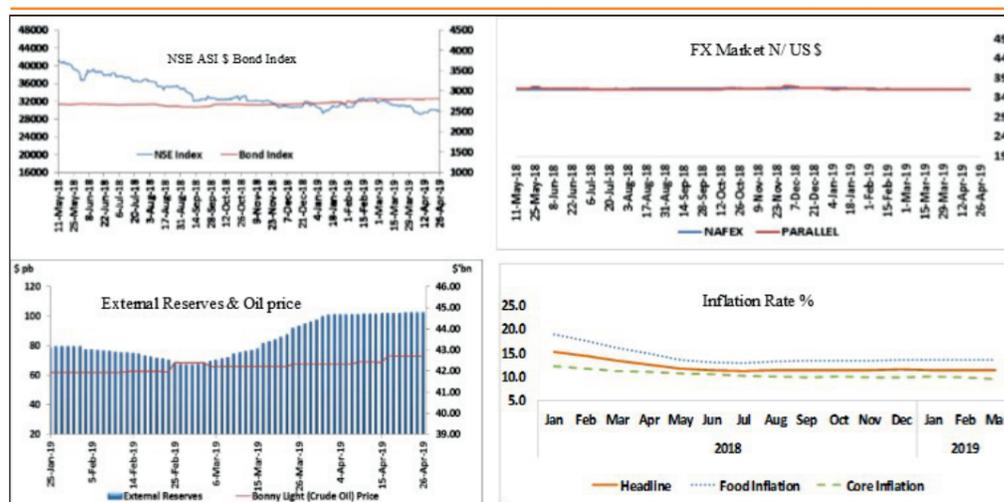


Access Bank Rateswatch

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)	11.25	Decreased to 11.25% in March 2019 from 11.31% in February 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)	44.78	April 24, 2019 figure — an increase of 0.28% from April start
Oil Price (US\$/Barrel)	72.93	April 26, 2019 figure — no change from the prior week
Oil Production mbd (OPEC)	1.73	March 2019 figure — an increase of 0.58% from February 2019 figure



STOCK MARKET			
Indicators	Friday 26/04/19	Friday 18/04/19	Change(%)
NSE ASI	29,740.41	30,086.31	(1.15)
Market Cap(N'tr)	11.18	11.30	(1.09)
Volume (bn)	0.24	0.23	7.75
Value (N'bn)	1.54	1.74	(11.31)

MONEY MARKET			
NIBOR	Friday Rate	Friday Rate	Change
Tenor	(%)	(%)	
(Basis Point)			
	26/04/19	18/04/19	
OBB	16.43	9.86	657.0
O/N	17.29	10.57	672
CALL	18.81	10.70	811.3
30 Days	11.97	11.81	16

FOREIGN EXCHANGE MARKET			
Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	26/04/19	18/04/19	26/03/19
Official (N)	306.90	306.95	306.95
Inter-Bank (N)	360.64	360.29	360.15
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)
	26/04/19	18/04/19	
3-Year	0.00	0.00	0.0
5-Year	14.72	14.70	1.8
7-Year	14.17	14.25	(7.8)
10-Year	14.57	14.30	27.2
20-Year	14.54	14.54	(0.1)

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

Market Analysis and Outlook: April 26th – May 3rd, 2019

Global Economy

In China, the economy advanced 6.4% year-on-year in the first quarter of 2019, unchanged from its previous growth rate. Industrial output growth accelerated markedly and consumer demand strengthened amid government's pro-growth policies, which helped stabilize sentiments rattled by trade dispute with the US. It is the weakest quarterly growth rate since the first quarter of 2016. In a separate development, the Bank of Japan left its benchmark interest rate unchanged at -0.1% at its April meeting and kept the target for the 10-year government bond yield at around zero percent. The Committee said it intends to keep the current extremely low levels of short-term and long-term interest rates for an extended period of time, at least through around Spring 2020, taking into account uncertainties regarding economic activity and prices including developments in overseas economies and the effects of the scheduled consumption tax hike. Elsewhere in India, the Reserve Bank of India lowered its benchmark interest rate by 25bps to 6% in April. The reverse repo rate was also lowered by 25bps to 5.75% and the marginal standing facility rate and the Bank Rate to 6.25%. It is the second rate cut this year and according to Policymakers, the decision is consistent with the objective of achieving the medium-term target of 4 percent (+/- 2 percent) while supporting growth.

