 2019

### Global Economy

In the US, the number of Americans filling for unemployment benefits increased by 4,000 to 219,000 in the week ended September 28th from the previous week's revised level of 215,000. Jobless claims hit the highest level since the week ended August 31st. According to unadjusted data by the US department of Labour, the biggest rises were reported in Ohio (+2,179); Iowa (+687) and Pennsylvania (+493) while the largest decreases were seen in California (-1,511); Kansas (-1,371) and Florida (-828). In a separate development, the Reserve Bank of India lowered its benchmark repo rate by 25 bps to 5.15% during its October meeting. This is the fifth consecutive rate cut so far this year, in an attempt to boost slowing economic growth. The RBI lowered its GDP forecast to 6.1% for 2019/20 from 6.9% previously estimated; while inflation outlook was revised upwards to 3.4% from 3.1%. Elsewhere in Japan, the consumer confidence according to the Cabinet office survey dropped 1.5 points from the previous month to 35.6 in September 2019. All four of sub-indices deteriorated: the willingness to buy durable goods (down 3.6 points to 28.1), overall livelihood (down 0.9 point to 33.9); income growth (down 0.8 points to 38.7), and employment (down 0.7 points to 41.5). September marked the biggest fall in the consumer confidence index since it dropped 1.9 points in February 2016 due to stock market weakness.

### Local Economy

The Nigerian Stock Exchange (NSE) published its monthly Domestic & Foreign Portfolio investment report for August 2019. The report revealed that the total transactions at the nation's bourse increased by 7.51% to N121.99 billion from N113.47 billion recorded in July 2019. In June 2019, the total value of transactions executed by foreign investors significantly outperformed transactions executed by domestic investors by 4%. Total domestic transactions increased by 5.39% to N58.69 billion from N55.69 billion in May 2019. Likewise, total foreign transactions increased by 10.59% from N63.90 billion to N57.78 billion between July and August 2019. Total domestic transactions which is split into retail and institutional investors revealed that institutional investors outperformed retail investors by 8%. Total retail transactions dipped 5.97% to N23.92 billion in the reference month from N25.44 billion in July. In contrast, the institutional composition of the domestic market increased by 12.95% to N34.17 billion in August 2019 from N30.25 billion in July 2019. The performance of the current month when compared to the performance in the same period (August 2018) of the prior year revealed that total transactions decreased by 8.85%. In a separate development, the President has directed the Ministry of Finance, Budget and National Planning to release 600 billion for Capital Expenditure in the next three months. The President gave the directive in his nationwide broadcast to mark Nigeria's 59th Independence Anniversary. He stated that the directive was informed by his administration's desire to significantly increase investments in the nation critical infrastructure. According to him, the implementation of the 2019 Capital Budget, which was only approved in June 2019, will be accelerated to ensure that critical priority projects are completed or substantially addressed. He revealed that the Federal Government had so far released N1.74 trillion for execution of various capital projects in the 2018 fiscal year.

### Stock Market

Persistent selloffs and dwindling confidence in the global economic outlook clouded the local bourse. This consequently led to the market

closing in the negative for the third consecutive week. The All Share Index (ASI) dipped 2.48% to 26,987.45 points from 27,675.04 points the preceding week. Similarly, market capitalization lost 2.49% to N13.14 trillion from N13.47 trillion the prior week. This week, we anticipate the market to swing to bullish territory as bargain hunters take advantage of the pullback to position ahead of quarterly financials.

### Money Market

Rates in the money market trended downwards in the week ended October 4, 2019. The market was flush with liquidity as it had a net Open Market Operation (OMO) credit of N539 billion. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates declined to 2.71% and 3.43% from 9.29% and 8.43% respectively the previous week. The Call rate also declined to 4.10% from 9.19% the prior week. This week, rates are expected to trend upward due to Wholesale Secondary Market Intervention Sales.

### Foreign Exchange Market

The local unit depreciated against the green back across most segments last week. At the Investors' and Exporters window, it lost 75 kobo to settle at N362.77/\$ from N362.02/\$ the previous week. Similarly at the official window, it dipped by 5 kobo to settle at N307/\$ compared to N306.95/\$ the prior week. The parallel market remained unchanged at N360/\$ from the prior week. The weakening seen in the official and interbank markets comes despite sustained intervention in the FX market by the monetary regulator. This week, we expect the naira to continue trading within a narrow range in all markets as the CBN continues to supply FX.

### Bond Market

The previous week saw a moderation in bond yields as counterparties engaged in a bit of buying. The market saw increased demand for the 2023, 2029 and 2049 by local investors. Yields on the seven-, ten- and twenty-year debt papers closed higher at 14.24%, 14.22% and 14.38% from 14.30%, 14.29% and 14.43% respectively the previous week. The Access Bank Bond index increased by 8.25 points to finish at 2,976.37 points from 2,968.12 points the previous week. This week, we anticipate a continuation in the buying sentiments as market closed with some unfilled demands.

### Commodities Market

The price of oil fell for the second consecutive week pressured by concerns about global economic growth and signs of excess supply despite OPEC-led cuts. Bonny light, Nigeria's benchmark oil crude dipped \$4, or 6.44%, to \$58.16 a barrel. In contrast, precious metals prices nudged higher on global cues. Global growth worries and tensions from the US-China trade war increased the safe-haven appeal of gold. Gold went up slightly to \$1,509.64 an ounce, up 0.2% from the prior week's price, while the silver settled lower at \$17.60 per ounce, compared to the preceding week's close of \$17.83 per ounce. This week, oil prices might receive support as hopes that the United States and China might make progress in resolving their trade dispute. For precious metals, prices may dip slightly this week as traders take profit.

## MONTHLY MACRO ECONOMIC FORECASTS

Variables	Oct' 19	Nov' 19	Dec' 19
Exchange Rate (NAFEX) (N/\$)	363	362	363
Inflation Rate (%)	11	11.2	11.3
Crude Oil Price (US\$/Barrel)	65	66	67