In Japan, the economy grew 1.4% year-on-year in Q4 2018, after a 2.6% contraction in the September quarter. According to data reported to the Cabinet Office of the Prime Minister, which accounts for more than half of the nation’s economy, rose 0.6% as households spent more on eating out and traveling. Capital expenditure was up 2.4% as firms took advantage of record-high corporate earnings to boost capacity and productivity. In a separate development, China inflation rate eased to 1.7% in January 2019 from 1.9% in the previous month on the back of lower food prices. It was the lowest inflation rate in the past 1 year as reported by the National Bureau of Statistics, China. Elsewhere in India, consumer price inflation declined 0.2% in January to 2019 from December. According to the Office of the Economic Adviser, it is the lowest inflation rate since 11 months as food prices continue to decline. The Reserve Bank of India recently adjusted its inflation forecast for January-March 2019, maintaining a deflation in food items and a sharpy fall in fuel inflation.

Domestic Exchange Market

The Fixed income market closed the week ended on “off February 19” on a bearish note with sell-offs seen across select maturities particularly the Feb 2018 which was offered at a 9.90% yield on the back of an overall bearish sentiment. This week, result of the bond auction held last week will influence market direction in the near term as the unmet demand filters into the Bondmarket.

Commodities

Last week, oil prices rose as signs of tighter global crude supplies outweighed pressure from a continued rise in U.S. production and the global economic slowdown. OPEC basket of prices gained $1.69 to close at $65.97 a barrel. 5% up from the previous week. In a similar vein, gold prices rallied as concerns over a global economic slowdown stirred optimism over US-China trade talks.

Access Bank Rateswatch

Inflation Rate (%)

Variables Feb’19   Mar’19   Apr’19

60                   59                              62
11.5 11.55   11.6
364 364 365

For enquiries, contact: Rotimi Peters (Team Lead, Economic Intelligence) (01) 2712123

Disclaimer

The report is based on information obtained from various sources. Sources include but are not limited to, official releases of government agencies and private sector institutions. The information contained in this report is provided on an "as is" basis. Access Bank Plc does not assume any responsibility for the completeness or accuracy of any of the information contained herein. Access Bank Plc shall not be liable for any loss or damage arising from any reliance placed on this information. The information contained herein is subject to change without prior notice.


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Money Market

The money market settled in varying directions as short tenured rates rose while longer tenured rates declined. Market liquidity was relatively tight, largely due to Net Open Market Operations (OMO) in the region of N105 billion and February bond auction by the government which drained N150 billion from the market. There were major placements such as Open Buy Back (OBB) and Over Night (N/ON) rates notched to 18.85% and 20.25% to 17.5% and 17.5% respectively the previous week. In contrast, longer tenured rates fell with N30-90 day NIBOR easing to 6.15% in January 2019 from 6.47% the prior month on the back of lower food prices. It is the lowest inflation rate in the last year as reported by the National Bureau of Statistics, China. Elsewhere in India, consumer price inflation declined 0.2% in January to 2019 from December. According to the Office of the Economic Adviser, it is the lowest inflation rate since 11 months as food prices continue to decline. The Reserve Bank of India recently adjusted its inflation forecast for January-March 2019, maintaining a deflation in food items and a sharp fall in fuel inflation.

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