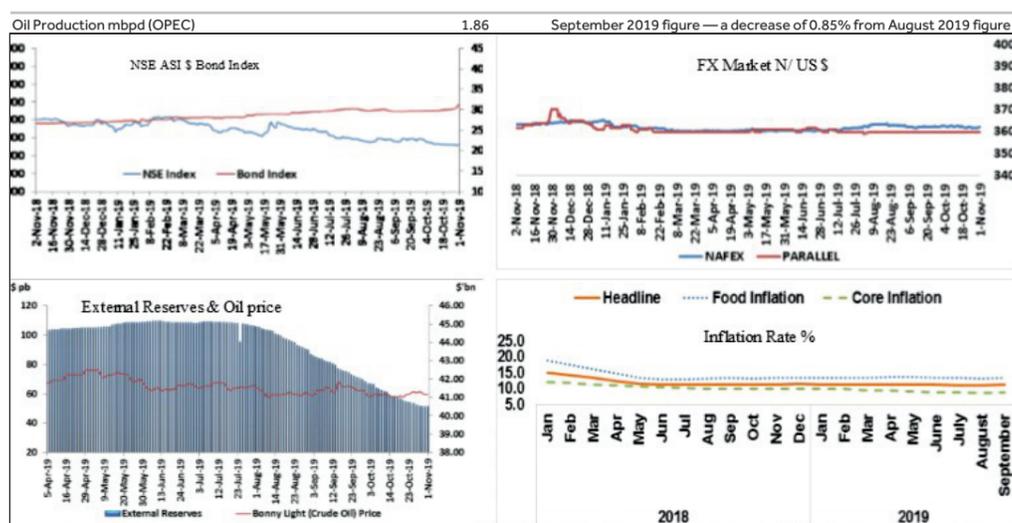


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

GDP Growth (%)	1.94	Q2 2019 — lower by 0.16% compared to 2.10% in Q1 2019
Broad Money Supply (N' trillion)	35.03	Decreased by 0.53% in Sep' 2019 from N35.22 trillion in Aug' 2019
Credit to Private Sector (N' trillion)	25.47	Increased by 2.61% in Sep' 2019 from N24.82 trillion in Aug' 2019
Currency in Circulation (N' trillion)	2.01	Decreased by 0.66% in Sep' 2019 from N2.02 trillion in Aug' 2019
Inflation rate (%) (y-o-y)	11.24	Increased to 11.24% in September 2019 from 11.02% in August 2019
Monetary Policy Rate (%)	13.5	Adjusted to 13.5% in March 2019 from 14%
Interest Rate (Asymmetrical Corridor)		
External Reserves (US\$ million)	13.5 (+2/-5)	Lending rate changed to 15.5% & Deposit rate 8.5%
Oil Price (US\$/Barrel)	40.5	October 30, 2019 figure — a decrease of 3.03% from October start
	59.46	October 31, 2019 figure — a decrease of 2.27% from the previous wk



STOCK MARKET

Indicators	Friday 1/11/19	Friday 25/10/19	Change(%)
NSE ASI	26,293.30	26,348.73	(0.21)
Market Cap(N'tr)	12.80	12.83	(0.21)
Volume (bn)	0.25	0.37	(31.98)
Value (N'bn)	3.75	2.52	48.85

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	1/11/19	25/10/19	
O/N	4.0700	6.8600	(279)
CALL	3.7500	6.6250	(288)
30 Days	12.0912	12.5492	(46)
90 Days	12.5131	12.7927	(28)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	1/11/19	25/10/19	1/10/19
Official (N)	307.00	306.95	307.00
Inter-Bank (N)	362.22	361.79	362.55
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)
	1/11/19	25/10/19	
3-Year	0.00	0.00	0
5-Year	12.81	13.98	(117)
7-Year	12.77	14.11	(134)
10-Year	13.18	14.09	(91)
20-Year	13.38	14.17	(78)
30-Year	13.91	14.30	(39)

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Market Analysis and Outlook: November 1- November 8, 2019

Global Economy

In the US, the Federal reserve slashed its interest rate to 1.5-1.75% during its October meeting, to keep the longest running period of growth in the country's history continuing into the crucial election year of 2020. It is the third rate cut so far this year, amid muted inflation pressures and concerns about the economic outlook. The central bank signaled it may be done trimming rates, at least in the short term, modifying its previous vow to "act as appropriate to sustain the expansion." In a separate development, Brazil's trade surplus contracted to \$2.25 billion in September 2019 from \$5.07 billion in the corresponding month of the prior year. Exports declined 11.6% year-on-year to \$18.74 billion in September, mostly due to lower sales of primary goods (-14.5%); and industrial (-6.8%) while imports increased 5.7% to \$16.49 billion, boosted by higher purchases of capital goods (95.1%) according to the Ministry of Development, Industry and Foreign Trade (MDIC). Among major trading partners, imports advanced from China (5%), Canada (21.6%) and Japan (1.2%), but fell from Argentina (-24.6%), the EU (-6.8%) and the US (-7.6%). Elsewhere, India's unemployment rate in October jumped to 8.5%, the highest since August 2016, and up from 7.2% in September, according to data released by the Centre for Monitoring Indian Economy (CMIE), reflecting the impact of a slowdown in the economy. While the government has been announcing a pool of measures to increase demand, the slowdown in jobs is being viewed as the impact of slowdown on the country's economic growth.

