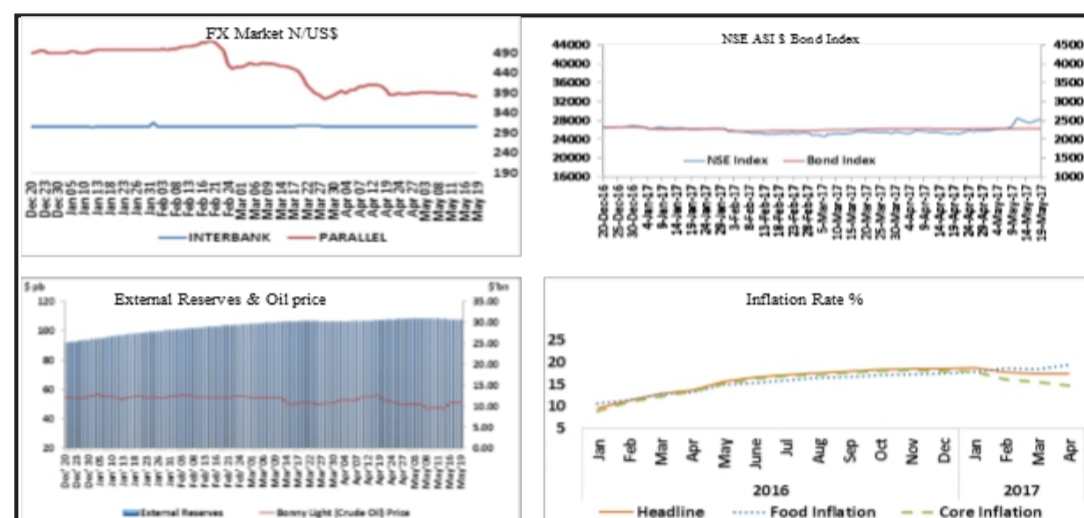


Access Bank Rateswatch

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)	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)	30.72	May 17, 2017 figure — a decrease of 0.81% from May-start
Oil Price (US\$/Barrel)	51.50	May 19, 2017 figure — an increase of 8.08% 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 19/5/17	Friday 12/5/17	Change(%)
NSE ASI	28,113.44	28,192.46	(0.28)
Market Cap(N'tr)	9.72	9.75	(0.27)
Volume (bn)	0.31	1.06	(71.22)
Value (N'bn)	5.40	9.19	(41.26)

MONEY MARKET

NIBOR			
Tenor	Friday Rate 19/5/17 (%)	Friday Rate 12/5/17 (%)	Change (Basis Point)
OBB	23.33	27.50	(417)
O/N	26.08	29.50	(342)
CALL	68.75	15.04	5371
30 Days	20.70	19.11	159
90 Days	22.17	21.44	74

FOREIGN EXCHANGE MARKET

Market	Friday 19/5/17 (N/\$)	Friday 12/5/17 (N/\$)	1 Month Rate (N/\$) 19/4/17
Official (N)	305.45	305.60	306.00
Inter-Bank (N)	305.45	305.60	306.00
BDC (N)	362.00	362.00	362.00
Parallel (N)	381.00	390.00	400.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday 19/5/17 (%)	Friday 12/5/17 (%)	Change (Basis Point)
3-Year	0.00	0.00	0
5-Year	16.40	16.25	16
7-Year	16.48	16.33	15
10-Year	14.65	14.56	9
20-Year	16.07	16.05	2

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COMMODITIES MARKET

Indicators	19/5/17	1-week Change (%)	YTD (%)
Energy			
Crude Oil (\$/bbl)	51.50	8.08	62.41
Natural Gas (\$/MMBtu)	3.23	(4.72)	37.45
Agriculture			
Cocoa (\$/MT)	2076.00	3.39	(35.61)
Coffee (\$/lb.)	132.75	(2.03)	7.27
Cotton (\$/lb.)	78.65	(4.30)	23.45
Sugar (\$/lb.)	16.33	4.35	7.36
Wheat (\$/bu.)	428.75	(1.27)	(8.87)
Metals			
Gold (\$/t oz.)	1254.55	2.01	18.16
Silver (\$/t oz.)	16.86	2.55	21.56

