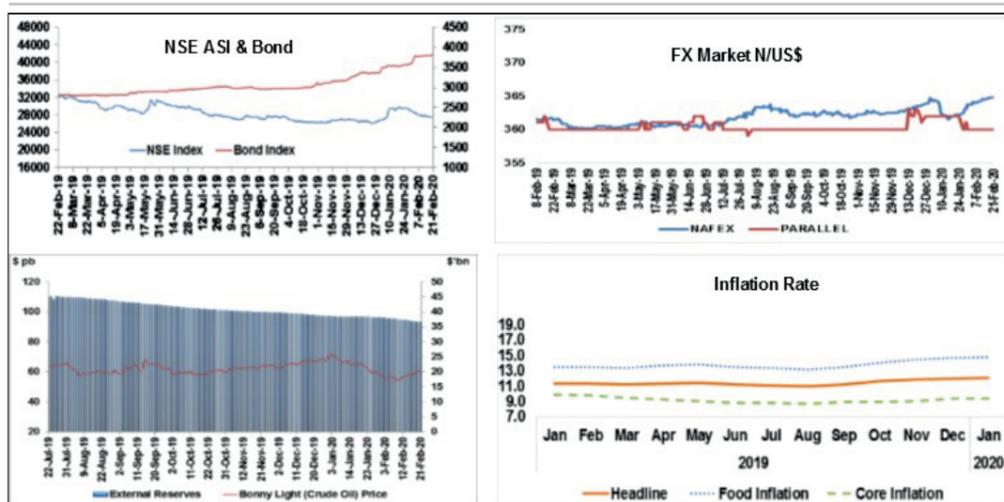


Access Bank Rateswatch

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)	12.13	Increased to 12.13% in January 2020 from 11.98% in December 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)	36.70	February 20, 2020 figure — a decrease of 3.12% from February start
Oil Price (US\$/Barrel)	60.41	February 20, 2020 figure — an increase of 5.7% 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	Friday	Change(%)
	21/2/20	14/2/20	
NSE ASI	27,388.62	27,755.87	(1.32)
Market Cap(N'tr)	14.27	14.46	(1.30)
Volume (bn)	0.42	0.13	217.65
Value (N'bn)	5.55	1.28	333.89

MONEY MARKET

NIBOR			
Tenor	Friday Rate	Friday Rate	Change
	(%)	(%)	(Basis Point)
	21/2/20	14/2/20	
OBB	3.8300	2.5000	33
O/N	3.0000	3.2500	(25)
CALL	4.0000	3.1000	90
30 Days	8.8717	8.3443	53
90 Days	8.9817	8.2887	69

FOREIGN EXCHANGE MARKET

Market	Friday	Friday	1 Month
	(N/\$)	(N/\$)	
	21/2/20	14/2/20	21/1/20
Official (N)	307.00	306.95	306.95
Inter-Bank (N)	364.80	364.47	362.22
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)
	21/2/20	14/2/20	
3-Year	0.00	0.00	0
5-Year	7.45	7.96	(51)
7-Year	8.69	9.73	(103)
10-Year	9.55	9.83	(28)
20-Year	10.79	10.95	(17)
30-Year	12.08	12.32	(24)

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 21 – February 28, 2020

Global Economy

In the Eurozone, inflation printed at 1.4% year-on-year in January 2020, the highest since April last year, boosted by prices of energy (1.9% vs 0.2% in December) and unprocessed food (2.3% vs 2.1%). According to European Statistical Office costs rose at a softer pace for both services (1.5% vs 1.8%) and non-energy industrial goods (0.3% vs 0.5%). The annual core inflation rate, which excludes energy, food, alcohol & tobacco prices and at which the ECB looks at when deciding monetary policy, was also confirmed at 1.1%, below December's 1.3%. Elsewhere, Brazil current account deficit advanced to \$11.88 billion in January 2020 from \$9.05 billion in the same month of the prior year according to the Central Bank of Brazil. It was the largest current account gap since January 2015, as the goods account shifted to a \$2.56 billion shortfall from \$1.06 billion a year earlier. In a separate development, the Reserve Bank of India recorded its 21st straight week of increase in its reserves leading to an all-time high of \$476.09 billion in the week ended February 14th, 2020. Foreign currency assets went up to \$441.95 billion from \$439.19 billion in the previous week while gold reserves increased to \$29.12 billion from \$28.78 billion.

