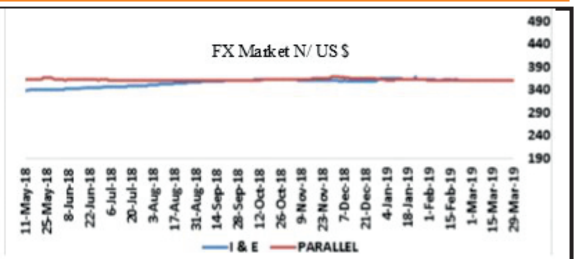
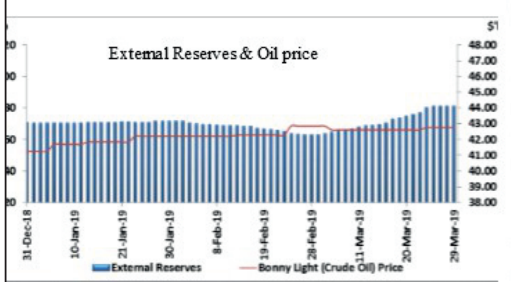
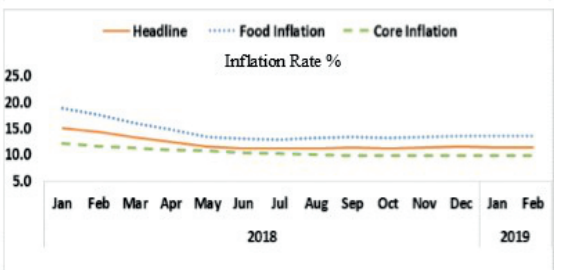
Access Bank Rateswatch

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	March 26, 2019 figure — an increase of 4.32% from March start
Oil Price (US$/Barrel)	67.55	March 29, 2019 figure— an increase of 2.3% 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 29/03/19	Friday 22/03/19	Change(%)
NSE ASI	31,041.42	31,139.35	(0.31)
Market Cap(N'tr)	11.67	11.61	0.51
Volume (bn)	0.27	0.23	15.41
Value (N'bn)	3.15	2.62	20.51

MONEY MARKET

NIBOR

Tenor	Friday Rate (%) 29/03/19	Friday Rate (%) 22/03/19	Change (Basis Point)
OBB	9.8600	14.2500	(439)
O/N	10.6700	14.8300	(416)
CALL	11.4000	15.1200	(372)
30 Days	12.2000	10.4700	173
90 Days	12.9200	13.2200	(30)

FOREIGN EXCHANGE MARKET

Market	Friday (N/$) 29/03/19	Friday (N/$) 22/03/19	1 Month Rate (N/$) 29/02/19
Official (N)	306.95	306.90	306.85
Inter-Bank (N)	360.68	360.43	360.99
BDC (N)	0.00	0.00	0.00
Parallel (N)	360.00	360.00	360

BOND MARKET

AVERAGE YIELDS

Tenor	Friday (%) 29/03/19	Friday (%) 22/03/19	Change (Basis Point)
3-Year	0.00	0.00	0
5-Year	14.15	14.63	(48)
7-Year	14.13	14.38	(25)
10-Year	14.29	14.38	(8)
20-Year	14.27	14.34	(7)

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

COMMODITIES MARKET

Indicators	29/03/19	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil $/bbl)	67.55	0.00	4.79
Natural Gas ($/MMBtu)	2.70	(2.88)	(11.65)
Agriculture			
Cocoa ($/MT)	2260.00	5.26	16.74
Coffee ($/lb.)	95.15	0.16	(26.92)
Cotton ($/lb.)	76.65	(0.78)	(1.10)
Sugar ($/lb.)	12.61	0.40	(17.74)
Wheat ($/bu.)	462.50	(12.98)	6.69
Metals			
Gold ($/t oz.)	1298.84	(0.98)	(1.42)
Silver ($/t oz.)	15.17	(1.94)	(11.75)
Copper ($/lb.)	294.35	1.99	(10.20)

NIGERIAN INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Friday (%) 29/03/19	Friday (%) 22/03/19	Change (Basis Point)
1 Mnth	10.86	9.60	126
3 Mnths	11.18	12.08	(90)
6 Mnths	14.10	13.75	35
9 Mnths	14.43	14.44	(1)
12 Mnths	14.45	14.74	(29)

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Friday (%) 29/03/19	Friday (%) 22/03/19	Change (Basis Point)
Index	2,811.91	2,800.11	0.42
Mkt Cap Gross (N'tr)	8.43	8.40	0.43
Mkt Cap Net (N'tr)	5.30	5.28	0.40
YTD return (%)	14.47	13.99	0.48
YTD return (%)(US $)	-41.34	-41.80	0.46

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: March 29th – April 5th, 2019

Global Economy

In the US, the final estimate of fourth quarter GDP rose at a 2.2% annual rate, Commerce Department data showed, less than the initial 2.6% reading. That marked a slowdown from a 3.5% year-on-year increase in the third quarter. Consumer spending, the biggest part of the economy, grew at a downwardly revised 2.5% pace. Business investment also helped drive overall GDP growth in late 2018, contributing 0.73 percentage point to the fourth quarter's 2.2% growth rate. In another positive sign for the U.S. economy, growth in exports was revised slightly higher from the previous estimate, to a 1.8% annual pace, while the rate of imports was revised down to a 2% annual rate. Elsewhere, in the Eurozone, economic sentiment weakened in March, mainly due to a bleaker outlook among manufacturers and services, European Commission data showed. The Commission said in its monthly survey that its index of economic sentiment in the 19 countries sharing the euro eased to 105.5 points in March from 106.2 in February. The decline shows that business confidence continues to suffer and that the start of a growth recovery hasn't really happened so far. Q1 GDP is therefore set to disappoint again. The European Commission forecast in February that Eurozone growth would accelerate to 0.3% quarter-on-quarter in January-March from 0.2% in the last three months of 2018, and then speed up to 0.4% in subsequent quarters.

