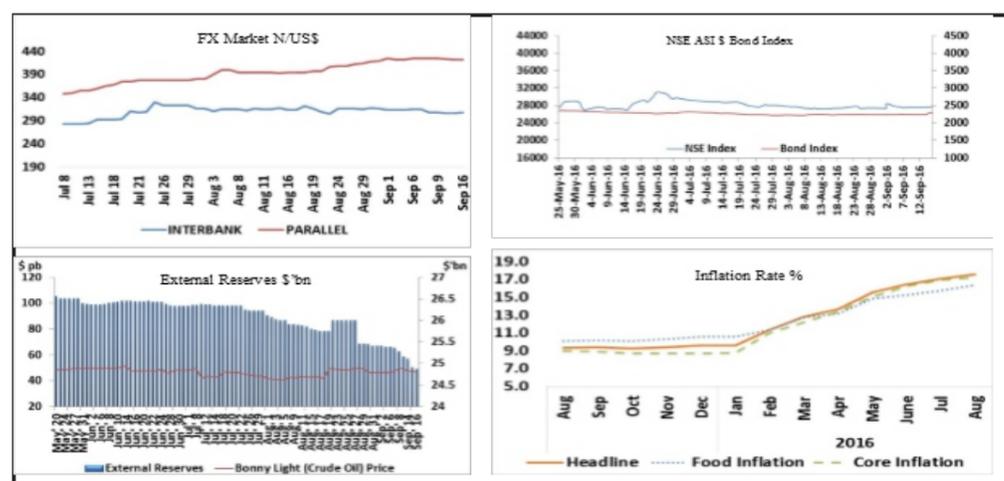


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS		
GDP Growth (%)	-2.06	Q2 2016 — a decline of 1.7% from 0.36 in Q1 2016
Broad Money Supply (M2) (N' trillion)	22.18	Increased by 2.3% in July'2016 from N21.68 trillion in June'2016
Credit to Private Sector (N' trillion)	22.38	Increased by 4.4% in July'2016 from N21.42 trillion in June'2016
Currency in Circulation (N' trillion)	1.66	Declined by 1.2% in July'2016 from N1.68 trillion in June'2016
Inflation rate (%) (y-o-y)	17.1	Edged up to 17.1% in July'2016, from 16.5% in June'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)	24.88	Sep 15, 2016 figure — a decline of 2.09% from month-start
Oil Price (US\$/Barrel)	46.6	Sep 16, 2016 figure — an increase of 5.5% in 1 wk.
Oil Production mbpd (OPEC)	1.51	Jul'2016 figure — a decline of 2.65% from Jun'2016 figure



STOCK MARKET

Indicators	Friday 16/09/16	Friday 09/09/16	Change(%)
NSE ASI	27858.48	27,577.52	1
Market Cap(N'tr)	9.57	9.47	1.02
Volume (bn)	0.61	1.18	(48.31)
Value (N'bn)	5.50	10.30	(46.65)

MONEY MARKET

NIBOR			
Tenor	Friday Rate 16/09/16 (%)	Friday Rate 09/09/16 (%)	Change (Basis Point)
Call	29.42	27.79	163
7 Days	0.00	0.00	0
30 Days	20.79	20.00	79
60 Days	0.00	0.00	0

FOREIGN EXCHANGE MARKET

Market	Friday 16/09/16 (N/\$)	Friday 09/09/16 (N/\$)	1 Month Rate (N/\$) 16/08/16
Official (N)	308.7	308.0	313.3
Inter-Bank (N)	308.7	308.0	313.3
BDC (N)	0.0	0.0	0.0
Parallel (N)	423.0	425.0	422.0

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday 16/09/16 (%)	Friday 09/09/16 (%)	Change (Basis Point)
3-Year	0.00	0.00	0
5-Year	14.93	14.97	(4)
7-Year	14.58	14.73	(15)
10-Year	13.09	13.13	(4)
20-Year	15.21	15.19	2

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

Market Analysis and Outlook: Sep 16 – Sep 23, 2016

Global Economy

In the US, consumer prices rose to 1.1% year-on-year in August, up 30bps from 0.8% recorded in July. Thus, representing the biggest inflation figure in four months, boosted by rising shelter and medical cost. was contained in the newly released inflation report from the US statistical office. Core inflation which excludes agricultural produce inched up to 2.3% from 2.2% in the previous month while food inflation eased for the fourth straight month to 0% from 0.2% in July, reaching the lowest since February 2010. In a separate development, in Asia, India's Gross Domestic Product (GDP) growth slowed to 7.1% y-o-y in the second quarter of 2016, down from a growth of 7.9% y-o-y posted in previous quarter, latest GDP report from the Indian Statistical Office showed. The new GDP figure represents the lowest reading since the fourth quarter of 2014 and it was driven by slowdown in consumer spending and investment. Despite the jump in government spending by 18.8%, this was not significant enough to spur growth in the second quarter. Considering that India is one of the major buyers of Nigerian crude oil, the slowdown in economic activities in India may have an impact on Nigeria's oil revenue. Elsewhere, in Europe, the Bank of England Monetary Policy Committee voted unanimously to hold the Bank Rate at 0.25% and to leave the stock of purchased assets at £435 billion at its policy meeting held in September. This was contained in the minutes of the monetary policy committee meeting. The committee noted that its decision was based on the need to bring inflation back to its 2% target and to support growth and employment. The decision reached by monetary policy committee in the UK is of importance to Nigeria given that UK is the third largest import trade partner to Nigeria.

