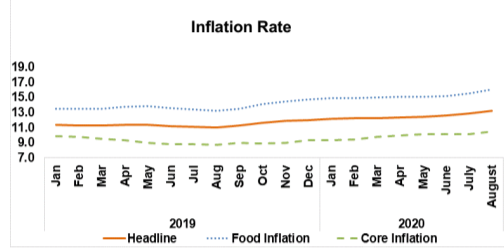
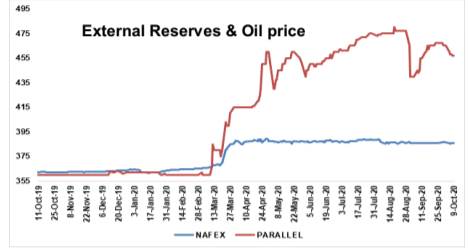
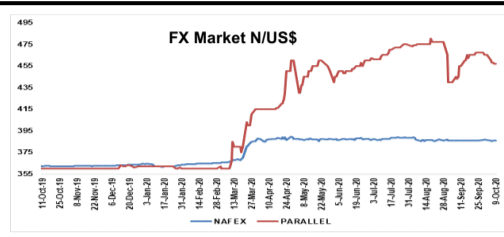
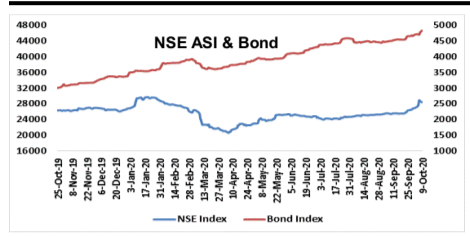


Access Bank Rateswatch

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) | 12.82 | Increased to 12.82% in July 2020 from 12.56% in June 2020 |
| Monetary Policy Rate (%) | 11.5 | Adjusted to 11.5% in September 2020 from 12.5% |
| Interest Rate (Asymmetrical Corridor) | 11.5 (+2/-5) | Lending rate changed to 13.5% & Deposit rate 6.5% |
| External Reserves (US\$ million) | 35.73 | October 8, 2020 figure — a decrease of 0.04% from October start |
| Oil Price (US\$/Barrel) | 41.58 | October 8, 2020 figure — an increase of 6.78% from the prior week |
| Oil Production mbpd (OPEC) | 1.48 | August 2020, figure — an increase of 0.13% from July 2020 figure |



STOCK MARKET

| Indicators | Last Week | 2 Weeks Ago | Change (%) |
|--------------------------|-----------|-------------|------------|
| | 9/10/20 | 2/10/20 | |
| NSE ASI | 28,415.31 | 26,985.77 | 5.30 |
| Market Cap (N'tr) | 14.85 | 14.11 | 5.30 |
| Volume (bn) | 0.38 | 0.46 | (16.45) |
| Value (N'bn) | 4.00 | 4.30 | (7.10) |

MONEY MARKET

| Tenor | Last Week Rate (%) | 2 Weeks Ago Rate (%) | Change (Basis Point) |
|----------------|--------------------|----------------------|----------------------|
| | 9/10/20 | 2/10/20 | |
| OBB | 4.00 | 1.00 | 300 |
| O/N | 4.88 | 1.58 | 330 |
| CALL | 11.50 | 2.63 | 888 |
| 30 Days | 1.90 | 2.32 | (42) |
| 90 Days | 2.13 | 2.45 | (32) |

FOREIGN EXCHANGE MARKET

| Market | Last Week Rate (N/\$) | 2 Weeks Ago Rate (N/\$) | 1 Month Ago Rate (N/\$) |
|-----------------------|-----------------------|-------------------------|-------------------------|
| | 9/10/20 | 2/10/20 | 9/9/20 |
| Official (N) | 379.00 | 379.00 | 379.00 |
| Inter-Bank (N) | 385.81 | 386.49 | 385.78 |
| BDC (N) | 0.00 | 0.00 | 0.00 |
| Parallel (N) | 457.00 | 465.00 | 445.00 |

BOND MARKET

| Tenor | Last Week Rate (%) | 2 Weeks Ago Rate (%) | Change (Basis Point) |
|----------------|--------------------|----------------------|----------------------|
| | 9/10/20 | 2/10/20 | |
| 5-Year | 2.46 | 2.61 | (15) |
| 7-Year | 3.94 | 4.23 | (29) |
| 10-Year | 4.86 | 5.62 | (76) |
| 15-Year | 8.12 | 8.80 | (68) |
| 20-Year | 7.46 | 8.13 | (67) |
| 25-Year | 8.71 | 9.16 | (45) |
| 30-Year | 8.98 | 9.34 | (36) |

