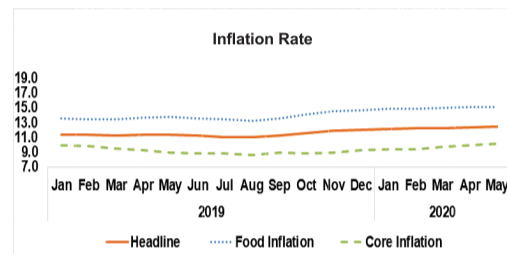
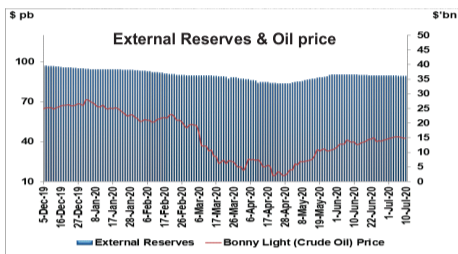
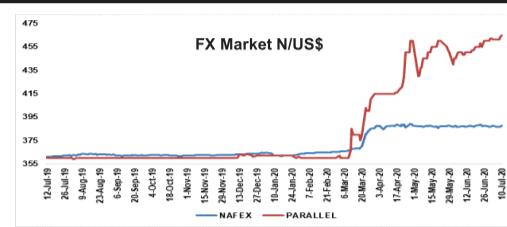
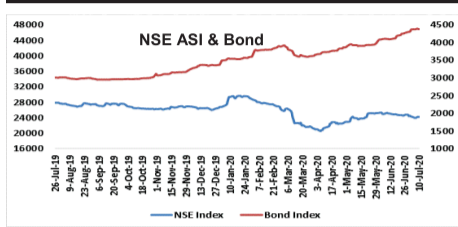


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	1.87	Q1 2020 — lower by 0.68% compared to 2.55% in Q4 2019
Broad Money Supply (N' trillion)	35.72	Decreased by 0.15% in May' 2020 from N35.78trillion in Apr' 2020
Credit to Private Sector (N' trillion)	29.23	Increased by 1.15% in May' 2020 from N28.78 trillion in Apr' 2020
Currency in Circulation (N' trillion)	2.35	Increased by 1.99% in May' 2020 from N2.31 trillion in Apr' 2020
Inflation rate (%) (y-o-y)	12.40	Increased to 12.40% in May 2020 from 12.34% in April 2020
Monetary Policy Rate (%)	12.5	Adjusted to 12.5% in May 2020 from 13.5%
Interest Rate (Asymmetrical Corridor)	12.5 (+2/-5)	Lending rate changed to 14.5% & Deposit rate 7.5%
External Reserves (US\$ million)	36.13	July 9, 2020 figure — a decrease of 0.1% from July start
Oil Price (US\$/Barrel)	42.68	July 9, 2020 figure— a decrease of 0.3% from the previous week
Oil Production mbpd (OPEC)	1.59	May 2020, figure — a decrease of 10.41% from April 2020 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	10/7/20	3/7/20	
NSE ASI	24,306.36	24,336.12	(0.12)
Market Cap(N'tr)	12.68	12.70	(0.12)
Volume (bn)	0.13	0.14	(8.79)
Value (N'bn)	0.90	1.52	(40.89)

MONEY MARKET

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	10/7/20	3/7/20	
NIBOR			
OBB	13.80	21.50	(770)
O/N	14.10	23.50	(940)
CALL	14.25	19.00	(475)
30 Days	5.35	3.91	144
90 Days	5.73	3.96	177

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	10/7/20	3/7/20	10/6/20
Official (N)	381.00	360.00	360.00
Inter-Bank (N)	387.50	387.50	387.35
BDC (N)	0.00	0.00	0.00
Parallel (N)	465.00	461.00	448.00

BOND MARKET

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	10/7/20	3/7/20	
5-Year	3.74	6.04	(230)
7-Year	5.92	7.44	(152)
10-Year	6.68	8.46	(177)
15-Year	10.11	10.79	(69)
20-Year	9.35	10.39	(104)
30-Year	10.93	12.03	(110)

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Sources: CBN, Financial Market Dealers Quotation, NSE, NBS, Energy Information Agency, Bloomberg and Access Bank Economic Intelligence Group computation.
* Crude oil (Bonny Light) is as at the previous day.

Market Analysis and Outlook: July 10 – July 17, 2020

Global Economy

In the US, composite Purchasing Managers Index (PMI) as measured by IHS Markit was revised higher to 47.9 in June 2020 from an earlier estimate of 46.8 and compared to the prior month's 37. Much softer rates of contraction were reported across the manufacturing and service sectors as the economy began to reopen following the coronavirus-related restrictions. New order inflows stabilized and employment fell at softer pace, while excess capacity remained as backlogs of work continued to decline. On the price front, cost burdens were up for the first time since February, with private sector firms partly passing on higher costs to clients. Finally, companies expressed optimism towards the outlook for output over the coming year for the first time since March. In a separate development, China's annual inflation rate rose to 2.5% in June 2020 from a 14-month low of 2.4% in the previous month. Food inflation accelerated to 11.1% from 10.6% in May as pork prices continued to rise while non-food prices slowed. Meantime, cost fell for transport rent, fuel, utilities and clothing. On a monthly basis, consumer prices dropped 0.1%, after a 0.8% decline in May. Elsewhere, Japan's trade deficit shrank to ¥833.4 billion in May 2020 from ¥965.4 billion in the corresponding month a year earlier, according to the ministry of finance. Japan. Exports tumbled 28.3% to ¥4.18 trillion year-on-year, mainly due to lower sales of transport equipment, machinery, manufactured goods, and mineral fuels. Imports shrank 26.2% to ¥5.02 trillion, dragged by lower purchases of vehicles and mineral fuels.

