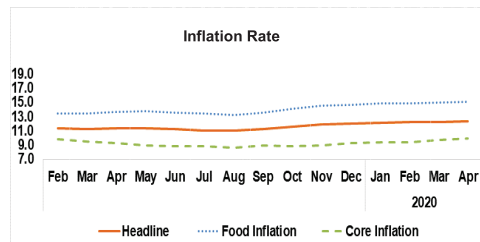
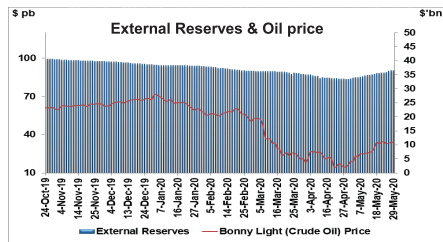
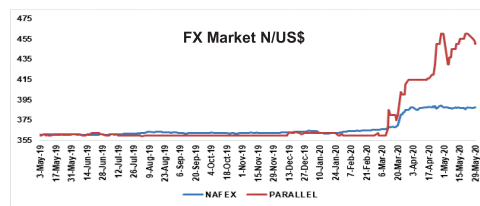
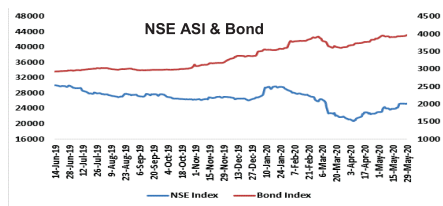


Access Bank Rateswatch

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 (%)	13.5	Adjusted to 13.5% in March 2019 from 14%
Interest Rate (Asymmetrical Corridor)	12.5 (+2/-5)	Lending rate changed to 14.5% & Deposit rate 7.5%
External Reserves (US\$ million)	36.50	May 28, 2020 figure — an increase of 7.69% from May start
Oil Price (US\$/Barrel)	33.87	May 28, 2020 figure — a decrease of 1.71% 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 (%)
	29/5/20	22/5/20	
NSE ASI	25,267.82	25,204.75	0.25
Market Cap(N'tr)	13.17	13.14	0.25
Volume (bn)	0.33	0.26	25.44
Value (N'bn)	4.48	2.88	55.40

MONEY MARKET

Indicators	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	29/5/20	22/5/20	
NIBOR			
Tenor			
OBB	2.20	15.00	(1280.0)
O/N	3.00	15.63	(1263)
CALL	3.50	12.06	(856.3)
30 Days	5.87	5.68	18
90 Days	6.12	6.04	8.4

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/Rate (N/\$))	1 Month Ago Rate (N/\$)
	29/5/20	22/5/20	29/4/20
Official (N)	360.00	360.00	360.00
Inter-Bank (N)	387.69	387.33	388.84
BDC (N)	0.00	0.00	0.00
Parallel (N)	453.00	460.00	460.00

BOND MARKET

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	29/5/20	22/5/20	
5-Year	6.69	7.12	(42.6)
7-Year	8.51	9.66	(115.0)
10-Year	9.48	9.71	(23.1)
15-Year	11.40	11.47	(7.2)
20-Year	11.02	11.28	(26.3)
30-Year	12.37	12.54	(17)

COMMODITIES MARKET

Indicators	29/5/20	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil (\$/bbl)	33.87	(1.71)	(47.46)
Natural Gas (\$/MMBtu)	1.77	2.91	(42.08)
Agriculture			
Cocoa (\$/MT)	2436.00	4.59	25.83
Coffee (\$/lb.)	96.10	(8.13)	(26.19)
Cotton (\$/lb.)	56.80	(1.11)	(26.71)
Sugar (\$/lb.)	10.86	0.65	(29.16)
Wheat (\$/bu.)	520.75	2.11	20.13
Metals			
Gold (\$/t oz.)	1735.80	0.01	31.74
Silver (\$/t oz.)	17.84	4.63	3.78
Copper (\$/lb.)	242.05	1.92	(26.16)

NIGERIA INTERBANK TREASURY BILLS TRUE

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	29/5/20	22/5/20	
1 Mnth	2.08	2.05	3
3 Mnths	2.26	2.13	14
6 Mnths	2.66	2.59	7
9 Mnths	3.07	3.11	(5)
12 Mnths	3.56	3.49	7

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	29/5/20	22/5/20	
Index	3966.35	3931.57	0.88
Mkt Cap Gross (N'tr)	12.39	12.28	0.88
Mkt Cap Net (N'tr)	8.40	8.31	1.05
YTD return (%)	61.47	60.05	1.42
YTD return (%) (US \$)	-21.27	-22.69	1.42

TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	49,839.65	1.85	29-Apr-2020
182 Day	10,615.40	2.499	29-Apr-2020
364 Day	71,074.82	3.84	29-Apr-2020

Market Analysis and Outlook: May 29 – June 05, 2020

Global Economy

The US economy contracted by an annualized 5% in Q1 2020, ending the longest period of expansion in the country's history, according to the second estimate by the US Bureau of Economic Analysis. It is the biggest drop in GDP since the last quarter of 2008 as the Covid-19 pandemic forced several states to impose lockdown measures in mid-March, throwing millions of people out of work. Elsewhere, the Indian economy expanded 3.1% percent year-on-year in Q1 2020. According to data from the Ministry of Statistics and Programme Implementation (MOSPI) it is the slowest GDP growth since quarterly data became available in 2004, as the country imposed a nationwide lockdown from March 24th aiming to contain the spread of the coronavirus. Manufacturing went down 1.4%, the third straight quarter of contraction and construction declined 2.2%. A slowdown was also seen in financial, real estate and professional services and in trade, hotels and transport. In a separate development, Brazil's nominal budget deficit declined to BRL 115.8 billion in April 2020 from BRL 28.0 billion in the same month of the previous year, as reported by the Central Bank of Brazil. It is the largest nominal budget gap since December 2015, as the central government deficit widened sharply to BRL 109.51 billion from BRL 22.88 billion; and the state-owned enterprises shortfall increased to BRL 0.75 billion from BRL 0.72 billion. Additionally, the regional governments gap went up to BRL 5.55 billion from BRL 4.44 billion.

