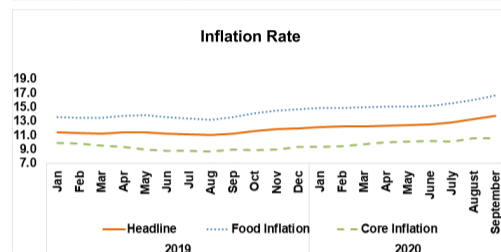
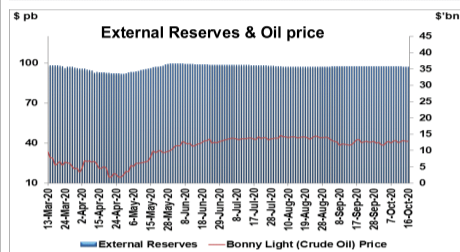
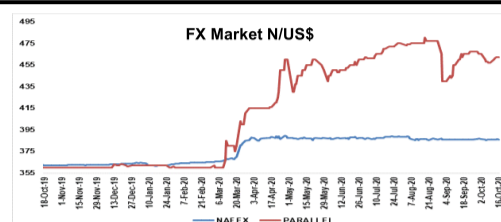
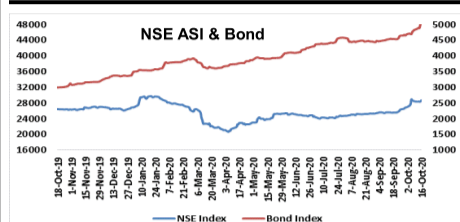


Access Bank Rateswatch

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)	37.19	Increased by 1.63% in August' 2020 from N36.59 trillion in July' 2020
Credit to Private Sector (N' trillion)	30.13	Increased by 0.24% in August' 2020 from N30.06 trillion in July' 2020
Currency in Circulation (N' trillion)	2.37	Decreased by 1.04% in August' 2020 from N2.4 trillion in July' 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)	35.67	October 14, 2020 figure — a decrease of 0.18% from October start
Oil Price (US\$/Barrel)	41.49	October 15, 2020 figure — a decrease of 0.22% from the prior week
Oil Production mbpd (OPEC)	1.46	September 2020, figure — a decrease of 0.4% from August 2020 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	16/10/20	9/10/20	
NSE ASI	28,659.45	28,415.31	0.86
Market Cap(N'tr)	14.98	14.85	0.86
Volume (bn)	0.49	0.38	27.32
Value (N'bn)	4.72	4.00	18.03

MONEY MARKET

NIBOR			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	16/10/20	9/10/20	
OBB	1.1700	4.0000	(283)
O/N	2.0000	4.8800	(288)
CALL	1.2500	11.5000	(1025)
30 Days	2.2603	1.9000	36
90 Days	2.7012	2.1337	57

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	16/10/20	9/10/20	16/9/20
Official (N)	379.00	379.00	379.00
Inter-Bank (N)	385.96	385.81	385.88
BDC (N)	0.00	0.00	0.00
Parallel (N)	462.00	457.00	465.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	16/10/20	9/10/20	
5-Year	2.26	2.46	(19)
7-Year	3.81	3.94	(13)
10-Year	4.13	4.86	(73)
15-Year	6.08	8.12	(204)
20-Year	5.57	7.46	(189)
25-Year	7.04	8.71	(167)
30-Year	7.40	8.98	(158)

Disclaimer
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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: October 16 – October 23, 2020

Global Economy

In the US, the Treasury reported a budget deficit of \$125 billion in September 2020, the fiscal year's final month, compared with an \$83 billion surplus in the corresponding period last year. Outlays jumped 71% to \$498 billion, amid efforts to support the economy hit by the coronavirus crisis; while receipts were almost unchanged at \$373 billion, as higher Federal Reserve earnings and excise tax collections offset lower personal and corporate income tax revenues. Considering the 2020 fiscal year, the budget deficit hit an all-time high of \$3.132 trillion, more than double the previous record of \$1.416 trillion during fiscal 2009, as outlays jumped \$2.105 trillion from the previous year to a total of \$6.55 trillion, boosted by spending on healthcare and unemployment compensation, and the cost of small business and corporate rescue programs approved by Congress.

