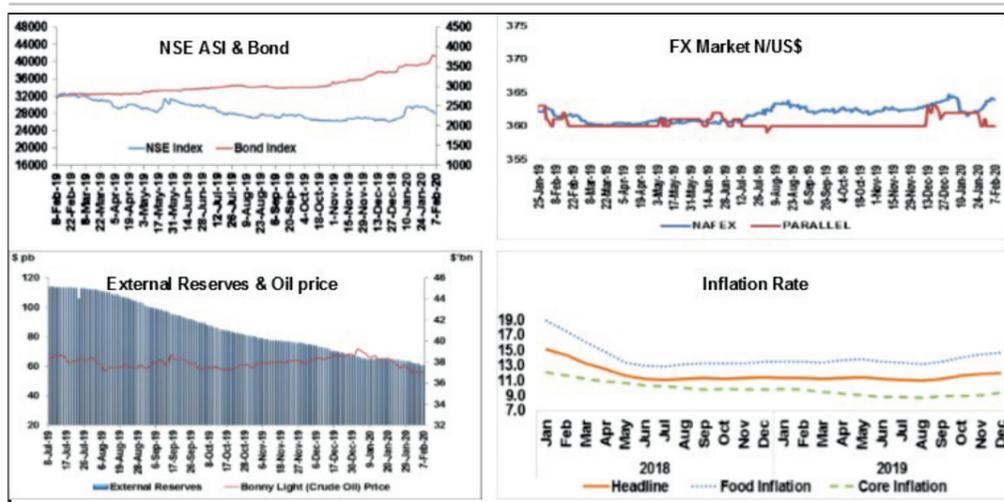


Access Bank Rateswatch

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)	37.73	February 6, 2020 figure — a decrease of 2.1% from January start
Oil Price (US\$/Barrel)	56.09	February 6, 2020 figure — a decrease of 3.92% from the previous wk
Oil Production mbpd (OPEC)	1.77	December 2019, figure — a decrease of 1.34% from November 2019 figure



STOCK MARKET

Indicators	Friday 7/2/20	Friday 31/1/20	Change(%)
NSE ASI	28,067.09	28,843.53	(2.69)
Market Cap(N'tr)	14.62	14.86	(1.61)
Volume (bn)	0.30	0.35	(12.82)
Value (N'bn)	6.39	4.21	51.79

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	7/2/20	31/1/20	
OBB	5.5000	14.0000	(850)
O/N	6.3300	15.3300	(900)
CALL	7.0000	13.0833	(608)
30 Days	10.9780	9.7226	126
90 Days	9.9409	9.5803	36

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	7/2/20	31/1/20	7/1/19
Official (N)	306.95	307.00	307.00
Inter-Bank (N)	364.02	363.75	364.07
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)
	7/2/20	31/1/20	
3-Year	0.00	0.00	0
5-Year	8.25	7.99	26
7-Year	9.91	10.09	(18)
10-Year	9.74	9.76	(2)
20-Year	11.08	10.99	8
30-Year	12.32	12.24	9

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 7– February 14, 2020

Global Economy

In China, trade surplus contracted to \$47.21 billion in December 2019 from \$56.80 billion in the same month of the prior year, revised data from the General Administration of Customs shows. Imports jumped 16.5% the most since October 2018, boosted in part by higher commodity prices. In addition, exports surged 7.9%, the first increase in five months, amid strengthening global demand and trade talks with the US. Considering 2019 full year, the trade surplus widened to \$424.9 billion from \$350.9 a year earlier, with exports rising by 0.5% and imports falling 2.8%. In a separate development, the Central Bank of Brazil voted unanimously to trim its key benchmark rate by 25 bps to 4.25% during its February 2020 meeting, following a 50-bps cut in December. It was the fifth consecutive rate cut bringing borrowing costs to its lowest on record, amid global economic slowdown, the coronavirus outbreak, and a slow recovery in the domestic economy. Policymakers said that the current stage of the business cycle needs support and added that the continuation of the monetary easing process is appropriate after an easing cycle that started in July 2019. The Committee added that next decisions will continue to be data dependent. Elsewhere, the Reserve Bank of India (RBI) left its key lending rate unchanged at 5.15% during its February meeting, stating it was maintaining an "accommodative stance" to support growth amid rising inflationary pressure. The reverse repo rate at which RBI borrows from banks too was kept unchanged at 4.9% and the marginal standing facility (MSF) rate and the bank rate at 5.4%. The bank also said that there is policy space available for future action. Policy makers lowered their outlook on growth for the first half of the year to a range between 5.5% and 6.0%, down from an earlier prediction of between 5.9% and 6.3%, it also expects inflation to cool down to between 5% and 5.4% in the first half of this fiscal year.

