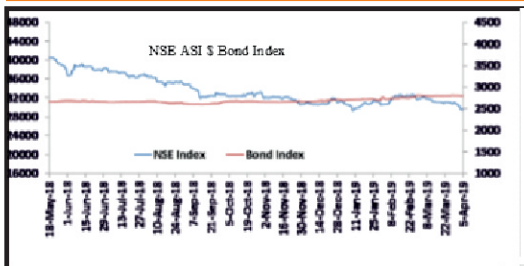
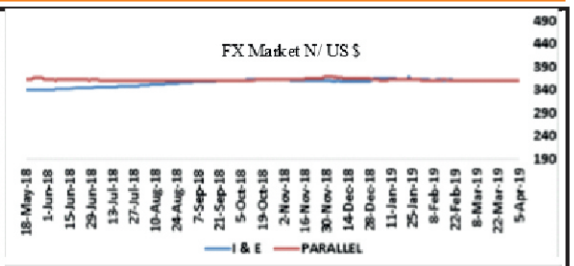
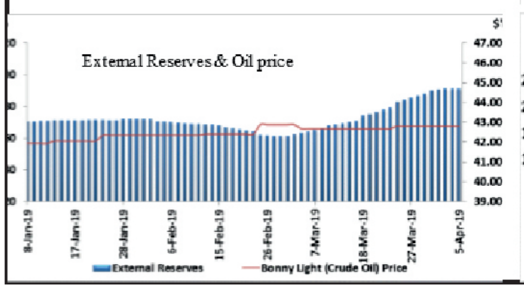
Access Bank Rateswatch

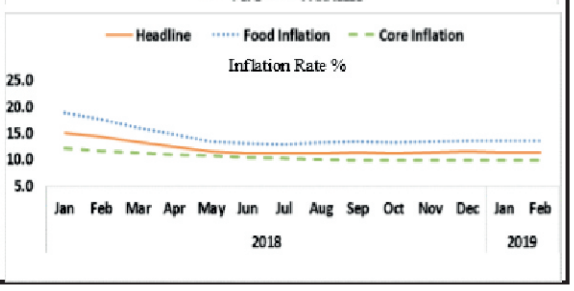
KEY MACROECONOMIC INDICATORS

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)	11.31	Decreased to 11.31% in February 2019 from 11.37% in January 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)	44.14	April 3, 2019 figure — an increase of 5.59% from March start
Oil Price (US$/Barrel)	67.55	April 5, 2019 figure— no change from the prior week
Oil Production mbpd (OPEC)	1.74	February 2019 figure — a increase of 0.58% from January 2019 figure









STOCK MARKET

Indicators	Friday	Friday	Change(%)
	5/04/19	29/03/19	
NSE ASI	29,616.38	31,041.42	(4.59)
Market Cap(N'tr)	11.12	11.67	(4.69)
Volume (bn)	0.40	0.27	50.33
Value (N'bn)	3.49	3.15	10.73

MONEY MARKET

NIBOR

Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	5/04/19	29/03/19	
OBB	15.2900	9.8600	543
O/N	16.1400	10.6700	547
CALL	15.6500	11.4000	425
30 Days	11.4149	12.2000	(79)
90 Days	12.6654	12.9200	(25)

FOREIGN EXCHANGE MARKET

Market	Friday (N/$)	Friday (N/$)	1 Month Rate (N/$)
	5/04/19	29/03/19	5/03/19
Official (N)	307.00	306.95	306.90
Inter-Bank (N)	360.33	360.68	360.43
BDC (N)	0.00	0.00	0.00
Parallel (N)	360.00	360.00	360.00

BOND MARKET

AVERAGE YIELDS

Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	5/04/19	29/03/19	
3-Year	0.00	0.00	0
5-Year	14.35	14.15	21
7-Year	14.39	14.13	27
10-Year	14.47	14.29	18
20-Year	14.57	14.27	30

Sources: CBN, Financial Market Dealers Association of Nigeria, NSE and Access Bank Economic Intelligence Group computation.

