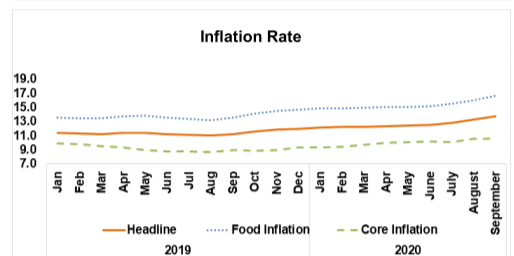
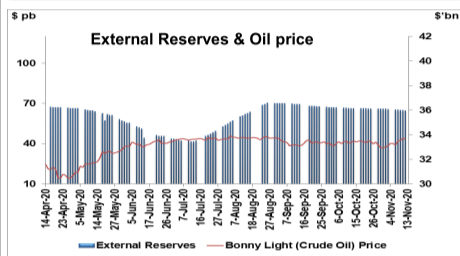
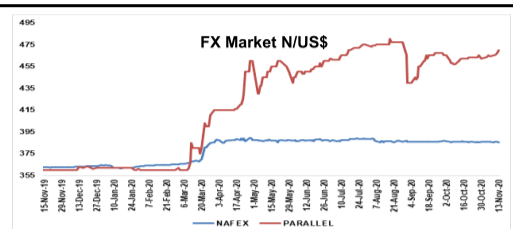
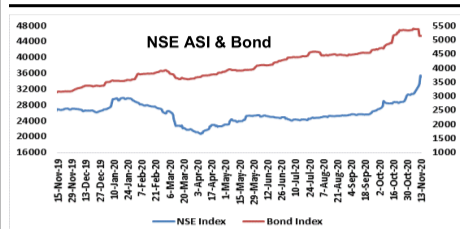


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	-6.1	Q2 2020 — lower by -7.97% compared to 1.87% in Q1 2020
Broad Money Supply (N' trillion)	37.18	Decreased by 0.12% in September' 2020 from N37.23 trillion in August' 2020
Credit to Private Sector (N' trillion)	29.71	Decreased by 2.20% in September' 2020 from N30.38 trillion in August' 2020
Currency in Circulation (N' trillion)	2.43	Increased by 2.38% in September' 2020 from N2.37 trillion in August' 2020
Inflation rate (%) (y-o-y)	13.71	Increased to 13.71% in September 2020 from 13.22% in August 2020
Monetary Policy Rate (%)	11.5	Adjusted to 11.5% in September 2020 from 12.5%
Interest Rate (Asymmetrical Corridor)	11.5 (+1/-7)	Lending rate changed to 12.5% & Deposit rate 4.5%
External Reserves (US\$ million)	35.62	November 11, 2020 figure — a decrease of 0.11% from November start
Oil Price (US\$/Barrel)	42.54	November 12, 2020 figure — an increase of 7.7% from the prior week
Oil Production mbpd (OPEC)	1.49	October 2020, figure — an increase of 3.26% from September 2020 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	13/11/20	6/11/20	
NSE ASI	35,037.46	31,016.17	12.97
Market Cap(N'tr)	18.31	16.21	12.97
Volume (bn)	1.24	0.64	95.09
Value (N'bn)	16.29	5.23	211.47

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	13/11/20	6/11/20	
OBB	0.50	5.70	(520)
O/N	0.63	6.40	(577)
CALL	1.00	9.50	(850)
30 Days	0.50	1.23	(74)
90 Days	0.93	1.65	(72)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	13/11/20	6/11/20	13/10/20
Official (N)	379.00	379.00	379.00
Inter-Bank (N)	385.61	385.92	385.83
BDC (N)	0.00	0.00	0.00
Parallel (N)	470.00	464.00	461.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	13/11/20	6/11/20	
5-Year	0.95	1.59	(64)
7-Year	2.38	2.24	14
10-Year	3.16	2.78	39
15-Year	5.05	5.00	5
20-Year	4.81	4.50	31
25-Year	5.85	5.99	(14)
30-Year	7.16	7.04	12

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

Market Analysis and Outlook: November 13– November 20, 2020

Global Economy

In the Eurozone, the economy advanced by 12.6% in the three months to September 2020, recovering from a record crash of 11.8% in the previous period according to European Statistical Office. It is the steepest pace of expansion since 1995, boosted by a rebound in activity and demand as lockdowns imposed to contain the spread of the coronavirus pandemic were gradually lifted. All major economies in the region posted record GDP expansion rates: France (18.2% vs -13.7% in Q2); Spain (16.7% vs -17.8%); Italy (16.1% vs -13%); and Germany (8.2% vs -9.8%). Year-on-year, the GDP contracted by 4.4%, easing from a record contraction of 14.8% in the second quarter of 2020. Elsewhere, Britain's gross domestic product contracted by 9.6% year-on-year in the third quarter of 2020, following a record contraction of 21.5% percent in the previous three-month period as reported by the Office of National Statistics. The economy started to recover as restrictions on movement eased across June, July, August and September. Household consumption dropped 12.7% (vs -26.2% in Q2) and fixed investment fell by 12.2% (vs -22.6% in Q2). At the same time, public investment declined by 10.9% (vs -17.8% in Q2), while net external demand contributed positively to the GDP as exports decreased less than imports. In a separate development, the US posted a budget deficit of \$284 billion in October 2020, the fiscal year's final month, compared with an \$134.4 billion gap in the same period last year according to the Financial Management Service, US Treasury. Outlays jumped 37% to \$22 billion, nudged by Medicare (\$96 billion), Social Security (\$93 billion), National Defense (\$80 billion), Income Security (\$73 billion), and Health (\$63 billion) amid efforts to support the economy hit by the coronavirus crisis. Meanwhile receipts dropped 3%, to \$238 billion, as higher Federal Reserve earnings and excise tax collections offset lower personal and corporate income tax revenues.

