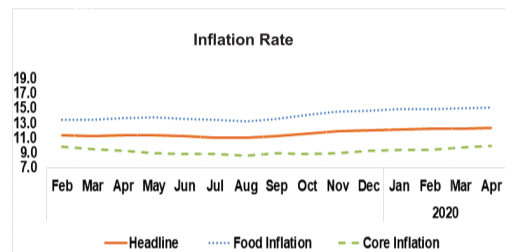
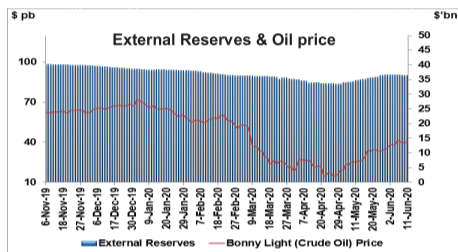
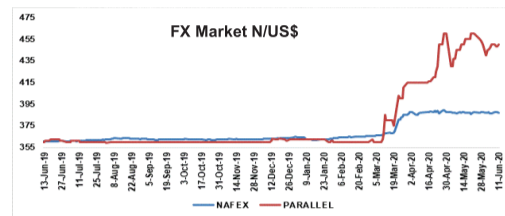
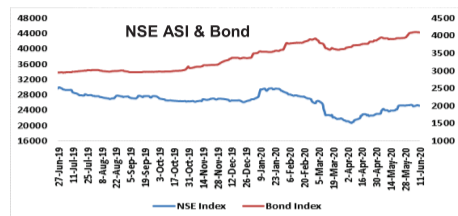


Access Bank Rateswatch

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)	36.48	Increased by 2.9% in Nov' 2019 from N35.45 trillion in Oct' 2019
Credit to Private Sector (N' trillion)	26.7	Increased by 0.38% in Feb' 2020 from N26.6 trillion in Jan' 2020
Currency in Circulation (N' trillion)	2.18	Decreased by 3.11% in Feb' 2020 from N2.25 trillion in Jan' 2020
Inflation rate (%) (y-o-y)	12.34	Increased to 12.34% in April 2020 from 12.26% in March 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)	36.48	June 10, 2020 figure — a decrease of 0.25% from June start
Oil Price (US\$/Barrel)	39.77	June 10, 2020 figure — an increase of 3.92% from the previous week
Oil Production mbpd (OPEC)	1.77	April 2020, figure — a decrease of 3.63% from March 2020 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	11/6/20	5/6/20	
NSE ASI	25,182.67	25,016.30	0.67
Market Cap(N'tr)	13.14	13.05	0.67
Volume (bn)	0.34	0.21	57.17
Value (N'bn)	3.41	2.51	35.40

MONEY MARKET

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	11/6/20	5/6/20	
NIBOR			
OBB	8.83	15.60	(677)
O/N	9.83	16.70	(687)
CALL	12.58	17.50	(492)
30 Days	5.27	8.23	(296)
90 Days	6.18	9.09	(290)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	11/6/20	5/6/20	11/5/20
Official (N)	360.00	360.00	360.00
Inter-Bank (N)	386.75	386.50	387.50
BDC (N)	0.00	0.00	0.00
Parallel (N)	450.00	450.00	445.00

BOND MARKET

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	11/6/20	5/6/20	
5-Year	6.71	6.86	(15)
7-Year	8.69	8.70	(1)
10-Year	9.30	9.18	12
15-Year	11.30	11.30	1
20-Year	11.12	11.00	12
30-Year	12.27	12.24	3

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Market Analysis and Outlook: June 11 – June 19, 2020

Global Economy

In the US, the Federal Reserve left the target range for its key interest rate unchanged at 0-0.25% in its recently concluded meeting. Policymakers reiterated they are committed to using a full range of tools to support the US economy in this challenging time until 2022. Fed officials see the US economy shrinking 6.5% in 2020, compared to a 2% growth projected in December but see a 5% growth in 2021 (vs 1.9% earlier forecasted). The unemployment rate is expected to rise to 9.3% this year (vs 3.5%) and to fall to 6.5% in 2021 (vs 3.6%). Personal Consumption Expenditures (PCE) inflation is seen slowing to 0.8% (vs 1.9%) and rebounding to 1.6% in 2021 (vs 2%). The Fed also said it will continue to increase its bond holdings, targeting Treasury purchases at \$80 billion a month and mortgage-backed securities at \$40 billion. In a separate development, data reported by the European Statistical Office (EUROSTAT) revealed that the Eurozone economy contracted by 3.6% on quarter in the first three months of 2020, compared with preliminary estimates of a 3.8% contraction and the previous period's 0.1%. It remains the steepest contraction recorded as coronavirus lockdown from mid-March forced non-essential businesses to close and consumers to stay at home. Among the bloc's largest economies, Germany's GDP contraction was the sharpest since 2009, while France, Spain and Italy economies narrowed the most on record. Germany, France and Italy all entered a recession. Elsewhere, China's annual inflation rate tapered to 2.4% in May 2020 from 3.3% in the prior month. This was the lowest figure since March 2019, following government control measures to contain the COVID-19 outbreak. According to the National Bureau of Statistics of China, food inflation eased to a 9-month low of 10.6% from 14.8% in April, while non-food inflation was unchanged at 0.4% as cost of other goods and services rose by 5.3%, the same as in April.