Domestic Economy

Data just released by the National Bureau of Statistics (NBS) revealed the Nigerian economy expanded at a slower pace of 1.87% year-on-year (y-o-y) in Q1 2020, from 2.55% and 2.10% in Q4 2019 and Q1 2019 respectively. This performance was recorded against the backdrop of significant global disruptions resulting from the COVID-19 public health crisis, a sharp fall in oil prices and restricted international trade. Growth in the Oil, Agric, Manufacturing and Service sectors remained positive, albeit at a slower rate while Trade and Coal mining sectors contracted. Overall the non-oil sector expanded by 1.55% y-o-y, while oil sector expanded by 5.06% y-o-y. In a separate development, the Central Bank of Nigeria (CBN) lowered its monetary policy rate by 100 bps to 12.5% during its May 2020 meeting. It was the first rate cut since March 2019. Slower GDP growth, rising inflation and crashing purchasing managers index precipitated the interest rate slash. The decision is aimed at reviving the economy battered by the coronavirus pandemic and collapsing oil prices. Policymakers explained that a lower rate would stimulate credit expansion to critically important sectors and thus support employment. The CBN Governor added that the economy would contract in the second and third quarter of the year but recover in the fourth quarter helped by fiscal and monetary measures. In a separate development, the Manufacturing Purchasing Managers' Index (PMI) shrank to 42.2 index points in May 2020 from 51.1 points in March 2020, indicating a contraction in the manufacturing sector for the first time after recording expansion for thirty-six consecutive months. 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. Thirteen of the sub-sectors surveyed recorded decline during the month, while the electrical equipment sector recorded growth in the period under review.

Stock Market

The bulls continued to reign at the Nigerian Stock Exchange (NSE) as investors reacted to the inflow of mixed corporate earnings with institutional investors taking advantage of the relatively low price of equities. The strong recovery of crude oil prices at the international market also lent support to the prevailing

sentiment in the market. Consequently, the All Share Index (ASI) and market capitalization grew to 25,267.82 points and N13.17 trillion from 25,204.75 points and N13.14 trillion respectively the previous week. This week, we expect the market to remain bullish as investors and traders position themselves for the high dividend yields of blue chip companies.

Money Market

Cost of borrowing declined as market liquidity improved following inflows from Open Market Operations (OMO) maturity of N305 billion. Short term rates such as the Open Buy Back (OBB) and Overnight (O/N) climbed to 2.2% and 3% from 15% and 15.63% the prior week. However, rates remained stable at the longer end of the interest rate curve. The 30- and 90-day Nigerian Interbank Offered Rate (NIBOR) settled at 5.87% and 6.12% from 5.68% and 6.04%, respectively. This week, We expect rates to remain at these low levels, barring significant market activities.

Foreign Exchange Market

The Naira went in varying directions for the week ended May 29th, 2020. The Nigerian Autonomous Foreign Exchange Rate (NAFEX) lost N0.36 to close at N387.69/US\$. The low liquidity witnessed in the Investors' and Exporters' Window last week persisted, as demand for the greenback continued to outweigh supply in the market. The parallel market gained N7 to close at N453/US\$ while at the CBN Official window, the Naira remained stable to close at N360/US\$ same as preceding week. This week, the naira is expected to remain around prevailing levels due to the apex bank's sustained supply of liquidity.

Bond Market

The Bond market experienced buying interest last week following the outcome of the MPC meeting, where the benchmark rate declined by 100 basis points to 12.50%. The market witnessed demand for most securities across the curve, particularly the 2023, 2049 and 2050 as investors attempted to pick securities in view of a further decline in bond yields. Consequently, average yields for 5-, 10-, 15-, 20- and 30 year papers declined to 6.69%, 8.51%, 9.48%, 11.40%, 11.02% and 12.37% from 7.12%, 9.66%, 9.71%, 11.47%, 11.28% and 12.54%. The Access Bank Nigerian Government Bond Index improved by 1% to 3,966.35 points. We expect the buying sentiment to persist in the coming week, due to the level of funnelt

Commodities

Crude oil prices retreated last week as investors feared that trade tensions between the US and China will further weaken the global economy and slow fuel demand. Bonny light, Nigeria's benchmark crude dipped 1.71% to settle at \$33.87 per barrel. In contrast, bullion prices rose slightly as escalating tensions between the US and China drove investors to look for safety. Consequently, gold prices gained 0.01% or \$0.21 to finish at \$1,735.80 per ounce from \$1,735.59 per ounce. Silver climbed 4.63% to settle at \$17.84 per ounce. This week, we expect that oil prices to ascend following Russia's energy minister comments that it expects the oil market to rebalance as soon as June or July. Precious metals are expected to trade lower as optimism about the easing of business lockdowns in the US and Europe and hopes for a potential coronavirus vaccine pressure the 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

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