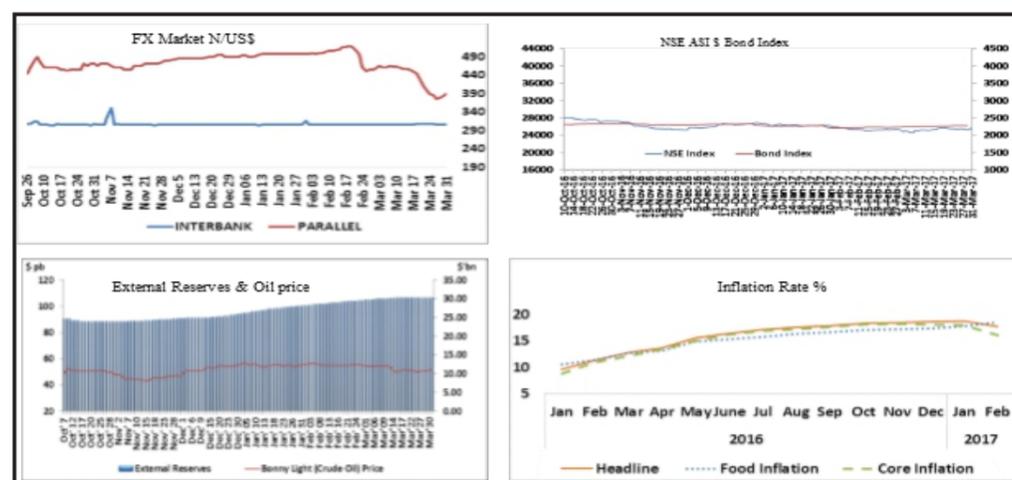


Access Bank Rateswatch

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)	22.37	Decreased by 4.3% in Feb'2017 from N23.38 trillion in Jan'2017
Credit to Private Sector (N' trillion)	22.36	Increased by 0.09% in Feb'2017 from N22.34 trillion in Jan'2017
Currency in Circulation (N' trillion)	1.98	Decreased by 0.8% in Feb'2017 from N1.99 trillion in Jan'2017
Inflation rate (%) (y-o-y)	17.78	Declined to 17.78% in Feb'2017, from 18.72% in Jan'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)	30.30	March 30, 2017 figure — an increase of 2.05% from March-start
Oil Price (US\$/Barrel)	51.92	March 31, 2017 figure — an increase of 4.72% in 1 week.
Oil Production mbpd (OPEC)	1.61	Feb'2017 figure — an increase of 3.7% from Jan'2017 figure



STOCK MARKET

Indicators	Friday	Friday	Change(%)
	31/3/17	24/3/17	
NSE ASI	25,516	25,455	0.24
Market Cap(N'tr)	8.83	8.81	0.25
Volume (bn)	0.59	0.35	71.63
Value (N'bn)	94.26	2.33	3944.95

MONEY MARKET

NIBOR			
Tenor	Friday Rate	Friday Rate	Change
	(%)	(%)	(Basis Point)
	31/3/17	24/3/17	
Call	12.5417	79.3333	(6679)
7 Days	0.0000	0.0000	0
30 Days	16.4549	17.8359	(138)
60 Days	0.0000	0.0000	0
90 Days	21.3882	21.3635	2

FOREIGN EXCHANGE MARKET

Market	Friday	Friday	1 Month
	(N/\$)	(N/\$)	Rate (N/\$)
	31/3/17	24/3/17	28/2/17
Official (N)	306.35	307.00	305.50
Inter-Bank (N)	306.35	307.00	305.50
BDC (N)	0.00	0.00	0.00
Parallel (N)	390.00	390.00	455.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday	Friday	Change
	(%)	(%)	(Basis Point)
	31/3/17	24/3/17	
3-Year	0.00	0.00	0
5-Year	15.84	15.90	(6)
7-Year	15.80	15.79	1
10-Year	13.80	13.82	(2)
20-Year	15.79	15.73	6

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: Mar 31 - Apr 07, 2017

Global Economy

In the United Kingdom, the Gross Domestic Product (GDP) was revised down to 1.9% year-on-year in the fourth quarter of 2016, slower than an increase of 2% in the previous quarter, according to the figures from the Office of National Statistics (ONS). Fixed investment and household consumption were the major drivers of growth while business investment declined for the fourth straight period. On the expenditure side, household expenditure and government spending increased by 2.9% and 0.4% respectively. Exports climbed 0.6% compared to 1.9% increase in the previous quarter. Imports rose by 2%, slower than the rise of 5.2% in the third quarter. For the whole of 2016, growth slowed to 1.8% from 2.2% in 2015 and 3.1% in 2014. Elsewhere in United States, the Markit flash US manufacturing Purchasing Managers' Index (PMI) dropped to 53.4 in March 2017 from 54.2 in February. The decline was as a result of a slowdown in new orders and lower stocks and the rise in input cost inflation. In a separate development, Japan's jobless rate declined to 2.8% in February 2017 compared to 3% in January, data from Statistics of Japan showed. It was the lowest figure since June 1994. When compared to the previous month, there were 1.9 million unemployed persons in February, which is eight thousand less than it was in January. Employment fell by twenty-one thousand to 64.83 million. Labour force declined by thirty-one thousand to 66.71 million. For persons aged 15 to 24 years, the jobless rate dropped to 4.3% from 4.4%. In the previous year, employment was 3.2%

Stock Market

The local bourse closed on a positive note last week as the major market indicators trended upwards. The All Share Index (ASI) gained 61.41 points to close at 25,516.34 points from 25,454.93 points the previous week, representing 0.2% increase. Similarly, market capitalization gained 0.2% to close at N8.83 trillion from N8.81 trillion the previous week. The positive performance may be as a result of investors' reaction to the full year earnings released by some Tier 2 banks during the course of the week. This week, we envisage the market would remain at current levels as investors await the payment of dividends.

