## Access Bank Rateswatch

### Key Macroeconomic Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Current Figures</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>GDP Growth (%)</td>
<td>4</td>
<td>Q2 2020 lower by -7.97% compared to 1.87% in Q1 2020</td>
</tr>
<tr>
<td>Food Wholesale Prices</td>
<td>35.34</td>
<td>Decreased by 1.0% in June 2020 from N357.72 trillion in May 2020</td>
</tr>
<tr>
<td>Savings Rate (N% per annum)</td>
<td>24.18</td>
<td>Decreased by 0.5% in June 2020 from N29.23 trillion in May 2020</td>
</tr>
<tr>
<td>Inflation Rate (CPI)</td>
<td>2.39</td>
<td>Decreased by 2.23% in June 2020 from N29.35 trillion in May 2020</td>
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<tr>
<td>Inflation Rate (PPI)</td>
<td>12.82</td>
<td>Increased by 12.82% in July 2020 from 12.60% in June 2020</td>
</tr>
<tr>
<td>Monetary Policy Rate (CRR)</td>
<td>12.5</td>
<td>Adjusted to 12.5% in May 2019 from 13.5%</td>
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<tr>
<td>Interest Rate (Lending)</td>
<td>12.5</td>
<td>Increased to 14.5% &amp; Deposit rate 7.5%</td>
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<tr>
<td>Interest Rate (Non-Resident)</td>
<td>12.5</td>
<td>Increased to 14.5% &amp; Deposit rate 7.5%</td>
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<tr>
<td>Interest Rate (Reserve Ratio)</td>
<td>12.5</td>
<td>Increased to 14.5% &amp; Deposit rate 7.5%</td>
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<tr>
<td>Interest Rate (Exchange Rate)</td>
<td>12.5</td>
<td>Increased to 14.5% &amp; Deposit rate 7.5%</td>
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</tbody>
</table>

### Foreign Exchange Market

- **Naira**: 356.68, 357.09, 357.44, 357.72, 358.00
- **US Dollar**: 1.25, 1.20, 1.15, 1.10, 1.05
- **Euro**: 1.10, 1.08, 1.06, 1.04, 1.02
- **Japanese Yen**: 100, 95, 90, 85, 80
- **British Pound**: 2.00, 1.95, 1.90, 1.85, 1.80

### Stock Market

- **Access Bank (ABN)**: 1.48, 1.45, 1.40, 1.35, 1.30
- **Sovereign Risk**:
  - **Domestic**: 1.75, 1.70, 1.65, 1.60, 1.55
  - **Foreign**: 1.80, 1.75, 1.70, 1.65, 1.60

### Commodity Market

- **Oil (Crude)**: 44.15, 43.00, 42.00, 41.00, 40.00
- **Natural Gas (LNG)**: 12.75, 12.70, 12.65, 12.60, 12.55
- **Cocoa (SFO)**: 2547.00, 2540.00, 2533.00, 2526.00, 2519.00
- **Coffee (Ethiopia)**: 122.22, 122.00, 121.78, 121.56, 121.34
- **Cotton (India)**: 62.00, 61.80, 61.50, 61.30, 61.10
- **Sugar (Kg)**: 12.57, 12.54, 12.51, 12.48, 12.45

### Foreign Exchange Rate

- **Naira to USD**: 356.68, 357.09, 357.44, 357.72, 358.00
- **Naira to EUR**: 1.25, 1.20, 1.15, 1.10, 1.05
- **Naira to JPY**: 100, 95, 90, 85, 80
- **Naira to GBP**: 1.25, 1.20, 1.15, 1.10, 1.05

### Bond Market

- **Access Bank Nigeria GOVT Bond Index**: 1.16, 1.11, 1.06, 1.01, 0.96
- **Access Bank Nigeria GOVT Bond Index (Basis Point)**: 1.17, 1.16, 1.15, 1.14, 1.13

### Stock Market Analysis and Outlook: August 28 – September 4, 2020

**Global Economy**

In the US, the economy contracted by an annual rate of 9.5% in Q2 2020, marking the largest annualized rate of decline since 1946. The US Treasury data showed 39.5% percent plunge in the advance estimate according to the US Bureau of Economic Analysis (BEA). This was the biggest contraction ever, pushing the economy into a recession as the coronavirus pandemic forced many businesses including restaurants, cafes, hotels, travel agents and factories to close. This is the first time the government has revised its estimate for Q2 2020, with the economy shrinking by 10% in Q2 2020. The official market rate gained 0.2% from $1.25 to $1.26 per euro, amid weakening demand for the US dollar against the euro. The EU set to meet on August 12 amid concerns over the economic outlook. The yield on 10-year Treasuries fell to 0.65% after data showed the US economy shrank at an annualized rate of 31.7% in Q2 while over 1 million Americans applied for unemployment benefits last week. Consequently, gold prices edged up 0.87% or $17.2 to $2,347.04 per ounce from $2,329.77 per ounce. Silver settled at $27.50 per ounce, a 1.56% rise from previous week’s level. The world’s largest economies might be pressured by the continued rise in the number of COVID-19 cases in China and Europe. We expect the bullion markets to gain support as the geo-political tensions between Washington and Beijing could affect the South China Sea deadlock, with China expelling a US warship that trespassed into China’s territorial waters in the Xisha Islands around the contested area.

**Macro Economic Forecast**

- **Inflation Rate (%)**: 12.90
- **Inflation Rate (%) (Basis Point)**: 12.89
- **Government Bond (10-Year)**: 44.44
- **Government Bond (30-Year)**: 46.46
- **Government Bond (5-Year)**: 44.44
- **Government Bond (1-Year)**: 46.46

Sources: CBN, Financial Markets Dealers Association, NSE, ABS, Energy Information Administration, OPEC, Bloomberg and Access Bank Economic Intelligence Group compilation.

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