Domestic Economy

The manufacturing Purchasing Managers' Index (PMI) stood at 59.2 index points in January 2020, indicating an expansion in the manufacturing sector for the 34th consecutive month. The index grew at a slower pace when compared to the previous month (60.8 points) as shown in the latest PMI report by the Central Bank of Nigeria. A PMI above 50 points indicates that the manufacturing sector is generally expanding, while a reading below 50 points indicates a contraction. Eleven of the sub-sectors surveyed recorded growth during the month, electrical equipment subsector remained unchanged while printing & related support activities and nonmetallic mineral products recorded declines. In a separate development, the Nigerian Stock Exchange (NSE), launched a new index called the "Growth Board" for the small and medium enterprises. The Chief Executive Officer while speaking at the launch, said the growth board aimed to encourage companies with high growth potential to seize the opportunity of raising long-term capital and promoting liquidity in the trading of their shares. He stated that the board also presented an avenue for companies in their growth phase to leverage the NSE's platform and varied products and services to achieve their long-term business objectives.

StockMarket

Trading indicators slid further last week compared to preceding week after highly capitalized stocks suffered huge losses on continued selloffs by investors repositioning their portfolios and taking advantage of the pullbacks to position in high dividend-paying stocks. Consequently, the All Share Index (ASI) declined 2.69% to end at 28,067.09 points from 28,843.53 points the prior week. Similarly, market capitalization dipped by 1.61% to

N14.62 trillion from N14.86 trillion the prior week. This week, we expect that investors might take advantage of the current undervalued state of the market to position their portfolio.

MoneyMarket

Rates at the money market went in varying directions as short dated placements dipped while the longer tenored rates jumped. The decline seen in short-term rates was due to net open market operations (OMO) credit of about N191 billion. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates settled lower at 5.5% and 6.33% from 14% and 15.33%. The slightly longer dated instruments such as 30-day and 90-day Nigeria Interbank Offered Rate (NIBOR) closed at 10.98% and 9.94% from 9.72% and 9.58% the prior week. This week, we expect all rates to remain at single digits due to OMO and bond maturity of about N1 trillion.

ForeignExchangeMarket

Last week, the Naira held steady against the greenback except at the Nigerian Autonomous Foreign Exchange (NAFEX) where it depreciated against the dollar. The official rate marginally appreciated ending at N306.95/\$, a 5 kobo gain from the prior week whilst the parallel market remained steady at N360/US\$. NAFEX lost 27 kobo to close at N364.02/US\$ from N363.75/US\$ the preceding week. This week, we expect rates to trend around current levels without a significant change due to the expected apex bank's intervention.

BondMarket

Average bond yields went northwards across most segments in the week ended February 7th, 2020. The market observed mild demand for some select maturities while market players quoted high bids given the reduced system liquidity. Yields on the five-, twenty- and thirty-year debt papers finished at 8.25%, 11.085 and 12.32% from 7.99%, 10.99% and 12.24%. The Access Bank Bond index increased by 180.12 points to close at 3,784.92 points from 3,604.80 points the prior week. Activities at the bond market might pick up due to the OMO and bond maturity set to hit the market this week.

Commodities

Oil prices continue to take a hit as the toll of cases and death from the coronavirus climbs. China's oil demand amid the coronavirus outbreak is likely inflicting the worst oil demand shock to markets since the financial crisis of 2008-2009, with Chinese demand plunging by 20% compared to the typical demand for the season. Bonny light, Nigeria's benchmark crude dipped 3.92% or \$2.29 cents to close the week at \$56.09 per barrel. In a similar vein, precious metal prices declined marginally tracking muted global cues. Consequently, gold lost 0.82% to \$1,566.35 per ounce while silver declined 0.34% to \$17.80 per ounce. This week oil prices might gain respite as media reports emerged that Chinese scientists may have found a treatment against the disease. Precious metal might experience losses as expected positive US economic data filters in this week.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Feb'20	Mar'20	Apr'20
Exchange Rate (NAFEX) (N/\$)	363	362	362
Inflation Rate (%)	12.01	12.06	12.1
Crude Oil Price (US\$/Barrel)	58	59	60