Money Market

The direction of money market rates was mixed last week. Short tenor placements such as Open Buy Back (OBB) and Over Night (O/N) rates climbed to 10.50% and 11.5% from 9.5% and 10.0% the previous week. Market liquidity was drained as a result of combined outflow from Secondary Market Intervention Sales (SMIS) of N33 billion and Open Market Operation (OMO) auction of N126 billion during the week. Longer tenured rates such as the 30-day NIBOR fell to 16.45% from 17.84% while 90-day NIBOR rose to 21.39% from 21.36% the previous week. This week, market liquidity is expected to improve on maturing treasury bills of about N234 billion.

Foreign Exchange Market

The naira appreciated by 0.21% at the interbank segment last week to a new rate of N306.35/\$ from N307/\$ the previous week. At the parallel market segment, the local unit closed at N390/\$, same as the previous week's close, after further appreciation during the week. This was as a result of the apex bank's announcement to increase dollar sales to the Bureau de Change (BDCs) operators at a new rate. The announcement of a new rate resulted in uncertainty in the foreign exchange market. This week, naira is expected to remain stable at the interbank market whilst the parallel rate may likely strengthen on CBN commencement to increase dollar sales to BDCs.

Local Economy

The International Monetary Fund (IMF) on March 30, 2017 in a statement released on the IMF website title, "IMF Executive Board concluded 2017 Article IV consultation in Nigeria", emphasized that stronger macroeconomic policies were urgently needed to rebuild confidence and to foster economic recovery in the country. As stated in the article, growth would pick up only slightly to 0.8% in 2017, whilst policy uncertainty, crowding out and FX market distortions would be expected to drag activity. The Washington-based lender opined that the accommodative monetary policy would keep inflation in double digits while financing constraints and banks' risk aversion would crowd out private sector credit and increase the Federal Government's already high debt burden. The fund cautioned against a continued policy of prioritizing exchange rate stability stating that this would lead to an overvalued exchange rate, thereby resulting in the deterioration in the non-oil trade balance and gross reserves below adequate levels. The Fund's Directors welcomed the authorities' Economic Recovery and Growth Plan (ERGP) but stated however that the objectives may not be achieved without stronger policies. It was generally emphasized that there is a need to reduce government interest payments-to-revenue ratio to sustainable levels. IMF also stated that priority should be given to increasing non-oil revenue, including raising VAT and excise rates, strengthening compliance among others. The Fund advised on administering an independent fuel price-setting mechanism to eliminate fuel subsidies and the need to contain the fiscal deficit of state and local governments through improved transparency and monitoring. IMF noted that external adjustment is also necessary to protect foreign currency buffers and reduce vulnerabilities. It further stated that policies should be supported by tighter monetary policy and fiscal consolidation to anchor inflation expectations and to limit the risk of exchange rate overshooting. The Fund Directos also recommended further intensifying bank monitoring, enhancing contingency planning and strengthening resolution frameworks. In another development, further to CBN's stance to improve liquidity in the FX market, the CBN will commence sale of foreign exchange (FX) twice a week to Bureau de Change (BDCs) from Monday, April 3, 2017. The sale amount to BDCs will be increased to \$10,000 weekly and a new rate will be announced on Monday, April 3, 2017.

Bond Market

Bond yields on the average fell across most maturities last week. The decline came as a result of increased demand from investors taking positions in anticipation of further rise in prices. Yields on the five- and ten-year debt papers respectively closed at 15.84% and 13.80% from 15.90% and 13.82% for the corresponding maturities the previous week. The Access Bank Bond index rose by 2.83 points to close at 2,277.91 points from 2,275.08 points the prior week. This week yields are expected to continue on the southward trajectory.

Commodities Market

Crude oil prices rose slightly last week propelled by a combination of a slower rise in US crude inventories, continued supply disruptions in Libya and strengthening expectations of an OPEC production cut extension. Bonny light, Nigeria's crude benchmark settled at \$51.92, \$2.34 higher than \$49.58 per barrel the previous week. In a similar vein, precious metals prices rose amid rising doubts over President Trump's ability to pass legislative reforms. As a result, gold prices rose 0.1% to \$1,247.02 an ounce, while silver added 58 cents, or 3.3%, at \$18.19 an ounce. This week, we see oil prices creeping further up on increasing likelihood of an extension of the OPEC-led output cut. For precious metals, political uncertainty over the presidential election in France will likely push gold prices higher.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Apr'17	May'17	Jun'17
Exchange Rate (Official) (N/\$)	305	305	305
Inflation Rate (%)	17.2	16.6	15.5
Crude Oil Price (US\$/Barrel)	51	50	50