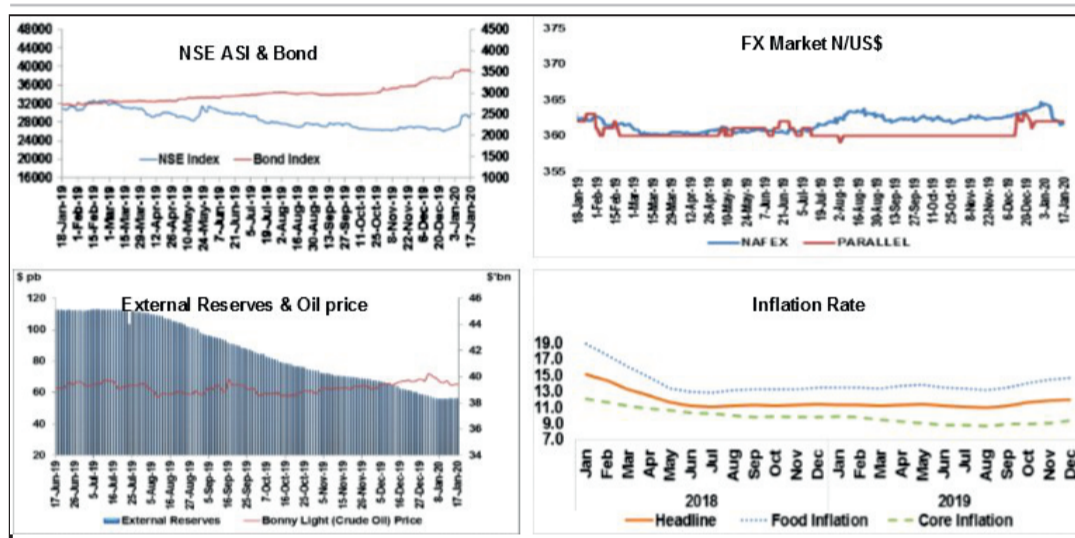


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS		
GDP Growth (%)	2.28	Q3 2019 — higher by 0.17% compared to 2.12% in Q2 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)	26.41	Increased by 2.18% in Nov' 2019 from N25.85 trillion in Oct' 2019
Currency in Circulation (N' trillion)	2.20	Increased by 7.17% in Nov' 2019 from N2.06 trillion in Oct' 2019
Inflation rate (%) (y-o-y)	11.98	Increased to 11.98% in December 2019 from 11.85% in November 2019
Monetary Policy Rate (%)	13.5	Adjusted to 13.5% in March 2019 from 14%
Interest Rate (Asymmetrical Corridor)	13.5 (+2/-5)	Lending rate changed to 15.5% & Deposit rate 8.5%
External Reserves (US\$ million)	38.34	January 15, 2019 figure — a decrease of 0.5% from January start
Oil Price (US\$/Barrel)	65.29	January 16, 2020 figure — a decrease of 1.39% from the previous wk
Oil Production mbpd (OPEC)	1.77	December 2019, figure — a decrease of 1.34% from November 2019 figure



STOCK MARKET			
Indicators	Friday 17/1/20	Friday 10/1/20	Change(%)
NSE ASI	29,618.52	29,415.39	0.69
Market Cap(N'tr)	15.26	15.17	0.54
Volume (bn)	0.32	0.28	15.68
Value (N'bn)	3.55	4.82	(26.17)

MONEY MARKET			
NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	17/1/20	10/1/20	
OBB	3.0000	9.7100	(671)
O/N	3.8600	10.7100	(685)
CALL	5.3000	11.3125	(601)
30 Days	8.7324	9.6124	(88)
90 Days	8.7187	9.6681	(95)

FOREIGN EXCHANGE MARKET			
Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	17/1/20	10/1/20	17/12/19
Official (N)	306.90	306.95	306.95
Inter-Bank (N)	361.84	362.22	362.99
BDC (N)	0.00	0.00	360.00
Parallel (N)	362.00	362.00	360.00

BOND MARKET			
AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	17/1/20	10/1/20	
3-Year	0.00	0.00	0
5-Year	9.16	9.19	(3)
7-Year	10.40	10.02	38
10-Year	10.51	10.49	2
20-Year	11.44	11.32	12
30-Year	12.61	12.36	25

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Sources: CBN, Financial Market Dealers Association of Nigeria, NSE and Access Bank Economic Intelligence Group computation.

