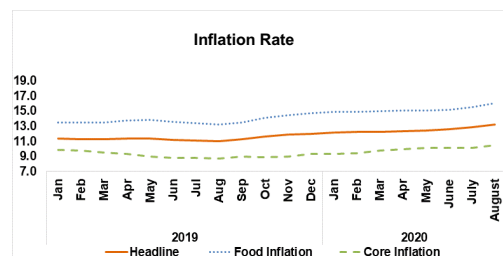
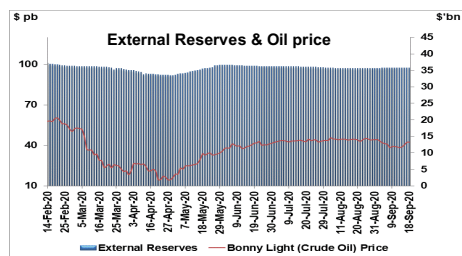
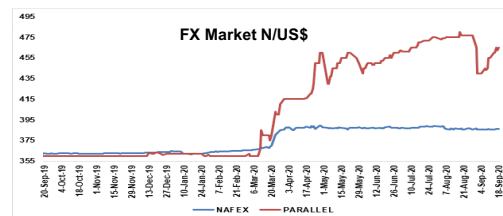
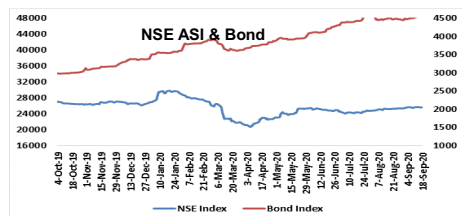


Access Bank Rateswatch

Indicators	Current Figures	Comments
GDP Growth (%)	-6.1	Q2 2020 — lower by -7.97% compared to 1.87% in Q1 2020
Broad Money Supply (N' trillion)	36.82	Increased by 3.36% in July' 2020 from N35.63 trillion in June' 2020
Credit to Private Sector (N' trillion)	30.19	Increased by 2.57% in July' 2020 from N29.43 trillion in June' 2020
Currency in Circulation (N' trillion)	2.4	Increased by 4.13% in July' 2020 from N2.3 trillion in June' 2020
Inflation rate (%) (y-o-y)	12.82	Increased to 12.82% in July 2020 from 12.56% in June 2020
Monetary Policy Rate (%)	12.5	Adjusted to 12.5% in May 2020 from 13.5%
Interest Rate (Asymmetrical Corridor)	12.5 (+2/-5)	Lending rate changed to 14.5% & Deposit rate 7.5%
External Reserves (US\$ million)	35.81	September 17, 2020 figure — an increase of 0.39% from September start
Oil Price (US\$/Barrel)	42.48	September 17, 2020 figure— an increase of 8.2% from the prior week
Oil Production mbpd (OPEC)	1.48	August 2020, figure — an increase of 0.13% from July 2020 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	18/9/20	11/9/20	
NSE ASI	25,572.57	25,591.95	(0.08)
Market Cap(N'tr)	13.36	13.35	0.10
Volume (bn)	0.19	0.21	(9.04)
Value (N'bn)	1.85	2.28	(18.99)

MONEY MARKET

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	18/9/20	11/9/20	
NIBOR			
OBB	2.0000	14.5000	(1250)
O/N	3.0000	16.5000	(1350)
CALL	1.8750	15.9500	(1408)
30 Days	2.6030	2.4799	12
90 Days	2.8293	2.6707	16

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	18/9/20	11/9/20	18/8/20
Official (N)	379.00	379.00	381.00
Inter-Bank (N)	385.85	385.72	386.37
BDC (N)	0.00	0.00	0.00
Parallel (N)	465.00	455.00	480.00

BOND MARKET

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	18/9/20	11/9/20	
5-Year	3.17	3.10	7
7-Year	4.81	5.16	(35)
10-Year	6.30	6.42	(12)
15-Year	9.62	9.64	(2)
20-Year	8.97	9.11	(14)
25-Year	9.89	10.00	(11)
30-Year	9.88	10.05	(17)

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Sources: CBN, Financial Market Dealers Quotation, NSE, NBS, Energy Information Agency, Oilprice, Bloomberg and Access Bank Economic Intelligence Group computation.
* Crude oil (Bonny Light) is as at the previous day.

Market Analysis and Outlook: September 18 - September 25, 2020

Global Economy

In the US, the Bureau of Economic Analysis revealed that the current account deficit expanded by \$59 billion, or 52.9%, to \$170.5 billion in Q2'20. It is equivalent to 3.5% of GDP, compared to 2.1% in Q1'20, mostly reflecting a widened deficit on goods and reduced surpluses on primary income and services. Major transactions dropped in part due to COVID-19, as many businesses were operating at limited capacity or ceased operations, and the movement of travellers across borders was constrained. In a separate development, the Central Bank of Brazil unanimously decided to keep its key interest rate at an all-time low of 2% in its September meeting. Committee members noted that inflation climbed to 2.44% in August from 2.31% nudged by prices of food and some services. Policymakers said that recent indicators suggest a partial recovery in domestic economic activity, still sectors more directly affected by social distancing measures remain depressed despite the offsetting effects of the government transfer programs. Committee members added that the uncertainty about economic growth remains larger than usual, especially for the period starting at the end of this year. The Bank also said that the current economic conditions continue to recommend an unusually strong monetary stimulus but it recognised that due to prudential and financial stability reasons the remaining space for stimulus, if it exists, should be small. Elsewhere, Japan's consumer price inflation dropped to 0.2% year-on-year in August 2020 from 0.3% in the previous month according to the Ministry of internal affairs and communication, as the pandemic continued to hamper consumption excluding food. Food inflation jumped to 2.9% from 1.9%. Prices for education continued to drop at a sharp 10.3% pace. In contrast, prices for transport & communication rose by 0.2% percent after edging down 0.1% in July. Meanwhile, deflation for fuel, light & water charges softened (-1.9% vs -2.2%). Core consumer prices, which exclude fresh food, fell a sharp 0.4% after remaining unchanged in the two previous months.