In a separate development, the Ministry of Commerce and Industry, India recorded a trade deficit of \$2.72 billion in September 2020, lower than initial estimates of a \$2.9 billion gap. Exports climbed 6% from a year earlier to \$27.58 billion, following six months of declines and reaching the highest reading since February, before the coronavirus pandemic. Imports declined 19.6% to \$30.3 billion also the highest value since the pandemic started but well below \$37.5 billion in February. Elsewhere, the UK unemployment rate increased to 4.5% in the three months to August 2020 from 4.1% in the previous period according to the Office for National Statistics. It was the highest jobless rate since the three months to May 2017, as the coronavirus pandemic hit the labour market. For June to August 2020, an estimated 1.52 million people were unemployed, up 209,000 on the year and up 138,000 on the quarter.

The number of people temporarily away from work rose to almost 7.3 million people in April to June 2020 but has fallen to 6.4 million people in June to August 2020. There were also around 192,000 people away from work because of the pandemic and receiving no pay in June to August 2020, this has fallen from 419,000 in April to June 2020.

Stock Market

Indicators at the local stock exchange sustained its gains for the third straight week in October as cheap valuations of equities and low yields in the fixed-income markets continued to attract investors to the local bourse. Stocks in the financial services, oil & gas, consumer goods and agricultural sector were majorly responsible for the bullish run in the stock market. Consequently, the All Share Index (ASI) and market capitalization closed at 28,659.45 points and ₦14.98 trillion from 28,415.31 points and ₦14.85 trillion, respectively the preceding week. Bargain hunting activities on continued expectations of suppressed fixed-income yields are likely to be punctuated by profit-taking over the week.

Money Market

Borrowing cost declined last week sequel to the net OMO maturity of N320 billion. This inflow led to a decline in short-term lender's charge such as the Open Buy Back (OBB) and Overnight (O/N) to 1.1% and 2% from 4% and 4.88% respectively. Longer tenored rates such as the 30- and 90-day Nigerian Interbank Offered Rate (NIBOR) settled at 2.26% and 2.7% from 1.9% and 2.13%. This week, rates are expected to trend higher due to the bi-weekly Retail

Secondary Market Intervention Sales (SMIS) auction holding at the end of the week.

Foreign Exchange Market

The local unit depreciated against the dollars across most major market last week. At the Nigerian Autonomous Foreign Exchange Rate (NAFEX) and parallel window the naira lost, settling at ₦385.96/US\$ and ₦462/US\$ from ₦385.81/US\$ and ₦457/US\$ as the dearth of funds witnessed at the Investors and Exporters' Window persisted throughout last week. The official market rate remained flat at ₦379/US\$. This week, rates are expected to remain at these levels barring any significant FX intervention/inflow.

Bond Market

The Bond market continued to rally as market participants responded to the October Bond auction circular which shows a significantly reduced volume on offer. Accordingly, we witnessed buying interest across the medium to long tenured maturities as yields dropped sharply in the market. Yields on the 5-, 7-, 10-, 15-, 20-, 25- and 30- year papers tapered to 2.26%, 3.81%, 4.13%, 6.08%, 5.57%, 7.04% and 7.40% from 2.46%, 3.94%, 4.86%, 8.12%, 7.46%, 8.71% and 8.98% in that order. The Access Bank Nigerian Government Bond Index notched up to 5,153.54 points from 4,831.05 points, 322.49 points higher. We expect the bullish sentiment to continue next week as market anticipates further decline in yield due to lack of alternative investment opportunities and depressed rates at the treasury bills market.

Commodities

The price of crude oil dipped last week as mounting concerns about fuel demand offset a larger-than-expected draw in US crude oil inventories last week. Investors remain worried about fuel demand recovery as the number of coronavirus infections continue to rise and several countries including France, Germany, Spain and Italy imposed fresh movement restrictions. Bonny light, Nigeria's benchmark crude tanked 0.22% to close at \$41.49 per barrel. Similarly, precious metal prices sank as uncertainty over a fresh US stimulus package before the November 3 Presidential Election, rising coronavirus cases in Europe and disappointing initial claims sent the dollar up, making bullions more expensive. Consequently, gold prices declined 0.30% or \$5.76 to finish at \$1,908.60 per ounce from \$1,914.36 per ounce. Silver settled at \$24.36 per ounce, a 0.29% rise from prior week price. This week, oil prices might move in the opposite direction as Energy Information Agency (EIA) showed crude oil stockpiles in the US fell by 3.818 million barrels and the American Petroleum Institute (API) which reported a drop of 5.42 million barrels. Bullions may witness choppy trade as market players continue to assess development relating to US stimulus, Brexit and rising virus cases.

Monthly Macro Economic Forecast

Variables	Oct'20	Nov'20	Dec'20
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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