Domestic Economy

The National Bureau of Statistics revealed that inflation rate for January 2020 was 12.13% year-on-year from 11.98% in December 2019. Prices rose majorly for food inflation. Food inflation jumped 14.85% in January from 14.67% in the prior month. Highest increases were recorded in prices of fish, oil and fats, meat, bread and cereals and potatoes, yam and other tubers. Food inflation on a year-on-year basis was highest in Sokoto state (19.08%) and lowest in Benue state (11.33%). Core inflation rose 9.35% in January, up by 0.02% when compared with 9.33% recorded in December. Highest increases were recorded in prices of hospital services, vehicle spare parts, cleaning, repair and hire of clothing, shoes and other footwear, glassware, tableware and household utensil, hairdressing saloons and personal grooming establishments, repair and hire of footwear, garments and passenger transport by air. In a separate development, the World Bank has approved \$2.185 billion to fund six projects in Nigeria as part of its support for the country's development priorities. The World Bank's Country Director for Nigeria, said in a statement last week that the World Bank was ramping up its support to Nigeria in its efforts to lift 100 million Nigerians out of poverty. The fund will be used to finance projects focused on improving immunisation, providing an enabling business environment for the private sector and expanding the digital economy to promote job creation as well as increasing capacity of public and private sector on governance, social and environmental safeguards. The six approved programmes in the 2020 fiscal year include: Immunisation Plus and Malaria Progress by Accelerating Coverage and Transforming Services (IMPACT); Nigeria Rural Access and Agricultural Marketing Project; Nigeria Digital Identification for Development Project; Ogun State Economic Transformation Project; Innovation Development and Effectiveness in the Acquisition of Skills Project and the Sustainable Procurement, Environmental and Social Standards Enhancement Project (SPESSE).

Stock Market

Nigerian stock exchange witnessed further losses as players eagerly awaited more earnings reports and dividend news, especially from the large companies for a reversal of the lingering downtrend. Consequently, the All Share Index (ASI) declined 1.32% to end at

27,388.62 points from 27,755.87 points the prior week. Similarly, market capitalization dipped by 1.32% to N14.27 trillion from N14.46 trillion the prior week. This week, we expect that market sentiment will improve in the hope of major earnings report.

Money Market

Rates at the money market slightly increased but remained at single digit as market liquidity was sustained. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates settled higher at 3.83% and 3% from 2.5% and 3.25% previous week. The slightly longer dated instruments such as 30-day and 90-day Nigeria Interbank Offered Rate (NIBOR) closed at 8.87% and 8.98% from 8.34% and 8.29% the prior week. This week, rates are expected to remain significantly low despite the weekly FX auction.

Foreign Exchange Market

Last week, the naira depreciated across most market except at the parallel market where it remained unchanged week-on-week. The official window saw a marginal decline as it ended N307/\$, a 5 kobo loss from the prior week, while at the Nigerian Autonomous Foreign Exchange (NAFEX) segment the local currency depreciated by 33kobo to close at N364.80/US\$ from N364.47/US\$ the previous week. The parallel market rate closed at N360/US\$ same as previous week. This week, rates are expected to remain around current levels with the apex bank's continuous interventions.

Bond Market

The bond market sustained its bullish sentiment during today's trading session given the robust system liquidity. Accordingly, we recorded market rally for most maturities across the curve particularly for the 2024 and 2029 maturities. Yields on the five-, ten-, twenty- and thirty-year debt papers finished at 7.45%, 8.69%, 9.55%, 10.79% and 12.08% from 7.96%, 9.73%, 9.83%, 10.95% and 12.08%. The Access Bank Bond index increased by 37.80 points to close at 3,836.95 points from 3,799.15 points the prior week. We expect activity in the coming week to remain bullish following the expected gradual decline in yields.

Commodities

Oil prices maintained their bullish trend as investors weighed the U.S. sanctions imposed on a subsidiary of Russian-oil giant Rosneft. China also launched new measures to support local businesses that are struggling because of the coronavirus outbreak which supported oil prices. Bonny light, Nigeria's benchmark crude jumped 5.7% or \$3.26 cents to close the week at \$60.41 per barrel. Precious metal prices rose to seven-year highs as coronavirus concerns increased safe-haven appeal. Consequently, gold gained 3.73% to \$1,635.28 per ounce while silver climbed 4.63% to \$18.52 per ounce. This week oil prices might remain bearish as American Petroleum Institute (API) predict a rise in crude oil inventories. Precious metal prices might be pressured as a recovery in the global economy is expected to weigh on demand for safe haven.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Feb'20	Mar'20	Apr'20
Exchange Rate (NAFEX) (N/\$)	363	362	362
Inflation Rate (%)	12.20	12.25	12.7
Crude Oil Price (US\$/Barrel)	59	60	60