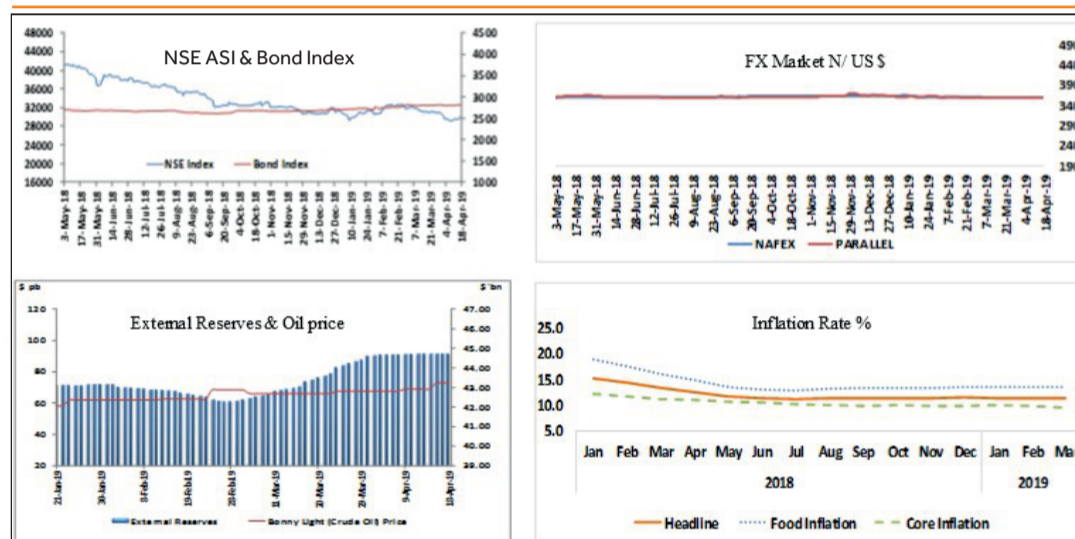


# Access Bank Rateswatch

## KEY MACROECONOMIC INDICATORS

GDP Growth (%)	2.38	Q4 2018 — Higher by 0.57% compared to 1.81% in Q3 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)	11.25	Decreased to 11.25% in March 2019 from 11.31% in February 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)	44.74	April 17, 2019 figure — an increase of 0.28% from April start
Oil Price (US\$/Barrel)	72.93	April 18, 2019 figure — an increase of 5.67% from the prior week
Oil Production mbd (OPEC)	1.73	March 2019 figure — an increase of 0.58% from February 2019 figure



## STOCK MARKET

Indicators	Friday		Change(%)
	18/04/19	12/04/19	
NSE ASI	30,086.31	29,565.95	1.76
Market Cap(N'tr)	11.30	11.11	1.76
Volume (bn)	0.23	0.23	(2.49)
Value (N'bn)	1.74	1.97	(11.85)

## MONEY MARKET

Tenor	Friday Rate		Change (Basis Point)
	18/04/19	12/04/19	
NIBOR			
O/N	10.5700	21.5700	(1100)
CALL	10.7000	19.4000	(870)
30 Days	11.8055	11.9480	(14)
90 Days	11.9708	12.4164	(45)

## FOREIGN EXCHANGE MARKET

Market	Friday		1 Month Rate (N/\$)
	18/04/19	12/04/19	
Official (N)	306.95	307.00	306.95
Inter-Bank (N)	360.34	360.32	360.25
BDC (N)	0.00	0.00	0.00
Parallel (N)	360.00	360.00	360.61

## BOND MARKET

Tenor	Friday		Change (Basis Point)
	18/04/19	12/04/19	
3-Year	0.00	0.00	0
5-Year	14.70	14.81	(11)
7-Year	14.25	14.25	(0)
10-Year	14.30	14.35	(6)
20-Year	14.54	14.53	1