NIGERIAN INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Friday 19/5/17 (%)	Friday 12/5/17 (%)	Change (Basis Point)
1 Mnth	19.58	17.20	238
3 Mnth	19.11	18.96	15
6 Mnth	21.18	20.27	91
9 Mnth	21.82	21.46	36
12 Mnth	22.65	22.57	8

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Friday 19/5/17 (%)	Friday 12/5/17 (%)	Change (Basis Point)
Index	2286.61	2285.90	0.03
Mkt Cap Gross (N'tr)	6.83	6.83	0.00
Mkt Cap Net (N'tr)	4.30	4.31	(0.23)
YTD return (%)	-6.84	-6.87	0.03
YTD return (%) (US \$)	-61.89	-61.99	0.10

TREASURY BILLS (MATURITIES)

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	29,143.39	13.6	03-May-2017
182 Day	23,432.80	17.26	03-May-2017
364 Day	178,034.48	18.815	03-May-2017

Market Analysis and Outlook: May 19 - May 26, 2017

Global Economy

In the United States, U.S. industrial production increased by 1% month-on-month in April 2017, compared to 0.4% rise in March. According to the Federal Reserve, output rebounded for both manufacturing and mining while utilities increased at a slower pace. Manufacturing production jumped by 1% after recovering from a 0.4% drop in March, the spike was due to widespread increases among major industries. Durable and non-durable manufacturing both rose by 1%. Mining output spiked by 1.2% after declining by 0.4% in the previous month. Elsewhere, in the Eurozone, consumer prices increased by 1.9% year-on-year in April 2017. This is higher than the 1.5% increase recorded in March. Data from the European Union Statistics Agency (Eurostat) revealed that with the exception of energy, food, alcohol and tobacco, the inflation rate rose to 1.2% from 0.7%. With the exception of energy alone, the inflation rate went up to 1.3% from 0.9%. The highest annual rates were recorded in Estonia, Lithuania and Latvia with 3.6%, 3.5% and 3.3% respectively. While the lowest rate was recorded in Ireland and Slovakia with 0.7% and 0.8% respectively. In April, the inflation rate rose in Germany, Italy and Spain with 2%, 2% and 2.6% respectively. However, the inflation rate remained steady in France at 1.4%. Considering the entire European Union, the inflation rate went up to 2% in April from 1.6% in March. Month-on-month, consumer prices rose by 0.4% in both the Euro Area and the European Union. In a separate development, the Japanese economy grew by 0.5% quarter-on-quarter in March 2017. This is slightly higher than the 0.3% quarter-on-quarter growth recorded in the previous period. According to the Cabinet Office in Japan, this is the strongest growth figure since the first quarter of 2016, and was propelled by private consumption, exports and an unexpected rise in capital expenditure. Exports of goods and services rose by 2.1%, lower than the rise of 3.4% in the previous quarter. Imports climbed 1.4% from 1.3% in the previous quarter. Year-on-year, the economy expanded by 2.2%, higher than the 1.4% growth in the previous quarter. This expansion was driven by increased exports.

