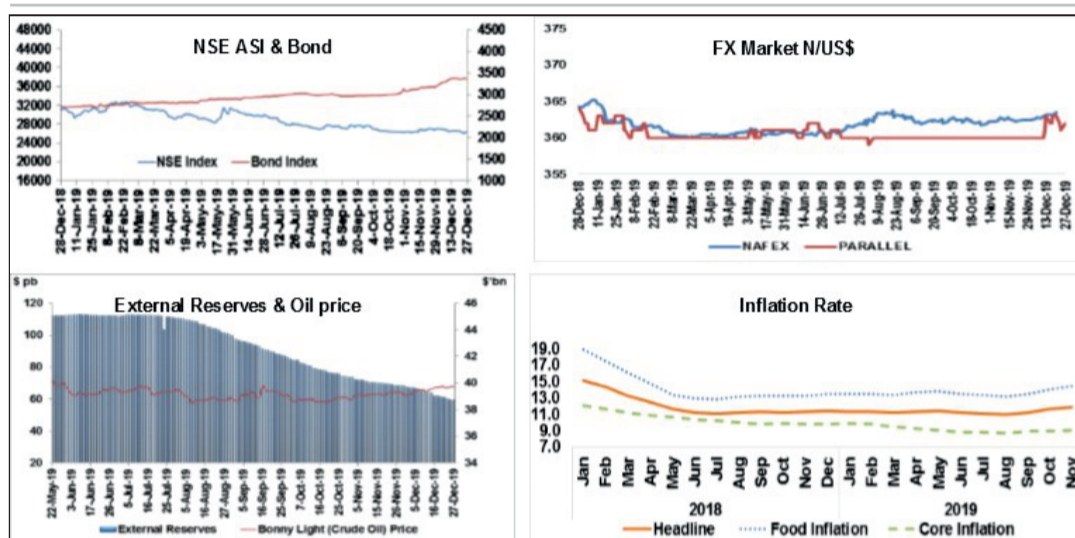


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS		
GDP Growth (%)	2.28	Q3 2019 — higher by 0.17% compared to 2.12% in Q2 2019
Broad Money Supply (N' trillion)	35.26	Increased by 0.66% in Oct' 2019 from N35.03 trillion in Sept' 2019
Credit to Private Sector (N' trillion)	25.80	Increased by 1.30% in Oct' 2019 from N25.47 trillion in Sept' 2019
Currency in Circulation (N' trillion)	2.06	Increased by 2.51% in Oct' 2019 from N2.01 trillion in Sept' 2019
Inflation rate (%) (y-o-y)	11.85	Increased to 11.85% in November 2019 from 11.61% in October 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)	38.78	December 24, 2019 figure — a decrease of 2.33% from December start
Oil Price (US\$/Barrel)	67.64	December 24, 2019 figure — a decrease of 0.27% from the previous wk
Oil Production mbpd (OPEC)	1.80	November 2019, figure — a decrease of 0.33% from October 2019 figure



STOCK MARKET

Indicators	Friday 27/12/19	Friday 20/12/19	Change(%)
NSE ASI	26,416.48	26,526.35	(0.41)
Market Cap(N'tr)	12.75	12.80	(0.40)
Volume (bn)	0.22	0.34	(34.87)
Value (N'bn)	3.04	2.34	30.02

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	27/12/19	20/12/19	
O/N	4.57	2.14	243.0
O/N	3.93	2.93	100
CALL	4.06	2.95	111.3
30 Days	10.68	9.64	104
90 Days	11.34	10.33	100.7

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	27/12/19	20/12/19	27/11/19
Official (N)	307.00	306.95	307.00
Inter-Bank (N)	363.84	363.52	362.45
BDC (N)	0.00	0.00	0.00
Parallel (N)	362.00	363.00	360.00

BOND MARKET

AVERAGE YIELDS

Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	27/12/19	20/12/19	
3-Year	0.00	0.00	0.0
5-Year	9.08	10.01	(92.8)
7-Year	10.91	10.84	7.7
10-Year	11.13	11.27	(14.0)
20-Year	11.74	11.86	(12.2)
30-Year	12.88	12.88	(0)

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

Market Analysis and Outlook: December 27 – January 3, 2020

Global Economy

In the Japan, unemployment rate contracted to 2.2% in November 2019 from 2.4% the previous month, matching a three-month low. The jobs-to-applications ratio remained unchanged at 1.57 according to the Ministry of Internal Affairs & Communications. The number of unemployed decreased by 150,000 from the previous month to 1.51 million in November, while employment increased by 110,000 to 67.69 million. The labor force went down by 50,000 to 69.19 million and those detached from the labor force went up by 80,000 to 41.63 million. Elsewhere in Brazil, it reported the lowest jobless rate since 2016 according to the Brazilian Institute of Geography and Statistics. Unemployment rate dropped to 11.2% in the three months to November of 2019 from 11.6% in the three months to October and 11.6% a year earlier. In a separate development, India recorded the highest inflation rate since July 2016 according to Ministry of Statistics and Programme Implementation. Inflation rate increased to 5.54% year-on-year in November 2019 from 4.62% in the prior month, which is above the Reserve Bank of India's medium-term target of 4%, boosted by food prices.

