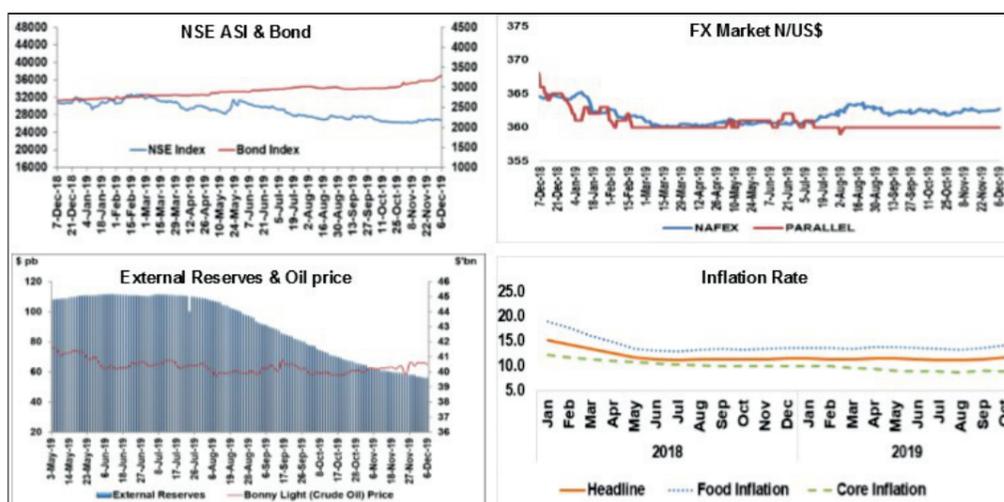


Access Bank Rateswatch

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)	11.61	Increased to 11.61% in October 2019 from 11.24% in September 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)	39.62	December 5, 2019 figure — a decrease of 0.21% from December start
Oil Price (US\$/Barrel)	64.87	December 6, 2019 figure — an increase of 1.31% from the previous wk
Oil Production mbpd (OPEC)	1.81	October 2019 figure — a decrease of 2% from September 2019 figure



STOCK MARKET

Indicators	Friday 6/12/19	Friday 29/11/19	Change(%)
NSE ASI	26,855.52	27,002.15	(0.54)
Market Cap(N'tr)	12.96	13.03	(0.54)
Volume (bn)	0.20	0.23	(13.27)
Value (N'bn)	3.53	3.66	(3.47)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	6/12/19	29/11/19	
OBB	2.4300	3.7900	(136)
O/N	3.0700	4.5000	(143)
CALL	2.8500	4.6250	(178)
30 Days	11.0749	12.4500	(138)
90 Days	11.0098	13.0300	(202)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	6/12/19	29/11/19	6/11/19
Official (N)	306.95	307.00	306.95
Inter-Bank (N)	362.74	362.45	362.31
BDC (N)	360.00	360.00	360.00
Parallel (N)	360.00	360.00	360.00

BOND MARKET

AVERAGE YIELDS

Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	6/12/19	29/11/19	
3-Year	0.00	0.00	0
5-Year	10.78	11.47	(68)
7-Year	11.24	12.18	(94)
10-Year	11.69	12.1	(46)
20-Year	12.34	12.66	(32)
30-Year	13.09	13.31	(22)

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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 06 - December 13, 2019

Global Economy

In the U.S, trade deficit narrowed to \$47.2 billion in October 2019 from a downwardly revised \$51.1 billion in the previous month. Imports slumped 1.7% to \$254.3 billion to the lowest value in two years amid falling purchases of pharmaceutical preparations, auto parts, vehicles and cell phones and exports edged down 0.2% to \$207.12 billion. Exports of goods increased to all major trading partners: China (3.3%), Canada (3.6%), Mexico (8.1%), the EU (8.6%), Japan (12.3%), Brazil (8.5%) and OPEC (2.8%). Purchases fell from China (-0.2%), Brazil (-2.4%) and OPEC (-14.5%) but rose from Canada (6.1%), Mexico (5.2%), the EU (12.4%) and Japan (6.8%). In the Eurozone, quarterly economic growth (GDP) was confirmed at 0.2% in Q3 2019, the same as in the previous period. Thus, reflecting stable economic performances in the region's big players. The economy was restrained by persistent external headwinds, a weak industrial sector and a cooling labor market. Among the bloc's largest economies, Germany's economy avoided entering a recession in Q3 2019 (0.1% vs -0.2% in Q2), largely driven by private and public spending, exports and investment in construction. Meanwhile, GDP growth was unchanged in France (at 0.3%), Spain (0.4%) and Italy (0.1%). Elsewhere in South America, recent data suggest that the Brazilian economy is gaining gradual steam. The Brazilian economy advanced 1.2% year-on-year in Q3 2019, following an upwardly revised 0.5% expansion in the previous period. It was the strongest growth rate since the Q1 2018, as industrial and services activities expanded further, and the agricultural sector recovered.

