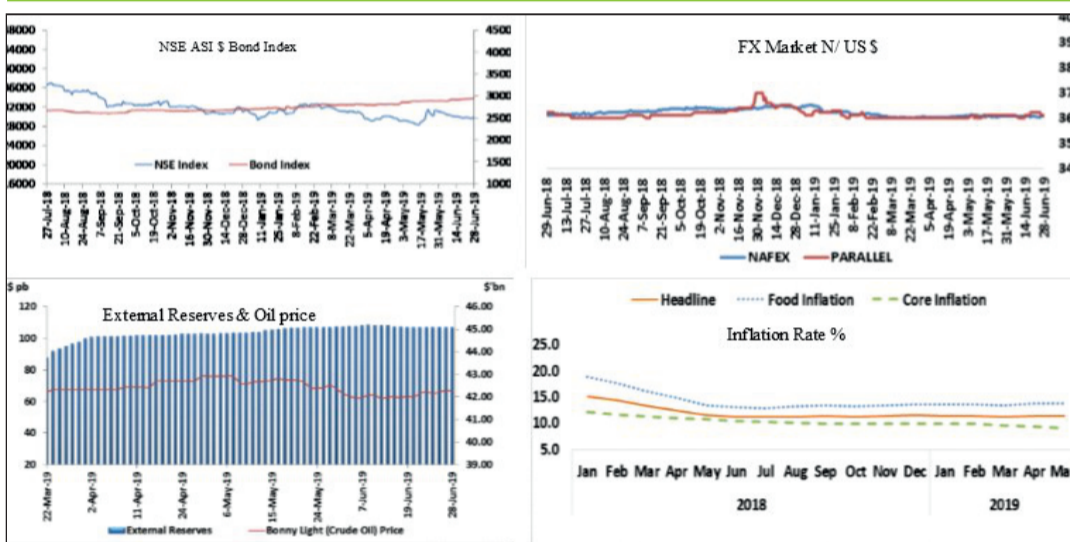


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS		
GDP Growth (%)	2.01	Q1 2019 — lower by 0.38% compared to 2.39% in Q4 2018
Broad Money Supply (N' trillion)	34.89	Decreased by 0.77% in May' 2019 from N35.17 trillion in Apr' 2019
Credit to Private Sector (N' trillion)	24.86	Decreased by 0.13% in May' 2019 from N24.89 trillion in Apr' 2019
Currency in Circulation (N' trillion)	2.11	Decreased by 2.22% in May' 2019 from N2.16 trillion in Apr' 2019
Inflation rate (%) (y-o-y)	11.4	Increased to 11.40% in May 2019 from 11.37% in April 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)	45.07	June 27, 2019 figure — a decrease of 0.15% from June start
Oil Price (US\$/Barrel)	66.69	June 28, 2019 figure — an increase of 2.4% from the previous wk
Oil Production mbdpd (OPEC)	1.73	May 2019 figure — a increase of 5.49% from April 2019 figure



STOCK MARKET			
Indicators	Friday 28/06/19	Friday 21/06/19	Change(%)
NSE ASI	29,966.87	29,851.29	0.39
Market Cap(N'tr)	13.21	13.15	0.39
Volume (bn)	0.25	0.19	30.75
Value (N'bn)	5.40	4.16	29.84

MONEY MARKET			
NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	28/06/19	21/06/19	
O/N	4.64	9.21	(457)
CALL	5.13	5.00	12.5
30 Days	11.62	12.09	(47)
90 Days	12.65	12.72	(7.6)

FOREIGN EXCHANGE MARKET			
Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	28/06/19	21/06/19	28/05/19
Official (N)	306.90	306.95	306.90
Inter-Bank (N)	360.88	360.69	360.39
BDC (N)	0.00	0.00	0.00
Parallel (N)	361.00	362.00	361.00

BOND MARKET			
AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	28/06/19	21/06/19	
3-Year	0.00	0.00	0.0
5-Year	14.02	14.43	(40.8)
7-Year	13.97	14.67	(69.9)
10-Year	14.14	14.45	(31.2)
20-Year	14.38	14.67	(29.1)
30-Year	14.57	14.67	(10)

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

Market Analysis and Outlook: June 28 - July 5, 2019

Global Economy

In the US, the Federal Open Market Committee (FOMC) left their policy interest rate unchanged in a range of 2.25% to 2.5%. The much anticipated post-meeting statement dropped a reference to being "patient" on borrowing costs, and indicated that "uncertainties" about the outlook for the US economy "have increased". The statement furthermore said that, due to these uncertainties and lower-than-previously-expected inflation pressures, the Committee will closely watch incoming economic information and will "act as appropriate to sustain the expansion". FOMC members were divided in their voting, with one member being in favour of a 25 basis point cut. In a separate development, Eurozone economic sentiment deteriorated to the lowest level in nearly three years in June, survey data from the European Commission showed. The economic sentiment index dropped to 103.3 in June from 105.2 in May. This was the lowest since August 2016, when the reading was 103.2. The weakness in overall sentiment was driven by lower confidence in industry and services and among consumers, while confidence improved in retail trade and, particularly, in construction. Elsewhere, in Japan, manufacturing activity contracted again in June as new orders fell at the fastest pace in three years, a preliminary survey showed. The IHS Markit/Nikkei Flash Japan Manufacturing Purchasing Managers Index (PMI) fell to a seasonally adjusted 49.5 in June from a final 49.8 in the previous month. The index was at its lowest since March, and below the 50 threshold that separates contraction from expansion for the second straight month. The index for new orders, domestic and foreign, fell to a preliminary 47.3 from a final 48.7 in May to the lowest level since June 2016. New export orders fell at the sharpest pace in five months.