Domestic Economy

Nigeria's foreign exchange reserves have fallen to the lowest level in more than two months, as shown by the latest data from the Central Bank of Nigeria. The reserves, which have been on a downward trajectory in recent months, stood at \$35.62 billion as of November 11, the lowest since August 24. The foreign currency coffers had fallen earlier in the year due to Covid-19 pandemic and its related pressures but started rising after the International Monetary Fund disbursed \$3.4 billion loan under its Rapid Financing Instrument to the country to tackle the impact of the pandemic. The CBN said in a recent report that the external reserves is expected to lie between \$29.9 billion and \$34.3 billion at end-December 2020.

Stock Market

Indicators at the Nigerian stock exchange sustained their positive momentum as investors maintained bullish sentiment on blue-chip stocks. Companies in the telecommunication, pharmaceutical, consumer and industrial sectors were responsible for the uptrend seen in the market. Consequently, the All Share Index (ASI) and market capitalization closed at 35,037.46 points and ₦18.31 trillion from 31,016.17 points and ₦16.21 trillion, respectively the preceding week. Market is expected to remain bullish as the low yield environment continues to trigger significant buying interest in equity counters.

Money Market

Borrowing cost declined last week as Open Market Operations (OMO) maturity of N231 billion came into the system. Low funding activity also supported the

low rates observed in the market. These inflows led to a decline in short-term lender's charge such as the Open Buy Back (OBB) and Overnight (O/N) to 0.5% and 0.63% from 5.7% and 6.4% respectively. Longer tenored rates such as the 30- and 90-day Nigerian Interbank Offered Rate (NIBOR) settled at 0.5% and 0.93% from 1.23% and 1.65%, respectively. This week, rates are expected to remain at single digit levels barring any significant funding activity.

Foreign Exchange Market

The naira went in varying directions last week responding to different levels of pressure from the demand and supply sides of the FX market. The Nigerian Autonomous Foreign Exchange Rate (NAFEX) appreciated while the parallel market depreciated against the dollar. The official rate remained unchanged week-on-week. The NAFEX settled at ₦385.61/US\$ from ₦385.92/US\$ while at the parallel market, the naira lost N2 to close at ₦470/US\$ from ₦468/US\$ last week. The official market rate remained flat at ₦379/US\$. We expect that the market will trend around similar levels this week as the CBN continues to intervene in the market.

Bond Market

The Bond market witnessed bearish sentiments following the release by the Debt Management Office of the Bond auction calendar for the 4th quarter, and the market's interpretation of the Circular released by the National Pension Commission. As a result, selling interests were recorded for some select securities, notably the 2045, 2049 and 2050 securities. Yields on the 7-, 10-, 15-, 20- and 30-year papers rose to 2.38%, 3.16%, 5.05%, 4.81% and 7.16% from 2.24%, 2.78%, 5%, 4.5% and 7.04% in that order. The Access Bank Nigerian Government Bond Index went down to 5,146.87 points from 5,386.37 points, 239.5 points lower. This week, market performance will be determined by investors' expectations of the scheduled bond auction.

Commodities

Oil prices notched up amid hopes that OPEC+ will delay a planned easing of production cuts from the start of next year. Algeria's energy minister said that OPEC+ could extend current production cuts of 7.7 million barrels per day into 2021 or deepen them further if needed. Bonny light, Nigeria's benchmark crude jumped 7.7% to close at \$42.54 per barrel. In contrast, precious metal prices tapered as the dollar strengthened and risk appetite improved amid prospects of a working coronavirus vaccine. Consequently, gold prices dipped by 3.39% or \$66.39 to finish at \$1,892.27 per ounce from \$1,958.66 per ounce. Silver settled at \$24.66 per ounce, a 4.16% drop from previous week price. This week, oil prices might be pressured by mounting worries about near term fuel demand as the number of coronavirus infections continue to rise worldwide. Bullions might see a positive turnaround in the market as investors turn to safe-haven assets on the back of growing coronavirus infections in Europe and the US, along with concerns about the time needed to have a vaccine ready to be deployed.

Monthly Macro Economic Forecast

Variables	Nov'20	Dec'20	Jan'21
Exchange Rate (NAFEX) (N/\$)	387	388	388
Inflation Rate (%)	13.9	14.25	14.5
Crude Oil Price (US\$/Barrel)	44	46	46

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