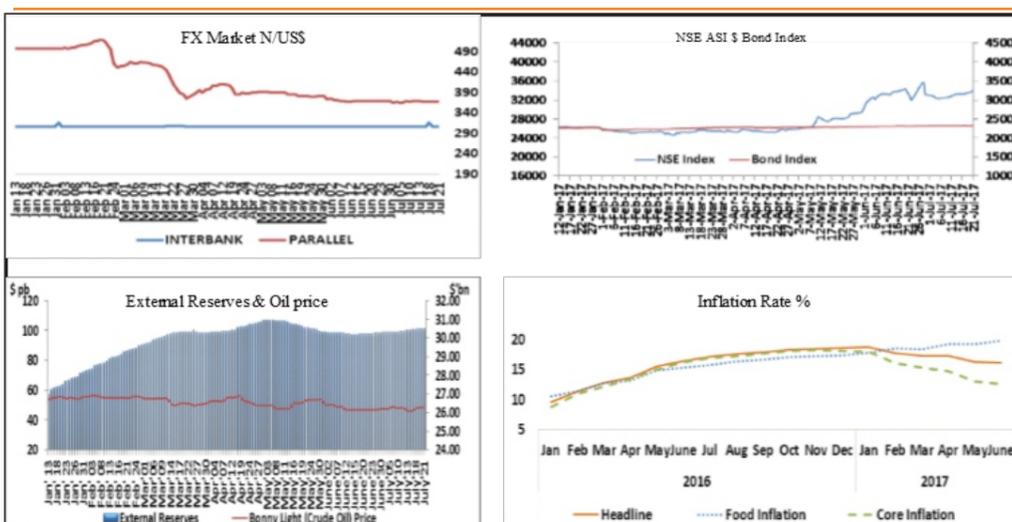


Access Bank Rateswatch

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)	21.97	Increased by 1.22% in May 2017 from N21.71 trillion in Apr'2017
Credit to Private Sector (N' trillion)	21.93	Decreased by 0.05% in May 2017 from N21.94 trillion in Apr'2017
Currency in Circulation (N' trillion)	1.89	Decreased by 3.94% in May 2017 from N1.98 trillion in Apr'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)	30.51	July 19, 2017 figure — an increase of 0.66% from July-start
Oil Price (US\$/Barrel)	48.39	July 21, 2017 figure — an decrease of 4.72% in 1 week.
Oil Production mbpd (OPEC)	1.73	June'2017 figure — an increase of 5.86% from May'2017 figure



STOCK MARKET

Indicators	Friday 21/07/17	Friday 14/07/17	Change(%)
NSE ASI	34,020.37	33,261.66	2.28
Market Cap(N'tr)	11.73	11.46	2.28
Volume (bn)	0.38	0.31	21.37
Value (N'bn)	5.11	3.27	56.30

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	21/07/17	14/07/17	
OBB	14.00	9.00	500.0
O/N	14.92	9.75	517
CALL	5.20	8.33	(313.3)
30 Days	18.22	19.83	(161)
90 Days	19.85	21.51	(166.2)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	21/07/17	14/07/17	21/06/17
Official (N)	305.80	305.90	305.85
Inter-Bank (N)	305.80	305.90	305.85
BDC (N)	362.00	362.00	362.00
Parallel (N)	366.00	367.00	368.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	21/07/17	14/07/17	
3-Year	0.00	0.00	0.0
5-Year	16.38	16.30	7.9
7-Year	16.72	16.55	16.2
10-Year	11.63	11.59	5.0
20-Year	16.17	16.14	2.7

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: July 21 - July 28, 2017

Global Economy

In China, the gross domestic product (GDP) accelerated by 6.9% year-on-year in Q2 2017, the same as in the previous quarter. The growth stemmed from increases recorded in industrial output and retail sales during the quarter. China's National Bureau of Statistics reported that during the first two quarters of 2017, government spending rose by 15.8% and fiscal revenue rose by 9.8%. In the first half of 2017, final consumption accounted for 63.4% of the GDP, investment accounted for 32.7% of GDP and net exports accounted for 3.9%. In the United States, consumer prices rose by 1.6% year-on-year in June 2017, lower than the increase of 1.9% in the previous month. The slowdown in the rate of inflation was as a result of a fall in gasoline prices, the report by the Bureau of Labour Statistics (BLS) showed. Core inflation rate which excludes the prices of food and energy was recorded at 1.7% in June 2017, same as in the previous month. The food index also remained the same at 0.2% from the previous month. Elsewhere in the United Kingdom, the Office for National Statistics (ONS) revealed that consumer prices climbed by 2.6% year-on-year in June 2017, lower than the rise of 2.9% recorded in May. Core inflation dropped to 2.4% in June from 2.6% in the previous month.