### 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: April 18th – April 26th, 2019

### Global Economy

In the US, headline CPI inflation accelerated to 1.9% y-o-y in March from 1.5% in February. The pickup was largely driven by higher fuel prices, reflecting the recent rally in the price of oil. However, underlying inflation remained benign, with core inflation moderating to 2% y-o-y from 2.1%. On balance, the softer-than-expected inflation prints will likely support the Federal Reserve's resolve to keep the policy rate on hold this year as it waits to see how the economy weathers the expected global slowdown and the winding down of domestic fiscal stimulus. In a separate development in China, the trade surplus increased sharply in March, coming in at \$32.64bn after slumping to \$4.12bn in February according to customs data. This was a result of dollar-denominated exports surging by 14.2% y-o-y while imports continued to contract, falling by 7.6%. The rebound in exports possibly reflects seasonal factors as business activity resumed following the Lunar New Year holidays, while the fall in imports suggests that domestic demand remains subdued. These latest trade figures come as the US and China iron out details of a possible trade deal. The two sides agreed to set up 'enforcement offices' to monitor the implementation of any agreed-upon deal, removing a key stumbling block in the talks. Elsewhere in Japan, consumer sentiment declined from 41.5 in February to 40.5 in March, marking the sixth straight drop, official government data showed. Consumers were markedly more pessimistic about their overall livelihood category and their willingness to buy durable goods. Job prospects waned significantly, while confidence about income growth recorded a smaller decline. Regarding prices, expectations of higher prices rose slightly in March, with 86.4% of respondents expecting prices to trend higher (up 0.4 percentage points from last month's survey). The consumer confidence index measures consumers' expectations for the next six months on a scale of 0-100; a figure of 100 indicates that all respondents see their living standards improving.

The Consumer Price Index (CPI) which measures inflation rose by 11.25% year-on-year in the month of March 2019, which is 0.06% points lower than the 11.31% recorded in February 2019. The food index increased by 13.45% (year-on-year) in the reference month, slightly lower than 13.47% recorded in February, thus indicating declining pressure in the prices of food items. The core sub-index, which excludes prices of farm produce declined by 0.3% to settle at 9.5% in February 2019 from the previous month's figure of 9.8% year-on-year. During the month, the highest increases were seen in the prices of soft drinks, fish, bread and cereals, vegetables, meat, fruits, potatoes, yam and other tubers, oils and fats. Others are domestic services and household services, tobacco, major household appliances, dental services, medical & hospital services, actual and imputed rent for housing. In a separate development, the Nation's external reserves rose to \$44.7 billion as at the 16<sup>th</sup> of April 2019, the highest in 6 months. This is as a result of foreign portfolio investors, FPIs, sustained dollar injection in a bid to take advantage of the double-digit interest rate on Nigeria's fixed income instruments.

### Stock Market

The Nigerian Stock Exchange market ended the week above the 30,000 psychological mark due to bargain hunting by investors upon the release of Q1 2019 financial scorecards. The All Share Index (ASI) gained 1.76% to close at 30,086.31 points from 29,565.95 points the preceding week. Similarly, market capitalization added 1.76% to settle at N11.30 trillion from N11.10 trillion the prior week. We anticipate more bullish momentum in this new week due to more anticipated releases.

### Money Market

The system was awash with liquidity during the past week as market participants had the ability to assess the CBN window. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates slipped to 9.86% and 10.57% from 20.29% and 21.57% respectively the previous week. Likewise, longer dated placements headed southwards with the 30-day and 90-day NIBOR settling at 11.81% and 11.97% from 11.95% and 12.42% respectively the previous week. Rates are expected to move higher due to retail Secondary Market Intervention Sales (SMIS) auction this week.

### Foreign Exchange Market

The naira maintained relative stability across all market segments in the week ended April 18<sup>th</sup>, 2019. At the NAFEX window the local currency depreciated marginally by 2kobo to close at N360.34/\$. Meanwhile, at the official window it ended at N306.95/\$, a 5 kobo appreciation from the previous week. However, the parallel market remained unchanged at N360/\$ from the prior week. We see the naira hovering around prevailing levels this week due to higher oil prices and CBNFX interventions.

### Bond Market

Average bond yields pushed lower in the week ended April 18, 2019. This moderation was driven by demand on most tenure placements. Yields on the five-, and ten-year debt instruments closed lower at 14.70% and 14.30% from 14.81% and 14.35% respectively the preceding week. Consequently, the Access Bank Bond index rose marginally by 5.27 points to close at 2,809.88 points from 2,804.61 points the previous week. This week, we expect mixed market sentiment barring any impactful news.

### Commodities

Oil prices jumped last week as the U.S. crude stockpiles fell by 1.4 million barrels. China's Q1 economic growth of 6.4% and a further 3.2% year-on-year refinery also boosted the rise in oil prices. Bonny light, the Nigerian Benchmark crude, rose \$3.9, or 5.7% to \$72.93 per barrel. Contrastingly, Gold prices were bearish as heightened buying in riskier equities dented the appeal of safe-haven metal. Gold shed \$18.70, or 1.44%, to \$1,275.51 an ounce. Silver also declined by 10 cents or 0.7% to \$14.98 an ounce. This week, we expect oil prices to trend lower as the OPEC+ deal comes to an early end. For precious metals, concerns on global growth may support prices.

## MONTHLY MACRO ECONOMIC FORECASTS

Variables	Apr'19	May'19	Jun'19
Exchange Rate (Interbank) (N/\$)	363	363	363
Inflation Rate (%)	11.3	11.35	11.39
Crude Oil Price (US\$/Barrel)	60	59	62

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