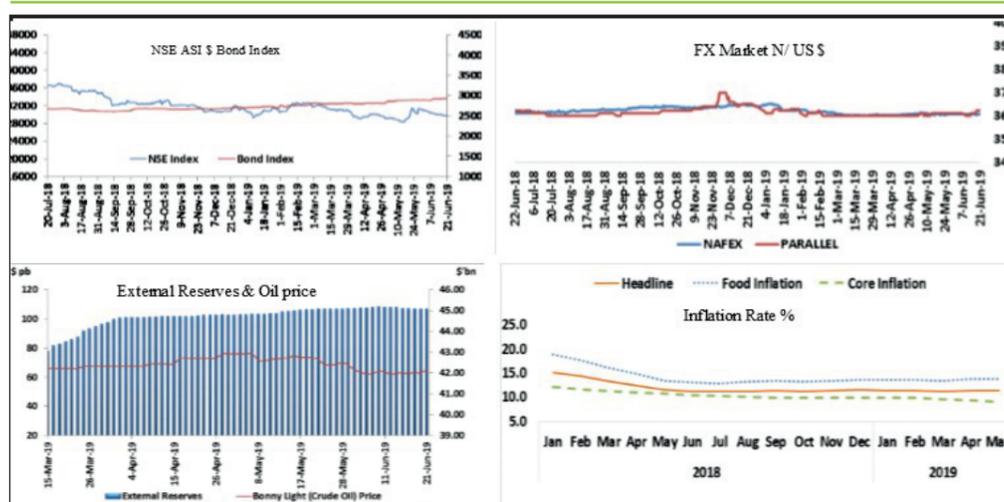


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS		
GDP Growth (%)	2.01	Q1 2019 — lower by 0.38% compared to 2.39% in Q4 2018
Broad Money Supply (N' trillion)	35.17	Increased by 3.95% in Apr' 2019 from N33.83 trillion in Mar' 2019
Credit to Private Sector (N' trillion)	24.90	Increased by 3.76% in Apr' 2019 from N23.99 trillion in Mar' 2019
Currency in Circulation (N' trillion)	2.11	Decreased by 2.22% in May' 2019 from N2.16 trillion in Apr' 2019
Inflation rate (%) (y-o-y)	11.4	Increased to 11.40% in May 2019 from 11.37% in April 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)	45.16	June 19, 2019 figure — a decrease of 0.13% from June start
Oil Price (US\$/Barrel)	62.74	June 21, 2019 figure — an increase of 3.18% from the previous wk
Oil Production mbd (OPEC)	1.73	May 2019 figure — a increase of 5.49% from April 2019 figure



STOCK MARKET			
Indicators	Friday 21/06/19	Friday 14/06/19	Change(%)
NSE ASI	29,851.29	30,046.70	(0.65)
Market Cap(N'tr)	13.15	13.23	(0.59)
Volume (bn)	0.19	0.15	30.75
Value (N'bn)	4.16	2.83	46.99

MONEY MARKET			
NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	21/06/19	14/06/19	
O/N	8.7100	5.2857	342
O/N	9.2100	5.7143	350
CALL	5.0000	5.5357	(54)
30 Days	12.0934	12.2189	(13)
90 Days	12.7207	12.8821	(16)

FOREIGN EXCHANGE MARKET			
Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	21/06/19	14/06/19	21/05/19
Official (N)	306.95	307.00	306.90
Inter-Bank (N)	360.69	360.51	360.42
BDC (N)	0.00	0.00	0.00
Parallel (N)	362.00	361.00	361.00

BOND MARKET			
AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	21/06/19	14/06/19	
3-Year	0.00	0.00	0
5-Year	14.43	14.47	(4)
7-Year	14.67	14.73	(6)
10-Year	14.45	14.66	(21)
20-Year	14.59	14.66	(6)
30-Year	14.67	14.66	1

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Market Analysis and Outlook: June 21– June 28, 2019

Global Economy

The Federal Reserve left the benchmark interest rates unchanged last week despite recent pressure from the President of the United States. The Federal Open Market Committee (FOMC) chose to keep the federal funds rate between 2.25% and 2.5% and left its forecast for 2019 economic growth unchanged while it revised higher for 2020 after their two-day policy meeting in Washington, D.C. The FOMC cited a strong labour market, a moderate rise in economic activity, low unemployment rate and "solid" job gains for its decision. The Fed dropped a promise to be "patient" in adjusting rates and said that will act as appropriate to sustain the economic expansion. Fed officials now expect rate cuts in 2019. Elsewhere, the Bank of Japan held its key short-term interest rate constant at -0.1% at its June meeting, hours after the Federal Reserve hinted at possible interest rate cuts later this year. Policymakers also kept the target for the 10-year Japanese government bond yield at around 0%, but warned that downside risks regarding overseas economies were likely to be significant so that close attention should be paid to their impacts on firms' and households' sentiment. In a separate development, Euro Area trade surplus contracted to EUR 15.7 billion in April of 2019 from EUR 17.1 billion in the same month of the previous year. According to European Statistical Office, imports rose to EUR 163.7 billion, while exports increased to EUR 177.2 billion in April from last year's EUR 166.3 billion, and exports increased to EUR 192.9 billion from EUR 183.4 billion. Intra-euro trade rose 3% year-on-year to EUR 163.7 billion in April. For Q1 2019, the country's trade surplus decreased to EUR 59.6 billion from EUR 63.6 billion in the same period of 2018.