Local Economy

The Consumer Price Index (CPI) which measures inflation rose by 16.10% year-on-year in the month of June 2017, which is 0.15% points lower than the 16.25% recorded in May. This represents the fifth consecutive month of decline in the rate of inflation since January 2017. The food index rose by 19.91% (year-on-year) in June, higher than 19.27% recorded in May, thus indicating continued pressure in the prices of food items. The core sub-index, which excludes prices of farm produce rose by 12.50% year-on-year in June which is 0.50% lower than 13% recorded in May. During the month, the highest increases were seen in prices of solid fuels, clothing materials and other articles of clothing and clothing accessories, liquid fuels, spirits, books and stationeries, passenger transport by air, garments, shoes and footwear and motorcycles. In another development, the Federation Accounts Allocation Committee (FAAC) shared the sum of N462.36 billion among the Federal, States and Local Governments in the month of June 2017 from the revenue generated in May. According to figures released by the National Bureau of Statistics, the gross statutory revenue of N462.36 billion received for the month was higher than the N418.82 billion received in May by N43.54 billion. The amount disbursed comprised N317.56 billion from the statutory account, N64.81 billion from exchange gain and N79.99 billion from value added tax (VAT). A breakdown of the sum disbursed among the three tiers, revealed that the Federal Government received N189.94 billion, states received N128.89 billion and the local governments received N96.65 billion. The oil producing states received N26.96 billion as the 13% derivation fund, however, no amount was transferred into the excess petroleum product tax (PPT) account.

Stock Market

Trading activities on the Nigerian stock exchange market closed on a bullish note for the week ended July 21, 2017. The sustained positive trajectory may be attributed to investors positioning for the earnings season. The All Share Index (ASI) closed higher by 2.3% or 758.71 points to settle at 34,020.37 points from 33,261.66 points the previous week. Similarly, market capitalization gained 2.3% to close at N11.73 trillion from N11.46 trillion the previous week. Gains in stocks of companies such as financial services, industrial goods and oil & gas sectors

served to drive market indices upwards. This week, we envisage the rally to continue as investors continue to take position for second quarter earnings season.

Money Market

Last week, liquidity situation in the money market was relatively tight as interbank rates inched upwards. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates rose to 14% and 14.92% from 9% and 9.75% respectively the previous week. The liquidity squeeze was as a result of Operation Market Operations (OMO) auction of N212 billion which was carried out during the week. However, longer dated rates such as the 30-day and 90-day Nigeria Interbank Offered Rate (NIBOR) declined to 18.22% and 19.85% from 20.12% and 22% the previous week. This week, expectations are that rates may likely trend southwards due to a combined inflow of N65 billion from OMO maturity as well as N20 billion from bond maturity.

Foreign Exchange Market

The naira strengthened (week-on-week) against the U.S. dollar at the interbank segment by 10kobo last week to a new rate of N305.80/\$ from N305.90/\$ the previous week. The naira also appreciated at the parallel market segment to N366/\$ from the previous week's rate of N367/\$. The naira gained grounds against the dollar due to increasing investor participation in the market and improved foreign currency liquidity. This week, we envisage the naira remaining at prevailing levels as the outlook of the economy continues to improve.

Bond Market

In the fixed income space, yields ascended across most maturities last week. Yields on the five-, seven-, and ten-year debt paper rose to 16.38%, 16.72% and 11.63% from 16.30%, 16.55% and 11.59% respectively. The rise in yields was driven by oversupply in the market on shorter tenure bonds. The Access Bank Bond index rose marginally by 0.80 points to close at 2,322.21 points from 2,321.41 points the previous week. This week, yields are expected to decline due to improved liquidity.

Commodities Market

Oil prices picked up last week after a report revealed that U.S. crude inventories declined. The Energy Information Administration (EIA) reported that U.S. crude stocks fell by 4.7 million barrels during the week. Bonny light, the Nigerian benchmark crude, gained 4.7% or \$2.18 to settle at \$48.39 per barrel last week from \$46.21 per barrel the previous week. In the same light, the prices of precious metals extended gains as the speculation of a rate hike by the Federal Reserve begins to fade, thus boosting the appeal for safe haven assets. Gold rose by 2.4% or \$28.95 to close at \$1,250.78 an ounce, silver also gained 4.2% or 67 cents to settle at \$16.45 an ounce. This week, oil prices may continue the upward trend due to the anticipated meeting between the Organization of Petroleum Exporting Countries (OPEC) and some non-OPEC producers such as Russia to stabilize oil prices. The uptick in the prices of precious metals may be sustained by a weaker dollar and lower treasury yields in the U.S.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	July'17	Aug'17	Sept'17
Exchange Rate (Interbank) (N/\$)	305	305	305
Inflation Rate (%)	15.9	15.8	15.7
Crude Oil Price (US\$/Barrel)	48	49	49

* Revised