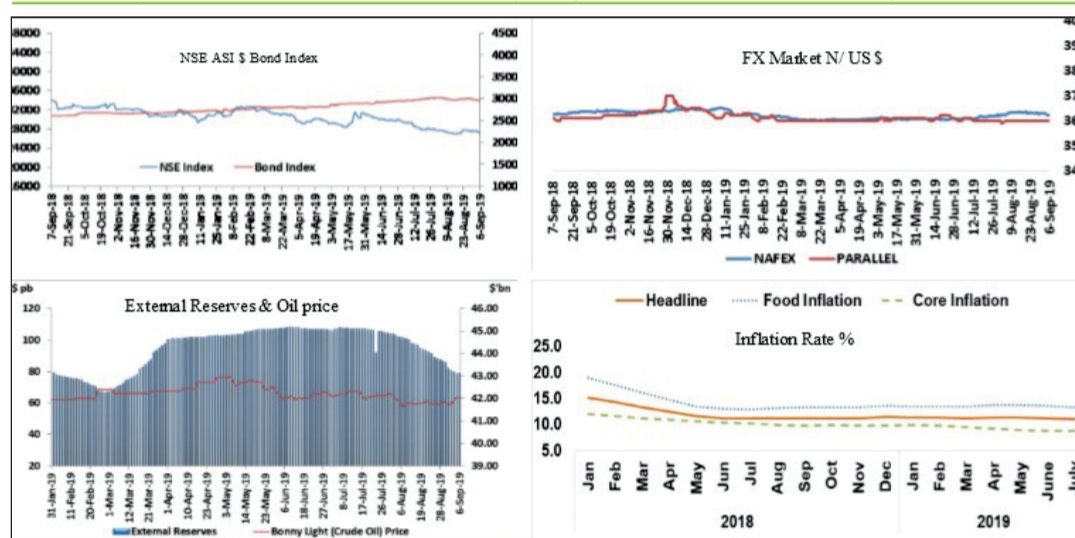


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

GDP Growth (%)	1.94	Q2 2019 — lower by 0.38% compared to 2.01% in Q1 2019
Broad Money Supply (N' trillion)	35.68	Increased by 1.88% in July' 2019 from N35.02 trillion in Jun' 2019
Credit to Private Sector (N' trillion)	24.27	Decreased by 1.93% in July' 2019 from N24.75 trillion in Jun' 2019
Currency in Circulation (N' trillion)	2.00	Decreased by 0.55% in July' 2019 from N2.01 trillion in Jun' 2019
Inflation rate (%) (y-o-y)	11.08	Decreased to 11.08% in July 2019 from 11.22% in June 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)	43.14	September 5, 2019 figure — a decrease of 0.49% from September start
Oil Price (US\$/Barrel)	62.98	September 5, 2019 figure — an increase of 2.89% from the previous wk
Oil Production mmpd (OPEC)	1.786	July 2019 figure — a decrease of 1.21% from June 2019 figure



STOCK MARKET

Indicators	Friday 6/09/19	Friday 30/08/19	Change(%)
NSE ASI	27,146.57	27,525.81	(1.38)
Market Cap(N'tr)	13.21	13.39	(1.38)
Volume (bn)	0.31	0.12	149.44
Value (N'bn)	6.44	1.82	254.41

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	6/09/19	30/08/19	
O/N	3.8600	10.5000	(664)
CALL	4.3500	9.2500	(490)
30 Days	13.7818	13.9985	(22)
90 Days	13.9813	12.9832	100

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	6/09/19	30/08/19	6/08/19
Official (N)	306.90	307.00	306.90
Inter-Bank (N)	362.08	362.93	362.21
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)
	6/09/19	30/08/19	
3-Year	0.00	0.00	0
5-Year	14.46	14.37	9
7-Year	13.85	13.85	0
10-Year	14.25	14.16	8
20-Year	14.40	14.23	18
30-Year	14.56	14.56	0

Disclaimer

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Market Analysis and Outlook: September 6 - September 13, 2019

Global Economy

In the UK, inflation rate increased to 2.1% year-on-year in July 2019 from 2.0% in the previous month according to the Office of the National Statistics. This was spurred by the price increases seen in recreation & culture and restaurants & hotels. This is above the Bank of England 2% target. The annual core inflation rate, which excludes prices of energy, food, alcohol and tobacco, advanced to 1.9% in July, the highest in six months. In a separate development, the Indian economy expanded by 5% year-on-year in the second quarter of 2019, slowing from a 5.8% advancement in the prior period. It was the weakest growth rate since the first quarter of 2013, amid a slowdown in manufacturing and construction sectors according to data from the Ministry of Statistics. Elsewhere in Japan, unemployment rate fell to 2.2% in July 2019, the lowest rate in 27 years. According to the Statistics body in Japan, the jobs-to-applications ratio declined to 1.59, the lowest since March 2018 and also below consensus of 1.61. The number of unemployed fell 70,000 from a month earlier to 1.54 million in July, while employment grew by 150,000 to 67.16 million. Unemployment rate during this period last year was reported at 2.5%.

