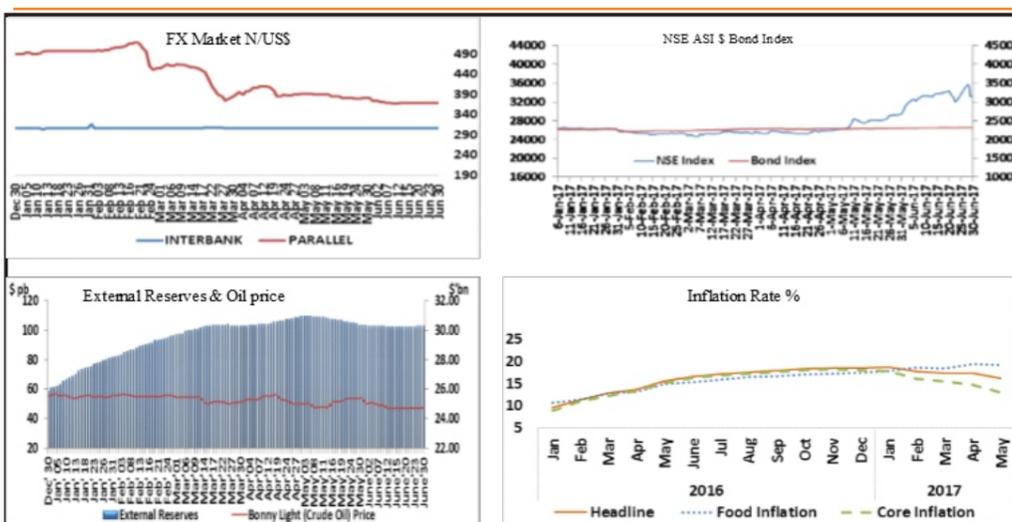


Access Bank Rateswatch

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)	16.25	Declined to 16.25% in May'2017 from 17.24% in Apr'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)	30.27	June 29, 2017 figure — a decrease of 0.20% from June-start
Oil Price (US\$/Barrel)	47.55	June 30, 2017 figure — an increase of 1.39% in 1 week.
Oil Production mbpd (OPEC)	1.68	May'2017 figure — an increase of 11.55% from Apr'2017 figure



STOCK MARKET

Indicators	Friday 30/06/17	Friday 23/06/17	Change(%)
NSE ASI	33,117.48	32,122.14	3.10
Market Cap(N'tr)	11.45	11.11	3.10
Volume (bn)	0.35	0.42	(17.17)
Value (N'bn)	3.35	3.25	3.14

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	30/06/17	23/06/17	
OBB	5.3300	8.7500	(342)
O/N	5.7500	9.5000	(375)
CALL	6.0833	8.8750	(279)
30 Days	19.3663	19.2681	10
90 Days	21.4066	21.2073	20

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	30/06/17	23/06/17	30/05/17
Official (N)	305.90	305.85	305.40
Inter-Bank (N)	305.90	305.85	305.40
BDC (N)	362.00	362.00	362.00
Parallel (N)	368.00	368.00	382.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	30/06/17	23/06/17	
3-Year	0.00	0.00	0
5-Year	16.34	16.33	1
7-Year	16.56	16.50	6
10-Year	11.53	11.54	(1)
20-Year	16.01	16.01	(1)

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: June 30– July 07, 2017

Global Economy

In the United States, gross domestic product (GDP) for the first quarter of 2017 was revised up to 1.4% from 1.2%. The upward revision was due to an increase in consumer spending and exports. According to the Bureau of Economic Analysis (BEA), exports increased by 7%, higher than 5.8% in the previous estimate and imports rose by 4%, also higher than 3.8% in the previous estimate. Trade went up to 0.23% from 0.13%. Personal consumption expenditure rose by 1.1% from 0.6% in the previous estimate. Government spending and investment contracted by 0.9%. Elsewhere, in the Eurozone, consumer prices climbed 1.3% year-on-year in June 2017, slightly lower than 1.4% recorded in May 2017. The slowdown in inflation rate was due to decline in the prices of energy. Figures from European Union Statistics Agency (Eurostat) revealed that the cost of energy rose at a slower 1.9% in June compared to 4.5% in May. The prices of food, alcohol and tobacco also declined. Core inflation rose by 1.1% in June from 0.9% in May. In Asia, Japan's unemployment rate climbed 3.1% in May 2017 from 2.8% in April 2017, the highest unemployment rate since December 2016. The number of unemployed persons rose to 2.05 million in May from 1.86 million in April.

