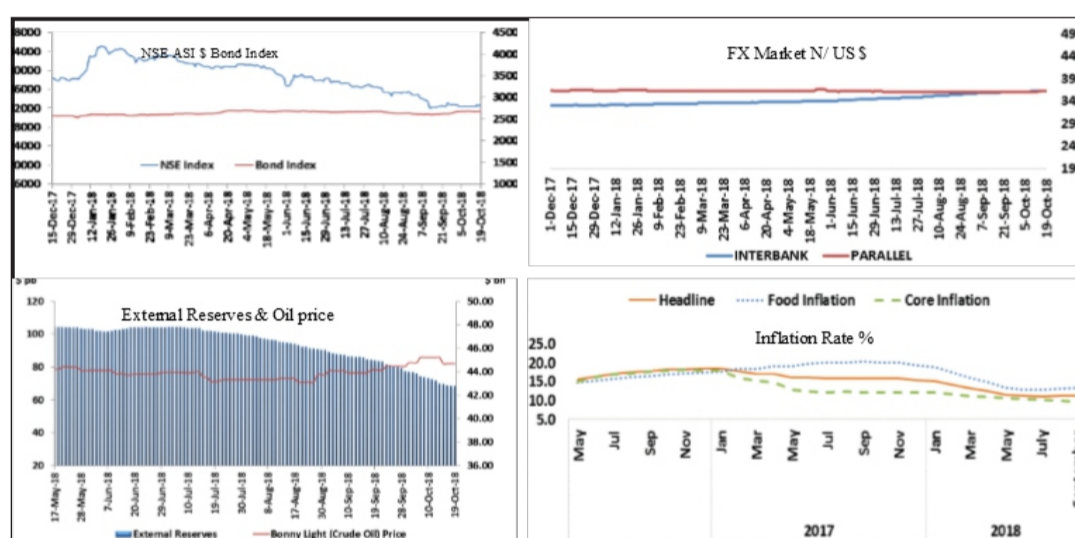


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

GDP Growth (%)	1.50	Q2 2018 — lower by 0.45% compared to 1.95% in Q1 2018
Broad Money Supply (M2) (N' trillion)	25.28	Increased by 1.68% in Sept' 2018 from N22.27 trillion in Aug' 2018
Credit to Private Sector (N' trillion)	22.56	Increased by 0.40% in Sept' 2018 from N22.56 trillion in Aug' 2018
Currency in Circulation (N' trillion)	1.928	Decreased by 0.12% in Sept' 2018 from N1.926 trillion in Aug' 2018
Inflation rate (%) (y-o-y)	11.28	Increased to 11.28% in September' 2018 from 11.23% in August' 2018
Monetary Policy Rate (%)	14	Raised to 14% in July' 2016 from 12%
Interest Rate (Asymmetrical Corridor)	14 (+2/-5)	Lending rate changed to 16% & Deposit rate 9%
External Reserves (US\$ million)	42.34	October 25, 2018 figure — a decrease of 3.82% from October start
Oil Price (US\$/Barrel)	82.03	October 26, 2018 figure — no change from the prior week
Oil Production mbpd (OPEC)	1.75	September 2018 figure — an increase of 1.51% from August 2018 figure



STOCK MARKET

Indicators	Friday 26/10/18	Friday 19/10/18	Change(%)
NSE ASI	32,907.33	32,841.69	0.20
Market Cap(N'tr)	12.01	11.99	0.20
Volume (bn)	0.28	0.21	31.83
Value (N'bn)	1.96	1.46	34.69

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	26/10/18	19/10/18	
O/N	11.42	13.33	(191)
CALL	15.29	13.50	179.2
30 Days	14.09	13.51	58
90 Days	14.16	13.66	49.3

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	26/10/18	19/10/18	26/09/18
Official (N)	306.55	306.50	306.35
Inter-Bank (N)	362.55	362.54	360.81
BDC (N)	363.50	362.99	362.99
Parallel (N)	362.00	362.00	361.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	26/10/18	19/10/18	
3-Year	0.00	0.00	0.0
5-Year	14.91	14.77	13.8
7-Year	15.15	15.03	12.1
10-Year	15.20	15.04	15.2
20-Year	15.23	15.20	3.5

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: October 26 - November 2, 2018

Global Economy

The US economy expanded by 3.5% quarter-on-quarter in Q3 2018, 0.7% lower than the 4.2% reported in Q2 2018. The economy was boosted by gains in personal consumption expenditures (PCE), private inventory investment, state and local government spending, federal government spending, and nonresidential fixed investment but was partly offset by negative contributions from exports and residential fixed investment. In the Eurozone, the European Central Bank (ECB) left its benchmark interest rate at 0% in its recent meeting held on October 25th 2018. The Central Bank noted that it will continue to make net purchases under the asset purchase programme at the new monthly pace of €15 billion until the end of December. ECB Committee members expect the anchor rate to remain low till the end of 2019. Elsewhere in India, the Reserve Bank of India held its key policy rate unchanged at 6.5%, after a 25 basis point increase in its previous meeting. Policy makers said the decision is in line with a deliberate tightening that aims to achieve a 4% +/- 2% inflation target and support growth.

