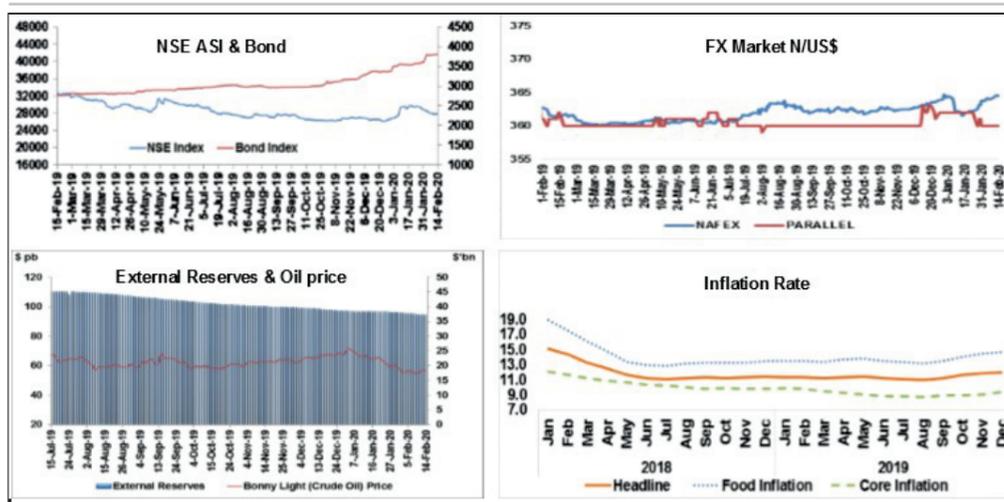


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS		
GDP Growth (%)	2.28	Q3 2019 — higher by 0.17% compared to 2.12% in Q2 2019
Broad Money Supply (N' trillion)	36.48	Increased by 2.9% in Nov' 2019 from N35.45 trillion in Oct' 2019
Credit to Private Sector (N' trillion)	26.41	Increased by 2.18% in Nov' 2019 from N25.85 trillion in Oct' 2019
Currency in Circulation (N' trillion)	2.20	Increased by 7.17% in Nov' 2019 from N2.06 trillion in Oct' 2019
Inflation rate (%) (y-o-y)	11.98	Increased to 11.98% in December 2019 from 11.85% in November 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)	37.23	February 13, 2020 figure — a decrease of 1.71% from February start
Oil Price (US\$/Barrel)	56.09	February 13, 2020 figure — a decrease of 1.89% from the previous wk
Oil Production mbpd (OPEC)	1.77	January 2020, figure — an increase of 1.42% from December 2019 figure



STOCK MARKET

Indicators	Friday 14/2/20	Friday 7/2/20	Change(%)
NSE ASI	27,755.87	28,067.09	(1.11)
Market Cap(N'tr)	14.46	14.62	(1.11)
Volume (bn)	0.13	0.30	(56.36)
Value (N'bn)	1.28	6.39	(79.96)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	14/2/20	7/2/20	
O/N	2.50	5.50	(300)
O/N	3.25	6.33	(308)
CALL	3.10	7.00	(390)
30 Days	8.34	10.98	(263)
90 Days	8.29	9.94	(165)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	14/2/20	7/2/20	14/1/20
Official (N)	306.95	306.95	306.90
Inter-Bank (N)	364.47	364.02	361.91
BDC (N)	0.00	0.00	0.00
Parallel (N)	360.00	360.00	362.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	14/2/20	7/2/20	
3-Year	0.00	0.00	0
5-Year	7.96	8.25	(30)
7-Year	9.73	9.91	(18)
10-Year	9.83	9.74	9
20-Year	10.95	11.08	(13)
30-Year	12.32	12.32	(0)

Disclaimer

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Sources: CBN, Financial Market Dealers Association of Nigeria, NSE and Access Bank Economic Intelligence Group computation.

Market Analysis and Outlook: February 14 - February 21, 2020

Global Economy

In the Eurozone, growth slipped in the final quarter of 2019 as the French and Italian economies both unexpectedly contracted. Prolonged weakness in the bloc's industrial sector amid weak external demand, coupled with policy uncertainties at home have likely continued to constrain growth. Consequently, annual economic expansion was revised lower to 0.9% in Q4 2019, from 1.2% in the previous quarter. According to Eurostat, this is the weakest rate since Q4 2013. GDP growth slowed in Germany, France and Spain. In a separate development, U.S. annual inflation rate climbed to 2.5% in January 2020 from 2.3% in the previous month. The rate was boosted by a jump in gasoline cost. Food inflation remained steady at 1.8% while Core inflation rose by 2.3%, same as the previous month. Elsewhere, China's current account surplus narrowed to \$40.1 billion in Q4 2019 from \$54.6 billion in the same period of the previous year. For 2019 full year, the current account surplus widened sharply to \$177.5 billion from \$49.1 billion the year before, as the goods surplus increased to \$462.8 billion, the services deficit declined to \$261.4 billion and the net inflow of direct investment stood at \$59.1 billion.

