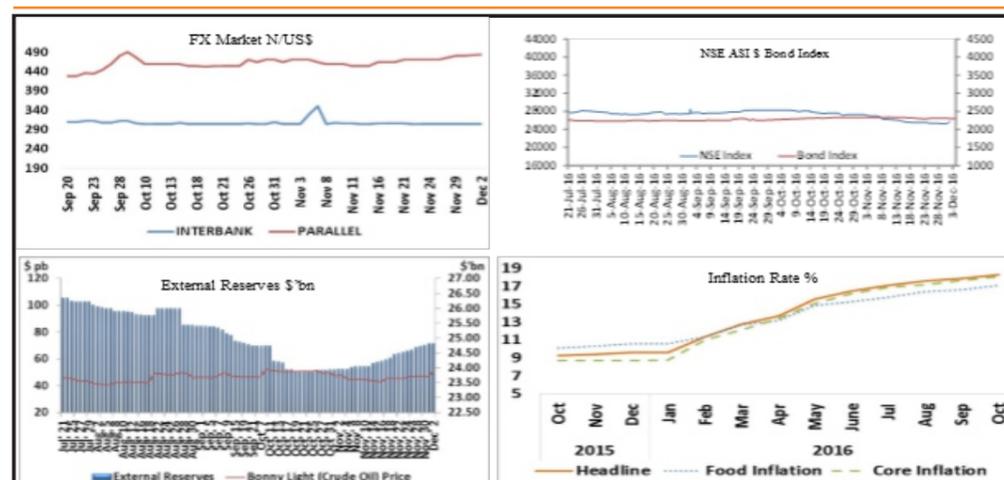


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	-2.24	Q3 2016 — a decline of 0.18% from -2.06 in Q2 2016
Broad Money Supply (M2) (N' trillion)	22.27	Increased by 0.7% in Oct'2016 from N22.12 trillion in Sep'2016
Credit to Private Sector (N' trillion)	23.07	Increased by 1.9% in Oct'2016 from N22.65 trillion in Sep'2016
Currency in Circulation (N' trillion)	1.83	Increased by 1.8% in Oct'2016 from N1.79 trillion in Sep'2016
Inflation rate (%) (y-o-y)	18.33	Edged up to 18.33% in Oct'2016, from 17.85% in Sep'2016
Monetary Policy Rate (%)	14	Raised to 14% in July '2016 from 12%
Interest Rate (Corridor)	14 (+2/-5)	Lending rate changed to 16% & Deposit rate 9%
External Reserves (US\$ million)	24.82	Dec 1, 2016 figure — an increase of 3.6% from November-start
Oil Price (US\$/Barrel)	50.91	Dec 2, 2016 figure — an increase of 8.9% in 1 wk.
Oil Production mbpd (OPEC)	1,63	Oct'2016 figure — an increase of 11.6% from Sep'2016 figure



STOCK MARKET

Indicators	Friday 2/12/16	Friday 25/11/16	Change(%)
NSE ASI	25740.83	25,833	(0.36)
Market Cap(N'tr)	8.86	8.93	(0.86)
Volume (bn)	2.48	1.49	66.64
Value (N'bn)	9.99	12.59	(20.64)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	2/12/16	25/11/16	
Call	11.5250	13.4583	(193)
7 Days	0.0000	0.0000	0
30 Days	15.2800	16.7688	(149)
60 Days	0.0000	0.0000	0
90 Days	17.6799	20.8342	(315)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$) 2/12/16	Friday (N/\$) 25/11/16	1 Month Rate (N/\$) 2/11/16
Official (N)	305.0	305.0	304.8
Inter-Bank (N)	305.0	305.0	304.8
BDC (N)	0.0	0.0	0.0
Parallel (N)	484.0	470.0	470.0

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%) 2/12/16	Friday (%) 25/11/16	Change (Basis Point)
3-Year	0.00	0.00	0
5-Year	15.90	15.67	23
7-Year	15.55	15.31	24
10-Year	13.84	13.68	16
20-Year	16.04	15.88	17

Disclaimer

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

Market Analysis and Outlook: Dec 2 – Dec 9, 2016

Global Economy

In the US, the manufacturing PMI rose to 53.2 points in November from 51.9 points in October, as new orders, production and inventories of raw materials came in stronger than in the previous month while employment growth slowed down, latest data by the Institute for Supply Management showed. A composite PMI above 50 points indicates that the manufacturing sector is generally expanding, while a reading below 50 points indicates a contraction. A further analysis shows that out of the eighteen manufacturing industries, eleven reported growth while six industries contracted. Elsewhere, in Asia, India's economy advanced by 7.3% year-on-year in the third quarter of 2016, following a 7.1% year-on-year expansion in the previous quarter largely boosted by the rise in domestic consumption, newly released figures by the Indian Ministry of Statistics showed. Private consumption expanded at a faster pace while government spending and fixed investment dropped. Consumption growth accelerated to 7.6% from 6.7% in the previous quarter while government spending grew at a slower pace at 15.2% compared to 18.8% recorded in Q2'2016. Gross fixed capital formation declined further by 5.6% following a 3.1% contraction in the previous period. In another development, in South America, Brazil's trade surplus rose to \$4.76 billion in November, larger than \$1.2 billion surplus a year earlier, newly released trade report by the Brazilian Institute of Statistics showed. Exports rose by 17.5% year-on-year to \$16.22 billion while on the flip side, imports slumped 9.1% to \$11.46 billion.

