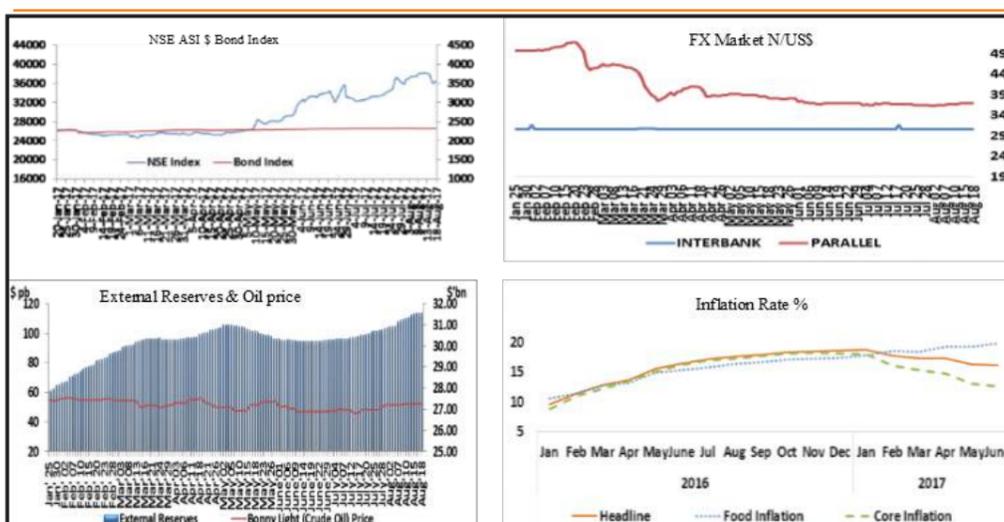


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	-0.52	Q1 2017 — higher by 1.21% compared to -1.73 in Q4 2016
Broad Money Supply (M2) (N' trillion)	21.67	Decreased by 1.37% in June 2017 from N21.98 trillion in May 2017
Credit to Private Sector (N' trillion)	21.98	Increased by 0.22% in June 2017 from N21.93 trillion in May 2017
Currency in Circulation (N' trillion)	1.87	Decreased by 1.28% in June 2017 from N1.89 trillion in May 2017
Inflation rate (%) (y-o-y)	16.10	Declined to 16.10% in June 2017 from 16.25% in May 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)	31.55	August 16, 2017 figure — an increase of 2.18% from August-start
Oil Price (US\$/Barrel)	52.15	August 18, 2017 figure — no change in 1 week.
Oil Production mbpd (OPEC)	1.75	July 2017 figure — an increase of 1.98% from June 2017 figure



STOCK MARKET

Indicators	Friday 18/08/17	Friday 11/08/17	Change(%)
NSE ASI	36,436.88	38,198.60	(4.61)
Market Cap(N'tr)	12.56	13.17	(4.61)
Volume (bn)	0.22	0.35	(37.11)
Value (N'bn)	4.05	6.30	(35.80)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	18/08/17	11/08/17	
OBB	12.0000	55.8300	(4383)
O/N	12.8800	59.2500	(4637)
CALL	24.5357	63.0500	(3851)
30 Days	20.2127	18.0908	212
90 Days	21.8511	21.1071	74

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	18/08/17	11/08/17	18/07/17
Official (N)	305.70	305.60	315.00
Inter-Bank (N)	327.90	327.12	325.00
BDC (N)	362.00	362.00	362.00
Parallel (N)	370.00	367.00	367.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	18/08/17	11/08/17	
3-Year	0.00	0.00	0
5-Year	16.48	16.51	(3)
7-Year	16.80	16.89	(9)
10-Year	16.49	16.43	6
20-Year	16.47	16.38	9

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

Market Analysis and Outlook: August 18—August 25, 2017

Global Economy

In the United Kingdom, unemployment rate fell to 4.4% in the second quarter of 2017 from 4.9% a year earlier. According to the Office for National Statistics (ONS), the employment rate increased to 75.1% as the number of people that got employed during the period went up by 125,000. The number of unemployed people in the second quarter fell to 1.48 million, 57,000 less than the number recorded in the first quarter of 2017 and 157,000 less than the previous year. There were 32.07 million employed people in the second quarter of the year which is an increase of 125,000 from the first quarter of the year and 338,000 from the previous year. In a separate development, Eurozone recorded inflation of 1.3% year-on-year in July 2017, the same rate as the preceding month, figures from the Statistical Office of the European Communities (EUROSTAT) revealed. Member states with the highest inflation rate for the period were Spain (1.7%), Germany (1.5%), Italy (1.2%) and France (0.8%). Irish inflation rate reduced 0.2%. Annual core inflation went up to 1.2% in July from 1.1% in June, while month on month consumer prices reduced 0.5%. In Japan, trade surplus shrank by 17.0% to JPY 418.77 billion in July 2017 from JPY 504.53 billion in the corresponding period of 2016, as revealed by the ministry of finance. Exports and imports went up 13.4 and 16.3 respectively, compared to figures posted in 2016.

