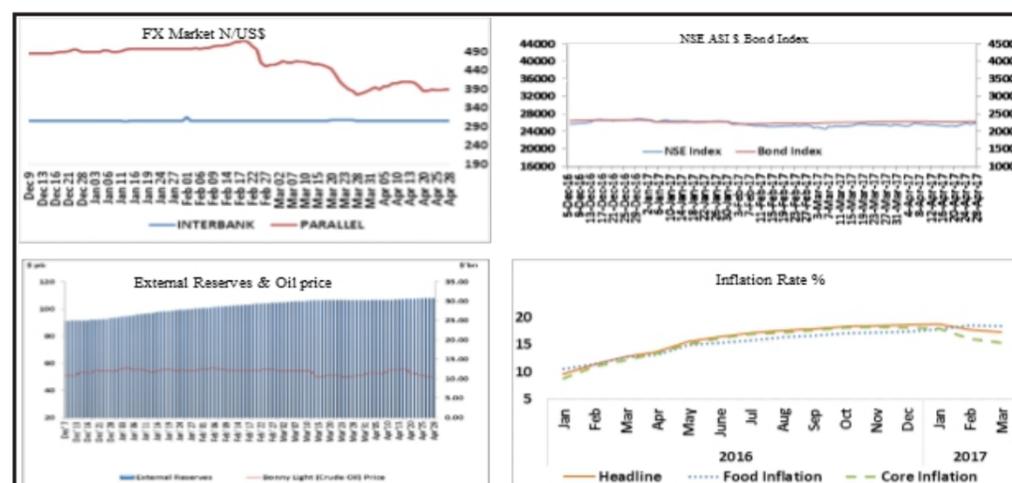


Access Bank Rateswatch

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)	22.02	Decreased by 1.52% in Mar'2017 from N22.37 trillion in Feb'2017
Credit to Private Sector (N' trillion)	22.27	Decreased by 0.40% in Mar'2017 from N22.36 trillion in Feb'2017
Currency in Circulation (N' trillion)	1.98	Increased by 0.24% in Mar'2017 from N1.97 trillion in Feb'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)	30.80	April 26, 2017 figure — an increase of 1.62% from April-start
Oil Price (US\$/Barrel)	49.91	April 28, 2017 figure — a decrease of 5.67% 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 28/4/17	Friday 21/4/17	Change(%)
NSE ASI	25767.26	25189.37	2.29
Market Cap(N'tr)	8.92	8.72	2.30
Volume (bn)	0.37	0.17	113.55
Value (N'bn)	2.88	1.11	159.92

MONEY MARKET

NIBOR			
Tenor	Friday Rate	Friday Rate	Change
	(%)	(%)	(Basis Point)
	28/4/17	21/4/17	
OBB	4.00	27.50	(2350.0)
O/N	4.75	29.67	(2492)
CALL	6.42	35.13	(2870.8)
30 Days	17.70	18.65	(95)
90 Days	20.95	21.88	(92.6)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	28/4/17	21/4/17	28/3/17
Official (N)	305.85	306.00	306.65
Inter-Bank (N)	305.85	306.00	306.65
BDC (N)	362.00	362.00	362.00
Parallel (N)	390.00	385.00	375.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday	Friday	Change
	(%)	(%)	(Basis Point)
	28/4/17	21/4/17	
3-Year	0.00	0.00	0.0
5-Year	16.19	16.33	(14.2)
7-Year	16.12	16.33	(20.5)
10-Year	14.40	14.53	(12.6)
20-Year	15.92	16.08	(16.1)

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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 28 - May 05, 2017

Global Economy

In the United States, the gross domestic product (GDP) grew by 0.7% year-on-year in the first quarter of 2017. This was lower than the 2.1% recorded in the fourth quarter of 2016, as shown by the data from US Bureau of Economic Analysis (BEA). The slowdown in real GDP growth reflects a slowdown in personal consumption expenditure, as well as in state and local government spending. Personal consumption expenditure contributed 0.23% to GDP growth rate and rose by 0.3%, fixed investment contributed 0.69% to GDP growth rate and increased by 4.3%. Government spending contracted by 1.7% in the first quarter of 2017 compared to a growth of 0.2% in the previous quarter. Exports and imports climbed by 5.8% and 4.1% respectively. Elsewhere, in the Euro Zone, consumer prices increased by 1.9% year-on-year in April 2017, after a 1.5% rise in March. This was revealed by European Union Statistics Agency (Eurostat). Energy which is one of the components of euro zone inflation recorded the highest rate of 7.5% year-on-year, compared to 7.4% in March. Services was closely behind by 1.8% compared to 1% in the previous month. Year-on-year core inflation which excludes prices of energy and tobacco rose to 1.2% from 0.7% in March. In a separate development, Japan's unemployment rate for March 2017 was 2.8%, the same as in the previous month. According to Japan's statistics office, the jobs-to-applicants ratio was 1.45, higher than the 1.43 recorded in the previous three months. There were 1.84 million unemployed persons in March, compared to 1.90 million in February. Employment increased by 13,000 to 64.96 million and labour force increased by 8,000 to 66.79 million. For persons aged 15 to 24 years old, the jobless rate climbed to 4.4% from 4.3% in the previous month.

