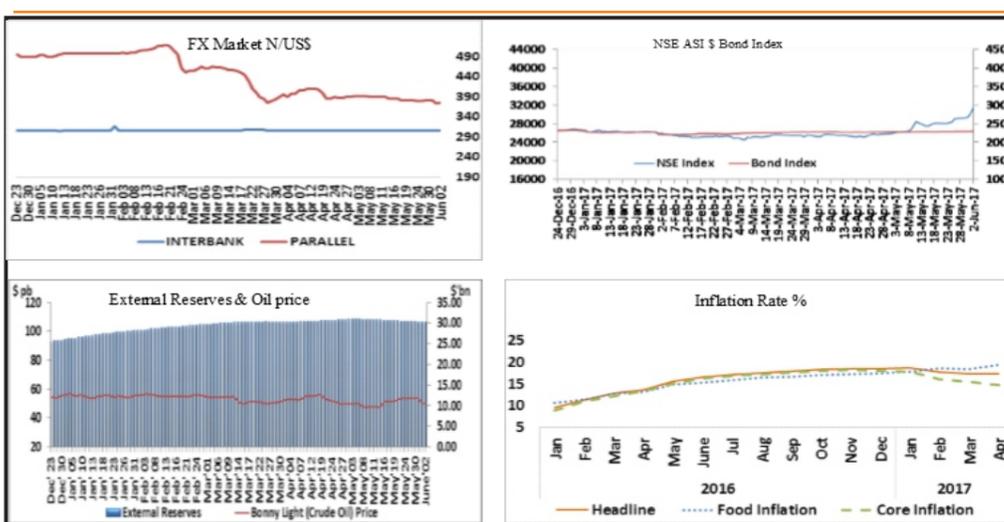


Access Bank Rateswatch

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)	21.71	Decreased by 1.42% in Apr'2017 from N22.02 trillion in Mar'2017
Credit to Private Sector (N' trillion)	21.94	Decreased by 1.48% in Apr'2017 from N22.27 trillion in Mar'2017
Currency in Circulation (N' trillion)	1.98	Decreased by 0.39% in Apr'2017 from N1.983 trillion in Mar'2017
Inflation rate (%) (y-o-y)	17.24	Declined to 17.24% in Apr'2017 from 17.26% in Mar'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)	30.33	May 31, 2017 figure — a decrease of 2.07% from May-start
Oil Price (US\$/Barrel)	50.36	June 02, 2017 figure — a decrease of 6.13% in 1 week.
Oil Production mbpd (OPEC)	1.51	Apr'2017 figure — an increase of 3.50% from Mar'2017 figure



STOCK MARKET

Indicators	Friday 02/06/17	Friday 26/05/17	Change(%)
NSE ASI	31371.63	29,064.52	7.94
Market Cap(N'tr)	10.85	10.05	7.94
Volume (bn)	0.71	0.73	(2.36)
Value (N'bn)	8.26	5.72	44.45

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	02/06/17	26/05/17	
OBB	8.33	11.67	(334)
O/N	9.08	12.42	(334)
CALL	11.58	21.38	(980)
30 Days	20.00	21.00	(100)
90 Days	22.03	22.53	(50)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	02/06/17	26/05/17	02/05/17
Official (N)	305.50	305.35	305.80
Inter-Bank (N)	305.50	305.35	305.80
BDC (N)	362.0	362.0	362.0
Parallel (N)	375.0	382.0	391.0

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	02/06/17	26/05/17	
3-Year	0.00	0.00	0
5-Year	16.39	16.41	(3)
7-Year	16.43	16.45	(2)
10-Year	11.58	14.53	(295)
20-Year	16.07	16.06	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: June 02– June 09, 2017

Global Economy

In the United States, the Markit U.S. manufacturing Purchasing Managers' Index (PMI) declined to 52.7 index points in May 2017, from 52.8 points in April. It is the lowest PMI in eight months. This represents a slowdown in growth from the figure recorded in January (55.0). Manufacturing output has increased for twelve consecutive months, new business growth has been slow and less job creation were seen in May. Elsewhere, in the Eurozone, consumer prices rose by 1.4% year-on-year in May 2017, lower than the 1.9% increase in the previous month. According to the European Union Statistics Agency (Eurostat), this is the lowest inflation rate since December last year. This was attributed to the fact that prices for energy and services rose at a slower pace. Annual core inflation which excludes the prices of energy and unprocessed food and tobacco improved to 0.9% from 1.2% in April. In a separate development, the Indian economy grew by 6.1% year-on-year in the first quarter of 2017. This was lower than the growth rate of 7% in the previous quarter. Figures on India's statistical website showed that it is the lowest growth rate since the last quarter of 2014. This slowdown in growth relative to the previous quarter was as a result of a decrease in consumer spending and a drop in investment, arising from the demonetization program in November 2016 which removed about 86% of India's currency in circulation. In addition, the government changed the gross domestic product (GDP) base year for 2011-2012 from 2004-2005. Exports rose by 10.3% in Q1'2017 compared to 4% in Q4'2016. Imports also rose by 11.9% in Q1'2017 from 2.1% in Q4'2016.

