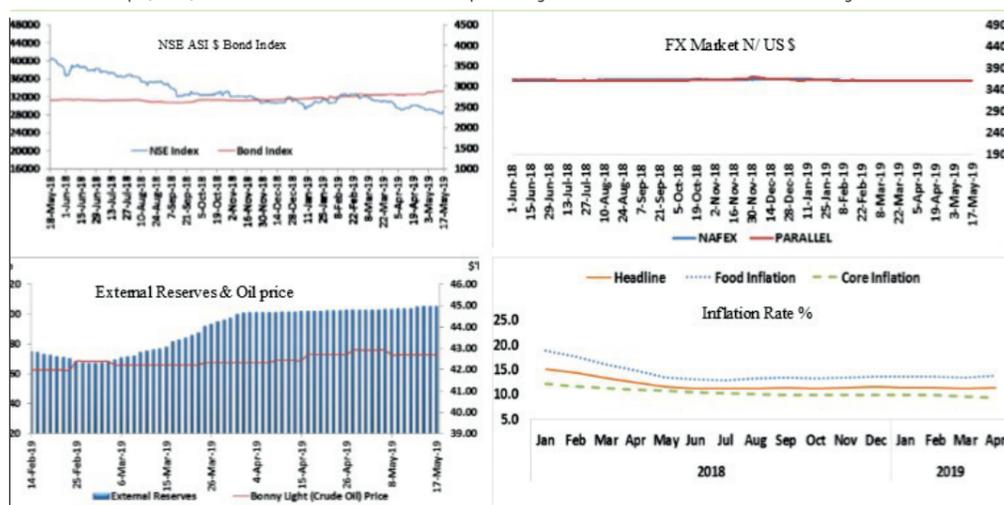


# Access Bank Rateswatch

## 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)	11.37	Increased to 11.37% in April 2019 from 11.25% in March 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)	44.98	May 15, 2019 figure — an increase of 0.42% from May start
Oil Price (US\$/Barrel)	72.72	May 17, 2019 figure — no change from the prior week
Oil Production mbd (OPEC)	1.82	April 2019 figure — an increase of 5.27% from March 2019 figure



## STOCK MARKET

Indicators	Friday 17/05/19	Friday 10/05/19	Change(%)
NSE ASI	28,871.93	28,847.81	0.08
Market Cap(N'tr)	12.72	10.82	17.51
Volume (bn)	0.27	0.24	13.86
Value (N'bn)	7.52	1.36	453.21

## MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	17/05/19	10/05/19	
O/N	5.2900	10.0000	(471)
CALL	5.0714	9.1667	(410)
30 Days	12.1336	11.8263	31
90 Days	12.1889	12.7224	(53)

## FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	17/05/19	10/05/19	17/04/19
Official (N)	306.95	307.00	306.95
Inter-Bank (N)	360.50	360.88	360.42
BDC (N)	0.00	0.00	0.00
Parallel (N)	361.00	360.00	360.00

## BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	17/05/19	10/05/19	
3-Year	0.00	0.00	0
5-Year	14.04	14.25	(22)
7-Year	14.49	14.17	32
10-Year	14.31	14.34	(4)
20-Year	14.34	14.34	0
30-Year	14.69	14.69	0

## Disclaimer

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## Market Analysis and Outlook: May 17th – May 24th, 2019

### Global Economy

In the US, consumer inflation as measured by the Consumer Price Index (CPI) slowed to 0.3% month-on-month (m-o-m) in April, from 0.4% in March, the US Bureau of Labour Statistics reported. The biggest contributor to the monthly change was gasoline prices which advanced by 5.7%. In contrast, food prices registered its first decline since mid-2017. On an annual basis, the headline CPI rose by 2.0% - the fastest rate since November 2018. Core inflation (which excludes food and energy) registered a monthly gain of 0.1% and 2.1% y-o-y. Elsewhere in China, the trade surplus narrowed to \$13.84 billion (bn) in April, from \$32.42bn in March, customs data showed. The smaller surplus was due to a monthly contraction of 2.3% in exports, while imports surged by 8.5% m-o-m. China's trade surplus with the US widened to \$21.01bn in April as shipments to the US declined by less than imports from the US. Early May, US President Donald Trump announced that an existing tariff of 10% on \$200bn worth of imports would increase to 25%. Already, total trade between the US and China (the sum of exports and imports) is down by \$8.34bn compared to April 2018. In a separate development, UK GDP growth regained momentum to 0.5% growth in Q1 2019 after slowing to 0.2% quarter-on-quarter (q-o-q) in Q4 2018. On an annual basis, economic activity increased by 1.8%, from 1.4% in Q4 2018. Key to the faster growth was a noticeable build-up of inventories (+€5.2 billion). This stockpiling was likely as a result of the uncertainty regarding Brexit. Growth was also boosted by fixed investment – largely by government – and to a lesser degree, household consumption.

