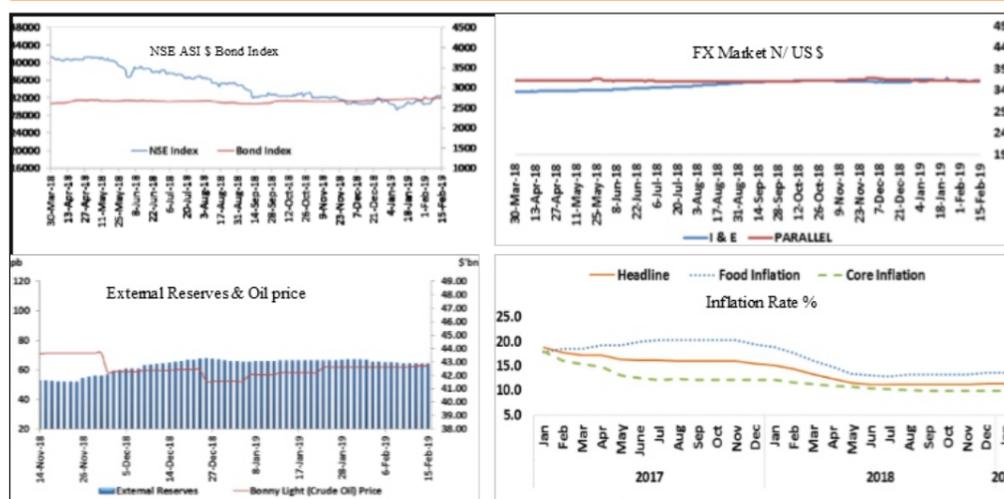


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

GDP Growth (%)	2.38	Q4 2018 — Higher by 0.57% compared to 1.81% in Q3 2018
Broad Money Supply (M2) (N' trillion)	27.07	Decreased by 14.38% in Dec' 2018 from N31.79 trillion in Nov' 2018
Credit to Private Sector (N' trillion)	22.72	Decreased by 1.54% in Dec' 2018 from N23.08 trillion in Nov' 2018
Currency in Circulation (N' trillion)	23.29	Increased by 10.93% in Dec' 2018 from N2.1 trillion in Nov' 2018
Inflation rate (%) (y-o-y)	11.37	Decreased to 11.37% in January 2019 from 11.44% in December 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)	42.88	February 13, 2019 figure — a decrease of 0.68% from February start
Oil Price (US\$/Barrel)	62.68	February 15, 2019 figure — an increase of 1.19% from the prior week
Oil Production mbpd (OPEC)	1.79	January 2019 figure — an increase of 2.99% from December 2018 figure



STOCK MARKET

Indicators	Friday 15/02/19	Friday 08/02/19	Change(%)
NSE ASI	32,715.20	31,529.92	3.76
Market Cap(N'tr)	12.20	11.76	3.76
Volume (bn)	0.81	0.72	11.72
Value (N'bn)	6.49	12.21	(46.87)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	15/02/19	08/02/19	
O/N	17.50	19.42	(192)
CALL	16.04	16.64	(60)
30 Days	12.48	12.20	28
90 Days	12.99	13.14	(15)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	15/02/19	08/02/19	15/01/19
Official (N)	306.75	306.70	306.85
Inter-Bank (N)	361.65	361.73	364.84
BDC (N)	0.00	361.49	363.50
Parallel (N)	362.00	361.00	362.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	15/02/19	08/02/19	
3-Year	0.00	0.00	0
5-Year	15.43	14.90	53
7-Year	14.68	14.72	(4)
10-Year	14.64	14.76	(12)
20-Year	14.54	14.65	(12)

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: February 15th – February 22nd, 2019

Global Economy

In the US, retail trade fell by 1.2% in December 2018 in contrast to a growth rate of 0.1% witnessed in November. This has been the sharpest fall in retail trade recorded since September 2009 according to the US Census Bureau. Retail sales, excluding automobiles, gasoline, building materials and food services, dropped by 1.7% in December after an increase of 1% in November. Elsewhere, in the Eurozone, trade surplus narrowed to €17 billion, following a fall in exports in December. According to European Statistical Office, imports increased to €159.5 billion while exports fell by 2.5% to €176.5 billion. Imports to the EU rose mainly from the US (3.9%), China (5%), Russia (16%), Turkey (9%) and Norway (13.3%), but declined by 1.4% from Switzerland. Exports growth slowed to the US by 8%, China (6.2%), Switzerland (4.2%) and Norway (6.1%), but dropped to Russia and Turkey (0.8%) and (9%) respectively. In a separate development, the Office for National Statistics confirmed UK January inflation rate at 2-year low of 1.8% from 2.1% in December. The resulting rate is due to a slowdown in the cost of electricity, gas and other fuels. Year-on-year, cost of clothing and footwear fell to 1.3% compared to 0.9% in December. Prices slowed for housing, water, electricity, gas and other fuels by 1.1%; transport by 3.2% and restaurants and hotels by 2.6%. On the other hand, prices increased at a faster pace for food and non-alcoholic beverages 0.9% compared to 0.7%; and miscellaneous goods and services by 0.2% compared to 0.1%.

