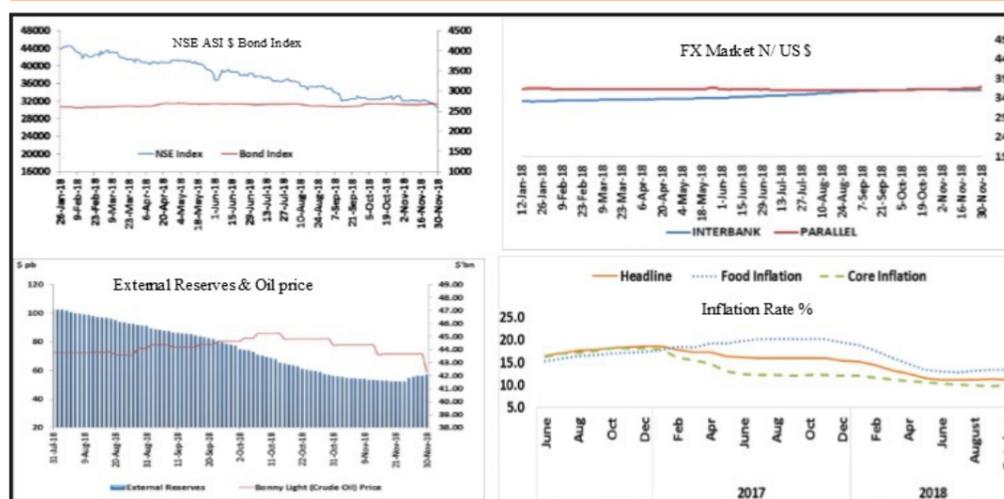


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

GDP Growth (%)	1.50	Q2 2018 — lower by 0.45% compared to 1.95% in Q1 2018
Broad Money Supply (M2) (N' trillion)	25.71	Increased by 1.73% in Oct' 2018 from N25.28 trillion in Sept' 2018
Credit to Private Sector (N' trillion)	22.72	Increased by 0.72% in Oct' 2018 from N22.56 trillion in Sept' 2018
Currency in Circulation (N' trillion)	1.97	Increased by 1.54% in Oct' 2018 from N1.93 trillion in Sept' 2018
Inflation rate (%) (y-o-y)	11.26	Declined to 11.26% in October' 2018 from 11.28% in September' 2018
Monetary Policy Rate (%)	14	Raised to 14% in July' 2016 from 12%
Interest Rate (Asymmetrical Corridor)	14 (+2/-5)	Lending rate changed to 16% & Deposit rate 9%
External Reserves (US\$ million)	42.08	November 29, 2018 figure — an increase of 0.31% from November start
Oil Price (US\$/Barrel)	58.09	November 30, 2018 figure — a decrease by 6.42% from the prior week
Oil Production mbpd (OPEC)	1.75	October 2018 figure — a decrease of 0.96% from September 2018 figure



STOCK MARKET

Indicators	Friday 30/11/18	Friday 23/11/18	Change(%)
NSE ASI	30,672.38	31,678.70	(3.18)
Market Cap(N'tr)	11.20	11.57	(3.18)
Volume (bn)	0.11	0.22	(48.64)
Value (N'bn)	1.62	2.63	(38.26)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	30/11/18	23/11/18	
O/N	17.3600	6.5800	1078
CALL	15.0400	5.5500	949
30 Days	13.8500	11.9682	188
90 Days	13.9400	13.6557	28

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	30/11/18	23/11/18	30/01/18
Official (N)	306.80	306.75	306.60
Inter-Bank (N)	360.16	360.64	362.47
BDC (N)	364.00	359.36	361.00
Parallel (N)	370.00	364.00	363.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	30/11/18	23/11/18	
3-Year	0.00	0.00	0
5-Year	15.27	15.16	11
7-Year	15.46	15.50	(4)
10-Year	15.48	15.48	(0)
20-Year	15.73	15.62	11

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 30 - December 07, 2018

Global Economy

In the US, the Bureau of Economic Analysis released its second report on gross domestic product growth for the third quarter of 2018, confirming a preliminary release in October that indicated the economy grew at a real rate of 3.5% from July through the end of September. This marked a decrease from 4.2% in the preceding quarter as upward revisions to non-residential fixed investment and private inventory investment were offset by a downward revision to consumer spending and a higher drag from net trade. According to Bureau of Economic Analysis, Personal consumption expenditure contributed 2.45% (revised from 2.69% in the first estimate), spending for services rose to 3.1% (revised from 3.2%) and durable goods at 3.9% (from 6.9%) while investment declined to -1.7% (revised from -7.9%) and residential investment at -2.6% (from -4%). Elsewhere, in Japan, unemployment rate rose to 2.4% in October 2018. The Statistics Office of Japan reported that this was the first increase after 4 consecutive months at 2.3%. The number of unemployed increased by 80,000 to 1.68 million in October from the previous month. In another development, Eurozone unemployment rate was reported at 8.1% in October 2018, unchanged in the last three months. The number of unemployed in the Euro Area expanded by 12,000 to 13.172 million. According to European Statistics, member countries with the lowest unemployment rate were Czech Republic (2.2%) and Germany (3.3%) while Greece (36.8%), Spain (34.9%) and Italy (32.5%) recorded the highest rates.

