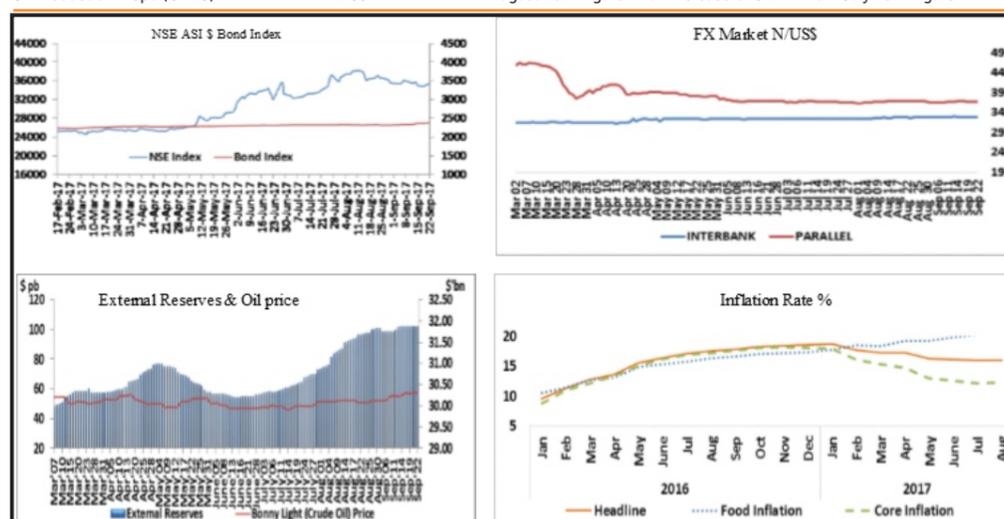


Access Bank Rateswatch

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)	22.20	Increased by 2.43% in July 2017 from N21.67 trillion in June 2017
Credit to Private Sector (N' trillion)	22.17	Increased by 0.88% in July 2017 from N21.98 trillion in June 2017
Currency in Circulation (N' trillion)	1.77	Decreased by 5.54% in July 2017 from N1.87 trillion in June 2017
Inflation rate (%) (y-o-y)	16.01	Declined to 16.01% in August'2017 from 16.05% in July'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)	31.88	September 14, 2017 figure — an increase of 0.38% from Sept start
Oil Price (US\$/Barrel)	57.38	September 22, 2017 figure - an increase of 0.7% from a week prior.
Oil Production mbpd (OPEC)	1.86	August'2017 figure — an increase of 8.14% from July'2017 figure



STOCK MARKET

Indicators	Friday 22/09/17	Friday 15/09/17	Change(%)
NSE ASI	35,488.81	35,005.57	1.38
Market Cap(N'tr)	12.23	12.07	1.37
Volume (bn)	0.19	0.16	20.02
Value (N'bn)	3.68	2.96	24.45

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	22/09/17	15/09/17	
OBB	35.0000	11.3300	2367
O/N	38.0000	12.1700	2583
CALL	10.9286	13.2500	(232)
30 Days	16.7521	17.8984	(115)
90 Days	19.9648	20.5854	(62)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	22/09/17	15/09/17	22/08/17
Official (N)	305.85	305.95	305.75
Inter-Bank (N)	328.92	328.90	328.28
BDC (N)	362.00	362.00	362.00
Parallel (N)	367.00	369.00	370.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	22/09/17	15/09/17	
3-Year	0.00	0.00	0
5-Year	15.98	16.29	(31)
7-Year	15.94	16.21	(27)
10-Year	16.04	16.30	(26)
20-Year	16.18	16.34	(16)

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: September 22 - September 29, 2017

Global Economy

In the U.S.A, the Federal Reserve left its interest rates unchanged between 1% and 1.25%, but hinted at a possible hike in December. The Fed is more optimistic about the economic growth this year as it increased its prediction of the GDP growth by 2.4% as opposed to its initial projection of 2.2% in June. The financial watchdog announced it will begin reducing its \$4.5 trillion balance sheet which was used to provide support for the economy during the financial crisis allowing the assets to mature without being replaced starting in October. The Fed's balance sheet will shrink by \$10 billion for the first three months, this amount will increase by \$10 billion every quarter until it reaches a ceiling of \$50 billion. Elsewhere in Japan, the Bank of Japan left its short term interest rate unchanged at -0.1% in its September 2017 meeting. Its policy makers also kept its 10-year bond yield target at 0%. It predicted that the Japan economy is likely to turn to a moderate expansion and the year-on-year inflation rate to continue its upwards trend. In a separate development, the Eurozone Consumer prices rose by 1.5% year-on-year in August 2017, an increase from its 1.3% posted in July 2017. According to Eurostat, it is the highest inflation since April largely boosted by a spike in energy prices from 2.2% recorded in July to 4% in August. Annual core inflation remained unchanged at 1.2% from July 2017. Month-on-month, consumer prices increased by 0.3%.