Domestic Economy

The Nigeria Bureau of Statistics revealed that Nigerian States and Federal Debt Stock data as at 30th June 2019 stood at N25.7 trillion (trn). Further disaggregation of Nigeria's total public debt showed that N8.32trn or 32.38% of the debt was external while N17.38trn or 67.62% of the debt was domestic. Lagos state accounted for the bulk of domestic debt at 12.08% whilst Yobe State had the least debt stock in this category with a contribution of 0.68%. In a separate development, the manufacturing sector continued to expand – it registered an improvement for the thirty-first consecutive month. The Central Bank of Nigeria's Manufacturing Purchasing Managers' Index (PMI) stood at 58.2 index points in October 2019. The index grew at a faster pace when compared to the previous month (57.7 points). A PMI above 50 points indicates that the manufacturing sector is generally expanding, while a reading below 50 points indicates a contraction. Thirteen of the sub-sectors surveyed recorded growth during the month, while the paper products subsector recorded decline in the period under review.

Stock Market

The bears retained their stronghold on the Nigerian stock market as it closed the week "in the red" – like previous week. Losses were majorly observed in the stocks of players in the telecommunications, consumer goods and financial services sectors. The Nigerian Stock Exchange All Share Index (NSE ASI) tapered 0.21% to 26,293.30 points from 26,348.73 points the preceding week. Similarly, market capitalization dipped 0.21% to N12.80 trillion from N12.83 trillion. This week, we expect the losing momentum to diminish, as the market reacts positively to more quarterly earnings reports, especially as the NSE's new lows offer investors opportunities to position for short and medium-to-long-term opportunities.

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. The market had a net inflow of N151 billion. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates dropped to 3% and 4.07% from 6% and 6.86% respectively the previous week. The 30-day and 90-day Nigeria Interbank (NIBOR) rate also decreased marginally to 12.09% and 12.51% from 12.55% and 12.79% the prior week. This week, we envisage that rates might trade higher due to expected Retail Secondary Market Intervention Sales (SMIS)

Foreign Exchange Market

The local unit depreciated against the dollar across most market segments as the nations' foreign reserves continue to decline. The exchange rate in the Nigerian Autonomous Foreign Exchange (NAFEX) window, saw a depreciation of 43 kobo to close at N362.22/\$. While, the rate at the official window weakened by 5 kobo to settle at N307/\$. The parallel market remained unchanged at N360/\$. The market continues to be supported by the Central Bank intervention. This week, we expect rates to continue to trade within a tight band as the CBN sustains its intervention program.

Bond Market

Bond yields declined further for the week ended November 1, 2019 as the market traded with bullish sentiments. The most traded instrument were the Feb 2028 and Apr 2049 bonds. Yields on the five-, seven-, ten-, twenty-year, and thirty-year debt papers closed lower at 12.81%, 12.77%, 13.18%, 13.38% and 13.91% from 13.98%, 14.11%, 14.09%, 14.17% and 14.30%, respectively the previous week. The Access Bank Bond index increased by 70.38 points to finish at 3,078.21 points from 3,007.82 points the preceding week. Our expectation this week is that the buying interest will likely be sustained as the market continues to adjust to the CBN circular of barring individual and local corporates from accessing the OMO auction window.

Commodities

The price of oil dipped last week after weak Chinese industrial data and renewed pessimism about the U.S.-China trade talks added to a rise in U.S. oil inventories. U.S. Energy Information Administration (EIA) reported a crude oil inventory build of 5.7 million barrels. Bonny light, Nigeria's benchmark oil crude, declined \$1.38, or 2.27%, to \$59.46 a barrel. In the same light, precious metal prices declined marginally after the US Federal Reserve slashed interest rates for the third time this year, but signalled further cuts would be data-dependent which dampened investor sentiment. Gold dropped to \$1,512.11 an ounce, down 0.01% from the prior week's price, while the silver closed lower at \$18.09 per ounce, compared to the preceding week's close of \$18.24 per ounce. This week, we anticipate that oil prices might trend downwards as analysts pessimistic outlook on the pace of global economic growth weighs in on oil demand growth. For precious metals, prices are expected to be pressured by anticipated upbeat U.S. labour news.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Nov'19	Dec'19	Jan'20
Exchange Rate (NAFEX) (N/\$)	363	362	363
Inflation Rate (%)	11.3	11.3	11.4
Crude Oil Price (US\$/Barrel)	65	66	67