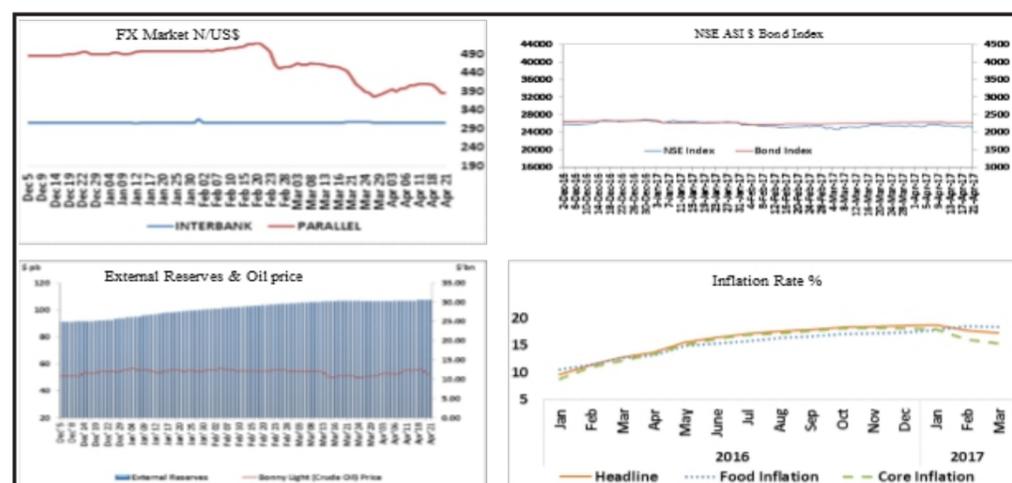


# Access Bank Rateswatch

## KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	-1.30	Q4 2016 — an increase of 0.94% from -2.24 in Q3 2016
Broad Money Supply (M2) (N' trillion)	22.37	Decreased by 4.3% in Feb'2017 from N23.38 trillion in Jan'2017
Credit to Private Sector (N' trillion)	22.36	Increased by 0.09% in Feb'2017 from N22.34 trillion in Jan'2017
Currency in Circulation (N' trillion)	1.98	Decreased by 0.8% in Feb'2017 from N1.99 trillion in Jan'2017
Inflation rate (%) (y-o-y)	17.26	Declined to 17.26% in Mar'2017, from 17.78% in Feb'2017
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)	30.59	April 19, 2017 figure — an increase of 0.92% from April-start
Oil Price (US\$/Barrel)	52.91	April 21, 2017 figure — a decrease of 4.08% in 1 week.
Oil Production mbpd (OPEC)	1.54	Mar'2017 figure — a decrease of 1.90% from Feb'2017 figure



## STOCK MARKET

Indicators	Friday	Friday	Change(%)
	21/4/17	13/4/17	
NSE ASI	25,189	25,510	(1.26)
Market Cap(N'tr)	8.72	8.83	(1.26)
Volume (bn)	0.17	0.35	(50.87)
Value (N'bn)	1.11	2.28	(51.47)

## MONEY MARKET

NIBOR			
Tenor	Friday Rate	Friday Rate	Change
	(%)	(%)	(Basis Point)
	21/4/17	13/4/17	
OBB	27.5000	60.8300	(3333)
O/N	29.6700	66.8300	(3716)
CALL	35.1250	166.7500	(13163)
30 Days	18.6528	18.5671	9
90 Days	21.8794	21.6018	28

## FOREIGN EXCHANGE MARKET

Market	Friday	Friday	1 Month
	(N/\$)	(N/\$)	Rate (N/\$)
	21/4/17	13/4/17	21/3/17
Official (N)	306.00	306.05	307.50
Inter-Bank (N)	306.00	306.05	307.50
BDC (N)	362.00	362.00	362.0
Parallel (N)	385.00	410.00	430.0

## BOND MARKET

AVERAGE YIELDS			
Tenor	Friday	Friday	Change
	(%)	(%)	(Basis Point)
	21/4/17	13/4/17	
3-Year	0.00	0.00	0
5-Year	16.33	16.38	(5)
7-Year	16.33	16.10	23
10-Year	14.53	14.38	15
20-Year	16.08	15.96	12

## 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: Apr 21 - Apr 28, 2017

### Global Economy

In the United States, consumer prices declined to 2.4% year-on-year in March 2017 compared to 2.7% in February. It is the lowest inflation rate in three months according to data from the Bureau of Labour Statistics (BLS). The slight fall in the rate was due to a slowdown in energy and services cost. Annual core inflation excluding food and energy dipped to 2% from 2.2% in the previous month. Month-on-month, the food index rose by 0.3%. Consumer prices dropped by 0.3% on a monthly basis. Elsewhere in East Asia, China's economy grew by 1.3% in the first quarter of 2017, lower than 1.7% growth in the fourth quarter of 2016. Data from the National Bureau of Statistics of China revealed that year-on-year, the economy grew by 6.9%. The strongest expansion since the third quarter of 2015. The Chinese government expects the economy to grow by 6.5% in 2017. In a separate development, Japan recorded trade surplus of JPY 614.7 billion in March 2017, lower than the surplus of JPY 813.4 billion in February and surplus of JPY 744.9 billion in the same period of the previous year. Exports were higher than imports during the month as shown by the Ministry of Finance. Sales climbed by 12% year-on-year to JPY 7.23 trillion. Shipments rose to China, US, Western Europe, Oceania, Russia and Africa. While exports fell to the Middle East countries. Imports climbed by 15.8% to JPY 6.61 trillion compared to 1.2% increase in the previous month.

