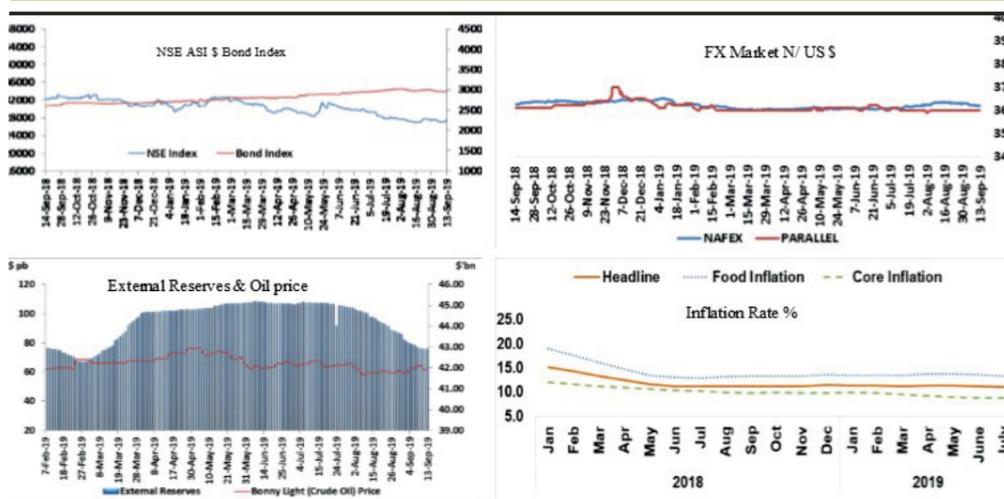


Access Bank Rateswatch

| 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) | 35.68 | 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) | 11.08 | Decreased to 11.08% in July 2019 from 11.22% in June 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) | 42.91 | September 11, 2019 figure — a decrease of 1.04% from September start |
| Oil Price (US\$/Barrel) | 62.98 | September 12, 2019 figure — an increase of 2.89% from the previous wk |
| Oil Production mbdpd (OPEC) | 1.87 | August 2019 figure — a decrease of 4.8% from July 2019 figure |



| STOCK MARKET | | | |
|------------------|-----------|-----------|-----------|
| Indicators | Friday | Friday | Change(%) |
| | 13/09/19 | 6/09/19 | |
| NSE ASI | 27,779.00 | 27,146.57 | 2.33 |
| Market Cap(N'tr) | 13.52 | 13.21 | 2.39 |
| Volume (bn) | 0.17 | 0.31 | (46.88) |
| Value (N'bn) | 2.62 | 6.44 | (59.27) |

| MONEY MARKET | | | |
|--------------|-------------|-------------|---------------|
| NIBOR | | | |
| Tenor | Friday Rate | Friday Rate | Change |
| | (%) | (%) | (Basis Point) |
| | 13/09/19 | 6/09/19 | |
| O/N | 24.71 | 3.86 | 2085 |
| CALL | 12.25 | 4.35 | 790 |
| 30 Days | 13.12 | 13.78 | (66) |
| 90 Days | 13.41 | 13.98 | (57) |

| FOREIGN EXCHANGE MARKET | | | |
|-------------------------|----------|---------|-------------|
| Market | Friday | Friday | 1 Month |
| | (N/\$) | (N/\$) | Rate (N/\$) |
| | 13/09/19 | 6/09/19 | 13/08/19 |
| Official (N) | 306.85 | 306.90 | 306.90 |
| Inter-Bank (N) | 361.95 | 362.08 | 363.22 |
| 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) |
| | 13/09/19 | 6/09/19 | |
| 3-Year | 0.00 | 0.00 | 0 |
| 5-Year | 14.38 | 14.46 | (8) |
| 7-Year | 14.34 | 13.85 | 49 |
| 10-Year | 14.34 | 14.25 | 10 |
| 20-Year | 14.45 | 14.40 | 4 |
| 30-Year | 14.63 | 14.56 | 7 |

Disclaimer
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Market Analysis and Outlook: September 13 - September 20, 2019

Global Economy

In the US, a report released by the Commerce Department showed the pace of growth in economic activity slowed by slightly more than initially estimated in the second quarter. The Commerce Department said gross domestic product increased by 2% in the second quarter compared to the previously reported 2.1% growth. The downwardly revised GDP growth seen in the second quarter compares to the 3.1% jump in GDP reported for the first quarter. The slightly slower than previously estimated growth reflected downward revisions to state and local government spending. In a separate development, customs data showed that China's exports fell by 1.0% year-on-year (y-o-y) in August as shipments to the US slowed significantly. Meanwhile, imports registered a 5.6% y-o-y drop, leaving a trade surplus of US\$34.84 billion. The weak trade figures come amid the escalating trade war between the US and China. President Donald Trump's administration raised tariffs on Chinese goods at the start of September and is set to raise levies further in October and again in December if there is no breakthrough. Elsewhere, the European Central Bank (ECB) announced a host of stimulus measures to boost the Eurozone economy in the final rate-setting session chaired by the outgoing President Mario Draghi. The central bank slashed the deposit rate by 10 basis points to -0.50%, while it left the main refinancing rate and the marginal lending rate unchanged at 0.00% and 0.25%, respectively. The ECB also restarted its asset purchase programme, or APP, which it had previously ended in December 2018. The bank said it will make monthly asset purchases of EUR 20 billion from November 1.

