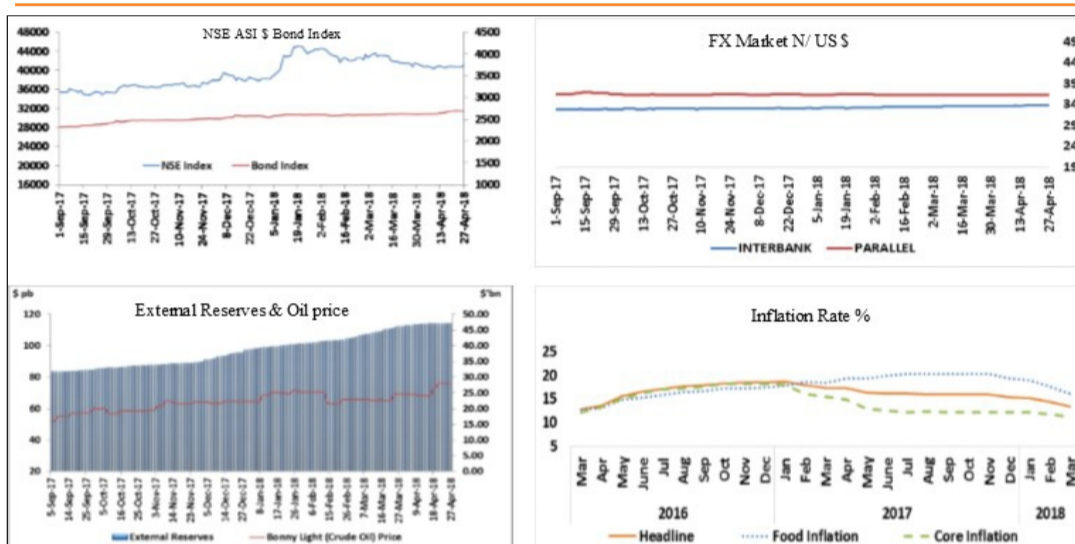


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	1.92	Q4 2017 — higher by 0.52% compared to 1.40% in Q3 2017
Broad Money Supply (M2) (N' trillion)	24.02	Increased by 0.79% in Feb' 2018 from N23.83 trillion in Jan 2018
Credit to Private Sector (N' trillion)	22.62	Increased by 2.88% in Feb' 2018 from N21.99 trillion in Jan 2018
Currency in Circulation (N' trillion)	1.94	Decreased by 0.42% in Feb' 2018 from N1.95 trillion in Jan 2018
Inflation rate (%) (y-o-y)	13.34	Declined to 13.34% in Mar' 2018 from 14.33% in Feb' 2018
Monetary Policy Rate (%)	14	Raised to 14% in July '2016 from 12%
Interest Rate (Asymmetrical Corridor)	14 (+2/-5)	Lending rate changed to 16% & Deposit rate 9%
External Reserves (US\$ million)	47.01	April 16, 2018 figure — an increase of 1.08% from April start
Oil Price (US\$/Barrel)	75.95	April 27, 2018 figure - no change in one week
Oil Production mbpd (OPEC)	1.81	Mar' 2018 figure — an increase of 1.12% from Feb' 2018 figure



STOCK MARKET

Indicators	Friday	Friday	Change(%)
	27/4/18	20/4/18	
NSE ASI	41,244.89	40,814.89	1.05
Market Cap(N'tr)	14.94	14.74	1.34
Volume (bn)	0.32	0.24	31.80
Value (N'bn)	2.80	3.03	(7.66)

MONEY MARKET

NIBOR			
Tenor	Friday Rate	Friday Rate	Change
	(%)	(%)	(Basis Point)
	27/4/18	20/4/18	
OBB	2.83	3.00	(17.0)
O/N	3.42	3.75	(33)
CALL	3.59	3.38	21.3
30 Days	12.05	11.31	73
90 Days	14.00	12.57	143.0

FOREIGN EXCHANGE MARKET

Market	Friday	Friday	1 Month
	(N/\$)	(N/\$)	Rate (N/\$)
	27/4/18	20/4/18	27/03/18
Official (N)	305.65	305.60	305.65
Inter-Bank (N)	338.26	337.93	336.38
BDC (N)	359.50	360.00	359.86
Parallel (N)	363.00	363.00	362.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday	Friday	Change
	(%)	(%)	(Basis Point)
	27/4/18	20/4/18	
3-Year	0.00	0.00	0.0
5-Year	12.63	12.09	53.5
7-Year	11.55	12.45	(89.3)
10-Year	12.76	12.75	1.2
20-Year	13.01	12.99	1.8

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: April 27 - May 4, 2018

Global Economy

In the latest update to its World Economic Outlook, the International Monetary Fund (IMF) expects global growth to strengthen to 3.9% in 2018 and 2019, up from 3.8% in 2017. This will be driven by a projected pick-up in emerging market and developing economies, as well as resilient growth in advanced economies. The Fund reiterated that China's transition to lower growth is set to continue amid slower credit growth and reduced fiscal support. Despite the slowdown in China, output in emerging markets as a group is expected to accelerate in 2019, lifted by faster growth in India, Latin America as well as Sub-Saharan Africa (SSA). On the other hand, growth in advanced economies is expected to ease in 2019. Over the longer run, the IMF expects global growth to slow, as advanced economies return to potential growth rates below pre-crisis averages. In the Eurozone, the European Central Bank (ECB) decided to keep interest rates steady at its meeting last week. Interest rates on the main refinancing operations were unchanged at 0.00%. The Bank also retained interest rates on the marginal lending facility and the deposit facility standing at 0.25% and -0.40%, respectively. Speaking at a press conference, the ECB President confirmed that quantitative easing bond purchases would continue at 30 billion euros (\$36.5 billion) a month until at least end-September or until it saw a sustained adjustment in the path of inflation. In Japan, the flash Markit/Nikkei Japan Manufacturing Purchasing Managers Index (PMI) rose to a seasonally adjusted 53.3 in April from a final 53.1 in the previous month. The index remained above the 50 threshold that separates expansion from contraction for the 20th consecutive month and rose for the first time in three months. April's slight increase came on the back of stronger growth in output, new orders, and employment. Stronger activity prompted businesses to accelerate purchasing activity.