### Local Economy

The Central Bank of Nigeria (CBN) has suspended till further notice the new withdrawal and deposit processing fee charges above the threshold. The position of the policy shall revert to the previous policy before the implementation on April 1st, 2017. The apex bank has stated that the existing policy prior to the implementation of the new policy shall also remain in force in Lagos, Ogun, Kano, Abia, Anambra, River state and the Federal Capital Territory (FCT). The old charges of 3% and 5% for withdrawals and deposits above N500,000 for individuals and above N3,000,000 for corporates respectively shall be reverted to. New charges applied from April 1st, 2017 should be reversed and the old charges should be applied. All necessary refunds should be made accordingly. In another development, the federal government of Nigeria (FGN) in its efforts to create an enabling environment for doing business in Nigeria has approved the reduction of documentation requirements and timeline for import and export trade transactions in the country. The timeline for processing Form "NXP" by the authorised dealers shall be a maximum of 48 hours from the receipt of the application subject to appropriate documentations. All authorised dealers shall submit returns to CBN on compliance with the 48 hours timeline. The revised documentation requirements for import and export are enumerated on the CBN website.

### Stock Market

The local bourse closed on a negative note for the second consecutive week as the major market indicators trended downwards. The All Share Index (ASI) lost 320.64 points to close at 25,189.37 points from 25,510.01 points the previous week, representing 1.3% decline. Similarly, market capitalization lost 1.3% to close at N8.72 trillion from N8.83 trillion the previous week. The negative performance may be attributed to losses in stocks in the consumer goods sector and financial services sector. This week, we anticipate that the benchmark indices will further trend

downwards on profit taking activities by short-term investors.

### Money Market

The direction of the money market rates was mixed last week. Short tenor placements such as Open Buy Back (OBB) and Over Night (O/N) rates declined to 27.50% and 29.67% from 60.83% and 66.83% the previous week. Market liquidity was boosted as a result of combined inflow from Open Market Operation (OMO) of N25 billion, Lagos state bond maturity of N50 billion and local contractors bond maturity of N116 billion. Longer tenor rates such as the 30-day and 90-day NIBOR rose to 18.65% and 21.88% from 18.57% and 21.60% respectively the previous week. This week, rates may further decline due to the maturity of forwards with CBN.

### Foreign Exchange Market

The naira appreciated by 0.02% at the interbank segment last week to a new rate of N306/\$ from N306.05/\$ the previous week. At the parallel market segment, the local unit significantly appreciated to a rate of N385/\$, from the previous week's rate of N410/\$. The appreciation at the interbank segment may be attributed to the policy actions of the apex bank to inject more of the greenback into the financial system, specifically targeting critical sectors and interventions such as the special window for Small and Medium Enterprises (SMEs) and Bureau de Change (BDCs) operators. This impact may also be the cause of the appreciation in the unofficial market. This week, naira is likely to remain stable at the interbank segment as a result of the apex bank further boosting dollar liquidity.

### Bond Market

Bond yields on the average rose across most maturities last week. The rise came as a result of more selling activity due to tight liquidity in the market. Yields on the seven-, ten- and twenty-year debt papers respectively rose to 16.33%, 14.53% and 16.08% from 16.10%, 14.38% and 15.96% for the corresponding maturities the previous week. The Access Bank Bond index declined by 2.65 points to close at 2,270.21 points from 2,272.86 points the prior week. This week, due to bond maturities of about N480 billion, prices are expected to rise.

### Commodities Market

Oil prices edged lower last week over doubts that the Organization of the Petroleum Exporting Countries (OPEC) led production cut will restore balance to an oversupplied market. Bonny Light, Nigeria's benchmark crude lost \$2.25, or 4.1%, to close at \$52.91 a barrel. In a similar vein, prices of precious metals dipped as the dollar strengthened. Gold and the dollar often move inversely as a stronger dollar dulls the appeal of dollar-pegged assets for investors using other currencies. Gold fell by 0.2% to close at \$1,282.88 per ounce, while silver dipped 0.67% to settle at \$17.88 an ounce. This week, oil prices may trend higher due to reports that OPEC may extend a coordinated production cut beyond the first half of the year. For precious metals, increased geopolitical tension in France, Germany and the UK would sustain safe-haven demand and drive prices upward.

## MONTHLY MACRO ECONOMIC FORECASTS

Variables	Apr'17	May'17	Jun'17
Exchange Rate (Official) (N/\$)	305	305	305
Inflation Rate (%)	16.6	15.5	14.4
Crude Oil Price (US\$/Barrel)	51	50	50