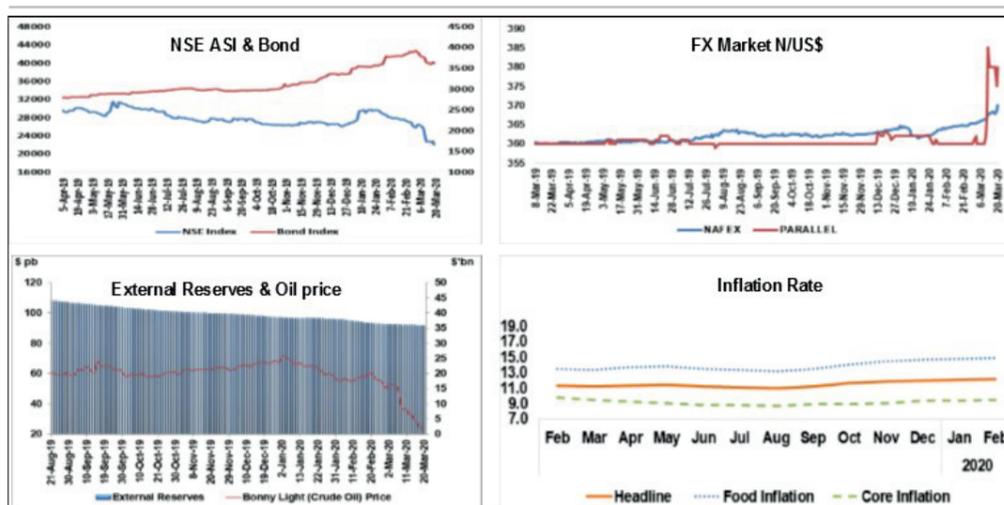


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS		
GDP Growth (%)	2.55	Q4 2019 — higher by 0.27% compared to 2.28% in Q3 2019
Broad Money Supply (N' trillion)	36.48	Increased by 2.9% in Nov' 2019 from N35.45 trillion in Oct' 2019
Credit to Private Sector (N' trillion)	26.7	Increased by 0.38% in Feb' 2020 from N26.6 trillion in Jan' 2020
Currency in Circulation (N' trillion)	2.20	Increased by 7.17% in Nov' 2019 from N2.06 trillion in Oct' 2019
Inflation rate (%) (y-o-y)	12.2	Increased to 12.2% in February 2020 from 12.13% in January 2020
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)	35.59	March 26, 2020 figure — a decrease of 1.85% from March start
Oil Price (US\$/Barrel)	24.83	March 26, 2020 figure — a decrease of 52.63% from the previous wk
Oil Production mbpd (OPEC)	1.79	February 2020, figure — an increase of 1.64% from January 2020 figure



STOCK MARKET

Indicators	Friday 27/3/20	Friday 20/3/20	Change(%)
NSE ASI	21,861.78	22,198.43	(1.52)
Market Cap(N'tr)	11.39	11.57	(1.51)
Volume (bn)	0.25	0.38	(33.75)
Value (N'bn)	3.36	3.42	(1.92)

MONEY MARKET			
NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	27/3/20	20/3/20	
OBB	15.80	4.80	1100.0
O/N	17.10	5.30	1180
CALL	18.67	5.60	1307.0
30 Days	15.32	13.14	218
90 Days	6.63	13.26	(662.8)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	27/3/20	20/3/20	27/2/20
Official (N)	360.00	307.00	306.95
Inter-Bank (N)	385.00	370.00	365.34
BDC (N)	0.00	0.00	0.00
Parallel (N)	410.00	380.00	360.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	27/3/20	20/3/20	
3-Year	0.00	0.00	0.0
5-Year	8.42	8.81	(38.2)
7-Year	11.76	11.30	45.8
10-Year	11.60	11.54	5.5
20-Year	13.01	12.85	15.8
30-Year	13.01	13.04	(3)

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Sources: CBN, Financial Market Dealers Association of Nigeria, NSE and Access Bank Economic Intelligence Group computation.

Market Analysis and Outlook: March 27 – April 3, 2020

Global Economy

In the United States of America, the number of citizens filing for unemployment benefits soared to 3.28 million from 282,000. This is notably the highest recorded in 53 years and well above the expectation of 1 million. The accommodation and food services sector saw the biggest blows in unemployment followed by health care & social assistance, arts, entertainment & recreation, transportation & warehousing and manufacturing industries. In terms of state, Pennsylvania (+378,908), Ohio (+187,784) and California (+186,809) were listed as the top 3. The United States department of labour is of the opinion that the lockdown and closure of non-essential businesses owing to coronavirus is responsible for the brunt. In another development, China's total industrial profit plunged to CNY 4.11 trillion, a 38.3% drop from CNY 6.66 trillion in the previous period. According to the National Bureau of Statistics of China, this was the steepest decline in industrial profits in at least a decade, as the economy battled with the coronavirus epidemic. 37 industries witnessed profit slumps among the 40 industries observed some of which include petroleum & coal (-116.7%), telecommunications & electronic equipment (-87%), mining & ferrous metals (-86.2%), automotive (-79.6%) and furniture manufacturing (-67.5%). Elsewhere, The Bank of England's monetary policy committee unanimously held bank rates at 0.1% at the just concluded March meeting. This decision was in response to the severe economic and financial disruption caused by the spread of Covid-19 thereby marking an all-time low. Expectations of a dip in the economic growth in Q1 2020 and rapidly rising unemployment were also considered in this decision. In the same vein, The Reserve Bank of India lowered its benchmark repurchase rate by 75 basis points to settle at 4.40% from 5.15% and cut cash reserve ratio by 100 basis points to 3% in a bid to boost liquidity and support the economy ravaged by the coronavirus outbreak.

