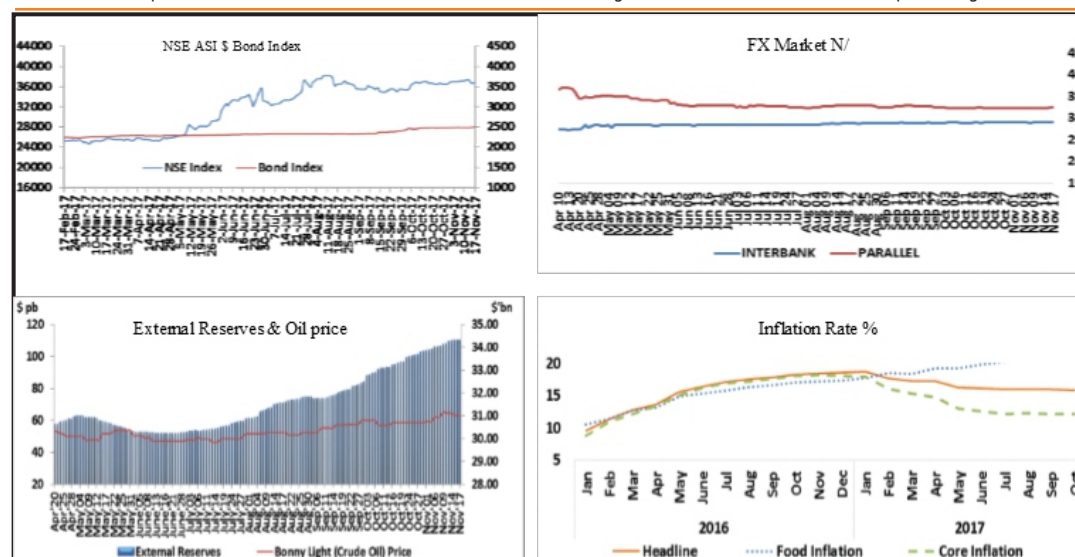


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	0.55	Q2 2017 — higher by 1.46% compared to -0.91% in Q1 2017
Broad Money Supply (M2) (N' trillion)	21.95	Increased by 0.47% in Sep' 2017 from N21.85 trillion in Aug 2017
Credit to Private Sector (N' trillion)	22.02	Increased by 0.11% in Sep 2017 from N21.99 trillion in Aug 2017
Currency in Circulation (N' trillion)	1.78	Decreased by 4.69% in Sep' 2017 from N1.87 trillion in Aug 2017
Inflation rate (%) (y-o-y)	15.91	Declined to 15.91% in October 2017 from 15.98% in September 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)	34.33	November 15, 2017 figure — an increase of 1.38 % from Nov start
Oil Price (US\$/Barrel)	62.99	November 17, 2017 figure - a decrease of 2.76% from a week prior
Oil Production mbpd (OPEC)	1.74	Oct' 2017 figure — a decrease of 3.01% from Sept'2017 figure



STOCK MARKET

Indicators	Friday 17/11/17	Friday 10/11/17	Change(%)
NSE ASI	36,703.58	37,120.28	(1.12)
Market Cap(N'tr)	12.77	12.85	(0.57)
Volume (bn)	0.19	0.18	6.91
Value (N'bn)	6.31	2.65	138.33

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	17/11/17	10/11/17	
OBB	26.6700	7.1700	1950
O/N	27.6700	7.7500	1992
CALL	6.8214	8.8214	(200)
30 Days	17.4957	19.1899	(169)
90 Days	19.9197	20.7480	(83)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	17/11/17	10/11/17	17/10/17
Official (N)	305.95	305.95	305.55
Inter-Bank (N)	329.87	329.75	329.25
BDC (N)	362.00	362.00	362.0
Parallel (N)	364.00	363.00	364.0

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	17/11/17	10/11/17	
3-Year	0.00	0.00	0
5-Year	14.96	15.10	(13)
7-Year	14.93	15.09	(15)
10-Year	14.90	15.06	(16)
20-Year	14.80	14.93	(13)

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: November 17 - November 24, 2017

Global Economy

In the United Kingdom, consumer prices rose by 3% year-on-year in October, unchanged from September figure. It is however the highest inflation rate since March 2012, according to the Office for National Statistics. Prices of food, housing, utilities and recreational goods were the largest contributors to the increase in consumer prices. Elsewhere in Eurozone, inflation rate decreased to 1.4% year-on-year in October 2017, 0.1 point below the previous month. It is the lowest rate in 3 months. According to Eurostat, energy, non-energy industrial goods and services were key reasons for the decline in the rate of inflation. In a separate development, Japan's Gross Domestic Product (GDP) growth rate expanded 0.3% in the third quarter of the year, slowing down from a 0.6% rise in second quarter of 2017. According to the Cabinet Office, it is the seventh consecutive quarterly growth as it was majorly supported by exports.