COMMODITIES MARKET

Indicators	5/04/19	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil $/bbl)	67.55	0.00	4.79
Natural Gas ($/MMBtu)	2.64	(2.22)	(13.61)
Agriculture			
Cocoa ($/MT)	2,394.00	5.93	23.66
Coffee ($/lb.)	95.35	0.21	(26.77)
Cotton ($/lb.)	77.58	1.21	0.10
Sugar ($/lb.)	12.69	0.63	(17.22)
Wheat ($/bu.)	465.75	0.70	7.44
Metals			
Gold ($/t oz.)	1,289.93	(0.69)	(2.10)
Silver ($/t oz.)	15.17	0.00	(11.75)
Copper ($/lb.)	291.15	(1.09)	(11.18)

NIGERIAN INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	5/04/19	29/03/19	
1 Mnth	9.95	10.86	(91)
3 Mnths	11.07	11.18	(12)
6 Mnths	13.92	14.10	(19)
9 Mnths	14.54	14.43	11
12 Mnths	14.53	14.45	9

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Friday (%)	Friday (%)	Change (Basis Point)
	5/04/19	29/03/19	
Index	2,797.88	2,811.91	(0.50)
Mkt Cap Gross (N'tr)	8.42	8.43	(0.08)
Mkt Cap Net (N'tr)	5.27	5.30	(0.55)
YTD return (%)	13.90	14.47	(0.57)
YTD return (%)(US $)	-41.94	-41.34	(0.60)

TREASURY BILLS (MATURITIES)

Tenor	Amount (N' million)	Rate(%)	Date
91 Day	3,000.00	10.3	20-Mar-2019
182 Day	8,385.20	12.2	20-Mar-2019
364 Day	37,176.06	12.345	20-Mar-2019

Market Analysis and Outlook: April 5th – April 12th, 2019

Global Economy

In the US, the Commerce Department reported that the gap between the goods and services that the United States sells and what it buys from other countries dropped by 14.6% to $51.1 billion in January from $59.9 billion in December. Exports rose 0.9% to $207.3 billion, and imports dropped 2.6% to $258.5 billion. With regard to specific countries and areas, China still runs the largest trade surplus with the United States, trailed by the European Union (EU) and Mexico. US goods deficit with China decreased to $33.2 billion in January, down $5.5 billion from December. Elsewhere, business conditions across the Chinese economy improved at the fastest rate for nine months in March, according to the latest Caixin PMI surveys. The Caixin China Composite PMI (which covers both manufacturing and services), compiled by IHS Markit, indicated the largest increase in output since mid-2014. The 'all-sector' output index rose to 52.9 in March from 50.7 in February. The rebound in March was mainly driven by improvement in new works, especially in new export orders, which rose at the second strongest rate since December 2017. In a separate development, seasonally adjusted unemployment rate in the Euro Area was unchanged from previous month figure at 7.8% in February 2019. This is also lower than the rate reported a year earlier at 8.5% According to the European Statistical Office, It remained the lowest jobless rate since October 2008

