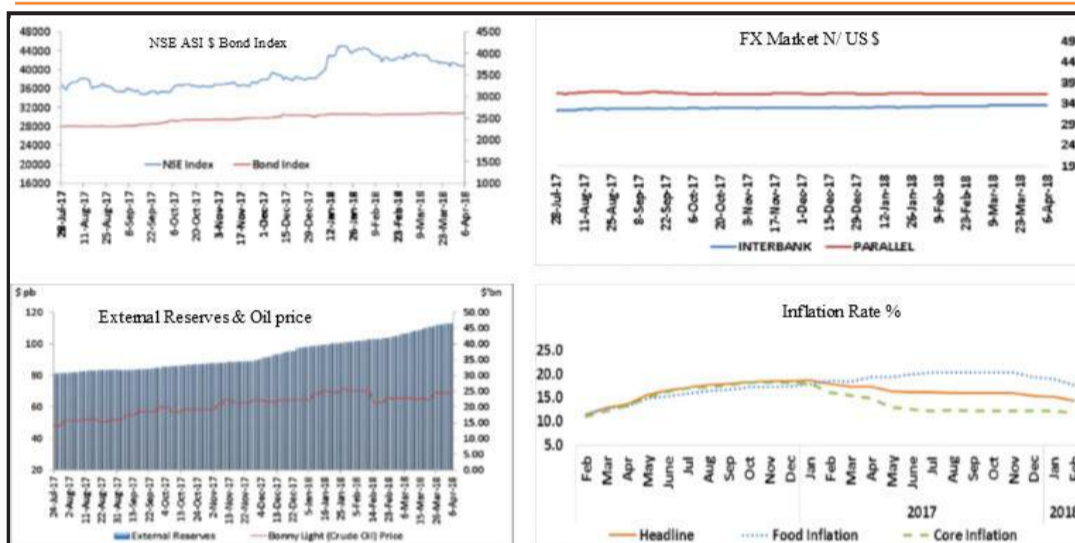


# Access Bank Rateswatch

## 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)	14.33	Declined to 14.33% in Feb' 2018 from 15.13% in Jan'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)	46.55	April 4, 2018 figure — an increase of 9.20% from March start
Oil Price (US\$/Barrel)	69.04	April 6, 2018 figure - a decrease of 0.1% from a prior week
Oil Production mbpd (OPEC)	1.81	Feb' 2018 figure — an increase of 1.40% from Jan'2018 figure



## STOCK MARKET

Indicators	Friday 6/04/18	Friday 29/03/18	Change(%)
NSE ASI	40,841.14	41,504.51	(1.60)
Market Cap(N'tr)	14.75	14.99	(1.60)
Volume (bn)	0.50	0.27	84.13
Value (N'bn)	5.85	3.72	57.35

## MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	6/04/18	29/03/18	
OBB	3.67	7.17	(350)
O/N	4.00	8.08	(408)
CALL	8.94	11.95	(301)
30 Days	14.90	15.05	(15)
90 Days	15.68	16.02	(34)

## FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	6/04/18	29/03/18	6/03/18
Official (N)	305.60	305.65	305.80
Inter-Bank (N)	336.87	336.42	335.18
BDC (N)	359.81	360.00	360.00
Parallel (N)	362.00	362.00	362.00

## BOND MARKET

### AVERAGE YIELDS

Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	6/04/18	29/03/18	
3-Year	0.00	0.00	0
5-Year	13.56	13.78	(22)
7-Year	13.72	13.92	(20)
10-Year	13.62	13.69	(6)
20-Year	13.65	13.63	1

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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 06 - April 13, 2018

### Global Economy

In the U.S., the unemployment rate stood at 4.1% in March 2018, same as in the previous month. The number of unemployed persons dropped by 121,000 to 6.59 million and employment fell by 37,000 to 155.18 million. Data according to the Bureau of Labour Statistics (BLS) revealed that the labour force participation rate stood at 62.9% in March and the employment-population ratio stood at 60.4%. Elsewhere in Brazil, the trade surplus declined to \$6.28 billion in March 2018 from \$7.14 billion in March 2017. Imports climbed 16.9%, driven by purchases of intermediate goods, fuels and lubricants. According to the Ministry of Development, Industry and Foreign Trade (MDIC), exports also surged by 9.6% driven by sales of basic goods and manufactured products. Among major export trading partners, shipments increased to the European Union (EU), China and the U.S. Considering the first quarter of 2018, imports jumped 15.8% to \$36.05 billion and exports rose by 11.3% to \$54.37 billion, therefore shrinking the trade surplus by 3.1% to \$13.95 billion in the reference quarter. In another development, the Reserve Bank of India left its key policy rate unchanged at 6% during its April meeting. Policymakers stated that the decision is in line with the Bank's neutral monetary policy stance which aims to achieve the medium term inflation target of 4%. The inflation forecast was lowered to 4.5% from 5.1% for Q1 2018 of the current fiscal year. GDP growth for 2018 was also revised to 7.4% from 6.6% previously.

