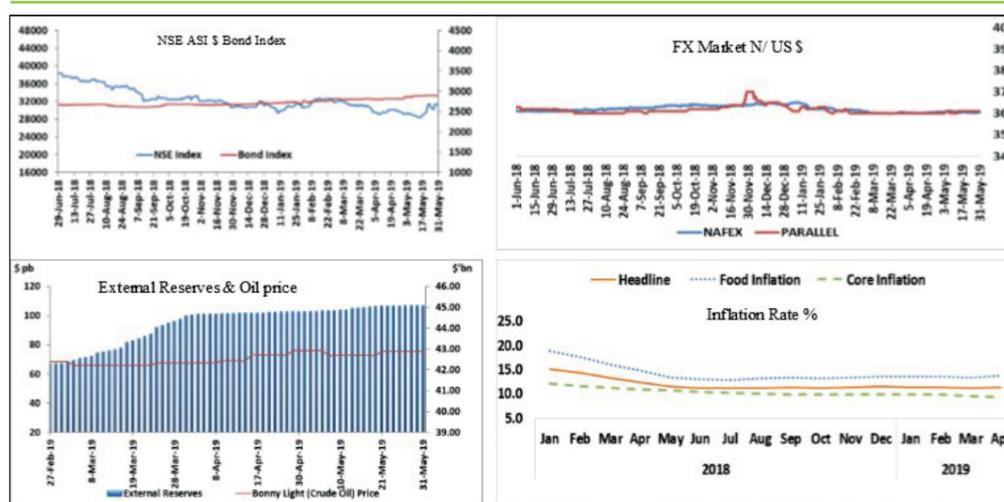


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

GDP Growth (%)	2.01	Q1 2019 — lower by 0.38% compared to 2.38% in Q4 2018
Broad Money Supply (M2) (N' trillion)	35.17	Increased by 3.95% in Apr' 2019 from N33.83 trillion in Mar' 2019
Credit to Private Sector (N' trillion)	24.90	Increased by 3.76% in Apr' 2019 from N23.99 trillion in Mar' 2019
Currency in Circulation (N' trillion)	21.59	Increased by 0.25% in Apr' 2019 from N21.53 trillion in Mar' 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)	45.09	May 28, 2019 figure — an increase of 0.66% from May start
Oil Price (US\$/Barrel)	75.76	May 31, 2019 figure — no change from the prior week
Oil Production mbdp (OPEC)	1.82	April 2019 figure — a increase of 5.27% from March 2019 figure



STOCK MARKET

Indicators	Friday 31/05/19	Friday 24/05/19	Change(%)
NSE ASI	31,069.37	30,881.29	0.61
Market Cap(N'tr)	13.68	13.60	0.61
Volume (bn)	0.20	0.29	(32.43)
Value (N'bn)	2.60	6.63	(60.71)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	31/05/19	24/05/19	
O/N	4.9300	12.0000	(707)
CALL	4.7857	11.4375	(665)
30 Days	10.8143	10.9669	(15)
90 Days	11.9616	12.5760	(61)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	31/05/19	24/05/19	30/04/19
Official (N)	306.95	306.90	306.95
Inter-Bank (N)	360.43	360.39	360.63
BDC (N)	0.00	0.00	0.00
Parallel (N)	361.00	361.00	360.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	31/05/19	24/05/19	
3-Year	0.00	0.00	0
5-Year	14.12	14.39	(27)
7-Year	14.27	14.05	22
10-Year	14.35	14.33	3
20-Year	14.36	14.30	6
30-Year	14.69	14.69	(0)

Disclaimer

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Market Analysis and Outlook: May 31st – June 07, 2019

Global Economy

In the US, economic growth in the first quarter accelerated by slightly less than initially estimated, according to revised data released by the Commerce Department. The Commerce Department said real gross domestic product surged up by 3.1% in the first quarter, reflecting a slight downward revision from the previously reported 3.2% jump. The downwardly revised increase in GDP still represented a notable acceleration from the 2.2% growth seen in the fourth quarter of 2018. The pace of consumer spending and exports was revised slightly higher, while business spending and inventory investment were revised slightly lower. Consumer spending rose at a 1.3% annual rate in the first three months of the year, an upward revision from an earlier 1.2% estimate. The pace of exports was revised higher, to a 4.8% annual rate. Imports, a drag on growth, declined less than previously estimated. In China, activity in the manufacturing sector slowed in May, falling victim to the ongoing trade war with the United States. The official Purchasing Managers' Index (PMI) for May dropped to 49.4. April's reading was 50.1. A PMI reading above 50 indicates expansion. A reading below 50 signals a contraction in manufacturing. Factory output expanded at a slower pace as new orders fell for the first time in four months. Export orders extended their decline for the twelfth straight month with the sub-index pulling back significantly to 46.5 from April's 49.2, suggesting a further weakening in global demand. In South America, the Brazilian economy advanced by 0.5% year-on-year in Q1'19 from 1.1% in the previous quarter. It is the weakest growth witnessed since the first quarter of 2017 and this was due to a slowdown in household consumption and fixed investment. Household expenditure grew by 1.3% (1.5% in Q4'18) and fixed investment by 0.9% (3% in Q4'18). Government spending also went up by 0.1% (-0.7% in Q4'18). Exports rose by 1%, lower than 12% witnessed in the previous quarter and imports fell by 2.5% (6% in Q4'18).

