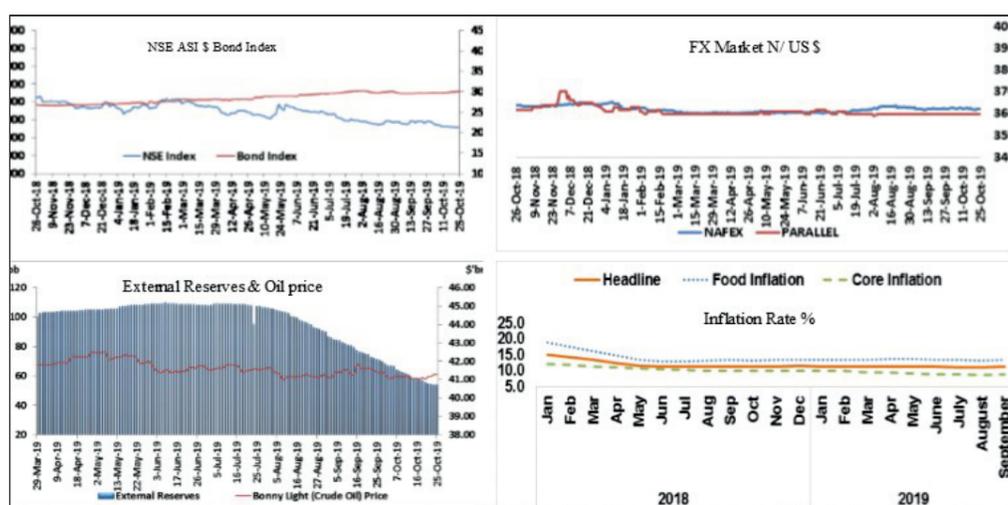


# Access Bank Rateswatch

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)	35.25	Decreased by 1.23% in Aug' 2019 from N35.68 trillion in July' 2019
Credit to Private Sector (N' trillion)	24.83	Increased by 2.24% in Aug' 2019 from N24.29 trillion in July' 2019
Currency in Circulation (N' trillion)	2.01	Increased by 0.79% in Aug' 2019 from N2.0 trillion in July' 2019
Inflation rate (%) (y-o-y)	11.24	Increased to 11.24% in September 2019 from 11.02% in August 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)	40.72	October 24, 2019 figure — a decrease of 2.50% from October start
Oil Price (US\$/Barrel)	60.84	October 24, 2019 figure — an increase of 5.26% from the previous wk
Oil Production mbpd (OPEC)	1.86	September 2019 figure — a decrease of 0.85% from August 2019 figure



STOCK MARKET			
Indicators	Friday 25/10/19	Friday 18/10/19	Change(%)
NSE ASI	26,348.73	26,448.62	(0.38)
Market Cap(N'tr)	12.83	12.88	(0.38)
Volume (bn)	0.37	0.31	19.47
Value (N'bn)	2.52	5.00	(49.65)

MONEY MARKET			
NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	25/10/19	18/10/19	
O/N	6.86	5.86	100
CALL	4.90	6.30	(140.0)
30 Days	12.58	12.53	5
90 Days	12.87	13.24	(36.6)

FOREIGN EXCHANGE MARKET			
Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	25/10/19	18/10/19	25/9/19
Official (N)	306.95	306.90	306.95
Inter-Bank (N)	362.17	362.21	362.29
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)
	25/10/19	18/10/19	
3-Year	0.00	0.00	0.0
5-Year	13.98	14.32	(33.8)
7-Year	14.11	14.13	(2.2)
10-Year	14.09	14.17	(8.3)
20-Year	14.17	14.27	(9.7)
30-Year	14.30	14.56	(26)

**Disclaimer**  
This report is based on information obtained from various sources believed to be reliable and no representation is made that it is accurate or complete. Reasonable care has been taken in preparing this document. Access Bank Plc shall not take responsibility or liability for errors or fact or for any opinion expressed herein. This document is for information purposes and private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of Access Bank Plc.

## Market Analysis and Outlook: October 25 - November 1, 2019

### Global Economy

In the US, factory activities recorded the strongest expansion since April 2019 as output, new orders and employment increased at a faster rate. The IHS Markit Manufacturing PMI climbed to 51.5 in the month of October from 51.1 in the previous month. Data also revealed that new export sales went up for the first time in 4 month. Business confidence in the manufacturing sector also picked up for the second consecutive month. In the Eurozone, the European Central Bank (ECB) kept rates on hold at the October 24 meeting with the main refinancing rate remaining at 0% and the deposit rate at -0.5%. The Bank revealed that it expects rates to remain the same or move to lower levels until inflation moves close to, but below 2%. Elsewhere in East Asia, Japan's trade balance posted a deficit of JPY 123 billion in the month of September. The economy previously posted a surplus in the same period of the previous year according to the Ministry of Finance. This was the third straight month of shortfall as the percentage of exports slid lower to 5.2% from 8.2% and imports fell at a slower pace by 1.5% from 12% in the previous period. This reveals that the trade-reliant economy is currently facing persistent pressure from slowing external demand.

