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

**Global Economy**

In the US, the first estimate for Q1 2019 GDP showed that the economy expanded by an annualised rate of 3.1%, which marks a strong improvement over the 2.2% rise in Q4 18. This initial estimate by the Department of Commerce is the first of three estimates for Q1 GDP and, as a result, it is possible that subsequent iterations could be revised. The largest contributor to headline growth was exports which added 1 percentage point (pts) as exports surged while imports contracted. Inventories also made a strong contribution, adding 0.7% pts to headline growth. In contrast, internal US domestic demand fared poorly. Private consumption expanded (PCU) by 0.4% compared to 1.2% in Q4 2018.

For the Eurozone, GDP grew at a faster pace when compared to the previous month. The preliminary estimate for Q1 2019 stands at 0.4% against 0.2% in Q4 2018. Germany’s economy continued to expand robustly, with the Q1 GDP growth rate of 0.7% higher than expected. The growth in France remained stagnant as well, recording a 0.1% growth. The Netherlands and Italy also saw a 0.2% growth, while Belgium and Austria grew by 0.3% and 0.1% respectively.

**Oil Market**

For oil prices, Brent crude oil prices have recovered strongly in the past few weeks. Brent crude oil prices rose by 3.5% to close at $72.93 a barrel. This week, we expect oil prices to remain supported as the OPEC+ production cuts are extended.

For the US dollar index, the DXY index has been in a consolidation phase since early April, trading around the 97.50 level. We expect the USD to continue to consolidate in the near term as the economy continues to improve.

**Gold Market**

Gold prices continued to trend higher, with the December futures contract rising by 2.6% to close at $1,270.23 an ounce. This week, we expect gold prices to remain supported as the US dollar remains weak.

**Copper Market**

Copper prices have been on a steady upward trend, with the December futures contract rising by 3.5% to close at $278.80 a pound. This week, we expect copper prices to remain supported as the Chinese economy continues to recover.

**Silver Market**

Silver prices have been on a steady upward trend, with the December futures contract rising by 2.6% to close at $10.72 an ounce. This week, we expect silver prices to remain supported as the US dollar remains weak.

**Platinum Market**

Platinum prices have been on a steady upward trend, with the December futures contract rising by 2.6% to close at $1,270.23 an ounce. This week, we expect platinum prices to remain supported as the US dollar remains weak.

**NIGERIAN INTERBANK TREASURY BILLS TRUE YIELDS**

For Nigeria, the yields on the shorter end of the curve remained stable. The 3-month bill yield was steady at 14.08% while the 6-month bill yield was steady at 14.25%. This week, we expect the yields to remain stable as the central bank continues to manage the money market.

**Bond Market**

Bond yields remained largely unchanged last week due to mixed market sentiments. Yields on the longer end of the curve such as the seven-year and thirty-year debt instruments stayed the same at 14.17% and 14.56% respectively. Consequently, the Access Bank Bond index declined by 49.13 points to close at 858.12 points.

For the foreign exchange market, the Naira depreciated marginally by 1 kobo to close at N360.59/$. However, the parallel market remained unchanged at N350/$ from the prior week. This week, we envisage the stability in the market would continue due to consistent FX liquidity injections by the CBN.

**Domestic Economy**

The Nigerian Stock Exchange (NSE) published its monthly Domestic & Foreign Portfolio investment report for March 2019. The report revealed that the total transactions at the nation’s bourse decreased in the month of March 2019 by 24.7% to N10.98 trillion from N11.18 trillion in March 2018. The largest contributor to headline growth was exports which added 1 percentage point (pts) as exports surged while imports contracted. Inventories also made a strong contribution, adding 0.7% pts to headline growth. In contrast, internal US domestic demand fared poorly. Private consumption expanded (PCU) by 0.4% compared to 1.2% in Q4 2018.

**Money Market**

For the money market, the 30-day and 90-day NIBOR settled at 11.84% and 11.87% respectively, while the 1-month NIBOR settled at 11.87% from 11.96% in the prior week. This week, we expect the money market to remain stable as the central bank continues to manage the money market.

**Commodities Market**

For commodities, oil prices have been on a steady upward trend, with Brent crude oil prices rising by 3.5% to close at $72.93 a barrel. This week, we expect oil prices to remain supported as the OPEC+ production cuts are extended.

For the precious metals market, gold prices have been on a steady upward trend, with the December futures contract rising by 2.6% to close at $1,270.23 an ounce. This week, we expect gold prices to remain supported as the US dollar remains weak.

**Foreign Exchange Market**

For the foreign exchange market, the Naira depreciated against the greenback across most market segments for the week ended May 3rd 2019. At the official window it ended at N360.59/$, a 5 kobo depreciation from the previous week. Similarly, at the NAFEX window the local currency depreciated marginally by 1 kobo to close at N359.65/$. However, the parallel market remained unchanged at N350/$ from the prior week. This week, we envisage the stability in the market would continue due to consistent FX liquidity injections by the CBN.

**Access Bank Rateswatch**

For access to the full report, please contact: Rotimi Peters (Team Lead, Economic Intelligence) (01) 2712123