Domestic Economy

Nigeria's total non-oil receipt increased by 16.7% to N369.84 billion in November, up from the N316.79 billion realized the previous month. This formed part of the Central Bank of Nigeria's (CBN) monthly economic report obtained recently. However, the amount of non-oil earnings, which was 43.1% of total revenue in the month under review, was below the monthly budget of N447.24 billion by 17.3%. The drop in collection, relative to the monthly budget, was attributed to the decline in revenue from Value Added Tax (VAT), education tax and the federal government independent revenue. Also, total non-oil export earnings, at \$455.37million, indicated an increase of 15.4% and 48.9%, relative to the levels in October 2019 and the corresponding period of 2018, respectively. The report attributed the rise in earnings from non-oil exports in November largely to a 3,797.7% increase in receipts from mineral sector to \$78.88million. In a separate development, the CBN in a recent circular slashed bank charges in order to protect customers. It reduced the withdrawal fee charged for the use of other banks' Automated Teller Machines (ATM) from N65 to N35. The N35 ATM fee according to the CBN should be imposed on customers after the third withdrawal within one month. It also removed card maintenance fee on all cards linked to current accounts, and also asked banks to charge a maximum of N1 per mille for customer induced debit transactions to third parties and transfers or lodgments to the customers' account in other bank on current accounts only. It also pegged the Advance Payment Guarantee (APG) to a maximum of one per cent of the APG value in the first year and 0.5% for subsequent years on contingent liabilities. The CBN warned banks to ensure full compliance to the new guidelines adding that any bank that violates the provisions of the guidelines would be sanctioned.

Stock Market

The Nigeria Stock Exchange ended the year 2019 on a bearish note for the 3 working day week following the Christmas and Boxing Day holidays. Market closed lower on the back of continued selloffs. Consequently, the All Share Index (ASI) fell by 0.41% to end at 26,416.48 points from 26,526.34 points the preceding week. Similarly, market capitalization tapered by 0.40% to N12.75 trillion from N12.80 trillion the prior week. We expect that investors to take advantage of low prices as capital flow and

repositioning in value stocks continue for the new week and coming year.

Money Market

There was a marginal rise in money market rates as the Central Bank of Nigeria (CBN) debited banks that failed to meet up with the required loan to deposit ratio (LDR) of 65%. Banks were debited the sum of about N608 billion, which was put back in the cash reserve account held by the CBN. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates closed higher at 4.57% and 3.93% from 2.14% and 2.93%. The slightly longer dated instruments such as the 30-day and 90-day Nigeria Interbank Offered Rate (NIBOR) settled at 10.68% and 11.34% from 9.64% and 10.33% the prior week. This week, short tenored rates are expected to decline due to OMO maturity of N592 billion.

Foreign Exchange Market

Last week, the naira depreciated against the green back across most markets except at the parallel window where it appreciated. The official rate saw a marginal decline as it ended N307/\$, a 5 kobo loss from the previous week, while at the Nigerian Autonomous Foreign Exchange (NAFEX) segment, the local currency depreciated by 40 kobo to close at N363.84/US\$ from N363.53/US\$ the previous week. The parallel market closed at N362/US\$ from N363/US\$ the prior week. This week, we envisage the stability in the market would continue due to consistent FX liquidity injections by the CBN.

Bond Market

The bond market returned to bullish territory as yields went down for the week ended Dec 27th, 2019 due to market players continuous request for some select maturities. Consequently, demands for most maturities across the curve. Yields on the five-, ten-, twenty- and thirty-year debt papers finished at 9.08%, 11.13%, 11.74% and 12.88% from 10.01%, 11.27%, 11.86% and 12.88% respectively, the previous week. The Access Bank Bond index increased marginally by 13.81 points to close at 3,361.13 points from 3,347.32 points the prior week. We anticipate a continuation in the buying sentiment owing to relatively liquid market.

Commodities

Oil prices declined slightly due to unexpected crude oil inventory of 4.7 million barrels according to the American Petroleum Institute (API). Bonny light, Nigeria's benchmark crude dipped 0.27% or 18 cents to close the week at \$67.64 per barrel. The bulls reigned at the precious metal market as prices closed higher compared to two weeks ago. Prices are up as notions of better consumer demand for bullions in the coming new year are driving prices north. Consequently, gold gained 2.2% to \$1,4710.16 per ounce and silver rose by 4.69% to \$17.84 per ounce. This week oil prices are expected to rise due to easing trade tension between U.S. and China coupled with expectation of a decline in the U.S. crude inventory levels. Precious metal prices are expected to remain firm and any downside correction will be the opportunity to buy again.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Jan'20	Feb'20	Mar'20
Exchange Rate (NAFEX) (N/\$)	363	362	362
Inflation Rate (%)	11.90	11.98	12.1
Crude Oil Price (US\$/Barrel)	65	66	67