Domestic Economy

The Central Bank of Nigeria (CBN) has increased its foreign exchange injections for Bureau De change (BDCs) operators. The apex bank disclosed this in a circular published on its website titled Introduction of Special Intervention of Foreign Exchange Cash Sales to Bureau De Change Operators. According to the circular, 'in addition to the existing market days of Monday, Wednesday and Friday, the CBN has introduced a special intervention day every Thursday for \$15,000 per BDC commencing on Thursday, December 6, 2018.' The move, the apex bank disclosed, was to address the rising demand for the dollar due to the approaching yuletide season. The CBN also warned operators to ensure strict compliance with provisions pertaining to foreign exchange transactions. Any infraction, it stated, would be met with appropriate sanctions. In a separate development, the Manufacturing Purchasing Managers' Index (PMI) stood at 57.9 index points in November 2018. This indicates an expansion in the manufacturing sector for the twentieth consecutive month. The index grew at a slightly faster pace when compared to the previous month (56.8 points). This was 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. All the fourteen sub-sectors surveyed, recorded growth during the month.

Stock Market

The downward trend on the Nigerian Stock Exchange persisted last week amidst share price depreciations by many blue chip stocks. The All Share Index (ASI) - Nigeria's benchmark equities index, closed at 30,672.38 points compared with 31,678.70 points recorded the previous week. Aggregate market value of all quoted equities on the NSE also dropped to N11.19 trillion from prior week's opening

value of N11.57 trillion. This week, we expect the market to remain depressed in the absence of a significant positive market trigger.

Money Market

Rates inched higher at the money market in the week ended November 30, 2018 as market liquidity declined owing to the Retail Secondary Market Intervention Sales (SMIS), Open Market Operation (OMO) auction & wholesale SMIS that occurred in the week, mopping up over N600 billion. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates jumped to 16.57% and 17.36% from 5.83% and 6.58% respectively the prior week. Longer dated placements also saw an uptick in rates. The 30-day and 90-day NIBOR settled at 13.85% and 13.94% from 11.97% and 13.66% the previous week. This week, rates may trend lower emanating from the aftermath of Federation Accounts Allocation Committee (FAAC) disbursement that is expected to hit the system.

Foreign Exchange Market

The local currency witnessed mixed signals across all markets last week. The interbank window appreciated by 48 kobo to close at N360.16/\$ from N360.64/\$ the previous week. At the official window, it depreciated 5 kobo to close at N306.8/\$ from N306.75/\$ the prior week. At the parallel market, the local currency shed N6 to settle at N370/\$. This week, we anticipate depreciation at all the market segments reflecting dollar shortage occasioned by rising demand for the greenback.

Bond Market

Bond yields rose last week. This was a spillover from the increase in rates by 25 basis points at the OMO auction carried out at the end of the week. Yields on the five- and twenty-year debt papers settled at 15.27% and 15.73% from 15.16% and 15.62% respectively the previous week. The Access Bank Bond index fell by 0.07 points to close at 2,673.86 points from 2,673.80 points the previous week. This week, we anticipate bearish sentiments as market participants remain cautious about yield levels.

Commodities

Oil prices dipped last week, weighed down by uncertainty over the US-China trade war and signs of increased global crude production. The OPEC Reference Basket (ORB) ended \$3.99 lower at \$58.09 per barrel. In a similar vein, precious metals prices retreated amid expectations of another interest rate hike this year. US Fed meeting minutes last week showed the central bank is expecting to hike interest rates but did not offer a timeline. Rises in interest rates reduce demand for safe haven assets like precious metals, which do not generate regular payments the way other investments, like bonds, do. Gold slipped 0.09% to \$1,221.14 per ounce, while silver lost 0.5% to close at \$14.23 per ounce. This week, the direction of oil prices will largely take a cue from the outcome of the upcoming OPEC meeting. For precious metals, prices will be largely influenced by development at the G20 meeting where U.S. and Chinese leaders are scheduled to discuss trade matters after months of tensions.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Nov'18	Dec'18	Jan'18
Exchange Rate (Official) (N/\$)	363	364	365
Inflation Rate (%)	11.30	11.61	11.45
Crude Oil Price (US\$/Barrel)	75	77.00	78.00

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