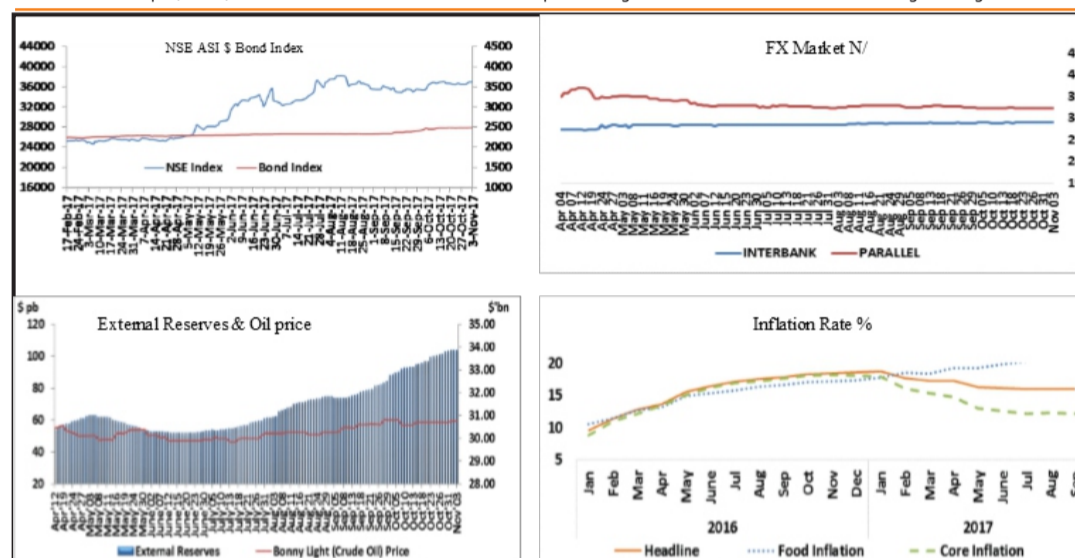


Access Bank Rateswatch

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)	15.98	Declined to 15.98% in September 2017 from 16.01% in August 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)	33.86	November 01, 2017 figure — an increase of 2.68 % from Oct start
Oil Price (US\$/Barrel)	59.11	November 03, 2017 figure - an increase of 1.18% from a week prior
Oil Production mbpd (OPEC)	1.86	Sept' 2017 figure — an increase of 2.83% from Aug 2017 figure



STOCK MARKET

Indicators	Friday 3/11/17	Friday 27/10/17	Change(%)
NSE ASI	36939.59	36,462.26	1.31
Market Cap(N'tr)	12.78	12.62	1.31
Volume (bn)	0.36	0.25	43.91
Value (N'bn)	3.68	3.01	22.41

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	3/11/17	27/10/17	
OBB	39.42	15.83	2359
O/N	36.33	18.75	1758
CALL	7.36	19.00	(1164)
30 Days	19.16	20.37	(121)
90 Days	19.38	53	(215)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	3/11/17	27/10/17	3/10/17
Official (N)	305.90	305.75	305.75
Inter-Bank (N)	329.42	329.25	328.87
BDC (N)	362.00	362.00	362.00
Parallel (N)	363.00	363.00	364.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	3/11/17	27/10/17	
3-Year	0.00	0.00	0
5-Year	14.98	15.21	(23)
7-Year	15.05	15.14	(9)
10-Year	14.99	15.03	(3)
20-Year	14.88	14.87	0

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 03 - November 10, 2017

Global Economy

In the United States of America, the Federal Reserve left its benchmark interest rate unchanged at its target range of 1% to 1.25% during its November 2017 committee meeting. Policy makers said the economy continued to expand at a solid pace despite disruptions caused by recent hurricanes and hinting that the December rate hike is still on the table. Jerome Powell was recently picked by President Donald Trump to replace Janet Yellen as Fed Chair. Janet Yellen's term is due to expire in February 2018. Elsewhere in the United Kingdom, the Bank of England (BOE) increased its interest rate by 25 basis points to 0.5%. This is the first time the target rate will be increased in a decade. Also inflation has remained above the BOE 2% target for eight consecutive months necessitating the rate increase. There are expectations of further increases of 0.25 basis point over the next three years. In a separate development, the Eurozone economy grew by 0.6% quarter-on-quarter, after an upwardly revised 0.7% growth in Q2'17. According to Eurostat, the economy expanded by 2.5% year-on-year, an uptick from the 2.3% growth recorded in the previous period.