Local Economy

The Consumer Price Index (CPI) which measures inflation rose by 15.91% year-on-year in the month of October 2017, which is 0.07% points lower than the 15.98% recorded in September. This represents the ninth consecutive month of decline in the rate of inflation since January 2017. The food index rose by 20.31% (year-on-year) in October, slightly lower than 20.32% recorded in September, thus indicating declining pressure in the prices of food items. The core sub-index, which excludes prices of farm produce rose by 12.14% year-on-year in October which is 0.02% higher than 12.12% recorded in September. During the month, the highest increases were seen in prices of solid & liquid fuels, air transport, vehicle spare parts, shoes & other footwear, carpets & other floor coverings, furniture, furnishing & repair of furniture, maintenance & repair of personal transport equipment and other services related to personal transport equipment. In a separate development, the Central Bank of Nigeria in a recent circular reviewed the settlement banking arrangements for banks. It extended the settlement banking arrangement to all the clearing sessions, with effect from 1st January, 2018. Previously the settlement banks settle their net settlement obligation and that of their non-settlement banks arising from cheque clearing and other instruments during sessions 1 and 2. According to the circular, settlement of net clearing obligations from the Central Securities Clearing System (CSCS), Cheques, Automated Clearing House (ACH), Cards, NIBSS (Nigeria Inter-Bank Settlement System) Instant Payment (NIP), National Electronic Funds Transfer (NEFT) and other clearing instruments shall be through the account of Settlement Banks only. Merchant banks that do not have settlement banks were instructed to appoint a settlement bank and inform the Director, Banking & Payments System Department, CBN Abuja, on or before the 15th December, 2017 with a copy of the letter from the settlement bank, accepting to settle for them. Settlement banks are advised to update the agency agreements with their respective non-settlement banks.

Stock Market

Trading activities on the Nigerian stock exchange market closed on a bearish note for the week ended November 17, 2017. The negative trajectory may be attributed to sell pressures on some highly capitalised stocks. The All Share Index (ASI) closed lower by 1.1% or 416.70 points to settle at 36,703.58 points from 37,120 points the previous week. Similarly, market capitalization declined 0.6% to close at N12.77 trillion from N12.84 trillion the previous week. Activities in the agricultural sector, financial services, conglomerates, consumer goods and industrial goods dragged market indicators

downward. This week, we envisage the market volatility to continue as investors continue portfolio rebalancing and repositioning.

Money Market

The direction of money market rates was mixed for the third consecutive week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates increased to 26.67% and 27.67% from 7.17% and 7.75% respectively. This was due to the Retail Secondary Market Intervention Sales that occurred on Friday. CBN action of selling dollars drained the system of naira liquidity consequently causing the rise in rates. In contrast, longer dated rates such as the Call, 30 and 90-day Nigerian Interbank Offered Rate (NIBOR) declined to 6.82%, 17.50% and 19.92% from 8.82%, 19.19% and 20.75% respectively the previous week. This week, rates are expected to trend upwards due to planned bond auction by the Debt Management Office.

Foreign Exchange Market

Last week, the Naira weakened slightly against the US dollar at the interbank and parallel markets by 12 kobo and N1 to new rates of N329.87 and N364 respectively. While at the central bank window, the naira was unchanged at N305.95. The naira edged downwards due to an upsurge in dollar demand stemming from unmet allocation at the Retail SMIS window. This week, the naira will likely remain around current levels as CBN sustains its intervention to keep the market adequately funded.

Bond Market

In the fixed income space, yields declined across most maturities last week. Yields on the five-, seven-, ten- and twenty-year debt papers declined to 14.96%, 14.93%, 14.90% and 14.80% from 15.10%, 15.09%, 15.06 and 14.93% respectively. The decline in yields was driven by increased demand especially from the pension fund administrators (PFA). The Access Bank Bond index rose marginally by 15.42 points to close at 2,494.21 points from 2,478.80 points the previous week. This week, all eyes will be on the bond auction being carried about by Debt Management Office as it will determine market direction for the week.

Commodities Market

Bonny light – the Nigerian benchmark crude, slipped to \$62.99 per barrel last week from \$64.78 the previous week, losing 2.8% or \$1.79. Oil price witnessed a downturn as the International Energy Agency cut its oil demand forecast for this year and next, citing warmer temperature and rising production outside Organization of Petroleum Exporting Countries (OPEC). The price of precious metals were mixed for the second consecutive week. Gold prices declined by 0.05% or 63 cents to close at \$1283.50 an ounce, in contrast silver rose by 0.5% or 8 cents to settle at \$17.10 an ounce. The decline in gold prices was due to expectations of a Federal rate hike, while silver prices rose on positive global cues and pick-up in demand from industrial units. This week, oil prices will likely encounter a turnaround as expectations of further oil production cuts by OPEC and other producers boost prices. This week, the prices of precious metals will be determined by the outcome of the Federal Reserve meeting expected to hold this week.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Nov'17	Dec'17	Jan'18
Exchange Rate (Interbank) (N/\$)	328.50	328.32	327.90
Inflation Rate (%)	15.96	15.85	15.8
Crude Oil Price (US\$/Barrel)	59	57	57