Secondary Market Intervention auction refund and Paris club payment estimated at over N550 billion. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates declined to 10.33% and 11.42% from 12.67% and 13.33% respectively the previous week. In contrast, Longer-tenured interbank rates, such as the 30-day and 90-day NIBOR increased to 14.09% and 14.16% respectively from 13.51% and 13.66% the prior week. This week, the rates are expected to trend around prevailing levels as OMO maturity of N382 billion hits the system, however we expect the sum to be mopped up.

Foreign Exchange Market

The naira was relatively stable against the greenback across most markets last week. At the interbank and parallel window the naira remained steady at N362.55/\$ and N362/\$ respectively last week. The official rate settled lower at N306.55/\$ compared to N306.50/\$ the week before. The relative stability of the local currency continues to be supported by the intervention of the apex bank. This week, the naira is expected to trade around current levels, as the CBN continues to support the local unit.

Domestic Economy

The Nigerian Stock Exchange (NSE) in its monthly Domestic & Foreign Portfolio Investment report for the month of September 2018 revealed that transactions at the nation's bourse declined by 2.79% to N130.20 billion from N133.84 billion recorded in August 2018. Total foreign transactions increased by 18.82% to N84.33 billion from N70.97 billion the previous month. However, total domestic transactions continued to decline for the second consecutive month, decreasing by 42.79% to N45.87 billion from N62.87 billion in August. A breakdown of foreign transactions showed that there was an increase in foreign inflows in the month under review by 10.58% to N40.54 billion from N36.66 billion in the prior month. Similarly, foreign outflows edged up by 27.60% to N43.78 billion in September from N34.31 billion in the preceding month. The cumulative transactions from January 2018 to September 2018 increased by 21.23% to N2.007 trillion compared to the same period in 2017 (N1.655 trillion).

Bond Market

Bond yields closed on a bearish note as investors sold off bonds in order to rebalance their portfolios and buy at the bond auction that held last week. The market also re-priced to reflect the expectations of higher yields as the OMO rates went as high as 14.5% last week. Yields on the five-, seven-, and ten- and twenty-year debt papers closed at 14.91%, 15.15%, 15.20% and 15.23% from 14.77%, 15.03%, 15.04% and 15.20% respectively the previous week. The Access Bank Bond index declined by 11.67 points or 0.44% to close at 2,678.76 points from 2,677.94 points the previous week. This week we expect the yields to trend upward as the investors' price in expectations of higher yield.

Commodities

Oil prices declined after Saudi Arabia said it could supply more crude quickly if needed, easing concerns ahead of US sanctions on Iran. Accordingly, OPEC basket price, dropped \$3.21 or 4% to \$75.04 per barrel. In contrast, bullions are on a roll as prices increased for the fourth consecutive week as a rout in global equities boosted the precious metal's safe-haven appeal. Gold rose 0.66% to \$1236.07 an ounce, silver also closed higher by 0.2% to settle at \$14.68 an ounce. This week, oil prices might come under pressure due to negative sentiment from investors as the market projects lower oil demand stemming from weaker global economic growth. Precious metals might continue its bullish run as trade dispute, global equity sell off and US-Saudi tensions continue to support more demand for safe haven assets.

Stock Market

Last week, indicators at the Nigeria Stock exchange remained positive for the second consecutive week as more positive Q3 scorecards were released. The market was driven by gains in the industrial goods sector, finance and oil & gas sector. The All share Index (ASI) advanced slightly by 0.20% to 32,907.33 points from 32,841.69 points the prior week. Similarly, Market Capitalization increased by a similar rate at 0.20% to N12.01 trillion from N11.99 trillion the prior week. This week, market might come under pressure from profit booking as investors cash out profit from the recent rally, driven by Q3 numbers released so far.

Money Market

Cost of borrowing at the money market settled in varying directions in the preceding week as short-dated placements declined while longer dated tenors ticked higher. Market was awash with liquidity due to inflows from OMO maturities, Retail

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Oct'18	Nov'18	Dec'18
Exchange Rate (Official) (N/\$)	363	364	365
Inflation Rate (%)	11.30	11.32	11.45
Crude Oil Price (US\$/Barrel)	79	77.00	78.00

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