Domestic Economy

The Federal Executive Council (FEC) approved N10.07 trillion 2020 Budget proposal for onward transmission to the National Assembly for consideration and approval. The Minister of Finance, Budget and National Planning, made this known when she briefed State House correspondents on the outcome of the meeting of the Council which was presided over by the President. The minister also said the council approved the increase of value added tax (VAT) from the current 5% to 7.2%. However, she added that implementation of the new VAT rate would be subject to amendment of the extant VAT law. Briefing reporters at the end of the first FEC meeting, the Minister said the estimate was contained in 2020- 2022 Medium Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP) presented to the council by her ministry. According to her, the document contains N10.07 trillion budget proposal for 2020 fiscal year, revenue target of N7.5 trillion and additional N2.09 trillion revenues from VAT, \$55 per barrel oil benchmark, N305/\$ exchange rate and oil production of 2.1 million barrels per day. In a separate development, the Nigerian Bureau of Statistics revealed that total trade in Q2 2019 stood at N8.6 trillion comprising 46.6% imports (N4.1 trillion) and 53.4% exports (N4.5 trillion). The value of total trade in Q2, 2019 was higher by 4.4% when compared to Q1 2019, but 24.2% higher when compared with Q2, 2018. The trade balance remained favourable, valued at N588.8 billion. Major imports and exports include agricultural products, Raw material imports, Solid minerals imports, Energy goods, Manufactured products, crude oil and other oil products. Major export partners are India (17.27%), Spain (11.97%), Netherlands (10.41%), United States (7.68%) and France (6.09%). Major import partners are China (25.47%), United States (10.53%), Netherlands (9.33%), India (7.48%) and Belgium (6.21%)

Stock Market

Performance gauges at the Nigerian stock exchange were bullish for the week ended September 13th, 2019. Traders took advantage of the prevailing low stock valuations to position, particularly in the oil and consumer goods sectors. Buying interest was also boosted by the

improvement in the half-year earnings reports presented recently by the banks and the building material-making companies. Accordingly, the All Share Index (ASI) improved by 2.33% to 27,779 points from 27,146.57 points the preceding week. Market capitalization also rose by N320 billion to N13.52 trillion from N13.21 trillion the prior week. This week, we anticipate mixed performance as profit-taking from this short rally is expected while bargain hunters take advantage of low prices of equity to position.

Money Market

Cost of borrowing spiked last week due to retail Secondary Market Intervention Sales (SMIS) that took place at the end of the week, draining market liquidity. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates climbed to 22.43% and 24.71% from 3.21% and 3.86% respectively the previous week. Call rates also jumped to 12.25% from 4.35% the prior week. This week, rates are expected to climb down slightly due to expected Open Market Operations (OMO) maturity of N357 billion.

Foreign Exchange Market

The naira saw an appreciation against the green-back across most major market segments last week. The official window saw a slight appreciation as it ended N306.85/\$, a 5 kobo gain from the prior week. Likewise, at the NAFEX window, the local unit saw a slight appreciation of 13 kobo to close at N361.95/\$, while the parallel market remained unchanged at N360/\$. The appreciation recorded in the NAFEX and official market segments may be attributed to the apex bank's regular interventions. This week, we envisage the stability in the market would continue due to consistent FX liquidity injections by the CBN.

Bond Market

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Commodities

Oil prices slipped last week as a report that President Donald Trump is considering easing sanctions on Iran raised the possibility of the return of the country's crude to the world market. Bonny light, Nigeria's benchmark oil crude dipped \$1.98, or 3.14%, to \$61 a barrel. In contrast, precious metals prices climbed as monetary easing by the European Central Bank spurred safe-haven buying. Gold jumped to \$1,507.04 an ounce, up 0.03% from the previous week's price, while the silver closed higher at \$18.18 per ounce, compared to the preceding week's close of \$18.15 per ounce. This week, oil prices are likely to receive support from Saudi Arabia's energy minister's comment that oil policy would not change and an OPEC deal with Russia and other producers to cut output by 1.2 million barrels per day (bpd) would be maintained. For precious metals, prices will remain biased to the upside on the back of global monetary easing policies.

MONTHLY MACRO ECONOMIC FORECASTS

| Variables | Sept'19 | Oct'19 | Nov'19 |
|----------------------------------|---------|--------|--------|
| Exchange Rate (Interbank) (N/\$) | 363 | 362 | 363 |
| Inflation Rate (%) | 11.2 | 11.2 | 11.5 |
| Crude Oil Price (US\$/Barrel) | 67 | 68 | 68 |