Domestic Economy

Real Gross Domestic Product (GDP) advanced to 2.38% year-on-year (y-o-y) in Q4 2018, relative to the growth of 2.11% y-o-y in Q4 2017. The economy's performance was slightly constrained by crude oil, which contracted by -1.62% y-o-y in Q4 2018, compared to growth of 14.77% and 11.20% in Q1 2018 and Q4 2017 respectively. Average daily oil production was recorded at 1.91 million barrels per day (mbpd), lower than the production volume of 1.95 mbpd seen in the same quarter of 2017. The non-oil sector increased by 2.70%. The momentum was driven by information & communication (13.20%), transportation (9.48%), arts & entertainment (4.18%), agriculture (2.46%) and manufacturing (2.35%). The real GDP grew at an annual growth rate of 1.98% for full year 2018 compared to 0.82% in the previous year. In a separate development, the Consumer Price Index (CPI) which measures inflation rose by 11.37% year-on-year in the month of January 2019, which is 0.07% points lower than the 11.44% recorded in December 2018. The food index increased by 13.51% (year-on-year) in the reference month, slightly lower than 13.56% recorded in December, thus indicating declining pressure in the prices of food items. The core sub-index, which excludes prices of farm produce rose slightly by 0.1% to settle at 9.9% in January 2019 from last month's figure of 9.8% year-on-year. During the month, the highest increases were seen in the prices of fish, bread and cereals, vegetables, meat, fruits, potatoes, yam and other tubers, oils and fats, soft drinks. Others are domestic services and household services, tobacco, major household appliances whether electronic or not, medical and dental services, garments, narcotics, cleaning, repair and hire of clothing, carpet and other floorings.

Stock Market

The bulls dominated the nation's stock market last week on renewed buying interest in fundamentally sound industrial, consumer goods and oil & gas stocks with historical evidence of dividend payment. The All share Index (ASI) expanded by 3.76% to 32,715.20 points from 31,529.92 points the preceding week. Similarly, Market Capitalization increased by 3.96% to N12.2 trillion from N11.76 trillion the prior week. Positive macro indicators such as the Gross Domestic Product figures and January

inflation data are likely to have also contributed to the rise seen in the market. This week, market volatility will likely continue as investors and fund managers reposition their portfolios, with eyes fixed on the political space as the outcome of the all-important Presidential and National Assembly elections comes out.

Money Market

The direction of money market rates trended downwards for the week ended February 15th 2019 due to inflow from retail refund, bond coupon payment of N47 billion and Net Open Market Operation (OMO) of about N123 billion. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates declined to 15.83% and 17.50% to 18.67% and 19.42% respectively the previous week. Call rates also dipped to 16.04% from 16.64% the prior week. Longer-tenured interbank rates, such as the 90-day NIBOR declined to 12.99% from 13.14% the previous week. This week, market is still expected to remain liquid on the back of OMO maturities of N500 billion expected to hit the system.

Foreign Exchange Market

The naira depreciated marginally against the green-back across most market segments monitored last week. At the official window the naira lost 0.02% to close at N306.75/\$ compared to N306.70/\$ the prior week. Likewise, at the parallel market the naira closed lower by N1 at N362/\$ from N361/\$ the previous week. In contrast, Investors' and Exporters window, it gained 7 kobo to settle at N361.64/\$ from N362.71/\$ the previous week. The weakening seen across most markets comes amidst continued intervention by the monetary regulator to provide liquidity to the FX market. This week, we envisage the naira will trade sideways across all windows.

Bond Market

The bond market remained bullish this week driven by demand across select trading instrument predominantly the jul2022, feb2028, mar2036 and apr2037 maturities. Yields on the ten-, seven- and twenty-year debt papers closed at 14.68%, 14.64% and 14.54% from 14.72%, 14.76% and 14.65% respectively the previous week. The Access Bank Bond index edged up by 9.85 points or 0.36% to finish at 2,762.37 points from 2,752.52 points the previous week. This week, the market is expected to sustain the buying interest barring any impactful news.

Commodities

Oil prices climbed last week spurred by OPEC-led supply cuts and a partial shutdown of Saudi Arabia's biggest offshore oil field. Bonny light, the Nigerian benchmark crude gained 74 cents to settle at \$62.68 a barrel, 1.2% up from the prior week. In a similar vein, gold prices rallied against a falling US Dollar as world stock markets slashed earlier gains and new data showed US retail sales slumped. Gold prices increased 0.40% to \$1,316.24 per ounce last week, while silver prices settled lower by 12 cents, or 0.8%, to \$15.77 per ounce on the back of weak demand. This week, we expect the price of oil will trend higher as OPEC and some non-affiliated suppliers including Russia are withholding supply in order to tighten the market and prop prices. For precious metals, prices are likely to tilt higher as subdued growth outlook and dovish comments from most major central banks continue to spur increased safe-haven buying.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Feb'19	Mar'19	Apr'19
Exchange Rate (Interbank) (N/\$)	364	364	365
Inflation Rate (%)	11.5	11.55	11.6
Crude Oil Price (US\$/Barrel)	60	59	62

For enquiries, contact: Rotimi Peters (Team Lead, Economic Intelligence) (01) 2712123 rotimi.peters@accessbankplc.com