Domestic Economy

The Consumer Price Index (CPI) which measures inflation rose by 11.40% year-on-year in the month of May 2019, which is 0.03% points higher than the 11.37% recorded in April 2019. The food index increased by 13.79% (year-on-year) in May, higher than 13.70% recorded in April, thus indicating further pressure in the prices of food items. The core sub-index, which excludes prices of farm produce decreased to 9% from 9.3% recorded the prior month. During the month, the highest increases were seen in the prices of potatoes, yam and other tubers, bread and cereals, milk, cheese and egg, vegetables, fish, meat, oil and fats. Others are tobacco, dental services, medical & hospital services, cleaning, repair & hire of clothing, actual & imputed rent for housing, repair household appliance and repair and hire of footwear. In other news, the Nigerian Stock Exchange (NSE) published its monthly Domestic & Foreign Portfolio investment report for May 2019. The report revealed that the total transactions at the nation's bourse increased by 48.49% to N221.13 billion from N148.91 billion recorded in April 2019. In May 2019, the total value of transactions executed by domestic investors significantly outperformed transactions executed by foreign investors by 30%. Consequently, total foreign transactions increased marginally by 0.43% to N77.25 billion from N76.92 billion the prior month. Total domestic transactions which is split into retail and institutional investors revealed that institutional investors outperformed retail investors by 34%. Total retail transactions increased marginally by 61.41% to N47.23 billion in the reference month from N29.26 billion in April. Likewise, the institutional composition of the domestic market climbed by 126.14% to N96.64 billion in May 2019 from N42.73 billion in April 2019.

Stock Market

Indicators at the local bourse witnessed a bearish week as stocks closed lower due to lack of immediate external and internal catalysts to drive the market and economy as delay in appointment of the economic management

team have delayed implementation of the 2019 budget, while many investors wait on the sidelines, watching to see the government's plan to stimulate the economy. The index dropped by 0.65% to settle at 29,851.86 index points from 30,046.70 index points the previous week. Similarly, market capitalization lost 0.59% to close at N13.15 trillion from N13.23 trillion last week. This week, we expect the lull in the market to continue in the absence of positive market triggers.

Money Market

Rates at the money market edged upwards last week due to retail Secondary Market Intervention Sales (SMIS) auction. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates closed higher at 8.71% and 9.21% from 5.29% and 5.71% respectively the previous week. However, the 30-day NIBOR closed lower at 12.09% from 12.21% the previous week. This week, liquidity may be bolstered by Open Market Operation (OMO) maturity of about N38 billion.

Foreign Exchange Market

Last week, the naira depreciated against the greenback across most market segments. At the NAFEX window the local currency witnessed a depreciation of 18 kobo to close at N360.69/\$. Similarly at the parallel market, naira depreciated to N362/\$ from N361/\$ the previous week. In contrast, the official window saw a slight appreciation as it ended N306.95/\$, a 5 kobo appreciation from the prior week. The relative stability of the local currency continues to be supported by the intervention of the apex Bank across various market segments. This week, the naira is expected to remain around prevailing levels due to the apex bank's sustained supply of liquidity.

Bond Market

Average bond yields moderated southwards across most segments in the week ended June 21st, 2019 as bargain hunting was observed on some select instruments. Yields on the seven-, ten- and twenty-year debt instruments settled lower at 14.67%, 14.45% and 14.59% from 14.73%, 14.66% and 14.66% respectively. The Access Bank Bond index climbed by 1.81 points to close at 2,933.04 points from 2,880.94 points the previous week. We expect client inflows to dictate market direction in the near term.

Commodities

Oil prices soared last week after Iran shot down a US military drone, raising fears of a military confrontation between Tehran and Washington. Bonny Light, Nigerian benchmark crude settled at \$65.13 per barrel last week, 3.81% higher than the previous week. The price was also supported by a drop in US crude inventories. In a similar vein, precious metals prices extended gains last week triggered by US Federal Reserve's hint that there could be possible interest rate cuts later this year. Consequently, gold price closed at \$1,398.16 per ounce, up 3.4% from the previous week's close. Silver also edged up, settling at \$15.35 per ounce compared to \$14.98 per ounce the preceding week. This week, oil prices will likely continue its upward trend supported by efforts of the Organization of the Petroleum Exporting Countries (OPEC) and its allies as they appear to be in no rush to boost production. Precious metal prices are expected to retain its bullish trend with the Federal Reserve looking to soften its monetary policy, right along with the European Central Bank.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Jun'19	Jul'19	Aug'19
Exchange Rate (Interbank) (N/\$)	361	362	362
Inflation Rate (%)	11.30	11.23	11.21
Crude Oil Price (US\$/Barrel)	65	67	67