Local Economy

The Manufacturing Purchasing Managers' Index (PMI) stood at 52.9 index points in June 2017 from 52.5 points in May. This indicates an expansion in the manufacturing sector for the third consecutive month. 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. Twelve of the sixteen sub-sectors recorded growth during the month. While non-metallic mineral products; cement; chemical & pharmaceutical products and printing & related support activities sub sectors recorded a decline in that order in June. In a separate development, Shell Petroleum Development Company (SPDC) has lifted the force majeure previously declared on exports of Bonny Light (Nigeria's reference crude oil grade), thus, Nigeria's crude oil output is expected to rise by 226,000 barrels per day (bpd). The development is a boost to efforts on the recovery of Nigeria's crude production which was stunted by the militancy activities in the Niger Delta region. Nigeria's crude export is thus expected to exceed 2 million bpd as the export of the Bonny Light is expected to reach 226,000 bpd in August, up from 164,000 bpd in July, according to the loading schedules.

Stock Market

The local bourse closed the first half of the year on a positive note as the Nigerian Stock Exchange (NSE) All Share Index (ASI) recorded a growth of 19.53% year-to-date (YTD). During the week ending the first half of the year, the All Share Index (ASI) gained 995.34 points to close at 33,117.48 points from 32,122.14 points the previous week, representing a 3.1% improvement. Similarly, market capitalization gained 3.1% to close at N11.45 trillion from N11.11 trillion the previous week. The positivity witnessed in the first half of the year may be attributed to major interventions in the foreign exchange market by the Central Bank which has boosted investor confidence. The oil & gas and banking indices recorded a growth of 2.29% YTD and 40.90% YTD respectively. In the second half of the year, the bourse may remain bullish sustained by the policies and

interventions put in place during the first half of the year.

Money Market

Average cost of borrowing moderated downwards last week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates fell to 5.33% and 5.75% from 8.75% and 9.5% respectively the previous week. In contrast, longer dated rates such as the 30-day and 90-day Nigeria Interbank Offered Rate (NIBOR) rose to 19.37% and 21.41% from 19.27% and 21.21% the previous week. Market liquidity was boosted in the short term due to Open Market Operation (OMO) maturity of N236 billion in Treasury bills. This week, liquidity may be drained due to stabilization securities debit (CBN's debit of the accounts of deposit money banks to mop up liquidity in the money market) by the Central Bank of Nigeria.

Foreign Exchange Market

The naira depreciated at the interbank segment by 5kobo last week to a new rate of N305.90/\$ from N305.85/\$ the previous week. At the parallel market segment, the naira remained unchanged from the previous week's rate of N368/\$. The stability seen at the parallel market stemmed from the intervention of the apex bank in the FX market to narrow the gap between the interbank and the unofficial market rates. This week, the naira is likely to remain at current levels as a result of the continuous efforts of the Central Bank in boosting foreign currency liquidity.

Bond Market

Bond yields on the average fell across most maturities last week. This was largely due to more buying activity in the market as a result of improved liquidity. Yields on the ten-year debt paper declined to 11.53% from 11.54% while the twenty-year debt paper remained unchanged at 16.01%. The Access Bank Bond index climbed by 5 points to close at 2,318.51 points from 2,313.51 points the previous week, while market capitalization gained N1 billion to settle at N6.48 trillion. This week, we expect yields to remain around current levels.

Commodities Market

Oil prices picked up last week after a decline in weekly U.S. crude production temporarily eased concerns about deepening oversupply. The U.S. Energy Information Administration (EIA) reported that U.S. crude production levels dropped by 100,000 barrels per day (bpd) to 9.3 million bpd the previous week. Bonny light, the Nigerian benchmark crude, went up by 1.4% or 65 cents to \$47.55 per barrel last week from the \$46.9 per barrel the previous week. In contrast, precious metals closed lower last week due to the rise in yields on U.S. treasury which dulled demand for safe haven assets. Gold fell by 1.1% or \$13.27 to \$1,243.70 an ounce, silver also declined by 1.1% to \$16.57 an ounce. This week, oil prices may further trend upwards due to the temporary production shutdown in the Gulf of Mexico due to a tropical storm as well as maintenance in Alaska. For precious metals, continuous rise in U.S. treasury yields may put pressure on prices.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	June'17	July'17	Aug'17
Exchange Rate (Official) (N/\$)	305	305	305
Interest Rate (Normal Lending) (%)	16.31	16.31	16.31
Crude Oil Price(US\$/Barrel)	50	50	50

* Revised