Disclaimer
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COMMODITIES MARKET

| Indicators | 9/10/20 | 1-week Change (%) | YTD Change (%) |
|-------------------------------|---------|-------------------|----------------|
| Energy | | | |
| Crude Oil (\$/bbl) | 41.58 | 6.78 | (35.49) |
| Natural Gas (\$/MMBtu) | 2.66 | 7.26 | (12.96) |
| Agriculture | | | |
| Cocoa (\$/MT) | 2453.00 | (0.41) | 26.70 |
| Coffee (\$/lb.) | 111.35 | 4.95 | (14.48) |
| Cotton (\$/lb.) | 68.21 | 4.39 | (11.99) |
| Sugar (\$/lb.) | 14.09 | 5.46 | (8.09) |
| Wheat (\$/bu.) | 602.50 | 6.50 | 38.99 |
| Metals | | | |
| Gold (\$/t oz.) | 1914.36 | 0.45 | 45.30 |
| Silver (\$/t oz.) | 24.29 | 1.84 | 41.30 |
| Copper (\$/lb.) | 306.95 | 6.95 | (6.36) |

NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

| Tenor | Last Week Rate (%) | 2 Weeks Ago Rate (%) | Change (Basis Point) |
|----------------|--------------------|----------------------|----------------------|
| | 9/10/20 | 2/10/20 | |
| 1 Mnth | 0.84 | 0.83 | 0 |
| 3 Mnth | 1.03 | 0.93 | 10 |
| 6 Mnth | 1.34 | 1.27 | 7 |
| 9 Mnth | 1.61 | 2.03 | (42) |
| 12 Mnth | 2.05 | 2.10 | (5) |

ACCESS BANK NIGERIAN GOV'T BOND INDEX

| Indicators | Last Week | 2 Weeks Ago | Change (Basis Point) |
|-------------------------------|-----------|-------------|----------------------|
| | 9/10/20 | 2/10/20 | |
| Index | 4,831.05 | 4700.65 | 2.77 |
| Mkt Cap Gross (N'tr) | 15.68 | 15.26 | 2.77 |
| Mkt Cap Net (N'tr) | 11.30 | 10.89 | 3.75 |
| YTD return (%) | 96.67 | 91.36 | 5.31 |
| YTD return (%) (US \$) | 4.28 | -1.03 | 5.31 |

TREASURY BILLS PMA AUCTION

| Tenor | Amount (N' million) | N' Rate (%) | Date |
|----------------|---------------------|-------------|-------------|
| 91 Day | 10,000.00 | 1.08 | 30-Sep-2020 |
| 182 Day | 17,600.58 | 1.49 | 30-Sep-2020 |
| 364 Day | 106,370.50 | 2.8 | 30-Sep-2020 |

Market Analysis and Outlook: October 9 – October 16, 2020

Global Economy

In the UK, the Office of National Statistics revealed that gross domestic product advanced 8% in the three months to August 2020, recovering from five consecutive periods of contraction. The services sector grew by 7.1%, production by 9.3% and construction by 18.5%, as lockdown measures continued to ease. On a monthly basis, the economy grew by 2.1%, the fourth consecutive monthly increase following a record fall of 19.5% in April. Output however remained 9.2% below the levels seen in February, before the full impact of the coronavirus pandemic. In a separate development, the Reserve Bank of India maintained its benchmark repo rate at 4% during its October meeting. Policymakers said the decision is consistent with neutral monetary policy stance and is in line with achieving the inflation target of 4 percent +/- 2 percent while supporting economic growth and mitigating the impact of COVID-19 on the economy. For 2020-21, policymakers expect inflation to average 6.8% for the second quarter of the year and a range of 4.5 – 5.4% for the second half. GDP growth for 2020-21 is expected to contract 9.5%, with risk tilted to the downside (-9.8%) in the second quarter of 2020. Elsewhere in Japan, the Ministry of Finance reported that Japan's current account surplus narrowed modestly to JPY 2103 billion in August 2020 from JPY 2135 billion in the corresponding month of the previous year, owing to the coronavirus pandemic. The goods account posted a JPY 413.2 billion surplus from a JPY 30.4 billion surplus last year, with exports falling 8.8 percent and imports plunging 12.5 percent. Meanwhile, the services account gap widened to a JPY 316.6 billion deficit from a JPY 1.5 billion shortfall a year ago, while the primary income surplus dropped to JPY 2248.7 billion from JPY 2291.6 billion, whereas the secondary income gap widened to JPY 242.5 billion from JPY 185.5 billion.