Local Economy

The Manufacturing Purchasing Managers' Index (PMI) stood at 52.5 index points in May 2017. This indicates an expansion in the manufacturing sector for the second consecutive month. The index was 51.1 points in April. This was shown in the latest PMI report by the Central Bank of Nigeria. A composite PMI above 50 points indicates that the manufacturing sector is generally expanding, while a reading below 50 points indicates a contraction. Ten of the sixteen sub-sectors recorded growth during the month. While transportation equipment; non-metallic products; fabricated metal products; printing & related support activities; furniture & related products and computer & electronic products sub sectors recorded a decline in that order in May. In another development, the total value of capital imported into Nigeria in the first quarter of 2017 was estimated to be \$908.27 million. This was an increase of 27.75% relative to the same quarter of 2016, but 41.36% lower than the value of capital imported in the previous quarter. The main driver of the quarterly decline was a fall in "Other Investment", although Foreign Direct Investment (FDI) partly contributed. Portfolio investment was the only category to record an increase relative to the previous quarter. Other investment was the largest component of imported capital in the first quarter of 2017, and it accounted for \$383.28 million or 42.20% of the total. The second largest component of capital importation in the first quarter of 2017 was portfolio investment which accounted for \$313.61 million or 34.53% of the total. FDI was the smallest component of capital importation in the first quarter of 2017, and it accounted for \$211.38 million or 23.27% of the total.

Stock Market

The local bourse closed on a bullish note as major market indicators trended upwards. The All Share Index (ASI) gained 2,307.11 points to close at 31,371.63 points from 29,064.52 points the previous week, representing a 7.9% improvement. Similarly, market capitalization

gained 7.9% to close at N10.85 trillion from N10.05 trillion the previous week. The upward trend may be attributed to the gradual return of foreign portfolio investors into the economy as well as improved foreign exchange liquidity. Gains were seen in stocks of companies in the consumer goods, oil & gas and industrial goods sectors. This week, we see the market sustaining its upward trend bolstered by improved outlook for the economy.

Money Market

Average cost of borrowing trended downwards last week. Short dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates declined to 8.33% and 9.08% from 11.67% and 12.42% respectively the previous week. Longer dated rates such as the 30-day and 90-day Nigeria Interbank Offered Rate (NIBOR) fell to 20% and 22.03% from 21% and 22.53% the previous week. Market liquidity was boosted by inflow of Open Market Operation (OMO) maturity of N64.75 billion. This week, rates may remain low due to inflow from OMO maturity of N73.6 billion.

Foreign Exchange Market

The naira depreciated at the interbank segment by 15kobo last week to a new rate of N305.50/\$ from N305.35/\$ the previous week. At the parallel market segment, the naira appreciated significantly by N7 to a rate of N375/\$, from the previous week's rate of N382/\$. The appreciation at the parallel segment of the market stemmed from the apex bank's effort in boosting dollar liquidity. This week, naira is likely to remain around prevailing levels at both segments of the market.

Bond Market

Bond yields on the average fell across most maturities for the second consecutive week. Yields dipped across most tenors largely due to improved system liquidity. Yields on the five-, seven-, and ten-year debt papers fell to 16.39%, 16.43%, and 11.58% from 16.41%, 16.45% and 14.53% respectively for the corresponding maturities the previous week. The Access Bank Bond index rose by 5.07 points to close at 2,297.15 points from 2,292.08 points the prior week. This week, due to improved liquidity of Open Market Operation (OMO) maturity in the system yields may further trend downwards.

Commodities Market

Oil prices tumbled last week on worries that U.S. President Donald Trump's decision to abandon a climate pact could spark more crude drilling in the United States, worsening a global glut. Bonny light, the Nigerian benchmark crude, lost \$3.29 or 6.1% to settle at \$50.36 per barrel. In contrast, precious metal prices rose after weaker than expected U.S. employment numbers bolstered the case for the Federal Reserve to continue raising rates at a gradual pace. Gold climbed 1.0% or \$12.51 to \$1,278.04 an ounce, while silver gained 1.4% to \$17.57 an ounce. This week, oil prices are likely to maintain their downward trend due to worries that U.S crude production could neutralize the OPEC-led production cut. For precious metals, the risks associated with both political and geopolitical risks are still elevated, thus prices may maintain their upward trend.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	June'17	July'17	Aug'16
Exchange Rate (Official) (N/\$)	305	305	305
Interest Rate (Normal Lending) (%)	16.8	16.6	16.4
Crude Oil Price (US\$/Barrel)	50	50	50

* Revised