Domestic Economy

Nigerian states and federal debt stock data as at 31st March 2020 reflected that the country's total public debt portfolio stood at N28.63trn according to the Nigerian Bureau of Statistics. Further breakdown of Nigeria's total public debt showed that N9.99trn or 34.89% of the debt was external while N18.64trn or 65.11% of the debt was domestic. Similarly, States and FCT domestic debt was put at N4.11trillion with Lagos state accounting for 10.8% of the total domestic debt stock while Yobe State has the least debt stock in this category with a contribution of 0.7%. In a separate development, the Executive Chairman of the Federal Inland Revenue Service (FIRS), has announced a further extension for the closing date of its waiver of penalty and interest window on tax debts owed by individuals and businesses from June 30 to August 31. FIRS had earlier extended the deadline set to waive interests accruable to debts as well as the related penalties for defaulting taxpayers if they fully settle their indebtedness on or before May 31 to June 30. The chairman said in a recent communication by the agency said that the latest extension is a follow-up to a number of palliative measures devised by the FIRS to cushion the effects of the COVID-19 pandemic on the Nigerian economy in order to support tax-paying individuals and business entities in the country.

Stock Market

The Nigerian Stock Exchange (NSE) was flat last week as indicators remained almost the same as preceding week. Investors remained cautious as the number of coronavirus cases increase all over the world and the fear of a possible lock down of the economy persists. Consequently, the All Share Index (ASI) and market capitalization closed at 24,306.36 points and N12.68 trillion from 24,336.12 points and N12.70

trillion respectively the preceding week. The market will likely remain in negative territory as bearish sentiment persists.

Money Market

The debt market experienced some relief last week due to the Cash Reserve Ratio (CRR) refund by the CBN and some statutory inflows into the system. Short term rates such as the Open Buy Back (OBB) and Overnight (O/N) dipped to 13.8% and 14.1% from the prior week. Longer tenored rates such as the 30- and 90-day Nigerian Interbank Offered Rate (NIBOR) rose to 5.35% and 5.73% from 1.92% and 2.22%, respectively. Rates are expected to remain at these level early next week given the current liquidity levels in the market.

Foreign Exchange Market

The local unit depreciated across major market as both the official and parallel window dipped. The Central Bank of Nigeria adjusted its official rate from N360/US\$ to N381/US\$ bowing to pressures from international lenders to unify its multiple exchange rates. The parallel market suffered a similar fate as it depreciated by N4 to close at N465/US\$. The NAFEX rate closed at N387.50/US\$ same as prior week. We expect the naira to remain around prevailing levels as the CBN continues to intervene in the forex market.

Bond Market

Average bond yields declined for the week ended July 10th, 2020. This was on the back of modest demand by investors especially for the mid tenured securities specifically the 2027 and 2028 maturities. Average yields for 5-, 7-, 10-, 15-, 20- and 30-year papers increased to 3.74%, 5.92%, 6.68%, 10.11%, 9.35% and 10.93% from 6.04%, 7.44%, 8.46%, 10.79%, 10.39% and 12.03%, respectively. Consequently, the Access Bank Nigerian Government Bond Index improved by 7 points to 4,381.43 points. We expect increased activities at the Bond market this week due to expected coupon payments into the system.

Commodities

Oil prices declined slightly amid persistent concerns about the need of further lockdowns and economic shutdown as the number of coronavirus infections continues to increase, especially in the US. Bonny light, Nigeria's benchmark crude dipped 0.3% to close at \$42.68 per barrel. In contrast, precious metal price rose on growing worries the U.S. and global economies' heretofore rapid recoveries are now stalling out. Consequently, gold prices edged up 1.8% or \$31.87 to finish at \$1,806.92 per ounce from \$1,775.05 per ounce, surpassing the psychological resistance of \$1,800 per ounce. Silver settled at \$18.73 per ounce, a 4.11% rise. This week, we anticipate that oil prices will likely decline as the oil market recovery remains threatened by weaker fuel demand. We expect that bullion demand will remain strong as investors pill funds into the safe haven assets in light of the rising number of coronavirus cases.

Monthly Macro Economic Forecast

Variables	Jul'20	Aug'20	Sep'20
Exchange Rate (NAFEX) (N/\$)	388	389	388
Inflation Rate (%)	12.43	12.45	12.48
Crude Oil Price (US\$/Barrel)	40	42	42