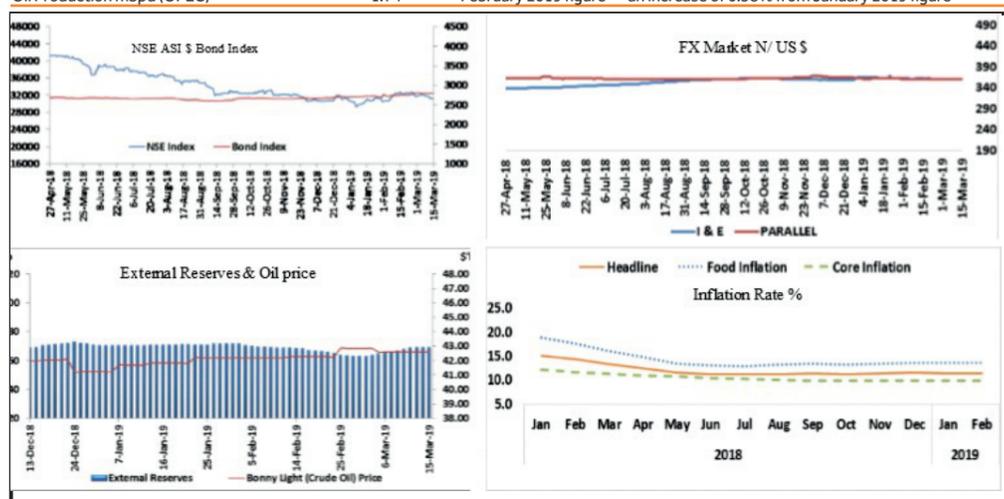


Access Bank Rateswatch

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)	11.31	Decreased to 11.31% in February 2019 from 11.37% in January 2018
Monetary Policy Rate (%)	14	Raised to 14% in July '2016 from 12%
Interest Rate (Asymmetrical Corridor)	14 (+2/-5)	Lending rate changed to 16% & Deposit rate 9%
External Reserves (US\$ million)	42.93	March 13, 2019 figure — an increase of 0.34% from March start
Oil Price (US\$/Barrel)	66.03	March 15, 2019 figure — no change from the prior week

Oil Production mbpd (OPEC) 1.74 February 2019 figure — an increase of 0.58% from January 2019 figure



STOCK MARKET

Indicators	Friday 15/03/19	Friday 08/03/19	Change(%)
NSE ASI	31,142.72	31,924.51	(2.45)
Market Cap(N'tr)	11.61	11.91	(2.45)
Volume (bn)	0.21	0.23	(10.15)
Value (N'bn)	3.33	2.27	46.60

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	15/03/19	08/03/19	
O/N	11.6700	10.0800	159
CALL	12.0000	10.2500	175
30 Days	10.3767	10.9966	(62)
90 Days	12.6254	13.0269	(40)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	15/03/19	08/03/19	15/02/19
Official (N)	306.95	306.90	306.75
Inter-Bank (N)	360.36	360.23	361.65
BDC (N)	0.00	0.00	0.00
Parallel (N)	360.00	360.00	362.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	15/03/19	08/03/19	
3-Year	0.00	0.00	0
5-Year	14.62	14.77	(16)
7-Year	14.30	14.29	1
10-Year	14.42	14.30	12
20-Year	14.23	14.28	(5)

Disclaimer

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

Market Analysis and Outlook: March 15th – March 22nd, 2019

Global Economy

In the US, job growth slowed sharply in February. The job growth reported by the Labour Department was the weakest since September 2017. Nonfarm payrolls increased by 20,000, far below January's (upwardly revised) gain of 311,000 jobs. Some of the weakness can be attributed to poor weather. The Labour Department suggested that the government shutdown also contributed to the lower unemployment rate. The unemployment rate fell to 3.8%, as fewer unemployed people were looking for work. In a separate development, China reported worse-than-expected trade data for February. On an annual basis, dollar-denominated exports plunged by 20.7%, whereas imports declined by 5.2%. China's overall trade surplus came in at \$4.12bn. China's trade surplus with the US narrowed sharply to \$14.7bn, from \$27.3bn in January. The latest trade figures from China confirm that global, as well as domestic, demand, is cooling. Elsewhere, the European Central Bank (ECB) announced the biggest downward revision to its growth outlook since the start of quantitative easing (QE) in 2015. The ECB now expects the Eurozone economy to expand by only 1.1% in 2019, down from the 1.7% previously expected. Growth rates of 1.6% and 1.5% are now expected for 2020 and 2021 respectively. ECB president Mario Draghi indicated that "the risk surrounding the Eurozone growth outlook are still tilted to the downside". This has prompted the ECB to introduce new stimulus measures, barely three months after they announced the end of their bond-buying programme.