Domestic Economy

The Central Bank of Nigeria's (CBN) Governor, recently unveiled the 5-year policy direction for the apex bank. While highlighting some successes recorded in the past five years (2014-2019), the apex bank helmsman stated that although the results recorded in the last five years of his administration were re-assuring, Nigeria's economy still remains fragile. The CBN five-point agenda include; domestic macroeconomic and financial stability, fostering the development of a robust financial payment system infrastructure that will increase access to finance to all Nigerians, thereby raising the financial inclusion rate in the country, growing external reserves and supporting efforts at diversifying the economy through intervention programmes in the agricultural and manufacturing sectors. The governor also announced that the apex bank is set to recapitalize the Nigerian commercial banks. The aim is to re-position the Nigerian banks among the top 500 banks in the world, while also reducing the risks and the possible impact of any economic crises on the financial sector. In a separate development, the Manufacturing Purchasing Managers' Index (PMI) stood at 57.4 index points in June 2019. This indicates an expansion in the manufacturing sector for the twenty-sixth consecutive month. The index grew at a slightly slower pace when compared to the previous month (57.8 points). This was shown in the latest PMI report by the Central Bank of Nigeria. A PMI above 50 points indicates that the manufacturing sector is generally expanding, while a reading below 50 points indicates a contraction. Twelve of the sub-sectors surveyed recorded growth during the month, while the non-metallic mineral products and primary metal subsectors recorded decline in the period under review.

Stock Market

The Nigeria stock exchange experienced a bullish turn at the end of trading week due to renewed buy-interest in medium and large capitalised stocks. The index increased by 0.39%

to settle at 29,966.87 index points from 29,851.86 index points the previous week. Similarly, market capitalization gained 0.39% to close at N13.20 trillion from N13.15 trillion last week. This week, we expect mixed performance as fund managers embark on portfolio repositioning and balancing for month end and Q2 earnings reporting season.

Money Market

Rates at the money market saw a decline as liquidity was boosted by Open Market Operations (OMO) maturity of about N34 billion. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates settled at 4.0% and 4.64% from 8.71% and 9.21% respectively the previous week. Similarly, the 30-day and 90-day NIBOR closed lower at 11.62% and 12.65% from 12.09% and 12.72% respectively in the preceding week. This week, we expect rates to expand due to expected retail auction and foreign exchange auction.

Foreign Exchange Market

The local unit saw an appreciation against the dollar across most major market segments for the week ended June 28th 2019. The official window saw a slight appreciation as it ended N306.90/\$, a 5 kobo gain from the prior week. Likewise at the parallel market, naira appreciated to N361/\$ from N362/\$ the previous week. At the NAFEX window, the local unit saw a slight depreciation of 19 kobo to close at N360.88/\$. The appreciation recorded in the parallel and official market segments may be attributed to the apex bank's regular interventions. This week, we envisage the stability in the market would continue due to consistent FX liquidity injections by the CBN.

Bond Market

Average bond yields dipped across all segments in the week ended June 28th, 2019 due to unmet demand from the previous day's bond auction as well as the expected bond maturity of N351 billion this week. Yields on the seven-, ten- and twenty-year debt instruments settled lower at 13.97%, 14.14% and 14.38% from 14.67%, 14.45% and 14.67% respectively. The Access Bank Bond index climbed by 0.56 points to close at 2,949.34 points from 2,933.04 points the previous week. This new week, the market is expected to remain positive owing to the renewed interest in the Bonds market.

Commodities

Oil prices ended modestly higher last week as global markets awaited the outcome of the Group of 20 leaders' summit. Bonny Light, Nigerian benchmark crude settled at \$66.69 per barrel last week, 2.4% higher than the previous week. Precious metal prices went in varying direction as the price of gold edged up while the price of silver dipped. Uncertainty over the outcome of highly anticipated trade talks between China and the United States boosted the appeal of gold as a safe-haven asset. Consequently, gold price closed at \$1,413.87 per ounce, up 3.4% from the previous week's close. In contrast, silver declined to \$15.24 per ounce compared to \$15.35 per ounce the prior week due to low demand. This week, oil prices will likely be determined by the outcome of the OPEC and Russia meeting scheduled to hold this week to discuss an extension of the oil-production pact. For precious metals, prices are expected to remain supported, getting a boost from dovish tones from major global central banks.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Jul'19	Aug'19	Sept'19
Exchange Rate (Interbank) (N/\$)	361	362	362
Inflation Rate (%)	11.44	11.5	11.5
Crude Oil Price (US\$/Barrel)	65	67	67

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