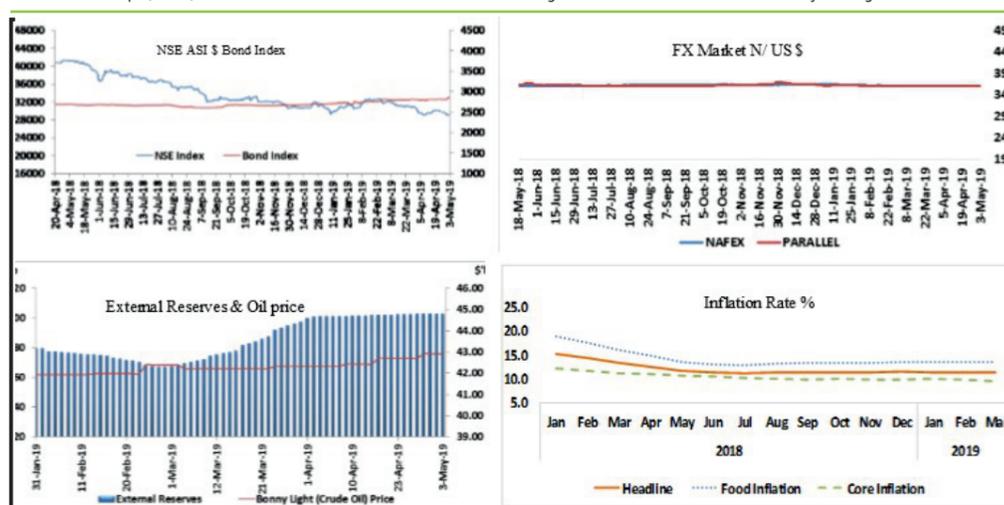


Access Bank Rateswatch

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)	44.79	April 30, 2019 figure — an increase of 0.41% from April start
Oil Price (US\$/Barrel)	72.93	May 3, 2019 figure — an increase of 4.11% 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 3/05/19	Friday 26/04/19	Change(%)
NSE ASI	29,212.00	29,740.41	(1.78)
Market Cap(N'tr)	10.98	11.18	(1.77)
Volume (bn)	0.00	0.24	(100.00)
Value (N'bn)	2.31	1.54	49.71

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	03/05/19	26/04/19	
O/N	5.9300	17.2900	(1136)
CALL	5.2500	18.8125	(1356)
30 Days	11.8413	11.9679	(13)
90 Days	11.8781	12.2234	(35)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	03/05/19	26/04/19	03/04/19
Official (N)	306.95	306.90	307.00
Inter-Bank (N)	360.65	360.64	360.55
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)
	03/05/19	26/04/19	
3-Year	0.00	0.00	0.0
5-Year	14.72	14.70	1.8
7-Year	14.17	14.25	(7.8)
10-Year	14.57	14.30	27.2
20-Year	14.54	14.54	(0.1)
30-Year	14.66	14.66	0.0

Disclaimer

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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 3.2%, 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 net 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 expenditure (PCE) slowed to 1.2% q-o-q, from 2.5% in Q4 2018. This marks the slowest pace of PCE growth since Q2 2013 and likely reflects the impact of the government shutdown. Elsewhere, Brazil's trade balance recorded a surplus of \$6.061 billion in April, up by 2.3% from a year ago, recently released government data showed. Exports reached \$19.689 billion in April, a fall of 0.1% compared to that of April 2018, while imports hit \$13.628 billion, down by 1.2%, according to the foreign trade department of the Ministry of Economy. The total surplus for the first four months of 2019 stood at \$16.58 billion, down 8.7 percent from the \$18.165 billion registered in the same period a year ago thanks to a steeper fall in exports than imports.

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 41.46% to N110.10 billion from N188.08 billion recorded in February 2019. Total foreign transactions witnessed a decrease when compared to the previous month by 43.31% to N56.09 billion from N98.94 billion the prior month. Total domestic transactions which is split into retail and institutional investors showed that retail investors outperformed institutional investors by 2%. Total retail transactions declined by 33.09% to N27.44 billion in February 2019 from N41.01 billion in January. The institutional composition of the domestic market also reduced by 44.77% to N26.58 billion in March 2019 from N48.13 billion in February 2019. Total foreign outflows also edged down by 45.10% to N30.20 billion from N55.01 billion and foreign inflows which also dipped by 41.07% to N25.89 billion from N43.93 billion between February and March 2019. In a separate development, the Manufacturing Purchasing Managers' Index (PMI) stood at 57.7 index points in April 2019. This indicates an expansion in the manufacturing sector for the twenty-fifth consecutive month. The index grew at a faster pace when compared to the previous month (57.4 points). This was shown in the latest PMI report by the Central Bank of Nigeria (CBN). A PMI above 50 points indicates that the manufacturing sector is generally expanding, while a reading below 50 points indicates a contraction. Eleven of the fourteen subsectors surveyed, recorded growth during the month while the Textile, apparel, leather & footwear; Petroleum & coal products and primary metal subsectors declined in the month under review.

Stock Market

The Nigerian Stock Exchange (NSE) closed the week in the red in the absence of a positive market trigger. The All Share Index (ASI) lost 1.78% to close at 29,212 points from

29,740.41 points the preceding week. Similarly, market capitalization declined 1.77% to settle at N10.98 trillion from N11.18 trillion the prior week. This week, we expect cautious trading as market participants weigh macroeconomic fundamentals.

Money Market

Relatively high market liquidity witnessed during the week resulted in lower money market rates as inflow from Open Market Operation (OMO) maturity flooded the system. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates closed lower at 5.29% and 5.93% from 16.43% and 17.29% respectively the previous week. In contrast, longer dated placements edged up slightly with the 30-day and 90-day NIBOR settling at 11.84% and 11.87% from 11.96% and 12.22% respectively the previous week. This week we expect liquidity to tighten due to expected retail SMIS auction and probable OMO auction.

Foreign Exchange Market

The naira depreciated against the green back across most market segments for the week ended May 3rd 2019. At the official window it ended at N306.95/\$, a 5 kobo depreciation from the previous week. Similarly, at the NAFEX window the local currency depreciated marginally by 1 kobo to close at N360.65/\$. However, the parallel market remained unchanged at N360/\$ from the prior week. This week, we envisage the stability in the market would continue due to consistent FX liquidity injections by the CBN.

Bond Market

Bond yields largely remained unchanged last week due to mixed market sentiments. Yields on the longer end of the curve such as the seven-, ten- and thirty-year debt instruments stayed the same at 14.17%, 14.57% and 14.66%. Consequently, the Access Bank Bond index climbed by 49.13 points to close at points 2,858.43 from 2,809.30 points the previous week. This week, we expect client flows to continue to dictate market direction in the short term.

Commodities

Oil prices tanked as the fallout from surging US production kept concerns over a global supply crunch on the back burner. The Energy Information Administration (EIA) reported a substantial build in crude oil inventories, at 9.9 million barrels. OPEC benchmark crude, slid \$3.06, or 4% to \$70.98 per barrel. In a similar vein, precious metal prices contracted in tandem with a modest rally in the U.S. dollar index, surge in Treasury yields and solidly lower crude oil prices that hit a four-week low. The Federal Reserve's decision to hold rates also had an impact on gold prices. Gold shed \$10.72, or 0.84%, to \$1,270.23 an ounce. Silver also declined by 38 cents or 2.5% to \$14.65 an ounce. This week, we expect oil prices to rebound slightly following Saudi Arabia's comments that the OPEC+ production cuts will be extended in the second half of the year. For precious metals, prices might remain in negative territory due to attractive riskier investments such as treasury bills.

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