Local Economy

Nigeria, Libya and Iran will be allowed to boost their crude oil production by 1.5 million barrels per day, as the Organisation of Petroleum Exporting Countries (OPEC) agrees its first limit on oil output since 2008. According to OPEC, the three countries are currently producing below their OPEC quotas. Nigeria produces about 1.6 mbpd, as against its agreed OPEC quota of 2.2 mbpd. OPEC has agreed to cut production by 1.2 mbpd while non-OPEC member Russia, could cut additional production by about 500,000 bpd in a bid to remove excess crude supply from the international markets. In a separate development, the total value of Nigeria's merchandise trade at the end of Q3, 2016 stood at ₦4.72 trillion representing an increase of 16.3% from the preceding quarter value of ₦4.06 trillion, newly released trade report by the Nigerian Bureau of Statistics showed. Exports stood at ₦2.30 trillion resulting to an increase of ₦520.8 billion or 29.1%, while imports rose to ₦2.41 trillion which gives an increase of ₦140.7 billion or 6.2%. Exports were lifted by crude oil sales to India and USA, which helped to boost the nation's total export value while for imports, China maintained its spot as Nigeria's number one import partner. In another development, the Manufacturing Purchasing Manager's Index (PMI) stood at 46.0 points in November 2016, indicating a marginal improvement when compared with the previous month level of 44.1 points. Twelve of the sixteen sub-sectors surveyed recorded declines in the review month while the remaining four subsectors recorded expansion.

Stock Market

The Nigerian equities market extended its losing streak for the sixth consecutive week, driving the All Share Index (ASI) to a seven month low. The NSE ASI fell by 92.56 points to close at 25,740.83 from 25,833.39 points the previous week, also market capitalization shed 0.7% to end at N8.86 trillion from N8.93 trillion the week before. The recent downturn in the market was triggered by the depressing macroeconomic fundamentals, notably, the contraction of economic activities in the third quarter which has eroded investors' confidence. This week, we expect investors to going continue to exit the market on the back of

expectation of a weak full year financial earnings by most listed companies given the tough macroeconomic environment they had to navigate through in 2016.

Money Market

Cost of borrowing at the money market declined across most placement tenors last week. The overnight and Open Buy Back rates fell to 10.5% and 10% from 14% and 13.25%, respectively the week before. The 30-day NIBOR descended to 15.28% from 16.77% the previous week. Market liquidity was improved due to inflows of about N398 majorly from maturity T-bills and budgetary disbursements enough to cushion the effect of outflows of about N117 billion for OMO sales. This week, we expect NIBOR rates to inch upwards owing to expected OMO auctions by the Central Bank to mop up excess liquidity.

Foreign Exchange Market

The Naira remained steady at N305.00/1\$ at the interbank FX market unchanged from the rate quoted the previous week. In contrast, at the parallel market segment, the value of the Naira depreciated further to trade at N484/\$1, down 2.98% from a rate of N470/\$1 the prior week. The renewed slide of the nation's currency at the parallel market window was attributed to the scarcity of the greenback, owing to the raid and arrest of operators in the segment by security operatives. The ongoing clampdown on FX dealers at the parallel market by security agents may continue to impact dollar supply thus the currency may likely depreciate further at the unofficial segment.

Bond Market

Negative investor sentiment for fixed income securities was manifested with average bond yields trending upwards across all maturities for the week ending December 2, 2016 to reverse the decline in the preceding week. The uptrend in yields was on the back of low demand for bonds despite lingering bearish mood at the equity market. The high liquidity level in the banking system did not induce investor appetite for bonds. Consequently, the Access Bank Bond Index recorded a decline of 7.12 points to close the week at 2,300.18 points from 2,307.30 the prior week. Yields on the five-, seven- and twenty-year debt papers printed at 15.90%, 15.55% and 16.04% at the close of last week, from 15.67%, 15.31% and 15.88% for the corresponding maturities the previous week. We anticipate that yields may remain elevated following the influx of alternative investment schemes offering outrageous returns to investors.

Commodities Market

Crude oil prices rose significantly last week, building on big gains made after the Organisation of Petroleum Exporting Countries (OPEC) and Russia agreed to restrict production to drain a global glut. Bonny light, Nigeria's benchmark crude rose by \$4 or 9%, to settle at \$50.91 per barrel. In contrast, prices of precious metals prices dipped as the appeal for the safe-haven metal waned, triggered by the lingering effect of the Trump election and the dollar strength. Gold price shed by \$11 or 1% to settle at \$1,175.54 last week, similarly silver also closed lower at \$16.34 per ounce with a loss of 13 cents. This week, we envisage crude oil prices in the international market to continue to rally while investors' appetite for precious metal may likely diminish further.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Jan'17	Feb'17	Mar'17
Exchange Rate (Official) (N/\$)	330	335	345
Inflation Rate (%)	18.4	18.2	17.8
Crude Oil Price (US\$/Barrel)	46	50	50

* Revised