remain wary while they reposition their market portfolio in light of current macroeconomic realities. **Money Market** Cost of borrowing inched up last week following Cash Reserve Ratio (CRR) debit of about N460 billion and the CBN also conducted the bi-weekly Retail Secondary Market Intervention Sales (SMIS) auction at the end of the week. These outflows led to a significant decline in short-term lender's charge such as the Open Buy Back (OBB) and Overnight (O/N) to 4% and 4.88% from 1% and 1.58% respectively. Longer tenored rates such as the 30- and 90-day Nigerian Interbank Offered Rate (NIBOR) settled at 1.9% and 2.13% from 2.32% and 2.45%. This week, rates are expected to remain at single digit levels as the market does not anticipate any significant funding activity. **Foreign Exchange Market** The local unit appreciated against the dollars across most major market last week. At the Nigerian Autonomous Foreign Exchange Rate (NAFEX) and parallel window the naira settled at N385.81/US\$ and N457/US\$ from N386.49/US\$ N465/US\$ as the Central Bank intervened in the Foreign Exchange market through its Retail SMIS Auction. The official market rate remained flat at N379/US\$. This week, we expect the Naira to trade at similar levels barring any significant change in market activity. **Bond Market** The bond market sustained its bullish sentiments as market yields continued to decline. Accordingly, we noted buying interest for the mid to long tenured securities as the short tenured securities seemed unattractive. Yields on the 5-, 7-, 10-, and 20- year papers tapered to 2.46%, 3.94%, 4.86%, 8.12%, 7.46%, 8.71% and 8.98% from to 2.61%, 4.23%, 5.62%, 8.8%, 8.13%, 9.16% and 9.34% in that order. The Access Bank Nigerian Government Bond Index notched up to 4,831.05 points from 4,700.65 points, 130.39 points higher. Market performance this week is expected to remain bullish following unmet demand from prior week session.

Domestic Economy

The President of Nigeria recently presented to the National Assembly a N13.08 trillion budget estimates for 2021 with N3.12 trillion (23.85%) reserved for debt servicing. The President, hinting that the nation's economy might relapse into recession, stated that N3.85 trillion (29.43%) was voted for capital projects, while personnel costs (salaries and allowances) would swallow N3.76 trillion (28.75%). With 23.85% allocated for debt servicing and personnel costs gulping 28.75%, it means 52.60% of the budget or N6.88 trillion will be spent on both items next year. Giving other highlights of the appropriation bill, the President said the budget was set on some benchmarks such as daily crude oil production of 1.86 million barrels per day and oil price of \$40 per barrel. The President, who tagged the proposed fiscal document, 'Budget of Economic Recovery and Resilience', assured Nigerians that his regime would do everything possible to take the economy out of recession in 2021. In separate development, the Nigeria Bureau of Statistics (NBS) disclosed that the internally generated revenue of states dropped to N612.87 billion in the first six months of 2020 from N693.91 billion in the corresponding period of 2019. The NBS in its report published on the 'Internally Generated Revenue (IGR) at state level for half year 2020' said, "The 36 states and FCT IGR figure hits N612.87 billion in H1 2020 compared to N693.91 billion recorded in 2019. This indicates a negative growth of -11.7% year on year. Similarly, the Q2 2020 states and FCT IGR figure hits N259.73 billion compared to N353.14 billion recorded in Q1 2020. This indicates a negative growth of -26.5% quarter on quarter. The NBS stated that Lagos State had the highest IGR with N204.51 billion recorded in H1 2020, closely followed by Rivers State with N64.59 billion, while Jigawa State recorded the least IGR.

Commodities Oil prices jumped last week as energy companies evacuated 183 offshore oil platforms and halted nearly 1.5 million barrels per day of output as Hurricane Delta heads toward the US Gulf Coast. Supporting prices further were potential production outages in Europe's North Sea due to a Norwegian workers' strike over pay. Norway's Lederne labour union will expand its ongoing oil strike from October 10th unless a wage bargain can be reached in the meantime. Bonny light, Nigeria's benchmark crude surged 6.78% to close at \$41.58 per barrel. In a similar vein, precious metal prices rose amid a weakening dollar as well as doubts over the sustainability of the global economic recovery from the prolonged COVID-19 crisis. Consequently, gold prices increased marginally 0.45% or \$8.61 to finish at \$1,914.36 per ounce from \$1,905.75 per ounce. Silver settled at \$24.29 per ounce, a 1.84% rise from prior week price. This week, oil prices might decline amid mounting concerns over fuel demand recovery as the number of coronavirus cases continue to rise worldwide. Bullions are likely to maintain their bullish run following renewed hopes of further economic stimulus after news that Democratic and White House negotiators resumed discussions over a sweeping coronavirus relief deal.

Monthly Macro Economic Forecast

| Variables | Oct'20 | Nov'20 | Dec'20 |
|--------------------------------------|--------|--------|--------|
| Exchange Rate (NAFEX) (N/\$) | 388 | 389 | 388 |
| Inflation Rate (%) | 13.6 | 13.85 | 13.89 |
| Crude Oil Price (US\$/Barrel) | 44 | 46 | 46 |

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.

Stock Market

The Nigeria stock market sustained their positive run for the second consecutive week in October. Stocks in the financial services, oil & gas, consumer and industrial goods were majorly responsible for the bullish run seen in the stock market. Consequently, the All Share Index (ASI) and market capitalization closed at 28,415.31 points and N14.85 trillion from 26,985.77 points and N14.1 trillion, respectively the preceding week. This week, market participants are expected to