Domestic Economy

The Nigerian Stock Exchange (NSE) published its monthly Domestic & Foreign Portfolio investment report for April 2019. The report revealed that the total transactions at the nation's bourse increased by 35.24% to N148.91 billion from N110.11 billion recorded in March 2019. Consequently, total foreign transactions increased by 37.13% to N76.92 billion from N56.09 billion the prior month. Total domestic transactions which is split into retail and institutional investors revealed that retail investors were outperformed by institutional investors by 18%. Total retail transactions increased marginally by 6.6% to N29.26 billion in the reference month from N27.44 billion in March. Likewise, the institutional composition of the domestic market climbed by 60.75% to N42.73 billion in April 2019 from N26.58 billion in March 2019. Total foreign outflows also edged up by 38.34% to N41.78 billion from N30.20 billion and foreign inflows also jumped by 35.76% to N35.15 billion from N25.89 billion between March and April 2019. In a separate development, businesses expressed optimism on Nigeria's macro economy in May 2019 according to the Central Bank of Nigeria (CBN) monthly Business Expectations Survey (BES). The report, which was posted on the apex bank's website stated: "at 29.7 index points, respondents' overall confidence index (CI) on the macro economy in the aforementioned period was less optimistic when compared to its level of 29.2 index points recorded in April 2019." The respondent firms were made up of small, medium and large organisations covering both import- and export-oriented businesses. The positive outlook by businesses in May 2019, according to the report, was driven by the opinion of respondents from the following sectors: services (15.7 points), industrial (9.7 points), wholesale/retail trade (2.8 points) and construction (1.4 points) sectors. The surveyed firms listed insufficient power supply, high interest rate, unfavourable economic

climate, unclear economic laws, financial problems, insufficient demand, unfavourable political climate and access credit as the major factors constraining business activity in the reference month. The business outlook for June 2019 showed greater confidence on the macro economy with 62.7 index points.

Stock Market

Bargain hunting pushed the All Share Index (ASI) higher in the week ended May 31st, 2019. The index rose by 0.61% to settle at 31,069.37 index points from 30,881.29 index points the previous week. Similarly, market capitalization gained 0.61% to close at N13.68 trillion from N13.60 trillion last week. The industrial goods and consumer goods sector contributed to the rise in the ASI. This week, we expect the market to sustain its bullish momentum following sustained investors' interest in large-cap stocks.

Money Market

Rates at the money market trended southwards last week, boosted by Open Market Operations (OMO) maturity of N133 billion. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates settled lower at 4.14% and 4.93% from 11.14% and 12% respectively the previous week. Likewise, the 30- and 90-day NIBOR closed at 10.81% and 11.96% from 10.96% and 12.58% respectively the previous week. This week, we expect tight liquidity due to retail Secondary Market Intervention Sales (SMIS) and OMO auction to drive rates higher.

Foreign Exchange Market

The naira recorded mixed performances against the dollar across various market segments in the week ended May 31st, 2019. At the NAFEX window the local currency witnessed a marginal appreciation of 21 kobo to close at N360.18/\$. However, the official window ended at N306.95/\$, a 5 kobo depreciation from the previous week. Meanwhile, the parallel market remained unchanged at N361/\$. This week, we envisage that rates would remain at prevailing levels.

Bond Market

Average bond yields moderated on the short end of the curve in the week ended May 31st, 2019 with minimal volumes traded across some maturities. Yields on the five-year debt instrument closed lower at 14.12% from 14.39% the preceding week. Consequently, the Access Bank Bond index rose marginally by 3.29 points to close at 2,895.70 points from 2,892.40 points the previous week. This week, client inflows should dictate the market direction.

Commodities

Oil prices further retreated last week as comments from Donald Trump ramped up trade conflicts, weighing on demand output. Prices were also depressed by an increase in U.S. oil production. Consequently, the OPEC benchmark crude, shed \$1.46, or 2% to \$67.10 per barrel. Precious metals prices went in varying directions as gold prices picked up while silver prices declined. Gold prices shot up by 1.03% to \$1,295.02 an ounce due to increased demand on the safe-haven commodity after U.S. Donald Trump vowed to levy tariffs on all Mexican imports, ratcheting up concerns of a global slowdown. Conversely, silver fell by 6 cents or 0.4% to \$14.51 an ounce. This week, prices may remain pressured due to the current trade conflicts between U.S. and China. For precious metals, prices may remain supported by the on-going trade tensions.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Jun'19	Jul'19	Aug'19
Exchange Rate (Interbank) (N/\$)	361	362	362
Inflation Rate (%)	11.30	11.23	11.21
Crude Oil Price (US\$/Barrel)	65	67	67