### Domestic Economy

The Consumer Price Index (CPI) which measures inflation rose by 11.37% year-on-year in the month of April 2019, which is 0.12% points higher than the 11.25% recorded in March 2019. This is the first time it has risen since January 2019. The food index increased by 13.70% (year-on-year) in April, slightly higher than 13.45% recorded in March, thus indicating increasing pressure in the prices of food items. The core sub-index, which excludes prices of farm produce decreased to 9.3% from 9.5% recorded the prior month. During the month, the highest increases were seen in the prices of potatoes, yam and other tubers, bread and cereals, fruits, milk, cheese and egg, vegetables, fish, meat, oil and fats. Others are tobacco, garments, dental services, cleaning, repair & hire of clothing, medical & hospital services, vehicle spare parts, actual & imputed rent for housing and major household appliance. In a separate development, The Minister of finance disclosed that The Federal Government will soon release the sum of N649.43bn as the final refund for the Paris Club debt to state governments during a media briefing on the activities of her ministry. The finance minister said the amount had already been verified by the ministry as the outstanding balance to be refunded to the state governments in due course. The payments made by the Central Bank of Nigeria as of March 2019 is N691.56bn according to the Minister. The increase in CBN payments partly arose from the exchange rate differential at the point of payment. Although some states still have outstanding balances, they will be refunded in due course.

### Stock Market

The Nigerian Stock Exchange turned bullish following the listing of MTN Nigeria Communications Plc 20.35 billion shares at

N90 per share. The All Share Index (ASI) gained 0.08% to close at 28,847.93 points from 28,847.81 points the preceding week. Similarly, market capitalization jumped by 17.51% to settle at N12.72 trillion from N10.82 trillion the prior week. This week, we expect the local bourse to maintain its bullish momentum as investors look to extend trade in MTN's fundamentally sound stock, and stable domestic macroeconomic fundamentals

### Money Market

Last week, improved market liquidity arising from an inflow of N107 billion in Open Market Operation (OMO) maturity resulted in lower rates. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates trended lower at 4.57% and 5.29% from 9.14% and 10% respectively the previous week. Likewise, the 90-day NIBOR settled at 12.19% from 12.72% the previous week. This week, our expectations lean towards relatively higher rates because of anticipated retail Secondary Market Intervention Sales (SMIS) auction.

### Foreign Exchange Market

The naira appreciated against the greenback across most market segments. At the official window it ended at N306.95/\$, a 5 kobo appreciation from the previous week. Similarly, at the NAFEX window the local currency witnessed slight appreciation of 38 kobo to close at N360.50/\$. However, the parallel market depreciated to N361/\$ from N360/\$ the previous 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 further declined in the week ended May 17, 2019 due to demand witnessed on the short and long end curve of the curve. Yields such as the five- and ten-year debt instruments settled at 14.04% and 14.31% from 14.25% and 14.34% respectively. Consequently, the Access Bank Bond index rose marginally by 5.19 points to close at 2,890.46 points from 2,885.27 points the previous week. This week, we expect client flows to continue to dictate market direction in the short term.

### Commodities

Oil prices rallied as increased tensions between US and Iran in the Middle East continues to underpin the price of oil. OPEC benchmark crude, gained \$2.95, or 4% to \$72.61 per barrel. In contrast, precious metals prices slipped as strong rebound in the U.S. stock market boosted trader and investor risk appetite, which is bearish for the safe-haven metals. Gold lost 43 cents, or 0.03%, to \$1,285.42 an ounce. Silver also declined by 32 cents or 2.2% to \$14.47 an ounce. This week, we expect prices to remain buoyed by growing fears of supply disruptions and outages for precious metals, prices are expected to rise due to ongoing geo-political tensions.

## MONTHLY MACRO ECONOMIC FORECASTS

Variables	May'19	Jun'19	Jul'19
Exchange Rate (Interbank) (N/\$)	361	362	362
Inflation Rate (%)	11.30	11.23	11.21
Crude Oil Price (US\$/Barrel)	70	72	72