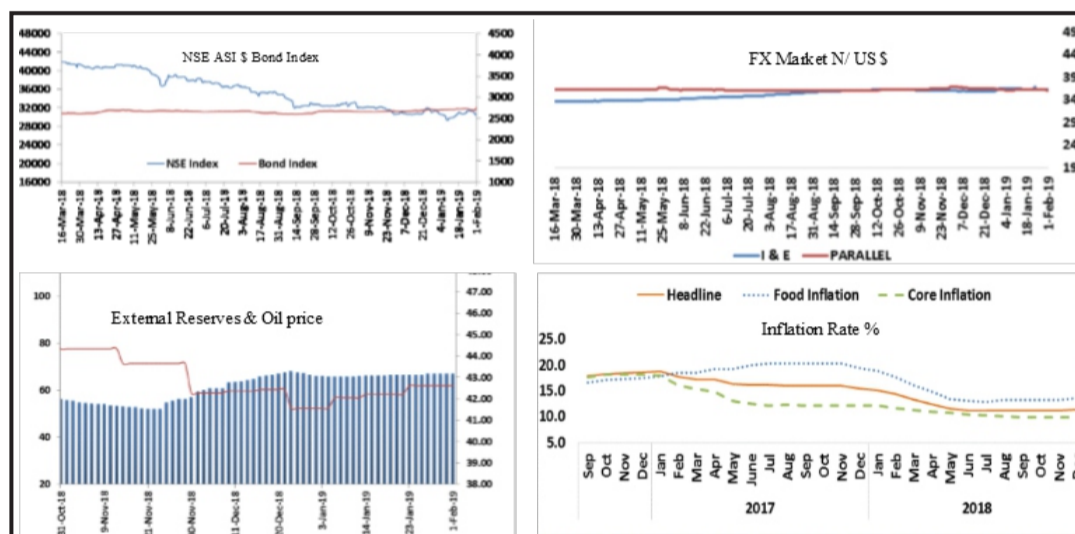


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	1.81	Q3 2018 — Higher by 0.31% compared to 1.50% in Q2 2018
Broad Money Supply (M2) (N' trillion)	27.07	Decreased by 14.38% in Dec' 2018 from N31.79 trillion in Nov' 2018
Credit to Private Sector (N' trillion)	22.72	Decreased by 1.54% in Dec' 2018 from N23.08 trillion in Nov' 2018
Currency in Circulation (N' trillion)	23.29	Increased by 10.93% in Dec' 2018 from N2.1 trillion in Nov' 2018
Inflation rate (%) (y-o-y)	11.44	Increased to 11.44% in December 2018 from 11.28% in November 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)	43.18	January 30, 2018 figure — a increase of 0.23% from January start
Oil Price (US\$/Barrel)	61.94	February 1, 2019 figure — no change from the prior week
Oil Production mbpd (OPEC)	1.75	December 2018 figure — a decrease of 0.63% from November 2018 figure



STOCK MARKET

Indicators	Friday 01/02/19	Friday 25/01/19	Change(%)
NSE ASI	30,636.36	31,426.63	(2.51)
Market Cap(N'tr)	11.42	11.72	(2.51)
Volume (bn)	0.27	0.42	(35.05)
Value (N'bn)	4.41	3.14	40.40

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	01/02/19	25/01/19	
O/N	13.00	16.17	(31.7)
CALL	12.79	13.97	(118.6)
30 Days	12.79	15.19	(240)
90 Days	13.28	13.62	(34.8)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	01/02/19	25/01/19	01/01/19
Official (N)	306.75	306.80	306.95
Inter-Bank (N)	362.71	362.43	364.18
BDC (N)	362.00	362.50	364.50
Parallel (N)	361.00	364.00	362.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	01/02/19	25/01/19	
3-Year	0.00	0.00	0
5-Year	15.12	15.47	(35)
7-Year	14.85	15.35	(49)
10-Year	14.89	15.22	(33)
20-Year	15.01	15.35	(34)

Disclaimer

This report is based on information obtained from various sources believed to be reliable and no representation is made that it is accurate or complete. Reasonable care has been taken in preparing this document. Access Bank Plc shall not take responsibility or liability for errors or fact or for any opinion expressed herein. This document is for information purposes and private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of Access Bank Plc.

Market Analysis and Outlook: February 1st – February 8th, 2019

Global Economy

In the US, the Federal Reserve left the target range for the federal funds rate at 2.25-2.5% during its first policy meeting of 2019. The Committee views sustained expansion of economic activity, strong labour market conditions, and inflation near the Committee's 2% objective as the most likely outcomes. It reaffirmed its position to be patient about further policy firming in light of recent global economic and financial developments and muted inflation pressures. Elsewhere in the Eurozone, year-on-year inflation rate eased to 1.4% in the month of January 2019 from the previous month's figure of 1.6%. Considering the components of inflation, energy had the highest rate at 2.6% in the reference month. Food, tobacco & alcohol had a slightly higher rate at 1.8% from 1.7% in the previous month. The core inflation rate which excludes the prices of food items stood at 1.1% from 1% in the month of December. Heading over to the Asian continent, Japan's unemployment rate slid to 2.4% in the month of December 2018 from 2.5% in the preceding month. The unemployed figure declined by 60,000 to 1.67 million in the aforementioned month due to an increase in the number of people detached from the labour force. However, the number of those employed dropped by 450,000 to 66.68 million. Youth unemployment rate (15-24years) declined to 3.3% in December from 3.5% in the previous month.