Local Economy

The Nigerian Stock Exchange (NSE) published its monthly Domestic & Foreign Portfolio Investment report for the month of March 2018. The report revealed that the total transactions at the nation's bourse rose in the month of March 2018 by 28.50% to N272.48 billion from N212.05 billion recorded in February 2018. Total foreign transactions witnessed a significant increase compared to the previous month by 58.87% to N132.21 billion from N83.22 billion the prior month. Total domestic transactions rose at a slower pace by 8.88% to N140.27 billion from N128.83 billion in February. An increase of 55.29% in monthly foreign inflows was recorded at N69.71 billion from N44.89 billion in February. Foreign outflows also rose by 63.06% to N62.50 billion in March from N38.33 billion in the previous month. In a separate development, the Federation Accounts Allocation Committee (FAAC) disbursed the sum of N647.39 billion among Federal, States and Local Governments in March 2018 from the revenue generated in February 2018. This was 1.86% or N11.84 billion higher than the figure disbursed in February (N635.55 billion). The amount distributed was from the statutory account and value added tax (VAT) comprising of N557.29 billion and N89.45 billion respectively. A breakdown of the sum disbursed among the three tiers, revealed that the Federal Government received N270.81 billion, states received N173.76 billion and the local governments received N130.91 billion. The oil producing states received N57.49 billion as the 13% derivation fund. Revenue generating agencies such as Nigeria Customs Service (NCS), Federal Inland Revenue Service (FIRS) and Department of Petroleum Resources (DPR) received N3.82 billion, N5.64 billion and N2.97 billion respectively as cost of revenue collections.

Stock Market

Trading activities at the local bourse ended on a positive note last week as market indicators closed in the green. The All Share Index (ASI)

climbed by 430 points to close at 41,244.89 points from 40,814.89 points the previous week, representing a 1.1% increase. Similarly, market capitalization gained 1.3% to close at N14.94 trillion from N14.74 trillion the previous week. The improvement witnessed may be attributed to the release of Q1 2018 earnings report by some companies. Stocks in the consumer goods, industrial goods and oil & gas sectors led to the appreciation witnessed in the market. This week, we expect market performance will remain on the upside as more earnings report are expected.

Money Market

The money market was awash with liquidity last week due to a retail Secondary Market Intervention Sales (SMIS) refund by the Central Bank of Nigeria (CBN), causing rates to drift lower. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates fell to 2.83% and 3.42% from 3.00% and 3.75% respectively the previous week. However, longer dated placements trended upwards. The 30-day and 90-day NIBOR closed higher at 12.05% and 14% from 11.31% and 12.57% the previous week. This week, rates may slightly trend upwards due to expected retail SMIS and Open Market Operation (OMO) sales.

Foreign Exchange Market

The naira-dollar exchange rate at the interbank window depreciated marginally by 33 kobo to close at N338.26/\$ from N337.93/\$ the previous week. At the parallel market, the local currency closed at N363/\$, unchanged from the previous week's rate. The local unit however depreciated at the official market by 5 kobo to settle at N305.65 from N305.60 the previous week. It appears the apex Bank is pushing for a gradual convergence of the interbank rate with the Nigerian Autonomous Foreign Exchange Fixings (NAFEX). This week, we expect the naira to remain around prevailing levels at the CBN window whilst the Nigerian Foreign Exchange Fixings (NIFEX) rate might continue to follow the trend witnessed in recent weeks.

Bond Market

Bond yields trended upwards last week due to sell-offs based on previous weeks' gains (i.e. investors took advantage of the high prices that prevailed last week). Yields on the five-, ten- and twenty-year debt papers settled at 12.63%, 12.76% and 13.01% from 12.09%, 12.75% and 12.99% respectively the previous week. Conversely, the Access Bank Bond index declined marginally by 0.88 points or 0.03% to close at 2,690.04 points from 2,690.91 points the previous week. This week, yields may further trend upwards due to the expected Open Market Operation (OMO) auction.

Commodities Market

Oil prices further inched up in the week ended April 27, 2018, following higher demand for crude oil as well as the potential for the U.S to re-impose sanctions on Iran which could disrupt supply. The Organization of Petroleum Exporting Countries (OPEC) benchmark crude rose by 0.06% to \$71 per barrel from \$70.96 the previous week. Bonny light, Nigeria's benchmark crude however remained unchanged at \$75.95 per barrel. In contrast, precious metals prices remained pressured due to a rise in U.S. bond yields and the strengthening dollar. Gold lost 1.28% or \$17.16 to settle at \$1,319.58 per ounce. Silver was also down by 62 cents, or 3.6%, closing at \$16.51 per ounce. The downside risk to crude oil prices is the increasing U.S. crude oil production. However, they may be pushed higher by Saudi Arabia's intention for above \$70 per barrel crudes. For precious metals, prices may remain upward sticky due to the easing tension in geopolitical hotspots such as Korea.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	May'18	Jun'18	Jul'18
Exchange Rate (Official) (N/\$)	338.50	338.90	339.10
Inflation Rate (%)	11.89	11.50	10.80
Crude Oil Price (US\$/Barrel)	72	70	70

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