Local Economy

The total value of capital imported in Q2'17 was estimated at \$1,792.3 million according to latest estimates revealed by the National Bureau of Statistics. The figure is \$884.1 million higher than the value recorded in Q1'17, a growth of 95.02%. The main driver of the quarterly growth in capital importation in the second quarter was Portfolio investments, which increased by 145.7%, followed by other investments, which grew by 95.02%, and then Foreign Direct Investment (FDI) which increased by 29.8% over the previous quarter. Year-on-year, this was an increase of 43.6% from the \$1,042.2 million recorded in Q2'16. Month-on-month, the highest increase in capital importation was recorded in May (\$616.5 million), followed by June with \$612.6 million and April with \$563.3 million. The National Bureau of Statistics also released foreign trade statistics for Q2'17. The total import value was N2.59 trillion in Q2'17, 13.51% higher than Q1'17 and 9.97% higher than Q2'16. There were increases in the value of imported agricultural goods, raw materials, solid minerals, energy goods and manufactured goods in Q2'17 compared to Q1.16 while oil products declined quarter-on-quarter. Total export value also increased with a value of N3.10 trillion in Q2'17 representing an increase of 3.2% over Q1'17 and 73.48% over Q2'16. There was an increase in the exports of raw material, energy goods, crude oil exports and other oil products but decline in the export of agricultural goods, solid minerals and manufactured goods.

Stock Market

Performance indicators at the nation's stock market ascended last week—reversing the bearish trend of the previous week market. The Nigerian Stock Exchange All Share Index (NSE ASI) inched up by 1.4% week-on-week to 35,488.81 points. Similarly market capitalization increased by 1.4% to end the week at N12.23 trillion from N12.07 trillion. The positive performance on the stock market came on the back of gains in the industrial goods, consumer goods and Oil & Gas sectors. This week we expect the stock market to continue to trade around the same levels as investors realign their

portfolios from sectors which have done well to sectors that show growth prospects.

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 rose to 35.00% and 38.00% from 11.33% and 12.17% respectively the previous week. While Nigerian Interbank Offered Rates (NIBOR) trended slightly southwards last week across all tenors. The call, 30-day and 90-day rate declined to 10.93%, 16.75% and 19.96% from 13.25%, 17.90% and 20.59% respectively. The increase in the short term placement rates were as a result of Retail Secondary Market Intervention Sales (SMIS) carried out on Friday. This week we expect rates to trend higher due to anticipated Wholesale SMIS of about \$100 million and OMO mop up in the week.

Foreign Exchange Market

Last week, the local unit lost ground against the dollar at the interbank segment, finishing at N328.92/USD, a 0.01% slight decline from its closing position the week earlier. It however gained ground at the CBN window and parallel market. It appreciated to N305.85 and N367 from N35.95 and N369 respectively the prior week. The appreciation could be as a result of inflow from international investors who were trading dollars in order to participate in treasury bill auction. This week we expect that the currency will trade around prevailing levels.

Bond Market

In the fixed income space, yields moderated downwards across most maturities for the second consecutive week. The decline in yields in recent weeks continues to be driven by the increased appetite for Nigerian bonds by international investors. Yields on the five-, ten- and twenty-year debt papers were at 15.98%, 16.04% and 16.18% at the close of last week, from 16.29%, 16.30% and 16.34% for the corresponding maturities the prior week. The Access Bank Bond index rose by 16.73 points to close at 2,378.54 points from 2,361.81 points the previous week. This week all eyes will be on the bond auction being carried out by Debt Management Office of N135 billion as it will determine market direction for the week.

Commodities Market

Oil prices edged up last week supported by reports that the Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC members may extend a coordinated production cut so as to reduce the global crude glut. Consequently, Bonny Light, Nigeria's benchmark crude gained \$0.40, or 0.7%, to close at \$57.38 a barrel. Profit taking at the precious metals market and market expectation of an interest rate hike in the U.S.A resulted in a decline in the prices of precious metal. Gold fell by 2.4% or \$32.15 to close at \$1,296.16 per ounce, while silver dipped by 4.3% or 77 cents to settle at \$17.88 an ounce. This week we expect that oil prices will likely continue its uptrend if the OPEC proposed cut is successful. Precious metal might likely go up if there is a flare-up in U.S.-North Korea tensions as Trump administration slapped more economic sanctions on North Korea.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Sept'17	Oct'17	Nov'17
Exchange Rate (Interbank) (N/\$)	328.50	328.32	327.90
Inflation Rate (%)	15.9	15.8	15.7
Crude Oil Price (US\$/Barrel)	55	55	55