Local Economy

Nigeria's inflation rate for the month of August rose to 17.6%, its highest reading since October 2005, according to figures released by the National Bureau of Statistics. The NBS attributed the rise to "an overall increase in general price level across the economy" August's inflation reading marks the seventh monthly increase in a row. The uptick witnessed in the headline inflation rate was largely driven by increase in energy and energy related prices, higher transportation cost and the pass-through effect of the depreciating Naira on the prices of imported items. The food sub-index rose to 16.4% y-o-y in July, up by 1.2% from 15.8% y-o-y posted in July as imported food items as well as other necessary inputs to producing key local staples such as bread continue to drive the food index higher. The impact of higher energy prices alongside prices of imported items such clothing & footwear, books & stationery exerted significant pressure on the core sub-index during the period under review. The core index rose to 17.2%, up 0.9% from 16.9% posted in the previous month. In separate development, the nation's manufacturing Purchasing Managers Index (PMI) dipped to 42.1 in August from 44.1 recorded in the previous month, newly released report from the Central Bank showed. A reading above 50 represents an expansion while a reading below 50 signals a contraction. Thus, the new figure implies that the manufacturing sector declined at a faster rate during the review period. A breakdown of the report shows that out of the sixteen manufacturing sub-sectors, fifteen reported decline in the review month while one sub-sector remained unchanged. The sub-sectors that posted a decline include non-metallic mineral products, furniture & related products, fabricated metal products, chemical & pharmaceutical products etc.

Stock Market

The Nigerian equities market closed the holiday-shortened week on a bullish note as positive sentiment in stocks under sectors such as the consumer and industrial goods boosted market performance. The All Share Index (ASI) rose by 280.96 points to close at

27,858.48 points from 27,577.52 points the previous week while market capitalization also gained by 1.02% to end at N9.57 trillion from N9.47 trillion the prior week. This week, market performance will likely be hinged on the outcome of the CBN Monetary Policy Committee meeting.

Money Market

Cost of borrowing at the money market rose across all placement tenors as liquidity was drained out of the system. Lower systemic liquidity levels were largely driven by combined outflows of N388 billion for primary market sales and foreign exchange purchases which exceeded inflows of N201 billion from Standing Lending Facility (SLF) and maturing T-bills. The Open Buy Back (OBB) rate edged up to 28.50% from 17.00% the prior week while overnight placement climbed up to 30.5% from 18.67%. Similarly, the 30-day NIBOR ascended, closing at 20.79% from 20.00% the previous week. This week, systemic liquidity may likely remain constrained, thus NIBOR rates may inch up further. Nevertheless the trajectory for interbank lending rates will likely be based on the decision reached at the CBN Monetary Policy Committee meeting.

Foreign Exchange Market

The Naira depreciated slightly by 0.22% at the interbank market to a new rate of N308.69/1\$ compared to N308.0/1\$ the previous week. In contrast, the currency appreciated marginally at the parallel market to trade at a new rate of N423/\$1, up 0.47% from N425/\$ the prior week. The demand pressure for FX was temporarily relieved as companies where on break due to the Muslim celebrations, furthermore, supply was boosted as the Central sold an undisclosed amount of FX at the interbank market. This week, we see the foreign exchange rate at the various market segments remaining close to their current levels.

Bond Market

The fixed income market closed bullish last week as bond yields dipped on the average. Yields on the five-, seven- and ten-year debt papers respectively declined to 14.93%, 14.58% and 13.09% at the close of last week, from 14.97%, 14.73% and 13.13% for the corresponding maturities the previous week. The Access Bank Bond index rose by 9.26 points to close at 2,298.42 points from 2,289.16 points the previous week. The fall in yields was likely due to demand witnessed in the fixed income space by Banks, Pension Fund Administrators and Fund Managers. This week, we see yields trending upwards on account of the anticipated taut liquidity levels in the Banking system.

Commodities Market

Oil prices retreated after the International Energy Agency (IEA) warned that oil markets would likely remain oversupplied next year due to a slowdown in demand. Nigeria's benchmark crude, slumped \$3, or 5.5%, to \$46.60 per barrel. Precious metals prices also dropped the back of lower safe-haven demand following the release of a host of US economic data. Gold fell 1.9% to \$1,312.90 an ounce, while silver closed down \$1 at \$18.81 an ounce. This week we see oil prices heading slightly lower in light of mixed signals the OPEC nations and a lack of commitment from the larger oil producers ahead of the Algiers meeting later this month. For precious metals, prices are likely to closely track the tone of the US Fed's decision at the end of its meeting this week.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Oct'16	Nov'16	Dec'16
Exchange Rate (Official) (N/\$)	330	335	345
Inflation Rate (%)	17.3	17.4	17.8
Crude Oil Price (US\$/Barrel)	48	48	50

* Revised