### Domestic Economy

The Nigerian Stock Exchange (NSE) published its monthly Domestic & Foreign Portfolio investment report for September 2019. The report revealed that the total transactions at the nation's bourse increased by 15.95% to N141.45 billion from N121.99 billion recorded in August 2019. The total value of transactions executed by foreign investors outperformed transactions executed by domestic investors by 34%. Total domestic transactions decreased by 19.91% to N47 billion in September from N58.69 billion in August 2019. However, total foreign transactions increased by 47.81% to N94.45 billion from N63.90 billion during the same period. Total domestic transactions, which is split into retail and institutional investors and retail investors were at par during the period. Total retail transactions dipped by 2.34% to N23.36 billion in the reference month from N23.92 billion in August. Likewise, the institutional composition of the domestic market fell by 30.81% to N23.64 billion in September 2019 from N34.17 billion in the preceding month. The performance of the current month when compared to the performance in the same period (September 2018) of the prior year revealed that total transactions increased by 8.64%. In other news, the Q3 2019 Consumer Expectations Survey revealed that the overall outlook by consumers was positive in the reference quarter. The index stood at 3.8 points, which is higher than the corresponding period of 2018 by 2.3 points. Consumers attributed this favourable outlook to improved family income and family financial situation. The outlook for the next quarter and the next 12 months remains positive as consumers expect that net household income would increase. They also anticipate improvement in Nigeria's economic conditions.

### StockMarket

The Nigeria stock exchange witnessed another week of consecutive losses. The poor performance was due to negative sentiment around the nation's gloomy economic indicators such as the higher inflation report for September. Consequently, the All Share Index (ASI) tapered 0.38% to 26,348.73 points from 26,448.62 points the preceding week.

Similarly, market capitalization dipped 0.38% to N12.83 trillion from N12.88 trillion the prior week. This week, we expect the market to react to released numbers in expectation of more quarterly earnings reports.

### MoneyMarket

Cost of borrowing went northwards due to Retail Secondary Market Intervention Sales (SMIS) FX auction. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates climbed to 6% and 6.86% from 5.14% and 5.86% respectively the previous week. The 30-day Nigeria Interbank (NIBOR) rate also increased marginally to 12.53% from 12.56% the prior week. This week, we envisage that rates remain around single digit rate due to Open Market Operations (OMO) maturity.

### Foreign ExchangeMarket

The foreign exchange market went in different directions for the week ended October 25<sup>th</sup>, 2019. The NAFEX window, saw a slight appreciation of 4 kobo to close at N362.17/\$. While, the official window saw a depreciation as it went up by 5 kobo to settle at N306.95/\$. The parallel market remained unchanged at N360/\$. The relative stability of the local currency continues to be supported by the intervention of the apex Bank. This week, we expect the naira to remain around prevailing levels, boosted by the Central Bank's sustained supply of liquidity to the market.

### BondMarket

The bond market traded with bullish sentiments following the clarification from the CBN regarding the earlier released circular barring individual and local corporates from accessing the OMO auction window. Yields on the five-, seven-, ten-, twenty-year, and thirty-year debt papers closed lower at 13.98%, 14.11%, 14.09%, 14.17% and 14.30% from 14.32%, 14.13%, 14.17%, 14.27% and 14.56% respectively the previous week. The Access Bank Bond index increased by 13.54 points to finish at 3007.82 points from 2,994.28 points the previous week. This week, we expect the buying interest to continue given the robust system liquidity amidst the declining yield trend.

### Commodities

Oil prices spiked last week, bolstered in part by a relatively stable geopolitical scene and inventory deficit as the Energy Information Administration (EIA) reported that U.S. crude supply fell by 1.7 million barrels, ending a six-week streak of increases. Bonny light, Nigeria's benchmark oil crude, jumped \$3.04, or 5.26%, to \$60.84 a barrel. In the same light, precious metal experienced a bullish week on expectations of another rate cut by the US Federal Reserve later this month. Gold climbed to \$1,512.13.55 an ounce, up 1.52% from the prior week's price, while the silver settled higher at \$18.24 per ounce, compared to the preceding week's close of \$17.52 per ounce. This week, we anticipate that oil prices might trend upwards supported by possible action from OPEC and its allies to consider deeper production cuts. For precious metals, prices are expected to strengthen as investors await the Federal reserve decision to cut rates.

### MONTHLY MACRO ECONOMIC FORECASTS

Variables	Nov'19	Dec'19	Jan'20
Exchange Rate (NAFEX) (N/\$)	363	362	363
Inflation Rate (%)	11.3	11.3	11.4
Crude Oil Price (US\$/Barrel)	65	66	67