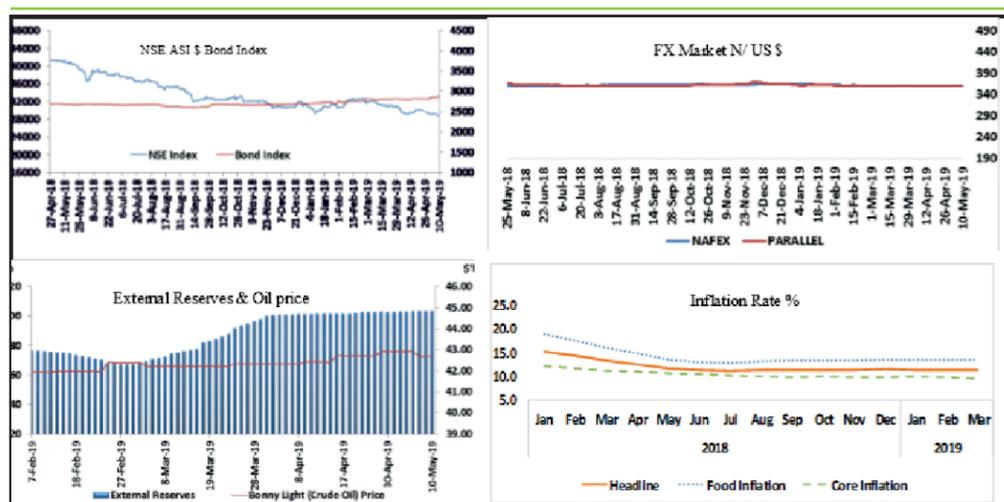


Access Bank Rateswatch

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)	34.80	Increased by 3.22% in Feb' 2019 from N33.71 trillion in Jan' 2019
Credit to Private Sector (N' trillion)	24.16	Increased by 5.37% in Feb' 2019 from N22.93 trillion in Jan' 2019
Currency in Circulation (N' trillion)	22.41	Increased by 4.75% in Feb' 2019 from N21.40 trillion in Jan' 2019
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)	44.84	May 8, 2019 figure — an increase of 0.11% from May start
Oil Price (US\$/Barrel)	72.93	May 10, 2019 figure — a decrease of 4.23% 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 10/05/19	Friday 03/05/19	Change(%)
NSE ASI	28,847.81	29,212.00	(1.25)
Market Cap(N'tr)	10.82	10.98	(1.43)
Volume (bn)	0.24	0.36	(33.99)
Value (N'bn)	1.36	2.31	(41.10)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	10/05/19	03/05/19	
O/N	10.00	5.93	407
CALL	9.17	5.25	392
30 Days	11.83	11.84	(2)
90 Days	12.72	11.88	84

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	10/05/19	03/05/19	10/04/19
Official (N)	307.00	306.95	307.00
Inter-Bank (N)	360.88	360.65	360.33
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)
	10/05/19	03/05/19	
3-Year	0.00	0.00	0
5-Year	14.25	14.76	(50)
7-Year	14.17	14.17	0
10-Year	14.34	14.57	(22)
20-Year	14.25	14.55	(29)
30-Year	14.69	14.66	3

Disclaimer

This report is based on information obtained from various sources believed to be reliable and no representation is made that it is accurate or complete. Reasonable care has been taken in preparing this document. Access Bank Plc shall not take responsibility or liability for errors or fact or for any opinion expressed herein. This document is for information purposes and private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of Access Bank Plc.

Market Analysis and Outlook: May 3rd – May 10th, 2019

Global Economy

In the US, the jobs report showed that the US economy added 263,000 nonfarm jobs in April, exceeding expectations of a 185,000 increase, data from the Bureau of Labour Statistics showed. The unemployment rate fell to a 49-year low of 3.6%, from 3.8% in March – mostly due to a decline in the labour force participation rate. Wage growth came in slightly below expectations with average hourly earnings ticking up by 3.2% y-o-y. In all, the figures support the Fed's continued upbeat assessment of the labour market. Elsewhere, according to preliminary data from Eurostat, the Eurozone economy expanded by more than expected in Q1 2019. The region's gross domestic product (GDP) rose by 0.4% quarter-on-quarter (q-o-q). This follows growth rates of 0.2% and 0.1% in Q4 2018 and Q3 2018 respectively. On an annual basis, GDP increased by 1.2%. The uptick was largely driven by strong investment in Spain and robust consumer spending in France. Furthermore, unemployment fell to its lowest level since September 2008. The latest data should reduce pressure on the European Central Bank (ECB) to add more stimulus measures. In a separate development, the Bank of England (BoE) warned that "more frequent" interest rate hikes could be possible if there is a resolution to the Brexit impasse, and inflation and growth continue to pick up and perform in line with expectations. The BoE kept the policy rate unchanged at its May meeting and currently foresees only one rate increase by 2021.