Domestic Economy

The House of Representatives recently passed the revised 2020 Appropriation Bill of N10.8 trillion, increasing the national budget from the proposed N10.5 trillion that was sent by the President of Nigeria. The Committees on Appropriations and Finance, whose report was considered and adopted at plenary recommended N10,801,544,664,642, the lawmakers inserted an additional N4 billion for the welfare of members of the National Association of Resident Doctors who have threatened strike action. The lawmakers also approved the request by President Muhammadu Buhari for an external loan of \$5.513 billion by the Federal Government. In a separate development, data from the National Bureau of Statistics (NBS) revealed that value of Nigeria's total trade stood at N8.304 trillion in Q1 2020. This was 17.94% lower than the value recorded in Q4, 2019 but 0.8% higher than the value recorded in Q1 2019. The import component of this trade was valued at N4.2 trillion or 50.8% while the export component totalled N4.08 trillion indicating 49.2% of the total trade. A trade deficit of N138.98 billion was recorded during the quarter, marking two consecutive quarters of negative balance of trade, as the value of imports surpassed exports. The consecutive quarters of negative trade balances (and lower imports and exports) occurred against the backdrop of a global slowdown in economic activity as a result of the COVID-19 pandemic. The global health crisis resulted in several countries implementing varying degrees of restrictions with respect to international trade, travel and tourism.

Stock Market

The Nigeria stock exchange climbed higher after bullish sentiments for blue-chip stocks were rekindled on positive earnings news and

buying interests. Consequently, the All Share Index (ASI) and market capitalization jumped to 25,182.67 points and N13.14 trillion from 25,016.30 points and N13.05 trillion respectively the previous week. This week, we expect that investors will engage in aggressive profit taking due to a saturated market which is currently on the 'over-bought' region.

Money Market

The debt market liquidity improved considerably following Open Market Operations (OMO) maturity of ₦93 billion that hit the system on the last day of the trading week. Short term rates such as the Open Buy Back (OBB) and Overnight (O/N) climbed to 8.83% and 9.83% from 15.60% and 16.70% the previous week. Longer tenored rates such as the 30- and 90-day Nigerian Interbank Offered Rate (NIBOR) also dipped to 5.27% and 6.18% from 8.23% and 9.09%, respectively. Interbank rates are anticipated to remain stable this week given the current levels of liquidity in the market and the absence of any significant funding.

Foreign Exchange Market

The naira was majorly stable across most market except at the Nigerian Autonomous Foreign Exchange Rate (NAFEX) where it depreciated. The Nigerian Autonomous Foreign Exchange Rate (NAFEX) lost ₦0.25 to close at ₦386.75/US\$. The parallel market and official window remained unchanged from preceding week figures at ₦450/US\$ and ₦360/US\$ respectively. We expect rates to trend around current levels as CBN continues to intervene in the FX market.

Bond Market

The Bond market traded with mixed sentiments last week. As a result, we witnessed slight demand for all the short tenored securities while we observed bearish undertone for the 2036, 2037 and 2050 securities. Consequently, average yields for 10-, 20- and 30 year papers increased to 9.30%, 11.12% and 12.27% from 9.18%, 11% and 12.24%. The Access Bank Nigerian Government Bond Index declined by 9.11 points to 4,094.37 points. We expect continued buying interest for the short tenored securities as it provides a relatively better alternative to the dwindling Nigerian Treasury Bill (NTB) rates.

Commodities

Oil market reacted positively to news of the extension of oil production cuts of OPEC and allied countries. This led to a slight increase in the price of oil last week. Bonny light, Nigeria's benchmark crude rose 3.92% to settle at \$39.77 per barrel. In the same vein, precious metal price jumped after the US Federal Reserve suggested it would keep the key interest rate near zero till at least 2022. Consequently, gold prices swung up 3.65% or \$61.37 to finish at \$1,743.18 per ounce from \$1,681.81 per ounce. Silver notched up 4.04% to settle at \$18.04 per ounce. This week, we anticipate that oil market will be volatile following news of a resurgence of COVID cases in the U.S and build up in oil inventories. We expect that investors will move to safe haven assets following the gloomy economic forecast from Federal Reserve Chair, which will cause a rise in the price of precious metals.

Monthly Macro Economic Forecast

Variables	Jun'20	Jul'20	Aug'20
Exchange Rate (NAFEX) (N/\$)	387	388	388
Inflation Rate (%)	12.40	12.43	12.48
Crude Oil Price (US\$/Barrel)	34	36	37