Domestic Economy

The Monetary Policy Committee of Central Bank of Nigeria (CBN) kept rates unchanged at 13.5% (+200/-500 basis points) with CRR at 27.5% and liquidity ratio at 30% at the meeting held on March 24th and 25th 2020. The committee noted continued rise in domestic prices, glut in oil supplies, low oil prices, exchange rate pressures and other monetary and fiscal responses to the Covid-19 pandemic as the considerations in the decision to retain rates. In a separate development, according to CBN, The Nigerian Purchasing Manager's index stood at 51.1 index points in March 2020 from 58.3 index points reported in the previous month, indicating an expansion in the manufacturing sector for the thirty-sixth consecutive month despite the recent downward trend in the PMI index. Of the 14 subsectors, 7 reported growth which include sectors like transportation & equipment, petroleum & coal products, furniture & related products, food, beverage & tobacco cement, fabricated metal products and plastics & rubber products. Meanwhile, electrical equipment, primary metal, textile and leather & footwear recorded declines in the month. In the context of the most recent Nigeria's global rating, Standard & Poor's downgraded Nigeria's sovereign credit rating to B- from B and assigned a stable outlook citing weakening external positions tied to significantly lower oil prices and lower demand sprout from the coronavirus pandemic as the trigger for the downgrade.

Stock Market

The intensifying impact of the Covid-19 pandemic tanked trading activities on the Nigerian Stock Exchange, resulting in the sell-offs across high cap stocks. The all share index

dipped 1.52% to settle at 21,861.78 points from 22,198.43 points the preceding week. Similarly, market capitalization was down 1.56% to N11.39 trillion from N11.57 trillion the prior week. This week, the market will likely remain in the bear territory in light of the ongoing coronavirus saga and business shutdown.

Money Market

Systemic liquidity whittled last week stemming from the OMO auction and retail FX auctions. The market received a liquidity short in the arm from retail SMIS refund but this was inadequate. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates settled higher at 15.80% and 17.10% from 4.80% and 5.30% previous week. The slightly longer dated instruments such as 30-day and 90-day Nigeria Interbank Offered Rate (NIBOR) finished at 15.32% and 16% from 13.14% and 13.26% the previous week. Rates are expected to be sustained at the high levels as a result of the dearth in liquidity that the FX auctions will trigger this week.

Foreign Exchange Market

Last week, the local unit depreciated largely across all buckets as CBN adjusted prices and converged rates to boost investors' confidence and unfreeze investment flows. The official rate declined ending at N360/US\$, a N53/US\$ or 17.26% drop from the previous week. At the Nigerian Autonomous Foreign Exchange (NAFEX) window, the Naira lost N15 to close at N385/US\$ from N370/US\$ the preceding week. At the parallel market, it weakened by N30/US\$ to N410/US\$. We expect the rate to hover around the same level this week given the recent price adjustment and buyers reaction to the market.

Bond Market

At the bond market, although a few consummated trades were recorded, market remained generally flat. Subsequently, average yields rose as yields on the seven-, ten- and thirty-year debt papers finished at 11.76%, 11.60% and 13.01% from 11.30%, 11.54% and 13.04%, respectively. The Access Bank Government Bond index lost 7.2 points to settle at 3,617.98 points last week. We anticipate mixed sentiments this week the impact of the coronavirus continues to influence investor behaviour.

Commodities

In the week ended on 27th March, 2020, crude oil price slipped as oil storage costs soared due to the plunge in oil demand. Bonny light, Nigeria's benchmark crude fell 11.1% or \$3.1 per barrel to close the week at \$24.83 per barrel as a result of collapse in demand caused by the coronavirus and ongoing price war led by some OPEC+ countries. On the other hand, precious metals price took an upswing this week as investors hedged against weaker currency and lower stocks emerging from policies set to support weakening economies following the outbreak of the Coronavirus. Consequently, gold prices advanced 8.56% to finish at \$1,626.99 per ounce from \$1,498.65 per ounce. Silver gained 19.28% to \$14.78 per ounce. This week, oil prices might continue to trend lower as global demand for energy continues to drop. Similarly, precious metals may likely sustain the upward trajectory due to its safe-haven properties.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Mar'20	Apr'20	May'20
Exchange Rate (NAFEX) (N/\$)	385	386	386
Inflation Rate (%)	12.20	12.25	12.27
Crude Oil Price (US\$/Barrel)	24	22	23