Domestic Economy

Data from the Nigeria's Bureau of Statistics revealed that annual inflation rate surged for the 12th consecutive time to 13.22% in August 2020 from 12.82% in the prior month. It was the highest rate since March of 2018 as food prices increased to an over two-year high (16% vs 15.48% in June) amid the coronavirus crisis. This rise in the food index was caused by increases in prices of bread and cereals, potatoes, yam and other tubers, meat, fish, fruits, oils and fats and vegetables. Core inflation, which excludes the prices of volatile agricultural produce stood at 10.52% in August 2020, up by 42% when compared with 10.1% recorded in June 2020. On a monthly basis, consumer prices were up 1.3%, following a 1.2% gain in the previous month. In a separate development, the Federal Inland Revenue Service (FIRS) reported that it generated a total sum of 490 billion in tax receipts in the month of July. The revenue agency disclosed that 438 billion out of that amount was generated from non-oil receipts, which represents 89% of the total figure, while 52 billion is from oil receipts, which represents 11% of the total collection. The statement also quoted the Executive Chairman of FIRS, as attributing the increase in the non-oil receipt to the various reform measures that have been introduced by the board and management of the service, as well as the dedication of the staff. He said that it was gratifying to note that their collective effort as stakeholders was paying off.

Stock Market

The Nigeria stock exchange market remained bearish for a second consecutive week. Stocks in the financial services, transportation services and industrial goods were majorly responsible for the negative persistence seen in the stock market. Consequently, the All Share Index (ASI) and market capitalization closed at 25,572.57 points and N13.36 trillion from 25,591.95 points and N13.35 trillion, respectively the preceding week. This week, market participants are expected to remain wary while they

reposition their market portfolio in light of current macroeconomic realities.

Money Market

The debt market was flush with liquidity last week as a result of the net Open Market Operations (OMO) maturity and Bond Coupon payment (278 billion and 50 billion respectively). These inflows led to a decline in short-term lender's charge such as the Open Buy Back (OBB) and Overnight (O/N) to 2% and 3% from 14.5% and 16.5%, respectively. Longer tenored rates such as the 30- and 90-day Nigerian Interbank Offered Rate (NIBOR) settled at 2.6% and 2.83% from 2.48% and 2.67%. This week, we expect interbank rates to remain at these low levels given the current system liquidity and the absence of any funding activity in the market.

Foreign Exchange Market

The Naira depreciated against the dollar in most market segments, but it remained unchanged at the official rate. At the Nigerian Autonomous Foreign Exchange Rate (NAFEX) window, the local currency weakened, settling at 385.85/US\$ from 385.72/US\$ the preceding week. Similarly, at the parallel market, the naira pared 10 to settle at 440/US\$ from 455/US\$ despite the resumption of dollar sales to Bureaux de Change operators. Low supply of the greenback and pent-up demand pressure were largely responsible for the weakness in the currency. The official market rate stood at 379/US\$. This week, we expect the naira to trade around current levels.

Bond Market

The bond market was bullish for the second consecutive week as demand rose across board for various securities. Strong buying interests were recorded for the 2025, 2026, 2027 and 2036 bonds following improved liquidity from the coupon payments. Yields on the 7-, 10-, 15-, 20-, 25- and 30-year papers tapered to 4.81%, 6.3%, 9.62%, 8.97%, 9.89%, and 9.88% from 5.16%, 6.42%, 9.64%, 9.11%, 10%, and 10.05% in that order. The Access Bank Nigerian Government Bond Index climbed to 4,541.11 points from 4,518.06 points, 23.05 points higher. Market performance this week might likely reflect outcomes of the CBN Monetary Policy Committee meetings where rates such as the monetary policy rate, liquidity ratio and cash reserve requirement are expected to be left unchanged. The September Bond Action scheduled to hold this week would also drive yield direction.

Commodities

The price of oil recovered from its two weeks ago lows amid hopes over a recovery in fuel demand after reports that Saudi Arabia's crude oil exports rebounded in July to 5.73 million barrels per day from a record low of 4.98 bpd in June. Sentiments were also lifted by reports that finance ministers and central bankers from China, Japan, and South Korea agreed to redouble their efforts to help the region recover from the COVID-19 pandemic. Bonny light, Nigeria's benchmark crude surged 8.2% to close at \$42.48 per barrel. Precious metal prices trended higher last week following a subdued dollar due to overall uncertainty about the economic outlook and fears of a prolonged pandemic. Consequently, gold prices notched up 0.39% or \$7.65 to finish at \$1,952.77 per ounce from \$1,945.12 per ounce. Silver settled at \$27.07 per ounce, a 1.05% rise from prior week price. This week, we anticipate that oil prices will remain bullish on back of Goldman Sachs estimates that the market is in deficit and concerns of further supply disruptions as a new storm building in the US Gulf of Mexico. OPEC+ has also said that the group will take action on members that are not complying with massive output cuts to support the global oil market. Bullions are expected to remain bullish as vows by major central banks to roll out further stimulus if required to revive their coronavirus-hit economies bolsters safe-haven demand.

Monthly Macro Economic Forecast

Variables	Sep'20	Oct'20	Nov'20
Exchange Rate (NAFEX) (N/\$)	388	389	388
Inflation Rate (%)	13.22	13.6	13.85
Crude Oil Price (US\$/Barrel)	44	46	46