Local Economy

The Federation Accounts Allocation Committee (FAAC) shared the sum of N466.93 billion among Federal, States and Local Governments in March 2017 from the revenue generated in February. According to figures released by the National Bureau of Statistics, the gross statutory revenue of N466.93 billion received for the month was lower than the N514.15 billion received in February by N47.22 billion. A breakdown of the sum of N426.88 billion disbursed among the three tiers, revealed that the Federal Government received N180.51 billion, states received N116.51 billion and the local governments received N87.47 billion. The oil producing states received N35.08 billion as the 13% derivation fund and N31.47 billion was transferred into the excess petroleum product tax (PPT) account. In another development, the Central Bank of Nigeria (CBN) announced a new set of guidelines concerning charges by banks and other financial institutions. Banks are mandated to pay an interest of not less than 30% of the monetary policy rate (MPR) on savings deposit. For deposits held as collateral, the bank will pay a negotiable interest rate subject to a minimum of 30% of MPR. Regarding local currency loans, interest rates are negotiable but should reflect the MPR. Banks are also mandated to notify their customers ten business days in advance whenever there is a rate change. The CBN stated that rates are negotiable subject to a maximum of MPR plus 5% for mortgage refinancing. Management fees charged on loans is limited to a maximum of 1% of the principal amount disbursed and should be a one-off charge. Current account maintenance fee will be charged at a negotiable but subject to a maximum of N1 per mille when a customer initiates a transfer out or his account. For Forex transfers out of a customer's account using SWIFT, the customer will be charged 0.5% COT as well as any other associated off shore transfer charges. Withdrawals on domiciliary accounts attract a charge of 0.05% of transaction value or \$10, whichever is lower. Bank drafts will remain at N300 and N500 from current and savings account respectively. Banks will be allowed to charge N100 flat as processing fee for purchase and sale of treasury bills for their customers and ATM withdrawals will maintain status quo. Other guidelines can be viewed on the CBN website. The new charges are to take effect from May 1, 2017.

Stock Market

The local bourse closed on a positive note as major market indicators trended upwards. The All Share Index (ASI) gained 577.59 points to close at 25,767.26 points from 25,189.37 points the previous week, representing 2.3% improvement. Similarly, market capitalization gained 2.3% to close at N8.92

trillion from N8.72 trillion the previous week. The positive performance may be attributed to the impressive Q1'17 earnings scorecards by several highly capitalized companies. The uptick in performance indicators came on the back of stocks of companies of consumer goods, industrial goods and financial services sectors. This week we anticipate that the benchmark indices will sustain the upward momentum as domestic investors take position in anticipation of renewed portfolio investor interest following the introduction of the new FX window for investors and exporters.

Money Market

Cost of borrowing moderated downwards across most tenor placements last week. Short tenor placements such as Open Buy Back (OBB) and Over Night (O/N) rates declined to 4.0% and 4.75% from 27.50% and 29.67% the previous week. Longer tenor rates such as the 30-day and 90-day NIBOR also fell to 17.70% and 20.95% from 18.65% and 21.88% respectively the previous week. Market liquidity was boosted as a result of combined inflow from bond maturity of N480 billion and Open Market Operation (OMO) maturity of N53 billion. This week, rates may further decline due to inflow from Federal Account Allocation Committee (FAAC) disbursement.

Foreign Exchange Market

The naira appreciated by 15kobo at the interbank segment last week to a new rate of N305.85/\$ from N306/\$ the previous week. In contrast, at the parallel market segment, the naira depreciated by N5 to a rate of N390/\$, from the previous week's rate of N385/\$. The weakening in the parallel market rate may not be unconnected with the recent introduction of the investor and exporter window which most likely fuelled anticipation of a broader devaluation and likely knee jerk reaction. This week, naira is likely to remain around prevailing levels as the apex bank maintains the tempo of interventions in the market.

Bond Market

Bond yields on the average declined across most maturities last week. The drop came as a result of more buying activity than selling activity due to improved liquidity in the market. Yields on the seven-, ten- and twenty-year debt papers respectively fell to 16.12%, 14.40% and 15.92% from 16.33%, 14.53% and 16.08% for the corresponding maturities the previous week. The Access Bank Bond index increased by 12.05 points to close at 2,282.26 points from 2,270.21 points the prior week. This week, due to bond maturities in April, prices are expected to further rise.

Commodities Market

Crude prices closed lower last week as rising US production and the restart of two key Libyan oilfields triggered fresh concerns of oversupply. Nigeria's benchmark crude, Bonny light, slid by \$3, or 5.7%, to settle at \$49.91 a barrel—the lowest settlement price since March 24. In a similar vein, precious metals prices fell following the first round of France's presidential election. Centrist and pro-Euro candidate Emmanuel Macron won the first round. The outcome lessens the risk of an anti-establishment shock, with Macron widely tipped to win the final vote and keep France in the European Union. As a result there was an exit out of the safe haven precious metals into riskier investments like stock markets and foreign currency exchange. Gold fell \$17.03, or 1.3%, to settle at \$1,265.85 an ounce. Silver followed suit as it dipped 61 cents, or 3.4%, to \$17.27 an ounce. This week oil prices are likely to rally on expectations that the Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC producers would extend production cuts beyond June. We expect precious metals prices to climb slightly boosted by geopolitical uncertainties over North Korea.

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