Domestic Economy

The President of Nigeria has asked the National Assembly to approve the sale of \$3.3 billion in Eurobonds, marking the potential return of Africa's top oil producer to debt markets after staying out last year. The Finance Minister said in December that the country was seeking funds for the implementation of the 2020 budget and will first talk to concessional lenders before considering fresh loans. Investors' appetite for high-yielding debt remains strong despite growing concerns about the impact of the coronavirus outbreak could have on the economies of high-indebted African nations. In a separate development, the Central bank published a new circular titled "milk and dairy products importation". The banking watchdog noted that as parts of its effort to increase local production of milk, its derivatives and dairy products it has engaged with some companies in the industry who have keyed into the bank's backward integration program to enhance their capacity and improve local milk production. The companies include Frieslandcampina Wamco Nigeria, Chi Limited, TG Arla Dairy Products Limited, Promasidor Nigeria Limited, Nestle Nigeria PLC (MSK only) and Integrated dairies limited.

Stock Market

Indicators at the local stock exchange remained bearish for the week ended February 14th, 2020. There was increased sell-off in mostly bell-weather counters. Consequently, the All Share Index (ASI) declined 1.11% to end at 27,755.87 points from 28,067.09 points the prior week. Similarly, market capitalization dipped by 1.11% to N14.46 trillion from N14.62 trillion the prior week. This week, we expect that investors will position ahead of dividend news amidst profit taking.

Money Market

Cost of borrowing declined as the market was awash with liquidity of about N1 trillion despite the retail Secondary Market Intervention Sales (SMIS) conducted at

the close of the week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates settled lower at 2.5% and 3.25% from 5.5% and 6.33%. The slightly longer dated instruments such as 30-day and 90-day Nigeria Interbank Offered Rate (NIBOR) closed at 8.34% and 8.29% from 10.98% and 9.94% the prior week. This week, we expect rates to remain at single digits due to excess liquidity in the market.

Foreign Exchange Market

The local unit was steady across most market segment except at the Nigerian Autonomous Foreign Exchange (NAFEX) where it depreciated against the dollar. The official rate and parallel market rate remained unchanged at N306.95/\$ and N360/\$. NAFEX lost 27 kobo to close at N364.02/US\$ from N363.75/US\$ the preceding week. 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 slightly bullish due to robust liquidity in the market. The market recorded demand for some select maturities particularly the 2049 and 2025 securities. Yields on the five-, seven-, and twenty-year debt papers finished at 7.96%, 9.73% and 10.95% from 8.25%, 9.91% and 11.08%. The Access Bank Bond index increased by 14.23 points to close at 3,799.15 points from 3,784.92 points the prior week. We expect mixed market sentiments this week following the current system liquidity and the anticipated February Bond auction.

Commodities

Oil prices recovered slightly last week as investors bet the economic impact of the coronavirus would be short-lived and hoped for further Chinese central bank stimulus to tackle any slowdown. Bonny light, Nigeria's benchmark crude rose 1.89% or \$1.06 cents to close the week at \$57.15 per barrel. Precious metal prices went in varying directions as the price of gold went up while the price of silver declined. Gold prices increased as a mounting coronavirus death toll supported safe-haven buying while silver prices dropped due to low demand. Consequently, gold gained 0.64% to \$1,576.41 per ounce while silver declined 0.56% to \$17.70 per ounce. This week oil prices might become bearish as the International Energy Agency (IEA) said that global demand was expected to fall in the first quarter of the year. This will be the first quarterly drop in more than ten years. Precious metal prices might rise due to tensions in the Middle East. Last week, the head of the Iran's elite Revolutionary Guards said that the country is ready to strike the US and Israel if they give it any reason to do so.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Feb'20	Mar'20	Apr'20
Exchange Rate (NAFEX) (N/\$)	363	364	364.5
Inflation Rate (%)	12.01	12.06	12.1
Crude Oil Price (US\$/Barrel)	57	58	60