Access Bank Rateswatch

**KEY MACROECONOMIC INDICATORS**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>6/09/19</th>
<th>30/08/19</th>
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<tbody>
<tr>
<td>CBN Policy Rate (%)</td>
<td>13.50</td>
<td>13.50</td>
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**Market Analysis and Outlook: September 6 - September 13, 2019**

**Global Economy**

In the UK, inflation rate increased to 1.2% year-on-year in July 2019 from 0.8% in the previous month according to the Office of the National Statistics. This was higher than the market expectations, the price increases seen in recreation & culture and restaurants & hotels. This is above the Bank of England’s target of 2%. According to the new figures, annual growth rate for inflation is expected to remain at 2.5%. The Bank of England also increased its growth forecast for Q3 2019 from 0.8% to 0.9%.

**Economic Data**

- **Oil Production (mbpd)**: 1.786 (July 2019), a decrease of 1.21% from June 2019.
- **Oil Price (US$/Barrel)**: 62.98 (September 5, 2019), an increase of 2.89% from the previous week.
- **Inflation rate (%) (y-o-y)**: 11.08 (July 2019) compared to 11.22% in June 2019.
- **Exchange Rates**:
  - **Parallel (N)**: 360.00 (unchanged from last week).
  - **BDC (N)**: 0.00 (unchanged from last week).

**AVERAGE YIELDS**

- **NIBOR**
  - **Money Market**
    - **3-Month**: 13.16%
    - **6-Month**: 12.92%
    - **1-Year**: 13.02%
    - **2-Year**: 12.98%
    - **5-Year**: 13.09%
    - **7-Year**: 13.05%
    - **10-Year**: 13.14%
  - **Bond Market**
    - **3-Year**: 10.98%
    - **5-Year**: 11.58%
    - **10-Year**: 11.98%

**Funding (N’ million)**

- **6 Mnths**: 14.06
- **1 Yr**: 12.77
- **2 Yr**: 14.00
- **5 Yr**: 14.40
- **7 Yr**: 13.85
- **10 Yr**: 14.56
- **30 Yr**: 14.56

**Forex**

- **Local Exchange Rate (N/$)**: 362.08, 10 kobo lower than the previous week.
- **Parallel Market**: 360.00 (unchanged from last week).
- **Central Bank Target Rate**: 363.00 (unchanged from last week).
- **Closing Prices**
  - **Gold ($/t oz.)**: 1,506.63
  - **Cotton ($/lb.)**: 59.00
- **Inflow (N’ billion)**: 20.73

**Market Sector**

- **Stock Market**
  - **Nigeria Stock Exchange**
    - **All Share Index (ASI)**: 27,146.57
  - **NSE ASI**: 27,146.57
  - **Market Capitalization (N’tr)**: 13.21

**Money Market**

- **Open Market (N’ billion)**: 19.87
- **New Inflow (N’ billion)**: 20.73

**Foreign Exchange Market**

- **Central Bank Target Rate**: 363.00
- **Parallel Market**: 360.00
- **Closing Prices**
  - **Naira/$**: 362.08
  - **Pounds/$**: 438.13
- **Central Bank Inflow**: 20.73

**Agriculture**

- **Gold ($/t oz.)**: 1,506.63
- **Cotton ($/lb.)**: 59.00

**Energy**

- **Natural Gas (NPMP)**: 2.41
- **Coal**: 0.83
- **Wind (MW)**: 2.56

**Agriculture**

- **Livestock (%)**: 1.78
- **Agriculture (%)**: 0.08

**Bond Market**

- **10-Year Bond**: 13.33%
- **5-Year Bond**: 13.85%

**Treasuries**

- **10-Year Treasury Bill**: 13.98%

**Inflationary Pressures**

- **Consumer Price Index (CPI)**: 11.08%
- **Core Inflation (%)**: 11.08%

**Macroeconomic Indicators**

- **Inflation rate (%) (y-o-y)**: 11.08 (July 2019) compared to 11.22% in June 2019.

**Market Outlook**

- **Stock Market**: The Nigerian Stock Exchange suffered another week of loss on the back of selling pressure and seeming profit-taking. Foreign investors confidence was also shaken by the call to nationalize South African companies due to the xenophobia attacks happening in South Africa. Accordingly, the All Share Index (ASI) declined 1.38% to 27,146.57 points from 27,325.81 points at the preceding week. Market capitalization also fell by N180 billion to N13.21 trillion from N13.39 trillion the prior week. This week, we envisage the stability in the market would continue due to consistent FX liquidity injections by the CBN.

**Foreign Exchange Market**

- **The local unit saw a slight appreciation as it ended at N361.90 to the US dollar, while the parallel market remained unchanged at N363.00. The Naira appreciated recorded in the NAFEX market segments may be attributed to the apex bank’s regular interventions. This week, we envisage the stability in the market would continue due to consistent FX liquidity injections by the CBN.**

**Bond Market**

- **The bond market was bearish this week driven by sell off as investors’ appetite for bonds continued to decline as FX constraints and weak risk sentiment.**

**Agriculture**

- **Oil prices rose marginally supported by better-than-expected Chinese economic data and news that the People’s Bank of China (PBoC) would soon introduce more bank reserve requirement (RRR) cuts to help stave off the ongoing economic headwinds. Nigeria’s crude oil benchmark, Bonny light, edged up by 2.89% to $62.98 per barrel compared to $61.21 the prior week. Precious metals saw some gains in the opposite direction as they declined from last week.**

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