Domestic Economy

The Central Bank of Nigeria (CBN) concluded its 2-day Monetary Policy Committee (MPC) meeting on March 22. The apex bank for the first time in two years adjusted the benchmark interest rate downwards by 50 basis point to 13.5%. The MPC however retained the cash reserve requirement (CRR) ratio at 22.5%, the liquidity ratio at 30% and the asymmetric corridor around the MPR at +200 bps/-500 bps. The Committee observed the tepid output growth in 2018, but noted with satisfaction that it strengthened in the last quarter of 2018 to 2.38%. In a separate development, data by the National Bureau of Statistics (NBS), revealed that the Federation Accounts Allocation Committee (FAAC) disbursed the sum of N660.37 billion among Federal, States and Local Governments in February 2019 from the revenue generated in January 2019. The amount distributed was from the statutory account, value added tax (VAT), excess charges FOREX distribution and exchange gain differences comprising of N497.12billion, N104.47billion, N8.12 billion, N50 billion and N654.70 million respectively. A breakdown of the sum disbursed among the three tiers, revealed that the Federal Government received N275.33 billion, states received N182.17 billion and the local governments received N136.83 billion. The oil producing states received N48.49billion as the 13% derivation fund. Revenue generating agencies such as Nigeria Customs Service (NCS), Federal Inland Revenue Service (FIRS) and Department of Petroleum Resources (DPR) received N5.66 billion, N7.62 billion and N4.07 billion respectively as cost of revenue collections. In a separate development, the Manufacturing Purchasing Managers' Index (PMI) stood at 57.4 index points in March 2019. This indicates an expansion in the manufacturing sector for the twenty-fourth consecutive month. The index grew at a slightly faster pace when compared to the previous month (57.1 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. Eleven of the sub-sectors surveyed recorded growth during the month, while the textile, apparel, leather & footwear; petroleum & coal products and primary metal subsectors recorded decline in the period under review.

Stock Market

The Nigerian stock exchange index slumped further on heightened cautious trading and indecision among market players as they interpreted the impact of the cut in Monetary Policy Rate by the Central Bank of Nigeria (CBN) on the economy. The All Share Index (ASI) shed 0.31% to 31,041.42 points from 31,139.35 points the preceding week. In contrast, market capitalization gained 0.51% to N11.67 trillion from N11.61 trillion the prior week. This week, gauges of market performance may nudge higher as investors swoop on attractively priced counters.

Money Market

Rates in the money market moderated last week as liquidity flooded the system from OMO maturities and Federal allocations. Accordingly, short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates slipped to 9.86% and 10.67% from 14.25% and 14.83% respectively. Meanwhile, longer-tenured interbank rates, such as the 30-day NIBOR jumped to 12.20% from 10.47% while 90-day dropped to 12.92% from 13.22% the previous week. This week, rates may trend slightly higher as OMO auctions are conducted.

Foreign Exchange Market

The local unit took a beating against the greenback unit across most market segments last week. At the Investors' and Exporters window, it shed 25 kobo to settle at N360.68/$ from N360.43/$ the previous week. Similarly at the official window, it depreciated by 5 kobo to settle at N306.95/$ compared to N306.9/$ the prior week. The parallel market remained unchanged at N360/$ from the prior week. The weakening seen in the interbank market reflects increased demand for the greenback from some foreign investors looking to take profit on T-bills. This week, we expect the naira to continue trading within current rates in all markets as the CBN continues to supply FX.

Bond Market

Average bond yields declined in the week ended March 29, 2019 as market participants revised their quotes upwards in reaction to the monetary policy rate (MPR) reduction. Yields on the five-, seven- and twenty year-debt papers closed lower at 14.15%, 14.13% and 14.27% from 14.63%, 14.38% and 14.34% respectively the preceding week. The Access Bank Bond index rose by 0.42 points to close at 2,811.91 points from 2,800.11 points the previous week. This week, we expect a cautious trading session with mixed sentiment across the curve in the near term.

Commodities

Oil prices rose last week as supply declines brought on by US sanctions on Iran and Venezuela, continued to support the market. Bonny light, Nigeria's benchmark crude rose $1.52, or 2.3% to $67.55 per barrel. In contrast, precious metals prices retreated last week as global worries over Brexit and US-China trade tension increased demand for the US Dollar as a safe haven asset. Consequently, Gold shed $12.82, or 0.98%, to $1,298.84 an ounce. Similarly, Silver dropped 30 cents, or 1.9%, to $15.17 an ounce. This week, we expect oil prices to remain firm as market participants keep an eye on Middle East tensions around Gaza. For precious metals, US dollar strength will likely continue to strip the safe-haven assets of their appeal thereby pressuring 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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