Domestic Economy

The Nigerian Stock Exchange (NSE) published its monthly Domestic & Foreign Portfolio investment report for February 2019. The report revealed that the total transactions at the nation's bourse increased in the month of February 2019 by 54.06% to N188.08billion from N122.08billion recorded in January 2019. Total foreign transactions witnessed an increase when compared to the previous month by 48% to N98.94 billion from N66.85billion the prior month. Total domestic transactions which is split into retail and institutional investors showed that institutional investors outperformed retail investors by 8%. Total retail transactions increased by 38.26% to N41.01 billion in February 2019 from N29.66 billion in January. The institutional composition of the domestic market also increased significantly by 88.15% to N48.13 billion in February 2019 from N25.58 billion in January 2019. There was a significant increase in foreign outflows which jumped by 97.80% to N55.01 billion from N27.81 billion and foreign inflows which climbed by 91.24% to N43.93 billion from N22.97 billion between January and February 2019. In a separate development, businesses expressed optimism on Nigeria's macro economy in March 2019 according to the Central Bank of Nigeria (CBN) monthly Business Expectations Survey (BES) report for March 2019 released last week. The macro-economy index came in at 28.2 points for the month of March. The businesses outlook for April 2019 showed more confidence on the macro economy at 64.8 index points. The respondent firms were made up of small, medium and large organisations covering both import- and export-oriented businesses. The positive outlook by businesses in March 2019, according to the report, was driven by the opinion of respondents from the following sectors: services (16.8 points), industrial (8.6 points), wholesale/retail trade (2.3 points) and construction (0.5 points) sectors. The surveyed firms listed insufficient power supply, high interest rate, unfavourable economic climate, unclear economic laws, financial problems, insufficient demand, unfavourable political climate and access to credit as the major factors constraining business activity in the reference month.

Stock Market

Bearish Sentiments prevailed on the bourse last week as the all share index declined below the "30,000" psychological mark. The All Share Index (ASI) shed 4.59% to 29,616.38 points from 31,041.42 points the preceding week. Similarly, market capitalization lost 4.69% to N11.12 trillion from N11. 67 trillion the prior week. The negative performance seen in the gauges of market performance reflected intense sell pressure on bellwether counters. This week, we anticipate the equities market will sustain a negative outing as investors continue to tread cautiously.

Money Market

Cost of borrowing edged up slightly last week following several Open Market Operation (OMO) mop ups conducted by the CBN which tightened system liquidity. Consequently, short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates climbed to 15.29% and 16.14% from 9.86% and 10.67% respectively the previous week. In the same vein, longer dated placements notched upwards. In contrast, the 30-day and 90-day NIBOR closed lower at 11.41% and 12.67% from 12.20% and 12.92% respectively the previous week. Market liquidity is expected to remain strained due to wholesale and retail Secondary Market Intervention Sales (SMIS) scheduled for this week.

Foreign Exchange Market

The naira witnessed contrasting performances across various market segments for the week ended April 5th 2019. At the Investors' and Exporters window, it gained 35 kobo to settle at N360.33/$ from N360.68/$ the previous week. Meanwhile, at the official window, it depreciated by 5 kobo to settle at N307/$ compared to N306.95/$ the prior week. The parallel market remained unchanged at N360/$ from the prior week. This week, we expect the naira to hover around prevailing levels at the various windows, boosted by the Central Bank's sustained supply of liquidity to the market.

Bond Market

Last week, bond yields declined further as the market recorded low trading volumes. Yields on the five-, seven-, ten-, and twenty year-debt papers closed higher at 14.35%, 14.39%, 14.47%, and 14.57% from 14.15%, 14.13%, 14.29% and 14.27% respectively the preceding week. The Access Bank Bond index declined by 14.03 points to close at 2,797.88 points from 2,811.91 points the previous week. This week, we expect the lull to persist as participants remain risk averse.

Commodities

Oil prices climbed higher last week supported by the OPEC cuts and signs of tightening supplies. The recovery has come as Saudi Arabia has led OPEC in slashing output to compensate for fast-growing production from US shale, while Venezuela and Iran's output has fallen sharply due to US sanctions. OPEC bench mark crude, rose $2.38, or 4% to $68.76 per barrel. Conversely, precious metals prices declined for the second consecutive week as the dollar rose against the yen on signs of progress in the US-China trade dispute and strong US economic data. Consequently, Gold shed $8.91, or 0.69%, to $1,289.84 an ounce. Silver remained the same at $15.17 an ounce. This week, we expect oil prices to maintain the momentum due to positive signs for the global economy and tighter supplies. For precious metals, higher U.S. labour market figures might put further pressure on bullion values.

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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