Market Analysis and Outlook: January 17 - January 24, 2020

Global Economy

In Europe, current account surplus expanded to EUR 36.6 billion in November of 2019 from EUR 31.8 billion in the corresponding month of the prior year. According to the European Central Bank, the services surplus rose to EUR 6.6 billion from EUR 4.4 billion a year earlier and the secondary income deficit contracted to EUR 9.5 billion from EUR 13.9 billion. On the other hand, the goods surplus declined to EUR 28.5 billion from EUR 29.0 billion a year earlier and the primary income surplus fell to EUR 11.0 billion from EUR 12.2 billion. Elsewhere in India, foreign reserves increased for the 16th consecutive week to an all-time high of \$461.21 billion in the week ended January 10th, 2020. According to the Reserve Bank of India, Gold reserves increased to \$28.49 million from \$28.06 billion in the previous week while foreign currency assets went down to \$427.58 billion from \$427.95 billion.

Domestic Economy

Data from the National Bureau of Statistics reported that inflation rate for December 2019 printed at 11.98% year-on-year from 11.85% in November 2019. Prices rose for both food and core inflation. Core inflation jumped 9.33% in December, up by 0.34% when compared with 8.99% recorded in November. Highest increases were recorded in prices of hospital services, hairdressing saloons and personal grooming establishment, garments, repair and hire of footwear, vehicle spare parts, passenger transport by air, shoes and other footwear, appliances, articles and products for personal care, clothing materials, other articles of clothing and clothing accessories and cleaning, repair and hire of clothing. Food inflation rose 14.67% in December from 14.48% in the prior month. In a separate development, available data from Central Bank of Nigeria (CBN) showed that Nigeria spent \$1.31 billion to service external debt obligations between January and November last year. According to CBN, the external debt service payment stood at \$1.31 billion at the end of November last year, compared to \$1.47 billion spent in the corresponding period of 2018. Specifically, the country's total debt stock constitutes both external and domestic debts. As at June last year, the country's total external stood at N8.32 trillion. Nigeria's total public debt stock stood at N25.7 trillion. This means external debt service payment alone rose by 245.9% between 2015 and 2019 while an accumulated \$3.95 billion was paid between the periods.

Stock Market

The stock market extended its upward swing for the third consecutive week on increased demand for high cap stocks that made the benchmark index to soar higher. Consequently, the All Share Index (ASI) rose 0.69% to end at 29,618.52 points from 26,415.39 points the prior week. Similarly, market capitalization rose by 0.54% to N15.26 trillion from N15.18 trillion the prior week. We expect investors to take advantage of low prices and positive macroeconomic indices to support the market.

Money Market

Cost of borrowing declined as January 2020 Federation Accounts Allocation

Committee (FAAC) allocation hit the system. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates closed lower at 9.71% and 10.71% from 9.71% and 10.71%. The 30-day and 90-day Nigeria Interbank (NIBOR) rate also declined to 8.73% and 8.72% from 9.61% and 9.67% the prior week. This week, we envisage that rates will remain at single digit levels due to high liquidity in the system and Open Market Operation (OMO) maturity of N433 billion.

Foreign Exchange Market

The naira strengthened across most market segments the preceding week. The official rate marginally appreciated ending at N306.90/\$, a 5 kobo gain from the previous week whilst the Nigerian Autonomous Foreign Exchange (NAFEX) gained 38 kobo to close at N361.84/US\$ from N362.22/US\$ the prior week. The parallel market remained unchanged week-on-week at N362/US\$. The stability of the local currency continues to be supported by the intervention of the apex bank across various market segments. This week, the naira is expected to remain around prevailing levels due to the apex bank's sustained supply of liquidity.

Bond Market

Activities at the bond market was bearish due to persistent sell-off of securities by market players. Yields on the seven-, ten-, twenty- and thirty-year debt papers finished at 10.40%, 10.51%, 11.44% and 12.61% from 10.02%, 10.49%, 11.32% and 12.36% respectively, the previous week. Consequently, the Access Bank Bond index reduced by 9.61 points to close at 3,535.41 points from 3,542.02 points the prior week. This week, the market is expected to maintain its selling interest given the recently released calendar of bond issuances for Q1 2020.

Commodities

The price of oil went southwards as reports that the U.S. will likely keep existing tariffs on Chinese goods in place until after the presidential election in November hit the market. Bonny light, Nigeria's benchmark crude dipped 1.39% or 92 cents to close the week at \$65.29 per barrel. Contrastingly, bullion counters were trading in the green as traders were sceptical of improvement in trade relations between US and China. Consequently, gold gained 0.38% to \$1,555.44 per ounce while silver rose by 0.78% to \$18.06 per ounce. This week, oil prices are likely to rise due to a build-up in the U.S. crude inventories. Precious metal prices might decline this week as some expected upbeat U.S. economic data dulls safe-haven demand.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Jan'20	Feb'20	Mar'20
Exchange Rate (NAFEX) (N/\$)	363	362	362
Inflation Rate (%)	11.90	11.98	12.1
Crude Oil Price (US\$/Barrel)	65	66	67