### Local Economy

The Nigerian Stock Exchange (NSE) published its monthly Domestic & Foreign Portfolio investment report for the month of February 2018. The report revealed that the total transactions at the nation's bourse declined in the month of February 2018 by 46.24% to N212.05 billion from N394.44 billion recorded in January 2018. Total foreign transactions witnessed a significant decline when compared to the previous month by 49.98% to N83.22 billion from N166.39 billion the prior month. Total domestic transactions followed closely falling by 43.51% to N128.83 billion from N228.05 billion in January. A decrease of 51.07% in monthly foreign inflows was recorded at N44.89 billion from N91.75 billion in January. Foreign outflows fell by 48.65% to N38.33 billion in February from N74.64 billion in the previous month. In a separate development, according to the Central Bank of Nigeria's Credit Conditions Survey report for Q1 2018, the availability of secured credit to households increased during the first quarter of the year due to a favourable economic outlook for the economy. The demand for secured lending by households however, declined during the quarter under review. The proportion of loan applications that were approved increased despite lenders' tightening of the credit scoring criteria. It was also reported that the availability of unsecured credit to households increased during the reference quarter as well as the demand for unsecured lending from households. The availability of credit to the corporate sector increased as well as the demand for corporate credit across all firm sizes during the quarter. Regarding loan defaults, secured loan performance and total unsecured loan performance to households worsened in Q1 2018. Corporate loan performance improved across all firm sizes except for small businesses. Regarding loan pricing, lenders reported that the overall spreads on secured lending rates on approved new loans to households relative to unsecured lending also narrowed in the reference quarter.

### Stock Market

The local bourse closed in the red in the week ended April 6, 2018. The negative performance was due to profit taking especially on gains of the

previous week. The All Share Index (ASI) posted losses of 1.6% or 663.37 points to close at 40,841.14 points from 41,504.51 points the previous week. Similarly, market capitalization also fell by 1.6% to close at N14.75 trillion from N14.99 trillion the previous week. Market indices was pulled down by stocks in the industrial goods and oil & gas sectors. This week market sentiment may improve as investors await more earnings report.

### Money Market

Money market rates moderated in the week ended April 06, 2018 due to inflow from Federal Accounts Allocation Committee (FAAC) of about N312 billion. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates declined to 3.67% and 4% from 7.17% and 8.08% respectively the previous week. Longer dated placements also trended downwards. The 30-day and 90-day NIBOR closed lower at 14.90% and 15.68% from 15.05% and 16.02% the prior week. This week, rates may trend higher due to expected retail Secondary Market Intervention Sales (SMIS).

### Foreign Exchange Market

The local currency depreciated marginally at the interbank window by 45kobo to close at N336.87/\$ from N336.42/\$ the previous week. The local currency however appreciated slightly at the official market to N305.60/\$ from N305.65/\$ the previous week. At the parallel market, the local currency remained unchanged from the previous week at N362/\$. The depreciation witnessed at the interbank segment may be attributed to the apex bank's mop up of naira liquidity to curb speculation on the currency. This week, we expect the naira will remain around prevailing levels.

### Bond Market

Bond yields trended downwards last week due to increase in demand from improved liquidity. Yields on the five-, seven- and ten-year debt papers settled at 13.56%, 13.72%, and 13.62% from 13.78%, 13.92%, and 13.69% respectively the previous week. The Access Bank Bond index rose by 7.69 points or 0.29% to close at 2,623.02 points from 2,615.33 points the previous week. This week, yields might trend upwards due to anticipated tight liquidity.

### Commodities Market

Oil prices declined last week after the U.S. president, Donald Trump threatened new tariffs on China, reigniting fears of a trade war between the world's two largest economies. The Organization of Petroleum Exporting Countries (OPEC) reference crude fell by 1.32% to \$65.18 per barrel from \$66.05 per barrel the previous week. Nigeria's benchmark crude, Bonny light, also declined by 0.1% to \$69.04 per barrel from \$69.10 per barrel the previous week. The prices of precious metals surged as investors sought safe assets after the U.S. president proposed \$100 billion in new tariffs on China. Gold price gained 0.7% to \$1,332.46 an ounce from \$1,323.27 an ounce the previous week. Silver also rose by 0.8% to \$16.38 from \$16.25 an ounce the previous week. Oil prices are likely to remain pressured due to the concerns over the potential trade war. Precious metals may also be supported by the concerns over the potential trade war as investors migrate towards safe haven assets.

### MONTHLY MACRO ECONOMIC FORECASTS

Variables	Apr'18	May'18	June'18
Exchange Rate (Official) (N/\$)	336.02	337.50	337.90
Inflation Rate (%)	13.96	13.74	13.00
Crude Oil Price (US\$/Barrel)	67	68	68

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