Domestic Economy

The Nigerian economy advanced at a slower pace in Q2 2019 by 1.94% year-on-year (y-o-y) when compared to Q1 2019 (2.10%), according to the Nigeria Bureau of Statistics (NBS). This indicated a decline of 0.16% over the previous quarter. The oil sector posted a real growth rate of 5.15% (year-on-year) in Q2 2019, representing 9.10% points increase relative to the growth rate recorded in the corresponding quarter of 2018. It also indicated an increase of 6.61% points when compared to Q1 2019 (revised). The non-oil sector grew by 1.64% in real terms during the reference quarter. This was 0.40% lower than recorded in the same quarter of 2018, and -0.83% lower than the first quarter of 2019. During the quarter, the sector was driven mainly by information and communication, mining and quarrying, agriculture, transportation and storage, as well as other services. In a separate development, data from the Nigeria Bureau of Statistics (NBS) revealed that total value of capital importation into Nigeria stood at \$5.8 billion in the Q2 2019. This represents a decrease of 31.41% compared to Q1 2019 and 5.56% increase compared to the Q2 2018. The largest amount of capital importation by type was received through Portfolio investment, which accounted for 73.76% (\$4.3bn) of total capital importation, followed by Other Investment, which accounted for 22.41% (\$1.3bn) and Foreign Direct Investment (FDI), which accounted for 3.83% (\$222.89m) in Q2 2019. Capital importation by banking dominated in Q2 2019 reaching \$1.89bn of the total capital importation in Q2 2019. The United Kingdom emerged as the top source of capital investment in Nigeria in Q2 2019 with \$3.13bn. This accounted for 53.85% of the total capital inflow in Q2 2019. Lagos state emerged as the top destination of capital investment in Nigeria in Q2 2019 with \$4.13bn and accounted for 71.09% of the total capital inflow in Q2 2019.

Stock Market

The Nigeria Stock Exchange suffered another week of loss on the back of selling pressure and seeming profit-taking. Foreign investors confidence was also shaken by the call to nationalize South African companies due to the xenophobia attacks happening in South Africa. Accordingly, the All Share Index (ASI) declined 1.38% to 27,146.57 points from 27,525.81 points the preceding week. Market capitalization also fell by N180 billion to N13.21 trillion from N13.39 trillion the prior week. This week, we envisage that the market will remain

bearish amidst profit-taking and investors reshuffling their portfolios in anticipation of interim earnings reports of dividend-paying companies.

Money Market

The direction of money market rates trended downwards last week due to sustained liquidity seen in the market and net Open Market Operation (OMO) of about N414 billion. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates declined to 3.21% and 3.86% from 9.29% and 10.50% respectively the previous week. Call rates also dipped to 4.35% from 9.25% the prior week. Longer-tenured interbank rates, such as the 30-day Nigerian Interbank Offered rate (NIBOR) declined to 13.78% from 14% the previous week. This week, rates are expected to remain in single digits barring further OMO auctions by the central bank.

Foreign Exchange Market

The local unit saw an appreciation against the dollar across most major market segments for the week ended September 6th, 2019. The official window saw a slight appreciation as it ended N306.90/\$, a 10 kobo gain from the prior week. Likewise, at the NAFEX window, the local unit saw a slight appreciation of 85 kobo to close at N362.08/\$, while the parallel market remained unchanged at N360/\$. The appreciation recorded in the NAFEX 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

The bond market was bearish this week driven by sell off as investors' appetite for bond remained low. Yields on the five-, ten- and twenty-year debt papers closed higher at 14.46%, 14.25% and 14.40% from 14.37%, 14.16% and 14.23% respectively the previous week. The Access Bank Bond index decreased by 31.62 points or 1.01% to finish at 2,958.12 points from 2,989.74 points the previous week. This week, we expect a slightly more active market in the coming week given the incoming maturities.

Commodities

Oil prices rose marginally supported by better-than-expected Chinese economic data and news that the People's Bank of China (PBoC) would soon introduce more bank reserve requirement (RRR) cuts to help stave off the ongoing economic headwinds. Nigeria's crude oil benchmark, Bonny light, edged up by 2.89% to \$62.98 per barrel compared to \$61.21 the prior week. Precious metals went in the opposite direction as they declined from preceding week high as risk sentiment improved after stronger-than-expected US economic data and hopes of a thaw in the US-China trade war. Gold dipped by 1.23%, settling at \$1,506.63 per ounce, while silver settled at \$18.15 per ounce, 1.2% lower than the prior week. This week, US-China trade talks may soon take a turn for the better after the Chinese Commerce Minister said that China will strive to achieve real progress with the US during high level meetings in October, thereby leading to a boost in oil prices. Precious metal prices are expected to decline as hopes of a resolution in the US-China trade war supports riskier assets.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Sept'19	Oct'19	Nov'19
Exchange Rate (Interbank) (N/\$)	363	362	363
Inflation Rate (%)	11.2	11.2	11.5
Crude Oil Price (US\$/Barrel)	67	68	68