Domestic Economy

The World Bank loan portfolio in Nigeria currently reads at \$8.67bn according to the Debt Management Office (DMO). Loans from the International Development Association (IDA), one of the three arms of the World Bank, make up \$8.55bn of the portfolio. Loans from the International Bank for Reconstruction and Development (IBRD), another arm of the Bretton Woods institution, make up \$124.18m of the portfolio. IDA is the concessional arm of the Bank through which it grants low interest loans to developing countries while the IBRD is the commercial arm that lends at commercial interest rates. Statistics obtained from the DMO showed that the Bank's portfolio in Nigeria rose from \$6.67bn in December 31, 2016, to \$8.67bn in December 31, 2018. Thus, the World Bank portfolio in the country rose by \$2bn within a two year period. This shows an increase of 29.98 per cent within the reference period. Nigeria's external debt as of December 31, 2018, stood at \$25.27bn. With a portfolio of \$8.67bn, the World Bank is the country's single largest creditor as the Bank holds 34.32 per cent of the nation's external debt commitment. In a separate development, the Central Bank of Nigeria has barred Primary Mortgage Bank from granting foreign currency denominated mortgage loans to customers. The operators are also barred from granting consumer or commercial loans, leasing facilities and engaging in estate agency or facilities/project management and real estate development as well as other activities that the CBN may classify as non-permissible from time to time.

Stock Market

Local indicators at the bourse closed on a bearish trend driven by traders and investors repositioning ahead of Q1 corporate earnings from the major listed companies. The All Share Index (ASI) shed 1.15% to close at 29,740.41 points from 30,086.31 points the preceding week. Similarly, market capitalization lost 1.09% to settle at N11.18 trillion from N11.30 trillion the prior week. This week, we expect the market to take a

bullish turn as investors and fund managers rebalance their portfolios, with eyes fixed on the political space and ongoing quarterly earnings position.

Money Market

Rates trended upwards due to various funding activities including the bi-weekly retail FX activities and the April bond auction. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates jumped to 16.43% and 17.29% from 9.86% and 10.57% respectively the previous week. Likewise, longer dated placements edged up slightly with the 30-day and 90-day NIBOR settling at 11.96% and 12.22% from 11.81% and 11.97% respectively the previous week. This week we expect the system to be awash with liquidity due to FAAC inflow thereby triggering interbank lending.

Foreign Exchange Market

Last week, the local unit recorded mixed movement across market segments. At the NAFEX window the local currency depreciated marginally by 35kobo to close at N360.64/\$. Meanwhile, at the official window it ended at N306.9/\$, a 5 kobo appreciation from the previous week. However, the parallel market remained unchanged at N360/\$ from the prior week. This week, the naira is expected to remain around current levels due to the apex bank's continuous market intervention.

Bond Market

Bond yields rose last week due to the bond auction as the Debt Management Office introduced two new bonds into the market. Yields on the five-, and ten-year debt instruments closed higher at 14.72% and 14.57% from 14.70% and 14.30% respectively the preceding week. Consequently, the Access Bank Bond index dropped marginally by 0.59 points to close at points 2,809.30 from 2,809.88 points the previous week. This week, we expect cautious trading in the near term as market participants remain risk averse.

Commodities

Oil prices climbed higher in the wake of tightening sanctions on Iran and from a halt of Russian oil exports to Poland and Germany via a pipeline due to quality concerns. The United States this week said it would end all exemptions for sanctions against Iran, demanding countries halt oil imports from Tehran from May or face punitive action from Washington. OPEC benchmark crude, rose \$3.23, or 5% to \$74.04 per barrel. In a similar vein, precious metal prices jumped as signs of weak global growth rekindled investor interest in the safe-haven metal. Gold gained \$5.44, or 0.43%, to \$1,280.95 an ounce. Silver also went up by 5 cents or 0.3% to \$15.03 an ounce. This week, we expect oil prices to rise further as a result of the US decision to try and bring down Iran oil exports to zero comes amid supply cuts led by producer Organization of the Petroleum Exporting Countries (OPEC) since the start of the year aimed at propping up prices. For precious metals, incoming U.S labour news will determine the trend of the bullions.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Apr'19	May'19	Jun'19
Exchange Rate (Interbank) (N/\$)	363	363	364
Inflation Rate (%)	11.23	11.19	11.21
Crude Oil Price (US\$/Barrel)	70	72	72

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