Domestic Economy

Central Bank of Nigeria, in a recent circular TED/FEM/FPC/GEN/01/011 mentioned that payment for port charges to the Nigerian Ports Authority, NIMASA, etc. by oil marketing companies can now be accommodated by the Central Bank of Nigeria using Form 'A'. This is a continued effort to improve foreign exchange availability in the Nigerian Foreign Exchange Market and to ameliorate challenges encountered by critical stakeholders. Authorised dealers have been directed by CBN to accept the request for the payment of port charges from oil marketing companies and forward same to the CBN Foreign Exchange window. In another development, the Nigerian National Petroleum Corporation (NNPC) hinted that it has reduced the cost of crude oil production from \$78 per barrel as of August 2015 to \$23 per barrel, depicting a 70.5% fall. NNPC targets to further reduce the cost of production to \$17 and \$19 for onshore and off shore production respectively.

Stock Market

Last week, equities ended on a downward note as a result of profit taking in the market. This was due to the impressive half year results from some listed companies. The All Share Index (ASI) declined by 4.6% or 1,761.72 to settle at 36,436.88 points from 38,198.60 points the previous week. Similarly, market capitalization reduced N607 billion or 4.6% to finish at N12.56 trillion from N13.17 trillion the previous week. Profit taking witnessed in the stock market has been largely in the consumer goods, industrial goods, conglomerates and the oil and gas sectors. This week, we expect market to persist on this path as more listed companies release their financials.

Money Market

The direction of money market rates were mixed last week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates declined to 12.00% and 12.88% from 55.83% and 59.25% respectively the previous week. This was triggered by a combined inflow of about N168 billion from Open Market Operations (OMO) maturities and futures maturity of \$35 billion. The 30-day Nigerian Interbank Offered Rate (NIBOR) rose to 20.21% from 18.09% the previous week while the 90-day (NIBOR) increased to 21.85% from 21.11%. This week, rates are likely to remain low due to an inflow of N95.66 billion from OMO maturities.

Foreign Exchange Market

The naira weakened against the U.S. dollar at the interbank segment by 10kobo in the week ended August 18, 2017 to a new rate of N305.70/\$ from N305.60/\$ the previous week. This reflected the rate CBN sold the dollar to the commercial banks. In the same light, the naira depreciated at the parallel market segment to a rate of N370/\$ from N367/\$ the previous week. The depreciation witnessed at this segment of the market may be attributed to increased demand from market participants and non-availability of the green back. This week the prices might stabilize around prevailing rates as a result of CBN's intervention.

Bond Market

the previous week. This was due to liquidity injection from OMO maturities and coupon payment. Consequently, the Access Bank Bond index increased marginally by 0.76 points to close at 2,323.84 points from 2,323.08 points the previous week. Improved liquidity in the system is expected to drive yields lower.

Commodities Market

Oil prices declined this week due to a lack of agreement by Organisational Petroleum Exporting Countries (OPEC) members to stick to the proposed supply cuts. International Energy Agency reported that the OPEC member countries were producing 470,000 barrels above the stipulated amount in July. OPEC price for crude declined by 5.19% or to \$48.07 per barrel last week from \$50.70 per barrel the previous week. However, the price of Bonny light, Nigerian benchmark crude remained unchanged from the price in the preceding week. The prices of precious metals saw a further increase with investors drifting towards safe-haven assets on political uncertainty in the United States. Particularly following the terrorist attack in Spain. Gold went up by 0.4% or \$4.93 to \$1,295.44 an ounce. Silver also increased by 0.4% to \$4.93 an ounce. This week, oil prices may trend up due to proposed reduction in crude oil export by Saudi Arabia by nearly 1 million barrels per day in August 2017. For precious metals, continuous political tension in the United States might cause further increase in prices.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Aug'17	Sep'17	Oct'17
Exchange Rate (Official) (N/\$)	305	305	305
Interest Rate (Normal Lending) (%)	15.9	15.8	15.7
Crude Oil Price (US\$/Barrel)	49	48	48

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