Domestic Economy

The Consumer Price Index (CPI) which measures inflation rose by 11.31% year-on-year in the month of February 2019, which is 0.06% points lower than the 11.37% recorded in January 2019. The food index increased by 13.47% (year-on-year) in the reference month, slightly lower than 13.51% recorded in January, thus indicating declining pressure in the prices of food items. The core sub-index, which excludes prices of farm produce declined by 0.1% to settle at 9.8% in February 2019 from the previous month's figure of 9.9% year-on-year. During the month, the highest increases were seen in the prices of fish, bread and cereals, vegetables, meat, fruits, potatoes, yam and other tubers, oils and fats. Others are domestic services and household services, tobacco, major household appliances whether electronic or not, medical and dental services, garments, cleaning, repair and hire of clothing. In a separate development, The Nigerian Stock Exchange (NSE) in its monthly Domestic & Foreign Portfolio Investment report for the month of January 2019 revealed that transactions at the nation's bourse shrank by 3% to N122.08 billion from N125.86 billion recorded in December 2018. Total foreign transactions climbed by 11.27% to N66.85 billion from N60.08 billion the previous month. In the same light, total domestic transactions jumped by 6.27% to N29.66 billion from N27.91 billion in December. A breakdown of foreign transactions showed that there was increase in foreign inflows in the month under review by 21.07% to N27.81 billion from N22.97 billion in the prior month. In the same vein, foreign outflows edged up by 5.20% to N39.04 billion in January from N37.11 billion in the preceding month. The performance of the current month when compared to the performance of the same period (January 2018) in the prior year revealed that total transactions reduced by 69.05%.

Stock Market

The Nigeria Stock Exchange witnessed significant sell-offs throughout the week largely in most bellwether counters. The All Share Index (ASI) dipped by 2.45% to 31,142.72

points from 31,924.51 points the preceding week. Similarly, Market capitalization contracted by 2.45% to N11.61 trillion from N11.90 trillion the prior week. This week, we envisage the market may return to positive territory as attractively priced stocks lure the bulls back.

Money Market

Rates in the money market trended upwards in the week ended March 15, 2019. The market was a bit illiquid due to Secondary Market Intervention Sales (SMIS) and FX auction. Accordingly, short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates climbed to 11.17% and 11.67% from 9.17% and 10.08% respectively the previous week. Conversely, longer-tenured interbank rates, such as the 30- and 90-day NIBOR declined to 10.38% and 12.63% from 11% and 13.03% the previous week. This week, rates are expected to trend around prevailing levels.

Foreign Exchange Market

The local unit depreciated against the green back across most segments last week. At the Investors' and Exporters window, it lost 13 kobo to settle at N360.36/\$ from N360.23/\$ the previous week. Similarly at the official window, it dipped by 5 kobo to settle at N306.95/\$ compared to N306.9/\$ the prior week. The parallel market remained unchanged at N360/\$ from the prior week. The weakening seen in the official and interbank markets comes despite sustained intervention in the FX market by the monetary regulator. This week, we expect the naira to continue trading within current rates in all markets as the CBN continues to supply FX.

Bond Market

The previous week saw a moderation in bond yields as counterparties engaged in a bit of buying due to the lower stop rate on treasury bills. Yields on the five-, and twenty year- debt papers closed lower at 14.62% and 14.42% from 14.77% and 14.30% respectively the preceding week. In contrast, yields on the seven-, and ten year debt paper settled higher at 14.30% and 14.23% from 14.29% and 14.28% the prior week. The Access Bank Bond index increased slightly by 2.4 points to close at 2,801.05 points from 2,798.65 points the previous week. A higher demand on bond is expected in this new week due to anticipated coupon payment as well as reduced supply during the bond auction coming up on the 27th of this month.

Commodities

Oil prices rallied last week lifted by a fall in the number of oil rigs in the US and comments that suggest a continuation of OPEC supply cuts until at least the middle of the year. OPEC benchmark crude, gained \$1.72 to close at \$67.29 a barrel, 3% higher from the previous week. In a similar light, precious metal prices edged up even after tensions and uncertainty over Brexit seemed to have eased. Consequently, gold prices increased slightly by 0.62% to \$1,302.76 per ounce last week. Silver prices also notched higher by 24 cents, or 1.6%, to \$15.37 per ounce. This week, we expect crude oil prices to retreat slightly on continued fears of slowing oil demand amid global growth concerns. For precious metals, prices are likely to rise, buoyed by recent dovish comments by the US Federal Reserve chairman.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Mar'19	Apr'19	May'19
Exchange Rate (Interbank) (N/\$)	364	364	365
Inflation Rate (%)	11.5	11.55	11.6
Crude Oil Price (US\$/Barrel)	60	59	62

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