Domestic Economy

The Nigerian Stock Exchange (NSE) in its monthly Domestic & Foreign Portfolio Investment report for the month of December 2018 revealed that transactions at the nation's bourse fell by 15.93% to N125.86 billion from N149.72 billion recorded in November 2018. Total foreign transactions dropped by 28.78% to N60.08 billion from N84.36 billion the previous month. Meanwhile, total domestic transactions grew by 0.64% to N65.78 billion from N65.36 billion in November. A breakdown of foreign transactions showed that there was a decrease in foreign inflows in the month under review by 34.31% to N22.97 billion from N34.97 billion in the prior month. Foreign outflows also edged lower by 24.86% to N37.11 billion in December from N49.39 billion in the preceding month. The cumulative transactions from January 2018 to December 2018 declined by 5.44% to N2.404 trillion in 2018 compared to the same period in 2017 (N2.542 trillion). In a separate development, the Manufacturing Purchasing Managers' Index (PMI) stood at 58.5 index points in January 2019. This indicates an expansion in the manufacturing sector for the twenty-second consecutive month. The index grew at a slower pace when compared to the previous month (61.1 points). This was shown in the latest PMI report by the Central Bank of Nigeria (CBN). A PMI above 50 points indicates that the manufacturing sector is generally expanding, while a reading below 50 points indicates a contraction. All the fourteen sub-sectors surveyed, recorded growth during the month.

Stock Market

Indicators at the local stock exchange were bearish as investors took profit in industrial, consumer and oil & gas sectors. Weak earning reports by blue chip companies in the sectors also supported the decline. The All share Index (ASI) contracted by 2.51% to 30,636.36 points from 31,426.63 points the preceding week. Similarly, Market Capitalization decreased by a similar rate at 2.51% to N11.42 trillion from N11.72 trillion the prior week. This week, we expect market to decline further due to lingering profit-taking.

Money Market

Rates closed in varying directions last week as short-dated rates eased while longer dated placements increased marginally. The dip in short-dated rates came on the back of inflow of about N310 billion from the Federation Account Allocation Committee (FAAC). Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates declined to 11.07% and 11.86% from 12.08% and 13% respectively the previous week. In contrast, Longer-tenured interbank rates, such as the 30-day and 90-day NIBOR rose to 13.25% and 13.48% respectively from 12.79% and 13.28% the prior week. This week, rates are likely to climb as the CBN carries out Open Market Operations (OMO) mop up.

Foreign Exchange Market

The local currency appreciated across most market segments monitored last week. At the official window the naira gained 0.02% to close at N306.75/\$ compared to N306.80/\$ the previous week. Similarly, at the parallel market the naira strengthened N3 to close at N361/\$. Meanwhile, at the Investors' and Exporters window, it lost 28 kobo to settle at N362.71/\$ from N362.43/\$ the previous week. The current stability of the naira is a result of the sustained interventions of the CBN. This week, we envisage the naira will oscillate around current levels.

Bond Market

Bond yields ticked lower as market traded on a bullish note. Demand across trading instruments predominantly the 2026, 2028, 2034 and 2037 maturities pushed prices higher. Yields on the five-, ten-, seven- and twenty-year debt papers closed at 15.12%, 14.85%, 14.89% and 15.01% from 15.47%, 15.35%, 15.22% and 15.35% respectively the previous week. The Access Bank Bond index jumped by 39.24 points or 1.44% to finish at 2,769.94 points from 2,730.70 points the previous week. Market is expected to remain client driven in the near term barring any impactful news.

Commodities

Oil prices notched higher as reports from Energy Information Administration (EIA) show that U.S. imports from Saudi Arabia fell by more than half from the previous week to 442,000 barrels per day (bpd). This indicates OPEC's efforts to tighten the market are impacting trade. OPEC basket price for oil, gained 97 cents to settle at \$61.19 a barrel, 2% up from the previous week. In a similar vein, precious metals made a comeback as prices surged. Sharp rise in US jobless claims and a pause in U.S. interest rate hikes unleashed new momentum within the bullion market. Gold prices rose 2.95% to \$1,321.33 per ounce last week, while silver prices closed higher by 63 cents, or 4.1%, to \$16 per ounce. This week, bullish catalysts such as Venezuela sanctions, a drop on U.S. fuel stockpiles and an anticipated pause in U.S. interest rate hikes might likely push up oil prices. Precious metals prices are expected to rise further supported by increasing U.S. budget deficit.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Feb'19	Mar'19	Apr'19
Exchange Rate (NAFEX) (N/\$)	364	364	365
Inflation Rate (%)	11.5	11.61	11.7
Crude Oil Price (US\$/Barrel)	60	59	62.00