Local Economy

The Manufacturing Purchasing Managers' Index (PMI) stood at 55.0 index points in October 2017 from 55.3 points in September. 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. Eleven of the sixteen sub-sectors recorded growth during the month. The appliances and components subsector remained unchanged, while the computer & electronic products, petroleum & coal products, cement and transportation equipment subsectors contracted in the month under review. The Central Bank of Nigeria in a recent circular TED/FEM/FPC/GEN/01/013 of October 26, 2017 emphasized its resolve to sanction exporters that fail to repatriate their export proceeds within the stipulated 90 days for oil & gas and 180 days for non-oil exports as it is considered a breach of regulation. It further stated that any defaulter shall be barred from accessing all banking services including access to the foreign exchange market. In a separate development, the World Bank doing business report, showed that Nigeria moved up 24 places and has been recognised as one of the top most improved economies in the world. It moved up from 171st position in 2016 to 145th position this year.

Stock Market

The Nigerian stock exchange market closed on a bullish note last week as major market indicators trended upwards. The All Share Index (ASI) gained 477.33 points to close at 36,939.59 points from 36,462.26 points the previous week, representing a 1.3% increase. Similarly, market capitalization gained 1.3% to close at N12.78 trillion from N12.62 trillion the previous week. The persistent upward trajectory was due to high buy pressure. Market performance was lifted by gains in the shares of companies in the consumer goods, industrial goods and oil & gas sectors. This week, we expect the bullish trend to continue due to positive sentiment from the impressive corporate financial reports seen so far.

Money Market

The direction of money market rates was mixed last week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N)

rates increased to 39.42% and 36.33% from 15.83% and 18.75% respectively the previous week. This increase was triggered by the retail Secondary Market Intervention Sales (SMIS) conducted on the last trading day of the week. Availability of liquidity in the earlier parts of the week kept the longer dated rates down. Call rate, 30-day and 90-day Nigeria Interbank Offered Rate (NIBOR) fell to 7.36%, 19.16% and 19.38% from 19%, 20.37% and 21.53% the previous week. Based on maturity inflow of N233 billion and given that the system is not in repo, rates are expected to decline if the CBN doesn't mop liquidity from the system.

Foreign Exchange Market

The local unit slightly weakened against the "green back" at the interbank and CBN official window. It closed the trading week at N329.42/\$ and N305.90/\$ a depreciation of 0.05% for both segments. The Naira remained steady at the parallel market at N363/\$, same rate quoted in the prior week. The stability seen in the market this week is a result of the continuous intervention by CBN. This week we expect the naira to remain at its current levels as the CBN is expected to keep the market adequately supplied with dollars.

Bond Market

On the average, yields on fixed income instruments took a southward dive for the week ended November 3, 2017. Yields on the five-, seven- and ten-year debt papers dropped to 14.98%, 15.05% and 14.99% from 15.21%, 15.14% and 15.03% for the corresponding maturities the previous week. The fall in yields is as a result of increased demand. Access Bank Bond index rose marginally by 5.41 points to close at 2,480.67 points from 2,475.26 points the previous week. Year-to-date performance on the index settled at 5.01% from 4.90% the previous week. This week, yields are expected to rise on the back of profit taking and tight liquidity.

Commodities Market

OPEC oil prices increased by 3.61% to \$58.49 per barrel from \$56.45 per barrel the previous week. Bonny light, the Nigerian benchmark crude, gained 1.2% or 69 cents to settle at \$59.11 per barrel last week from \$58.42 per barrel the previous week. Declining oil production in the USA according to the Energy Information Agency (EIA) as well as increase in global demand for oil might have influenced the rise in oil prices. Oil prices picked up last week as Organisation of Petroleum Exporting Countries (OPEC) officials signalled that they will extend their production cuts at their meeting which is to hold in Vienna in a few weeks. In the same light, prices of precious metals went up for the first time in two weeks. Gold went up by 0.7% or \$8.63 to \$1,275.09 an ounce, silver also rose by 2.7% or 45 cents to settle at \$17.11 an ounce. The gains came on the back of a weaker dollar and drop in the U.S. 10-year treasury yields. This week oil prices are expected to hover around their current levels due to increased demand brought about by global growth. For precious metals, movement in prices will likely depend on the outcome of the US job statistics report.

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