Domestic Economy

The Central Bank of Nigeria recently launched a program titled Creative Industry Financing Initiative (CIFI) as part of efforts to boost job creation in Nigeria, particularly among the youth. This it did in collaboration with the Bankers' committee of Nigeria. The initiative has four pillars: fashion, information technology, movie and music. The apex bank did not mention the total amount for the latest intervention. The maximum interest rate of 9 per cent per annum (all charges inclusive) is applicable to all loans. Interested applicants in the creative industry were advised to submit applications to their banks for approval and disbursement. In a separate development, the director of Trade, Federal Ministry of Industry, Trade and Investment has said that trade is the driver of economic growth and development, adding that this is also dependent on the extent of diversification of structured goods and services traded by countries during the official opening ceremony of the Nigerian Competitiveness Project (NICOP) under the West African Competitive Programme. NICOP is a four-year project commissioned by the German Ministry for Economic Cooperation and Development and co-funded by the EU. The director also stated that Nigeria has adopted an economic and export diversification agenda with the goal of reducing over-dependency on oil and that the development of competitive value chain is a basic driver of regional industrialisation strategy in view of its potentials for expanding production possibilities and enhancing cross border utilisation of human and natural resources.

Stock Market

Trading activities at the local bourse remained volatile resulting in a decline in the market amidst continuing selloffs as well as the prevailing low liquidity in the equity segment of the financial market. The All Share Index (ASI) lost 1.25% to close at 28,847.81 points

from 29,212 points the preceding week. Similarly, market capitalization declined 1.43% to settle at N10.82 trillion from N10.98 trillion the prior week. This week, the market is likely to be characterised by cautious ahead of the release of April inflation and Q1 GDP data.

Money Market

Rates in the money market rose in the week ended May 10, 2019. Retail Secondary Market Intervention Sales (SMIS) auction and Open Market Operation (OMO) auction carried out during the week resulted in tighter liquidity. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates closed higher at 9.14% and 10% from 5.29% and 5.93% respectively the previous week. Likewise, the 90-day NIBOR settled at 12.72% from 11.87% the previous week. This week, our expectations lean towards relatively higher rates as a result of anticipated additional OMO auction.

Foreign Exchange Market

Last week, the local unit depreciated against the dollar across most market segments. At the official window it ended at N307/\$, a 5 kobo depreciation from the prior week. Similarly, at the NAFEX window the local currency witnessed slight depreciation of 23 kobo to close at N360.88/\$. However, the parallel market remained unchanged at N360/\$ from the prior week. The relative stability of the local currency continues to be supported by the intervention of the apex Bank. This week, we expect the naira to remain stable, boosted by the Central Bank's sustained supply of liquidity to the market.

Bond Market

Average bond yields declined in the week ended May 10, 2019 due to demand on the long end of the curve. Yields on the longer end of the curve such as the ten- and twenty-year debt instruments dipped to close the week at 14.57% and 14.66% respectively from 14.57% and 14.66%. Consequently, the Access Bank Bond index climbed by 26.84 points to close at points 2,885.27 from 2,858.43 points the previous week. This week, we expect client flows to continue to dictate market direction in the short term.

Commodities

Oil prices slipped further due to further escalation of the trade war between the US and China. The trade war between the two largest economies shows no signs of abating as US tariffs on USD200bn worth of imports from China were hiked to 25%, from 10%. Bonny light, Nigerian benchmark crude, dipped \$3.21, or 4.2% to \$72.72 per barrel. In contrast, precious metals prices advanced as U.S.-China trade tensions buoyed safe-haven demand. Gold gained \$15.62, or 1.23%, to \$1,285.85 an ounce. Silver also increased by 14 cents or 1% to \$14.79 an ounce. This week, we expect oil prices to trade in a narrow range as the Organization of the Petroleum Exporting Countries (OPEC) and its allies prepare for the Joint Ministerial Monitoring Committee (JMMC) meeting on May 19. For precious metals, prices are expected to be swayed by the outcome of the US and China trade talks.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	May'19	Jun'19	Jul'19
Exchange Rate (Interbank) (N/\$)	362	362	363
Inflation Rate (%)	11.23	11.19	11.21
Crude Oil Price (US\$/Barrel)	70	72	72