Domestic Economy

In the recently released Selected Banking Sector Data report of the Nigerian Bureau of Statistics (NBS), banking sector credit to the private sector increased by 7.39% to N16.25 trillion in Q3 2019 from N15.13 trillion in Q2 2019. The report also revealed that banking industry Non-performing loans (NPLs) declined during the period to N1.11 trillion in Q3 2019 from N1.44 trillion in Q2 2019. The sum of N738.15 billion was recovered from the oil & gas sector, N116.01 billion from the power sector, N74.02 billion from real estate sector, N43.67 billion from manufacturing amongst others. The latest drop means NPLs have hit its lowest since the Q1 2016. Also, a total volume of 800,201,498 transactions valued at N42.76 trillion were recorded in Q3 2019 as data on Electronic Payment Channels. NIBSS Instant Payments (NIP) transactions dominated the volume of transactions recorded and was valued at N26.18 trillion in the reference period. In other news, the overall business confidence index for the month of November stood at 29 index points, revealing optimism on the overall macro economy by respondents. Further analysis showed that businesses that are neither import- nor export-oriented, both import- and/or export-oriented drove the positive business outlook in November 2019. Respondent firms identified insufficient power supply, high interest rate, financial problems, unfavourable economic climate, unclear economic law, unfavourable political climate, insufficient demand, competition and access to credit as major factors constraining business activity in the review month.

Stock Market

Activities at the local bourse nosedived in the week ended December 6, 2019 due to profit taking in the financial services and industrial goods sectors. Consequently, the All Share Index (ASI) shed 0.54% to end at 26,855.52 points from 27,002.15 points the preceding week. Similarly, market capitalization fell by 0.54% to N12.96 trillion from N13.03 trillion the prior week. We expect investors to lock in value

stocks with attractive dividend yields in anticipation of the Decemberrally.

Money Market

Interbank rates declined further in the week ended December 6, 2019 as a result of net Open Market Operation (OMO) credit of about N316 billion into the system and retail Secondary Market Intervention Sales (SMIS) refund during the week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates declined to 2.43% and 3.07% from 3.79% and 4.50% respectively the previous week. The longer dated instruments such as the 30-day and 90-day Nigeria Interbank Offered Rate (NIBOR) settled at 11.07% and 11.01% from 12.45% and 13.03% the prior week. This week, short tenure rates are expected to hover around current levels.

Foreign Exchange Market

The local currency appreciated against the greenback to close at N306.95/US\$ from N307/US\$ the prior week at the CBN official window. However, at the Nigerian Autonomous Foreign Exchange (NAFEX) segment, the local currency depreciated by 29 kobo to close at N362.74/US\$ from N362.45/US\$ the previous week. The local currency traded flat at the parallel market segment, trading at N360/US\$. The depreciation witnessed at the NAFEX window was due to demand by market participants. This week, we do not foresee a significant change in the current FX rates.

Bond Market

The Bond market ended last week on a bullish note due to the absence of better investment alternatives that can provide higher yield for various market participants. This resulted in continuous demand for various maturities which led to a further decline in average yields. Yields on the five-, seven-, ten-, twenty- and thirty-year debt papers finished at 10.78%, 11.24%, 11.69%, 12.34% and 13.09% from 11.47%, 12.18%, 12.15%, 12.66% and 13.31% respectively, the previous week. The Access Bank Bond index rose significantly by 105.66 points to close at 3,287.10 points from 3,181.44 points the prior week. We expect robust liquidity to continue to drive buying sentiments in the near term.

Commodities

Oil prices kept up momentum as a meeting of the Organization of the Petroleum Exporting Countries (OPEC) and its allies agreed to more output cuts in early 2020. Bonny light, Nigeria's benchmark crude added 1.28% or 82 cents to close the week at \$64.87 per barrel. Precious metals prices inched up last week as conflicting signals from Washington and Beijing prolonged uncertainty about a trade deal. Consequently, gold gained 1.31% to \$1,476.32 per ounce and silver rose by 0.18% to \$16.96 per ounce. This week, oil prices may keep up the current trend due to the recent agreement to more output cuts to avert oversupply. For precious metals, prices may trend southwards due to China's announcement to waive import tariffs on some American goods.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Dec'19	Jan'20	Feb'20
Exchange Rate (NAFEX) (N/\$)	363	362	363
Inflation Rate (%)	11.80	11.90	11.95
Crude Oil Price (US\$/Barrel)	65	66	67