Local Economy

The Consumer Price Index (CPI) which measures inflation declined slightly in April to 17.24% (year-on-year), which is 0.02% points lower than the 17.26% recorded in March. This is the third consecutive month of decline in the headline CPI on a year-on-year basis. Increases were recorded in all Classification of Individual Consumption by Purpose (COICOP) divisions that result in the Headline Index. The composite food index spiked by 19.30% (year-on-year) in April, higher than 18.44% recorded in March. The core sub-index, which excludes prices of farm produce declined by 14.80% year-on-year in April which is 0.6% lower than 15.40% that was recorded in March. During the month, the highest increases were seen in solid fuel, liquid fuel, clothing materials and other articles of clothing, lubricants for personal transport equipment, audio-visual, photographic and information processing equipment, wines and spirits. In another development, concerning items that are valid for foreign exchange, the Central Bank of Nigeria (CBN) released a circular clarifying the items that are valid for forex. These items among others include: animal or vegetable oils fractions, hydrogenated- not including palm oil/ olein and margarine, synthetic filament, artificial filament, woven fabrics, non-domestic heating/cooling equipment and non-electric water heaters.

Stock Market

The local bourse closed on a negative note as major market indicators trended downwards. The All Share Index (ASI) lost 79.02 points to close at 28,113.44 points from 28,192.46 points the previous week, representing 0.3% decline.

Similarly, market capitalization dropped 0.3% to close at N9.72 trillion from N9.75 trillion the previous week. The downward trend was as a result of profit taking largely from stocks belonging to consumer goods, industrial goods and oil & gas sectors, following the major gains of various companies over the past few weeks. This week, we see market indicators trending upwards buoyed by improved confidence on the outlook of the Nigerian economy.

Money Market

The direction of the money market rates was mixed last week. Short dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates declined to 23.33% and 26.08% from 27.50% and 29.50% respectively the previous week. While longer dated rates such as the 30-day and 90-day Nigeria Interbank Offered Rate (NIBOR) rose to 20.71% and 22.17% from 19.11% and 21.44% the previous week. Market liquidity was boosted due to inflow of N41 billion in Open Market Operation (OMO) maturity. This week, liquidity may be boosted due to inflow from Open Market Operation (OMO) maturity of N131 billion.

Foreign Exchange Market

The naira appreciated slightly by 15kobo at the interbank segment last week to a new rate of N305.45/\$ from N305.60/\$ the previous week. At the parallel market segment, the naira significantly appreciated by N9 to a rate of N381/\$, from the previous week's rate of N390/\$. The appreciation in both segments of the market persists due to the continuous efforts of the apex bank in boosting dollar liquidity in the market. This week, naira is likely to remain at prevailing levels as the Central Bank of Nigeria (CBN) continues to provide the market with needed dollar liquidity.

Bond Market

Bond yields on the average rose across most maturities last week. The increase in yields was due to lack of liquidity in the system which resulted in sell-offs. Yields on the five-, seven- and twenty-year debt papers climbed to 16.40%, 16.48% and 16.07% from 16.25%, 16.33% and 16.05% respectively for the corresponding maturities the previous week. The Access Bank Bond index rose slightly by 0.71 points to close at 2,286.61 points from 2,285.90 points the prior week. This week, due to lack of liquidity, we expect the bearish trend to continue.

Commodities Market

Oil prices rose last week after data showed US crude inventories declined for the sixth straight week, a signal that the lingering global supply glut may be easing. According to the U.S. Energy Information Administration's weekly inventory report, crude stockpiles fell by 1.8 million barrels to 520.8 million barrels. Bonny light, the Nigerian benchmark crude, added \$3.85 to settle at \$51.50 per barrel, a gain of 8.1%. In a similar vein, precious metals prices also closed higher as fresh US political worries prompted investors to take refuge in the perceived safety of precious metals. Gold climbed 2.0% to \$1,254.55 an ounce, while silver gained 2.6% to \$16.86 an ounce. This week oil prices are likely to trend higher, buoyed by growing optimism that big producing countries will extend output cuts till March 2018. For precious metals, ongoing geopolitical uncertainty around North Korea will fuel safe-haven demand and tip prices higher.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Apr'17	May'17	Jun'17
Exchange Rate (Official) (N/\$)	305	305	305
Inflation Rate (%)	16.8	16.6	16.4
Crude Oil Price (US\$/Barrel)	51	50	50